

# PrOpCom

Making Nigerian Agricultural Markets Work for the Poor

## Agricultural Policy Innovation

PrOpCom (Promoting Pro-Poor Opportunities through Commodity and Service Markets) is an innovative market-driven programme that aims to reduce poverty in Nigeria. Funded by the United Kingdom's Department for International Development (DFID), the programme works with government institutions, businesses and individuals to enable agricultural markets to work better for the poor. PrOpCom started full implementation in 2008 and will be operational until April 2011.

The overall intention of the programme is to facilitate basic changes to market systems, to improve how markets operate, and to increase profits and revenue whilst providing benefits to the poor from these market interventions. PrOpCom facilitates and catalyses these changes – making them possible or making them happen faster – through active engagement with businesses, civil society and government, in order to address problems in selected commodity sectors. The programme works along the entire value chain, including production, processing and marketing of agricultural products.

Using this market-led, pro-poor development approach, PrOpCom works through market forces to support the poor to:

- enhance their incomes
- increase their job opportunities
- broaden their access to markets
- create more choices for them
- reduce the economic risks they face.

PrOpCom is currently facilitating activities in five markets within a framework of 12 interventions, in order to promote market development that is beneficial to poor people in Nigeria. PrOpCom anticipates that these interventions will positively impact some 412,000 poor households, generate ₦8.6 billion (£34.4 million) in additional income and create about 70,000 new jobs as they mature.

## Kano state government endorses rice investment policy

Kano state government considers rice a key commercial commodity, one that deserves special policy attention. The state has a huge market for rice due to its large population and status as the commercial and industrial hub of northern Nigeria. The Dawanau market, located in Kano, is the largest grains market in the West African sub-region. Kano state is also blessed with land resources suitable for the cultivation of both upland and lowland rice.

Despite all this, Kano's rice industry is underperforming. The industry faces several challenges such as infrastructural decay (for example, abandoned irrigation facilities), a lack of farm inputs (especially seeds and fertilisers), and a lack of clear roles for the public and private sectors. As a result, the locally processed rice in the state does not meet consumers' quantity and quality demands. Recent statistics estimate that 60–65% of the rice consumed in Kano is imported.

The state government acknowledged the need to address these challenges in a systematic manner to realise the potential of the rice sub-sector. They decided to develop a rice investment policy and strategy that would articulate government plans to develop the sub-sector and attract more private investment in the state.

With PrOpCom's assistance, they conducted a diagnosis of Kano's rice market using a team of policy experts, led by Professor Ode Ojowu of the Abuja-based Country Policy Centre. The team, working with the State Inter-ministerial Rice Committee, used the results to develop the state's rice policy and strategy.

The policy development process started in January 2009 with the adoption of a participatory approach. The state government held several consultation meetings to get the views of both private- and public-sector players.

The participatory process used to develop the policy took time, but the benefits to people in the state are enormous. "Our voices as rice farmers can now be heard and our interests taken care of," says Lawan Bello Kura, a medium-scale rice farmer from Kura town of Kano state. The consultative style used guaranteed that key stakeholders could express their views, which were then included in the policy. This is a significant change from the past, when policymakers would design, formulate and implement policies without involving the potential beneficiaries of such policies.

These efforts paid off; a draft policy was validated in November 2009. The State Executive Council were pleased with the policy's content and the approach used, and approved it for implementation in July 2010. "For the first time, we have now set a holistic and sustainable rice agenda for implementation in Kano state," explained Alhaji Nour Sani Hanga, Kano state's Commissioner for Planning and Budget.



Alhaji Nour Sani Hanga, the Commissioner for Planning and Budget of Kano state

## Roles and responsibilities

The rice policy clearly spells out the roles of various stakeholders, including the state government and the business community. The government's focus is to provide much-needed infrastructure and a business-friendly environment, while the private sector will exploit this opportunity by increasing its investment in the rice value chain. The overall aim is to engage more people into economic activities along the rice value chain, thereby increasing income generation and reducing poverty.

To express their support and ownership of the rice policy, private industry players and representatives of the Rice Farmers Association of Nigeria (RiFAN) have formed the Kano Rice Business Group (KRBC). The KRBC's objective is to maintain dialogue with the government and realise the goals of the policy.

Top-level government officials who participated in the policy process are delighted that the rice policy has placed Kano in a strong position to 'sell' itself to both local and foreign rice investors. In Nour Hanga's words, "Kano can now boast of a rice policy that is presentable to potential investors, both foreign and local".



Alhaji Muhammad Umar Kura, managing director of the Kano State Agricultural and Rural Development Authority

In August 2010, PrOpCom organised a peer-learning national policy dialogue in Abuja. At this event, Alhaji Muhammad Umar Kura, the managing director of Kano State Agricultural and Rural Development Authority, shared the experience of developing Kano's rice policy with 12 other states. The success of the Kano rice project has also attracted a delegation of senior-level agriculture officials from Imo state in southeastern Nigeria, who visited Kano state on a learning mission in September 2010.

## Looking to the future

To guarantee that the policy is not abandoned by successive administrations, the state government has embedded it into the Kano Roadmap for Development framework – a 10-year economic blueprint. Nour Hanga believes that being part of the Roadmap gives the rice policy legitimacy, since the Roadmap's expenditure framework will, in future, undergo legislative approval and executive assent processes. This is also evidence of systemic results from PrOpCom's intervention, with rice players in both the private and public sectors being winners.

The state government has already started to implement the policy and data provided by them shows that government public investment in the rice sub-sector has increased by about ₦804 million (£3.25 million) due to the policy. Much of this investment is in dam rehabilitation, an important step towards improving the irrigation of local rice paddies. Magaga dam, originally built in 1970, is undergoing rehabilitation and when completed will have the capacity to support 230 hectares of rice farmland. Contracts to rehabilitate two other dams in the state are also being processed.



Officials from Kano state government in a strategy session during the Technical Retreat on Rice Policy

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