

# PrOpCom

---

Making Nigerian Agricultural Markets Work for the Poor

**Monograph Series Vol. 39**

## **Assessment of Access to Credit for Technology Expansion in Kano-Kura Cluster**

**By**

**Development Associates**

**February 2008**

**DFID** Department for  
International  
Development

Funding for this programme is provided by the United Kingdom's  
Department for International Development (DFID)



## Disclaimer

The PrOpCom Monograph Series seeks to provide a broader dissemination of the information and views collected through the efforts of the various service providers and consultants undertaking work in support of the PrOpCom programme. We believe this information will be useful in informing the policy dialogue in Nigeria and for improving the planning and execution of agricultural and agribusiness activities within the country.

The documents in this series represent the final deliverables as presented by the engaged service providers or consultants in response to terms of reference of contracts let by PrOpCom in execution of its programme. They have not been further edited or editorially polished. Consequently, there is wide variation in the editorial quality of these documents. Nevertheless, the information contained in these documents is deemed useful for policy and planning purposes.

The views and opinions expressed in these documents are solely those of the authors of the document and do not necessarily represent the views of PrOpCom, SAI Associates, Chemonics International or PrOpCom's funding agent, the Government of the United Kingdom's Department for International Development (DFID)

Information from these documents can be freely used and quoted on condition that it is properly sourced to the concerned document.



# PrOpCom



## FINAL REPORT

### Assessment of Access to Credit for Technology Expansion in Kano-Kura Rice Cluster



Development Associates

February 2008

## Table of Content

<b>INTRODUCTION .....</b>	<b>3</b>
<b>1.0 BACKGROUND.....</b>	<b>5</b>
<b>2.0 FINANCIAL CHALLENGES IN THE RICE VALUE CHAIN.....</b>	<b>5</b>
2.1 SME MILLERS AND TRADERS .....	6
2.2 SME FABRICATORS .....	8
2.3 MICROENTERPRISE (WOMEN PARBOILERS) .....	10
<b>3.0 LENDING APPROACHES .....</b>	<b>14</b>
3.1 DIRECT LENDING .....	14
3.2 INDIRECT LENDING THROUGH INTERMEDIARIES OR OUT-GROWERS.....	14
3.3 GROUP/COOPERATIVE APPROACH .....	15
3.4 TRUST FUND APPROACH.....	15
3.5 GUARANTEE INSTRUMENT .....	16
<b>4.0 ACTION PLANS &amp; COMMITMENTS FROM FINANCIAL INSTITUTIONS: .....</b>	<b>18</b>
4.1 FIRST BANK (FBN).....	18
4.2 AFRIBANK.....	19
4.3 WOMEN DEVELOPMENT INITIATIVES (WDI) .....	19
4.4 NIGERIA AGRICULTURAL COOPERATIVE AND RURAL DEVELOPMENT BANK (NACRDB).....	19
4.5 WHAT FINANCIAL INSTITUTIONS EXPECT FROM PROPCOM.....	20
<b>5.0 GOVERNMENT ACTIVITIES .....</b>	<b>22</b>
5.1 KANO STATE AGRICULTURAL & RURAL DEVELOPMENT AGENCY (KNARDA).....	22
5.2 MINISTRY OF COMMERCE .....	23
<b>6.0 GENERAL RECOMMENDATIONS.....</b>	<b>25</b>
6.1 NEED FOR FURTHER DIALOGUE .....	25
6.2 NEED FOR CAPACITY BUILDING.....	25
6.3 USE EXISTING STRUCTURES .....	25
6.4 RIGHT METHODOLOGY AND APPROACH.....	25
6.5 STRENGTHENING OF RIFAN .....	26
6.6 INFLUENCING GOVERNMENT APPROACHES TO CREDIT DELIVERY .....	26
6.7 REGULAR ASSESSMENT OF POLITICAL ECONOMICS OF PROPCOM ACTIVITIES:.....	26
6.8 ROADMAP TO CREDIT FLOW INTO KURA RICE VALUE CHAIN: .....	27

## Introduction

This report outlines the key issues and messages that may be used to engage government, financial institutions and stakeholders of rice value chain in Kano-Kura cluster in a dialogue that leads to improved flow of credit and other financial services to the rice sector. The report is intended to stimulate discussions on options and practical approaches for PrOpCom to promote market oriented financial services to rice value chain in Kano-Kura corridor. The key audiences for the access to financial services in the rice value chain in Kano State are:

- Nigerian Agricultural, Cooperative and Rural Development Bank, NACRDB
- Commercial Banks ( in particular, First Bank, Union Bank and Afribank)
- Women Development Initiatives
- Freedom Microfinance Bank
- Kano State Ministry of Commerce and Cooperatives
- Rice Marketers Association
- Women Parboilers Cooperatives
- Major Fabricators

The Outline of the Report is organised as follows:

Section 1: *Background* sets out the activities of PrOpCom and how the issue of access to finance arose.

Section 2: *Challenges of access to finance* in rice value chain lays down the specific experience, challenges and financial services needs of key niches of the value chain. These include SME millers/Traders, SME Fabricators, Micro enterprise Women Parboilers

Section 3: *Lending approaches* sets out the types of lending windows that is available and their appropriateness for the actors in the value chain. This section covers direct lending, lending through intermediaries or out-growers, cooperatives/group approaches, special trust funds and guarantee instruments.

Section 4: *Action Plan and Commitment From Financial Institutions* highlights the specific undertaking and conditionalities for engagement by the financial institutions that were contacted, namely: First Bank, Union bank, NACRDB, Afribank, Equatorial Trust Bank, Women development Initiatives ( a micro finance NGO). The section also deals with what financial institutions expect from PrOpCom.

Section 5: *Activities of Government* lays out the current and proposed activities of KNARDA and Ministry of Commerce and Cooperatives in the area of financial services to the rice value chain as well as the expectation of these government institutions from PrOpCom in this regard.

Section 6: *Summary of Recommendations* lists proposed changes and actions that may be considered by PrOpCom and other stakeholders in the Kano-Kura rice value chain.

## 1.0 Background

In response to the promotion of improved technology in rice processing and capacity building for stakeholders in Kano-Kura rice cluster, there has been an increasing demand for improved parboilers by women who carry out this activity in the rice value chain. To meet this demand, and in continuation of its activities in Making Markets Work for the Poor (M4P), PrOpCom seeks market based approaches to achieve the following 1) *Developing Financial Resources for Expansion of Small Scale Technologies*, 2. *Mediation between Lenders and Clients on Agricultural Sector Related Loans* 3) *Financial Alternatives for State Government Support to the Agricultural Input Sector*:

To address these challenges Development Associates (DA) was commissioned by PrOpCom to carry out assessment of access to credit for technology expansion in Kano-Kura rice cluster. The field work<sup>1</sup> was carried out by a team three of consultants from DA. Series of in depth and key informant interviews were carried out and a large group meeting was held to seek the views of a cross section of stakeholders in the rice value chain in Kano-Kura axis. The full lists of contacts, interviewees and participants at the group meeting are contained Annex 2.

## 2.0 Financial challenges in the rice value chain

Past efforts has been on the provision of financial services to farmers through government credit programs, the Nigeria Agricultural Cooperative and Rural Development Bank (NACRDB). The result of these efforts yielded mixed results. While some are successful others recorded high default rates and outright loan loss in a few cases. The experience of government institutions like KNARDA and the Ministry of Commerce and Cooperatives were very poor, the NACRDB has selected success stories while commercial banks like First Bank appeared to have sustained positive experience. Not much credit flowed into value addition activities such as parboiling, milling, product branding and marketing in the past, however, with the capacity building and awareness creation efforts of PrOpCom, there is a new demand for credit among stakeholders to work on three things namely processing (parboiling and milling), packaging and marketing. The potential benefits and income opportunities of integration of the currently fragmented rice value chain in Kano-Kura

---

<sup>1</sup> The field work for this report was carried out in Kano and Kura from January 14-18 and report compiled by Olu Adetunmbi, Kayode Olode and Segun Ogidan on behalf of Development Associates for PrOpCom.

will be heavily dependent on the availability of financial resources to actors in the chain.

### 2.1 *SME Millers and Traders*

There is currently a popular acceptance in the Kano-Kura rice corridor that appropriate parboiling is consequential to the quality and value of rice that is produced and processed in the area. It is also widely acknowledged that the premium price currently enjoyed by imported rice can only be achieved by local rice when this quality bottleneck at the parboiling stage is removed. To deal with this challenge, there is a challenge of facilitating the flow of affordable and properly structured credit to finance new parboiling technologies to replace the inefficient traditional parboiling approaches that is prevalent in the Kano-Kura area.

There are evidences that the removal of the parboiling bottleneck can produce sustained demand for locally produced rice and enhanced income for all the actors who embrace the PrOpCom induced change in the rice value chain. There are a couple of SME rice processing companies that have practically responded to this new thinking in the Kano rice value chain. The significance of the proposed change in parboiling technology is generally accepted among stakeholders and succinctly captured in the opinion of a key player.

*“When we started processing, we removed all the particles and improved parboiling techniques, people started buying the rice. They discover that the local rice is sweeter because it is young and it is bigger. When you cook small quantity, it swells up easily. Nigerian rice has these advantages over the international rice. We experienced a lot of demand from Lagos, Onitsha and other places. They are demanding for two vehicles, three vehicles and four vehicles on a daily basis. We also discover that people are ready to pay more money to get the rice.” TADCO MD*

Golden Grains Agrochemical (formerly Knafes Enterprises) is a beneficiary of the support PrOpCom is giving to improve the quality of rice production in Kura. The company received technical advise, capacity building and grants from PrOpCom. According to Suraj Druwa Kura, G.G.A plans to move up the value chain to produce and brand its own improved local rice to compete effectively with imported rice. Using new information acquired from PrOpCom, it has acquired 20 par boilers from TADCO for 20 women that have been formed into a cooperative supply chain for GGA to feed its improved milling and destining facilities. The parboilers will be installed in the company premises and the women will work with it for a contracted period and

eventually own the TADCO parboilers. The funds to purchase the parboilers were provided by PrOpCom for TADCO to supply the 20 parboilers. In its new determination to go into branding and marketing of locally produced rice, the company received grant from PrOpCom to acquire and install industrial sewing machines and packaging materials. It's improved paddy rice drying and parboiling facilities milling, and destoning equipment were being installed during the field work and new buildings were being constructed for the proposed expansion.

Besides GGA, there are scores of other rice millers and miller-merchants in Kano-Kura axis who can move up the value chain by replicating the model. While the GGA support can produce demonstration effects for new entrants, the existing big players in Kura rice sector present even a greater opportunity to achieve a wider impact of PrOpCom's activities in this area. Therefore PrOpCom need to carry out additional awareness campaign and facilitate an investment promotion drive to channel commercial credit in the direction of stakeholders that are willing to make the required investments. PrOpCom can support such players with the needed technical assistance in business planning, market development and facilitation of access to financial services.

The current approach of using grants to pump prime first mover initiative is good, but intention of massive transformation of the Kura can be better achieved with the additional support to long standing and influential stakeholders that are really embedded in the value chain. The encouraging news is that there is a growing awareness among banks to take on the responsibility of financing this transformation, if appropriate linkage mechanisms and demand can be built through PrOpCom activities in the area.

First bank and Afribank have indicated interest and readiness to participate in structured financing arrangement for capable millers and merchants that are willing to make investment upstream in the value chain. Both banks have loan products that fit this niche and want deeper dialogue with eligible SMEs to be facilitated by PrOpCom. The offer of interest to provide financial services to the Kano-Kura rice cluster is a widow of opportunity for PrOpCom to expand the adoption of improved

rice parboiling technology and marketing in the area. To set the ball rolling, the following facilitation roles by PrOpCom can be considered.

- Identification and recruitment of more SME millers who are ready to move up the value chain to act as change agents in Kano-Kura cluster. There are a few big players in rice milling and marketing in Kura, they have been in the business for many years and have mills, strong supply chains and organizational capacity to undertake a more integrated value addition if well mentored out of old practices. These big players are quite influential among the Kura rice traders association and their operations are well embedded in the Kura cluster. They are willing to upgrade their operations, take on more value addition functions like TADCO and GGA and become strong agents of transforming the Kura rice sector.
- Host a “Rice Investment Forum” for interested banks and investors to show case new opportunities in the rice sector in Kano state. The forum should showcase the success story of PrOpCom in the rice value chain and highlight potential transactions. This kind of forum will help to bridge the communication gap that currently exists between borrowers and financial institutions and facilitate better interaction and opportunities of mutual benefit.
- Given the new desire for change in the Kano-Kura rice cluster, small and medium businesses in Kura require technical assistance on business planning and marketing strategy as part of PrOpCom support to cushion the risks of financial institutions that are willing to provide services to the market.

## *2.2 SME Fabricators*

There are two types of financial challenges that fabricators are faced with namely working capital to produce samples of new technologies for the show room and production expenses to meet large orders. The other and more difficult type of loan is the long term loans that is required for equipment purchase. In order increase number of fabricators and create competition for the supply of improved parboilers and other agro-processing equipment in the state, the support provided by PrOpCom for this niche of the chain should be expanded to cover other players.

The current high demand for the improved parboilers in the rice clusters in the state is a unique opportunity to mobilize more capable fabricators and get them into the

financing loop for the women parboilers in the value chain. By pluralizing the sources of improved parboilers to include other fabricators the political risks of hostile gang up against TADCO and PrOpCom will be reduced. When more the fabricators that are involved in the production of improved parboilers, supply will become ample and customers will have a choice and the competitive result of more players will result into consumer benefit.

Already there are signs of apprehension of TADCO dominance of the parboiling technology market and this need to be managed carefully to avoid any negative backlash. This issue was raised with Managing Director of TADCO who seemed to recognize this potential risk and agreed on the need to engage and integrate more fabricators into the value chains in the PrOpCom supported clusters. On its part, TADCO promised to look creatively into these challenges as it works with PrOpCom to facilitate production of improved rice quality through the adoption of improved parboiling technology. It is recommended for PrOpCom to work with a wider number of fabricators to arrive at appropriate solution to the political risks of the planned transformation in the rice value chain in Kano-Kura. The need for fabricators to have solid understanding of product development and appropriate marketing strategies was stressed by participant during the FGD with fabricators millers and bankers. This contribution by one of the participants captures this view succinctly.

*“You want to go into the market. You must identify the end users of your market. It is just like marketing product. You do not produce in the old concept of assuming that the market is there. You don’t just produce waiting for somebody to come. You have to look and search for market for those products, look for them and give them. Two, they can come, and access bank facility, produce and market but they will find it difficult if they don’t have an effective marketing strategy for them to come and pay back the facility. And if the unable to get market for their product to sell, the facility may become delinquent and they will not pay and the vicious circle will come in. The loans go bad and we start going into so many things. We don’t want to get into that.*

*FGD participant*

First Bank is prepared to extend credit in kind to women parboilers whereby loan disbursement will be made to fabricators e.g. TADCO and the women can then take delivery of the equipment. The fabricator will then assist the bank in loan repayment by women parboilers through their cooperatives. To achieve this, the banks ask for more discussion with PrOpCom, TADCO and the women groups on the details of

improved financial services provision into the rice cluster. The likely action points are as follows

- First Bank confirmed its willingness to fund equipment manufacturing. Therefore TADCO and other eligible and interested fabricators should be encouraged to approach the bank for further discussion on the terms of the facility they require.
- Government has a responsibility for economic development and cannot shy away from the development of the equipment fabricators. Therefore the ministry of commerce should be considered for a focused technical assistance to utilize its planned financial assistance to the rice sector to support the fabricators without crowding out the banks and distorting the market.
- There is need for awareness raising and capacity building on lease finance arrangement for microfinance banks, fabricators and associations as a means of acquiring new parboiling equipment.

### 2.3 *Microenterprise (Women Parboilers)*

According to anecdotal evidence provided by many stakeholders “*about 95 per cent of the par boilers in Kano State are women, out of this number I don’t think 5% of them can afford to buy parboilers.*” This evidence was corroborated by the Secretary Kura Rice Traders Association Alhaji H. Ayuba when he said “*almost every home in Kura area have a locally made parboiler in which they use in their rice daily activities*”. He also referred to “*a rice company located in Kura has acquired 20 improved par boilers from TADCO for a certain set of women to empower them and improve their par boiling qualities of rice within the region.*” In view of the price advantage and improved income opportunities from improved parboiling to the actors in the value chain, there is a huge demand for improved parboilers. A crude estimate of women parboilers in Kura is put at 5000. Lets us say PrOpCom want to push 1,000 new parboilers into Kura in 2008, at an average unit price of N30,000 (including transportation, installation and training cost); the estimated credit inflow to be syndicated for Kura is about N30 million. Already PrOpCom has funded TADCO to give training to women parboilers on the use of the equipment in different areas including Kura, Tudun Wada Karfi, and Dawaki and Chiromawa. The potential demand for this new technology in Kano state is far beyond the estimates projected

for Kura. There is therefore ample opportunity for more parboilers to take advantage of this demand and do good business.

**Box 1**

**Kura Women Parboilers Cooperative Unions**

**First Parboilers Union**

Ramatu Saleh Group 1 Leader  
Abu Haladu Group 2 Leader  
Mairo Ayo Group 2 Leader

**Second Parboilers Union**

Hafsatu Isah Group 1 Leader  
Laraba Abdulmadalabi Group 2 Leader  
Hauwa Abdulmadalabi Group 3 Leader  
Aisha D. Daura Group 4 Leader

Ramatu Saleh has been parboiling business for the past 19 years. She's is the overall head of the three 40-member groups that make up the first union. There are four 30-women groups in the second union and the overall leader is Laraba Abdulmadalabi. The groups were formed about 4 months ago with the sole aim of organizing themselves for savings and loan access.

Each woman in a group makes weekly savings in the association's account on the basis of ability to pay. Each group meets once every week to discuss vital issues related to their needs and also makes their savings contributions.

Ramatu and other group leaders confirmed the benefits of PrOpCom training on improved technology of par boiling but complained that they have not seen the money promised to them to purchase the improved par boilers.

Using the crude technology, the women are able to parboil 2 to 3 bags of rice at N150 daily; with improved technology, they are able to parboil up to 10 bags daily at a premium price of N350 per bag in case of contract parboilers as well as charge improved prices for their premium rice output.

With the intervention of PrOpCom, some of the Kura parboilers have formed themselves into three (3) unions. Two of the three unions are women groups (see text box). Each union is sub divided into 3 or 4 units of 25-40 members (see box 1 for details). The women groups have opened savings accounts with Afribank which is the only operating commercial bank that is located in Kura. There is also en evidence of some working relationship between the association of rice traders and processors and the women parboilers' cooperatives.

In a follow up meeting with the Manager, Afribank Kura Ahmed Tijani Mahmud, he confirmed that the women groups opened accounts with the bank although some of the accounts were not well serviced as expected. The manager took us through the financial services products that the bank has for the rice sector; a follow up meeting with the Regional Manager of Afribank in Kano gave assurances of the bank's willingness to provide financial services to support the rice value chain in Kura-Kano axis.

Since women are responsible for the parboiling of the rice in Kano-Kura axis, the targeting of finance to them to acquire new parboiling technologies is central to transforming the quality of the local rice value chain in the Kano state. The response of women parboilers to PrOpCom's awareness and capacity building efforts in improved parboiling and marketing is quite visible in Kura and forms a ready platform to promote improved processing of local rice, achieve scale and maximum impact. Therefore targeting credit to these women to purchase new parboiler technology is highly recommended to address the unrealistic expectation for PrOpCom to provide financial resources to acquire improved parboilers. Although previous attempt to provide credit in the rice sector did not yield encouraging repayment result, however there was a positive report on the women that participated. Credit officer of KNARDA attested that *"when these women take loans, they perform 95% average in repayment, they don't default Bank loan at all, therefore there is no much risk on the part of the Bank if they lend to these women"*. This view was further corroborated by the experience of NACRDB as attested below.

*"I know there is a project that is financed by our bank to the tune of about N63m naira here in Kano, This is for only women the most vulnerable people in the society. This loan was given to them to produce ground nut cake and vegetable oil. The repayment is 75 per cent and we were able to achieve that." Participant from NACRDB*

SME millers like GGA, and equipment fabricators like TADCO are willing to obtain loans to on-lend to women parboilers. Indeed First bank, the most active commercial bank in agricultural lending in Kano appears to be interested to respond to the demand for investment and working capital credit in the rice value chain in Kura and other PrOpCom supported rice clusters in Kano state.

*"We have discovered that after production, without processing, we will not be able to get good market for rice products. Since we want an improvement and we support improvement in the parboiling system made by TADCO. The bank will be ready to finance such an arrangement. But we have got to have a kind of round table discussion will all parties involved especially the women in the parboiling segment of the processing chain. "It will work like this. The objective is to get the women to use the technology without handling the loan. Either the LGA or State Government will get involved or the association will be involved. The issue is not to give the farmers money. It is the facility we provide that will give the farmers the equipment. It will come in form of a cooperative loan. First Bank will pay TADCO direct and the women will take the equipment. They will be paying the Bank from the proceeds they are making. You will not have problem with this kind of arrangement. In the alternative,*

*you can partner with some individuals and see how we provide some kind of facilities to them. That one we may discuss further. Maybe we involve PrOpCom, TADCO and First Bank and we come up with something.” M.A. Liman Regional Product Manager in charge of agric and allied business” M.A. Liman Regional Product Manager in charge of agric and agro-allied business*

In responding to the call for credit to women parboilers, past experience in dealing with women on credit should be revisited and factored into the new approach to achieve maximum results. For example an FGD participant recalled the challenge of interfering husbands in the credit transaction of their wives and advised that this issue need to be addressed and factored into the methodology of credit delivery. There was a USAID programme in which the credit given to women and their husbands collected the loans from them but when the time of loan recovery came, they left the women to themselves.

In order to consolidate the initial success achieved by PrOpCom in the Kano-Kura rice cluster so far, the following follow-up activities should be considered to encourage more finance to flow into Kura rice cluster.

- Facilitate roundtable discussions among banks, parboilers’ associations, fabricators and marketers on the modality of financing wider adoption of improved parboiler technology in Kano/Kura axis.
- More training and capacity building effort is required to achieve permanent attitude change and reorientation of stakeholders in the rice cluster.
- Assessment of the effectiveness of these groups and a comprehensive capacity building programme for them to effectively prepare them for borrowing.

### 3.0 Lending Approaches

#### 3.1 *Direct Lending*

The small holder nature of producers and small doses of credit that they require makes lending to them rather challenging. However, the NACRDB has the experience of lending to farmers and First Bank seems to have developed the capability to operate successfully in the small holder credit market. The NACRDB has challenges in loan recovery and a history of high default because of the perception of the public that its credit is “*government cake*”. On the contrary First Bank has experience of successful small credit programs for farmers and microenterprises. NACRDB has also developed credit services for donor programmes under special conditions such as DAMINA and ADENI. These programmes sought to reduce the risk of lending by the banks and recorded better repayment records. The ADENI project was particularly successful and the bank strongly recommends it to PrOpCom. To facilitate the bank’s commitment to the programme, it proposes a sort of MOU that defines the roles of all parties in the collaborative arrangement.

#### 3.2 *Indirect lending through Intermediaries or Out-growers*

There is the concern among stakeholders about the high risk nature of direct lending to small holder farmers and microenterprises (e.g. parboilers) in the rice value chain. To address this, it was recommended that bigger actors upstream in the value chain can be supported to take responsibility for the credit needs of members of their supply chain particularly parboilers and producers. TADCO and GGA are already operating this model. For wide acceptance of the approach to value chain development PrOpCom needs deepening and broadening of this initiative to involve more viable SME merchants and millers in the Kura area. First Bank has special products that can be tailored towards enhancing rice production and value addition where the end users are linked with producers and intermediate processors. This on-lending approach is described by an FGD participant as follows.

*“Money can be given to an organisation so that the organisation can take the money to the farmers and parboilers. In the end, the farmers and parboilers will pay the organisation which will in turn pay the Bank. In respect of the out-growers scheme, we do not channel the credit to the farmers directly. Adamu Aliyu, KNARDA*

### 3.3 *Group/Cooperative Approach*

Small borrowers are encouraged to come together to form cooperatives and pool their credit request; manage internal disbursements and recovery on behalf of the bank. In this way banks can deal with organized groups rather than large number of individuals. The women parboiler groups in Kura are operating in this mode but will require additional capacity building and group development in order to become eligible for formal credit. The First Bank is quite familiar with this type of arrangement and is quite willing to operate this model of credit delivery under a PrOpCom facilitated arrangement.

*“Most farmers and women borrowers complain of lack of collateral. We have series of products tailored to those without collateral, those with collateral and how to help everybody. Now is left to them to come out and is left for the Banks to link up. PrOpCom can facilitate the linkage. We have different programmes. With those things in mind, the solutions are may be one; the farmers under the umbrella of RIFAN could come in different clusters in form of cooperatives. The officials are here. They can show their members the way.” M. A. Liman, First Bank*

There is a need for capacity building for the key associations in the supply chain e.g. farmers, parboilers, processors and merchants to improve internal effectiveness and cohesion, record keeping and rudiments of credit administration and delivery.

### 3.4 *Trust Fund Approach*

The Trust Fund model is a partnership between State Government or the Federal Government or any company or project that wants to provide a special fund in partnership with the bank to offer sustainable credit to particular target groups. A close look at this option by the KNARDA, Ministry of Commerce and PrOpCom in Kano could help channel grant funds in way that helps the financial institutions to respond to the credit needs of the women parboilers and other disadvantaged groups in the rice chain without distorting the market. According to the testimony below, FBN has some experience in this kind of approach and is willing to pursue it with interested parties in Kano-Kura rice cluster.

*“We have done it for Shell in Port Harcourt and other places and we have already been discussing with the State Government here on a form of Trust Fund. We are ready to do this with PrOpCom, the state government or the Rice Farmers Association of Kano and any other company or Agency. We are discussing with the Cotton Makers Association too. They have been making arrangement to see how we*

*can partner to give credit to the farmers.” M.A. Liman Regional, FBN Product Manager in charge of agric and allied business*

### **3.5 Guarantee Instrument**

A credit guarantee is a financial instrument that will encourage banks to lend to individuals, cooperatives and targeted SMEs that have good prospects of success but lack collateral or formal record of credit history to prove their creditworthiness. The guarantee functions as a promise by the guarantor to the lender that, in the event that the borrower defaults, the guarantor will repay the lender a specified proportion of the principal foregone. There are three traditional approaches to credit guarantee that can be explored, the se are:

- Individual guarantee model: The bank and borrowers are directly linked. The banks and the guarantor (Ministry of Commerce, KNARDA and any other party e.g. PrOpCom) establish a cooperative agreement on the degree of risk sharing. The guarantor issues a guarantee agreement or standby letter of credit to bank to this effect.
- Portfolio guarantee model. This model reduces the guarantee entity’s involvement with the borrower. Although individual model requires the approval of guarantees for each loan, this model negotiates portfolio criteria with the Bank e.g. loan size, loan use and other terms. These two models reduce risks of lending but may not address the issue of high transactional costs.
- Intermediary guarantee model: Banks may involve an intermediary organisation (associations, groups, on lending channels) to undertake appraisal, approval, monitoring and supervisory roles to the clients whose capacity they may not be comfortable with.

To determine the choice and the mode of the guarantee and the mechanism of its operation and delivery the cooperating agencies and stakeholders need to have a focused discussion on the following

- Loans and guarantee eligibility and approval process
- Agreement on costs and fees to be charged
- Risk sharing structure

The Kano State Ministry of Commerce and Cooperative and KNARDA are seeking ways and means of intervening in the credit process without distorting the market and are willing to consider guarantee mechanisms. Both KNARDA and Ministry of Commerce are willing to collaborate with PrOpCom to determine the most effective

way to reengage in credit delivery to small farmers and food processors in Kano state

#### 4.0 Action Plan & Commitments from Financial Institutions:

##### 4.1 First Bank (FBN)

The bank has the widest range of financial service products that could be adapted and adopted for the different financial services needs of the rice chain in Kura and Kano state generally. According to the regional manager of the bank:

*We have various products tailored towards enhancing farmers' production capacity. We provide the loans directly, we also go into end users scheme. We also have cooperative scheme. There are products tailored towards enhancing production where the end users are linked with those who produce raw materials. We also have direct lending where farmers can get loans as individuals or as members of a group. They can go through cooperatives. M.A. Liman Regional, FBN Product Manager in charge of agric and allied business*



Figure 1: M.A. Liman of FBN making contributions during FGD

The First Bank is in position to handle most of the concerns of PrOpCom on access to finance by the key actors in the rice value chain in Kano-Kura axis. Although it has no branch in Kura, FBN currently services Kura Local Government through its Zoo Road Branch, Kano. New branches are being planned to cover more LGAs including Kura and other rice producing areas e.g. Tudun Wada. In order to capitalize on the potential interest expressed by FBN, PrOpCom needs to consider the following actions.

- To initiate discussions and relationship with FBN on the financing needs of farmers, parboilers, processors and fabricators in the rice chain in Kano-Kura axis.

- Deepen the discussions already initiated by First Bank and TADCO to include a broader stakeholder engagement.

#### **4.2 Afribank**

According to Mrs. Abdullahi, Acting Area Manager of Afribank in Kano, Afribank is the only commercial bank that has a branch in Kura. The bank has two major products that can be easily adapted for the credit need of the key players in Kura rice chain, these are i) consumer Solution for Farmers Unions and ii) Personal Consumer Solution for Individual Farmers. The processors can be accommodated under the A-Life (Life Improvement) product. In 2007, N8.2m was disbursed to 20 farmers through farmers unions while the sum of N21m was processed for individual farmers. The bank wants to have more discussion on how it can adapt its products to support PrOpCom rice initiatives in Kano.

#### **4.3 Women Development Initiatives (WDI)**

WDI is a microfinance NGO that is in the process of converting into a micro finance bank. Already it has received from the Central Bank “*approval in principle*” to convert and will be completing the process very soon. The NGO have a strong reputation for women mobilization and microcredit delivery in Kano state. In Kura local government for instance, WDI handles financial services for over 20 women groups. These groups are made up of women involved in rice and onion farming, craftsmen, designers of aluminium products like pots, spoons, etc.

Currently WDI maintains 15 women groups with outstanding balances to which a credit officer is assigned to work with the groups. The credit officer makes weekly visits to Kura on Tuesdays to collect savings deposits and loan repayments that are due from clients. The MFI has capacity to make loans in the region of N50,000-N1Million for individuals and up to N300,000 for groups.

The MFI expressed interest in principle to participate in the PrOpCom facilitated credit to women parboilers in the Kura. It however requires a more focused discussion to negotiate the terms of engagement and role clarification among all collaborating parties to the programme.

#### **4.4 Nigeria Agricultural Cooperative and Rural Development Bank (NACRDB)**

NACRDB has a window of lending to the women groups and expressed interest to be part of the PrOpCom initiative to facilitate the provision of financial services to the

stakeholders in the rice sector in Kano. The bank also had a very successful experience on inventory credit in the ADENI project. To make invitation attractive, the bank wants counterpart funding by the government or any other partner and in fact suggested that the microfinance programme of the Kano State Ministry of Commerce could be a good source of co-funding for the project.

*We encourage the borrower groups to register with the Ministry of Commerce so that they can have a platform on which to operate and access the loans. They will open a savings account and maintain 10% of the loan amount in their account. These are the only requirements, they can get loan from one naira to N250,000 per individual within a group. We can come up with an arrangement where PrOpCom, Ministry of Commerce and all other stakeholders can sign a memorandum of understanding. NACRDB is very willing to do this. We have succeeded in doing this in the past. We did it with USAIDS MARKETS, we have done it with IFAD, We have done it with DAMINA, we have done it with ADENI and all these were successful.” Manager NACRDB IBB Way*

#### **4.5 What financial institutions expect from PrOpCom**

- There is an expression of interest to participate in credit delivery in the rice chain in Kano and Kura by all the financial institutions in Kano contacted. All interested banks want to have more discussions with PrOpCom and stakeholders that require these services. There is an expectation from the banks to have a focused meeting to discuss specific proposals on potential transactions that are targeted at specific borrowers in the chain.
- The facilitation role of PrOpCom in the stakeholders' negotiations on credit delivery arrangements came out very strongly in the discussions with financial institutions and the members of the rice value chain.
- Some of the banks want to enter into collaboration based on specified MOU that spell out the roles, risk and obligations of all parties to the MOU.
- There is a general request for more capacity building to stakeholder groups and associations. There was a general view that the current state of the groups may be weak and may required additional support and technical assistance.

- The banks agree that they need technical assistance and training in financing agricultural value chains and group lending methodologies.
- The banks want PrOpCom to facilitate pilot transaction and watch them for review and adjustments and eventually rely on market forces to drive repeat transactions. The practical example of ADENI was cited where the project promoter has withdrawn but the Nigerian Agricultural Cooperative and Rural Development Bank took ownership of the idea.

## 5.0 Government Activities

### 5.1 Kano State Agricultural & Rural Development Agency (KNARDA)

KNARDA has done a lot for rice farmers and processors since its inception in 1985. NARDA introduced high yielding and early maturing varieties to the farmers. It has also linked the farmers and the processors to the financial institutions for credit assistance. Starting with only 3 milling machines procured for Kura Rice Farmers in 1985, there are currently over 1,000 milling machines in Kura, Karfi and Karnawa areas. Due to poor performance of its credit programs in the past, the current role of Kano State government in rice production and processing is limited to input supply and agricultural mechanisation. In 2007, 181,700 kg of rice seedlings were given to farmers in Kano State at N35 per kg with 40% subsidy. Out of these, 21,800 kg went to Kura cluster. The government on annual basis purchases equipment and other inputs and sells to the farmers with 40 per cent subsidy. The subsidy regime is given to farmers groups in their clusters. Between 2006 and 2007, ten (10) Indian and Chinese rice milling machines, ten (10) TADCO parboilers and ten (10) slabs for drying rice were purchased/ constructed for the farmers. Government invested the sum of N2,272,247.50 in the project in 2007 and the figure is likely to double in 2008 when the budget is approved. Delivery mechanism is through the Cooperatives and Farmers Associations and they all pay cash and carry at 60% of the cost of procurement.

*"In KNARDA we have over 300 women cooperative groups. Some of them are sensitised. In Kura, we have trained many of them. They can go directly to the Bank or through the KNARDA." Wada Usman KNARDA*

There are three key innovations in the activities of KNARDA that affected rice production and processing within the last few years:

- Special Mass Food Production Programme (SMFPP)
- Rice Production and Processing under the Commercial Agricultural Project of the Shekarau Administration and
- Upgrading of Rice Production with the assistance of Malaysian experts which is expected to take off within the first quarters of 2008.

It is not clearly defined what the credit component of the Malaysian rice project will look like, but the officer in charge of the Project, Mallam Othman Yahaya is of the view that Government does not want to handle credit and is currently undecided of what to do. Although the project wishes to give soft loan to the farmers to purchase new technologies from Malaysia, the project is yet to define appropriate delivery mechanism. NACRDB

currently gives over 80% of credit available to the farmers but KNARDA still complains of delay disbursements.

#### **The Malaysian Rice Project**

Comprehensive government support for rice production and processing is underway with the Malaysia Rice Project. The Kano State Governor visited Malaysia in 2006 and invited Marditech Consultants from Malaysia to facilitate the improvement of Rice Processing in Kano State. The project is value-addition and enhancement of production, marketing and processing as well as increase in per hectare production. The consultants have submitted report to the government and the programme is expected to start early in 2008. As at the time of this study, KNSG has budgeted N3billion for the take off of the project but was yet to fine tune the delivery modality and the credit components.

Project has just been budgeted for in 2008. This project will address issues of Product Quality, Market and product information, Movement of goods and services across LGAs and states.

The Malaysia Rice Project is looking at the Kano Kura Corridor from four key areas:

- Physical environment and irrigation system;
- Farm production and post harvest processing; development of a support system and mechanism for the enhancement of farming and harvesting methods;
- Farmers Associations and Organisations will be supported through strengthening of farmers' market position and bargaining power through capacity building, training and exposure to best practices.
- Institutional framework of Kano Rice agenda through a supportive institutional framework and development of an integrated rice development strategy for the coordination of support initiatives and input into policy making;

PrOpCom has opportunity to influence the way KNARDA goes about its credit objectives under the Malaysian rice project in a manner that will not distort its efforts at market based credit mechanisms for rice clusters in the state. The Special Mass Food Production Programme SMFPP started with credit components but the credit assistance was later dropped as the loans were not coming back for a number of reasons. The farmers saw the loans as government funds and refused to pay hence KNARDA abandoned the approach. Currently KNARDA does not have machinery in place to manage a loan portfolio because of the undue political interference on who gets what.

#### **5.2 Ministry of Commerce**

The ministry of commerce and NARDA works closely in the three key areas of support to rice farmers in three projects namely i) Integrated Agricultural Development through Commercial Agriculture, ii) Rice Production and Processing with Malaysian support and iii) Development of Industrial Clusters for Rice Processors. The first two are handled by KNARDA while the cluster development is done by commerce ministry. Under the cluster development programme for rice processors, government released N20million for the development of common facilities for Kura Rice processors. With this fund land was acquired and drainage

constructed, the clusters brought the farmers together from Karfi and Kura and processing machines and generators were also provided for them.



**Figure 2: Deputy Director Ministry of Commerce and Kano RIFAN Chairman at the FGD Meeting**

The commerce ministry acknowledged working with PrOpCom on these projects. PrOpCom has trained the farmers and the processors but we want to take it further, according to the Director of Commerce in of RIFAN at the FGD the Ministry, there is plan to acquire some machines and per boilers from TADCO and give as loans to the processors, the ministry is talking to Alhaji Turajo Dantata of TRADCO on this.

The Ministry is ready to collaborate with financial institutions to provide credit guarantee to rice farmers and processors. The Ministry is also willing to partner with other government agencies to open more windows for funding. Options being considered by the Ministry include:

- Contributions to a special guarantee fund to be domiciled and managed by professional fund manager
- Support for cooperatives and trade associations and provide credit guarantee for its members
- Provision of matching loan fund for financial institutions

In all these instances, the Ministry is not sure of what will be acceptable to the political leadership. The Ministry is therefore expecting proposals from development partners and financial institutions on best practices for government to engage in a non threatening way. As in the case of KNARDA, PrOpCom is in position to enter into deeper discussions and influence the ministry on the utilization of resources for credit purposes.

## 6.0 General Recommendations

### **6.1 *Need for Further Dialogue***

To facilitate the initiative of promoting access to finance into Kano-Kura banks and stakeholders need more dialogue on what will work and how. Bankers on one hand want PrOpCom to bridge the gap between them and the rice stakeholders through meetings and dialogues to discuss specific proposals.

### **6.2 *Need for Capacity Building***

The current capacity building effort of PrOpCom is widely appreciated and further recommended by all stakeholders in order to achieve irreversible change. The credit component of the Sasakawa project was described as hugely successful because of the high dose of capacity building that was given to participating group. According to the First bank regional manager *“There is need for capacity building on the various locations and levels for farmers, par boilers and the processors and bankers. Just like in this forum the Bank will like to be involved in capacity building. There is need for the associations like RIFAN, and the Banks to get involved in this kind of discussion on the way forward with PrOpCom. We can then use this forum to educate some of us that are not aware of what is going on.”*

### **6.3 *Use of Existing Structures***

PrOpCom should identify, improve and use existing structures especially association and stakeholders interest groups to enhance their effectiveness. The modes of support for these structures include training, capacity building. According to Othman Yahaya of KNARDA, *“when you look at the cooperatives, some were formed because government said go and form cooperatives societies and the people feel we are going to get fertilizer and other things. There is a need for a rigorous reorientation of the people that cooperative is important for them not just because government said they should form cooperatives. To get finance to the stakeholders in the rice chain, PrOpCom needs to build their capacity to enhance their effectiveness. They should be reminded the essence of cooperatives themselves not just because government says go and form cooperatives.*

### **6.4 *Right Methodology and Approach***

There was a consensus that farmers and by extension parboilers are good at paying loans provided it is done rightly. Therefore the issue of methodology and approach to delivery is critical to the success of any credit programme. According to a KNARDA official, *“Sasakawa project ensured they gave capacity building to borrowers. Go all*

*over Kano, all you need to do is to show the farmers what to do and let them see the profit in it. They will do it.”*

### **6.5 Strengthening of RIFAN**

The Kano state chapter of RIFAN appear to be weak. There are claims of partisan political difference between the RIFAN and the Kano state government which has not made working relationship cordial. This could have contributed to the low visibility and impact of the RIFAN in Kano. During the focus group discussion, Kano State RIFAN president, made little contributions and in fact confirmed that the association is currently inactive. There was no evidence to show that it has strong presence in Kura. According to Kano State RIFAN Chairman, *“members were disappointed with the unmet N50 billion agric loan promised by the government and which was not disbursed. The farmers are very reluctant now even when called for a meeting. The experience of the unfulfilled loan promised by government was very disappointing.”*

### **6.6 Influencing Government Approaches to Credit Delivery**

Both KNARDA and Ministry of Commerce have interest to provide credit but lack know-how. They want assistance of PrOpCom on what will work to prevent repeat of unsuccessful past initiatives. According to an official of KNARDA *“Whenever you mention credit and government, people see it as gift which is true as my friend from NACRDB has said. Life is full of challenges. That is why we are here. Once government come in, there will be politics. If government bring in money, you must listen to the government.”* The active involvement of government agencies in future dialogue and capacity building effort on financing the rice sector should be a major component of the change envisioned.

### **6.7 Regular Assessment of Political Economics of PrOpCom Activities:**

- **Beneficiary Selection:** So far, the single major beneficiary in the Kano-Kura axis is Golden Grain & Agro-allied which is owned by the MD KNARDA. In the Kura value chain, the real agents of change are the numerous women parboilers and potential SME miller/traders who have potentials to go upstream in the value chain. A diversion of focus from women parboilers and major marketers and millers will alter unfavourably the benefits of PrOpCom in the value chain.
- **Winners and Losers:** In attempt to achieve the project goals stipulated by PrOpCom, prospective gainers and losers will emerge in the rice value chain.

This reality has created threats to those who are benefiting from the status quo. This group of actors could frustrate the actualization of PrOpCom facilitation efforts not only in access to finance, but on all fronts. One possibility is to create a conflicting environment through misinformation among relevant stakeholders thereby resulting to a loss of focus and erosion of confidence. The following are emerging scenarios that may play out.

- Rice marketers perceive the economic empowerment of women parboilers as a challenge and an erosion of their bargaining power and competitive advantage. The likely impact of empowered women parboilers on the current market dominance by marketers' cartel should not be understated as more value is captured by women parboilers working with improved parboiling technology.
- More millers and rice merchants who are big players in Kura may wish to participate in the type of PrOpCom support for GGA. This category of millers in Kura feels a sense of ownership and propriety of the value chain. They are very influential and are responsible for a huge chunk of the local rice economy. Their constructive engagement in the chain transformation will be a major catalyst to the process and planned outcomes of PrOpCom activities in Kura.
- **Promoting Competition:** A monopoly may inadvertently be created among fabricators, as TADCO takes a domineering position in the parboiler fabrication market. The approach of improving parboiling technology by PrOpCom if not well considered may lead to a negative perception that the entire parboiling intervention is to the benefit of one fabricator.

#### **6.8 Roadmap to Credit Flow into Kura Rice Value Chain:**

The past efforts of PrOpCom in Kano-Kura has created a high level of awareness on improved practices of rice handling and value addition i.e. product branding and marketing. Also the centrality of improved parboiling as nodal point of change in the entire rice value change has received wide acceptance among stakeholders in the Kano-Kura axis. Through PrOpCom's intervention of capacity building and support for fabricators, the sustained supply of improved parboilers is guaranteed.

Correspondingly, the demand for the new parboiling technology is real and the women parboilers in Kura are primed and organized for intake as a result of the promotional efforts of PrOpCom and the fabricators. Not the least is the overall demand for improved local rice which is well established. The only constraint left to be removed is the financial resources required by the women parboilers to acquire the new technology required for the most strategic transformation in the value chain. The activities described in Table 1 below sets out a three month action plan that can guide PrOpCom to facilitate stakeholders including government agencies engagement to creating the relationships and financial transactions required to trigger the transformation in the value chain. It is expected that if these activities are carried out, the objective of PrOpCom to facilitate the provision of credit to purchase 500-1000 units of improved parboilers by women parboilers into the Kura rice chain without directly getting involved in direct financing or credit delivery.

Table 1: Three Month Action Plan for Inflow of Credit Into Kura Rice Cluster

MAIN ACTIVITY	SUB ACTIVITIES	DURATION	OUTPUT	ROLE OF PROPCOM & FACILITATOR
Negotiation meetings with financial services providers to Kano-Kura rice cluster.	<ul style="list-style-type: none"> <li>▪ Participants include FBN, UBN, Afribank, Freedom MFB, NACRDB and WDI, PrOpCom and stakeholders' representatives in Kano-Kura rice chain</li> <li>▪ Determine the niches of the rice chain that the providers are interested</li> <li>▪ Negotiate terms and obligations of all partners to the arrangement</li> </ul>	2 weeks	<ul style="list-style-type: none"> <li>▪ Formal agreement with participating banks and other providers</li> <li>▪ Risk and responsibility sharing formula among all stakeholders</li> <li>▪ Agreed methodology and process of engagement</li> </ul>	<ul style="list-style-type: none"> <li>▪ PrOpCom to approve the banks to be invited for final negotiations</li> <li>▪ PrOpCom to appoint access to finance finance facilitator to undertake negotiation along with PrOpCom and stakeholders</li> <li>▪ Provide terms of reference and define performance standards for the work of the finance facilitator.</li> </ul>
Negotiation with KNARDA and Ministry of Commerce on appropriate credit models	<ul style="list-style-type: none"> <li>▪ Review past experience of government credit programs</li> <li>▪ Provide technical advise on new policy and approaches for government involvement in credit delivery</li> </ul>	2 weeks	Agreed new approaches by KNARDA and Ministry of Commerce and Cooperatives for credit delivery in Kano state.	As above
Credit needs assessment and absorption capacity of the 7 women groups that were trained by TADCO and PrOpCom.	Review of financial viability of new parboiler to the women	5 days	Cash flow forecast for different levels of parboiling operations by women in Kura.	Facilitator to work with fabricators, women groups and financial services providers to agree on the cash flow projections of parboilers and the repayment
	Capacity assessment of Kura women groups in the group management, credit and savings administration and financial record keeping.	5 days	Needs assessment report	Facilitator to carry out intensive review of needs of women groups
	Training	10 days	Training materials and actual delivery	Facilitator to develop and translate training materials into local language and get appropriate trainers to deliver training to women groups

<p>Post disbursement technical assistance and support to women groups</p>	<p>On site technical support to women groups</p>	<p>Actual time TBD but duration of service limited to six months</p>	<p>On site response to needs of groups on needs arise basis</p>	<p>Facilitator to provide a resident advisor in Kano-Kura to work with groups on a call basis.</p>
<p>Assessment of needs of banks and capacity building needs for wider impact of financial services to rice clusters in Kano state.</p>	<p>Based on the experience on the Kura pilot determine areas where the awareness and competences of banks can be enhanced in agric value chain financing</p>	<p>TBD</p>	<p>Capacity building needs of financial institutions on value chain financing</p>	<p>PrOpCom to consider sponsoring the facilitator to develop and hold agricultural value chain training for financial institutions operating in all PrOpCom's areas of activities and intervention.</p>

Annex 1: ANNOTATED DIRECTORY OF FINANCIAL SERVICES IN KANO

Names of Banks/ Organisation	Name of Products	Value Range,	Duration/ Period, Period,	Interest & Method of Calculation,	Fees & Other Charges,	Maximum Term	Repayment Structure Structure	Other Non-Financial Services
AFRI BANK	First Bank Farm Settlement Scheme Consumer Solutions for Agric	N250,000 - N5m N20,000- N250,000	24 Months 24 Months	Prevailing Rate/ Reduc- ing Balance	Admin Charges+ Mortgage	6-12 Months	Monthly Monthly	
	A-LIFE	N25,000- N5m	48 Months	„	Perfection & Solicitors	N/A	„	
UNION BANK	Short Term Agric Loan	N10,000 – N250,000	12-24 Months	Prevailing Rate	N/A as Applicable	3 months	Monthly	
	Community Farming Scheme Medium Term Agric	N5,000- N250,000 N250,000 – N3m	18 Months 24-48 Months	„	Admin Charges+ Mortgage	6 months	Monthly	
	On-Lending Agric Loan	N5m -25m	18 Months	„	N/A	„	„	
	Individual Loan Scheme	N20,000 – 250,000	12 Months	„	Perfection & Solicitors	N/A	„	
	Secondary School Agric Loan Scheme	N250,000- N5m	12 Months	„	Admin Charges+ Mortgage Applicable	6-12 Months	Upon Harvest	
FIRST BANK OF NIGERIA	Long Term Agric Loan	N3m and Above	48 60 Months	„	Solicitors Fee as	12 Months	Monthly	
NACRDB LTD	Microcredit Loan Fishermen Wild-Fish Capture Scheme	N1- N250,000 N20,000 – N250,000	12 Months	8 % & Simple Interest	Applicable N/A	3 Months „	Monthly Monthly	Advisory Services
	Individual End-User Finance	N250,000- N5m	2-5 years	8% & Simple interest	Legal And Documenta- tion	N/A 12 Months	Instalment ally / Quarterly	„
	Medium Loan for Agric Agric Development	N25,000-N500,000	18 Months	„	„	6-12 Months	ally / Quarterly	
	<b>SPECIAL PROJECTS :</b> Continental Housing Scheme, USAID	N1- N250,000	12 Months	Simple Interest	N/A	3 Months	Instalment ally	
	EQUITORIAL TRUST BANK (ETB)	Asset Acquisition Loan	N70,000 to N5m	12- 36 Months	Prevailing Rate/ 17% Reducing Balance	Mortgage Perfection & Solicitors Charges Fee as Applicable	N/A	Monthly

UNITED BANK FOR AFRICA (UBA)	No Wahala Loan	N1,000-N500,000	12- 24	„	„	N/A	Monthly	
	Agric Micro Finance Loan	N25,000-N250,000	12 Months	„	N/A	3 Months	Monthly	
MINISTRY OF COMMERCE KANO STATE	Petty Traders Loan Scheme	N50,000-N100,000	18 Months	N/A	1% Admin Charge	3 Months	Monthly	
	Cooperative Soft Loans	N50,000-N150,000	24 Months	N/A	„	6 Months	Monthly	
	Small Scale Credit Scheme	N500,000 – N3m	4 Years	N/A	„	6 Months	Monthly	

Annex 2: CONTACT LIST OF FGD PARTICIPANTS AND KEY INFORMANTS.

s/n	Name	Organization	Designation	Phone no.	email
1	Shehu Isyaku	Nacrdb Ltd.	Ag. B/H	08036795452	<a href="mailto:Shehu768@yahoo.com">Shehu768@yahoo.com</a>
2	Amadi A.A	Nacrdb Ltd.	Ag.B/H	08032761665	
3	A.M Bappeh	Nacrdb Ltd.	Manager. Zonal Office	08036439840	
4	Adam A. Adam	Etb. Kano	Regionsl Manager	08036873635	<a href="mailto:Sir_adams965@yahoo.com">Sir_adams965@yahoo.com</a>
5	Atta Ako Ike	Etb Kano	Regional Manager	08072459449	
6	T.A Dantata	TADCO Kano	Managing Director	08033928549	<a href="mailto:Tadconilt5@yahoo.com">Tadconilt5@yahoo.com</a>
7	Abdullahi Umar	TADCO Nig. Ltd.	Manager	0803450677	<a href="mailto:Tadconilt5@yahoo.com">Tadconilt5@yahoo.com</a>
8	Auwalus Umar	Min. Of Commerce	D/Director	08036390797	
9.	M.A Liman	First Bank Plc. Kano	PM	08029587357 064953901	Muhammad.a.umar@first bank.com
10	Mohammed R.H	KASCO Ltd Kano	Ag. MD	08082766999	
11	Ayuba Abubakar	Association Of Kura Rice Processor	Seceretary	08065275037	
12	Rabiu Ibrahim	Association Of Kura Rice Processor	Chairman		
13	Sabiu Hamsu	Association Of Kura Rice Processor	Chairman	07031260222	
14	M. Nasiru Sule	Association Of Kura Rice Processor	Vice Chairman	08038490209	
15	Sanusi Mohammed	Rice Farmer	Farmer	08053136715	
16	Labaran Wada	Alheri & Co Farmers	Farmer	08085186374	
17	Alhaji M. Abdullahi	Alheri & Co Farmers	Farmer	080557051567	
18	Alhaji H. Sheu	Alheri & Co Farmers	Farmer	08055708567	
19	Orthman Yahaya	Knarda	Desk Officer Rice	08028622780	
20	Ado Tambura	S/Gari Market	Chairman Rice SL. AS	07039776616	
21	Mahmud Ahmad Waziri	S/Gari Market	Secretary Rice Salesman	08036954971	
22	Mohammed Ahmed	S/Gari Market	Rice Trader	08068974908	

s/n	Name	Organization	Designation	Phone no.	email
23	Rakiya Salisu	KNARDA	Credit Officer	08065674868	
24	Abubakar H. Aliyu	RIFAN	Chairman RIFAN	08033495557	
25	Isa Malami	knarda	Assistant Director, Agric Credit Marketing	08033351634	
26	Hajiya Gwaggo	Taraum	Chairlady	07030157552	
27	Gambo Isah	Kura Dalihi	Member Rice	08069771152	
28	Tahuza A. Shije	Knarda	Zcc	08033818288	
29	Hassan A. Sittu	Farmer	Farmer	08065729093	
30	Sanusi Abubakar	Rifan	Secertary/ Farmer	07030787397	
31	Saminu Yunusa	Kura Camp Agric Corp	Member	08062638766	HSRBDA KANO 3168
32	Ibrahim Mohammed	Dalili Garubawa, Kura	Seceretary And Farmer	08085216907	KURA TOWN KANO.
33	A. Usman	Maigoro Tanbaka	Farmer	08069079665	
34	Musa Kabir	Kasid Ltd	Commercial Manager	08035663199	
35	Abdu Saleh	Kasco Ltd Kano	Pers. Supply	08065499778	Abdu_saleh@yahoo.com
36	Wada Usman	Knarda	Ad Mech/ Agric Processing	08036029032	
37	Audu Ahamed Kura	Kura Farmers	Daska	08062066591	
38	Asmau Bala	Taumaam	Seceretary	08038158105	
39	Awoyefta Tajudeen	NacrdB Ltd.	Head Accounts	08038683865	
40	Auwaru Badamasi	Knarda	Acto Processing	08037040844	
41	Sagiradamu Sheu	Rice Farmers Association Jigawa State. Rifan	Chairman, Seceretary N/W	08029454779	<a href="mailto:rifanjigawa@yahoo.com">rifanjigawa@yahoo.com</a>
42	Abbas Shahada	Rifan Jigawa	Vice Chairman	08034534921	<a href="mailto:Abbas2449@gmail.com">Abbas2449@gmail.com</a>
43	Olusegun Ogidan	Development Associates	Consultant	08023242815	<a href="mailto:Ogidan2002@yahoo.com">Ogidan2002@yahoo.com</a>
44	Kayode Olode	Development Associates	Consultant	08035876053	<a href="mailto:Kayode.olode@devassltd.com">Kayode.olode@devassltd.com</a>
45	Olubunmi Adetunmbi	Development Associates	Consultant	08064487689	<a href="mailto:Olu.adetunmbi@devassltd.com">Olu.adetunmbi@devassltd.com</a>
<b>List of Interviewees</b>					
1	Alhaji Abdulazeez	Knarda	Assistant Media Officer	08036029032	

s/n	Name	Organization	Designation	Phone no.	email
	Badamasi				
2	Alhaji Wada Usman	Knarda	Ad Mechanization	080	
3	Alhaji Bako Ebeh	Knarda	Director, Program Monitoring And Evaluation	08038353782	
4	Alhaji Usman Orthman Yahaya	Knarda	Desk Officer, Malaysia Rice Production	08028622780	
5	Amadi A.A	Nacrd	Acting Manager	08032761665	
6	Alhaji Abdullahi H. Kwaru	Min. Of Commerce, Industry And Cooperatives	Director Of Commerce, Industry And Cooperatives		
7	Alhaji Balarabe Shehu	Knarda	Technical Services Dept. Crop Component	08065456657	Balashuhu58@yahoo.com
8	Alhaji Isah	Knarda	Institutional	0803351634	
9	Habiba Ibrahim	Women Development Initiatives Wdi	Credit Officer	08069797222	
10	Mohammed Rilwan Hussain	Kano Agricultural Supply Company KASCO	Acting MD	08082766999	
11	Abubakar H. Aliyu	RIFAN Kano chapter	President. RIFAN Kano.	08033495557	
12	Alhaji Ayuba Abubakar Kura	Kura Rice Traders Association	Secretary	08065725037	
13	Mr. Aremu B. Arikewuyo	Union Bank	Agric Manager	08035884492	
14	Ramatu Saleh	Association of Kura Women Parboiler	1 <sup>st</sup> Women group Leader	08085691101	
15	Abu Haladu Mairo	Association of Kura Women Parboiler	2 <sup>nd</sup> Women group Leader		
16	Mairo Ayo	Association of Kura Women Parboiler	3 <sup>rd</sup> Women group Leader		
17	Hauwa Abdulmadalabi	Association of Kura Women Parboiler	4 <sup>th</sup> Women group Leader		
18	Laraba	Association of	5 <sup>th</sup> Women		

<b>s/n</b>	<b>Name</b>	<b>Organization</b>	<b>Designation</b>	<b>Phone no.</b>	<b>email</b>
	Abdulmadalabi	Kura Women Parboiler	group Leader		
19	Aisha D. Daura	Association of Kura Women Parboiler	6 <sup>th</sup> Women group Leader		
20	Hafsatu Isah	Association of Kura Women Parboiler	7 <sup>th</sup> Women group Leader		
21	Suraj Druma Kura	Golden Grain Agrochemicals. NAPES Enterprises	Manager	08065726125	
22	Ahmed Tinjani Mahmud	Afri Bank Kura Kano	Manager	08036179463	