

National Association of Nigerian Traders (NANTS)

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Office of NANTS President

...Propagating trade justice and economic development

PRESS STATEMENT

PRELIMINARY COMMENTS OF THE 2018 FEDERAL GOVERNMENT'S BUDGET PROPOSAL FOR AGRICULTURE

1. The National Association of Nigerian Traders (NANTS) under the auspices of the Voices for Food Security (VFS) commends the President and the Budget Office of the Federation for the timely presentation of the 2018 budget. This for us raises the hope that the 2018 budget implementation will commence earlier in order to achieve a better and higher budget performance in the ensuing year. The early presentation of the budget is for us a clear indication of the Federal Government's recognition of the fact that agriculture, particularly farming is seasonal project and must therefore be well prepared ahead of next year's planting season approaches.
2. NANTS further applauds Mr President and the Honourable Minister of Agriculture and Rural Development (FMARD) for the attention accorded the agricultural sector in this administration, knowing that the agricultural sector is vital to the economic diversification agenda in Nigeria. With reference to the President's budget speech, the development of the 33,000 hectares of irrigation land and plans to develop more in Enugu, Anambra and Jigawa is highly commendable, as this will go a long way to improve the productivity of our farmers and reduce the farmer's dependence on rains for agricultural production.

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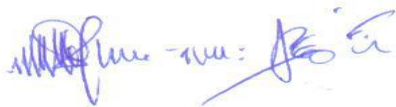
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3. While we commend the present administration for their giant strides in developing the sector through the many innovative programs such as the Anchor Borrowers Scheme, Youth in Agriculture, support for commodity (yam, ginger etc) export, Value Chain Development Program and other brilliant initiatives, we however use this opportunity to remind the government that over the years, the agricultural sector has been poorly funded and government must therefore match their words with action by allocating greater funds to the sector if agriculture is truly meant to drive the economic diversification agenda.
4. NANTS notes that the allocation to the agricultural sector in the 2018 proposed budget is about 172.8 billion, a 22 percent increase from the 2017 budget which was about 135.5 billion. The current amount is therefore just about 2 percent of the entire budget as against the Maputo/Malabo benchmark of 10 percent. We will keep reemphasizing this subject and therefore wish to request that governments at all levels intensify effort at ensuring that investment to the agricultural sector improves in terms of quantity and quality, and particularly in favour of small scale farmers. NANTS further appeals that while the government considers increasing the budget amount, the impact of the activities in the sector to small scale farmers who are the major players in the sector is most paramount, therefore, interventions in the agricultural sector must be targeted at small scale farmers.
5. A brief perusal of the budget shows that the ratio of capital to recurrent expenditure is 69:31 which is looks healthy given that more funds are allocated for capital projects; however, it is observed that overhead cost increased from around 30 billion in 2017 to over 50 billion (2018), and we are not altogether very comfortable with this development. Similarly, the budget for personnel cost particularly for the main Ministry increased by over 1 billion in the proposed budget. We believe that efforts should be intensified to reduce long bureaucracies and overhead costs especially now that no major massive recruitments has been done, and may not even be needful.
6. Furthermore, NANTS strongly counsels that the implementation of agricultural programs should take a bottom-up approach rather than a top-bottom approach which is the case at the moment. For instance, in the current proposed budget (2018), over 57 percent of the fund to the sector is allocated to the Federal Ministry of Agriculture and Rural Development (FMARD), leaving the other 45 implementing Departments and Agencies including the 3

Federal Universities of Agriculture to share the remaining 43 percent. As stakeholders in agriculture and a friend of the Ministry, we believe that the bulk of the agricultural activities happen at the Local Government Areas (LGAs) and therefore this sharing formula should be reviewed in favour of the implementing Agencies (Parastatals). We also recommend that a local agricultural development plan should be implemented. This is premised on the fact that the fundamental role of the main Ministry is to supervise and regulate the activities of the implementing Agencies.

7. We further advise that the various research institutions under the main Ministry which are also called implementing Agencies should be allocated more funds to carry out their activities. Aside that, there should be proper engagement and collaboration of these research institutions with stakeholders so that research outcomes can trickle down to end users and not remain in the shelves.
8. NANTS kindly requests the National Assembly to give an unalloyed priority to the budget deliberations and get it expedited passage within the year so that Nigeria can return to the regular financial year and begin early budget implementation

For: **NATIONAL ASSOCIATION OF NIGERIAN TRADERS - NANTS**



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