THE CHALLENGES OF AGRICULTURAL FINANCE IN NIGERIA: CONSTRAINTS TO SUSTAINABLE AGRICULTURAL AND ECONOMIC REVIVAL

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ABSTRACT

Prior to the discovery of oil in commercial quantity, agriculture was the mainstay of the country's economy. The CBN, in its June 2012 report put the contributions of the agricultural sector to the GDP at 42% [a far cry from the immediate pre and post independence position of 65%], having recovered from its abysmal low contributions of 30% in the last decade of the last century, despite almost N300 billion that had been sunk into the sector through the ACGSF, BOA Ltd, CACS, among others.

This paper is therefore set out to analyse the performances and achievements of the ACGSF; BOA Ltd and the most recent CACS since their respective establishments about 40years ago. These are some of the Federal Government initiated policies, schemes and institutions established to ensure adequate funding of agricultural sub-sector of the economy with a view to sustaining agricultural and economic revival and growth. Its revival and development has been affirmed as one of the factors that could enhance the economic growth and resuscitation of the nation's wellbeing which is still far from being achieved despite her oil wealth.

Using mainly, the secondary data sourced from the reports of these institutions, the CBN, journals, interviews and presentations of various stakeholders, the study concluded that though important as a factor of production, finance per se, cannot work in isolation of other factors to successfully achieve the much expected result in agricultural sector. These identified factors include among others, policy inconsistency and somersaults, absence of commodities marketing and pricing institutions, lack of effective and adequate storage, inadequate insurance coverage and more importantly, corruption.

KEY WORDS: Agricultural Financing Challenges; Constraints, Agricultural and Economic Sustenance.

INTRODUCTION

Money is said to "answereth all things". Perhaps this is why much has been said, and continuously being said, on the indispensability of finance in the revival and growth of agriculture in Nigeria. Indeed, NISRAL - Nigeria Incentive-Based Risk Management System for Agricultural Lending, another government scheme, launched in 2011, is all about pumping more money into the sector, albeit, emphasis on value chain. This is coming from the background of the poor performance of the agricultural sector in the economy, especially since the couple of decades ending the last century and thereafter. Prior to the advent of oil in commercial quantity in the immediate years before and after independence 52years ago, agriculture was the backbone of the economy, contributing about 65% to the GDP. Today, the performance is still low at about 42% of the GDP, rising from the abysmal level of less than 30% in the last two decades. The poor performance can be seen in the precarious food situation with apparent failure of the sector to ensure food security and the ridiculously high food import bill. Ogunbodede(2011) said that Nigeria "is still far from attaining the objective of food security, decades after setting the target". He defined food security as a situation where everyone has access to food three times a day, all the year round and at affordable prices. With about 70-80% of the population living at subsistence level of less than USD1.00 a day, accessibility to food three times a day by the generality of the people may not be realistic today, considering the high food price index and constraints.

Earlier,Oladiran (2010), citing One World Guides (2009), had said " food security has become the most intractable challenge for development agencies and that almost 1billion people experience hardship that hunger imposes, a figure which continues to rise even amidst the riches of the 21st century." He said that "hunger exceeds 35% of the population in 15 African countries and food imports (especially cereals) are expected to rise to 190m metric tonnes by 2020, from 90m metric tonnes in 1990".

The food import bill of Nigeria since 2008 has been hovering around USD4bn (about ₦630 bn) yearly of which, in the year 2010 alone, rice importation bill was USD1bn (₦155 bn), wheat USD1.1bn (₦165 bn), fish USD 0.7bn (₦105 bn), sugar USD 0.4bn (₦60bn), etc, according to the 2010 annual report of CBN. By 2012, Nigeria annual import bill on rice alone had exceeded USD2.0bn (N365bn-[N1bn daily]).

It is said that a strong and efficient agriculture should ensure, in a nation, adequate food security for the growing population, generate employment, enough raw materials for the industries and sustenance of balance of payment equilibrium. A sustaining growth in agriculture is a major factor in the eradication of poverty and hunger as it aids reasonable stability in the prices and availability of food, apart from being the foundation of export earnings which sustains the balance of payment equilibrium; it also ensures industrial growth of a nation with high capacity utilization not only through the production and smooth flow of raw materials but also release of labor and consequently, full employment. Agricultural growth and development is the foundation of a diversified economy and which in turn sustains the strength of a nation for real economic growth and development. With its apparent failure to meet up the above highlighted responsibilities, it is evident that the sector has relegated its prime position as the main anchor of the Nigerian economy to the petroleum sector that is not even effective in ensuring the citizens welfare and national security. One of the obvious effect is the security insurgences that cut across the country – with Boko Haram in the North, Massob and the Mend boys, etc in the East and South-South and the Armed robbers in the West.

The above score card shows the precarious situation of agriculture and which perhaps, informed the decision of the Central Bank of Nigeria - CBN, in the year, 2011, to launch NISRAL - Nigeria Incentive-Based Risk Management System for Agricultural Lending. NIRSAL is said to be a dynamic, holistic approach that tackles both the agricultural value chain and the agricultural financing value chain. It is regarded as the monetary authority's innovative approach of combating the challenges of low productivity, poor technology and cultural practices, low research and development, and under-financing of the agricultural value chain. With the current financing level of agriculture standing at about 2% of total banks lending, NIRSAL is planned to invest USD 500million(about N75 billion) via fixing of the agricultural value chain and encouraging banks to lend to the agricultural value chain through strong incentives and technical assistance. NIRSAL, unlike previous schemes which encouraged banks to lend without clear strategy to the entire spectrum of the agricultural value chain, emphasises lending to the value chain and to all sizes of producers (CBN, 2011).

The previous schemes of the Federal Government included, amongst others, the Agricultural Credit Guarantee Scheme Fund (ACGSF -1977); Nigerian Agricultural, Cooperative and Rural Development Bank – NACRDB (now: Bank Of Agriculture-BOA) Ltd (1973), and the latest CACS –Commercial Agricultural Credit Scheme (2009), all of which, in about 40years, have sunk billions of naira into agricultural sub-sector. This is apart from the World Bank assisted States Agricultural Development Programmes (ADPs) and the States' Agricultural Credit Programmes. Not much seems to have been achieved through these schemes.

This paper is therefore set out to ascertain that yes, money is important as it answereth all things, but it does so working with other factors, the lack of which money, per se, is useless and can achieve less. It is in this light that these factors are highlighted as the possible reasons for the failure of the ACGSF, BOA Ltd, CACS, and the consequent challenges constraining success of agricultural finance in Nigeria. Recommendations are also made with a view of channeling a more potent success path to take the agricultural sector out of the woods.

CONCEPT OF AGRICULTURAL FINANCE

Agricultural Finance is all about the acquisition and utilization of capital (i.e.finance), the factor of production that facilitates the acquisition, procurement and management of the other factors of production namely, land, labour, capital – physical, and entrepreneur(management), in agriculture and which, is not only a lubricant but the lifeblood of the economy. It cuts across financial management and the financial institutions serving the agricultural sector of the economy. It is the most important factor in economic development. Capital has two concepts – the physical capital which refers to the physical assets (land, buildings, plants, machinery and equipment) used in the production of goods and services either for further or final consumption, and the finance capital which is used not only to procure the physical assets but also operates and manages the assets on daily basis to ensure continuous production of goods and services. Recall, that GDP is a measure of the total value of all the goods and services produced by a country within a year.

Finance is seen and viewed as the most important and the most talked about (and still being talked about) problem of agriculture. It is regarded as the greatest limiting factor to the development of agriculture in Nigeria and consequently, the eradication of extreme poverty and hunger. Indeed, World Bank (1975) says, "it is the only one element in the package of inputs and services needed to raise the productivity of small farmers." Ayodele, et al (2000), citing Chandavarker said " one of the basic problems facing the less developed countries is the scarcity of domestic capital relative to the size of investment required to achieve high and self-sustaining rates of growth of national and per capital income. Although, the accumulation of capital by itself is no longer regarded by economists as a uniquely important source of growth, its role as a necessary condition of economic development is recognized." In other words, though essential, capital, per se, cannot work in isolation of other factors of production to achieve the desired goal of productivity.

Finance, in an economy, is basically from two (2) main sources – savings and borrowings. Savings, otherwise regarded as equities, is the basis of money economy which allows the release of production resource for investments in the production of goods and services and which enhances real economic growth. It is that part of the disposable income that is not immediately consumed. Borrowings, on the other hand, are the use of other people's money for investment purposes. While savings (equities) is a direct source of financing in an economy, credit (borrowings) is an indirect source. In the integrated and technology driven economy of today, it is evident that there is no amount of equities that can sustain the expected productivity of agriculture to meet the increasing need of the nation, either individually or corporately. It is therefore apparent that borrowing, otherwise regarded as credits, is the major and most ideal source of adequate financing for agriculture, just like any other commercial venture and/or any sector of the economy. World Bank (1975) recognized that credits constitute the largest component of its agricultural lending. It is the duty of the financial institutions who as the financial intermediaries must intermediate efficiently between the savings unit and the investing unit to sustain continuous availability of borrowings (credits).

The objective of agricultural financing policies is to establish an effective system of sustainable agricultural credit schemes, programmes and institutions that could provide micro and macro credit facilities for small, medium and large scale producers, processors and marketers in the agricultural sector of the economy. The CBN (2005) asserted that "robust economic growth cannot be achieved without putting in place well focused programmes to reduce poverty through empowering the people by increasing their access to factors of production, especially credit."

EVOLUTION OF INSTITUTIONALISED AGRICULTURAL FINANCE IN NIGERIA

In Nigeria, agricultural financing has been age long. Historically, financing agriculture, either in cash or kind, had ranged from family and individual savings and gifts, private money lenders, daily contributions, cooperative thrift associations/cooperative societies, produce buyers, to states agricultural credit corporations and agencies, agricultural development agencies (most of which were established in liaison with international financing agencies, especially the world bank), etc. Appreciating the inadequacies of the above traditional/historical sources of financing, the Federal Government, since the 1970s, enacted a number of policies, schemes and established institutions in order to guarantee adequate funding for agricultural, and invariably, economic developments. The Federal Government aim was also to ensure that the financial institutions, especially the banks as the lubricant and catalyst of national economic growth, efficiently play their part in promoting economic growth through injection of adequate funds into the agricultural sector.

SECTORAL ALLOCATIONS AND THE RURAL BANKING SCHEME

Conscious efforts of the Federal Government in channeling funds to agricultural sector started early in the 1970s with the Sectoral allocation of funds wherein the banks were mandated to channel a certain percentage of their annual total lending (i.e. loans and advances) at concessionary interest rates directly towards enhancing agricultural productivity. This was followed by the Rural Banking Scheme (RBS) in 1977 which was to channel a certain percentage of the total deposits mobilized in the rural communities back to the communities, not only to ginger economic development of the area but also create banking awareness among the rural people. Failure of RBS gave rise to the development of the Community Banks (CB) which today has transited into Micro-Finance Banks (mfbs). Unfortunately, the mfbs are yet to find their feet as the "deep rooted fear of money trust – i.e. monopoly of money" which birthed the establishment of community banks through the Unit Banking System of America is very much present and currently very active in the nation's banking industry. The expected impact of the mfbs on the rural economy and especially the agricultural sector is therefore yet to be realized.

BANK OF AGRICULTURE (BOA) LTD

Earlier in 1973, the Federal Government established the Nigerian Agricultural and Cooperative Bank (NACB) Ltd with a mission to "provide affordable financial and advisory services to the farm and non-farm enterprises of the national economy using well-trained and highly motivated staff, backed by appropriate technology, thereby fostering accelerated agricultural and rural development." In October 2000, NACB successfully merged with the defunct Peoples Bank of Nigeria (PBN) and the risk assets of the Family Economic Advancement Programme (FEAP) to form the Nigerian Agricultural, Cooperative and Rural Development Bank (NACRDB) Ltd as the single largest development finance institution in Nigeria. In 2011, NACRDB transformed into the Bank of Agriculture (BOA) Ltd. Its share capital of ₦50bn is fully subscribed by the Federal Ministry of Finance Incorporated (60%) and the Central Bank of Nigeria (40%). Unfortunately, as at date only ₦20.316bn(40.7%) of the share capital is paid up leaving a shortfall of N29.684bn(59.3%). Records evident that as at March 2011 it disbursed an accumulated loan of ₦42bn in the 10yrs period of 2001-2011 [TABLE 1] and mobilized a deposit of ₦361bn within the same time frame.

AGRICULTURAL CREDIT GUARANTEE SCHEME FUND (ACGSF)

Agricultural Credit Guarantee Scheme Fund (ACGSF) debut in 1977 for the sole purpose of easing the risks of banks in agricultural lending with a view of encouraging the banks to continue to extend credits to that sector of the economy. This was borne out of the need to remove the credit constraints towards increased agricultural productivity if the country was to be self-sufficient in food productions. In the light of the inherent risks in agriculture and agricultural lending, coupled with the inability of the farmers – especially the poor, rural farmers, to offer tangible collateral to back up their borrowings, the banks were generally unwilling to lend to the sector. The scheme could therefore be regarded as a "moral suasion" to continuously encourage the participation and interests of the banks. AGCSF in operation guarantees the banks 75% of the amount in default of the total amount of agricultural loans approved and disbursed to farmers, be it individuals, cooperatives, joint trade groups, and or corporate organizations. Initially at the inception of the scheme, loans were granted at concessionary interest rates but later reviewed to operate at market-determined rates under the now operational Interest Drawback Programme (IDP). In its 34/35 yrs of operation, the scheme has, as at June, 2012 guaranteed about ₦55bn of agricultural loans to 770,438 projects/ farmers. [TABLE 1]

COMMERCIAL AGRICULTURAL CREDIT SCHEME (CACS)

Perhaps the most logical, ideal and relevant government agricultural financing scheme is the Commercial Agricultural Credit Scheme (CACS) which was established in 2009. This is because it addressed the source of funding agricultural development. Hitherto, the government policy has only mandated the banks to channel their funds, sourced from the short-term money markets, to finance agriculture which is mainly of long gestation period, thus creating a mis-match operational procedure for most banks which, as private commercial organizations, have a responsibility of maximizing profits for their owners welfare. Apparently, this has been responsible for the luke-warmness and evident lack of interests of banks in financing agricultural development. For example, in 2010, total agricultural loans and advances was a mere 2% of the total banks loans and advances. This has been the trend in the last 5 years [TABLE 3]. For CACS therefore, Federal Government through the debt management office (DMO), in 2009, floated N200bn agricultural development bonds, from the capital market (long-term market) to finance large scale commercial production of agriculture. The objective is to fast-track development of the agricultural sector of the Nigerian economy by providing credits at single digit interest rate. Despite the 'Nigerian factor' which almost marred the success of the scheme in 2009, the scheme has, as at June 2012, disbursed about ₦197bn, through 14 commercial banks, to about 252 projects including the on-lending participation of some 30 states – including FCT, Abuja, who have also benefited from the scheme. [TABLE 1] CACS, having achieved about 99% of its financing target within three years of its inception, alongside the ACGSF and the BOA Ltd have jointly sunk almost N300bn into the agricultural sector of the economy. This is apart from all other government sponsored schemes and policies, both at the Federal and States (and even International – World Bank, in the case of Fadama Scheme) wherein the agricultural financing structure and processing has been mainly in cash and kind. OYSADEP (Oyo State Agricultural Development), for example, in the 10yrs period of 2001-2011 financed farmers in the state, both in cash and kind, to the tune of ₦0.53bn. This is through the respective contributions, both in cash and kind, of the Federal Government Agencies (in the state) such as the NPFS (National Programme on Food Security) – ₦0.48bn; RTEP (Root and Tuber Expansion Programme) – ₦0.051bn.

With the above financing scenario we still have hunger in the land; there is high unemployment and inflation – both currently rated at double digit; factories are producing at less than 30% of installed capacity for lack of adequate raw materials from the farms with a consequent high import bill on foods and a balance of payment disequilibrium. This leads us to the constraints that gingered and sustained this precarious economic situation with a view of finding solutions for this apparent failure of the sector.

CONSTRAINTS

Relative to the amount of money lent to the other sectors of the economy, the total amount lent to agriculture is structurally deficient, insignificant [TABLES 3/5] and inadequate, relative to the following constraints and/or challenges:

MIS-MATCH OF BANKS FINANCIAL RESOURCES

Agriculture is a profession of long gestation period which requires long term financing to be successful. Using short term funds of the commercial banks to finance such projects is a mis-match which banks, as profit oriented private commercial entities, would always find a way of resenting, regardless of any amount of moral suasion or other enticements from the government. This is why only 2% of the total banks lending goes to agriculture compared to other sectors. This justify (ies) the insignificance and structural deficiency.

A ready solution to this is to give the banks the opportunity of sourcing their funds especially for agricultural developments from the capital market (i.e. long term availability of usable money for development purposes). It is in this respect that one sees the N200bn agricultural development bond of the CACS sourced from the capital market as a right step in the right direction. More of this capital market opportunity should be exploited for this strategic sector of the economy. The over ₦2tn Pension Funds lying idle could be rightly employed for agricultural development with good management and sense of committed patriotism to national well being. I am also suggesting that BOA Ltd, as the largest single development financial institution in the country should be included as a participant, along with other banks in the CACS, if only because of the availability of the long term funds of the scheme.

BUDGETARY ALLOCATION

Budgetary allocation towards agriculture has consistently been inadequate and short of expectations despite the assumed interests of the respective governments in the past years. [TABLE 4]. For example, only 4% of the federal government's annual total budget has been consistently allocated to agricultural sector since 2006

(Sanusi, 2011). BOA Ltd is another good example where the share capital is only 41% paid up by the government despite its 40 years of existence. Solution, among others, is for the government to be alive to its responsibilities and stop the wave of lip services, unfulfilled promises, policies and poor implementations thereof. A case in point is the 2003 African Union Maputo Declaration (AUMD) where it was decided and agreed that member countries should increase their investment in agricultural sector to at least 10% of their national budget by the year 2008. Nigeria is a top member of AUMD and 5 yrs after the deadline, she is yet to comply with that international agreement. It is also in this respect that one views the 59% outstanding share contribution of the BOA Ltd that is yet to be paid up and hereby call on the government and the CBN to urgently take this issue up if indeed they are serious about agricultural revival of this country. There is no amount of transformation in name (from NACB – NACRDB – BOA - ???) that could perform the magic of revival if the major stakeholders are not up to their callings.

OTHERS

Even if the money channel to this sector was adequate, there could not have been much result as expected for the following constraining factors which have been bedeviling the economy for a long time and have actually set the country back rather than progressing. It is important to stress again that finance, per se, cannot perform the magic of economic revival without the elimination of these other factors:

CORRUPTION

This is the greatest cankerworm and bane of economic recovery in Nigeria. It cuts across every facet of the society and unless something is done seriously, the country may as well be going around in circles. Ariyo (2006) opined that "the level of corruption in this country had gone beyond mere corruption but leaning more on the side of insanity on the part of eminently corrupt Nigerians, and has become a major precipitator of the avoidable three development gaps experienced by the nation, especially through the endemic budget deficit. Corruption and related vices account for not less than 40% of public expenditure; this was estimated at a savings loss of over ₦10tn in the last two decades. No amount of developing finance flows would make any positive impact on the Nigerian economy, unless and until the problem of economic corruption was effectively contained." Or how do you describe the 2009/2010 scenario of the 'missing' ₦200bn CACS fund during the late President (Musa Yar'dua)'s illness in Saudi Arabia. But for the ingenuity, inquisitiveness and investigations of the NASS, this situation would not have been revealed. Though the money was eventually 'found and released from its bondage,' I am not sure the ₦32bn accrued interest - at 16% per annum, according to Punch (2011), was ever recovered. Indeed, the country is reported to have lost about N5.0tn to corruption within the last two years of the current democratic disposition.

POLICY INCONSISTENCY AND SOMERSAULTS

It is very unfortunate that government policies largely found to be consistently inconsistent and continuously somersaulting have particularly contributed to the failure of the agricultural sector. Every new government wants to pursue its own political agenda without consideration for the economic well being of the nation; it is for ever jettisoning the policies of the predecessor to start a new policy of its own which is soon dropped by the successor. This is antithetic to continuity, a characteristic of any ideal democratic, good and progressive government, irrespective of the party in government. It is in this light one wonders what becomes the fate of theAgricultural Transformation Agenda [ATA] of the current government after it might have completed its term.

COMMODITY MARKETING BOARDS

Since the Commodity Marketing Boards were scrapped in the late 1980s, the life of the farmers in Nigeria has never been the same. Their life has been negatively turned around and the country has been the worse. Owofemi (2011) said,"….when the commodity board was scraped, that was when we decided as a country, that we were no longer interested in agriculture because the board was the one ensuring the link between the peasant farmers, the commercial farmers and the outside market, beginning with the provision of all the structures and inputs required." From the experience of the immediate pre and post independence era, commodity boards played an effective channel of stable, good market and pricing for farm produce; consequently, they were a vehicle for value added chain and sustainable agricultural and economic development.

LACK OF GOOD AND EFFECTIVE STORAGE FACILITIES

An activity of the defunct commodity boards which aided the economy in the 1960s and favored the life of the grassroots, particularly the farmers, was the promotion and establishment of adequate storage facilities which enabled the boards to effect the right pricing and distribution of farm produce. Those were the days of the produce stores which criss-crossed the nation for effective storage of cocoa, coffee, palm-kernel, etc. Those were the days of the Kano pyramid for groundnut. Of course the produce stores were largely financed through the Nigerian Produce Marketing Boards and repayments made at source from the export proceeds of the produce. Today, the produce stores have transited into churches. Lack of adequate storage facilities is therefore another bane of agricultural growth and development which otherwise would have ensured effective price control, an all round seasonal distribution of farm produce and prevent spoilage. A situation where food is surplus and cheap during a particular season and scarce in another season should have been long forgotten with our current level of technological exposure and awareness.

I would want to suggest the resuscitation of the Kano Pyramid of groundnut which could also be replicated for corn/maize, sorghum, millet at the Dawanau Grains Market (in Kano) or in Kaduna or even for beans (cowpeas) in Nguru. Additional Internally Generated Revenue (IGR) from the tourism opportunities of the pyramids could be generated for the respective states.

LACK OF ADEQUATE INSURANCE COVER

Section 13 of Nigeria Agricultural Insurance Company (NAIC) Act 1993 empowered it to underwrite all the agricultural credit facilities to all categories of farmers – small, medium, and large scale holders either in groups or individually, against the risk of natural disasters in order to safeguard the funds. Since establishment in1987, NAIC has given a risk cover of only N100bn to Nigerian farmers and made N2bn earnings from the premium relative to the N300bn combined credits of ACGSF, BOA, and CACS, not considering the other Federal, States, and International bodies and schemes such as the FADAMA, ADPs, RTEP, OYSADEP, OGADEP, etc, and private corporate and individual agricultural credits. It has also made insurance payments of N500million to Nigerian farmers. Borne out of the fear of agricultural risks, NAIC is the only insurance body covering risks in agriculture, so far, but it is high time the agricultural insurance sector is also deregulated by bringing in the private commercial insurance firms.

CONCLUSION

Finance, no doubt, is strategically important in the revival and growth of agriculture but equally important are the other factors of production from which finance cannot be isolated if it was to be effective and efficient. In the light of the above challenges, management stands out of the factors. Management of the resources and infrastructures namely, funds, roads, power, farm produce, marketing and pricing, etc. Resuscitation and management of the commodity boards, efficient storage facilities without overlooking the value added chain possibilities should also be looked into. But, more importantly is the issue of policy somersaulting, inconsistence, and especially, corruption.

Ajayi (2002) said that “the missing link in Africa’s growth process is the absence of adequate policies and efficient institutions. He said Nigeria has not grown because of institutional constraints and corruption which has been deleterious to her growth. He believed that corruption cannot be dealt with in isolation but needs a multipronged approach to its elimination.”

Unless these problems, identified as factors, are dealt with, with honest of purpose agricultural and economic revival will continuously be a mirage. In Nigeria, we have had enough of agricultural revival and poverty alleviation policies, initiatives and programmes without serious efforts in implementation. True and honest development of the rural communities would do the magic of the agricultural turnaround. The Farm Settlements of the Western Region of Nigeria and the regional Commodity Boards, over fifty years ago, had set the pace. It could be done again. All that is required is the seriousness and loyalty of committed gentlemen and ladies who, as economic and political leaders, have good intention, sincerity of purpose, integrity, transparency and accountability.

TABLE I CUMMULATIVE LOANS DISBURSED [as at JUNE, 2012]

	No of projects	Amount of Loan Disbursed [₦'Million]	Date of Report	
Bank Of Agriculture[BOA] Ltd	566,483	42,127	March, 2011	
Agricultural Credit Scheme Fund [ACGSF]	770,438	54.770	June, 2012	
Commercial Agricultural Credit Scheme[CACS]	252*	197.050	June, 2012	
TOTAL	**1,337,173**	**₦294,947**		

*This includes 30 States – including FCT, at N1billion each for On-lending

SOURCE: CBN website [www.cenbank.org/Out/2013/CCD/2012HalfYearEconomicReport.pdf–*retrieved 5/04/2013*] BOA Ltd Brief/Report as @ July, 2011

TABLE 2: **Nigeria GDP at Current Prices**

₦' million and $' million

Conversion rate: N150 = 1USD

	1960			1970			1980			1990			2000			2010		
	₦	$	%	₦	$	%	₦	$	%	₦	$	%	₦	$	%	₦	$	%
Agric sector a)Crop Production b)Live stock c)Forestry d)Fishing	1,417.6 1,128.2 120.4 133.6 35.4	9.45 7.52 0.08 0.89 0.24	63.5 50.52 5.39 5.98 1.59	2,576.4 1,973 177 146.9 279.5	17.18 13.15 1.18 0.98 1.86	48.79 37.36 3.35 2.78 5.29	10,011.5 6,607.3 1,870.6 315.0 1,218.6	66.74 44.05 12.47 2.1 8.12	20.17 13.31 3.77 0.63 2.45	84,344.6 68,416.7 9,562.0 2,149.1 4,216.8	562.30 456.11 63.75 14.33 28.11	31.52 25.57 3.57 0.80 1.58	1,192,910 1,000,069.5 116,393.4 22,436.9 54,010.3	7,952.73 6,667.13 775.96 149.58 360.07	26.03 21.83 2.54 0.49 1.18	10,364,000 9,250,000 662,000 124,000 328,000	69,093.33 61,666.67 4,413.33 826.67 2,186.67	39.59 35.34 2.52 0.47 1.25
Industry (petroleum)	134 7.0	0.89 0.05	6.0 0.3	912.5 489.6	6.08 3.26	17.28 9.3	20,174.7 14,137.4	134.50 94.25	40.65 28.48	115,591.4 100,223.4	770.61 668.16	43.20 37.46	2,359,313.3 2,186,682.5	15,728.76 14,577.88	51.49 47.72	10,221,000 9,528,000	68,140.00 63,520.00	39.05 36.39
Building & Construction	94.8	0.63	4.25	269.9	1.80	5.11	3,671.2	24.47	7.40	4,350.8	29.00	1.63	30,603.9	204.03	0.67	394,000	2,626.67	1.50
Trade (wholesale & retail)	283.6	1.89	12.7	670.4	4.47	12.69	9,617.2	64.11	19.38	35,837.7	238.92	13.40	527,485.4	3,516.57	11.51	4,669,000	31,126.67	17.84
Services	303.0	2.02	15.55	851.9	5.68	16.13	6,157.8	41.05	12.40	27,425.6	182.84	10.25	471,814.6	3,145.43	10.30	528,000	3,520.00	2.02
TOTAL	2,233	14.89	100	5,281.1	35.21	100	49,632.3	330.88	100	267,550.0	1,783.67	100	4,582,127.3	30,547.52	100	26,176,000	174,506.67	100

SOURCES: Compiled from: CBN Annual Reports (http://www.cbn.gov.ng) Nigerian Bureau of Statistics (http://www.nbs.gov.ng)

TABLE 3: COMMERCIAL BANKS* TOTAL LOANS & ADVANCES (L&A) N'MILLION

	TOTAL(DMBs) LOANS & ADVANCES	TOTAL(MFBs) LOANS & ADVANCES	TOTAL COMMERCIAL BANKS LOANS &ADVANCES	TOTAL AGRICULTURAL LOANS& ADVANCES	%(AGRIC) OF TOTAL COMMERCIAL BANKS L&A
2005	1,859,556	14,547	1,874,103	N/A	N/A
2006	2,338,719	16,495	2,355,214	52,408	2.20
2007	4,493,304	16,451	4,509,755	143,786	3.20
2008	7,602,166	42,024	7,644,190	109,392	1.40
2009	11,340,062	55,819	11,395,881	164,719	1.45
2010	6,629,581	54,349	6,683,930	117,287	1.76

***Commercial Banks – In This Case Include The Deposit Money Banks (DMBs) AND The Microfinance Banks (MFBs)**

TABLE 4: COMPARATIVE ESTIMATE OF TOTAL CAPITAL EXPENDITURE OF NIGERIAN GOVERNMENTS [FEDERAL AND STATES] ON AGRICULTURE ₦'BILLION

REC[1]: Recurrent Expenditure

	TOTAL EXPENDITURE (ESTIMATE)	TOTAL AGRIC EXPENDITURE						TOTAL GOVTS	%(AGRIC)OF TOTAL EXPENDITURE
		FEDERAL			STATES				
		REC[1]	CAP[2]	FED TOTAL	REC	CAP	STATES TOTAL		
2006	3530	18	90	98	30	35	65	163	4.6%
2007	4464	33	94	127	35	37	72	199	4.5%
2008	6186	65	106	171	53	54	107	278	4.5%
2009	6058	23	139	162	90	69	159	321	5.3%
2010	6865	30	141	171	114	105	219	390	5.7%

CAP[2]: Capital Expenditure

SOURCES: Compiled from: CBN Annual Reports (http://www.cbn.gov.ng)
: Nigerian Bureau of Statistics (http://www.nbs.gov.ng)
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TABLE 5:

Table 4.5: Maturity Structure of DMBs, Loans and Advances and Deposit Liabilities (per cent)

	Loans and Advances					Deposits				
Tenor/Period	**2006**	**2007**	**2008**	**2009**	**2010**	**2006**	**2007**	**2008**	**2009**	**2010**
0-30 days	54.4	49.2	46.6	50.1	46.1	66.6	74.1	72.7	73.3	76.3
31-90 days	11	11.3	13.4	6.4	10	16.6	12.3	13.1	15	14.4
91-181 days	6.3	5.8	7.8	7.3	3.9	3.5	4.3	6.2	4.7	3.4
181-365 days	6.4	9.5	7.5	6.5	5.3	1.4	2.6	2.7	2.7	2.8
Short term	**78.02**	**75.83**	**75.4**	**70.3**	**65.3**	**88.1**	**93.3**	**94.8**	**95.7**	**96.87**
Medium term(above 1 year and below 3 years	**8.3**	**13.5**	**14.5**	**14.3**	**14.6**	**5.4**	**3.3**	**5.2**	**4.1**	**2.06**
Long term (3 years and above)	**13.7**	**10.7**	**10.1**	**15.3**	**20.1**	**6.5**	**3.3**	**0.03**	**0.069**	**1.005**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

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