

FAYODE

FAYODE 2018–2019 Report

Little Grains of Hope



Citation

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About FAYODE

FAYODE (*Facility for Youth Development*) Foundation was officially incorporated in Nigeria as a not-for-profit organisation in January 2018. It became operational in June of the same year. FAYODE's main goal is to 'help rural youth to become self-reliant and contribute to improved livelihoods in rural communities of Africa'. Initially, the Facility will support young rural women and men in micro/mini, small- and medium-scale businesses and enterprises, with preference for the agro-industrial sector through the provision of competitive mini-grants.

Acknowledgement

FAYODE recognises the inaugural *Africa Food Prize* awarded to the Chairman and Chief Executive, Dr. Kanayo Felix Nwanze in September 2016, which made it possible for the establishment of the Facility. The following is an extract from his acceptance speech:

We must do everything in our power to provide our young people with opportunity and hope. We owe it to the 370 million young Africans, mostly from rural areas, who are expected to enter the labour market by 2030, so that they can aspire to a better tomorrow, the young women and men — the entrepreneurs and leaders of an emerging Africa who hold our future in their hands. And we owe it to our hard-working and resilient rural women — our mothers and wives, sisters and daughters — to whom I dedicate this Prize.

With this Prize, I pledge to continue to support them — by coaching, mentoring and inspiring our younger generation in building a better and brighter future for this continent, our Africa!



Photo courtesy: CGIAR



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“ *Global population growth and increasing prosperity could increase the demand for food by 50% by 2050. But our planetary boundaries are already reaching their limits. Land and freshwater resources, the very basis of our food production, are under heavy stress, and oceans, forests, and other ecosystems are being degraded at an unprecedented scale. Conflicts over resources and the devastating impacts of climate change risk pushing millions more into abject poverty and hunger. And as always, it is the world’s poorest who suffer most. We see this now in Yemen, South Sudan, Somalia and Northern Nigeria where more than 20 million people are in desperate need of food assistance.*

— Kofi Annan, Nobel Peace Prize laureate,
Secretary-General of the United Nations, 1997–2006

Message from the Chairman

One of the greatest global challenges today — feeding the world — is also our greatest opportunity.

The world population is set to peak at over 9 billion in 2050, and projections are that food production will need to rise by 70%. This need will be greatest in Africa, where agriculture not only provides food, but remains the main source of livelihood for the major part of the population which is rural — it generates jobs and employment, creates wealth, ensures vibrant rural communities and contributes to overall economic growth. It is therefore crucial that we create opportunities for young farmers and workers in rural areas.



FAYODE/T. David

Africa, with 1.3 billion people, has the youngest population in the world — with 60% under 25 years. And Nigeria, with a population of over 200 million (that is, one out of every 4–5 Africans), is home to some 85 million young people below age 14. About 40 million or 20.2% of Nigerians are between ages 15 and 24. Over 75% work in the informal sector.

During my 40-year career in international agricultural research and rural development, my attention was drawn to a *subgroup* of this young population. Many had high-school diplomas, and some were even university graduates — yet, these young hopefuls with lofty ideas and big dreams were at the crossroads of hope and hopelessness. My ten years at the International Fund for Agricultural Development (IFAD) exposed me to thousands of them across the world — in Africa and the Near East, Asia and Latin America. I have been most intrigued by the optimism of these young women and men, a defiance against all odds which transforms into unbelievable outcomes when opportunities are matched with “a little bit of money” and a little human touch. The inaugural *Africa Food Prize* in 2016 was all I needed — as a compass on a new journey after IFAD.

The *Facility for Youth Development* (FAYODE) was incorporated in Nigeria as a not-for-profit foundation in January 2018 and operations began in mid-2018. This report covers the first 18 months of operations of the Facility. This is not an activity report of FAYODE, but rather a knowledge product that combines historical information and available data with experiences from our first investment projects to support young people in a range of agri-business enterprises in three regional zones of Nigeria. FAYODE made a conscious effort to target its initial grant financing to women and girls because of the gender disadvantage they often experience in accessing finance. This is reflected on page 5 of this report, under ‘Value for Money: 2018–2019 in numbers’.

Our feature story is about Ms. Salimot Jayeola, a canteen owner in the South West zone of Nigeria whose ‘front house’ canteen, *AnuOluwapo*, became the ‘gathering point’ for young members of her rural farming community. The success of this grant financing informed our strategy to consider our activities in the first two years of operation as a “proof of concept”, that transforming rural lives does not necessarily require millions of dollars and heavy administrative overheads. The summary of financials on page 18 was the reason for the subtitle of this report, *Little Grains of Hope*. Every story in this report is a unique experience — from Ms. Aishat Odeg-

baro's 'food processing enterprise' for roots and tubers, to Mr. Nelson Chigozie's 'trading in oil'; from Ms. Perpetual-Love Uduma's 'FitFamTombia' that captures the plight of many young Nigerian women, to our first attempt at supporting young rural men into forming an informal small agri-business cooperative in Kwara State. Our first ever grant financing project — Mr. Emmanuel Eyo's 'Tula Clothing Company' — was a coincidence. It did not immediately fall into our initial objective that was focused on rural youth and the agricultural value chain. But it served as a pilot, and through it we were able to develop a business model and rigorous and transparent procedures and systems for non-cash grant financing that formed the basis of subsequent grant financing. Pages 6 and 7 present an insight into the Facility's project cycle.

The Facility received considerable in-kind support from institutions and several individuals. The International Institute of Tropical Agriculture (IITA), Ibadan, Nigeria — where I started my career as a young graduate temporary field technician in the very early 1970s, and returned four years later, armed with a PhD — provided a team of young and dynamic former "agripreneurs" to support the Facility in the first year of its operations. Its Director General, Dr. Nteranya Sanginga, deserves special mention and appreciation. The lists of our consultants and collaborators at the end of the report recognise the team. FAYODE also appreciates the information technology support provided by CloudEnergy Solutions, Aspire Digital and by Mr. Anthony Aderemi, without whose advice and personal involvement the Facility would not have survived the unreliable energy and IT infrastructures (a manifestation of our society's endemic corruption) that continue to hinder the progress of this great African nation, Nigeria. Last but not the least, without the Africa Food Prize Committee, who in its wisdom selected me as recipient of the inaugural prize, FAYODE may never have seen the light of day!

FAYODE remains committed to bringing joy to rural lives of young people in Sub-Saharan Africa, that is, beyond Nigeria. When the idea to produce a report was first considered in December 2019, Covid-19 was practically unknown. Since then, and as our report took shape, we had the choice of either to remain watching, staying safe and seeing how it unfolded, or to proactively become part of the debate (see page 23). We are convinced that this pandemic will run its course, but our worry is whether mankind would ever learn from it — and look beyond its impact on health and our daily lives. It goes much deeper than our earthly existence. It is time to re-orient our moral compass.

While our governments struggle to balance between saving lives and keeping their economies "alive", I will remind our African leaders of the call I made to them in my *Open Letter* of June 2014, which is reproduced at the end of this report. Some progress has been made since 2014, when AU Heads of State met in Kigali, Rwanda, in March 2018 (see photo inside back cover). That call would be much louder today than it was six years ago. African Leaders need to put their political and economic houses in order. Change is an intrinsic process and cannot be imposed from outside. *Change Africa from within!* Africa's development and transformation must be made *in Africa, by Africans and for Africa*. Our greatest asset is our young people. *They* are the future — without them, we have no future!



Kanayo F. Nwanze PhD, DSc.
Board Chairman & Chief Executive

Vision

A future where rural young women and men develop their entrepreneurial skills, become dignified and self-employed, and/or become employers of other youth, to sustainably contribute to the economy and social fabric of their communities.

Mission

To contribute to the development of productive entrepreneurial capacities and talents among young people in Sub-Saharan Africa.

Goals

To provide financial support and mentorship to rural youth, to help them develop well-managed micro, small, and medium sized enterprises (MSMEs), become self-reliant and contribute to improved livelihoods in their families and rural communities.

Strategic Objectives

- Promote and support entrepreneurial opportunities among Africa's youth (mostly rural).
- Provide seed money for promising entrepreneurial ideas and for micro-, small- and medium-sized enterprises (MSMEs) that provide vocational products and services.
- Contribute to reducing rural poverty, illiteracy, redundancy, crime and rural-urban migration.
- Promote the broader social and economic advancement of rural communities in Africa through the facilitation of job creation by its youth.

FAYODE and the SDGs

Sub-Saharan Africa (SSA) has the world's largest number of people living in extreme poverty – 413 million people surviving on less than \$1.90 per day. One out of every five people (20%) in SSA goes to bed hungry; this region has the highest prevalence of undernourishment in the world – close to 30% of the population.

In Nigeria, nearly a quarter of the population is out of work, and 20% is under-employed. For young people aged 15–35, the figures are grim: 55% are without work. Sustained and inclusive economic growth can drive progress, create decent jobs for all and improve living standards.

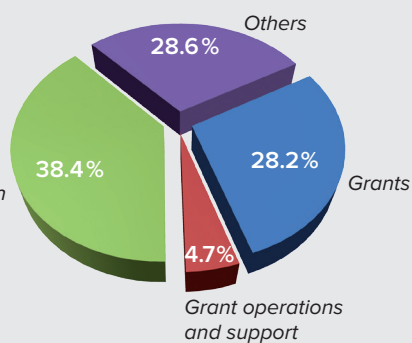
Africa is currently the least urbanised continent, but its urbanisation rate of 3.5% per year is the fastest in the world. Currently, 40% of Africans live in urban areas (compared with only 28% in 1980), and this is projected to grow to 50% by 2030. This poses great concerns over the rapid expansion of urban slum areas due to rural-urban migration, feminisation of the rural space and its impact on agriculture, the fragility of city slum areas and the overall sustainability of cities and communities.



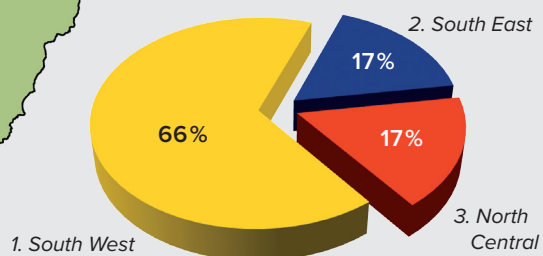
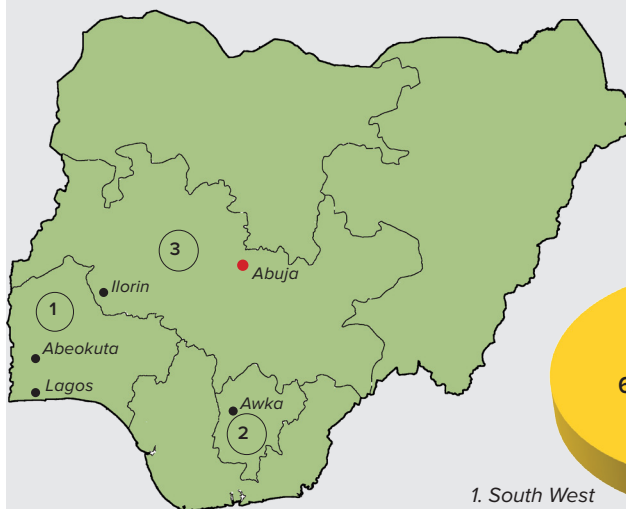
Value for money: 2018–2019 in numbers

FAYODE's budget distribution

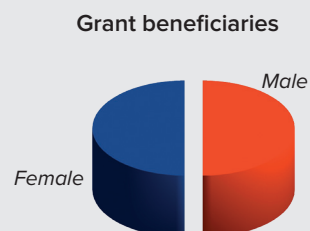
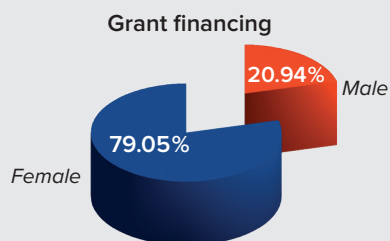
General administration and support



Geopolitical distribution of grant financing



Male / female ratios:



“ We pass gold and see gold as dirt. And we look at agriculture like that (dirt) when in fact it is the biggest business in the world. So for me, I really want young people to be in agriculture as a business.
— Dr. Akinwumi Adesina, President, African Development Bank.

The ABC of FAYODE's Project Cycle

FAYODE's project cycle follows a simplified approach that breaks down the process into three major phases: (A) Preliminary identification and selection of site or community; (B) Training and business proposal/plan development and budget; and (C) Implementation phase.



A Identification and selection

1. Project initiation: This involves an initial in-house discussion to agree on the zone or geographical area of intervention, and potential rural communities in the area.

2. Site and community selection: Initially, FAYODE collaborated with the International Institute of Tropical Agriculture (IITA), which has over 50 years of experience working in Nigeria. Working with IITA's Youth 'Agripreneurs' and using simplified criteria, the Facility undertook a quick assessment of rural areas and communities of the South West zone of Nigeria, specifically in Ogun State where IITA had implemented projects.

3. Data collection, screening and selection of potential grantees: After a zone/site/community of intervention is identified (jointly with the village or community leader), a one-day informal mini-workshop is convened to bring together interested rural youth. FAYODE's purpose and objectives are explained. The following are some of the criteria used for the preliminary selection:

- the potential grantees must be between the ages of 15 and 35.
- they should be interested in, or already engaged in, a rural enterprise preferably within the food system.
- they must be living in the community where the business is located.
- they should have studied at least up to the senior secondary school level.



Personal data is recorded for all interested participants. The process may involve a one-on-one session with the individuals or groups of participants. The data collected is processed and assessed in-house, leading to a selection shortlist (2–5 candidates) or long-list (5–10 candidates), based on the allocated grant funds to proceed to the next phase. Both start-ups and existing enterprises are eligible for consideration.

“ *Development is not something we do for or to others. Development is something people do for themselves; rooted in their own soil. Our role is to support, help and assist, not to lead! Our failure to do so could cost our world a lot more.* ”

— Dr. Kanayo F. Nwanze

B Training, project proposal development, business plan and budget development

1. Training, proposal development and assessment: The selected potential grantees are then provided the necessary support so that they can develop and submit simplified business (project) proposals to the Facility for consideration. This aspect is particularly important for candidates to understand that whatever the activity involved, it should be seen as a business, a money-making enterprise.

An in-house review committee of FAYODE then assesses each proposal's aspirations, objectives, available assets, constraints to production and productivity, commitment, and anticipated grant support. Capital equipments are also prioritised. Usually, for any one site or zone of intervention, a limited number of proposals (1–3) are recommended for final approval.



2. Business plan and budget development: Successful grantees are then assisted in translating their project proposals into a simplified business plan and budget. This plan also incorporates a section on grant application.

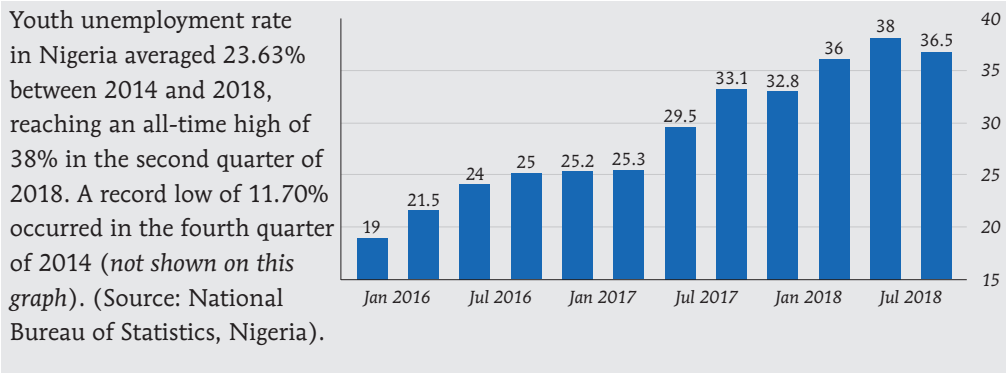
C Project implementation

1. Grant agreement: Finally, a Grant Agreement between the selected grantee and FAYODE formalises the engagement between both parties. It spells out the obligations and expectations from both parties, provides details on duration of the relationship, timelines and milestones, grant amount and budget for the identified items (equipments and supplies) that FAYODE will support. Grant agreements are usually executed at FAYODE's offices, except when circumstances make it necessary for the agreements to be done by correspondence.

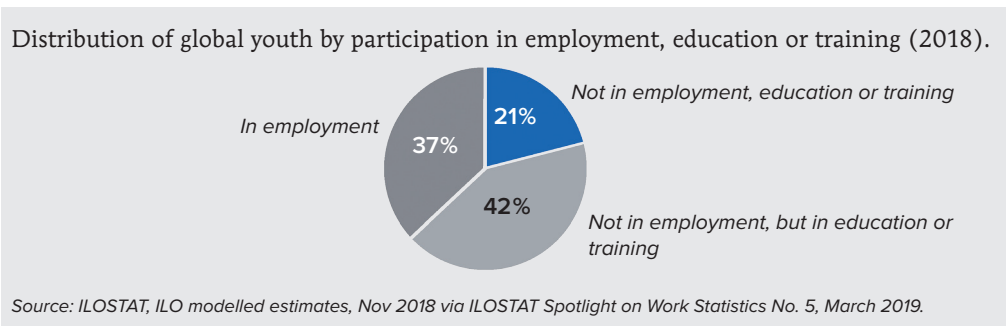
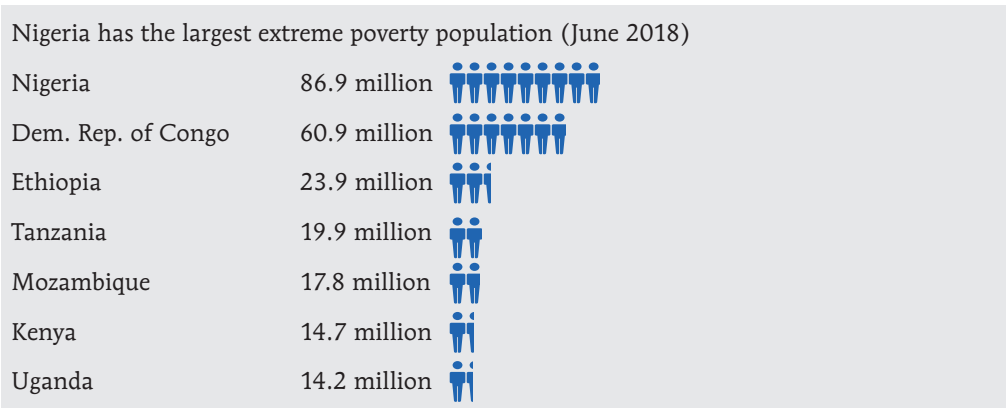
2. Disbursement, purchase and delivery: Usually, by the time a grant agreement is signed, pro-forma invoices for approved items should be available for submission. After price and supplier verification, funds are made available to FAYODE's purchase unit or sent directly to the supplier. Depending on the mode of purchase, items are delivered directly on site or through the supplier.

3. Monitoring and evaluation: Site visits to monitor and evaluate progress are made at quarterly intervals where possible. Otherwise, regular telephone calls ensure that contacts are maintained. Failure in meeting timelines and milestones could result in suspension of funds or cancellation of the grant.

Hunger, Unemployment, Poverty and Youth



Africa's most populous nation and largest economy — Nigeria — has a youth unemployment problem. In Nigeria, nearly a quarter of the population is out of work and 20% is underemployed. For young people aged 15 to 35, the figures are grim: 55.4% of them are without work... They are not getting into formal employment (Source: Al Jazeera).



Feature story: Joga-Orile

Where it all Started: Women at the Centre of Rural Transformation

Joga-Orile, a small, quiet, single-road rural farming community, some 35 kilometres west of Abeokuta, the capital city of Ogun State, Nigeria, was where FAYODE first engaged in financing an activity within the context of ‘food systems’, that all-embracing framework of ‘from-farm-to-fork’, but which also recognises a global environmental perspective where man, food, nutrition and health, the environment and social systems intersect and are intricately interconnected. Our feature story focuses on Ms. Salimot Jayeola, a 34-year-old entrepreneur who runs a roadside restaurant named *AnuOluwapo Canteen*, which is a gathering point for many young members of the Joga-Orile farming community. Ms. Salimot’s food items are primarily sourced from local farmers and producers.

Like many other small or mini-micro businesses (SMEs) of its kind in most of Sub-Saharan Africa (roadside canteens and ‘maquis’, beer parlours, kiosks, etc.), the Canteen’s major constraints to success and profitability are poor infrastructure and access to finance. Nigeria is no different. *AnuOluwapo Canteen*’s business starts with sunrise, but business hours are limited to daylight time due to the very poor and unreliable electricity supply. With peak ‘dinner time’ customers expected after sunset, Ms. Salimot Jayeola kept her canteen open with the aid of kerosene lanterns, but could not sustain this for too long.

After Ms. Salimot’s business food canteen had successfully passed the preliminary *Concept Note* review and project proposal assessment, following a participatory process (out of a total of 11 applicants, of which five were short-listed), FAYODE then undertook a needs assessment, and identified key areas of intervention — electricity to extend the opening hours of the canteen; additional dining area, with preferably a covered open-air space; and improvements to the open kitchen facility. These were then evaluated against beneficiary assets and prioritised and phased on the basis of the budgeted grant amount.



Kelenna Ogboso

Ms. Salimot recalls the words of FAYODE's Assistant Programme Officer, Olugbenga David, "We do not give grants in cash, but we will purchase and deliver the items we have jointly identified as your primary constraints". To which she had replied, "I need a new generator to enable me to extend the hours of business and offer my customers cold drinks to go with their meals". This constituted the *Phase 1* disbursement of grant financing. On 1st November 2018, FAYODE delivered a brand new 7.5-KVA electricity generator to AnuOluwapo Canteen. The grant financing agreement also allocated funds for a *Phase 2*, which would respond to the need for additional dining area but was conditional to an improvement in the open kitchen area. A six-month project implementation period was provided for an evaluation of progress in Phase 1, before Phase 2 could be considered.

However, Phase 2 was initiated well in advance of the six-month period. Three months after the first disbursement, during an implementation visit of another beneficiary project in a nearby community (see page 16 of this Report), Ms. Salimot's AnuOluwapo Canteen was buzzing with activity. An open-air dining shed had been erected, the kitchen area was redesigned and clean, a new employee was at hand, and Rafiu (Ms. Salimot's son who had dropped out of school due to lack of finance) had returned to school to continue his undergraduate studies. Small cause, great effect, and in the words of FAYODE's Chairman and Chief Executive, Dr. Kanayo F. Nwanze, "With a little bit of money and the human touch, you can transform rural communities". The Phase-2 grant provided tables and chairs to seat an additional 16 guests.

The canteen now has an extension to accommodate an ever-increasing customer base and the kitchen has been given a facelift.

Ms. Salimot Jayeola exuberantly sums up her experience, "With the generator and tables and chairs provided by FAYODE, I have been able to extend my hours of business. We now close shop sometimes as late as 12 midnight. The extension of business hours translates into more customers. I have employed more people to work with me, and my son was able to return to school. We couldn't do this earlier because of the erratic and unreliable electricity supply. I can only say a big 'thank you' to FAYODE for this turnaround."

FAYODE/T. David



Nigeria calling... Africa is the youngest continent in the world with over 50% of the population below the age of 25. The same statistic applies to Nigeria. Every year, 10–12 million young Africans enter the job market competing for less than 200,000 jobs. With one out of four or five Africans being Nigerian, one can well imagine how many young women and men are unemployed and under-employed.

Yet, agriculture, the largest employer, is unattractive to our youth. With the average age of farmers in the country between 55 and 60 years, who will grow the food on our rural farm lands in 2030 and beyond?

FitFamTombia — One Young Woman's Story

Nigeria is the seventh most populated country in the world, with a population that is currently at some 200 million. This number is projected to reach 400 million by 2050, which will move the country into the third position. Nigeria is described as a very youthful nation with 77.45% of its people below the age of 35 (35.62% between the ages of 15 and 34). Nigeria's youth are its future, and if properly educated, mentored and guided, they can become the greatest national dividend. Otherwise, they could become the greatest threat to the nation's future.

Nigeria also boasts the most educated population in Sub-Saharan Africa, with the largest number of secondary and tertiary institutions churning out thousands of graduates every year, contributing to the swelling workforce. However, it remains debatable whether the relevance of the certificates and diplomas obtained meet the needs of prospective employers, or whether the certificate holders have acquired any productive technical, vocational or entrepreneurial skills to take them beyond conventional white-collar jobs.

Today, Nigeria's youthful population is beginning to realise that the days of having a parent, uncle or family friend in government (or in a private company) — which constituted a passport to landing a job — are gone, simply because there are no jobs! And more and more, agriculture or the food sector is becoming attractive. With increasing penetration of digital technology, start-ups like Farm Crowd, Hello Tractor, Piggyvest, Hearts and Capital, Go2Uni and many others are serving as pointers and inspiration to unlocking the inherent entrepreneurial skills of the younger generation.

FitFamTombia falls into this category of young entrepreneurial spirit. *FitFamTombia* is a small food-processing enterprise that is managed by Ms. Perpetual-Love Uduma, its Chief Executive Officer. After graduating with a Bachelor's degree in Mass Communications from the Rivers State University, Diobu (Port Harcourt, Nigeria) like many other young graduates her age, Ms. Uduma 'applied' for jobs and walked several corridors in search of employment. At her first meeting at the offices of *FAYODE*, she recalled: "In May, 2016, I was a single mum, just fresh



FAYODE/T. David

out of school; I had little or no prospects, so to cut costs, I borrowed a leaf from my childhood and made all my baby's meals and milk myself."

"Other mums around noticed how plump and healthy my baby was, and in no time, they began to ask me to make some baby food for them too, and this then spread into making drinks and so much more. I built on the recipes and experience I had gathered from working for my mum years ago, and expanded on that". FitFamTombia is now registered with the Corporate Affairs Commission (CAC), the business registration authority in Nigeria.

The business that started on a micro scale in 2016 now produces processed foods and beverages such as tea and various flour products from locally-sourced materials such as mint, bitterleaf, sorghum, millets, maize, yam, and tiger nuts. These are supplied by rural farmers and young off-takers from rural communities.



Starting small with the intention of running her own factory, Ms. Uduma was confronted with seemingly unsurmountable capital-intensive challenges: factory space, machinery for sorting, grinding, packaging, and labelling, and marketing! She soon realised that strength lies in numbers, and began partnering with a group of other young and determined women in the production and processing chain.

But not all challenges were solved. Another bottleneck was the official approval and registration of her branded products with

the National Agency for Food and Drug Administration and Control (NAFDAC) – the food registering authority in Nigeria, which allows products to enter into the open market and to compete in the market space. Another capital-intensive step!

A journey of a thousand miles begins with a single, first step. FitFamTombia was already far ahead of the first mile when Ms. Uduma's steps led her to FAYODE. Her project was in itself a potentially viable ongoing business that easily earned her the grant financing to facilitate registration of her products with NAFDAC – chapter one of a storybook of one determined young woman!

“ For Africa to be economically empowered and free from hunger, poverty and malnutrition, agriculture needs to be innovative, integrated, focused on removing barriers and bottlenecks in value chains of crops and processing. Agriculture must be done as a profitable business, in order to attract and create jobs for youth and women in rural communities, resulting in sustainable development. Future strategies in agriculture need to be people-centered, must embrace partnership approaches, be inclusive of diversification, resilience and ecosystem management.

— Dr. Florence Wambugu, CEO, Africa Harvest, Nairobi, Kenya.

Trading in Oil: Buying for the Future

FAYODE's mission of empowering rural youth expanded further, in mid-2019, into the lower Niger, the south-eastern part of Nigeria, the Anambra State.

The grantee, Mr. Nelson Chigozie, a young man in his early 30s, resides in Abagana, a rural community in the Njikoka Local Government Area of Anambra State. Mr. Nelson received a small grant to finance a key activity of his business which 'trades in oil' — purchase, storage and conservation of palm oil. FAYODE provided Mr. Nelson a small capital to invest in the procurement of 'kegs', 25-liter plastic jerrycans. Nelson Red Oil, as his business is called, buys red palm oil at peak season when market prices are considerably low due to oversupply in the market. It then stores the product until much later, when the demand still remains high but supply is low and prices are much higher. That is when Nelson then sells with a considerable profit margin.

With some experience in the purchase and storage of red palm oil, Mr. Nelson also improvised a storage facility for ensuring the quality of his palm oil. Starting with six kegs at NGN8,000 per keg, he expects to sell at the rate of NGN14,000 each when the prices are at their highest. Mr. Nelson projects a profit margin of 75%! Good business it is.

Mr. Nelson has big dreams of becoming a household name in the red palm oil business in south-eastern Nigeria, starting small with opportunities to grow his business. FAYODE's support is but a little step in helping him to achieve this big dream.



Nelson Chigozie



Source: www.pulse.ng



Courtesy: William Reed Business Media Ltd.

The History of Oil Palm in Nigeria¹

The oil palm (*Elaeis guineensis*) originated in West Africa, where evidence of its use as a staple food crop dates as far back as 5,000 years. There is even evidence in Egyptian tombs of people being buried with casks of palm oil, reflecting the high societal value attributed to the product in those times.

Palm oil was among the first commodities of international trade, after the slave trade between Africa and Europe. The world trade in palm oil at the turn of the 20th century, and up to the Second World War, was dominated by West African countries (largely Nigeria), followed by the Democratic Republic of Congo (then Belgian Congo), and Indonesia (at the time, Java and Sumatra). The Dutch colonies (Java and Sumatra) however, adopted plantation development of oil palm on a large scale, and soon dominated production and export.

1. Part of the information given here has been taken from publications of the Nigerian Institute for Oil Palm Research (NIFOR).

The British colonial government soon took note of this and, after a series of West African conferences on agriculture in the 1920s and 1930s, a regional approach to oil palm research, development and production for West Africa was adopted. By 1950, the West African Research Organisation (WARO) was created, out of which WAIFOR (West African Institute for Oil Palm Research) was later established. With the member countries gaining independence in the late 1950s and early 1960s, and the consequent dissolution of WARO, the Nigerian component was renamed the Nigerian Institute for Oil Palm Research (NIFOR) and its mandate expanded to include coconut, date palm, raphia and other palms of economic importance.

In the 1950s and 1960s, Nigeria was a leader in the world palm oil market. However, during the past decades, the country has become an importer of palm oil. While in the early 1960s, Nigeria's palm oil production accounted for 43% of the world production, by the turn of the century, it only accounted for 7% of the total global output. Most of this is related to Nigeria's disinvestment in agriculture, which started in the 1970s with the discovery and exploitation of crude oil for petroleum products.

Although today Nigeria ranks third in the world in terms of land area planted with oil palm, it has dropped to the position of fifth largest palm oil producing country, due to low yields, with only 1.5% or 1.03 million metric tonnes of the world's total output. Production is primarily from Akwa Ibom and plantations around Benin City, Ibadan and Aba in the southern states of the country. However, in 2019, Nigeria spent about USD500 million importing 600,000 tons of palm oil. Import volume was reported to be roughly double compared with figures for 2017.



Indonesia and Malaysia, the world's largest producers of palm oil today, with an 84% share in production, started off with very narrow germplasm, compared to the fine collection of West African germplasm which were favoured the world over. It is believed that Malaysia used Nigeria's germplasm to improve the Malaysian genetic base. Today, vast expanses of monocrop oil palm plantations have displaced tropical forests particularly in Asia and Latin America.

“

If we sit and do nothing, young Africans will continue making this journey to look for jobs — jobs that we have, ironically, largely exported through our inordinate food imports, which cost the continent a staggering \$40bn annually. Inaction will see this cost almost triple to an estimated \$110bn by 2025.

— Dr. Agnes Kalibata, President, AGRA.

Learning to Work Together: Hope for Young Kwara Farmers

After several community visits, analyses and deliberations, FAYODE ventured further northwards into the North Central geo-political zone of Nigeria. This time, a different approach was employed for identifying, capturing and empowering aspiring rural youth for community development.

The university community of Malete in the Asa Local Government Area of Kwara State provided a fertile ground for testing FAYODE's programme of rural agribusiness financing. The approach, which looks at 'group grant financing' of an 'informal cooperative' of farmers rather than individual grants, brought together a group of young farmers who gave themselves the motto '*Agbe roko bodun de*' – a phrase in the Yoruba language that loosely translates as '*Farmers till the end of the year*'.

This group of young farmers was encouraged to harness the strength of numbers for higher productivity and bargaining power in the sale of their farm produce. The cooperative approach strengthens their unity of purpose, ability to influence local market dynamics, focus on farming as a business and hopefully establish a brand name for their farm products.

After initial visits, the group showed commitment and seriousness by renting space for storage of their farm equipment and supplies, and also initiated business partnerships in and outside their community.

The initial grant agreement was concluded late in 2019, at the end of the crop season. However, FAYODE provided bags of fertilizers and crop protection products as proof of commitment for the next crop season. This support from the Facility offers a beam of hope for the new cooperative in 2020, the group's first full year of operation.



FAYODE/T. David

Farmers Organisations, Cooperatives and Rural Groups: The most successful agricultural and rural development investment projects are those where support is to strong farmers' organisations. The power of aggregation, collective or group action, sense of community and transparent governance are best exemplified among rural populations. Their ability to negotiate with partners, both government and the private sector, enforces fairness and diligence which cannot be achieved by individual rural farmers. They are a foundation for successful rural SMEs and community development.

Adding Value to Produce — Wealth from Roots and Tubers

Over centuries, West African rural farm families have mastered the art of food conservation through transformation. The key staples of the region — yam tubers, cassava roots and plantains — have a short shelf-life, which is why they are largely dried and milled into flour. Most of the processing activities are performed by women, who form the backbone of successful rural communities. It is they who invariably devise means of generating extra income in addition to their regular chores.

In the little town of Joga-Orile, a farming suburb in Ogun State, where FAYODE initiated its first field activity in 2018, the Facility's second grantee was Ms. Aishat Odegbaro. This high school graduate, who also works as a pump attendant at a nearby gas station, went into partnership with her mother to run a small milling enterprise. Their small motorised miller brought in a weekly profit of NGN3,500. By increasing their milling capacity, Ms. Aishat and her mother could earn more given the local demand for yam, cassava and plantain flour. "Sometimes, I receive lots of dried yam and cassava to grind but with these little engines (referring to her old machines), most times I default in meeting their demand", the 20-year-old lamented during FAYODE's initial visit.

The grant of a brand new, powerful 15-hp engine and a bigger grinding mill from FAYODE, in November 2018, proved to be a turning point. On the occasion of the delivery of the new equipment, the Chairman and Chief Executive of FAYODE, Dr. Kanayo F. Nwanze remarked, *"In my professional travels around the world, I have come to realise that rural people do not necessarily need millions to transform their lives; with a little support, they can achieve much"*.



Kelema Ogboso

Ms. Aishat later disclosed: "The first time [the people from FAYODE] came, they met my mother who was assisting me. When they came the second time, I ran away because I did not want them to see me. I thought they were fraudsters". The happy lady wrapped it up: "Now, I can see how real FAYODE is. I will build a bigger shed for the machine, employ somebody else to assist me because of the expansion, and focus on increasing my production".

Feminisation of Agriculture and Rural Areas: With increasing migration of rural men to urban cities, there is a growing feminisation of rural towns and villages. Consequently, women make up a large percentage of the workforce in agriculture and food systems in Nigeria. Along with specific traditional gender roles, women's empowerment and control over resources are key factors that influence outcomes on staple food production. And they are more likely to be better managers of resources than men; better carers of children and aged parents than men. They deserve better attention, support to their associations and groups and equal access to both land and financial resources.

Tula Clothing Company: a Dream, Drive and Commitment... and a Little Support

Lasting rural transformation begins when a nation's most prized asset, its energetic and youthful population, is at the centre of its developmental processes. 'If well managed and focused', the legions of productive youth will form the bedrock of rural, and eventually national, development. The *Tula Clothing Company Ltd.* (TCC) is a case in point.

The Tula Clothing Company was founded by Mr. Emmanuel Eyo who, as a young boy, assisted his mother to 'thread and stitch' in her sewing business. From that time onwards, his dream was to pilot his very own designer clothes brand in Africa, and become a household name! At some point in time, he underwent training in textile design in the UK, and spent some years in Kenya discovering and familiarising himself with East African patterns of embroidery and clothing styles. The very first recipient of a grant from FAYODE in 2018, Mr. Eyo's clothing business had started some years before in a room at his small residence on the outskirts of Lagos, Nigeria's largest commercial capital. His company is now fully incorporated and registered with the Corporate Affairs Commission (CAC), the business registration authority in Nigeria. It has a reasonable factory floor space with offices, and employs a sizeable number of workers.

Tula's transformation is no magic. It is a case of how a simple but focused effort by the Facility stimulated individual drive and determination. As Tula was the first grant recipient, FAYODE spent much effort and attention in developing a business model, rigorous procedures and systems for non-cash grant financing that could be replicated in the future. Emmanuel's determination and drive paid off. Within an approved budget sealing, machines and accessories including a modern IT component were procured and delivered. Although not all went as well as planned, a year later, the Tula Clothing Company's customer relations unit was delivering branded clothing to shops and stores in Lagos!

Small cause, big effect... with patience and perseverance, in time, small ripples become strong waves of change. And it is not just the money: the drive and determination of Mr. Emmanuel Eyo to see his dream come true ... and timely support, were significant to his success.



FAYODE/T. David

Summary of financials¹

| Expressed in Naira (NGN) | | |
|---------------------------------------|-------------------|-----------|
| Expenses | 2019 | 2018 |
| Grants | 441,984 | 811,000 |
| Grant Operations/Support | 154,700 | 56,050 |
| General Administration/Support | 952,650 | 755,850 |
| Others | 596,800 | 675,500 |
| Capital Expenditures | | 7,352,900 |
| TOTAL EXPENDITURES (NGN) | 2,146,134 | 9,651,300 |
| TOTAL EXPENDITURES (USD) ² | 5,962 | 26,809 |
| GRAND TOTAL (NGN) | 11,797,434 | |
| GRAND TOTAL (USD) ² | 32,771 | |

1. Unaudited FAYODE accounts for 2018–2019

2. USD value calculated as 1 USD = NGN 360

It is a common misconception that small farms mean poor farms. This is simply not true. Small farms predominate in rich countries such as Japan, Norway, the Republic of Korea, Switzerland, and Italy. Countries such as Thailand and Vietnam have built their economies on small farms. The benefits of successful small farms reach far beyond the agricultural sector. Cities need rural areas to grow food, maintain clean water and air, and provide decent jobs and homes for a growing population.

Successful small farms lead to vibrant rural economies. When rural economies are strong they result in higher demand for locally produced goods and services. This, in turn, leads to growth in non-farm businesses such as agro-processing and small-scale manufacturing.

According to the National Bureau of Statistics, Nigeria (2017), agriculture, forestry and fishing accounted for about 41.5% of Nigeria's GDP (as against 19% for information and communications, 15.4% for manufacturing, 14.7% for mining and quarrying, a mere 3.7% for education, and 5.7% for other services).

No nation in the world has developed without leveraging the potential of the agricultural sector and without undergoing agricultural transformation that generates inclusive social and economic growth.

FAYODE Board of Trustees and Staff



*Dr. Kanayo F. Nwanze
Board Chairman & Chief Executive*



*Ambassador Azuka Celicia Emejulu
Board Member*



*Mr. Ayokunle A. Akinboyede
Board Member*

Staff

Dr. Kanayo Felix Nwanze, Chief Executive

Ms. Olabisi Daodu Adeyemo, Assistant Manager (until Oct 2018)

Mr. Temokun Olugbenga David, Assistant Programme Officer

Mr. Giwa Mobolaji Muhydeen, Field Supervisory Assistant (Proxy)

Consultants

Ms. Tola Adenmosun – Strategy*

Mr. Omotomiwa Adesanya – Media*

Mr. Adedayo Adefioye – Communications*

Mr. Feyisayo Akinboboye – IT**

Mr. Olanrewaju Akinfenwa – Consultant writer

Mr. Kelenna Ogboso – Consultant photographer

** IITA pro bono consultant*

*** Pro bono consultant*

FAYODE — Collaborating Partners

International Institute of Tropical Agriculture (IITA), Ibadan, Nigeria

- IITA Ikeja Office
- IITA Youth Agripreneurs (IYA)

Anthony A. Aderemi, Abuja, Nigeria

Aspire Digital, Lagos, Nigeria

- Feyisayo Akinboboye

CloudEnergy Solutions, Lagos, Nigeria

- Theophilus C. Nweke, MD/CEO
- Fareed Agbaje, Software Developer

“ *We need greater investment, particularly in developing countries where the need and potential for increasing agricultural productivity and production are greatest. This would help feed growing populations sustainably, while creating jobs and incomes across rural areas, particularly for young people. One example of this is in Africa, where over the last decade, countries have started to put greater emphasis on investment in agriculture and supporting policies and regulations. Indeed, history shows that increasing agricultural productivity is a critical driver of economic transformation and social development.*

— Kofi Annan, Nobel Peace Prize laureate,
Secretary-General of the United Nations, 1997–2006

“ *Poor rural people are not waiting for handouts or charity, neither from governments nor from NGOs. They are in search of economic opportunities to actively participate in domestic and international agricultural economies and markets — to make profit; earn money to send their children to school; build a new house; install a solar panel on their roof so their children can study at night and they can watch the news and football. And why not to charge their smartphones and connect with the rest of the world? Just what you and I take for granted!!*

— Dr. Kanayo F. Nwanze

Events (conferences, workshops and others)

FAYODE was represented by its Chairman, in his various professional capacities at several conferences and workshops during the reporting period.

Events – 2019

SARA 2019. Salon de l'Agriculture et des Ressources Animales, 22–29 November 2019, Abidjan, Côte d'Ivoire.

Global Forum on Innovations for Marginal Environments (GFIME), 20–21 November 2019, Al Habtoor Polo Resort Dubai, UAE. Organized by the International Center for Biosaline Agriculture (ICBA).

Emerging Risks: Rising to the Challenge, 24 October 2019, Lagos, Nigeria. A Workshop organized by the Risk Managers Society of Nigeria (RIMSON).

International Conference and Expo on Research and Innovation in Africa, 24 October 2019, Lagos, Nigeria. Workshop organized by AgrobusinessTimes – an Agric-based news agency.

Africa Food Security Leadership Dialogue, 5–6 August 2019, Kigali, Rwanda. Organized by The World Bank and partners.

Forty-first (41st) Session of FAO Conference, Side Event: “Progress towards meeting the Malabo Goal of Hunger Eradication by 2025: Prospects and Challenges in the Africa Region”, June 2019, Rome, Italy.

Events – 2018

Fifty-fifth (55th) Annual Conference of the Nigerian Veterinary Medical Association (NVMA), 22–25 October 2018, Sokoto, Nigeria.



Participants at the Africa Food Security Leadership Dialogue, Kigali, Rwanda, August 2019. Second from left: Dr. Kanayo F. Nwanze; third from left: Dr. Agnes Kalibata, President, AGRA, host of the Africa Food Prize.

Nation Building Workshop NBW V – The Pathway to an Industrialized Nigeria. Organized by Apostles in the Market Place, 23 March 2018. Lagos, Nigeria.

Sterling Bank Nigeria Agricultural Summit: Rural Agricultural Enterprise – The Pathway to a Sustainable Nigerian Economy. Co-creating a Sustainable Nigerian Economy through Rural Agricultural Enterprise. 20 March 2018, Abuja, Nigeria.

Ministerial Roundtable, “The SDG 2030 Agenda: Delivering Sustainable Agriculture Growth and Rural Transformation in Africa”, 30th Session of the FAO Regional Conference for Africa, 19–23 February 2018, Khartoum, Sudan.

Achieving Zero Hunger in Africa by 2025: Taking Stock of Progress. 27 January 2018, Addis Ababa, Ethiopia. Organised by the United Nations Food and Agriculture Organisation (FAO) and the African Union Commission (AUC).

Keynote presentations

Nwanze, K.F. (2019). Nigeria – 400 Million People by 2050: Risks and Opportunities. Keynote presented at the 2019 National Risk Management Conference. Emerging Risks: Rising to the challenge. October 2019, Lagos, Nigeria.

Nwanze, K.F., Smith, J.W., and Adefoye, A. 2018. The Livestock Sector in the Developing World: Challenges and Opportunities in Sub-Saharan Africa. Keynote Paper presented at the Fifty-fifth (55th) Annual Conference of the Nigerian Veterinary Medical Association (NVMA), October 2018, Sokoto, Nigeria.

Nwanze, K.F. 2018. A journey of a Thousand Steps. Keynote presented at the Installation of Adewale Ogunbadejo, Rotary International Governor, District 910. 8 July 2018. Lagos, Nigeria.

Nwanze, K.F. 2018. Rural Agricultural Enterprise – The Pathway to a Sustainable Nigerian Economy. Keynote presented at the Sterling Bank Nigeria Agricultural Summit on “Rural Agricultural Enterprise – The Pathway to a Sustainable Nigerian Economy. 20 March 2018, Abuja, Nigeria. Organized by Sterling Bank Nigeria.

Nwanze, K.F. (2018). Meeting the Zero Hunger Challenge: a Call to Action. Paper presented at the FAO/AUC meeting on Achieving Zero Hunger in Africa by 2025, January 2018, Addis Ababa, Ethiopia.

Publications

Nwanze, K.F. 2018. Kanayo. F. Nwanze shares some thoughts on food and farmers; Blog. *Organic without boundaries*. <<https://www.organicwithoutboundaries.bio/2018/04/11/small-holder-farmers/#.XoSRKGyVKrw.email>>

Abbreviations

| | |
|--------------|--|
| BOD | Board of Directors |
| FAYODE | Facility for Youth Development |
| FITFAMTOMBIA | Fitness Family Tombia |
| IITA | International Institute of Tropical Agriculture |
| ILO | International Labour Organization |
| ILOSTAT | International Labour Organization Department of Statistics |
| KVA | Kilovolt-Ampere |
| MSMEs | micro/mini, small and medium enterprises |
| NAFDAC | National Agency for Food and Drug Administration and Control |
| NGN | Nigerian Naira |
| OCCE | Office of the Chairman & Chief Executive |
| Q3 | Third Quarter |
| SDGs | Sustainable Development Goals |
| SMEs | small and medium enterprises |
| SSA | Sub-Saharan Africa |
| TCC | Tula Clothing Company |
| UK | United Kingdom |
| USD | United States Dollars |

Postscript: Covid-19 — Will humanity ever learn from it?

As of June 2020, it is believed that Africa is only weeks away from a major onslaught of the Covid-19 pandemic. Across most African countries, the first cases were detected in March this year. Three months later, the levels of infection and death are still far lower, in four- to five-digit figures, compared to Europe and the Americas where the numbers are in six to seven digits. But for how long will they remain low in Africa?

The ability of African countries to effectively test for infection, to carry out extensive contact tracing, and to isolate and treat patients is quite variable and highly questionable. Lockdowns, social distancing and inter-state border closures are neither easy to enforce nor are they fool-proof.

While the debate continues between saving lives and saving livelihoods, we are confronted with a total disruption of the way we live. Nothing is the same anymore: cracks appear everywhere — in the government machinery, politics, business, church, religion and people... For the rural poor, the entire food system is affected, farming is threatened, and so is access to food and employment, particularly for those in the informal sector. Everything and everyone is affected!

Yet, the majority seem to be simply waiting for a “return to normal”. But will it ever be the same again? Isn’t there anything we can learn from this pandemic? How is it that one “invisible” submicroscopic parasite can so completely disrupt human life, and egocentric humanity is left confused — while Mother Nature quietly moves on? If science is unable to offer solutions, is it not time for us to turn inwards, to re-orient our moral compass, to seek guidance beyond our earthly material sphere of existence?

Perhaps that is where the answers lie...



Open Letter to African Union Heads of State

Reproduced below is the Open Letter addressed to African Union Heads of State in June 2014, by Dr. Kanayo F. Nwanze, the then President of the United Nations rural development agency, the International Fund for Agricultural Development (IFAD).

Judging from the daily outpouring of commentary, opinions and reports, you would think that there were two African continents. One of them is the new land of opportunity, with seven of the world's 10 fastest growing economies, offering limitless possibilities to investors. There is, however, this other image: a starving and hopeless continent, hungry and poor, corrupt and prey to foreign exploiters.

As Africans, we are tired of caricatures. But we are also tired of waiting. Waiting to be led toward the one Africa we all want: the Africa that can and should be. We know the real Africa, filled with possibilities, dignity and opportunities, able to face its challenges and solve them from within. Never has the time been more right for us to finally realize our full potential. It is within our grasp.

As a scientist, I am always interested in facts. Africa is a land rich in resources, which has enjoyed some of the highest economic growth rates on the planet. It is home to 200 million people between the ages of 15 and 24. And it has seen foreign direct investment triple over the past decade.

As the head of an institution whose business is investing in rural people, I know that you also need vision and imagination. At the International Fund for Agricultural Development we have banked on the poorest, most marginalized people in the world, and over and over again these investments have paid off. For people, for communities, for societies. And more than half of the people we invest in are Africans.

More than 10 years have passed since the Maputo Declaration, in which you, as African leaders, committed to allocating at least 10 per cent of national budgets to agriculture and rural development – key sectors in the drive to cut poverty, build inclusive growth and strengthen food security and nutrition.

Today, just seven countries have fulfilled the Maputo commitment consistently, while some others have made steps in the right direction. Ten years is a long time to wait. In less time I have seen projects turn desert into farmland.

In just a few days in Malabo at the 23rd African Union Summit, I will join those of you, African leaders, who will gather to discuss this year's focus of agriculture and food security. This is my call: Don't just promise development, deliver it, make it happen now. Make real, concrete progress toward investment that reaches all Africans. Investments that prioritize rural people.

Our biggest resource is our people. To squander this is worse than wasteful. If we don't act now, by 2030 Africa will account for 80 per cent of the world's poor. Is this the legacy that we want to leave for future generations?

The AU declared 2014 as the year of Agriculture and Food Security. And this is the year we look beyond the deadline of the Millennium Development Goals to a post-2015 world with new goals and targets to reach. I hope that this means that we will be dedicating ourselves fully to making agriculture a priority. GDP growth due to agriculture has been estimated to be five times more effective in reducing poverty than growth in any other sector, and in sub-Saharan Africa, up to 11 times. Ironically, it is countries that lack lucrative extractive industries and that have had to invest in agriculture who have found out what is now an open secret: agriculture not only improves food security but creates wealth. Small family farmers in some parts of our continent contribute as much as 80 per cent of food production. Investing in poor rural people is both good economics and good ethics.

A full 60 per cent of our people depend wholly or partly on agriculture for their livelihoods, and the vast majority of them live below the poverty line. It's not pity and handouts that they need. It's access to markets and finance, land tenure security, knowledge and technology, and policies that favour small farms and make it easier for them to do business. A thriving small farm sector helps rural areas retain the young people who would otherwise be driven to migrate to overcrowded cities where they face an uncertain future. Investing in agriculture reinforces not only food security, but security in general.

In an Africa where 20 states are classified as fragile and 28 countries need food assistance, the need for a real rural transformation backed by investment and not just words is critical — I have often said that declarations don't feed people.

Investments must be focused on smallholder family farms. Small farms make up 80 per cent of all farms in sub-Saharan Africa. And contrary to conventional wisdom, small farms are often more productive than large farms. For example, China's 200 million small farms cover only 10 per cent of the world's agricultural land but produce 20 per cent of the world's food. The average African farm, however, is performing at only about 40 per cent of its potential. Simple technologies — such as improved seeds, irrigation and fertilizer — could triple productivity, triggering transformational growth in the agricultural sector. It is estimated that irrigation alone could increase output by up to 50 per cent in Africa. Rural areas also need the right investments in infrastructure — roads, energy, storage facilities, social and financial services — and enabling policies backed by appropriate governance structures that ensure inclusiveness.

If we look at the countries that have met the Maputo commitment, we see that investing in agriculture works. Given that agriculture has become lucrative for private investors, and about 60 per cent of the planet's available uncultivated agricultural land is in Africa, there is no mystery why we hear about so-called 'land grabs'. Opportunity draws foreign investors. There is nothing wrong with foreign investment. But it has to be managed, to the benefit of all.

What is a mystery is why, with such a vast potential and a young population just waiting for a reason to seize it, our African leaders do not announce that they will redouble their efforts to drive an inclusive rural transformation, with concrete commitments, that will make Maputo a reality. I hope that after the Malabo meeting, that will be a mystery no longer.

African economies have grown impressively. But it is time to stop focussing on GDP figures and instead focus on people. The majority of our people are engaged in agriculture, and the neglect of that sector must stop if we really want to realize the healthy, peaceful and food secure Africa that we know can be. It is not a dream; it is a responsibility.





Courtesy: AfricaRice



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