



Agriculture

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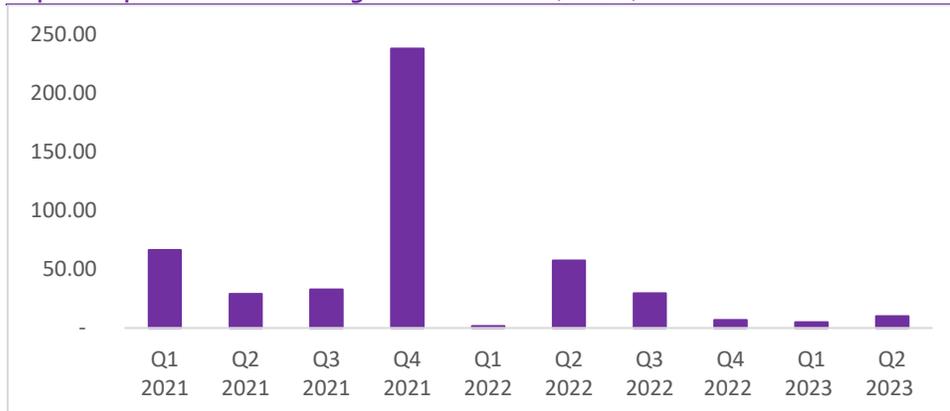
Investments into the agricultural sector remain low.

The Vice President of Nigeria, Kashim Shettima, recently urged foreign investors to invest in the nation's agricultural sector, assuring them that the country is ready for agribusiness. He noted that owing to the country's 70 million hectares of under-utilised arable land which is 75 percent of the country's total land mass, Nigeria is one of the most favourable destinations for such investments. Investments into the agricultural sector have not been encouraging and have been declining. According to the National Bureau of Statistics (NBS), Capital importation into Nigeria's agricultural sector declined by 82.6% y/y to US\$10m in Q2 2023 from US\$57.4m in Q2 2022.

Foreign Direct Investments into the agriculture sector is usually low for many developing countries. Bottlenecks to investments in the sector include access to remote areas which usually hold the arable lands, issues around land ownership and titles, fragmentation of the agricultural value chain which reduces investment demand and, unavailability of appropriate instruments for managing agricultural related risks. Several shocks that have hit the sector in recent times such as the pandemic and effects of the Russia-Ukraine war have also been detrimental to investments in the sector

For Nigeria in particular, high level of insecurity remains one of the biggest issues facing the sector, and the situation continues to deteriorate, forcing many farmers to abandon their farmlands. Insecurity has significantly affected the agricultural sector with stakeholders constantly calling on the government to address issues of terrorism, banditry, and herdsmen attacks across the country as well as armed robbery and kidnapping that have constantly put investments in the sector in peril. Food prices in the country have continued to rise with no respite in view and food inflation has been the highest contributor to the nation's rising inflation. Food inflation grew to 30.64% y/y in September 2023. In our view, successfully attracting investments into the sector will go a long way to avert a food crisis in the country.

Capital Importation into the Agricultural Sector (US\$m)



Source: CSL Research, NCC

MARKET UPDATE

	1 year	30-Dec-22	1 day
NSE - Index*	44,236.70	51,251.06	70,042.28
Naira / US\$	442.83	461.50	793.28
Brent, US\$/bbl	94.67	85.91	86.65
MPR %	15.50	16.50	18.75

Source: NGX Exchange, Central Bank of Nigeria, Bloomberg. *NGX Exchange All-Share Index.

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News headlines:

Naira gains as CBN pays banks \$6.7bn forex backlog: The Federal Government through the Central Bank of Nigeria, has commenced payment of outstanding matured FX forwards owed to various creditors, the PUNCH can report. A source familiar with the development confirmed the payment on Thursday. Meanwhile, unconfirmed sources said three banks received full payment of debts owed. The banks are Citi Bank, Stanbic IBTC and Standard Chartered Bank. The amount of overdue forward payments is estimated at \$6.7 billion, according to the Minister of Finance, Wale Edun. Meanwhile, the naira has risen to N1,120 against the dollar as the foreign exchange market reacted to news that the Central Bank of Nigeria has begun to clear some of its FX backlog on Thursday. Source: Punchng.com

<https://punchng.com/naira-gains-as-cbn-pays-banks-6-7bn-forex-backlog/>

Senate Passes N2.17 Trillion 2023 Supplementary Budget: The Senate yesterday approved the 2.17 trillion supplementary budget for the 2023 fiscal year, as proposed by President Bola Tinubu. However, the House of Representatives, yesterday, scrapped the budgetary allocation of N5.095 billion for the purchase of a presidential yacht in the 2023 supplementary budget. But the federal government yesterday, gave clarity on the public outcry that had trailed the presidential yacht and some other line items in the supplementary appropriation presented to the National Assembly. At the red chamber, the Senate President, Godswill Akpabio announced the approval after majority of the Senators supported it through a voice vote at plenary. The supplementary budget was earlier considered and approved at the Committee of Supply before it was passed at plenary. Source: thisdaylive.com

<https://www.thisdaylive.com/index.php/2023/11/03/senate-passes-n2-17-trillion-2023-supplementary-budget>

Navy busts crude theft on Lagos vandalised pipeline: The Nigerian Navy Ship Beecroft has discovered and halted the siphoning of petrol from an oil pipeline at Atlas Cove, Lagos belonging to the Nigerian National Petroleum Company Limited. The Commander, NNS BEECROFT, Commodore Kolawole Oguntuga, disclosed this in a statement on Thursday by the command's spokesperson, Sub. Lt. Happiness Collins. He said the activities of the fuel thieves were halted on Wednesday. "The thieves connected hoses and suction pumps to vandalised parts of the pipeline to steal petrol. "After halting their activities, the NNPC was alerted and repairs on the vandalised parts of the pipeline have gone underway. Source: punchng.com

<https://punchng.com/navy-busts-crude-theft-on-lagos-vandalised-pipeline/>

NNPC Retail pledges support for deregulated downstream sector: NNPC Retail Limited, a subsidiary of NNPC Limited, has reiterated its commitment to a deregulated downstream sector and urged players in the sector to ensure customer service optimisation. This statement was made by Huub Stokman, the company's managing director at the recently concluded 17th edition of the Oil Trading and Logistics, OTL Africa Downstream Week. The four-day event, which spanned 23rd to 26th October 2023, provided industry players and stakeholders the opportunity to develop critical insights for policy execution and business solutions in the Continent's downstream sector. Themed Energy, Synergy, and New Beginnings, this year's OTL Africa, presented participants with insightful panel sessions and dynamic speakers who have contributed to shaping the industry. Source: businessday.ng

<https://businessday.ng/companies/article/nnpc-retail-pledges-support-for-deregulated-downstream-sector/>

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