



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



Finance and Investment Compendium - Volume 2

Feed the Future Nigeria Agribusiness Investment Activity

Implemented by Cultivating
New Frontiers in Agriculture (CNFA)
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USAID
FROM THE AMERICAN PEOPLE

STERLING BANK

With over 60 years experience in the banking sector, Sterling Bank Plc. (formerly NAL Bank) has evolved from an investment banking institution in Nigeria to a full-fledged commercial bank. The bank implements what it calls the 'HEART Strategy' – Health, Education, Agriculture, Renewable Energy, Transport. The Bank provides finance across various agricultural value chains and facilitates a platform that links all players within the industry to help improve agribusiness performance. Currently, they have a wide range of agriculture-financing products to their credit as seen below.

Sterling Women And Youths In Agricultural Finance (SWAY-AgFin.)

Financing activities covered by product	Eligible borrowers	Loan limit	Interest Rate	Tenor	Collateral and/or equity contribution	Required documentation	Application procedure	Reference for more information
Agricultural activities such as Crop and Livestock production, processing, sales, and distribution.	<ul style="list-style-type: none"> • Smallholder farmers linked to off-taker(s) or farmer cooperatives • SMEs that are located across the value chain. • Anchor Companies 	Anchor companies: NGN50 million Cooperative groups: NGN25 million SMEs: NGN20 million Retail: NGN5 Million Smallholders: NGN250,000	Interest rate: 9%, Processing Fee: 0.5%	Maximum of 2 years.	Anchor companies: Contribution of a minimum of 5% of approved amount as Cash Collateral for individual members as obligor while minimum 15% for anchor company as obligor. Cooperative groups: Contribution of a minimum of 5% of approved amount as Cash Collateral by Farmer and associations. SMEs: Contribution of a minimum of 5% of approved amount as Cash Collateral Retail: Contribution of a minimum of 5% of approved amount as Cash Collateral	Cooperative groups: NGN25million: Open account with the Bank <ul style="list-style-type: none"> • Loan request letter. • Evidence of cash collateral in customer's account • Letter of Introduction from off-taker/ Copy of executed MOU between farmer group and cooperative. • Minutes of meeting authorizing cooperative to borrow executed by members present. • Detail Schedule of members showing names, account number, farm location, BVN, amount requested, gender, age, and phone number, estimated landholding in hectares (crops), the projected number of livestock per farmer. • Submission of the constitution of the cooperative • Economics of Production (EOP) per crop or livestock • Proforma invoice in case of an asset purchase • Certificate of registration of Cooperative • Letter of exposure to other financial institutions. (where applicable) 	Applicants walk to the nearest branch with all required documentation to apply for the SWAY-AgFin. loan. Relationship Manager processes request for review by the Credit team. Upon approval, offer letter is generated and given to customer to accept. For loan limit below N5 Million, loan is processed for disbursement while for loan limit N5 Million and above is processed for legal review.	



					<p>Smallholders: Contribution of a minimum of 5% of approved amount as Cash Collateral</p>	<p>Retail: Below NGN5Million:</p> <ul style="list-style-type: none"> • Open account with the Bank • Loan request letter • Validated Bank account statement within the last 6 months. • Evidence of cash collateral in customer's account • Letter of Introduction from off-taker/Copy of executed MOU between farmer and off-taker (where applicable) • A business plan detailing project overview, details of existing infrastructure (where applicable) current, and projected output, request justification, marketing plan, proposed fund utilization, and profitability of the project. • Economics of Production (EOP) per crop or livestock • Proforma invoice where applicable • Customer's letter of commitment to repay both the principal with interest. • Customer's letter of exposure to other financial institutions. (where applicable) <p>For SMEs-up to NGN20million</p> <ul style="list-style-type: none"> • An active account with the Bank • Loan request. • Evidence of cash collateral in customer's account • Letter of Introduction from off-taker/ Copy of executed MOU between farmer group and off-taker • A business plan detailing project overview, company profile, details of existing infrastructure (where applicable) current, and projected output, request justification, marketing plan, proposed fund utilization, and profitability of the project. • Cash flow projections covering the tenor of the facility as well as in line with the proposed repayment plan supported with realistic assumptions (in excel format) • Proforma invoice where applicable • Certificate of business registration • Customer's letter of exposure to other financial institutions. (where applicable) • Validated Bank account statement within the last 6 months. 	<p>Upon meeting pre-disbursement condition by legal team, fund is disbursed.</p>
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						<p>For Anchors-up/Aggregator to NGN50million:</p> <ul style="list-style-type: none"> • Active current account with the Bank • Letter of application detailing the loan usage and purposes. • Feasibility plan with cash flow projections accompanied by the assumptions • Certificate of incorporations • Recent tax clearance certificate • Audited financials • Cash flow projections covering the tenor of the facility as well as in line with the proposed repayment plan supported with realistic assumptions (in excel format) accompanied with the economics of production. • Detail Schedule of members showing names, account number, farm location, BVN, amount requested, gender, age, and phone number, estimated landholding in hectares(crops), the projected number of livestock per farmer. • Projected profitability analysis evidencing viability (Minimum of 20%) • Route to market must be clearly defined and validated with contracts where necessary. 	
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Title of Product: Broiler Product Paper

Financing activities covered by product	Eligible borrowers	Loan limit	Interest Rate	Tenor	Collateral and/or equity contribution	Required documentation	Application procedure	Reference for more information
Working capital for the purchase inputs such as day old chicks, drugs and vaccine, feeds, charcoal, wood shavings, diesel, etc.	Registered poultry farmers that are profiled by off-takers	NGN 10 Million	-Interest rate: 18% up to 40% IDP Commitment Fee: 0.5% Management Fee: 0.5%	1 year (90 days cycle)	30% Equity contribution Commitment -Letter of sales domiciliation of produce -Insurance policy	-An active current account with the bank -Letter of introduction from off taker -Application letter to be submitted by farmer Economics of Production per broiler cycle -Clear Business plan -Copy of executed MOU between the Bank, offtaker and obligor -Letter of indebtedness/non-indebtedness to other banks -CR, CRC, and CRMS checks on the obligor -1 year statement of account with other banks	Applicants walks to the nearest branch with all required documentation to apply for the loan. Relationship Manager processes request for review by the Credit team. Upon approval, offer letter is generated and given to customer to accept. Upon acceptance of offer letter, all pre disbursement requirements are moved to legal for approving and upon satisfaction, sent for disbursement	

Title of Product: Commercial Agricultural Credit Scheme Paper

Financing activities covered by product	Eligible borrowers	Loan limit	Interest Rate	Tenor	Collateral and/or equity contribution	Required documentation	Application procedure	Reference for more information
<p>The scheme is aimed at fast-tracking the development of the agricultural sector by providing credit facilities to large scale</p>	<p>Medium scale Farms/Agric Enterprise: A limited liability company with asset base of not less than N50million</p> <p>(excluding land)</p> <p>Corporate and Large scale Commercial Farms/Agric Enterprise: A limited liability company with asset base of not less than N100 million (excluding land).</p> <p>State Governments: For states to participate for on-lending to farmers' cooperative societies and other areas of agricultural development.</p>	<p>N2bn for Agric enterprise and N5bn for State Govt.</p>	<p>Interest rate: 9%</p>	<p>Available till 2025 but tenor is project based.</p>	<ul style="list-style-type: none"> -30 % Equity Contribution. -Guarantees -Legal mortgage -Tangible collateral -ISPO for government based request - Insurance 	<p>General information /Documentation</p> <ul style="list-style-type: none"> -Formal Application -A photocopy of the filed Annual Returns of the Company at Corporate Affairs Commission -Comprehensive Business plan/Feasibility Study Report. -Evidence of structured markets, Off-takers, backed by MOU & agreement. -Structured primary and secondary sources of repayment programme. -Company registration certificate (CTC) Memorandum and Article of Association (Memart). <p>Other Information Required</p> <ul style="list-style-type: none"> -Cashflow projection to be computed on monthly basis. -Assumptions for the projections must also be incorporated as well as basis for the projected revenue and expenditure. -Details of the project cost as well as the proposed financing plan with realistic assessment and evidence of availability of fund from each source. -Provide the purpose of the loan and detailed breakdown of the utilization of the funds (Attach PFI, where necessary). -Details of utility requirements, regulators and availability of essential services such as water, power, transport around the farm -Comprehensive list of manpower requirements broken down into categories and salaries. -Demand analysis comprising factors influencing demand, estimates of domestic demand, and export potentials – all based on current and future trend. -Market prospects with information on existing planned marketing 	<p>Applicants walk to the nearest branch with all required documentation to apply for the loan. Relationship Manager processes request for review by the Credit team.</p> <p>Upon approval, offer letter is generated and given to customer to accept.</p> <p>Offer letter and all necessary are forwarded to the Agric. Desk Head office for processing of CBN CACS Fund</p> <p>Upon CBN approval, Customer meets all other condition precedent to disbursement along with NAIC</p> <p>Loan is booked by CAD with Disbursement schedule</p>	



						<ul style="list-style-type: none">-Provide detailed information on the company's operating cycle stating the activities involved and number of days.-Who are the company's suppliers of raw materials?-What is the proposed collateral for the transaction (minimum of 120% coverage)-Statement of account with other banks for at least 6 months.-Exposure to other Banks on customer's letter head.-List of core existing management and technical staff with qualifications, experience on the job and positions.-What strategy will be put in place to ensure disbursement of funds to suppliers is equivalent to the goods delivered?-What strategy will be put in place to ensure sales proceeds is routed through the customer's account with the bank.-Management account for the last 12 months should be submitted.-Submit Credit report (CBN/CRMS, CR, CRC) on the customer in line with CPG requirement.-Provide schedule of company's stock showing quantity, value and age analysis of the stock (of various products)-Submit Schedule of outstanding receivables showing age analysis of the receivables and details of the debtors.-Effluent disposal mechanism-Health, Safety and Environment (HSE) policy-Environmental Scanning/Risk Assessment Documents-Corporate Social Responsibility (CSR) programme for the communityGrievances Settlement Mechanism (Document)
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Title of Product: SABEX

Financing activities covered by product	Eligible borrowers	Loan limit	Interest Rate	Tenor	Collateral and/or equity contribution	Required documentation	Application procedure	Reference for more information
Granting of credit facilities to farmers, cooperatives, aggregators, medium to large agro-processors, animal feed millers and food companies, tender millers, trading companies to have access to liquidity to purchase further goods.	Farmers <ul style="list-style-type: none"> • Cooperatives • Tender Millers Mid-size aggregators/SMEs/traders <ul style="list-style-type: none"> • Large aggregators/agro processors 	Farmers - N 5 million Cooperatives – N 50 million Mid-size aggregators – N 200 million Large aggregators – N 500 million	Interest rate: 18%	1 year (90 days cycle)	Electronic warehouse receipt <ul style="list-style-type: none"> • Guarantee • Insurance 	<p>For Farmers</p> <ul style="list-style-type: none"> -The Produce must be in standard form A (Moisture content maximum of 13%, foreign matter maximum of 0.5%) -Active account with Sterling Bank -Satisfactory Credit Score -Minimum of 5 Tonnes of the commodity <p>Cooperatives</p> <ul style="list-style-type: none"> -The produce must be in Standard Form A -Active account with the Bank. -Certificate of registration as a Cooperative. -Minute of meetings that approved the Cooperative to access the loan facility. -Satisfactory Credit Report. <p>Mid-size aggregators/SMEs/traders</p> <p>Single obligor limit – N 200 m</p> <ul style="list-style-type: none"> -CAC doc /business name/limited liability company -Loan amount is 50% of annual turnover -Average turnover -Credit search -History of aggregation of business/Historical of past transaction (at least 1 year) -Account statement/Audited financials/management account (one a case-by-case basis) <p>Large aggregators/agro processors</p> <p>Single Obligor limit - 500 m</p> <ul style="list-style-type: none"> -CAC doc /business name/ ltd -Loan amount is 50% of annual turnover -Average turnover -Credit search -History of aggregation of business/historical of past transaction (1 year) -Audited financials/management account (one a case-by-case basis) -Satisfactory credit reports 	<p>Prospect sign up on SABEX platform.</p> <p>Profile business alongside with current volume of commodity available.</p> <p>Physical deposition commodity for profiling is done at nearest AFEX warehouse.</p> <p>Upon verification of commodity, it reflects on user's platform</p> <p>User request for loan based on volume of commodity available which serves as collateral for loan request.</p> <p>Upon verification information provided and documents, instant loan is disbursed.</p>	Sabex.ng

						<ul style="list-style-type: none"> -A company duly incorporated in Nigeria under the companies and Allied Matters Act (CAMA). -A valid contract agreement with the off taker. -Satisfactory credit reports from at least two Credit Bureau and CBN CRMS -Contract Forward 	
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Title of Product: Structured Commodity Product Paper

Financing activities covered by product	Eligible borrowers	Loan limit	Interest Rate	Tenor	Collateral and/or equity contribution	Required documentation	Application procedure	Reference for more information
<p>To facilitate finance for the purchase of commodities under a Structured Trade Finance (STF) arrangement. Primary focus on non-perishable commodities such as dry grains (cereals and pulses) and oil seeds (sesame seed, soybeans, groundnut etc.).</p>	<ul style="list-style-type: none"> • Medium and large scale Agro-Processor • Animal Feed Millers • Food Companies • Tender Millers • Trading Companies • Exporters 	NGN 2 Billion	<p>Interest rate: 22% Management fee: 1% NIRSAL fee: 1% of the total sum</p> <p>Warehousing Management fee: 0.5%</p> <p>20% IDP on performing loan</p>	3 to 12 months	<ul style="list-style-type: none"> • 25% cash collateral • Domiciliation of payments • Legal mortgage • Debt Stock • Equity Stocks • Guarantee • Insurance • Exporters 	<ul style="list-style-type: none"> -Written application letter from the project/promoter -Feasibility /Business Plan with cash flow projections -Letter of introduction from processor/user as an input supplier -Certificate of Business Incorporation -Three (3) years tax clearance certificate -NEPC Registration Certificate and evidence of previous shipment (where applicable) -Projected Profitability Analysis evidencing viability (Minimum profit of 20%) -Audited Statement of Accounts for the last three (3) years (where applicable) and/or most recent Management Account for Companies less than three (3) years in operation -Relevant Permits/Licenses/Approvals (where applicable) -Verifiable Export Orders/ Contracts or other Export Agreement & Arrangements/ Commitments -Environmental Impact Assessment (EIA) Report (where applicable) -Copies of executed warehouse arrangements with acceptable collateral managers for structured trade transaction. 	<p>Applicants walks to the nearest branch with all required documentation to apply for the loan.</p> <p>Relationship Manager processes request for review by the Credit team.</p> <p>Warehouse arrangement and associated charges</p> <p>Upon approval, offer letter is generated and given to customer to accept.</p> <p>Upon approval, Customer meets all other condition precedent to disbursement</p> <p>Loan is booked by CAD with Disbursement schedule.</p>	

						<ul style="list-style-type: none"> -Confirmed Letter of Credit/Sight Bills for Collection/Avalized Bills for Collection (Pre-disbursement). -Declaration not to access other source of finance. -Issuer Mandate Information Memorandum. -Issuing and paying agency agreement -BA Note -Trade Invoice -Telex Copy (evidence of payment) -Form M 	<p>The Bank appoint an independent warehousing agent who will monitor quantity of agric commodities supplied to the customer's warehouse or silos upon purchase.</p>
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Title of Product: Fertilizer Product Paper

Financing activities covered by product	Eligible borrowers	Loan limit	Interest Rate	Tenor	Collateral and/or equity contribution	Required documentation	Application procedure	Reference for more information
Grant loans to profiled Super Agro dealers (SAD)	Registered Super Agro Dealers	N 500 m	Interest rate: 21.5%	One year (120 days cycle)	<ul style="list-style-type: none"> • 25% cash collateral • Domiciliation of payments • Legal mortgage • Debt Stock • Equity Stocks • Guarantee • Insurance 	<ul style="list-style-type: none"> -Open account with the Bank -Provision of Equity contribution of 25% in a non-interest-bearing account throughout the tenor of the facility. -Copy of executed MoU -Letter of non-indebtedness to other banks -CR, CRC and CRMS checks on the obligor -6 months or 1 year statement of account with other banks and all other requirements such as Audited financial/Management account/ cash flow projection where applicable. -Written application letter from the promoter. -Feasibility/Business Plan with cash flow projections. -Letter of introduction from the Fertilizer Suppliers -Certificate of Business Incorporation -Three (3) years tax clearance certificate -Projected profitability Analysis evidencing viability (minimum profit of 20%) 	<ul style="list-style-type: none"> -Fertilizer suppliers send list of fertilizer Super agro dealers to be profiled by the bank -Applicants submit all required documentation to apply for the loan. -Relationship Manager processes request for review by the Credit team. -Warehouse arrangement and associated charges -Upon approval, offer letter is generated and given to customer to accept. 	

						<ul style="list-style-type: none"> -Audited statement of accounts for the last three (3) years (where applicable) and/or most recent Management Account for Companies less than three (3) years in operation. -Environmental Impact Assessment (EIA) Report (where applicable) -Copies of executed warehouse Arrangements with acceptable collateral managers -Declaration not to access other sources of income -Issuer Mandate Information Memorandum Issuing and paying agency agreement -BA Note -Trade Invoice -Telex copy (evidence of payment) -Form M 	<ul style="list-style-type: none"> -Bank thereafter issues Letter of Comfort to the Supplier on exact quantity of fertilizer. -Confirmation is done by the CMA on the supply of fertilizer in warehouse(s)
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Title of Product: Anchor Borrower Program

Financing activities covered by product	Eligible borrowers	Loan limit	Interest Rate	Tenor	Collateral and/or equity contribution	Required documentation	Application procedure	Reference for more information
Granting of loans to registered farmers' cooperative groups for primary production, to be supplied to identified suppliers for processing, with the overall objective of financing the entire value chain.	Commodity Associations/ Cooperatives/ Private Anchor- State Government	N 10 m per cooperative	Interest rate: 9%	Maximum of 24 months	<ul style="list-style-type: none"> • State government – Irrevocable Standing Payment Order (ISPO) • Equity contribution between 5-10%. • Domiciliation of sales proceeds. • Guarantee • Insurance 	<ul style="list-style-type: none"> -The beneficiaries must be a member of Cooperatives registered within the State. Maximum of 10,000 farmers (Outgrowers) linked to an Off-taker. -NAIC Insurance. -Equity contribution between 10%. -MOU between the Bank, Off-taker, and Farmer Cooperatives. -List of farmers detailing name, farm size, loan amount requested, gender, location etc 	<ul style="list-style-type: none"> -Grouping of out-growers into viable cooperatives/clusters -Registration of the cooperatives -Execution of MOUs -Capacity Building of out-growers -Opening of bank accounts by cooperatives/farmers -Loan application and disbursement -Commencement of agronomic practices and distribution of agro-inputs at recommended periods (funds for agro-inputs are deducted from the loans and paid to the input suppliers) 	

LAPO MICROFINANCE BANK

Founded in 1987 as a non-governmental organization and licensed by the Central Bank of Nigeria in 2010, LAPO Microfinance Bank provides all kinds of loans and savings plans tailored to meet the needs of different categories of persons and businesses. They are dedicated to providing easy access to business loans, educational loans and different simple savings options specific to the needs of people. Their offerings include SME loans, agricultural loans, public sector (salary) loans, Edu-Finance Loans and several other savings products.

AGRICULTURAL LOAN PRODUCT

Financing activities covered by product	Eligible borrowers	Loan limit	Interest Rate	Tenor	Collateral and/or equity contribution	Required documentation	Application procedure	Reference for more information
1. Agricultural Inputs	Farmers (livestock & Crops) Input Dealers/Suppliers	Between 30,000 to 3,000,000	2.5%	2-8 months	10% of the approved loan amount	-Application letter -Valid means of identification -Passport photograph	-Identification of the source and cost of input -Application for loan -Verification/assessment -Request Appraisal -Request approval/rejection/adjustment -Pre loan training -Loan structuring -Disbursement	08055039291
2. Primary production	•Farmers (Crop and livestock)	Between 30,000 to 3,000,000	5% reducing balance	0 – 12 months	10% of the approved loan amount	-Application letter -Valid means of identification -Passport photograph	-Application for loan -Enterprise verification/assessment/appraisal -Request approval, rejection or adjustment. -Pre loan Training -Loan structuring -Disbursement	08055039291
3. Agro Processing	Agro processors	Between 30,000 to 3,000,000	5% reducing balance	0 – 12 months	10% of the approved loan amount	-Application letter -Valid means of identification -Passport photograph	-Application for loan -Processing equipment verification/ assessment -Enterprise appraisal -Request approval, rejection or adjustment -Pre loan Training -Loan structuring -Disbursement	08055039291
4. Agro Marketing	Agro marketers (sellers of Agricultural produce)	Between 30,000 to 3,000,000	5% reducing balance	0 – 12 months	10% of the approved loan amount	-Application letter -Valid means of identification -Passport photograph	-Application for loan -Business verification/assessment/appraisal -Request approval, rejection, or adjustment -Pre-loan Training -Loan structuring -Loan disbursement	08055039291

Keystone Bank

Keystone Bank Limited was granted a Commercial Banking License by the Central Bank of Nigeria in 2011. It is currently owned by Sigma Golf River Bank Consortium after being acquired from the Asset Management Corporation of Nigeria (AMCON) in 2017. The Bank offers a wide range of credit solutions across a wide range of collateral but their agricultural-focused product is the Anchor Borrowers Programme.

Anchor Borrowers Programme (ABP)

Financing activities covered by product	Eligible borrowers	Loan limit	Interest Rate	Tenor	Collateral and/or equity contribution	Required documentation	Application procedure	Reference for more information
Working Capital Requirement	Farmers	3 billion naira	9 percent	6 months	Legal Mortgage Cash Shares	1. Request letter 2. Economics of Production 3. Collateral documents 4. Any other documents	Customer applies in writing and facility is approved in line with Bank's credit standard. Customer gets funds upon meeting all requirements.	N/A

FIRST CITY MONUMENT BANK (FCMB)

First City Monument Bank (FCMB) Limited is a member of the FCMB Group Plc, which is one of the financial services institutions in Nigeria with various subsidiaries. The bank has transformed itself to a retail and commercial banking-led group, offering a wide range of credit facilities including the SME Development Finance Facility, SME Asset Finance Facility and SME Working Capital Facility, amongst others. The agricultural-focused product offered by the Bank is the Agro Commodity Finance Facility.

AGRO COMMODITY FINANCE

Financing activities covered by product	Eligible borrowers	Loan limit	Interest Rate	Tenor	Collateral and/or equity contribution	Required documentation	Application procedure	Reference for more information
Aggregation/processing of Agro Commodities	Agro commodity merchants and processors	N20m – N1b	Prevailing Market rate	12 months with 180 clean-up cycle	1. Cash/Near cash equivalent 2. Legal Mortgage. 3. Combination of a. Cash b. CMA c. Risk Sharing Guarantee	A. Applicant's request letter. B. Business plan with detailed and realistic financials. C. Track record in business operations E.g. completed LPOs, statement of accounts etc. D. Contracts with off-takers. E. KYC and CRMS Report on the borrower and promoter(s).	1. Applicant submits request letter along with other documents. 2. Documents are reviewed for eligibility. 3. Necessary credit approval memorandum is developed for seeking approval. 4. Upon approval, offer letter is sent to the applicant for execution.	NIL



						<p>F.Executed quadripartite MoU between borrower, collateral manager, FCMB and Haulage Company.</p> <p>G.Favourable warehouse risk assessment report from the collateral manager</p> <p>H.Audited financials (for borrowings above N100m)</p> <p>I.Valuation report on collateral been pledged as security (if using legal Mortgage)</p>	<p>5.Conditions precedents are met.</p> <p>6.Facility is disbursed.</p> <p>7.Receipt and sales of commodities are jointly monitored through the appointed Collateral Manager.</p> <p>8.Facility is liquidated from sales proceeds of financed commodity.</p>	
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STANBIC IBTC BANK

Stanbic IBTC Bank offers all clients a wide range of personal, business and commercial banking products, taking care of the banking needs of different categories of persons and businesses including agribusinesses. They offer several small and medium scale enterprise (SME) loans. Some of the agribusiness-focused SME loans are presented below.

Short Term Loans for Agricultural Production (Working Capital)

Targeted at companies who want to embark on backward integration for primary production agricultural businesses involved in arable farming, livestock, animal husbandry, horticulture and fishing. It is used to fund seeds, fertilizer, grains/feed, medicaments and livestock directly required for primary production. Such companies/individuals must have been in business for at least 2 years, with an attractive client base and good market demand for its products.

Loans for seasonal expenses could also be availed as overdrafts or advances to fund general working capital needs or operating expenses. This includes wages/salaries, energy, logistics and duty payments.

All working capital loans are repayable within 1 year, or

up to 18 months in special cases. It can readily be renewed according to business exigencies.

Medium- and Long-Term Loans for Investment

These are usually loans for investment in designated agricultural assets for plant/farm modernization. Repayment can last up to 7 years in exceptional cases, such as CAPEX for expansion purposes and is in installments.

Such loans could also be used to fund agricultural projects involving the cultivation of crops with extremely long gestation periods as well as finance prequalified agricultural assets under an operating lease arrangement.

LPO/Contract Finance Facility

Targeted at companies undertaking purchase orders/jobs from well-known contract employers: in the agricultural/agro-allied, breweries and food/beverage industries.

The tenor is usually for the period of the LPO while an equity contribution of up to 50% is expected from the borrower, who must have a good track record of performance from similar jobs undertaken previously.

Invoice Discounting Facility (IDF)

This is used to partly fund a confirmed, unencumbered invoice on a valid purchase order. A maximum of 80% of its value can be assessed and issuance must be by reputable companies involved in target agric-related businesses.

Commodity Backed Loan via Warehousing

This is usually a revolving stock piling facility against reputable off takers with impeccable repayment antecedence: usually market leaders in food/beverage, breweries and agro-allied industries.

It is structured as a flexible non-checking overdraft facility secured by the stock of grains/inputs financed under the logistics supply between the client and off taker for a period of 6- 12 months. A collateral management arrangement is an important consideration under the bank's 3rd party collateral managers.

Nigeria Incentive- Based Risk Sharing System for Agricultural Lending (NIRSAL)

This scheme aims to create incentives and catalyze processes to encourage the growth of formal credit (direct and indirect) for the agricultural value chain, as a mechanism for driving wealth creation amongst participants.

It is also a catalyst for innovative risk management strategy and long term financing for agro business. The scheme also promotes significant job creation by new entrepreneurs and established market participants.

An interest draw back payment (IDB) of between 20%-40% is on offer, depending on the category of the participant's value chain, once customer does not default.

Commercial Agricultural Credit Scheme (CACs)

The N200 Billion scheme priced at 9% was established by the CBN and Federal Ministry of Agriculture to fast track the development of the agricultural sector in Nigeria. The single obligor limited is capped at N2Billion and all commercial agribusiness players across the value chain are eligible to apply through commercial banks.

Real Sector Support Fund (RSSF)

The Central Bank of Nigeria in a bid to unlock the potential of the real sector to engender output growth, value added productivity and job creation established a N300 billion Real Sector Support Facility (RSSF). The facility will be used to support large enterprises for startups and expansion financing needs of N500 million up to a maximum of N10.0 billion. The real sector activities targeted by the facility are manufacturing, agricultural value chain and selected service sub-sectors. The RSSF is priced at 9% and has a tenor capped at 15 years subject to the cashflow.

Maize Aggregation Scheme (MAS)

The Modified Maize Aggregation Scheme (M-MAS) is for feed millers, poultry farmers, silos and warehouse operators and confectionery companies to enable them have access to affordable credit for the purchase of home-grown Maize to promote the Federal Government of Nigeria's National Food Security Programme. The facility is typically an advance with maximum tenor of 12 months and single obligor limit is 2 billion with all in rate interest rate of 9% per annum.

Paddy Aggregation Scheme PAS

The Modified Paddy Aggregation Scheme (M-PAS) is to enable Integrated Rice Millers have access to affordable credit facility at single digits (9% per annum all in rate) for the purchase of home-grown paddy to complement the efforts of the Federal Government of Nigeria in the implementation of the National Food Security Programme. The facility is typically advanced with six-month tenor and single obligor limits is N2 billion.

For more information
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[https://www.cnfa.org/program/
nigeria-agribusinessinvestment-activity/](https://www.cnfa.org/program/nigeria-agribusinessinvestment-activity/)

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