

Sovereign wealth authority acquires farm in Nasarawa for job creation

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Managing Director, Nigerian Sovereign Investments Authority, NSIA, Uche Orji

The Nigeria Sovereign Investment Authority on Monday said it acquired a fully integrated maize and soya beans farm in Panda, Nasarawa State to expand its investment portfolio in agriculture in the country.

The Managing Director/Chief Executive of NSIA, Uche Orji, said in a statement sent to PREMIUM TIMES the investment would promote income-generating opportunities for small holder famers under an out-grower scheme and related services.

The acquisition under the UFF-NAIC Agriculture Fund jointly owned by NSIA and UFF Agri Investment, an Old Mutual Specialist Fund, is a farm comprising large acreage of farms integrated into a system of feed mills and storage silos.

Mr. Orji said the new investment underscores NSIA and UFF's interest in Nigeria's agricultural sector, underpinned by a shared vision of existing significant socio-economic opportunities.

“Agriculture is Nigeria's largest source of employment and remains a key focus area for the NSIA given its potential to contribute towards stimulating the economy,” Mr. Orji said.

“The UFF-NAIC Agriculture Fund is seeking to enhance the sector by attracting capital and modern technology to critical aspects of the value chain to stimulate production and related economic activities.

“This modest investment represents a prudently structured entry for the Fund into the domestic agriculture sector, which we believe will prove lucrative and transformational for stakeholders and the sector at large,” he said.

He said the Fund would acquire and develop a 3,500 hectares of land, out of which 2,300 hectares would cover arable area, in a region recognised for its superior soil types, access to reliable irrigation water and history of consistent productivity.

Key elements of infrastructure investments include purchase and installation of an irrigation system covering about 80 per cent of the land area, along with surface drip lines covering the remaining 20 per cent.

Other facilities include water distribution systems, water reservoirs, pumps, and the distribution systems over 2,300 hectares; grain storage and dryers, made up of 50 to 75,000 metric tons of maize and soya bean storage silos, plus dryers and ancillary equipment.

Also, sundry processing assets, include a fish feed mill, a new factory building, and improvements to the existing soya bean crushing facility, and other relevant asset.

Mr. Orji said additional capital would be deployed to expand the farm’s existing infrastructure, to increase its installed capacity and enhance the overall quality and quantity of output.

He said the feed mill ‘name plate’ would be increased by 60 per cent to raise the output tonnage from 61,330 tons to 96,400 tons, while the oil and maize mills’ installed capacity would increase by 300 per cent and from 8,800 tons to 35,000 tons respectively.

Equally, the fish feed capacity would be raised from zero to 26,300 tons, the expected social impact of creating 10,000 direct and indirect jobs as well as 500 support services and small businesses.

“The capital injection will be used to construct and install state of the art irrigation infrastructure, water reservoirs, grain storage and processing facilities. Also, the farming operations will be expanded to serve as input sources to the processing plant.

“By modernizing the farm’s operations and backward integrating, it is expected that crop yield will improve significantly and a two season (wet and dry season) farming will be achieved going forward. Overall the investment is expected to stimulate economic activities that will lead to the creation of jobs and improvements in quality of life,” he said.

UFF Joint Managing Director, Erwin Bouland, said the investment provides the first co-investment opportunity in Nigeria, while the asset is complementary to existing portfolio holdings, as it offers geographic, climatic and farming type diversification.

“The lease model, coupled with the water security provided, fits our objectives of reduced risk and consistent income provision for our institutional client base.

“UFF leverage highly productive assets by introducing investment in technology that creates exciting long-term opportunities for the Fund,” Mr. Bouland said.