



Sahel Capital (Mauritius) Limited
Sahel Capital Partners & Advisory Limited

Creating Value, Building Businesses, Transforming Communities...



Unlocking Opportunities in the Yam Value Chain

Ninety-two percent (92%) of the world's production of yam comes from West Africa, with Nigeria alone producing 65% (more than 37 MT), and Ghana producing 12% (more than 6.6 MT). Sadly, 20-30% of this crop goes to waste annually, due to poor post-harvest management. In addition, yam prices rise by over 200% during the growing season, which makes it unaffordable for most consumers, especially when compared to substitutes such as cassava, wheat and maize.

From December 2013 to April 2014, with funding from the Bill & Melinda Gates Foundation, Sahel Capital conducted an in-depth analysis of the yam value chain in Nigeria and Ghana. The contents of this newsletter highlight some of Sahel's research results.

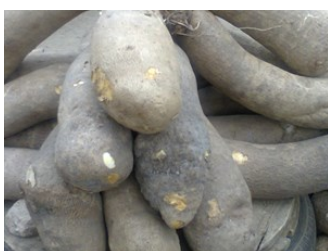
Improving Yam Processing

Sahel Capital was engaged by the Bill & Melinda Gates Foundation in December, 2013 to conduct a study on the landscape for yam value addition opportunities in Nigeria and Ghana, with a focus on processing for food.

Sahel Capital conducted interviews with key stakeholders in the agricultural research institutes, private sector (including equipment fabricators, processors, transporters, wholesalers, retailers and farmers' clusters and associations), NGOs, regulatory agencies, and state and national ministries. In-depth field visits were also conducted in the priority states including Oyo, Niger, Abuja, Ebonyi, Enugu and Lagos in Nigeria, and regions such as Brong Ahafo, Northern, Eastern, and Greater Accra in Ghana.

The field research revealed that the level of yam processing in Nigeria and Ghana is relatively low compared to substitute crops such as cassava. This is linked to a range of reasons. In Nigeria, the key challenges to processing include: (1) the high cost of yam, especially the white yam variety used for processing pondo yam, (2) fragmented value chain which limits linkages between farmers and processors, (3) high cost of high quality yam processing equipment and power generation, (4) cumbersome regulatory requirements for certification and product registration, (5) lack of access to affordable financing, and (6) difficulties associated with building a distribution network. Ghanaian and Nigerian processors share similar challenges, with the lack of consumer awareness and inconsistent demand for processed yam products being two additional challenges in the Ghanaian landscape.

A collaborative approach towards addressing the barriers to yam processing will transform the yam value chain, thereby improving the livelihoods of thousands of farmers, reducing post-harvest losses and enhancing the availability and affordability of yam products through the release of innovative new products.



A heap of yam (White yam)



Informal and formal processed products



Enhancing Yam Value Addition: A Collaborative Effort

Nigeria

On the 18th of February, 2014, Sahel Capital organized a Yam Improvement for Processing stakeholders meeting at the International Institute of Tropical Agriculture (IITA) Ibadan, Oyo state, Nigeria. The purpose of the stakeholders meeting was to share Sahel Capital's research results on the yam value chain with key stakeholders in Nigeria and to obtain their feedback and input.

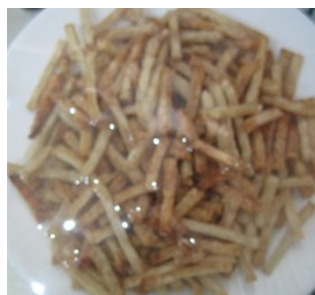
A total of 40 individuals who represented the diversity of players in the yam value chain, including farmers, civil society, private and public sectors joined the Yam Improvement for Income and Food Security in West Africa (YIIFSWA) team which comprised of 65 scientists, researchers and breeders from across West Africa to review the preliminary findings from Sahel Capital's field research. They also participated in breakout sessions, where high-impact interventions for propelling the yam processing industry were discussed.



Feedback from the stakeholders highlighted that improvements in yam processing in Nigeria requires collaborative interventions from the government, private sector, the research community and development organizations. Examples of interventions recommended by the stakeholders include the following: 1) the recognition of yam as a priority crop at the state level and the development of integrated strategic plans for strengthening the yam value chains in focused states such as Niger, Benue and Oyo, 2) investment in market-driven research on high quality yam varieties that are most suitable for processing and new product innovation, 3) development of a unique registration window for yam processors, to streamline and expedite the registration process, and the 4) enhancement of the skills of existing equipment fabricators to design and fabricate low cost yam processing equipment for small businesses and farmer clusters.



Pastries made with 40% yam flour



Pounded yam flour made by ELSA Foods

Ghana

Sahel Capital organized the Ghana Yam Stakeholders Meeting on February 25, 2014 at the Food Research Institute, Accra. 34 participants from the private, non-profit and public sectors and research community attended the stakeholders meeting which presented a unique opportunity to bring together a range of players involved in the yam value chain. The Sahel Capital team presented their research results on the yam value chain, which was followed by breakout sessions during which the participants discussed potential interventions for ensuring yam value addition.

In summary, the Ghana stakeholders stressed the need to: (1) Organize yam farmers into clusters to ease their ability to access improved inputs, financing, storage and training support and ensure stronger linkages to processors (2) Bridge the gap between research community and the processing industry (3) Develop innovative products using water yam varieties with significant demand potential for the processing industry.

These suggested interventions complements the vision of the Ghana Yam Sector Development Strategy team (private sector led initiative, developed in collaboration with the Ghanaian Ministry of Trade & Investment and Ministry of Food & Agriculture), who were well represented at the meeting.

Industry Highlights & Sahel News

FUNAAB obtains \$18.8m for cassava programme from the Bill & Melinda Gates Foundation

Business Day (www.businessdayonline.com), Date: April 2, 2014

The Federal University of Agriculture, Abeokuta (FUNAAB) has received a grant of USD18.8 million from the Bill & Melinda Gates Foundation to implement the Cassava: Adding Value for Africa phase II (C:AVA II) project. Kolawole Adebayo, the Project Director and University's Director of Grants Management commented "the grant is expected to be administered from the University and will increase the incomes of at least, 200,000 small-holder farmers and community processors that are participating in the cassava programme, including Nigeria, Ghana, Tanzania, Uganda and Malawi."

Nigeria to Stop Wheat Flour Importation

BizWatchNigeria (www.bizwatchnigeria.ng), Date: April 14, 2014

The Minister for Agriculture and Rural Development, Dr. Akinwumi Adesina, has assured Nigerians that the nation will soon stop importation of wheat flour, in support of the cassava campaign policy. He emphasized that the government is making efforts to place Nigeria as number one cassava processing country in the world and declared that Nigeria will exceed the target of adding 20 million metric tons of food to the national food output set during the launching of the Agricultural Transformation Agenda in 2011.

Rice Producer Condemns FG's Ban on Rice Importation

BizWatchNigeria (www.bizwatchnigeria.ng), Date: April 11, 2014

Olam Rice Farm raised concerns on the ban on rice importation by the Federal Government, claiming that Nigeria is just advancing towards self-dependence in terms of rice production and presently, cannot do without importation. According to the General Manager, Mr. Reji George, "government should consider the amount of investment private investors are willing to put into local agriculture to develop the local strength of rice production and ensure high level of production before a complete ban on rice importation."

Upcoming Events

- ◆ **Official Launch of ACMA Programme:** On April 23, 2014, Sahel Capital will participate in launching of Approche Communale pour l'accès aux Marchés Agricoles (ACMA) in Benin Republic. ACMA is a programme funded by the government of the Netherlands which aims to contribute to food security, through supporting smallholder farmers in Benin and facilitating formal agribusiness trade between Benin Republic and Southwest Nigeria. ACMA will be executed by a consortium of five organizations including IFDC, Care International, Benin Consulting Group, Royal Tropical Institute and Sahel Capital.
- ◆ **World Economic Forum, 2014:** Sahel Capital's partners will participate in the World Economic Forum holding between May 7-9, 2014 in Abuja, Nigeria. Taking place in Nigeria for the very first time, this Forum will focus on the theme *Forging Inclusive Growth, Creating Jobs*. Ndihi Nwuneli will facilitate a session titled "From Skills Gaps to Lifelong Learning."
- ◆ **The African Network Conference (TANCon) 2014:** One of Sahel Capital's partners will be speaking on Agribusiness at The African Network (TAN) Entrepreneurship Conference scheduled to be held between May 23-24, 2014 at the Best Western Hotel, Victoria Island, Lagos, Nigeria. The conference, themed, *Fostering Economic Empowerment & Development via Entrepreneurship* will mark the 7th Anniversary of TAN, a non-profit organization committed to fostering entrepreneurship among people of African descents on a global level.

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