

\$2.5bn tomato shortfall: CBN woos investors

The Central Bank of Nigeria (CBN) has said at least \$2.5bn domestic tomatoes demand gap still exist and called on investors to ramp up investments in the commodity.

The CBN also said it is willing to provide support to willing investors in the tomatoes value chain in Nigeria through the CBN anchor borrowers' fund.

The CBN Governor, Mr. Godwin Emefiele made the commitment at the launch of the Tomato Jos Farming and Processing Ltd factory located in Kaduna State.

The facility is owned by America's Mira Mehta, who would be investing additional N7bn in plant in the five years from an initial investment that will peak N2.25bn at the close of 2020.

The facility is expected to employ about 5,000 Nigerians.

Mr. Emefiele said: "The annual production in Nigeria is estimated at about 1.701 million tonnes while annual consumption is estimated at 2.93 million tonnes. This leaves an annual supply shortfall of more than 1.2 million tonnes valued at about \$2.5 billion annually, which is met through importation and smuggling."

In addition he said "tomato is among the commodities that play an important role in the demand for forex in the economy. This therefore calls for a holistic approach in tackling these and other related challenges bedeviling the tomato value chain."

He noted that "the CBN, as far back as June 2015, before the current tomato policy was approved in 2017, had excluded importers of 41 items from accessing foreign exchange at the Nigerian foreign exchange (forex) markets, to encourage local production. One of the items declared not valid for forex" was tomatoes/tomato paste in which the import bill, at the time, was significantly contributing to the pressure on the forex reserves."

He noted that, "pursuant to the above, we introduced the Commodity Champion model in the first quarter of 2019, to stimulate production of tomato and strengthen the end-to-end linkages in the value chain from input supplies to the final consumer. The strategy adopted is largely hinged on the twin approaches of out-grower contractual arrangement in the short to medium term, and backward integration in the medium to long term."





The CBN governor said the efforts were paying off “with the mobilization and validation of about 140,848 farmers from various Tomato Farmers Associations across 25 States in Nigeria.”

“They are to be financed under the Anchor Borrowers’ Programme (ABP) where they would be linked to proximal processors where applicable, or financed to produce fresh fruits for direct consumption, which constitutes the largest use of tomato in Nigeria.”

According to him, the CBN is also partnering with other big players in the tomato value chain like Dangote Tomato Processing Ltd, Sonia Foods, GB Foods (GBF), Vegefresh Company Ltd. and a host of others.

“This is with a view to ensuring that Nigeria becomes self-sufficient in tomato, and our processing companies, functioning at full capacity and employing millions of Nigerian youths” he said.

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