AFRACA Praises Union Bank for Leadership Role in Agricultural Financing.

Abuja – April 11, 2016 – Stakeholders in the agricultural sector have commended Union Bank for investing in rural agriculture and being in the forefront of implementing government policies on Agriculture to ensure food security in the country.

Union Bank received these accolades in Abuja at the two day Nigerian Finance Conference with the theme “Catalysing the Diversification of the Nigerian Economy through Effective Agricultural Finance”. The event was organized by African Rural and Agricultural Credit Association (AFRACA).

In his keynote address, the representative of the Central Bank Governor who is also the Deputy Governor Corporate Services, Adebayo Adelabu said investment in Agriculture generates four times poverty reduction variables than any other sector, adding that commercial banks have in the past shied away from investing heavily in Agriculture because of the unpredictable nature of the Sector as draught and even excessive rains could turn the tide and put the banks at risk from scooping their investments in record time.

The Secretary General of AFRACA, Saleh Usman Gashua said that every country needs to diversify its revenue base at this point in time when oil, cotton and coffee revenue have nosedived adding that Nigeria, which is the greatest producer of cassava should use this area of comparative advantage to get a policy that would make Nigeria a world destination in cassava and allied products.

The Managing Director of Union Bank Plc. Emeka Emuwa reiterated the need for more funding of the Agricultural sector especially under the platform provided by AFRACA saying that most of the African countries are facing the same dwindling fortune like Nigeria.

He said, "The reality is that agriculture is critical to our goals in sub-Saharan Africa. If you look at a few countries like Kenya, agriculture contributes 7% of GDP, Ghana 22%, and Ivory Coast, 22% and in Nigeria, over the past three years, the number has been 23% agriculture contribution to GDP. Agriculture is also the largest employer of labour in the continent. Now if we have a sector that employs 65% of the continents labour force, it is important that we support that sector and make that sector work.

“In Nigeria, agriculture accounts for approximately 50% of employment, of the labour force though it does contribute much less to export credit as the number as agreed is 10%. Again that is why agriculture is important to us.”
The representative of Keystone bank equally acknowledged that although the bank is operating on the same sector with Union Bank, Union Bank stands out due to the level of massive investment and support it has given to farmers through soft credits and other forms of incentives over the years.