

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF  
NIGERIA****PROFESSIONAL LEVEL EXAMINATION – NOVEMBER 2019****CASE STUDY****EXAMINATION INSTRUCTIONS**

**PLEASE READ THESE INSTRUCTIONS BEFORE THE COMMENCEMENT OF  
THE PAPER**

1. Check your pockets, purse, mathematical set, etc. to ensure that you do not have prohibited items such as telephone handset, electronic storage device or any form of written material on you in the examination hall. You will be stopped from continuing with the examination and liable to further disciplinary actions including cancellation of examination result if caught.
2. Write your **EXAMINATION NUMBER** in the space provided above.
3. Do **NOT** write anything on your question paper **EXCEPT** your examination number.
4. Do **NOT** write anything on your docket.
5. Read all instructions in each section of the question paper carefully before answering the questions.
6. Do **NOT** answer more than the number of questions required in each section, otherwise, you will be penalised.
7. All solutions should be written in **BLUE** or **BLACK INK**. Any solution written in **PENCIL** or **RED INK** will not be marked.
8. All solutions **MUST BE** on the **CASE STUDY** answer booklet.

**THURSDAY, 14 NOVEMBER, 2019**

**DO NOT TURN OVER UNTIL YOU ARE TOLD TO DO SO**

# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

## PROFESSIONAL LEVEL EXAMINATION – NOVEMBER 2019

### CASE STUDY

**Time Allowed: 4 hours (including reading time)**

**INSTRUCTION: YOU ARE TO USE THE CASE STUDY ANSWER BOOKLET FOR THIS**

**PAPER**

#### **Pre-seen**

This material is issued prior to the examination date to enable candidates familiarise themselves with the case scenario so as to undertake any research and analysis they think fit. This pre-seen part of the Case Study examination is published on the Institute's website: [www.ican.org/students](http://www.ican.org/students).

You **MUST NOT** bring this material with you to the Examination Hall. On receipt of the material, you are to spend the few days to the examination date to familiarise yourself with the information provided, carry out additional research and analysis about the industry and analyse the financials provided, in preparation for the examination. Candidates should note that the use of pre-seen part of the Case Study will not significantly help them in their preparation for this examination. It is essential that they carry out sufficient study and analysis on their own in order to have a good understanding of the pre-seen part of the case scenario.

At the start of the examination, candidates will receive the complete case scenario which will include both the pre-seen and the unseen which includes the requirements. You must use the answer paper provided by ICAN in the Examination Hall. Any solution presented with other papers **WILL NOT** be marked.

#### **Assessment of the Case Study**

The marks in the Case Study examination are awarded for exhibition of expertise and are approximately allocated as follows:

□ Assimilating and using information	20%
□ Structuring problems and solutions	20%
□ Applying judgement	20%

□ Drawing conclusions and making recommendations	20%
□ Demonstrating integrative and multidisciplinary skills	10%
□ Presenting appropriate appendices	10%

Of the total marks available, 20% are awarded for the executive summary and approximately 10% for the relevant discussion of ethical issues within your answer to the requirements. Although ethical issues do not form a specific requirement, as it is deemed to have been tested in other subjects of the ICAN professional examination. It will be tested within a requirement which may include the following areas:

- Lack of professional independence or objectivity;
- Conflicts of interest among stakeholders;
- Doubtful accounting and creative accounting practice;
- Unethical business/commercial practice; and
- Inappropriate pressure to achieve a reported result.

Candidates should note that marks are not awarded for just simply restating facts from the case scenario but marks are awarded for demonstrating professional skills and technical depth. Therefore, to succeed, candidates are required to:

- Show sufficient evidence of knowledge of the case scenario;
- Be able to carry out appropriate analysis of the issues involved and suggest feasible solutions to the problems identified;
- Demonstrate ability to make informed judgement on the basis of analysis carried out; and
- Generate reasoned conclusions upon which relevant recommendations are made.

Candidate that omits any one of these will have a slim chance of success in the examination.

**LIST OF EXHIBITS**

1. About you (**Chukwura Alli**) and your employer, **Oluwole, Ibrahim, Ezeife & Co, (Chartered Accountants)**
2. Agribusiness: Constraints and opportunities in Nigeria
3. Detoy Farms and Farm Products Limited: history, operations, board and management
4. Detoy Farms and Farm Products Limited: Business opportunities
5. Detoy Farms and Farm Products Limited's Management accounts 2017 - 2018
6. Press articles

**Exhibit 1**

**About you (Chukwura Alli) and your employer (Oluwole, Ibrahim, Ezeife & Co)**

You are Chukwura Alli, writing the Professional level of ICAN examination. You are working in the Lagos office of **Oluwole, Ibrahim, Ezeife & Co (chartered accountants)** which has its offices in all the state capitals of the country. You are reporting to James Oluwole, the partner in charge of the business advisory unit of the firm. Your responsibilities include:

- Preparing detailed financial analyses and reports on the performance of your business advisory clients;
- Analysing your clients' financial statements to identify areas of weakness and proffering likely solutions to correct the anomalies;
- Assessing operational and strategic business proposals submitted by clients to see how each aligns with the client's objectives and its impact on its business and financial risks;
- Assessing clients' financial and business forecasts together with the assumptions upon which they are based to form judgements and recommendations to your partner; and
- Drafting reports to be submitted to clients on the result of clients' financial, operational and strategic business analyses you have carried out.

Your responsibilities demand that you keep yourself abreast of your clients' industries and external operating environment so as to be able to carry out the above tasks effectively.

## **Exhibit 2**

### **Agribusiness: Constraints and opportunities in Nigeria**

There was a time when the African continent was known as the agrarian hub of the entire world. In Nigeria for instance, before crude oil was discovered, agriculture accounted for more than three-quarters of the country's export income and almost half of its GDP. The country fed its populace with ease and had surpluses in rubber, cocoa, groundnuts and palm oil for export.

Urbanisation and industrialisation have turned the tide on this and made the country one of the top food importers globally. Consequently, Nigeria became dependent on import to sustain its people. However, in the recent past, this African economic giant has started taking steps to rectify this anomaly.

### **Why Agribusiness is lucrative in Nigeria**

There are many compelling reasons why agricultural business is lucrative in Nigeria. These are:

#### **Population**

Nigeria is famed for being the most populous nation in Africa and the seventh most populous in the world. It has a population of about 200 million people and this offers two major advantages. First, getting affordable labour to help with agricultural production is quite easy, which will ensure low production capital for agricultural investors and translate to lower prices for the end product.

Secondly, as a result of the huge population, there will always be a ready market for farm produce.

#### **Government support**

The government has recently put measures in place to support economic diversification. To this end, it is incentivising farmers and helping them get access to government as well as non-government agencies that deal in agricultural production. This has created a huge opportunity for existing farmers and also serves as a morale booster for new investors in the sector.

### **Arable land**

Nigeria measures more than 900,000 sq.km and 70% of this is fertile land, viable for agriculture. This expanse of land is among the biggest in the entire continent and most of it is black cotton soil, greatly renowned for high productivity.

### **Growth potential**

The fact that the Nigerian economy had for a long-time placed agribusiness on the back burner makes it look like a completely new venture. As with all new business ideas, the growth potential for the sector is currently very high. This would make it a great time to take advantage of it as it grows.

### **Financing opportunities**

The publicity level that the agricultural sector is currently enjoying has led to another major advantage. More institutions are to provide financing for potential and existing investors in the industry. Government support in this regard has also made it quite easy to secure loans and grants, and provided favorable repayment options. The Vice President recently announced the Federal Government's readiness to increase agricultural financing.

### **Agribusiness opportunities in Nigeria**

The following are the various type of agricultural business that are very lucrative in Nigeria and are in short supply:

#### **Rice farming**

Nigeria is one of the largest rice importers in the world. It only comes second to Asian countries, since rice is the most popular staple food on the Nigerian table. Local rice production only accounts for a fraction of what the population requires for sustenance. Local demand stands at 5 million tons annually and grows by more than 5% every year. This means that investing in rice farming in Nigeria is guaranteed to yield substantially, since the demand surpasses supply. It also implies that a farmer will not have to invest so much into marketing as the product will sell very fast off the shelves.

The government is also keen on supporting rice farmers in order to reduce the import burden currently being experienced. This makes it very easy to embark on rice farming as a business and build it to success.

#### **Poultry farming**

It is a known fact that poultry business is highly viable in Nigeria and Africa as a whole. The sector still remains largely untapped. Chicken, turkey and

eggs are all-time favorites in the country and the local production cannot meet the nation's current demand. This is the reason millions of tons of poultry and poultry products are imported into the country every year.

Apart from the overwhelming demand, another factor that makes this a viable opportunity is the reproduction and growth rate of the birds. Chickens for instance take about 28 weeks to mature and make their debut into the market. Eggs ordinarily take about 3 weeks to hatch, but with modern incubation facilities they take even shorter time. Additionally, layers produce at least one egg every two days, making them highly profitable.

The poultry industry is not only limited to raising birds for sale or egg production, it also involves such aspects as poultry feed, medicine and equipment production. This makes it possible for investors to identify a suitable niche and return a profit from it. The business is however relatively capital intensive and requires some skills to keep the birds healthy and productive.

### **Tomato farming**

Nigeria imports tomato paste worth more than \$500 million annually. This is again the result of the fact that the demand for tomatoes far exceeds the local supply. Interestingly, not so many farmers are into tomato farming. Some shy away from the opportunity because the sensitive nature of the crop makes it require extra care.

This presents the rare advantage of low competition for any investor who is willing to venture into the business. The biggest challenge after the sensitive growth period is proper handling, keeping the produce fresh for as long as possible and transporting it to the selected market. Figuring these details out is crucial to success in tomato farming.

### **Cassava farming**

Cassava is yet another staple food for Nigerian families. Popular foods like bread, fufu and garri require cassava as the key ingredient and are consumed in most homes on a daily basis. It is also used to prepare some traditional alcoholic beverages and starch for the dry-cleaning industry.

The limitless uses of the product coupled with its limited supply are sufficient reasons for a potential investor to consider cassava farming.

## **Challenges facing agribusiness entrepreneurs in Nigeria**

### **Post-harvest loss**

This is one of the biggest challenges facing farmers in Nigeria and Africa as a whole. It is the result of a combination of factors. Foremost is the poor infrastructure that marks most of the rural regions of the country, where most of its farming takes place. There are few good road networks, limited electricity supply and poor transport facilities. In addition, the post-harvest infrastructure is also very limited, meaning that a huge percentage of produce gets spoilt when in storage and before getting to the consumers.

### **Attitude**

Majority of the country's population still undermines agriculture and remains blind to its true potential. The sector has therefore been left for the peasant who not only has limited access to resources, but also has not kept pace with the industry's evolution. This presents major problems in terms of limiting the extent to which farming techniques can take advantage of developments in the field. It also means that the true potentials can never be realised unless there is a change in this respect.

### **Climate change**

This is one of the biggest problems that have limited agricultural development in Nigeria and the continent as a whole. Research has shown that Africa has been the most vulnerable continent to the impact of climate change. This is because the continent is almost wholly reliant on rain-controlled farming. The yield from this type of farming has been reducing consistently and is expected to fall to 50% by 2020.

### **The future of Agribusiness in Nigeria**

Currently, Agribusiness can rightly be considered a major player in the Nigerian economy. More than 70% of the country's population relies on the sector in one way or the other, but this is mostly at a subsistence level over the years. A number of government administrations in the country have initiated projects to restore Nigeria to its former glory in agriculture. This is in a bid to commercialise it and maximise on its potential.

Some of the imperatives that have been formulated to this end include a gradual paradigm shift and policy changes to favour the sector. The country has sought to implement commercial agricultural systems to replace the existing subsistence ones. This is aimed at taking advantage of modern technologies in agriculture to reduce cost and increase productivity. It also intends to reduce the current overreliance on rain-fed systems that are



subject to fluctuation. Policy revisions meant to improve infrastructure, control market prices and restructure the entire agribusiness framework are also likely to yield great results, if implemented accordingly.

### **Exhibit 3**

#### **Detoy Farms and Farm Products Limited: History, operations, board and management**

In response to the government's call to private investors to invest in agricultural business and the various incentives offered to agricultural business by the government, Dr Solomon Adetoye decided to go into agricultural business in 2015. He registered Detoy Farms and Farm Products Limited in January, 2015 and thereafter, acquired 200 hectares of land along the Lagos – Ibadan expressway.

Dr Adetoye visited Nigerian Institute of Social and Economic Research (NISER) and held business discussions with the Institute's management for assistance in realising his objectives of having a modern farm that caters for the need of the middle class of the society. The aim of Dr. Adetoye is to go into animal production and vegetable farming. Therefore, he started with the following sections in his farm:

- Cattle ranch, for breeding cows, rams, goats and sheep;
- Poultry, for production of eggs and chickens for sale;
- Fishery, for production of different species of fish; and
- Vegies farm, for tomatoes, cucumber, and other vegetables.

The company is growing steadily and has become a household name among the elites who buy their various protein and vegetable needs from supermarkets, stores and retail malls in Lagos and Ibadan axis. The company has also been providing retail services to individual customers who visit the farm to buy any of its products. The company therefore, maintains a small shop in the farm to meet the needs of such customers. However, as a matter of policy, the company sells only live animals, fish and chickens on the farm. Other products such as eggs and various vegetables can be purchased from the farm stores on kilogram basis.

## **Board and management**

### **Board**

The farm is being supervised by a board of six directors. These are:

- Dr. Solomon Adetoye - Chairman
- Dr. John Ajuluchukwu - Managing director/ CEO
- Mr. Garba Sanusi - Technical director
- Mrs Susan Adetoye - Non- executive director
- Sylvester Akapio - Non – executive independent director
- Dr. Lekan Mohammed - Non – executive director (from NISER)

The managing director is responsible to the board for the day to day running of the farm, without any interference from the chairman, though he has hundred percent holdings of the farm. Dr. John Ajuluchukwu is a well experienced agriculturalist who has lectured for many years before becoming the director of farm settlements in the Federal Ministry of Agriculture, from where Dr. Adetoye engaged him to manage his farm. The technical director, Mr. Garba Sanusi, is an experienced animal production engineer, who has worked in different Federal Government farm settlements and other privately-owned farms across the nation. Therefore, Detoy Farms (for short) has a formidable team in the areas of business policy and strategies formulation.

### **Management**

The management of Detoy farms comprises the following:

- |                     |                                       |
|---------------------|---------------------------------------|
| Dr John Ajuluchukwu | - Managing director                   |
| Mr. Garba Sanusi    | - Technical director                  |
| Mr. Olaolu Adeola   | - Finance controller                  |
| Mrs Janet Idemudia  | - Marketing controller                |
| Alh. Sanni Yusuf    | - Human resources/community relations |
| controller          |                                       |

Each member of the management team is qualified and experienced in their various positions and have been allowed to operate independently in the running of their various departments.

Management meetings are held every Monday morning, by 9:00 am, to review the previous weeks operations and to plan for the current week. Management and financial decisions affecting the company and its various departments are made during these meetings. New opportunities are reviewed, and approved, rejected or kept in view during such meetings.

## **Exhibit 4**

### **Detoy Farms and Farm Products Limited: Business opportunities**

There are currently two proposals for business opportunities before the board of Detoy farms. Details of these business opportunities are stated below.

#### **Retail contract with “The Shop”**

“The Shop” is a retail mall catering for the middle and high class of the society. It has its various stores in different locations within the cities of Lagos, Ibadan and Abeokuta, all within fifty kilometres to Detoy Farms. “The shop” retails virtually everything that meet the need of its teeming customers, from fashion to household domestic needs such as drinks, spirits, utensils, meat and vegetables.

“The Shop” has contacted Detoy Farms, through its marketing department for a business relation. The Shop is willing to enter into a long-term contract with Detoy Farms for constant supply of fresh farm products, such as meat, poultry, fish and vegetables to its various shops. These products are currently being imported from South Africa by The Shop. If this contract sails through, Detoy Farms will be supplying The Shop with these farm products and The Shop will stop all importation. However, these products are to be supplied in kilograms and packed in special packages that will be specified by The Shop.

If Detoy Farms accepts the contract, it will necessitate Detoy Farms establishing an integrated meat processing plant in the farm to be able to meet the specification of The Shop. Incidentally, this is in line with Detoy’s Farms strategic plan for the coming year.

#### **Installing an integrated meat processing plant**

In view of the various enquiries Detoy Farms has been receiving from its customers, the board is currently considering the establishment of an integrated meat processing plant on the farm. The plant will be capable of processing various meat from cattle to poultry. It will comprise of slaughtering slabs, de-skinning/de-feathering to packing the meat in various kilograms packs.

The plant will be expected to supply fresh meat to the various meat retail stores within 50 kilometres radius to the farm. The installation of the plant will also help Detoy Farms to supply fresh meats to its various customers

who have been wishing to be able to buy their meatsupplies fresh from the farm but are unable to buy a whole live animal, as it is currently being sold by the farm.

The farm currently has a portion of the farmland that could be used for this project. However, the farm would have to construct a new structure to house the plant and procure the following:

- Meat processing machinery;
- Equipment; and
- Motor vehicles.

## Exhibit 5

### Detoy Farms and Farm Products Limited's Management accounts 2017 - 2018

#### Detoy Farms and Farm Products Limited Management accounts for the year ended 30 September Statement of profit or loss for the year ended 30 September

		2018 N000	2017 N000
	Note		
<b>Revenue</b>	<b>1</b>	90,560	77,623
Cost of sales	<b>2</b>	<u>(69,963)</u>	<u>(59,945)</u>
<b>Gross profit</b>		<b>20,597</b>	<b>17,678</b>
Selling and administrative expenses	<b>3</b>	<u>(15,448)</u>	<u>(13,241)</u>
<b>Operating profit</b>		<b>5,149</b>	<b>4,437</b>
Interest payable and finance charges		<u>(1,039)</u>	<u>(713)</u>
<b>Profit before taxation</b>		<b>4,110</b>	<b>3,724</b>
Taxation		<u>(785)</u>	<u>(673)</u>
<b>Profit after taxation</b>		<b>3,325</b>	<b>3,051</b>
<b>Statement of financial position</b>			
<b>As at 30 September</b>			

		2018 N000	2017 N000
	Notes		
<b>Non-current assets</b>			
Tangible assets	<b>4</b>	<u>7,821</u>	<u>9,551</u>
Current assets:			

Inventories	5	3,640	2,860
Trade and other receivables	6	<u>6,166</u>	<u>5,875</u>
		<u>9,806</u>	<u>8,735</u>
<b>Total assets</b>		<b><u>17,627</u></b>	<b><u>18,286</u></b>
<b>Shareholders' equity:</b>			
Called up share capital		1,000	1,000
Retained earnings		<u>6,667</u>	<u>3,616</u>
<b>Total shareholders' equity:</b>		<u>7,667</u>	<u>4,616</u>
<b>Non-current liabilities</b>		-	-

**Current liabilities:**

Trade and other payables	7	6,310	7,602
Bank overdraft		<u>3,650</u>	<u>6,068</u>
		<u>9,960</u>	<u>13,670</u>
<b>Total equity and liabilities</b>		<b><u>17,627</u></b>	<b><u>18,286</u></b>

**Notes to the management accounts**

**Note 1: Revenue**

	<b>2018</b>	<b>2017</b>
	<b>N000</b>	<b>N000</b>
Fishery	18,677	16,009
Poultry	40,965	35,113
Cattle	15,794	13,538
Vegies	15,124	12,963
	<b>90,560</b>	<b>77,623</b>

**Note 2: Cost of sales**

	<b>2018</b>	<b>2017</b>
	<b>N000</b>	<b>N000</b>
Production personnel costs	10,562	9,031
Materials: Vet drugs, etc.	13,075	11,207
Materials: Feeds	22,839	19,577
Logistics	17,659	15,136
Processing costs	<u>5,828</u>	<u>4,994</u>
	<b><u>69,963</u></b>	<b><u>59,945</u></b>

**Note 3: Selling and administrative expenses**

	<b>2018</b>	<b>2017</b>
	<b>N000</b>	<b>N000</b>
Selling and marketing	6,773	5,805

Staff costs	2,902	2,488
Establishment costs	4,175	3,578
General administrative expenses	<u>1,598</u>	<u>1,370</u>
	<b><u>15,448</u></b>	<b><u>13,241</u></b>

**Note 4:**

**Non-current assets  
Tangible assets**

**2018**

	Lease Improvements	Plant, IT & Machinery	Vehicles	<b>TOTAL</b>
<b>Costs</b>	<b>₦000</b>	<b>₦000</b>	<b>₦000</b>	<b>₦000</b>
At 1 October 2017	2,211	10,398	1,208	<b>13,817</b>
Additions	-	-	-	-
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 30 September 2018</b>	<b><u>2,211</u></b>	<b><u>10,398</u></b>	<b><u>1,208</u></b>	<b><u>13,817</u></b>
<b>Depreciation</b>				
At 1 October 2017	1,160	2,900	206	<b>4,266</b>
On disposals	-	-	-	-
Charge for the year	<u>276</u>	<u>1,250</u>	<u>204</u>	<b><u>1,730</u></b>
<b>At 30 September 2018</b>	<b><u>1,436</u></b>	<b><u>4,150</u></b>	<b><u>410</u></b>	<b><u>5,996</u></b>
<b>Carrying amount</b>				
<b>At 30 September 2017</b>	<b><u>1,051</u></b>	<b><u>7,498</u></b>	<b><u>1,002</u></b>	<b><u>9,551</u></b>
<b>At 30 September 2018</b>	<b><u>775</u></b>	<b><u>6,248</u></b>	<b><u>798</u></b>	<b><u>7,821</u></b>

**Non-current assets  
Tangible assets**

**2017**

	Lease Improvements	Plant, IT & Machinery	Vehicles	<b>TOTAL</b>
<b>Costs</b>	<b>₦000</b>	<b>₦000</b>	<b>₦000</b>	<b>₦000</b>
At 1 October 2016	2,211	10,398	1,208	<b>13,817</b>
Additions	-	-	-	-
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

At 30 September 2017	2,211	10,398	1,208	13,817
<b>Depreciation</b>				
At 1 October 2016	884	1,650	2	2,536
Charge for the year	<u>276</u>	<u>1,250</u>	<u>204</u>	<u>1,730</u>
At 30 September 2017	<b>1,160</b>	<b>2,900</b>	<b>206</b>	<b>4,266</b>
<b>Carrying amount</b>				
At 30 September 2016	<u>1,327</u>	<u>8,748</u>	<u>1,206</u>	<u>11,281</u>
At 30 September 2017	<u>1,051</u>	<u>7,498</u>	<u>1,002</u>	<u>9,551</u>

#### Note 5: Inventories

	2018	2017
	₦000	₦000
Raw materials	469	369
Bottles and packaging	1,893	1,487
Finished goods	<u>1,278</u>	<u>1,004</u>
	<b>3,640</b>	<b>2,860</b>

#### Note 6: Trade and other receivables

	2018	2017
	₦000	₦000
Trade receivables	4,856	4,625
Other receivables and prepayments	<u>1,310</u>	<u>1,250</u>
	<b>6,166</b>	<b>5,875</b>

	2018	2017
	₦000	₦000
Trade payables	4,876	6,277
Other payables and accruals	1,434	1,325
	<u>6,310</u>	<u>7,602</u>

Revenue stream summary	Fisher	2018	Cattle	Vegies	Total
	y	Poultry			
	₦000	₦000	₦000	₦000	₦000
<b>Revenue</b>	<b>18,677</b>	<b>40,965</b>	<b>15,794</b>	<b>15,124</b>	<b>90,560</b>
<b>Cost of sales</b>					
Production personnel costs	1,142	4,332	2,037	3,051	10,562
Materials: Vet drugs.	2,178	8,033	1,615	1,249	13,075
Materials: Feeds	9,334	10,158	3,347	-	22,839
Logistics	2,308	4,282	2,108	8,961	17,659
Processing costs	1,361	4,467	=	=	<u>5,828</u>

<b>Gross profit</b>	<u>16,323</u>	<u>31,272</u>	<u>9,107</u>	<u>13,261</u>	<b>69,963</b>
Selling and administrative expenses	<b>2,354</b>	<b>9,693</b>	<b><u>6,687</u></b>	<b><u>1,863</u></b>	<b>20,597</b>
<b>Operating profit</b>					<b><u>5,149</u></b>

<b>Revenue stream summary</b>		<b>2017</b>			
	<b>Fisher y N000</b>	<b>Poultr y N000</b>	<b>Cattle N000</b>	<b>Vegies N000</b>	<b>Total N000</b>
<b>Revenue</b>	<b><u>16,009</u></b>	<b><u>35,113</u></b>	<b><u>13,538</u></b>	<b><u>12,963</u></b>	<b><u>77,623</u></b>
<b>Cost of sales</b>					
Production personnel costs	979	3,714	1,746	2,592	<b>9,031</b>
Materials: vet drugs.	1,867	6,885	1,384	1,071	<b>11,207</b>
Materials: feeds	8,001	8,707	2,869	-	<b>19,577</b>
Logistics	1,978	3,670	1,807	7,681	<b>15,136</b>
Processing costs	<u>1,166</u>	<u>3,828</u>	=	=	<b><u>4,994</u></b>
	<u>13,991</u>	<u>26,804</u>	<u>7,806</u>	<u>11,344</u>	<b><u>59,945</u></b>
<b>Gross profit</b>	<b><u>2,018</u></b>	<b><u>8,309</u></b>	<b><u>5,732</u></b>	<b><u>1,619</u></b>	<b>17,678</b>
Selling and administrative expenses					<b><u>(13,241)</u></b>
					<b><u>4,437</u></b>



**6September 2019**  
***ThisDay (Lagos)***

**Nigeria:Osinbajo Promises Farmers Access to Affordable Loans, Equipment**

Recently, the Vice President Yemi Osinbajo, said the Federal Government was committed to facilitating increased credit to farmers at affordable interest rate.

He said the government would also ensure that farmers have access to mechanised agriculture and affordable production inputs in a determined move to spike the growth of the sector and sustain development.

Speaking in Abuja at the 2019 Agriculture Summit-Africa with the theme: "Agriculture - Your Piece of the Trillion Dollar Economy," organised by Stirling Bank Plc, the Vice President said government was also committed to promoting foreign and local partnerships to advance the present level of trade and investments in the sector as a veritable strategy for economic diversification.

Represented by the Minister of State for Agriculture and Rural Development, Hon. Mustapha Baba-Shehuri, Osinbajo said the present administration would facilitate the review of the Land Use Act and land tenure system as well as implement the agro-rangers project to secure lives and properties of farmers.

This came as the Managing Director/Chief Executive, Stirling Bank Plc, Mr. Abubakar Suleiman, disclosed that the bank had spent over ₦55 billion over seven years to boost the production of three major crops, invested in human resources as well as established partnerships which have opened up the agricultural sector.

Osinbajo specifically commended the bank for using the summit to create a convergence of private and public sector players, investors and agricultural practitioners across the entire value chain.

He said: "I want to sincerely commend the consistency, commitment and innovativeness of the management of Stirling Bank Plc in their desire to

parley with the Federal Government to diversify the economy through agriculture as the mainstay and cash cow of the nation's economy."

He noted that this year's theme had been inspired by a projection by the World Bank that the agricultural sector would exceed \$1 trillion within a decade and would face debate on key issues around access to capital by investors across the value chain, access to electricity, better technology and digitisation method as well as irrigated land to grow high-value nutritious food.

The Vice President said the present administration is committed to getting every Nigerian involved in agriculture in order to develop an export-led economy, adding that the government's agenda was to guarantee the vibrancy of the sector and ensure that agriculture is seen as business and haven for investment.