

2022 CAPITAL MARKET COMMITTEE (WEBINAR) MEETING

Wednesday 6th April, 2022

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IMPORTANT DEVELOPMENTS WITH IMPLICATION ON CAPITAL MARKET ACTIVITIES FROM THE LAST CMC MEETING

1.0 STAKEHOLDERS SENSITIZATION WORKSHOPS ON COMMODITY STANDARDS

One of the key recommendations highlighted in the Commodities Trading Ecosystem Report was the need for an effective grading and standardization system for Nigeria in line with International best practice.

Grading and standardization seek to define a common trading language for all actors in the commodities value chain, eliminate the proliferation of sub-standard commodities in the markets, and enhance the global acceptance of commodities originating from Nigeria.

Following the concerted efforts of the Implementation Committee, SEC, SON, and the Commodities Exchanges in achieving quick wins toward the development of existing Agric standards, arrangements were made for the sensitization of user group stakeholders to collate feedbacks on the standards.

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1.0 STAKEHOLDERS SENSITIZATION WORKSHOPS ON COMMODITY STANDARDS (cont'd)

Kano Workshop

Following the success of the 1st in the Series of Stakeholders Sensitization Workshops on Commodity Standards in Lagos from November 8-9, 2021, the 2nd in the Series of Stakeholders Sensitization Workshops, took place in Kano on November 18, 2021.

The Workshop brought together stakeholders such as government agencies, farmer groups, processors, Agric commodity exporters, merchants/off-takers, collateral managers, development partners and Agric experts, amongst others to provide feedback on the commodity standards presented by SON at the Event.

Standards considered at the Workshop included Cowpea, Maize, Wheat, Soybean, Garlic, Ginger, Shea Butter, Gum Arabic, Sesame, Sorghum, Cashew Nuts, Millet, Paddy Rice, and Poultry Feed. For most of the standards presented, Stakeholders were of the view that the specifications had to be reviewed to address certain observations raised at the Workshop.

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1.0 STAKEHOLDERS SENSITIZATION WORKSHOPS ON COMMODITY STANDARDS (cont'd)

Some of the Recommendations from the Workshops

- 1. SEC and SON to collaborate with international development partners on aggressive enlightenment programs on commodity standards with a view to promoting their widespread usage by smallholder farmers, as well as small and medium scale processors;**
- 2. For effective implementation of the standards, and in order to resolve the perennial rejection of Nigerian Agricultural Commodity Exports, SON should collaborate with other relevant stakeholders on robust enforcement of compliance with commodity standards;**
- 3. SON should fast-track development of standards for organic certification of agricultural commodities;**
- 4. SEC and SON should jointly communicate State Commissioners of Agriculture to discourage the practice of mixing commodities of different varieties/different sources in order to enable smallholder farmers derive high value for premium quality grains;**
- 5. SEC should mandate commodity exchanges not to trade in commodities mixed from different sources/different varieties (except for use as feeds and other uses where premium quality may not be required).**

ONGOING INITIATIVES

- ❑ Continued engagement of SON on the approval of Standards for various commodities to be traded on the Commodities Exchanges;**
- ❑ Identification of commodities that can be used as pilot project for Proof of Concept for lenders of capital;**
- ❑ The Committee is planning a technical workshop on commodity-based derivatives for members;**
- ❑ Engagement with various State Governments on the gains of active participation of States in the Nigerian commodities trading ecosystem;**
- ❑ As part of post-webinar (Webinar on financing the Nigerian solid minerals sector through the Capital Market) activities, the Commission is working with the Association of Issuing Houses of Nigeria (AIHN) and the Federal Ministry of Mines and Steel Development (FMMSD), on hand-holding capital raising workshop for selected mining companies.**