

Brand Awareness for Nigerian Rice Initiative

Growth and Employment in States - Wholesale and Retail Trade (GEMS4) is an economic development project jointly funded by the World Bank and DFID/UKaid. Its aim is to facilitate non-oil, private sector led economic growth. GEMS4 is focused on increasing incomes and employment opportunities in the wholesale and retail sector, by providing solutions to systemic constraints and the inclusion of small and micro enterprises into better functioning market systems. The overarching goal is the creation of 10,000 new jobs and increased incomes for 500,000 people, especially for the poor and for women. Utilizing the Making Markets Work for the Poor (M4P) approach, GEMS4 is working with market actors, linking them and changing market incentives so they serve each other better. The project is also building local capacity so the market better meets the long-term needs of the poor.

The Constraint

A high percentage of the over 800,000 small holder rice farmers are caught in the low income equilibrium trap despite the fact that the Nigerian rice industry is valued at N740 billion. Several demand and supply side constraints are the main causes of farmers' inability to maximise incomes despite the market opportunities. On the demand side: lack of access to steady or high value markets; competition with low price imported or smuggled rice and poor consumer perception causing low demand.

So far distributors and traders have hesitated at labelling rice as Nigerian because the product has been associated with poor quality. Nigeria has one of the highest per-capital consumption of rice - currently 32kg/annum, a large percentage of which is imported. Urban consumers in Nigeria seldom buy local rice because in comparison to Indian or Thai rice, Nigerian rice is perceived to be low quality product. Over the years consolidated efforts from Government and donors on pre and post production activities have led to an improvement on the quality of locally grown paddy and milled rice. For Nigerian rice to be competitive there is a need to raise the profile and create demand for locally grown Nigerian rice through improved marketing, distribution, packaging and branding solutions.



The Initiative

The Brand awareness for Nigerian rice initiative is an access to markets initiative; the focus is on increasing demand by raising consumer awareness of the availability of quality Nigerian rice and implementing marketing, distribution, packaging and branding solutions to promote its commercial appeal, in order to lead to increased incomes for poor rice farmers and also for commodity traders.

The project is engaging with mills and distributors to respond to market incentives and raise awareness of the improved quality of local rice among consumers in urban areas through rice fairs market stalls and media campaigns whilst, engaging with major commercial mills and distributors in Lagos and Kano rice markets to develop a distribution network for Nigerian rice. The project is also providing technical assistance to rice mills to meet the preference and buying patterns of urban consumers in terms of quality, branding and packaging.

Initiative Partners: UMZA Rice Mill, WINWARD, Popular Farms & Mills, Commercial Rice Millers Association, Federal Ministry of Agriculture and Rural Development and Etu Odi Communications.

The Strategy

The Brand Awareness initiative approach involves: 1) the use of social marketing techniques to influence



consumer perception and behaviour and 2) the development of a premium rice brand to compete with imported brands.

In partnership with the Federal Ministry of Agriculture the project is disseminating media messages to clearly demonstrate the quality improvements in the sector and the market opportunity for investors. The project has also facilitated a linkage between a commercial miller and a premier commodity branding company to produce a premium quality Nigerian rice brand - specifically to compete with foreign rice and to develop a supply chain and marketing routes for the brand.

Results

GEMS4 has focused on increasing consumer awareness of the high quality of local rice in order to change consumer perception and preference,

and has achieved the following results to date:

- As a result of GEMS4 activities, 1,520 new retailers offer Nigerian rice for sale
- The establishment of a marketing unit and sales unit in the UMZA commercial mill
- Supported the development of marketing and distribution channels for Nigerian rice
- Increased general awareness of Nigerian rice with rice fairs and market storms

The initiative will result in:

- A 15% increase in consumer demand for Nigerian rice. i.e. 6m converted customers
- An additional annual demand of 300,000MT of Nigerian rice paddy
- Development of a premium rice brand that would trigger replication among mills and offer resilience for future markets
- 89,000 farmers supplying premium paddy will earn a total additional income of £27m
- £172m in added revenue for all value chain supply partners

Improving product packaging sizes, distribution and marketing of rice in pilot states, will create jobs and result in increased incomes for local farmers. It will also ensure higher trading margins for commercial rice mills, rice retailers and micro distributors. Brand awareness is a support initiative to the GEMS4 Linking rice farmers to commercial mills which intervenes on the supply side. Brand Awareness will ensure the supply improvements are sustained and that farmers continuously have demand for their paddy. Increase in demand and sales should raise incentives among millers to invest in processing of local paddy, which would lead to increased incomes further down the chain to the small scale farmers.

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