

A BILL

FOR

AN ACT TO ESTABLISH THE NATIONAL FOOD RESERVE AGENCY AND FOR RELATED MATTERS

Sponsored by Hon. Munir Dan Agundi

[] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

1 PART I - ESTABLISHMENT OF THE NATIONAL FOOD RESERVE AGENCY
2 AND THE GOVERNING BOARD

3 1.-(1) There is established a body to be known as National Food
4 Reserve Agency (in this Bill referred to as "the Agency").

Establishment
of the

5 (2) The Agency shall:

6 (a) be a body corporate with perpetual succession, have a common
7 seal; and

8 (b) capable of suing and being sued in its corporate name.

9 2.-(1) There shall be for the management of the Agency a
10 governing Board (in this Bill referred to as "the Board").

Establishment
and Membership
of the Governing
Board

11 (2) The Board shall consist of:

12 (a) a Chairman;

13 (b) one representative each of the following Federal Ministries and
14 Agencies and shall not be below the rank of a Director:

15 (i) Agriculture and Water Resources;

16 (ii) Finance;

17 (iii) Commerce and Industry;

18 (iv) Agriculture Research Council of Nigeria;

19 (v) National Agricultural Seed Council.

20 (c) one representative each from the six geo-political zones of the

1 Federation to be appointed in rotation among States of the geo-political zones;
2 and *

3 (d) the Director- General.

4 (3) Chairman and Members, other than ex -officio shall be appointed
5 by the President on the recommendation of the Minister.

6 (4) The appointment of a Member shall not invalidate any decision by
7 reason of a defect or irregularity in his appointment.

8 (5) The supplementary provisions set out in the schedule to this Bill
9 shall have effect with respect to the proceedings of the Board and other matters
10 contained therein.

Qualifications
of members

11 3.-(1) The Chairman and members shall hold the following
12 qualifications:

13 (a) cognate experience and proven capacity in agricultural policy
14 formulation and implementation;

15 (b) finance and economics as it relates to agriculture, administration
16 or organization of the affairs of any department of the Ministry and Water
17 Resources;

18 (c) persons of proven integrity, ability and vast knowledge and
19 experience in their respective endeavours.

Tenure of office

20 4. Subject to the provisions of section 5 of this Bill, a member other
21 than ex-officio shall hold office:

22 (a) for a term of four years and no more; and

23 (b) on any other terms and conditions as may be specified in the letter
24 of appointment.

Cessation of
membership

25 5.-(1) A person shall cease to hold office as a member if:

26 (a) he is adjudged or declared bankrupt under any law in Nigeria or
27 other country;

28 (b) he is guilty of a serious misconduct in relation to his duties; or

29 (c) he is convicted by a court of law of a felony or any offence
30 involving dishonesty or frauds; or

1 (d) he becomes of unsound mind incapable of carrying out his
2 duties; or

3 (e) in the case of a qualified professional, he is disqualified or
4 suspended other than that at his own request, from practising his profession
5 in any part of the world by an order of a competent authority made in respect
6 of that matters;

7 (f) he resigns his appointment by a letter addressed to the President
8 through the Minister; or

9 (g) he, without the permission of the Board is absent for more than
10 three consecutive meetings of the Board or without such permissions is
11 absent from the country for a period exceeding one year.

12 (2) If a member ceases to hold office for any reason whatsoever,
13 before the expiration of the term for which he is appointed, another person
14 representing the same interest as that member shall be appointed to the
15 Board for his unexpired term.

16 (3) A member may be removed by the President if he is satisfied
17 that it is not in the interest of the Agency or in the interest of the public that
18 the member continues in office.

19 PART II - FUNCTIONS AND POWERS OF THE AGENCY

20 6. The Agency shall:

21 (a) implement the overall National Food Reserve Policy to ensure a
22 reliable supply of designated commodities and meet local shortfalls in
23 supply of designated commodities in the country.

24 (b) reduce post harvest losses by construction and management of
25 silos, warehouses and other suitable storage facilities to be installed at such
26 places and ensure the maintenance, availability and functionality of all
27 plants, equipment and ancillary facilities within the country that are, in the
28 opinion of the Minister, strategic and suitable for such storage;

29 (c) facilitate and provide guidelines for the establishment and
30 maintenance of buffer stock by all States of the Federation including the

Functions of
the Agency

- 1 Capital Territory in order to ensure price stabilization and food security and
2 correct problems relating to the supply of designated commodities;
- 3 (d) meet such other food emergencies caused by drought or flood, or
4 by such other natural disaster, as may be declared by the President;
- 5 (e) promote and ensure compliance to standards and grades of
6 agricultural produce so as to encourage uniformity in quality of produce, in
7 association with the relevant agencies and as provided for in Weight and
8 Measures Act and Standards Act;
- 9 (f) facilitate the establishment of a National Agricultural Market
10 Information System for each designated commodity operated by the Agency
11 for the benefit of the consumer and any person engaged in the production,
12 marketing and processing of that commodity;
- 13 (g) to perform fertilizer regulatory and quality assurance functions as
14 well as develop strategy to enable the private sector take full responsibility for
15 fertilizer procurement and distribution to farmers;
- 16 (h) build capacity of farmer groups and cooperatives to improve
17 access to agriculture support services and facilitate participation development
18 in each Local Government Area including the Federal Capital Territory;
- 19 (i) affordable private sector investment in agriculture produce
20 processing through establishment of cottage industries, export conditioning
21 centres and agro-industrial parks;
- 22 G) ensure affordable mechanization services to Nigerian farmers
23 through improved Public Private Partnerships in the provision of tractor and
24 farm machinery services;
- 25 (k) collaborate with national and international agencies to promote
26 agricultural development programmes and coordinate donor-support
27 agricultural development programmes and projects implementation in the 36
28 States of the Federation and the Federal Capital Territory; using the existing
29 extension delivery outfits.
- 30 (l) enhance agriculture extension delivery service through the

1 training of unemployed graduates as Advisory Service Providers and train
 2 unemployed youths in all areas of agriculture to enable them become self
 3 employed; and

4 (m) promote commercialization of agricultural production
 5 systems through Public-Private Partnerships and facilitate the provision of
 6 enabling environment for sustainable commercial agricultural
 7 development.

8 7.-(1) The board shall have power to:

Powers of the
Board

9 (a) manage and superintend the affair of the Agency and subject to
 10 the provisions of this Bill, make, alter and revoke rules and regulations for
 11 carrying on the functions of the Agency;

12 (b) fix the terms and conditions for service including remuneration
 13 of the employees of the Agency in consultation of the relevant Agencies;

14 (c) establish such number of committees as it deems necessary for
 15 the efficient performance of the Agency; and

16 (d) do such other thing which in the opinion of the Agency are
 17 necessary to ensure the efficient performance of the functions of the Agency.

18 (2) Notwithstanding anything contrary in this Bill, the Minister
 19 shall exercise all the powers of the Board where:

20 (a) the Board has not been constituted;

21 (b) the Board has been dissolved.

22 (3) Any action taken or decision reached in compliance with the
 23 provisions of subsection 2 of this section shall be valid;

24 8. The President may after consultations with the Minister give to
 25 the Board such directives of a general nature with respect to the performance
 26 of any function of the Agency.

General Directives

27 PART III - ESTABLISHMENT OF ZONAL OFFICES

28 9.-(1) There shall be established in each zone as demarcated by the
 29 Minister an office (in this referred to as "Zonal Office").

Establishment
of zonal offices

30 (2) The Zonal office shall:

PART V - FINANCIAL PROVISIONS

Funds of the
Agency

1
2 15.-(1) The Agency shall establish and maintain a fund from which
3 shall be defrayed all expenditure incurred by the Agency.

4 (2) There shall be paid and credited to the fund pursuant to subsection
5 (1) of this section:

6 (a) any appropriation to the Agency by the National Assembly;

7 (b) such monies as may, from time to time be granted or lent to the
8 Agency by the Federal Government or a State Government or a Local
9 Government Council;

10 (c) such monies as may, from time to time, be granted or received
11 from:

12 (i) the organized private sector;

13 (ii) international or donor organizations and non- governmental
14 organizations;

15 (iii) all monies raised for the purposes of the Agency by way of gift,
16 loan, grant-in-aid, testamentary disposition or otherwise; and

17 (iv) all other monies and assets that may, from time to time accrue, to
18 the Agency.

19 (d) whole or part of the Natural Resources Development Fund as may
20 be approved from time to time by the President.

Expenditure of
the Agency

21 16. The Agency shall from time to time, apply the proceeds of the fund
22 established pursuant to section 17 of this Bill:

23 (a) to the cost of administration of the Agency;

24 (b) for reimbursing members of the Board or any committee set up by
25 the Board for such expenses as may be authorized by the Board in accordance
26 with the rates approved by the Federal Government;

27 (c) for the payment of salaries, fees or other remuneration or
28 allowances, pensions and other retirement benefits, payable to the employees
29 of the Agency;

30 (d) for the maintenance of any property acquired or vested in the

1 Agency; and

2 (e) for and in connection with all or any of the functions of Agency
3 under this Bill.

4 17.-(1) The Board shall, not later than 30th September of each year,
5 submit to the Minister an estimate of the expenditure and income of the
6 Agency for the succeeding year.

Annual estimate
and expenditure

7 (2) The Agency shall keep proper account in respect of each
8 financial year and shall cause the accounts to be audited not later than 6
9 months after the end of each financial year by Auditors appointed from the
10 list and in accordance with the guidelines supplied by the Auditor-General
11 of the Federation

12 18. The Agency shall submit to the Minister not later than 30th
13 June each year, a report in such form as the Minister may direct on the
14 activities of the Agency during the immediate preceding year, and shall
15 include in the report a copy of the audited account of
16 the Agency for that financial year and the Auditors' report thereon.

Annual report

17 19. The Agency may with the consent of the Minister, borrow on
18 such terms and conditions as the Agency may determine such money
19 required for the carrying out of its functions.

Power to borrow

20 20.-(1) The Agency may accept any gift, grant or donation from
21 any person such terms and conditions specified by the person making the
22 gift, grant or donation.

Gift to the
Agency

23 (2) The Agency shall not accept any gift, grant under subsection (1)
24 of this section if the conditions attached thereto are inconsistent with the
25 functions of the Agency under this Bill.

26 21.-(1) The Agency shall establish a Guarantee Reserve Fund into
27 which shall be paid from time to time such sum as will maintain the credit
28 balance of such fund at an amount not less than one quarter of the total of the
29 money which the Agency is liable for the time being to be called upon to pay
30 under guarantee given by the Minister.

Guarantee
Reserve Fund

1 (2) Subject to the provision of subsection (3), the money in the
2 Guarantee Reserve Fund shall be applied solely to meet the obligations
3 incurred by the Agency under any guarantee.

4 (3) Nothing in subsection (2) shall prevent the Agency from
5 transferring from the Guarantee Reserve Fund to any of its accounts the sum by
6 which the credit from time to time maintained under subsection (1).

General Reserve
Fund

7 **22.**-(1) In addition to the Guarantee Reserve Fund, the Agency shall
8 establish and maintain General Reserve Fund and shall, subject to any
9 directions given by the Minister under subsection (3), pay into such fund any
10 net profit earned by the Agency.

11 (2) The Guarantee Reserve Fund shall be applied to indemnify any
12 loss or deficiency which may occur in any transaction of the Agency, other than
13 those for which the Guarantee Reserve Fund is available.

14 (3) The Minister with the concurrence of the Auditor-General of the
15 Federation, may give direction to the Agency as to the balance to be maintained
16 in the General Reserve Fund and where such directions are given, the Agency
17 shall not be required to pay any of its net profits into the fund whereby the
18 balance thereof would exceed the amount directed by the Minister with the
19 concurrence of the Auditor-General.

Power to invest

20 **23.** Money of the Agency not immediately required for the purposes
21 of the Agency may be invested provided that such investment and returns
22 therefrom are communicated to the Accountant-General of the Federation.

Execution of
documents

23 **24.** All deeds, instruments contracts and other documents shall be
24 duly executed by or on behalf of the Agency if:

25 (a) appended with the seal of the Agency and signed by two members
26 of the Board thereof;

27 (b) executed in that behalf by one member of the Board and a member
28 of the Agency both of whom have been appointed by the Board for the purpose.

Purchase of
food items

29 **25.** The Agency shall purchase food items either through open
30 bidding, commodity exchange or contract growers, however where the Board

1 so directs, the Agency shall purchase food items through guaranteed
2 minimum price scheme.

3 26.-(1) The Agency shall release food stock under commercial
4 purpose or Government intervention.

Release of food
stock

5 (2) Release under commercial purposes shall be conducted
6 through an open competitive bidding process and or Abuja Securities and
7 Commodity Exchange.

8 (3) Release under Government intervention shall be at the price
9 determined by the Government, however, the Government shall reimburse
10 the Agency at a price not less than the cost of stocking.

11 27.-(1) Any person who knowingly misrepresent the grade or
12 quality of designated commodity contrary to established standard shall be
13 guilty of an offence and shall be liable upon conviction to a fine of not less
14 than N1 00,000:00 as well as the forfeiture of the commodity.

Penalties

15 (2) Any person who fails to pay the fine imposed under subsection
16 (1) of this section within two weeks shall in addition to that penalty be
17 prohibited from participating in the marketing or processing of any
18 designated commodity for a period not exceeding three years.

19 28.-(1) No suit shall lie or be instituted in any court against the
20 Agency or any member of the staff of the Agency:

Time within
which to sue

21 (a) for any act done in pursuant or execution of any enactment or
22 law or of any public duties of the Agency; or

23 (b) in respect of alleged neglect or default in the execution of any
24 enactment or law, duties or authority, unless it is commenced within three
25 months next after the act, neglect or default complained of and in the case of
26 a continuance of damage or injury, within twelve months next after
27 cessation.

28 (2) Without prejudice to Constitution:

29 (a) no suit shall be commenced against the Agency before the

1 expiration of a period of one month after written notice of intention to
2 commence the suit shall have been served upon the Agency by the intending
3 plaintiff or his Agent;

4 (b) the notice shall clearly and explicitly state the cause of action, the
5 particulars of the claim, the name and place of abode of the intending plaintiff
6 and the relief which he claims.

Service of
document

7 29. The notice referred to in section 28 (2) of this Bill and any
8 summons, notice or other documents required or authorized to be served upon
9 the Agency shall be served by delivering same to the Director-General of the
10 Agency, or sending it by registered post, addressed to the Director-General at
11 the headquarters of the Agency.

Power to
prosecute

12 30. The Agency may, with the consent of the Attorney-General of the
13 Federation institute legal proceedings against any person or corporate
14 organization that contravenes the provision of this Bill.

declaration of
national food
emergency

15 31.-(1) The President may declare a National Food Emergency, if in
16 his opinion, there is a major shortfall in the domestic production or availability
17 of designated food items.

18 (2) Whenever the President declares a National Food Emergency
19 under subsection (1), the powers of the Board under this Bill shall vest in the
20 Minister.

21 (3) The Minister shall exercise the powers of the Board, during the
22 existence of the National Food Emergency and for not more than thirty days
23 after the end of emergency as declared by the President.

24 (4) When the Minister exercises the power referred to in subsection
25 (2) of this Bill, the Board shall act as the Advisory Committee to the Minister.

Power to make
Regulations

26 32. The Minister will make regulations generally for the purpose of
27 giving full effect to this Bill.

Interpretation

28 33. In this Bill, unless the context otherwise requires:

29 "Agency" means the Agency established by section 1 of this Bill;

30 "Board" means the governing Board of the Agency;

1 "Chairman" means the chairman of the Board;

2 "Constitution" means Constitution of the Federal Republic of Nigeria, 1999;

3 "Director-General" means the Director-General appointed for the Agency
4 under paragraph (e) subsection (2) of section 2 of this Bill;

5 "Function" includes powers and duties;

6 "Minister" means the Minister charged with the responsibility for matters
7 relating to Agriculture and Water Resources;

8 "Member of the Board" includes the Chairman;

9 "President" means President of the Federal Republic of Nigeria.

10 34. This Bill may be cited as the National Food Reserve Agency Short title
11 (Establishment, etc.) Bill, 2019.

12 SCHEDULE

13 Section 2(6)

14 *Proceedings of the Board*

15 1.-(1) Subject to this Bill and section 27 of the Interpretation Act,
16 the Board may make standing regulation for its proceedings or those of any
17 of its committees.

18 (2) At any meeting of the Board:

19 (a) a six members shall form a quorum, but in determining whether
20 a quorum has been constituted the presence of any person invited to offer
21 opinion or tender documents shall not be considered;

22 (b) the Chairman of the Board or in his absence, the member
23 elected by the members present to act as Chairman, shall preside;

24 (c) all questions shall be decided by a majority of votes of members
25 present and voting by any person invited to attend any meeting of the Board
26 by virtue of paragraph (c) subsection (1) of section 24 of this Bill shall not be
27 entitled to vote in such meeting; and (d) the Chairman of the Board or other
28 member of the Board presiding has a deliberative vote and in the event of
29 equality of votes, also has casting vote.

30 (3) The Board may, if it thinks fit, transact any business by the

1 circulation of papers, and resolution in writing, approved in writing by a
2 majority of the members thereof shall be valid and effectual as if it had been
3 passed at a meeting of the Board by the votes of the members so approving the
4 resolution.

5 (4) Where the Board desires to obtain the advice of any person on a
6 particular matter, the Board may co-opt him to the Board for such a period as it
7 deems fit, but a person who is in attendance by this subparagraph shall not be
8 entitled to vote at any meeting of the Board and shall not count in determining
9 quorum.

10 *Committees*

11 2.-(1) The Board may appoint one or more committee to carry out on
12 behalf of the Board, such functions as the Board may determine.

13 (2) A committee constituted under this paragraph shall consist of such
14 number of such persons as may be determined by the Board and a person shall
15 hold office on the committee in accordance with the terms of his appointment.

16 (3) A decision of the committee of the Board shall be of no effect until
17 it is confirmed by the Board.

18 *Conflict of Interest*

19 3.-(1) If any member of the Board has any beneficial interest in any
20 land or building situated in an area comprised in any project of the Agency, or
21 has beneficial interest in any company or undertaking with which the Agency
22 proposes to make any contract, or has an interest in any such contract, he shall
23 forthwith disclose to the Board the fact and the nature of such interest, and such
24 disclosure shall be recorded in the minutes of the Board, and thereafter such
25 member shall take no further part in any deliberations or decision of the Board
26 relating to such project or contract.

27 (2) Any member disclosing any interest in any project or company or
28 undertaking in which the Agency proposes to make any contract shall be
29 disregarded for the purposes of constituting a quorum of the Board for any such
30 deliberation or decision.

1 (3) For the purposes of subsection (1) of this section, a general
2 notice given at a meeting of the Board by a member to the effect that he is a
3 member of the specified company or firm and is to be regarded as interested
4 in any transaction or project of the Agency, concerning the company or firm,
5 shall be regarded as a sufficient disclosure of his interest in relation to that
6 transaction or project.

7 4. A member of the Board need not attend in person at a meeting of
8 the Board in order to make any disclosure which he is required to make
9 under this section, if he takes reasonable steps to secure that the disclosure is
10 made by notice which is brought up and read at the meeting.

EXPLANATORY NOTE

This Bill seeks to establish the "National Food Reserve Agency" for the purposes of facilitating Food Production, Processing, Storage and Marketing of food grains and other food commodities for strategic purposes.

