

## FMC GOVERNANCE

### Board of Directors

All the FMCs have established their Boards by nominating additional board members in addition to the two who were required by law for registration purposes.

### Staff

The Farmers Management and Advisory Centre (FMC) feasibility study and financial models provides a list of critical staff that must be hired by FMCs to help them establish as viable businesses. For the first two years (budget included in table 1 below), the staff will be paid by TRIMING after which the FMCs are expected to become self-sustainable and capable of paying for their personnel expenses. ACDI/VOCA will provide technical support to the FMCs to ensure that the staff are able to run the FMC as business entities. The proposed staff include a general manager, a finance and administration manager, and an equipment/inventory manager. The critical staff at the initial stages are the General Manager, Finance / Administration Officer and Equipment/ Inventory Manager. Other staff include security, driver, and groundman will be recruited after the FMC sites. The job descriptions for these staff are provided in Annex III. Staff are to be housed at the respective scheme management offices, pending construction of FMC facilities. Additional staff will be considered on an as needed basis, although agribusiness/crops officers and a salesclerk may be a priority in the medium term.

ACDI/VOCA advises that that FMC management is hired before conducting business planning for each FMC. This will ensure that they are part and parcel of the planning process as they will bear responsibility for the technical implementation of the plans.

### FMC Bank Accounts

Board members of each FMC have opened bank accounts, in which Shareholders' funds have been deposited. The operational funds are to be deposited in the same accounts.

## FMC STAFF JOB DESCRIPTIONS

### Background

The four Farmer Management and Service Delivery Centers (FMCs) have been registered under the Nigeria's Companies and Allied Matters Act of 1990 (CAMA) as companies limited by shares. The purpose of the FMCs is to address challenges faced by small-scale farmers in four irrigation schemes of BIS, HVIS, KRIS, and MRIS. Identified constraints include, but are not limited to, access to quality inputs, mechanization services, advisory services, and credit. The FMCs are also envisioned to act as catalysts strengthening managerial capacities of smallholder farmer cooperatives and apex cooperatives that are the majority shareholders in the FMCs. The FMCs' objective is to transform irrigation agriculture into a commercially viable investment, leading to improved productivity, reduction in post-harvest losses, improved quality of commodities, and a more efficient and predictable marketing system. The FMCs are also envisioned to improve farmers' access to financial services.

The FMCs are expected to respond to offtaker demands and help address challenges posed by the wide fluctuation in commodity supply and pricing. They will help processors ensure a continual and

timely flow of paddy and other prioritized commodity to processing factories of the required quality and quantity.

FMC functions include:

- (i) Warehouse (and pack houses for tomato) development to encourage large offtaker interest and allow for cleaning, grading, insurance, farmers' access to credit facilities using warehouse receipt system and long-term storage and improve quality of onward supply. It is expected that warehousing will also help to buffer the price for paddy farmers.
- (ii) Facilitation of inputs supply and agro-dealer support and development
- (iii) Facilitation of mechanization services
- (iv) Facilitation of finance for scheme value chains
- (v) Market facilitation to support establishment of long-term offtake contracts and contribute to the creation of more competitive, inclusive, and resilient market systems
- (vi) Provision of technical services and advisory—extension services, business development, accounting, and bookkeeping services to cooperatives, etc.

FMC will require the following positions:

### General Manager

**Job purpose:** The general manager will work under supervision of and report to the FMC board of directors. She or he will work closely with leadership of farmer cooperatives to promote the activities of the FMC and to ensure buy-in from members of the cooperatives. She or he will take leadership in planning production activities for the target value chains in order to ensure adequate availability of inputs and mechanization services to achieve production targets. She or he will lead development of a more efficient marketing system for targeted value chains by identifying and building alliances with potential offtakers or aggregators and building capacities of farmers through their cooperatives to engage in joint marketing through the FMC facilities. She or he will lead planning and coordinating production, value preservation, and marketing of scheme commodities. She or he will also be expected to ensure close monitoring of scheme operations to maintain sound financial and management practices by the FMC.

The general manager will be required to strategically deploy available resources to achieve efficient delivery of integrated services to farmers on the scheme and to support growth and development of all aspects of scheme farming enterprises through the application of the most modern techniques.

**Areas of responsibility:** To deliver the vision of a modern and commercially viable FMC, the general manager will provide:

#### A. Leadership

- Implement the strategy of the shareholders for a commercially viable and profitable FMC
- Ensure effective implementation of the FMC business plan
- Lead on a range of initiatives that will establish the scheme and its farmers as leaders in agricultural production and agro-allied enterprises
- Provide support for the formulation of production and marketing plans for each crop, including mechanization, inputs supply, and other technical requirements
- Source funds and other technical assistance from donors, government, and other development partners to support FMC development activities

- Ensure effective communication and visibility of the FMC
- B. Budget and resource management**
- Manage the budget for FMC operation and management
  - Ensure strict financial management and timely reporting to the relevant authorities
  - Plan, coordinate, and monitor FMC operations in consultation with the board of directors and shareholders
  - Coordinate development of priority value chains, ensuring their continued viability to the benefit of shareholders and other value chain actors within the scheme
  - Working closely with the FMC management team, manage FMC assets, operations, and staff to provide the appropriate level of service and ensure FMC sustainability
- C. Sustainability and business planning**
- Lead work with value chain specialists in developing sustainable and appropriate business models for each promoted value chain
  - Working closely with value chain specialist and the finance officer, coordinate business risk management for each value chain, monitoring achievement of production targets, securing markets, and planning for storage and processing as appropriate
  - Coordinate the development of infrastructure and acquisition of assets to support success and sustainability of the FMC
  - Ensure scheme farmers get the most competitive prices for inputs and outputs and quality assurance of procured inputs
- D. Relationship management**
- Promote the FMC among the appropriate stakeholders in the region
  - Create, develop, and maintain relationships with cooperatives, farmer organizations, trade associations, and businesses, and convert these relationships into practical partnerships for growing FMC business
  - Facilitate contracts, memorandums of understanding and other agreements, as appropriate, for effective operation and growth of the FMC
  - Build alliances with other actors, e.g., government agencies (federal and state), private sector, research institutions, development agencies, donors, and financial institutions in order to promote and advance activities of the FMC
- E. Monitoring and reporting**
- Supervise and provide technical advice for the management of agricultural production on the scheme to ensure FMC/cooperatives achieve set targets of production
  - Monitor all contractual arrangements between the FMC and its clients to ensure compliance
  - Ensure documentation of all transactions carried out by the FMC are updated in a timely manner
  - Oversee and report on production and marketing of agricultural production on the scheme
  - Ensure that all stakeholders are kept informed about FMC activities through up-to-date reporting

## **Essential Experience and Skills**

- Experience of growing start-ups and/or of leading large organizations, working to international standards
- Exposure to agricultural initiatives using modern agricultural technologies
- Experience of organization development and/or institution-building activities
- Experience of training and capacity building activities at the grassroots level
- Sound entrepreneurial skills and business know-how
- Experience managing outgrower schemes
- Understanding of IT and its application to agricultural development
- Experience managing successful agribusiness start-ups will be an added advantage
- Knowledge and understanding of agribusiness in Nigeria
- Demonstrable skills for supply chain management in Nigeria's agriculture sector
- Demonstrated ability to make decisions through weighing up the cost-benefit and risk implications; act entrepreneurially to make performance gains
- Ability to formulate innovative ideas and concepts to create potential opportunities for growth of FMC and its shareholders
- Ability to identify and build relationships for achieving FMC growth targets; use appropriate influencing techniques sensitive to cultural and political needs and issues
- Significant, proven experience of project management and administration, especially in Nigeria's private sector
- Good communication skills with experience of relationship and network building in a variety of settings, from grassroots to regional to national level
- Excellent representational and negotiation skills
- Fluent spoken and written English
- Fluency in Hausa is an added advantage

**Qualification:** A master's degree in relevant discipline; five to seven years' experience working with a large agribusiness company, preferable trading in commodities

**Computer Skills:** Must be able to use basic packages and spreadsheets to generate presentations and reports; operate confidently on the internet to send e-mail and source information

**Proposed Remuneration:**

### Equipment and Inventory Manager

**Job Description:** Provide support to the general manager for the development and management of infrastructure to support intensive commercial farming and for facilitating access to relevant farming inputs and mechanization. The equipment and inventory manager will:

- Establish and maintain an inventory of FMC assets
- Monitor and facilitate maintenance of existing infrastructure (warehouses, pack houses, and other facilities) and equipment to support effective and profitable management of estates
- Working closely with specific managers, plan for infrastructure and facility development of the scheme to ensure their continued economic and social viability
- Support sector-level cooperatives to manage land preparation and procurement of appropriate equipment, facilities, and other materials

- Identify need for amenities and, working with the general manager, facilitate provision of these by exploring various models of public private partnerships
- Manage regular and systematic procurement of agricultural inputs, including equipment tools and agrochemicals
- Oversee and ensure maintenance of equipment
- Facilitate establishment of demonstration plots in partnership with inputs suppliers and technology providers

**Qualification:** Diploma in mechanical engineering/agriculture and five years' experience working in an agriculture mechanization company or commercial agriculture enterprise

### Finance and Administration Officer

**Job Description:** Provide support to FMC management in the following areas:

#### **Accounting and Finance:**

- Maintain bookkeeping and financial management systems to ensure proper recording and smooth operations in the FMC
- Ensure up-to-date books of accounts for the FMC operations
- Ensure filings of statutory financial returns/reports (deduction, remittance, and filing of local taxes including personal income tax (PAYE) and withholding tax (WHT)
- Review supporting documents to ensure accuracy, relevance, and validity of documents before recording entries
- Maintain FMC bank accounts and prepare monthly bank reconciliation statements
- Maintain and reconcile the FMC petty cash monthly
- Prepare monthly/annual management account
- Initiate and coordinate annual internal and external audit of FMC accounts/books
- Coordinate and ensure that resources (financial, equipment, and other material) are organized and in place to achieve planned targets for production and marketing
- Finalize operation budgets for work plan and coordinate monthly production of cash forecasts to enable effective budget management
- Maintain and coordinate the implementation of accounting and internal control procedures
- Finalize operation budgets for work plan and coordinate monthly production of cash forecasts to enable effective budget management
- Provide support to general manager for implementing a control system to track progress of FMC operational plans, monitor achievement of production and marketing targets, ensuring that variations are identified and addressed promptly through appropriate action
- Support knowledge management within the FMC, establish a central database of contacts, and identify local resources
- Support apex and cooperative societies in establishing bookkeeping and financial management systems
- Maintain up-to-date asset register
- Any other tasks as may be assigned by the general manager

#### **Administration:**

- Handle FMC official phone calls, e-mail, and deal with e-mail and phone inquiries

- Maintain polite and professional communication via phone, e-mail and mail
- Process payment requests (initiating request, securing necessary approvals, and delivering check to vendor)
- Maintain a record of vendors (names, contact address, phone numbers, account details, TIN numbers, product or services delivered)
- Support knowledge management within the FMC, establish a central database of contacts, and identify local resources
- Take minutes at FMC meetings when the secretary is unavailable
- Make travel arrangements, such as booking flights, taxis, and making hotel reservations
- Organize meetings and both internal and external events (venue, refreshments, etc.)
- Make contributions to identify and apply most effective implementation processes for FMC activities and interventions
- Provide support to general manager for implementing a control system to track progress of FMC operational plans, monitor achievement of production and marketing targets, ensuring that variations are identified and addressed promptly through appropriate action
- Coordinate and ensure that resources (equipment and other material) are organized and in place to achieve planned targets for production and marketing
- Possibly maintain the FMC's social media accounts
- Provide other administrative support to staff and farmers as may be required from time to time

### **Knowledge and Skills Required**

- Administrative skills and ability to manage deadlines
- Good communication and interpersonal skills on all levels within and outside organization
- Ability to manage and resolve conflict among aggrieved employees
- Knowledge of bookkeeping and accounting
- Knowledge of local tax laws and regulations, and their application where and when necessary
- Good working knowledge in Microsoft (MS) Excel, MS Word, and PowerPoint
- Working knowledge and understanding of accounting software
- Ability to define problems, collect and analyze data, establish facts, and draw valid conclusions
- Accuracy and attention to detail
- Fluency in English
- Knowledge of Hausa is an added advantage

**Computer Skills:** Knowledge of accounting and bookkeeping packages. Must be able to use basic packages and spreadsheets to generate presentations and reports; operate confidently on the internet to send e-mail and source information

### **Qualifications:**

- Degree in accounting or relevant discipline from an accredited institution
- Three to five years' experience in administrative and accounting fields, experience in an agribusiness organization is an added advantage

Table 1. Staff establishment per Scheme

Staff costs			Year 1	Year 2
Driver(s)	42 000	3 150	586 950	604 559
Retail sales agent	100 000	7 500	1 397 500	1 439 425
Finance and Admin Officer	120 000	10 500	1 397 500	1 439 425
General Manager	230 000	17 250	3 214 250	3 310 678
Grounds Men	70 000	5 250	978 250	1 007 598
Mechanic	50 000	3 750	698 750	719 713
Equipment and Inventory Manager	142 000	10 650	1 984 450	2 043 984
Security officer(s) – 2 per scheme	70 000	5 250	978 250	1 007 598
<b>Total Staff costs</b>	<b>804 000</b>	<b>60 300</b>	<b>11 235 900</b>	<b>11 572 977</b>

Note: Those highlighted in yellow will be required after the FMC sites have been constructed and handed over.

Assumptions	
Annual salary increase	3%
Travel expense	7%
Contingency	5%
Maintenance & repairs	0%
Other cost	1,5%
Pension	7,50%
Insurance	0,35%

Table 2: Operational Costs Per Scheme

Operational Costs	Monthly expense	Benefits	Year 1	Year 2
Utilities	23 000	-	276 000	280 140
Fuel (generator)	75 000	-	900 000	913 500
Internet	20 000	-	240 000	243 600
Travel expense	56 280	-	675 360	695 621
Contingency	40 200	-	482 400	496 872
Other costs	12 060	-	144 720	149 062
<b>Total</b>	<b>226 540</b>		<b>2 718 480</b>	<b>2 778 795</b>

Table 3: Office Equipment and Supplies per Scheme

S/No	Item	Price	Total costs (Naira)
4	Laptop	150 000	600 000
4	Monitors	60 000	240 000
12	Swivel Chairs	60 000	720 000
12	Office Desk	80 000	960 000
1	Conference Table	200 000	200 000
50	Conference Chairs	30 000	1 500 000
1	Projector Screen	70 000	70 000
4	UPS	25 000	100 000
20	Extension Wires	1 200	24 000
4	1.2 Hp A/C	120 000	480 000

2	2 Hp A/C	150 000	300 000
2	Wifi	15 000	30 000
1	Open Space Partitioning	500 000	500 000
50	Pens	1 000	50 000
50	Notepads	600	30 000
3	Flipchart Board	35 000	105 000
3	Flipchart Paper	3 500	10 500
1	Maps	5 000	5 000
50	Postid Notes	300	15 000
2	Sharp Copier, Printer and Scanner (all in one)	1 500 000	3 000 000
1	Small Hp Scanner	40 000	40 000
1	Small Hp Printer	75 000	75 000
1	Fridge	120 000	120 000
1	Microwave Oven	35 000	35 000
1	Coffee Maker	30 000	30 000
2	White Board	10 000	20 000
1	Notice Board	5 000	5 000
10	Stapler	1 200	12 000
100	Staple Pins	600	60 000
100	Pin Tacks	300	30 000
4	Calculator	1 200	4 800
1	Projector	150 000	150 000
1	Docking Station	60 000	60 000
1	Filing Cabinet	150 000	150 000
7	Paper Basket	2 500	17 500
7	Book Shelf	10 000	70 000
50	Hard Cover Notebook	600	30 000
2	First Aid Box	35 000	70 000
20	Arch Files	600	12 000
50	Pencil	10	500
1	50 kva Generator	2 500 000	2 500 000
12	Diesel per month (50kva has a tank capacity of 100 litres). One the average, you will require at least 500 litres monthly. The price varies very spontaneously because it has been deregulated	75 000	900 000
5	Fire Extinguishers	12 000	60 000
5	Fire Blanket	5 000	25 000
1	Gas Cooker	80 000	80 000
1	Gas Cylinder	12 000	12 000
10	Hand Wash	600	6 000
10	Hand Towel	300	3 000
2	Morning Fresh	600	1 200
4	Plates and Spoons and Cups	20 000	80 000
2	Flask	5 000	10 000
2	Water Dispenser	40 000	80 000
50	Tissue Paper	60	3 000
1	Waste Bins	300	300
1	Door Mat	500	500
12	Average Monthly Electricity Bill	13 000	156 000
			<b>13 848 300</b>

**Table 4: Summary of Budget Requirements Per Scheme (Naira)**

	Year 1 (Naira)	Year 2 (Naira)
--	----------------	----------------



Staff Costs	11,235,900	11,572,977
Operational Costs	2,718,480	2,778,795
Office Equipment and Supplies	13,848,300	
Board Meetings and other expenses	1,500,000	1,500,000
Staff recruitment costs	2,000,000	
Total Cost per scheme	31,302,680	15, 851, 772
<b>Total Requirements for all schemes</b>	<b>125,210,720</b>	<b>63,407,088</b>