



LOGISTICS AND DISTRIBUTION

Logistics and distribution refers to the management of the flow of goods between the point of origin and the final destination, which includes the planning of goods transportation, such as inbound and outbound transportation, handling, production, packaging, and inventory control, which checks the overall quantities and condition of each item held in a warehouse. However, throughout the last decade, Nigeria has shifted irregularly on the Logistic Performance Index (LPI) and is now placed 90 out of 160 countries worldwide. The index evaluates the ease with which goods flow from producer to consumer in each country using six factors: customs, infrastructure, international shipment, logistics competency, tracking & tracing, and competence.

Nigeria has four main transportation networks for distribution and logistics: the road, rail, sea, and air networks. With an estimated length of 200,000km, the road network provides over 90% of the freight and passenger services for inland transportation. The railway network provides freight train operations with 280 stations in 19 of Nigeria's 36 states. Eight lines make up the rail network, which has a total length of more than 3,500 km. Additionally, the use of air transportation as a means of relocating goods within the nation is underutilized. With 22 airports, six of which are international, there is the potential to improve air transportation efficiency and speed up deliveries.

Distribution and logistics in agriculture assure the appropriate and continuous flow of agro-goods from manufacturers/suppliers to farmers and, finally, consumers. Agricultural production, purchase, storage, handling, transportation, and distribution are some of the operations required to accomplish this logistical process. It is critical that the operations in this process are well managed to ensure that customers' requests are satisfied on time and that the farmed goods have the highest value possible. Furthermore, it is critical to cut distribution costs, increase agricultural product circulation, reduce wasteful losses, and, most significantly, achieve food security. However, distribution and logistics have been a major issue across sectors in Nigeria, with agriculture at the forefront. Logistic and distribution has been the major determinants of post-harvest losses in Nigeria, with over \$9 billion in food lost after harvesting in 2021, as 5-20% grains, 20% fish, and 50-60% tubers, fruits, and vegetables were all lost after harvesting in 2021. The following causes are mostly responsible for Nigeria's low distribution and logistics efficiency:

Poor Infrastructure: The country's infrastructure is deplorable, further complicating matters for the logistics sector. In the country, we have lousy roads, power outages, and weak transportation systems, which are causing challenges for the sector. To promote its logistics sector, each country must ensure that it has adequate infrastructure in place to support modern-day logistical needs and requirements.

Insecurity: The growing instability in many sections of the country is also an issue for the logistics operations. Kidnappers, bandits, thieves, terrorist acts, and inter-communal confrontations are on the rise. This insecurity complicates supply chain and logistical operations in vulnerable areas of the country.

High Cost of Maintenance: Logistics and delivery businesses have also been affected by the high rate of inflation, particularly in Nigeria, and are now having to manage costs and profits while operating their businesses. With policies that occasionally restrict the industry's expansion in this region of the world, it has grown even more difficult to overcome this obstacle.

High transportation cost: With the poor infrastructure state in Nigeria coupled with insecurity challenges and rising cost of maintenance, transportation and logistics cost is now high which makes it expensive to distribute goods effectively, hence, reducing movement of goods.

Warehousing & Inventory Management: Some distributors lack the necessary warehousing infrastructure for the products they sell. This is a major problem for distributors who deal with perishable goods, such as agricultural commodities. There is also a lack of market awareness since distributors lack the necessary information technology infrastructure, making it difficult for management to retain adequate stock levels and exchange that information with market partners.

Demand Planning, Sales & Marketing: Due to distributors' lack of information in estimating demand, it is difficult for some distributors to bring in items at a continuous and steady rate to match the demand for the product. This is exacerbated by a lack of market information and an inconsistent marketing approach, which prevents the product from securing a dominant and secure position in the market.

Bureaucracy: Though Nigeria has access to a coastal line that should make doing business internationally straightforward, getting your product into Nigeria can be quite challenging. Due to customs and port authorities, businesses may have a very difficult time having their goods cleared at the port. Executives may feel frustrated by bureaucratic red tape and the time it can take to grasp the regulatory environment even before their products leave the dock and hit the roadways.

Labour Shortage: Labour and manpower deficit in Nigeria is another impending concern for logistics and distribution. This difficulty has significantly slowed this industry's expansion and disrupted the seamless execution of its operations. This labour deficit has left a large gap that will allow for more errors and increased agitation over the logistics and distribution procedures.

Increased Pressure: This problem has risen because of the logistics sector's increased exposure and popularity as a result of e-commerce development and advertising. The knock-on consequence of this difficulty is the need to satisfy client demand, as many logistics firms run the risk of stagnation if they choose not to provide faster delivery services.

The UN food systems Summit serves as a turning point in the world's journey to achieve all the SDGs. The specific objectives are: Ensuring access to safe and nutritious food for all, shifting to sustainable consumption patterns, boosting nature-positive production at sufficient scale, advancing equitable livelihoods and value distributions, and building resilience to vulnerabilities, shocks and stress.

Inadequate food storage, poor road infrastructure and limited food preservation capacity, especially for highly perishable foods, lead to food losses and inefficiencies along the food supply chain that drive up the cost of nutritious foods. At the same time, amid inadequate infrastructure and price information and power asymmetries, small-scale producers face significant challenges in getting perishable foods to market while maintaining food safety and quality and reasonable prices; this reduces incomes and threatens livelihoods, particularly for women.

Suggested way forward

- Regulations that promote market integration, linking global, regional, and local supply chains to support inclusive exchanges leading to better food prices and availability
- At the systems level, improve policies to enhance public and private investment to support infrastructural development and value addition in logistics and supply chains systems

- Need for investment in infrastructure and capacity to enable small- scale value chain actors to produce and profit from nutritious foods and reduce loss in transit to markets
- Investments in credit, extension, price information, and infrastructure such as roads, cold storage systems and other post-harvest storage facilities, market, and logistics information (e.g price information) are necessary for producers to effectively link to institutional markets.
- Guaranteed institutional markets where governments create a strong market incentive to grow by setting contracts between farmers for the outright purchasing of foods to supply public institutions.

Expected Outcomes of suggested way forward

- Through investment partnership and guaranteed markets, infrastructure would be improved, and the capacity of small-scale food producers and value chain entrepreneurs to sell perishable nutritious foods and institutional markets' ability to procure them would increase
- The ultimate impact would be that low-income households eat more nutritious foods, leading to improved nutritional status, and that small-scale food producers and value chain entrepreneurs increase their incomes.
- This would improve access to nutritious foods among populations dependent on public institutions and programmes, and there could potentially be spill-over effects that would lead to greater affordability of nutritious foods for which there is market demand.