

Ephraim Ikpe At Home

Wednesday, 26 September 2012

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AKSG RICE PROJECT WITH TRANS4MATION AGRITECH SUFFERS SET BACK

...AS DREAM OF 4000 JOBS FOR AKS PEOPLE REMAINS A MIRAGE



Rice Project pictures above show the activities in the rice farm when it was in force

Trans4mation Agritech Nigeria Ltd was and is involved in Agric-business in some South- South States of Nigeria, involving AKwa Ibom State. The Company, which came into the country through Joint Venture(JV) MoU agreement with NDDC on 17th December 2008, came to Akwa Ibom in 2009 with the intention to plant what the company described as “first world best duration HYDRV (High Yielding, Disease Resistant Variety) rice seed, the first of its kind in Nigeria and Akwa Ibom State” in 10,000 hectares of farmland and create a minimum employment of 4000 for Akwa Ibom persons as per their MoU signed with Akwa Ibom State Government on August 11, 2009.

Among other things the multi-million naira project intended to achieve in the interest of Akwa Ibom State are “food security; employment creation; sustainable development; capacity building through training and exchange programme and rural development” but the story of the company’s relationship with Akwa Ibom State Government changed when it appeared that the drawdown funds of \$100million USD expected between 2009 and January 2011 could not come in.

The Company and Akwa Ibom state government in a Memorandum of Understanding signed on August 7, 2009 agreed that the host State, Akwa Ibom, will fulfill key obligations and responsibilities namely; provision of 10,000

hectares of land suitable for rice production fully cleared, accurately surveyed and the boundaries stipulated with security of tenure for 25 years as condition precedent for T4M company to commence activities.

The MoU available to *The Waves* also showed that AKSG was to provide all necessary assistance to facilitate T4M's compliance with local regulations and laws including getting necessary Work Permits for needed experts who were involved in the agribusiness project. Apart from transferring a minimum of 10,000 hectares of land to T4M Agritech Nig. Ltd. as its contribution to the said project, Akwa Ibom State Government also agreed to provide necessary security for the expatriates and other management staff working on the said project in the state. This Paper further learnt that AKSG equally promised making available certain equipment and machinery (in particular bulldozers) for the purpose of initial land clearing operation prior to the arrival and deployment of T4M mechanized Agric Equipment from overseas, for the purpose of producing large-scale commercial rice and other agribusiness produce including aquaculture activities.

The AKSG, among other things, also agreed to provide secured suitable accommodation for T4M expatriate staff and management team for the initial period of 12 months only from the commencement of the project in the state. The Public Private Partnership Project started having problems of funding when T4M Agritech Nig. Ltd felt it has put a lot of money (N95,596,000.00 from March 2010 to February 2011 excluding machinery and equipment brought into the country rice seedling cultivation) into the project and were not having necessary support from AKSG and the other Joint Venture partner, the Niger Delta Development Commission (NDDC).

Another letter from the company to Governor Godswill Akpabio dated August 17, 2010 complained of "dysfunctional generating sets" and incessant power outage at the abode of the expatriate; non-provision of security escorts to guard the expatriates to and the farm which made them unable to go to the farm any longer; threat by Ibiono Community who sought compensation for their land and other unfulfilled MoU agreements by AKSG.

In a letter dated August 18, 2011, Ref. AKSMOA11/013/T4M08 addressed to the then Agric Commissioner (Obong Eno Akpan), Trans4Mation Agritech Operations Director lamented that Akwa Ibom State Government did give them land in Ikot Asidem, Ibiono Ibom local government area but the land was **"not fully cleared and accurately secured"** which made them commence operation by hiring land-clearing equipment for the initial



Picture of the rice farm in Akwa Ibom While it was operational

About Me



Ephraim Ikpe

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Ephraim Ikpe is from Uyo. Has had a Diploma in Business

Admin (Accounting option). Diploma in Journalism. B.Sc. Business Management. Media Practitioner and Business Consultancy. Seeks to be an Entrepreneur. Believes in job creation, self-reliance efforts in creating wealth. Believes in multiple sources of wealth creation. Believes there should be less time for work and more time for leisure. Likes hard but not busy workers. Likes things to be done well. Loves an ordered society. Likes very organized and intelligent people. Believes in an egalitarian state of peace, justice, fairplay, freedom, liberty and quality life.

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clearing of the land.

The Company also complained bitterly that the State did not provide all the necessary security for the expatriate and other management staff working on the agribusiness project as agreed in clause 3.04 of the MoU. She stated in the letter that other Joint Venture partner, the NDDC did not also put any money forward nor reimburse expenses incurred on its behalf during the period work was on at Ibiono.

The company further complained that the terrain and topography of the land added "hugely to the cost of the land clearing" as over N40m was sunk into clearing about 50 hectares of land for the first few months. It said such cost was unplanned for when matched with other operational cost of salaries/wages and other running costs. It said that problems of having its expected drawdown funds of \$100m transferred to it from the overseas was no fault of theirs but was caused by the Central Bank of Nigeria which delayed sending what the company called "the capital importation letter" blaming such experience on regions of any country "where the confidence of investors is at all time low" and that "bringing in funds into such a country" is always very difficult.

However, the company complained of being blackmailed as "fraudsters" by some Akwa Ibom state people, adding that the NDDC approach to the whole issue was tantamount to "corporate manslaughter", adding that the guaranteed security of their United Kingdom and Socialist Republic of Vietnam expatriates was still an illusion, even as the difficulty in their pulling in the draw down funds was turned into "**blackmail and ridicule**" by some people in the state.

The Company also complained further that their plight of bad publicity was capable of making it almost difficult for foreign investors to invest in the Niger Delta Region and Akwa Ibom State in particular. It lamented that things got worse when the unpaid workers threatened to kill the expatriates who were subsequently relocated to a safe place of abode until they left the country.

The letter stated that repeated letters to NDDC in Port Harcourt yielded no fruits as letters dated August 12 and 17, 2010 and January 3, 2011 were never acknowledged. It said NDDC had never put any money upfront to care for their obligations under the MoU but that it made a reimbursement, first to cover expenses incurred on their behalf from June 2009 (when the Vietnamese arrived Nigeria) to December 2009 which was paid in January 2010, adding that other reimbursements were made up to May 2010.

The company complained that work started since June 2010 in Ibiono and since then neither NDDC nor Akwa Ibom State government has given her monetary assistance and that N106million was outstanding in the Joint Venture Account in Oceanic Bank Plc awaiting the signature of the Director of Agric who perhaps could not allow them have access to the funds because of non-arrival of their counterpart funding. The company craved for a meeting of minds to re-evaluate and proffer lasting solutions to the challenges militating against the Joint Venture Project which it reasoned was sought to be killed by persons who had selfish reasons, but all their letters were rebuffed as none, according to Dr Sample A. Ibemerum, Group Operations & Project Development Director of Trans4mation Agritech Nig. Ltd, was

acknowledged.

For instance, the Company wrote to Chief Godswill Akpabio through its Operations Director, Glory Eric in a letter dated November 22, 2011 seeking his intervention and audience to brief him on the state of affairs of the project and its teething problems, but such a letter was believed never to see the light of the day as the receipt of same was never acknowledged. The same officer earlier wrote to the Governor through the Agric Commissioner at that time requesting for accommodation, security as well as logistics support for the T4M project in a letter dated March 11, 2010 but never, perhaps, was told a word.

Dr Sample Ibemerum wrote to NDDC Managing Director/CEO on December 14, 2010 that his life and that of the expatriates were threatened by the local staff of Trans4mation Agritech Nig. Ltd. which made the company hurriedly harvest all the matured rice fields in Odi - Bayelsa, Rumuewhor - Rivers State, Ndi Okereke - Abia State, Oshi, Adim and Asiga in Cross River State and Ibiono in Akwa Ibom State, but his letter which NDDC got on same date and acknowledged receipt via a stamp, appeared to have made no sense.

Louis Klaassen, Chairman of A.M.C.L. Financial Services cc, a company based in Western Cape, South Africa, wrote on December 14, 2010 to NDDC Managing Director, Mr Chibuzor Ugwoha stating that the problem of getting the draw down funds was no problem of Trans4mation Agritech Nig. Ltd and that the Company should not be doubted, adding that the \$100m meant to be sent by one Mr Lee, the lead investor, was trapped in Sentinel Bank & Trust in Nassau for many months awaiting clearance by authorities (which mention the letter did not make), but assured that the said clearance, once given "by the early part of next month" (January 2011) Mr Lee and other "colleagues" would move into Nigeria.

The Group Operations & Project Development Director wrote to the then Commissioner for Agric, Obong Eno Akpan on August 12, 2010 alleging that AKSG had abandoned all parts of the deal the government agreed to do, adding that Ibiono Community which the project was done was threatening to shut staff out of the project location for lack of payment of compensation for the land. The letter also regretted that Cross River and Bayelsa States did past Akwa Ibom which was amongst the very first to sign the MoU.

Perhaps as a last resort, the company wrote to the Governor of Akwa Ibom State again in a letter dated January 3, 2011 that they mobilized to Umoekene farm at Ibiono Ibom LGA since April 1, 2010, employed 110 local staff and had spent up to N643m in five Niger Delta States(including Akwa Ibom), appealing for a "short term bridging fund of N150m" in support of "T4M/AKSG PPP Joint Venture Agri-business Project" to help them start the production of the rice in commercial quantity which was to be due for harvest in April 2011.

The company also explained why their draw down funds delayed, but stated thus, "we had only recently received the letter of approval for Capital Importation form CBN". The company assured to make refunds soon as they got their \$100m funds in March 2011 or alternatively increase AKSG "Stake-holding to 25%" in exchange for such financial contribution. Though the Line F Plot 56 of Ewet Housing

building which housed the T4M project office also created accommodation for the expatriates, the company sought 5years Lease/Rental extension agreement which is unconfirmed whether it was granted.

In an email dialogue with Dr Sample Ibemerum he said that though T4M Agritech appealed for some terms of the MoU to be met by AKSG that only accommodation was given and nothing else and that for the time being, the Company was no longer operational in Akwa Ibom State. He said they “were forced out of AKS with great impunity due to the lack of security, failure of AKS and NDDC to meet their obligations under the terms of our MoU especially the provision of land, logistics, accommodation, security and the much needed investor friendly enabling environment. Our team had to be evacuated following a number of attempted kidnapping and other threats on the lives of our expatriate staff and our senior management team in AKS”.

He said that their expatriate and senior management personnel were gone, but that all their equipment, tractors and accessories, rice seeds, chemicals, etc., were all still in AKS.

For the period of operation Dr Sample said they achieved capacity building and specific training called, “Training the Trainers”, to over 100 AKS indigenes who were employed as farm hands without any previous experience, on the best practice in the following areas: (a) Land preparation for both upland and lowland rice, (b) Germination Test and seed planting for increased yield, (c) Seed multiplication for both upland and Lowland rice varieties, (d) Fabrication of Threshers, Techniques for detecting disease/pest, pre-emergence and post-emergence measures, (e) Crop management, rice harvesting techniques, use of farm tools and equipment for both upland and wetland rice, etc.

He said the T4M Vietnamese Expatriates trained several AKS indigenes as Agronomists, Project and Farm Managers, Supervisors and Farm Assistants on land preparation, seed planting, detecting of insects, pest control, harvesting and use of farm tools and equipment for both upland and low land rice production, adding that the indigenous employees’ so trained acquired some essential technical skill for agric farming and more knowledge and skills transfer needs to be impacted in the months and years ahead. He said the rice yield they cultivated for commercial production was good quality and cut cost of about \$10m USD which would have been spent to import same rice from Vietnam for commercial cultivation.

According to him T4M cleared 60 hectares of land and planted 8 hectares between June and July 2010 with world best hybrid HYVDRV (High Yielding Variety Disease Resistant Variety Seed, harvested over 140 bags of Paddy Rice (50Kg bag) each from 2ha out of the 8 ha planted and harvested.

He blamed the delay in the transfer of the draw down fund of T4M to Akwa Ibom on the AKSG and the NDDC, regretted that the funds never arrived till date adding that the initial delay was due to the delay of the approval from US Federal authorities for remitting of the USD\$100m to the troubled area of the NIGER DELTA REGION, saying that such delay was aggravated by the obvious and unexplainable subsequent year delay by the CBN for the granting of the all important capital importation approval letter sought and the

failure of NDDC to assist with the CBN approval which were completely ignored.

Dr. Sample said, "the money was not released despite both the US and CBN approvals being obtained eventually. It was sadly not released as improper conditions were demanded by the former MD of NDDC Chibuzor Ugwoha that the USD\$100m funds be placed in a bank account nominated and controlled by him and not T4M. This quite clearly was a radical departure far removed from and against the interest of the project and above all runs contrary to the terms and conditions contractually agreed between T4M and AMCL Financial Services CC our syndicate investor".

Dr. Sample said since Akwa Ibom never appreciated their project they shifted efforts to Edo State at Angbette rice farm, where T4M has completed yet another Seed Multiplication Programme, but have now commenced her first Commercial Rice Cultivation having cleared over 2,000 ha for commercial rice planting in lots of 500ha which he said was underway. For his experience with how AKSG and NDDC related with his Company he said, "put quite simply - shocked, speechless and sick to the bones".

Meanwhile, AKSG in the MoU was to take 20% while T4M Agritech Nig. Ltd was to earn 80% of the profit made from the rice production project. But Prof. Etok Ekanem, who was Agric Commissioner when the project was mooted, in a telephone conversation with our reporter said the Company was to take 78% profit, AKSG 20% and 2% to the host local community. He disclosed that the project employed 300 farm hands and 124 other employees including agronomists, soil scientists, agric extension experts, admin staff(including a Ph.D graduate), accountants(three of them), environmental scientists, technicians, tractor drivers, messengers etc. He said that the project had two Britons and about seven Vietnamese and that other expatriates were to join in due course.

Prof. Ekanem who was worried that some of the agric projects and programmes he instituted under Chief Akpabio's government were allowed to wane into insignificance within a short time that he left office hence sending many persons back to the labour market, said the rice project which started in Ibiono Ibom, was also to be sited in Ibikpe Uruan and Oruk Anam LGA. He said that as at August 2010 the 10 hectares of land which rice was cultivated out of the 50 hectares cleared, yielded a 50kg bag each of 400 bags which were produced, and the T4Magritech report of February 2011 said harvest was yet to be concluded then.

He stated that though the process of land acquisition was not formalized as at when he left office that the project was sure of providing, at minimum, 4000 jobs for Akwa Ibom people.

When asked what the situation with the project was and whether expatriates were still in the state; whether the \$100m funds of the T4M company had arrived, whether the project was alive, dead or kept in abeyance, the Commissioner for Agriculture & Natural Resources, Mr Godwin Afangideh replied thus, "the truth of the matter is that the said project has since been terminated due to the failure of T4M inability to fulfill their side of the agreement". He was silent on what the side of their agreement was which they did not fulfill and gave no time at which the project was terminated and the processes that was involved.

He only referred the reporter to the Permanent Secretary of the ministry for more explanations.

When contacted on cell phone via calls which did not go through, many questions were sent to him via a text message at about 1.31pm of Saturday September 22, 2012, but as at Press time he did not respond to any of the questions raised.


The Waves, as at press time, could not also reach out to any of the employees of the said Company to know their fate as to whether they were absorbed by Ministry of Agriculture & Natural Resources, Akwa Ibom State, or whether their hope of being employed had been dashed. Efforts to reach the former MD of NDCC, Chibuzor Ugwoha for his comments proved abortive.

Posted by [Ephraim Ikpe](#) at 01:46



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