



Federal Republic of Nigeria



Food and Agriculture Organization
of the United Nations

Hand in Hand Investment Forum



Hand-in-Hand
Initiative



Federal Republic of Nigeria
for Investment Forum

Investment Forum | Rome, Italy | 16-20 October 2023



Outline

Investing in Agri-Food System in
Nigeria

1 Context : Development Priority & indicators

2 Enabling Environment for investment in
Agriculture

3 Investment Cases





Development Objectives and Socio-Economic Indicators

Nigeria, the largest Country in Africa in terms of population and economy

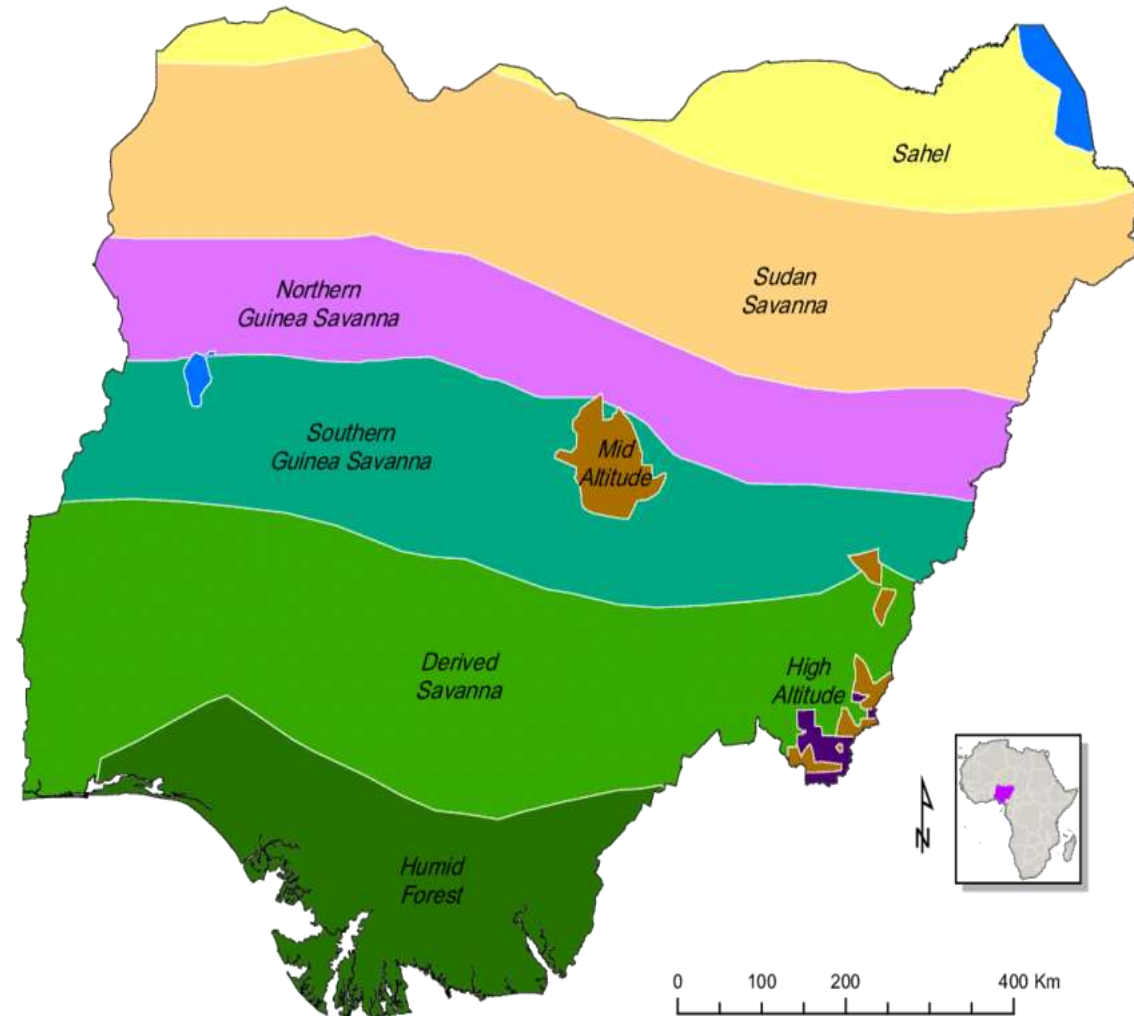
National Development Plan (NDP) 2021 – 2025

- GDP: ~US\$430 billion
Growth Rate :1.1%
- Population: 211 million
Growth Rate : 2.3%
- Poverty rate: 40% (NBS 2018)
- Food insecurity: 38.6% (77.2 million people)
- Nutrition insecurity: 28.7% (57.4 million people)

- Generate 21 million full-time jobs
- Lift 35 million people out of poverty
- Achieve food security through investment in Agriculture.
- Build resilience and capacities for multi-hazard risk reduction and management of conflicts, crises and natural disasters.

Key regional Player with Vast Potentials

- Dynamic youth population: Under 35 yrs > 60%
- Vibrant private sector! Attractive to foreign investors.
- Varied agro-ecological zones supporting production of wide range of crops and animals.
- Huge domestic market
- One of the largest exporter of **oil** and largest natural **gas** reserves in the continent.
- Solid macroeconomic foundations.
- Strong banking sector.
- Informality in the economy
- Fewer large and mid-sized productive firms





Agricultural Sector: High Potential and Challenges

Agriculture contributed **25.58%** of GDP in 2022 and employes **36%** of labor force

Agricultural land of **70.8 million** ha (75% of the total land area). **34 million** ha is arable, only 20% is cultivated.

Limited access to quality inputs, poor rural infrastructure, high food losses,, finance and market, and limited capacity for adopting new technologies

Insecurity threatening access to farmlands by farmers

Significant potential for irrigation which can be powered through clean and sustainable solutions (solar)

Food exports: **3.8%** with existing potential) **and** Small-holder constitute **88%** of farming population with significant share of agriculture output.

Food imports are growing **~11%** per year.

Farmers –herders’ conflicts over land and water.

Potential

Challenges



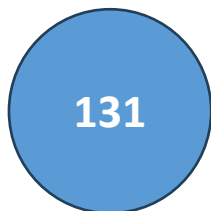
Enabling Environment

49.17

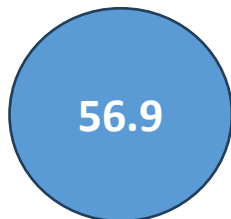


Overall Enabling the Business of Agriculture
Score (0-100) for
Nigeria

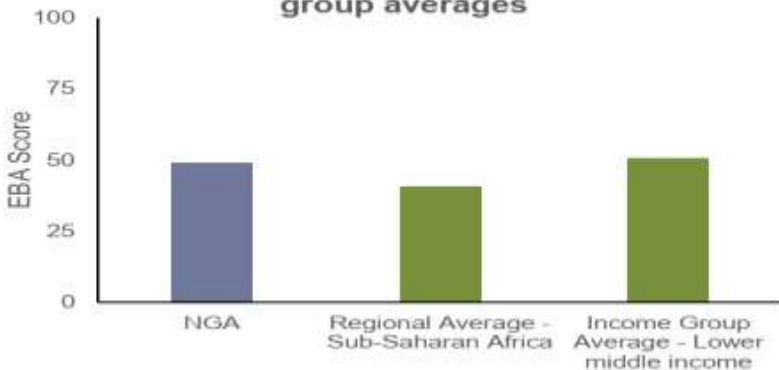
DB Rank



DB Score



Nigeria versus regional and income
group averages



Tax and Other Incentives

- **Local Content Incentives**
20% tax free for 5 years if >75% of raw materials sourced domestically
- **Pioneer status incentive**
100% tax-free for 5 years
- **Customs Duty Waiver**
Zero duty on agricultural machinery imports
- **Foreign investors can repatriate profits and dividends**
- **Available labour and labour intensive Tax concession**
15% for 1000+ work Force
- **Most State Governments provide more negotiated concessions.**



Enabling Environment

Policies and Legislations

Linkage with Investment Interventions

National Development Plan (2021-2025)

Reducing post-harvest losses, promotion of private sector investment in the sector **and** increased agricultural productivity.

National Agricultural Technology and Innovation Policy 2022-2027

Development of key priority value chains including **Tomato, Maize and Cassava**. Promotes the Fisheries and Aquaculture import reduction strategy to stimulate local production.

National Dairy Policy 2023

Provides incentives for backward integration in the milk collection, aggregation and processing (**Dairy**) through investment in cold chain services, efficient transportation and access to finance.

Inland Fisheries(Aquaculture) Act 2016

Makes provision for a complete tax holiday and 100% foreign ownership profit repatriations of profits for any Investor in **Fisheries**.

- **Huge Public Investment by Nigeria Federal and State Governments in Agriculture and Rural Infrastructure**
 - **Development Financing Investment in the Sector:** SAPZ (US\$550 Million); L-PRES (US\$500) Million
- **Huge Private Investment:** Dangote Fertilizer (US\$2.5 Billion); Olam Feeds (US\$150 Million); Etc.



Hand-in-Hand in Nigeria

Strategic Objective: " The Hand-in-Hand Initiative (HiHI) is aimed at tackling the slow and negative trends in achieving the Sustainable Development Goals (SDG), in particular the persistence of extreme poverty, hunger, and malnutrition, leaving no one behind"

First track: Livelihood and resilience

Improve Social Investment programmes to create, sustain, and improve livelihoods to withstand shocks and enable the environment for private investments

Enhancing information systems for a better targeting, support definition, synergy, monitoring and evaluation



Second track: Value chain development

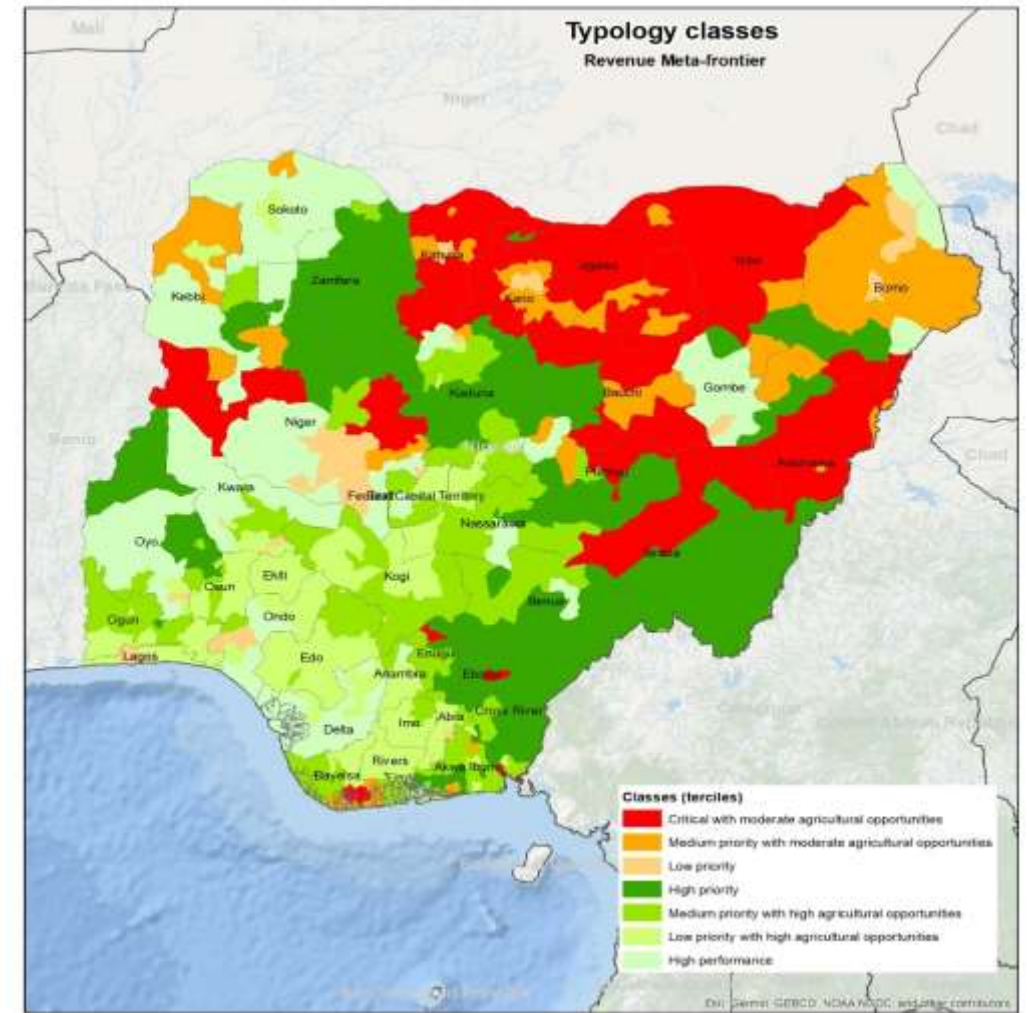
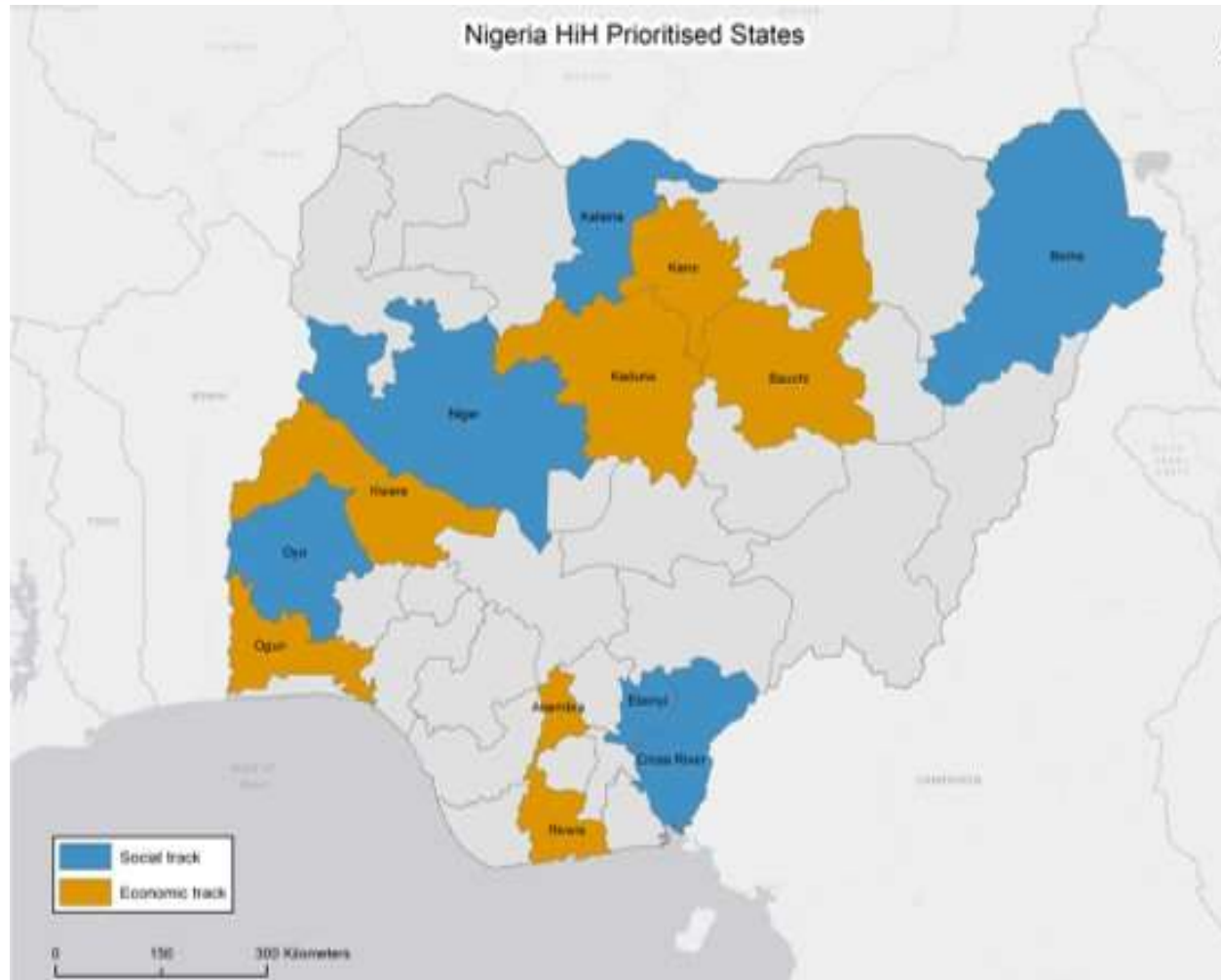
Support agriculture commodity value chain development in high priority regions

Increase productivity through irrigation, reduce post harvest losses and promote processing, market access and extension services.

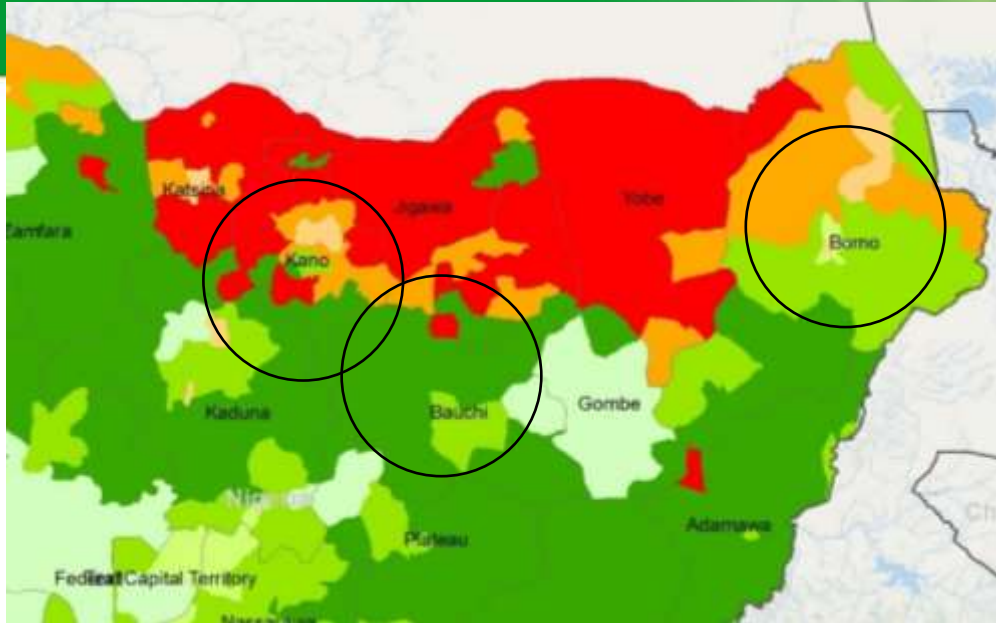
Priority commodities: **Tomato, Cassava, Maize, Dairy, Fisheries and Aquaculture**

Investment: 3.2 Billion USD

Hand-in-Hand in Nigeria



Investment case 1: Tomato



- ✓ Strategic crop consumed in most households
- ✓ Second-largest producer in **Africa ~1.8 MT**
- ✓ High quality production with high **post-harvest losses ~41%**
- ✓ Only **20%** of production is **processed**
- ✓ Relatively **low yields: ~5-10 T/ha**
- ✓ Poor market and production facilities/Infrastr.
- ✓ Seasonal production

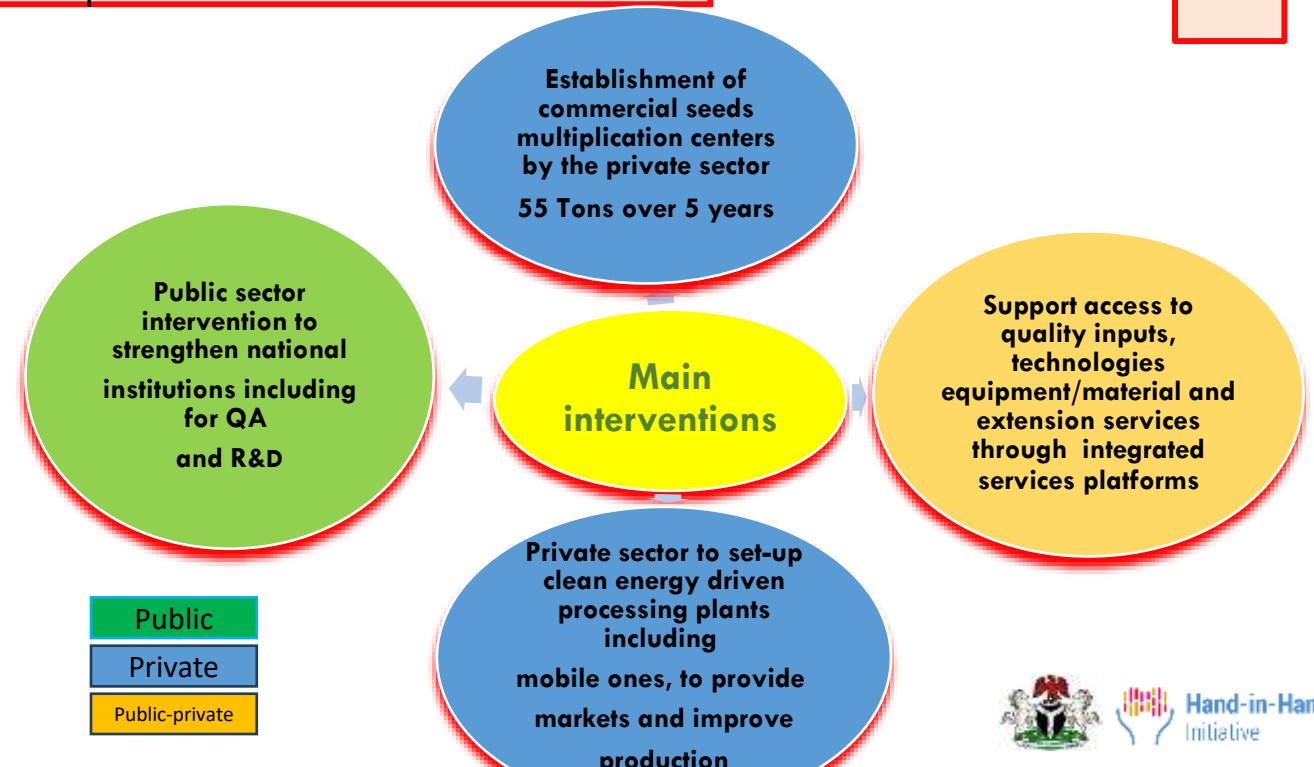
Rationale

Priority States

Kano, Bauchi, Borno.

72000 hectare targeted, 50% under irrigation

- Kano 35,000
- Bauchi 23,000
- Borno 14,000



Investment case 1: Tomato

Targets

- National production gap: ~1.43 million MT
- Increase productivity to 20-30 T/ha
- Production target: ~1.44 million MT
- Reduction of post-harvest loss to 20.5%

Beneficiaries

36,000 farmers directly benefited

- Kano 17,500
- Bauchi 11,500
- Borno 7,000

Indirect beneficiaries: 246 240

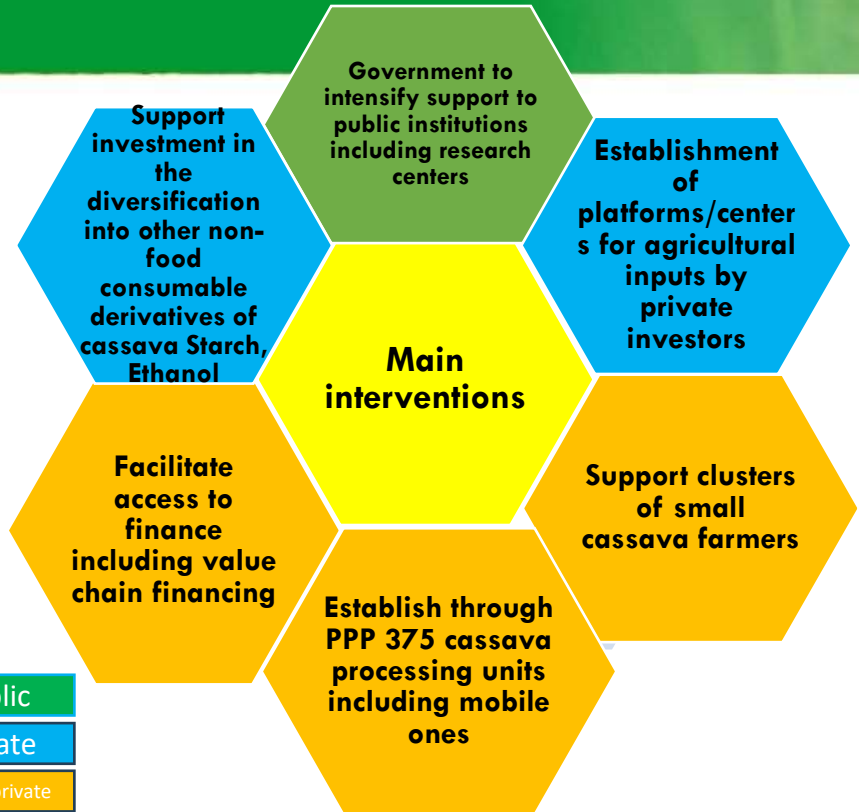
Investment

Total investment (2024-2028): US\$ 869.4 million
Including Total Private Investment: US\$ 301.2 million

IRR: 12.5%

NPV: US\$ 171.2 million

Investment case 2: Cassava



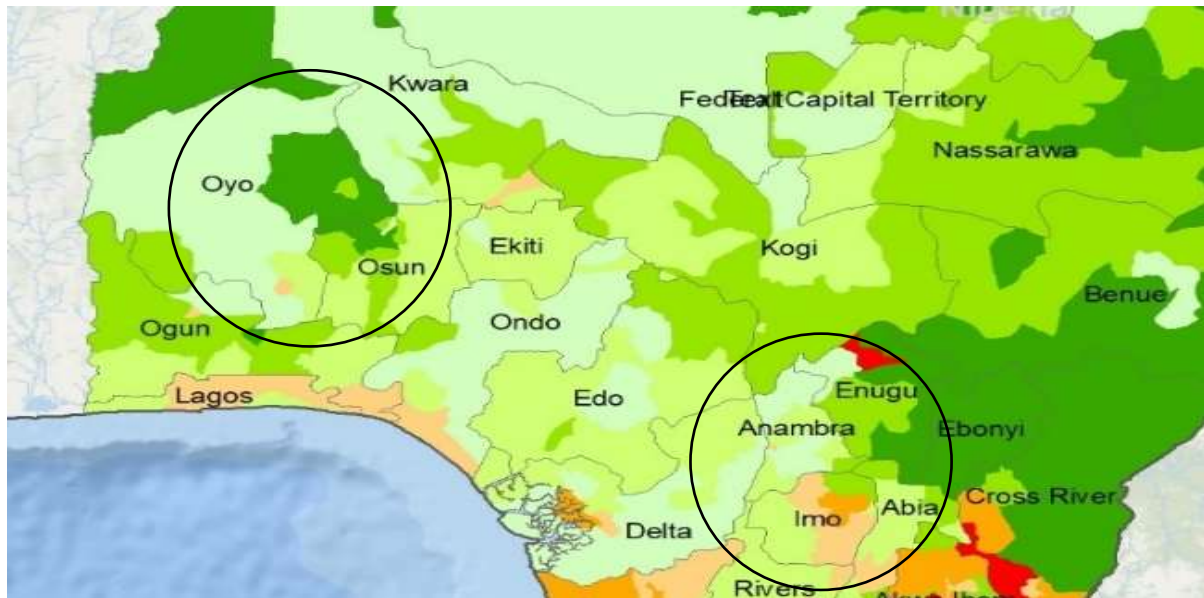
- ✓ World's largest producer: 61 million MT
- ✓ High demand for domestic consumption and industrial uses
- ✓ Low productivity
- ✓ Numerous derivatives for domestic and export purposes
- ✓ Low-capacity and poor business environment for processing/value addition.
- ✓ Adaptable to all the agro-ecological zones in the country

Rationale

Priority States: Ogun, Oyo, Anambra

207 000 hectares targeted

- Ogun 88,800
- Oyo 72,200
- Anambra 46,000



Investment case 2: Cassava

Targets

- ✓ National production gap: ~35 million MT
- ✓ Target production: ~8.7 million MT
- ✓ Increase yield to **23.4 T/ha**
- ✓ Reduction of post-harvest losses **by 5%**
- ✓ Gap for High-Quality Cassava Flour (HQCF):
~485,000 MT.
- ✓ Gap for starch: >**290,000 MT**

Beneficiaries

45,150 units/farmers directly benefited

Indirect beneficiaries: 308 826

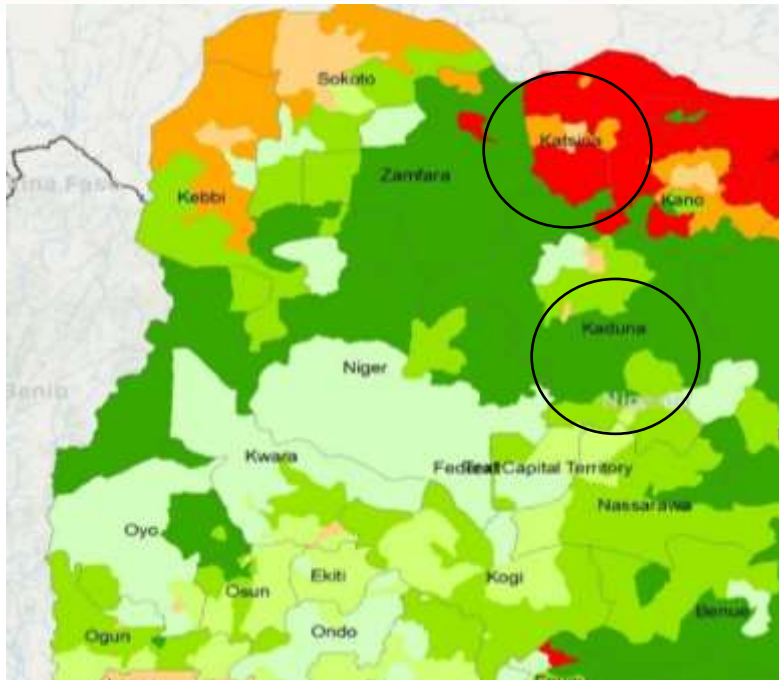
Investment

Total investment (2024-2028): US\$ 382.2 million
Including Total Private Investment: US\$ 236.5 million

IRR: 15.2%

NPV: US\$ 187.7 million

Investment case 3: Maize



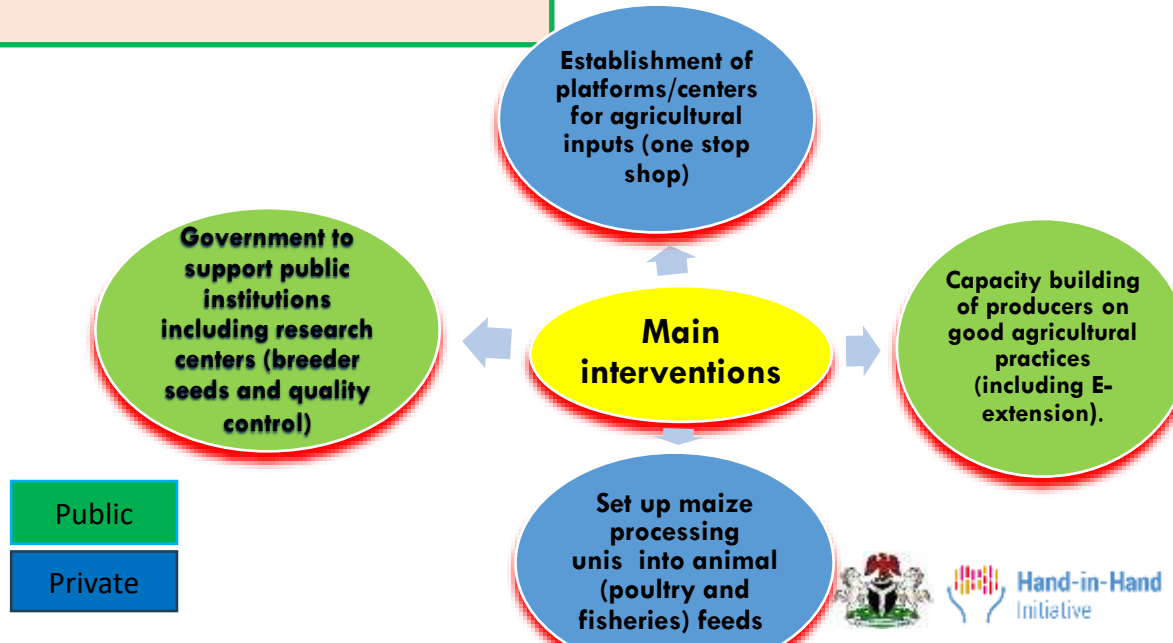
- ✓ Unfulfilled increasing demand
- ✓ High demand and supply for consumption & animal feed
- ✓ Low **yield: 2T/ha**
- ✓ Pest and disease (Fall Army Worm FAW and Aflatoxin)
- ✓ Poor input system and low adoption of improved varieties and technologies
- ✓ Vulnerability to climate shocks and dry season
- ✓ **Loss: 40% (8MMT)** at farm-gate and processing activities
- ✓ Cultivated in all agro-ecological zones

Rationale

Priority States: Katsina, Kaduna & Oyo

1,050,000 Hectares targeted

- Katsina 350,000
- Kaduna 450,000
- Oyo 250,000



Investment case 3: Maize

Targets

- ✓ National Maize production: **18 million MT**
- ✓ National demand: **22 million MT**
- ✓ Production gap: **5 million MT**
- ✓ Target production: **7.3 million MT**
- ✓ Target hectares: **~1 million hectares**
- ✓ Target Yield under Rainfed: **3.5 T/ha**
- ✓ Reduction in postharvest losses **by 3%**

Beneficiaries

420 000 farmers/units directly benefited

- Katsina **140,000**
- Kaduna **180,000**
- Oyo **100,000**

Indirect Beneficiaries: 2,872,800

Investment

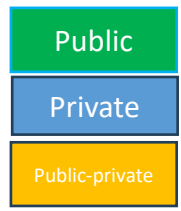
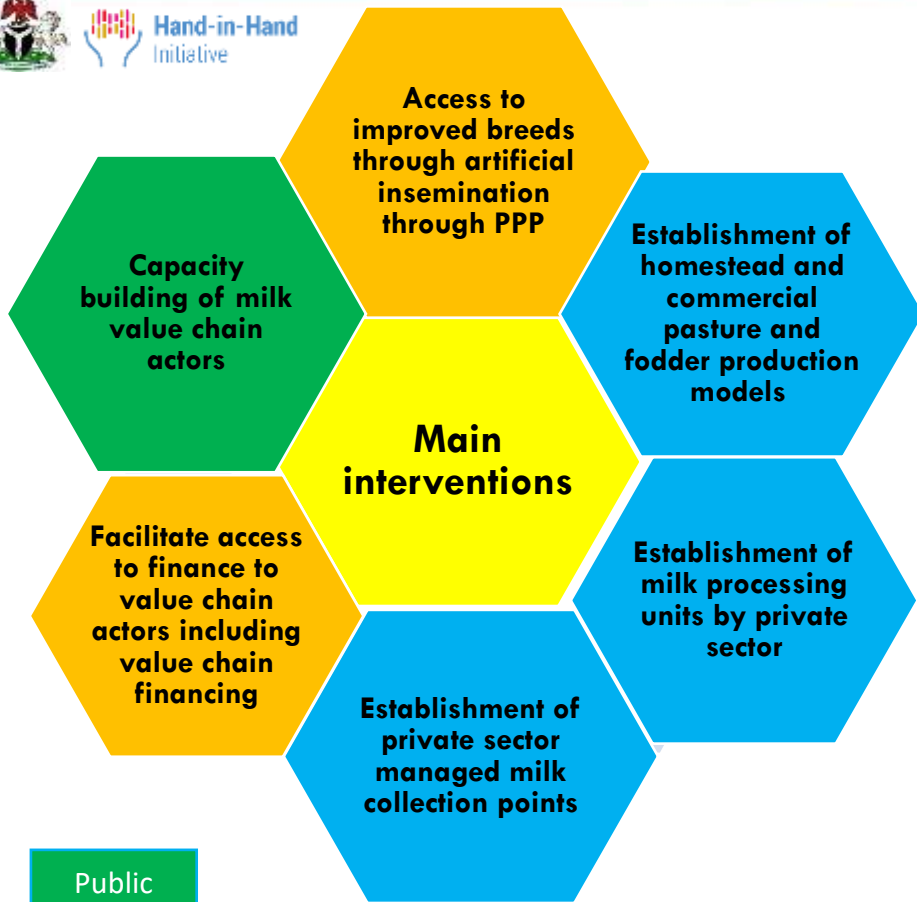
Total investment (2024-2028): US\$ 1.0 billion

Including Total Private Investment: US\$451.3 million

IRR: 18.7%

NPV: US\$ 75.6 million

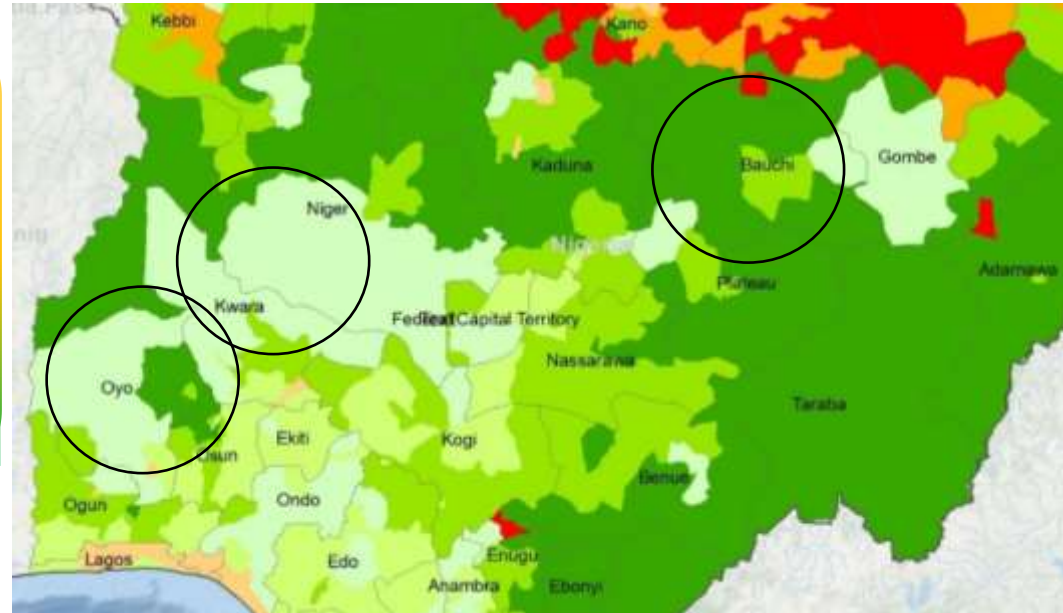
Investment case 4: Dairy



- ✓ High demand for dairy products: milk, cheese, & yoghurt.
- ✓ Significant demand is supplied through imports.
- ✓ Large population of cattle.
- ✓ Low productivity: poor breeding, inadequate nutrition, poor pasture management and feed, and limited access to veterinary services.
- ✓ Inadequate milk collection, preservation and transportation

Rationale

Priority States:
Bauchi,
Kwara,
Oyo





Investment case 4: Dairy

Targets

- ✓ National production gap: **1.59 million MT**
- ✓ Increase productivity to **2520 litres / cow / annum**
- ✓ Production target: **~4.6 million MT**
- ✓ Reduce post-harvest loss to **5%**

Investment

Total investment (2024-2028): US\$ 476.8 million
Including Total Private Investment: US\$ 282.8 million

IRR: 21.4%

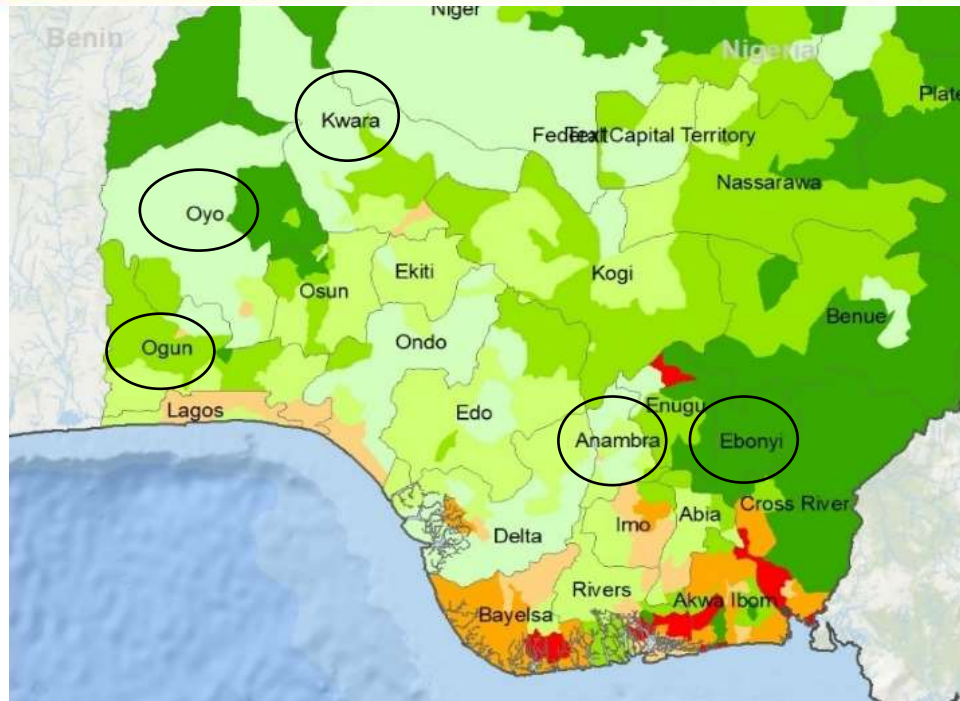
NPV: US\$ 172.5 million

Beneficiaries

37000 farmers/units directly benefited

Indirect beneficiaries: 253 080

Investment case 5: Fisheries and Aquaculture

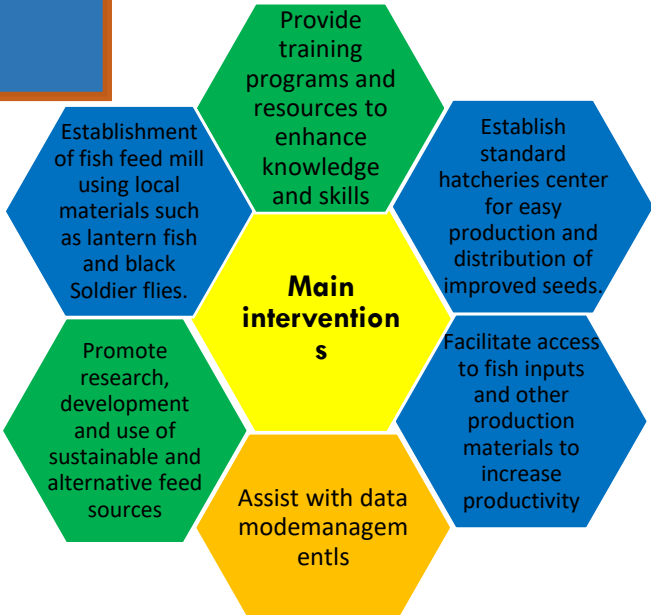
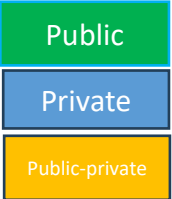


Priority States

Five priority states: Ebonyi, Anambra, Ogun, Kwara and Oyo.
Target Specie: African Catfish (*Clarias gariepinus*)

- ✓ Inadequate research and development
- ✓ 4th world largest importer of fish
- ✓ Growth rate in aquaculture - 25-33%
- ✓ Highest global producer of African Catfish - 67% of global production)
- ✓ High demand with low supply of fish to meet consumption.
- ✓ Second highest aquaculture producer in Africa- 316,727 MT
- ✓ High cost of inputs
- ✓ Weak market access
- ✓ Inadequate access to finance
- ✓ Poor quality fingerlings and feeds

Rationale



Investment case 5: Fisheries and Aquaculture

Targets

- ✓ National demand: ~ 3.5 million MT per year
- ✓ National production: ~ 1.0 million MT per year (captured, artisanal & Aquaculture)
- ✓ National aquaculture production: ~ 316,727 MT per year
- ✓ National production gap ~2.5 million MT per year
- ✓ Target table size production (average of 800g per fish in two cycles): ~ 101,352MT
- ✓ Target production of fingerlings: ~ 130,000 fingerlings
- ✓ Target feed production: ~ 57,010.5 MT

Beneficiaries

Fish farmers:

- Ebonyi: 10,366 - Anambra: 6,112
- Ogun: 17,500 -Oyo: 15,427
- Kwara: 13,940

Research institutes and universities: 10

Investment

Total investment (2024-2028):

399.8 million US\$

Including Total Private Investment:

113.8 million US\$

IRR: 12.2%

NPV: US\$ 77.3 million



SUMMARY NIGERIA INVESTMENT PLAN IN USD. Development track



Total Investment US\$ 3,14 Billion	Public Investment US\$ 1,75 Billion	Private Investment US\$ 1,39 Billion	Overall Average IRR 14.2%	Direct Beneficiaries 601,945	Indirect Beneficiaries 4,144,226	Income Increase Per Capita US\$317.8	Tonnes carbon equivalent sequestered 1,275,734
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KEY INVESTMENTS

1

Intervention
Tomato

Cost (US\$): 869,397,632

IRR (%)
12.5%

VPN
US\$ 171.2 Million

Sustainability Benefits

Direct beneficiaries: 36,000
Indirect beneficiaries: 246 240
Income increase per capita:
~ US\$ 657

2

Intervention
Cassava

Cost (US\$): 382,234,210

IRR (%)
15.2%

VPN
US\$ 187.7 Million

Sustainability Benefits

Direct beneficiaries: 45,150
Indirect beneficiaries: 308 826
Income increase per capita:
~ US\$ 322

3

Intervention
Maize

Cost (US\$): 1,008,852,963

IRR (%)
18.7%

VPN
US\$75.6 Million

Sustainability Benefits

Direct beneficiaries: 420 000
Indirect beneficiaries: 2 872 800
Income increase per capita:
~ US\$ 112

4

Intervention
Dairy

Cost (US\$): 476,826,400

IRR (%)
21.4%

VPN
US\$172.5 Million

Sustainability Benefits

Direct Beneficiaries: 37,000
Indirect beneficiaries: 253080
Income increase per capita:
~ US\$ 238

5

Intervention
Fisheries and aquaculture

Cost (US\$): 399,893,357

IRR (%)
12.2%

VPN
US\$77.3 Million

Sustainability Benefits

Direct Beneficiaries: 63,345
Indirect beneficiaries:
433280
Income increase per capita:
~ US\$260