

Agriculture

...achieve a hunger free Nigeria.



Overview

Nigeria has over 84 million hectares of arable land, of which only 40% is cultivated; 230 billion cubic meters of water; abundant and reliable rainfall in over two thirds of its territory, the country has some of the richest natural resources for agricultural production in the world. Not surprisingly, with over 182 million people, Nigeria is Africa's largest market. Nigeria is the world's largest producer of Cassava and the fourth largest producer of groundnut. Also, Nigeria is the fourth largest cocoa producer in the world with an output of 235,000 metric tonnes per season.

Nigeria is made up of six (6) geopolitical zones and each of the zones is blessed with abundant natural resources.

North East: This zone is made up of six (6) states with a population of about 35.92 million people. Its vegetation consists of short grass to marginal savannah, and the main agricultural crops in this region are: millet, sorghum, rice, wheat, groundnut, maize, sesame, cotton, etc. Its land mass is about 280,419km².

North Central: This zone is made up of seven (7) states with a population of about 20.34 million people. Its vegetation consists of woodland, and tall grass savannah; the main agricultural crops in this region are: yam, cassava, millet, cotton, cocoa, kolanut, tobacco, sorghum, maize, groundnut, etc. Its land mass is about 226,666km².

North West: This zone is made up of seven (7) states with a population of about 35.92 million people. Its vegetation consists of short to tall grass savannah; the main agricultural crops in this region are: millet, sorghum, rice, wheat, guinea corn, potatoes, beans, tomatoes, etc. Its land mass is about 212,350km².

South East: This zone is made up of five (5) states with a population of about 16.43 million people. Its vegetation consists of rainforest, woodland, and tall grass savannah; the main agricultural crops in this region are: yam, cassava, cocoa, vegetables, Fruits (Mango, Citrus, Guava, Pineapple), etc. Its land mass is about 28,987km².

South West: This zone is made up of six (6) states with a population of about 27.72 million people. Its vegetation consists of rainforest, freshwater swamp, and mangrove; the main agricultural crops in this region are: yam, cassava, cocoa, rice, oil palm, kola, plantain, maize, millet, etc. Its land mass is about 76,852km².

South South: This zone is made up of six (6) states with a population of about 21.04 million people. Its vegetation consists of rainforest, freshwater swamp, and mangrove; the main agricultural crops in this region are: yam, cassava, cocoa, rice, oil palm, rubber, plantain, maize, millet, cocoyam, banana, groundnut, etc. Its land mass is about 84,616km².

Main Export Products

Nigeria has a long-standing agricultural tradition, and is well known for its abundant fertile lands and perfect weather conditions for a variety of crops. Agriculture is of great socio-economic importance to Nigeria and one of its main engines for economic growth as it accounts for over 22 percent of Nigeria's GDP.

Source: UN Comtrade and Observatory of Economic Complexity

Investment Opportunities

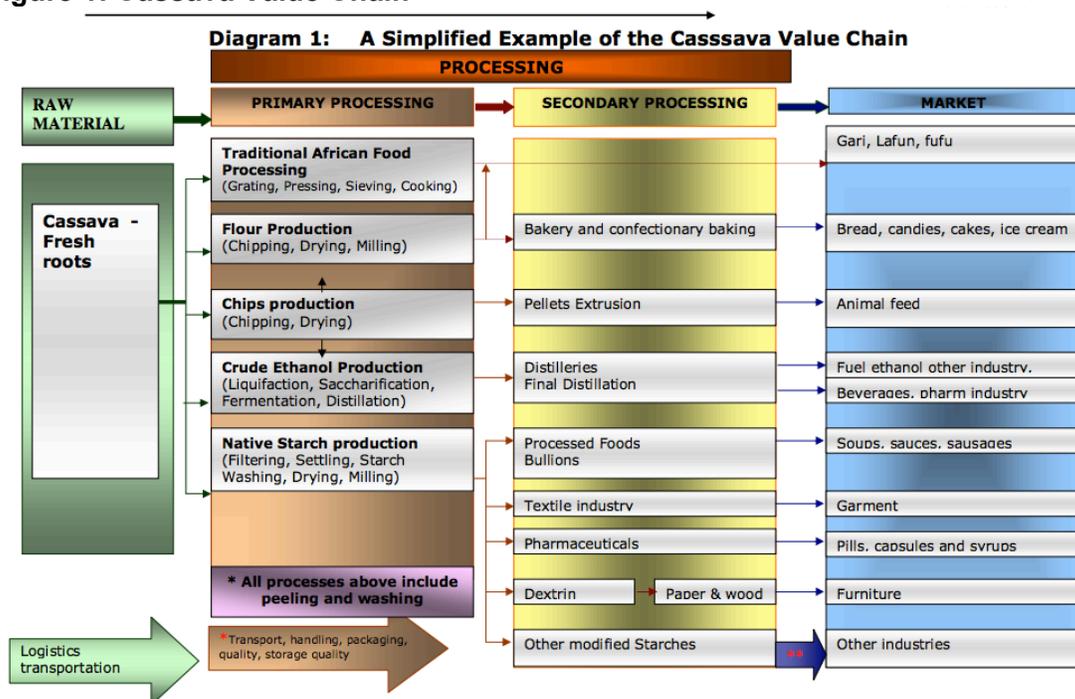
Agriculture presents a **US\$7.76 billion** opportunity in import substitution (15 percent of total import). In order to improve food export earnings and reduce imports, the sector requires an investment of about **US\$2.4 billion** annually (**US\$500 million** of this amount is attributable to irrigation).

Nigeria's climate and abundant water resources, along with the wide availability of fertile land, creates the ideal setting for the establishment of export-oriented agricultural production.

Nigerian cassava production is by far the largest in the world, a third more than production in Brazil and almost doubles the production of Indonesia and Thailand. Cassava is produced in 25 out of the 36 states in Nigeria.

Over 90 percent of the cassava produced in Nigeria is processed as traditional African food (Garri, fufu, etc.). Given the enormous cassava value chain, there exist a huge investment opportunity in this sub-sector.

Figure 1: Cassava Value Chain



Nigeria is the second largest producer of citrus in the world, and the largest producer of pineapple, mangoes, and tomatoes in Africa. However, Nigeria spends about US\$1.1 billion annually on fruit juice and processed tomatoes.

Some food processing opportunities in Nigeria includes: Tomatoes, cassava, cocoa, corn, vegetables, fruits, etc.

There are currently about 10 million hectares suitable for forestry plantation with commercial value in Nigeria.

Competitive Advantage

Strategic Location

- Nigeria is advantageously located in the gulf of Guinea with direct freight access to America (North & South) and Europe
- Easy access to the developed markets of North America and Europe, which have a combined GDP of over US\$43 trillion
- An extensive network of transport routes that links the country to neighboring countries like Niger, Chad, Cameroun, and Benin Republic
- A total of 54 airports (40 with paved runways, 14 with unpaved runways)
- Six (6) operational ports
- Five (5) Heliports

Abundant Land and Water Resources

- Land: 910,768 sq. km
- Water: 13,000 sq. km

Competitive Labor Costs and Abundant Human Capital

Nigeria's labor cost is one of the most competitive in the world, with an average monthly wage of US\$213 (according to the National Bureau of Statistics).

Nigeria has a young and dynamic population of over 70 million persons within the ages of 15 to 35.

Investment Incentives

- Pioneer Status (tax holiday) granted for 3 years and renewed for the next two years
- 100 percent repatriation of profit net of taxes
- Capital allowance not restricted. Granted in full -100%
- Agricultural and agro-allied industries machines and equipment enjoy 0% duty
- Agro-allied plant and equipment enjoy enhanced capital allowance of up to 50%
- Agricultural Credit Guarantee Scheme Fund (ACGSF): Up to 75% guarantee for all loans granted by commercial banks for agricultural production and processing
- Interest Drawback Program Fund: 60% repayment of interest granted to those who borrow from banks under the ACGSF for the purpose of agriculture production and processing provided such borrowers repay the loan as scheduled.
- Investment Promotion and Protection Agreement: The IPPA helps to guarantee the safety of investment of the contracting parties in the event of war, revolution, expropriation or nationalization.

Testimonials

Daniel Myers, Executive Vice President,
Mondelez International (formerly known as
Kraft Foods)



"This investment in Nigeria boosts our production capacity for Cadbury Bournvita by more than 30% ... and complements our recent investments in Egypt and South Africa."

Mondelez is a global snacking powerhouse with over \$30 billion in 2014 revenue with brands such as OREO, Nabisco biscuits, Cadbury, Milka chocolate, etc.

Mondelez recently invested \$50 million in a production facility in Nigeria to meet surging demand for Cadbury Bournvita. For 50 years, Cadbury Bournvita has been one of the leading cocoa beverage brands in Nigeria.

For more information, please visit:

www.mondelezinternational.com

Aliko Dangote, Chairman & Founder,
Dangote Group



"I will never shy away from investing in Nigeria. It is the best place to invest in the world."

The Dangote Group is one of the most diversified business conglomerates in Africa with a hard-earned reputation for excellent business practices and products' quality with its operational headquarters in the bustling metropolis of Lagos, Nigeria in West Africa.

Established in May 1981 as a trading business with an initial focus on cement, the Group diversified over time into a conglomerate trading cement, sugar, flour, salt and fish. By the early 1990s the Group had grown into one of the largest trading conglomerates operating in the country.

In 1999, the Group made a strategic decision to transit from a trading based business into a fully-fledged manufacturing operation.

For more information, please visit:
<http://dangote.com/Default.aspx>

