



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 | 14-17 October 2024



# 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

- 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)

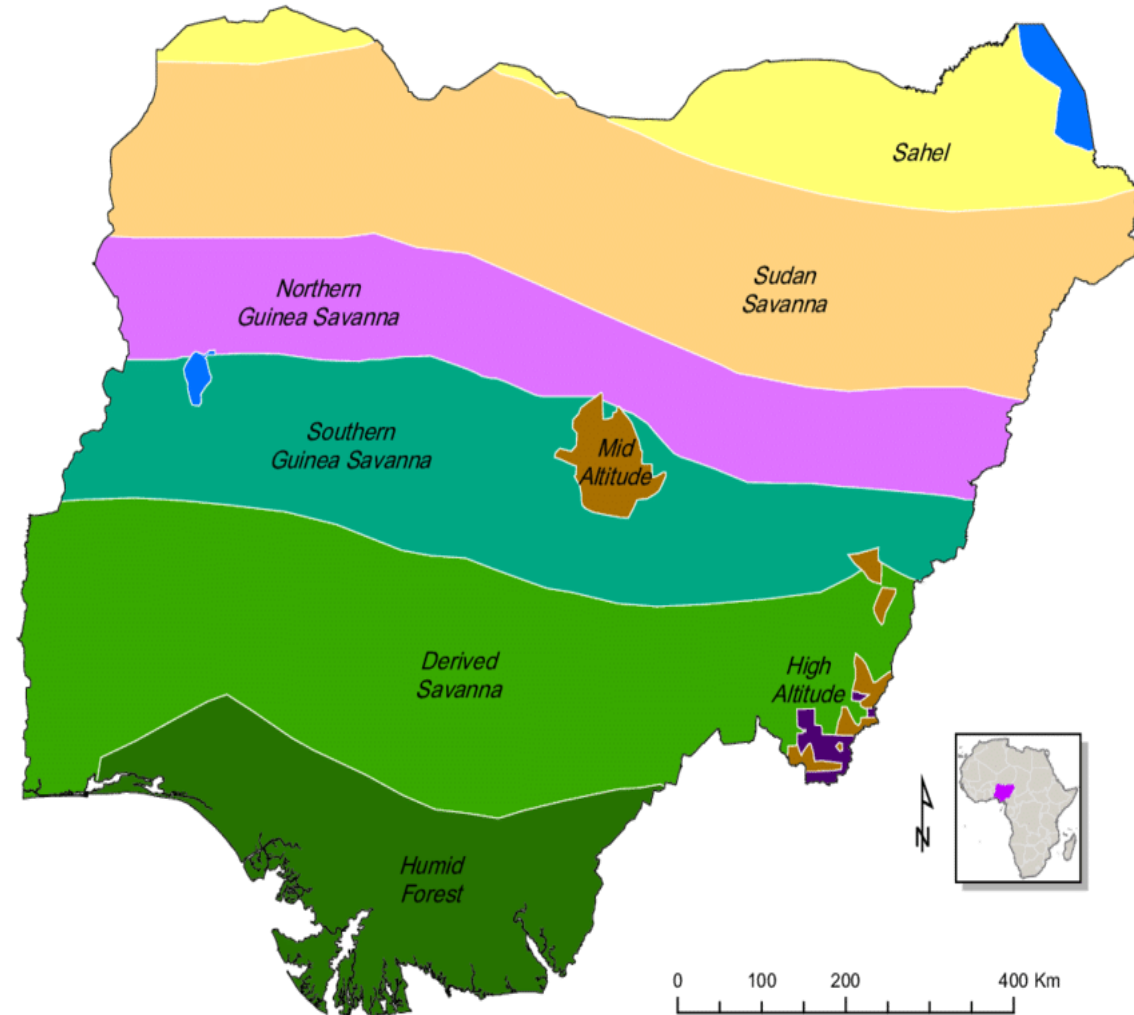


## National Development Plan (NDP) 2021 – 2025

- 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

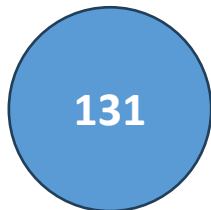
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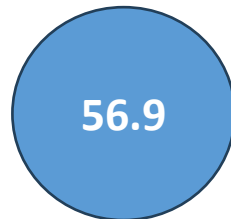
Hand-in-Hand  
Initiative

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

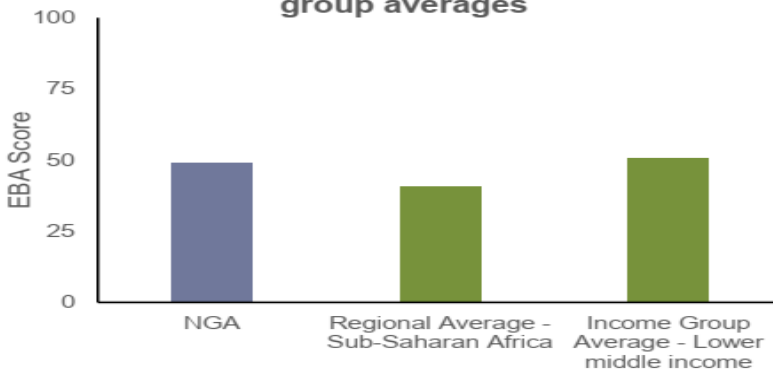
DB Rank



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

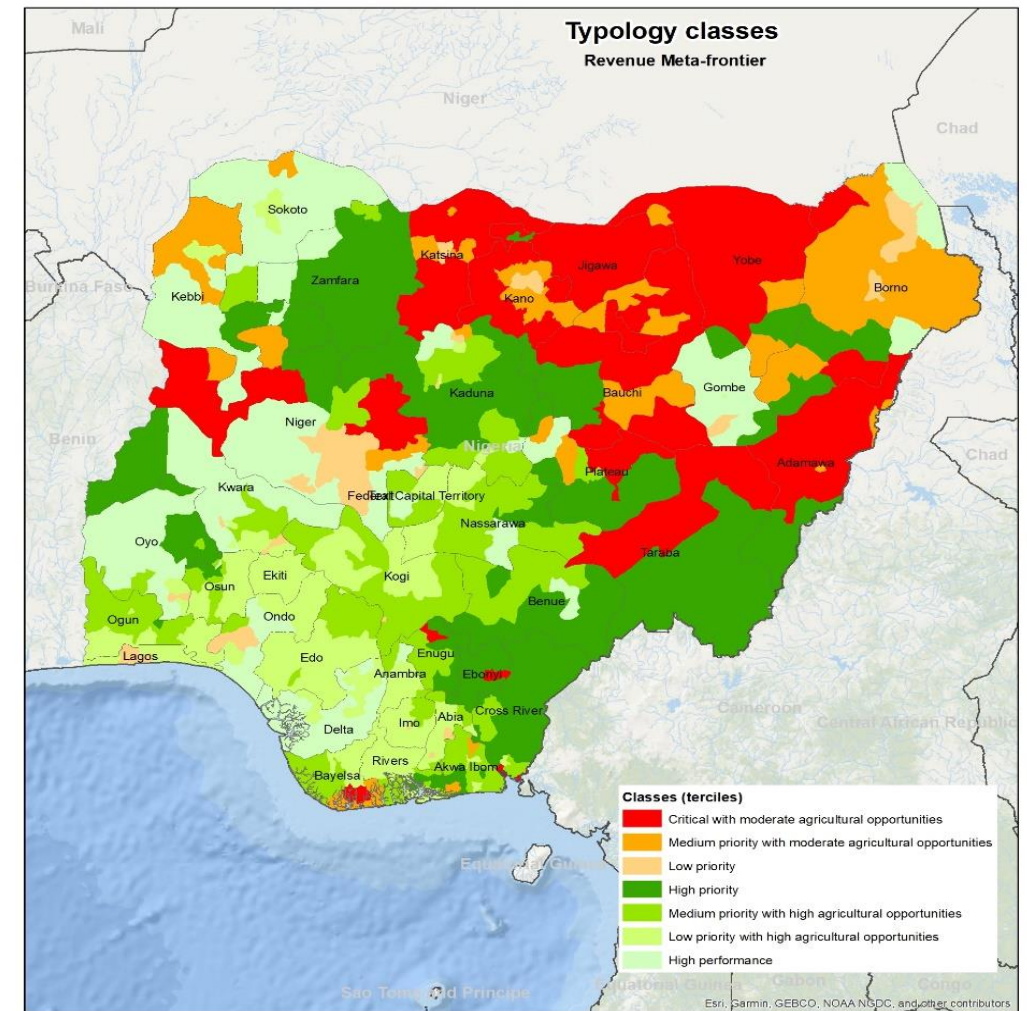
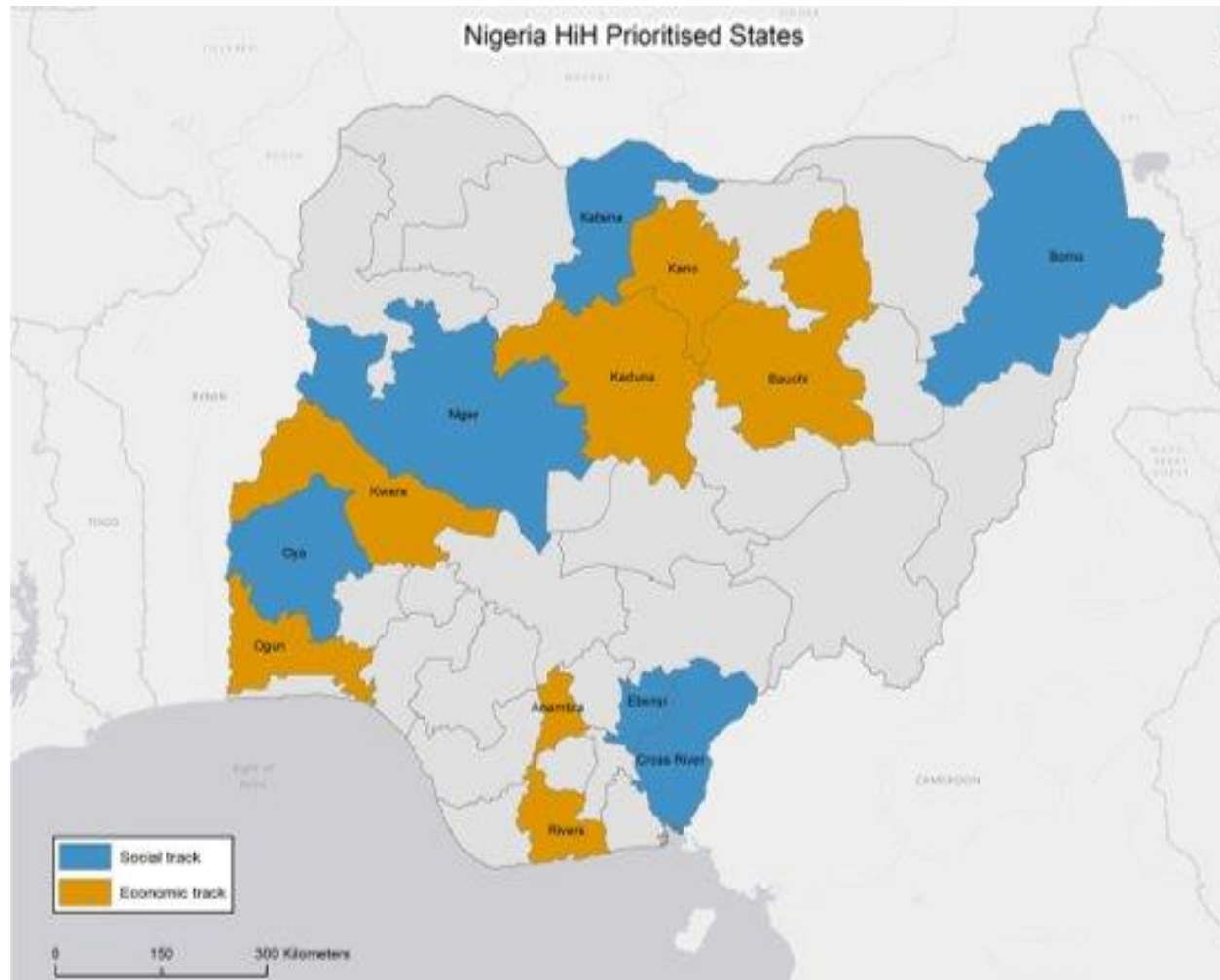
Increase productivity through irrigation, reduce post harvest losses and promote processing, market access and extension services.

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

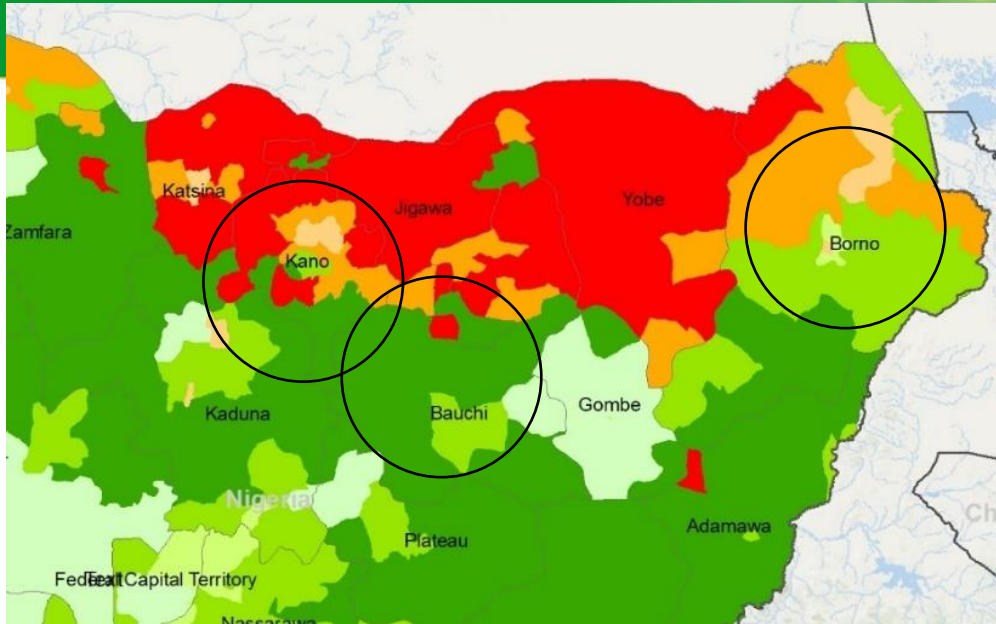
**Investment: 3.2 Billion USD**



# 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

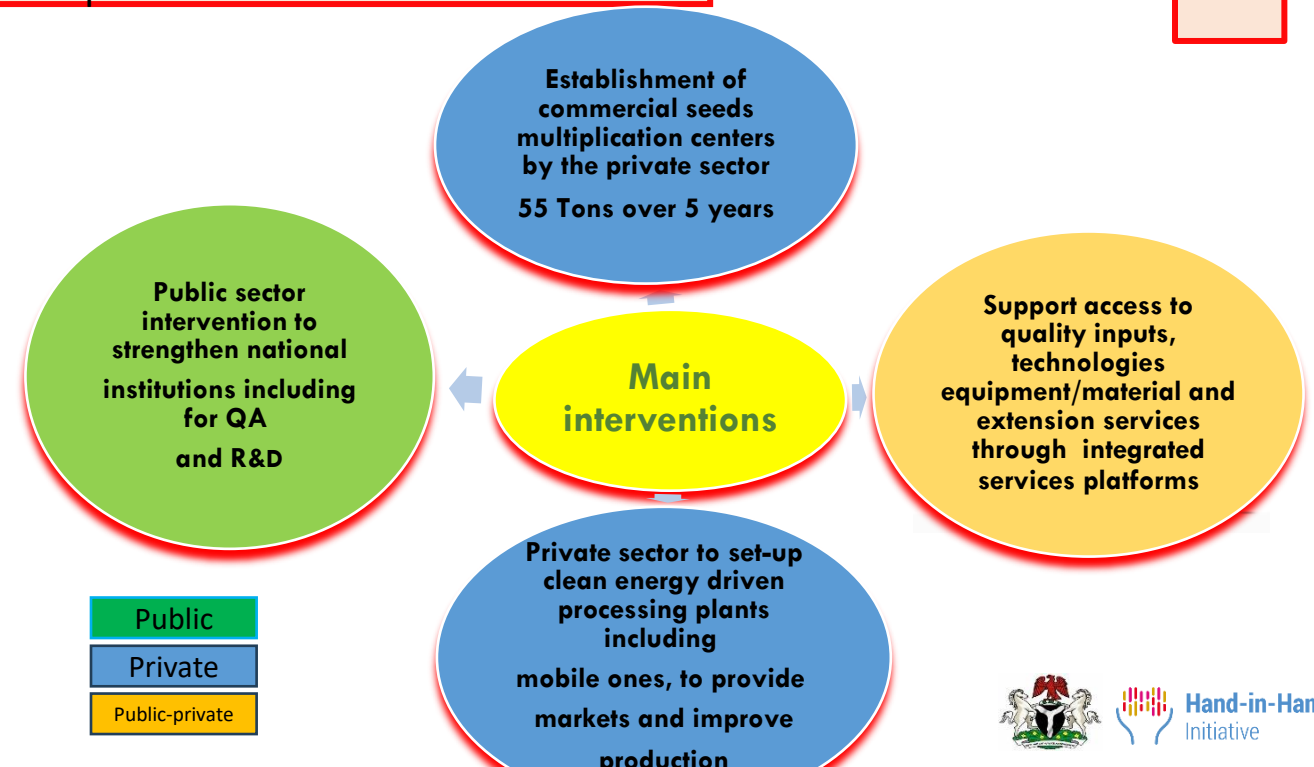
Rationale

## 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**

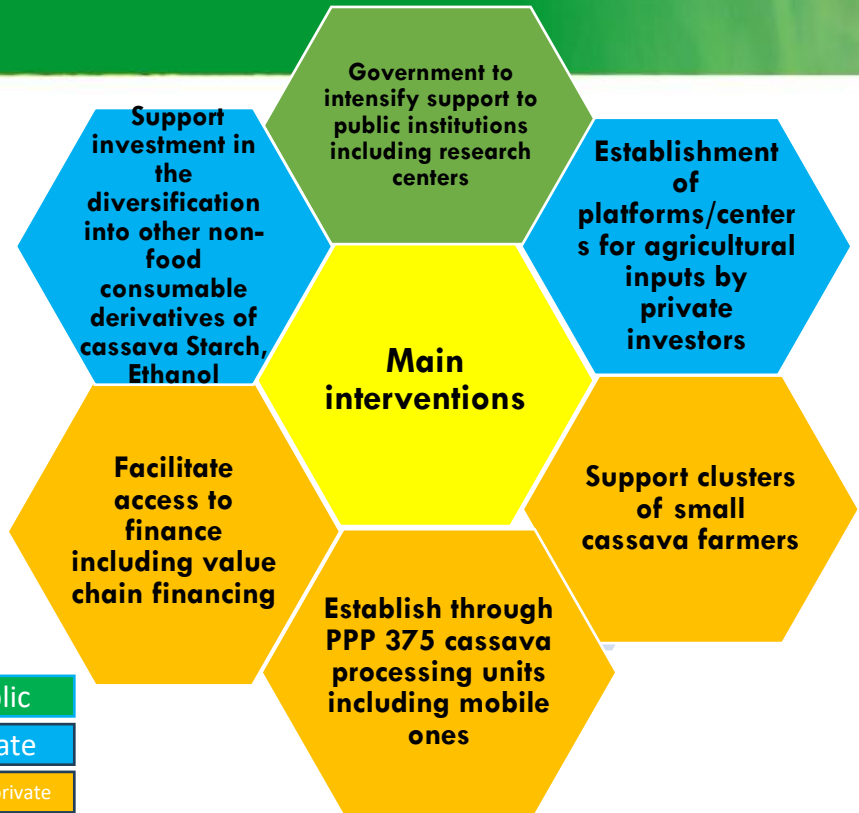
## Investment

**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



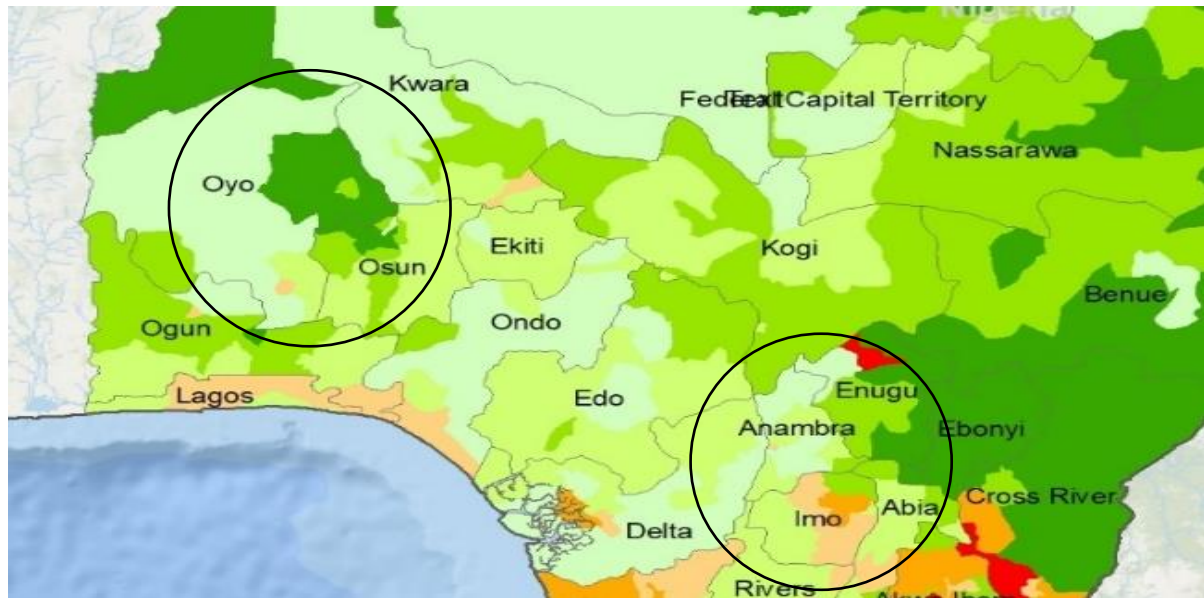
- ✓ World's largest producer: 61 million MT
- ✓ High demand for domestic consumption and industrial uses
- ✓ Low productivity
- ✓ Numerous derivatives for domestic and export purposes
- ✓ Low-capacity and poor business environment for processing/value addition.
- ✓ Adaptable to all the agro-ecological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

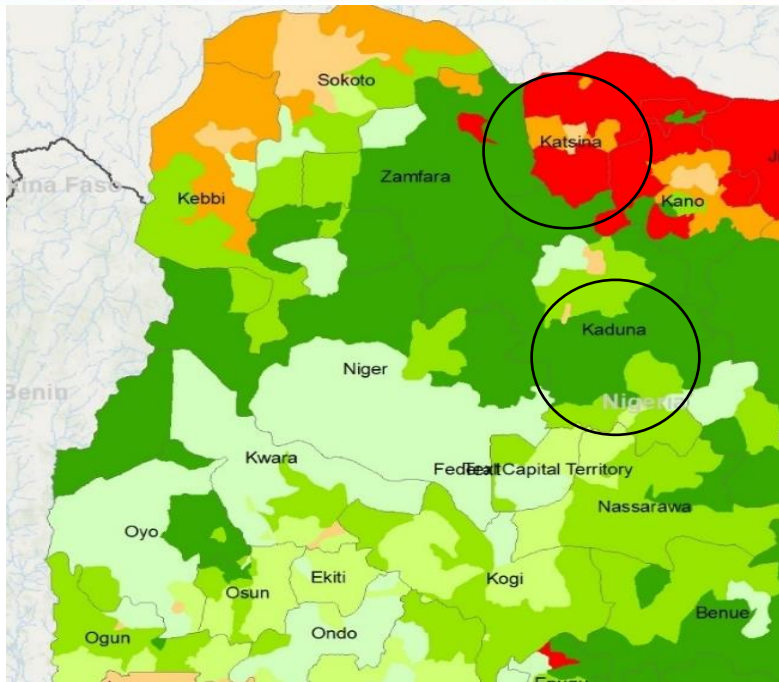
**Total investment (2024-2028): US\$ 382.2 million**  
**Including Total Private Investment: US\$ 236.5 million**

**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

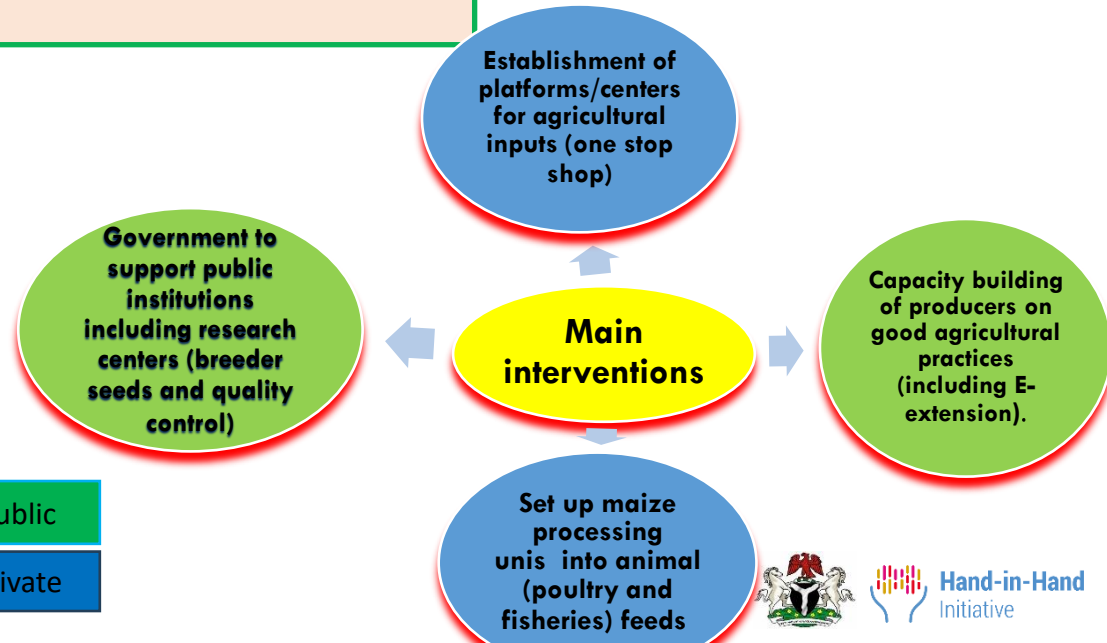
**Rationale**

## Priority States: Katsina, Kaduna & Oyo

1,050,000 Hectares targeted

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

Public  
Private



# 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

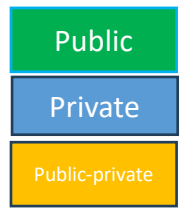
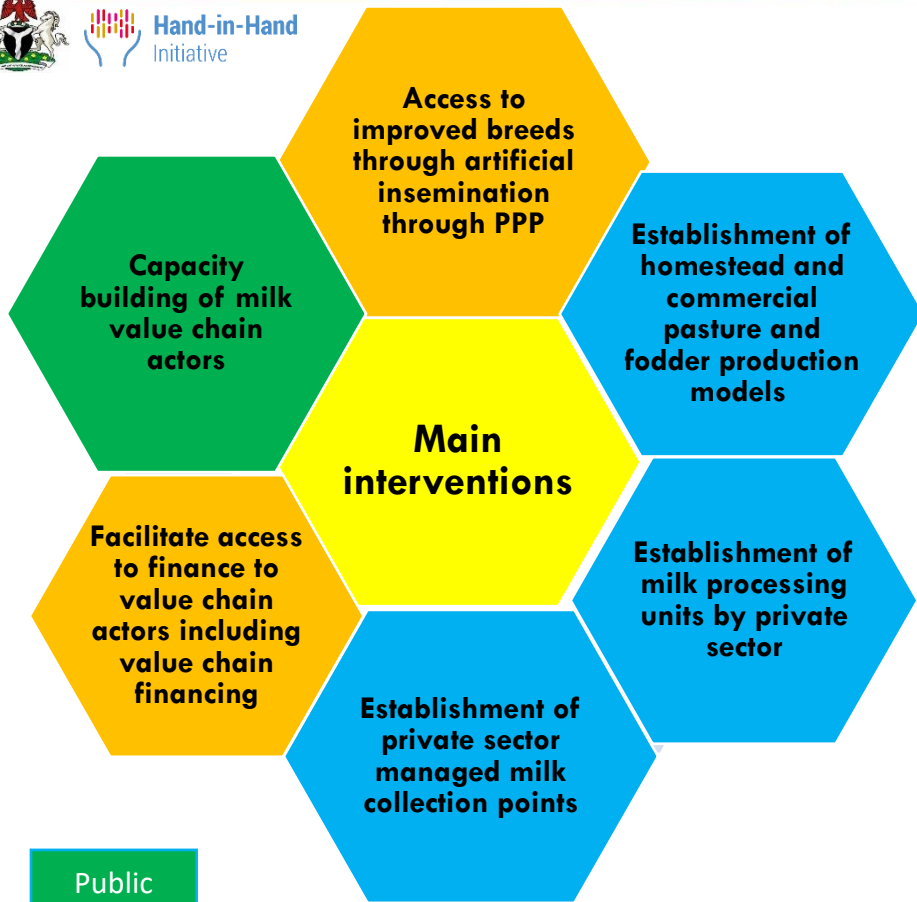
**Total investment (2024-2028): US\$ 1.0 billion**

**Including Total Private Investment: US\$451.3 million**

**IRR: 18.7%**

**NPV: US\$ 75.6 million**

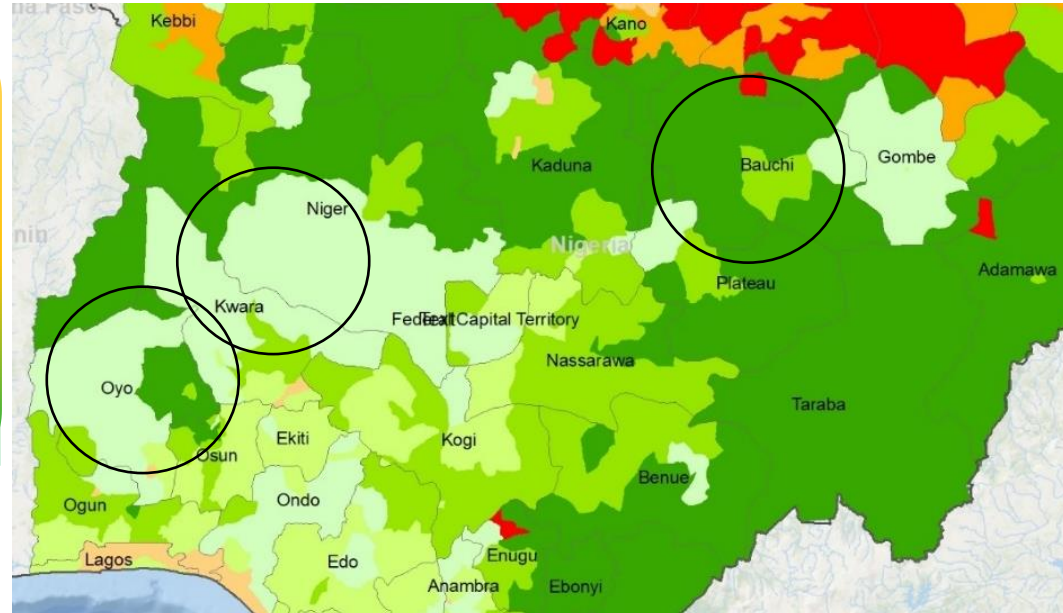
# Investment case 4: Dairy



- ✓ 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**

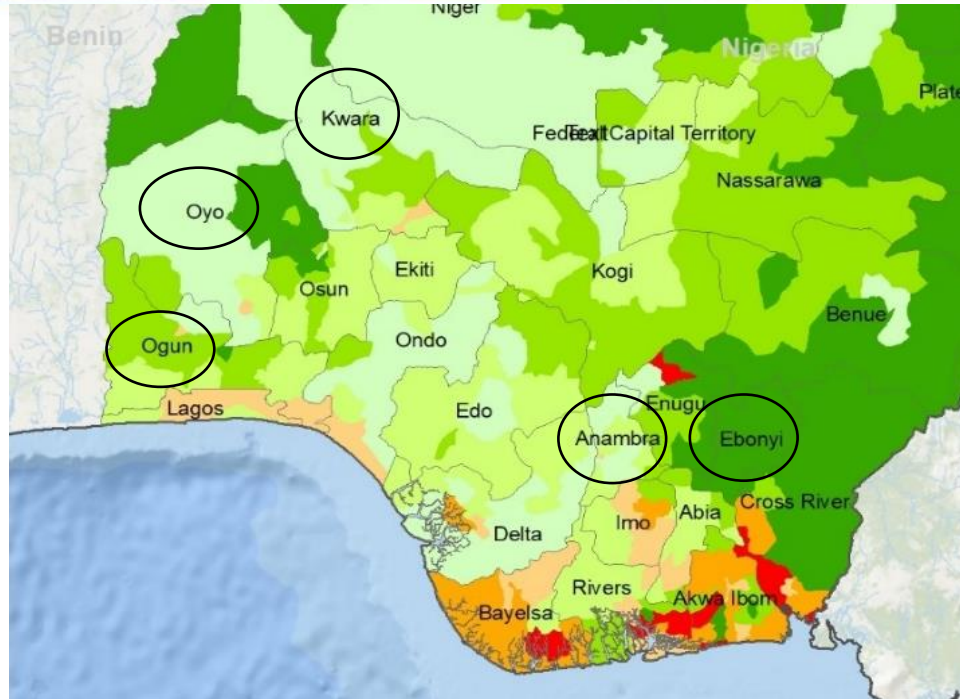
## Beneficiaries

**37000 farmers/units** directly benefited

Indirect beneficiaries: 253 080



# Investment case 5: Fisheries and Aquaculture

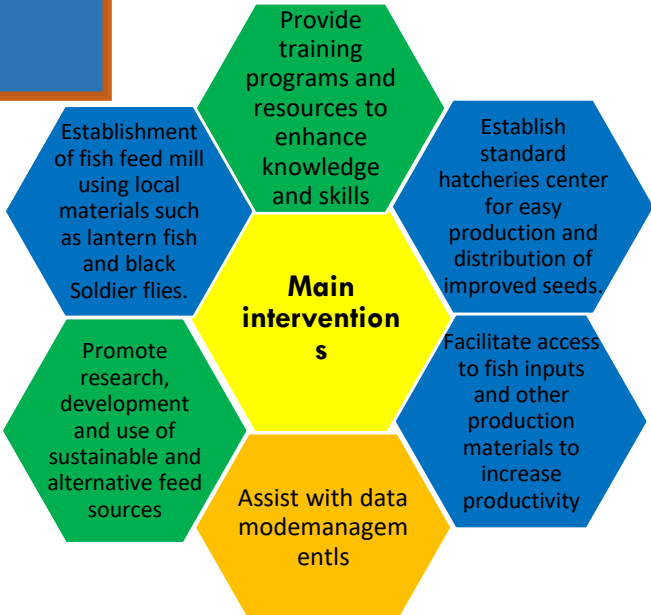
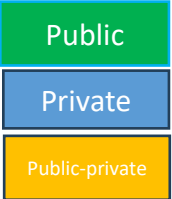


## Priority States

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



Food and Agriculture Organization of the United Nations



Hand-in-Hand Initiative

**Total Investment**  
US\$ 3,14 Billion

**Public Investment**  
US\$ 1,75 Billion

**Private Investment**  
US\$ 1,39 Billion

**Overall Average IRR**  
14.2%

**Beneficiaries**  
4,715,721

**Income Increase Per Capita**  
US\$317.8

**Tonnes carbon equivalent sequestered**  
1,275,734

## 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