AFRICAN UNION
INTERAFRICAN BUREAU
FOR ANIMAL RESOURCES

POLICY BRIEF

Nigeria

Commercialising Nigeria's Feed and Fodder Sector

Resolving Conflict and Unlocking Export-Led Growth

1. Executive Front Matter

Primary Decision-Makers: Federal Ministry of Livestock Development (FMLD), Federal Ministry of Agriculture and Food Security (FMAFS), Central Bank of Nigeria (CBN/NIRSAL), Development Bank of Nigeria (DBN), Sterling Bank, and the Nigeria Feed and Fodder Multi-Stakeholder Platform (MSP).

Decision Required: Fast-track the finalisation of the National Animal Feed and Fodder Policy, operationalise wholesale financing instruments for fodder mechanisation, and legally anchor national feed inventory data within the National Bureau of Statistics (NBS).

Key Messages (Core Diagnosis):

i) **A Multi-Billion Dollar Engine:** Nigeria's feed industry is valued at USD 2.0 billion and possesses the scale to employ 20 million Nigerians across its expanding value chains.

ii) **A Crippling Supply Deficit:** The nation currently faces a stark 3.2 million MT domestic feed deficit, driven by an estimated 8.5 million MT demand against a production capacity of only 5.3 million MT.

iii) **Conflict Driven by Scarcity:** There is a direct correlation between unstructured feed systems, overreliance on traditional grazing (utilised by 97% of livestock), and the devastating farmer-herder conflicts and banditry severely disrupting agricultural stability.

iv) **Proven Export Viability:** The sector is highly bankable; recent investment deal rooms facilitated by the MSP and financial partners generated a USD 228 million export-focused investment pipeline.

2. Executive Summary

The compounded impacts of the "Triple C" crises—COVID-19, climate change, and conflict—have severely disrupted Nigeria's feed and fodder supply chains, exacerbating internal insecurity and violent farmer-herder clashes. These intertwined shocks highlight the danger of relying on informal, rain-fed grazing systems to sustain a multi-billion-dollar livestock economy. However, Nigeria is currently experiencing unprecedented momentum to resolve these challenges, driven by the establishment of the dedicated Federal Ministry of Livestock Development and a highly active Multi-Stakeholder Platform. To secure domestic food security and economic stability, Nigeria must

urgently transform fodder from an informal grazing commodity into an industrial, export-ready market by scaling wholesale financing, finalising regulatory policies, and institutionalising data-driven market intelligence.

3. Introduction and Context

Livestock production is a vital pillar of the Nigerian economy, playing an essential role in providing livestock-sourced foods (LSFs) and sustaining rural livelihoods. Recognising the sector's immense economic and nutritional value, the government recently established the Federal Ministry of Livestock Development to coordinate modernization and resilience efforts, alongside the development of the Nigeria Livestock Master Plan. To meet the immense local and export demands—with the poultry sub-sector alone requiring approximately 45 million MT—Nigeria targets an annual animal feed production of over 50 million metric tonnes. Achieving this requires transitioning feed and fodder into a formally recognized, industrialised economic sub-sector.

4. The Problem: Deficits, Conflict, and Informality

i) **The Supply Gap:** Despite significant agricultural potential, Nigeria's feed and fodder sector is heavily fragmented and faces a chronic 3.2 million MT supply gap (requiring 8.5 million MT but only producing 5.3 million MT).

ii) **Resource-Based Conflict:** This severe deficit directly fuels resource-based conflict. With approximately 97% of livestock dependent on traditional grazing methods and natural rangelands, seasonal climate shocks and diminished crop residues have triggered widespread and escalating farmer-herder clashes, banditry, and cattle rustling across regions like the North West.

iii) **Data and Policy Gaps:** Historically, the absence of a centralized, real-time data ecosystem has hindered targeted decision-making and constrained high-level interventions, such as the Livestock Productivity and Resilience Support (L-PRES) Project and the National Livestock Transformation Plan (NLTP). Operating without dynamic market intelligence prevents commercial investors from accurately assessing risks and opportunities.

5. Strategic Interventions: Deal Rooms and Commercialisation

i) **The Investment Deal Room Success:** Through the Resilient African Feed and Fodder Systems (RAFFS) Project, Nigeria's MSP has successfully shifted the sector's narrative toward bankable commercialisation. At the 2024 Agriculture Summit Africa in Abuja, the MSP, in partnership with Sterling Bank, showcased a groundbreaking USD 228 million (₦60 billion) in export-related fodder deals, explicitly targeting high-value markets in the UAE, China, and Japan.

ii) **Data Institutionalisation:** Nigeria has pioneered the transition from fragmented records to robust digital intelligence. Following a comprehensive spatial feed inventory and a Ground Truthing Exercise conducted across 6 zones and 361 settlements, Nigeria successfully generated its first National Feed Balance Sheet. This dataset, integrating livestock population indicators from the National Bureau of Statistics (NBS), now powers the real-time Nigeria Feed & Fodder Dashboard, providing critical market utilization percentages and spatial mapping for investors.

iii) **Women-Led Supply Chains (AWARFA-N):** Women are actively anchoring commercial supply chains. The African Women in Animal Resources Farming and Agribusiness Network (AWARFA-N) Nigeria—a network of over 2,800 members—has mobilized to address critical market needs by establishing a 2.5 tons/hour feed mill and a 5-

hectare fodder packaging plant. By commercially processing silage, hay, and compounded feed, these women-led enterprises are ensuring a consistent, year-round supply for both local and regional markets.

6. Targeted Policy Recommendations

To resolve conflicts, close the supply deficit, and unlock the USD 2 billion sector valuation, Nigerian policymakers and financial institutions must execute the following actionable recommendations:

i) **Enact the Feed and Fodder Policy:** The Federal Ministry of Livestock Development (FMLD) must formally finalize and enact the standalone National Animal Feed and Fodder Policy. This is crucial to provide a clear, standardized regulatory and commercial roadmap for domestic and international investors.

ii) **Scale Wholesale Financing for Mechanisation:** The Central Bank of Nigeria (CBN), the Development Bank of Nigeria (DBN), and commercial partners like Sterling Bank must scale specialized, low-interest credit facilities. These funds must equip commercial fodder producers with the industrial balers, precision harvesting, and packaging machinery required to meet stringent international export standards.

iii) **Institutionalise the National Feed Balance:** The government must mandate the National Bureau of Statistics (NBS) to formally expand and sustainably fund the spatial feed data collection across all geopolitical zones. This will ensure the continuous updating of the newly unveiled Nigeria Feed and Fodder Dashboard, cementing data as a public good.

iv) **Promote Fodder as a Conflict-Resolution Tool:** Commercial, irrigated fodder production and women-led processing hubs (utilizing the AWARFA-N model) must be integrated directly into national security frameworks and the NLTP. Systematically replacing nomadic grazing with industrialized fodder supply chains is the most effective strategy to eliminate resource-based farmer-herder violence while simultaneously boosting rural economies.

7. References

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