

ANIMAL FEED INDUSTRY



NIGERIA ANIMAL FEED SECTOR OVERVIEW

Nigeria's animal feed sector remains underdeveloped, largely due to high production costs. Seventy percent of the operational costs of most poultry, aquaculture, and other livestock operations go to feed. The animal feed sector at over \$2 billion continues to attract significant local and foreign investment in large-scale feed mill operations.

In late 2016, OLAM International (Singapore-based) commissioned a new 720,000 metric ton (MT) per annum feed milling operation that produces heat-treated mash and pelleted feeds. Its ultra-modern hatchery is producing day-old chicks, both layers and broilers at affordable prices for farmers. The firm also owns a fish feed manufacturing facility. Higher operational efficiency in these large-scale and modern feed mills in Nigeria will reduce feed production cost.

Growth in the poultry feed sector has nonetheless slowed in the last 2-3 years due to reduced consumer income following Nigeria's economic recession and subsequent

major currency devaluation in 2016. Poultry meat and egg consumption has declined substantially, but will rebound over time.

Poultry Production and Consumption

Projections (assuming moderate feed costs) put Nigerian poultry and meat consumption increasing tenfold by 2040. Estimates put yearly Nigerian per capita egg and poultry meat consumption at around 30 kilograms and 1.7 kilograms, low compared to U.S. consumption of 279 kilograms eggs/capita/year and 100 kilograms poultry meat/capita/year.

Fish Production and Consumption

Nigeria is the largest aquaculture producer in sub-Saharan Africa. Nigeria's annual fish consumption is about 2 million metric tons, with just fewer than 20 percent supplied through land-based aquaculture production. Fish is an important dietary element in Nigerian households, contributing about seven percent of the total consumption of animal protein per capita per day.

COMMODITIES

The major commodities utilized in Nigeria for feed manufacture includes maize (corn), soybeans, wheat, and cassava. Roughly, 60 percent of production goes to animal feed, especially for poultry. Other commodities utilized in lesser amounts in feed manufacture include groundnut, sorghum, other cereals, and fats and oils.



Soybean Production and Consumption

Nigeria is West Africa's largest producer of soybeans. In marketing year 2018/19 (October-September), Nigeria will produce an estimated 1 million metric tons of soybeans, with yields of about 1.05 MT per hectare. Cultivation is largely located in the country's green middle belt (65-70 percent of production), in the states of Kaduna, Niger, Kebbi, Nasarawa, Kwara, Oyo, Jigawa, Taraba, Borno, Benue, Bauchi, Lagos, Sokoto, Plateau, Zamfara, and the Abuja Federal Capital Territory. Domestic production is consumed locally mainly in the form of soymilk and specially formulated foods to help malnourished population groups.

Soybean Cake and Meal

A by-product from the soy oil production, Nigerian farmers use soybean cake as a high-protein animal feed. Soybeans are an important high quality, affordable source of

protein. It consists of more than 36 percent protein, 30 percent carbohydrates, and is an excellent source of dietary fibre, vitamins, and minerals. Soybean meal counts with a protein digestibility in poultry of approximately 85 percent.

Nigeria targets over 50 million metric tonnes of animal feed per annum.

The Minister of Agriculture and Rural Development, Dr Mohammed Abubakar, disclosed that Nigeria targets over 50 million metric tonnes production of animal feed per annum.

Abubakar stated this while declaring open the 1st National Animal Feed Summit 2021 with theme, *'Developing a Roadmap for Animal Feed Security in Nigeria'* organised by the Federal Ministry of Agriculture and Rural Development in collaboration with Central Bank of Nigeria, CBN, Agricultural Research Council of Nigeria, ARCN, Nigeria Institute of Animal Science, Feed Industry Practitioners, and SAHEL Consulting Agriculture and Nutrition Limited.

He also said the animal feed industry in Nigeria has the capacity to engage 20 million Nigerians if properly harnessed, which currently engages over 5 million Nigerians directly or indirectly.

He said: *"This is congruent with the agenda of the Ministry in charting a new course for Nigerian livestock industry and Agribusiness in-line with President Muhammadu Buhari's administration agenda to leverage on the Agricultural sector for wealth creation, employment generation and diversification of the economy".*

The agenda also has provision for roadmap that will sustain the achievements and proffer solutions that will surmount complex challenges stirred up by COVID-19 in animal feed sector.

Animal Feed accounts for over 70% of the cost of animal production, thereby making it the most important consideration in a livestock business. It engages over 5 million Nigerians directly or indirectly as technical or skilled personnel, distributors, fabricators of tools and machinery, input suppliers, and others. *"It generates massive employment across its various value chains and strengthens the national social safety net with copious contributions to food security, household income and poverty reduction."*



According to 2016 data, Nigeria feed industry produces an average of 5.5million metric tonnes of animal feed per annum comprising 85 per cent poultry feeds, and with commercial ruminant and swine feed coming up in the industry, it will produce not less than 50 million metric tonnes per

annum. Even with this, feed sector has the potential to engage over 20 million Nigerians, as the industry is yet to reach 25 per cent of its market size. It is a positive development that, from only 2 feed mills in 1957, Nigeria now has over 1,000 feed mills and is recognized as the 40th leading country in livestock feed production in the world. This potential notwithstanding, the industry expansion remains tilted to the Southwest which accounts for not less than 75 per cent of total installed and operating feed mills in Nigeria.

He assured stakeholders of support for livestock farmers in order to alleviate cost of feeds, which the Ministry has procured and distributed ruminant feed concentrates, salt licks, finished feeds to small-holder farmers.

"The Ministry will continue to give attention to the animal feed need of farmers in the country through an enduring policy that will transform Nigeria's livestock and agriculture in general, for the benefit of the citizenry."

"Nigeria will succeed. Nigeria will unleash hope for its livestock farmers, as it accelerates way forward for animal feed security. Nigeria must feed its animals to feed itself. And if it fully unlocks its livestock feed potentials, Nigeria can help feed Africa. You can count on my personal support and the support of the Federal Ministry of Agriculture and Rural Development. Lastly, you can also count on my words that feed security is definitely food security", he said.

He also disclosed that President Muhammadu Buhari has approved release of 5000 metric tonnes of maize from the Strategic Food Reserve to Poultry Association of Nigeria, PAN, for the Feed Industry.

Earlier in an address of welcome by the Permanent Secretary, Federal Ministry of Agriculture and Rural Development, Dr Ernest Umakhihe, represented by the Director of Special Duties, Fausat Lawal, pointed that in Nigeria, the animal feed sector remains a challenge to animal husbandry practices, largely due to high cost of animal feeds, which are not readily available and where they are.

"They are not easily affordable by an average farmer. Currently, Covid-19 has a negative impact on many sectors particularly livestock sub-sector through reduced availability of

animal feed ingredients, labour shortage, processing facilities, inputs and services thereby reducing access of animal feed to markets and consumers. These challenges have necessitated the need for National Animal Feed Summit, a platform to engage key stakeholders in the livestock feed industry to develop a roadmap for attaining sustainable animal feed security in the country.”

However, the Ministry's scribe assured that the Ministry is charting a new course for Nigerian Animal Agriculture as a business in-line with Mr President's drive to leverage Agricultural sector for wealth creation, employment generation and diversification of the economy, and a roadmap for Animal Feed Security in Nigeria with a view to proffering solution that will surmount the complex challenges stirred up by Covid-19 and global warming in the animal feed sector.

In a goodwill message, the Chairman House Committee on Agricultural Production and Services, Hon Muntari Dandutse Mohammad, said, *“For safeguarding the huge livestock potential, and harnessing the wealth that it represents, and the series of controversies over open grazing that leads to conflict has caused set agriculture activities and food production backward will also be tackled when an animal feed policy comes into existence”.*

The legislators will always support policies that will strengthen the policies in animal production.

This very important programme for finding a sustainable means of feeding animals and livestock in this country is timely and it is very important considering the situation we are in the country in terms of Fulani moving from one part of the country to another.

We urge those that are politically misleading some of the elite that use political power to burn the situation in the country, to desist from it.

CONCLUSIONS

What is the future for livestock systems globally?

Several assessments agree that increases in the demand for livestock products, driven largely by human population growth, income growth and urbanization, will continue for the next three decades at least. Globally, increases in livestock productivity in the recent past have been driven mostly by animal science and technology, and scientific and technological developments in breeding, nutrition and animal health will continue to contribute to increasing potential production and further efficiency and genetic gains.

The Government of Nigeria, with support from FAO and USAID, engaged a multitude of stakeholders in a conversation around the knowns and unknowns of the future of the cattle and poultry sectors in the country. They discussed past and projected trends of societal and livestock dynamics, current policy priorities, technology uptake and

institutional changes and other. Stakeholders did not predict or forecast with accuracy the future of the cattle and poultry sectors in Nigeria, but generated evidence on alternative, yet all plausible futures.