Nigeria is Africa’s most populous country, with nearly 220 million people and a yearly growth rate of 2.35%. It is projected to grow to nearly 380 million people by 2050. Intense urbanization and high population growth spur predictions that the country’s largest city, Lagos, will become the world’s largest city, with a population of 80 million by 2100. In addition, Nigeria is projected to be the 3rd most populous country in the world by 2050, surpassing Pakistan and Indonesia.

Nigeria remains the largest economy in Africa and the 30th-largest economy globally, with a Gross Domestic Product (GDP) of $477.39 billion in 2022. Agriculture, service and the oil and gas sectors dominate economic activities in Nigeria. Agriculture accounts for about 42% of total GDP, while crude oil accounts for 95% of foreign exchange earnings and about 80% of budgetary revenue.

Within Nigeria’s food system, various tariff and non-tariff trade barriers incentivize local production, including restricting foreign currency transfers for imports, despite the new administration liberalizing the exchange rate. Therefore, unofficial exchange rates still exist at steep premiums. Moreover, tariffs on various soy products make imports more expensive.

U.S. Soy has collaborated in Nigeria since 2019.

<table>
<thead>
<tr>
<th>Product</th>
<th>Total Volume</th>
<th>U.S. Soy Volume</th>
<th>U.S. Soy % Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soy Complex (whole soybean, meal, oil)</td>
<td>1.342 MMT</td>
<td>0.1 MMT</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Whole Bean</td>
<td>1.230 MMT</td>
<td>0.000 MMT</td>
<td>0%</td>
</tr>
<tr>
<td>Soybean Meal</td>
<td>0.816 MMT</td>
<td>0.001 MMT</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Soybean oil</td>
<td>0.204 MMT</td>
<td>0.000 MMT</td>
<td>0%</td>
</tr>
<tr>
<td>Soy food</td>
<td>0.210 MMT</td>
<td>0.000 MMT</td>
<td>0%</td>
</tr>
</tbody>
</table>
STRENGTHS

- U.S. Soy is considered by Nigerian crushers and animal feed manufacturers as highly dependable and consistent with its nutritional profile, refining rate, availability and quality.
- Demand for healthy edible oils and affordable proteins is increasing among the growing population.
- Soy crush capacity is a catalyst for increased consumption as investors seek to improve utilization.
- The U.S. and Nigeria have a Trade and Investment Framework Agreement, which provides a strategic framework for dialogue on trade and investment issues.

OPPORTUNITIES

- Nigerian poultry and aquaculture economic activities hold huge potential, with 30% projected growth in the next five years, with the right action plans in place.
- Investments in the dairy sector continue to increase.
- Attaining food and nutrition security is a key concern, and U.S. Soy is important for achieving this goal.
- Government policies will help the economy to continue steady growth.
- A focus on livestock production will drive GDP growth within the agricultural sector.

CHALLENGES

- Energy costs continue to rise due to fuel subsidy removal and instability of gas and other energy source pricing. This continues to put the manufacturing sector in a difficult situation.
- Trade policies pose limitations in terms of duty and tariff on imports of soy.
- A higher percentage of the population experiences diminished purchasing power, which in turn restricts consumption and distorts preference.
- Government policy contradictions, corruption and a poor ease of doing business index all impact opportunities for growth.
- Financial challenges include high costs for the private sector to fund growth and a huge debt burden for the national government.
- Nearly 70% of household expenditures are spent on food, limiting the availability to increase food quality and invest in other sectors.

Sources:
- USDA FAS
- Statista
- The World Bank
- Business Insider Africa
- Worldometer
- National Bureau Of Statistics - NBS
- Trading Economics - Nigeria GDP per capita
- Focus Economics