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**Prepared By:** OAA-Lagos Staff

**Approved By:** Christopher Bielecki

**Report Highlights:**

Nigeria is the most populous country in Africa, with a relatively young and urbanizing populace. While there are clear food and agricultural export opportunities, the weakened economy is still making its way out of a very difficult 2023. Consumers are contending with food price inflation, and wages have not kept pace with the increase in living costs. However Nigerians, especially in cities, have favorable views of imported food and agricultural products, and domestic food processors seek stable supplies of food ingredients to bridge domestic production gaps. This report serves as a guide for U.S. exporters seeking to export U.S. food, beverages, and agricultural products to Nigeria. It provides an overview of the market, import food standards & regulations, import procedures, market trends, and useful contacts.

## Market Fact Sheet

### Executive Summary

Nigeria is the most populous country in Africa. With its large consumer base and growing population, it is expected to remain an important market for food and agricultural exporters. However, persistent macroeconomic, political, security, and consumer purchasing power challenges are stifling export prospects. The value of imported food and agricultural products was estimated to be about \$6 billion in 2023, a decrease of about 33 percent from the total imports the previous year. In 2023, U.S. food and agricultural exports to the country amounted to \$245 million, a significant decrease compared to the \$631 million recorded in 2022. U.S. food and agricultural exports face strong competition from the European Union (EU), Asian, South American, United Kingdom (UK), and South African (SA) suppliers.

### Consumer-Oriented Food Products

In 2023, consumer-oriented food exports to Nigeria amounted to \$1.6 billion, (a 13 percent decrease from the value recorded in 2022) with the United States accounting for only about 2 percent or about \$40 million (Figure 1). While the country has a large and young population, ineffective macroeconomic policies, weak transportation and cold chain infrastructure, insecurity, and the lack of foreign exchange could continue to temper import demand.

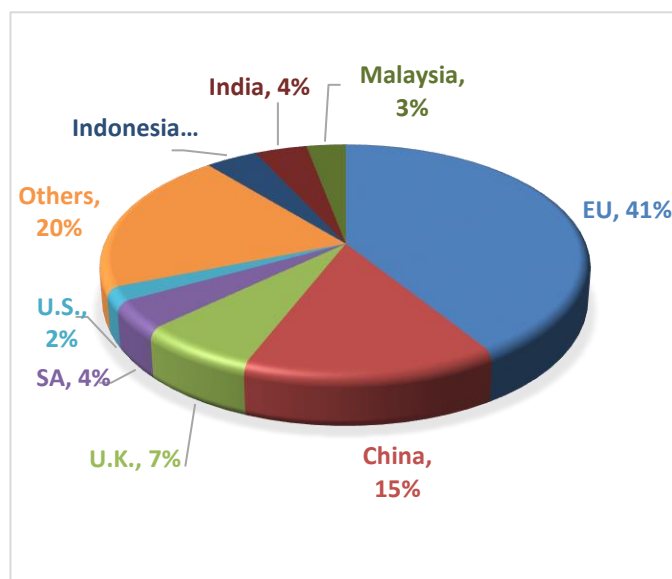
### Composition of Food Market Sector

**Retail Food:** The retail food sector is fragmented and relies on informal sales channels. It is estimated that 80 percent of food shopping is conducted in traditional open markets. However, more consumers are shifting to supermarkets and food stores.

**Food Processing:** The sector is dominated by small and medium enterprises (SMEs) which import large quantities of raw materials not locally available. Most multinational food processing companies use third party distributors due to the difficulty of doing business in Nigeria. Real gross domestic product (GDP) growth in 2023 for the food processing sector declined by 27 percent compared to 2022.

**Food Service:** The quick service restaurants (QSRs) sub-sector grew at an annual average of 25 percent. Snack and fast-food consumption are estimated at more than \$250 million and growing 20 percent annually.

**Figure 1. Market Share of Consumer-Oriented Exports in 2023**



Strengths	Weaknesses	Top Consumer-oriented Products Based on Growth Trends
<ul style="list-style-type: none"> <li>➤ Africa's largest consumer market.</li> <li>➤ Familiarity with U.S./European foods; English language used.</li> <li>➤ Favorable view of the United States.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Weak consumer purchasing power.</li> <li>➤ Volatile currency; foreign exchange shortages.</li> <li>➤ Banking, credit, and finance challenges.</li> </ul>	
Opportunities	Threats	<ul style="list-style-type: none"> <li>• Prepared foods</li> <li>• Seafood products</li> <li>• Wine and related products</li> <li>• Distilled spirits</li> <li>• Dairy products</li> <li>• Processed vegetables</li> <li>• Pet foods</li> <li>• Spices</li> </ul>
<ul style="list-style-type: none"> <li>➤ Increasing urbanization.</li> <li>➤ Lifting of government-imposed forex restrictions.</li> <li>➤ Strong market for food and beverage imports.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Insecurity and weak infrastructure.</li> <li>➤ Cold chain, logistics, and distribution limit export growth outside of cities.</li> <li>➤ Government import bans on food items.</li> </ul>	

## SECTION I. MARKET OVERVIEW

### Population and Key Demographic Trends

The country's population of over 230 million accounts for about 50 percent of West Africa's estimated 450 million people. Nigeria's population is estimated to reach 400 million by 2050, which could make it one of the five most populous countries in the world. Over half of the population resides in urban areas, with urbanization growing at about 4 percent annually. The country is relatively young with about 20 percent aged 15-24 years and the national median age of just 18.4 years.

### Economy

[The International Monetary Fund](#) forecasted economic growth at 3.3 percent for 2024, up from 2.9 percent in 2023, citing indices such as increase of the contribution of the services and trade sectors to the country's GDP. Nigeria's economy has long depended on oil production and energy exports as its major driver of revenue. The government has sought to diversify the economy away from energy production with mixed results. Food inflation averaged 34% year-over-year in 2023 and reached an all-time high of 40% month-over-month in April 2024. Food inflation has been caused by the rising costs of farm inputs, lower production, weakening of the naira relative to other trading currencies, high energy costs, and insecurity. These factors have decreased private sector investment, and weakened household earnings and spending.

### Overall Business Climate

In a [report](#) by the World Bank, Nigeria was ranked 131 out of 190 economies on the ease of doing business. The country continues to suffer from a myriad of institutional challenges preventing greater foreign direct investment and domestic agricultural production and food processing. Several parts of the country suffer from insecurity and high crime rates. Public institutions are perceived by many to be corrupt and inefficient. The government has frequently enacted, modified, and annulled economic and trade policies with little notice or public input. The country has not made necessary infrastructure investments to foster business development, including strengthening the power grid, road transportation, and cold chain networks. A depreciating naira and the lack of foreign exchange (especially in 2023) prevents businesses from importing necessary materials for domestic manufacturing.

### Agricultural Trade

The agricultural sector's low performance is due to continued insecurity in farming areas, weak public and market infrastructure, inadequate access to credit, unfavorable government policies, low adoption of technology, rising cost of inputs, and trade restrictions. Over decades, government import substitution policies to boost domestic agriculture and food processing have been largely unsuccessful. To increase domestic food production, the government has implemented several trade protectionist measures including import bans and foreign exchange restrictions.

Since at least the 1970s, [Nigeria has maintained](#) agricultural import and export bans, [including import bans](#) on 11 agricultural and related categories, covering hundreds of specific products specified by

harmonized system (HS) codes. It also maintains high tariffs, import duties, and additional levies on imports, such as rice, which reached 110% through seaports (imports across land borders are banned) in recent years. Imported wheat is subject to 5% import tariffs, and an additional 15% national wheat development levy. While the government has stated that these policies are meant to reduce imports, address its balance of payment challenge, and promote domestic agricultural production, it instead has led to declining agricultural sector investment, widespread smuggling, one of the highest food inflation rates in the world, and food insecurity.

**Foreign Exchange Restrictions Lifted; No Change to Import Prohibitions**

On October 12, 2023, the Central Bank of Nigeria (CBN) [lifted restrictions on sourcing foreign exchange](#) at the official rate for the importation of 43 items, including several food and agricultural products. The government did not announce changes to its list of import prohibitions, which include frozen and live poultry, beef, pork, table eggs, hatching eggs, refined vegetable oils and fats, cane and beet sugar, cocoa butter, spaghetti/noodles, fruit juice in retail packs, and water with added sugar, beer, and tomato paste or concentrate for retail sale. The full list of prohibited items by harmonized system (HS) code can be found on [Nigeria’s Customs Service website](#).

**Advantages and Challenges**

Advantages	Challenges
Large domestic market of more than 230 million and the additional regional West African market of about 220 million.	Limited physical presence of U.S. agricultural companies; limited U.S. exporter knowledge of the market.
Increasing urbanization and rising levels of female employment support demand for retail food shopping.	U.S. food products have shorter shelf life; long transit/clearing times; seldom carry readable “Best Before” dates as required by Nigeria’s food regulations.
Western-style retail sector, and a trend toward greater demand for healthy foods are creating market similarity and easing transactions.	U.S. products are generally higher priced compared to competitors; traditional trade links with Europe remain strong.
Consumers are increasingly demanding higher quality foods; food processors perceive imported food ingredients as high quality.	High tariffs, levies, quotas, import prohibitions on poultry, beef, and pork, and other products.
Given weak domestic production, SMEs seek imported ingredients to package shelf-stable foods for a growing population.	Difficult for exporters to utilize GSM-102.
Nigerian buyers attend trade shows in the United States, and those with USA Pavilions.	Lack of foreign exchange availability; strong dollar relative to the naira.

FAS/Lagos has good working relationship with government of Nigeria (GON) policy officials and representatives of the key private sector trade and industry associations.	Bureaucratic inefficiencies; multiple port inspection agencies and poor infrastructure delay custom clearances.
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**SECTION II. EXPORTER BUSINESS TIPS**

- The National Agency for Food and Drug Administration and Control (NAFDAC) is the lead agency for registering and regulating processed food and agricultural products. The Customs Service inspects all good at the point of entry and collects duties.
- Clearing procedures are not always followed as written. Prior to exporting, U.S. exporters should partner with local firms to facilitate export documentation, approvals, inspections, and consignment clearance. Exporters can face unclear, bureaucratic, and unusual practices when dealing with officials.
- Nigerians have embraced smartphones and e-commerce. Online purchasing and home delivery services are gradually becoming mainstream. Exporters should consider e- commerce and technology platforms to market products and conduct consumer research.
- Due to the diversified nature of food imports, exporters should explore consolidated shipping of mixed containers rather than requiring importers to order in large volumes.
- Trade show participation is another way to raise awareness of your product(s) and meet with prospective importers, retailers, and distributors. U.S. exporters may consider attending the Food and Beverage West Africa trade show, June 11 – 13, 2025, in Lagos.
- Those seeking to export products derived from genetic engineering must ensure they first apply for a biosafety permit and receive approval prior to shipping.

**SECTION III: IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES**

**Customs Clearance**

U.S. exporters should reference the most recent [FAIRS Annual Country Report](#) and [FAIRS Export Certificate report](#) or contact the FAS-Lagos office regarding export document concerns.

**Documents Generally Required by the Country Authority for Imported Food**

General [import documents](#) required to receive clearance for goods imported into the country are a bill of lading, commercial invoice, exit note, Form “M,” packing list, single goods declaration, product certificate, and certificate of origin. Effective July 1, the Central Bank of Nigeria will validate all applications for Form “M” without the price verification report generated from the price verification portal.

All processed food and semi-processed food items and beverages for import shall acquire [NAFDAC](#) certificate of registration. Importers are required to obtain permits for mixed container loads of high

value products under [NAFDAC’s global listing for supermarket](#) items. [Animal feed and pet products](#) shall be registered with the Veterinary Medicines and Allied Products Directorate of NAFDAC and obtain a marketing authorization number before import and sale.

No importer is permitted to import [feed supplements, feed concentrates, feed additives, premixes, and fish meal](#) without authorization from NAFDAC.

Importers of [plant products](#) shall obtain a quarantine permit of entry from the Nigeria Agricultural Quarantine Service (NAQS). Importers of [animal and animal products](#) shall obtain an import permit from the chief veterinary officer, Federal Department of Veterinary and Pest Control Services and notify NAQS of the import permit details. Importers of genetically engineered products (GE) shall acquire a [biosafety permit from the National Biosafety Management Agency \(NBMA\)](#).

### **Country Language Labeling Requirements**

The labeling of pre-packaged food manufactured, imported, exported, sold, distributed, or consumed in Nigeria are regulated under [NAFDAC’s Pre-Packaged Food \(Labeling\) Regulations of 2022](#). Food products are to be labeled in English and may include any other language, and shall carry “best-before” or expiration dates where applicable. Please refer to the [2024 FAIRS Annual Country Report for further details](#).

### **Tariffs and Free Trade Agreements**

The tariff schedule has five bands: 0 percent duty on capital goods and essential drugs, 5 percent duty on raw materials, 10 percent on intermediate goods, 20 percent on finished goods, and 35 percent on imports into strategic sectors. However, Nigeria maintains several supplementary levies, excise, and Value-added Taxes (VAT) on imports of certain goods, which significantly raises the import duty paid by importers. There are about 156 tariff lines with a combined effective duty (tariff plus levy) of not less than 50 percent. These include 15 tariff lines on which the combined effective duty exceeds the 70 percent limit set by the Economic Community of West African State (ECOWAS). In addition, GON frequently changes import duties to increase revenue, discourage consumption, or protect local industries. Average tariffs on agricultural products is around 16 percent. Tariffs on products imported into the country can be found on [Nigeria’s Customs Service tariff schedule](#).

Nigeria is a signatory to the ECOWAS Trade Liberalization Scheme and African Continental Free Trade Agreement (AfCFTA) whose primary objective is to remove trade barriers and restrictions among member African states. Nigeria is a member of the World Trade Organization (WTO). The country is eligible for preferential trade benefits under the African Growth and Opportunity Act (AGOA). The U.S – Nigeria Trade and Investment Framework Agreement (TIFA) serves as the main bilateral forum on trade and investment issues.

## **Trademarks and Patents**

The Trademarks Registry of the Federal Ministry of Industry, Trade, and Investment is responsible for issuing patents, trademarks, and copyrights. Once conferred, a patent conveys the exclusive right to make, import, sell, use a product, or to apply a patented process. Nigeria has legislation to check copyright and trademark violations and enforce international best practices, but infringement and violation of intellectual property rights in the form of counterfeiting and piracy continues to be a concern. For further details, refer to the [2024 FAIRS Annual Country Report](#).

## **SECTION IV: MARKET SECTOR STRUCTURE AND TRENDS**

### **Market Structure**

The food market structure is driven by these key elements: producers/exporters, importers/distributors, retailers/wholesalers, and the consumption points/end users. It comprises the retail food, food processing, and hotel, restaurant, and institutional (HRI) sectors.

In the early 2000s, investment spurred optimistic shopping malls plans which proliferated in major cities. International supermarket operators such as ShopRite, SPAR, and GAME expanded operations across the country. Since 2015, Nigeria experienced fiscal policy volatility, supply chain challenges, currency depreciation, high operating costs, and eroding consumer purchasing power. These challenges are partly responsible for the divestment and shutting down of branches by some of the big retail stores, growing number of shopping kiosks and street shops, and the trend towards smaller-sized operations serving neighborhoods.

Nigeria's retail sector is driven by food and beverage sales and consists of supermarkets, convenience stores and small grocery stores, and traditional open-air markets, accounting for 2 percent, 25 percent, and 73 percent of total retail food sales, respectively.

SMEs dominate the domestic food processing industry. The sector also has some large international companies operating inside Nigeria, including Tolaram's joint venture with Kellogg's to produce snacks and breakfast cereals. However, in 2023, several non-food consumer-oriented international companies announced plans to divest operations in Nigeria due to unfavorable macroeconomic conditions. It is difficult for the local food processing industry to compete with imported brands due to weak infrastructure, scarcity of raw materials, and high operating costs. International brands are perceived as higher quality and are frequently cheaper than domestically produced processed foods. Processed foods from large multinationals are usually imported and distributed by domestic franchisees and distributors. FAS-Lagos estimates that about 80 percent of the larger food processing, intermediate foods, and ingredient companies are headquartered in Lagos.

Food service operations can generally be categorized as either standardized and regulated or traditional unregulated operations. The standardized operations are formalized with business names and organized



structures, whose operations are usually in the urban areas, large-scale, and certified by authorities. These can be single-branch eateries or QSR chains that provide minimal table service to customers.

- Major food service operators in Nigeria are seeking franchise opportunities to represent U.S. companies in Nigeria, especially in the QSR sector.
- The country has national brands; there are also international QSR brands including KFC, Pizza Hut, Krispy Kreme, Burger King, and Cold Stone Creamery.
- The HRI sector faces insecurity challenges. Many HRI establishments are attached to budget hotels, which are operated by Nigerians and South African investors.
- Upscale restaurants serving continental or ethnic (e.g., steak houses, Asian, Tex-Mex, Lebanese, etc.) cuisine are frequently associated with boutique hotels.

### **Distribution Channels**

An importer may serve as the U.S. exporter's appointed agent and sole representative, or they may import consolidated containers from various consumer-oriented food exporters.

- Retailers purchase more than 80 percent of consumer-oriented foods from importers and wholesalers located in traditional open markets.
- There are growing instances where wholesalers/agents are bypassed by end-users who deal directly with exporters.
- Increase in the range of in-store offerings for consumers such as fresh foods (including local foodstuff, fruits, and vegetables), take-away food service, bakery, and confectioners' corners, etc. Many supermarket outlets are also dedicating corners for these new offerings, and in most cases, supply of local foodstuff, fresh fruits and vegetables are contracted to local producers.
- Street stores and kiosks offer low prices to attract more consumers.
- Online retailing is an emerging trend. Consumers (especially the young) in urban areas are utilizing mobile payments, restaurant and grocery delivery applications, and e-commerce.

### **Market Trends**

Despite eroding purchasing power, Nigerians are shifting towards more flexible pattern of eating convenient and healthy foods and beverages. Foodservice providers are adjusting their menus and prices to attract more patronage, and their packaging to make them more compatible with sales through multiple channels. The COVID-19 pandemic increased the adoption of digital innovation in the food industry. Food retail, food processing, and food service businesses are expanding their online channels, embracing large e-commerce platforms such as Glovo and Chowdeck, and coordinating with delivery service providers to meet online shopping demand. Increasing digital consciousness, rapid urbanization, and proliferation of smart phones are anticipated to influence this growth.

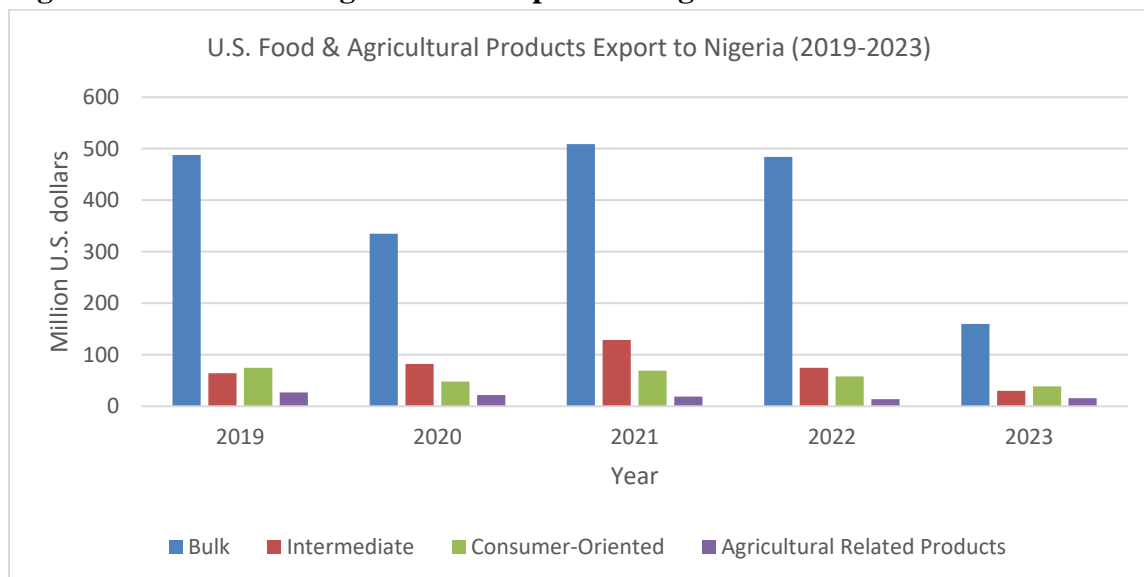
Processed food, beverages, condiments and sauces, spices and tree nuts are among the top consumer-oriented products sold online. These items continue to extend their presence on e-commerce platforms in 2023 due to their convenience and shelf-life. Meanwhile, perishable products including fresh vegetables



and fruits, and dairy products are mostly distributed through offline channels, however some e-commerce service providers are now providing fresh grocery delivery services.

## SECTION V: AGRICULTURAL AND FOOD IMPORTS

**Figure 2. U.S. Food & Agricultural Exports to Nigeria**



Source: USDA Global Agricultural Trade System

### U.S. Exports to Nigeria in 2023

U.S. food, agricultural, and related exports to Nigeria declined significantly in 2023 due to the economic shock and high inflationary pressure caused by the GON’s removal of the fuel subsidy and the devaluation of the currency. Wheat accounted for 60 percent of the country’s total agricultural and related imports from the United States. In 2023, global exports of consumer-oriented food exports to the country amounted to about \$1.6 billion, with the United States accounting for about 2 percent of this amount (Table 1). Industry sources estimated global consumer-oriented product and other food exports to be higher than the recorded value as some imported products enter the market unrecorded, undervalued, or concealed through informal trade channels. Informal entry is high due to the country’s porous borders, high tariffs, import prohibitions, and protectionist trade measures.

**Table 1. Selected Food and Beverage Exports to Nigeria**

	Global exports (millions \$ USD)			U.S. Exports (millions \$ USD)			U.S. Market Share (%)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Dairy Products	840	759	568	5	2	-	1%	0%	0%
Soup and Other Preparations	204	194	168	32	23	24	16%	12%	14%
Processed Vegetables	103	123	203	1	1	1	1%	1%	1%
Fresh Vegetables	23	95	39	-	-	-	0%	0%	0%

Processed Fruit	35	82	81	-	-	-	0%	0%	0%
Fresh Fruit	51	79	60	-	-	1	0%	0%	1%
Bakery Goods, Cereals & Pasta	32	77	150	1	1	1	3%	1%	1%
Condiments & Sauces	68	58	43	1	-	-	1%	0%	0%
Spices	26	44	51	-	-	1	0%	0%	1%
Non-Alcoholic Bev. (ex. Juices, coffee & tea)	35	40	29	3	2	1	9%	5%	1%
Distilled Spirits	43	39	48	4	6	5	9%	15%	10%
Fruit & Vegetable Juices	41	32	33	-	-	-	0%	0%	0%
Chocolate & Cocoa Products	16	29	35	-	-	-	0%	0%	0%
Tree Nuts	3	28	45	-	-	-	0%	0%	0%
Coffee, Roasted & Extracts	20	27	27	-	-	-	0%	0%	1%
Mfg. Tobacco	18	23	20	-	-	-	0%	0%	0%
Tea	24	19	16	-	-	-	0%	0%	0%
Wine & Related Products	14	15	8	7	5	3	50%	33%	37%
Chewing gum & Candy	7	8	7	-	-	-	0%	0%	0%
Dog & Cat Food	4	6	5	-	1	1	0%	17%	12%
Meat Products NESOI	3	3	2	1	-	-	33%	0%	0%
Seafood Products	891	885	694	17	13	10	2%	1%	1%

Sources: Trade Data Monitor LLC and USDA Global Agricultural Trade System

## SECTION VI: KEY CONTACTS AND FURTHER INFORMATION

### 1) FAS Office in Lagos, Nigeria

U.S. Consulate  
 2 Walter Carrington Crescent  
 Lagos, Nigeria  
 Tel: +234 01 460 3485  
[AgLagos@usda.gov](mailto:AgLagos@usda.gov)

### 2) Key Government Contacts

- [National Agency for Food and Drug Administration and Control](#)
- [Nigeria Agricultural Quarantine Service](#)
- [Federal Government of Nigeria single window for trade](#)

### Attachments:

No Attachments