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Report Highlights:

Due to higher input costs associated with planting corn, rice, and other crops, soybean and peanut production is expected to increase in marketing year (MY) 2024/25. Private sector investors are expanding oil palm production and increasing processing capacity to take advantage of strong demand and high prices. Soybean exports are forecasted to significantly increase to 212,000MT in MY 2024/25 from just 7,000 MT in MY2023/24. This projected increase is due to higher production, lower domestic consumption, and higher export demand for Nigeria's non genetically-engineered beans, coupled with the devaluation of the naira encouraging local producers to export to acquire hard currency.

Oilseeds Market Overview

In October 2023, the Central Bank of Nigeria (CBN) [lifted foreign exchange restrictions for the importation of 43 items, including palm kernel/palm oil products/vegetable oils](#). Despite lifting restrictions, oilseed importers reported persistent difficulties obtaining foreign currency. In addition, imports were stymied by low consumer demand due to the naira's depreciation and inflation. Despite a convergence of the official and parallel exchange rates in March 2024, importers noted foreign exchange scarcity hindered their attempts to import agricultural commodities. However, the palm production sector may have benefited from these restrictions as the government encouraged private sector investment to boost domestic production.

The Edo State Oil Palm Program is reportedly contributing to the sector by allocating about 120,000 hectares of land to domestic and foreign investors. Enterprises are increasing their investments and planting for large-scale commercial production. Consumer demand and private investment is driving oil palm cultivation across the country. Nigeria's refined oil and oilseed products are dynamic with food, industrial, and feed usage all growing in tandem.

Due to the high cost of agricultural inputs for corn, rice, and other crops, producers have been switching to soybeans which require relatively less fertilizer in local conditions compared to other crops. Soybean exportation is projected to increase due to the devaluation of naira which makes it cheaper for foreign buying, the projected increased domestic production and projected decrease in domestic consumption. Exports are expected to increase due to producers seeking hard currency and market demand for Nigeria's non-genetically engineered soybeans. Export might be influenced by the growing demand for biofuel and ethanol in Brazil and the United States will increase demand for soybeans and potentially increase global prices.

PALM KERNEL

Table 1: Palm Kernel Production, Supply and Distribution

Oilseed, Palm Kernel Market Year Begins	2022/2023		2023/2024		2024/2025	
	Jan 2023		Jan 2023		Jan 2024	
Nigeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	3000	3000	3200	3200	0	3400
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	5	5	5	5	0	30
Production (1000 MT)	900	900	1100	1100	0	1200
MY Imports (1000 MT)	4	4	4	4	0	4
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	909	909	1109	1109	0	1234
MY Exports (1000 MT)	0	0	0	0	0	0
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	900	900	1050	1050	0	1150
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	4	4	29	29	0	30
Total Dom. Cons. (1000 MT)	904	904	1079	1079	0	1180
Ending Stocks (1000 MT)	5	5	30	30	0	54

Total Distribution (1000 MT)	909	909	1109	1109	0	1234
CY Imports (1000 MT)	4	4	4	4	0	4
CY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
CY Exports (1000 MT)	0	0	0	0	0	0
CY Exp. to U.S. (1000 MT)	0	0	0	0	0	0
Yield (MT/HA)	0.3	0.3	0.3438	0.3438	0	0.3529
(1000 HA) ,(1000 TREES) ,(1000 MT) ,(MT/HA)						

PRODUCTION

FAS-Lagos estimates MY2024/25 palm kernel production at 1.2 million metric tons (MMT), about 9 percent increase compared to 1.1 MMT projection for MY2023/24 (Table 1). This is due to growing private sector investment in the sector, resulting in more land under cultivation. In addition, the domestic food processing industry is increasing use of palm kernel oil in packaged foods. Post forecasts area harvested in MY 2024/25 to reach 3.4 million hectares, a 3 percent increase compared to MY 2023/24 estimate of 3.2 million hectares.

Regional Production Updates

The Edo State Oil Palm Program is reportedly significantly contributing to the sector by allocating about 120,000 hectares of land to domestic and foreign investors, including Agro-allied Resources and Processing Nigeria (Dufil), AgriPalm, a subsidiary of Flour Mills of Nigeria, Saro Oil Palm, Bragav Nigeria, Saturn Farms, and Fayus. These and other enterprises are increasing their investments and planting for large-scale commercial production.

CONSUMPTION

FAS-Lagos forecasts MY2024/25 palm kernel oil consumption at 1.18 MMT, a 9 percent increase compared to the projection of 1.07 MMT for MY 2023/24. The increase is attributed to higher domestic production, and lower domestic prices, especially for unrefined products locally produced when compared to peanut and soybean oils. According to contacts, the costs associated with traditional methods of crushing palm kernel seeds have significantly increased due to higher fuel and energy prices. Post forecasts that the projected increase in production might influence crushing.

TRADE

FAS-Lagos forecasts palm kernel imports at 4,000 metric tons (MT) in MY 2024/25, a 33 percent increase compared to the MY2023/24 estimate of 3,000 MT. This increase is attributed to the supply gap in palm kernel oilseed production and consumption in Nigeria. In October 2023, [the CBN lifted foreign exchange restrictions for the importation of 43 items](#), including palm kernel and palm oil products. Post estimates that the dropping of these restrictions may enable more imports in MY 2024/25.

STOCKS

FAS Lagos forecasts palm kernel beginning and ending stocks in MY 2024/25 at 30,000 MT and 54,000 MT respectively.

SOYBEANS

Table 2: Soybean Production, Supply and Distribution

Oilseed, Soybean Market Year Begins Nigeria	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	1200	1200	1150	1150	0	1350
Area Harvested (1000 HA)	1200	1200	1150	1150	0	1350
Beginning Stocks (1000 MT)	96	96	102	102	0	101
Production (1000 MT)	1180	1180	1150	1150	0	1330
MY Imports (1000 MT)	1	1	1	1	0	1
MY Imp. from U.S. (1000 MT)	1	1	1	1	0	1
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1277	1277	1253	1253	0	1432
MY Exports (1000 MT)	20	20	7	7	0	212
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	825	825	815	815	0	815
Food Use Dom. Cons. (1000 MT)	205	205	205	205	0	205
Feed Waste Dom. Cons. (1000 MT)	125	125	125	125	0	80
Total Dom. Cons. (1000 MT)	1155	1155	1145	1145	0	1100
Ending Stocks (1000 MT)	102	102	101	101	0	120
Total Distribution (1000 MT)	1277	1277	1253	1253	0	1432
CY Imports (1000 MT)	1	1	1	1	0	0
CY Imp. from U.S. (1000 MT)	1	1	1	1	0	0
CY Exports (1000 MT)	20	20	7	7	0	50
CY Exp. to U.S. (1000 MT)	0	0	0	0	0	0
Yield (MT/HA)	0.9833	0.9833	1	1	0	0.9852

(1000 HA) ,(1000 MT) ,(MT/HA)

PRODUCTION

FAS-Lagos anticipates that soybean production in MY 2024/25 will increase by 14 percent to 1.33 MMT, compared to the 1.15 MMT projection for MY 2023/24 (Table 2). This increase is attributed to the increase in the area planted. Due to the high cost of agricultural inputs for corn, rice, and other crops, producers have been switching to soybeans which require relatively less fertilizer in local conditions compared to other crops. According to contacts, soil nutrient deficiencies are uncommon for soybean planting areas.

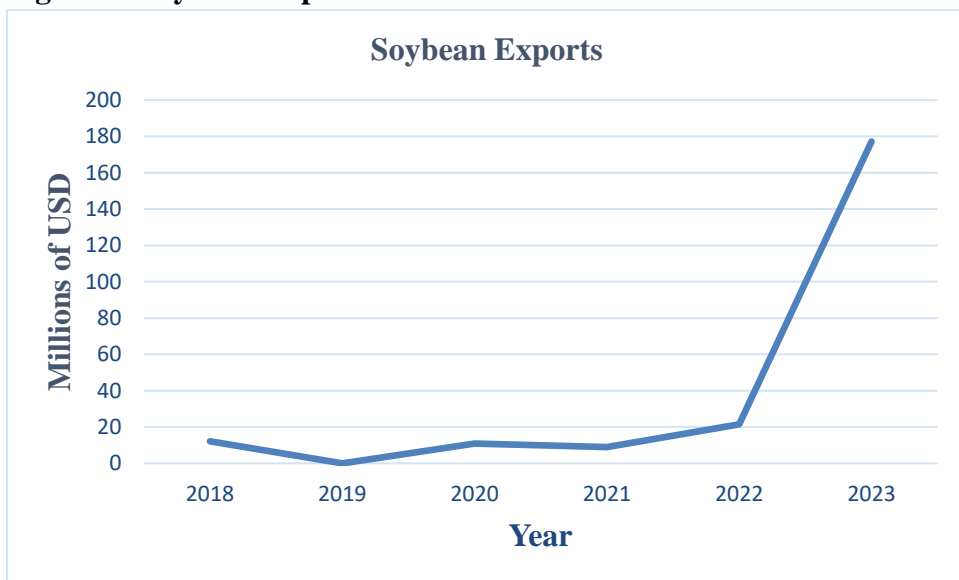
CONSUMPTION

About one-third of soybeans produced are allocated to poultry feed, which accounts for 20-25 percent of poultry feed by weight. FAS Lagos forecasts soybean consumption in MY 2024/25 at 1.14 MMT, a 4 percent decrease compared to the MY 2023/24 estimate of 1.10 MMT. The marginal decrease is due to challenging business environment for poultry producers, which are expected to reduce soybean poultry feed demand. Additionally, the high expected corn prices are also expected to reduce soybean consumption for animal feed as poultry and egg producers cut production. While food processors use soybeans to produce soymilk, cake, yogurt, and to fortify traditional food staples (e.g., garri and rice), the demand for food use is not significant compared to animal feed.

TRADE

FAS-Lagos forecasts soybean imports in MY 2024/25 unchanged as the previous year at 1,000 MT. Imports are expected to stay low due to increased domestic production and difficulty sourcing foreign exchange by importers. Soybean imports decreased by about 95 percent in 2023 year-on-year while exports increased significantly (Figure 1).

Figure 1: Soybean Exports



Source: Trade Data Monitor Inc

Post forecasts soybean exports in MY 2024/25 at 212,000 MT, compared to the MY 2023/24 estimate of 7,000 MT. This is due to the devaluation of naira which makes it cheaper for foreign buying, the projected increased domestic production and projected decrease in domestic consumption. Exports are expected to increase due to producers seeking hard currency and market demand for Nigeria's non-genetically engineered soybeans. Export might be influenced by the growing demand for biofuel and ethanol in Brazil and the United States will increase demand for soybeans and potentially increase global prices.

PEANUT

Table 3: Peanut Production, Supply and Distribution

Oilseed, Peanut Market Year Begins	2022/2023		2023/2024		2024/2025	
	May 2022		May 2023		May 2024	
Nigeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	3400	3400	3450	3450	0	3650
Beginning Stocks (1000 MT)	427	427	439	439	0	418
Production (1000 MT)	4284	4284	4300	4300	0	4700
MY Imports (1000 MT)	5	5	5	5	0	0
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	4716	4716	4744	4744	0	5118

MY Exports (1000 MT)	2	2	1	1	0	2
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	750	750	750	750	0	750
Food Use Dom. Cons. (1000 MT)	2700	2700	2725	2725	0	2925
Feed Waste Dom. Cons. (1000 MT)	825	825	850	850	0	950
Total Dom. Cons. (1000 MT)	4275	4275	4325	4325	0	4625
Ending Stocks (1000 MT)	439	439	418	418	0	491
Total Distribution (1000 MT)	4716	4716	4744	4744	0	5118
CY Imports (1000 MT)	5	5	5	5	0	0
CY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
CY Exports (1000 MT)	2	2	1	1	0	0
CY Exp. to U.S. (1000 MT)	0	0	0	0	0	0
Yield (MT/HA)	1.26	1.26	1.2464	1.2464	0	1.2877
(1000 HA) ,(1000 MT) ,(MT/HA)						

PRODUCTION

FAS-Lagos forecasts peanut production in MY 2024/25 at 4.7MMT, about a 9 percent increase compared to the MY 2023/24 estimate of 4.3MMT (Table 3). This is attributed to expansion in land cultivated for peanut due to the lower fertilizer requirements compared to other crops. Because peanuts are relatively drought tolerant, producers plant them as secondary crops in rotation with main food crops to increase income.

Area harvested is forecast at 3.65 million hectares in MY 2024/25, a 6 percent increase compared to the MY 2023/24 projection of 3.45 million hectares. FAS-Lagos estimates that farmers in less conflict-prone states in the north and south expanding planting to take advantage of growing demand and higher fertilizer prices.

CONSUMPTION

FAS-Lagos anticipates consumption in MY 2024/25 at 4.6 MMT a 7 percent increase compared to the MY 2023/24 estimate of 4.3 MMT. This is attributed to the projected increase in demand due its competitive price compared to other snacks amidst record high food inflation. Post estimates food use in MY 2024/25 is at 2.9 MMT, a 7 percent increase compared to the MY 2023/24 estimate of 2.7 MMT. Post estimates this increase will be due to higher demand for roasted peanuts, peanut-based snacks, and peanut butter among urban consumers.

FAS-Lagos estimates waste consumption in MY 2024/25 to reach 1 MMT, a 5 percent increase compared to the MY 2023/24 estimate of 850,000 MT. This increase is due to the growth in domestic ranching operations, which use waste as an affordable feed input. Peanut shells also serve as a fuel source in local factories and are applied on fields to enrich the soil. Meanwhile, poultry and aquaculture feed millers are incorporating peanut cake to reduce production costs.

MEALS

MEAL, PALM KERNEL

Table 4: Meal Palm Kernel Production, Supply and Distribution

Meal, Palm Kernel Market Year Begins Nigeria	2022/2023		2023/2024		2024/2025	
	Jan 2023		Jan 2024		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	900	900	1050	1050	0	1150
Extr. Rate, 999.9999 (PERCENT)	0.5244	0.5244	0.5248	0.5248	0	0.5217
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	472	472	551	551	0	600
MY Imports (1000 MT)	0	0	0	0	0	0
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	472	472	551	551	0	600
MY Exports (1000 MT)	15	15	25	25	0	25
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	457	457	526	526	0	575
Total Dom. Cons. (1000 MT)	457	457	526	526	0	575
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	472	472	551	551	0	600
(1000 MT) ,(PERCENT)						

PRODUCTION

FAS-Lagos forecasts palm kernel meal production in MY 2024/25 at 600,000 MT, an 8 percent increase compared to the MY 2023/24 estimate of 551,000 MT (Table 4). This is attributed to the projected increased production of palm kernel and the increasing demand for meal as an alternative energy source in place of corn for animal feed. Large industrial millers like Presco and Okomu produce considerable quantities for animal feed.

CONSUMPTION

Post forecasts meal consumption in MY 2024/25 at 575,000 MT, a 9 percent increase compared to the estimate for MY 2023/24 at 526,000 MT. Demand for cake continues to increase to meet the needs of livestock and poultry feed sectors that consider it a cheaper energy source compared to higher priced corn. Poultry feed experts recommend using 15 to 25 percent palm kernel meal component in poultry feed. Consequently, the government endorsed palm kernel meal as an alternative raw material for animal feeds. Overall, feed millers seek to reduce production costs by increasing cake use in feed formulation for ruminants.

TRADE

FAS-Lagos forecasts that meal exports will remain unchanged at 25,000 MT in MY 2024/25. Industry sources indicated that meal produced in Nigeria has a preferred flavor across the Sahel countries. As a result, meal producers obtain higher prices by exporting informally to oil refiners and feed millers operating in neighboring countries. This export market trend might increase over time, especially as

interests in intensive livestock system grows in the neighboring Sahel countries.

MEAL, SOYBEAN

Table 5: Meal, Soybean Production, Supply and Distribution

Meal, Soybean Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Nigeria						
Crush (1000 MT)	825	825	815	815	0	815
Extr. Rate, 999.9999 (PERCENT)	0.777	0.777	0.7779	0.7779	0	0.8098
Beginning Stocks (1000 MT)	46	46	22	19	0	29
Production (1000 MT)	641	641	634	634	0	660
MY Imports (1000 MT)	1	1	1	1	0	0
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	1	1	1	1	0	1
Total Supply (1000 MT)	688	688	657	654	0	689
MY Exports (1000 MT)	236	160	100	100	0	200
MY Exp. to EU (1000 MT)	168	75	65	65	0	85
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	430	510	525	525	0	400
Total Dom. Cons. (1000 MT)	430	510	525	525	0	400
Ending Stocks (1000 MT)	22	19	32	29	0	89
Total Distribution (1000 MT)	688	689	657	654	0	689
(1000 MT) ,(PERCENT)						

PRODUCTION

FAS-Lagos anticipates that soybean meal production in MY 2024/25 will increase by nearly 5 percent at 660,000 MT, compared to the MY 2023/24 estimate of 634,000 MT (Table 5). This situation is due to the expected increase in domestic supply of soybean in MY2024/25.

CONSUMPTION

FAS Lagos forecasts about 24 percent decrease in the domestic consumption of soybean meal in MY 2024/25 at 400,000 MT, compared to the MY 2023/24 estimate of 525,000 MT. This is attributed to the projected decrease in the poultry production which is directly proportionate to the consumption of soybean meal. Soybean meal is used primarily in livestock feed, especially for poultry. Soybean meal is a vital source of protein, fiber, and other essential nutrients in compound feed. Poultry farmers strongly prefer using soybean meal because of its high digestibility quality.

According to post contact, the feed milling sector might not have to face high cost of soybean compared to what was recorded last year, as increased production is expected in the next harvest. Nigeria further processes soybean meal for food and non-food uses. Leftover cake goes to animal feed production.

TRADE

FAS-Lagos forecast no soybean meal imports in MY 2024/25. This is primarily attributed to the increased domestic production, scarcity of foreign exchange, and high import costs. In addition, the

import duty on soybean meal for animal feed is 20 percent. According to market contacts, sourcing foreign exchange through unofficial means to import soybean meal for animal feed is not profitable.

Post forecasts exports to reach 200,000 MT in MY2024/25, a 50 percent increase compared to the MY2023/24 estimate of 100,000 MT. This is due to the projected decrease in local consumption of soybean meal fueled by the challenging business environment for poultry and egg production.

MEAL, PEANUT

Table 6: Meal Peanut, Production, Supply and Distribution

Meal, Peanut Market Year Begins Nigeria	2022/2023		2023/2024		2024/2025	
	May 2022		May 2023		May 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	750	750	750	750	0	750
Extr. Rate, 999.9999 (PERCENT)	0.3267	0.3267	0.3267	0.3267	0	0.3467
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	245	245	245	245	0	260
MY Imports (1000 MT)	0	0	0	0	0	0
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	245	245	245	245	0	260
MY Exports (1000 MT)	0	0	0	0	0	0
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	245	245	245	245	0	260
Total Dom. Cons. (1000 MT)	245	245	245	245	0	260
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	245	245	245	245	0	260
(1000 MT) ,(PERCENT)						

PRODUCTION

FAS-Lagos forecasts meal production in MY 2024/25 at 260,000 MT, a 4 percent increase compared to the 245,000 MT estimate for MY 2023/24 (Table 6). This is attributed to the expected higher domestic supply of peanut in MY 2024/25 which might favor meal production. Additionally, peanut production is rising as local farmers search for better crop prices offered by feed millers. Post forecasts peanut meal crush in MY 2023/24 to remain the same as 750,000 MT. This is because the adoption and demand for the use of peanut meal in feed formulation is still developing.

CONSUMPTION

FAS-Lagos forecasts peanut meal consumption in MY 2024/25 at 260,000 MT, a 6 percent increase compared to the MY 2023/24 estimate of 245,000 MT. This is attributed to the increasing adoption of peanut meal as a protein-source due to the high cost of conventional feed ingredients. Peanut meal is a protein-rich ingredient used in formulating all classes of livestock feeds. The entire domestic peanut meal production goes into animal feed.

TRADE

FAS Lagos forecasts peanut meal imports in MY 2024/25 to remain at zero, unchanged from previous marketing years. Similarly, Post does not foresee any significant peanut meal exports, as Nigeria's peanuts contain varying degrees of aflatoxins exceeding permissible safe levels for many countries, particularly for peanut meal processed from seeds harvested from smallholder farms.

STOCKS

FAS Lagos forecasts peanut meal stocks to remain at zero. Peanut produced are all consumed as feed. FAS Lagos expects crushers to sell the bulk of their meal to take advantage of increasing domestic demand.

OIL, PALM KERNEL

Table 7: Oil Palm Kernel Production, Supply and Distribution

Oil, Palm Kernel Market Year Begins Nigeria	2022/2023		2023/2024		2024/2025	
	Jan 2023		Jan 2024		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	900	900	1050	1050	0	1150
Extr. Rate, 999.9999 (PERCENT)	0.4367	0.4367	0.4371	0.4371	0	0.4565
Beginning Stocks (1000 MT)	19	19	14	14	0	28
Production (1000 MT)	393	393	459	459	0	525
MY Imports (1000 MT)	0	0	0	0	0	0
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	412	412	473	473	0	553
MY Exports (1000 MT)	13	13	20	20	0	20
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	110	110	115	115	0	170
Food Use Dom. Cons. (1000 MT)	275	275	310	310	0	330
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	385	385	425	425	0	500
Ending Stocks (1000 MT)	14	14	28	28	0	33
Total Distribution (1000 MT)	412	412	473	473	0	553
(1000 MT) ,(PERCENT)						

PRODUCTION

FAS-Lagos anticipates palm kernel oil production to increase by 14 percent to 525,000 MT in MY 2024/25 compared to the MY 2023/24 estimate of 459,000 MT. This increase is attributed to the low cost of refining palm kernel oil which manufacturers are expected to utilize to reduce production costs. According to post contacts, the cost of refining palm kernel oil is about 50 percent of what is required to refine palm oil. As a result, Nigerian vegetable oil refiners prefer palm kernel oil as a raw material.

Post forecasts an increase in palm kernel crush and extraction rate in MY 2024/25 at 1.15 MMT and 0.45 per MT respectively compared to the estimate in MY2023/24. The increase in the extraction rate is attributed to the increasing private sector investment in commercial scale production of palm kernel oil, and the replacement of older trees for better fruit.

CONSUMPTION

FAS-Lagos forecasts palm kernel oil consumption in MY 2024/25 at 500,000 MT, a 15 percent increase compared to the MY 2023/24 estimate of 425,000 MT. Palm kernel oil is gaining relevance as a cheap source of oil for food and non-food purposes. It also serves as biofuel and specialty fats. Food use consumption is estimated to increase by 6 percent at 330,000 MT compared to the previous projection of 310,000 MT. The palm kernel oil is used for soap making, as a source of glycerin, for manufacturing margarine, cooking fats, and for manufacturing lubricants. Industrial domestic consumption is estimated at 170,000 MT, a 32 percent increase compared to the previous year's estimate of 115,000 MT.

STOCKS

FAS Lagos forecasts palm kernel oil beginning and closing stocks in MY 2023/24 at 25,000 MT and 33,000 MT, respectively. Processors expect further increases in demand/price for palm kernel oil, especially for industrial uses (including biofuel), in the upcoming marketing year. Global anticipated demand for palm kernel oil (for use in both food and non-food) is expected to increase as more countries embrace renewable energy sources.

OIL, PALM

Table 8: Oil Palm Production, Supply and Distribution

Oil, Palm Market Year Begins Nigeria	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	3000	3000	3200	3200	0	3400
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	84	84	76	76	0	118
Production (1000 MT)	1400	1400	1500	1500	0	1600
MY Imports (1000 MT)	400	400	425	425	0	425
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1884	1884	2001	2001	0	2143
MY Exports (1000 MT)	18	18	18	18	0	20
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	240	240	240	240	0	240
Food Use Dom. Cons. (1000 MT)	1550	1550	1625	1625	0	1725
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1790	1790	1865	1865	0	1965
Ending Stocks (1000 MT)	76	76	118	118	0	158
Total Distribution (1000 MT)	1884	1884	2001	2001	0	2143
CY Imports (1000 MT)	400	400	425	425	0	0
CY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
CY Exports (1000 MT)	18	18	18	18	0	18
CY Exp. to U.S. (1000 MT)	0	0	0	0	0	0
Yield (MT/HA)	0.4667	0.4667	0.4688	0.4688	0	0.4706
(1000 HA) ,(1000 TREES) ,(1000 MT) ,(MT/HA)						

PRODUCTION

FAS-Lagos forecasts palm oil production in MY 2024/25 to reach 1.6 MMT, a 6 percent increase compared to the 1.5 MMT forecast for MY 2023/24. The increase in production is attributed to the to the projected increased harvested area for oil seed palm kernel fueled by more private investment in palm oil production and strong demand.

According to post contacts, several new plantations set up by private enterprises have started producing in commercial quantities. Some of the investors are collaborating with smallholder, who account for about 80 percent of total palm production through financing, to assist in increasing production and expanding processing facilities. The collaboration helps mitigate the archaic methods of processing, and boosts yield by encouraging the planting of high-yielding oil palm seeds (palmelit and socfindo varieties).

Limited production increases from Southeast Asia might bring about renewed interest in domestic palm oil production. In response, existing commercial investors, such as Presco Oil Palm Plc and Okomu, are expanding production and increasing processing capacity.

CONSUMPTION

FAS-Lagos estimates oil palm consumption in MY 2024/25 at 1.96 MMT, 5 percent increase compared to the estimate for MY 2023/24 at 1.86 MMT. The increase is due to Nigeria's growing population which encourages the consumption and industrial utilization of palm oil.

Palm oil is a popular household ingredient in Nigeria used to enhance the flavor of various recipes. In addition, palm oil is a crucial ingredient for manufacturing consumer food products and is a significant raw material needed in noodles, soaps, detergents, and cosmetics. Post contacts reported that regardless of the price of palm oil in the market, it must be used for cooking and the price will always be cheaper than other cooking oils. Nigeria's per capita consumption of edible oils stands at 12.5 kilograms compared to the world average of 20 kilograms. In international markets, the widening gap between soybean oil and palm oil prices is expanding the demand for palm oil in Nigeria.

TRADE

FAS-Lagos forecasts palm oil imports in MY 2024/25 unchanged at 425,000 MT, compared to MY 2023/24. The projected increase in global commodity prices and increased domestic supply might discourage imports. In October 2023, [the Central Bank of Nigeria \(CBN\) lifted foreign exchange restrictions for the importation of 43 items](#), including palm oil products. However, contacts noted that even after the item was placed on the restricted list, importation was never impeded.

According to TDM data, Nigeria imports about 92 percent of oil palm from Malaysia, with other imports coming from Ghana, Indonesia, and Cote D'Ivoire. Meanwhile, significant quantities of unrecorded palm oil products enter Nigeria's market through cross-border gray channels in neighboring countries (e.g.,

Benin, Togo, and Cameroon). Importers actively engage in this cross-border trade to evade the more than 35 percent import duty imposed on palm oil imports.

In MY 2024/25, oil palm exports are forecasted at 20,000 MT, same as the forecast for the previous year. Export opportunities to neighboring West African and Sahel countries will persist due to the naira devaluation relative to the CFA franc. The increase in demand for olein-based vegetable oil favor exports.

OIL, SOYBEAN

Table 9: Oil, Soybean Production, Supply and Distribution

Oil, Soybean Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
Nigeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	825	825	815	815	0	815
Extr. Rate, 999.9999 (PERCENT)	0.1806	0.1806	0.1804	0.1804	0	0.211
Beginning Stocks (1000 MT)	46	46	25	25	0	27
Production (1000 MT)	149	149	147	147	0	172
MY Imports (1000 MT)	15	15	25	25	0	25
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	210	210	197	197	0	224
MY Exports (1000 MT)	0	0	0	0	0	0
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	185	185	170	170	0	185
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	185	185	170	170	0	185
Ending Stocks (1000 MT)	25	25	27	27	0	39
Total Distribution (1000 MT)	210	210	197	197	0	224
(1000 MT) ,(PERCENT)						

PRODUCTION

FAS-Lagos forecasts soybean oil production in MY 2024/25 at 172,000 MT, a 17 percent increase compared to the MY 2023/24 estimate of 147,000 MT. The production increase is attributed to the expected increase in soybean production which might in turn result in cheaper sourcing of soybean as raw material for local processors.

CONSUMPTION

FAS-Lagos estimates soybean oil consumption in MY 2024/25 at 185,000 MT, a 9 percent increase compared to the MY 2023/24 estimate of 170,000 MT. This is attributed to the projected increase in soybean production which might decrease the price of soybean for oil production. The lower price would provide processors with lower cost inputs. Despite shrinking incomes, soybean oil is increasingly becoming the preferred option for consumers in urban areas.

OIL, PEANUT

Oil, Peanut Market Year Begins Nigeria	2022/2023		2023/2024		2024/2025	
	May 2022		May 2023		May 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	750	750	750	750	0	750
Extr. Rate, 999.9999 (PERCENT)	0.3533	0.3533	0.3533	0.3533	0	0.38
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	265	265	265	265	0	285
MY Imports (1000 MT)	1	1	1	1	0	1
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	266	266	266	266	0	286
MY Exports (1000 MT)	3	3	3	3	0	3
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	263	263	263	263	0	283
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	263	263	263	263	0	283
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	266	266	266	266	0	286
(1000 MT) ,(PERCENT)						

PRODUCTION:

FAS-Lagos forecasts peanut oil production in MY 2024/25 to increase by 14 percent to 285,000 MT from compared to the estimate of 265,000 MT in MY 2023/24. This increase is due to higher domestic supplies and improved peanut farming practices that are expected to increase peanut oil production. Farmers are increasingly adopting better-yielding peanut varieties with higher oil content.

CONSUMPTION:

FAS-Lagos forecasts peanut oil consumption in MY 2024/25 at 283,000 MT, an 8 percent increase compared to the estimate in MY 2023/24 at 263,000 MT. Food processors prefer peanut oil because it is ideal for deep-frying, baking, and roasting. It has a higher smoke point than other edible oils, making it a good option for high-heat cooking. Increased consumption of these foods, especially in urban areas, increases the demand for peanut oil.

TRADE:

FAS-Lagos forecasts peanut oil imports to be flat at same as the estimate for MY2023/24 at 1,000 MT. In 2008, Nigeria began allowing crude peanut oil into the market for local processors to refine and package varied products, but which was later restricted to source foreign exchange to import in 2015. In October 2023, [the Central Bank of Nigeria \(CBN\) lifted foreign exchange restrictions for the importation of 43 items](#), including vegetable oil products. However, during the restriction, peanut oil in retail packs continued to enter the market through cross-border gray channels. Meanwhile, the export of peanut oil to Sahel countries continues. The Sahel countries depend on imports of peanut oil from Nigeria, especially during Muslim festivals.

Attachments:

No Attachments