

Dairy Production in Nigeria

Overview, Challenges and
Opportunities



OUTLINE

3

Introduction

4

Cattle

5

The Dairy Industry Value Chain

6

The Nigerian Dairy Sector

7

Opportunities in the Dairy Industry



INTRODUCTION

Nigeria, with a population of over 170 million people is grossly underprovided with essential food components like protein which is important for the realization and development of human potentials both mentally and physically. Data from the FOS, CBN, and FAO indicates that from cattle, less than 2kg of beef is available to an average Nigerian per year and just mere 4kg of eggs per annum is available to each Nigerian. In fact, milk production has been nose diving or at best has remained constant since 1994.

Livestock production is a source of employment and livelihood to many Nigerians. The livestock population comprises cattle, goats, sheep, pigs, poultry etc. The livestock system employed by the farmers is characterized by traditional system of production.

The major challenges facing the livestock sector are:

- Lack of capital,
- Storage facilities,
- Lack of reserved land for livestock farmers
- Frequent theft.

CATTLE

Cattle are the most predominant and highly valued livestock in Nigeria. They are kept for beef, hide, and milk, for traction and for many as a status symbol. The domestic production and documented importation of cattle are, together, not enough to meet more than 60% of the actual demand. Transportation of cattle from the north to the south in Nigeria presents a daunting problem because it is both a costly and risky business. This provides opportunities for livestock producers to establish profitable livestock enterprises, because of the large increase in the demand for animal products.

The market for fresh milk products in Nigeria may be segmented into a number of classes by two main criteria namely Character (i.e. individual or corporate) and Income distribution. The various activities of the Nigerian dairy industry (viz. milk production, importation, processing, marketing and consumption) have been going on in the country for over 100 years.

imported powdered milk.

Though Nigeria is the largest producer of cow milk in West Africa and the third in Africa, the country is a net importer of the product and in order to increase the percentage of the livestock sector and local milk production in Nigeria, massive investment is required in the dairy industry to meet up with the 1.45 billion liters estimated national milk requirement. Presently, the local production of milk is less than 1% of the total annual demand that has been estimated at 1.45 billion litres, making the total milk consumption in Nigeria less than 10 litres per head whereas the global average is about 40 litres per head. In other parts of Africa, it is 28 litres per head.

THE DAIRY INDUSTRY VALUE CHAIN

Processing

At this point the milk is pasteurised, homogenised, and transformed into consumable forms like fresh milk, cheese, yoghurt and other products.

Packaging

The milk is packaged using paper board and plastic containers designed to keep dairy products fresh, clean and wholesome.

Distribution

Distribution companies deliver dairy products from the processor to retailers and others outlets in refrigerated trucks

Retail

Milk and dairy products are usually available almost all the retail outlets in the country: Convenient stores, shopping malls, super markets etc.

Consumer

Milk and milk products deliver nine essential nutrients to children and adults.

The Dairy Value Chain

Milk Transportation

Milk is transported from farm to processing plant in insulated tanker trucks.

Milk Production

Dairy cows are usually housed in a conducive environment, fed and milked in the farm.

Production of Feed for Cows

The dairy supply chain begins with growing crops such as corn, alfalfa, hay and soybeans to feed dairy cows

THE NIGERIAN DAIRY SECTOR

National Production	Consumption
National milk production (cow)	591,470 tonnes (2013)
Annual diary consumption	1.7 million tons (2013)
diary consumption per capita (excluding butter)	8 kg/capita/yr.(2011)
Import of milk products, excluding butter (quantity)	952,919 tonnes (2013)
Import of diary products (percentage in proportion to domestic production)	75% of consumed diary products are imported
Raw milk delivered for commercial use	Up to 3%
Retail sales of drinking milk products	167,692.62
No. of cows	4,254,000 (2012)
Average yield per cow	0.7 – 1.5 l fluid milk per day from the traditional system
No. of households involved in cattle breeding	327,000 households
Average number of cows/farm	13

OPPORTUNITIES IN THE DAIRY INDUSTRY

Shortage in supply: A gross shortage in the supply of cattle products (meat & Dairy) at the moment from both local production and importation is an amazing opportunity for the livestock business. in the southern region for grazing land. This clash for grazing land has presented opportunity for investors to setup ranches in the south to house these cattle for onward distribution to the vast market in the region.

High demand for meat and dairy products: The domestic production and recorded importation of cattle are, together, not enough to meet more than 60% of the actual demand. This is an opportunity for potential investors to cash in on the gap in the supply of products.

Need for Ranches: Cattle farmers in Nigeria are predominantly nomads and rural dwellers from the Northern region while the market for the products are in the southern part of the country. Incidentally, there have been fatal clashes between the farmers and their host communities

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