

ASSESSMENT OF NIGERIA'S PALM OIL PRODUCTION, CONSUMPTION AND IMPORTATION (2000-2022)

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ABSTRACT

The study assessed Nigeria's palm oil production, consumption and importation from 2000 - 2022. Secondary data were used and presented using descriptive statistics. The statistics showed fluctuations in palm oil production per annum from 2000-2022. The mean quantity of palm oil produced for the period under review was 955,780Metric Tonnes per annum while the minimum and maximum production levels were 730,000MT (year 2000) and 1,400,000MT((year 2021) respectively. Conversely, the consumption data showed a higher and a much more steady increase over time while palm oil importation also increased over the 22year period of assessment. Statistics for palm oil consumption for the period, shows that the mean palm oil consumption estimate was 1,306,780MT per annum while the minimum and maximum consumption levels were 879,000MT(year 2000) and 1,790,000MT (Year 2022) respectively. The data on importation shows the mean quantity of palm oil imported to be 369,390MT from year 2000 to 2022, while the minimum (158,000MT) and maximum (518,000MT) quantities of palm oil imported, for the period under review were recorded in year 2000 and year 2013 respectively. By implication, production is struggling to keep pace with consumption leading to a rise in importation. It was recommended that there should be sustained public and private sector intervention in the oil palm industry, adequate funding of research and the establishment of oil palm estates across the country to boost production.

Keywords: *Palm oil, assessment, production, consumption, importation*

INTRODUCTION

Nigeria agricultural production has been fluctuating for some years and the sources of these shocks are not very clear (Adeyemi, 2018). This has led to heavy importation of food crops to meet up with the country's consumption over the years. Agricultural export was the main stay of the Nigerian economy prior to the discovery, exploitation and exportation of crude oil which led to total dependence on it for revenue generation and also for economic growth and sustenance.

The oil palm industry plays an essential role in Nigeria's agricultural sector covering production, consumption and rural livelihoods. Before the oil boom in the 1970s, agricultural products accounted and contributed majorly to the export sector and the products were mainly (Oil palm, Cocoa, Rubber, Cotton etc).

The Nigerian oil palm belt covers 24 States, mainly in the south –east, south-west and south-south and north-central part of the country. Within the oil palm belt in Nigeria, 80% of production comes from dispersed smallholders who harvest semi-wild plants and use manual processing techniques. Several million shareholders are spread over an estimated area ranging from 1.65 million hectares to 2.4 million hectares and to a maximum of 3 million hectares. (Adeyemo, 2015). The oil palm industry in Nigeria provides indirect employment to many Nigerians in related activities such as contracting, supplying, trading, transporting, manufacturing, etc. (Ikuenobe, 2019)

In 2018, Nigeria produced more palm oil (one million tonnes) than other countries globally, except for Columbia, Thailand, Malaysia, and Indonesia which jointly accounted for over 64 million tonnes in total (Food and Agriculture Organization Statistics, 2021). Until the 1960s, Nigeria took the lead among palm oil producers, contributing 43% of global production, which dropped progressively over time due to over-reliance on traditional production methods (Thomas *et al.*, 2011).

Nigeria's population is ever increasing and has been estimated at over 200million people (National Population Commission, 2006) while the current population growth rate per annum is estimated at 2.4% (Macrotrends, 2023). With this soaring population, coupled with consumption rate of palm oil, adequate efforts must be put in place to bridge the demand and supply gap.

The dearth of information on key statistics about the oil palm industry in Nigeria, has necessitated this study. There is the need for Nigeria to maintain a steady flow of information on the various aspects of the oil palm industry which must be updated regularly in order to effectively plan for the growth and development of the industry.

The objective of the study was to provide an overview of the statistics of Nigeria's palm oil production, consumption and importation from 2000-2022.

RESEARCH METHODOLOGY

Nigeria is on the Southern coast of West Africa between latitudes 5° and 15°N and longitudes 2° and 15°E. It occupies a land area of about 923,769 square kilometers and bordered by Benin to the West, Niger to the North and Chad and Cameroon to the East. Secondary data were used for this study and data on palm oil production, consumption and importation were collected from the [United States Department of Agriculture](#).

RESULTS AND DISCUSSION

Nigeria Palm Oil Production and Consumption Situation

Figure 1, presents the palm oil production and consumption situation in Nigeria over a 22 year period (from 2000 to 2022). The mean palm oil production estimate for the period under review was 955,780MT per annum while the minimum and maximum production levels were 730,000MT (year 2000) and 1,400,000MT(year 2021) respectively. This suggests a slow increase in production over the 22 year period. Similarly, statistics for palm oil consumption for the same period under review, shows that the mean palm oil consumption estimate was 1,306,780MT per annum while the minimum and maximum consumption levels were 879,000MT (year 2000) and 1,790,000MT (Year 2022) respectively. This suggests an increase in palm oil consumption rate over the 22 year period under review, higher than the production levels. The Nigeria palm oil production and consumption graph is presented below.

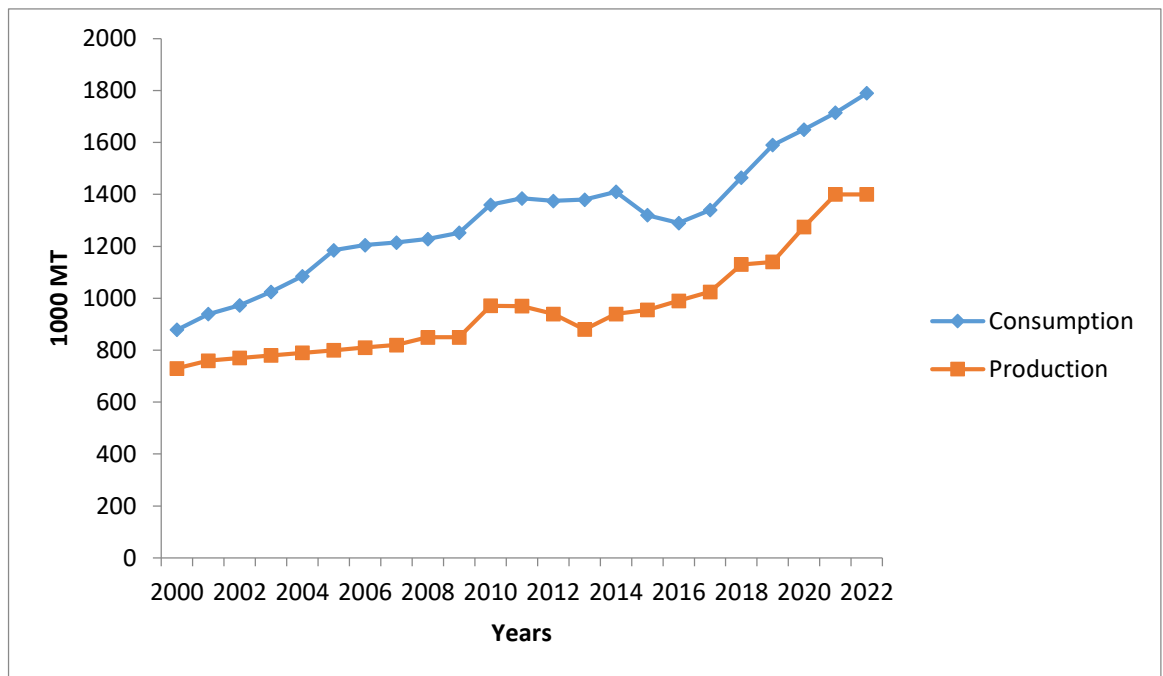


Fig.1: Nigeria palm oil production and Consumption (2000-2022)

Source: Authors’ computation using USDA Data, 2023.

Nigeria’s Palm Oil Importation and Consumption Situation

Figure 2 shows palm oil importation and consumption data in Nigeria. Due to a shortfall in supply, which has widened the demand and supply gap, Nigeria has had to depend on importation to bridge what is now looking like an ever widening gap. The data shows the mean quantity of palm oil imported to be 369,390MT from year 2000 to 2022. Also, the minimum (158,000MT) and maximum (518,000MT) quantities imported for the period under review were recorded in year 2000 and year 2013 respectively.

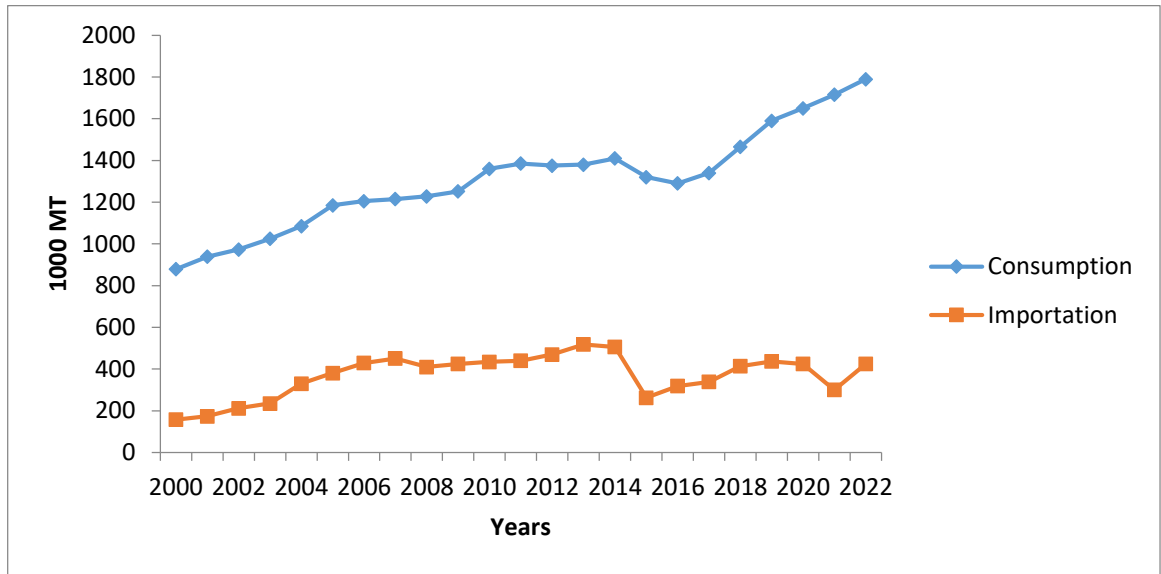


Figure 2: Palm oil consumption and importation in Nigeria (2000-2022).
 Source: Authors' computation using USDA Data, 2023.

Nigeria Palm oil Production, Consumption and Importation

The key statistics of Nigeria palm oil production, consumption and importation, have been presented and discussed earlier in Figures 1 and 2. However, Figure 3 presents all three variables combined for a clearer picture. From the graph, it is evident that there have been a clear gulf between the quantities of palm oil consumed, produced and imported. This could be attributed to increase in population and low palm oil production leading to a situation where Nigeria have to rely on a steady palm oil importation to bridge the gap.

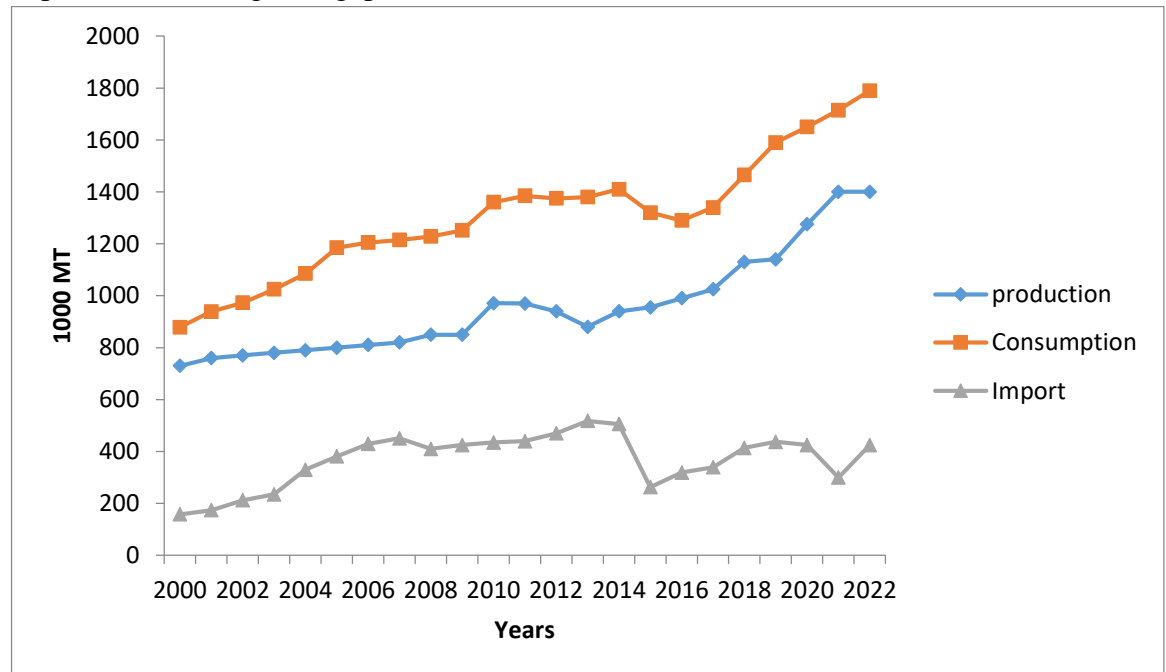


Figure 3: Nigeria Palm oil production, Importation and Consumption Trend.
 Source: Authors' computation using USDA Data, 2023.

CONCLUSION AND RECOMMENDATIONS

The study assessed the palm oil production, consumption and importation statistics in Nigeria from 2000-2022. The statistics indicates that the consumption rate of palm oil was fast outpacing production. In view of the foregoing, there should be;

- i.) sustained public and private sector interventions in the form of input subsidy and micro credit to the key actors in the oil palm industry
- ii.) adequate funding of research for cutting-edge breakthroughs
- iii.) the establishment of oil palm estates across the country to boost production.

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