

Peanut Blog

An ounce of information



Nigeria's groundnut output rises as industrial demand peaks

Nigeria's groundnut output is rising as demand for the crop peaks, driven by its use by industries and changing dietary preferences.

The nation's annual groundnut output has risen to over five million metric tons in 2024 from 4.8 million metric tons in 2021. Its demand has nearly reached 4.8 million tons per annum this year from 4.4 million tons in 2017, the Reportlinker said.

However, the number also includes peanuts generally.

Groundnut is generally used in industries for the production of groundnut oil, peanut burger, 'masa,' groundnut bar chocolate, chikki, butter, groundnut milk, among others.

Industry players say that despite the collapse of groundnut pyramids in northern Nigeria, the crop still has huge potential in industries and for consumption by health-conscious Nigerians.

"Nigeria currently produces more groundnuts than was done during the pyramid era," said Abdulrazaq Usman Muhammad, acting national president, National Groundnut Producers, Processors and Marketers Association of Nigeria (NGROPPMAN).

"Groundnut still contributes to the country's GDP, but the challenge is that we are neglected. There is hardly any tangible support that comes our way," he noted.

The National Bureau of Statistics (NBS) says that 10 states, including Kano, Niger, Kaduna, Benue, Zamfara, Taraba, Bauchi, Borno, Katsina, Nasarawa, top groundnuts farming states in Nigeria. According to the Nigeria Export Promotion Council (NEPC), Nigeria has grown groundnuts since 1912, becoming the 3rd largest producer in the world and number one in Africa. The loss of the legacy of groundnut pyramids has not dented the nation's status as the highest groundnut producer in Africa, the NEPC said. "Based on what we know, industries are using groundnuts to make chocolates, milk, chutney and other types of food products. There is rising demand for the crops as it is being exported mainly to Europe," Ike Ibeabuchi, who was a manufacturer, told BusinessDay.

According to Muhammad, acting national president of NGROPPMAN, Nigeria's groundnut production in the early 1960s to mid-1970s was sufficient for the Nigerian market and enough to meet export demand. He noted that a lack of support has reversed the crop's fortunes.

He recalled that the decline in groundnut production in 1980s and 1990s was caused by a number of factors, including dissolution of marketing boards, drought and groundnut rosette virus. "We can no longer mention drought, rosette epidemic and low yields, thanks to our research institutions saddled with the responsibility of research and development." He however admitted that poor supply and distribution, inconsistencies of government policies, high cost of production, urbanisation and climate variability are some of the factors militating against Nigeria's food and cash crops. According to the NEPC, the majority of global groundnut production goes to Europe and Japan as developing countries, including Nigeria, account for 90 percent of world groundnut export.

The export agency further says that there's an improvement of the quality of Nigerian groundnut as smallholder farmers are now being sensitised on best farming practices. It stresses that the Nigerian government is also investing in processing and storage facilities to improve the groundnut value chain.

Sheriff Balogun, president, Federation of Agricultural Commodity Association of Nigeria (FACAN), said Nigeria's huge population is also driving demand for the crop. "Right now, local consumption in itself is huge, as the nation's population has doubled since then. Also, the private sector is now exporting. The moment those exporting buy, they take it to the ports. In the past, it was a system of one buyer and one exporter," he further said.

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