

**FEDERAL MINISTRY OF AGRICULTURE AND FOOD SECURITY
NIGERIA OIL PALM DEVELOPMENT POLICY AND STRATEGY (2026 - 2050)**



DRAFT

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LIST OF ACRONYMS

AfCFTA	African Continental Free Trade Area
AI	Artificial Intelligence
APP	Agriculture Promotion Policy
ASEAN	Association of Southeast Asian Nations
BOA	Bank of Agriculture
BOI	Bank of Industry
BMPs	Best Management Practices
CBN	Central Bank of Nigeria
CLRM	Community Land Release Model
CPO	Crude Palm Oil
DFI	Development Finance Institution
DFRRI	Directorate of Food, Roads and Rural Infrastructure
ECOWAS	Economic Community of West African States
ESG	Environmental and Social Governance
ESIA	Environmental and Social Impact Assessment
EU	European Union
EUDR	European Union Deforestation Regulation
FAO	Food and Agriculture Organization
FCT	Federal Capital Territory
FDA	Federal Department of Agriculture
FDS	Foremost Development Services
FELDA	Federal Land Development Authority
FFB	Fresh Fruit Bunches
FMARD	Federal Ministry of Agriculture and Rural Development
FMITI	Federal Ministry of Industry, Trade and Investment
FPIC	Free, Prior and Informed Consent
FX	Foreign Exchange
GCC	Gulf Cooperation Council
GCF	Green Climate Fund
GDP	Gross Domestic Product
GES	Growth Enhancement Support Scheme
GIS	Geographic Information Systems
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
Ha	Hectare
HCS	High Carbon Stock
HCV	High Conservation Value
ICS	Initiative for Compliance and Sustainability
IFC	International Finance Corporation
IMF	International Monetary Fund
IT	Information Technology
JICA	Japan International Cooperation Agency
KPI	Key Performance Indicator
MADE	Market Development in the Niger Delta

MDAs	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
MEL	Monitoring, Evaluation and Learning
MMT	Million Metric Tons
MT	Metric Tons
NAFP	National Accelerated Food Production Programme
NATIP	National Agricultural Technology and Innovation Policy
NBS	National Bureau of Statistics
NDPE	No Deforestation, no Peat, no Exploitation
NGO	Non-Governmental Organisation
NSPFS	National Special Programme on Food Security
NIFOR	Nigerian Institute for Oil Palm Research
NOPC	Nigerian Oil Palm Council
NSPO	Nigerian Sustainable Palm Oil
NSPOS	Nigerian Sustainable Palm Oil Standard
OPDB	Oil Palm Development Board
OPDF	Oil Palm Development Fund
OOPC	Okomu Oil Palm Company
OPC	Oil Palm Company
PAYE	Pay As You Earn
PE	Private equity
PES	Payments for Ecosystem Services
POME	Palm Oil Mill Effluent
PPP	Public-Private Partnership
QR	Quick Response
R&D	Research and Development
PKO	Palm Kernel Oil
RSPO	Roundtable on Sustainable Palm Oil
SAP	Structural Adjustment Programme
SHs	Smallholders
SHFs	Smallholder Farmers
SMEs	Small and Medium Enterprises
SWAPP	Sustainable West Africa Palm Oil Programme
SWF	Sovereign Wealth Fund
US	United States
USAID	United States Agency For International Development
USDA	United States Department of Agriculture
VAT	Value Added Tax
WAIFOR	West African Institute for Oil Palm Research
WTO	World Trade Organization

FORWARD

The growth and development of Nigeria's Oil Palm Industry holds significant potential for economic diversification, job creation, and poverty reduction. As a key cash crop, oil palm has a cornerstone of Nigeria's agricultural sector, contributing significantly to rural livelihoods and national Gross Domestic Product. However, the industry currently faces great challenges, including low productivity, outdated infrastructure, and limited access to modern technology, hindering its full potential.

This Policy and Strategy document presents a comprehensive roadmap for revitalizing Nigeria's Oil Palm Industry, harnessing the potential of public-private partnerships to drive growth, promote sustainable practices, and improve the overall competitiveness of the sector. By addressing key challenges and leveraging opportunities, our goal is to significantly increase palm oil production, improve yields, and enhance value addition across the value chain. Through targeted interventions and strategic investments, we aim to position Nigeria as a major player in the global palm oil market, capitalizing on growing demand for sustainable and high-quality palm oil products. By doing so, we will create new opportunities for economic growth, job creation, poverty reduction, and inclusivity – four priorities of President Bola Ahmed Tinubu's 8-point Agenda, while also promoting environmentally responsible practices and contributing to Nigeria's sustainable development.

We invite all stakeholders to join us in this ambitious journey to unlock the full potential of Nigeria's Oil Palm Industry. The successful implementation of this policy and strategy will require a collaborative effort from government agencies, private sector investors, industry players, farmers and development partners to drive growth, promote sustainability, and ensure the Oil Palm Industry contributes significantly to Nigeria's economic development and food security goals. Your expertise, resources, and collaboration are crucial to overcoming the challenges facing the industry and achieving our shared vision of thriving, sustainable, and globally competitive oil palm sector. Let us seize this opportunity to build a stronger, more resilient agricultural sector that benefits all Nigerians and positions our country as a leading player in the global palm oil market.

Signed

Sen. Abubakar Kyari, CON

Honourable Minister of Agriculture and Food Security.

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EXECUTIVE SUMMARY

The Nigeria Oil Palm Development Policy and Strategy (2026–2050) is a transformative roadmap designed to restore Nigeria’s leadership in palm oil production, ensure food security, and embed sustainability across the sector. Once the world’s leading producer, Nigeria has fallen to fifth position due to decades of underinvestment, low productivity, and rising import dependence. This policy seeks to reverse the decline through a hybrid model that integrates large estates, smallholder clusters, and independent farmers, while emphasizing inclusivity, climate-smart practices, and global competitiveness. Its mandate is to reposition the sector as a driver of economic growth, job creation, and environmental stewardship, with the vision of making Nigeria a global leader in sustainable palm oil production and the mission of leveraging technological innovation, research, and efficient supply chains to achieve self-sufficiency by 2043 and generate a two-million-metric-tonnes export surplus by 2050.

The strategic objectives of the policy are threefold. Economically, it seeks to close the palm oil demand-supply gap, diversify exports into high-value derivatives such as oleochemicals and biofuels, strengthen competitiveness, and raise the sector’s GDP contribution to at least 5% by 2033. Socially, it aims to create at least 2 million jobs, empower rural smallholders through inclusive access to finance, markets, and technology, and reduce poverty by ensuring gender and youth participation. Environmentally, it prohibits expansion into primary forests, enforces zero-deforestation commitments, complies with international standards such as RSPO, NSPO, and EUDR, and promotes climate-smart practices including agroforestry, biodiversity conservation, and carbon credit schemes.

The methodological approach combines biological growth cycles, zonal expansion, institutional coordination, and innovation-driven systems to ensure feasibility and long-term success. The temporal framework aligns interventions with palm productivity phases: the short term (2026–2033) focuses on rehabilitating semi-wild groves, distributing over 13 millions of improved seedlings annually, and raising yields to 1.5 MT per hectare; the medium term (2034–2043) targets 7.1 million hectares under cultivation, peak yields of 2–2.5 MT per hectare, establishment of 50 industrial parks, and full self-sufficiency; and the long term (2044–2050) consolidates 9 million hectares, manages replanting cycles, and sustains a 2 million MT export surplus. The spatial framework prioritizes the traditional oil palm belt for rapid gains, expands into the Derived Savannah using irrigation and climate-resilient hybrids in later phases, and introduces the Community Land Release Model, which treats land as equity and ensures community participation through Free, Prior, and Informed Consent. Institutional and stakeholder engagement is anchored on a three-tier governance model, with federal government leading policy direction and financing through the Oil Palm Development Fund, states coordinating land banks and cluster projects, and local governments mobilizing smallholders, delivering extension services, and monitoring compliance. Private investors, NGOs, NIFOR, and communities are integrated at all levels under the oversight of the Nigerian Oil Palm Council.

The methodology embeds research, data, and innovation, with baseline studies on land and yields guiding interventions, and NIFOR mandated to develop climate-smart high-yield planting materials, mechanization tools, and waste-to-energy systems. Advanced technologies such as GIS, AI, drones, and satellite monitoring will be deployed for land mapping, productivity tracking, and deforestation control, while blockchain-enabled traceability will secure supply chain transparency.

A robust Monitoring, Evaluation, and Learning system, with annual reviews, state scorecards, and independent audits, ensures accountability and adaptive learning throughout implementation.

Governance will follow a three-tier federal, state, and local model to coordinate land, infrastructure, extension, and compliance, overseen by a Nigerian Oil Palm Council (NOPC) as the apex coordinating body. Financing and resource mobilization will be managed by the OPDF, while monitoring, evaluation, and learning will be institutionalized through scorecards, audits, and data systems to ensure transparency and accountability. Risks such as seed shortages, counterfeit inputs, community conflicts, levy-driven smuggling, and sustainability compliance gaps will be mitigated through nursery licensing, blockchain-enabled traceability, FPIC for land agreements, calibrated levies, and satellite monitoring.

By 2050, the expected outcomes include a total output of 9 million metric tonnes of crude palm oil, with 2 million for export; millions of direct and indirect jobs across the value chain; diversification of exports into new industries; and an increase in GDP contribution beyond 5%. Environmentally, the policy embeds zero-deforestation practices, climate-smart agriculture, and biodiversity protection, positioning Nigeria as a responsible global supplier. The strategy also mitigates risks such as counterfeit seeds, smuggling, land conflicts, and sustainability compliance gaps through licensing, satellite monitoring, FPIC land agreements, calibrated levies, and blockchain-based systems. If successfully executed, the policy will not only close Nigeria's demand-supply gap but also attract foreign investment, diversify the economy, deepen foreign exchange earnings, empower rural livelihoods, and firmly re-establish Nigeria as a global leader in sustainable palm oil production.

SECTION ONE

1.1 MANDATE

The mandate of the Nigeria Oil Palm Development Policy (2026–2050) is to provide a clear, coordinated framework for reviving and transforming the nation’s oil palm sector into a globally competitive, sustainable, and inclusive industry. It seeks to address long-standing challenges such as low productivity, land tenure insecurity, limited financing, infrastructural deficits, and environmental concerns, while unlocking the full economic, social, and ecological potential of the crop. The policy mandates a hybrid production model that integrates estates, smallholder clusters, and independent farmers, supported by innovation, traceability, and sustainability standards. Ultimately, it is designed to achieve self-sufficiency in palm oil, generate a 2 million metric tonne surplus for export by 2050, create millions of jobs, strengthen rural livelihoods, and reposition Nigeria as one of the top three global producers of palm oil.

1.2 VISION AND MISSION

Vision

To make Nigeria a global leader in sustainable palm oil production, ensuring self-sufficiency, competitiveness, and inclusive production metrics.

Mission

To leverage a hybrid development model—integrating large-scale estates, smallholder schemes, and independent smallholders—through sustainable practices, research, technological advancement, and efficient supply chain.

SECTION TWO

2. INTRODUCTION

2.1 Background

Nigeria, once a global leader in palm oil production, now faces a widening demand-supply gap that undermines food security, drains foreign exchange, and limits rural development. Despite having vast land resources, favorable agro-ecological conditions, and a long history of oil palm cultivation, Nigeria currently produces far below its potential. Over the last 25 years, the country's palm oil production has grown at an annual rate of only 2.87%, while consumption has risen faster at 3.3%, resulting in persistent deficits that are filled through costly imports. These trends not only constrain economic growth but also weaken Nigeria's capacity to create jobs and compete in global palm produce markets.

The Nigeria Oil Palm Development Policy and Strategy (2026–2050) provides a comprehensive roadmap to reverse this decline and position the sector as a driver of inclusive economic transformation. Anchored on a hybrid development model that integrates large-scale estates, smallholder schemes, and independent smallholder farmers, the policy envisions Nigeria achieving self-sufficiency in palm oil production by 2043 and attaining a 2 million metric tonnes export surplus by 2050. The mission is to leverage sustainable practices, technological innovation, and efficient value chains to restore Nigeria's standing as a top three global palm oil exporter while delivering tangible social and environmental benefits.

The key targets of the policy include:

- i. **Production Growth:** This aims at closing the palm oil demand-supply gap in the short term and eliminate it by the medium term, adding ~2 million tonnes of palm oil (and palm kernel oil) by 2033, 4 million by 2043, and 5 million by 2050. By 2050 Nigeria expects not just self-sufficiency but an annual surplus of 2 million tonnes for export.
- ii. **Productivity:** Raise national average yield to 2.5 tonnes CPO per hectare, up from current levels (~1 tonne/ha or less on small farms), using improved Tenera seedlings and best practices. Early efforts target reaching 1.5 tonne CPO per hectare by 2033 through rehabilitation, improved inputs and efficient milling facilities.
- iii. **Economic Impact:** Boost GDP contribution of the oil palm sector to at least 5% by 2033 and significantly increase foreign exchange earnings by re-entering global export markets. Domestic processing and value-addition are promoted to reduce import dependency and save foreign exchange.
- iv. **Job Creation and Inclusion:** Create about 2 million new jobs (direct and indirect) across the palm oil value chain. Empower rural communities via smallholder and out-grower schemes – providing land access, capacity building, and market linkages to improve livelihoods.
- v. **Environmental Sustainability:** Ensure growth does not come at the expense of forests. The policy forbids oil palm expansion into primary forests and upholds a zero-deforestation commitment. Mandatory sustainability certification (RSPO or an equivalent Nigerian standard) is introduced for all palm oil production, alongside efforts to increase carbon sequestration through agroforestry and conservation of high-carbon-stock areas.

To achieve these goals, the strategy is structured in phases with clear milestones. In the short term (2026–2033) the focus is on rehabilitating existing semi-wild groves (500,000 ha), distributing 13 million improved seedlings annually, and establishing pilot smallholder clusters on ~2 million ha across key southern states. The medium term (2034–2043) scales up with an additional 5 million hectares of cultivation (including new areas in the savannah region, using supplemental irrigation), the rollout of 50 integrated palm oil industrial parks, and nationwide enforcement of traceability and certification systems. In the long term (2044–2050), Nigeria is expected to achieve full self-sufficiency in palm oil production and an export surplus, effectively re-establishing itself as a global industry leader. If successfully implemented, this policy will not only meet domestic demand and save foreign exchange on imports, but also generate substantial export earnings, millions of rural jobs, and environmental co-benefits for Nigeria.

2.2 Policy Objectives

2.2.1 Economic Objectives

- i. Close and eliminate the palm oil demand-supply gap in the short and medium terms respectively. The foremost economic objective of the policy is to systematically bridge the existing gap between domestic demand and supply of palm oil. In the short term (within the first 5–8 years), the policy aims to reduce reliance on imports by substantially increasing local production through replanting, expansion of new estates, and adoption of best management practices. In the medium term (by 2043), the target is to fully eliminate the supply gap so that national production not only satisfies internal consumption needs but also creates a buffer that ensures stability against fluctuations in international trade and domestic price volatility. Closing this gap is critical to achieving self-sufficiency, reducing the pressure on foreign exchange reserves, and improving Nigeria’s food security profile.
- ii. Achieve additional 2 million tonnes of palm oil and palm kernel oil by 2033, 4 million tonnes by 2043 and 5 million tonnes by 2050. This objective sets specific, time-bound production milestones that anchor the policy’s growth trajectory. By 2033, the policy projects an incremental output of 2 million tonnes of crude palm oil (CPO) and palm kernel oil (PKO) above current baselines, primarily through improved yields and expanded cultivated area. By 2043, the cumulative increase is targeted at 4 million tonnes, achieved through scaling hybrid seeds, mechanized farming, and rehabilitated plantations. By 2050, a further 5 million tonnes will be added, positioning Nigeria as a globally competitive producer. These quantitative targets are designed to measure performance, benchmark progress, and align investments in seeds, processing, and logistics with clearly defined outputs.
- iii. Increase the national average productivity of oil palm to 2.5 tonnes CPO/ha. Nigeria’s current national productivity average of less than 1.0 tonne CPO per hectare lags far behind the global benchmark of 4–5 tonnes/ha achieved in Malaysia and Indonesia. This objective prioritizes productivity gains as the most sustainable route to competitiveness. By promoting the widespread adoption of improved planting materials, precision agriculture techniques, integrated pest management, and mechanized harvesting, the goal is to raise yields to at least 2.5 tonnes per hectare by 2043. Raising productivity will maximize output without excessive expansion into new land areas, thereby ensuring both economic efficiency and environmental sustainability.
- iv. Increase export market share by 2043. Beyond self-sufficiency, the policy aims to reposition Nigeria as a major exporter of palm oil and palm kernel oil in the global market.

By 2043, when domestic demand is projected to be fully met, surplus production will be systematically directed toward regional and international markets. Increasing Nigeria's export market share will not only generate foreign exchange earnings but also restore the country's historic role as a key player in the global palm oil trade. This will involve compliance with international sustainability standards (RSPO, EUDR, NSPOS), product diversification (oleochemicals, biodiesel, consumer goods), and aggressive trade diplomacy to penetrate new markets in Africa, Asia, and Europe

- v. Boost GDP contribution of the oil palm sector to at least 5% by 2033. Currently, the oil palm sector's contribution to Nigeria's GDP is marginal, reflecting underutilized capacity and poor value-chain integration. The policy sets an ambitious but achievable target of raising the sector's contribution to no less than 5% of national GDP by 2033. This will be accomplished by scaling upstream production, strengthening midstream processing through industrial parks, and developing downstream industries such as oleochemicals, biofuels, and pharmaceuticals. This will be achieved by creating jobs, stimulating rural economies through cluster farming, and attracting domestic and foreign investment, this objective will ensure that the oil palm industry becomes a key driver of Nigeria's economic diversification agenda and a pillar of the non-oil economy.

2.2.2 Social Objectives

- i. Create 2 million direct and indirect jobs across the palm oil supply chain. A central social objective of the policy is to leverage the oil palm sector as a powerful engine for employment generation. By 2033, the policy seeks to create at least 2 million jobs—directly in plantation establishment, harvesting, milling, processing, and industrial park operations, and indirectly in allied services such as transportation, logistics, marketing, input supply, and agro-allied manufacturing. Special emphasis will be placed on youth employment, with structured apprenticeship and training programs that build technical, managerial, and entrepreneurial skills. In addition, value-chain diversification—such as the development of oleochemicals, cosmetics, pharmaceuticals, and renewable energy from oil palm by-products—will further expand job opportunities. This large-scale employment creation will reduce rural and urban unemployment, stabilize rural economies, and help absorb Nigeria's rapidly growing labor force.
- ii. Empower rural communities and ensure livelihoods through smallholder and out-grower schemes. The policy recognizes that rural communities, which host the majority of Nigeria's oil palm plantations, must be active participants and beneficiaries of sectoral growth. To this end, smallholder and out-grower schemes will be strengthened as a vehicle for community empowerment, equity, and inclusion. Farmers will be supported with improved seedlings, subsidized inputs, mechanization services, and guaranteed offtake arrangements through cooperatives and nucleus estate partnerships. Gender-responsive measures will ensure that women farmers—who play significant roles in processing and marketing—are given equal access to land, credit, and training opportunities. Youth engagement programs will incentivize participation in modern oil palm farming, reducing rural-urban migration. When this is fully implemented, the policy ensures that rising palm oil production directly translates into improved household incomes, food security, and rural development.

2.2.3 Environmental Objectives

- i. Discourage planting of oil palm in primary forests. A primary environmental objective of the policy is to safeguard Nigeria’s remaining primary forests, which are irreplaceable reservoirs of biodiversity, carbon storage, and ecosystem services. The policy explicitly prohibits the establishment of new oil palm plantations in ecologically sensitive areas, including protected reserves, primary forests, peatlands, and wetlands. Instead, expansion will be directed toward degraded, marginal, or fallow lands that have lower ecological value but high potential for agricultural productivity. Within the long-term timeframe, derived Savannah zone of the country may be used through irrigated farming. With the discouragement of expansion into primary forests, the policy aligns the Nigeria’s palm oil sector with global climate and biodiversity goals while reducing risks of international trade restrictions linked to unsustainable land-use practices.
- ii. Promote zero-deforestation in oil palm expansion. The policy commits to a zero-deforestation pathway as the foundation of all future oil palm development. This entails a strict “no deforestation, no peat, no exploitation” (NDPE) principle guiding both public and private investments in the sector. All estates, cooperatives, and out-grower schemes will be subject to environmental and social impact assessments (ESIAs) and must comply with international sustainability frameworks such as the Roundtable on Sustainable Palm Oil (RSPO), the Nigerian Sustainable Palm Oil (NSPO), and the European Union Deforestation Regulation (EUDR). To enforce this objective, the government will deploy satellite-based monitoring systems, geospatial land registries, and annual independent audits. This will ensure that Nigeria’s palm oil remains globally competitive, environmentally responsible, and aligned with its commitments under the Paris Agreement and the Convention on Biological Diversity.
- iii. Enhance carbon sequestration through palm agroforestry integration and conservation of high carbon stock forests. To maximize climate benefits, the policy will promote oil palm agroforestry systems that combine palm cultivation with shade trees, fruit trees, and cover crops. Such integrated systems enhance soil fertility, regulate water cycles, and increase carbon sequestration compared to monoculture plantations. In addition, areas identified as high carbon stock (HCS) forests will be conserved and managed as carbon sinks under community-based forest management schemes and national climate programs. The policy will support farmers with incentives such as carbon credit schemes, green financing, and payments for ecosystem services (PES) to encourage adoption of climate-smart practices. With the combination of palm agroforestry with conservation, Nigeria can position its oil palm sector not only as a source of food and industrial raw materials but also as a contributor to global climate mitigation and ecological resilience.

SECTION THREE

3. THE OIL PALM INDUSTRY REVIEW

3.1 Policy Challenges of the Agricultural Sector

Nigeria's agriculture faces a persistent mix of policy inconsistency and weak coordination, which blunts reform momentum and deters private investment. Although the National Agricultural Technology and Innovation Policy (NATIP, 2022–2027) outlines a coherent value-chain agenda, implementation capacity remains uneven across ministries and states, with gaps in extension, inputs, and research uptake (FMARD, 2022). Macroeconomic volatility—fuel subsidy removal, FX reforms, and high inflation—has also raised production and transport costs, squeezing farm margins and complicating input planning (World Bank, 2024). Infrastructure bottlenecks—notably rural roads and market logistics—continue to limit market access and raise post-harvest losses, which is why large-scale road programs like RAAMP-SU remain central to policy fixes (World Bank, 2024b). Beyond planning, regulatory uncertainty and red tape undermine agribusiness scale-up and financing, while land tenure frictions constrain investment in productivity-enhancing technologies (U.S. Department of State, 2024; FAO, 2022).

At the farm gate, credit scarcity, input affordability, and extension deficits hinder yield growth; NATIP acknowledges these constraints but translating strategy into timely seed, fertilizer, and advisory delivery is uneven, especially for smallholders and women (FMARD, 2022; FAO, 2022). Insecurity and conflict have displaced farmers and curtailed cultivated area in several zones, amplifying food inflation and worsening vulnerability; recent assessments link rising hunger to banditry, insurgency, and cost shocks (Reuters, 2024; World Bank, 2025). Climate risks compound these pressures: heat and rainfall variability threaten yields and increase year-to-year volatility, while responses remain underfunded and fragmented across agencies (World Bank, 2025; IMF, 2023). Altogether, the sector's core policy challenges are execution capacity, stable macro and trade settings, rural infrastructure, tenure/finance constraints, and risk management—a combination that keeps productivity below potential and import dependence elevated despite repeated reform waves (FMARD, 2022; World Bank, 2024).

3.2 Overview of Previous Agricultural Policies and Strategies in Nigeria

Nigeria's agricultural policy history reflects shifting national priorities, beginning with early post-independence efforts aimed at ensuring food security and rural development. The National Accelerated Food Production Programme (NAFPP) in the early 1970s sought to raise output of staples like maize, rice, and wheat by promoting improved seeds and fertilizers through state-supported packages. This was followed by Operation Feed the Nation (OFN, 1976–1979), which mobilized urban and rural populations to cultivate food crops, though its top-down implementation and limited farmer adoption constrained its impact (Idachaba, 2006). In the 1980s, the Green Revolution (1980–1983) emphasized large-scale mechanization and expansion of strategic crops such as rice, maize, and oil palm, but suffered from funding shortfalls and policy inconsistency (World Bank, 1989a).

The late 1980s and 1990s were shaped by the Structural Adjustment Programme (SAP, 1986–1993), which marked a significant shift from state-led agriculture toward privatization and market liberalization. Input subsidies were removed, commodity boards were abolished, and exchange rate reforms were introduced to stimulate exports. While SAP created incentives for private-sector participation, it also exposed farmers to volatility in prices and inputs, weakening food security in

the short run (Eicher, 1999). During this period, government attempts at special projects, such as the Directorate of Food, Roads and Rural Infrastructure (DFRRI), targeted rural infrastructure but faced criticism for corruption and poor sustainability (Olayemi, 1998).

In the 2000s, Nigeria adopted more integrated agricultural strategies to address persistent food import dependence and rural poverty. The National Special Programme on Food Security (NSPFS, 2002), supported by the FAO, sought to raise productivity through farmer field schools and irrigation support (FAO, 2003). This was complemented by commodity-specific initiatives like the Presidential Initiative on Vegetable Oil Development (2002–2007), aimed at revitalizing oil palm and other oilseed crops. However, limited funding and weak coordination across ministries restricted the success of these programs (Adewumi & Omotesho, 2002).

From 2011 onwards, Nigeria shifted toward value-chain approaches through the Agricultural Transformation Agenda (ATA, 2011–2015), which introduced the Growth Enhancement Support Scheme (GES) to deliver subsidized inputs via e-wallets and promoted priority crops, including rice, cassava, and oil palm (FMARD, 2016). This was followed by the Agriculture Promotion Policy (APP, 2016–2020), also called “The Green Alternative,” which consolidated ATA gains and emphasized agribusiness competitiveness and import substitution (FMARD, 2016). The most recent framework, the National Agricultural Technology and Innovation Policy (NATIP, 2022–2027), seeks to integrate digital tools, climate-smart practices, and research-industry linkages to modernize Nigeria’s agricultural sector (FMARD, 2022). Collectively, these strategies illustrate Nigeria’s evolving effort to balance food security, rural livelihoods, and economic diversification, though recurring challenges of policy inconsistency, weak institutional capacity, and infrastructure deficits remain.

3.3 Overview of Existing Oil Palm Policy of FMITI

The Federal Ministry of Industry, Trade and Investment (FMITI), in collaboration with other federal agencies and private-sector partners, has recently strengthened Nigeria’s oil palm policy through the introduction of the National Palm Oil Traceability Framework. This initiative is designed to modernize the oil palm value chain, ensure transparency and ethical sourcing, and cut Nigeria’s annual palm oil import bill of about US\$600 million (MillingMEA, 2024). The framework highlights the need for robust monitoring systems to track palm oil production from smallholder farms through processors and refiners, thereby enhancing competitiveness in both domestic and export markets.

A core part of this policy is the establishment of an Inter-Agency Committee that coordinates between federal and state governments, producers, processors, and cooperatives to ensure effective implementation (MillingMEA, 2024). By linking smallholders more directly to formal supply chains, the framework also seeks to raise rural incomes and improve Nigeria’s compliance with global sustainability and trade standards.

Another pillar of the current oil palm strategy under FMITI is the government’s target to replant 1.5 million hectares of oil palm by 2030. This replanting program aims to replace aging low-yield palms with improved high-yield varieties, thereby boosting productivity and reducing the current 20 percent supply deficit met through imports (Ecofin Agency, 2024). In addition, the policy incorporates mechanisms to encourage investment in modern milling technologies and downstream processing, with the goal of increasing value addition and foreign exchange earnings.

Finally, FMITI’s oil palm policy aligns with international standards, particularly the Roundtable on Sustainable Palm Oil (RSPO) framework. Nigeria has adopted a National Interpretation of the RSPO Principles and Criteria (2018) to guide producers, including smallholders and industrial estates, in meeting environmental, social, and governance benchmarks such as responsible land use, biodiversity protection, and labor rights (RSPO, 2018). This demonstrates a deliberate policy effort to embed sustainability into oil palm expansion while ensuring competitiveness in global markets.

3.4 Global Palm Oil Production

The world palm oil production between 1961 and 1965 was estimated at 1.5 million tonnes, with Nigeria accounting for 43% of the total production, being the leading position in the industry (USDA, 2018). However, since then, Nigeria lost its leading position in the palm oil industry, and palm oil production in the country has virtually been growing at a slow pace relative to other countries. According to the global palm oil production statistics, palm oil production doubled in a decade from 20.625 million tonnes in 1999 to 43.118 million tonnes in 2008, rising to 68 million tonnes in 2017. During the same period, production in Indonesia tripled from an annual output of 6.25 million tonnes in 1999 to 19.3 million tonnes in 2008 and rising to 39 million tonnes in 2017 (Table 1). Between 1999 and 2008, Indonesia experienced the highest growth rate of 209%, followed by Thailand (109%) with Nigeria trailing behind with 8th position (19.4%). Between 2008 and 2017, the highest growth rate of 130.8% was recorded by Thailand, followed by Colombia (110%) while Nigeria was 4th with 45.3%. By 2018, the world palm oil production amounted to 66.855 million tonnes, with Nigeria accounting for only 1% (USDA, 2018). Today, Nigeria is ranked fifth highest global producer of palm oil with a value of 1.5 Million Metric Tons (MMT) after Indonesia (46.5 MMT), Malaysia (19.3 MMT), Thailand (3.7 MMT) and Colombia (1.9 MMT) respectively (Table 1).

Table 1: Palm Oil Production in Some Major Producing Countries (‘000 tonnes)

Country	Year					
	1999	2008	% Growth rate (1999-2008)	2017	% Growth rate (2008-2017)	2024*
Indonesia	6,250	19,330	209	38,500	99.2	46,500
Malaysia	10,554	17,734	68	20,500	15.6	19,300
Thailand	560	1,170	109	2,700	130.8	3,700
Nigeria	720	860	19.4	1,250	45.3	1,500
Colombia	500	800	60	1,680	110	1,900
Ecuador	263	415	58	593	42.9	465
Papua New Guinea	264	400	51.5	530	32.5	830
Cote d’Ivoire	264	330	25	415	20.5	600
Others	1,250	2079	66.3	1,982	-4.7	4,834
Total	20,625	43,118	109	68,150	-58.04	79,629

Source: MADE (2019); *Index Mundi (2025)

3.5 Trend in production, consumption and importation of palm oil in Nigeria

Nigeria was before 1965, the largest producer and exporter of palm oil. The country lost this position following the civil war of 1967 – 1970, such that by 1975, Nigeria went out of the export market and became a net importer of palm oil, importing 5,000 tonnes of palm oil in the same year,

1975. Although the country has experienced certain level of growth in production over the years, the demand for palm oil far outstrips production. Evidently, between 2000 and 2024, the annual palm oil production growth rate was estimated at 2.87%, consumption growth rate was 3.3% leading to a high import growth of 5.5%. In 2024, the country produced 1.5 million tonnes of palm oil while consumption and importation stood at 1.95 million tonnes and 0.45 million tonnes respectively (Table 2). This situation is worrisome. Thus, achieving self-sufficiency and surplus for export in palm oil production will remain a mirage if urgent action is not taken to develop and implement a national policy to reverse the trend.

Table 2: Trend in production, consumption and importation of palm oil in Nigeria

Year	Production (1000 MT)	Area harvested (ha)	Domestic Consumption (1000 MT)	Imports (1000 MT)
1960	1260	0		0
1965	517	0	371	0
1970	432	0	412	0
1975	510	0	512	5
1980	520	0	622	102
1985	600	2220	800	200
1990	600	2000	620	20
1995	590	2590	770	160
2000	730	2500	879	158
2005	800	2500	1185	381
2010	971	2500	1360	435
2015	955	2500	1320	263
2020	1275	2800	1650	425
2024	1500	3200	1950	450
Growth rate (2000-2024)	2.87%	3.613*	3.30%	5.50

Source: Index Mundi (2025)

*Growth rate is from 2018-2024, no growth between 2000 and 2017.

3.6 Nigeria Oil Palm Belt

The Nigeria oil palm belt covers twenty-four states across the country. The major palm oil producing states are in the rain forest belt, covering three regions in the southern part of the country. These regions, in decreasing order of production magnitude, are the South-South with six states (Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers), South-East with five states (Abia, Anambra, Ebonyi, Enugu, and Imo), and South-West comprising six states (Ekiti, Lagos, Ogun, Ondo, Osun and Oyo). Little production comes from the North-Central region, mainly Taraba State and others including Benue State, Federal Capital Territory (FCT), Kogi, Kwara, Nasarawa, Niger and Plateau States.

Specifically, the major palm oil producing states in the southern part of the country are within the Niger Delta region. These states which are shown in Figure 2 include Abia, Akwa Ibom, Bayelsa,

Cross River, Delta, Edo, Imo, Ondo, and Rivers.

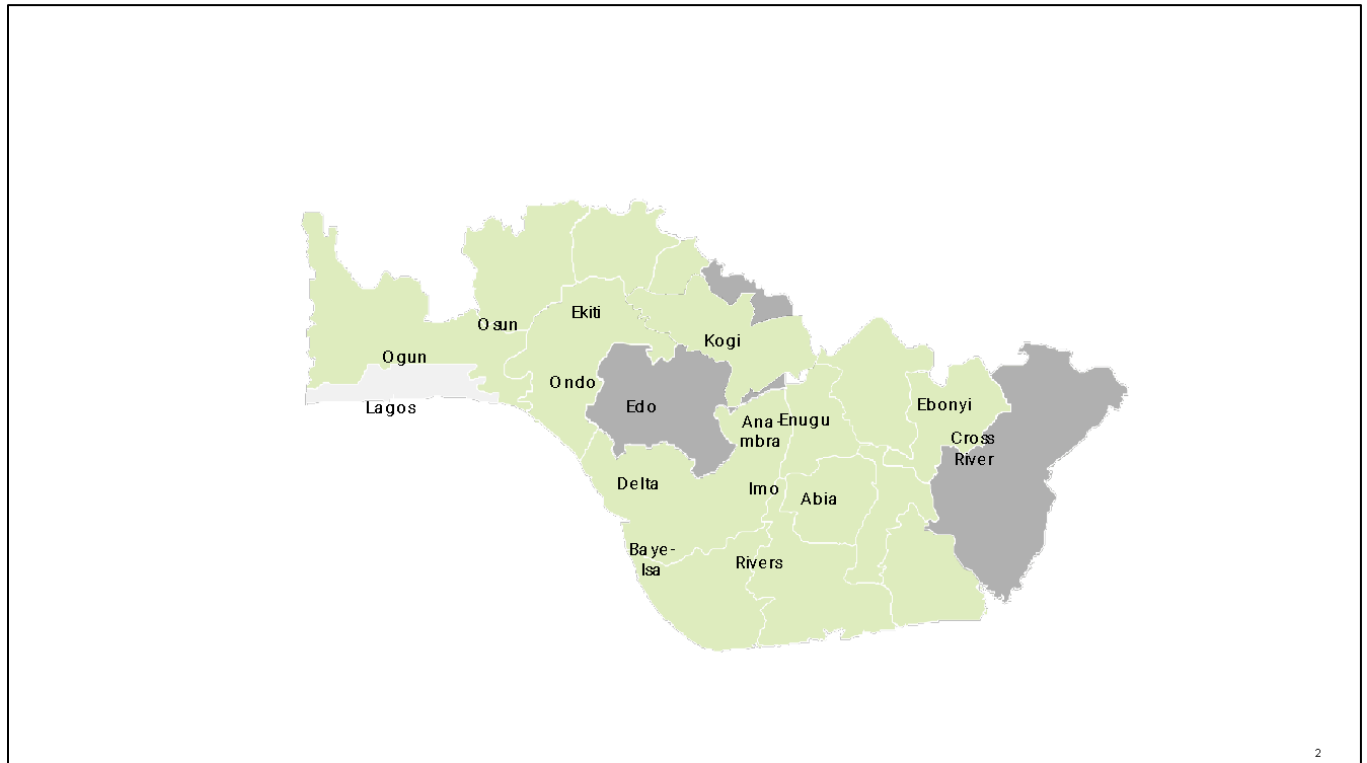


Figure 1: Major Oil Palm Producing States in Nigeria

3.7 Past Development Efforts in the Oil Palm Industry

The development of Nigeria's oil palm industry has its roots in the colonial period, with the establishment of the West African Institute for Oil Palm Research (WAIFOR) in 1943. WAIFOR, which later became the Nigerian Institute for Oil Palm Research (NIFOR), provided a foundation for research, improved planting materials, and technology transfer (NIFOR, 2024). Alongside, the Oil Palm Produce Marketing Board was created in 1949 to stabilize producer prices, fund research, and finance pioneer mills, thus anchoring the sector's institutional base in the immediate post-independence era (Ofosu-Budu & Sarpong, 2013).

The 1970s and 1980s marked an expansionary phase characterized by state-led plantations and World Bank–assisted projects. Federal programs such as Operation Feed the Nation (1976–1979) and the Green Revolution (1980s) aimed to increase domestic food and industrial crop output, while World Bank–supported oil palm projects in Bendel, Rivers, Cross River, and Imo States provided credit, improved seedlings, and processing mills (World Bank, 1989b). The Federal Government also established large estates such as Okomu Oil Palm Company in 1976, which remains a major industry player (Okomu Oil Palm, 2025).

The Structural Adjustment Programme of the 1990s shifted the sector towards privatization and liberalization. Government-owned estates such as Okomu and Risonpalm were privatized or concessioned, with foreign investors like SIAT Group (Presco Plc and SIAT Nigeria Ltd) entering the sector, introducing integrated plantation-refinery systems, and reviving moribund estates (Presco Plc, 2024; SIAT Nigeria, 2015). While these moves attracted capital and technical expertise, scholars note challenges such as land acquisition disputes and the exclusion of

smallholders from benefits (Ume et al., 2018).

From the early 2000s, Nigeria's agricultural policy emphasized value-chain approaches. The Presidential Initiative on Vegetable Oil Development (2002–2007) sought to reduce edible oil imports. Later, the Agricultural Transformation Agenda (2011–2015) and the Agriculture Promotion Policy (2016–2020) prioritized oil palm as a strategic commodity (FMARD, 2016). More recently, the Central Bank of Nigeria (CBN) has intervened through measures such as the Anchor Borrowers' Programme and the Oil Palm Development Initiative (2019), designed to close Nigeria's 1.25 million metric ton supply gap and generate employment (CBN, 2019). Despite these interventions, Nigeria remains a net importer of palm oil due to persistent smallholder inefficiencies and processing constraints (PwC, 2020).

3.8 The Oil Palm Sub-Sector Challenges and Opportunities

Nigeria's oil palm industry is full of many untapped potentials and unmet policy imperatives which need to be identified and analysed in order to proffer appropriate solutions to the challenges and properly harness the opportunities in the sub-sector. Below is an evaluation of the strengths, weaknesses, opportunities and threats of the oil palm industry.

3.8.1 Strengths and Weaknesses of the Oil Palm Industry

3.8.1.1 Strengths

Improved varieties: Two distinct varieties of oil palm exist in West Africa, including Nigeria. These are Dura and Pisifera. From research work, the crossing of these two varieties produces a third variety called Tenera, which has the highest yield. Presently there is intensive awareness and campaign of high oil bearing Tenera variety and most smallholder oil palm farmers have begun to replace the Dura and Pisifera varieties with Tenera.

High profitability: The profit margin of the oil palm business is high even when the total cost of production and processing is incorporated. Also the long economic life of the oil palm tree gives a high return on investment.

Suitable environmental conditions: Oil palm requires an annual rainfall of 1800 – 5000mm per year, temperature and relative humidity of 17 – 28°C and >70% respectively. There are other soil characteristics that enhance the growth of oil palm, such as soil redox potentials, soil porosity and organic contents. The soil condition of Nigeria is characterized by sandy, loamy and clay, and the distribution of these soil characteristics in various fractions, and the climatic condition, makes it suitable for oil palm to grow in Nigeria.

Development of rural areas: Most palm oil mills are situated in the rural areas. As such, the oil palm business has contributed significantly to the development of rural areas especially the host communities.

Dominance of crude facilities: 80 percent of the oil palm industry is dominated by small scale farmers who use crude facilities in the production and processing of oil palm.

3.8.1.2 Weaknesses

Inadequate government policies: Lack of a comprehensive and coordinated policy framework to guide the development of the oil palm sub-sector.

Low yield: Nigeria's average oil palm yields are comparatively low at 0.39MT/ha.

Low extraction rates: Extraction rate of oil palm is quite low, leading to significant waste while processing.

Huge capital: Producing oil palm at scale requires significant capital, which small holder farmers do not have access to.

Inefficient regulation: Standardization and regulation of processed oil palm in Nigeria is almost

non-existent.

Shortage of integrated production sites: Nigeria runs a highly fragmented oil palm industry, with only 3 to 4 large scale integrated players covering the entire production process from plantation to refining and consumer products.

Lack of data: There is a lack of data and information across the oil palm value chain. Currently, we rely on international agencies for data in the oil palm industry.

Lack of access to land: The process of getting land permits for oil palm plantations is lengthy and involves several procedures.

Environmental issues such as erosion: Environmental issues such as erosion causes destruction of oil palm plantations.

Poor quality: The quality of palm oil produced and processed in Nigeria is poor, due to the lack of proper processing facilities.

Lack of access to credit: Majority of the oil palm producers and processors reside in the rural areas, and most of them lack long term assets used as collateral for obtaining loans

from the bank.

Loss of produce to diseases: The fusarium wilt disease is the most destructive disease of oil palm in Africa. It causes severe losses in oil palm production.

3.8.2 Opportunities and Threats to the Oil Palm Industry

3.8.2.1 Opportunities

Job creation and labour force: With a population of over 180 million and high unemployment rate, the oil palm sector could provide direct employment to about 4 million people in oil palm growing states in Nigeria and indirect employment to several thousands of others involved in other oil palm value chain activities such as the marketing and packaging of palm oil and transportation services.

Availability of land resources: Nigeria has a total land mass of 92.37 million hectares. Of this, agricultural land occupies 71.9 million hectares, which is about 77% of the total land mass. 23.27 million hectares of the agricultural land, which is approximately 33%, is suitable for oil palm cultivation.

Availability of potential consumers of oil palm products: Globally, Palm oil is one of the most widely utilized vegetable oils, and with increased applications of palm oil for operations such as biodiesel production, consumption of palm oil is likely to increase.

Availability of market: Palm oil which is the major product from oil palm is sold in nearly all markets involved in the marketing of perishable and edible products across the country. Nigeria is also seeking to meet its domestic demand and then become a net exporter, making the potential market for oil palm huge.

Export diversification: Currently, oil and gas related exports account for over 90 percent of Nigeria's export. Oil palm export is a certain way to diversify our exports and subsequently our foreign exchange sources.

3.8.2.2 Threats

Illegal import of palm oil: The dumping and smuggling of low-quality palm oil into the country is one of the major factors crippling local production in Nigeria.

Poor infrastructural facilities: Agriculture generally is carried out in the rural areas where majority of the cultivable lands are located. The rural areas in Nigeria lack basic infrastructure such as electricity supply, good roads, well equipped schools and hospitals.

Lack of incentives: There is a lack of incentives in the oil palm industry for intending investors and agro allied companies.

Limited high-quality seeds: Limited supply of high-quality seeds especially for small holder

farmers.

Political/regime change: Over the years, most agricultural government policies change along with political/regime change.

High cost of palm oil: The price of Nigeria's palm oil is high compared to the prices of imported ones. The price of palm oil produced in Nigeria is almost twice the price of the same volume of oil in the international market.

Land constraint: Local communities around farming settlements act as impediments to increasing the availability of oil palm lands. Acquiring large expanses of land in any one location is a very difficult task greeted with alarm and tension in the host community, which will as a compromise make difficult demands, and as a result, the land for oil palm expansion is limited.

Sustained loss of respect in the global market: Nigeria's palm oil is the cheapest when priced according to international requirements, because we export low-quality palm oil which does not meet required international standards.

Environmental degradation by oil palm waste: The continuous discharge of oil palm waste into the environment without treatment leads to environmental degradation and loss of biodiversity. Concerns have been raised by environmentalists over this issue.

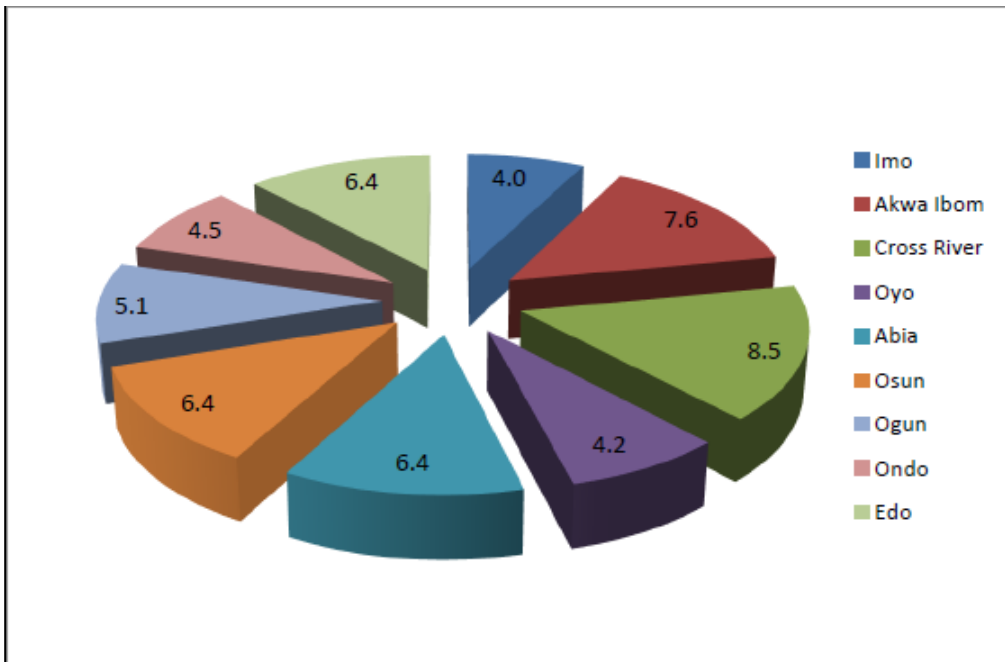
3.9 Oil palm Production Systems in Nigeria

Nigeria has two major oil palm production systems, the wild groves and the organized plantings.

3.9.1 The Wild Groves

The wild oil palm groves comprise mainly the dura type, tall, low density, and grow naturally in the wild, with no known record/evidence of planting and/or maintenance. It is estimated that there are 2.1 million ha of wild oil palm groves, accounting for about 80% of harvested Fresh Fruit Bunches (FFB) in Nigeria. The production of the wild groves is spread all over the oil palm producing states in the country. It is concentrated in the rain forest belt, with highest production coming from the South-South region, followed by South-East and South-West. Little production comes from the North-Central region (Omoti and Ikuenobe, 2020). The wild grove is exploited by individual farmers and smallholders, who process the fruits by traditional methods and small motorized engines. The contribution of the wild grove to the total palm oil supply is on the decline. This is attributed to urbanization, the difficult terrain of some wild groves and the declining population of climbers, which have left a considerable quantity of FFB (about 50%) not harvested. The low density and low productivity of the wild grove are also major factors. Figure 2 shows the percentage distribution of the wild grove in the major producing states in Nigeria, and this indicates that Cross River State has the largest wild grove base of 8.5%, followed by Akwa Ibom State with 7.6%.

Since the wild oil palms represent a major and significant proportion of palm oil production across the country, achieving sustainable and self-sufficiency in palm oil production will require replacement of the wild groves with the improved tenera variety by replanting of the wild groves areas across the country.



Source: MADE and Okomu OPC (2020)

Figure 2: Relative status of the major wild grove oil palm producing States

3.9.2 Organized Plantings

The organized planting oil palm system is divided into large estate plantations, and Medium and smallholder plantations. The smallholder system is often inter-cropped with food crops and sometimes other cash crops. Nigeria is thought to have less than 600,000ha of cultivated plantations distributed among the small-medium holders and industrial estates. Organized plantings at both the small, medium and corporate estates levels are on the increase. The governments of the major producing states (Imo, Abia, Edo, Cross River) have established different programmes aimed at regaining the lost glory of oil palm in their respective states. In addition, under the oil palm transformation plan of the Federal Ministry of Agriculture, NIFOR is mandated to supply 2 million oil palm seedlings for planting in 2013 (Solidaridad/SWAPP, 2013).

The following types of organized plantings exist within the production system:

- Smallholder Farms: Oil palm is planted by individual farmers at 1-4 hectares. It also includes oil palm planted in some government agricultural schemes at individual land holdings of 5-10 hectares. Contemporary smallholders maintain commercial size farms of up to 100 hectares.
- Medium Farms: Oil palm is planted mostly by small-medium business enterprises at 100- 500 hectares holdings.
- Estates: Oil palm development undertaken by government and corporate private sector at 500-12,000 hectares. Private sector investment is increasing. New investors have initiated greenfield developments while a number of moribund and derelict government plantations have been privatized and acquired by private investors, suffice it to say that private sector investments in oil palm development in the last eight years are phenomenal.

3.10 Improved Oil palm Seeds Production and Distribution in Nigeria by NIFOR

The varieties of oil palm under production in Nigeria are very critical for the long-term productivity and competitiveness of the Nigerian oil palm industry. Three varieties of oil palm are available in Nigeria; namely Dura, Pisifera and Tenera. The preferred variety among oil palm

farmers in the country is the hybrid Tenera which is a crossbreed of the Dura (female) and the Pisifera (male).

The Tenera sprouted seeds are produced by the Nigeria Institute for Oil Palm Research (NIFOR) and distributed to farmers either as sprouted seeds or raised as seedlings before distribution. Over the last 10 years (2015-2024), NIFOR produced an average of approximately 3 million sprouted seeds per annum and distributed about 81% of the production (Table 3). Three possibilities can be inferred from these production and distribution data: The first is that NIFOR’s seed production capacity is low. With this low seed production capacity, the research institute cannot meet the required seed production for the target in this policy, except it is supported to scale up its production. The second possibility is that the seed production potential of the institute is under-utilized due to low demand. Evidently, only about 81% of the low production was distributed. The third possibility is that inadequate awareness by farmers on the improved sprouted seeds produced by NIFOR could be the reason for the low demand. This calls for private sector partnership with credible organizations for creation of awareness and distribution of the seeds to farmers.

Table 3: Sprouted Seeds Production and Distribution by NIFOR

S/N	Year	Sprouted seed production	Sprouted seed distribution
1	2015	3,011,420	1,776,261
2	2016	2,609,215	2,007,100
3	2017	3,523,435	3,271,179
4	2018	1,845,877	1,457,744
5	2019	2,488,120	2,000,000
6	2020	3,168,100	2,734,524
7	2021	1,149,023	1,562,749
8	2022	4,323,165	2,381,376
9	2023	2,975,808	2,563,100
10	2024	3,154,111	3,122,752
Total		28,248,274	22,876,785
Average		2,824,827	2,287,679 (81%)

Source: NIFOR (2025)

SECTION FOUR

4. METHODOLOGICAL APPROACH

The methodological framework for this policy is designed to ensure clarity, precision, and operational feasibility over the 25-year horizon (2026–2050). It builds on internationally recognized oil palm growth cycles, integrates multi-tiered planning, and adopts a phased approach to expansion, sustainability, and inclusivity. The methodology combines temporal staging, spatial targeting, and institutional alignment to achieve national self-sufficiency and export competitiveness.

4.1 Temporal Framework: Growth Cycle-Based Classification

The classification of short-term, medium-term, and long-term policy actions is anchored on the biological age and productivity cycle of the oil palm:

- i. **Short Term (2026–2033):** Plantations and rehabilitated groves of less than 9 years of age. The focus is on rehabilitation of semi-wild groves, establishment of pilot smallholder clusters, and distribution of improved planting materials. Productivity gains during this period rely on seed quality, good agricultural practices, and early yield enhancements.
- ii. **Medium Term (2034–2043):** Plantations between 9 and 18 years old, at their peak productive phase. Expansion into new areas and the establishment of large-scale smallholder clusters occur here. The policy emphasizes industrial park development, traceability systems, and certification schemes to maximize returns during peak yield years.
- iii. **Long Term (2044–2050):** Plantations aged 19 years and above, requiring replanting and sustainability measures. At this stage, the focus shifts to consolidating self-sufficiency, managing replanting cycles, and sustaining export surpluses through climate-smart technologies and global market positioning.

This age-based framework ensures that interventions are biologically aligned with palm productivity, preventing gaps in output, enabling replanting incentives for smallholders, and staggered replanting cycles for long-term sustainability.

4.2 Spatial Framework: Zonal Expansion Strategy

The methodology adopts a zonal expansion model that prioritizes ecological suitability and socio-economic readiness. Based on the existing facts, oil palm production in Nigeria can be grouped into the following:

- i. **The Core Oil Palm Belt:** Initial interventions will focus on rehabilitating and expanding cultivation in established producing states (Edo, Delta, Anambra, Enugu, Abia, Imo, Ebonyi, Bayelsa, Rivers, Akwa Ibom, Cross River, Ondo, Osun, Ogun, Oyo, and Taraba). These states already have a cultural and economic base in palm oil production and thus provide quick wins and returns. The first phase of the policy will strategically concentrate on Nigeria's traditional oil palm belt, where agro-ecological conditions, historical experience, and cultural integration of palm oil provide a natural foundation for rapid gains. These states collectively account for the bulk of existing oil palm cultivation and already possess processing infrastructure, farmer networks, and institutional knowledge that can be leveraged for immediate scaling. Interventions in this zone will prioritize rehabilitation of aging plantations by replacing old, low-yielding palms with improved, high-yield hybrid varieties from NIFOR and

certified private multipliers. Alongside rehabilitation, there will be a deliberate expansion of cultivated areas into suitable degraded or fallow lands, ensuring compliance with zero-deforestation and sustainable land-use principles. This dual approach—rehabilitation and expansion—will significantly raise productivity and output within a short period.

Furthermore, these states will serve as demonstration hubs for best management practices (BMPs), mechanized farming, and nucleus estate–out-grower partnerships. Industrial parks and modern mills will be piloted here first, given the availability of raw materials and established markets. Local smallholders will be organized into cooperatives and cluster farms to improve access to credit, training, and guaranteed offtake arrangements, thereby enhancing rural livelihoods. By using the oil palm belt as the starting point, the policy secures “quick wins” through higher yields, rapid increases in production, and stronger returns on investment. These gains will not only reduce Nigeria’s import dependence in the short term but also create a replicable model that can be extended to non-traditional states in later phases of the strategy. In this way, the core belt becomes the launchpad for national self-sufficiency, export competitiveness, and inclusive rural transformation.

- ii. **Derived Savannah Region:** In the medium term, the strategy expands into the Derived Savannah (using irrigation systems and drought-tolerant planting materials) to unlock new frontiers for oil palm cultivation without compromising forest reserves for sustainability. In the long-term goal, irrigated oil palm plantation will be considered and this will enable government to utilize derived Savannah zones of Taraba, Kogi, Nasarawa, Benue, Kwara, Niger, Gombe, Plateau, and Adamawa States.

The Derived Savannah Region represents Nigeria’s next frontier for oil palm development and a critical pathway for long-term self-sufficiency and export competitiveness. While traditionally outside the core oil palm belt, these areas—particularly Niger, Taraba, Kwara, Kogi, Nasarawa, Benue, Niger, Gombe, Plateau, and Adamawa—offer vast expanses of cultivable land, lower population density, and favorable agro-climatic conditions once irrigation and adaptive technologies are deployed.

In the medium term (2033–2043), the policy will pilot expansion into the Derived Savannah through carefully designed irrigation schemes, including solar-powered pumping systems and water-harvesting technologies. Drought-tolerant and climate-resilient oil palm varieties developed by NIFOR and international research partners in Malaysia and Indonesia will be introduced to ensure successful establishment under savannah conditions. Expansion into these regions will be carefully planned to avoid deforestation or encroachment into sensitive ecological zones, ensuring that growth is consistent with Nigeria’s zero-deforestation commitments.

In the long term (beyond 2043), large-scale irrigated oil palm estates and out-grower schemes will be established in the Derived Savannah, turning these zones into major production hubs. This will diversify Nigeria’s geographic base of palm oil production, reduce risks from climate variability in the southern belt, and strengthen national food and energy security. Additionally, the development of industrial parks in these frontier

states will catalyze new economic activity, create thousands of jobs, and integrate northern and central Nigeria more fully into the palm oil value chain.

- iii. **Community-Centered Expansion:** The Community Land Release Model treats land as equity, enabling rural households to participate directly in oil palm enterprises while safeguarding tenure rights. This ensures expansion is inclusive with minimal conflicts. A cornerstone of the policy framework is the commitment to pursue oil palm expansion in ways that are socially inclusive, conflict-sensitive, and respectful of customary land rights. The Community Land Release Model (CLRM) is designed as an innovative approach that treats community-owned land not as a disposable commodity but as equity in oil palm enterprises. Under this model, rural households and host communities contribute land to partnerships with investors, cooperatives, or nucleus estates, in return for equity shares, dividends, or long-term lease payments. This arrangement guarantees that communities are not alienated from their ancestral lands, while simultaneously allowing them to benefit financially and socially from oil palm investments.

To operationalize the CLRM, the policy requires transparent agreements, free, prior, and informed consent (FPIC), and independent verification mechanisms to safeguard community rights. Land mapping and participatory boundary demarcation will ensure clarity on tenure arrangements, while grievance redress systems will provide communities with accessible avenues for dispute resolution. Gender equity provisions will ensure that women, who are often excluded from land negotiations, are formally recognized as stakeholders and beneficiaries.

Beyond securing tenure, the model strengthens community ownership of the development process. It encourages local households to view oil palm projects not merely as external interventions but as shared enterprises in which they hold tangible stakes. This fosters a sense of inclusion, reduces the likelihood of land-related conflicts, and builds social legitimacy for large-scale plantation development. Moreover, by aligning investor incentives with community welfare, the CLRM creates a more sustainable investment climate where benefits such as infrastructure, schools, and healthcare facilities are systematically reinvested in host communities.

This spatial methodological framework will create a balanced spatial spread that reduces pressure on forests while ensuring national coverage and optimizing potential.

4.3 Institutional and Stakeholder Engagement

The methodology emphasizes a multi-tier governance model, ensuring participation across all levels:

- i. **Federal Level:** Policy direction, financing, and national coordination. At the federal level, government will provide the overarching policy, legal, and financing architecture for sector transformation. This includes steering the hybrid development model by recognizing the Plasma-style nucleus estate–smallholder arrangement as the preferred operational adaptation of the FELDA-inspired approach in traditional and marginal oil palm areas. Within this framework, national implementation will deliberately promote an approximate 60:40 ratio between large-scale and small-scale production systems in order to secure long-

term sector balance, clustering efficiency, and inclusive access to management technologies. The federal government will also coordinate participating states toward a structured target of about 100,000 hectares per state over an initial eight-year period, while mobilizing finance through the Oil Palm Development Fund, strengthening collaboration with NADF, integrating the Central Bank of Nigeria into sector financing coordination, and encouraging commercial banks to channel Environmental, Social and Governance (ESG) resources and green financing into oil palm development.

- ii. State Level: Land access, cluster development, and operational facilitation. State governments will translate national policy into field implementation by creating land banks, facilitating community engagement, and coordinating cluster-based oil palm projects. In line with the preferred development structure, each participating state is expected to work toward making about 100,000 hectares available over eight years, with approximately 60% reserved for large-scale holdings and 40% structured for small-scale and clustered smallholder production. States will operationalize both the Plasma-style development scheme and the Community Land Release Model, especially in locations where government-controlled land is limited and success depends substantially on access to community and family lands. State governments will also enforce the use-it-or-lose-it clause for previously allocated but idle agricultural lands so that underutilized holdings can be retracted and returned to productive oil palm development.
- iii. Local Level: Community mobilization, extension delivery, aggregation, and compliance support. At the local government level, the emphasis will be on organizing smallholders, supporting grassroots extension, and ensuring that communities participate meaningfully in implementation. Local governments will work with traditional institutions, cooperatives, and producer groups to mobilize smallholders into viable clusters linked to nearby large estates and cooperative or industrial mills, thereby improving fresh fruit bunch aggregation and raising extraction efficiency. They will also support community consultations for land release, grievance handling, field-level monitoring of best management practices, and farmer access to extension, fertilizers, and processing services needed to achieve stronger yields and better extraction rates.

A critical responsibility will be the delivery of grassroots extension services. Local agricultural officers, in partnership with NIFOR and state extension systems, will provide continuous training on best management practices (BMPs), sustainable land use, integrated pest management, and harvesting techniques that improve yields and environmental compliance. Local councils will also serve as the first line of monitoring and enforcement, ensuring that farmers adhere to standards such as zero-deforestation, proper use of inputs, and RSPO/NSPO-aligned practices.

Furthermore, local governments will support community-level data collection on cultivated area, productivity, and socio-economic impacts, feeding this information into the national monitoring and evaluation system. Through regular town hall meetings, participatory mapping, and grievance redress mechanisms, they will help build trust between farmers, investors, and government agencies.

Stakeholders—including private investors, cooperatives, NGOs, and international partners—are integrated into each stage. This ensures a whole-of-sector approach where responsibilities are distributed but aligned under the umbrella of the Nigerian Oil Palm Council.

4.4 Data, Research, and Innovation Integration

The approach embeds evidence-based planning and adaptive learning:

- A. **Baseline Studies:** Data on land availability, yield gaps, and smallholder demographics will guide spatial targeting. A critical first step in implementing the oil palm development strategy is the conduct of comprehensive baseline studies that provide an accurate evidence base for planning and decision-making. These studies will systematically collect and analyze data on land availability, identifying degraded or marginal lands suitable for expansion while excluding high conservation value (HCV) and high carbon stock (HCS) areas to ensure compliance with sustainability standards. Spatial mapping using GIS and remote sensing technologies will be combined with ground-truthing to ensure precision in land identification and classification.

Equally important will be the assessment of yield gaps across existing plantations. By comparing current smallholder and estate yields against potential yields achievable with improved seeds and best management practices, policymakers can pinpoint areas where productivity interventions will yield the greatest returns. These yield-gap analyses will help prioritize resource allocation—whether for replanting, intensification, or rehabilitation—ensuring that investments translate into measurable improvements in output.

In addition, baseline studies will collect detailed data on smallholder demographics, including age, gender, farm size distribution, access to land, income levels, and existing participation in cooperative or out-grower schemes. This information will highlight socio-economic constraints such as limited access to credit, weak extension services, and gender inequalities, thereby enabling the design of targeted interventions that address the specific needs of vulnerable groups, especially women and youth.

The baseline database will serve as a strategic planning tool to guide spatial targeting of interventions, ensure equitable resource distribution, and set measurable performance benchmarks. It will also provide the reference point for monitoring and evaluation (M&E), enabling policymakers to track progress over time, adjust strategies based on empirical evidence, and report transparently on outcomes.

- B. **R & D Integration:** NIFOR will have the mandate to breed climate-smart, high-yield Tenera planting material and test mechanization tools feeds directly into expansion programs. A central pillar of the policy is the integration of research and development (R & D) into every stage of the oil palm value chain. The Nigerian Institute for Oil Palm Research (NIFOR), as the country’s foremost research institution for the sector, will be given a strengthened mandate and resources to drive innovation that supports large-scale expansion, productivity gains, and sustainability.

One of NIFOR’s key responsibilities will be the breeding and dissemination of climate-smart, high-yielding Tenera planting material that is drought-tolerant, disease-resistant, and adapted to diverse ecological zones, including the Core Oil Palm Belt and the Derived Savannah. This ensures that farmers, both estates and smallholders, have access to certified, genetically superior planting materials that can significantly close the yield gap while reducing vulnerability to climate variability.

Beyond breeding, NIFOR will be tasked with testing and adapting mechanization technologies suited to Nigeria’s oil palm landscape. These include small-scale harvesting

tools for smallholders, medium-sized processing units for cooperatives, and large-scale mechanized systems for estates and industrial parks. By conducting trials, field demonstrations, and farmer training on these technologies, NIFOR will bridge the gap between innovation and field adoption, ensuring that research outcomes translate into practical improvements in productivity and efficiency.

R & D integration will also extend to soil fertility management, pest and disease control, and waste-to-value technologies. For instance, research into sustainable fertilizer blends, integrated pest management, and the conversion of palm oil mill effluent (POME) into biogas or organic fertilizer will reduce environmental impacts while creating additional income streams. Partnerships with universities, private sector innovators, and international research institutions will further expand the knowledge base and promote technology transfer.

Crucially, NIFOR's outputs will not remain isolated within laboratories; instead, they will feed directly into expansion programs through structured linkages with state extension services, cooperatives, and private investors. This two-way feedback loop—research generating solutions, and field data refining research priorities—will ensure continuous innovation tailored to local realities.

- C. **Technology Uptake:** GIS, AI, and remote sensing will be applied for plantation mapping, upkeep, productivity monitoring, and deforestation tracking. To modernize and future-proof Nigeria's oil palm sector, the policy will prioritize the systematic uptake of digital technologies across the value chain. Geographic Information Systems (GIS), Artificial Intelligence (AI), and remote sensing tools will be deployed as standard instruments for planning, monitoring, and enforcement.

At the planning stage, GIS-based land-use mapping will be used to identify suitable areas for oil palm expansion, focusing on degraded or marginal lands while avoiding primary forests, wetlands, and high conservation value (HCV) zones. This ensures that spatial targeting aligns with both productivity and sustainability objectives. Participatory mapping with communities will also help resolve land tenure issues, reduce disputes, and strengthen transparency in land allocation.

During plantation establishment and upkeep, satellite imagery and drone surveillance will be used to track seedling survival rates, tree density, and plantation health. AI-powered analytics will provide early warnings of pest infestations, nutrient deficiencies, or drought stress, enabling farmers and estate managers to take timely corrective action. This precision approach minimizes losses, reduces input waste, and maximizes productivity.

For productivity monitoring, digital dashboards will aggregate field data (yield per hectare, FFB collection, milling efficiency) and present it in real time to cooperatives, investors, and government agencies. Such systems allow for evidence-based decision-making, efficient extension service delivery, and accurate tracking of progress toward national yield and output targets.

In terms of environmental compliance, remote sensing and AI-driven deforestation alerts will play a central role in enforcing the zero-deforestation mandate. Satellite monitoring systems will detect land-use changes in near real-time, flagging any encroachment into restricted areas. These alerts will be linked to a national compliance platform, enabling

swift regulatory action and ensuring Nigeria's palm oil meets international sustainability standards such as RSPO, NSPOS, and the EU Deforestation Regulation (EUDR).

Additionally, the integration of blockchain or digital traceability platforms will complement GIS and remote sensing by tracking palm oil from farm to mill to market. This enhances supply chain transparency, builds consumer trust, and secures access to premium export markets

- D. **Monitoring and Evaluation (MEL):** Annual reviews, state-level scorecards, and independent audits will provide continuous feedback loops. A robust Monitoring, Evaluation, and Learning (MEL) system is integral to the successful implementation of the oil palm development strategy. The MEL framework will serve as the accountability backbone of the policy, ensuring that targets are met, resources are efficiently utilized, and lessons from implementation are continually fed back into program design.

At the national level, annual policy reviews will be conducted to assess progress against production targets, seed distribution, yield improvements, sustainability indicators, and socio-economic outcomes such as job creation and community empowerment. These reviews will be led by the Nigerian Oil Palm Council in partnership with federal ministries, development partners, and private sector stakeholders.

At the state level, scorecards will be developed to benchmark each state's performance across key indicators such as hectares rehabilitated, new plantations established, average productivity (tonnes/ha), smallholder participation, gender inclusion, and compliance with zero-deforestation requirements. These scorecards will be publicly released to promote transparency and foster a healthy spirit of competition among states, motivating sub-national governments to drive faster reforms and investment mobilization.

To guarantee credibility, the MEL system will also incorporate independent audits conducted by third-party evaluators. These audits will verify reported data, assess compliance with environmental and social safeguards, and ensure that financial flows from the Oil Palm Development Fund are properly utilized. Independent verification mechanisms will enhance investor confidence, reassure development partners, and strengthen Nigeria's reputation in international markets as a producer of traceable, sustainable palm oil.

Additionally, MEL will adopt a digital-first approach, integrating satellite imagery, GIS-based monitoring, and mobile data collection tools to provide real-time evidence of progress. Community-based monitoring groups will also be established to ensure that local voices are included, grievances are addressed, and benefits are equitably distributed.

Crucially, the MEL system is not only about tracking outputs but also about learning and adaptation. Annual reviews and scorecards will be coupled with policy dialogues and stakeholder workshops to reflect on successes, identify bottlenecks, and refine strategies. This continuous feedback loop ensures that the oil palm strategy remains responsive to changing realities, resilient in the face of challenges, and effective in delivering long-term national goals.

This ensures that interventions remain evidence-driven, technology-enabled, and adaptive to changing conditions (climatic, market, or socio-political).

4.5 Sustainability and Inclusivity Principles

The approach embeds sustainability and inclusivity at all stages:

- **Sustainability:** Oil palm expansion in terms of new plantings is limited to degraded forests or community-released land, compulsorily avoiding primary forests. Certification system by global certification bodies or by their equivalent Nigerian Sustainable Palm Oil (NSPO) is mandatory, and replanting cycles are programmed for long-term carbon balance. Sustainability will be the cornerstone of Nigeria’s oil palm development policy, ensuring that growth in production does not come at the expense of environmental integrity or community well-being. To this end, new oil palm plantings will be strictly confined to degraded lands, abandoned farmlands, or community-released lands under transparent agreements, thereby eliminating any possibility of encroachment into primary forests, peatlands, wetlands, or high conservation value (HCV) ecosystems. This safeguards biodiversity, protects vital watersheds, and aligns Nigeria with international expectations on sustainable land-use.

To guarantee compliance, the policy makes sustainability certification mandatory. All estates, mills, and out-grower schemes will be required to operate under either internationally recognized frameworks such as the Roundtable on Sustainable Palm Oil (RSPO) or the nationally adapted Nigerian Sustainable Palm Oil (NSPO). Certification will ensure traceability, adherence to environmental and social safeguards, and global market acceptance of Nigerian palm oil. Special support will be provided to smallholders and cooperatives to achieve group certification, reducing barriers to entry and preventing their exclusion from premium markets.

A long-term perspective on sustainability will also guide replanting cycles. Old, low-yielding palms will be systematically replaced with improved high-yield varieties through well-planned replanting programs. These cycles will be programmed to maintain a balance between agricultural productivity and carbon sequestration, ensuring that the sector contributes to climate change mitigation rather than driving emissions. Complementary practices such as agroforestry integration, cover cropping, and residue recycling will further reinforce carbon balance while enhancing soil fertility and resilience to climate stress.

In addition, monitoring and enforcement mechanisms—including satellite-based land-use tracking, community-level environmental monitoring, and periodic independent audits—will be institutionalized to ensure compliance with sustainability commitments. Violations of the zero-deforestation mandate or certification requirements will trigger corrective measures, penalties, and withdrawal of incentives.

- **Inclusivity:** Family farm schemes (1–5 ha) and independent smallholder schemes (5–50 ha) are structurally linked to nucleus estates to guarantee offtake and technical support. Women and youth participation are prioritized in training, financing, and land access and equity programs. The policy framework prioritizes inclusivity to ensure that the benefits of oil palm expansion are equitably distributed across social groups, farm sizes, and geographic locations. Family farm schemes (1–5 hectares) and independent smallholder schemes (5–50 hectares) will be structurally integrated into larger nucleus estate models

through organized out-grower contracts, cooperative structures, and supply agreements. This linkage guarantees reliable offtake arrangements, reducing the risk of post-harvest losses while providing farmers with access to processing facilities, modern inputs, and ongoing technical assistance from estate managers and extension officers. By embedding smallholders into organized value chains, the policy prevents their marginalization and ensures that they benefit proportionally from sectoral modernization.

Special attention will be paid to women and youth, who are often excluded from land ownership, financing, and decision-making processes. Dedicated equity programs will prioritize their access to land through community release schemes, provide concessional financing through the Oil Palm Development Fund, and reserve quotas for their participation in extension training and cooperative leadership roles. Gender-responsive training curricula will address the unique challenges women face in production, processing, and marketing, while youth-targeted interventions—such as technology-enabled farming, mechanization services, and agribusiness incubation—will encourage their active involvement and stem rural-to-urban migration.

Inclusivity will also be reinforced through differentiated support packages tailored to farm size and capacity. For family farms, the focus will be on low-cost mechanization, improved seedlings, and extension services that enhance productivity and food security at the household level. For independent smallholders, interventions will emphasize commercial viability through credit facilities, bulk input procurement, and access to high-value export markets via certification schemes.

To ensure accountability, inclusivity targets—such as the number of women and youth trained, hectares managed under family farm schemes, and volume of smallholder fresh fruit bunches (FFB) integrated into nucleus estates—will be tracked annually through state-level scorecards and independent audits.

SECTION FIVE

5. POLICY STRUCTURE AND IMPLEMENT STRATEGY

5.1 Policy Elements and Framework

5.1.1 Land Access and Resource Mobilization

- i. Land Bank Creation: through Federal-State collaboration, with a FELDA-inspired but Plasma-oriented implementation structure. A central pillar of the oil palm development policy is the creation of well-governed land banks through strong collaboration between federal and state governments. While the framework draws lessons from the Federal Land Development Authority (FELDA) schemes in Malaysia, policy consultations recommend that operational implementation in Nigeria should more directly follow the Plasma system associated with GAPKI in Indonesia, because it offers a more flexible and practical pathway for integrating large estates with organized smallholder production. Accordingly, the policy will deliberately restructure palm oil production toward an approximate 60:40 ratio of large-scale to small-scale production over time. Each participating state will be encouraged to allocate about 100,000 hectares over an initial eight-year period, with about 60% structured for large-scale investment and 40% for clustered smallholder and family-based production so as to promote aggregation, efficient extension support, and easier access to management technologies.

The approach draws lessons from the Federal Land Development Authority (FELDA) schemes in Malaysia, which successfully transformed underutilized land into highly productive estates by integrating smallholders into nucleus estate models. Similarly, in Nigeria, federal authorities will collaborate with state governments to establish a structured land bank system that identifies degraded, marginal, or fallow lands suitable for oil palm expansion while safeguarding primary forests, wetlands, and high-conservation-value areas. Land in the Savannah zones will be used for irrigated oil palm farming.

Under this system, states will play a pivotal role in land identification, demarcation, and registration, creating a pool of land parcels pre-cleared for development. These parcels will then be matched with investors, cooperatives, and smallholder clusters under clearly defined conditions that include sustainability requirements, zero-deforestation commitments, and community benefit-sharing agreements. The federal government, through the Oil Palm Development Fund and the Nigerian Oil Palm Council, will provide overarching policy direction, standardized land-use protocols, and mechanisms for monitoring compliance.

This framework will also integrate the Community Land Release Model (CLRM), whereby host communities treat land as equity in oil palm enterprises. By combining state-registered land banks with community release schemes, Nigeria's policy ensures that expansion does not displace rural households but instead enhances their ownership and stake in oil palm projects. Transparent contracts, Free, Prior, and Informed Consent (FPIC), and independent verification mechanisms will be mandatory to safeguard tenure rights and prevent land conflicts.

Ultimately, the land bank strategy ensures that oil palm expansion in Nigeria is not fragmented or exploitative but instead organized, inclusive, and sustainable. It provides a structured pathway for scaling up oil palm cultivation in both the core producing belt and

the Derived Savannah frontiers, while replicating the transformative impact that FELDA's land development model had on Malaysia's rural economy.

- ii. **Community Land Release Model:** community land release as equity for estate, clustered smallholder, and outgrower schemes. The Community Land Release Model (CLRM) is affirmed as the second major land access pathway complementing the Plasma-style scheme. This is especially important because government does not hold sufficient land in many states, and the success of large-scale expansion will depend substantially on access to community and family lands. Under this arrangement, communities contribute land to oil palm projects—whether estates, cooperatives, or nucleus-outgrower schemes—in exchange for equity stakes, annual dividends, lease payments, employment opportunities, and other negotiated social benefits.

Under this arrangement, communities contribute land to oil palm projects—whether estates, cooperatives, or nucleus-outgrower schemes—in exchange for equity stakes, annual dividends, or structured lease payments. This guarantees that local populations retain a long-term stake in the enterprise, benefitting directly from palm oil revenues while safeguarding their customary tenure rights. By formalizing these arrangements, the CLRM addresses historical grievances around land grab creating a more inclusive and conflict-sensitive framework for agricultural expansion.

To operationalize the CLRM, the policy framework mandates the following:

- a. **Free, Prior, and Informed Consent (FPIC):** Communities must voluntarily agree to release land after full disclosure of project terms and potential impacts.
- b. **Participatory Mapping and Demarcation:** Land boundaries will be mapped with the involvement of local households to prevent disputes and overlaps.
- c. **Transparent Contracts and Independent Oversight:** Legally binding agreements will be drawn up, with third-party verification to ensure fairness and enforceability.
- d. **Grievance Redress Mechanisms:** Accessible, community-based systems will handle complaints and disputes, ensuring accountability and trust.
- e. **Gender Equity Provisions:** Women, who are often excluded from land negotiations despite their significant roles in farming and processing, will be recognized as stakeholders with formal entitlements.

The CLRM also integrates nucleus estate–outgrower linkages, whereby community land is pooled into cluster farms tied to nearby estates or processing hubs. This guarantees offtake arrangements, provides access to modern inputs and training, and embeds smallholders into formal value chains. By linking local land contributions with technical support and market access, the CLRM ensures that rural communities transition from subsistence-based palm oil cultivation to commercially viable enterprises.

Beyond economic benefits, the CLRM strengthens social legitimacy for large-scale plantation development. Communities view projects not as external impositions but as joint ventures in which they hold tangible ownership. This reduces land-related conflicts, fosters cooperation, and incentivizes reinvestment of proceeds into local infrastructure, schools, and healthcare.

In effect, the CLRM transforms land into a shared platform for inclusive growth—protecting communities from marginalization, empowering them as co-investors, and ensuring that Nigeria’s oil palm resurgence delivers not just national economic gains but also lasting rural development outcomes.

- iii. Invoking the “use-it or lose-it” clause for existing allocated but undeveloped land in different states. A recurring challenge in Nigeria’s agricultural sector is the prevalence of idle or speculative land allocations that remain undeveloped for years despite acute pressure on productive land. The policy therefore adopts a firm use-it-or-lose-it clause to enable states to retract undeveloped agricultural land allocations and return them to productive use. This strategy is particularly promising in states with large tracts of underutilized allocations; for instance, evidence from Edo State suggests that more than 100,000 hectares could potentially be retrieved through a credible enforcement process.

Under this clause, beneficiaries of government-approved land allocations will be subject to strict performance benchmarks, including:

- a. **Timely Development Obligations:** Allocated land must be brought under cultivation or productive use within a defined window (e.g., 2–3 years), with evidence of planting, infrastructure, or smallholder integration.
- b. **Periodic Compliance Audits:** State land registries and the Nigerian Oil Palm Council will jointly monitor land-use progress using satellite mapping, GIS, and field inspections.
- c. **Revocation of Idle Allocations:** Failure to meet development targets will trigger automatic revocation, after which land will be returned to the state land bank for reassignment to committed investors, cooperatives, or community schemes.
- d. **Transparent Reallocation Mechanism:** Repossessed lands will be redistributed through competitive bidding, with priority given to enterprises demonstrating capacity for sustainable cultivation, value addition, and smallholder inclusion.

This clause serves several strategic purposes:

1. **Deters Speculation:** It discourages speculative land hoarding, ensuring that only serious investors retain access to government-backed land resources.
2. **Accelerates Productive Land Use:** With a compelling action within a timeframe, it speeds up the rehabilitation of degraded groves and expansion into suitable non-forest areas.
3. **Promotes Equity:** Recovered lands can be redirected toward community-based schemes, women and youth cooperatives, and smallholder clusters, promoting broader participation.
4. **Strengthens Accountability:** Coupled with digital land registries and independent audits, the clause enhances transparency in land governance and curbs rent-seeking behaviors.

In practice, this policy echoes successful approaches in other commodity sectors, where performance-based tenure conditions have improved land utilization and reduced speculative bottlenecks. By invoking the “use-it or lose-it” principle, Nigeria not only safeguards scarce land resources but also aligns oil palm expansion with its broader goals of self-sufficiency, inclusivity, and sustainability.

5.1.2 Seed and Input Quality

- i. NIFOR to focus on breeding, improvement and quality certification of the Tenera seed. The Nigerian Institute for Oil Palm Research (NIFOR) is positioned at the heart of Nigeria's oil palm revival strategy, with a strengthened mandate to drive innovation in seed breeding and improvement. Central to this mandate is the focus on Tenera hybrid seed, which has been proven globally to deliver superior yields. NIFOR will prioritize the continuous breeding of high-yield, climate-smart Tenera seed that is tailored to Nigeria's diverse agro-ecological zones, from the humid core palm belt to the drier derived savannah regions. This involves:
 - a. Climate Resilience: Developing drought-tolerant and disease-resistant strains capable of thriving under shifting climatic conditions.
 - b. Adaptive Research: Collaborating with international research institutes in Malaysia and Indonesia to integrate best practices in genetic improvement
 - c. Private Sector Multiplication: Partnering with licensed private multipliers under strict supervision to scale seed production, availability and quality certification.
 - d. Multiplication and distribution of Tenera seed to be handled by a private seed company. To achieve the ambitious expansion targets outlined in Nigeria's Oil Palm Development Strategy (2026–2050), the multiplication and distribution of certified Tenera hybrid seed will be delegated to licensed private seed companies operating in partnership with the Nigerian Institute for Oil Palm Research (NIFOR).

Rationale for Private Sector Engagement

While NIFOR remains the sole breeder and certifying authority, Nigeria's current seed production capacity (13–15 million annually) falls far short of the 50 million seeds per year required by 2050. Scaling to this level demands private sector participation in the mass multiplication, nursery management, and wide distribution of certified Tenera seeds.

This approach mirrors global best practices, particularly in Malaysia and Indonesia, where government research institutes develop parent materials, but licensed private firms handle bulk multiplication and farmer outreach. By harnessing the efficiency and logistics capacity of private companies, Nigeria ensures both rapid scaling and wider accessibility of improved planting materials.

- e. Seed quality control and traceability: NIFOR which will be transformed into the Nigerian Palm Oil Board (NPOB) should ensure oil palm seed traceability to avoid adulteration. Drawing from the Malaysian Palm Oil Board (MPOB), there should be:
 - strict regulatory framework that mandates licensing for all seed producers, sellers, and distributors.
 - the use of unique tamper-evident QR-coded tags on seed bags. Every certified seed bag should carry a unique, tamper-evident QR code. This code should link a central database containing crucial data, including the mother palm's GPS coordinates, harvest date, and nursery registration number, allowing for real-time verification.
 - Seed Trace App: There should be "SeedTrace" mobile application, which allows buyers to scan the QR-coded tags to instantly verify if the seeds are genuine and certified.
 - rigorous DNA-based validation. There should be DNA and laboratory testing of seeds, checking for genetic purity to ensure the seeds are of the intended high-yield variety so as to combat adulteration of seeds.

5.1.3 Mechanization and Technology Adoption

- i. Encourage mechanization in plantation upkeep operations including pruning, weeding, harvesting and evacuation. One of the major bottlenecks in Nigeria's oil palm sector is the heavy reliance on manual labor for routine plantation upkeep tasks such as pruning, weeding, harvesting, and evacuation. This reliance not only limits efficiency and productivity but also discourages youth participation in the sector, given the perception of oil palm cultivation as labor-intensive and low-status work. To address these challenges, the policy framework emphasizes the systematic introduction and encouragement of mechanization across plantation upkeep operations.

Scope of Mechanization

- a. Pruning: Adoption of lightweight mechanical pruners and hydraulic pole cutters to improve speed and safety in managing fronds and fruit bunch access.
- b. Weeding: Use of mechanized brush cutters, low-impact herbicide applicators, and precision weeding machines to reduce labor costs and chemical misuse.
- c. Harvesting: Introduction of telescopic harvesting tools, motorized sickles, and small-scale mechanized cutters designed for Nigeria's heterogeneous farm sizes. For larger estates, medium scale harvesting cranes and motorized platforms will be promoted.
- d. Evacuation: Deployment of motorized wheelbarrows, mini-tractors, cableway systems, and adapted evacuation trucks to transport fresh fruit bunches (FFB) from farm to mill efficiently, minimizing post-harvest losses.

Policy Support Mechanisms

- a. Subsidies and Credit Schemes: The Oil Palm Development Fund will provide targeted subsidies and $\leq 8\%$ interest on concessionary loans for the acquisition of mechanized tools, particularly for smallholders and cooperatives.
- b. Private Sector Incentives: Tax breaks and import duty waivers will be introduced for private companies that manufacture or assemble plantation machinery locally, thereby promoting technology transfer and boosting local content (targeting 40–60% local fabrication).
- c. Training and Capacity Building: Extension services and farmer cooperatives will be supported with hands-on training in the use, repair, and maintenance of mechanized equipment, ensuring adoption is sustainable and cost-effective.

Strategic Benefits:

1. Productivity Gains: Mechanization reduces labor bottlenecks and increases efficiency, enabling Nigeria to reach its target of 2.5 tonnes of CPO per hectare by 2043.
2. Cost Reduction: Efficient operations lower the cost per ton of production, enhancing competitiveness.
3. Youth Engagement: By transforming oil palm farming into a modern, technology-enabled enterprise, mechanization will attract more young people to the sector.
4. Reduction of Post-Harvest Losses: Faster harvesting and evacuation minimize spoilage and improve oil extraction rates.
5. Local Industrial Development: Encouraging local production of parts and machinery components stimulates Nigeria's manufacturing base and creates additional jobs.

Alignment with Sustainability:

Mechanization will be integrated with best management practices (BMPs) to ensure that equipment use does not degrade soil, damage trees, or increase emissions unnecessarily. Precision tools and low-carbon technologies (e.g., solar-powered mini-tractors or biofuel-based machinery)

will be prioritized, aligning mechanization with Nigeria’s zero-deforestation and climate-smart agriculture commitments.

- ii. Discourage and eliminate inefficient milling equipment and facilities. The policy framework seeks to discourage and ultimately eliminate inefficient milling equipment and facilities that have long undermined Nigeria’s palm oil sector. Many small-scale and artisanal mills operate at oil extraction rates far below global standards, leading to substantial post-harvest losses, poor oil quality, and environmental pollution from untreated effluents. To reverse this trend, the strategy emphasizes the adoption of modern, efficient, and environmentally compliant milling systems. Operators will be supported through access to concessional financing, tax incentives, and integration into planned industrial parks, while substandard mills will be phased out through strict regulatory enforcement. It will replace obsolete equipment with high-yield, sustainable alternatives. With this, Nigeria can significantly raise extraction efficiency, improve oil quality, reduce waste, and enhance the competitiveness of its palm oil industry.
- iii. Encourage and incentivize local content of 40–60% of palm oil mill components and installation. The policy encourages and incentivizes local content of 40–60% in palm oil mill components and installation as a way to reduce reliance on imports and stimulate Nigeria’s manufacturing base. It will promote domestic fabrication of critical machinery parts, maintenance tools, and installation services, and this strategy will not only lower costs for investors but also create jobs and build technical expertise within the country. Local engineering firms and small manufacturers will be supported through tax rebates, concessional financing, and technology transfer partnerships to meet international efficiency and sustainability standards. This approach will strengthen industrial linkages between the palm oil and manufacturing sectors. It will also enhance self-reliance in agro-industrial technology and ensures that Nigeria’s oil palm modernization generates wider economic multipliers across the national economy.
- iv. Encourage the application of GIS, IT and AI in plantation management system. The policy promotes the application of GIS, IT, and AI in plantation management systems to modernize Nigeria’s oil palm sector and enhance efficiency across the value chain. Geographic Information Systems (GIS) will be used for land-use mapping, monitoring of plantation health, and precise identification of suitable areas for expansion while avoiding forests and ecologically sensitive zones. Information technology platforms will support digital record-keeping, farmer databases, and supply chain traceability, linking smallholders to cooperatives, mills, and markets. Artificial Intelligence (AI) applications will provide predictive analytics for yield forecasting, early detection of pests and diseases, and optimization of input use, thereby reducing waste and improving productivity. These digital tools will also strengthen compliance with sustainability standards by enabling real-time monitoring of deforestation risks and environmental impact.

5.1.4 Smallholder Empowerment

- i. Develop Family and Homestead Schemes: 1–5 ha per family linked to nucleus estates. The policy proposes the development of Family and Homestead Schemes, allocating between 1 and 5 hectares per family and linking these farms directly to nearby nucleus estates. This approach is designed to integrate smallholder households into the broader

- oil palm value chain while safeguarding their land tenure and improving their livelihoods. Families will receive access to improved Tenera seedlings, training in best management practices, and guaranteed offtake agreements with the estates, ensuring steady income and reduced market risks. By structuring small plots around homesteads and embedding them within estate-led clusters, the scheme enhances productivity, promotes food security at the household level, and encourages inclusive participation of women and youth. It also serves as a pathway to reduce rural poverty and migration by transforming family farms into commercially viable units that are part of a sustainable, traceable, and globally competitive palm oil industry.
- ii. **Develop Independent Smallholder Schemes: 5–50 ha linked to nucleus estates.** The policy promotes the development of Independent Smallholder Schemes covering 5 to 50 hectares, strategically linked to nucleus estates for technical support and market integration. These schemes target farmers with larger landholdings who are able to operate at semi-commercial scale but still require structured connections to processing facilities and supply chains. Independent smallholders will benefit from access to certified Tenera seedlings, concessional financing, mechanization services, and training in best management practices, while nucleus estates will provide guaranteed offtake, extension support, and quality control.
 - iii. **Provide training in best management practices (BMPs) through off-takers and private sector partners.** The policy emphasizes the establishment of Independent Smallholder Schemes ranging from 5 to 50 hectares, designed to connect medium-scale farmers to nucleus estates for effective integration into the palm oil value chain. These farmers, while operating at a semi-commercial scale, often face barriers in accessing modern inputs, financing, and reliable processing facilities. When they are properly linked to nucleus estates, the policy provides structured support that includes access to certified high-yield Tenera seedlings, concessional credit, mechanization services, and continuous training in best management practices. In return, nucleus estates guarantee offtake, offer extension support, and enforce quality standards to ensure consistency and sustainability. This arrangement allows independent smallholders to scale their operations, achieve higher yields, and adopt climate-smart practices while reducing risks of market exclusion. Ultimately, the scheme transforms independent smallholders into key contributors to national self-sufficiency targets and export competitiveness, reinforcing inclusive growth within the oil palm sector.
 - iv. **Guarantee off-take through estate aggregation arrangement and agreement.** The policy underscores the importance of guaranteeing off-take for smallholders through estate aggregation arrangements and formal agreements. Many small-scale farmers face challenges in accessing stable markets, often selling fresh fruit bunches (FFB) to informal processors at low prices, which discourages investment in improved practices. By linking them to nucleus estates under structured aggregation systems, farmers are assured of reliable buyers for their produce at fair and transparent prices. These agreements formalize relationships between estates and smallholders, ensuring that farmers' outputs are collected, processed in modern mills, and marketed competitively. In addition, guaranteed off-take reduces post-harvest losses, stabilizes farm incomes, and provides smallholders with the confidence to adopt improved seedlings, mechanization, and sustainable farming methods. Through estate aggregation, the policy builds stronger value chain linkages, enhances traceability, and ensures that

increased productivity at the farm level translates into national self-sufficiency, rural empowerment, and global competitiveness in palm oil production.

5.1.5 Processing and Downstream Development

- i. Encourage and Incentivize vegetable oil refineries and oleochemical industries for value addition and export. The policy underscores the importance of guaranteeing off-take for smallholders through estate aggregation arrangements and formal agreements. Many small-scale farmers face challenges in accessing stable markets, often selling fresh fruit bunches (FFB) to informal processors at low prices, which discourages investment in improved practices. When small scale farmers are properly linked to nucleus estates under structured aggregation systems, farmers are assured of reliable buyers for their produce at fair and transparent prices. These agreements formalize relationships between estates and smallholders, ensuring that farmers' outputs are collected, processed in modern mills, and marketed competitively. In addition, guaranteed off-take reduces post-harvest losses, stabilizes farm incomes, and provides smallholders with the confidence to adopt improved seedlings, mechanization, and sustainable farming methods. Through estate aggregation, the policy builds stronger value chain linkages, enhances traceability, and ensures that increased productivity at the farm level translates into national self-sufficiency, rural empowerment, and global competitiveness in palm oil production.

5.1.6 Finance and Investment

- i. Create Oil Palm Development Fund financed by import and export levies, linked institutional funds, and green finance windows. The policy proposes the creation of an Oil Palm Development Fund to serve as the primary financial backbone for revitalizing the sector. In operational terms, receipts from the import and export of palm oil and related products should form a major financing stream, while the support and alignment of NADF will be required because that institution already receives revenue flows from similar sources. The financing architecture should also bring the Central Bank of Nigeria into committee work and policy coordination, while encouraging deposit money banks and development finance institutions to contribute through Environmental, Social and Governance (ESG) commitments and broader green financing instruments. This blended financing structure will support plantation establishment, rehabilitation, seed systems, milling, research, and smallholder inclusion.
- ii. Offer $\leq 8\%$ interest loans with 5-year moratorium for estate and smallholder development. The policy provides for concessional financing by offering loans at interest rates of $\leq 8\%$ with a five-year moratorium to support both estate development and smallholder expansion. This measure is designed to ease the significant capital barriers that often prevent farmers and investors from establishing or rehabilitating oil palm plantations, which typically require several years before yielding returns. By allowing beneficiaries a grace period before repayment begins, the scheme gives estates and smallholders the time needed to plant, nurture, and bring their oil palm groves to maturity. The low interest rate further reduces the financial burden, making long-term investment in the sector more attractive and viable. This financing structure will enable smallholders to access improved seedlings, mechanization, and training, while estates can scale operations and adopt modern technologies. Ultimately, it ensures that

- financial constraints do not limit participation, accelerates plantation growth, and supports the broader national goal of achieving palm oil self-sufficiency and export competitiveness
- iii. Mobilize PPP investment via Sovereign Wealth Fund participation. The policy seeks to mobilize Public-Private Partnership (PPP) investment through the participation of Nigeria’s Sovereign Wealth Fund as a catalyst for large-scale financing of the oil palm sector. By leveraging the fund’s resources and credibility, the strategy aims to attract private investors, both domestic and international, into joint ventures for plantation expansion, industrial park development, and downstream processing. The Sovereign Wealth Fund’s involvement provides assurance of stability, transparency, and long-term returns, reducing investor risk and encouraging co-financing arrangements. Through this blended financing model, patient capital from the state is combined with private sector efficiency and innovation, creating a strong foundation for scaling sustainable production. This approach not only widens the pool of available investment but also ensures that strategic oil palm projects align with national development priorities while delivering measurable social, economic, and environmental benefits.

5.1.7 Sustainability and Certification

- i. Make the Roundtable on Sustainable Palm Oil (RSPO) or equivalent local certification mandatory for the production and use of palm oil. The policy makes the Roundtable on Sustainable Palm Oil (RSPO) certification—or an equivalent local standard such as the Nigerian Sustainable Palm Oil (NSPO)—mandatory for all palm oil production and use in the country. This requirement is designed to ensure that every stage of the palm oil value chain, from plantation to processing and marketing, adheres to internationally recognized sustainability principles. Mandatory certification will guarantee that Nigerian palm oil meets criteria on zero deforestation, fair labor practices, community rights, and environmental safeguards, aligning the sector with global trade requirements such as the European Union Deforestation Regulation (EUDR).

By enforcing certification, the policy improves traceability, strengthens compliance with environmental, social and governance (ESG) standards, and enhances Nigeria’s credibility in export markets. For smallholders, group certification schemes will be introduced to reduce costs and ensure inclusivity, with technical and financial support provided through the Oil Palm Development Fund and cooperatives. Estates, mills, and industrial parks will also be required to maintain certification to ensure that only sustainably produced palm oil enters domestic and international supply chains.

This approach not only opens access to premium global markets but also positions Nigeria as a responsible producer committed to climate resilience, biodiversity conservation, and equitable community participation. Ultimately, mandatory RSPO or equivalent local certification embeds sustainability at the core of Nigeria’s palm oil development strategy, balancing productivity with global competitiveness and long-term ecological stewardship.

- ii. Encourage the establishment of the Nigerian Sustainable Palm Oil (NSPO). The policy encourages the establishment of the Nigerian Sustainable Palm Oil (NSPO) as a nationally tailored certification framework to complement and localize global

benchmarks such as the RSPO. While RSPO provides international credibility, the NSPO is intended to reflect Nigeria’s unique socio-economic, cultural, and ecological realities, making sustainability standards more accessible and practical for domestic producers, especially smallholders. The NSPO will set clear guidelines on zero-deforestation, land-use rights, fair labor practices, environmental protection, and community benefit-sharing, ensuring that all actors in the supply chain—from family farms to large estates—adhere to responsible production practices.

By institutionalizing NSPO, Nigeria will create a homegrown certification system that reduces the cost and complexity of international accreditation while maintaining compliance with global market expectations, including the European Union Deforestation Regulation (EUDR). Smallholders and cooperatives will particularly benefit from group certification programs under NSPO, supported by technical assistance, training, and subsidies from the Oil Palm Development Fund. The establishment of this standard will also strengthen traceability and transparency in the supply chain, improve access to premium markets, and enhance Nigeria’s reputation as a sustainable palm oil producer. In the long run, NSPO will serve as both a stepping stone for international certification and a robust national safeguard for inclusive, climate-smart, and socially responsible oil palm development

- iii. Encourage the production of palm oil to conform to the European Union Deforestation Regulation (EUDR). The policy underscores the need to ensure Nigerian palm oil production conforms to the European Union Deforestation Regulation (EUDR), which prohibits commodities linked to deforestation from entering EU markets. By aligning with this regulation, Nigeria positions its palm oil sector to remain competitive in one of the world’s largest and most demanding markets. Compliance will involve strict traceability systems, satellite-based land-use monitoring, and full documentation of supply chains to prove that palm oil is sourced from non-deforested and legally managed land.

Farmers, cooperatives, and estates will be supported through training, digital tools, and certification schemes to meet EUDR requirements, while government institutions will establish verification platforms and independent audits to maintain credibility. By promoting EUDR compliance, the policy not only secures access to premium export markets but also reinforces Nigeria’s commitment to sustainable land management, biodiversity protection, and climate resilience. In summary, EUDR alignment is both a market strategy and an environmental safeguard, ensuring Nigerian palm oil is globally acceptable, sustainable, and future-proof.

5.2 Implementation Strategy

5.2.1 Short-Term (2026–2033) - 8 years

- i. Rehabilitate 500,000ha of semi-wild groves. The policy places strong emphasis on the rehabilitation of 500,000 hectares of semi-wild oil palm groves as a key short-term strategy for boosting production without expanding into new forest areas. These groves, which are widespread across the traditional oil palm belt, currently yield far below their potential due to aging trees, poor management, and limited access to improved inputs. By systematically replanting with certified Tenera seedlings, introducing best management practices, and providing smallholders with access to mechanization and extension support, the

rehabilitation effort will significantly raise yields from under 1 tonne per hectare to at least 1.5 tonnes per hectare by 2033.

This approach represents a cost-effective and environmentally sustainable pathway to increase output quickly, as it revitalizes existing plantations rather than clearing new land. It will also create immediate employment opportunities in seedling distribution, planting, and grove management, while enhancing household incomes for thousands of smallholder farmers. In addition, rehabilitating semi-wild groves supports Nigeria's zero-deforestation commitment, aligns with international sustainability standards, and provides a solid foundation for achieving self-sufficiency and future export competitiveness.

- ii. Distribute 13M sprouted seeds annually. The policy targets the annual distribution of 13 million sprouted Tenera seeds as a cornerstone of its short-term strategy to rapidly expand and modernize Nigeria's oil palm sector. Though this projection is very ambitious, it is achievable. NIFOR should be accorded aggressive and deliberate support to achieve this. This large-scale seed distribution, coordinated by NIFOR and certified private multipliers, will ensure that smallholders, cooperatives, and estates have consistent access to high-yield, climate-smart planting materials. By replacing low-yielding varieties with improved hybrids, the program will significantly raise productivity, reduce the national yield gap, and support the establishment of new plantations and the rehabilitation of degraded groves. Beyond boosting output, the initiative guarantees seed quality and traceability, curbs the circulation of adulterated materials, and empowers farmers to adopt sustainable practices, ultimately laying the foundation for Nigeria to achieve palm oil self-sufficiency and global competitiveness.
- iii. Establish Irrigation Trials and Pilot Schemes. The policy provides for irrigated oil palm trials and pilot schemes to be established in the derived savanna zone. This should be coordinated by NIFOR in collaboration with the states in the derived savanna zone. The different trials should involve the planting of drought tolerant Tenera for the different production systems including smallholder and commercial plantation models, under different irrigation systems. The trials should also determine the extra capital cost of the different irrigation systems. Irrigated oil palm production in the derived savanna zone is desirable to take Nigeria back to global reckoning in palm oil production because of availability of land with minimal environmental sensitivity. NIFOR is already engaged with plantation-based irrigation studies in Nasarawa State, and similar trials should be supported in Acharu in Kogi State and Bida in Niger State. Lessons from these pilots will guide future phased expansion, with aggressive support for annual expansion to meet the targeted hectares .
- iv. Establish smallholder clusters (comprising Family and Homestead smallholder farmers, and Independent Smallholders) in key states to cultivate 2M ha of oil palm. These States include Edo, Delta, Anambra, Enugu, Abia, Imo, Ebonyi, Bayelsa, Rivers, Akwa-Ibom, Cross River, Ondo, Osun, Ogun, Oyo, and Taraba. The policy calls for the establishment of smallholder clusters that bring together Family and Homestead farmers (1–5 ha) and Independent Smallholders (5–50 ha) to collectively cultivate 2 million hectares of oil palm across key producing states such as Edo, Delta, Anambra, Enugu, Abia, Imo, Ebonyi, Bayelsa, Rivers, Akwa Ibom, Cross River, Ondo, Osun, Ogun, Oyo, and Taraba. By organizing farmers into clusters, the initiative ensures economies of scale in accessing

certified seedlings, mechanization services, extension training, and guaranteed offtake agreements through nucleus estate linkages. These clusters will improve productivity, promote inclusive participation of women and youth, and reduce post-harvest losses while fostering traceability and compliance with sustainability standards. In addition, clustering strengthens bargaining power, facilitates financing, and creates rural employment opportunities, making smallholder farming commercially viable and central to Nigeria's goal of palm oil self-sufficiency and export competitiveness.

- v. The use of the distributed improved seeds by farmers, coupled with their training in best management practices will raise the national palm oil productivity to 1.5 tonne/ha. The policy projects that the widespread adoption of distributed improved Tenera seeds, combined with intensive farmer training in best management practices (BMPs), will raise national palm oil productivity from less than 1 tonne per hectare to 1.5 tonnes per hectare in the short term. This integrated approach ensures that improved genetic potential is fully realized through proper agronomic techniques such as timely pruning, weeding, fertilization, and harvesting. This empowerment of farmers with high quality-quality inputs and the technical knowledge to manage them effectively, the strategy will close existing yield gaps, enhance profitability for smallholders and estates, and create a strong foundation for achieving long-term targets of 2.5 tonnes per hectare by 2043. This productivity boost is critical for reducing the demand-supply deficit, increasing rural incomes, and positioning Nigeria's palm oil sector on a globally competitive trajectory.

5.2.2 Medium-Term (2034–2043) - 10 years

- i. Expand cultivation to additional 5M ha through expansion of the pilot smallholder clusters within the key States and expansion to other States, as well as irrigated farmland in Derived Savannah region of Nigeria. The policy projects that the widespread adoption of distributed improved Tenera seeds, combined with intensive farmer training in best management practices (BMPs), will raise national palm oil productivity from less than 1 metric ton per hectare to 1.5 tons per hectare in the short term. This integrated approach ensures that improved genetic potential is fully realized through proper agronomic techniques such as timely pruning, weeding, fertilization, and harvesting. By equipping farmers with both high-quality inputs and the technical knowledge to manage them effectively, the strategy will close existing yield gaps, enhance profitability for smallholders and estates, and create a strong foundation for achieving long-term targets of 2.5 tons per hectare by 2043. This productivity boost is critical for reducing the demand-supply deficit, increasing rural incomes, and positioning Nigeria's palm oil sector on a globally competitive trajectory.
- ii. Operationalize 50 integrated palm industrial parks. The policy prioritizes the operationalization of 50 integrated palm industrial parks as a medium-term strategy to strengthen Nigeria's processing capacity, promote value addition, and ensure full utilization of oil palm outputs. These parks will serve as centralized hubs equipped with modern high-efficiency mills, oleochemical plants, bioenergy units, and waste-to-value facilities, enabling smallholders, cooperatives, and estates to access world-class processing infrastructure. By clustering production and processing activities, the industrial parks will reduce post-harvest losses, improve oil quality, and create economies of scale that enhance competitiveness in both domestic and international markets. They will also attract private investment, stimulate downstream industries such as cosmetics, pharmaceuticals, and

biofuels, and generate thousands of direct and indirect jobs in rural communities. Through these integrated parks, the policy ensures that Nigeria moves beyond raw palm oil exports toward a diversified, sustainable, and globally competitive palm oil value chain.

- iii. Implement nationwide traceability and certification system. The policy calls for the implementation of a nationwide traceability and certification system to ensure that all palm oil produced in Nigeria is sustainable, transparent, and globally competitive. This system will track palm oil from plantation to mill and onward through the supply chain, using digital tools such as GIS mapping, blockchain platforms, and remote sensing to verify land origin, production practices, and compliance with zero-deforestation commitments. Certification will be mandatory under RSPO or the Nigerian Sustainable Palm Oil (NSPO) standards, guaranteeing that both estates and smallholders meet international requirements such as the European Union Deforestation Regulation (EUDR). By embedding traceability, the policy enhances consumer confidence, opens access to premium export markets, and curbs the circulation of uncertified or illegally sourced palm oil. For smallholders, group certification schemes and cooperative-based monitoring will lower costs and promote inclusivity. Ultimately, this system ensures that Nigeria's palm oil sector grows not only in volume but also in credibility, aligning production with sustainability and long-term market access.
- iv. Achieving the national palm oil productivity of 2.5 ton/ha. The policy sets a medium-term target of achieving a national palm oil productivity level of 2.5 tons per hectare, a significant improvement from the current average of less than 1 ton per hectare on most smallholder farms. This goal will be realized through the widespread adoption of certified Tenera seedlings, the introduction of mechanization, modern efficient processing facilities, and farmer training in best management practices such as timely harvesting, integrated pest management, and soil fertility enhancement. Achieving this benchmark aligns Nigeria more closely with global standards, narrowing the gap with leading producers like Malaysia and Indonesia, and ensures higher yields without extensive land expansion. By raising productivity to 2.5 tons per hectare, the policy provides a sustainable pathway to meet domestic demand, build surplus for exports, improve farmer incomes, and strengthen Nigeria's competitiveness in the global palm oil market.

5.2.3 Long-Term (2043–2050) - 7 years

- i. Achieve self-sufficiency in palm oil production, closing the demand-supply gap. A central long-term objective of the Nigeria Oil Palm Development Policy and Strategy (2026–2050) is to achieve full self-sufficiency in palm oil production by systematically closing the persistent demand–supply gap that has plagued the sector for decades. Currently, Nigeria's domestic production consistently falls short of national consumption needs, forcing reliance on costly imports that drain foreign exchange reserves, expose the economy to global price volatility, and undermine food security.

The strategy envisions reversing this trend through a phased expansion and intensification program that combines rehabilitation of semi-wild groves, large-scale distribution of certified Tenera seeds, and the creation of smallholder clusters integrated with industrial-scale estates. By 2033, productivity is projected to rise to at least 1.5 tonnes per hectare, significantly narrowing the supply gap. Medium-term interventions—including expansion

into the Derived Savannah using irrigated farming systems, the establishment of 50 integrated palm oil industrial parks, and nationwide adoption of traceability and certification systems—will further boost yields to 2.5 tonnes per hectare by 2043.

By ensuring that the production growth rates are scaled above the consumption growth rates, the policy ensures that by the mid-2040s, Nigeria will not only meet its domestic palm oil requirements but also generate a surplus for export. Achieving self-sufficiency means that the country will save billions of naira in foreign exchange currently spent on imports, stabilize domestic prices, strengthen rural livelihoods through expanded smallholder participation, and restore national pride in a commodity for which Nigeria was once globally renowned. In essence, closing the demand–supply gap is not only an economic necessity but also a pathway toward food sovereignty, economic diversification, and global competitiveness with the top countries that are doing very well in palm oil production.

- ii. Attain export surplus of 2M tonnes. Beyond the goal of self-sufficiency, the Nigeria Oil Palm Development Policy and Strategy (2026–2050) sets an ambitious target of attaining an export surplus of 2 million tonnes of crude palm oil (CPO) and palm kernel oil (PKO) by 2050. This milestone represents more than a quantitative benchmark; it signals Nigeria’s return to the global stage as a competitive and sustainable palm oil exporter.

Historically, Nigeria was among the world’s leading palm oil producers, supplying international markets before losing ground to Malaysia and Indonesia. The policy recognizes that restoring this role requires not only meeting domestic demand but also generating significant volumes for export. The pathway to this surplus is hinged on raising productivity levels from less than 1 tonne per hectare to 2.5 tonnes or more per hectare, rehabilitating degraded groves, expanding into the Derived Savannah under climate-smart irrigation, and ensuring all production aligns with sustainability standards of RSPO, NSPO, and the EU Deforestation Regulation (EUDR).

An export surplus of 2 million tonnes will serve multiple strategic functions. Economically, it will diversify Nigeria’s foreign exchange earnings, reducing dependence on crude oil exports and strengthening the resilience of the national economy. Socially, it will create thousands of additional jobs in downstream processing industries, including oleochemicals, biofuels, cosmetics, and pharmaceuticals, thereby enhancing industrialization and rural development. Environmentally, the focus on certified, traceable, and zero-deforestation palm oil will position Nigeria as a responsible supplier capable of competing in high-value global markets, especially in Europe, Asia, and Africa.

Reaching this target will also enhance Nigeria’s geopolitical standing, enabling the country to reassert itself as a policy influencer in international agricultural trade negotiations. In sum, the attainment of a 2-million-tonne export surplus represents not just a statistical outcome but the culmination of a transformative agricultural renaissance—one that repositions Nigeria as both a regional powerhouse and a global leader in sustainable palm oil production

- iii. Position Nigeria among top three global exporters. The long-term ambition of the Nigeria Oil Palm Development Policy and Strategy (2026–2050) is to firmly position the country among the top three global exporters of palm oil, alongside Malaysia and Indonesia. This

objective is not only symbolic of reclaiming Nigeria’s historical status as a global leader in the palm oil trade but also a strategic imperative for economic diversification, global competitiveness, and national pride.

Nigeria once dominated the global palm oil market in the early 20th century, but decades of underinvestment, low yields, and policy neglect eroded this position. By systematically expanding cultivation, modernizing processing infrastructure, and embedding sustainability into every stage of the value chain, the policy seeks to reverse this trajectory. Through improved yields of 2.5 tonnes per hectare or more, expansion into the Derived Savannah, and operationalization of 50 integrated industrial parks, Nigeria is projected to achieve not only self-sufficiency but also an exportable surplus of 2 million tonnes by 2050. This surplus forms the foundation for securing a place in the world’s top three exporters.

Achieving this rank requires more than volume. Nigeria’s exports will be anchored in traceability, certification, and sustainability, meeting stringent standards such as RSPO, NSPO, and the EU Deforestation Regulation (EUDR). By marketing its palm oil as a climate-smart, zero-deforestation product, Nigeria can access premium international markets in Europe, Asia, and Africa, building a reputation as a responsible and competitive supplier. Beyond crude palm oil, diversification into oleochemicals, biofuels, cosmetics, and pharmaceuticals will expand Nigeria’s export portfolio, reduce vulnerability to price shocks, and deepen its participation in the global palm oil value chain.

This positioning will also strengthen Nigeria’s influence in international trade negotiations, allowing it to shape standards, advocate for African producers, and foster regional integration through ECOWAS and the African Continental Free Trade Area (AfCFTA). By 2050, Nigeria’s leadership in palm oil will no longer be defined by historical legacy but by a forward-looking, sustainability-driven model that balances economic growth, environmental stewardship, and social inclusion. In effect, rising to the top three exporters is the culmination of the entire policy framework—a demonstration that Nigeria has transformed its oil palm sector into a global benchmark of competitiveness and responsibility.

5.3 Policy Instruments and Governance Framework

- i. A cornerstone of the governance framework is the establishment of the Nigerian Oil Palm Council (NOPC) as the apex body for long-term policy direction and strategic initiatives in the sector. The Council will serve as the central platform for coordinating federal, state, local, private sector, research, and community actors, while ensuring that the Nigeria Oil Palm Development Policy and Strategy (2026–2050) remains coherent, adequately financed, and responsive to emerging sector realities.

The Council will be constituted with broad representation from critical and strategic actors across the palm oil supply chain, including federal and state government agencies, the Nigerian Institute for Oil Palm Research (NIFOR), private estate owners, smallholder farmer associations, cooperatives, processors, traders, consumer goods companies, civil society organizations, financial institutions, and international partners. This inclusive structure guarantees that decisions are participatory, transparent, and reflective of the diverse interests within the sector.

The core mandates of the Nigerian Oil Palm Council will include:

- a. Overseeing sector development: Guiding the implementation of the 2026–2050 Oil Palm Development Policy and Strategy and ensuring alignment with national economic diversification, food security, and sustainability objectives.
- b. Oil Palm Masterplan: Develop and facilitate the implementation of oil palm masterplan in line with the proposed objectives, output and outcomes of the Nigeria Oil Palm Development Policy and Strategy (2026-2050).
- c. Mobilizing resources: Coordinating access to the Oil Palm Development Fund, development finance, and public–private partnerships to support plantation expansion, industrial park development, and smallholder empowerment.
- d. Stakeholder inclusion: Serving as a platform where all voices—government, private sector, smallholders, women, youth, and civil society—are actively involved in shaping policy directions and monitoring outcomes.
- e. Local and international relations: Acting as the official interface between Nigeria and the global palm oil community, ensuring compliance with RSPO, NSPO, and EUDR standards while promoting Nigerian palm oil in regional and international markets.
- f. Goal-setting and monitoring: Establishing measurable targets for production, sustainability certification, and export competitiveness, while publishing annual scorecards and sectoral reports.
- g. Promotion and advocacy: Positioning Nigerian palm oil as a globally competitive, environmentally sustainable, and socially inclusive product through targeted campaigns, trade diplomacy, and market development strategies.

In addition, the Council will provide a neutral convening space to mediate disputes, build consensus on sensitive issues such as land use and sustainability, and harmonize policies across federal, state, and local governments. By embedding accountability and transparency, the NOPC will enhance investor confidence, secure international partnerships, and ensure that Nigeria’s palm oil sector operates in line with global best practices.

Ultimately, the establishment of the Nigerian Oil Palm Council institutionalizes a whole-of-sector governance model that balances economic ambition with social equity and environmental responsibility, positioning the palm oil industry as a driver of inclusive growth and global competitiveness.

- ii. Create Oil Palm Development Fund to mobilize and manage patient funds derivable from import/export levies and other special funds. To guarantee sustainable financing for the revitalization of the palm oil sector, the policy proposes the creation of a dedicated Oil Palm Development Fund (OPDF) as the financial backbone of the strategy. This Fund will serve as a long-term, patient capital pool designed to overcome the chronic funding gaps that have constrained plantation expansion, smallholder support, and processing modernization in Nigeria.

The OPDF will be financed through multiple streams, primarily import and export levies on palm oil and related products, as well as other earmarked special funds approved by government. By recycling revenues derived from trade back into sectoral reinvestment, the

Fund creates a self-financing mechanism that reduces dependence on volatile external loans or ad hoc budgetary allocations.

The core mandates of the Oil Palm Development Fund will include:

- a. **Mobilizing Resources:** Pooling capital from levies, tariffs, development partners, and private sector contributions to provide stable financing for sector-wide transformation.
- b. **Supporting Plantation Expansion:** Offering concessional loans ($\leq 8\%$ interest, with moratorium periods of up to five years) to estates, cooperatives, and smallholders to cover the high upfront costs of establishing or rehabilitating oil palm groves.
- c. **Enhancing Research and Innovation:** Funding NIFOR and allied institutions to accelerate the breeding of climate-smart Tenera materials, mechanization innovations, and waste-to-value technologies.
- d. **Processing and Industrial Parks:** Financing the establishment and upgrading of efficient mills, oleochemical plants, and integrated palm industrial parks to improve value addition and reduce reliance on low-quality artisanal processing.
- e. **Capacity Building and Inclusivity:** Directing resources toward training programs, youth and women empowerment schemes, and smallholder group certification to ensure inclusive participation in global value chains.
- f. **Sustainability and Certification:** Providing grants and subsidies to farmers and processors seeking compliance with RSPO, NSPO, and EUDR standards, thereby securing Nigeria's access to premium export markets.

The Fund will be governed by a transparent structure under the oversight of the Nigerian Oil Palm Council (NOPC), with representation from federal and state governments, smallholder associations, the private sector, and civil society. To enhance accountability, disbursements will be tied to measurable performance indicators such as hectares cultivated, yields achieved, number of smallholders supported, and sustainability milestones attained. Independent audits, digital tracking systems, and public reporting mechanisms will ensure credibility and build investor confidence.

By creating the Oil Palm Development Fund, Nigeria establishes a reliable financial engine that not only drives sectoral growth but also institutionalizes a culture of reinvestment, ensuring that the gains from trade are ploughed back into strengthening the palm oil industry. This will make financing accessible, affordable, and predictable conditions that are critical for achieving long-term self-sufficiency, export competitiveness, and inclusive prosperity in the sector

- iii. **Create Nigerian Oil Palm Board (NOPB)** by transforming NIFOR into a broader board-driven institutional platform for research uptake, regulation, and innovation support. The policy supports the metamorphosis of NIFOR into a stronger board-based institutional arrangement, drawing lessons from Malaysia's transition from the Malaysian Palm Oil Research Institute to the Malaysian Palm Oil Board. This approach preserves NIFOR's scientific strengths while expanding its authority to coordinate research uptake, training, industry standards, and innovation diffusion across the value chain.

The OPDB's mandate will be to coordinate, fund, and mainstream research outcomes into practical field applications that directly enhance productivity, sustainability, and competitiveness. It will work closely with NIFOR, universities, private sector innovators, and international research partners to ensure that scientific discoveries do not remain confined to laboratories but are translated into tangible solutions for farmers and processors.

The Board's core responsibilities will include:

- a. **Research Coordination and Funding:** Identifying priority areas for research such as high-yield Tenera materials, climate-smart planting systems, mechanization tools, waste-to-value technologies, and disease-resistant strains. The NOPB will channel resources from the Oil Palm Development Fund to ensure sustained investment in these areas.
- b. **Technology Incubation and Uptake:** Establishing pilot projects and demonstration farms that showcase best practices and new technologies, providing smallholders and estates with hands-on exposure and evidence of effectiveness.
- c. **Knowledge Dissemination:** Translating scientific findings into farmer-friendly manuals, training modules, and extension programs. The Board will ensure that innovations are communicated in simple, accessible formats across multiple Nigerian languages.
- d. **Linkages with Industry:** Partnering with processing companies, industrial parks, and exporters to align research outputs with market demands, ensuring innovations respond to both productivity goals and international sustainability standards (RSPO, NSPO, EUDR).
- e. **Capacity Building:** Training extension workers, cooperative leaders, and youth in modern agronomy, mechanization, and digital farming techniques to create a skilled workforce capable of sustaining innovation.
- f. **Monitoring Adoption:** Developing feedback loops through digital platforms and field surveys to track uptake rates of improved seeds, mechanization tools, and sustainability practices, adjusting interventions as needed.

Structurally, the NOPB will operate under the umbrella of the Nigerian Oil Palm Council (NOPC), ensuring alignment with national policy goals while retaining operational autonomy for innovation-driven programming. Its governance will include representation from NIFOR, universities, state governments, farmer associations, and private investors, making it a truly multi-stakeholder platform.

By establishing the NOPB, Nigeria ensures that its palm oil sector is not only expanding in scale but also evolving in quality, efficiency, and sustainability. This institution will accelerate the translation of research into practice, close the persistent yield gap, and position Nigeria's palm oil as both globally competitive and environmentally responsible. In essence, the NOPB transforms research from an isolated activity into the engine room of Nigeria's palm oil renaissance, guaranteeing that innovation directly powers self-sufficiency and export leadership.

- iv. **Upscale NIFOR's seed production capacity to 50 million seeds per annum:** A central pillar of the Nigeria Oil Palm Development Policy and Strategy (2026–2050) is the dramatic upscaling of high-quality seed production to meet the ambitious targets of plantation

expansion and productivity enhancement. At the heart of this effort is the Nigerian Institute for Oil Palm Research (NIFOR), which will be mandated and supported to expand its seed production capacity from the current output of approximately 13 million seeds annually to 50 million certified Tenera seeds per annum by 2050.

The rationale for this expansion is clear: Nigeria's oil palm productivity crisis stems in large part from the prevalence of low yielding, adulterated, and uncertified planting materials. Smallholders, who constitute over 80% of producers, are often victims of seed fraud, which undermines yields, reduces oil quality, and perpetuates the national demand–supply gap. By scaling NIFOR's certified Tenera seed production, Nigeria can guarantee widespread access to genetically superior, climate-smart, and high-oil-yield planting materials.

To achieve this, NIFOR will be strengthened in the following ways:

- a. Infrastructure Expansion: Modernization and enlargement of NIFOR's seed gardens, nurseries, and breeding facilities to support large-scale production.
- b. Research Intensification: Continuous breeding of drought-tolerant, pest- and disease-resistant hybrids adapted to diverse ecological zones, including the humid South and irrigated Derived Savannah.
- c. Private Sector Partnerships: Licensing and supervising accredited private multipliers to support mass propagation, ensuring quality control while scaling distribution across Nigeria.
- d. Seed Certification System: Deployment of robust traceability mechanisms—including genetic testing, blockchain tagging, and QR-code verification—to eliminate fake seed circulation and guarantee authenticity.
- e. Distribution Network: Establishment of regional seed hubs to bring certified seeds closer to farmers in the core belt and frontier states, reducing logistical bottlenecks.
- f. Integration with Financing: Linking seed access to concessional loans from the Oil Palm Development Fund, so that smallholders and cooperatives can afford improved planting materials.

The strategic impact of upscaling NIFOR's seed production to 50 million seedlings annually is profound:

- a. It will close Nigeria's yield gap, moving from <1 ton of crude palm oil (CPO) per hectare to at least 2.5 tons/ha by 2043.
- b. It will guarantee sustainability, since climate-smart breeding reduces the need for expansion into forests and aligns with zero-deforestation commitments.
- c. It will enhance competitiveness, as certified planting materials strengthen compliance with global trade standards such as RSPO, NSPO, and EUDR.
- d. It will empower smallholders, who will now have equitable access to the same high-yield seeds historically reserved for estates, leveling the playing field in palm oil production.

By upscaling seed production to this scale, NIFOR will not only fulfill its traditional research mandate but will also become the engine room of Nigeria's oil palm renaissance, ensuring that every hectare planted contributes maximally to national self-sufficiency and global export competitiveness

- v. Strengthen NIFOR's mandate to include climate-smart breeding, technology incubation, and manpower development for the industry. The policy framework recognizes the Nigerian Institute for Oil Palm Research (NIFOR) as the central scientific and technical engine of Nigeria's oil palm transformation agenda. Beyond breeding and technology incubation, NIFOR should receive explicit support to develop the skilled manpower needed by the industry through structured training of university and polytechnic graduates, technical apprentices, extension personnel, and mill operators. This is necessary because the industry presently faces a serious shortage of domestic technical personnel, forcing many plantations to depend on foreign experts. A strengthened NIFOR-led training pipeline will help localize technical services and build long-term national competence.

1. Climate-Smart Breeding

NIFOR will lead the development of new generations of high-yielding, drought-tolerant, and disease-resistant Tenera hybrids that can thrive under Nigeria's diverse ecological conditions, including the humid core belt and the irrigated Derived Savannah. These hybrids will be designed to withstand the challenges of climate variability, pest invasions, and soil degradation, while maintaining high productivity. The breeding program will integrate cutting-edge techniques such as genomic selection, molecular marker-assisted breeding, and tissue culture to accelerate varietal improvement. By embedding climate resilience into the seed system, NIFOR ensures that Nigeria's productivity growth does not come at the expense of ecological sustainability.

2. Technology Incubation

Beyond seed development, NIFOR will establish dedicated technology incubation hubs where innovations in oil palm production, processing, and sustainability can be piloted, refined, and scaled. These hubs will focus on:

- a. Mechanization Tools: Adapting and testing harvesting, pruning, and evacuation equipment suited to Nigeria's smallholder-dominated landscape.
- b. Digital Agriculture: Using AI, GIS, and remote sensing for precision farming, yield forecasting, and deforestation monitoring.
- c. Waste-to-Value Systems: Converting palm oil mill effluent (POME) into bioenergy, organic fertilizers, and other by-products to minimize environmental damage while creating additional income streams.

The incubation hubs will function as bridges between research and commercialization, engaging private companies, farmer cooperatives, and investors to transform laboratory results into scalable field applications.

3. Training and Knowledge Transfer

NIFOR's expanded role will also include serving as a national training and knowledge transfer hub. Extension officers, youth apprentices, and cooperative leaders will be trained

in climate-smart agronomy, mechanization, and sustainable value-chain practices. This ensures that innovations are widely adopted and not confined to research stations.

4. Strategic Impact

Strengthening NIFOR's mandate in this way has multiple strategic benefits:

- a. **Productivity:** Accelerates the closing of Nigeria's yield gap, raising national productivity toward 2.5 tonnes/ha by 2043.
- b. **Resilience:** Builds long-term adaptive capacity to climate change, protecting farmers' livelihoods and national food security.
- c. **Competitiveness:** Positions Nigeria as a global hub for palm oil innovation, able to comply with international trade standards such as RSPO, NSPO, and EUDR.
- d. **Inclusivity:** Ensures smallholders, women, and youth gain direct access to cutting-edge technologies through structured extension programs and incubation partnerships.

In effect, strengthening NIFOR's mandate to include climate-smart breeding and technology incubation transforms the institution into the engine of innovation for Nigeria's palm oil renaissance, securing both domestic self-sufficiency and international export leadership.

- vi. Establish a three-tier development structure including the local, state and federal governments with distinct functions. For the successful implementation of the Nigeria Oil Palm Development Policy and Strategy (2026–2050), the framework emphasizes the need for a coordinated three-tier governance structure that clearly delineates the responsibilities of the federal, state, and local governments. This approach ensures that interventions are harmonized, duplication of efforts is avoided, and all levels of government contribute meaningfully to the collective national vision of palm oil self-sufficiency and export competitiveness.

1. Federal Government Functions

The federal government will provide strategic policy direction, funding mechanisms, and national oversight. Its key roles will include:

- a. **Policy Formulation and Regulation:** Designing enabling legislation, sustainability guidelines, and national targets for production, exports, and certification compliance (RSPO, NSPO, EUDR).
- b. **Financing:** Managing the Oil Palm Development Fund, mobilizing levies, tariffs, and development finance, and ensuring transparent disbursement to priority areas such as seed distribution, mechanization, and industrial park development.
- c. **National Coordination:** Overseeing the Nigerian Oil Palm Council (NOPC) and Nigerian Oil Palm Board (NOPB) to harmonize research, technology incubation, and extension systems nationwide.
- d. **International Representation:** Acting as Nigeria's voice in global trade negotiations, climate frameworks, and sustainability certification processes to secure access to premium markets.

- e. **Monitoring and Evaluation:** Conducting annual national reviews, publishing sector performance scorecards, and ensuring accountability through independent audits.

2. State Government Functions

State governments will play a pivotal role in land allocation, regional coordination, and facilitation of community engagement. Their responsibilities will include:

- a. **Land Bank Creation:** Identifying, mapping, and registering degraded or fallow lands for oil palm expansion, ensuring compliance with zero-deforestation commitments.
- b. **Cluster Coordination:** Facilitating the establishment of smallholder clusters and estate-linked cooperatives, providing extension services, and ensuring equitable inclusion of women and youth.
- c. **Infrastructure Provision:** Supporting feeder roads, irrigation schemes, and industrial park development to strengthen the palm oil value chain.
- d. **Investment Mobilization:** Attracting and negotiating with private investors, ensuring that partnerships respect local land rights and community benefit-sharing agreements.
- e. **Performance Monitoring:** Developing state-level scorecards to benchmark hectares rehabilitated, yields achieved, smallholder participation, and sustainability compliance.

3. Local Government Functions

Local Government will serve as the frontline actors, directly engaging with farmers, cooperatives, and rural communities. Their roles will include:

- a. **Smallholder Mobilization:** Organizing farmers into cooperatives, family farm schemes, and out-grower arrangements to improve access to inputs, credit, and guaranteed off-take.
- b. **Grassroots Extension Services:** Deploying agricultural officers to train farmers in best management practices (BMPs), mechanization, and sustainable land-use techniques.
- c. **Community Engagement:** Facilitating Free, Prior, and Informed Consent (FPIC) processes for land release, mediating disputes, and ensuring gender equity in participation as well as youth participation.
- d. **Compliance Monitoring:** Serving as the first line of enforcement for sustainability standards, ensuring that local actors adhere to zero-deforestation, fair labor, and traceability requirements.
- e. **Data Collection:** Gathering community-level data on yields, land use, and socio-economic impacts to feed into the national monitoring and evaluation system.

5.4 Strategic Impact of the Three-Tier Structure

This governance framework creates a complementary system of shared responsibilities. The federal level provides vision, regulation, and resources; the state level ensures land access, infrastructure, and coordination; while the local level anchors community mobilization, capacity building, and monitoring. Together, they create a seamless chain of accountability and action that drives the palm oil sector toward the policy's long-term targets.

With the institutionalization of this three-tier of government structure, Nigeria ensures that the oil palm strategy is not top-down or fragmented but inclusive, decentralized, and responsive to the needs of all stakeholders—from national policymakers to the smallest rural farmer. This layered approach is essential for sustaining momentum, scaling innovations, and embedding resilience across the entire oil palm value chain.

5.5 Policy Output

Table 4 presents the policy output, expressed in terms of planted areas achievable, projected CPO production and projected annual production growth rate for the three tiers of the policy life.

Table 4: Policy Output

Time Horizon	Land (ha)	Yield (t/ha)	CPO Production MT)	Outputs
2026–2033	2.1M ha (incl. 500,000 ha semi-wild grove rehabilitation)	1.5	~3.15M	Minimum 15 clusters, 13M seedlings annually, modern mills, supply gap narrowing
2034–2043	+5M ha (total ~7.1M ha)	2.0–2.5	~7.1M	50 industrial parks, nationwide traceability & certification,
2044–2050	Sustained planting & replanting, ~9M ha fully productive	2.5+	~9M	Full self-sufficiency achieved, 2M MT export surplus,

5.6 Policy Outcomes

The policy outcomes include reduction, up to closing of the demand-supply gap, achieving self-sufficiency when production growth rate surpasses consumption growth rate, return to global trade, earn foreign exchange, improved contribution to GDP.

The analysis in Table 5 presents two scenarios - the CPO projection based on the current level of production without this policy strategy and the CPO projection with the policy strategy to achieve self-sufficiency and surplus for export.

In the first scenario of without policy strategy, the Nigerian annual palm oil production growth rate for the past 25 years (2000-2024) is 2.87%, while the annual consumption growth rate for the same period which is higher than both the production growth rate and the annual population growth rate (2.8%) is 3.3%. Consequently, projection estimates for the three tiers of the policy life by 2033, 2043 and 2050 indicate the crude palm oil production of 1.9MT, 2.6MT and 3.1MT, and the consumption of 2.6MT, 3.6MT and 4.5MT, giving rise to the demand-supply gap of 0.7MT, 1.0MT and 1.4MT respectively to be filled by production expansion and productivity increase.

In the second scenario of with policy strategy based on the upscaling of NIFOR’s seed production capacity, the country will produce 2,975,040MT, 7,567,895MT and 8,963,723MT of CPO by 2033, 2043 and 2050 respectively, thus, achieving self-sufficiency in palm oil production by closing the demand-supply gap and producing the surplus of 363,255MT, 3,954,290MT, and 4,428,038MT respectively for export.

To achieve this projected self-sufficiency and export surplus in palm oil production, NIFOR needs to be empowered and supported, as well as encouraged to partner with licensed private seed multipliers under strict supervision, as earlier stated, to scale up seed availability from the current actual annual production of about 3 million to 13 million annually in the short-term, and upgrade to 30 million and 50 million in the medium-term and long-term respectively.

Table 5: Projected palm oil production, consumption and demand-supply gap in Nigeria (2026-2050)

S/N	Category	Rate	Period		
			Short-term (2026 - 2033)	Medium-term (2034 - 2043)	Long-term (2044 - 2050)
Without policy					
A.	Annual palm oil production growth rate (2000 - 2024) ¹	2.87%			
B.	Projected palm oil production based on-production growth rate of (MT)	-	1,935,040	2,567,895	3,130,390
C.	Annual population growth rate (2000-2022) ²	2.80%			
D.	Annual palm oil consumption growth rate (2000 - 2024) ¹	3.30%			
E.	Projected palm oil consumption (MT)	-	2,611,785	3,613,605	4,535,685
F.	Demand-supply gap (MT)	-	676,745	1,045,710	1,405,295
With policy					
G.	NIFOR Seed Capacity	3M	13M	30M	50M
H.	Estimated Production based on NIFOR seed capacity and existing production (MT)	-	2,975,040	7,567,895	8,963,723
I.	Surplus for export (MT)	-	363,255	3,954,290	4,428,038

Source: ¹Index Mundi (2025); ²NPC (2025)

5.6.1 Job Creation and Employment Opportunities

A central outcome of the Oil Palm Development Policy is large-scale job creation across the entire value chain. The policy will catalyze large-scale, decent employment across the value chain—targeting about 2 million direct and indirect jobs by 2033 and expanding further through 2043–2050 as production, industrial parks, and exports scale. Jobs will be state-distributed via land banks and cluster development in the oil-palm belt and the Derived Savannah. These employment opportunities would be in plantation establishment, harvesting, milling, industrial park operations, and allied services such as transportation, logistics, and input supply.

Special emphasis will be placed on youth and women, supported through structured apprenticeship and training programs that build technical, managerial, and entrepreneurial skills. Value-chain diversification into oleochemicals, cosmetics, pharmaceuticals, and renewable energy will generate additional high-value jobs and strengthen rural economies.

5.6.2 Wealth Creation at Household and National Levels

The objective of this is to grow equitable wealth at the base (smallholders, workers, SMEs) while expanding national income through value addition, export competitiveness, and fiscal receipts. The household level wealth creation pathways would be in the following areas:

- i. Higher farm incomes: Yield uplift (rehab + improved seedlings), better Oil Extraction Rate (OER), and reduced losses, raise net income per hectare; group certification/traceability earns price premiums and more stable offtake.
- ii. Asset building via CLRM: Community Land & Resource Model which lets households hold land/equity stakes in clusters/estates, generating dividends, lease income, and intergenerational assets.
- iii. SME value-add margins: Local soap/cosmetics/food SMEs, input dealers, logistics, and maintenance services capture downstream margins previously lost to imports.
- iv. Financial inclusion: OPDF-linked credit guarantees, cooperative financing, and pay-as-you-harvest tools lower capital barriers and formalize household savings/investment.
- v. Skills-to-earn: TVET/extension pipelines (nursery, milling, maintenance, ICS/traceability) convert training into employability and entrepreneurship.

At the national level, the following wealth creation pathways are anticipated:

- i. Import substitution + FX earnings: Domestic CPO/PKO meets internal demand and replaces imports, while RSPO/NSPO + EUDR compliance unlock premium export markets, boosting the current account.
- ii. Value addition at scale: Integrated industrial parks anchor refining/oleochemicals/biomass energy, multiplying GDP contribution beyond primary production.
- iii. Private capital crowd-in: Clear rules (NOPC), bankable pipelines, and OPDF concessional lending leverage private/DFI capital, deepening financial markets (e.g., room for green/transition instruments).
- iv. Fiscal gains: Formalization expands VAT/PAYE/company income tax bases; park infrastructure catalyzes local government IGR through rates and fee

5.6.3 Estimated FDI

FDI mobilized into nucleus/PPP estates and out-growers, mills/refineries, integrated industrial parks (oleochemicals/biomass/packaging), and logistics/digital traceability (excludes OPDF/public capex).

Headline estimate: US\$4.0–6.6 billion (2025–2050), phased as: US\$0.9–1.6B (2025–2033); US\$2.0–3.2B (2034–2043); US\$1.0–1.8B (2044–2050). Target leverage: $\geq 2.5x$ private/DFI dollars per US\$1 of OPDF concessional capital.

Enablers: Standard PPP/park concession templates and offtake frameworks; mandatory RSPO/NSPO and EUDR-ready traceability to de-risk market access; OPDF risk-sharing (guarantees/first-loss) and results-based disbursements; FX repatriation assurances and stability agreements; secure land access via CLRM.

Monitoring: A quarterly FDI Scorecard tracking committed vs. realized FDI (by segment), leverage ratio, jobs/local supplier spend, export earnings, and E&S/certification status—published annually within the national sector dashboard.

5.6.4 Forex Earnings

FX from exports of CPO/PKO, refined oils, specialty fats, oleochemicals, glycerin/soap inputs, biomass energy by-products, and palm-kernel cake; plus FX savings from import substitution as domestic supply meets local demand. This will be proposed and projected as follows:

- i. Phase I (2026–2033): Primarily FX savings from reduced imports; early certified exports begin.

- ii. Phase II (2034–2043): Transition to net FX positive, with rising export receipts from refined oils/oleochemicals.
- iii. Phase III (2044–2050): With about 2 Mt export surplus, annual FX earnings reach the low single-digit billions (US\$) under conservative price bands (precise targets updated annually).

Enablers: Mandatory RSPO/NSPO certification and EUDR-ready traceability; export-finance access (pre/post-shipment), guarantees via OPDF; stable repatriation/retention rules; secure land via CLRM; proactive trade diplomacy (EU/GCC/ASEAN); park-based value addition to lift unit realizations (US\$/t).

5.6.5 Multiplier Effect

Economy-wide spillovers generated by the oil-palm value chain through backward linkages (inputs, seedlings, equipment, logistics), forward linkages (refining, oleochemicals, FMCG), and induced effects (household spending from wages and farm incomes)

5.7 Policy Implementation and Sustainability

5.7.1 Implementation Roles

- i. The implementation of this policy is vested in the Nigerian Oil Palm Council. As the central coordinating body, the Council will serve as the apex institution responsible for planning, driving, monitoring, and harmonizing the execution of the Nigeria Oil Palm Development Policy and Strategy (2026–2050). It will operate at the intersection of federal, state, and local government agencies, ensuring that national objectives—such as productivity growth, sustainability, and inclusivity—are translated into actionable programs on the ground.

The Council’s mandate will include overseeing the Oil Palm Development Fund, coordinating the activities of NIFOR and licensed private seed multipliers, supervising the establishment of land banks and community land release schemes, and enforcing compliance with sustainability standards such as RSPO, NSPO, and the EU Deforestation Regulation. It will also be responsible for stakeholder engagement, working with cooperatives, smallholder associations, private investors, and international partners to ensure that interventions are both inclusive and market-driven.

Furthermore, the Council will lead in deploying technology-enabled monitoring and evaluation systems, including GIS mapping, satellite surveillance, and state-level scorecards, to track progress and ensure accountability

- ii. The Federal Ministry of Agriculture and Food Security and the Federal Ministry of Industry, Trade and Investment shall perform oversight roles. These ministries will provide the strategic oversight necessary to ensure that the Nigeria Oil Palm Development Policy and Strategy (2026–2050) is implemented in line with national economic, agricultural, and industrial priorities.

The Federal Ministry of Agriculture and Food Security will oversee land-use policies, smallholder mobilization, research integration through NIFOR, and the promotion of climate-smart agricultural practices. It will ensure that expansion into new zones complies with sustainability standards and that smallholder empowerment programs are effectively rolled out across states.

The Federal Ministry of Industry, Trade and Investment will focus on value addition, export competitiveness, and trade diplomacy. It will oversee the development of integrated

industrial parks, support the growth of downstream sectors (oleochemicals, biofuels, consumer goods), and ensure Nigeria’s palm oil meets global certification requirements such as RSPO, NSPO, and the EU Deforestation Regulation. This ministry will also lead in promoting Nigeria’s palm oil in regional and international markets, negotiating favorable trade terms, and attracting foreign direct investment into the sector.

Together, the two strategic ministries will serve as the oversight mechanism—providing policy direction, ensuring inter-ministerial coordination, monitoring compliance with national standards, and aligning oil palm development with Nigeria’s broader goals of economic diversification, food security, and global competitiveness

- iii. Oil palm, commodity and industry associations will provide inclusive support for the implementation of this policy. Oil palm, commodity, and industry associations shall support implementation by coordinating stakeholders across the value chain, facilitating access to certified inputs, mechanization, and training, and strengthening guaranteed offtake and market linkages. They will be particularly important in promoting aggregation systems in major oil palm producing states, including the siting and operation of milling facilities in high smallholder production zones where large-scale or cooperative mills can aggregate fresh fruit bunches from smallholders and raise extraction performance. They shall also advance women and youth participation, strengthen compliance with sustainability standards, and provide platforms for collective advocacy and accountability.
- iv. Strategic oil palm and supply chain stakeholders and civil society organizations will also play important roles. Strategic oil palm and supply chain stakeholders including the National Palm Produce Association of Nigeria (NPPAN), Oil Palm Growers Association of Nigeria (OPGAN) and Plantation Owners’ Forum of Nigeria (POFON), together with civil society organizations, shall play critical roles in policy implementation by fostering transparency, promoting sustainable practices, and ensuring accountability across the palm oil supply chain. They shall support smallholder integration, advocate for community rights under the Community Land Release Model and monitor compliance with environmental and social safeguards. Their participation will enhance stakeholder legitimacy, strengthen inclusivity, and reinforce Nigeria’s commitment to sustainable, globally competitive palm oil production
- v. The Bureau of Statistics will also play its mandatory functions in relation to gathering processing and availability of credible and authoritative data. The National Bureau of Statistics shall perform its mandatory functions by ensuring the systematic collection, processing, and dissemination of credible and authoritative data on oil palm production, processing, trade, and socio-economic impacts. This role is critical for evidence-based planning, monitoring progress against policy targets, and providing transparent data to guide investment decisions and international reporting obligations

5.7.2 Monitoring, Evaluation, and Learning (MEL)

- i. Annual sector performance review. An Annual Sector Performance Review shall be conducted under the coordination of the Nigerian Oil Palm Council to evaluate progress against production, sustainability, and inclusivity targets. This review will include state-level scorecards, independent audits, and stakeholder consultations, ensuring transparency, accountability, and continuous policy alignment with national objectives.

- ii. State-level scorecards for hectares planted, yield achieved, production and growth. State-level scorecards shall be developed to track hectares planted, yields achieved, production levels, and growth trends. These scorecards will benchmark state performance, promote healthy competition, and provide transparent data for national planning, investment targeting, and accountability.
- iii. Independent audits of incentive schemes. Independent audits of incentive schemes shall be undertaken to verify compliance, assess impact, and ensure that financial supports—such as subsidies, concessional loans, and grants—are transparently managed and directed toward achieving policy objectives. These audits will enhance accountability, build investor confidence, and safeguard the integrity of the Oil Palm Development Fund
- iv. Overall sector periodic performance monitoring and evaluation to be done by independent stakeholders. Overall sector performance shall be periodically monitored and evaluated by independent stakeholders to provide objective assessments of progress, identify gaps, and recommend corrective measures. This independent oversight will strengthen transparency, reinforce accountability, and ensure continuous alignment of sector outcomes with national policy goals.

5.7.3 Risk Management

- i. Political risk mitigation through multi-year bipartisan commitment. Political risk shall be mitigated through multi-year bipartisan commitment, ensuring continuity of the oil palm development agenda across electoral cycles. This approach will safeguard long-term investments, maintain policy stability, and reinforce stakeholder confidence in the sector’s strategic direction.
- ii. Environmental Risk Mitigation through Climate resilience measures including drought-tolerant planting materials, irrigation systems, etc.). Environmental risks shall be mitigated through climate-resilience measures, including the deployment of drought-tolerant planting materials, adoption of irrigation systems, and integration of climate-smart agricultural practices. These interventions will safeguard productivity against climate variability, reduce vulnerability to extreme weather events, and ensure long-term sustainability of the oil palm sector.
- iii. Market risk cushioning through value addition and diversification into palm-based derivatives and downstream products. Market risks shall be cushioned through value addition and diversification into palm-based derivatives and downstream products, including oleochemicals, biofuels, cosmetics, and pharmaceuticals. This approach will reduce dependence on crude palm oil exports, stabilize revenues, expand industrial linkages, and enhance resilience against global price volatility.
- iv. Use and enforcement of sustainability standards. Sustainability standards shall be strictly applied and enforced across the oil palm value chain, with mandatory compliance to RSPO, NSPO, and EUDR requirements. This enforcement will ensure zero-deforestation, promote responsible land use, safeguard community rights, and secure Nigeria’s access to premium international markets.
- v. Funding risks - options to ensure funding especially patient capital is always available when needed. Funding risks shall be mitigated by ensuring reliable access to patient capital through mechanisms such as the Oil Palm Development Fund, concessional loans, blended

finance, and Sovereign Wealth Fund participation. These measures will guarantee continuous availability of long-term financing, safeguard project implementation timelines, and sustain sector growth irrespective of market fluctuations.

- vi. Security risk – Involve security apparatus to ensure that insecurity generally does not affect the implementation of the policy. Security risks shall be addressed by involving national and state security agencies to safeguard plantations, processing facilities, and transport corridors. This proactive engagement will ensure that insecurity does not disrupt policy implementation, protect investments, and guarantee the safety of stakeholders across the oil palm value chain.

5.7.4 Ministerial, Departmental, Agencies Cooperation, and Institutional and Synergy

Reducing conflict, enhancing harmony and cooperation among MDAs, and institutions. The Federal Ministry of Agriculture and Food Security will lead in this aspect. The Federal Ministry of Agriculture and Food Security shall provide policy direction, technical leadership, and national coordination for the oil palm sector while working collaboratively with other Ministries, Departments, and Agencies (MDAs), and institutions. Its role will emphasize reducing institutional conflicts, enhancing inter-agency harmony, and promoting cooperative frameworks that align agricultural priorities with trade, industry, finance, and environmental objectives. Through this integrative approach, the Ministry will ensure that policy implementation remains coherent, inclusive, and nationally impactful. MDAs, and institutions to be working with include:

- i. Federal Ministry of Industry, Trade and Investment
- ii. Federal Ministry of Environment
- iii. Federal Ministry of Finance
- iv. Nigerian Institute for Oil Palm Research
- v. Raw Material Research Development Council
- vi. Nigerian Investment Promotion Council
- vii. Nigerian Export Promotion Council
- viii. Nigeria Customs Service
- ix. Universities and Colleges of Agriculture

5.7.5 Sustainability and Regional/Global Market Access

Nigeria’s oil palm policy is anchored on a zero-deforestation pathway, prohibiting expansion into primary forests, peatlands, and wetlands, while focusing on rehabilitating old plantations and using degraded or fallow land. This ensures growth aligns with biodiversity protection, climate goals, and sustainable land use.

Mandatory certification (RSPO or NSPO) and compliance with the EU Deforestation Regulation (EUDR) will apply across the value chain, enforced through satellite monitoring, geospatial registries, and annual audits. A national traceability system—using GIS, QR codes, and blockchain—will guarantee transparency from seedling to export.

Once self-sufficiency is reached by 2043, surplus production will target regional African, Asian, and European markets, supported by trade diplomacy under ECOWAS and AfCFTA. Downstream

diversification into oleochemicals, biodiesel, and consumer products will capture more value and strengthen resilience.

Together, these measures position Nigeria as a responsible, competitive supplier of sustainable palm oil, with secure access to regional and global markets.

Proactive strategies for overcoming continental and global trade barriers:

i. Continental Market – Africa: Within Africa, Nigeria’s palm oil sector has significant opportunities to expand trade by leveraging the African Continental Free Trade Area (AfCFTA) and sub-regional blocs such as ECOWAS. These frameworks reduce tariffs, harmonize standards, and improve access to a potential market of over one billion consumers. Nigeria’s strategic goal is not only to meet local demand but also to establish itself as a hub for regional supply, displacing costly imports and strengthening intra-African trade.

To overcome continental trade barriers, Nigeria will pursue three interlinked strategies:

1. **Regulatory Alignment and Standards Harmonization:** Nigeria will work with ECOWAS and AfCFTA institutions to establish uniform standards for palm oil quality, sustainability, and certification. By aligning with regional sanitary and phytosanitary measures, Nigerian palm oil products will meet common benchmarks, reducing rejection risks and facilitating smoother cross-border trade.
2. **Infrastructure and Logistics Corridors:** To lower transaction costs, the policy emphasizes investment in regional transport corridors, dry ports, and border processing zones that connect palm-producing states to consumer markets in West and Central Africa. Enhanced logistics will shorten delivery times, reduce costs, and make Nigerian palm oil more competitive against imports.
3. **Market Penetration and Branding:** Nigeria will develop a “Made in Africa, for Africa” palm oil branding strategy, positioning its products as regionally sourced, sustainable, and affordable alternatives to Asian imports. Trade missions, exhibitions, and bilateral agreements will be deployed to secure long-term contracts with African buyers, from household oil markets to industrial users in food, cosmetics, and biofuels.

ii. With a combination regulatory diplomacy, infrastructure development, and branding, Nigeria can consolidate its position as a regional leader in palm oil supply. This proactive approach not only helps overcome intra-African trade barriers but also ensures that the benefits of palm oil development extend beyond Nigeria to contribute to the continent’s shared food security and industrialization agenda.

Africa Continental Free Trade Agreement (AfCFTA)

The African Continental Free Trade Agreement (AfCFTA) represents a transformative opportunity for Nigeria’s palm oil sector. As the world’s largest free trade area by membership, covering 55 African Union states and over 1.3 billion people, AfCFTA seeks to eliminate up to 90% of intra-African tariffs, harmonize trade rules, and create a single continental market for goods and services. For Nigeria, this framework provides a powerful platform to reposition palm oil not only as a domestic staple but as a strategic export commodity within Africa.

AfCFTA directly addresses long-standing trade challenges that have limited Nigeria’s competitiveness in regional markets. By lowering tariffs and reducing non-tariff barriers—such as border delays, duplicative standards, and regulatory misalignments—the agreement creates a level playing field for Nigerian palm oil producers. This will allow Nigeria to supply competitively priced, sustainably produced palm oil to neighboring countries.

To maximize these opportunities, Nigeria will adopt a three-pronged AfCFTA strategy:

1. **Policy and Regulatory Diplomacy:** Nigeria will actively engage in AfCFTA negotiations on agricultural trade to secure favorable terms for palm oil. This includes pushing for

recognition of Nigerian Sustainable Palm Oil (NSPO) as a regional certification standard, ensuring compliance with continental rules while reinforcing Nigeria’s leadership in sustainability.

2. Trade Facilitation and Corridors: The policy calls for investment in cross-border trade infrastructure—including highways, dry ports, and one-stop border posts—to reduce transaction costs and ease the movement of palm oil products into West, Central, and eventually East and Southern African markets.
3. Market Development and Branding: AfCFTA provides a platform for Nigeria to develop a continental brand identity for its palm oil—framed as “*African palm oil, produced for African growth.*” This branding will be backed by trade fairs, business-to-business platforms, and export financing schemes, enabling Nigerian producers to secure long-term contracts across the continent.

iii. Through AfCFTA, Nigeria can become a regional palm oil hub, generating foreign exchange, strengthening food security, and supporting industrial value chains across Africa. By integrating sustainability commitments with regional trade diplomacy, Nigeria’s palm oil exports will not only grow in volume but also in reputation, positioning the country as a continental leader in responsible agribusiness trade

World Market – Europe, Asia, Americas, etc: Beyond Africa, Nigeria’s palm oil industry must strategically position itself in the global marketplace to capture value from regions with large, diverse, and sustainability-driven demand. The policy envisions a proactive engagement with Europe, Asia, and the Americas, aligning production, certification, and branding with international trade requirements while diversifying export destinations.

Europe

Europe represents both a high-value and highly regulated market. With the enforcement of the EU Deforestation Regulation (EUDR) and broader sustainability standards, only palm oil that can be verified as deforestation-free, traceable, and ethically sourced will gain market entry. Nigeria’s adoption of mandatory RSPO/NSPO certification, satellite monitoring, and blockchain-enabled traceability will provide the credibility needed to secure access. Positioning Nigerian palm oil as a sustainable alternative to Southeast Asian supply will not only attract European food and biofuel industries but also enhance Nigeria’s global reputation as a climate-responsible producer.

Asia

Asia remains the largest global consumer of palm oil, with countries like India, China, and Pakistan serving as major importers. Nigeria will pursue a price-competitive and volume-driven strategy in these markets, supplying refined palm oil and value-added derivatives such as oleochemicals, soaps, cosmetics, and biodiesel. To strengthen entry, Nigeria will negotiate bilateral trade agreements, leverage South–South cooperation, and capitalize on diaspora business networks. Establishing long-term supply contracts with Asian refiners and food processors will anchor Nigeria’s export stability in the region.

The Americas

In North and South America, palm oil consumption is expanding in both food processing and renewable energy sectors. The United States, Brazil, and Mexico represent key targets. While the U.S. market emphasizes food safety and sustainability certification, Latin America is experiencing rapid growth in biofuels, where palm oil serves as a key input. Nigeria’s policy will prioritize meeting FDA, USDA, and other international food safety and biofuel standards, while also promoting palm-based biodiesel as part of clean energy transitions in the Americas.

Global Branding and Trade Diplomacy

To succeed globally, Nigeria will implement a two-pronged approach:

1. **Global Branding:** Create a unique identity—“Nigeria: Sustainable Palm Oil for the World”—that highlights traceability, deforestation-free supply chains, and community inclusion. This branding will distinguish Nigerian palm oil from commodity-grade imports and enable premium pricing.
2. **Trade Diplomacy:** Active participation in WTO agricultural negotiations, international sustainability forums, and bilateral economic partnerships will ensure Nigerian palm oil gains tariff concessions, avoids trade restrictions, and secures visibility in emerging bioeconomy markets.

Through these strategies, Nigeria can evolve from a regional supplier to a globally recognized leader in sustainable palm oil trade. By aligning with global sustainability standards and diversifying into advanced value chains, Nigerian palm oil will secure lasting access to Europe, Asia, and the Americas while reinforcing the country’s role in international agribusiness.

iv. **Roundtable on Sustainable Palm Oil (RSPO):** The Roundtable on Sustainable Palm Oil (RSPO) is the world’s leading certification framework for promoting environmentally and socially responsible palm oil production. Established in 2004, RSPO brings together stakeholders across the value chain—including producers, processors, traders, consumer goods manufacturers, retailers, banks, and civil society—to develop and implement global standards for sustainable palm oil. Membership spans more than 5,000 organizations in over 90 countries, making RSPO certification the most widely recognized assurance of sustainability in the palm oil sector.

For Nigeria, alignment with RSPO is both a market requirement and a reputational advantage. The European Union Deforestation Regulation (EUDR) and similar frameworks in North America and Asia increasingly demand palm oil products that can demonstrate traceability, zero-deforestation, and ethical sourcing. RSPO compliance provides Nigerian producers with access to these lucrative global markets, ensuring that palm oil from Nigeria can compete with supplies from Malaysia and Indonesia.

The RSPO certification framework emphasizes:

1. **Environmental Protection:** Prohibiting the conversion of primary forests, peatlands, and other high conservation value areas; promoting best practices in waste management, emissions reduction, and biodiversity conservation.
2. **Social Responsibility:** Enforcing Free, Prior, and Informed Consent (FPIC) in land acquisition, protecting the rights of indigenous and local communities, and upholding fair labor standards.
3. **Economic Viability:** Encouraging efficiency and productivity improvements, which reduce pressure on land while boosting smallholder incomes.

Nigeria’s policy incorporates RSPO as a mandatory benchmark for both large estates and smallholder schemes. This will involve capacity-building programs to train farmers, cooperatives, and processors in meeting RSPO standards, alongside financial incentives—through the Oil Palm Development Fund (OPDF)—to support certification costs. To complement RSPO, the government will also develop a Nigerian Sustainable Palm Oil (NSPO) standard, aligned with RSPO principles but tailored to Nigeria’s legal, social, and ecological contexts. Together, RSPO and NSPO will provide a dual certification pathway, ensuring both international market access and domestic credibility.

With the incorporation of RSPO principles into national policy, Nigeria will position itself as a global leader in sustainable palm oil production. This not only secures entry into premium

international markets but also enhances environmental stewardship, protects community rights, and demonstrates Nigeria’s commitment to balancing economic growth with sustainability.

v. European Union Deforestation Regulation: The European Union Deforestation Regulation (EUDR), adopted in 2023, is a landmark law that requires all agricultural commodities—including palm oil—entering the EU market to be proven deforestation-free, legally produced, and fully traceable to their origin. From 2025 onward, exporters must provide geolocation data for plantations and demonstrate compliance through transparent supply-chain documentation.

For Nigeria, EUDR compliance is not optional but essential to securing access to Europe, one of the most lucrative global markets for palm oil. The policy therefore mandates a national traceability system—integrating GIS mapping, QR-coded seedlings, and blockchain batch tracking—to ensure every ton of palm oil can be verified. Complementary measures include satellite monitoring, annual audits, and alignment with RSPO/NSPO standards, all of which will give Nigeria’s palm oil credibility in the eyes of European buyers.

vi. Environment, Social and Governance (ESG): The integration of Environmental, Social, and Governance (ESG) principles is central to building a competitive, transparent, and future-ready palm oil industry in Nigeria. ESG provides a holistic framework for evaluating not only the profitability of the sector but also its long-term sustainability, accountability, and social impact.

Environmental: The policy commits to zero-deforestation, strict compliance with EIAs, sustainable land use, and waste-to-value strategies such as converting palm oil mill effluent (POME) into biogas. It also emphasizes climate resilience, biodiversity conservation, and precision agriculture to minimize ecological footprints while enhancing productivity.

Social: The policy ensures that local communities, women, and youth are active participants and beneficiaries in the palm oil value chain. Through Free, Prior, and Informed Consent (FPIC), grievance redress mechanisms, and gender-responsive support programs, communities are protected from exploitation and given equitable access to land, credit, and training. Job creation across the value chain—particularly in processing and downstream industries—further strengthens livelihoods and rural development.

Governance: A strong governance framework is embedded through the establishment of the Nigerian Oil Palm Council (NOPC) and the Oil Palm Development Fund (OPDF). These institutions will provide transparent oversight, enforce compliance with sustainability standards (RSPO, NSPO, EUDR), and ensure accountability through annual scorecards, third-party audits, and data reporting by the National Bureau of Statistics.

5.8 Oil Palm Development Funding Framework

i. Sources of Fund:

Import levies:

A core financing mechanism of the Oil Palm Development Fund (OPDF) is the import levies on crude palm oil, refined palm oil products, and related derivatives entering Nigeria. Because similar revenue flows already intersect with NADF arrangements, the implementation framework should ensure institutional alignment and active support from NADF so that financing responsibilities are complementary rather than duplicative. In addition, the financing structure should be designed to accommodate CBN participation, commercial bank ESG windows, and other green financing mechanisms capable of crowding in patient capital for the sector.

The levy proceeds will be ring-fenced into the OPDF and deployed to support strategic interventions across the value chain. These include:

- a. Seedling and Nursery Development: Subsidizing the production and distribution of certified high-yield seedlings to smallholders and estates.

- b. Research and Innovation: Funding NIFOR and partner institutions to accelerate research in genetics, pest control, mechanization, and climate-smart practices.
- c. Infrastructure and Industrial Parks: Financing the rollout of integrated processing hubs, storage facilities, and logistics corridors that reduce post-harvest losses.
- d. Smallholder Support: Providing concessional loans, extension services, and guaranteed off-take arrangements to ensure equitable participation.
- e. Sustainability and Certification: Assisting producers in achieving RSPO, NSPO, and EUDR compliance by covering part of the certification and traceability costs.

Import levies will be calibrated carefully to balance domestic competitiveness and consumer welfare. Rates will be set high enough to incentivize local production but not so high as to trigger inflationary pressures or smuggling. A phased approach is envisioned, with levies adjusted as Nigeria approaches self-sufficiency:

b. Export Taxes

Alongside import levies, export taxes on crude and semi-processed palm oil will form a key component of the Oil Palm Development Fund (OPDF). The rationale is to ensure that the economic benefits of Nigeria's palm oil industry are retained and reinvested locally, rather than allowing unprocessed or low-value exports to dominate the trade structure. By taxing exports of raw and intermediate products, the policy encourages domestic value addition, supports industrial growth, and generates revenue to finance sectoral transformation.

Export taxes will be applied selectively and strategically:

- a. Crude Palm Oil (CPO): A modest tax will discourage bulk export of unprocessed oil, incentivizing refiners and industrial processors to expand domestic capacity.
- b. Semi-processed derivatives: Products like palm kernel oil and crude olein may attract differential rates, encouraging conversion into finished goods such as oleochemicals, cosmetics, pharmaceuticals, and biodiesel before export.
- c. Refined and value-added products: These will either be exempted or attract minimal taxation to reward local processing, enhance Nigeria's global competitiveness, and support industrial jobs.

Revenue generated from export taxes will be dedicated to the OPDF and reinvested into:

- a. Expanding processing capacity and integrated industrial parks.
- b. Supporting smallholder participation in value-added supply chains.
- c. Financing sustainability measures and international certification schemes (RSPO, NSPO, EUDR).
- d. Funding market access initiatives, including trade diplomacy and global branding campaigns.

Export tax rates will be flexible and counter-cyclical, adjusting to global palm oil price movements and domestic supply conditions. When global prices rise, higher export tax revenues can be captured and channeled into sectoral investment; when prices fall, taxes can be moderated to maintain Nigeria's competitiveness.

This approach mirrors international best practice. Countries such as Indonesia and Malaysia have used export taxes to finance replanting programs, research institutes, and palm oil development funds, enabling them to dominate world supply. For Nigeria, export taxes will therefore serve not only as a revenue instrument but also as a strategic policy lever to drive industrialization, strengthen value addition, and ensure that the benefits of palm oil growth are broadly shared across the economy.

c. Oil Palm Development Fund: The Oil Palm Development Fund (OPDF) will serve as the central financing mechanism for Nigeria's oil palm transformation agenda. It is designed as a dedicated pool of resources to finance research, innovation, infrastructure, smallholder support, sustainability programs, and market access initiatives across the entire value chain. The OPDF

ensures that development financing for the sector is predictable, transparent, and insulated from fiscal shocks, unlike ad hoc budgetary allocations that often constrain long-term planning.

ii. Sources of Funding

The OPDF will be capitalized through a blend of domestic and external sources, including:

- a. **Import Levies:** Applied on palm oil and derivatives entering Nigeria to discourage imports and raise funds for local expansion.
- b. **Export Taxes:** Differential rates on crude and semi-processed exports to encourage domestic value addition while generating revenue.
- c. **Public-Private Partnerships (PPP):** Contributions from oil palm estates, agro-industrial players, and investors seeking tax incentives or equity participation.
- d. **Sovereign Wealth Fund (SWF) Allocations:** Strategic capitalization from Nigeria's sovereign reserves to anchor long-term funding.
- e. **Concessional Financing and Development Grants:** Accessing multilateral support from institutions like AfDB, World Bank, and climate finance initiatives targeting green commodities.

Deployment of Funds

Proceeds from the OPDF will be strategically allocated to priority areas, including:

1. **Research and Innovation:** Strengthening NIFOR and research institutes to advance seed genetics, mechanization, integrated pest management, and climate-resilient practices.
2. **Seedling and Plantation Development:** Subsidizing distribution of high-yield seedlings and supporting land rehabilitation for smallholders and estates.
3. **Infrastructure and Industrial Parks:** Financing integrated processing hubs, transport corridors, and renewable energy systems that reduce post-harvest losses.
4. **Smallholder Empowerment:** Providing concessional loans at $\leq 8\%$ interest with a 5-year moratorium, extension services, and guaranteed off-take arrangements.
5. **Sustainability and Certification:** Supporting RSPO/NSPO certification, EUDR compliance, and national traceability systems to secure global market access.
6. **Market Access and Trade Diplomacy:** Funding export promotion, branding initiatives, and participation in global trade fairs to enhance Nigeria's visibility.

5.9 Governance and Accountability

The OPDF will be governed by an independent Board of Trustees under the Nigerian Oil Palm Council (NOPC), with representation from relevant government ministries, private sector actors, smallholder associations, financial institutions, and research bodies. To strengthen accountability and financing coherence, the governance structure should also provide for engagement with NADF and the Central Bank of Nigeria, while encouraging participating banks to align eligible support under ESG and green finance programmes with national oil palm development priorities.

Donor funding: Donor funding will serve as a critical supplement to domestic financing for Nigeria's oil palm sector, offering grants, concessional loans, and technical assistance. Key partners include AfDB, World Bank, IFC, climate finance institutions such as the Green Climate Fund (GCF), and bilateral agencies like USAID, EU, GIZ, JICA, alongside private foundations and impact investors.

Funds will be directed toward climate-smart agriculture, certification and traceability (RSPO/NSPO/EUDR), community development, and farmer training. Support will also strengthen research and innovation at NIFOR and expand capacity-building programs for smallholders, women, and youth.

All donor resources will be managed under the Oil Palm Development Fund (OPDF) to ensure alignment, transparency, and accountability. By leveraging donor support, Nigeria will reduce

fiscal pressure, meet global sustainability goals, and pilot inclusive models that can later be scaled through domestic and private investment.

e. Private equity: Private equity (PE) will play a vital role in financing Nigeria’s oil palm sector by providing risk capital for expansion, modernization, and value addition. PE firms can fund large-scale plantation rehabilitation, establish integrated processing parks, and invest in downstream industries such as oleochemicals, biodiesel, and consumer goods, helping Nigeria move up the value chain.

To attract PE, the government will offer tax incentives, co-financing through the OPDF, transparent land allocation under CLRM, and investor-friendly regulations. Beyond capital, PE brings global expertise in technology, traceability, and sustainability compliance, while also creating jobs and building local capacity. With the right incentives, PE can unlock significant investment, strengthen governance, and position Nigeria as a competitive and sustainable palm oil hub.

f. Concessionary loans. Concessionary loans will provide affordable, long-term financing to match the capital needs and long gestation period of oil palm. Offered at $\leq 8\%$ interest, with a 5-year grace period and up to 15–20 years tenor, these loans will ease the burden on both smallholders and large estates, with quotas for youth- and women-led enterprises.

Managed through the Oil Palm Development Fund (OPDF) in partnership with BOA, BOI, AfDB, and IFC, funds will support seedlings, mechanization, processing facilities, and certification costs. Loans will be performance-linked, phased by milestones, and backed by a credit guarantee scheme.

v. **Funds Management and Sustainability:**

- a. Disbursement Protocols: Disbursement of funds under the Oil Palm Development Fund (OPDF) will follow strict protocols to ensure transparency, accountability, and sustainability. Releases will be performance-based, tied to measurable milestones such as hectares cultivated, seedlings distributed, or certification achieved. Funds will be phased to prevent misuse and aligned with annual work plans and state-level scorecards.

All disbursements will be subject to independent audits, monitoring and evaluation (M&E) reviews, and digital reporting systems that track the flow of resources from the Fund to beneficiaries. A credit guarantee framework will safeguard repayments for loans, while grant components will prioritize research, sustainability, and smallholder empowerment.

- b. Interest rate applicable: Concessionary loans under the OPDF will carry an interest rate not exceeding 8% per annum, far below commercial lending rates of 15–20%. This low rate is designed to ease capital access for smallholders, cooperatives, and estates, while also supporting investments in processing, mechanization, and sustainability certification. Rates may be slightly adjusted within the ceiling based on project type and risk, but the overall aim is to ensure affordable, long-term financing that drives growth and competitiveness in the sector

- c. Moratorium applicable: A moratorium period of up to five years will apply to concessionary loans under the Oil Palm Development Fund (OPDF). This grace period reflects the non-productive early years of oil palm, during which farmers and estates incur heavy establishment costs without generating revenue. By suspending principal repayments—and in some cases interest—during this phase, beneficiaries are given the financial space to focus on planting, nurturing seedlings, and developing processing facilities.

The moratorium ensures that repayment obligations only begin once farms or mills enter their productive phase, aligning cash flow with loan servicing. This measure

reduces default risks, encourages wider participation by smallholders, and strengthens overall sector sustainability.

- d. Recovery Strategy: The recovery strategy for loans disbursed under the Oil Palm Development Fund (OPDF) will be anchored on structured repayment plans tied to the productive lifecycle of oil palm. Repayments will begin after the five-year moratorium, with schedules aligned to farm yields and processing outputs to avoid undue pressure on beneficiaries. To safeguard fund sustainability, repayment will be phased, supported by cooperatives and producer organizations that help pool resources and ensure compliance.
- e. Additional safeguards include a credit guarantee scheme to reduce lender risk, periodic monitoring to detect repayment challenges early, and flexible restructuring options in cases of climate shocks or market volatility. This ensures that loan recovery is both disciplined and adaptive, protecting the Fund while supporting long-term sector growth.
- f. Institutions/mandates to manage the funds: Management of the Oil Palm Development Fund (OPDF) will be overseen by the Nigerian Oil Palm Council (NOPC) as the apex coordinating body. The Council will set policy directions, approve disbursements, and ensure alignment with national development priorities. Operational management will be delegated to a Fund Management Unit with professional expertise in finance, agribusiness, and sustainability. In addition, commercial and development banks (e.g., BOA, BOI, AfDB, IFC) will act as financial intermediaries to disburse concessionary loans and manage repayments. The National Bureau of Statistics (NBS) will track fund impacts through data collection and performance scorecards, while independent auditors will conduct annual financial and compliance reviews. This multi-institutional arrangement ensures that the OPDF is professionally managed, transparent, and accountable, with clear mandates for policy, disbursement, monitoring, and evaluation.

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