

## SWOT of Tomato Value Chain in Nigeria

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### INTRODUCTION

Nigeria is a country with a total geographical area of 923,768 square kilometers and an estimated population of about 216 million (World bank, 2022). Nigeria with her diversified agro ecological condition, provides the platform for the production of a wide range of agricultural products. This made agriculture to be one of the most important sectors of the economy. According to Manyong, et al (2005), the agricultural sector is of importance, especially as it relates to employment generation and contribution to National GDP and foreign exchange earnings. One of the common agricultural products that is produced in Nigeria is tomato.

Tomato (*Lycopersicon esculentum* Mill.) belongs to Solanaceae family and it is one of the most important edible vegetable crop in Nigeria. It contributes to a healthy and well-proportioned diet. It is used as food item on daily basis and forms an important component of food consumed globally. Tomato is relatively short duration, labour intensive, high yielding and economically attractive. It offers relatively better profits to producers and generates higher employment opportunities to rural labour than cereal crops. Tomato is being used as fresh vegetable or salad, a complementary ingredient in many vegetable, meat or fish dishes, cooked in sauces and soups (PwC, 2018).

The tomato value chain in Nigeria comprises of input providers, farmers, processors and distributors/marketers and consumers, not necessarily taken sequentially (Fig 1). It can be regarded as a system in which each player is an essential part. The activities of one player are mostly guided and dictated by the needs of the player in the next stage. Fig 1 displays that there is a direct relationship between farmers and consumers (end users), farmers and marketers/supermarkets, farmers and processors as well as farmers and wholesalers and each play.

Furthermore, it is crucial to note that the tomato value chain in Nigeria is dominated by smallholder farmers (FHS, 2019).

From the abovementioned one pathway in charting a course for the analysis of tomato value chain in Nigeria, will be to do a SWOT

analysis. This analysis will help in developing a strategic plan to make the sector remain relevant and competitive. Hence, this discourse will be directed at examining the strengths, weaknesses, opportunities, threats of the chain.

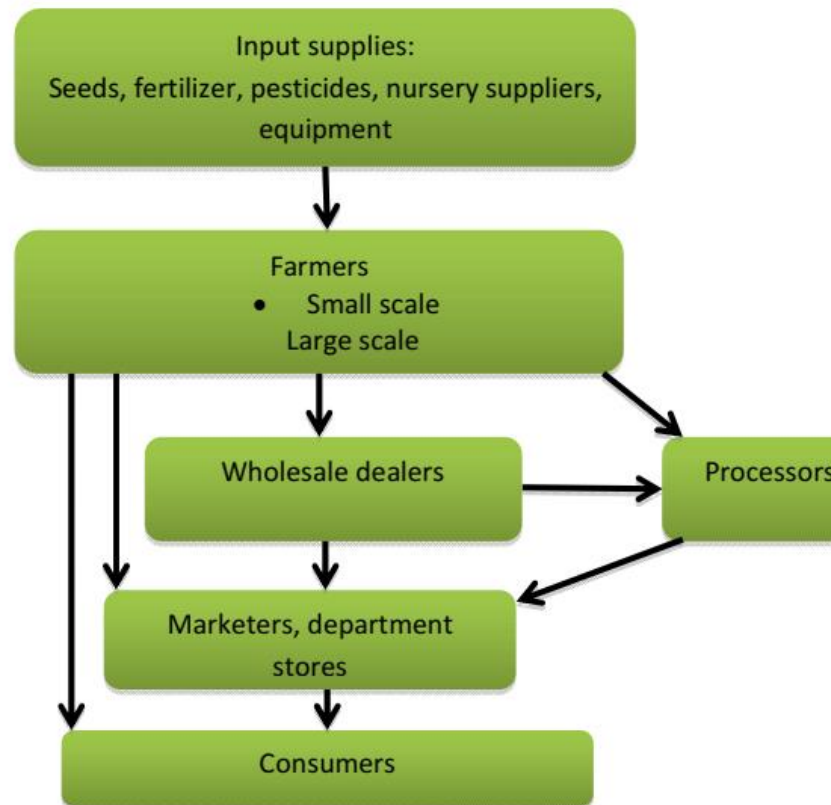


Figure 1: elements of tomato value chain in Nigeria

Source: Ugonna et al. 2015

### Strengths

- Nigeria is the 14th largest producer of tomato in the world and the second largest producer of fresh tomatoes in Africa, producing 10.8% of fresh tomatoes in the region
- Government has developed a tomato policy (which is yet to be fully implemented). The policy is said to have market incentives to encourage local production and processing, and discourages importation of tomato paste, powder or concentrate.
- Favorable agro ecological zones that support its production

- Large pool of farmers
- Large pool of trained manpower in agriculture
- Support of international organizations e.g. CIDA, FAO, World Bank
- There are already several tomato-paste and concentrate processing SMEs in Nigeria.

### Weaknesses

- High susceptibility to pest/diseases and abiotic stress
- Focus on crude oil
- Low yields (5-10 mt/ha) and productivity
- Limited technologies and facilities for storage and processing

- Over 80% of tomato farmers in Nigeria still cultivate tomatoes in the old and outdated ways with unproductive seeds and seedlings\
- High rate of post-harvest losses (particularly in transit losses)
- High dependence on fertilizers and agrochemicals/misuse of agrochemicals, use of counterfeit products
- Lack of chain transparency
- Poor Infrastructure
- Limited access to good quality seed and input at affordable price
- Low value added products
- Insufficient access to credit facility for SMEs (particularly women-owned or led SMEs)
- Nigeria imports tomato paste estimated at USD 360 million annually.

#### Opportunities

- Estimated potential production yield is relatively high, if the right investment is provided is about 20-25mt/ha
- Possibility for local value addition – tomato paste, sauce, puree, etc.
- Large domestic and regional market (unmet) demand. Nigerians consume an estimated 2.3 million tonnes of tomatoes annually, with 12kg per capita.
- Possibility of mobilizing Dutch business content/knowledge/ technology in various parts of the tomato value chain
- There are already some Dutch horticulture companies doing business in Nigeria. Also, the Nigerian Embassy has an existing horticulture program.
- Possibilities for the application of Circular economy concept
- Possibility of utilizing Railway to transport tomato products from the North to the South of Nigeria.

#### Threats

- Pest and diseases incidence (Fungal infection incident: *Purple Blotch*, caused severe crop destruction in 2019)
- Extreme weather conditions / threat of climate change

- Frequent change of government
- Inconsistencies in policies
- Market price fluctuation
- Insecurity and armed robbery on the transport corridors
- Delays of delivery largely due to significant truck stoppage and extortion by police officers on the transport corridors for the tomato Value Chain.

#### CONCLUSION

The tomato value chain in Nigeria is very profiting but also sensitive as tomatoes are prone to deterioration because of the high moisture content fresh tomatoes and the sensitivity and skill set needed to deal with postharvest loss. There needs to be a strong synergy among the various stakeholders in tomato value chain. These include government agencies, equipment manufacturers and vendors; Research Institutes and Universities; entrepreneurs, SMEs, large scale manufacturers; wholesale dealers; traders; financiers and farmers. Finally, government should consider enacting the policy ban on the importation of processed tomato products into Nigeria.

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