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Nigerian Sugar

Domestic production is rising and refineries have begun exporting sugar

The Nigerian sugar industry has been reinvigorated by the privatisation of national-owned sugar resources. While domestic production remains insufficient to match consumption needs, it is rising as production from the privatised companies begins to come onstream – in 2009-10, the country will produce 60'000 tonnes of raw sugar, up from 50'000 in the previous year. Sugar refining is flourishing, as new market entrants increase competition in the industry. The country's sugar refining capacity is 2.1 million tonnes per year, more than adequate to meet total demand of 1.4 million tonnes.

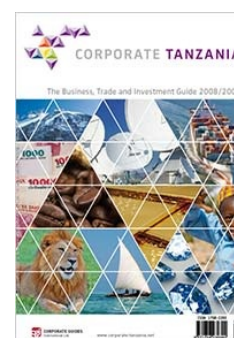
Government Policy

The National Sugar Development Council (NSDC) was set up in 1993, in an effort to raise domestic production, which at that time was filling just 50'000 tonnes of the country's then total demand of 700'000 tonnes. The NSDC's first task was to arrange privatisation of the country's nationalised sugar companies: Savannah Sugar Company Limited at Numan, Adamawa State; Nigeria Sugar Company at Bacita, Kwara State; Lafiaji Sugar Company in Kwara State; and Sunti Sugar Company in Niger State. The Savannah Sugar Company was taken over by Dangote in 2002, Nigeria Sugar Company was acquired by Josepdam & Sons in 2006, Lafiaji Sugar Company was bought by BUA Group in 2008 and Sunti Sugar Company was obtained by Flour Mills Nigeria in 2009.

With privatisation complete, the NSDC has turned its attention to supporting the development of the industry. The NSDC's out-grower programme runs in all 14 sugar-producing locations in the country; under the scheme, the NSDC provides local farmers with irrigation infrastructure, fertilizer and other agricultural inputs and helps them to create marketing channels. The NSDC also assists in the set up of small sugar plants by communities or individuals, to supplement the production of the bigger estates without the capital outlays that more extensive operations would require.

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