

Enabling Access to Market for Female-Led Businesses in the Agricultural Processing Industry in Nigeria





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Executive Summary

Agriculture remains one of Nigeria's largest economic sectors, contributing 24% to GDP and employing over one-third of the workforce in Q1 2025 (Statista, 2023; NBS, 2025). While the sector plays a central role in livelihoods and food security, it is still largely dominated by subsistence farming with limited processing and market integration. Post-harvest losses, high production costs, and poor access to financing and infrastructure continue to constrain growth.

Women are central to Nigeria's agricultural processing sector, accounting for about 83% of participants in small-scale processing (GAIN, 2021). Their concentration in this segment reflects historical and community-based roles in food production, coupled with systemic barriers in accessing land, finance, and information. However, the informality of their operations severely limits their participation in high-value chains, regional trade, and export markets.

This report provides an overview of agri-processing and market access, and highlights the core challenges faced by female-led businesses in the agri-processing industry. The report also provides recommendations to address barriers that limit market access for female-led businesses in the agri-processing industry and to encourage government and other relevant stakeholders to develop policies that support market access.

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Introduction

Agriculture is one of the largest sectors in Nigeria's economy. In Q1 of 2025, agriculture accounted for 24% of the nation's GDP and provided employment for approximately 34.3% of the workforce (Statista, 2023; NBS, 2025). As is common across many African nations, the sector is heavily concentrated on food crops accounting for over 90% of its output, with the remaining 10% attributed to fishery, forestry and livestock (KPMG, 2025).

Though agriculture makes a sizable contribution to the nation's economic activities, most of the sector's operations in Nigeria are still practised at the subsistence level. These small-scale practices are limited by systemic challenges such as high production costs, poor distribution of inputs, and limited access to financing, which collectively inhibit expansion. Similarly, the sector suffers from high post-harvest losses due to inadequate processing and storage facilities, as well as poor access to markets, which prevent farmers from selling their produce at fair prices (FAO, 2025).

Agricultural processing plays a pivotal role in sustaining agriculture, especially as it concerns reducing post-harvest losses, creating jobs, and ensuring food security. In many African countries, women constitute approximately 50% of the agricultural labour force (African Development Bank, 2015). For instance, in Nigeria, while men largely dominate commercial production, women are predominantly concentrated in the smallholder processing segment, where they account for an estimated 83% of participants (GAIN, 2021).

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The involvement of more women in the agricultural processing sector stems from factors such as historical roles in food production to fulfil family commitments and processing within local communities. Furthermore, the small-scale nature of these operations presents relatively lower barriers to entry, making them accessible to women who often face systemic constraints in accessing land, finance, and information on market dynamics. Despite the sector's immense potential to drive economic growth and empowerment, its operations remain highly informal, particularly for women. This informality severely limits their engagement in high-value transactions and restricts their access to lucrative markets, including regional, high-profit margin domestic and export value chains (AGRA, 2022).

Market access is a foundational element of agricultural development, serving as the primary channel through which producers connect with consumers to achieve economic viability. Effective market access enables agri-businesses to sell their produce at competitive prices, which in turn boosts their income and livelihoods. It also acts as a catalyst for resource allocation, innovation, and the adoption of new technologies (Ezeudu & Obimbua, 2024). Market accessibility remains a critical aspect of the agri-processing industry, as it is an important source for processors to access high-value, high-margin markets and increase profitability.

Despite the huge potential, this has not been fully exploited by agri-processors, especially by females, who are more dominant in small-scale processing. Several factors, such as lack of access to assets, lack of access to financing, limited training, government policy, low technology adoption, and time constraints, have contributed to the under-exploitation of agri-processing to its full potential by female-led businesses (AfDB, 2015). In the same vein, a lack of affordable financing, technical know-how, and the skills to craft strong business models has also been identified as a challenge for agri-business owners. All of this makes it difficult to invest in the right infrastructure, build networks of reliable markets, or meet the strict standards required for standard food safety guidelines, certifications and entry into profitable local and export markets (World Bank, 2020).

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In Nigeria, women in the agri-processing value chain are challenged with barriers such as bad road networks, restricted access to lands, limited adoption of technology and machinery, logistics challenges and difficulties accessing affordable credit, all of which prevent processors from fully integrating into lucrative value chains (Ejike *et al.*, 2018). It is therefore important that there is improved market access for processors in the industry.



Against this backdrop, the primary objective of this paper is to identify effective strategies to enhance market access for female-led businesses in the agricultural processing sector. Specifically, the objectives of this paper are to:

- Establish how restricted market access affects business growth, profitability, and the overall economic contribution of businesses in the agricultural processing sector.
- Enabling factors and support that can enhance market access for female-led businesses in the agricultural processing industry and Provide insights and recommendations based on research findings (primary and secondary) that will inform policy, programs, and other supporting initiatives that would enable market access for female-led businesses in the agricultural processing sector.



Research Methodology Approach

This report uses a mixed-methods research approach, combining secondary research and primary data collection through interviews. It is based on interactions with businesses that are female led in the agri-processing industry and on businesses that provide access via technology platforms to female processors. The respondents represented processors in different agricultural products such as Cassava and maize, palm oil, ginger, groundnut in locations such as Lagos, Akwa Ibom, Oyo, and Borno States.

The respondents were selected based on their importance to the agri-processing industry. They play active roles in the day-to-day running of their businesses. They are tech-savvy entrepreneurs who are educated and have at least one digital footprint for their business. In addition to the interview, extensive secondary research was conducted, reviewing literature and reports on market access, agri-processing, and gender enablers, particularly in the agri-processing industry.

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Background

Women play an important role in the global agricultural landscape. They account for about 43% of the global agricultural workforce and produce about 80% of food in developing countries, underscoring their critical role in ensuring long-term food security (World Economic Forum, 2024). In Nigeria, women are equally pivotal to the nation's food system, accounting for about 70% of agricultural labour and 60% of food processing activities and value addition (NITDA, 2020).

Despite this significant contribution, women continue to face challenges that limit their full participation and their ability to secure the market access needed for their produce. Without access to broader and more profitable markets, these businesses struggle to leverage economies of scale, resulting in stagnant sales, reduced resources for product improvement, and limited opportunities for expansion. This directly impacts their profitability and weakens their long-term sustainability (World Bank, 2022).

Other barriers that restrict their participation in agricultural value chains include: legal and regulatory frameworks, limited access to productive resources and assets, constrained access to credit and financial services, inadequate technical and business support services, poor access to markets and trade opportunities, weak collective organization and business networks, and unsafe working conditions (AGRA, 2022).

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In addition, insights from a UN Food Systems Dialogue on women's agri-preneurship in Africa revealed practical barriers that further restrict market opportunities. These include a lack of knowledge of market requirements, poor product quality, inability to meet export certification standards, limited financing to invest in equipment for value addition, and lack of information about such equipment (AGRA, 2021a; AGRA, 2022).

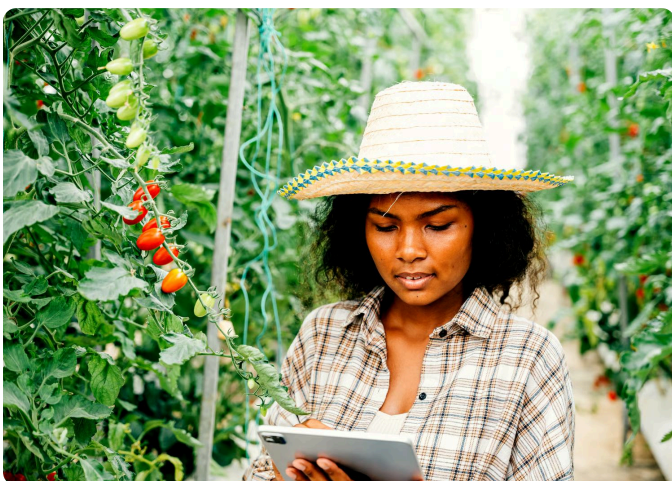


Access to Information and Information Asymmetry

Access to timely market information, such as pricing, requirements to enter new markets, standards, and the regulatory framework, has continued to hinder market access for female-led businesses in the agri-processing industry. Research has shown that the more difficult it is to obtain basic market information, the greater the challenge posed to market access (Gain, 2021; Ezeudu & Obimbua, 2024).

In conversations with the study participants, it was revealed that some of these women, who sell their processed farm produce in the local market, willingly give up exporting these products to others simply because they lacked basic information on how to do so. Even though they are aware of the African Continental Free Trade Area's (AfCFTA) aims, they admitted they lack the practical information needed to take advantage of its opportunities.

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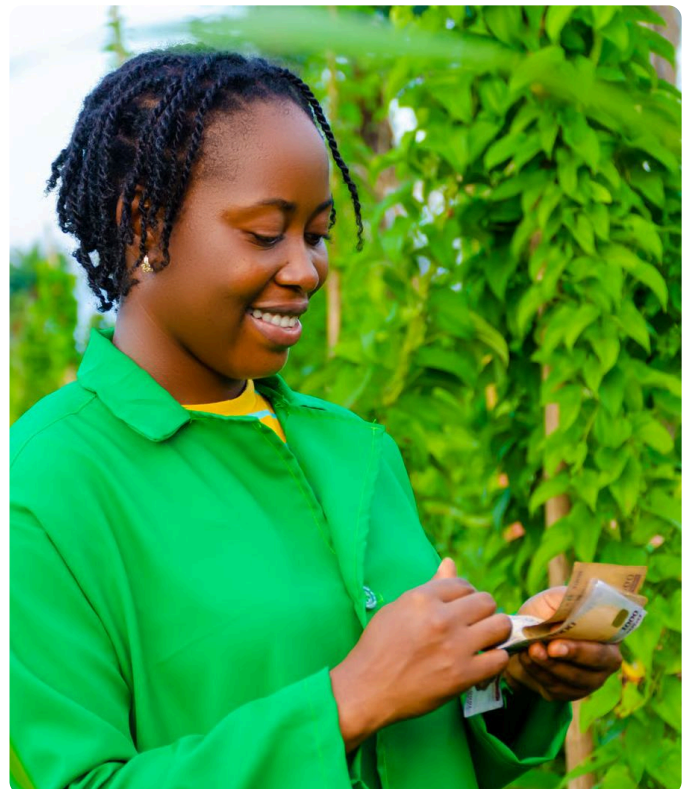


Business and Regulatory Framework

The complexity of registration processes, especially for compliance certificates, poses significant constraints on female-led agri-processing businesses. Kenny (2019) found that women face challenges registering with agencies such as NAFDAC due to high costs and cumbersome requirements. Other barriers include multiple taxation, standardization hurdles, corruption, and complex import/export regulations (AGRA, 2022; Adeyemi et al., 2024).

Although some participants noted that basic business registration is relatively seamless, The National Agency for Food and Drug Administration and Control (NAFDAC) processes remain especially challenging to navigate. A typical instance of this is the insistence by NAFDAC that processors must pay separately for the registration and renewal of each packaging size for the same product. Moreover, this must be done every two years.

"For the same product, they told me to register 250g, 500g, and 1kg separately. Imagine if I have 10 different products of 3 different sizes. The implication is that I must pay in 30 places! How can a small business survive that?!"



Access to Productive Resources and Assets

Female-led agri-processors also struggle to access productive assets such as land, equipment, and modernized machinery. According to AGRA (2022), limited access to value-addition equipment required for scaling production reduces women's ability to compete in markets and make decent margins.

Some participants reported that, even after securing machinery, they lacked the knowledge or confidence to use it effectively. One processor shared that she could not use her equipment for almost a year until a male counterpart who bought the same machine figured out how it worked. Another participant stated:

"I have customers who are very interested in our cassava products, but our inability to produce at the required scale became a big challenge in exploring those opportunities."

Limited Access to Credit and Finance

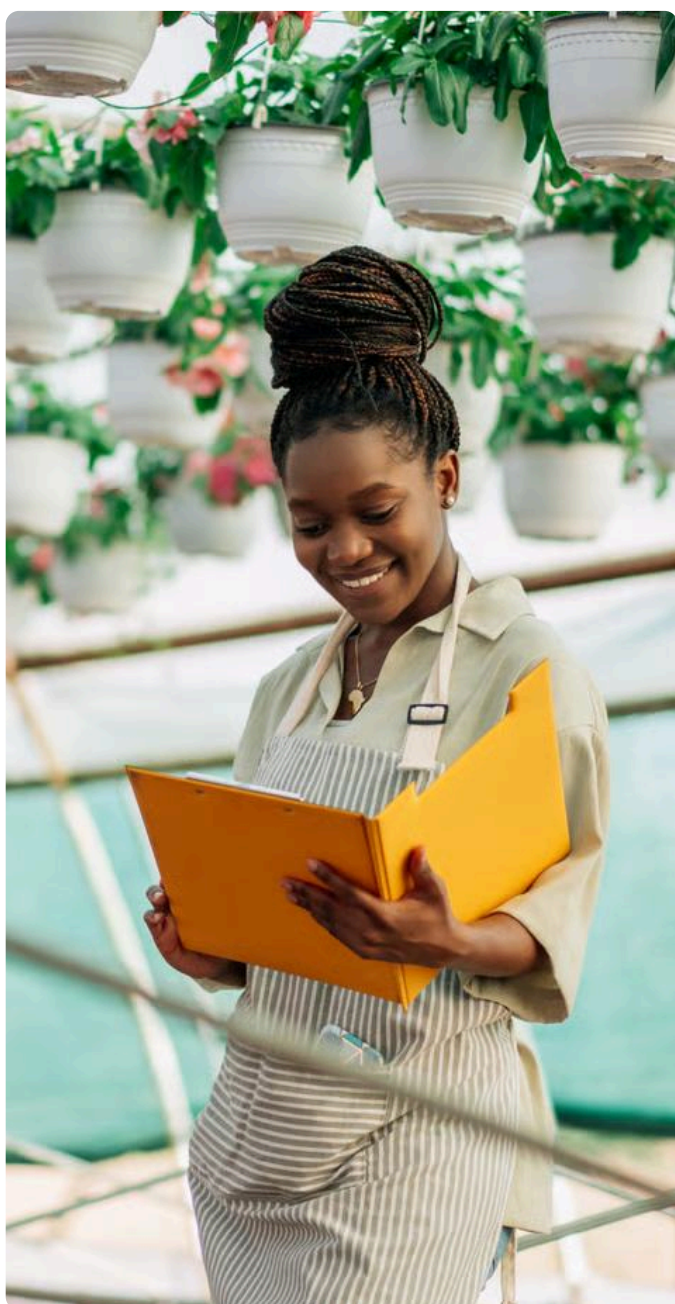
Finance remains one of the most significant challenges. Women face a twin constraint here: lack of financing products suited to agri-processing and gender bias (AGRA, 2022). Some women also self-exclude themselves from seeking credit due to a lack of confidence or fear of risk. Nevertheless, limited access to finance consistently emerged in the literature as one of the major barriers inhibiting market access for female-led businesses in agri-processing (ADB, 2015; WEF, 2024)

Although government interventions such as the Anchor Borrowers Programme, BOI Rapid Fund, Lagos Agrifood Innovation Fund, LSETF Fund, and BOI Gender Loan have provided financing channels, it remains important that these funds are better aligned with the industry's specific needs to ensure easier access.



Interview participants consistently identified finance as a major challenge to scaling and accessing new markets. Several shared that they had to withdraw from high-value markets, such as supermarket chains, because they lacked the cash flow to manage delayed payment terms.

Others noted that while some loans were available, the high interest rates would erode their margins, while asset-financing options often had repayment periods that did not align with their cash flow. These mismatches have made much of the available funding unattractive or unsuitable for their business realities.



Leveraging Technology for Market Access

State of Entrepreneurship Reports in Nigeria 2021 and 2022 by the FATE Institute also identified digital adoption as a key driver of entrepreneurship and market access (Adeyemi *et al.*, 2021; Adeyemi *et al.*, 2022).

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Policy Recommendations for Enabling Access to Markets for Female-Led Businesses in the Agricultural Processing Industry



Strengthening Market Information Systems

To equip businesses in the agri-processing industry, closing the information dissemination gap is crucial. Easy access to information on government initiatives, market trends, customer preferences, farm input pricing, export requirements, and standardization should be prioritized to make informed business decisions. A deliberate approach is needed to ensure such information reaches the right audience through targeted channels.

While the Agricultural Promotion Policy has made efforts to enhance access to market information and create export support, more must be done to ensure processors benefit fully. Agencies such as the National Export Promotion Council (NEPC) continue to facilitate exports. However, clearer guidance is needed on how processors can access export markets and leverage opportunities such as white labelling. Beyond the broad awareness campaigns around the African Continental Free Trade Area (AfCFTA), more niche, practical information should be developed and disseminated to help female-led businesses translate these opportunities into market entry.

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Streamlining Licensing and Regulatory Procedures

Compliance is an important aspect of market access as it enables businesses to be opportunity ready. However, when regulatory processes are fragmented and complex, they become costly for participants. It is therefore recommended that licensing procedures be streamlined and consolidated, particularly for agri-businesses operating within the same product line. This would reduce registration costs and encourage female-led agri-processing enterprises to expand their product offerings and capture wider market segments.

The Nigeria 2025 Tax Reform Law's exemption of the 7.5% VAT on agricultural equipment is commendable and will further benefit female agri-processors. However, these businesses currently do not benefit from the broader tax relief and incentives provided to agricultural institutions. Since agri-processing is classified under manufacturing, a sector dominated by large commercial enterprises, female-led processors, who largely operate at a small scale, should be considered to benefit from reduced tax rates to support growth.

Finally, targeted programs should be implemented to help women-led businesses understand and comply with export regulations, thereby strengthening their ability to tap into both regional and international markets.



Expanding Access to Modern Agri-Processing Equipment

Access to modern equipment and critical assets is essential for female agri-processors to scale, increase efficiency, and capture new markets. While commendable initiatives exist, such as the VAT exemption on agricultural equipment, the establishment of Special Agro-Industrial Processing Zones, and the Agribusiness Development and Empowerment Programme (ADEP) by SMEDAN, these programs are still underutilized.

For instance, only one participant from Akwa Ibom acknowledged the existence of a government-supported agri-processing facility with a dehydrator that improved processing capacity during the rainy season. More of such processing and packaging facilities should be replicated across states, with stronger awareness campaigns to ensure processors can take advantage of them.

Designing Gender-Responsive Loan Products

Improving access to finance remains one of the most critical enablers of growth for female-led agri-processors. For gender-focused funds, the government should prioritize assessing the number of women who have benefited and the business segments supported and adjust the design where necessary to accommodate more female processors. Loan products must also better align with the realities of agri-processing, balancing asset financing with working capital needs, and ensuring appropriate repayment periods and manageable interest rates.

Beyond funding, investment readiness is equally important. Female agri-processors should be supported with training in financial management, leadership, and entrepreneurial skills. Sponsored business support programs can equip them with the tools to structure their enterprises, improve cash flow management, and scale sustainably.



Building Enabling Digital Infrastructure

Policies and investments that enhance women's digital literacy are vital to expanding market access. This includes building enabling digital infrastructure such as secure payment systems, customer protection policies, and a trusted digital economy.

Government and stakeholders should also support the creation of dedicated e-commerce platforms that cater specifically to agri-processing products while encouraging female-led businesses to build and manage their own digital platforms. By doing so, processors can nurture direct customer relationships, gather valuable data for decision-making, and reduce reliance on third-party platforms, thereby positioning themselves to compete more effectively in modern, cross-border markets.



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