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PROFITABILITY ASSESSMENT AND PROSPECTS OF VALUE ADDITION IN THE NIGERIAN SHRIMP INDUSTRY

Ruth Funmilola Hungevu
Ministry of Agriculture and Rural Development, Abuja
Federal Department of Fisheries and Aquaculture
1 Wilmot Point, Victoria Island, Lagos
Nigeria
olufunmiomotade@gmail.com

Supervisors:
Dana Ran Jonsdottir
dana@unak.is

Lauren Fields
laurenf@unak.is

ABSTRACT

Value-addition to seafood products is becoming increasingly important in satisfying the demands of consumers for safe, high-quality seafood throughout the world. In developing countries like Nigeria, side stream raw material from the fishing industry are often dumped in landfills or returned to the sea, representing significant lost potential value. Annually, approximately 8 million tonnes of crustacean shells (crab, shrimp and lobster) are produced on a global scale (FAO, 2014). This study uses data collected from the Nigerian shrimp industry to describe trends in types of production and sectoral profitability over time. An average of 88% of shrimp is exported from the total shrimp production annually. Currently, there is a higher percentage of whole shrimp exported than processed shrimp in Nigeria. The ratio of whole shrimp to peeled shrimp are estimated at an average of 77% to 23% respectively. The study finds that the processed/peeled shrimp is currently not making sufficient profit to justify boosting the level of value addition for the industry. However, it is important to maintain the current level of the peeled export to retain the market niche. Considering the opportunities examined in the subsector assessment, there is the need for an in-depth understanding of the industry's dynamics by the stakeholders in order to cease opportunities of value adding and utilisation of the shrimp waste in the future. This would help maximise economic benefits from the limited resources.