



News Release

President Muhammadu Buhari inaugurates Olam’s poultry feed mill, hatchery and breeder farms in Nigeria

Lagos, September 12, 2017 – Global agri-business Olam International Limited (“Olam”) today welcomed His Excellency President of the Federal Republic of Nigeria, Muhammadu Buhari, to inaugurate Olam’s poultry feed mill and day-old-chick (“DOC”) facilities in Kaduna State. The company also concurrently started production at an integrated poultry and fish feed mill at Ilorin in Kwara State. Together the two state-of-the-art animal feed mills¹, poultry breeding farms and hatchery have a investment of around US\$150.0 million²

Addressing the poultry supply gap

With a combined capacity of 720,000 metric tonnes of poultry feed annually, Olam’s facilities directly address a significant supply gap for poultry meat in Nigeria, giving farmers and distributors access to high-quality feed and DOC at competitive prices. In addition, Olam’s team of field veterinarians will train up to 10,000 farmers a year in best poultry farming practices.

Given around 75% of poultry farming is managed by smallholders, Olam’s poultry initiatives have the potential to indirectly create 150,000 to 200,000 rural jobs for Nigerians as the entire sector is stimulated.

Olam estimates that poultry meat consumption among Nigerians could increase up to 10-fold by 2040, provided domestic supply can meet increased demand and based on prices becoming more affordable for Nigerians³. This would require the poultry feed and DOC supply in Nigeria to grow at over 10% CAGR per year.

Olam projects that its investment will enhance domestic poultry production by approximately 8 billion eggs and 100 million kilogrammes of poultry meat - the equivalent of 40 eggs and 0.5 kilogrammes of chicken per Nigerian per year.

This will also result in a reduction in the foreign exchange currency spent on illegal low quality frozen imports, which is currently estimated at US\$150.0 million to US\$200.0 million per year.

On behalf of his Excellency President Federal Republic of Nigeria, Muhammadu Buhari GCFR, the Minister of Agriculture and Rural Development, Chief Audu Ogbeh, commented: “This development symbolises the national growth and stability of our nation. It will contribute to the reduction of crime and the rural agenda. Olam is thoroughly Nigerian and since its incorporation here in 1989, it now operates across the length of the country. I would like to acknowledge their investments in the country.”

The Governor of Kaduna State and Chief Host, Mallam Nasir Ahmad El-Rufai, remarked: “Today we inaugurate the largest direct investment in Kaduna State in 10 years. When I first met with Olam

¹ Poultry and fish feed

² Invested capital, including working capital

³ Based on Nigeria’s demographic and economic growth

representatives in 2015 I knew it was a meeting of minds. The company made a commitment to invest further in Nigeria and the fact that we stand here today shows it is a reality. This facility will help us on the road to economic diversification and food security as well as producing thousands of direct and indirect jobs. Olam's investment will create an industrial agri-hub to incentivise our farmers to produce more by providing good products and support, quality control and access to domestic and global markets.”

Enhancing fish supply by supporting fish farming

In Kwara State, Olam's advanced new fish feed manufacturing facility will boost feed supply to help meet rising demand in Nigeria for fish - currently 2 million metric tonnes per year⁴.

Future fish consumption faces supply challenges of overfishing, water pollution and global warming. Production from natural habitats is expected to stagnate or even come down.

Fish-farming is therefore essential to meet the supply gap and reduce the need for imports - currently almost 700,000 to 800,000 metric tonnes of fish and marine products are imported annually, resulting in a foreign exchange outflow in excess of US\$1.0 billion.

One of the barriers to increasing production is readily available, affordable and good quality floating fish feed – it currently accounts for over 70% of the local farmers' production costs. The Kwara mill has an initial capacity of 75,000 metric tonnes of fish feed per annum that can be further scaled up.

Stimulating the rural economy

Olam estimates that its local sourcing of raw materials such as soybeans, corn and cassava for its animal feed operations will positively impact more than 300,000 smallholder crop farmers. The company is specifically focusing on boosting the productivity of soybeans in Nigeria, currently at below 1.0 metric tonnes per hectare, versus 3.0 to 3.5 metric tonnes per hectare in Brazil and US. To this end, Olam is collaborating with the International Institute of Tropical Agriculture, Ibadan to supply farmers with high-yielding soy seeds.

In another pioneering effort, Olam has created internships for around 100 veterinary, aquaculture and agronomy graduates who will receive hands-on learning opportunities at the company's state-of-the-art facilities over a two-year period.

Olam's Managing Director and CEO for Grains, KC Suresh, commented: “We are proud to welcome His Excellency to our latest investment. We have leveraged our deep knowledge of Nigeria – 27 years experience across exports, imports, manufacturing and farmer engagement – to identify the needs of Nigerian consumers. We thank the Governors of Kaduna and Kwara States for supporting our projects. Our world-class facilities will provide high-quality, cost-effective products that will help farmers and rural Nigerians to prosper. In the same way that Olam Grains has built a highly successful wheat milling footprint across Africa, we will be looking to scale our animal feed operations, both in and beyond Nigeria⁵.”

⁴ Of which nearly 40% comes from local natural habitats, 20% to 25% from land-based aquaculture and the balance through imports

⁵ As one of Olam's prioritised business platforms with a track record of ramping up niche platforms to perform well quickly, Olam Grains made a strategic decision in 2015 to expand into the animal feed and poultry business as a natural adjacency.

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Notes to Editors

About Olam International Limited

Olam International is a leading agri-business operating across the value chain in 70 countries, supplying various products across 18 platforms to 23,000 customers worldwide. From a direct sourcing and processing presence in most major producing countries, Olam has built a global leadership position in many of its businesses. Headquartered in Singapore and listed on the SGX-ST on February 11, 2005, Olam currently ranks among the top 30 largest primary listed companies in Singapore in terms of market capitalisation. In 2016, Fortune magazine recognised Olam at #23 in its 'Change the World' list.

More information on Olam can be found at www.olamgroup.com.

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