Innovation Lab for Policy Leadership
in Agriculture and Food Security (PiLAF),
University of Ibadan, Nigeria

Quarterly TRADE BRIEF

January - March, 2026

This publication presents a comprehensive overview of developments, policy issues, and trade in Nigeria's agricultural sector.

At a glance

- Total trade declined as imports contracted sharply despite modest export growth.
- Trade surplus nearly doubled, reaching its highest level in six years.
- Exports increased amid global economic and geopolitical uncertainties as a result of conflicts.
- Non-crude oil exports surged, strengthening Nigeria's diversification agenda.
- Crude oil exports declined but are the largest export category.
- Agriculture maintained a positive trade balance despite lower export earnings.
- Agricultural exports exceed imports, supporting foreign exchange generation and the need for local value addition for raw produce.
- Cocoa, sesame, soybeans, and cashews dominated agricultural export performance.
- Wheat, frozen fish, and food-processing inputs drove agricultural import demand, reinforcing Nigeria's dependence on foreign markets for important food commodities.
- Middle East tensions heightened trade risks through shipping and commodity market disruptions, resulting in fluctuating energy prices and production costs.

1.0 Introduction

Nigeria's trade landscape in the first quarter of 2026 reflects a period of adjustment amid evolving global economic conditions, geopolitical uncertainties, and ongoing domestic reforms. While total trade moderated compared with the same period in 2025, export performance was steady, resulting in a substantially stronger trade surplus. The quarter was marked by a shift toward non-oil export growth, reinforcing the importance of diversification for economic resilience. Agriculture maintained its strategic role in the export basket, though global market volatility and supply chain disruptions affected sectoral performance. Against the backdrop of heightened tensions in the Middle East, fluctuating commodity markets, and evolving trade patterns, this brief assesses Nigeria's trade dynamics, export composition, agricultural performance, and key trading relationships in Q1 2026.

2.0 Total Nigeria trade (Q1 2021-2026)

Amid global trade shocks stemming from the Middle East conflict, Nigeria's trade performance declined in the first quarter of 2026, with total trade falling to ₦34.79 trillion from ₦37.24 trillion in Q1 2025, a 6.6% contraction (Figure 1). Despite this decline, Nigeria's export sector was relatively robust, supported by sustained growth and a widening gap between export and import values. Exports increased modestly by 2.8%, rising from ₦20.60 trillion in Q1 2025 to ₦21.17 trillion in Q1 2026. Nigeria's Q1 2026 trade dynamics were supported by higher global energy prices and export earnings, which helped sustain export growth despite weaker imports. However, heightened geopolitical uncertainty and rising shipping costs may have constrained trade volumes and increased transaction costs.

The expansion of exports suggests strong external demand and the growing contribution of non-oil export activities, which have become increasingly important in supporting trade performance and foreign exchange earnings. In contrast, imports fell sharply by 18.2%, declining from ₦16.64 trillion in Q1 2025 to ₦13.62 trillion in Q1 2026. This substantial reduction was the primary driver of the contraction in total trade.

The decline reflects a combination of factors, including foreign-exchange constraints, import-substitution efforts, weaker domestic demand, and higher costs of imported goods. While lower imports can improve the trade balance, they also signal challenges for sectors that depend heavily on imported inputs and intermediate goods. The decline in import activity further underscores the need to reinforce domestic productive capacity to ensure that trade improvements are supported by sustainable economic growth and industrial development.

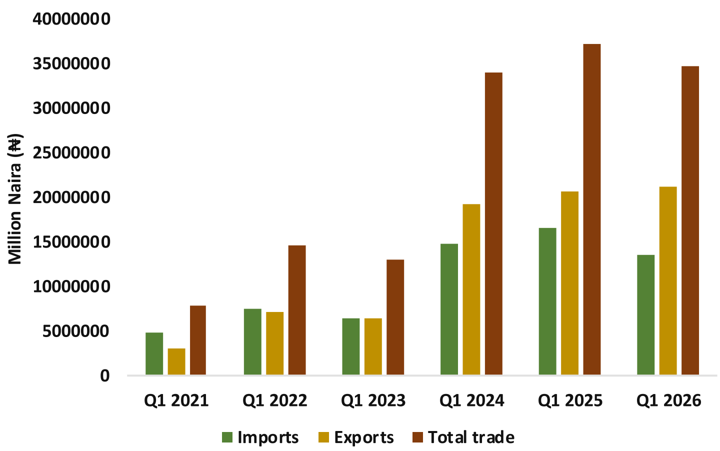

Figure 1: Nigeria's total trade in the first quarter (2021-2026). Source: [1]NBS, 2026. Exchange rate for Q1 2026: January (₦1391/$1), February (₦1368/$1), March (₦1387/$1). We use the closing rate on the last day of each month. Source: [2]CBN, 2026.

2.1 Nigeria trade balance (Q1 2021-2026)

Trade balance improved markedly over the period, moving from a deficit of ₦1.89 trillion in Q1 2021 to a surplus of ₦7.55 trillion in Q1 2026. Compared to 2024, the surplus dipped in Q1 2025; it rebounded strongly in 2026, rising 90.9% year-on-year (Figure 2). The widening surplus improves Nigeria's external position, supports foreign exchange earnings, and may reduce pressure on external reserves. However, because the improvement resulted largely from declining imports rather than exceptionally strong export expansion, it may also reflect weak domestic investment demand.

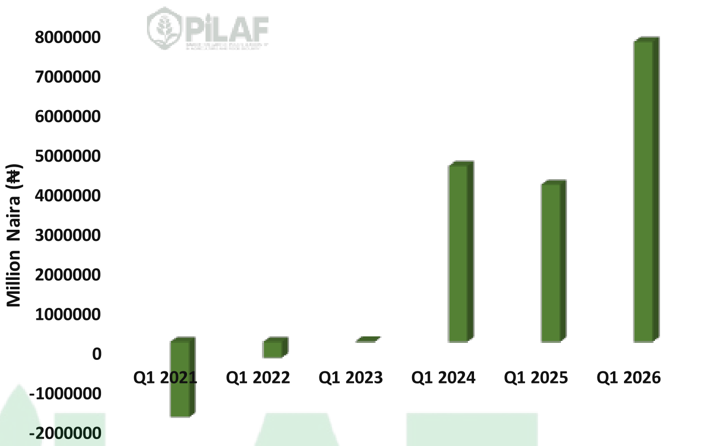

Figure 2: Nigeria's trade balance in the first quarter (2021-2026). Source: NBS, 2026. Exchange rate for Q1 2026: January (₦1391/$1), February (₦1368/$1), March (₦1387/$1). Source: CBN, 2026.

2.2 Oil and non-oil exports (Q1 2021-2026)

Nigeria's Q1 2026 export composition highlights sustained diversification alongside persistent dependence on crude oil. Crude oil exports are the largest category at ₦11.20 trillion, though it declined by 13.5% from Q1 2025 (Figure 3). By contrast, non-crude oil exports expanded strongly by 30.4%, rising from ₦7.64 trillion to ₦9.97 trillion, narrowing the gap with crude oil earnings and demonstrating increasing stability in the non-oil economy. Non-oil exports also increased marginally by 0.6% to ₦3.19 trillion, maintaining an upward trajectory despite global uncertainties. This suggests growing resilience in non-oil sectors, reduced exposure to oil-market volatility, and enhanced external-sector stability.

The near convergence of crude and non-crude exports marks a significant structural shift in Nigeria's trade profile. While crude oil remains central to export earnings, the growing contribution of non-crude and non-oil exports signals progress toward diversification, reducing vulnerability to oil market shocks and bolstering the foundation for more sustainable, trade-led growth.

[1] https://microdata.nigerianstat.gov.ng/index.php/home
[2] https://www.cbn.gov.ng/rates/ExchRateByCurrency.html

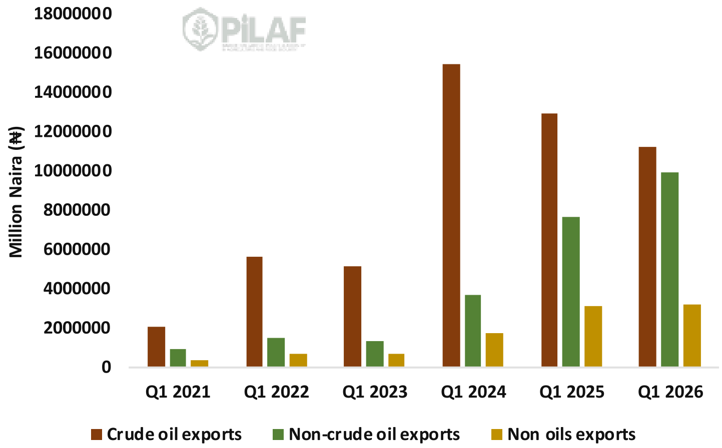

Figure 3: Nigeria's crude oil, non-crude oil and non-oil exports in the first quarter (2021-2026). Source: NBS, 2026. Exchange rate for Q1 2026: January (₦1391/$1), February (₦1368/$1), March (₦1387/$1). Source: CBN, 2026.

3.0 Agricultural trade in Nigeria (Q1 2021-2026)

Agricultural trade in Q1 2026 shows a moderation in activity after the strong expansion seen in 2024 and 2025. Agricultural imports fell 20.1%, from ₦1.04 trillion in Q1 2025 to ₦827.7 billion, while agricultural exports declined 31.2%, from ₦1.70 trillion to ₦1.17 trillion (Figure 4). Despite the decline, exports still exceeded imports, maintaining a positive agricultural trade balance and reaffirming agriculture's growing contribution to Nigeria's economy.

The contraction in imports partly reflects foreign-exchange constraints, import-substitution efforts, and weaker domestic demand for imported food and agricultural inputs. The sharper decline in exports, however, indicates weaker global demand, lower commodity prices for some export crops, and disruptions in international trade channels. Higher freight rates, elevated marine insurance costs, and uncertainty along critical shipping corridors increased transaction costs across global food supply chains. These disruptions may have reduced the competitiveness of some Nigerian agricultural exports while affecting the cost and availability of imported agricultural commodities and inputs.

3.1 Comparing agricultural trade with total trade (Q1 2021-2026)

Agriculture's contribution to Nigeria's trade was significant in Q1 2026, though below the 2025 figures. Agricultural exports accounted for 5.54% of total exports, down from 8.27% in Q1 2025, reflecting weaker export performance (Figure 6). Meanwhile, agricultural imports represented 6.08% of total imports, slightly lower than 6.71% a year earlier. The narrowing shares reinforce that, while agriculture remains an important

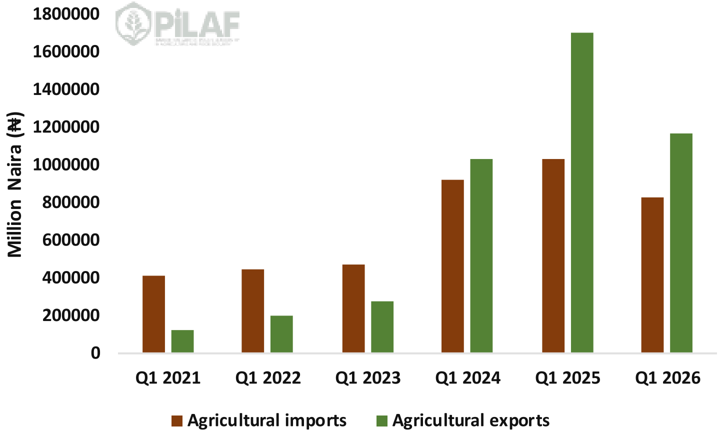

Figure 4: Nigeria's Agricultural trade in the first quarter (2021-2026). Source: NBS, 2026. Exchange rate for Q1 2026: January (₦1391/$1), February (₦1368/$1), March (₦1387/$1). Source: CBN, 2026.

The agricultural trade balance remained positive in Q1 2026 at ₦344.7 billion, though it declined 48.4% from Q1 2025 (Figure 5). The sector's surplus reflects sustained export competitiveness and improving integration with external markets. The narrowing balance highlights rising trade costs and highlights the need to strengthen productivity, value addition, and supply chain improvement to sustain gains in agricultural trade.

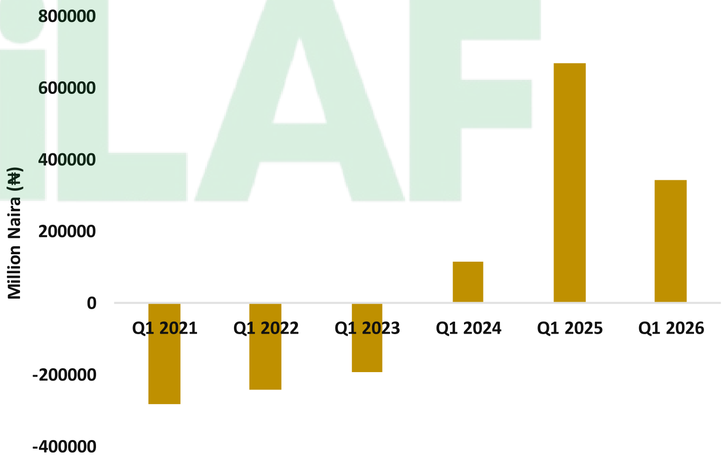

Figure 5: Nigeria's Agricultural trade balance in the first quarter (2021-2026). Source: NBS, 2026. Exchange rate for Q1 2026: January (₦1391/$1), February (₦1368/$1), March (₦1387/$1). Source: CBN, 2026.

component of trade, its relative contribution moderated amid broader changes in Nigeria's export and import structure during the quarter.

4.0 Nigeria's agricultural trade by partner countries (Q1 2026)

Table 1 highlights Nigeria's agricultural export strengths in Q1 2026, led by high-quality cocoa beans, sesame seeds, soybeans, and cashew nuts. The Netherlands, Belgium, China, India, and the United States emerged as key trading partners, showing strong demand across European and Asian markets. The dominance of primary commodities points to agriculture's growing export potential and highlights opportunities to expand domestic processing and value addition, thereby boosting export earnings and strengthening Nigeria's position in global agri-food value chains. Table 2 reveals Nigeria's dependence on selected imported food commodities and agricultural inputs. Durum wheat dominated imports, sourced primarily from Russia, Canada, and Brazil, indicating strong demand from the milling and food-processing industries. Frozen fish products from Chile, Korea, China, and the Faroe Islands highlight persistent domestic protein supply gaps. Imports of hydrogenated vegetable fats, largely from Indonesia, underscore reliance on external sources for edible oil and food-manufacturing inputs. The import profile points to enduring production deficits and the need for greater investment in domestic agriculture, fisheries, and agro-processing capacity.

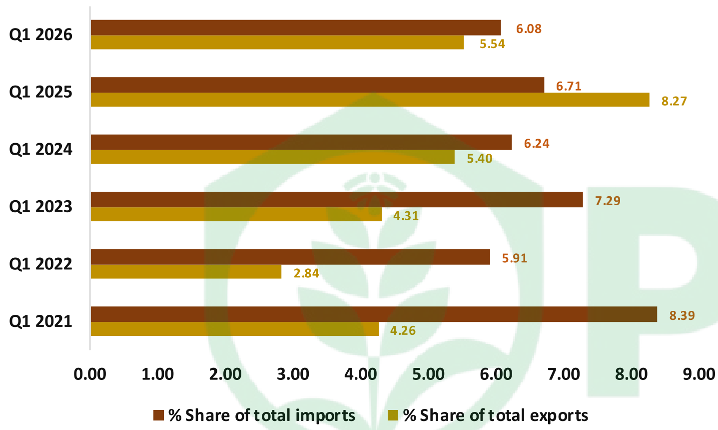

Figure 6: Percentage share of Nigeria's agricultural trade versus total trade in the first quarter (2021-2026). Source: NBS, 2026.

Table 1: Most traded top 5 agricultural export commodities with top partner countries in the first quarter of 2026. Source: NBS, 2026.

Rank	HS code	Product description	Country	Value (Million Naira)
1	1801001100	Superior quality Cocoa beans	Netherland	228,357.17
			Belgium	98,557.02
			Malaysia	78,877.98
			United States of America	37,137.49
			Canada	33,655.38
2	1207400000	Sesamum seeds	China	76,547.49
			Japan	21,108.89
			Vietnam	17,041.53
			India	13,693.84
			Greece	8,941.65
3	1201900000	Soya beans (excluding seeds)	India	113,864.81
			Canada	11,151.34
			Kenya	1,316.77
			Netherland	604.38
			Tanzania	521.79
4	0801310000	Cashew nuts in shell	India	89,657.56
			Vietnam	30,105.86
5	1208100000	Flours and meals of soya beans	United States of America	23,431.56
			France	16,525.48
			Ivory Coast	4,954.24
			Ghana	2,632.04
			Kenya	2,335.77

Exchange rate for Q1 2026: January (₦1391/$1), February (₦1368/$1), March (₦1387/$1). Source: CBN, 2026.

Table 2: Most traded top 5 agricultural import commodities with top partner countries in the first quarter of 2026. Source: NBS, 2026.

Rank	HS code	Product description	Country	Value (Million Naira)
1	1001190000	Durum wheat (Not in seeds)	Russia	135,366.40
			Canada	66,562.17
			Brazil	42,873.52
			Lithuania	37,250.23
			Poland	36,698.67
2	0303510000	Herrings (Clupea harengus, Clupea pallasii) meat, frozen.	Korea, South	16,253.92
			China	9,228.92
			Russia	8,531.87
			Netherland	8,370.08
			Faroe Island	8,065.36
3	0303680000	Blue whitings (Micromesistius poutassou, Micromesistius australis) meat, frozen.	Faroe Island	18,645.60
			Ireland	10,148.53
			Netherland	7,960.63
			United Arab Emirates	7,095.84
			Morocco	3,435.72
4	0303550000	Jack and horse mackerel (Trachurus spp.) meat, frozen.	Chile	31,370.49
			China	1,745.86
			Korea, South	1,634.79
			Mauritania	1,391.37
			Lithuania	964.61
5	1516201000	Hydrogenated vegetable fats not further prepared.	Indonesia	36,483.83
			Malaysia	1,599.02
			Oman	526.88
			United Arab Emirates	165.74
			Singapore	40.07

Exchange rate for Q1 2026: January (₦1391/$1), February (₦1368/$1), March (₦1387/$1). Source: CBN, 2026.

5.0 Nigeria's raw materials trade by partner countries (Q1 2026)

Table 3 demonstrates Nigeria's comparative advantage in resource-based exports, led overwhelmingly by urea, with Brazil, the United States, and India as major markets. Gold, natural rubber, cocoa preparations, and processed leather further demonstrate diversification beyond crude oil. The export basket reflects Nigeria's role as a supplier of industrial and agricultural raw materials to global value chains. However, the dominance of primary and semi-processed products demonstrates the need for deeper industrialization and value addition to maximize export earnings and support long-term trade competitiveness.

Table 4 shows Nigeria's continued dependence on imported industrial raw materials and production inputs. Refined sugar for processing, lubricating oil additives, veneer sheets, chemical intermediates, and diammonium phosphate fertilizer dominated imports, which were sourced mainly from Brazil, the United States, China, Spain, and Morocco. These imports are critical to manufacturing, construction, energy, and agricultural production systems. While they support domestic industrial activity, their prominence highlights gaps in local input production and exposes the economy to external supply disruptions, exchange-rate volatility, and rising global commodity costs.

Table 3: Most traded raw materials export products with top partner countries in the first quarter of 2026. Source: NBS, 2026.

Rank	HS code	Product description	Country	Value (Million Naira)
1	3102100000	Urea, whether or not in aqueous solution	Brazil	453,181.31
			United States of America	353,042.35
			India	317,892.79
			Ethiopia	132,100.62
			Ukraine	58,251.73
2	7108110000	Nonmonetary Gold (including gold plated with platinum) in Powder form	Switzerland	56,363.44
3	4001220000	Technically specified natural rubber (TSNR)	Vietnam	4,191.68
			Italy	3,535.31
			India	3,430.35
			South Africa	2,844.77
			United States of America	2,305.47
4	1806200000	Other preparations: Cocoa powder in blocks, slabs... in packing exceeding 2kg	Germany	18,809.06
5	4113100000	Leather further prepared after tanning or crusting, including parchment-dressed leather, of goats or kids	China	5,829.03
			Spain	3,128.01
			Italy	1,461.05
			India	967.02
			Cambodia	685.44

Exchange rate for Q1 2026: January (₦1391/$1), February (₦1368/$1), March (₦1387/$1). Source: CBN, 2026.

Table 4: Most traded raw materials import products with top partner countries in the first quarter of 2026. Source: NBS, 2026.

Rank	HS code	Product description	Country	Value (Million Naira)
1	1701141000	Cane sugar specified in Subheading Note 2 to Chapter 17, Meant for sugar refinery	Brazil	106,022.70
2	3811290000	Other additives for lubricating oils (excl. with petroleum oils)	United States of America	59,571.60
			United Kingdom	24,085.92
			Egypt	6,855.34
			France	5,920.35
			Netherland	2,649.74
3	4408390000	Sheets for veneering (including those of Other	China	60,491.56
			Germany	43.63
4	3817000000	Mixed alkylbenzenes and mixed alkylnaphthalenes, other than	Spain	43,675.19
			Saudi Arabia	4,434.12
			Taiwan	87.60
			United States of America	47.12
			United Kingdom	34.75
5	3105300000	Diammonium hydrogenorthophosphate (diammonium phosphate)	Morocco	48,135.00

Exchange rate for Q1 2026: January (₦1391/$1), February (₦1368/$1), March (₦1387/$1). Source: CBN, 2026.

6.0 Conclusion

The Q1 2026 trade performance underscores both the gains and challenges of economic diversification. Although total trade declined relative to Q1 2025, the substantial improvement in the trade surplus reflects stronger export performance and reduced import dependence. The expansion of non-crude oil exports signals a gradual rebalancing of the export base, reducing vulnerability to fluctuations in global oil markets. Agriculture remained an important contributor to trade, maintaining a positive trade balance despite a weaker export performance.

The sector's growing role in foreign exchange generation demonstrates its strategic importance to economic transformation, food security, and export diversification. However, persistent reliance on imported food products, industrial raw materials, and production inputs highlights enduring structural constraints within domestic value chains. The quarter also unfolded amid heightened geopolitical tensions, particularly in the Middle East, which contributed to volatility in commodity markets, shipping costs, and global trade flows. These developments reinforce the importance of consolidating domestic productive capacity, improving value addition, and enhancing supply-chain resilience.

Acronyms

CBN: Central Bank of Nigeria

HS Code: Harmonized System Code (International product classification for trade)

NBS: National Bureau of Statistics

Q1: First Quarter

Innovation Lab for Policy Leadership in Agriculture and Food Security (PiLAF), University of Ibadan, Nigeria

Prepared by ***Oreoluwa Ibukun Akano, Ayomide Josephine Daniel and Iredele Emmanuel Ogunbayo***
info@pilafui.org, oreakano@pilafui.org, akanoore@gmail.com