

Potato Chips Production in Nigeria; the Feasibility Report

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Abstracts

Nigeria a country blessed with diverse climatic and soil condition for the production of different agricultural produce, is the leading producer of sweet potato in Sub-Saharan Africa producing about 3,460,000 MT of sweet potatoes annually.

Sweet potato is one of the world's important food crops and an important staple food crop in Nigeria. It is very valuable in the diet of rural poor in the tropics. It is a low-input crop and it is used as a vegetable, a dessert, source of starch and animal feed. In Nigeria, sweet potato is eaten as a substitute for yam as a result of lower cost of production.

Sweet potato is traditionally consumed in boiled form with varying accompaniments including cowpea, rice, millet and benniseed. In the semi-arid zone, sweet potato flour is popularly used for sweetening local foods while in the urban markets of the humid south, sweet potato fried chips are produced and marketed.

Potato is a starchy, tuberous crop from the perennial *Solanum tuberosum* of the Solanaceae family. The word potato may refer to the plant itself as well as the edible tuber. Sweet potato is produced in almost all the states of the federation. This report examines the financial viability of establishing a potato chips processing plant in Nigeria.

Potato chip (known as a crisp in British English and as either a chip or wafer in Indian English) is a thin slice of potato that is deep fried or baked until crunchy. Potato chips are commonly served as an appetizer, side dish, or snack. The basic chips are cooked and salted; additional varieties are manufactured using various flavorings and ingredients including seasonings, herbs, spices, cheeses, and artificial additives.

With the advent of globalization, Nigerian eating habits are changing to emulate those of the West. This means that consumption of Western style Fast Foods is on the rise. Due to this reason the potential market size of Fast Food products is increasing at an exponential growth rate. This is also evident from the entry of world famous Fast Food Chains entering Nigerian Market such as KFC.

Along with international chains there are large numbers of local restaurants, which also deal in similar kinds of Fast Food. There is a huge business opportunity in this area of the Fast Food Value Chain. The market for potato chips is national. With a population of over 165 million people and an estimated national population growth rate of 5.7% per annum, an average economic growth rate of 3.5% per annum in the past five {5} years, Nigeria has a large market for potato chips.

Children, teenagers and young people are the target market of the Potato Chips. Home, rather than school, is the most popular destination for eating crisps and savory snacks, with seven in ten children (70%) consuming them at home, against around half (48%) who eat such snacks at school. After school, when children tend to choose their own snacks, 70% select crisps and savoury snacks compared to lunchboxes, which mothers generally pack, where the most popular item is a savoury sandwich or roll.

Some 44% of consumers prefer to buy children's snacks in multipacks while nearly half of all consumers say they are price motivated in their snack purchasing. The demand of the present market is met by the mix of Branded and Unbranded Chips available in the Market. There are 60% of the population which is Brand Loyal. However remaining 40% of the Un-branded Market can be attracted through heavy Advertisement Campaign.

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