

2016

STEP BY STEP GUIDE TO AGRO EXPORT IN NIGERIA AND COMMODITY TRADING

Have you every wonder how an Asian man will come into this country with a briefcase and 5 years later become an employer of labour by harnessing our resources to build wealth for himself via agro export and commodity trading in Nigeria.

AGRO EXPORT GUIDE PART 2

KAYODE BANKOLE
GREEN WHALES LTD
Mobile:07063396991

Website: www.greenwhalesltd.com



...CONTINUATION FROM PART 1

List of Agro Commodities and there location:

1. Shea Nut Product Profile:



History: Shea butter nut butter has been used for centuries in Africa for cosmetics, funeral rites, medicinal, soap making and as cooking oil.

Estimated National Production: 500,000 MT annually

Export from Nigeria: About 3% of the national production is exported.

Type: They are usually accessed based on the content

Uses: They are used in the production of Shea butter which is used in the cosmetics, confectionary and other such industries.

Areas of Production: Shea nut is produced in Kwara State at Ode-Giwa in the Asa Local Government Area and also in Minna area of Niger state in Nigeria. Other states include Kogi, Oyo, Kebbi and Ogun State.

Shea nuts are the fruits of shea butter tree botanically known as *Vitellaria*. In Africa, there are two main commercial species namely: *Vitellaria paradoxa*; mostly found in West Africa in countries like Nigeria, Ghana, Ivory Coast, Burkina Faso and Mali. The second species is called *Vitellaria nilotica* is mostly in Uganda.

The fruit is usually 5-8cm long and 3-4 cm wide, elliptic; a yellow or green berry with thick, butter – like, mucous pericarp contains one seed which is oval or round. The seed is usually surrounded by a fragile shining shell with large hilum on a broad base.

The following is the benchmark composition of the export of Shea nut.

Free Fatty Acid (FFA) Content: Less than or equal to 60%

Moisture Content: Less than or equal to 70%

Oil Content: Greater than or equal to 45%

Latex: 4-10%

The oil content is the most crucial element of the Shea nut as that component is an important ingredient in the composition of the butter that goes into cocoa butter equivalent (CBE) and other by products. If the oil content is higher and the FFA and moisture content is lower, then the exporter will receive a price premium.

In terms of market share, the Chocolate and Confectionary market represents about 95% while the Cosmetics and Pharmaceuticals market represent 5% of the market share.

The return on investment on the export of Shea nut is estimated between 10% - 15%.

2. Sesame Seed Product Profile



Description: Sesame seeds (also called benni seed) are the seeds of the tropical annual *Sesamum indicum*. The species has long history of cultivation, mostly for its yield of oil. The original area of domestication of sesame is obscure but it seems likely to have first been brought into cultivation in Asia or India. The plant is usually 60 to 120cm tall and the fruit is a dehiscent capsule held close to the stem. When ripe, the capsule shatters to release a number of small seeds. The seeds are protected by a fibrous 'hull' or skin, which may be whitish to brown or black depending on the variety. 1000 seeds weigh some 4-8g. The seeds have a high oil content of 44-60%.

Harvest: Harvesting begins in late December and continues through July. Each producing area stated in the next section below (Location) has only one season.

Location: The major producing areas in order of priority are Nasarawa, Jigawa, and Benue States. Other important areas of production are found in Yobe, Kano, Katsina, Kogi, Gbombe and Plateau States. The major marketing centers (towns and states) of sesame seeds in Nigeria.

Types/Varieties: There are 3 types of sesame (and these include White, Black and Brown/Mixed sesame seeds). However, only two of these are majorly produced in Nigeria and these includes:

1. White/raw – Food grade used in bakery industry. 98 – 100% whitest grade seeds.
2. Brown/Mixed = Primarily oil-grade

The white (Food grade) seed is grown around the town of Keffi, Lafia/Makurdi, Doma, and in Nassarawa, Taraba, and Benue States. It is easier to sort and the Fulani/Denin people consume sesame locally. The Brown/Mixed grows in the North, in Kano State and in Jigawa State near Hadejia, and somewhat in the southern part of Katsina state.

Uses: Most sesame is processed directly into oil by the grower or within the producing region, but can also be sold in various

stages of processing, for various uses, such as meal, paste, confections, and bakery products.

Export Market: The major import of sesame seeds in the world is Japan while the major consuming markets in the EU are Greece, Germany, the Netherlands and the UK. In the past, the bulk of sesame was imported from China. Increasingly, other sources such as India, Sudan and, most recently, Pakistan, are taking the market share. The USA is the fifth largest import market with a steady demand for over 50,000 tons per year.

3. CHARCOAL EXPORT PROFILE



Description: Charcoal is the blackish residue consisting of impure carbon obtained by removing water and other volatile constituents from animal and vegetation substances. Charcoal is usually produced by slow pyrolysis, i.e. the heating of wood, sugar, bone char, or other substances in the absence of oxygen. The resulting soft, brittle, lightweight, black, porous material resembles coal and

is 85% to 98% carbon with the remainder consisting of volatile chemicals and ash.

Harvest: Hard wood charcoal can be produced year round. However, it generally advised that charcoal production and export should be done during the dry season (from November to May). Production and export of charcoal during the raining season could be rejected by buyers because of the high moisture content (i.e. above than 10%) which is usually the characteristics of the charcoal produced during this period.

Location: Charcoal can be produced from different part of the country, especially in the south west region (Oyo, Ogun, Ondo, Ekiti, etc), south south and south eastern part of the country (Enugu, Rivers, Cross river, etc), and also in the middle belt (Kwara, Kogi, Abuja and Benue) are of the country.

Specifications:

Ash content: 3% - 4% max

Volatile matter: 5 – 10% max

Wood matter: 2-4% max

Size: 20-120mm

Carbon: 65-80% max

Uses: Charcoal are widely used for outdoor grilling and barbecues in backyards and on camping trips. It's also used for House-Heating. Historically, charcoal was used in great quantities for smelting iron and later in blast furnaces and finery forges.

Export Market: The export markets for charcoals from Nigeria include Germany, Belgium, Greece, Italy, Poland, Spain, Bulgaria and UK. The largest importers of charcoal in the EU are Poland, France, Netherlands, Germany and Belgium. They buy and sell to the rest of Europe.

4. Raw Chashew Nut Export Profile

Description: Cashew (*Anacardium Occidentale L.*) is a tree crop of considerable economic importance to Nigeria and other tropical countries. Apart from being a source of useful products and byproducts for feed, medicinal and industrial applications, cashew gives also a useful shade, while ornamental and alley trees are suitable for the control of soil erosion, particularly for the protection of watersheds and dams.

Harvest: Cashew nut setting begins in the middle of dry season, while harvesting takes place mainly in February of March. The entire harvest period occupies about 16 weeks. In the Eastern and Western parts of the country, where quality cashew nuts are grown, nuts are allowed to drop to the ground before they are collected. This practice ensures that only ripe nuts are collected. Nuts normally fall to the ground with their apples attached; the two are normally separated with a twisting action during collection. The remnants of the apple flash adhering to the nuts are removed with a sharp knife. After picking, the nuts are dried in the sun for 2 to 3 days, to reduce their moisture content to about 12%. Properly dried nuts are packed in jute bags and can be kept for 6 to 10 months, if stored in suitable condition.

Location: Major cashew growing areas in Nigeria are, by order of **importance:** Enugu, Abia, Imo, Anambra, Ebonyi and Cross River states in the eastern part of the country; Oyo, Osun, Ondo, Ekiti, and Ogun States in the Western part, as well as Kwara, Kogi, Nassarawa, Benue, Taraba, Niger in the Middle Belt and Sokoto and Kebbi states in the North West part of the country. The majority of export quality nuts come from Western and Eastern parts of the country.

Specification: According to SGS (quality inspectors), the standard for raw cashew nuts, unshelled, is specified as follows:

Nut count: 180 – 200 per kg

Moisture content: 8 – 10% max

Defective nuts: 15% max

Float Rate: 18%max

Admixture 0.25% max

Foreign matter 0.25% max

KoR: 48-50 lbs/bag

Uses: The cashew nut is a popular snack, and its rich flavor means that it is often eaten on its own, lightly salted or sugared. In addition to this, cashew nutshell liquid (CNSL), a byproduct of processing cashew, is mostly composed of anacardic acids. These acids have been used effectively against tooth abscesses due to their lethality to bacterial.

Export Market: The major buyers of cashew nut from Nigeria are mainly India and Singapore. Smaller percentage goes to Europe.

Cashew Nut Specifications in Details

The crop season in West Africa is from March to June. There is not a general standard for cashew nuts but some parameters can establish the quality of the cashew and the appreciation on the market.

1. Out-turn/Yield: It is the quantity of cashew kernel that can be obtained after decorticating (remove the shell of a cashew nut) 80kg of raw cashew nuts. The count is in pounds per 80kg . A good out turn is from 43 – 48 lbs. An excellent out turn is from 48 – 55 lbs.
2. Nut count: It is the number of raw cashew nuts per kg
 - 170 excellent
 - 180 - 190 very good
 - 190 – 200 good
3. Moisture/Humidity: For export 12% and less, otherwise there are risks for the goods during the shipping.
4. Foreign matter : 5% max
5. Float rate: This is the total number of cashew nuts that will float when poured into water. A good float rate is 18% max.