



Positioning your Agri-Business: During and Post Covid-19





International Market Opportunities for Certain Agricultural products During and Post Covid (Existing and New Markets)

30th April 2020

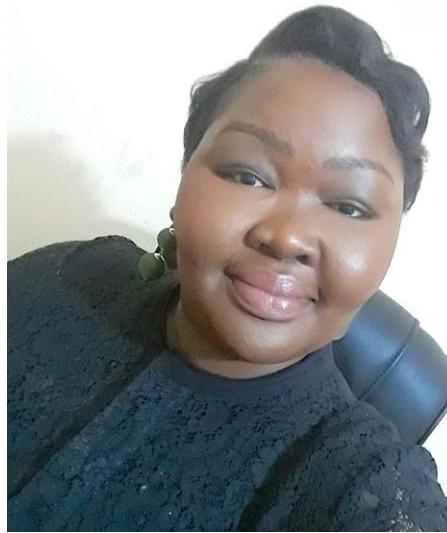


Introduction



- Leventis Foundation Nigeria Ltd/GTE (LFN) is an organization that has been executing agricultural training for youths and farmers since 1988.
- 6 Schools in the different agro-ecological zones of Nigeria, located in FCT, Osun, Ondo, Kaduna, Kano and Gombe States.
- The Foundation has trained over 25000 youths and farmers, employing a deliberate practical training approach that helps them transition to a more profitable farming experience.
- The Foundation also leverages her strength through partnerships with other institutions.

Who is your speaker ?



She is an Agribusiness Expert providing business strategy, development & technical support to producers, traders & exporters, empowering them for international trade and global compliance. She also works with stakeholders in the private and public sectors to lobby and advocate for the adoption and implementation of food production/safety policies and regulations that will enhance agricultural trade and investment in Nigeria. ?

A Shift

- In this unprecedented new reality, we have started to witness a dramatic restructuring of the economic and social order in which business and society have traditionally operated.



- In the near future, we will see the beginning of discussion and debate about what the next normal could entail and how sharply its contours will diverge from those that previously shaped our lives.

A Shift



- Exports from China have declined to all regions across the world.
- Hundreds of billions of locusts are swarming through parts of East Africa and South Asia in the worst infestation for a quarter of a century, threatening crops and livelihoods.
- Growing demand for niche markets & super foods

Market Opportunities – Super Foods

- The popularity for 'superfoods', such as super fruits and super grains has increased significantly over recent years with product launches, as consumers are inclined more toward natural and wholesome ingredients.



- The superfoods market is segmented by type, as fruits, vegetables, grains and cereals, herbs and roots, and others.

A collection of various natural ingredients arranged on a dark wooden surface. The ingredients include: a bowl of dried red peppers at the top left; a small dish of black peppercorns; a large dish of light brown grains (possibly barley or orzo); two green leeks; a dish of dark brown seeds (possibly flax or chia); and a dish of pink Himalayan salt. There are also some fresh green leaves and a small white flower in the top right corner.

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- A top-down view of a wooden table covered with a variety of fresh, healthy ingredients. The items are arranged in a dense, overlapping manner. On the left, there are fresh green leafy vegetables (spinach and parsley), a halved pomegranate showing red seeds, a green apple, and a small bowl of yellow powder. In the center, there are several bowls containing different types of beans (white, red, green), a bowl of yellow powder, a bowl of red berries, a bowl of blueberries, a bowl of white rice or quinoa, a bowl of orange lentils, and a bowl of yellow powder. To the right, there are several bowls containing different types of nuts (almonds, cashews, walnuts), a bowl of dark seeds, a bowl of brown seeds, a bowl of dark seeds, and a bowl of dark seeds. There are also fresh vegetables like broccoli, asparagus, and a halved avocado. A small bundle of green onions is tied with a piece of twine. A halved grapefruit is visible on the far right. The background is a dark, textured wooden surface.

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Market Opportunities – Niche Markets

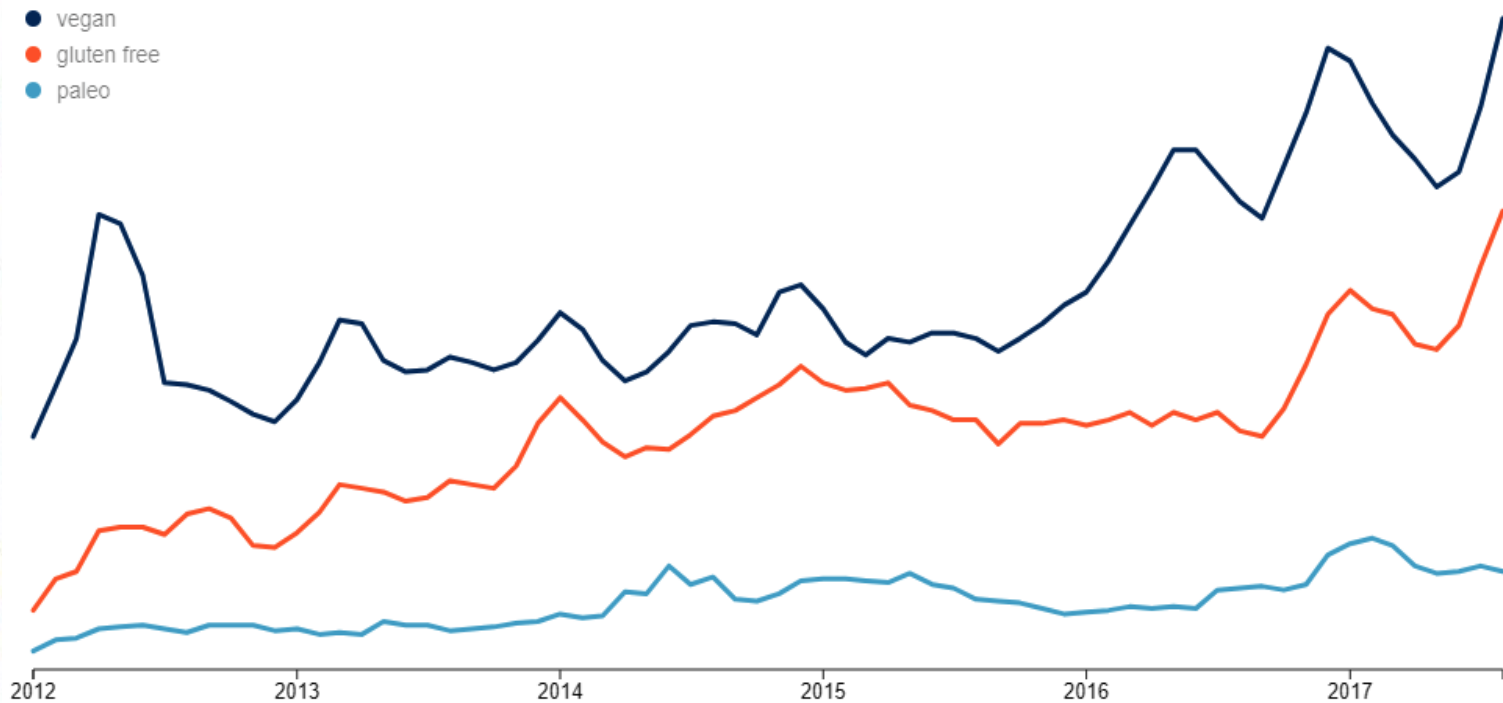


According to roundtables discussions, organic produce sales increased by 10% compared to conventional products in March in the USA.

Strong continued pull for organic products exists because of next factors: very good supply chain; Increase by 19% in Europe in March. (AssoBio)

Consistent Increasing Demand in Organic Spices – Market driver in spices sector

Market Opportunities – Niche Markets



- Vegan Over the past two years, the number of Brits who have eaten meat-free foods* has shot up from 50% in 2017 to 65% in 2019
- Plant Based Diets

Markets Open for Trade During Covid

- Most European Borders are closed for receiving food and commodities but the UK, Sweden and Russia are still open during the pandemic.



- In March 2020, the volume of fruit and vegetables handled at DXB increased 88.5% (18,164 tonnes) year-over-year. DXB is open to receive agricultural products and commodities.



Interesting Superfoods and Others

- Ginger
- Turmeric
- Moringa
- Tigernuts (Chufa)
- Sweet Potatoes
- Garlic
- Avocados
- Hibiscus Sabdarifa (Roselle)
- Chilli Pepper
- Sesame Seed
- Shea
- More products can be added to this list, this is not conclusive.

Investor-Backed Ingredients

- These are investor backed ingredients due to increased demand and projections.

SPICES & SEASONINGS MARKET

Global Spices & Seasonings Market Size, 2018-2026 (USD Billion)

\$15.93
Billion in 2018

&

\$22.87
Billion by 2026



Global Spices & Seasonings Market Share, By Application, 2018

Snacks & Convenience Food
44.58%



Meat & Poultry



Bakery & Confectionery



Frozen Food



Others

North America Spices & Seasonings Market Size, 2018

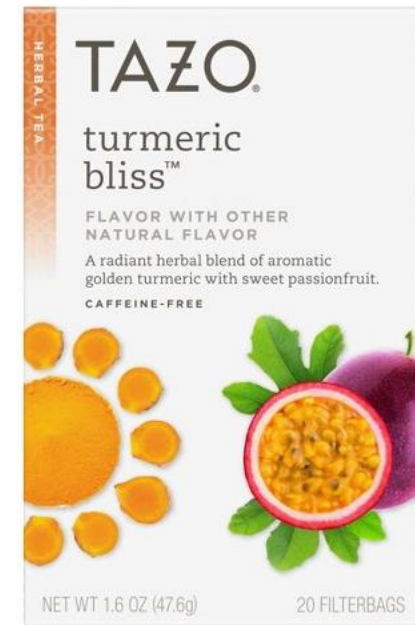
\$7.08 Billion



Ginger



Turmeric



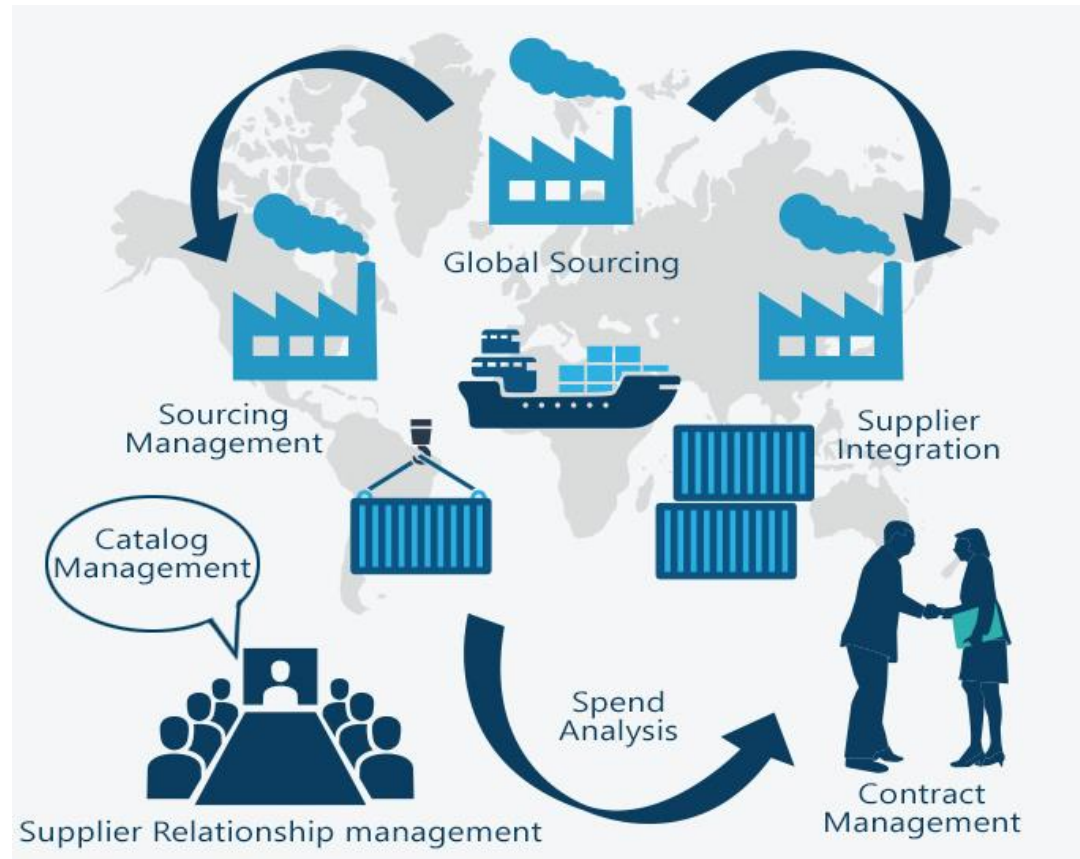
Strategic Positioning & Competition



- The global spices and seasonings market is highly fragmented and competitive with the presence of various players. The companies are making themselves more competitive by strengthening their distribution systems, entering into partnerships, acquisitions, entering new regions, expanding product range etc.

Strategic Positioning & Competition

- International sourcing companies have collaborations and partnerships mostly in the form of co-operatives with farmers across the world, which has made the process of sourcing and procuring ingredients easier for them.





The supply chain for dried fruits, nuts and spices in developed international markets, ranges from direct to indirect depending on product area. It is common for suppliers to sell indirectly to a range of intermediaries such as brokers and agents, importers, and wholesalers, who have established relationships with retailers and brand holders in the market.

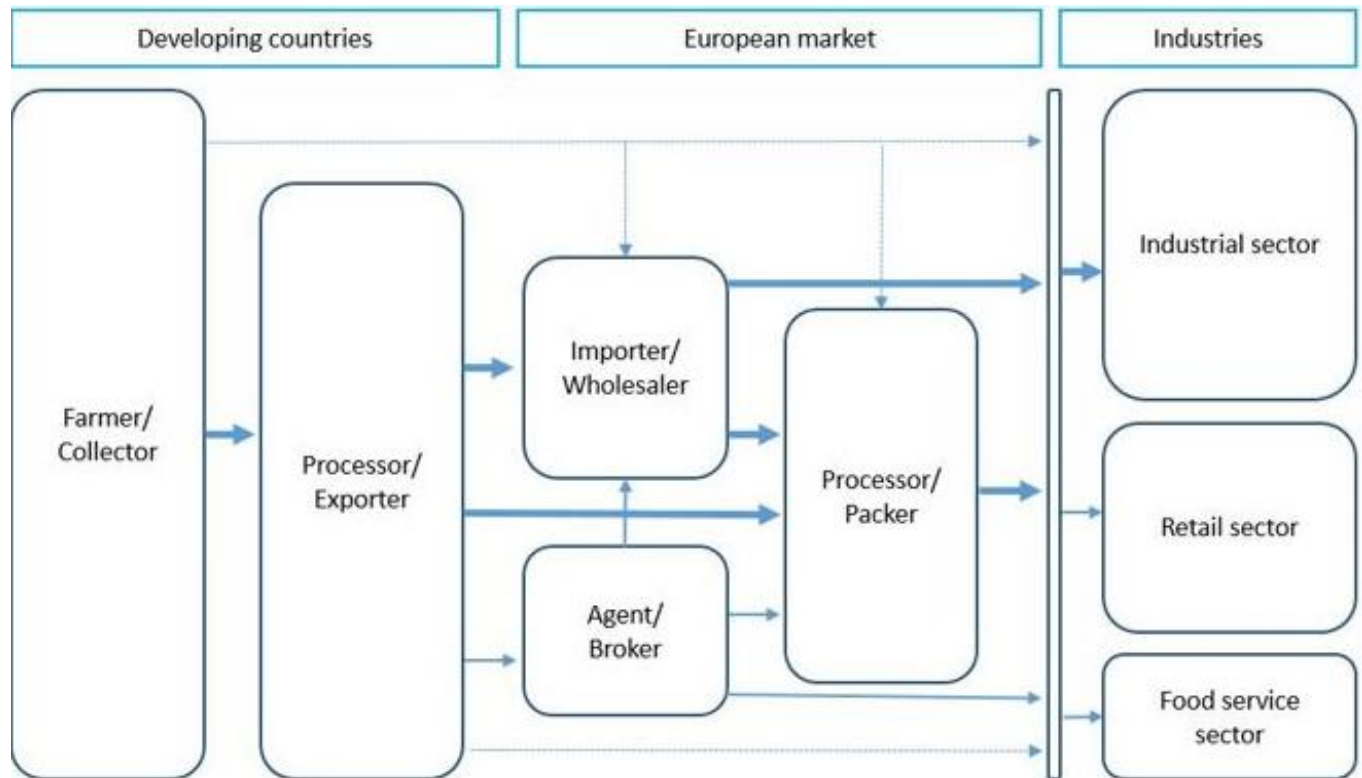


Image source cbi.eu

Who's your guy ? (Europe Case Study)



- Specialised importers seem to be the best contact for placing your products on the European market. This is specifically relevant for new suppliers as supplying the retail segment directly is very demanding and requires a lot of quality and logistical investments.
- Sourcing Companies

Mandatory Requirements?

- Food Safety Legislation
- MRL's & Contaminant Levels
- Comply with food safety requirements at every stage e.g. during drying, storage, processing (such as sieving, mixing, grinding or crushing), packaging and transport.



The European Parliament and Council adopted the New Official Controls Regulation, which entered into application in December 2019. The New official controls regulation has extended its scope to organic products.

Food Safety Regulations e.g. MRL's



- Example – There were 9 notifications of ginger issues in the RASFF database in the first 8 months of 2019. One of them was a border rejection because of 0.09mg/kg-ppm of hexachlorohexane in fresh ginger root from China. Other notifications were related to salmonella in organic ginger slices, lead in organic ginger, bacillus cereus in powder, aflatoxins in ground ginger (twice), and polycyclic aromatic hydrocarbons in ground ginger (twice).
- This shows that in practice, most microbiological contamination happens with salmonella and aflatoxins

Additional requirements buyers often have?

- Food safety certification as a guarantee: Many EU buyers (e.g. traders, food processors, retailers) require the implementation of a (HACCP-based) food safety management system.
- The most important food safety management systems in Europe are British Retail Consortium (BRC), International Featured Standards (IFS), Food Safety System Certification 22000 (FSSC 22000) and the Safe Quality Food programme (SQF).



- Always verify your buyer's preference for a specific food safety management system, as some may prefer one system to the other



Quality Requirements ?

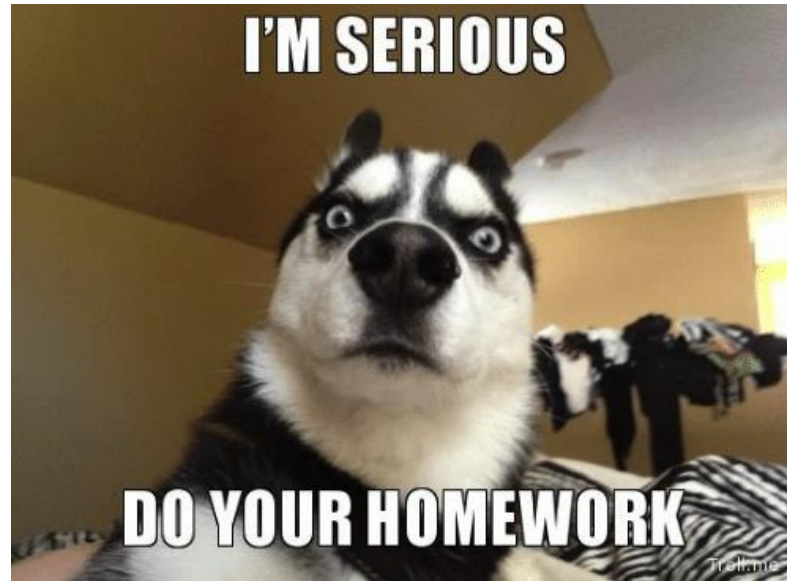
- The Quality Minima Document from the ESA specifies the chemical and physical parameters that dried ginger needs to comply with when sold in Europe before crushing and grinding (after drying):
 - ash: maximum 8% acid
 - insoluble ash: maximum 2%
 - moisture: maximum 12%
 - volatile oil: minimum 1.5 ml/100 gr
 - SO₂: maximum 150 ppm
- ASTA's Cleanliness Specifications were developed to ensure that the spices meet federal regulatory requirements for safety and cleanliness.

Do your homework!



Market entry considerations must be carefully researched as there are specific requirements for food standard and safety, packaging and labelling as well as conditions for transportation.

Do your homework!



- Show the potential buyer that you have done your homework and are serious about a long-term relationship. Research, planning and commitment are essential for establishing a good reputation in trade in lucrative market countries.
- In order to be successful, particularly with organic and Fairtrade certified produce, your volumes must be good and the promotion attractive.

Build your system



You can do it.





CONTACT US

LEVENTIS FOUNDATION NIGERIA

- No. 2 Leventis Close opp Fraser Suites,
Central Business District, Abuja.
- leventisfoundation@gmail.com
- y.onanuga@leventisfoundation.org.ng
- +234 808 898 0288



**THANKS
FOR
LISTENING**