



## Strategy for Market Access

7th May 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?



Development & Strategy Office, Leventis Foundation Nigeria. 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.



Market Definition | Identity your buyer Start by conducting thorough market research

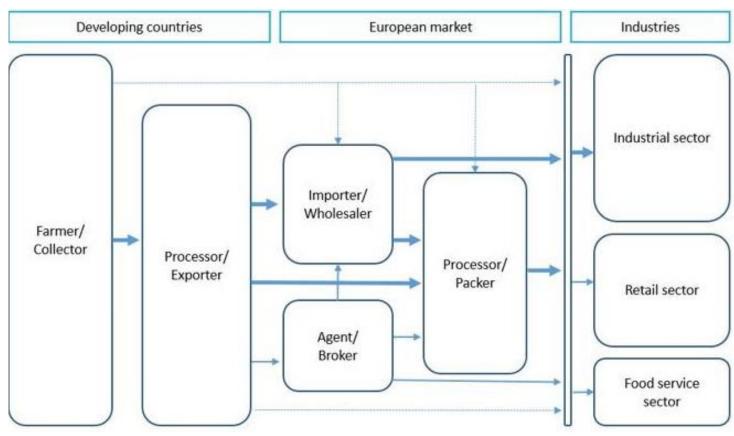


Before you start searching, think about the type of buyer for which you are looking:

- •importers of raw materials;
- •packers;
- distributors of pre-packed products.



Different buyer, Different demands Each of these buyers have different demands e.g. packaging, order size, supply time and service levels in processing.





#### Market Opportunities



• For example: opportunities on the market for spices and herbs can be found in both the lower end and the higher end of the market.

 At the lower end, spices without such differentiating characteristics can be traded, but this segment tends to become smaller over time.



## Higher Niche Sectors

 At the higher end, organic, Fairtrade, sustainable and specialty products are in demand. Food safety requirements are also stricter at the higher end of the market and traceability is required.





















# Pick your country or countries of focus

 If you are selling in bulk, your potential clients will be importers and packers specialised in your industry.



- Find out which countries serve as a hub for your product(s). Then, focus your search for buyers on these countries. This will also help you to identify your target market country
- Find out which countries serve as trading hubs for your products.



### Trading Hubs

• In Europe, certain countries serve as trading hubs for herbs and spices; for example, Spain for chilies or the Netherlands and the United Kingdom for pepper.





In the Middle East, Dubai is a regional strategic trading hub.

Importers often serve multiple countries and sometimes even the whole of a particular continent. This fact makes them a good starting point for first-time exporters.



YOU MAY SELECT TWO OR THREE PRIORITY COUNTRIES. Focus your research on your chosen countries.



## Study the market requirements well

1. What are the legal requirements that my product must conform with ?

2. What other requirements can my buyers impose?

3. What are the requirements for the niche markets?



#### It's a small world

 B2B trading is a small and close-knit world, and you have only one opportunity to make a first impression. Make sure that you are well prepared before you address the market.



- Do not try to lure buyers with unrealistic or low prices. They
  know what good quality should cost, so focus more on
  quality, food safety guarantees and supply capability in your
  communication.
- Certifications are an important plus or, more often, a must in the eyes of buyers; so try to know in advance what the buyer requires from a first contact.











#### How to find potential buyers

- Sector Associations a good place to find potential buyer.
   e.g. European Spice Association, American Spice Trade
   Association etc. Most of them publish member lists on their websites.
- Trade Fairs & Conferences first timers should participate
  as a visitor instead of as an exhibitor. This approach is a
  good way of getting to know your target market.





#### Important international trade fairs

- Anuga the largest trade fair for food and beverages in Europe. It is held every other year in Cologne, Germany.
- <u>Food Ingredients Global</u> whether you want to meet faceto-face with high quality suppliers or buyers, promote your latest product to thousands of leading industry professionals, look no further than Fi Global.
- <u>Biofach</u> a trade fair focused exclusively on certified organic products. It is surprisingly large for such a specific niche and held in Nuremberg, Germany every year in February.
- InCosmetics largest cosmetic ingredient trade show.
   offers the most cost-effective business and networking
   opportunities for the personal care ingredients community
   globally.



#### Competition & Comparative Advantage

- Who is your competition?
- Production Capacity
- Logistics
- Cost of production
- Preferred Variety/Specie
- What is your comparative & competitive advantage?
- High Production, Low Consumption
- Land size
- Logistics



#### Stay Informed





- You must be up to date with information on your sector.
- These structures and process can be herculean. We are here to help, SheTrades is also here to help.
- LFN provides training across the entire value chain and how to structure your processes.



### Case Study – Spices

Demand for spices is also increasing globally, especially in Asia. China and India, which were traditionally European suppliers, are becoming the main spice importers because their domestic crop cannot meet domestic demand.



Some of those spices are imported to satisfy domestic demand, while others are mixed with the domestic production and reexported to Europe or the USA.



The Growing market segments in the EU for A
CPfruit andvegetables

Level 1: developing market segments

Mango (Kent), avocado (Hass), papaya, sweet potato, sweet corn, coconut.

Level 2: niche markets with strong development potential Roots and tubers, organic mango, organic avocado, organic papaya, organic sweet potato, organic lime, exos berries (pitahaya, guava, pomegranate, tamarillo ...), pineapple green sugar loaf, plantain banana, banana frickey, organic banana and fair trade.

#### Level 3: mature market segments

MD2 pineapple, lychee, melon, watermelon, green bean, cherry tomato.

Source: COLEACP, Market Study March 2017



#### Opportunities exist, but ...

- ✓ How can the population benefit from this wealth, this potential?
- ✓ To move from subsistence farming, you have to produce to sell
- ✓ Increase productivity which is low
- ✓ Improve infrastructure for better market access
- ✓ Build an agricultural policy that supports increasing both the quantity and quality of agricultural products



#### Barriers to Market

- ➤ Huge population to feed, large population of youth
- > Strong Political will to promote agriculture
- ➤ Difficulties in access to inputs and finances
- Long distances and lack of infrastructures (road, railway...)



You can do it.





## THANKS FOR LISTENING

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