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Exporter Guide

Exporter Guide Annual

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Report Highlights:

Nigeria's food and agricultural sector has grown average 5-7 percent over the past five years due mainly to GON's restrictions on food imports to protect domestic food industries and increased investment in agriculture. Nigeria imports approximately \$2.5 billion worth of bulk, processed, intermediate and seafood products annually. The U.S. market share (mainly wheat) estimates 20 percent. Nigeria's growing middle-class/income is helping to increase tastes for nutrition and convenience foods. The GON recent import and port reforms are providing competitive advantage to U.S. exports.

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SECTION I. MARKET OVERVIEW

Nigeria is the largest market in sub-Saharan Africa with its population of 140 million, growing at three percent per annum. According to the Economist Intelligence Unit (August 2006), Nigeria's real GDP growth was 6.4 percent in 2004 and is forecasted at 6.2 percent in 2005. Inflation is forecast to average 12.3 percent in 2006 and 10.8 percent in 2007. Crude petroleum and gas exports account for about one third of GDP, over 95 percent of total export earnings and about 75 percent of federal government revenue.

Nigeria's agriculture sector is primarily subsistence-based and employing about 70 percent of the population. It holds about 41.2 percent share of the estimated \$89.8 billion GDP in 2005 (The Economist, August 2006). The sector grew by 4.6 percent, 5.6 percent and 6.2 percent in 2002, 2003 and 2004 respectively. Domestic food products such as corn, sorghum, tubers, and seafood (fish) are the major traditional foodstuffs consumed by the majority of the population. Growing middle-class/income is helping to increase tastes for nutritious and convenience foods. Rising local demand for fish, global dwindling fish stock and the Government of Nigeria (GON) promotion of local aquaculture have continued to increase the sector's output. Demand for aquaculture feed products and ingredients are therefore increasing.

Estimated agricultural products imports for 2005 are \$2.5 billion and exports, \$500 million. Asia and Brazil are the major suppliers of other bulk commodities such as rice, and sugar, respectively. The EU, Asia and South Africa are leading suppliers of processed and intermediate products to Nigeria. US agricultural exports to Nigeria increased to approximately \$554 million (wheat accounting for approx. 92 percent) in 2005, up from about \$444 million in 2004.

A breakdown of US agricultural exports to Nigeria entering the market through formal channels in 2005 shows; bulk agricultural products (\$523 million); intermediate foods, and consumer-oriented foods (\$9 million). Exports of seafood and forestry and dairy products were insignificant. However, January through July 2006, exports of U.S. consumer-oriented foods and fish/seafood products to Nigeria were approximately \$13 million and \$8 million respectively compared to about \$5 million and \$0.22 million during the same period in 2005. U.S. dairy products export to Nigeria had also increased from \$0.6 million to approximately \$6 million during the same period.

The GON's high protective wall (import bans, high tariffs and high registration charges on imported consumer-ready foods) since 2001 have reduced legitimate imports and increased informal practices such as cross-border smuggling and red tape practices at Nigerian ports. This assisted Nigeria's food processing to record average 10 percent growth over the last few years. Foreign investment in the sector has also increased. Bulk commodities such as wheat and sugar hold the major value of inputs used in this sector. There is demand for imported beverage-based products (especially, fruit juice concentrate, pre-mixes & syrup), ice cream pre-mixes, spices, flavors, and nutrients/additives. High production cost resulting from poor infrastructure and inconsistent GON policies has also constrained the sector's growth.

Nigeria helped create the Economic Community of West African States (ECOWAS) to harmonize trade and investment practices for the 16 West African member states, and ultimately achieve a full customs union. The country is also a signatory to the ECOWAS External Tariff (CET) agreement, which seeks to eliminate import bans and replace them with relatively lower tariffs, among member states.

Nigeria will continue to import bulk foods such as wheat, rice, dairy products, and consumer-ready for the foreseeable future due to its inadequate food production and infrastructure,

increasing urbanization and rising demand for more convenience and nutrition foods. Constraints to U.S. exports to Nigeria include--restrictive trade regime; competition from other countries especially the EU and Asia; negative image of Nigerian businesses; etc.

U.S. exporters are advised to persevere in this market. As business relationships with Nigerian firms endure, the apprehension of doing business in this market will be overcome. U.S. agribusiness firms interested in doing business in Nigeria, can seek assistance of USDA/FAS office in Nigeria to develop business relationships with local firms.

Advantages & Disadvantages

Advantages	Disadvantages
Nigeria's population of about 140 million is growing at three percent per annum.	Insignificant presence of U.S. Agribusinesses in Nigeria and limited knowledge of the Nigerian market among the U.S. trade.
Growing middle-class and number of discerning Nigerian consumers demanding more varieties of hygiene and nutritious foods.	U.S. products seldom carry readable "Best Before" dates as required by GON food regulatory body. (The "Day/Month/Year" order or a spell-out of months is preferred)
Nigerian consumers' perception of U.S. foods as higher quality items.	Low consumer purchasing power.
Increasing demand for convenience-type foods due largely to: a continued massive rural-urban migration, increasing female workers and school children.	Shorter shelf life labeling of U.S. HVPs and the time-consuming port clearance procedures.
Growing food processing and HRI sectors demand intermediate products and ingredients.	Limited contact; negative perceptions about Nigerian businesses among U.S. exporters and a reluctance to do business in Nigeria.
Growing western-style retail sector.	Weak infrastructure base and increasing energy cost.
Adoption of 'Global Listing for Supermarket' items by food regulatory authorities offering relatively low cost, low risk market-entry window for consumer-ready foods not banned for imports.	Direct U.S. to West African shipping routes are infrequent—transshipments, often made at EU & South African ports add to cost and longer shipping time.
Nigerian firms generally see U.S. suppliers as a reliable source, in terms of volume, standards and quality.	US freight rates are significantly higher than those from the EU, Asian & South Africa.
Privatization of port operations will likely reduce customs clearance time.	GON's import ban and high tariffs on many food and agricultural products.
Nigerian consumers readily adapting U.S. tastes and preferences especially for convenience-typed foods and snacks	High level of unofficial transactions and procedures

SECTION II. EXPORTER BUSINESS TIPS

Importer preferences are evident for consumer-oriented products with the following characteristics:

- Relatively small-sized products, prepared and packaged for affordable one-time use
- Bulk, intermediate products and ingredients (especially, beverage bases and flavors) for local re-processing and packaging
- Mixed-grocery containers not banned for imports
- Perishable food products processed and packaged for long shelf life without refrigeration
- Packaged food products with longer "Best Before" dates

All processed foods must be registered with National Agency for Food & Drug Administration and Control (NAFDAC) to be legally importable into Nigeria:

- A product's brand name or common name must appear in bold letters.
- A complete "location" address of the manufacturer showing country of origin must be provided on the product label.
- The production "batch" number, date of manufacture and best use before/expiry date.
- Net content, specifying essential ingredients in metric weight for solids, semi-solids and aerosols, and metric volume for liquids.
- Ingredients must be listed by their common names in order of their prominence by weight unless the food is "standardized," in which case the label must include only those ingredients, which the standard makes optional.
- Food additives and colors must be declared on the label. Spices, flavors and colors may be listed as such, without naming the specific material, but any artificial color or flavor should be identified as such.
- Labeling should be in English. If it is in another language, an English translation must be shown on the label or package insert (where applicable).
- If the standard U.S. label addresses the above-mentioned items, no additional labeling is necessary for imports of U.S. food items. Stick-on labels meeting NAFDAC requirements are permitted. Foreign labels must be adhered prior to product arrival at the Nigerian port of entry.
- Sample-size products or institutional packed products have no special labeling requirements.
- NAFDAC registration number must be included on the product label.
- The standard U.S. nutritional fact panel is acceptable by NAFDAC.
- Any nutritional claim must be justified on the product's label. Nutritional labeling is mandatory for any prepackaged food item for which the manufacturer makes a nutrition or dietary claim.
- Foods for special dietary uses with claims of disease prevention, treatment, mitigation, cure or diagnosis must comply with NAFDAC's guidelines for registration of drugs and be registered as medicinal products. Labels must contain directions for safe usage.
- Additional nutritional labeling information is voluntary.
(See GAIN Report No: NI6017 for details)

The Nigerian Customs Service (NCS) is the GON agent for import duty collection:

- Nigeria commenced a partial implementation the ECOWAS CET in November 2005 which harmonized its tariffs with those of other ECOWAS member states and reduced the tariff bands from twenty to five (zero duty on capital goods, machinery, and essential drugs not produced locally; 5-percent duty on imported raw materials; 10-percent duty on intermediate goods; 20-percent duty on finished goods; and 50-percent duty on goods in the industries that the GON would like to protect).

- The GON's protectionist policies remain evident despite these actions in order to foster domestic production. However, the GON indicates that all import bans would be phased out by January 2008 in compliance with its CET commitment.
- Importers however, still face inordinately long clearance procedures, high berthing and unloading charges and high corruption at ports.
- The recent adoption of the upgraded Automated System for Custom Data (ASYCUDA) with the assistance of UNCTAD will likely streamline the operations of the Nigeria Custom Service. ASYCUDA is the online submission and processing of custom documents
- The GON has also adopted port concessioning since April 2006, which transferred ports' operations to private sector operators to increase efficiency. It has also commenced the implementation of Destination Inspection (DI) to replace Pre-shipment Inspection (PSI) in order to address unofficial practices by GON agents at ports since January 1, 2006
- All goods destined for Nigeria's ports are now inspected at the point of entry rather than at the point of shipment
- The Nigeria Customs Service (NCS) operates the scheme while three firms function as the Destination Inspection Service Providers; providing scanning services at entry ports.
- Importers report that the above GON port reforms have not stopped unofficial practices at ports.

The Federal Fisheries Unit of Nigeria's Department of Agriculture (Federal Ministry of Agriculture and Natural Resources regulates frozen fish imports into Nigeria.

- It issues import licence to firms applying to import after due certifications
- Licenses are issued per import purchase and shipment
[See GAIN Report #: NI4012 (SECTION III) for details]

Following are documentations, procedural steps for all exports to Nigeria:

- Importers process Form 'M' through any authorized dealer bank irrespective of the value and whether or not payment is involved. Form 'M' is a document completed to apply or seek authorization to import from the relevant GON agent
- Supporting documents shall be clearly marked 'VALID FOR Foreign Exchange (FOREX) / NOT VALID FOR FOREX' as appropriate i.e. depending on whether or not foreign exchange remittance would be involved. The validity period of Form 'M' for plants and machineries shall be for a period of one year
- All applications for goods subject to Destination Inspection shall carry the "BA" code; while those on exemption shall indicate "CB" in the prefix of the numbering system of the Form 'M'. Exemption shall be as approved by the Honorable Minister of Finance prior to completion of Form 'M'.
- The Form 'M' and relevant pro-forma invoice shall carry a proper description of the goods to be imported to facilitate price verification:
 1. Generic product name, i.e. product type, category
 2. Mark or brand name of the product where applicable
 3. Model name and or model or reference number where applicable
 4. Description of the quality, grade, specification, capacity, size performance etc
 5. Quantity and packaging and or packing
 6. Documents in respect of each import transaction shall carry the name of the product, country of origin, specifications, date of manufacture, batch or lot

number, Standards to which the goods have been produced (e.g. Nigeria Standards-NIS, British Standards PD, ISO, IES, DIN (etc)

7. Where import items such as food, drinks, cosmetics, drugs, medical devices, chemicals etc., are regulated for health or environmental reasons, they shall carry EXPIRY dates or the shelf life and specify the active ingredients, where applicable.

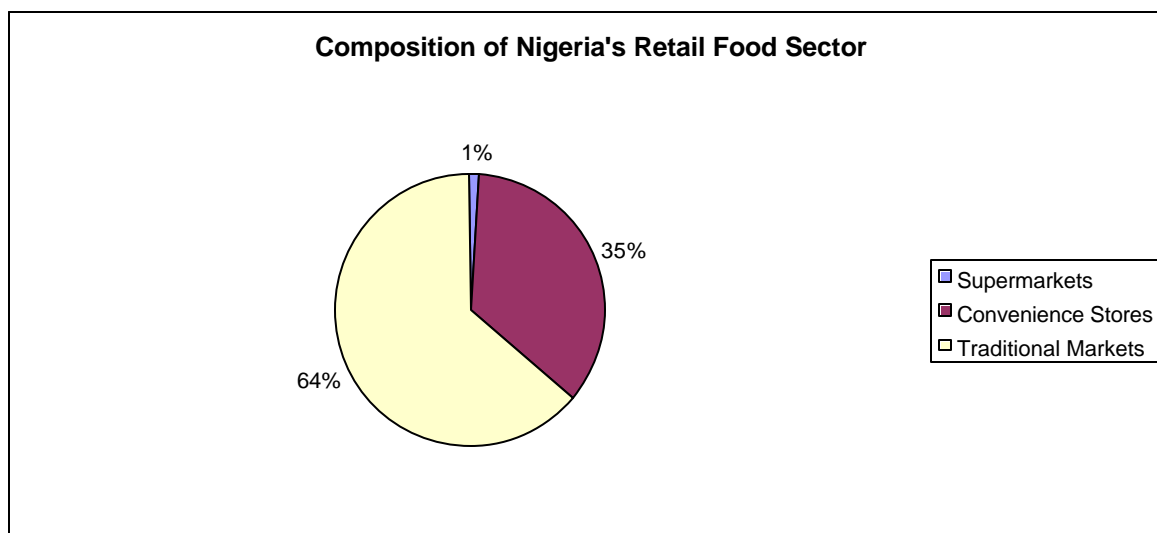
Opening letters of credit in Nigeria often is a time-consuming and expensive endeavor

- Many Nigerian importers still make payments for their imported food and agricultural products through Inter-bank wire transfers
- The exporter simply ships the items to importer upon receipt of his bank transfer payments avoiding the rigors of Form M and PSI procedures
- This import procedure has become unofficial (and at the importer's risk) since GON abolished PSI and non-IDR imports during the first quarter of 2006
- Importers utilizing this payment method usually pay lower and unofficial 'duties'. Often such importers rely on their privileged access to ports officials to clear their goods. Many customs clearing agents have this access and employ it while clearing for their clients (importers)

SECTION III. MARKET SECTOR STRUCTURE AND TRENDS

Retail Food Sector:

The retail food sector in Nigeria consists of supermarkets, convenience stores/small groceries, and traditional open-air markets--accounting for approximately one percent, 35 percent and 64 percent respectively, of total retail food sales in 2005 as shown below:



Source: FAS Lagos Estimate

The major players for merchandising imported consumer-oriented foods in Nigeria are:

- Importer-distributors
- Wholesalers
- Retailers

Importer-distributors also include Agents/Sole Representatives and supermarkets importing mixed grocery containers for their own outlets and also, for sale to other supermarkets and wholesalers.

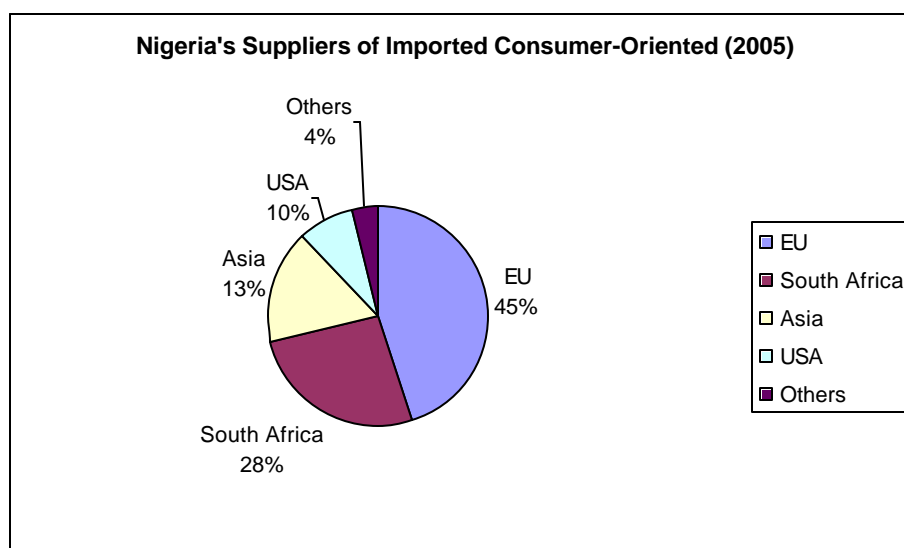
The GON's threaten to seal supermarkets stocking banned items. This creates uncertainties within the sector. The sector had therefore, grown by less than one percent in 2004 compared to 2005. This is despite Nigeria's increasing middle-class and income. There are also no significant changes within the smaller retail outlets in the more predominant traditional sector. The majority of Nigerian consumers have continued to rely on the traditional sector (wet markets) for their household needs.

Effective January 2006, Nigeria began a partial implementation of ECOWAS CET. Nigeria's phased-in adoption of the more liberal ECOWAS CET structure has tended to lower tariffs on legally importable HVPs into the country. The GON has also indicated that it would fully implement the adoption of the CET by January 2008, which will eliminate all import bans. Cross-border smuggling and other unofficial imports of consumer-oriented foods into Nigeria are expected to decline or be totally eroded if the CET agreement is complied with. Food and agricultural product exports to Nigeria are also expected to increase if Nigeria implements its CET agreement fully. Nigeria also began the implementation of Destination Inspection and scrapped the Pre- Shipment (PSI) on January 1, 2006.

These reforms have assisted in reducing importers' unhealthy practices such as product concealment, under-invoicing, product counterfeiting, etc. The practices are the major advantages of third-country suppliers over U.S. firms. Market access however, remains a challenge for the consumer-oriented food exports to Nigeria despite the reforms.

Exports of U.S. consumer-oriented foods are growing presumably, as a result of these reforms. Total exports of U.S. consumer-oriented food products increased from approximately \$3 million in May 2005 to nearly \$11 million in May 2006 (USDA's BICO report). Growth during the period is significant for dairy products; red meats; processed fruits/vegetables; fruit/vegetable juices; and other consumer-oriented food products.

Industry estimates of the origin and supply of imported consumer-ready food products in 2005 are as shown below:



Source: Industry Estimate

However, the U.S. market share remains low. The low U.S. market share is mostly attributed to:

- Higher freight charges for shipments from the US.
- Unfavorable perception of Nigerian firms in the US.
- U.S. exporters' less responsiveness to the Nigerian importer demands especially, on documentation and product specifications.
- Lack of sufficient contact between Nigerian importers and U.S. consumer-oriented food exporters.

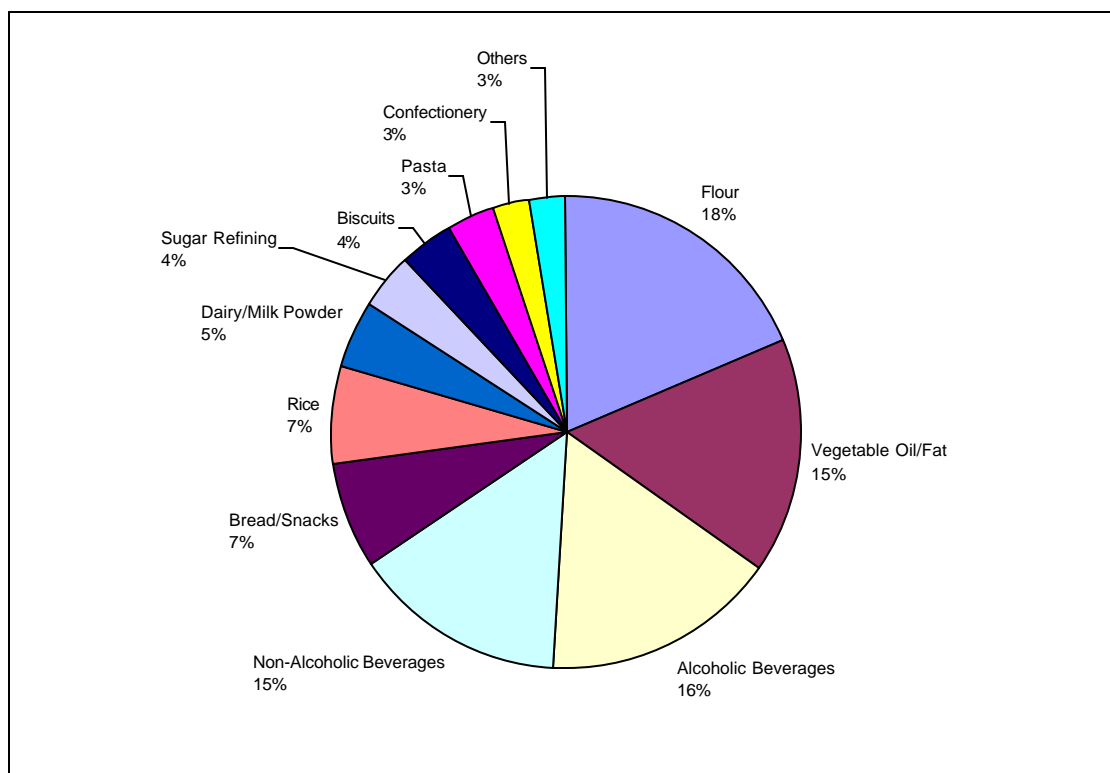
Food Processing

While no official data is readily available, FAS Lagos estimates that about 65 percent of the manufacturing sector is food processing. According to the Economist Intelligence Country Report May 2005, manufacturing had an estimated 4.6% share of GDP (\$74 billion) in 2004.

Nigeria's market size for imported ingredients (nutrients, flavors, colors, vitamins, etc) was estimated at \$100 million in 2005 (Industry source). The U.S. market share remains insignificant and many Nigerians food processors and ingredient suppliers have not sought ingredients from the U.S. The current GON reform programs especially, the new CET structure, is expected to increase market access for imported food ingredients.

Over the last few years, the government of Nigeria has imposed a wide range of import bans to protect manufacturers, including food processors. The estimated average growth rate of the industry over the last five years is ten percent. Nevertheless, the industry still faces a number of constraints including poor infrastructure and the GON's inconsistent policies—allegedly, often initiated on political basis.

Chart below shows the composition of Nigeria's food processing sector in 2004:



Source: FAS Lagos & Industry Estimates

Nigeria is predominantly a mass sales market due to low consumer purchasing power. Manufacturers are however, increasing sales and market share by packaging and selling products in affordable small units for one-time use.

The standard Nigerian diet is high carbohydrate. However, Nigeria's increasing middle-class is assisting in the rising number of discerning consumers requiring low-carb, low-fat, sugar-free food/beverages is increasing. There are also, growing concerns regarding food safety and dietary quality. Local processors are developing and improving products to meet the needs of this market niche.

FAS Lagos is unable to estimate the total foreign direct investments in this sector. However, industry sources are reporting the increasing trend. Proctor & Gamble as well as some other multi-national food processing firms also manage medium- to large-sized operations; Seaboard Inc. (USA) owns 80 percent equity in Seaboard Group (Nigeria) producing poultry feeds and milling wheat flour; Coca-Cola has reportedly invested over \$200 million in the sector which includes, a "Five-Alive" fruit juice processing and packaging plant in 2002; etc. (See GAIN Report #: NI5011 for details).

In the dairy sub-sector, Glanbia (an Irish dairy group), has created a joint venture with PZ Cussons (a British Group with a large Nigerian subsidiary) to build a new \$20 million (35,000 tons per annum) facility in Nigeria which will produce evaporated milk and milk powder for the local market from powdered milk sourced primarily from Glanbia's plants in Ireland. Promasidor, another player in the world dairy market has consolidated with Nigeria's Wonderfoods for marketing the "Cowbell" brand; Frieslandfoods of Netherlands is also partnering with Nigeria's biggest dairy firm—WAMCO (See also GAIN Report #: 6008 for details).

The GON introduced 40-percent rebate on exported local agricultural products [Export Expansion Grant (EEG)] in 2002, to motivate local firms toward improving product quality and packaging, to meet international standards. More than 15 large Nigerian firms (including West African Milk, Guinness, Nigerian Breweries, Nestle, etc) export to the EU, Asia and other African countries through the scheme.

FAS Lagos estimates that approximately \$2 billion worth of inputs used in the food processing industry are imported. Export sales potentials are evident for these inputs:

Bulk	Intermediate	Processed
Barley and Malt Edible Fat Raw Sugar Refined Sugar Vegetable Oil Wheat** Paddy Rice	Corn Starch Ethanol Fruit Juice Concentrates, pre-mixes & syrup Ice Cream Pre-mixes Milk powder Nutrients & Additives Other Beverage Bases Flavors & Sweeteners Industrial Salt	1) Baking mixes, Yeast & Baking Powder 2) Jam & Jellies 3) Mayonnaise 4) Salad Dressing 5) Table Salt 6) Sauces, Spices 7) Tomato Ketchup, etc

Notes: * Wheat flour is banned for import

* Poultry & Red meat, vegetable oil & fat and corn are placed under import ban although domestic production is grossly inadequate for local food processors

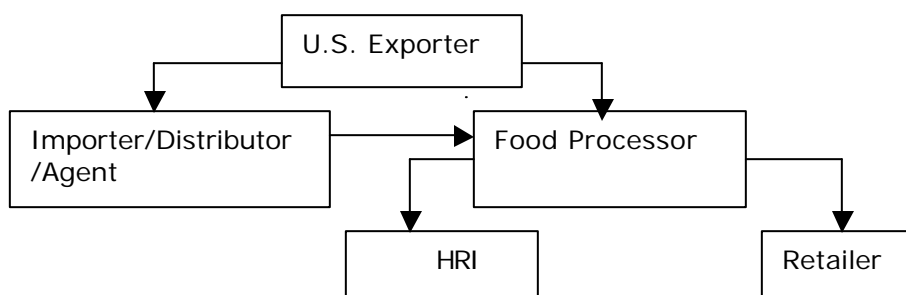
Third-country suppliers from the EU, Far-East Asia, South America as well as South Africa show greater interest in the Nigerian food ingredients/intermediate products market and are quick to learn about the requirements of this growing sector. Nigerian food processors however, generally perceive U.S. ingredient suppliers as a reliable source, in terms of volume, standards and quality. U.S. ingredient exports to Nigeria are however constrained by:

- Limited knowledge of the Nigerian ingredient market among the U.S. Trade
- Competition from South Africa, the EU and Asian supplier
- Limited local infrastructure, limited operational capital, high local production cost, and unstable GON import policy
- A lack of knowledge of food ingredients available in the United States
- Limited contact and negative perceptions about Nigerian businesses among U.S. exporters

Generally, third-country suppliers: 1] have better knowledge and understanding of Nigeria's market and local practices 2] are more flexibility regarding importers' requirement (quality, packaging and documentation, etc) 3] approach Nigeria's market more aggressively; and 4] enjoy relatively lower freights; etc.

U.S exporters are not aware of the market potential in Nigeria's food processing sector. New-to-market U.S. exporters of intermediate foods can enter the market through 1) food processors/manufacturers 2) importers/distributors/agents and 3) HRI firms as indicated the flowchart below:

Exporter Entry Flowchart for Intermediate Food & Ingredients



Regardless of the option chosen, personal contacts with the market and players often are effective for understanding the specific requirements of the local importer-distributors as well as food processors. Post advises U.S. exporters desiring to enter the Nigerian market to: Contact the Office of Agricultural Affairs, U.S. Consulate, Lagos-Nigeria for assistance in finding an importer or processor for their products. (See GAIN Report #: NI5011 for details)

Food Service (HRI) Sector

Nigeria's food service sector has expanded over the past five years and currently provides some opportunities for US exporters of consumer-oriented food products and food ingredients. The Nigerian restaurant industry reported sales of approximately \$3 billion during 2004. The sector is growing at approximately 12 percent annually. Outlets of quick service restaurants are growing faster than other restaurant types.

Industry sources estimate the total revenue of fast food operations at approximately \$385 million in 2004 and the annual growth rate at an average of 40 percent over the past five years.

The trend is assisting in increasing local demand for processed potato chips, sauces, seasonings, pastry mixes, seafood, canned foods, wine, ice cream and other processed foods that are utilized by the fast food sub-sector.

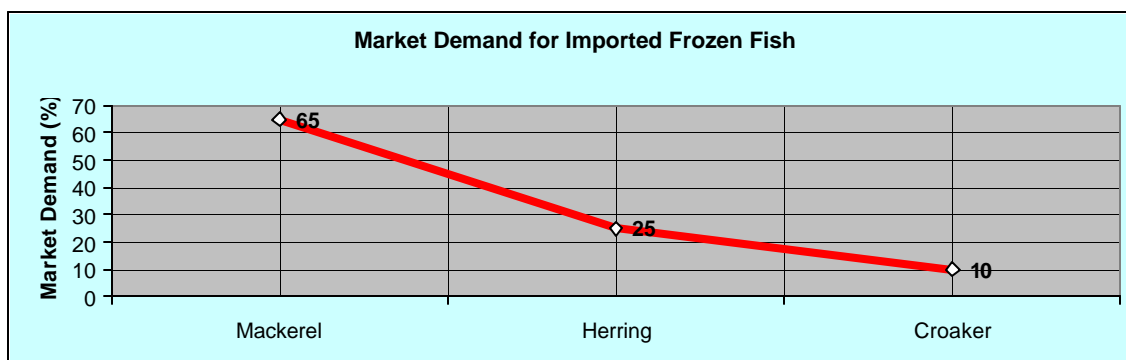
Nigeria's demographics and lifestyles are changing with more women working outside the home and the younger consumers, adapting western tastes and preferences especially for convenience-typed foods and snacks--have chiefly contributed the growth of Nigeria's food service sector. Nigeria's increasing eat-out culture has resulted in the significant growth of the fast food chains.

Hotels meeting international standards are few but growing steadily. Abuja, Lagos and Port Harcourt are the ideal cities in Nigeria for focusing sales efforts toward the HRI sector. (See GAIN Report #: NI4023).

Seafood/Frozen Fish

Total Nigerian seafood imports (mainly frozen mackerel, herring and croaker) reached one million metric tons (valued more than \$700 million) in 2004 from approximately 800,000 MT (valued \$570 million) in 2003 [Industry/AgOffice estimates].

The U.S. seafood exports to Nigeria increased from a negligible level in 2001 to \$6.9 million in 2003 and to a record \$9.0 million in 2004. The U.S. seafood exports to Nigeria had already reached approximately \$8 million from January to June 2006 (USDA's official record). Mackerel, herring and croaker are the major species imported into Nigeria as shown in the diagram below:



Industry Estimate (2005)

Fish are affordable for much of the local population. Deep-sea shrimp are mostly sold to overseas markets although some remain for the restaurant/hotel sector and retail trade for high-income households.

Tariff on all fishery products (including fin fish and invertebrates) is 10 percent.

The EU countries, especially the Netherlands, are the dominant suppliers. Other supplying countries include: China, Korea, Brazil, Paraguay, Uruguay, USA & Gambia, Mauritania, Namibia, Angola, Morocco, etc.

Industry sources project that the U.S. seafood exports to Nigeria will reach \$30 million (more than five percent of estimated imports) by end of 2006. Nigerian importers would consider large-volume purchasing for shipment in larger reefer vessels to reduce average freight costs if products are available and the U.S. exporters increase interest in this market.

Buyers report that freight rates from competitor countries (especially the EU) are about half the cost of the US and constrain trade.

Aquaculture:

Nigeria is a potential market for approximately 2.5 million MT of fish. Nigeria's current fish demand is approximately 1.7 million MT whereas imports and domestic production are about 700,000 MT and 500,000 MT, respectively. Aquaculture (especially, catfish farming) contributed only 16,000 MT in 2005.

With the increasing local demand for fish and the global dwindling fish stock, GON is collaborating with local and external stakeholders (including local farmers, World Bank, WHO, FAO, NEPAD, etc), to increase local aquaculture and fish supply.

There will likely be increased output from the aquaculture sector in the upcoming years. This has created a niche market for U.S. exporters of aquaculture feed ingredients and additives.

SECTION IV: MARKET ENTRY STRATEGIES

New-to-market U.S. food and agricultural products exporters should consider the following market entry strategies and tactics:

- Contact the Agricultural Attache at the USDA/FAS office located in the American Consulate, Lagos-Nigeria for assistance in selecting a local distributor/ agent or representative.
- With the assistance of the USDA/FAS office in Lagos-Nigeria, appoint a local distributor/agent or representative in Nigeria to register the products with the appropriate GON regulatory bodies, to introduce their products, and to develop consumer demand.
- Identify and sell through consolidators based in the U.S. who are serving the West African region.
- Exhibit at trade shows in the U.S., which are attended by Nigerian importers and where follow-up contacts can be made.
- Offer product shipment in mixed-lot containers & offer flexible shipping volumes.
- Adapt pricing strategy that encourages importers to initiate buying activity with U.S. suppliers.
- Send sample products and sales catalogs to Post to facilitate prospecting for local buyers.

SECTION V. BEST HIGH-VALUE PRODUCT PROSPECTS**HVP that are legitimate for export to Nigeria:**

- Breakfast Cereals
- Wine, including sparkling wine
- Alcoholic beverages & Spirit & Liqueurs
- Canned vegetables
- Nuts
- Milk, Cream, Honey products (liquid or powdered)
- Spices, Sauces including, Soy Sauce, Mixed Seasoning
- Coffee, Tea & Herbal products
- Yeast & Baking Powder
- Tomato Ketchup, Mayonnaise & Salad Dressing

- Canned Soups
- Baby Foods & Health Food products
- Sweeteners & Non-Dairy Coffee Whiteners
- Powdered beverages
- Packaged rice
- Chocolate, etc

(See GAIN Report #: NI6004 for details)

Product types offering the most sales potential in Nigeria:

- Frozen seafood
- Fast food, other HRI food ingredients and dairy products including, ice cream and yoghurt
- Agricultural-based food ingredients
- Industrial processed foods & beverages especially, fruit juice concentrate and bulk for local re-processing and packaging
- Bakery, confectionery, and food preparation ingredients
- Specialized food ingredients such as additives, preservatives, and flavorings
- Ingredients and additives for feedstuffs
- Relatively small-sized imported or domestic-processed HVPs, prepared and packed for one-time use, etc

High-Value Food Products attracting high tariffs:

(Refer to Section III, ECOWAS CET above)

Products Not Present in Significant Quantities But Have Good Sales Potential:

- Sugar
- Beverage Bases
- Dairy Products (Whole & Skimmed Milk powder)—The niche for value-added dairy products such as butter, cheese, low-fat milk, etc is growing
- Nutrition food products

Products Currently Banned for Exports to Nigeria:

1. Wheat flour - HS Code 1101,0000
2. Sorghum - HS Code 1007,0000
3. Vegetable oil in bulk - HS Codes 1507.1100-1516,2000
4. Frozen poultry and poultry products - HS Codes 0207.0000-0207.3600
5. Cassava and cassava products – HS Codes 0714.1000, 1106.2000, 1108,1400 and 1903.0000 Note: the importation of all cassava and cassava products through land borders is prohibited
6. Toothpicks
7. Bottled water (sparkling and non-sparkling) – HS Codes 2201.0000-2202.0000
8. Biscuits - HS Code 1905.3000
9. Noodles (including spaghetti) – HS Codes 1902.1100 – 1902.4000
10. Fruit juice in retail packs – HS Codes 2009.1100 – 2009.9000 Note: fruit juice may be imported in concentrates or drums only.
11. Sugar confectioneries (sweets and chocolate) – HS Codes 1704.1000 – 1704.9000 and 1806.1000 – 1806.9000
12. Beer (bottled and canned) – HS Code 2203
13. Millet – HS Code 1007.0000
14. Pork and pork products, beef and beef products, mutton, lamb, and goat meat -

- HS Codes 0210.1900, 1602.4900, 0202.2000, 1602.5000, 0204.4200, 0204.4300, 1602.9000, 0204.1000, 0204.2200, 0304.3000, 0204.4200, 0204.4300, 0210.7900, 0204.5000, 0208.9000, 0210.9900 and 1602.9000
15. Live or dead birds – HS Codes 0106.3100-0106.9000, 0208.9000 and 0210.9900
16. Fresh fruit -HS CODES 0801.1100 – 0814.000

SECTION IV. POST CONTACT AND FURTHER INFORMATION

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Telephone: (234) 1 261-3926, 775-0830
Fax: (234) 1 262-9835
e-mail: aglagos@usda.gov

National Agency for Food & Drug Administration & Control (NAFDAC)
Plot 204, Olusegun Obasanjo Way
Wuse Zone 7
Abuja-Nigeria
Telephone: (234) 9 234-6383, 234-6405-6
Fax: (234) 9 269-5163, 234-8382
e-mail: nafdac.lagos@alpha.linkserve.com
Website: www.NAFDAC.org

Nigeria Customs Service
Customs Headquarters
3-7, Abidjan Street
off Sultan Abubakar Way, Wuse Zone 3
Garki-Abuja, Nigeria
Tel: (234) 9 523-6394, 253-4680
Fax: (234) 9 523-6394, 523-4690

APPENDIX I. KEY TRADE & DEMOGRAPHIC INFORMATION

Agricultural Imports From All Countries (\$b) / U.S. Market Share (%)	2.5 / 20
Consumer Food Imports From All Countries (\$m)/ U.S. Market Share (%) *1	290/ 10
Edible Fishery Imports From All Countries (\$m) / U.S. Market Share (%) *1	N/A
Total Population (Mil) / Annual Growth Rate (%) *1	140 / 3
Urban Population (Mil) / Annual Growth Rate (%) *1	69 / 3.5
Number of Major Metropolitan Areas *2	26
Size of the Middle Class (Millions) / Annual Growth Rate (%) *3	7 / 2.5
Per Capita Gross Domestic Product (U.S. Dollars)	640
Unemployment Rate (%)	N/A
Per Capita Food Expenditures (U.S. Dollars) *1	260
Percent of Female Population Employed *4	Not Available
Exchange Rate (US\$ 1= 128) *5	128

Footnotes

*1/ Industry/FAS Lagos Estimate (2005)

*2/ Population in excess of 1,000,000

*3/ Middle class is the proportion of the population earning an average annual income of \$600 to \$2,000

*4/ Percent of total number of women (15 years old or above)

*5/ Exchange rate the previous year was US \$1=130).

Note:

- Most of the consumer-oriented food products still enter the market cross-border smuggling and other unofficial methods.
- This report does not include Tables B and C since the FAS web-enabled UN Trade Database does not contain statistics for Nigeria

APPENDIX II: REFERENCE MATERIALS

1. The GON has finally released the Nigeria Customs and Excise Tariff Book for 2005- 2006. For further information regarding specific tariff lines, contact FAS/Lagos at:

Agricultural Affairs Office, U.S. Consulate General
#2, Walter Carrington Crescent, Victoria Island, Lagos, Nigeria
Tel: 234-1-261-3926 Fax: 234-1- 2629835 E-mail: aglagos@usda.gov

2. The Central Bank of Nigeria (CBN) circular (TED/AD/150/2005) dated December 28, 2005 stated that " in pursuance of the GON's decision to abolish pre-shipment inspection scheme and the introduction of Destination Inspection Scheme for imports to Nigeria with effect from January 1, 2006, the Government had entered into agreements with three scanning companies that will act as service providers for the effective take-off and operation of the scheme". The details of each service provider together with the designated zones are outlined below:

COTECNA INSPECTION LIMITED

10, Engineering Close
Off Idowu Taylor Street
Victoria Island, Lagos-Nigeria
Tel: 234-1-4617121/3
Fax: 234-1-4617124
E-mail: info@cotecna.com
Contact: Contract Manager

ZONE: Apapa and Tin Can Seaports, Kano and Abuja Airports, Jibiya and Banki Posts.

SOCIETY GENERALE DU SURVEILLANCE (SGS)

Plot 999C, Danmole Street
Intercontinental Plaza, 4th Floor
Victoria Island, Lagos-Nigeria
Tel: 234-1-2623042
Fax: 234-1-2622976
E-mail: Philip-bank@sgs.com
Contact: Contract Manager

ZONE: Onne and Port-Harcourt Seaports: Port-Harcourt Airport and Idiroko border post.

GLOBALSCAN SYSTEM LIMITED

5B, Oko-Awo Close
Off Adetokumbo Ademola Street
Victoria Island, Lagos-Nigeria
Tel: 234-1-2625392
Fax: 234-1-2624542
E-mail: globalscansystem@yahoo.com
Contact: Managing Director

ZONE: Warri and Calabar Seaports; Ikeja Airport and Seme Border Post

3. The circular further stated, "Under the new arrangement, Form 'M' submission and processing shall be based on the Port of Destination as outline above. For avoidance of doubt, importation shall remain restricted to on the ports listed above".