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Exporting Agricultural Produce from Nigeria

With a population of more than 200 million and land mass of 923,768 km², Nigeria is well positioned to be one of the largest exporters of agricultural produce. Ironically, this is not yet the case as Nigeria significantly relies on the importation of agricultural products, usually finished products, to meet its immense demands.

The agricultural industry contributed around 24% of Nigeria's Gross Domestic Product (GDP) in 2020. The industry is also the largest employer of labour in Nigeria accounting for more than 36% of the country's workforce.

Interestingly, the optics for agricultural exports in 2020 was positive with exported agricultural products worth N321.5 Billion in 2020 representing, a 19.16% increase to the N269.8 Billion recorded in 2019 and a 6.27% increase to

the N302.28 Billion recorded in 2018. Some popular agricultural produce exports include cocoa, sesame seeds, cashew nuts, ginger, soybeans.

However, despite the increase recorded in export, imported agricultural goods surged by 78.58% in 2020 compared to 2019. Nigeria imported agricultural goods worth N1.71 Trillion in 2020 as against N959.5 Billion in 2019.

In a bid to encourage a steady increase in exportation, we shall be detailing in this article, the regulatory framework for exportation of agricultural produce from Nigeria with specific emphasis on the requirements by the Nigerian Export Promotion Council.

Regulatory Body for Exportation (NEPC)

The Nigerian Export Promotion Council (NEPC) is the apex institution for the promotion, development and diversification of exports. NEPC has over the years worked to achieve its mandate by:

- coordinating and harmonising export development and promotion activities in the country;
- taking the lead in all national export programs; and
- interfacing with international trade agencies on cooperation and capacity building.

To export from Nigeria, an exporter is required to register with the Nigerian Export Promotion Council.



General Requirements for Exporting

1. ***Incorporation in Nigeria*** – An individual or business looking at exporting from Nigeria must register their enterprise with the Corporate Affairs Commission in Nigeria. This is one of the main requirements for exporting from Nigeria.
2. ***Register with the Federal Inland Revenue Service (FIRS)***: The exporter must have registered with the Federal Inland Revenue Service and must have a valid Tax Identification Number (TIN).
3. ***Register with NEPC***: As earlier mentioned, the exporter must register with the Nigeria Export Promotion Council.
4. ***Open a Domiciliary Account***: The exporter must open a domiciliary account with any commercial bank in Nigeria as all export proceeds must flow into that account.
5. ***Obtain the Nigerian Export Proceeds Form***: The exporter must obtain a Nigerian Export Proceeds Form (NXP Form) from the commercial bank where the account is domiciled in respect of each export transaction.



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General Requirements for Exporting

6. **Pre-shipment Inspection:** Goods to be exported are subject to inspection by Inspection Agents(s), who shall inspect the quality and quantity of all exports as well as the true value of the goods. Subsequent to this, a Clean Certificate of Inspection (CCI) will be issued in respect of such goods within 72 hours after the inspection of the goods, provided they meet the required standards.
7. **NESS Administrative Charge:** The exporter shall be required to pay to a designated bank, the Nigerian Export Supervision Scheme (NESS) Administrative charge of 0.5% and 0.15% of FOB value of the intended non-oil and oil/gas exports, respectively (this amount is then remitted to the Central Bank of Nigeria-CBN)

Please note that the above are general requirements and specific requirements might be issued at the point of export by the NEPC.



According to the NEPC, there are 9 steps to take in order to export products from Nigeria. This is as contained on their website <https://nepc.gov.ng/get-started/export-guide/>.

Below is a summary of the 9 steps:

1. **Export Readiness Check** – the NEPC provides an easy-to-use readiness check form on its website. It is important to note that the readiness check requires proposed exporters to answer some pertinent questions in order to determine their readiness to export within the ambit of the law.
2. **E-Registration** – To export from Nigeria, exporters are required to register with NEPC. This registration can only be done through the e-registration platform. The documents required for registration from a limited liability company includes:

Steps for Exporting Agricultural Produce

- a. Certificate of Incorporation (issued by the Corporate Affairs Commission)
- b. Certified True Copy of Memorandum and Articles of Association
- c. Current Certified True Copy of Form CAC 1.1 – “section C” (Particulars of Directors). This is formerly known as: Form C07 or Form CAC 7.

New certificate registration costs N13, 500 (about \$32) per year. NEPC issued certificates are valid for an initial two years (24 months), after which it becomes renewable every year. The E-registration platform can be accessed via <https://nepc.gov.ng/ereg/exporter>

3. **Understanding the Market** – To develop a successful export business, a good understanding of your target market(s) is essential. This involves conducting research on your export destination(s).

A good market research should not be based on facts and figures only, It should also focus on factors that drive the target market(s).

The NEPC provides a free market analysis tool and can be accessed at

<https://nepc.gov.ng/get-started/understanding-the-market/market-analysis-tools/>

4. **Export Plan** – After the market research, it is important to develop an export plan in order to export from Nigeria. A good export plan consists of certain key elements which include the following:

- Company profile (about us)
- Key features of target market(s)
- Competitors' analysis
- Market entry strategy
- Unique selling points amongst other things
- Promotional strategy
- Branding (if relevant)
- Logistical planning
- Action Plan
- Resources required

The NEPC also provides a free export plan template to work with at [https://nepc.gov-ng/cms/wp-content/uploads/2018/06/Export-Plan-Template-NEPC.pdf](https://nepc.gov.ng/cms/wp-content/uploads/2018/06/Export-Plan-Template-NEPC.pdf)

5. **Export Documents and Procedures** – Export documentation is a requirement for formal exports of goods and services from Nigeria. The export documentation minimises your export risks, ensures that exported goods conform to importing country specifications and meet buyers' requirements by providing evidence of origin and delivery. The following documents will be required at different stages:

- a. **Exporter Registration Document:**
The Exporter's certificate issued by NEPC.
- b. **Export Contract Document:**
A signed export contract between the exporter and importer.
- c. **Quality Assurance Documents:**
Phytosanitary certificate for agricultural commodities (issued by NAQS);
Health certificate for processed and semi-processed food items (issued by NAFDAC);
International veterinary certificate for animals and animal products (issued by DVPCS); and Fumigation certificate for agricultural commodities (issued by FPIS, part of FMITI).
- d. **Commercial Documents:**
Proforma Invoice, Commercial invoice and Packing list.

- e. **Financial Documents:**
Nigeria Export Proceed Form issued by a commercial bank, commercial invoice and final invoice issued by the exporter.
- f. **Goods Movement Documents:**
The Clean Certificate of Inspection issued by government appointed Pre-shipment Inspection Agencies, Certificate of Weight and Quality issued by independent quality assessors, Certificate of Origin issued by the National Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), Bill of Lading issued by shipping agencies, Air Way Bill issued by airlines, and Road Transport Bull issued by logistics companies.

6. **Logistics and Freights** – It is important to determine how your goods will get to its destination. Understanding the basic terms of delivery (INCOTERMS 2010 etc) as well as the risk of responsibility/obligations is important. The transport modes, duration of shipment, conditions required for different products and agreed terms of trade should be detailed and understood.
7. **Export Pricing** – To become a successful exporter, you need the right knowledge of export pricing methods. This includes all items relating to sourcing and costing of the exportable products.
8. **Export Finance** – Export business requires sustainable funding over a period of time. The amount of money needed for export is largely dependent on your product and export destination(s). It is therefore vital to ensure that appropriate financing options are explored.

Funding options include loans from commercial banks, family and friends, self-financing and joint ventures as well as support from financial institutions.

The Nigerian Export Import (NEXIM) bank offers a wide range of funding options for your export business. Among these are:

- Direct Lending Facility (DLF)
 - Export Credit Insurance Facility,
 - Stocking Facility (for manufacturing exporters)
 - ECOWAS Interstate Road Transit Scheme
 - Foreign Input Facility (for manufacturing exporters)
 - Local Input Facility.
9. **Legal Issues** – Prior to export, it is important to understand the legal instruments regulating non-oil exports in Nigeria and that of the importing country. The export contract, regulatory compliance and protection of intellectual property rights are important considerations. It is advisable to engage an experienced trade lawyer or expert.

In conclusion, it is important to consult a lawyer at every step of the way in order to ensure that all necessary steps are taken appropriately. Contact Us. You can also check the links below to find out more about exporting in Nigeria.

Nigeria Export Promotion Council
Nigeria Export Procedure and Requirements
Nigeria Export Guidelines

