

NIGERIA'S EXPORT TRADE OF AGRICULTURAL
COMMODITIES: QUALITY CONTROL AND STANDARDS 2004

PRESENTED

BY

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AT THE

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QUALITY AND STANDARDS 2004**

The Chairman,
Distinguished Participants
Ladies and Gentlemen

INTRODUCTION

Recent developments in the Nigerian economy had led to the recognition of the ultimate significance of development and marketing of quality agricultural produce as a means of enhancing the foreign exchange earning capacity of Nigeria. Simultaneous with this awareness is the growing concern of adherence to standard in order to maintain a reputation in the export market. It is therefore imperative that quality and standards are necessary conditions that must be given adequate attention in order to ensure the sustenance of Nigeria's competitiveness in the global market.

Ladies and Gentlemen, it is a known fact that Nigeria is very popular in the area of production and export of top quality produce like Cocoa, Groundnut, Cotton, Gum Arabic, Sesame seed, Rubber, Ginger, mangoes, pineapples, coffee and host of others. Export markets for these products exist in USA, European Union, Gulf States, Japan, Singapore, China etc. Nigeria also has an added advantage over major Agricultural producers and exporters in the Eastern and Southern

Africa in terms of fertile land, proximity to traditional and terminal markets in Europe by Air or by sea.

The advantages are numerous but the question has been whether Nigeria has succeeded over the years to translate this comparative advantages into gains. This brings us into the problem of "Quality" and "Standards". While Quality deals with the inherent nature of the product, standards reflects the "in use" requirements imposed by the local environment which may require modifications of the product.

QUALITY CONTROL MECHANISM

The quality of any Commodity determines its prospect and in most cases quantity demanded for such commodity. A good quality product attracts the attention of the buyers even at premium prices while poor quality product attracts total rejection or rebate in pricing. Therefore, good quality products compete favourably in the International Market, and a Country whose export commodity is of good quality sells at premium prices and has the advantage of retaining its buyers. Thus, the process of ensuring adherence to quality and standards often commence from the farm gates and final checktest carried out at the ports by relevant inspection agencies.

Generally, a produce destined for export has to be of acceptable

quality in the target market. Most often, products acceptable in the local market might not enjoy the same patronage in the foreign market. The exporter would have to adapt his product in terms of quality, packaging and labelling to the dictates and requirements of a foreign market.

At the farm gate, produce are graded to ensure they conform to the prescribed standard. They are bagged, standardized even and sealed in bags duly marked with all necessary information such as the type of produce, grading officer's mark, grade, country of Origin etc. After the initial grading has been carried out, the exporter would be allowed to move the consignment to the port of shipment.

QUALITY CONTROL AND STANDARD AT THE PORTS OR PROCESSING MILLS

Produce arriving at the ports or crushing Mills are received into warehouses registered and approved by the inspection agencies contracted for the purpose. Arrival checktest is conducted to ensure that farm gate quality standard ascribed is maintained. The produce is fumigated inside the warehouse after being stacked on wooden pallets to eliminate living pests, vermin's and rodents just before shipment is carried out.

In addition, verification of standard packing through weighing of bags will be carried out just before bags are moved into containers to

ensure accurate volume of the consignment. Containers are also disinfected before loading.

After due compliance with all routine examination and checks to ensure adherence to quality and standards, certificate of quality, fumigation, weight and good packing materials are issued by the relevant inspection agency.

PENALTY FOR NON-ADHERENCE TO QUALITY AND STANDARDS

The progressive liberalization of World trade via WTO presents a major challenge to prospective exporters of Agricultural Commodities from Nigeria. The Asian Countries such as Thailand and Indonesia have developed and a well focused integrated system that supports quality and standard maintenance in the production of agricultural Commodities for export. Government of these Countries subsidize agriculture by investing heavily on infrastructure, improved seedlings and other support services. Produce quality are therefore well monitored along the production chain in such Countries.

The penalty for non-adherence to quality and standards ranges from total rejection to outright loss of the market. African nations alone lost about US \$372,604,714 worth of food and produce for the Us market during the period of 1990-1992 due to rejection. Similarly a task force of Codex Co-ordinating Committee for Africa from a survey

carried out in 1997, conclude that reasons for export rejection (refer to table below) indicate lack of adherence or compliance to standardization requirements.

Reasons for Export Rejections:

Reason	Frequency	% Frequency
Labeling	3	15
Packaging	1	5
Microbiological/spoilage	7	35
Composition	2	10
Infestation	3	15
Contamination	4	2

It is very clear from the afore mentioned that standardization and quality control ensures that: -

1. Buyers will expect as right to be supplied with only safe, sound and wholesome products such that meet their expectation.
2. Unfair practices in supplying consignment (misleading labeling, adulteration, deception) may have the most undesirable effects on both the health and financial well being of consumer and or suppliers.

3. Individual exporter have a moral responsibility to those who consume or use their products by complying with statutory requirements.

A concerted effort is therefore required by both the government and producers of agricultural commodities to ensure that necessary quality control and standard measures are strictly enforced.

PROSPECTS

Despite the plethora of activities required in ensuring adherence to quality and standards, I wish to submit that all hope is not lost. The international market is a free Market provided the producer/exporter adheres very strictly to laid-down rules and regulations guiding the trade.

Recently, the federal Government under the present administration sets up presidential Committees on cassava, rice and host of other commodities to look into the issue of production and processing for export. The faithful implementation of strategies recommended by these Committees would go a long way to enhance the prospects of producing highly quality agricultural produce from Nigeria.

ASSISTANCE OFFERED BY NIGERIAN EXPORT PROMOTION COUNCIL

I believe many of the participants present here today are quite

familiar with the activities and functions of NEPC. However, for the benefit of some of us who are not quite conversant with the activities of NEPC, I felt it very desirous to briefly discuss this for future purposes. The NEPC administer various export incentives such as Export Development Fund, Export Expansion Grant and manufacture-in-Bond scheme. These incentives are mainly designed to assist exporters cushion some of the attending cost elements involved in exporting thus making their product competitive in the international market.

In addition to the above, the Council provides a range of other services to Nigerian Exporters, which include trade information services, and trade enquiries. All these are aimed at assisting Nigerian exporters to source market and penetrate overseas markets. It is on record that a lot of enquiries have been recorded by the Council on Nigeria agricultural commodities. In addition, the NEPC also provides market information on importers and exporters of Nigerian products as well as product development advisory services in such areas as, packing and packaging, labeling and designing requirements, for specific products and markets. Useful trade statistics, world commodity prices, information on export commodities, terms of delivery, pricing, tariff and legal requirements in importing Countries

are other services which the Council offers to the business Community. Further, by co-ordinating the Country's participation at International Trade Fairs/exhibitions, the NEPC promotes the necessary exposure and practical experience needed by Nigerian exporters to penetrate a new foreign market.

CONCLUSION

In this paper, attempt have been made to examine the present scenario in produce quality control and standards, with its attendant problems and prospects. There is no doubt the fact that both the exporters and farmers have largely benefited from the quantum of activities bestowed on them in the course of exporting agricultural commodities from Nigeria. To keep the momentum of production and export constant, efforts and due emphasis must be placed on adherence to quality and standards especially as the global competition warms up on daily basis.

Thank you very much for listening.

Mrs. G.M. Sasore
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Nigerian Export Promotion Council
Headquarters, Abuja
May, 2005

WELCOME STATEMENTS BY MRS. G.M. SASORE, SPECIAL
ADVISER/CEO, NIGERIAN EXPORT PROMOTION COUNCIL.
AT THE OCCASION OF DONORS' ROUND -TABLE MEETING
ON MONDAY 30TH MAY, 2005 AT NICON HILTON HOTEL,
ABUJA.

The Honourable Minister of Commerce,
Ambassador A.D. Idris Waziri

The Honourable Minister of Finance,
Dr. (Mrs.) Ngozi Okonjo-Iweala,

The Economic Adviser/CEO,
National Planning Commission.

Representatives of Donor Agencies/Developments
Partners,

Gentlemen of the Press.

It gives me great pleasure to welcome everyone to this important occasion of “Donors’ Roundtable Meeting on Non-oil Export Development Assistance for Nigeria”. This gathering today marks another milestone in our effort to ensure that the various recommendations made by captains of industries and highly placed officials in Federal and State establishments is fully implemented for the benefit of Nigeria and the world at large