

Ginger Production in Nigeria

Overview, Processes and Opportunities

Abstract

Since global oil prices crashed, agriculture has once again taken over as Nigeria's main income earner and has thus made agro-product business a viable investment option.



Contents

Abstract.....	1	Product Specification for	
Preamble	3	Ginger.....	10
Top Producing States in		Labelling Requirement	10
Nigeria	5	Major Export Markets .	11
Ginger Cultivation	5	Major Suppliers of	
Facts to Note	7	Ginger.....	12
Timeline from planting		Key Success Factors.....	13
to harvesting.....	7	Tips for Finding buyers	
Packaging and		on the International	
Pricing.....	8	Market.....	15
Market potential for		Conclusion.....	17
export.....	9		

Introduction



Since the fall in global oil prices, agricultural activities have experience a resurgence in Nigeria especially with the added incentive of government in this area, as part of the grand scheme to revamp the nation through non-oil endeavors. This makes agro-products like ginger especially profitable now.

Ginger is a solid income earner both in the domestic and foreign markets because of its richly diverse health benefits and it also ranks high on the list of top ten most cultivated crops in Nigeria. It is consumed in its fresh, dried or powdered form as a delicacy, medicine or spice and it curbs

ailments such as diabetics, nausea, diarrhea, high blood pressure, inflammation and high cholesterol.

One hectare of land only requires about 2,500kg of ginger sett for planting and if all the requirement for a healthy cultivation are met, you should expect a yield of about 20 tones per hectare and a revenue of about N12m for domestic sale and upward of \$50,000 in the international market.

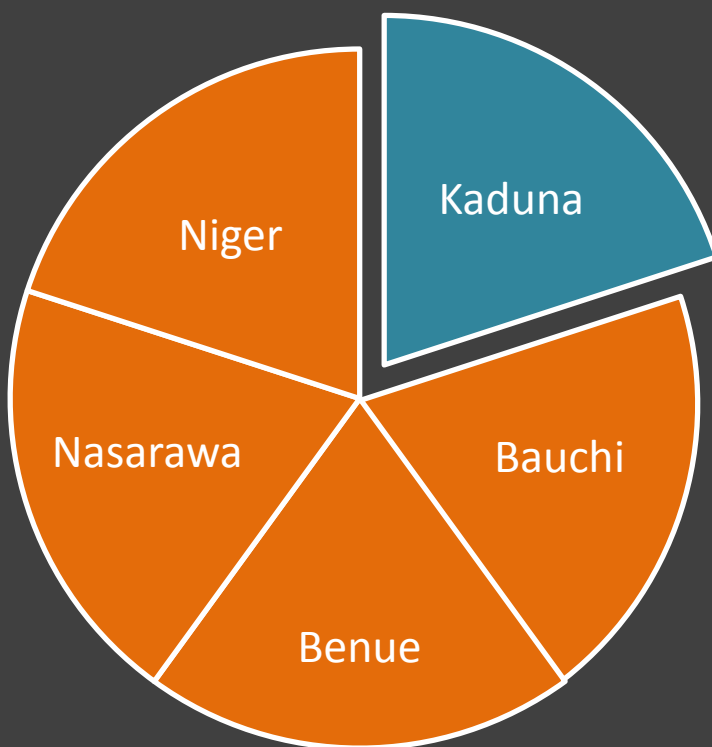
“Ginger ranks high on the list of top ten most cultivated crops in Nigeria.”

Ginger Cultivation in Nigeria

Nigeria produces about 110,000 tones of ginger annually for which 10% is consumed locally and 90% is exported.

Ginger is grown in the six states below but Kaduna stands out as the major ginger producing state.

Top Producing States in Nigeria



Ginger Cultivation in Nigeria



The basic requirements to achieve healthy returns include:

Requirements

Land with
mulched fertile
soil

Ridges for
planting

1500mm
annual rainfall

30°C daily
temperature

Viable ginger
rhizome with
buds

Good draining



Ginger is asexually cultivated from its rhizome and the steps are as follows:

Land Preparation
& Manuring

Insulation

Planting

Harvesting

Weeding

Preservation

Storing & Packaging

Ginger Cultivation in Nigeria

Timeline for Planting to harvesting

Facts to Note

- Planting is done in horizontal or vertical lines of holes 8cm deep and 30x30cm apart.
- Planting season is between April and May every yr.
- Harvesting season is from October to May
- Fresh ginger is harvested after 6 months while matured ginger is harvested after 9 months
- Dried ginger is mostly preferred to fresh ginger
- Organic fertilizer is preferred to inorganic fertilizer
- Fertilizer is applied twice from planting to harvesting; 20 and 60 days after planting
- Preferred grass for insulation is elephant grass because it does not generate weeds.

“Fresh ginger is harvested after 6 months while matured ginger is harvested after 9 months”

Phases	Month 1				Month 2				Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
	1	2	3	4	1	2	3	4							
Planting															
Insulation															
Fertilization															
Weeding															
Harvesting															

Packaging and Pricing



Dried ginger could be packaged in 35kg to 65kg jute sacks with the 50kg bags being commonly used in Nigeria and sold at N18,000 per bag. The local price for bulk purchase is between N600,000 to N700,000 per ton depending on the packaging. The prices for export also vary from one harvesting season to the next but is usually between \$2,250 and \$2,600 per ton. You could choose to grow and sell your own ginger, or you could choose to buy from ginger producers commonly referred to as local buying agents (LBA) for resell and export.

Market potential for export

- Global production of ginger was estimated to be 2.1m tons
- There is a viable and growing market for it in Europe because ginger cannot be produced in Europe
- 73% of European import is from developing country which altogether amounted to about 92,000 tons of dried ginger in 2016
- Ginger from Nigeria is becoming increasingly sought out because of its pungency and oil
- Dried ginger is preferable for export.

Market Potential for Export

Industries that utilize ginger include:

FOOD PROCESSING

- *Salad Dressing*
- *Gravies*
- *Ketchup*
- *Asian cuisine*
- *African cuisine*

PHARMACEUTICALS

- *Obesity*
- *Digestion*
- *Heart Diseases*
- *Diabetes*
- *Supplements*

CONFECTIONARY

- *Bread*
- *Biscuits*
- *Cookies*
- *Sausages*

BEVERAGES

- *Tea*
- *Beer*
- *Ale*
- *Coffee*

BEVERAGES

- *Fragrance*
- *Soap*
- *Cosmetics*

Product Specification for Ginger



Moisture content	6-9%
Oil content	2-4%
Impurities	0-2%
Microbes	None

Labelling Requirement

For export, you are expected to properly label your product and provide information that would help to easily trace the product back to its origin. Information such as:

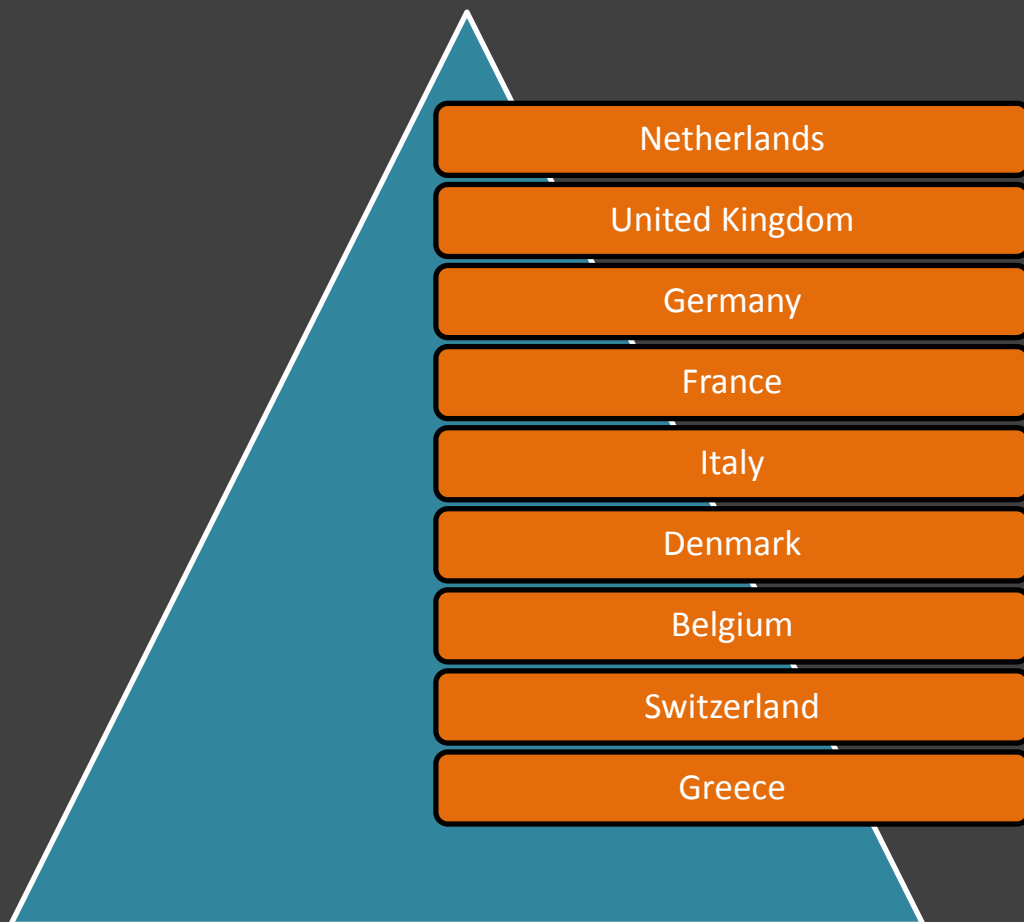
- Name of the product
 - Details of the manufacturer (name and address)
 - Batch number
 - Date of manufacture
 - Product grade
- Producing country
 - Harvest date (month-year)
 - Net weight
 - Barcode

“ For export, you are expected to properly label your product and provide information that would help to easily trace the product back to its origin ”

Major Export Markets

Major importing European countries from largest to smallest is shown in the illustration below.

Other viable international markets include the United states, Saudi Arabia and Russia.



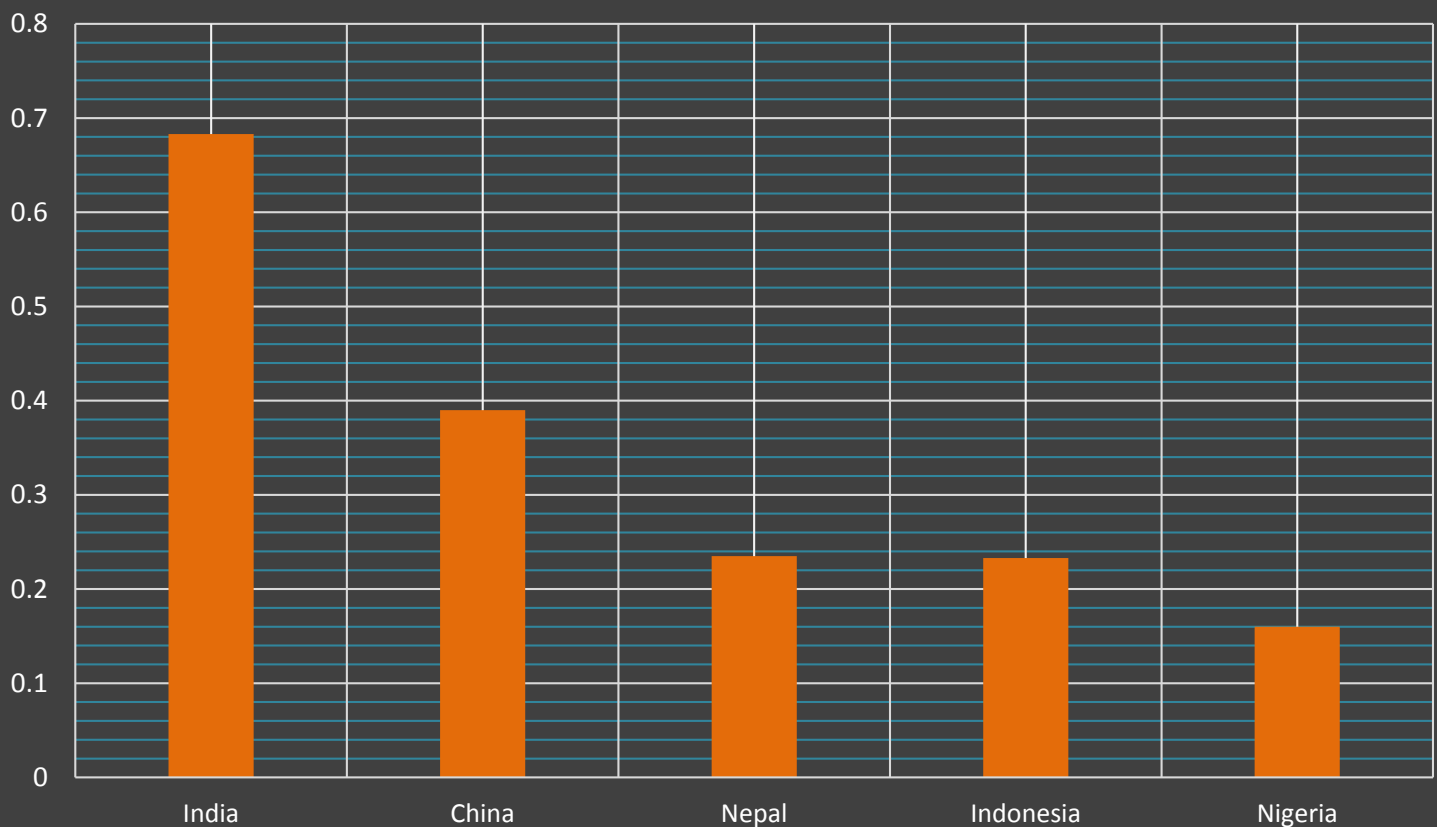
Major Suppliers of Ginger



The global production of ginger was 2.1 million tons in the year 2013 with India topping the chart with a 33% contribution of the world's total ginger production.

The chart below shows a relative comparison of the top five producing nations:

Top Ginger Producing Nations



Major Competitors in the European Markets



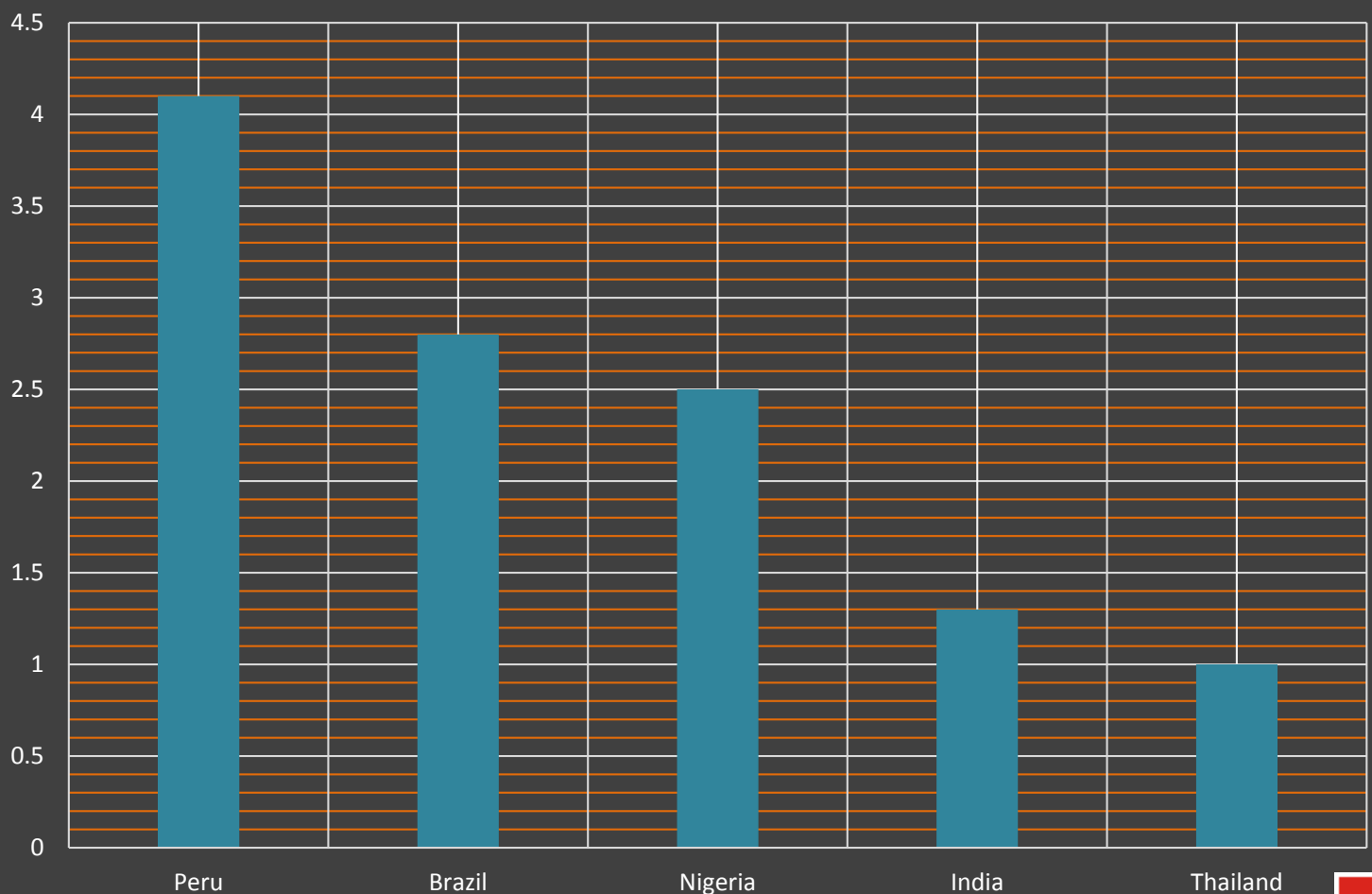
In Europe however, china accounts for the largest source of ginger from developing countries, with a market share

of 82% because of its huge product turnover through mechanized farming.

Apart from China there are other suppliers who compete favorably despite utilizing

manual production processes, and Nigeria ranks third as illustrated below:

Major Competitors in European Market





Key Success Factor

Key Success Factor

- Substantial alliance: establishing a long-term trade relationship with buyers especially processing companies, is the easiest way to ensure a steadier and sufficient supply. You can find these companies in the membership lists of the national spice associations.
- Stable supplies: ensure a stable supply of ginger both in quality and quantity. Always ensure that you meet the specification for cleanliness, grading, handling and packaging of ginger.
- Timely delivery: endeavor always that supplies are delivered on time.
- Food safety compliant: endeavor to meet all the food safety requirement.
- Approved packaging: ensure that packaging is water- and weather-resistant and meets the specification of the buyer.
- Value-added services: you can create a competitive advantage and increase margins and profit by further processing or certifying your ginger. This is more capital intensive so before you proceed ensure that the available buyers for your ginger are enough to offset your investment

Tips for Finding buyers on the International Market



- Identify who you want to sell to. Buyers usually fall into one of four categories namely: importers of raw materials, packers or processors, distributors of the pre-packed products or directly to the retailers. Importers have wider coverage as they service many countries and this makes them a good starting for first time exporters.
 - Focus on countries that serve as trading hubs for ginger.
 - Buyers know what good quality ginger should cost so never try to attract buyers with unrealistic low prices. Let your focus be on quality, food safety and supply capabilities.
 - Review the websites of spices and herbs associations.
- Some associations publish member lists on their website.
- Participating in trade fairs and conferences can be a great avenue for meeting potential buyers. You can participate as a visitor (ideal for first-timers) or as an exhibitor. Though there are no events solely for spices and herbs but sections for spices and herbs are included in fairs.
 - You can also network and meet buyers face to face at smaller events and B2B meetings.
 - You could also use direct marketing through promotional emails.
 - Also ensure you can be found online by keeping updated website.

Conclusion



Healthy living has become a popular trend world over and ginger's medicinal value makes it a viable health supplement which

in turn ensures increased demand in the long term as well as a viable investment option.

“ *Ginger's medicinal value makes it a viable health supplement which in turn ensures increased demand in the long term and makes it a viable investment option* ”

Disclaimer

The information contained in this report is for general information purposes only and represents only the views and opinions of respondents and not essentially that of Nextzon Business Services Limited. In no event will Nextzon Business Services Limited be liable for any loss or damage including without limitation, indirect or consequential loss or damage, or any loss or damage whatsoever arising from loss of data or profits arising out of or in connection with the use of the information contained in the report.

About Nextzon

Nextzon Business Services Limited is an emerging market management consulting and enterprise development company, inspired by a collective mission of building and transforming business enterprises for phenomenal success in the markets they operate in.

Our Offerings

- **Asset Mapping**
- **Corporate Governance**
- **Audit Corporate Planning & Project**
- **Customer & Market Research**
- **E-business**
- **IGR Expansion**
- **Performance Enhancement**
- **Project**
- **Performance Management**
- **Recruitment**
- **SME Solutions**
- **Transaction Advisory**

Address: 1 Rachael Nwangwu Close,
Lekki Phase 1, Lagos, Nigeria

Phone: DL +(234) 0905 761 3694,
GL +(234) 0812 722 7044

Email: info@nextzon.com

...the next frontier