

Harnessing The Commodity Export Market in Nigeria with Skynaps Multivision

Commodity Export Company / Skynaps Multivision

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1. Introduction

Company Overview Establishment And Key Milestones

We have actively engaged in the commodity export sector for over eight years. We commenced operations in 2015 but became certified in June of 2018. Subsequently, the company has experienced a continuous upward trend in agro-export. Founded in 2015 by Mr Chinedu Patrick Nnamani, Skynaps Multivision plans to revolutionize the commodity export market within Nigeria. The company's initial focus was on the export of donkey skins to China which they used to produce a gel called *ejiao*—a hard gel used in food, drink, and beauty products believed to improve blood circulation and used as a blood tonic. From its inception, Skynaps Multivision established a reputation for quality and reliability in the niche market of animal skin exports. Since then, the company has gained more trust and significance in the commodity market.



Ejiao Products

Milestones

- **Founding Year and Initial Operations (2015):**

- Skynaps Multivisions test phase launched, primarily dealing in the export of donkey skins to China.
- Established connections with Chinese markets and developed expertise in the animal skin export sector.



Donkey Skin Warehouse

- **Transition and Expansion (2018):**

- The company was officially registered with Nigeria's Corporate Affairs Commission in June of 2018.
- We transitioned into the traditional export of sesame, ginger, soybean hibiscus, cocoa, garlic, and charcoal while halting the

export of donkey skins because of market saturation and strict regulations.

- Established a warehouse in Kano for storing, and managing purchased commodities for export and internal trade across Nigeria.
- Faced challenges with new market dynamics, as off-takers insisted on signing memorandums of understanding (MOU) rather than paying before the delivery of produce and products.

- **Technological Advancements and New Initiatives (2023):**

- We have launched new initiatives to broaden access to the export business for more Nigerians and Africa as a whole
- We focused on enabling small and medium-sized enterprises (SMEs) to consolidate their shipments, reducing costs and increasing efficiency.
- We aim to support the growing variety of export products.

Growth Analysis

The pilot of the Skynaps proprietary app

We have implemented the development and upcoming launch of a proprietary app designed specifically for the agro-export market. This innovative app aims to revolutionize the way commodities are traded by addressing several key challenges in the industry.

Elimination of Middlemen: By eliminating the need for these intermediaries, Skynaps Multivision's app will create a more direct and efficient link between producers and buyers. This direct connection not only reduces costs but also increases transparency and trust in the trading process.

Demystifying Export Processes: The complexities and perceived barriers associated with export activities have historically deterred many Nigerians from participating in the global market. Our app is designed to simplify and

demystify the export process, providing clear, step-by-step guidance on how to prepare, package, and ship commodities for export. The app will feature user-friendly interfaces and educational resources to help users navigate regulatory requirements, complete necessary documentation, and understand international market standards.

Accessibility for the Average Nigerian: One of the app's most significant impacts will be its ability to make the export business accessible to a broader segment of the Nigerian population. By leveraging technology, the app will empower small-scale farmers and traders to enter the export market without requiring extensive resources or expertise. This democratization of export opportunities aligns with our mission to foster economic growth and inclusion.

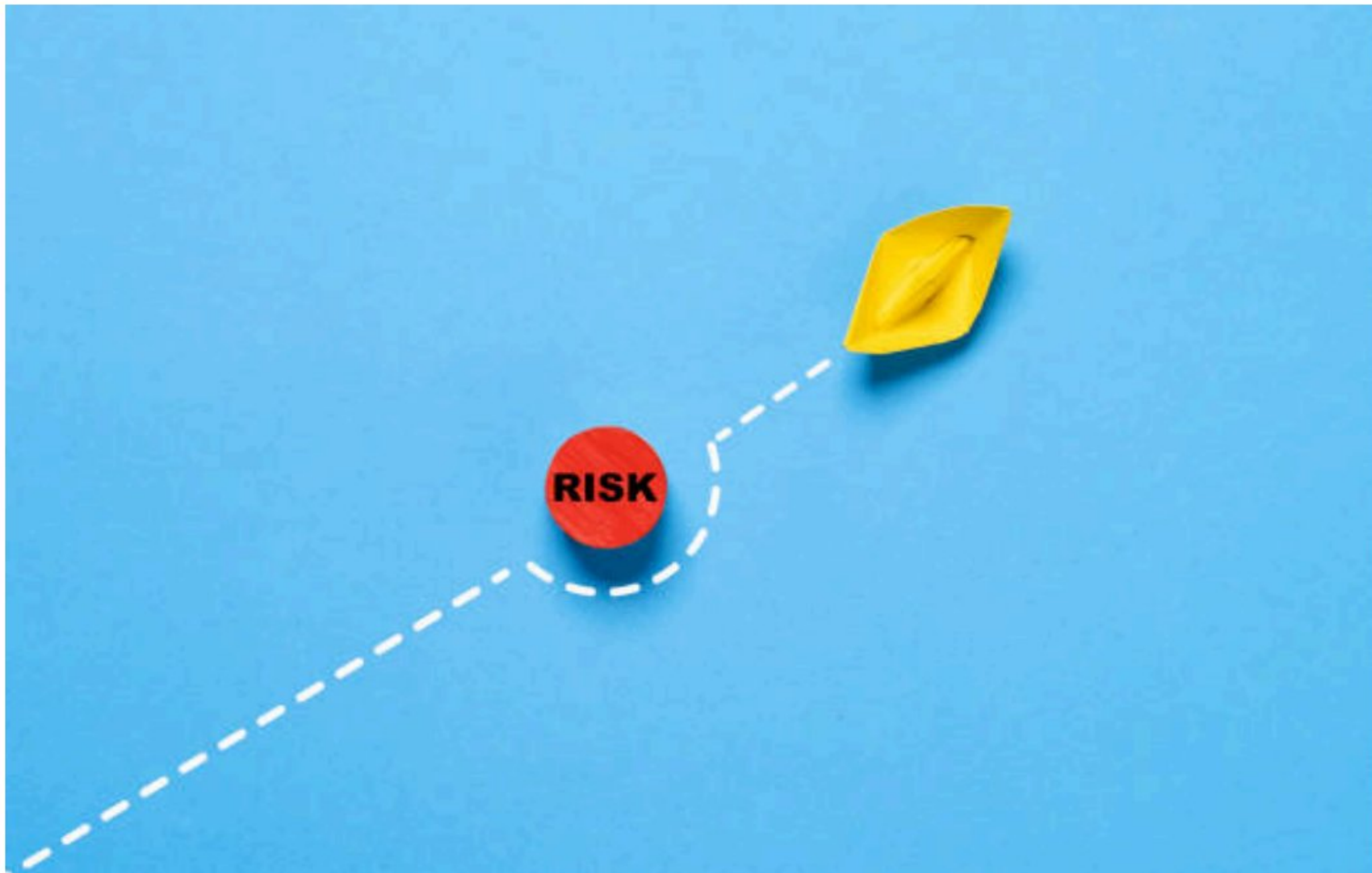
Building a Digital Community: Beyond individual transactions, the app will create a digital community of exporters, facilitating networking and collaboration. Users can share experiences, seek advice, and build partnerships, fostering a sense of community and collective growth.

Secure and Efficient Transactions: Incorporating secure payment gateways and transaction tracking features, the app will ensure that all financial transactions are safe and transparent. This will build confidence among users and reduce the risk of fraud, which is a common concern in traditional trading environments.

2. Challenges And Solutions

We are steadily adapting in the face of challenges, and providing innovative solutions. Most of these experiences of challenges occurred during our preliminary foray into the export of Donkey Skins and other agro-products. Because we weren't actively involved in producing these goods, we had to source them from varying markets, which meant that the produce quality

could vary because of the large shipments. A thousand tons of soybeans could contain produce from a range of farms, each with a variety of crops or produce. Sometimes this inconsistency is off-putting to our off-takers as they usually prefer the uniform quality of produce, and produce which meets the approved regulatory standards in the country where they are exported.



In most cases, we have had to bear all the risk of commerce because off-takers always preferred their consignments shipped over to them first. They had to confirm the goods and their quality before the release of funds. This usually leaves the risk factor one-sided. Some people try to smuggle goods in containers that we do not know about. Once these shipments are flagged, for whatever reason, the risk to bear falls on us. These could result in high penalties or even confiscation of other goods as well. This is why Skynaps places utmost priority on the quality of products and commodities it exports.

Challenges we have faced

Market saturation

Similarly, this happened to us when we majored in the trade of Donkey skins- the markets got saturated. Soon it began to yield less and less profits with rising compliance issues to battle.

Regulatory Changes

Recent regulatory changes have significantly impacted the export of donkey skins from Nigeria. The African Union (AU) has implemented a continent-wide ban on the donkey skin trade to curb the exploitation of donkeys and protect the species from further decline.

Changing Consumer Preferences

In 2023 the estimated earnings from Hibiscus trade was N48 Billion, in the last 6 months, we have seen the requests for Hibiscus quadruple. Mexico alone imports about 85% of Nigeria's Hibiscus. Even though these stats are good. They are still subject to change, which is why our mode of operations easily morphs to accommodate these changes.

Infrastructural hurdles

Because we were not a production company, we often had to buy from farmers and producers. The goal was to buy low and sell high. At such points, purchasing them in large quantities is often the best idea. Unfortunately, when we made such large purchases, we faced the problem of inadequate storage facilities in rare cases of processing delays, of course, this was before we expanded our warehouses and storage units.

Innovative solutions and strategies

Because of the challenges, the following are the innovative solutions and strategies we have put in place:

Market Diversification

Beyond providing the customer with a wide range of commodities, we also offer a more streamlined approach and solutions to issues that people typically face in commodity trade. For example:

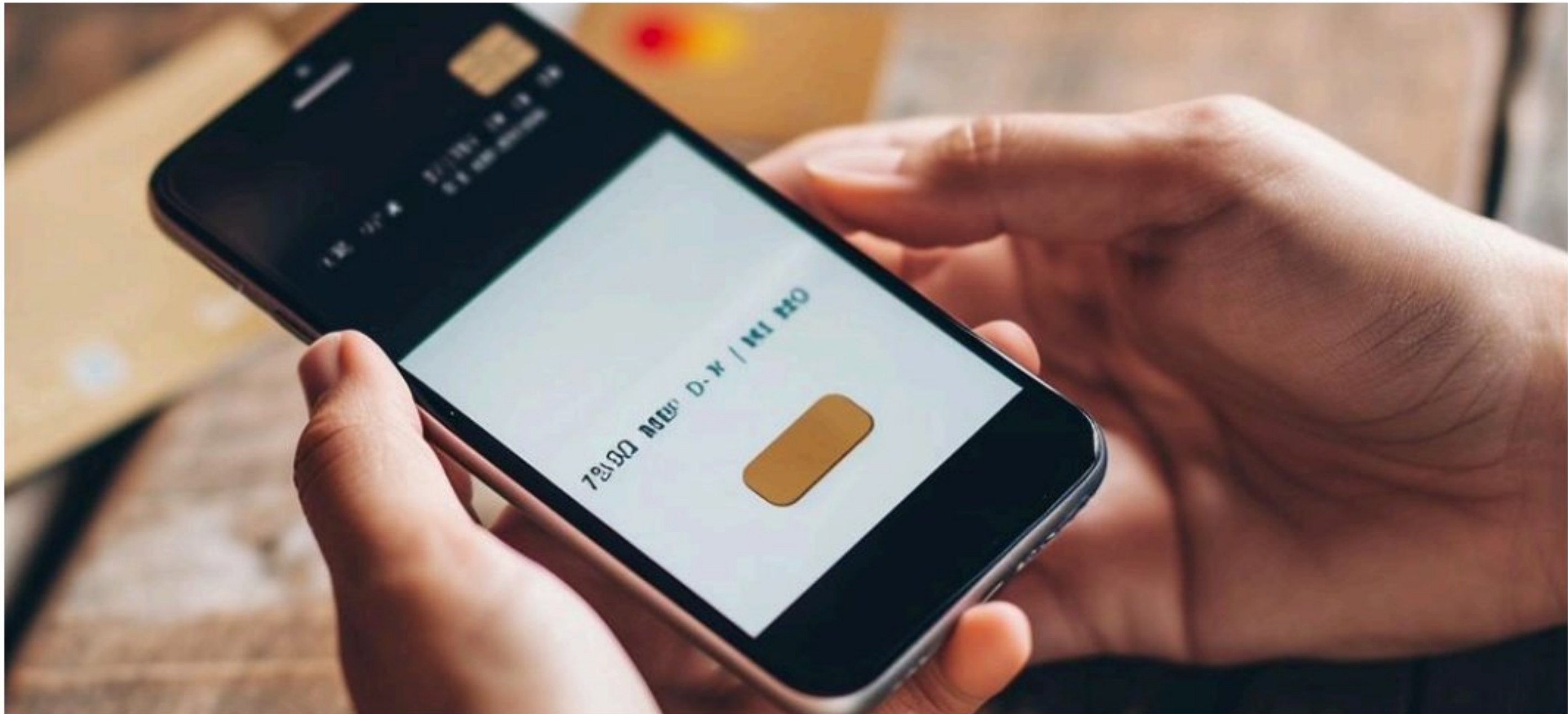
Commodity Storage

We at Skynaps MULTIVISION have provided a solution for commercial farmers and businessmen while creating an alternative way to keep our commodity bank full at all times. Now farmers can store their produce with us like they do their money in the bank. We have invested in new and effective storage systems. We have silos for our grain, germ-free stores for our Hibiscus, airtight containers resistant to pests or wear. We've created the farmer's bank.

Commodity trade

When you store your commodities with us, we give you the additional option to let us trade your commodities and give you proceeds from the profits after a short time. This is of course done solely with your consent.

Your Skyseal



A skyseal is your Trading ID with us at Skynaps MULTIVISION. It is like an NIN for trading with us. It is who we recognize in our trade process. It is the number that is assigned to you after registration in our app, we normally ask for a valid ID or NIN, a valid address, and details of your BVN for insurance purposes. Whenever you send packages over to us or we send packages over to you, they are marked with your SKYSEAL, this is especially important with groupage export and every customer's cargo is marked with their *skyseal*, which simplifies the clearance process once goods are shipped, aside from making sure that all our customers get their correct orders, SKYSEAL insures us in case of contraband goods or questionable products. In such cases, such cargo can be traced to their prospective senders. Groupage shipping helps SMEs but can make tracking cargo tricky. To solve this, we created the Skyseal number system to identify individual items in large shipments easily.

Technology and Process Improvement

Aside from the above-mentioned new initiatives, we at Skynaps MULTIVISION, as it has been repeatedly stated, have simplified the commodity trade, storage, and export process through technology. With the Skynaps Multivision

app which is available on Google Play and App Store, through a few simple steps, you can either store, trade or become an exporter of your produce or commodities through us.

Adaptation to regulatory changes and market demands

Because some countries' trade regulations favour trade more than others, we have learned to diversify and trade with more than one willing party. This ensures that we have a diverse customer base keeping us fully functional all the way. Over 6 years, we have reached out to potential markets in commerce, exploring other options for international trade within Nigeria, goods like Sesame seeds, Soybeans, Hibiscus(*Zobo*), and peanuts to mention a few. Our storage systems are as diverse as our customers.

3. New Endeavors

Groupage Export, or consolidated shipping, is a logistics strategy where multiple smaller shipments from different exporters are combined into a single container or shipment. At Skynaps Multivision, groupage export involves gathering various commodities from multiple producers and combining them into a single export shipment. This approach optimizes the use of shipping containers and ensures that smaller exporters can participate in international trade without needing to meet the full container load (FCL) requirements. This method is particularly advantageous for small and medium-sized enterprises (SMEs) that need more cargo to fill an entire container.

Our major Groupage exporting products include

Cashew, Sesame, Hibiscus, Cocoa, Soybean, Charcoal, Indomie, and Palm Oil, while we look into exploring more low-risk commodities



Cashew nuts, Tigernut, peanuts, Cocoa, Soybean

Benefits of Groupage Export

Cost Efficiency:

By sharing container space, exporters can significantly reduce their shipping costs.

Accessibility for Small Exporters:

Groupage export makes international markets accessible to smaller producers who might otherwise be excluded due to high shipping costs and minimum volume requirements. Exporters can benefit from increased flexibility, as they are not tied to shipping only when they have enough goods to fill an entire container. This allows for more frequent shipments and can help maintain a steady supply chain.

Shared Risk/ Risk Mitigation:

By sharing a container, the risk associated with shipping, such as damage or loss, is also shared among multiple exporters. This can provide a form of risk mitigation for individual exporters.

Implementation of Groupage Export

The process is designed to streamline the logistics of exporting small quantities of agro-products by combining them into larger, consolidated shipments. Skynaps Multivision is strategically implementing its groupage export service to support small and medium-sized enterprises (SMEs) in Nigeria, enabling them to participate effectively in international trade. The

core of the groupage export service is the aggregation of produce from multiple potential exporters to meet the demand for consignment by any of our off-takers.

Valuation:

We conduct thorough assessments of each exporter's produce to determine its market value. This process is transparent and communicated clearly to the exporters, ensuring they understand how their contributions are valued.

Storage and Sealing:

The company ensures that all contributions are adequately stored in secure, climate-controlled warehouses to maintain quality. Each consignment is properly sealed to prevent contamination or loss.

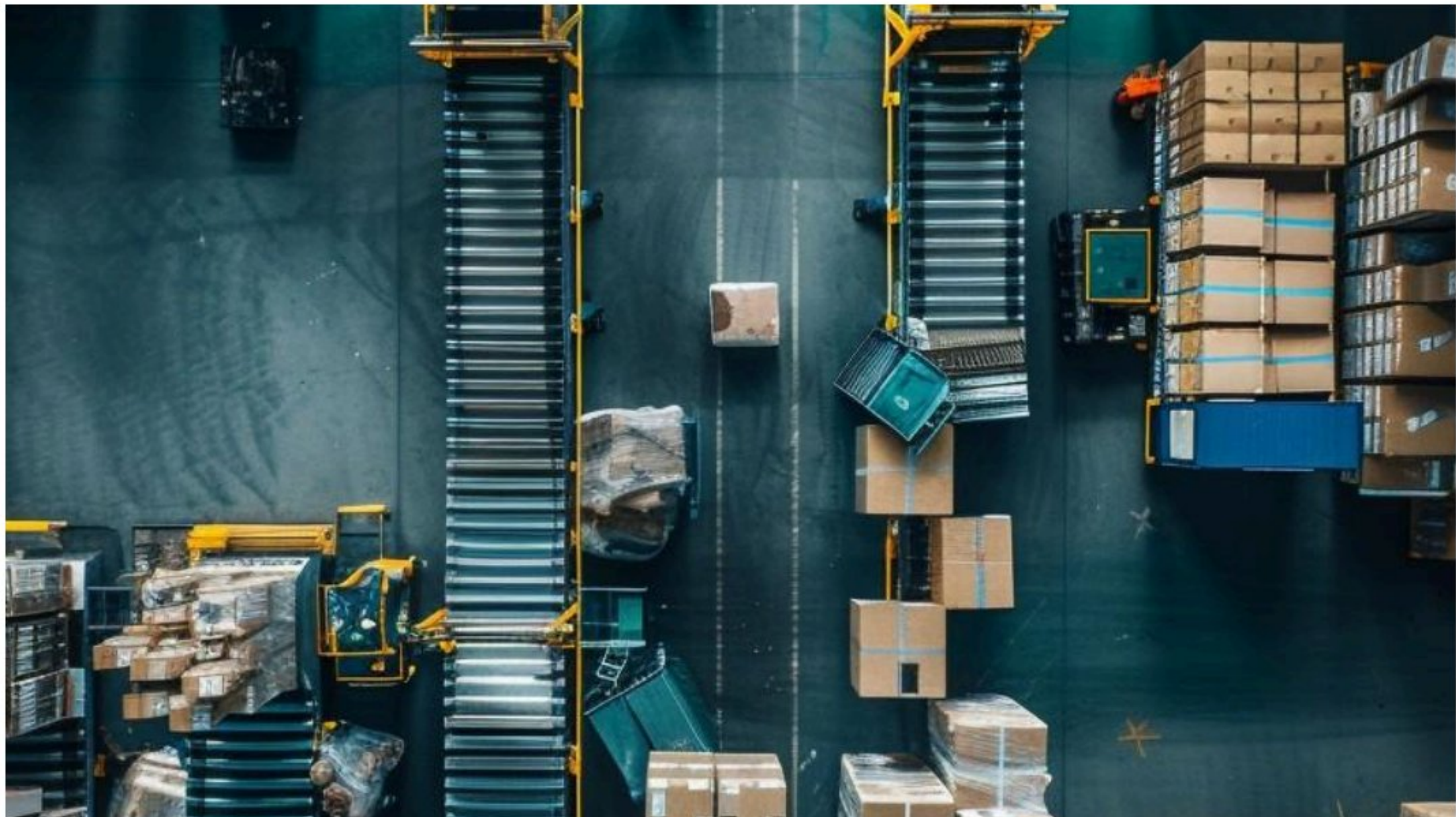


Certification and Compliance:

In addition to this, we also handle all necessary certifications and compliance with international export standards. This includes obtaining phytosanitary certificates, quality control documentation, and other relevant export licenses.

Export Logistics and Market Access

Our company brings market opportunities directly to potential exporters by leveraging its extensive network of international buyers and off-takers. This includes negotiating terms and conditions favourable to the exporters.



Logistics Management:

We also oversee the entire logistics chain, from transportation to shipping and customs clearance. This comprehensive management ensures that consignments are delivered on time and in excellent condition.

Fee Structure:

For providing these services, we charge a percentage fee. This fee is transparently included in the invoice provided to the customer upon initiating an export. It is a ___% service fee for whatever services we offer you. The fee covers the cost of storage, handling, certification, and logistics, ensuring a hassle-free experience for the exporter.

Real-Time Commodity Check

We are pioneering a new frontier by introducing a dynamic commodity trading platform. This platform is designed to operate similarly to a stock market, providing customers with real-time information and strategic trading opportunities. By leveraging advanced technology and market insights, we empower customers to make informed decisions, optimize their investments, and maximize their profits.



a. Real-Time Commodity Price Checks

Access to Current Market Prices: The Skynaps Multivision app offers customers real-time updates on commodity prices. This feature ensures that customers are always informed about the current market value of the agro-products they intend to trade.

b. Strategic Investment Planning

Buy Low, Sell High Strategy: Our platform is built to facilitate a strategic investment approach where customers purchase commodities during their peak seasons when prices are typically lower and sell them during periods of scarcity when prices rise.

Seasonal Insights and Forecasting: By understanding the cyclical nature of agro-products and market demand, customers can make more informed decisions about when to enter and exit the market. We're here to provide that insight.

c. Flexible Trading and Storage Options

Commodity Storage and Trading on Behalf of Customers:

Customers have the option to store their purchased commodities with us. The company offers a unique service where it can trade the stored commodities on behalf of the customers and benefit from professional trading expertise.



Commodity Storage and Trading on Behalf of Customers

d. User-Friendly Digital Platform

Comprehensive Trading Tools: Our app is equipped with a suite of trading tools designed to enhance user experience and decision-making. These tools include real-time price alerts, historical price charts, and market news updates.

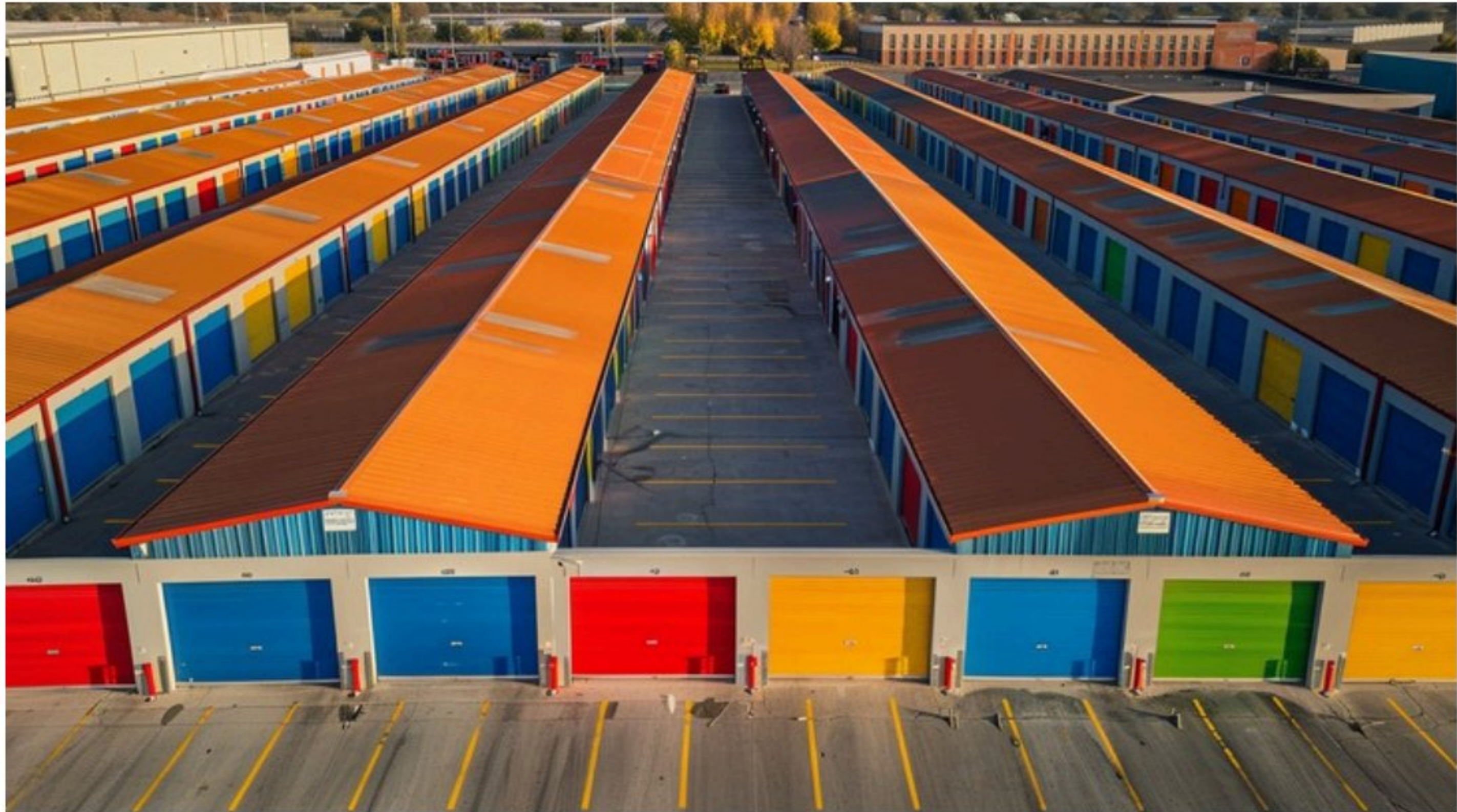
Educational Resources: To support customers in their trading journey, the app features educational resources such as tutorials, webinars, and articles on commodity trading strategies, market analysis, and risk management.

Secure Transactions:

All transactions on our platform are secure and transparent. The app uses advanced encryption and security protocols to protect customer data and financial information, ensuring a safe trading environment.

Commodity Storage

This service is designed to allow customers to purchase and store commodities, enabling them to capitalize on potential market scarcities and price increases post-harvest.



Benefits of the Commodity Storage Service Skynaps Multivision provides

- the ability to buy and store commodities during harvest when prices are typically lower.
- Customers have the flexibility to sell their stored commodities either in the local market or as part of our groupage export initiative.
- We provide an innovative solution through our app. Customers can easily access a variety of commodities available for purchase and storage, even if they are not producers themselves.

- The storage period is flexible, and tailored to the customer's strategic needs. We take full responsibility for the storage of purchased commodities.

4. Growth Potential



Market Analysis and Opportunities

Current market trends and future projections

The market changes very quickly and trends do so with them, we have been able to stay ahead and anticipate profitable markets to venture into. Over the

years we have been able to stay ahead of our competition and diversify adapting to the ever-changing landscape of commodity trade. When we started in 2015, we began our endeavours with Donkey Skin Trade, because of market saturation and compliance laws, we have had to explore our options and enter different markets. We have endeavoured into the sesame-seed trade, hibiscus, soybean, and even packaged *halal* foods like **Indomie instant noodles**. We have invested in storage facilities (*silos, warehouses and germ-free centres*) and are looking at plans to go into production, processing and packaging.

The nominal value in the commodities market of Nigeria is forecasted to reach US\$416.30bn in 2024. It is anticipated to demonstrate an annual growth rate (CAGR 2024-2028) of 2.11%, leading to a projected total of US\$452.50bn by 2028. This means that exports are at an all-time high and are projected to go even higher. We as a company have gradually grown to understand the market and what it needs, and we will always be the go-to for our customers' needs.

Expansion plans and new market entry strategies

We are also going into production! That is exciting, that means you can trust the source of whatever commodity you trade with us, that, and faster delivery periods.

Major trade partnerships

Sole Africa Distributor Glowing Charcoal Indonesia

[Glowing Charcoal](#) is a Coconut Charcoal Briquette Factory, that specialises in the manufacturing of shisha charcoal and barbecue charcoal from Indonesia. They produce various charcoal products with high-quality raw materials from 100% premium quality raw materials and strictly controlled production processes.



Since 2016, Glowing Charcoal Indonesia has been committed to maintaining the quality of premium coconut charcoal briquettes. The company prides itself in the quality of raw materials it uses for the production of charcoal, It uses 100% pure Coconut Shell Charcoal as the main ingredient for its shisha coal, "This will make your shisha or hookah experience better". says the company PR. Its BBQ charcoal is made from a coconut shell and hardwood charcoal blend, this gives the charcoal a long-lasting burning time of up to 6 hours!

Skynaps Multivision recently closed a deal with Glowing Charcoal Indonesia, effective on 10th June 2024. We become the sole distributor of all charcoal products coming from Africa to Indonesia. This means that all the orders coming from Africa go through our company. Charcoal is an alternative and more sustainable solution for cooking in most homes, we use only the best grade of materials in our processes to ensure we mitigate waste. We also have forestation schemes and initiatives to ensure we check deforestation as wood is the basic resource in the production of charcoal.