OVERVIEW ON GLOBAL TROPICAL FRUIT PRODUCTION AND TRADE: ISSUES AND CHALLENGES

By
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International Tropical Fruits Network (TFNet)
International Tropical Fruits Network (TFNet) is an autonomous and self financing global network established under the auspices of the Food and Agriculture Organization of the United Nations whose mandate is to promote sustainable development of the tropical fruit industry globally in relation to production, consumption and trade.

- Established in 2000
- It is both intergovernmental and inter-institutional in nature.
- Membership based – County, Associate and Ordinary
- Based in Serdang, Malaysia
Committee on Commodity Problems

**Subsidiary Bodies**

- Consultative Sub-Committee on Surplus Disposal
- Intergovernmental Group on Rice
- Intergovernmental Group on Grains
- Intergovernmental Group on Citrus Fruit
- Intergovernmental Group on Jute, Kenaf and Allied Fibres
- Intergovernmental Group on Oilseeds, Oils and Fats

**Intergovernmental Group on Bananas and on Tropical Fruits**

- Intergovernmental Group on Hard Fibres
- Intergovernmental Group on Tea
- Intergovernmental Group on Meat and Dairy Products

Sub-Group on Tropical Fruits

Sub-Group on Bananas
Objectives of TFNet

✓ To act as a repository and exchange of information on tropical fruits;
✓ To promote, co-ordinate and support research and development as well as transfer of technology;
✓ To facilitate the expansion of international trade of tropical fruits;
✓ To enhance human resource development;
✓ To organize generic market promotion and strengthen consumer knowledge on the nutritional value of tropical fruits;
✓ To sensitize and facilitate implementation of international and regional agreements on tropical fruits;
✓ To promote technical and economic exchanges in the tropical fruit sector.
Membership categories

**Country Members:**
- Open to all member countries of the FAO who are signatories to the Agreement on the Establishment of the Tropical Fruits Network or who has acceded to the said Agreement.
- Country members shall have voting rights in the General Assembly.
- A one-time membership registration fees shall be at USD5,000.00.
- No annual membership fees shall be levied.

**Associate Members:**
- Open to any international, regional or national organisation, institute, association or business entity in both public and private sectors that can contribute positively to the objectives and operations of TFNet.
- Associate members shall have voting rights in the General Assembly.
- Annual membership fees shall be at USD500.00.

**Ordinary Members:**
- Open to any individual or non-profit organisation that can contribute positively to the objectives and operations of TFNet.
- Ordinary members shall have no voting rights in the General Assembly.
- Annual membership fees shall be at USD50.00.
Country Members (14):
Bangladesh, China, Fiji, India, Indonesia, Malaysia, Nigeria, Philippines, Sudan, Syria, Vietnam, Australia, Sri Lanka, and Saudi Arabia
What do we do…

- Studies, projects and consultancies
- Capacity development – workshops, symposiums, conferences etc
- Information dissemination, knowledge sharing
TFNet to hold side event at FAO’s 70th CCP meeting

Bearing the theme ‘Mitigating and adaptation measures for the control of banana Fusarium Wilt Tropical Race Four (TR4), including the successful development of resistant cultivars’, TFNet will hold a side event at the Food and Agriculture...

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TFNet Newsfeed

tropical fruit news from around the globe

Issue 10/August 2014

TFNet News & Articles

Symposium on Developing research to enhance market demand and profitability of tropical fruits

14 August 2014 Putrajaya, Malaysia

TFNet holds international tropical fruit symposium in Malaysia

The International Symposium on 'Developing research to enhance market demand and profitability of tropical fruits' was held in Putrajaya, Malaysia on 14 August 2014, organized by International Tropical Fruits Network (TFNet) with support from the Food and Agriculture Organization of the United Nations (FAO).

Upcoming TFNet Events

SIDE EVENT In conjunction with 70th Session of the Committee on Commodity Problems, Food and Agriculture Organization Mitigating and adaptation measures for the control of banana fusarium wilt tropical race four (TR4) including the successful development of resistant cuttivars
Date: 7 October 2014 Venue: FAO, Rome

Workshop on Tropical Fruit Value Chain Improvement for Market Access
Date: 28-29 October 2014
Venue: Khartoum, Sudan

Other Events

PHILIPPINES: 22nd National Fruit Symposium
Date: 8 - 11 September 2014
Venue: Nueva Vizcaya, Philippines

The Inaugural Produce Marketing Association FruitTrade Latin America International Convention and Exposition
Date: 12 - 13 November 2014
Venue: Santiago, Chile

Malaysia hosts the 8th TFNet Board of Trustees Session

The 8th Session of the International Tropical Fruits Network (TFNet) Board of Trustees (BOT) was held in Putrajaya, Malaysia on 12-13 August 2014.

5th iFresh Shanghai Fruit & Veg Expo
Date: 20 - 22 November 2014
Venue: Shanghai
Background

• Tropical fruits – important to developing for nutrition, income generation, for food security, another export option
• Banana – top five commonly eaten fruit and fourth most important food crop after rice, wheat and maize
• World production in 2012 – 101 million tonnes
• Exported 17.2 million tonnes valued at USD 8.4 million
• More for domestic production, 17% (Cavendish) is internationally traded
• 80 % of International trade of Cavendish banana controlled 5 multinational companies
• Now supermarket chains control 60% of trade

Source: FAO
Background

- Other major tropical fruits – 71 million tonnes in 2012
- Mangoes (39%), pineapples (23%), papaya (12%) avocado (4%), Minor fruits (22 %)
- On basis of trade, the minor ones are guava, mangosteen, rambutan, durian, passionfruit, litchi, pomelo.
- 90% domestically consumed, 5% traded fresh and 5% processed.
- Global trade estimated at 8.1 million tonnes valued at USD 7.7 billion
- Additional USD 4 billion as processed products
- Asia is the main producer of tropical fruits mainly by smallholders
Tropical fruit volume boosts Fyffes profits in 2014

February 27th, 2015

Produce multinational Fyffes Plc (ESM: FFY) will be pursuing price increases in all markets this year in response to the strengthening of the U.S. dollar against the euro, with an EBIT forecast of €36-42 million.

The group released this plan with its preliminary 2014 results today, announcing an EBIT rise of 28.1% for the year to €40.1 million.

The large profit jump comes despite only a marginal rise in total revenue of 0.8%, in a year characterized by the key performance drivers of average selling prices, exchange rates and the costs of fruit, shipping and fuel.

Fyffes also made a net surplus of €4.3 million from payments made by Chiquita after the merger between the two produce giants fell through. Now, the company has stated it is “actively pursuing” a number of attractive acquisition opportunities.

The multinational said its increase in turnover reflected organic volume growth in the pineapple and melon categories, offset by price deflation in bananas and pineapples.

“The Group again delivered an improved result in pineapples in 2014 and has moved closer to its target returns in the category,” Fyffes said.

“As in the banana category, there was modest price deflation during the year. Offsetting this, the Group achieved a reduction in production costs, particularly in its operations in Costa Rica following the successful integration of the second farm acquired there in early 2013.
Vietnam is capable of producing rice, fruit and seafood that meet international standards but fails to find outlets for the products, the minister said at a forum meant to connect local businesses and overseas Vietnamese (Viet Kieu) businesspeople.

"We hope that Viet Kieu can be a bridge to help Vietnamese agricultural produce go further [on the world market],” Phat said.

Many Viet Kieu pinpointed a number of shortcomings in the way Vietnamese products are exported to other countries.

"It is tough for the blue dragon fruit to reach the Canadian market, but the fruit is displayed in sheer piles,” one of the overseas attendees said. “There is not a single word of introduction so how could foreign customers know what it is?"

Dinh Kim Nguyet, a Vietnamese Canadian, said a Vietnamese mango costs as much as CA$30 and a bunch of bananas CA$40 in Canada, far higher than...
INDIA: Farmers in despair as pineapple prices dip

by K.A. Martin, The Hindu

Owners of small pineapple holdings in the State face the prospect of being priced out of business because of a spell of price-fall that has seen the price of ripe fruit plunging from Rs. 47 (USD 0.75) a kg in late June to Rs. 13 (USD 0.20) a kg on Monday in the Vazhakkulam wholesale market.

![Price of pineapple](image)

This is unprecedented and farmers may have lost between Rs. 100 crore (USD 1.6 million) and Rs. 120 crore (USD 1.92 million) over the past six months on account of the price-fall, said Baby John, a pineapple farmer based in Moovattupuzha.

There has not been such a long spell of fall in prices, he said and pointed out that small farmers would bear the brunt of the situation as they would now have to scrap the bottom to pay back loans as the financial year comes to an end. The president of the Pineapple Farmers’ Association Jose Kaleppura blames the current bad spell for pineapple farmers to the rigorous cold condition that has gripped North India. The cold condition has depressed the demand and hence, the price.
INDIA: No ripening chamber, mango traders brace for another bad season

by Parthasarathi Biswas, Indian Express

 Ahead of another mango season, the Pune fruit market is staring at a likely loss. Traders and farmers have not forgotten last year’s Food and Drug Administration (FDA) raids that destroyed lakhs of mangoes for using calcium carbide to hasten the ripening process. They said a ripening chamber approved by the FDA was not available to them.

The Food and Drug Administration has banned use of calcium carbide to hasten the process of ripening of mangoes.

Photo courtesy of The Indian Express

FDA had banned calcium carbide that traders used for hastening the process of ripening of mangoes. FDA authorities pointed out that the chemical was detrimental to health. The FDA says consumption of mangoes ripened by using calcium carbide can lead to upset stomach, accumulation of fluids in lungs, ulcers and sores etc. Acetylene, the actual ripening agent produced from calcium carbide, is believed to be carcinogenic. The FDA had thus banned calcium carbide and launched a massive crackdown across APMCs in the state to destroy mangoes that were ripened using the chemical.
Mango

According to mango consumers, flavor is the most important. In the past eight years, Total Exotics has seen customers move away from appearance as a driving factor for mango purchases. Today, European consumers are more concerned about mango flavor, texture and aroma as 60% of consumer satisfaction is determined by taste.

The concern over flavor and texture is why Total Exotics has focused away from handling older commercial mango varieties like Tommy Atkins and Hayden. Although reliable producers, such varieties are too fibrous with less desirable eating characteristics. Instead, Total Exotics has focused on Kent and Keitt thanks to its juiciness, sweetness and good value for money.

Kent and Keitt production has increased globally, in areas like Sao Paulo, Brazil, to respond to European demand. To complement Kent and Keitt, Total Exotics has worked with producers worldwide to incorporate newer mango varieties with desirable flavor characteristics, such as Palmer (a premium mango variety with little or no fibre in its flesh), Osteen (with a distinctive deep red or purple color and lacks fibres in its sweet flesh), Shelly (almost smooth, sweet flesh), May (a smaller, round mango with deep yellow flesh and delicious taste).
Avocado

The ‘Hass’ avocado received its name from Rudolph Hass, a postman in Whittier, California, USA. In the 1920s, Rudolph Hass planted an avocado tree in his yard. The variety’s development was almost an accident: Hass planned to cut the tree down after he was unable to successfully graft other varieties to the tree. According to the California Avocado Commission, the children of Rudolph Hass insisted the tree remain, for they liked the avocados better than the avocados from the family’s ‘Fuerte’ tree.

Even today Hass Avocados continue to surpass Fuerte and all other varieties as the preferred export avocado. Although Hass Avocado was well-suited to southern climates only, Total Exotics now offers a year-round program with Hass Avocado including a strong contingency program to enable to ripen the best quality by using products of the middle of the seasons. By doing so, we control continuous high quality of our ripened and packed products. The rich, nutty flavor originally has persisted as ‘Hass’ cultivars were improved for cultivation in Spain and Israel, as well as in various southern hemisphere production areas.

Besides the highest quality of the Hass variety, there are still markets driven by greenskin avocados. Therefore, Total Exotics drives year-round availability of greenskin avocados as well.
Avocados more expensive in Chile than in the Netherlands

Chile is the world’s second largest producer of Hass avocados, with the fruit being a regular part in the diet of Chileans, but the recent price increases could force some consumers to look for alternatives.

Retail prices, which usually stand around 1,600 pesos ($2.50) per kilo, have recently doubled. At the web portal of JUMBO supermarket, of CENCOSUD group, a kilo currently costs 3,290 pesos ($5.24).

At Jumbo, one of the country’s most important supermarkets, a kilo costs 5.24 dollars.

Meanwhile, in the Netherlands, a non-producing country, avocados cost just 0.89 Euro ($1.01) per unit. Taking into account that a kilo equals approximately 5 standard calibre fruits, the price per kilo at the Dutch supermarket JUMBO would be of about $5 (4.45 Euro); cheaper, and with the added value of being ready to eat.
KENYA: Pioneer of grafted mango now enjoying boosted income

by Vincent Mbatuk, Standard Digital News

Even after losing a lot of money in trial and error ventures, Paul Kendagor would not stop experimenting with farming. His latest passion is grafted mangoes of which he is a pioneer in his Nolwet Village, Mogotho sub-county in Baringo County.

![A section of Mango farm belonging to Paul Kendagor at his Nolwet farm, Baringo County on.
Photo courtesy of Boniface Thuku, Standard Digital News](image1.png)

When grafted mangoes were introduced in the area in 1980s, he was one of the first farmers to register and received a few seedlings, which he multiplied to 300 plants.

"I was among the first farmers to come on board. Many tried their hand but gave up along the way. I chose to remain focused and determined," he says.

Much as he is now successful, he says the journey has not been easy.
NEPAL: Banana production drops due to plant disease

by Binod Bhandari, eKantipur

Banana growers who have been earning a good income after going into commercial farming are worried after their crops were attacked by a disease that has led to reduced output.

According to the farmers, the plants have been turning pale, the stems are infested with pests and the roots have rotted. Although they have been using chemicals to prevent the disease from spreading, they have had no effect. Agricultural experts are reported to have urged the farmers to sow new plants.

The plant disease has caused concern as commercial banana farming has helped to improved the living conditions of the people in the region. A large number of farmers here had switched to banana farming and left their traditional crops due to the large income it offered.

According to them, a bigha of land yields a banana harvest worth Rs 300,000 (USD 3,000) after deducting production costs while the same piece of land produces rice worth a mere Rs 20,000 (USD 200). Farmers said that they could increase their earnings three-fold by growing bananas compared to the income they made from paddy plantation.

Farmers in recent days have been complaining that production has gone down due to the disease spreading among the banana plants. “The production has been badly hit by the disease,” said Sujaya Gautam from Dangihat, Morang.

Banana farming started in Dangihat four decades ago. Over the period, more than 500 farmers here have taken up banana production on plots ranging in area from 10 katthas to 10 bighas. Gautam said banana cultivation had dropped to 10 bighas of land from more than 200 bighas earlier.

Around 1,500-1,600 banana saplings can be planted on a bigha of land. The fruit can be harvested in 14 months, up to which time the production cost can amount up to Rs 200,000. As per the farmers, an average of Rs 480,000 (USD 4,800) can be earned from selling bananas produced on a bigha of land.

Gautam said the Kathmandu valley was the main market for the local products. “Due to the disease, there could be a shortage of Malvog bananas, a premium type of banana,” he said.
AUSTRALIA: Researchers work to wipe out virus crippling banana industry

Banana Freckle Virus has crippled crops across the Northern Territory and teams are working around the clock to eradicate it before it spreads further.

The disease significantly reduces the growth of leaves and bunches of fruit on trees, as well as impacting appearance.

The only way to stop the virus is to destroy all banana plants.

"I acknowledge that whether it’s banana plants or other plants in the garden, there’s an attachment to it, and a decision to have those plants removed is very difficult," State Controller Kevin Cooper said.

The first phase is removal, then from April all banana plants will be banned for one year before being reintroduced in 2016.

From then, each plant will come with a permit and it is likely the initial round of trees will be free.

An eradication team is making its way through the suburbs at a rate of 100 backyards each day to remove an estimated 8000 trees.

They are now halfway through the mammoth job.

"They’ve been great, they’ve been respectful, they’ve been efficient – and very careful about explaining the whole issue and it saves me a dump run," Banana plant owner Ilana Eldridge said.

Source: 9News
UGANDA: How mobile phones saved bananas from bacterial wilt

by Anna Scott, The Guardian

Bananas are a staple food in Uganda. Ugandans eat more of the fruit than any other country in the world. Each person eats on average 700g (about seven small bananas) a day, according to the International Food Policy Research Institute, and they provide up to 27% of the population’s calorie intake.

But since 2002 a disease known as banana bacterial wilt (BBW) has wiped out crops across the country. When plants are infected, they cannot absorb water so their leaves start to shrivel and they eventually die.

![Banana plants being sold at a market.](image)

Bananas for sale at a village market in Uganda.

*Photo courtesy of Ivan Vdovin/JAI/Corbis/The Guardian *

It's easily spread by tools like panga's and knives not being cleaned after chopping infected crops, and bees transferring nectar between plants. Some farms have lost up to 90% of their yields, with estimated national loss as being up to $360m (£235m) per year.

Many have had to destroy their plantations, as Desiderio Lwanyaga, a farmer in Kyabazala, told IRIN: “I lost 10 acres of banana to the disease ... I had to abandon banana farming for a while, though it was our source of food and money.”
Vietnam importer ‘regrets’ Australian fresh fruit ban

One of Vietnam’s key importers of fresh fruit has expressed its ‘regret’ at being unable to accept fruit from any Australian states since January 1.

“Vietnam has appreciated for years the good quality of Australian fruits: Midnight Beauty, Thompson, Crimson and Red Globe grapes [in particular],” notes Nghia Pham, head of sales with the NC Group, Ltd (www.thisisncc.com). These are specific early season black grapes traditionally popular with the Vietnamese market. But the import of fruit from Australia has not been allowed since early January, due to concern from the Vietnam government over the presence of fruitfly in Australian crops.

The Vietnamese market base has been discouraged, and consequently consumers in general have been put off, according to Mr Nghia. While a number of fruits have been impacted by the ban, table grapes and cherries are two of the hardest hit. The table grape industry within Australia stands to lose as much as $33 million, thanks to the ban, while only about a third of intended of exports of cherries to Vietnam was able to go to its intended home in Vietnam before the ban came into effect. That means an opportunity loss of around $2.3 million.

When it comes to cherries, New Zealand growers have “won the advantage,” through exclusive supply while both Australian and Chilean cherries are out of the game due to there being no import permit, unfortunately for them, admits Mr Nghia. South Africa and Peru are supplying the missing grapes that would come from Australia.
NZ: Growers confident fruit fly an isolated case
The latest outbreak of Queensland fruit fly has Waikato fruit growers worried, but they are confident the pest will remain contained in Auckland and eradicated. The region grows a wide range of fruits and vegetables on which the fly feeds, including blueberries, apples, avocados and kiwifruit. While the.....
PERU: Organic bananas afraid of Euro situation

“Last year, we exported 92% of what we produced to Europe, but this year we are reducing our volume of shipments to European destinations to 75% because we are afraid of what might happen to the Euro,” said Aingeru García, manager of APPBOSA.

PERU: Mangoes, asparagus undergo phytosanitary controls to enter Korea, China

Peru's Agriculture Ministry welcomed South Korean and Chinese delegations of phytosanitary organizations to discuss the entry of Peruvian mangoes and asparagus, respectively, into their markets.

USA: Binational committee formed to open for South African avocados

Executives representing the top Hass avocado companies in the United States and South Africa announced during Fruit Logistica in Berlin the establishment of the U.S.-South Africa Avocado Committee.
AUSTRALIA: Hot water dips offer hope in battle against post-harvest papaya disease

by Carmen Brown, ABC

Researchers trialling hot water treatments for disease control in Fijian papaya crops say the technique could also help Australian growers reduce their post-harvest fruit losses by up to 60 per cent.

The papaya industry loses up to 35 per cent of its crop to post-harvest diseases each year.  
*Photo courtesy of ABC*

About a third of Queensland’s wet season papaya crop is lost to post-harvest diseases such as anthracnose and stem rot each year, costing farmers thousands of dollars in lost production.

Dr Robert Henriad, from the Queensland Department of Agriculture, said the Fiji trials demonstrated just how beneficial hot water dips could be for growers in northern Australia.
Flowpack (with printed foil or stickered), Nets (with printed nets)
“In PMA’s initial program launch announcement, it was stated that the eat brighter! tagline draws parallels between the characteristics of the Sesame Street brand and fresh produce – using adjectives like healthy, brilliant, alive – with a clear call-to-action that drives consumers toward a healthier lifestyle. This partnership is aimed at fostering a positive relationship between the Sesame Street brand and fresh produce.”
Postharvest handling – banana export market
Packaging for the export market
Packaging – Chinese retail market
Niche market – immature jackfruit
Reduction of post harvest losses
– On farm packaging, good Handling

• On farm packaging to minimize handling
• Direct contract with supermarkets
• Farmers groups involved
• Quality assurance - premium
Reduction of post harvest losses
– Good handling,
- on-farm packaging

• On farm packaging to minimize handling
• Direct contract with exporter
• Exported to Singapore – air
• Quality assurance - premium
Training on vacuum fry tropical fruit chip production for Fijian participants in Indonesia
AGRICULTURAL VALUE CHAINS

PRODUCERS
- Land Tenure System
- Consumer Trends

INTERMEDIATE COLLECTORS, TRADERS
- R & D

LARGE SCALE PROCESSORS
- Business Regulations
- Finance Policy

WHOLESALERS
- Trade Standards
- Tax and Tariffs

LOCAL MARKET
- Institutional Customers

DOMESTIC MAIN MARKETS
- Export Market

INPUT SUPPLIERS
- Market Information
- Financial Services
- Quality Assurance
- Upgrading Standards
- Logistics

BUSINESS AND EXTENSION SERVICES
(Adapted from: Hellin, J and Meijer, M. Guidelines for value chain analysis)
Observations:

- The market factor – products targeted to consumer group, market segmentation, expanding middle class
- Smallholders’ inclusion into the value chain and the market system
- Element of price determination and market
- Postharvest losses throughout the value chain ...30 - 40% ?
- Seasonal production – glut, go for mixed crop?
- Lack of appropriate technologies – varieties, production methods
- Increased incidences of pests and diseases
- Export markets – SPS requirements
- Competitiveness
Key issues in tropical fruit development

- Infrastructure development
- Requirements for certifiable international production, food safety and quality standards
- Smallholders integration into value chain
- Post harvest losses
- Pest and disease outbreaks – related to climate change
- Lack of appropriate production technologies
- Transfer of technology
- Compliance to Sanitary and phytosanitary regulations for the export market
- Economic viability - competitiveness
CONCLUSION

• Institutionalize growers – cooperatives, farmers groups
• Participatory approach for stakeholders
• Prioritize research and development
• Direct private sector linkage
• Capacity building for growers and other stakeholders – transfer of technology
• Availability of market information
• Credit facilities for equipment, technology
• Appropriate policy formulation – especially on SPS quarantine and biosecurity issues
• Infrastructure development
THANK YOU...