



HORTICULTURE FOR EXPORT MARKETS: CHALLENGES AND OPPORTUNITIES

**Undercover Farming Expo
6-8 March 2012**

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OUTLINE

- **Introduction**
- **Exports Products & Markets**
- **Logistics**
- **The EU Market**
- **The USA/AGOA Market**
- **Constraints and Challenges**
- **Conclusion**

ABOUT ZEGA

- ZEGA established in 1984 as a non – profit making org to promote the collective interests of all growers wishing to export fresh horticultural produce
- ZEGA is a professional, private and independent body
- Presently has 15 registered exporters comprising family businesses and companies
- Most farms within 60 km radius of KKIA
- Exports to EU market based on duty-free, quota-free market access - Preferential



AIMS AND OBJECTIVES

- Provide an efficient and adequate airfreight service
- Co-ordinate the purchase of seasonal inputs, chemicals, packaging, etc.
- Provide technical support training to members
- Facilitate expansions, new investments and provide information about the industry
- Investment and Trade Promotional activities
- Lobby Government and other bodies

THE ZEGA CLUSTER

ZAMBIA EXPORT GROWERS
ASSOCIATION
COMPRISING 15 MEMBERS

- Business Support Organisation
- Zega Code of Practice

ZEGA LIMITED
10% ZEGA
90% MEMBERS & OTHERS

- Export Documentation
- Clearing and Forwarding
- Palletizing of produce
- Cold Chain Facility
- Cold Chain Management
- Aircraft Ground Handling

NRDC/ZEGA
TRAINING
TRUST

- Manpower Development
- Export Horticulture
- Over 3,500 trained

ZEGA AIR LIMITED
40% ZEGA
60% ZEGA LIMITED

- Air Freight Contracts
- Space Booking
- Air Service Permits

EXPORT PRODUCTS

- **Mange-Tout Beans**
 - **Fine Beans**
 - **Baby Carrots**
 - **Runner Beans**
 - **Sugar Snaps**
 - **Table Grapes**
- Also available as organic**

- **Tender-Stem Broccoli**
- **Baby Corn**
- **Okra**
- **Spring Onions**
- **Chilli Peppers**
- **Sweet Peppers**
- **Pepper Dew**

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- **Over 40 varieties of Rose Flowers**

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- **Summer Flowers: solidago, gypsophilia, liatris, ammimajus, flower bulbs**

Export Products



Asparagus

Length: 135 - 155mm

Width: 5 - 7.5mm

Pack size: 2kg

Packaging: Each product is packed in recyclable virgin material, supplied in a uniquely colour orientated outer.



Runner beans

Length: 180mm – 250mm

Pack size: 250g

Packaging: Micro perforated bag specifically designed to meet product respiration rates without causing undue moisture retention.



Sugar snap

Length: 50 –60mm

Pack size: 2 kg

Packaging: Each product is packed in recyclable virgin material supplied, in a uniquely colour orientated outer



Fine Beans

Length: 100 - 110mm

Width: 5 - 7.5mm

Pack size: 2kg

Packaging: Each product is packed in recyclable virgin material, supplied in a uniquely colour orientated outer

Export Products



Passion fruit

Numbers per pack:
48 or 56

Pack size: 2kg

Packaging: Each product is packed in recyclable virgin material supplied, in a uniquely colour orientated outer



Mange tout

Length: 60 – 90mm

Pack size: 2 kg

Packaging: Each product is packed in recyclable virgin material supplied, in a uniquely colour orientated outer



Baby corn

Length: 90mm

Width: 10 – 18mm

Pack size: 125 or 250g

Packaging: Microwaveable polypropelene coloured trays available in clear, green or black and wrapped in micro perforated film.



Red Chilli

Length: 50 – 80mm

Diameter: 20 – 30mm

Pack size: 2kg

Packaging: Each product is packed in recyclable virgin material supplied, in a uniquely colour orientated outer.

Export Products





Export Markets

A. FLOWERS

- Holland, Germany- mainly direct markets
- UK super markets & S. Africa – Flora Link
- All produce subject to phytosanitary inspection
- For the EU market quarantine pest is *Thrips Palmi*
- Local supermarkets

B. VEGETABLES

- The UK – Tesco's, Asda, Sainsbury, and others
- South Africa, Holland, Germany, France
- All produce subject to phytosanitary inspection for pests and other diseases
- The emerging Local Supermarkets

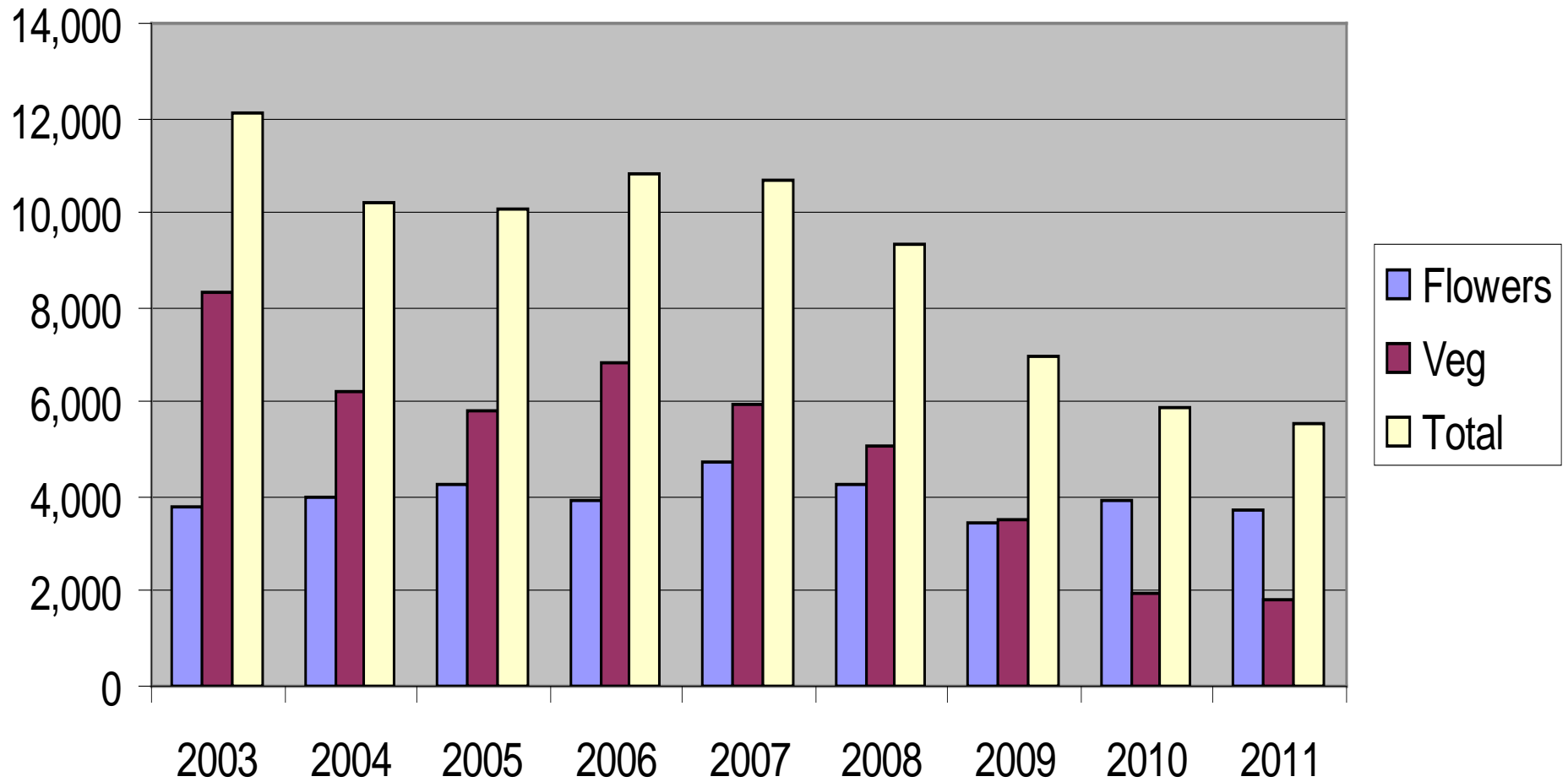
LOGISTICS - 2005

- **DAY 1** **CLX747F** **40 TONS**
- **DAY 2** **SA 737 F** **16 TONS**
- **DAY 3** **SA 737 F** **16 TONS**
- **DAY 5** **MKA 747F** **30 TONS**
- **DAY 6** **SA 737F** **16 TONS**
- **Additional capacity on passenger airlines:
BA, KQ to EU market**
- **All exports by AIR through ZEGA, Lusaka**

LOGISTICS - 2012

- DAY 1 SA 737 F 16 Tons
- DAY 2 Morgan F 10 Tons
- DAY 3 SA 737 F 16 Tons
- DAY 5 SA 737 F 16 Tons
- DAY 6 SA 737 F 16 Tons
- DAY 1 Rollex-Sa 10 Tons
- DAY 5 Rollex-Sa 10 Tons
- Rollex Road trucking of vegetables to South Africa then air freighted to Europe
- Passenger: KQ, BA, EK, KLM: May 2012

EXPORT VOLUMES (TONNES)



THE EU FLOWER MARKET AND SPS

- Market based on Duty and Quota–Free entry
- 2003 – plant inspections introduced for roses for *Thrips Palmi* (Quarantine Pest)
- 2005 - Introduction of 100% inspection rate for rose flowers
- 2005 - Significant increases in plant inspection fees based on increased inspection rate
- Plant inspection fees substantially paid by the Zambian exporters and not EU importers
- Effect on competitiveness – Increased costs of product ; unfair trading practices
- Current inspection rate 10% on roses - 2007



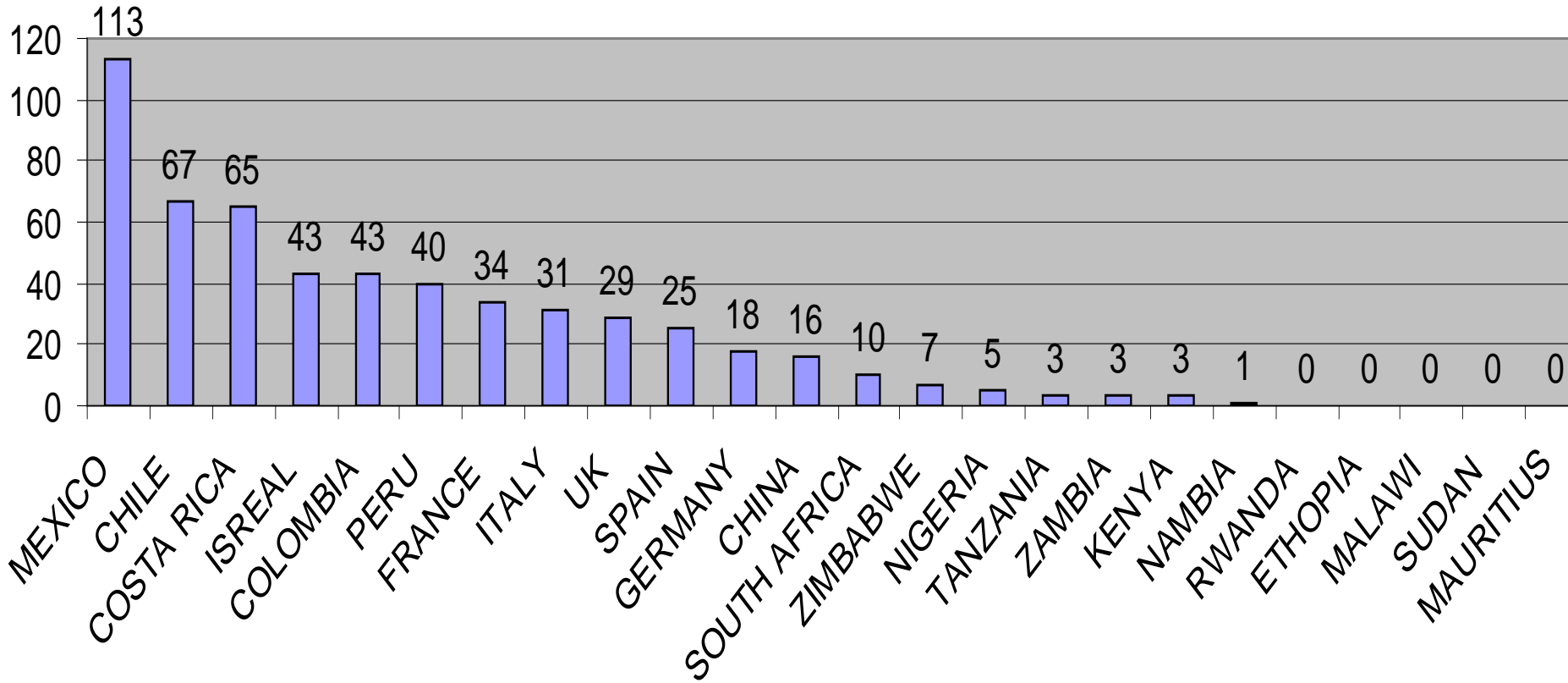
Minimum EU Requirements for Reduced Frequency

- Sufficient experience, that is,
 - > 600 inspections over past 3 years
- Large enough trade, that is,
 - > 200 consignments p/yr over past 3 years
- Enough information on this trade, dossier, number of harmful organisms intercepted, kind of harmful organisms intercepted, etc
- Risk based and level of confidence in exporting country

AGOA MARKET AND SPS

- Accords duty and quota-free market access to virtually all products by Sub-Saharan African (SSA) countries. This is stated to be the largest and most liberal single market in the world
- Promotes export diversification through duty and quota-free market access. 6,400 products
- Question: What about admissibility of horticultural exports from AGOA countries to US market? Are measures based on science and risk assessment based?

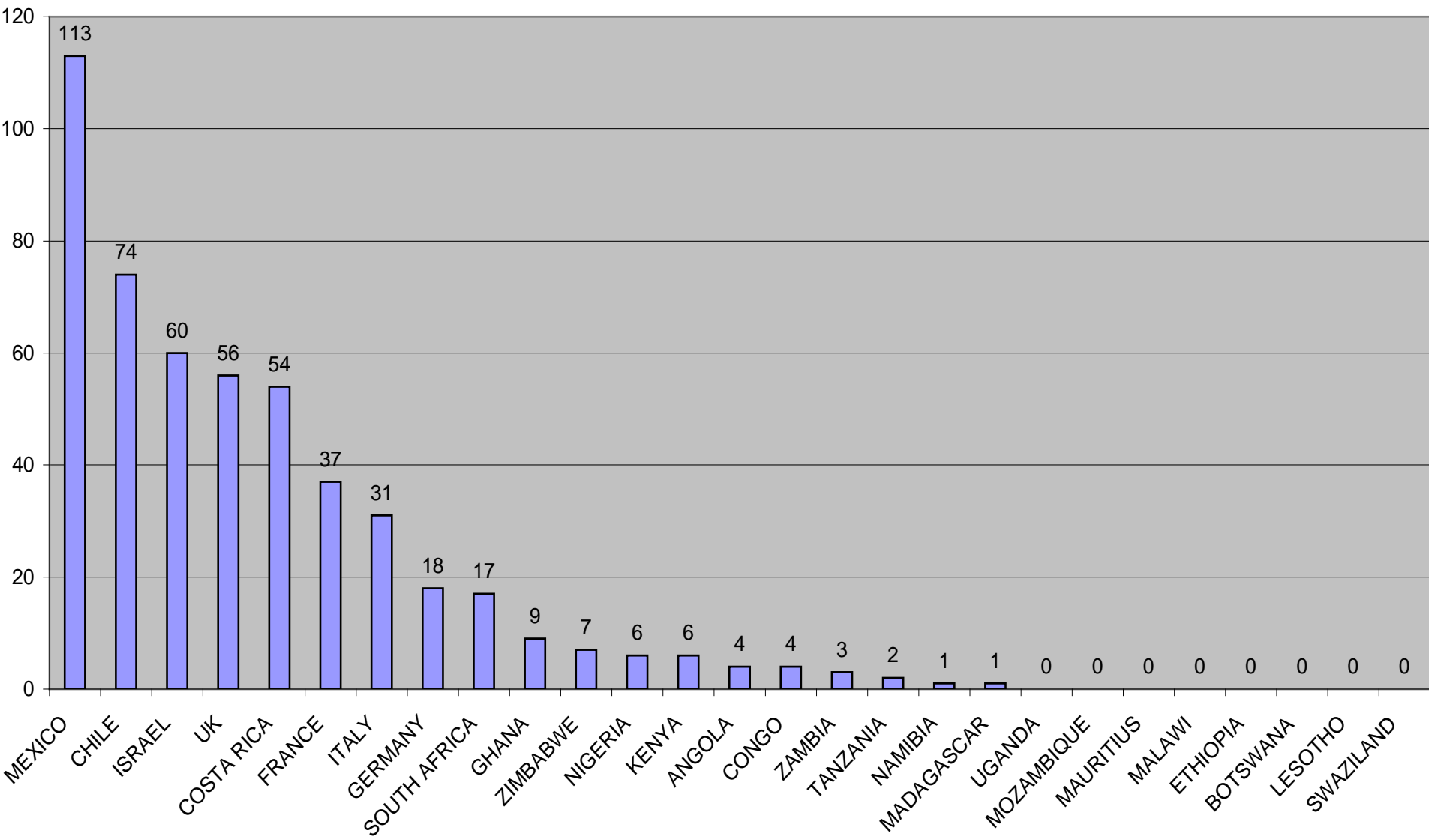
Admissible fruits and Vegetables under AGOA



Source:USDA - APHIS as at 30th April 2007



Admissible Fruits & Vegetables USA

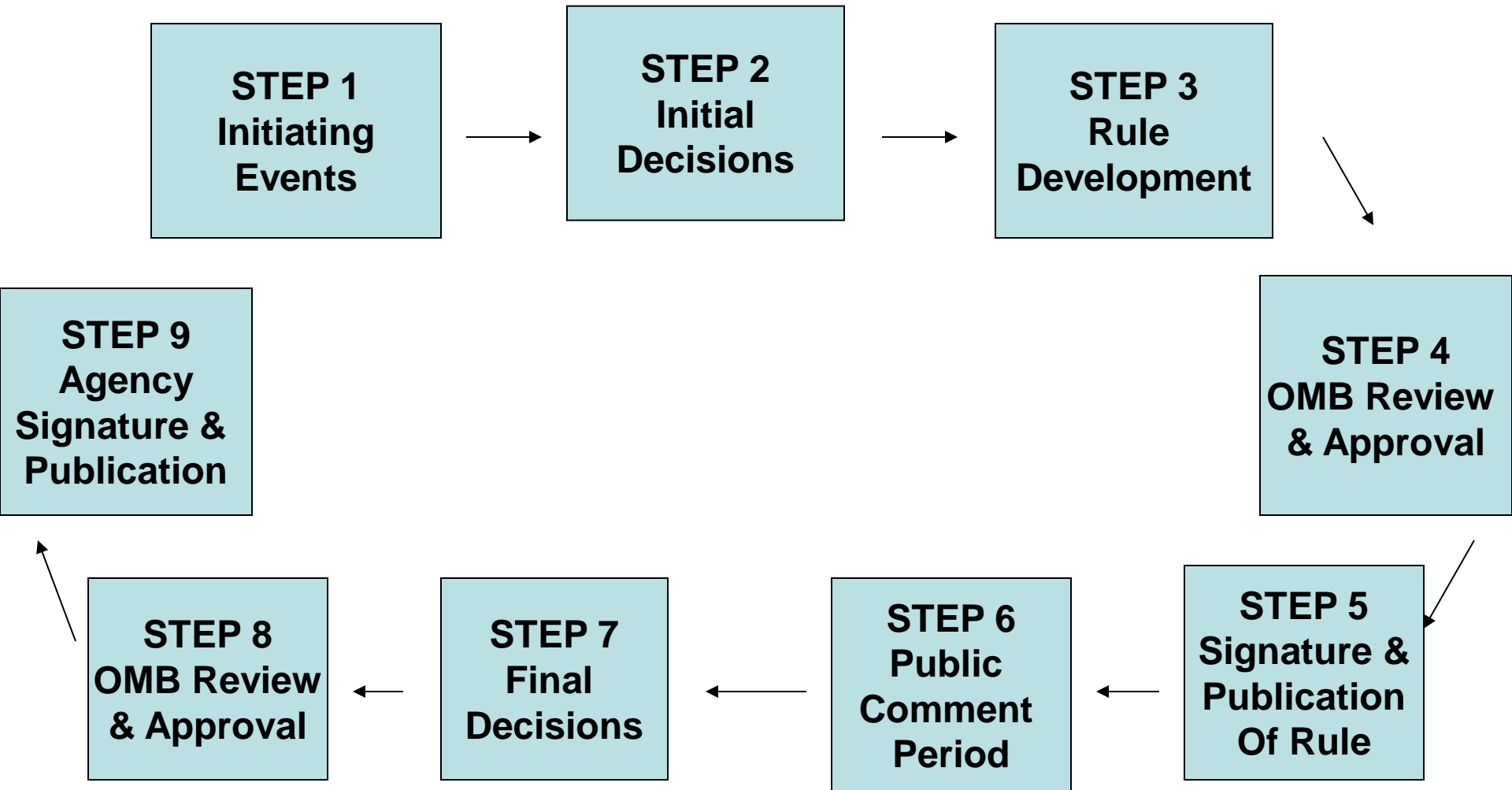




Permits

- Permits are required under specific USDA and Plant Health Inspection Service Regulatory Authorities to Import designated plants; plant products and soil into the US
- Permits are required for importation into the US and transit through the US of regulated plant and plant products for consumption or propagation.

The Regulatory Process





Challenges to Market Access

- **High Cost of air freight, power deficits, currency instability**
- **Increasingly stringent SPS measures - PIP**
- **Markets subject to Pest Risk Assessments**
- **Multiplicity of standards Globalgap, BRC, ETI, MPS, Fairtrade, Leaf, Social Audits, etc – No Harmonisation**
- **MRLs, Traceability, Conformity (see notes below)**
- **Discriminatory enforcement of standards**
- **High cost of training and certification**
- **Cold Chain Management - Quality**
- **Dependency on duty & quota- free EU market – Find alt markets**
- **SPS Inspections, costs, Border management delays?**



Challenges (cont'd)

- **Increasing demands on quality – sourcing shifting to Asia, Latin America**
- **Demands on quality becoming more stringent but no increase in product prices -sustainability at risk**
- **Little understanding of impact of standards on producers – small producers most vulnerable**
- **SA market restricts flower imports to 100,000 stems – melons, sweet peppers, chillies, grapes - out**
- **‘Buy Local’ campaigns, carbon foot-printing, food safety issues – eg, Ecoli crisis 2011 major challenges**

Conclusion

- Trade impediments from standards, SPS measures in overseas markets
- Dependency on EU market cost industry during Global Recession
- Small Growers – participation reduced
- Need to develop domestic and regional markets under SADC, COMESA, EAC
- Mobilise financial and technical resources to build, strengthen capacity of PQPS infrastructure and producers
- Need for increased trade and integration with regional economy

THANK YOU

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