

Market Prospects, Opportunities and Challenges for Tropical Fruits



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and Tropical Fruits**



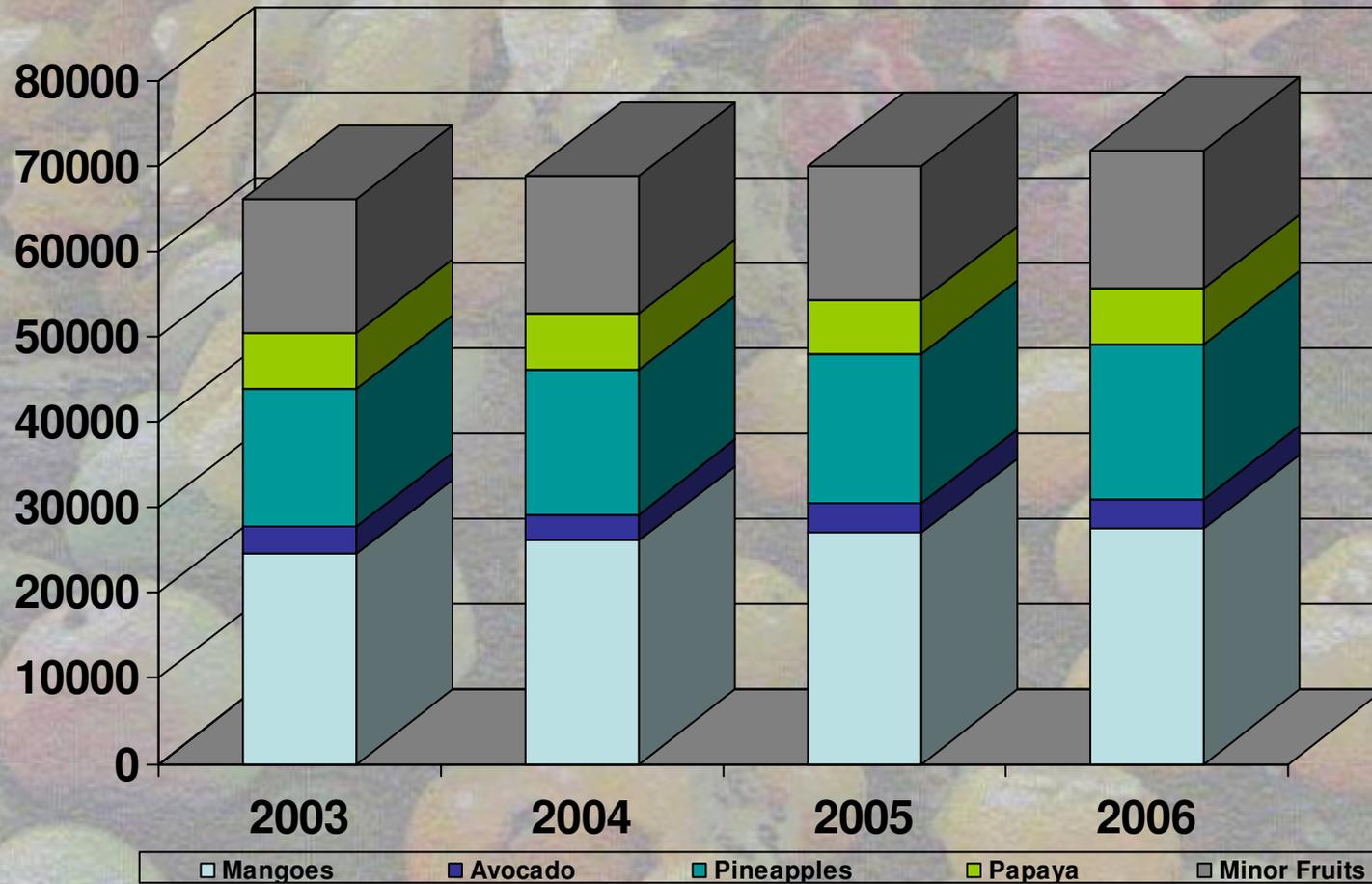
Market Prospects, Opportunities and Challenges for Tropical Fruits

- ❑ They are a relatively cheap and ready source of vitamins and minerals which are important nutritional components.
- ❑ Perceived by developing countries as representing viable options for diversification from traditional export crops, which have experienced downward trends in prices.
- ❑ However, international trade prospects are subject to uncertainties, some of which derive from the very success of export efforts of the pioneers in the field

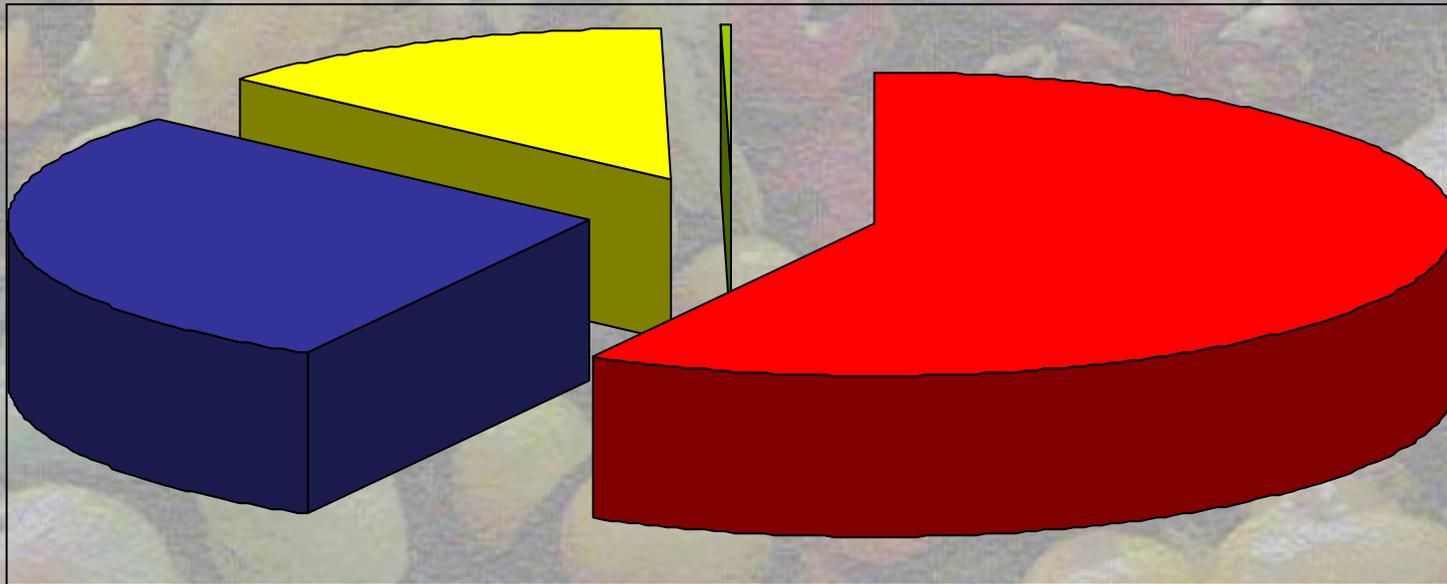


Tropical Fruits-Production by type, 2003-2006

(Thousand tonnes)



Share of Major Tropical Fruit Production by Region - 2006

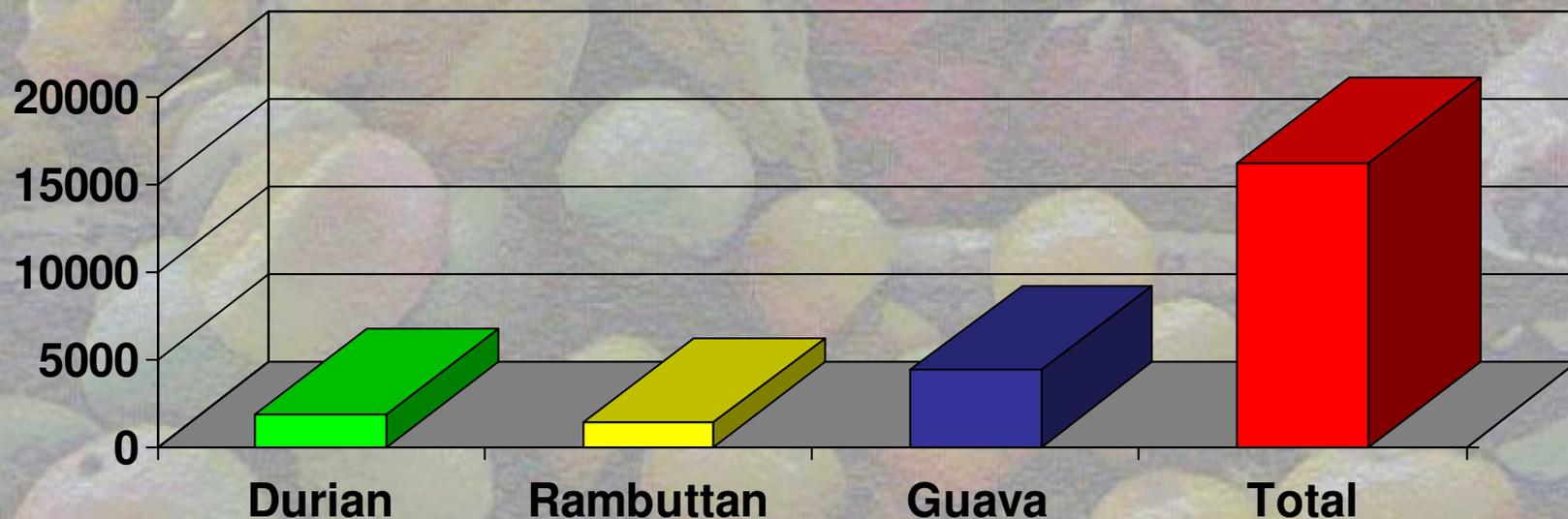


■ Asia ■ LAC ■ Africa ■ Oceania



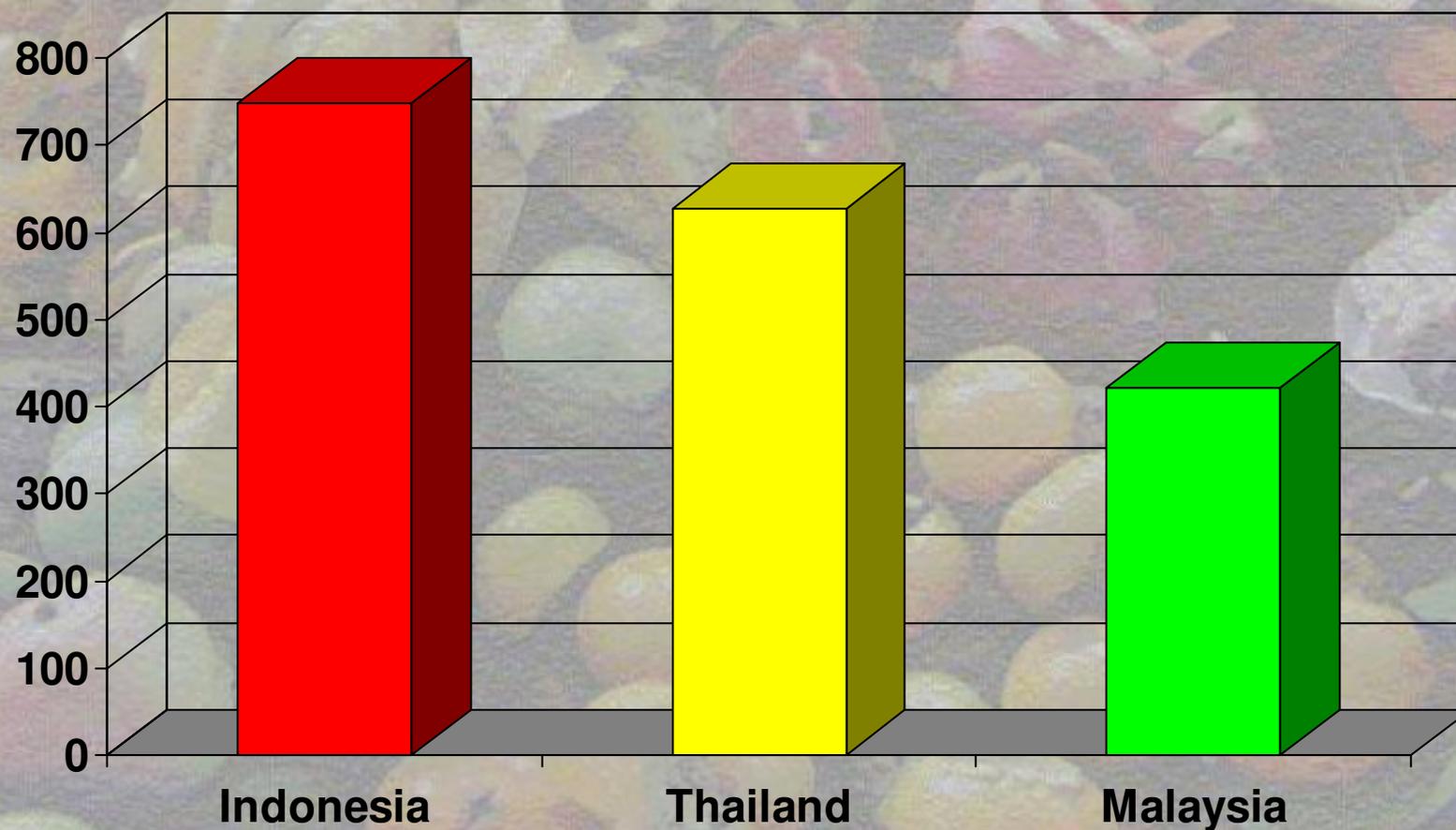
Minor Fruit Production - 2006

(Thousand Tonnes)



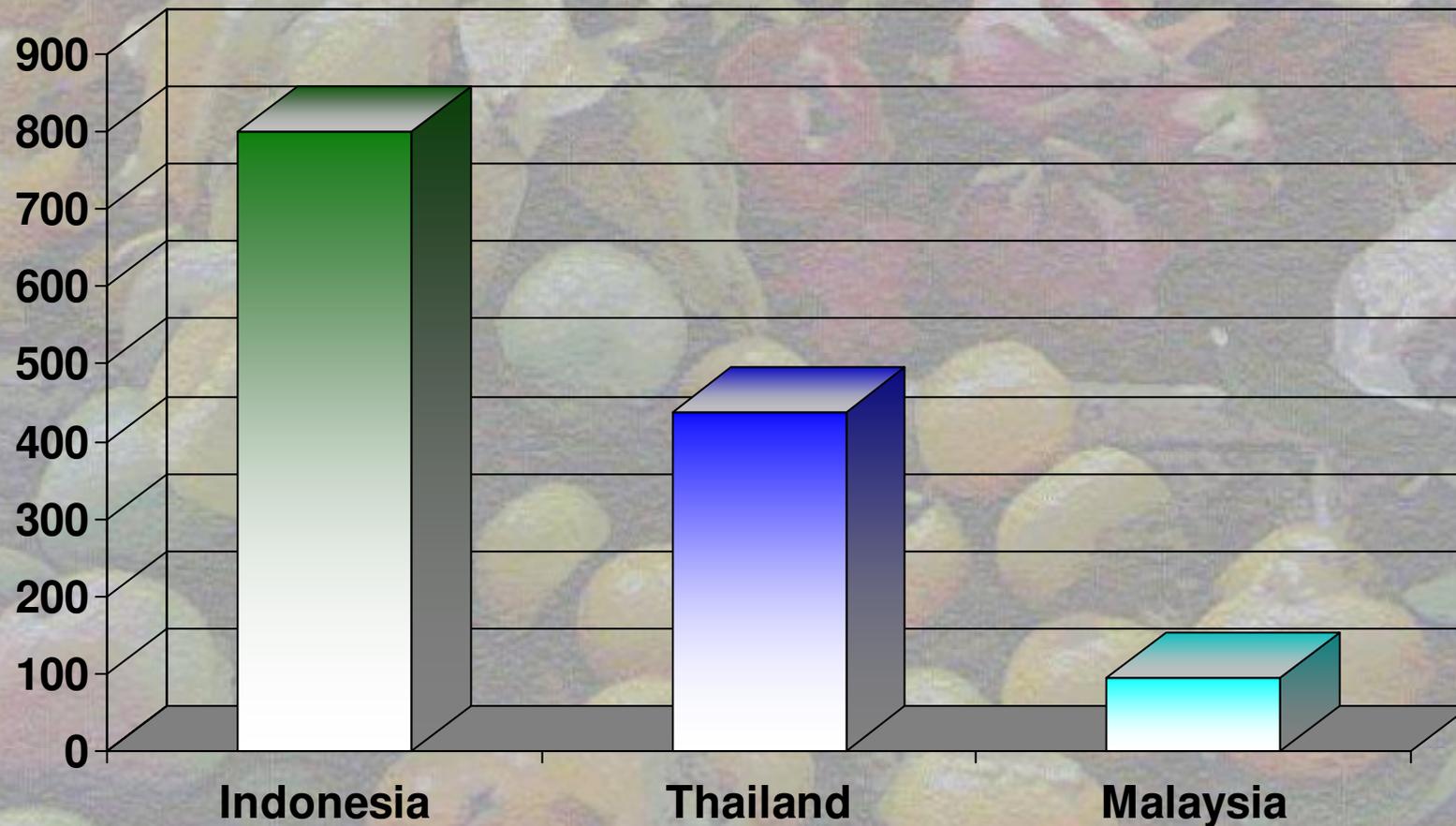
Durian Production – 2006

(Thousand tonnes)



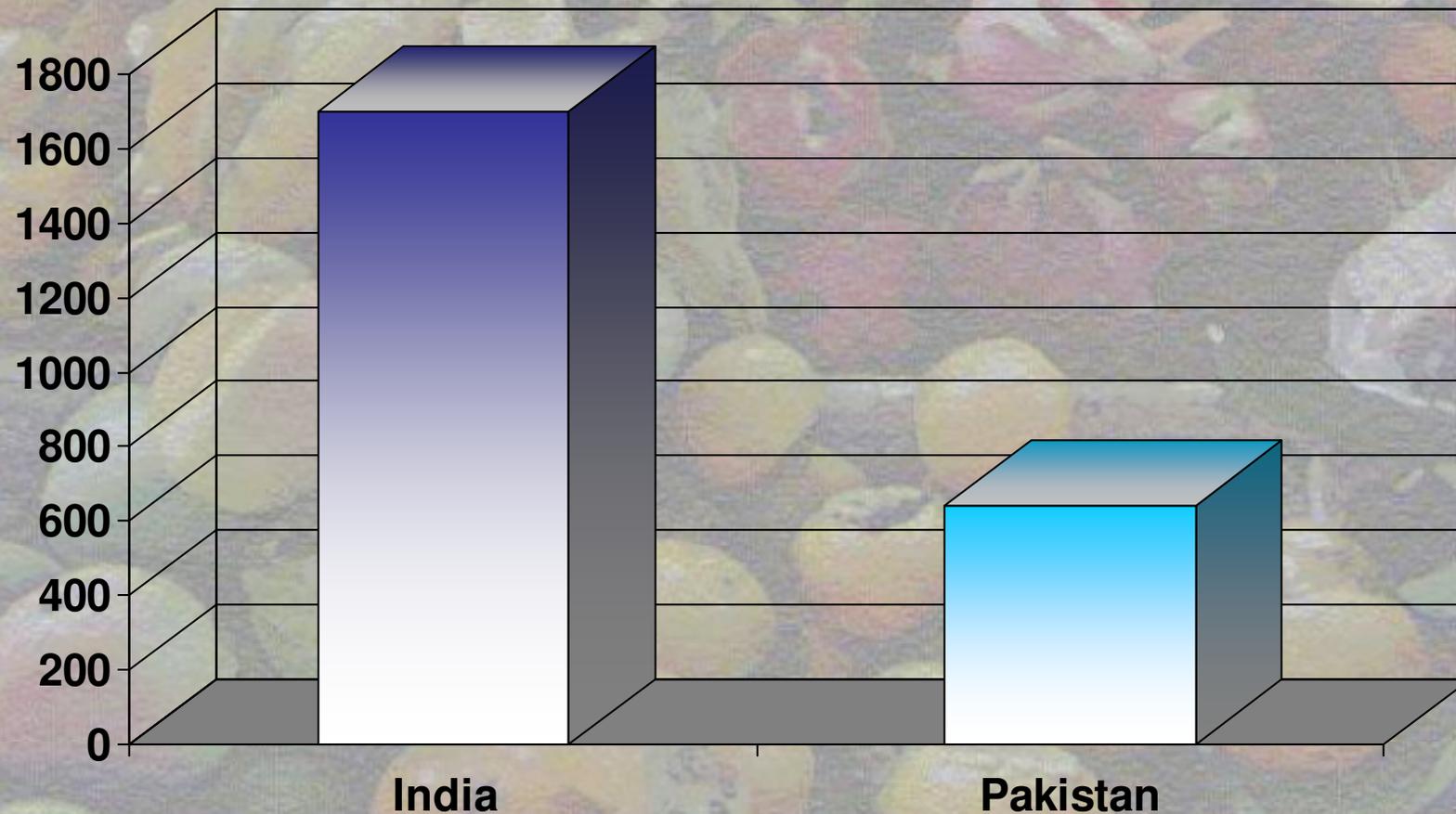
Rambuttan Production – 2006

(Thousand tonnes)



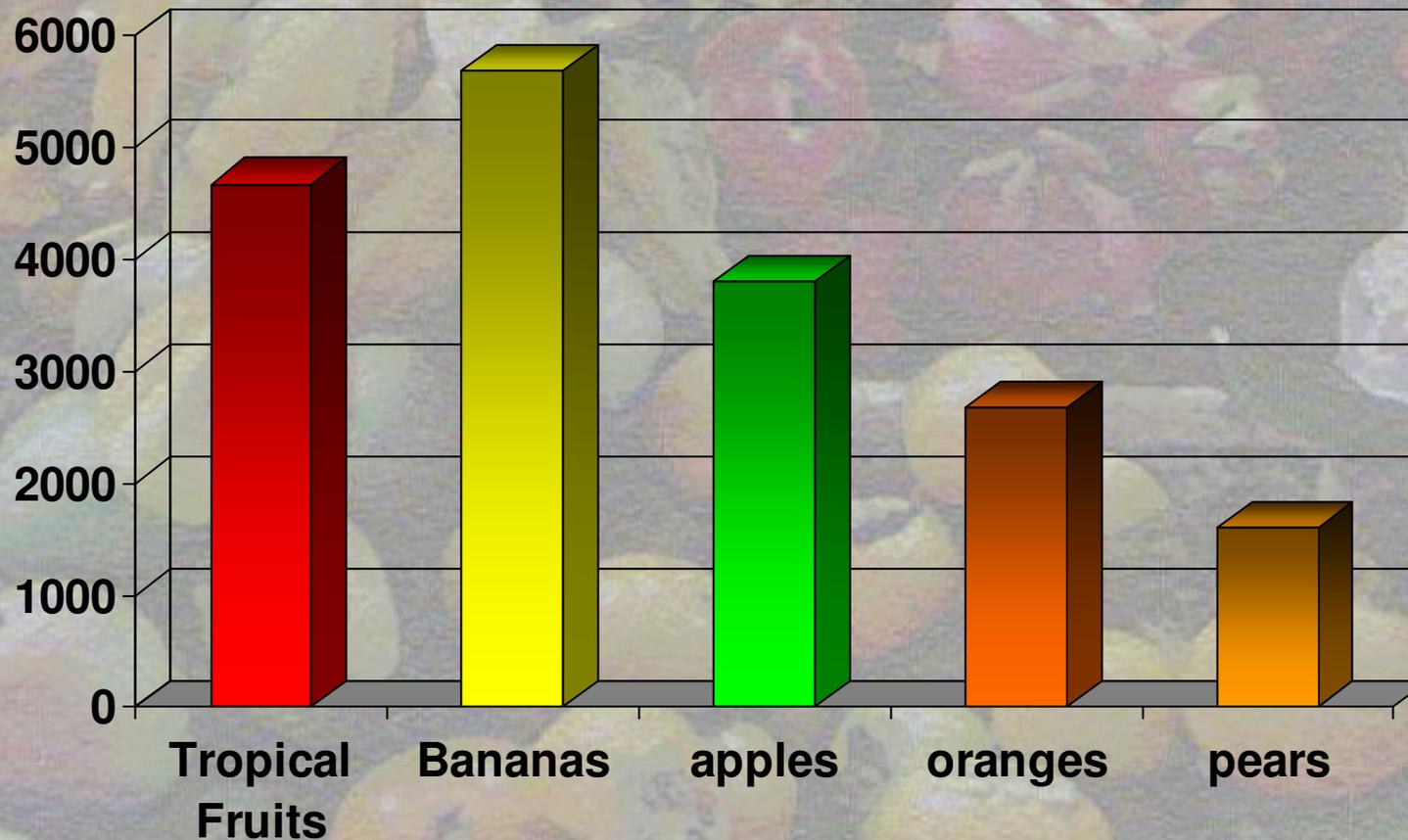
Guava Production - 2006

(Thousand tonnes)



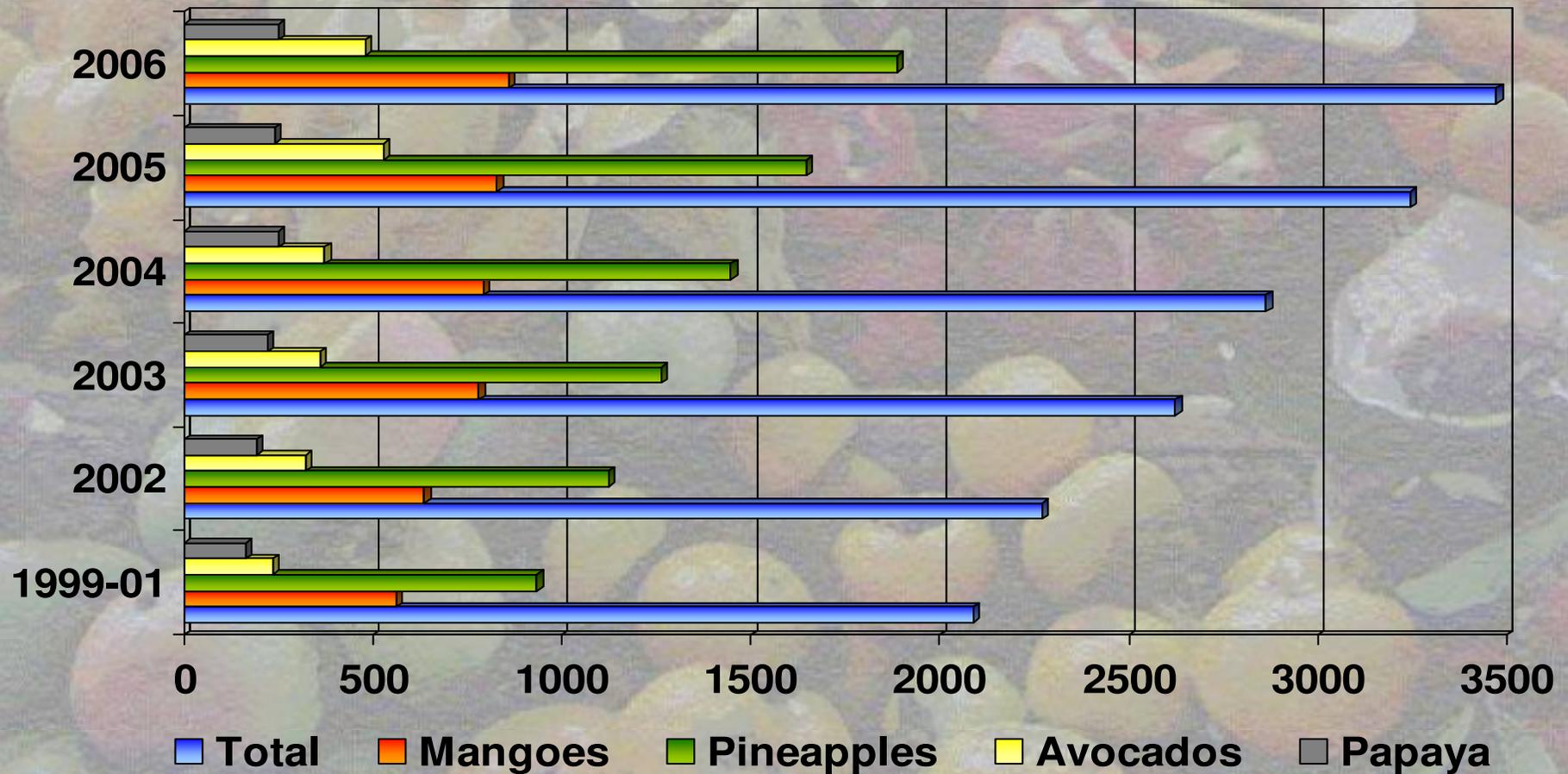
Trade Value – 2006

(US \$ million)



Fresh Tropical Fruits Imports

(Thousand tonnes)



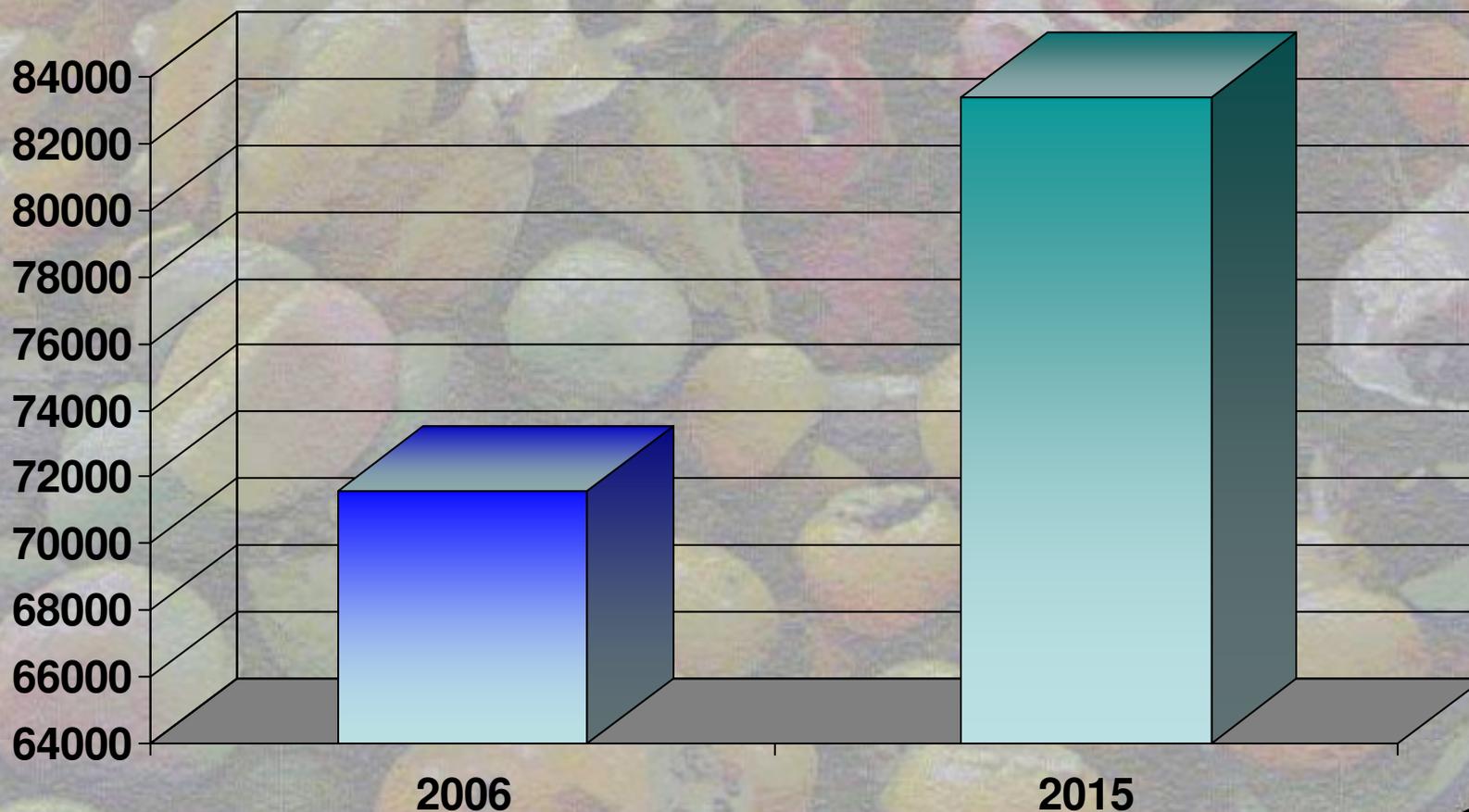
MEDIUM-TERM OUTLOOK

- ❑ **Dynamic time series models used for projections**
- ❑ **Assumptions included :**
 - **normal weather conditions would prevail**
 - **past trends in planted areas, yields, GDP growth and population would continue.**
- ❑ **Adjustments made to the forecast results to reflect current trends, policies and future market prospects**
- ❑ **Projections do not account for processed fruit, due to lack of trade information and conversion factors between fresh and processed forms**



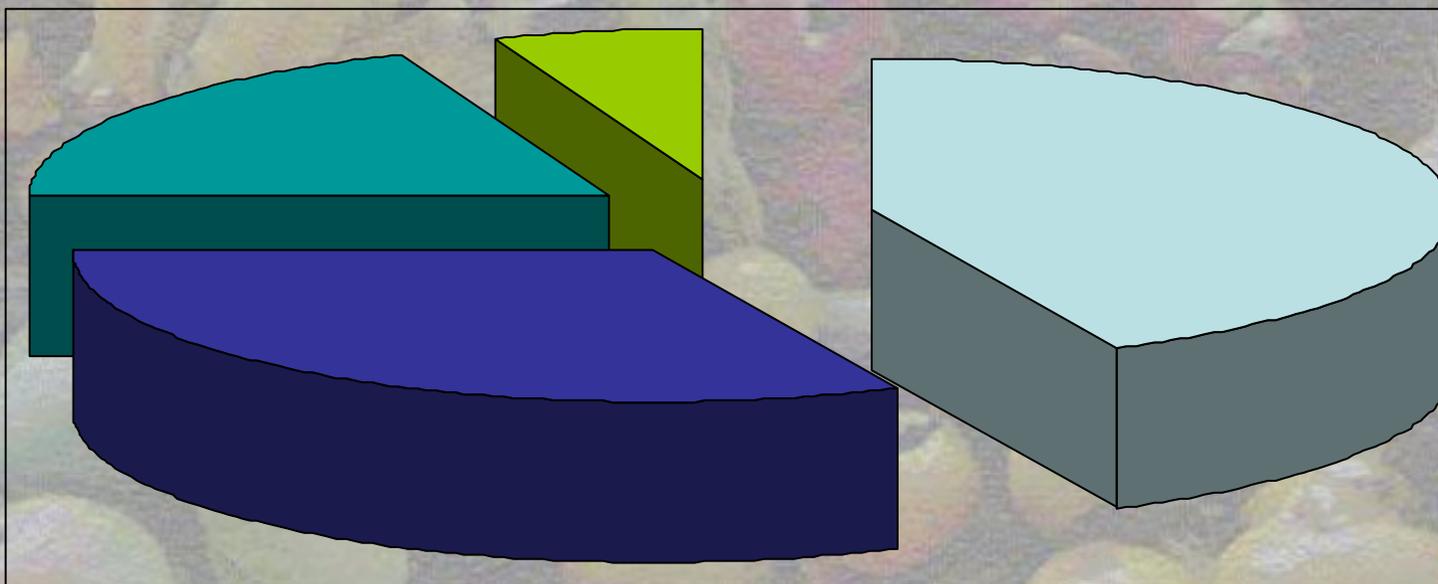
Projected Production to 2015

(Thousand tonnes)



Projected Production by Variety - 2015

(Thousand tonnes)

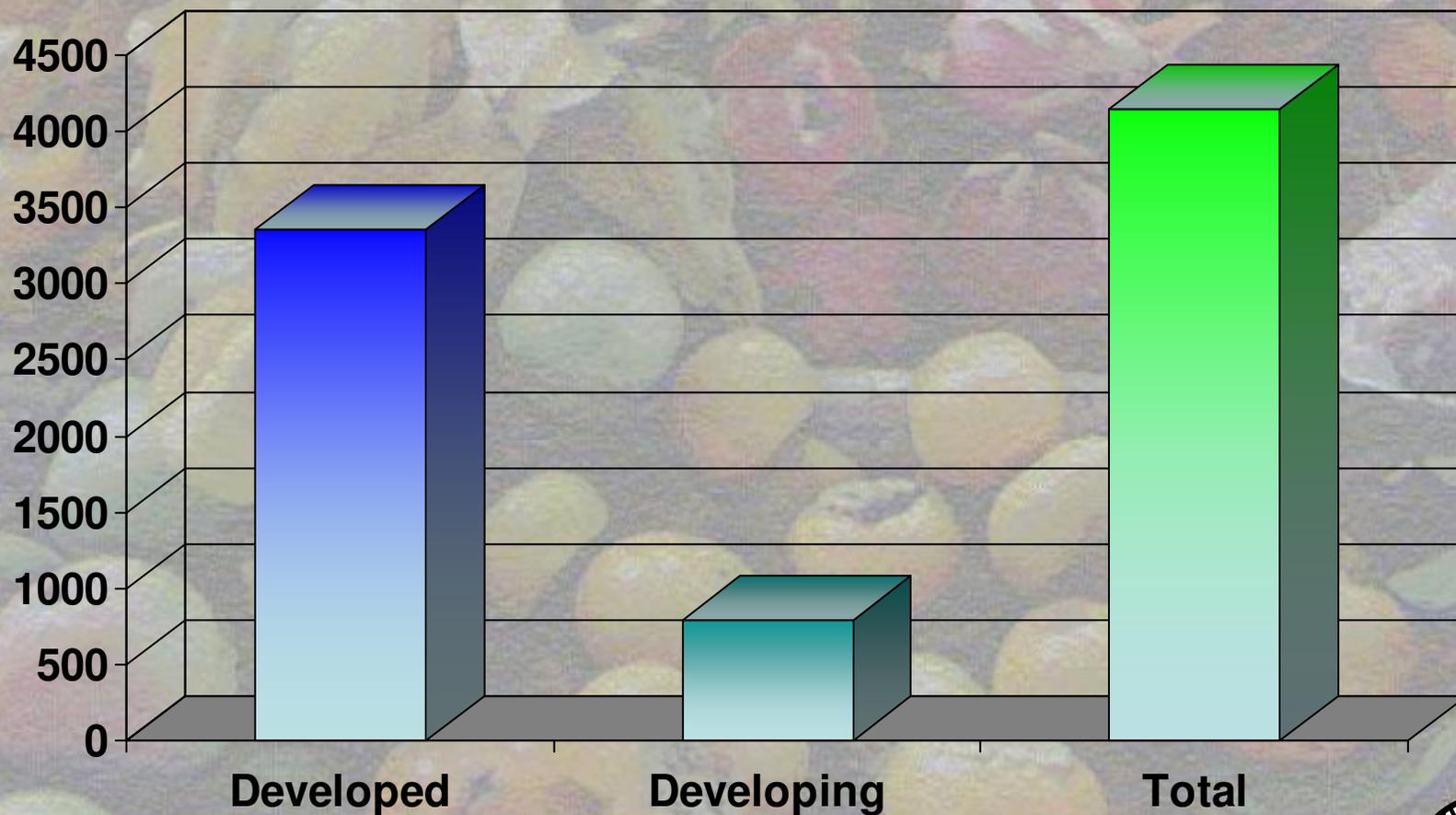


■ Mango ■ Pineapple ■ Papaya ■ Avocado



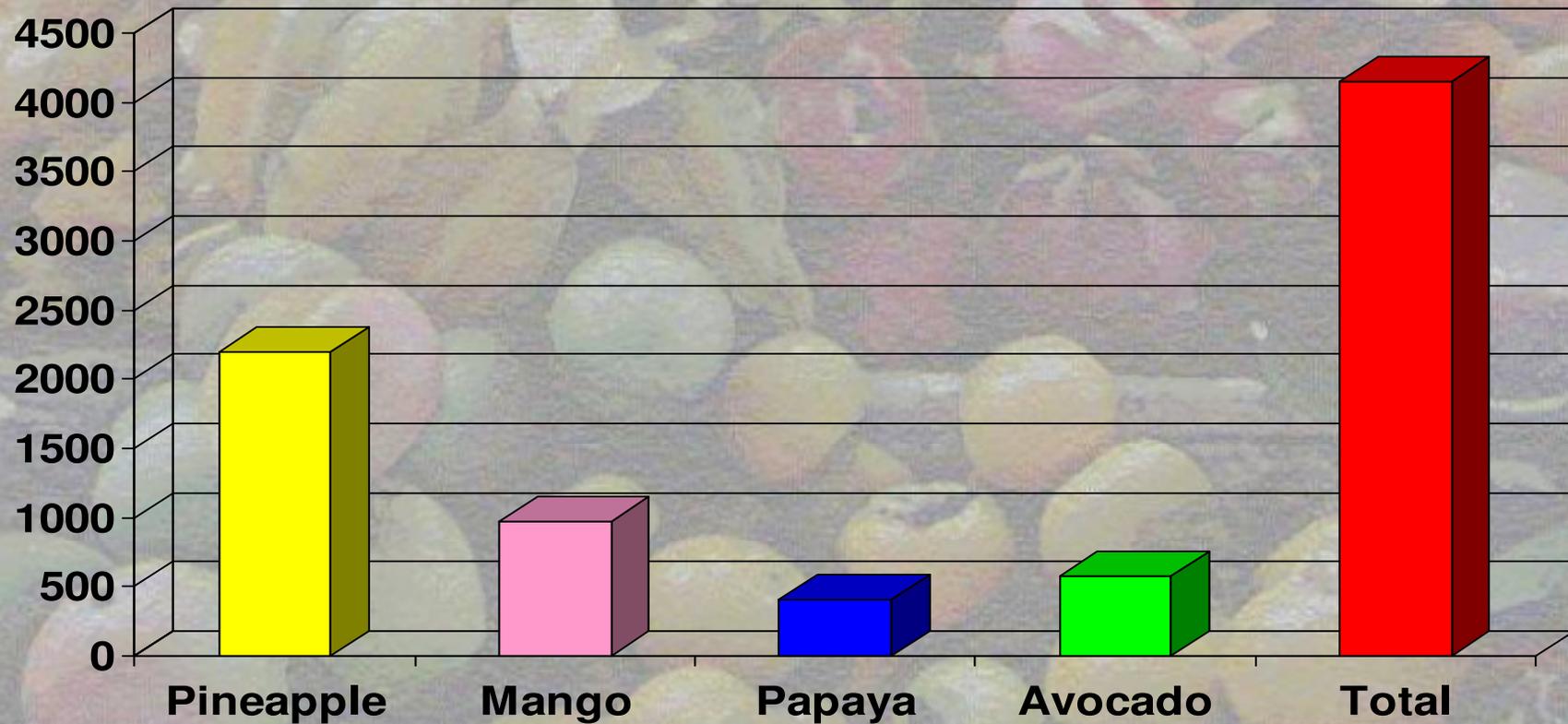
Projected Import Demand by 2015

(Thousand tonnes)



Projected Import Demand by 2015, by Variety

(Thousand tonnes)



CONCLUSIONS

- ❑ Projections suggest ample opportunities exist
- ❑ Forecasts of economic growth underpins continued growth in consumption.
- ❑ A significant development is the increasing share of fresh compared to processed fruits traded, taking advantage of advances in post harvest technology.
- ❑ These developments have enabled tropical fruits to compete at the upper end of the market, maximizing earnings through the sales of fresh fruit in a segment where unit prices are at a premium.



CONCLUSIONS - Contd

- ❑ Tropical fruit market has evolved significantly
- ❑ Price premiums based on novelty have been replaced by quality based premiums.
- ❑ Hikes in oil prices have eroded profit margins but costs not passed to retailers because of the intense competition in the fruit trade as evidenced by high price elasticities of demand.
- ❑ Major challenges for future market growth are related to coordinated management of the field-to-market-supply chain.
- ❑ Issues related to food safety, pest and disease control as well as quality should find a proper balance between cost and demand.



CONCLUSIONS - Contd

- Phytosanitary measures are of concern
- Although market access and sanitary issues are of importance, compliance is not as problematic
- Challenges in WTO on scientific and equivalency grounds are common
- Cost of treating fruit for exports could be a limiting factor
- Must be clearly linked to supply outputs



CONCLUSIONS - Contd

- ❑ **Prioritization of the activities to better allocate resources and improve the effectiveness of the services rendered.**
- ❑ **Cognizance must be taken of the negative impact of the cost/price squeeze on production.**
- ❑ **Supply chain costs have also increased with the rise in processing and distribution costs, mainly due to fuel costs.**
- ❑ **To improve longer-term structural conditions - need to develop action-orientation programmes to expand demand and reverse the downward pressure on world prices.**
- ❑ **To be discussed tomorrow.**

Thank you!!!

