INTERGOVERNMENTAL GROUP ON BANANAS AND TROPICAL FRUITS AND THE COMMON FUND FOR COMMODITIES

WORKSHOP ON

Opportunities and Challenges in the World Markets for Fruits and Tropical Products

in cooperation with the
Trade Promotion Centre of the Chinese Ministry of Agriculture

Guangzhou, China
29 November – 1 December 2007
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<tbody>
<tr>
<td>ACP</td>
<td>Africa, Caribbean and Pacific</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>BAPNET</td>
<td>Banana Asia and Pacific Network</td>
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<td>BARNESA</td>
<td>Banana Research Network for East and Southern Africa</td>
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<td>BBTV</td>
<td>Banana bunchy top virus</td>
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<td>CFC</td>
<td>Common Fund for Commodities</td>
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<tr>
<td>ESTM</td>
<td>Commodity Markets, Policy Analysis and Projections Service, Market Assessment of Raw Materials, Tropical and Horticultural Products Group, Trade and Markets Division</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<td>FDI</td>
<td>Foreign direct investment</td>
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<td>INIBAP</td>
<td>International Network for the Improvement of Banana and Plantain</td>
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<td>IPM</td>
<td>Integrated pest management</td>
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<td>ISHS</td>
<td>International Society of Horticulture Science</td>
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<td>JMPR</td>
<td>Joint FAO/WHO Meetings on Pesticide Residues</td>
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<td>MRL</td>
<td>Maximum residue limits</td>
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<tr>
<td>PCARRD</td>
<td>Philippines Council for Agriculture, Forestry and Natural Resources Research and Development</td>
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<td>R&amp;D</td>
<td>Research and development</td>
</tr>
<tr>
<td>RECINESA</td>
<td>Regional Cashew Improvement Network for Eastern and Southern Africa</td>
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<td>SPS</td>
<td>Sanitary and phytosanitary</td>
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<td>TFNet</td>
<td>Tropical Fruits Network</td>
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<td>WHO</td>
<td>World Health Organization</td>
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I. INTRODUCTION

An FAO/CFC workshop; “Opportunities and Challenges in the World Markets for Fruits and Tropical Products”, was held in Guangzhou, China, from 29 November – 1 December 2007. The workshop was organized by FAO and the CFC in cooperation with the Trade Promotion Centre of the Chinese Ministry of Agriculture. It was both a capacity building seminar and a consultation exercise that aimed at discussing priority areas of intervention on bananas and tropical fruits. Recommendations of these priorities will be put forward for the consideration of the Intergovernmental Group on Bananas and Tropical Fruits, as well as its Sub-Groups for adoption at the next session of the Group scheduled for 2008. The workshop also discussed, formulated and recommended priority areas of intervention for CFC projects in its third Five Year Action Plan 2008-2012.

The workshop was attended by some 40 participants from FAO, the CFC and 20 countries from Africa, Asia and the Pacific, Latin America and Europe.

The workshop highlighted the latest developments in technology, market structure, and trade policies in tropical fruits and their processed products. Trade in fresh and processed tropical fruit products had increased dramatically over the last 15 years, with average annual rates of growth in excess of 4 percent per annum. This growth had been accompanied by changes in production technology, market structures, consumer preferences and trade policies, all of which were intertwined and difficult to analyse separately. This complexity posed many uncertainties and challenges to producers and policy makers in developing countries, who found it difficult firstly to understand the current situation and secondly to transform these changing trade environments into opportunities.

All the presentations and papers of the workshop were available on-line at the following address: http://www.cafte.gov.cn/english/NEWSROOM/5815.asp.

II. OPENING

In welcoming the participants to the workshop, Mr Kaison Chang, Secretary, Intergovernmental Group on Bananas and Tropical/Senior Economist (Commodities), ESTM, expressed sincere appreciation to the Trade Promotion Centre of the Chinese Ministry of Agriculture for co-hosting this workshop with the CFC and FAO and for extending their warm hospitality to all. He encouraged all the participants to be actively engaged in the consultation aimed at discussing priority areas of intervention on bananas and tropical fruits, as the exercise was critical to better allocate limited resources and improve the effectiveness of the services rendered. He emphasized that 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 rising fuel costs. To improve longer-term structural conditions in the world market, the Sub-Groups needed to develop action-orientation programmes to expand demand and reverse the downward pressure on world prices.

Mr Ni Hongxing, Deputy Director-General of the Trade Promotion Centre of the Ministry of Agriculture welcomed the participants on behalf of the Government of China and highlighted the importance of capacity building on market developments and strategies and trade in fruits and vegetables for developing countries.

Mr Caleb Dengu, Project Manager, CFC, described the vision of the CFC concerning the third Five Year Action Plan, and the main market features of tropical fruits. He pointed out that from the point of view of consumers demand for fresh fruits was linked to lifestyle considerations, whereby health and weight concerns played a major role. The retail segment was concentrated on supermarket distribution channels, which offered excellent opportunities to these products, as their product layout suggested that the sale of these products was more lucrative than others. When entering a supermarket, consumers were first forced to pass through the fruits and vegetable stands before they move to other sectors of the shops. In other words, they were exposed to fruits and vegetables as they entered and before purchasing or allocating their expenditure to other products in the supermarket. Therefore, one of the major challenges for the CFC was to improve the effectiveness of small farmers in getting their produce to the supermarkets more
efficiently in terms of logistics, the cold chain, organization of producers and quality assurance, certification and traceability.

III. SESSION 1 – MARKETS FOR TROPICAL PRODUCTS

A. Bananas

Mr Shangnan Shui, Economist (Commodities), ESTM, presented the medium term outlook on the production and trade of bananas. He underlined the major changes in world trade flows in recent years, the structure of markets along the supply chain and the rise of fair trade and organic bananas. The major challenges ahead were how producers would benefit from production expansion and trade growth, the competition from other fruits and the effects of environmental, trade and food safety on production, trade and consumption. Professor Hewett (New Zealand) asked why production expanded under declining prices, to which Mr Molina, the representative from Bioversity, said that he used to work for a banana multinational, and sometimes investments were made under the expectation of an expansion of markets that never materialized. For example, he mentioned that in the 1990s they were looking at transitional economies in Eastern Europe. Another example mentioned was expectations from the Philippines for sales to the Near East. Mr Asfaha from the South Centre asked about the assumptions of the model on policy changes, in particular a possible erosion of tariff preferences for bananas in ACP countries, and Mr Shui indicated that the model did not assume any policy changes during the period. The representative from South Africa noted that other factors may have a bearing on the projections, including policy, currency exchanges or changes in market structure with companies selling plantations and concentrating on trade, and thus exposing farmers to higher risks due to variations in weather conditions. Some countries asked for statistics on production in Tanzania, Burundi and Uganda.

B. Citrus

Mr Pedro Arias, Economist (Commodities), ESTM, presented the medium term outlook for citrus fruit. He indicated that although the results were preliminary, the projections suggested that the northern hemisphere market for fresh oranges would remain relatively stable in the medium term, but that a difficult market situation of declining prices may be envisaged for southern hemisphere exporters. Prices of easy peelers would decline in Asia, but remain stable elsewhere, provided that suppliers continue innovating through the release of new varieties. Lemon exports would increase, and prices would remain relatively firm due to a sustained demand from northern hemisphere countries. The fresh grapefruit market would experience a period of instability due to, on the one hand, declining consumer preference for this product, and on the other, a destabilized supply caused in recent years by weather-related phenomena. The orange juice market would remain relatively stable in the medium term with firm prices, and Brazil may lose some market share to Argentina, South Africa, Australia and China.

The implications of these results for strategy settings were first, that developing countries should aim at achieving their full potential in terms of labour cost advantages, for example via lifting constraints on production and market infrastructure, including storage and transportation. A second area of relevance was the vulnerability of citrus crops to pests and diseases, which should be handled through regional networks, and if possible in cooperation with producers from nearby regions. Producers in developing countries required technical assistance in order to be informed of regulations affecting export markets, and where production was free from banned pests and diseases, countries needed capacity and resources to establish certification systems that would open opportunities in northern hemisphere markets. A third area of concern was product quality, an issue that had gained increasing importance on world trade on all fresh citrus categories. Developing countries needed to ensure that their output was up to the challenge posed by the new trading environment; in particular they needed assistance to adapt their production systems to the requirements imposed by public and private standards. Finally, competition would become more acute, and fruit that did not meet changing market preferences for fresh produce should be processed. Opportunities should be explored for developing processing industries, possibly in cooperation with established producers, in countries that were experiencing declining farm-gate prices.
C. Tropical Fruits

Mr Chang presented the market prospects, opportunities and challenges for tropical fruits. He mentioned that the projections suggested that ample opportunities existed for the commercial development of tropical fruits, as demand for tropical fruits should continue to grow strongly, albeit at a slower rate than the previous decade. Yearly growth of tropical fruit imports were often very high, even for the more commonly traded fruits such as mangoes and pineapples. Current forecasts of general economic growth underpin the expected continued growth in demand confirming the recently observed consumption patterns. A significant development in the trade of tropical fruits had been the increasing share of fresh fruit traded compared to processed fruits, taking advantage of advances in post-harvest technology particularly in packaging and cool storage, as well as highly efficient logistics. These developments had enabled tropical fruits to compete at the upper end of the market, maximising earnings through the sales of fresh fruit in a segment where unit prices were at a premium, and contributing to the rapid rise in trade values. The tropical fruit market had evolved significantly since the 1980s, and with increasing maturity, price premiums based on novelty had virtually disappeared, to be replaced by quality based premiums. However, recent hikes in oil prices and their subsequent effect on freight rates had eroded profit margins. Traders were reluctant to pass on the costs to retailers because of the intense competition in the fruit trade where price elasticities of demand are high and could easily lead to substitution if prices were subjected to sudden increases.

Major challenges for future market growth appeared to be associated with a coordinated approach to managing the field to market supply chain, for both fresh and processed products. Issues related to food safety, pest and disease control, as well as quality issues related to size and appearance of produce, should find a proper balance between cost and demand.

Policy issues of concern are those on phytosanitary measures for fresh fruit exports. Although market access and sanitary issues were of importance, compliance was not as problematic as phytosanitary ones. Several exporting countries had actively challenged phytosanitary measures in major importing countries on scientific and equivalency grounds. In addition, the costs and benefits of implementing alternative treatment to methyl bromide fumigation were clearly linked to supply outputs and hence, could be a limiting factor to smaller producing/exporting countries.

D. Opportunities and challenges for smallholders

The item was introduced first by Dr Ni Hongxing on the development of China’s Citrus Fruit and Tropical Fruit sectors, and second by Dr Izham Ahmad of TFNet on Asia in general.

Dr Hongxing concluded that China’s production of tropical fruits had been on the increase since the 1980s due to Government policies (including market reform), infrastructure and the organization of farmers. Domestic demand had been rising thanks to higher living standards, and future growth potential was high. ASEAN Free Trade Zone had forced China to become more competitive, but bottlenecks existed both at production and processing levels. The main problems were poor fresh fruit quality due to backward production technologies and low levels of fruit processing. The Chinese Government was trying to develop agricultural industrialization and value addition. Policies included the relocation of production to suitable farmland, the development of breeding programmes, post-harvest storage and processing facilities and the establishment of professional associations nationwide.

Dr Ahmad of TFNet presented an overview of the opportunities and challenges for smallholders in Asia. The latter included production and productivity issues, compliance with international regulations and requirements, post-harvest handling technologies, market information, product development and diversification (for more information, please see his PowerPoint presentation). He insisted on the role of the private sector which he claimed had the experience and knowledge on market requirements and could assist smallholders in improving production and post-harvest handling. He finalized by reviewing the role of TFNet, a network of 91 members in 24 countries that provided training on production and market issues, managed projects, organized international conferences, seminars and workshops and disseminated market and technical information.
IV. SESSION 2 – NEW TRENDS IN MARKETS AND TRADE

A. Supply management: latest development for selected fruits and tropical products and their impact on growers

Errol Hewett, Emeritus Professor of Horticultural Science, Massey University, made an extensive introduction of New Zealand’s experience on supply management. Horticulture was now recognized as an important driver for economic development, poverty reduction and improved nutrition for populations in developing countries. Real opportunities exist for enhanced development, and experience had shown that successful stories were based on some key principles: understanding the market and consumer requirements, development of coherent supply chain management systems from farm to fork, development of systems enabling farmers to gain influence in marketing decision, and utilizing R&D and outreach programmes to remove production, post-harvest, quality and phytosanitary constraints.

B. Exploring the link between supply chain management and transaction cost: a case study evaluating export mango and smallholder banana marketing in the Philippines

Mr Albert Aquino, Director, Socio-economics Research Division of the PCARRD, presented a case study on mango exports that explored transaction costs and supply chain management in the Philippines. He highlighted the human and institutional dimension of the present logistics focused-supply chain work, concluding that the failure of farmers to stick to contractual commitments was due to cultural factors (opportunistic behaviour) and a loose legal environment. His presentation generated a heated discussion on the need to enforce contracts where cultural factors prevented stakeholders from honouring them. The participant from Zimbabwe said that this was not always the case and that in his country farmers decided that entering contractual arrangements with Tesco (a British-based international grocery and general merchandising retail chain) was more profitable than selling the produce through traditional channels.

C. Evolution of SPS measures for fruits and tropical food products originating in developing countries

Mr Samuel Asfaha, Programme Office, Commodities and Economic Diversification Trade for Development Programme, South Centre, described the evolution of SPS measures in the EU, noting that these had become more stringent due to increased scientific knowledge of health risks associated with unsafe food, high publicity of food safety crises and protectionism. He insisted on the need to review active substances and MRL harmonization: generic pesticides that most developing countries utilized were and would not be approved by the EU and that new MRLs of most fruits imported could be set at the lowest MRL. He said that developing countries did not have the mechanism for reviewing expired active substances, but Mr Chang pointed out that an FAO/WHO joint committee existed for pesticide residues (JMPR), which does consider results of field trials that were submitted to the Joint Committee, which then made recommendations to the Codex Alimentarius Commission on MRLs. He suggested that TFNet could coordinate this work in tropical fruits. To a question posed by Mr Molina, Mr Asfaha confirmed that farmers were being marginalized and/or excluded from trading because of SPS measures. The participant from Germany pointed out that EU legislation applied the same rules to imported and domestically produced fruits, and therefore harmonization was meant to provide a fair playing field for traders to compete. On the ban on pesticides, he said the EU could not be held responsible for something which they no longer produced.

D. Markets for certified products

Mr Arias made a presentation on the market for value addition certified products, namely organic and fair trade. While his presentation made special efforts to distinguish between the various types of private standards and SPS regulations, it was noted throughout the discussions that participants had difficulty differentiating between them. The CFC warned that one of the slides (Marks & Spencer – a British retailer – sells 100 percent coffee and tea) may be misinterpreted and that further qualifications were required. It should say that Marks & Spencer own brands were fair trade and that in addition they also sold some fair trade tea.
E. Challenges facing the banana industry and their impact on trade

Mr Molina of Bioversity described the transcontinental diseases that were a potential threat to the banana industry, concluding that disease control must be a globally concerted effort. An attempt was currently being made at mapping diseases in Asia, in particular there was a need to understand the spread of *fusarium*. Advances in molecular biology could make better progress, and early detection kits were being developed specifically for Race 4. The CFC wanted to know how Bioversity concluded that this was the most pressing problem for farmers, and Mr Molina replied that these were the outcome of networking amongst different National Agricultural Research Agencies (NARS).

V. SESSION 3 – COUNTRY REPORTS AND CFC PROJECT REPORTS

These included the following presentations:

A. Africa: Uganda, Malawi, Madagascar, Tanzania (cashew nuts/RECINESA)

The main feature of the cashew industry was that the nuts were sold raw to India, which then re-exported the processed nuts. Proposed development strategies should increase the bargaining power of farmers. This should be achieved through a combination of technical solutions (to increase production) and policies that improve the functioning of markets.

B. Latin America: Ecuador and Nicaragua (mangoes)

The main problems were irregular flowering, harvest “by approximation” and the use of banned agrochemicals. Proposed solutions included the determination of optimal harvesting time for each variety, flowering stimulation and the search for substitutes to parabutrazol.

C. Asia: Thailand, Vietnam and India

In Vietnam the proposed strategy consisted of increasing the quality of the produce, improve processing (packaging), link stakeholders along the chain, improve safety of food and produce according to recognized standards. Production levels were apparently not a constraint today, but could be in the future. In India, the strategy included economies of scale, reducing the number of intermediaries, contract farming, value added (post-harvest management) and organic products for export (traditional systems prevail). Government initiatives included market liberalization, removing restrictions on the movement, storage and marketing of horticulture commodities, supporting contract farming and allowing private players in setting up separate markets, FDI for processing, tax benefits and rationalization of customs systems.

VI. SESSION 4 – ROUND TABLE ON STRATEGIC PRIORITIES

A. International Tropical Fruits Network

TFNet declared that considering its expertise in developing information systems and disseminating information, they would like to be considered as a potential candidate for coordinating among developing countries, certification and SPS-related issues, such as the harmonization of MRLs. The participant from Kenya expressed his wish that countries could bypass the standards set by supermarkets. For example, in Kenya a parastatal organization existed with a mandate to set up standards, and it would have been ideal if they were involved in setting standards for supermarkets. Professor Hewett indicated that governments had no role to play on setting private standards. Associations of producers should be put to work on the issue. Ecuador indicated that the Association of Mango Producers were working hard on standards and had gained a reputation. The CFC insisted on the need to identify organizations that would coordinate at the national level the setting up of SPS measures.

The representative from Zimbabwe emphasized that the CFC needed to promote itself, making more effort to communicate its function to countries. He also noted in relation to R&D and market research
that initiatives should take into consideration market segmentation because here was where their survival was determined. He invited those present to visit the website of the Standards Association of Zimbabwe and proposed that the workshop comes “clean” on organic production. However, Mr Arias mentioned that FAO did not support any specific private standard.

The participant from Ethiopia noted that producers had not benefited from trade expansion, but traders have. Producers were poor, and there was a need to find ways to empower producers, for example through cooperatives. Empowerment would allow them to capture a greater share of the profit generated along the chain. He did not discard using professionals for this purpose.

The participant from Zimbabwe asked whether work should be done on market research, and perhaps the CFC could provide some funding. On value chains, the CFC pointed out that it did not support country-specific market problems. The participant from the Philippines noted that information demand was not so much for production but for real-time market information. Getting this information was difficult, and yet the management of market information was at the heart of commercial activity. The Philippines would like to see “a levelled playing field”. However, Professor Hewett explained that countries in the southern hemisphere found that prices fell significantly at overlapping production peaks from the southern hemisphere suppliers. They found that sharing information on expected shipping volumes stabilized prices. Although consistency of supply to the market was key to all players in the chain, supermarkets and other buyers paid better prices despite the seasonal patterns. The reason being that with information on volumes, supermarkets could devise appropriate marketing strategies. The initiative was industry wide (includes Ecuador, Brazil and Mexico), and all growers across a continent found that this strategy did not jeopardize private sector profitability.

The CFC enquired on whether there was any interest in futures market but there was no interest expressed.

B. International Society of Horticulture Science

Professor Hewett outlined the global horticulture initiative of the ISHS, which included seed quality/propagation material and improving market opportunities. Potential projects (both with training components) included Reduction of post-harvest losses and Seeds for Africa. They gave preference to the latter. Kenya noted that the seeds systems in some crops were not well organized and that post-harvest losses were of interest, for example in mangoes. Kenya would be particularly interested in working on value-addition.

The participant from India indicated that post-harvest losses were important and felt that the training they provided was inadequate. Commodity associations could perhaps be the actual channels that the CFC could help. The CFC asked how cost competitive ISHS was relative to other trainers in the area. Professor Hewett believed that trainers within the programme would provide training free of charge, but the details were not ready and that, in any case, it was a not-for-profit initiative.

The participant from Ethiopia said farmers in his country were small and not well organized. They needed to work together to deliver a good quality product. In other words, farmers needed to be organized, and he believed that commercially-oriented cooperatives was the way forward. Furthermore, farmers did not know about working together and needed to be taught. Participants from Vietnam and India agreed.

C. Bioversity

Mr Molina informed the workshop that China would host a workshop which Bioversity would organize with ISHS in 2008, and described their priorities in project proposals:

i) Fusarium and Pesticide Reduction Programme, an area in which the CFC had agreed to help. Stakeholders met in Costa Rica and had agreed that this was a priority. A number of pesticides would be decommissioned in the next few years, with potential loss of profitability by banana growers.
ii) Molecular biology for pest and disease control, a long term strategy.

iii) Addressing bacterial wilt, and how experiences in Asia could be transferred to help banana growers in Africa.

VII. PRIORITIES OF THE SUB-GROUP ON BANANAS AND THE SUB-GROUP ON TROPICAL FRUITS

Messrs Arias and Shui presented the priorities that were adopted by the Sub-Groups (in 1997 by the Sub-Group on Bananas and in 1998 by the Sub-Group on Tropical Fruits) and suggested additions that the workshop might consider. Participants at the workshop considered that the existing priorities as outlined by FAO for the work of the Sub-Groups on Bananas and the Sub-Group on Tropical Fruits, remained valid and recommended that these and the newly proposed additions be forwarded to the Sub-Groups for endorsement. The new priorities proposed included:

- Certification in all their forms, in particular value addition;
- Regional approaches to deal with pests and diseases;
- Farmers’ cooperatives or groups to help them improve, among others, quality, supply logistics and certification of their products to ensure better prices for their products; and
- Specifically for tropical fruits, “practical and effective strategies, including research and capacity building, to enhance market power of growers in supply value chains and to increase their income share stemming from growing production and trade”.

VIII. PROJECT PROPOSALS

Mr Chang presented a list of project ideas on bananas and tropical fruits, including the orphan commodities that come under each Sub-Group. These and other project ideas identified for possible CFC funding over its third Five Year Action Plan 2008-2012 included:

A. Proposals by FAO

i) Potential and limitations of banana markets in transitional economies
   Duration: Two years
   CFC financing require
   US $150 000 market case study of the Russian Federation, Ukraine and Belarus
   US$80 000 for workshop
   Proponent: FAO

ii) Adding value to bananas through processing in Latin America and the Caribbean
   Project feasibility study
   Duration: Three months
   CFC financing: US$ 50 000
   Pilot project
   Duration: Three years
   CFC financing: US$2 million
   Proponent: FAO

iii) Test-shipment of exotic banana varieties from Asia
    Project feasibility study
    Duration: Three months
    CFC financing: US$50 000
    Test-shipment of exotic varieties
    Duration: Three years
    CFC financing: US$1.8 million
    Proponent: FAO
iv) Management of banana genetic resources  
Project feasibility study  
Duration: Three months  
CFC financing: US$50 000  
Core Project  
Duration: Five years  
CFC financing: US$3 million  
Proponent: FAO

v) Adaptation and compliance to public and private environmental and social standards for the production and trade of fresh bananas  
Exploratory study  
Duration: Six months  
CFC financing: US$70 000  
Core Project  
Duration: Two years  
CFC financing: US$1 million  
Proponent: FAO

vi) R&D and extension in the production, distribution, marketing and quality assurance technologies of new fruit varieties and products in selected countries in Africa, Asia, and Latin America and the Caribbean  
Duration: Two years  
CFC financing required  
US$300 000 market case studies; and  
US$240 000 for three workshops (one for each region)  
Proponent: FAO

vii) Studies and workshops on tropical fruits value chain to formulate strategies to enhance the grower’s market power in the value chain  
Duration: Two years  
Country case studies: US$150 000  
Financing of workshops: US$80 000  
Proponent: FAO

viii) Production and trade of organic tropical fruits – pilot project in Africa and Asia  
Duration: Three years  
CFC financing: US$2.5 million  
Proponent: FAO

ix) Use of tropical fruit by-products and wastes for bio-energy  
Duration: Three years  
CFC financing: US$500 000  
Proponent: FAO

x) Use of tropical fruit by-products and wastes for bio-energy  
Duration: Three years  
CFC financing: US$2.5 million  
Proponent: FAO

xi) Medicinal plant production and trade for Africa.  
Duration: Three years  
CFC financing: US$1.5 million  
Proponent: FAO
These proposals by FAO received the following comments:

- Projects should reduce the contribution of workshops and more resources on capacity building;
- Bioversity would be willing to participate on regional approaches to deal with pests and diseases;
- Ecuador was willing to participate in fostering the trade in new varieties for export;
- China supports capacity building for fostering small farmer organizations;
- China also supports organic banana.

B. Other project proposals

xii) Mitigating the threat of Fusarium Wilt with particular attention in Asia where the virulent tropical race 4 was now a direct threat of banana production:
- Developing basis for quarantine policies and implementation – distribution maps;
- Developing diagnostic tools, capacity building;
- Validating/piloting of IPM tactics;
- Enabling research to enhance IPM tactics;
- Developing strategies for preparedness and prevention of movement to Latin America and Africa.
Budget: US$3 million
Duration: Three years
Proponent: Bioversity International/Banana Asia Pacific Network

xiii) Developing alternatives for banana bunchy top disease management in Sub-Saharan Africa which threatens food security and market income from banana and plantain production:
- Strengthening national and local diagnostic and quarantine capacity;
- Piloting clean seedling systems for production of cultivars preferred in national markets;
- Upgrading production systems in response to BBTV re-infestation rates and other limiting factors;
- Strengthening grower organizations and service providers for improved seed and marketing systems.
Budget: US$5 million
Duration: Five years
Proponent: Bioversity International/Eastern, Southern, Central and West African Banana and Plantain Networks

xiv) Reducing the use of pesticides for the control of black Sigatoka disease and nematodes in export banana
- Pilot area to integrate promising knowledge and practices to reduce fungicide use by 50 per cent and to eliminate the use of highly toxic nematicides and insecticides;
- Networking approach among pilot areas to strengthen global technology development based on national public-private alliances and to build an understanding of approaches in the areas of policy, regulations, incentives and certification.
Budget: US$3 million
Duration: Five years
Potential country partners: Mexico, Panama, Belize, Costa Rica, Dominican Republic, Ecuador, Colombia
Proponent: Bioversity International/Latin America-Caribbean Network
xv) Containment and prevention further spread of Bacterial wilt in Africa and Asia
Budget: US$1 million
Duration: Three years
Proponent: Bioversity International/BARNESA Africa/BAPNET

xvi) Niche marketing of *Musa* diversity for rural development:
- Developing seed and production systems for special banana and plantain cultivars for ethnic, health and nostalgia markets nationally and for export;
- Market studies for emerging segments of consumers;
- Strengthening grower organizations for better market access and value chain governance.
Potential country partners in Latin America, Caribbean, East and West Africa
Budget: US$2 million
Duration: Four years
Proponent: Bioversity International

xvii) Pioneering of horticulture and floriculture small scale out-grower schemes in Eastern and Southern Africa
This proposal consists of an expansion of an ongoing project to include Zambia and Mozambique. It would complete the full cycle of its Southern African alliance and enhance regional development and create capacity for at least 25,000 small scale farmers for export markets.
Budget: US$4 million
Duration: n/a
Proponent: Zimbabwe

xviii) Marketing of bananas in India
India produces 25 percent of the bananas in the world, but marketing is limited to the domestic market, while marginal quantities are exported to the United Arab Emirates and other Arabic countries. Promotion of export marketing and banana value added products was much needed. A project may be implemented to develop a market strategy and infrastructure, and provide capacity building.
Budget: US$1.3 million
Duration: n/a
Proponent: India

xix) Organizing farmers to help improve product quality, increase supply and certify their products so as to ensure better prices.
Budget: n/a
Duration: n/a
Proponent: Ethiopia

xx) Capacity building for efficient supply chain management for tropical fruits in Asia:
- Sanitary and phytosanitary and other regulations and standards;
- Post-harvest, processing and value addition;
- Workshops.
Budget: US$2.5 million
Duration: Three years
Proponent: TFNet
xxi) Quality assurance and enhancing export competitiveness of tropical fruits in the Asia/Pacific Region
   - Development of quality control systems and certification capacity of fresh tropical fruits chain to increase export competitiveness; build institutional and human capacity for development and implementation of an accepted quality control system;
   - Transfer of Emerging Technologies and Hygienic processing;
   - Enhancing marketing strategies and building retail relationships with importers;
   - Project management and coordination, supervision, monitoring and evaluation.
   Budget: US$1.8 million
   Duration: Two years
   Proponent: TFNet

xxii) Development of tropical fruit market information system in Asia
   Development of an Internet-based on-line and real-time market information system on major fruits. The system would include:
   - Timing and quantities of supply and demand in various producing and importing countries;
   - Prices at various levels;
   - Trade requirements and regulations of importing countries;
   - Import and export procedures;
   - Conduct market research for market expansion and transparency to develop information for the content of the system;
   - Workshop for participating countries.
   Budget: US$500 000
   Duration: two years.
   Proponent: TFNet

xxiii) Seeds for Africa
   Availability of good quality, free from pests and diseases planting material remains a key to development. This project would improve the access to seeds and propagation material, and would consist of training trainings in producing good quality material for developing countries.
   Budget: n/a
   Duration: n/a
   Proponent: Uganda and ISHS

xxiv) Development of organic banana in Asia
   Strengthening the certification systems by establishing pilot site, capacity building and certification.
   Budget: n/a
   Duration: n/a
   Proponent: China

xxv) Pomelos for Europe
   Demand promotion of pomelos, and organizing farmers for export and development of value chains in Vietnam.
   Budget: n/a
   Duration: n/a
   Proponent: Vietnam
PROVISIONAL PROGRAMME

28 November 2007

12:00 – 18:00 Registration

29 November 2007

8:00 – 9:00 Registration

9:00 – 10:00 Opening Session

1. Welcome address by Ministry of Agriculture of China/Local Government
2. Address by the CFC: Vision for development of the horticultural sector in developing countries Caleb Dengu, First Project Manager

10:00 – 10:20 Tea Break

10:20 – 12:20 Session I. – Market developments and importance for growers’ food security

1. Short and Medium-term Market Prospects, Opportunities and Challenges for:
   • bananas Shangnan Shui, Economist (Commodities), FAO
   • citrus Pedro Arias, Economist (Commodities), FAO
   • tropical fruit Kaison Chang, Senior Economist (Commodities), FAO

2. Opportunities and challenges for smallholders: issues and constraints in production, processing and trade and their effect on rural development and income generation in:
   • China (Consultant)
   • Asia (TFNet)

3. Plenary discussion

12:20 - 14:00 Lunch

14:00 – 15:30 Session II. – New trends in markets and trade

4. Supply management: latest development for selected fruits and tropical products and their impact on growers
   Errol Hewett, Emeritus Professor of Horticultural Science, Massey University

5. Exploring the link between supply chain management and transaction cost: a case study evaluating export mango and smallholder banana marketing in the Philippines
   Albert Aquino, Director, Socio-economics Research Division, PCARRD.

15:30-16:00 Tea break

6. Evolution of SPS measures for fruits and tropical food products originating in Developing Countries
   Samuel Asfaha, South Centre
7. Markets for certified products
   Pedro Arias, FAO

8. Challenges facing the banana industry and their impact on trade
   Dr Agustin B. Molina, INIBAP

18:00 Dinner/Reception

30 November 2007

8:30 – 10:00 Session III. Country development and CFC project reports: successful market and trade developments and experience in implementing CFC projects

Country reports for participants from:
- Africa
- Asia
- Latin America
- Others

10:30 – 12:00 Session IV. Round table on strategic priorities – networks and international research centres

Moderator: Caleb Dengu, CFC – introduction of programme approach
Participants:
- FAO
- TFNet
- ISHS
- Bioversity

12:00 – 13:30 Lunch

13:30 – 15:00 Session V. Round table on strategic priorities – CFC member countries

Moderator: Kaison Chang, FAO – Introduction of strategic priorities for consideration.
Participants:
- All participating countries from Africa, Asia and Latin America.

15:00 – 16:30 Tea Break and write up of major conclusions

16:30 – 18:00 Session VI. Wrap-up session

Moderator: Hagen Streichert, Chairman of the Intergovernmental Sub-Group on Tropical Fruits
- Summary from moderators (CFC and FAO)
- Plenary discussion on strategic priorities
- Agreement on strategic priorities for recommendation to the Intergovernmental Group on Bananas and Tropical Fruits, including the Sub-group on Bananas and the Sub-Group on Tropical fruits as International Commodity Bodies (ICB) for adoption.

18:00 Closing
APPENDIX 2

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