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Value Chain Development of Exotic Fresh Fruits in South-east Asia

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Abstract

Producing fresh fruit and vegetables for oversea markets can create more value added and income to small scale farmers than selling it at local markets. E.g. a Thai farmer gets for 1 kg of export mango at farm gate 1,1 € compared to less than 0.20 Euro, selling it to local trade intermediaries. Switching to lucrative oversea markets is a charming idea for countries, in which a significant percentage of the population is engaged in agriculture and where small scale farming is widely spread. Additionally, international certification requirements can significantly enhance environmentally sustained farming practices, which are in many newly industrialised countries at the top agenda of national development. These are good arguments for local development actors and the technical assistance community to have a closer look.

However, switching to oversea markets is not that easy. To match consumer preference, a combination of several adjustments is needed:

- behavioural changes of farmers (integrated pest management, group management, certification and standard compliance, harvesting techniques),
- innovations at packaging house level (post-harvest treatments, packaging materials and packing techniques), within the supply chain (cool chain integrity, specialised logistic services, efficient ways of transportation, reduced carbon footprints)
- fair and more direct trading approaches (producer-consumer platforms).

Who can drive this switch? Local governments and public services are overwhelmed. Commercial services and those of associations are rarely available at province or district level. Demand driven initiatives by foreign traders lack of local presence and understanding of farmers' interests and behavioural pattern. In consequence, success and functional trading mechanism depend on effective collaboration of chain actors, policy makers and local development agents and the understanding of shared economic, ecological and social benefits.

The Asia Invest Initiative on “Integrated Supply Chain Management of Exotic Fruits from the ASEAN Region” presents experiences, current practices and lessons learnt.

Keywords: Exotic fresh fruits, South-East Asia, value chain development