UNDP’s technical assistance in the area of dried fruits and nuts

Experience of UNDP in Uzbekistan

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PART I: Overview

• Uzbekistan has been expanding allocation of land for fruits and vegetables (F&V), and as a result in the last 10 years achieved growth in production of:
  • Vegetables - twofold
  • Melons - twofold
  • Fruits - by 2.4 times
• Total production of F&V - about 16M tons, of which 2M is processed locally.
• Total volume of dried/processed F&V - around 25,000 tons annually
• Export of dried/processed fruits and vegetables in the period of 2005-2014 increased by more than 4 times - from USD 62M to USD 285M.
• Share of dried/processed fruits and vegetables in overall export increased from 4.6% in 2005 to 10.5% in 2014.
• Share of nuts in overall export increased from 3.5% in 2005 to 9.7% in 2014.
PART I: Overview

Products Range

- Raisins
- Walnuts
- Dried Plums
- Peanuts
- Dried Red Beets
- Dried Carrots
- Dried Greens
- Dried Apricots
- Dried Onions
PART I: Overview

Statistics

Export of Dried F&V (mLn USD)

Export Structure

Fresh F&V, 73.3%

Processed F&V, 10.5%

Nuts, 9.7%

Beans, 6.5%

TOP 15 Destinations
Dried/Processed F&V

1. Kazakhstan
2. Iran
3. China
4. Turkey
5. Latvia
6. Russia
7. Germany
8. Belarus
9. Afghanistan
10. USA
11. UAE
12. Poland
13. Austria
14. South Korea
15. Netherlands
PART I: Overview

Why is this sector important?

- Over 4.7M small land plot holders (dehkans), in addition to 73,000 farms
- Analysis of value chains in the production of dried F&V shows that processing of fresh F&V results in value-added of 35 to 60% of the cost of final products
- Drying of F&V allows to make them more marketable to external markets, due to longer storage and simpler transportation
- A few examples of value addition:
  - Dried peppers – up to 37%
  - Dried beets – up to 40%
  - Dried grapes – up to 50%
  - Dried apricots – up to 60%
PART II: CHALLENGES

- No economies of scale (lots of small producers and disincentives for consolidation)
  - Difficulty with high-quality raw materials, standardization, quality assurance, using best agro practices, tax disincentives for non-producers, etc.

- Lack of information/knowledge on market access requirements
  - Focus on traditional CIS markets with similar requirements/regulations (share of exports to EU countries is slightly above 2%)

- Delays with introduction of HACCP, ISO, GAP and other quality assurance systems
  - Only 24 enterprises with ISO 22000
  - Cost of introduction can be significant for small farmers;
  - Lack of experts/companies to consult the farmers;
PART II: CHALLENGES

Challenges with certification/regulations

- Lack of necessary services for exporters provided by laboratories
  - Tests required by European markets for some by-products and identification of minimum residual level for pesticides are not performed in Uzbek laboratories (e.g. for grapes, over 400 positions);
  - Lack of knowledge on market access requirements (restricted access to requirements, mostly in English)
  - Some of the requirements (for example, test for aflatoxin B1 (in nuts) (as well as G1, G2)) are absent in national regulation;

- Challenges with accreditation of new methods of tests

- Lack of agreements on mutual acceptance of certificates (Turkey is an exception)
PART III: WHAT WE DO

Improving productive capacities and conduct trainings on best agro-practices, including demonstration pilot promoting “green” technologies such as null tillage, intensive orchards, pistachio cultivation, drip irrigation, nonchemical pest control methods, biogas heating and etc.

- Raising awareness on market access requirements
  - Publication of guideline on “How to export to CIS and EU Markets on the example of fruits and vegetables” and organization of seminars with invitation of experts from EU;
PART III: WHAT WE DO

- **Promoting introduction of international quality standards**
  - Trainings on Global Good Agricultural Practices (Global GAP)
  - Preparing targeted farms for Global GAP certification

- **Facilitating linkages with bigger markets**
  - Building capacity of specialized foreign trade companies serving SMEs (Uztadbirkorexport) and linking small farmers with them
  - Organization and ensuring participation of clients at international exhibitions (Moscow World Food Expo, Fruit Logistica 2015) and trade fairs, B2B forums;
  - Publication of export catalogues
PART IV: Possible areas of further support

- Advisory support and trainings on the existing regulations/standards for both producers and representatives of standardization and certification bodies (Uzstandart, Ministry of Health, Ministry of Agriculture, etc.)

- Assistance with obtaining and translating of standards into Russian and Uzbek and technical support with the introduction/adjustment of standards, including costing

- Consultations on and assistance with the introduction of HACCP (requirements for products, raw materials, facilities, equipment, storage, etc.)

- Research and analysis of external markets

- Support in establishing a training center and building partnerships with specialized institutions (as well as with donors to finance equipment of labs)
THANK YOU!