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

Experience of UNDP Aid for Trade Project

11 July
Tashkent

Dilshod Akbarov
UNDP Aid for Trade Project in Uzbekistan
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 F&V in the period of 2005-2015 increased **5 times** - from USD **62M** to USD **311M**.

- Share of **dried/processed** F&V in overall F&V exports increased from 4.6% in 2005 to **25%** in 2015.

- Share of **nuts** in overall F&V export increased from 3.5% in 2005 to **5%** in 2015.
PART I: Overview

Products Range

- Raisins
- Peanut
- Walnut
- Dried Red Beet
- Dried Greens
- Dried Carrot
- Dried Plums
- Dried Apricots
- Dried Onion
PART I: Overview

Statistics

Export of Dried F&V (mln USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2010</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>62</td>
<td>174</td>
<td>311</td>
</tr>
</tbody>
</table>

Export Structure

- Fresh F&V, 68.5%
- Beans, 6.5%
- Nuts, 5%
- Processed F&V, 20%

TOP 15 Destinations

<table>
<thead>
<tr>
<th>Rank</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Kazakhstan</td>
</tr>
<tr>
<td>2</td>
<td>Iran</td>
</tr>
<tr>
<td>3</td>
<td>China</td>
</tr>
<tr>
<td>4</td>
<td>Turkey</td>
</tr>
<tr>
<td>5</td>
<td>Latvia</td>
</tr>
<tr>
<td>6</td>
<td>Russia</td>
</tr>
<tr>
<td>7</td>
<td>Germany</td>
</tr>
<tr>
<td>8</td>
<td>Belarus</td>
</tr>
<tr>
<td>9</td>
<td>Afghanistan</td>
</tr>
<tr>
<td>10</td>
<td>USA</td>
</tr>
<tr>
<td>11</td>
<td>UAE</td>
</tr>
<tr>
<td>12</td>
<td>Poland</td>
</tr>
<tr>
<td>13</td>
<td>Austria</td>
</tr>
<tr>
<td>14</td>
<td>South Korea</td>
</tr>
<tr>
<td>15</td>
<td>Netherlands</td>
</tr>
</tbody>
</table>
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, 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%)

- Difficulties 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
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 the Guideline on “How to export to 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 and linking small farmers with them
  - Organization and ensuring participation of clients at international exhibitions (Moscow World Food Expo, Berlin Fruit Logistica) and trade fairs, B2B forums;
  - Publication of export catalogues
PART IV: Possible areas of further support

- Advisory support and trainings on 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 standards into Russian and Uzbek and technical support with introduction/adjustment of standards, including costing.

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

- Research and analysis of external markets
THANK YOU