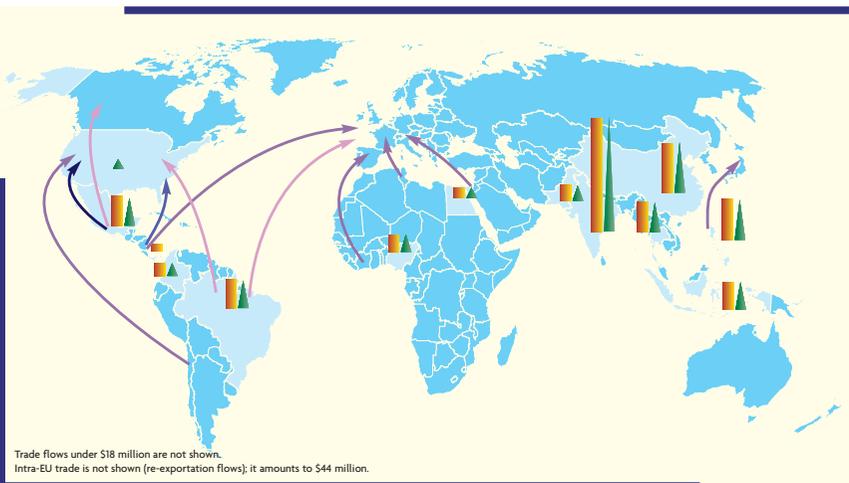
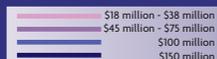


Million metric tons, situation in 2002.



Trade flows of tropical fruits in value, 2002.



Trade flows under \$18 million are not shown. Intra-EU trade is not shown (re-exportation flows); it amounts to \$44 million.

Production, consumption and trade of tropical fruits.

The United Nations SITC (revision 2) defines tropical fruits as pineapples fresh or dried SITC code 05795, dates fresh or dried SITC code 05796, avocados, mangoes, guavas, mangosteen fresh or dried SITC code 05797.

Tropical fruits, which here include avocados, dates, mangoes, mangosteen, papayas and pineapples, are often staple foods in their countries of origin. In recent years, an increasing proportion of production has been traded internationally and consumed in countries where these fruits were previously almost unknown. Improved transportation, rising discretionary incomes, and the emergence of international mass tourism are all important factors behind the introduction of tropical fruits into new markets. World exports of these fruits in 2002 totalled \$2.7 billion, a figure that represented only a small portion of total world production. However, annual export growth since 1992 has been 4.5% on average (varying from -2.5% to +22% depending on the fruit).

Perishable products require good logistics

While some tropical fruits, such as pineapples, have been widely traded and consumed for many years, a large proportion of the international trade has consisted of canned or dried fruits, since transportation costs and freight times made exporting fresh fruits difficult. Cheaper air freight and improved logistics, which have dramatically reduced the time until the fruit reaches the consumer, have placed fresh fruits within the reach of consumers in developed countries. The growth of supermarket chains with international distribution networks and sophisticated logistics systems has been a major factor in this process.



Shown clockwise from upper left: Avocados, dates, mangoes and mangosteen.

To learn more

Intergovernmental Group on Tropical Fruits
www.fao.org

Organization of production and distribution

Tropical fruits for local consumption are overwhelmingly grown by small farmers who consume some of their output themselves and sell the rest in local markets. By contrast, producing fruit in the volumes necessary for export requires large-scale production in the form of cooperatives, contract production or large plantations. These production modes facilitate the use of modern growing and harvesting techniques, particularly the application of substances such as fertilizer and pesticides. In most cases, producers sell their output to a single customer, either a distributor or a large retailer such as a supermarket chain. Large distributors are able to market fruits effectively, particularly since their wide distribution networks allow them to source fruits from many different locations – important in the case of seasonal fruits such as mangoes.

Adapting to the consumer's wishes

To export successfully, tropical fruit producers must observe government regulations in importing countries, particularly sanitary requirements. In addition, their products must meet the requirements of private-sector importers, which are based both on economic considerations (for example, where the size and timing of shipments is concerned) and on consumer preferences regarding appearance and taste. In both cases, the producers – or the governments of exporting countries – have to invest in costly quality control and testing facilities and closely follow changes in regulations and markets.



Preparation of dried mango.

Food safety

Consuming countries' concerns regarding sanitary and phytosanitary issues as well as the use of agricultural chemicals have led to a series of measures for protecting human and plant life and health. An umbrella agreement has been concluded in the World Trade Organization to ensure that any "precautionary" measures conform to principles of non-discrimination and scientific justification (to be backed by a risk assessment process). However, the requirements of the agreement are perceived as stringent, and compliance could present small fruit producers with major obstacles and costs. For fresh fruits, regulations regarding maximum residue levels are complex and can pose serious limitations on trade.

Selling to niche markets – often an entry strategy

Niche markets, such as exclusive specialty stores, often provide a point of entry into developed-country markets for tropical fruits. The consumers in question are often willing to try new and exotic products, even if prices are initially high because of small volumes and limited economies of scale. In addition, the markets for organic and fair trade products are becoming important outlets for tropical fruits.

Fair trade

The fair trade movement is growing and is particularly well represented in some European countries such as France, the Netherlands, Switzerland and the United Kingdom. The movement targets consumers who are prepared to pay a premium to ensure that producers in developing countries get a "fair" price. Guaranteed minimum prices, considerably higher than those on the regular market, are paid to farmers meeting certain special sustainability conditions. These prices are also guaranteed over a relatively long period.

Prices

Tropical fruit prices vary enormously, both at the wholesale and the retail stage, particularly since they are often used in promotion campaigns. There are no recognized price quotations, and very little information is available on changes in prices over time.