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**National Workshop on**

**Fostering Integration of the Dried Fruits Value Chain of Uzbekistan into  
Regional and Global Value Chains**

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**Key Characteristics of the Dried Fruits Value Chain for International Competitiveness**

By

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.



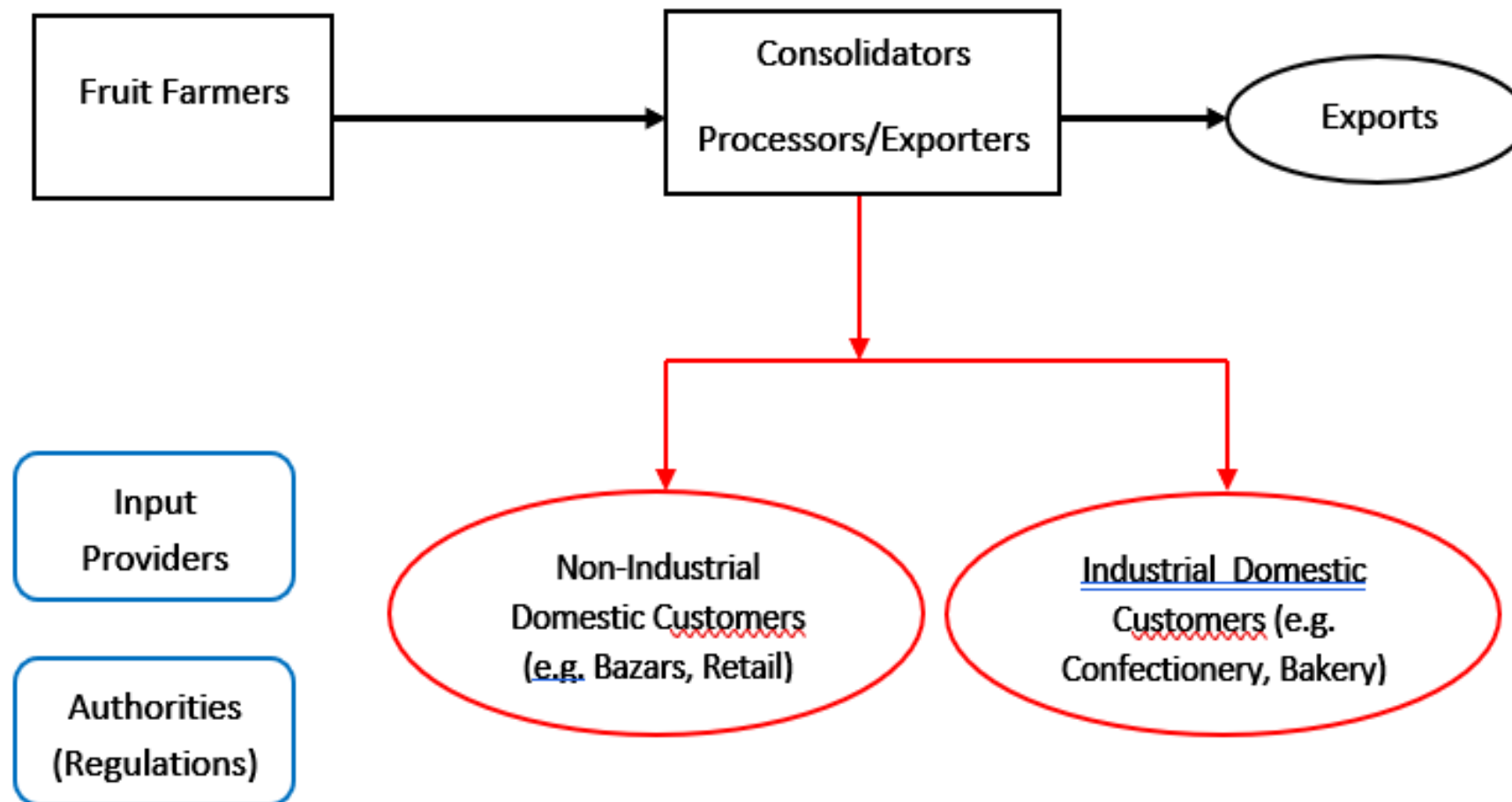
# Key Characteristics of the Dried Fruits Value Chain for International Competitiveness



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## Quality of Dried Fruit and Characteristics of the Value Chain in Uzbekistan

*“Fostering access to international markets requires an understanding of the ways in which the domestic value chain impact upon the quality of dried fruit produce”*

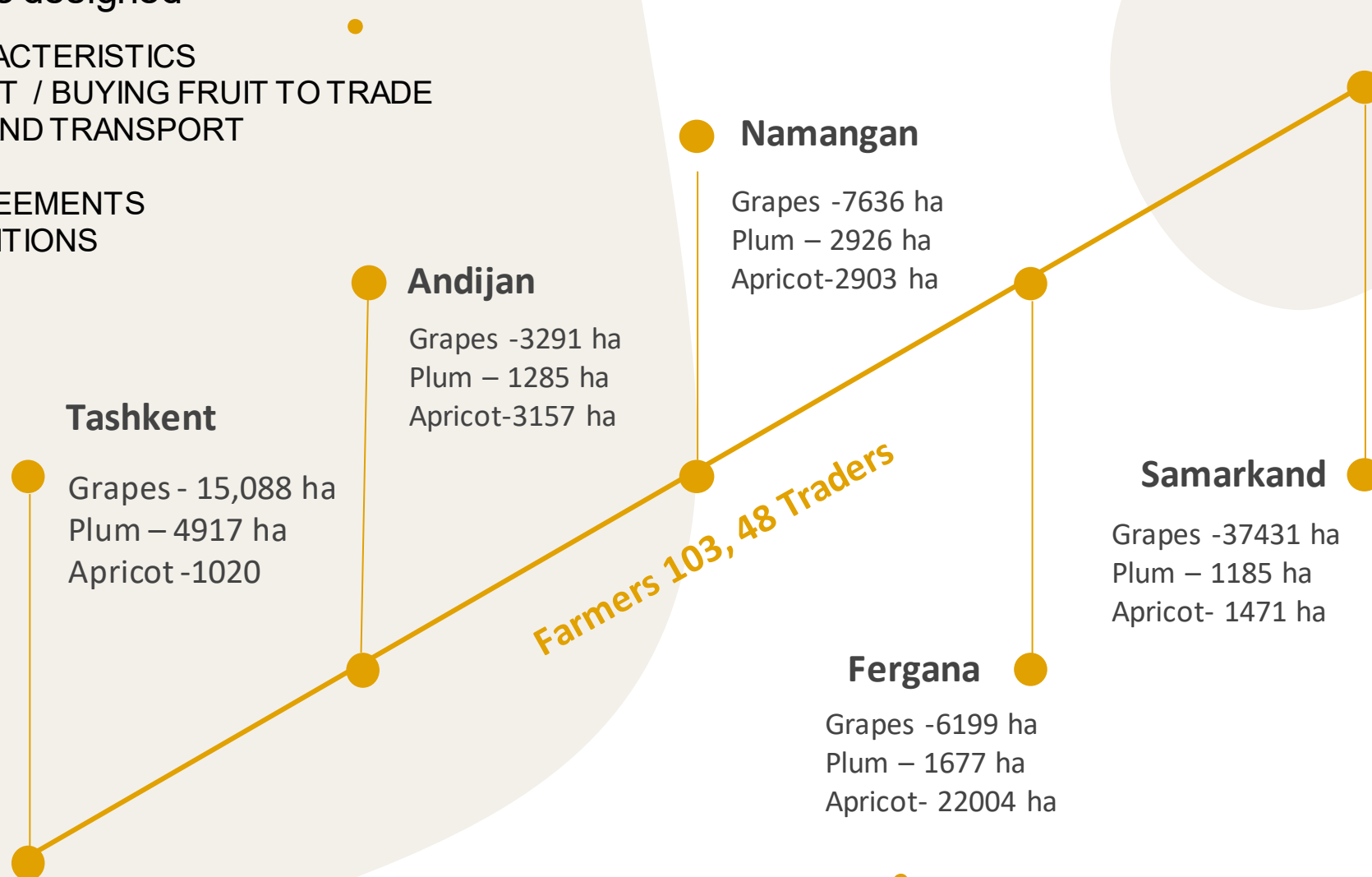


# FIELD SURVEY

Questionnaire designed

- FARMER CHARACTERISTICS
- GROWING FRUIT / BUYING FRUIT TO TRADE
- PROCESSING AND TRANSPORT
- SALES
- PRE-SALE AGREEMENTS
- MARKET CONDITIONS

March  
2020



April  
2020



## PRODUCTION & QUALITY

*“Stringent quality control processes throughout the production value chain are important pre-conditions to accessing high-price export markets for dried fruit”*

- 81% of surveyed farmers report holding no form of certification
- None has internationally recognized certification (Global G.A.P, Organic)
- All surveyed farmers are aware of importance of quality for customers.
- 49% farmers report as challenging supplying the required quality
- Lack of knowledge on pest and disease controls is the main reason not to produce organic fruits followed by impact of organic methods of production on profit (28.2%) and lack of market for organic produce in Uzbekistan(6%).
- Half of surveyed farmers claim to have insufficient knowledge about organic farming.



## DRYING & QUALITY

### STATEMENT:

*“Drying method, storage and sorting-grading strongly affect the average quality of the dried fruit for export”*

- Surveyed farmers sell both fresh and dry fruit.
- Key reasons for drying fruit are ‘ease of storage’ ( 83.8%) and ‘ higher prices’ (69.7%)
- Farmers drying fruit not only use the best quality. 21.6% of surveyed farmers dry fruit of any quality, 43.3% dry only their best quality fruit, while the rest (35.1%) dry fruits not included in their “best” quality fruit.
- In this, the storage motivation for drying may conflict with the desire for homogenously high quality fruit for export, unless there is clear sorting of qualities at origin.
- Also, the majority of the farmers use both shade and direct sun drying (61.6%), on only direct sun drying (17.2%). Only 5% use shade drying only and 3% use drying equipment.
- As it is difficult to control temperatures with direct sun drying, this can also affect produce quality.
- 50% of the farmers use sulphuring when drying, all located in Fergana region (for dried apricots).
- Storage used for dried fruits are household units with only 5% having cold storage capacity. 79.8 % of the farmers store one third of dry fruit harvest (34% ) waiting for better prices.



## TRADE & QUALITY

- *“Vertical integration is key to implement quality control along the value chain”*

- 10% of the buyers of fruit grow fruit and two thirds buy fresh fruit for drying, especially raisins.
- Pre-purchase agreements can be good instruments to control quality. However, only 18.4% farmers and 18.7% traders mentioned to have such agreement.
- Quantity to be delivered and price being the major points with quality being mentioned by half of the respondents.
- The criteria used by fruit buyers to assess quality are rather subjective: all of them consider “appearance”, 88% consider fruit variety, 57% consider Weight/size - 57%. However, none of the interviewed fruit buyers indicated considering chemical residues/Mycotoxins.
- Defining and assessing quality in a homogeneous and transparent way all along the value chain are important in order to increase the quality of exportable dried fruits.
- Certification is also very rare among the surveyed buyers of fruit, as 79.2% had no certification. Scale is correlated with the likelihood of being certified, as 70% of those declaring having two certifications (ISO 9001 and 22000) were larger than the median buyer of dried fruit.

# Implement a Comprehensive Strategy to Support Quality All Along the Value Chain: Extension Services

- There is a need for strengthening technical extension services to farmers and buyers of fruit, with a focus on how the different steps of the fruit value chain affect the quality of exportable dried fruit
- Extension services directly foster quality through:
  - the promotion of better agricultural practices.
  - the adoption of new varieties.
  - improving farmers' understanding of issues and solutions to contaminants.
  - the promotion of more controlled drying processes, such as those using a solar-energy-powered drier.
  - increasing the capacity of farmers to understand quality standards for fruit (both fresh and dry) and how to meet them in practical ways.
- Importantly, the road to export certification starts with input providers to farms, and continues through the whole value chain
- A sustainable approach to certification requires the design and implementation of an effective "Total Quality" roadmap along the value chain, with associated policy measures.



# Implement a Comprehensive Strategy to Support Quality All Along the Value Chain: Producer Groups

- Strengthening fruit producer groups (*cooperatives*) can also contribute to address several of the challenges identified in the fruit value chain in Uzbekistan.
- Under the right conditions, producer groups can:
  - lead to higher fruit prices, thereby increasing retained earnings and re-investment
  - lower input costs
  - provide co-insurance for credit
  - facilitating extension services
- Given that most producers of dried fruit are small (average size in the survey: 6.4 Ha planted area), producer group membership can provide the aggregation and quality control roles that would allow them to contract directly with larger exporters.
- Producer groups could also assist small farmers to get market information, in particular prices.
- Finally, producer groups could also facilitate contractual relationships between producers and buyers of fruit, which can be hindered by legal issues or other barriers.