

PROSPECTS AND PROBLEMS OF EXPORT OF KINNOW FROM PAKISTAN

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The production of kinnow has been steadily increasing but its exports have been static since many years. The present study was planned to investigate the problems in export of kinnow from Pakistan. Alongwith the secondary data collected from various sources, 6 large growers of kinnow from Bhalwal tehsil of Sargodha district and 6 exporters of kinnow from Karachi, were interviewed. Kinnow is exported mainly to two markets i.e. the Middle East and the Far East. Many of the large growers intend to export kinnow themselves but due to lack of financial resources, trained manpower, information about international market and know-how in export business as well as lack of infrastructure, they are unable to do so. The present exporters face problems while dealing with various institutions like PIA, PNSC, Export Promotion Bureau and State Bank of Pakistan and in different marketing functions like storage, transportation and market information. As enough exportable surplus of kinnow will be available in future, therefore, to increase the export of kinnow the growers should be encouraged by providing them necessary facilities and the exporters should also be provided with the facilities like rebate on income tax, cold storage at airports and seaports, credit and foreign currency, packaging and international market intelligence services.

INTRODUCTION

The Indus plains of Pakistan are very well suited for fruit production alongwith other field crops. Of the total area under fruits, 35% is under citrus of which 56% is used for kinnow. Kinnow is an 'easy peel' citrus which has assumed special importance due to its high juice contents, special flavour, exquisite taste and a high content of vitamin C. The production of kinnow has been steadily increasing (although only due to increase in acreage) but its exports have been static for the last many years.

In the absence of a proper system of packaging, grading and transport, Pakistan has earned a reputation for supplying poor quality products including fruits in most export markets. There is a lack of under-

standing about the marketing methods required to achieve successful entry into export market. The pack house and cold storage facilities are also lacking. Export inspection is inadequate and improperly managed. Exporters use the most cheapest packaging material resulting in disastrous losses and poor reputation in international markets. All the international airports in Pakistan lack storage facilities for fresh produce. There is only one seaport facility which is insufficient in capacity. The present study was planned to investigate the problems and prospects of export of kinnow from Pakistan.

MATERIALS AND METHODS

Abut 95% of kinnow is produced in

Punjab. Bhalwal tehsil of Sargodha district is the main producer in the Punjab province. Therefore, Bhalwal tehsil was selected to conduct this study. Karachi being the major export centre was selected to conduct survey of the exporters of kinnow. As the large growers provide the material for export, therefore, 6 large growers were selected at random to collect the data. Six kinnow exporters from Karachi were selected at random. Secondary data were collected from Agricultural Marketing and Storage Ltd., Federal Bureau of Statistics, Export Promotion Bureau, PIA and PNSC and government publications.

RESULTS AND DISCUSSION

Problems in Export of Kinnow

Producers of kinnow: The area under kinnow was about 30% of the area owned and the yield was 11000 kg acre⁻¹ of the sample large growers interviewed. All the producers sold their orchards to preharvest contractors through negotiations (67%) or open auction (33%). Many of the large farmers intend to become exporters of kinnow. Lack of financial resources, trained manpower, information about international market and know-how in export business, lack of infrastructure (transport, grading, cold storage and warehouse facilities) and lengthy process of acquiring different types of certificates were the main problems, in order of priority, due to which the farmers were hesitating to enter in export business themselves.

Export of kinnow: The experience of the exporters in kinnow was 14 years on an average. Kinnow is mainly exported to Middle East and Far East (particularly Singapore) markets.

About 33% of the exporters purchased fruit from the preharvest contractors, about

one-third from the farmers as well as the commission agents, 17% only from the farmers and nearly 17% from the commission agents. Grading was carried out manually at the time of export of fruit. About 17% of the exporters graded their fruit with the help of a mechanical grader at Bhalwal (District Sargodha). But before export at Karachi, this fruit was again graded manually as the mechanical grader only graded the fruit by size and the disease affected and damaged fruit was to be sorted out by hand. About 67% of the exporters waxed kinnow before packing for export as it prolongs the shelf-life of kinnow, 17% used fungicide (thiabendazole) to prevent kinnow from soft-rot of fruit and 17% practised pre-cooling to increase its shelf-life.

Problems in dealing with the government agencies: Majority (83%) of the exporters were satisfied with the behaviour of the national banks with regard to foreign exchange and loaning facilities. However, they showed their dissatisfaction over the working of PIA (83%) and PNSC (67%) with regard to the provision of space in time while exporting kinnow. The exporters also complained about these agencies in respect of high freight charges. About 83% of the exporters complained that the Export Promotion Bureau was not cooperative in providing information about international market and grading/packing standards acceptable internationally.

Problems in handling of fruit: About 83% of the exporters faced the problem of non-availability of refrigerated transport facilities and poor condition of the roads, as these factors were responsible for high losses of kinnow. About 17% of them faced the storage problem as they did not own a cold storage and had to hire at high rates in Karachi.

Problems in procurement and transactions of fruit: About 50% of the exporters complained about the topping practice (putting

small size fruits in lower layers of crate) adopted by the farmers, preharvest contractors and commission agents. Nearly 38% of the exporters blamed their importers for delayed payment and 12% reported the problem in currency exchange at the State Bank of Pakistan as the main hurdles during procurement and transaction of kinnow.

Miscellaneous problems in the export of kinnow: Almost 56% of the exporters do not get sufficient market information required for efficient export of kinnow from the government agencies. As many as 24% reported about the lengthy process to get various certificates during export; 10% could not get cargo space in time, 5% thought that the foreign rates were quite high and about 5% faced problem to get visa to visit the import market of kinnow.

Way Out

Enough exportable surplus of kinnow is available in the country, for example as against the actual export of 25000 tonnes, the estimated exportable surplus was more than 33000 tonnes in 1990-91. The Provincial as well as Federal governments are keen to increase production of fruit including kinnow and have made policies for better marketing and encouragement of exporters of fruit. The Punjab government, through the Department of Agriculture, has planned to implement "A Fruit and Vegetable Marketing Development Project" in this regard. The Federal government has provided the facilities like duty drawback on the packing material and freight subsidy on export of fresh fruit. It is expected that these policies will help increase production and ultimately the exportable surplus of kinnow in future. However, the following measures are suggested to enhance the export of kinnow:

1. The growers should be encouraged by providing them the necessary facilities

like credit on easy terms, infrastructure (transport, grading and cold storage facilities) and air transport near the producing areas, technical know-how and information about international marketing to export kinnow themselves.

2. Seedless, high yielding and disease resistant varieties of kinnow should be evolved.
3. Associations of kinnow growers and exporters should be formed to cooperate in marketing and export of kinnow.
4. The exporters of kinnow should specifically be given the following facilities:

Cold storage facilities are essentially required at seaports and airports. The PNSC should install refrigerated transport vessels in their ships. Inland refrigerated transport should also be provided.

The Export Promotion Bureau should carry out a survey of the Middle East and Far East markets to prepare forecasts for potential demand, and to collect information on quality standards, packaging and sanitary requirements. This information should be provided to the existing and potential exporters of kinnow. The bureau should hold workshops at Karachi, Lahore, Faisalabad, Multan and Sargodha to inform about the modern techniques of kinnow export and should arrange kinnow exhibitions in the European countries to introduce it there.

The Pakistan Packaging Institute is conducting research on packaging designs and material and has developed various packages for the export of various fruits. These designs should be widely disseminated for the use of the exporters and the manufacturers of packing materials.

Agricultural Marketing and Storage Ltd. should prepare a long term plan, after conducting an international market study

and arrange large scale publicity with regard to marketing and export of kinnow.

Rules to facilitate getting various certificates related to export business, foreign exchange and visas for exporters to visit the import markets should be made.

Reputable international firms should be invited to establish joint ventures with the Pakistani entrepreneurs for export of kinnow and the export houses should be established to specialise in the export of perishable products, especially kinnow.

Rebate of income tax on the income earned from the export of kinnow should be provided to the exporters to encourage its export.

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