

Improving agricultural marketing systems

Recent trends in globalization and trade liberalization are forcing countries in the Asia-Pacific region to become more productive and competitive in every field. Agricultural commodities are no exception. In the Asia-Pacific region, the competition is particularly severe in the area of horticultural products such as fruit and vegetables, which have at the same time been making increasing contributions to export figures. It is indispensable for developing member countries to review their strategies and develop more efficient marketing systems for horticultural products, with particular attention to small and medium-sized farmers and traders, since world markets for these products are becoming more sophisticated and are affected by rapidly changing consumer demand. Consumers are also becoming more concerned about the use of agricultural chemicals and genetically modified organisms in particular and food safety in general.

To review the recent developments in fruit and vegetable marketing systems, the APO held a seminar on the “Improvement of Agricultural Marketing Systems for Enhancing International Competitiveness” in Islamabad, Pakistan, 7–12 February 2005. The program was implemented by the National Productivity Organisation in collaboration with the Pakistan Agricultural Research Council. Eighteen participants from nine member countries were in attendance.

Lead presentations were made by six resource speakers from Thailand (one), Pakistan (three), Malaysia (one), and Bhutan (one), who spoke on the: 1) Recent trends and future prospects in fruit and vegetable marketing in Asia and the Pacific; 2) Major lessons learned to enhance the competitive edge of SMEs in the international marketing of fruit and vegetables; 3) Exploring new foreign markets for fruit and vegetables; 4) Challenges and possible options for small producers to cope with increasing market competition; 5) Issues and challenges in improving fruit and vegetable marketing systems in Pakistan for better international competitiveness; and 6) Productivity management tools for enhanced export competitiveness.

The participants generally agreed that the international importance of horticultural products from the Asia and Pacific region was increasing. The region can reap the maximum benefit from this opportunity by putting in place efficient and effective agricultural marketing systems to ensure better returns for the producers and safe, high-quality food for the consumers, as well as to promote the development of sustainable agriculture and enhance international competitiveness.



Participants on a field visit

Some of the problems faced by the majority of fruit and vegetable producers in the Asia-Pacific region are small landholding size, lack of technological know-how in fruit and vegetable production and harvesting, high costs and inadequate supply of quality inputs, inadequate credit facilities, and absence of/insufficient crop insurance coverage. Postharvest problems include: inappropriate handling, too few modern processing facilities, high cost of packaging materials, absence of efficient postharvest chains, lack of/insufficient national food grading systems and standards, inadequate food safety measures, inadequate marketing infrastructure, lengthy marketing channels, inadequate entrepreneurial skills, and limited market information.

Some of the strategies identified to deal with the above problems and to enhance the international competitiveness of fruit and vegetable producers in the Asia-Pacific region were: adoption of good agricultural practices, good manufacturing practices, and other food safety and quality assurance systems (HACCP, ISO9001, etc.); strengthening of marketing research and its linkage with agricultural extension services; enhancing farmers' access to credit facilities; making adequate supplies of quality inputs available at affordable prices; promotion of viable fruit and vegetable producer groups/associations/cooperatives; enhancing capacity in production, appropriate harvesting, and postharvest handling (including value addition); development of effective and efficient market infrastructure; establishment of national fruit and vegetable grading systems and standards; creating awareness of the importance of hygiene and food safety/quality measures, and provision of accurate and timely market information. The participants felt that strong partnerships among the public sector, private sector, and NGOs would be necessary to execute these strategies. Governments also have a role to play in making the horticultural sector more competitive. Public investment in rural infrastructure would reduce production and marketing costs of fruit and vegetables, while research and extension services for better quality standards and market information would allow more value addition and increase access to export markets. 🌀