

# Roots of Peace Brief #2

Expanded Afghan Fresh Apple Export Promotion  
November 20, 2009



ROOTS of PEACE

## KEY FACTS

310mt fresh apples shipped

15mt fresh apricots shipped

3 Afghan Traders

Field Graded & Packed

Shipments to Better markets in Pakistan, India Dubai

Air Freight to Delhi, Dubai

Ground Freight in Refrigerated 40' containers to Karachi

## QUICK BRIEF

Afghan traders sell 310mt of fresh Afghan apples and apricot directly to higher markets of Pakistan and Dubai. Traders earn 15-26% margins.

Improved packing and grading allow Afghan traders to enter differentiated markets.

Roots of Peace (ROP) is currently implementing a Fruit Production and Export Program in the South Central Region of Afghanistan with support from the Afghan Ministry of Agriculture, Irrigation and Livestock (MAIL) and funding from the US Department of Agriculture (USDA). The project has completed trial exports of 15mt of apricot by air to Dubai and 310mt of chilled apples to Karachi. The shipments were special as they were graded fruit, shipped in improved packaging either by air or in refrigerated trucks through a cold chain. Three Afghan traders participated in the project to date. The project provided technical assistance on grading, packing and refrigerated shipments. The traders paid all their costs. ROP provided use of harvesting lugs, packing table and white coats and gloves. All shipments were profitable for the traders.

The exports were part of an effort to work with traders who graded the fruit and shipped the best quality fruit to markets that paid higher prices for the top quality. Over the last 30 years, all Afghan fruit exports from this region were shipped to an un-differentiated market in Peshawar. The traders received one price for all grades of fruit. By bypassing the Peshawar market the traders were able to directly access markets that reward good post-harvest practices, graded fruit and improved

packing. The effort paid off the traders who earned higher prices in Karachi and Dubai.

ROP supported the traders with training and the simple field grading and packing tables pictured to the right. Fruit was graded and directly packed. Traders used a variety of packaging, but soon learned the value of the cardboard boxes with their own branding.



Field pack in morning on packing tables



Sorting, grading and packing

### **Apples by Land to Karachi**

The 310mt apples destined for the differentiated markets in Karachi, Pakistan, beyond Peshawar, were shipped in 40 foot refrigerated containers. The trucks arranged for the transit were Pakistani registration. This allowed the trucks to bypass the markets in Peshawar. Afghan registered trucks cannot transit beyond Peshawar. This use of Pakistani trucks made it possible to avoid the unloading of the boxes of fruit in Peshawar and re-loading into another truck. This unload/reload is a break in the cold chain, and is damaging to the boxes and fruit.

Some apples were packed in the ROP pack house in Shamali and some were field packed as temperatures were low during harvest. Shipments were non-refrigerated in 40 foot containers.

This shipment to Karachi validated the trade corridor from Kabul to Karachi, which is the land leg of future land/sea shipments from Kabul to the world. This will be one of the major trade corridors for Afghan produce in the future. This route has the capacity for a dramatic expansion of Afghan exports. The second trade corridor that needs further development is the land route from Kabul to Delhi. Roots of Peace plans to validate the land/sea corridor from Kabul to Mumbai, and from Kabul to Dubai for fresh fruit in 2010.



Apricot packing

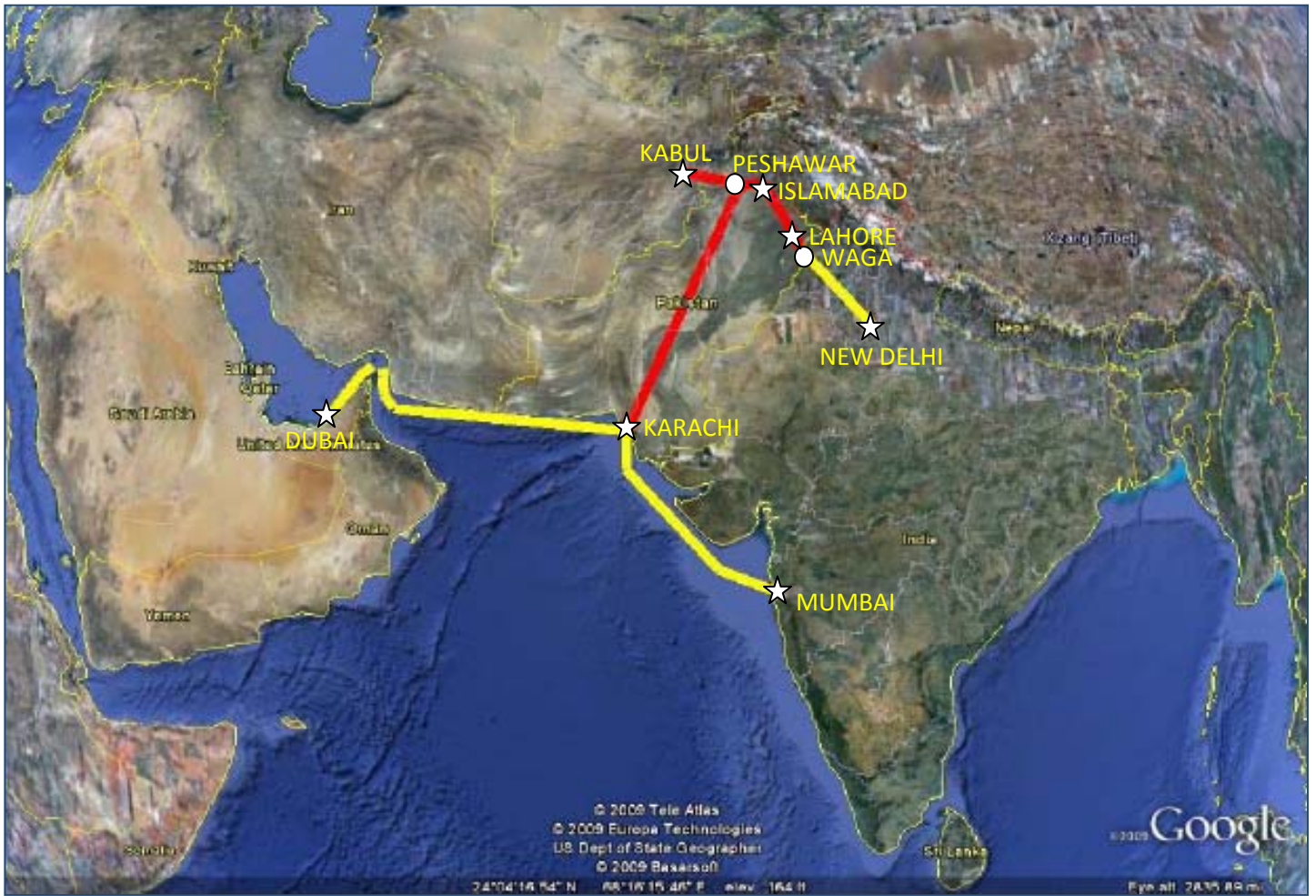
### **Apricots by Air to Dubai**

15mt of apricots were harvested from participating farmer's orchards, shipped to Kabul where they were sorted and packed for the domestic or the Dubai market, depending on quality. The same grading and packing tables were used as with the apples. In fact these tables support any round fruit. One side of the table is on a slight angle so the fruit rolls down to the person sorting in a continuous flow. The sorter places the fruit into one of four grade sections. Opposite the grader are the packers who retrieve the fruit from the graded sections and pack into prepared boxes. The apricots were placed in a cardboard box that held a single layer of fruit. The boxes were then palletized in preparation of transit to Kabul airport. The fruit shipped via Ariana Airlines from Kabul to Dubai International airport where the fruit was sold to a specific wholesaler in the Dubai fresh produce market. Air freight charges were \$0.55 per kg.

### **Land and Seas Routes to Major Regional Markets**

This export project has established viable land routes to differentiated markets in Paksitan. Historically Afghan fresh fruit from Central Afghanistan has been traded to Paksitani traders in the undifferentiated market of Peshawar. Therefore Afghan production and trade has not been sorted or graded. When trading directly with the differentiated markets of Paksitan, like Islamabad, Lahore and Karachi, the product must be improved with grading, improved packing and proper transit. The produce that has reached Karachi can continue on to Mumbai or Dubai. Afghan produce reaching Lahore can continue on to Delhi, but must be off-loaded at Waga from Pakistani trucks to Indian trucks.

Attachment #1: Trade Corridors



Attachment #2: Trader Profit Analysis

Apples Exports from Wardak, Afghanistan to Karachi, Pakistan		
Items	Samsorban Ltd (trading company)	QSM Ltd (trading company)
<b>COSTS</b>	per MT	per MT
Apple purchase (farm gate price)	\$ 700	\$ 300
Harvesting and packing in to plastic bags	30	35
Transport charges to Kabul or processing place	24	42
Packer charges	140	18
Packaging cost	190	133
Municipality	5	5
Custom Afghanistan	10	10
Transport to Pakistan	260	34
Pakistan custom duty	76	46
Pakistan custom agent	10	2
Pakistani Commission agent charges	151	56
<b>Total Costs</b>	<b>1,596</b>	<b>681</b>
<b>Proceeds from Sale</b>	<b>2,160</b>	<b>807</b>
<b>Profit</b>	<b>564</b>	<b>126</b>
<b>Profit Margin</b>	<b>26.1%</b>	<b>15.6%</b>

Attachment #3: Photos



Tables are made for the Wardak apple grading



Grading tables is transferring to Samsorban Company



Packing and grading training on Aug



Apples arrive at ROP processing center in MBK



Apples are stacking in the harvest baskets provided by ROP



Qasim Saeed Mir packers grading apples at ROP pack house



One of the packers are packing apple in ROP market center



Apples are loaded to the truck for Pakistan markets



Afghan dost refer container trucks leaves ROP facility for Kkarachi



The Samsorban packers are packing apples in Wardak



The Samsorban packers using ROP grading table for their process



Improved packaging

The complete report on these exports will be posted on the Roots of Peace website by January 31, 2010. See the project reports section at:

[www.rootsofpeace.org/resources/project-reports/](http://www.rootsofpeace.org/resources/project-reports/)