



# FACT SHEET

June 02, 2014

## USAID Firms Project Fresh Mango Program

Geographic Focus	Punjab and Sindh
Implementing Partner	Chemonics International Inc.
Start Date	May, 2010

### Introduction:

Pakistan's mango sector represents four percent of the world's total production and contributes USD 150 million per year to the country's GDP. Pakistan is the world's third largest mango producer and fourth largest exporter, with an annual crop of around one million tones.<sup>1</sup> Pakistan exported a record 1, 27,000 tons of mangos this year. USAID Firms Project has estimated that the 2006 to 2015 cumulative opportunity cost of market inefficiency in Pakistan mango exports is approximately USD 674 million. This opportunity cost offers the potential of being converted to earned revenue for the economy, in Southern Punjab and Sindh.



De-sapping process through modernized techniques

### Sector Constraints:

In order to realize the true potential of Pakistan's mango sector, the U.S. government has pledged to strengthen this important industry by removing identified constraints, and strengthening key mango value chain players to enable them to export quality produce to high value international destinations at competitive prices. Key constraints inhibiting growth of this value chain include:

- Lack of adequate on-farm infrastructure
- Capacity issues of SME farmers and processors to produce high quality disease free mangoes
- Lack of International standards and certifications
- Weak export marketing skills and linkages
- Limited facilities of mango value-added products

### Interventions:

USAID Firms Project has partnered with Pakistani mango farmers to maximize their yield, improve product quality, and implement better handling and packaging techniques to reach new high value export markets. The objective of the program is to produce technically and commercially viable mangoes that can compete in lucrative international markets. USAID Firms Project activities are focused in the mango growing clusters of Punjab and Sindh and key areas of intervention are:

#### a. Infrastructure and Technology Upgrading:

Infrastructure Up-gradation Agreements (IUAs) were signed with 15 farmers to build pack houses, all of which have been completed and are operational. USAID, under this cost sharing agreement, has provided:

<sup>1</sup> Pakistan Horticulture Development and Export Company (phdeb.org)

- Mango processing lines, locally fabricated and the first of its kind in Pakistan, equipped with the technology of providing disease control through a hot water treatment system. The project will also be assisting the beneficiaries of packing lines with provisioning of state-of-the-art mango graders to ensure packaging uniformity as per international standards.
- Cold Storage units, including specially designed blast chillers for field heat removal to enhance – the shelf life of mango.
- Various other tools and equipment to improve mango quality and provide efficient harvesting and processing such as de-sapping equipment, plastic harvesting crates, water filtration plants and generators.

#### **b. International Certifications:**

The USAID Firms Project has also provided assistance to farmers for acquiring GlobalGAP and Hazard Analysis and Critical Control Point (HACCP) certifications under a separate cost-sharing agreement. Till date, USAID has successfully completed:

- GlobalGAP certification for 26 mango orchards enabling them to export mangoes to high-end EU markets.
- HACCP certification of 14 IUA facilities ensuring food safety, and fulfilling requirements of various high-end international buyers.

#### **c. Capacity Building through Trainings:**

USAID Firms Project's training program is designed to reach exporters, agricultural extension workers and a greater mass of small farmers in rural Punjab and Sindh to improve orchard care and harvesting techniques. Trainings are focused to improve pre and post-harvest management of mango crop and include the following modules:

- Balanced nutrient application in mango orchard, mango tree pruning and canopy management, mango dormancy and irrigation management, integrated mango crop protection management and mango sudden death syndrome.
- Trainings have been provided to mango farmers, processors, exporters and government extension workers.

#### **d. Marketing and Linkages with Buyers:**

The USAID Firms Project has also assisted participation of beneficiaries in international fruit exhibitions and conducted buyer-seller meetings as part of its efforts to improve mango sales and create opportunities for employment. This includes:

- Participation in the world's leading fruit and vegetable exhibition, Fruit Logistica Berlin and Hong Kong.
- Identifying and linking beneficiaries with key international EU buyers.
- Participating in local exhibitions and expos in Pakistan
- Hiring consultants to create international market linkages with potential buyers to realize commercial sales.
- Facilitating trial shipments of fresh mango through sea to EU markets achieving great success in the Sindhri mango variety which were previously exported to long haul destinations only by air ( three-four times more expensive than sea freight).

#### **e. Partnerships and Cooperation:**

Through its interventions, USAID Firms Project has actively sought guidance, expertise and cooperation from the following organizations:

- Trade Development and Authority Pakistan (TDAP) for promotion of sales through marketing events
- Government of Punjab, Pakistan Horticulture Development and Export Company (PHDEC), and Metro as part of a consultative process to devise the four- year mango strategy
- Mango Research Station Shujabad, Mango research institute Multan and Sindh Agriculture Research Institute to conduct training sessions for workers.
- PARAS – upgrading the facility as a pre-requisite to get certified by the US for irrigation of fruit to enable export to the US market
- USDA (U.S. Department of Agriculture) for developing commercial shipments SOPs and protocols for the US market
- University of Agriculture Faisalabad and Bahauddin Zakariya University.

#### **Results and Impacts (To-date):**

Partner SMEs in the mango sector have been able to successfully send commercial shipments both by air and sea to high-end EU, Middle-Eastern and US markets.

- Overall sales and export revenue of the mango sector have increased by USD 43 million since its inception in 2009.
- The project-supported SME mango farms and processors exported USD 9.6 million worth of mangos in 2013 that represents a 44 percent increase from the previous year and 744 percent increase from the baseline year of 2009.

*A brief summary of key results from these interventions is listed below:*

#### **Sales Revenue:**

- Total increase in the on-farm and off-farm sales revenues in the mango sector which are directly attributable to the USAID intervention – USD 43 million<sup>2</sup>.
- Total cumulative farm-gate sales revenues from the partner mango SMEs – USD 46.6 million<sup>3</sup>.
- Total increase in sales revenue of partner SME farms and processors – USD 8.7 million<sup>4</sup>.
- Percentage of increase in sales revenues at the farm-gate level – 99% (from USD 8.7 million in 2009 to USD 17.2 million in 2013).

#### **Exports:**

- Total export revenues from the partner mango farms = USD 21.8 million.
- Total increase in export revenue since 2009 = USD 8.5 million.
- Percentage increase in export revenues from the baseline = 744% (over 7 folds – from USD 1.15 million in 2009 to USD 9.66 million in 2013).
- Percentage increase in export volume = 195% (almost two folds – from 2,087 tons in 2009 to 6,157 tons in 2013).

#### **Employment and Trainings:**

- Increase in Full Time Equivalent (FTE) employment (direct and indirect) - Over 1,000.
- More than 4,300 including over 100 women trained from more than 1,600 partner farms in best agricultural practices.

#### **Infrastructure and Certifications:**

- 15 on-farm processing facilities established, (previously no similar on-farm processing facilities existed in Pakistan).
- 26 SME farms received Global G.A.P certifications - these are necessary in order to export to high-end markets.

#### **Area under Cultivation and Private Sector Investment:**

- Private sector investment mobilized / contribution from the partner SMEs – USD 1.8 million.
- More than 19,000 hectares brought under improved agricultural practices.
- Over 1,700 flood-affected hectares rehabilitated.

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<sup>2</sup> This is an increase of USD 8.5+ million at farm-gate and USD 34+ million in the off-farm sales in comparison to the baseline. The figures of off-farm sales are calculated on the basis of the multipliers estimated in 'Labor and Sales Multiplier Study of Mango Sector'.

<sup>3</sup> This figure is the sum of total sales revenue for the years 2010 (USD 7,239,467), 2011 (USD 9,744,369), 2012 (USD 12, 401,170) & 2013 (USD 17,243,808) at actual.

<sup>4</sup> This figure is the sum of increase in sales revenue in 2011 (USD 2.8 m), 2012 (USD 2.6 m) & 2013 (USD 3.2 m).