



DATES

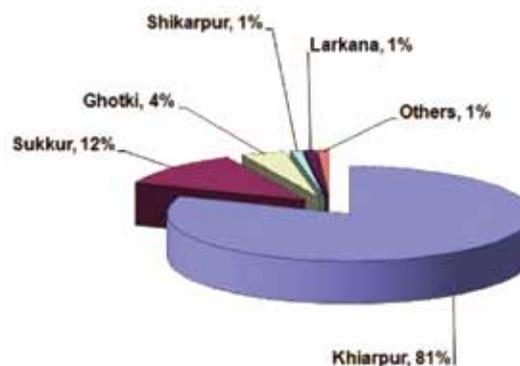
Overview

Dates are an iconic part of Muslim culture and one of the few fruits mentioned repeatedly in the holy Quran. In fact, dates production is mainly concentrated in the Muslim world especially the Middle East. Dates are a very nutritious and delicious fruit containing mainly carbohydrates and several types of sugars but also proteins, vitamins, and minerals. A kilogram of dates contains 2500-3000 calories. Pakistan is the 4th largest producer of dates with total annual production at around 650,000 tons in the form of over 300 varieties. Of the many varieties produced in Pakistan, Aseel, Karblain, and Kupro are considered the best varieties of Sindh. Begum Jhangi and Mozavati are the best varieties of Balochistan while Dhakki is the best variety of Dera Ismail Khan in KPK. Sindh alone contributes more than 55% of the total dates production in Pakistan and the share is on the rise. In Sindh, the highest concentration of date palm is in Khairpur district where date palm trees grow like weeds and produce about 90% of dates in the province.

Market Analysis

Sindh produces 350,000 tons of dates annually with each date palm carrying a weight of about 80-90 kg on average. Dates are produced in two forms as either fresh dates or dried dates. Fresh dates are exported to the USA, Canada, France, Bangladesh, Indonesia, Malaysia, and UAE while 90% of dried dates are exported to India usually via Lahore. Dates processing has not been able to gain a foothold in Pakistan because of which true potential of dates production has not been fully realized. Processing occurs at two levels. One is basic processing consisting of the simple steps of fumigation, washing, drying, weighing and packaging in order to convert dates into table fruit. The whole date can also be processed to make unpitted or nut-stuffed dates for higher price. Further processing can be done for value addition by making date paste, date vinegar, date syrup, and a wide range of confectioneries derived from dates.

Because of lack of modernized processing and prevalence of age-old methods, Pakistani fresh dates are considered industrial quality by the developed world and fetch only one-third the price of processed dates at only \$ 600 per ton. However, fresh dates generally earn double the export price of dried dates, which are in reality a devalued form of dates. In Sindh, about a dozen basic-level processing plants exist in Thehri area of Khairpur some of whom have managed to get ISO certifications. The consumption of dates increases manifold during the holy month of Ramadan. However, Pakistan has not been able to take full advantage of this market. In fact, Pakistan imports dates during Ramadan because of lack of cold storage and processing facilities.





“Golden Harvest” and age-old dehydration method



Baking for Dried Dates



Date Palm in Drovers



Aseel Dates

Investment Opportunities

▪ Dates Dehydration Chambers

Investment is required for establishment of modern dates dehydration chambers for value addition. These chambers reduce ripening time from 9-8 days to 5-4 days and increase profitability alongside enhancing quality of dates.

▪ Dates Processing Plants

Dates processing plants are the essential need of dates sector in Sindh either for processing of fresh dates in simple or value added form and/or for production of dates derivatives like paste, syrup, vinegar and so on. The scope of value addition and profitability is immense. The cost of such a plant is Rs. 30 m with an IRR of 30% and payback period of 2.5 years. The first investors in this field will definitely have a great first-mover advantage.

▪ Investment in Khairpur Special Economic Zone

Date processing plants can ideally be established at Khairpur Special Economic Zone, an special economic zone being developed by the District Administration of Khairpur under supervision of SBI. The zone has a total area of 136 acres and will be equipped with a 20MW captive power plant. There will be zero duties on import of machinery as well as tax breaks for the first 10 years. The zone is ideally located on the main National Highway.





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