



Study Tour on Exotic Fruits Supply Chains, 19-24 May 2009, Thailand

AFMA organized a technical study tour on Exotic Fruits Supply Chains from 19-24 May 2009 in Thailand. It involved four days visiting two tropical fruits farms, one distribution centre, one tropical fruits factory, one small processor, one large wholesale market, one local assembly market and one exporter. Around half of these places are located in Chantaburi province which is the major production area for tropical fruit, and the rest in other provinces close to Bangkok.

The tour was well supported by organizations and subsidiary companies under the Ministry of Agriculture, Malaysia. The nine participants were all mid-level executives involved in marketing, planning and research. They were from Federal Agricultural Marketing Authority (FAMA), Malaysian Agricultural Research and Development Institute (MARDI), Department of Agriculture (DOA) and Malaysian Agrifood Corporation (MAFC).

We looked at four economic tropical fruits being harvested. These were durian, rambutan, mangosteen and longkong. Durian transporting, loading and packing were the most common scene at the time. Total production of durian in Chantaburi is around 500,000 tons average per season (or one year) according to the Chantaburi Agricultural Extension Office. At the peak time, durian production is around 9,000 tons per day. Farmers harvest the fruits and most are transported by a pick-up truck to the local assembly markets or agents.

Neon Soong Market is one of the major assembly markets in Chantaburi. It has minimal facilities of shelters and parking lots. Farmers come and sell their produce by paying THB10 (30 cents) for parking, with buyers paying up to THB50-60 (US\$ 2) entrance fee depending on the size of the truck. It is open for twenty four hours a day.

There are many agents/exporters operating near the market. Durian fruit for the export market is sorted, labeled (at the stalk), cleaned and packed into a carton. The cartons of durian are loaded onto a cold truck for delivery to the port.

In addition, the tropical fruit for domestic consumption go to Talaad Thai wholesale market near Bangkok where there is a seasonal area used by many trucks to sell and buy

fruits in the season. TESCO Lotus, like most other hypermarkets in Thailand, uses a distribution centre to receive products from all over the country then delivers to its own stores using its own trucks. This saves time, documentation and operating cost instead of having all suppliers delivering directly to each store. Therefore, each store will only have a minimum stock.

The findings from the trip covered the roles of producers, the private sector and government in the chain. An example for mangosteen was that the Department of Agricultural Extension of Thailand has been trying to form the farmers into a cluster. It gave technical advice and promotional support such as designing of the package of the cluster and linking the cluster with the export company. A mangosteen orchard in the cluster that we visited had gained GLOBALGAP certification, which give them a possible access to international markets. Processors are competitive and be able to produce various type of products and services. Major sales of fruit processors are customized products to meet the needs of other processors around the world. Farmers play a major role in the supply chain by learning and improving their practices to produce higher quality and safety produce. This allows them to be the market leader and this thus brings more opportunities. At the end of the tour, we visited the fruit competition at the World Durian Festival organized by Department of Agricultural Extension in collaboration with many local governmental offices in Chantaburi. This event was to promote the awareness of the local community rather than the international one, but it gave a great motivation for producers, officers and companies in the area.