

**DIRECTORATE GENERAL
SUB REGIONAL OFFICES (PUNJAB)**



**Development of “Dates” for Export
(North Region)**

**Proposal Document
Prepared by**

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Introduction

Pakistan is one of the leading dates producing countries and ranked number 6 in the world. The top six countries including Egypt, Iran, Saudi Arabia, Algeria, Iraq and Pakistan account for 60% of world production of palm dates. The annual production figures are reflected in Table-1 below.

TABLE – 1
WORLD PRODUCTION OF DATES (HS 080410)
(TOP 6 COUNTRIES)

(in Metric Tons)

<i>COUNTRY</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Egypt	1,352,954	1,373,570	1,400,072	1,328,468	1,465,030
Iran	1,023,126	1,053,870	1,086,600	1,148,500	1,156,996
Saudi Arabia	991,546	1,008,105	1,031,082	1,095,158	766,800
Algeria	644,741	724,894	789,357	848,199	934,377
Iraq	567,668	619,182	655,450	676,111	662,447
Pakistan	524,041	557,279	524,612	526,749	537,204

(source: FAO Stats.)

Palm dates are also used in desserts, date syrup manufacturing, as well as for paste, block and bar manufacturing. These can also be used to manufacture value added products such as den-natured Ethanol. From about 2.7 kg dates, 1 kg Ethanol can be produced. Pakistani dates are also used to produce non-alcoholic sparkling drinks.

Supply-side Analysis

Over 300 varieties of dates are grown with annual production of about 0.537 million tons over an area of 92,300 hectares. Major dates producing Districts include; Turbat and Panjgur in Baluchistan (50%), Khairpur and Sukkur in Sindh (39%), D.I Khan in K.P (9%) and Muzaffargarh and Jhang in Punjab (2%). About 130 varieties of palm dates are produced in Pakistan¹. Among these, Begum Jhangi, Mazawati, Gogna, Jansor,

¹ Source: FAO Stats

Deshtiari, Kharaba, Aseel are produced in Baluchistan; Fasil, Karbalai, Kubra, Valeti, Aseel are grown in Sindh; dorn in Punjab; and Dhuki in K.P.

Harvest season of dates starts in July and lasts till September. Production period of other dates producing countries including Iran, U.A.E, Saudi Arabia, Iraq, Israel, Tunisia etc. is from August to November. Dates are harvested and marketed at three stages of their development. The choice for harvesting at one or another stage depends on 12 varietals characteristics, climatological conditions and market demand. The three stages of dates ripening are:

1. Doka Stage (Khalal): physiological mature, hard and crisp, moisture contents 50-85 %, yellowish in color.
2. Dang Stage (Rutab): Partially browned, reduced moisture contents (30-35 %), softened.
3. Pind Stage (Tamar): Colour from amber to dark brown, moisture contents reduced below 25 % to 10 %, texture from soft pliable to firm.

Traditional Processing of Dates (An example of Khairpur Dates)



1. The dates yield is taken down manually in bunches from the palm trees by using primary tools

2. Once harvesting is complete, the dates in bunches are taken to the make-shift processing site





3. The Dokas (Raw dates) are then separated by manually thrashing the bunches



4. The Dokas (Raw dates) are cooked in a yellow-coloured liquid for about twenty minutes



5. The cooked dates are then spread out on the fields to dry in the sun to make Choaras (Dry dates)

Harvesting season for dates that start in July and runs till September, the local fresh dates, therefore, reach the markets after mid-*Ramadan*. But due to the lack of value addition, processing and preservation, the local farmers are unable to stock dates for a longer period and even lose as much as half of their produce every year. Pakistan has not increased production for more than a decade while the rest of the world has more than doubled its production.

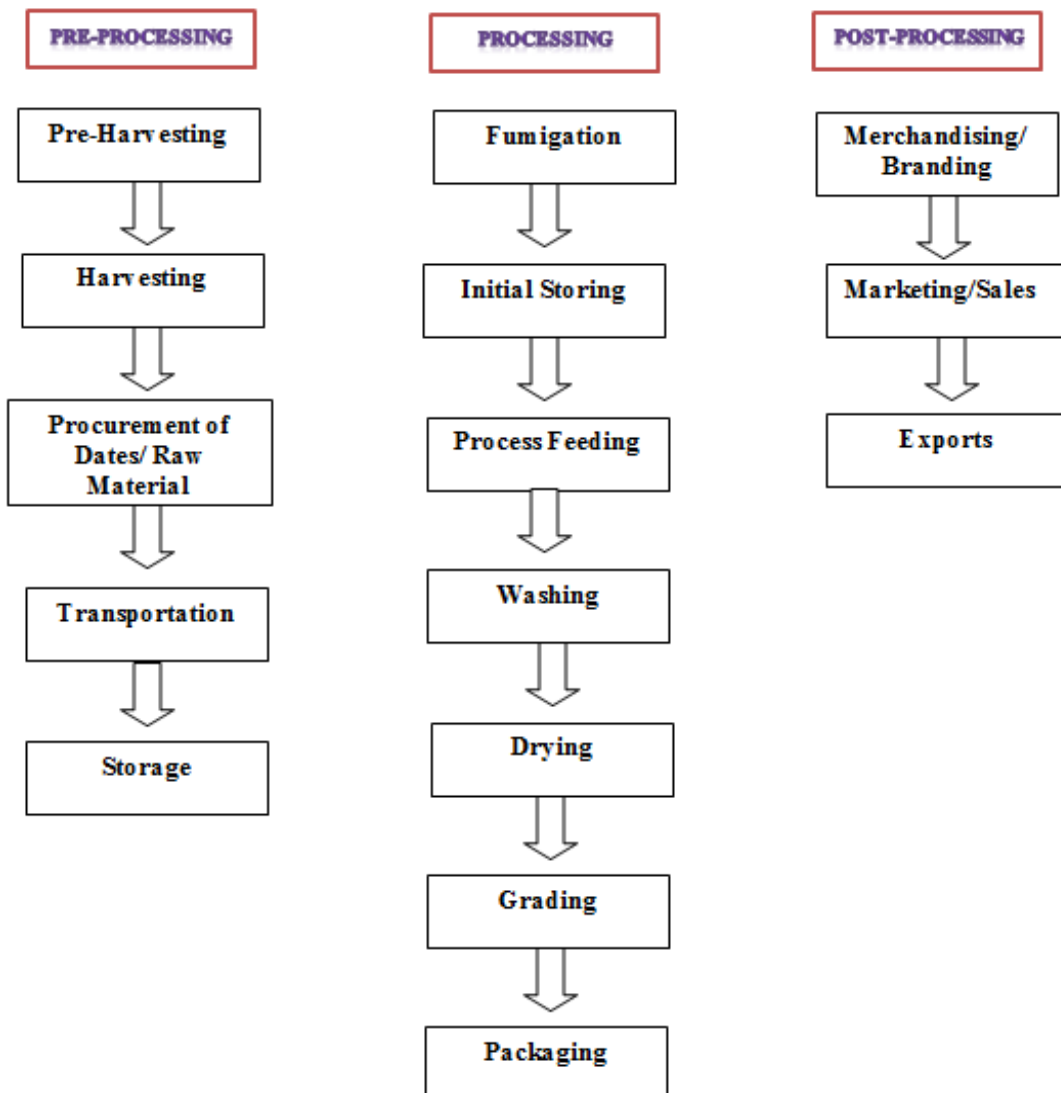
A typical value chain in processing and exporting dates consists of three main parts including:

1. Pre-Processing; including the stages of a product life-cycle from the harvesting stage to its storage in the form of raw material.

2. Processing; including treatment of the product in the raw or unprocessed form for the purpose of preservation after passing it through various stages till the product is packed for consumption purpose.
3. Post-Processing; including the marketing aspect that is required to ensure supply of the product to the end consumer.

Figure-I explains the above three stages for a better understanding of the concept of value chain in the dates sub-sector.

FIGURE – 1
DATES VALUE CHAIN



Export Analysis

Out of total production of 537,204 tons, only 86,000 tons is exported while rest is consumed locally or perished due to inappropriate preservation methods or ignorance on part of farmers or middlemen.

Major export destinations include India, Canada, USA, Germany, UK, Denmark, Australia, Bangladesh, Sri Lanka, Japan and China, etc. India remains the major importing partner buying approximately 80% of total Pakistani exports, mainly in dried date category. The export figures are provided in table-2.

TABLE – 2
EXPORT OF DATES FROM PAKISTAN

(figures in 000' USD)

Product code	Product label	Pakistan's exports to World				
		Value in 2011	Value in 2012	Value in 2013	Value in 2014	Value in 2015
'08041020	Dates dried	55,126	73,136	68,273	65,493	63,659
'08041010	Dates fresh	8,500	8,471	11,918	14,483	19,556

Source : ITC Trade Statistics

Table-3 shows exported value of Pakistani dates to the top ten destinations in the world. The figures have been taken from the trade statistics of International Trade Centre and might vary from those reported in Pakistan Bureau of Statistics.

TABLE – 3
TOP TEN IMPORTING COUNTRIES OF PAKISTANI DATES

(figures in 000' USD)

Importers	Exported value in 2011	Exported value in 2012	Exported value in 2013	Exported value in 2014	Exported value in 2015
World	64082	80838	85723	79976	83214
India	47182	67129	73414	63643	67925
United Kingdom	2054	1542	3745	4739	5414
United States of America	5019	4189	2918	6058	4885
Germany	1139	959	1358	1683	1510
Canada	225	301	669	698	586
Denmark	619	370	618	1010	585
Australia	332	349	505	337	436
Bangladesh	192	330	576	417	419
South Africa	228	303	409	426	375
Japan	385	301	252	160	302

Source : ITC Trade Statistics

Although India has remained the major importer of Pakistani's dates since 2011, there has been a significant increase in dates exports to countries in Europe (United Kingdom, Germany and Denmark) in the period 2011-15, as presented in the table below. However, the following major constraints are hampering export diversification in this sector:

- Product procurement from wholesale market
- Lack of processing and value added products industry
- Lack of market promotion
- No attempt for market expansion – access to new potential markets
- Lack of physical infrastructure
- Lack of R&D support

There is great scope for increasing exports of Pakistani dates, if the country opts for processing dates through modern techniques and pays vigilant attention to packaging and dates' by-product manufacturing. Dates are quite a versatile fruit and have a large scope for value addition as is the demand in the world market. It is therefore proposed that in order to counter the re-export of Pakistani dates from the importing countries, the country should focus on enhancing its exports in the fresh dates sector rather than the dried ones, by encouraging investment in the dates processing and value addition areas.

Potential of Khyber Pakhtunkhwa

Khyber Pakhtunkhwa is blessed with high quality date producing areas. K.P's total date production was recorded at 6,800 tons during the year 2010- 112. Major date producing district in K.P is Dera Ismail (D.I) Khan. The dates of the area are comparable with well-known international brands. One of the most famous products of this district is the "Dhakki date", which is exported to the Middle East, United States, and Europe.

However, the area lacks adequate processing facilities including appropriate cleaning, grading and packaging and therefore, the end product remains far from established and acceptable international standards. Thus the value addition of dates is a major issue that needs to be addressed. The same treatment is awarded in the

² Source: Pakistan Bureau of Statistics

local market where these dates fetch lower prices than those imported from abroad and marketed inside the country.

Issues and Challenges

1. Low Value Addition

As per the available estimates, almost 93% of the exported dates comprise of dried dates while remaining 7% are exported fresh. If a fair comparison is made, the value fetched by the dried dates is far less than fresh dates. The dried dates are still preferred from production point of view due to the reason that processing and preservation methods of fresh dates require investment and are cost bearing while the growers and middlemen lack such facilities due to their small size and limited financial resources. Therefore, dates are rather dried and exported with lower value addition thus losing opportunity of high end markets. The average export price of fresh and processed date is almost double than that of dried date.

2. Limited Investment in the Sector

In D.I Khan, most of the processing of dates is done in an uneconomical manner due to absence of processing and grading facilities. There is limited investment in the processing sector which results in wastage at the harvesting and poor quality at post harvesting stage. Due to this, a lot of potential is wasted in terms of production and export of such salable commodity.

3. Less Coherent Value-Chain

The supply chain issues of the sector are common throughout Pakistan. There is limited or no coherence in the whole value chain thus creating a situation of disconnect between the farmer and market. At least three projects were conceived in the past for setting-up processing plants for dates in Turbat, Khairpur ad D.I Khan in the year 2004. Due to lack of communication, coordination, understanding and interest on part of the stakeholders including growers and provincial governments, these projects could not take off and all of them are no functional³. The EDF Board has decided to shelve these projects due to nil performance.

³ Source: PHDEC

4. Weak Infrastructure and Preservation Facilities

Dates are harvested in a period where monsoon season is around. Farmers always prefer to pluck the fruit before start of rains which can damage the crop. This leads to premature harvesting in most of the cases leading to low graded product. Besides, as a common practice, the farmers follow the middle-men demand and thus prefer to convert the product into dried form and thus the product loses an opportunity of value addition and the economic welfare of the producer is also affected due to poor pricing.

5. Limited Awareness amongst Stakeholders

Most part of the sector is informal and the farmers are not well aware of the concept and utility of a value chain. Disconnect from the markets leads them to stay in a conventional mode with limited focus on improving production yield and quality of the end product.

Conclusion

Pakistan being the 6th largest producer of dates with a greater possibility to increase its existing market share has not been able to fully tap potential of this valuable sub-sector either in domestic or international market due to inappropriate production techniques at farm level, absence of a coherent and well complaint value chain, and weak marketing channels that have lowered the potential of dates in the export market. There is an urgent need to address issues and challenges faced by the sector through effective policy intervention by the government and the private sector in dealing with the prevailing situation.

Recommendations

1. Value Addition

In the absence of appropriate processing, the finished products are of lower value and are unable to attract better prices in domestic as well as international markets. It is recommended that provincial government may take measures in attracting investment in the dates processing sector through incentives as well as awareness so that the investors are attracted for investment in the processing sector.

2. Export Value Chain

The government's measure to attract investment in the dates sub-sector will help in creating a complete value chain on the supply as well as on the export side. In this case, the stakeholders from farm to market level should be well connected through a common forum such as an association of farmers and exporters so that demand driven products are produced after appropriate understanding of the whole value chain including processing, grading packaging, SPS and other requirements that are required to compete in the internal and external markets.

3. Revival/Re-establishment of Dates Processing Plants

The three projects conceived for establishing processing plants for fresh dates should be revived and the provincial governments should play their due and active role in providing requisite facilities including land and infrastructure which would enable in moving forward on the concept of value addition through creating appropriate value chain.

4. Dates Development Centres

The provincial governments, in collaboration with the Ministry of Commerce may establish Dates Development Centres where research activities with regard to development of existing as well as new varieties of dates could be conducted. Funds from EDF can be allocated for sharing the cost of research and development of dates in the major dates producing areas.

5. Organizing Dates Show

TDAP, in collaboration with the local farmers, trade bodies and provincial governments may organize date show in major cities of Pakistan. Publicity of the event should also be done through the trade missions so as to invite buyers from abroad. However, the purpose of such shows should initially be to encourage local entrepreneurs and exporters to develop a common platform where they could perform trade as well as consultative functions.

6. Awareness and Technical Seminars

TDAP may organize awareness and technical seminars for the growers, middlemen and exporters of dates. Such seminars should be organized in collaboration with the stakeholders in the dates producing districts of Pakistan.

7. Brand Development

To enter the high-end value added market, well-planned branding and merchandizing efforts are required. Successful branding of Pakistani dates would require proper integration of associated production, supply chain and value addition activities. This is needed to ensure that the highest quality of dates is delivered to a well-defined segment of final consumers. Brands are only developed when the trust and repeat business of customers are gained and ensured. An excellent example of an international brand for dates is Bateel, a luxury brand of deluxe dates that is offering the finest quality of dates to its customers by adding significant value to the fruit. The dates being sold by this brand are fully-ripened and soft such as the Rhutab and the Tamr and are filled with roasted and caramelized nuts, finest chocolates and fusions with other suitable fruits.

It is feasible to develop brands such as Bateel in Pakistan as the country also produces high quality soft dates types such as Dhukki in D. I. Khan, KPK and Aseel in Khairpur, Sindh.

8. International Marketing

In order to improve connectivity between buyers and sellers of dates in the international marketplace, Ministry of Commerce may activate a marketing drive through Pakistan's diplomatic and commercial missions abroad. Particularly in the countries where Pakistan is already exporting, small packages of dates should be sent as samples to these missions for onward distribution to the potential buyers and others who matter in the decision making for buying products. A promotional campaign should also be launched for promoting dates from Pakistan through these missions. Exporters of dates should be encouraged to participate in international exhibitions relating to food items where TDAP is participating.

Action Plan

1. Seminars on Supply Chain Management & Export

Intervention	Stakeholders	Location	Time	Approx. Cost	Outcome
Seminar on “Productivity, harvesting techniques, managing pre & post harvest losses, Supply Chain Management and Compliance”	TDAP, KP Board of Investment & Trade, KP Department of Agriculture, D.I Khan Chamber of Commerce & Industry, USAID, Quarantine Department.	Dera Ismail Khan	Second week of August 2017	Rs 180,000/-	Educating at least 50 growers and 50 middlemen on supply side issues.
Seminar on “Export Procedures, Documentation, Pricing, Packaging, Financing, Shipping & Export Marketing” Marketing of Expo Pakistan (November 2017)	TDAP, KP Board of Investment & Trade, D.I Khan Chamber of Commerce & Industry, USAID, State Bank of Pakistan.	Dera Ismail Khan	Second week of September 2017	Rs 180,000/-	Educating at least 50 growers and 50 middlemen on export related matters. Persuading at least ten exporters and D.I Khan Chamber to participate in upcoming Expo Pakistan in November 2017

2. Participation in Local and International Exhibitions

Intervention	Stakeholders	Location	Time	Approx. Cost	Outcome
Dates Show 2017	TDAP, KP Board of Investment & Trade, D.I Khan Chamber of Commerce & Industry, Growers, KP Department of Agriculture.	Dera Ismail Khan	Last week of September 2017	Cost to be ascertained after discussion with Chamber and other stakeholders by TDAP Peshawar by Mid July 2017.	Participation of at least 100 entities including growers, middlemen, exporters etc. Others including chamber, banks, TDAP, SMEDA, SME Bank, Department of Agriculture, Board of Investment & Trade of KP and relevant stakeholders to put up information and advisory services stalls.
Expo Pakistan	TDAP, KP Board of Investment & Trade, D.I Khan Chamber of Commerce & Industry, Growers, KP Department of Agriculture.	Karachi	November 2017 (actual dates to be decided by TDAP)	Exemption from participation fee.	Participation of at least 5 prominent growers/exporters of dates, a stall of D.I Khan Chamber of Commerce should also be facilitated to promote trade associations and products of remote areas of K.P.
Nadia Faruki to identify few food related exhibitions on TDAP's calendar of events and inform me to add them here. Related to the markets which have potential to import dates from Pakistan.	Growers, Exporters				

3. Market Assessment and Promotional Campaigns

Intervention	Stakeholders	Location	Time	Approx. Cost	Outcome
Market Surveys on top ten markets and top future markets	Ministry of Commerce, TDAP, Trade Missions, Diplomatic Missions	Various	Last week of September 2017	Nil	To get first hand knowledge on market trends, pricing, packaging requirements, competitors analysis and gap analysis.
<p>Promotion of Dates through sampling in the international markets</p> <p><i>At least 4000 product samples of each variety of dates. (2 varieties)</i></p> <p><i>Each mission to be provided with 200 samples of each exportable variety (each sample x 500 gram)</i></p> <p><i>Each mission (200 samples x 2 varieties x 500 gram)</i></p> <p><i>Total requirement per mission (200 kg)</i></p> <p><i>20 mission = 4,000 kg (2,000 kg of each variety x 2)</i></p>	TDAP, Growers, Trade Missions, Diplomatic Missions	Top ten existing and ten potential markets	October 2017 To December 2017	<p>Rs. 4 million including packaging, storage and transportation cost</p> <p>From EDF</p>	<p>Test marketing.</p> <p>Introducing products to potential importers, buying houses, consumers, and potential businessmen in the host countries.</p> <p>Feed back from the target consumers and potential buyers.</p>
Date shows in selective Pakistan's Missions abroad	Growers, Exporters, TDAP, Pakistan's Missions abroad	10 Potential Markets	March 2018 To December 2018	Rs 7 million for ten countries	Introduction of dates in the potential markets through appropriate management.

4. Creating a Common Forum for Growers and Registration of Geographical Names

Intervention	Stakeholders	Location	Time	Approx. Cost	Outcome
Formation of Dates Growers Association at National Level	Growers, D.I Khan Chamber of Commerce, Khairpur Chamber of Commerce, and others at regional levels	National	December 2017	N.A	Creation of a uniform forum for the growers of dates at national levels with provincial chapters. Identification of clusters for development. A forum to voice genuine concerns of growers.
Registration of Geographical Indications of Dates by name such as “Asil”, “Dhakki”	Growers	National level	March 2018 (after formation of Growers Association)	To be worked out. Government of facilitate with subsidy for registration.	Branding of dates on the basis of generic names which would later help in promotion of dates at national and international level.
Re-activation of three Dates Processing Plants	Ministry of Commerce (EDF), TDAP, PHDEC, Growers, Exporters, Local Chambers	Regional Levels Khairpur Turbat D.I Khan			

5. Formation of Dates Processing Plants and Research Centres

Intervention	Stakeholders	Location	Time	Approx. Cost	Outcome
<p>Carrying out Feasibility Study for re-activation of existing Dates Processing Plants or setting up entirely new plants</p> <p><i>This may include a Dates Research Centre also to facilitate research on yield, new varieties, and other requirements</i></p> <p><i>It is appropriate to have a Public Private Partnership model to ensure sustainability (Common Facility concept may also be reviewed).</i></p>	<p>Ministry of Commerce (EDF), Provincial Governments, TDAP, PHDEC, Growers, Exporters, Local Chambers</p>	<p>Regional Levels Khairpur Turbat D.I Khan</p>	<p>December 2017 To March 2018</p>	<p>Rs 10 million</p>	<p>Need assessment for establishment and feasibility of a self sustainable Dates Processing Plant.</p>
<p>Acquisition of Land for the Processing Plants</p> <p><i>Provincial Governments in certain cases have already committed to provide land. In case of D.I Khan, two acres of land has already been provided. The same may be held for revival of processing plant purpose.</i></p>	<p>Provincial Governments, TDAP, PHDEC, Growers, Exporters, Local Chambers</p>	<p>Regional Levels Khairpur Turbat D.I Khan</p>	<p>Immediate working to be started after approval of proposal.</p>	<p>Provincial Government's contribution</p>	<p>Availability of land for setting up Dates Processing Plant at suitable location(s).</p>

Approval of Cost Estimates and financial commitment	EDF Board, Local Chambers, Provincial Departments of Agriculture, Provincial Boards of Investments, USAID etc.	Regional Levels Khairpur Turbat D.I Khan	April 2018	To be worked out	
Formation of Private Limited Companies in each case	Composition to be decided by the concerned stakeholders	Regional Levels Khairpur Turbat D.I Khan	June 2018	To be worked out	
Formation of Project Management Committees, Tendering Committees and Implementation mechanism	Board of each Company	Regional Levels Khairpur Turbat D.I Khan	September 2018	To be worked out by the Board of Management	
Tendering, Physical Progress and Execution	Project Management Committee, Board of each Company	Regional Levels Khairpur Turbat D.I Khan	December 2018 To December 2019	To be worked out on the basis of initial feasibility and other costs	Establishment of state of art Dates Processing Plant.