

MARKET MINDSET DELIVERS LASTING VALUE

A decade-long project to develop Pakistan mango value chains has equipped the country with a proven toolbox of skills and mindsets

KEY POINTS

- A focus on delivering value to consumers has proven its ability to increase returns for mango industry stakeholders in Pakistan.
- ACIAR training and support have enabled new direct-marketing initiatives that are improving incomes for smallholders.

BY TOM BICKNELL

The mango is known as 'the king of fruits' in Pakistan and, in line with its popularity, the country is estimated to be the sixth-largest global producer of the fruit by the UN's Food and Agriculture Organization. But of all the mangoes grown in Pakistan, relatively few make it all the way to consumers.

"One of the early things we established is that for every hundred mangoes on the tree, roughly 30 reached the consumer. The waste in the system is just horrendous," explains Professor Ray Collins, the project leader for ACIAR's 'Pakistan mango value chain improvement project', part of the Australia-Pakistan Agriculture Sector Linkages Program (ASLP).

Improving that state of affairs was the key focus of the project, which began in 2006 and wrapped up at the end 2015.

The project took a systems approach to improving Pakistan's mango supply chains in order to deliver better fruit to consumers, develop and improve markets, and build the capacity to turn the industry's attention from supply to value. To achieve those goals, the road to success started in the market.

"We always worked from the market backwards," Professor Collins says. The initial stages

of the project identified opportunities in markets such as China, the UK and Malaysia, and then determined what qualities a Pakistani mango would need to offer in each market for it to have a profitable presence there.

"Then you could go back to Pakistan and ask how the chain would need to perform—and what would need to be improved—in order to deliver that product with those attributes, at that price, in that particular market," he says.

Back in Pakistan, many of the technical challenges behind improving quality and shelf life required significant work, but the project was able to leverage off best-practice strategies and technologies from other mango industries, such as Australia's. Pakistan's mango sector, however, had a unique logistical barrier to overcome before it could develop export markets successfully.

Pakistan has long exported mangoes to the UK, but a short shelf life meant the fruit needed to be airfreighted, resulting in a high landed price in the market. Combined with traditionally low quality, Pakistani mangoes were sold primarily to Pakistani expats through greengrocers and street markets, and were not able to access the huge but strict supermarket sector.

"To turn that around, for the first time we had controlled-atmosphere seafreight of Pakistan mangoes going to the UK, with literally world-class outcomes," Professor Collins says. "Twenty-five to 28 days on the sea, and out-turns at the other end were as near to perfect as you can get with a biological product. They were exceptional results."

The project's controlled-atmosphere results had the potential to put Pakistan's mango industry at the technological forefront of mango seafreight.

CHANGING BUYERS' PERCEPTIONS

The project's technical achievements meant Pakistani mangoes were able to land in the UK and

meet the supermarkets' high quality requirements. The new offering of 'ASLP best practice' mangoes were of better quality and lower landed cost than other Pakistani mangoes, and offered supermarkets a seven-day shelf life.

The challenge, however, was convincing the UK members of the value chain that those attributes, which went counter to decades of experience, were real. "There was quite a challenge to get wholesalers, distributors and retailers believing that Pakistani mangoes could be this good and would have this shelf life," Professor Collins says.

"We had to personally go into the supermarkets in the UK, walking the mangoes through the system, showing people how to handle them, demonstrating to shoppers how good they were and letting supermarkets see how long they would last on a shelf."

CHANGING MARKETERS' PERCEPTIONS IN PAKISTAN

With the export market potential established, the project turned to building the capacity of value-chain members in Pakistan in order to exploit local opportunities.

Convincing traditional middlemen to do business differently was one of the biggest challenges for the project, however, and one that is yet to be fully overcome as the project wraps up.

"The traditional middlemen were loath to be involved, because their business was transferring huge volumes of low-quality product as rapidly as possible at small margins," Professor Collins says. "What we were proposing was higher quality, but slower and more expensive, and it just didn't fit the way they did their business."

Instead, the project had success connecting with local entrepreneurs who were able to substitute for traditional wholesalers and distributors, and who saw promise in an approach



PHOTO: RICHARD MARKHAM

aimed at generating higher returns by delivering better quality to consumers.

In every city studied, the project's research in domestic markets identified willingness among consumers to pay better prices for better-quality mangoes, and disappointment that the traditional system failed to meet these needs. Entrepreneurs demonstrated how this demand could be profitably met.

BRINGING IT BACK TO THE SMALLHOLDER

Under the project's overarching objective of generating higher returns using a market-led, consumer-focused approach, there was a central goal to ensure a more equitable share of returns went back to growers.

In the traditional supply-chain structure in Pakistan's mango industry, smallholders are price takers with limited ability to improve their returns. Part of the ASLP project, therefore, was to work with smallholders to engage them in directly meeting the needs of consumers.

The project worked with a group of growers in a village near Multan in Punjab, who had received training in on-farm best practice as part of the ASLP program, enabling them to produce high-quality 'ASLP best practice' mangoes and market

them direct to consumers. With support from the project with packaging, marketing material and overcoming technical challenges, the group of six smallholders has been able to set up a direct-to-consumer value chain over the last two years.

The smallholder group used three different marketing channels. In 2015, about one-third of the group's 30.7 tonnes of production was sold through a market stall that the smallholders set up and ran themselves in Multan, despite opposition from traditional sellers who ran competing stalls.

A further third was sold through a home-delivery system, where consumers placed an order over the phone and the smallholders delivered the fruit by motorbike. The final third of the smallholder group's fruit was sold through Facebook ordering and payments made over the phone, delivering orders by bus throughout Pakistan.

The results spoke for themselves, according to Professor Collins. "They ran out of fruit in 28 days. The net result to them if you compare like-for-like with those same mangoes sold through the traditional system was that their incomes after all costs were 77% higher. Don't let anybody say smallholders can't do it—with the right attitude and a focus on the consumer, they most certainly can." ■

Clockwise from left: Mango pickle makers; mangoes ready for delivery; selling mangoes in market.

PHOTO: RAY COLLINS



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EMPOWERING WOMEN

Mango pickles are a popular food in Pakistan, but are primarily made by several large national companies. Market research undertaken by the project identified an opportunity for mango pickles that could be made by hand.

In partnership with Sindh Agriculture University, the project trained and supported women in two rural villages to produce and market pickles using fallen, immature mangoes—locally called baby mangoes—that would otherwise be wasted.

The two village-based groups of women produced one tonne of pickles each in 2015, which were marketed directly to shops and consumers by village men. Over the two-month season, pickle sales increased household incomes by roughly half.

With the training and equipment provided by ACIAR, the future of the pickle enterprise looks good following the end of the project. "I feel quite strongly that this initiative has a life after the project," Professor Collins says.

ACIAR PROJECT: HORT/2010/001 'Pakistan mango value chain improvement'

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