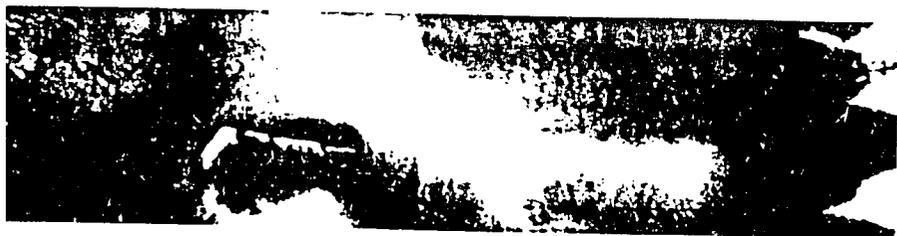
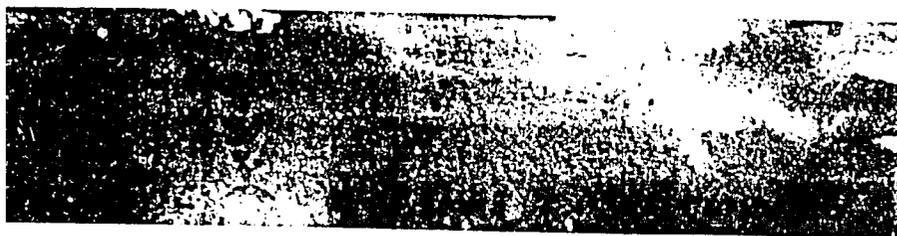


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**FARM STRATEGIES
STUDY
FRUIT/VEGETABLES
AND FLOWERS IN
THE GAMBIA

INTERIM REPORT**

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Introduction

- 1 *This interim report documents progress and results of the first stage of a programme to develop commercial strategies for four Gambian farms to expand production of fruit, vegetables and flowers for export. The work is being financed by the USAID through its Finance and Private Enterprise Development (FAPE) programme.*
- 2 *The report is presented in eight Chapters providing the background and introduction to the work (Chapter 1), and an assessment of European market opportunities in both horticulture and floriculture products from The Gambia (Chapter 2 and 3). Chapters 4 to 7 provide a profile of these industries in The Gambia, and a report on the status of each of the four farms. Chapter 8 presents focus of the proposed work programme for the second phase.*

Opportunities in the European Horticulture Market

- 3 *Although there are many traders in horticultural produce in Europe, trade in exotic imports are concentrated among less than 100 companies. Contact has been made with an estimated 70 per cent of these importers by telephone and mail to determine their interest in produce from The Gambia, and detailed face-to-face interviews were held with all those that expressed some interest in the trade (18 interviews).*
- 4 *While there has been an excellent response to trading possibilities, only three of these firms are prepared to consider investment in The Gambia. As a result the search for potential joint-venture partners has been widened, and more than 100 grower/packers in Europe have been informed of development opportunities. It is still early to determine any trend in responses, and this work will be continued in Phase 2.*
- 5 *The main feature of the European fruit and vegetable industry is the dominance of a small number of supermarkets or multiples in the trade (eg 2 in Sweden, 5 in the UK). The principal effect of this on the horticultural trade has been:*
 - *a tightening of margins and subsequent consolidation in the industry,*
 - *declining importance of wholesale markets, and much greater volatility of prices of products traded through these wholesale markets,*
 - *more stringent quality requirements to meet the demands of the multiples.*

Increasingly exporters who do not serve supermarkets are in a very weak position.

- 6 *The structure of trade within the European Union (EU) is similar from country to country, but there are some national characteristics including:*
 - *French consumers are loyal to French produce and are more prepared to wait for local produce to be in season than to purchase expensive out-of-season lines.*

- *Belgium is a small market dominated by supplies from Dutch and French importers and traders.*
 - *An important feature of the UK market is the special relationship between the major supermarkets and their suppliers. The supermarkets prefer to deal with only a limited number of suppliers with whom they have pre-arranged programmes but not firm contracts. British supermarkets will also only deal with suppliers who have approved hygiene and quality control systems. This is in contrast to supermarkets in other EU countries which tend to buy mainly on price.*
 - *There are only a limited number of importers in Germany and they tend to specialise by product lines.*
 - *A critical feature of the Dutch industry is that importers re-export much of their goods. The principal destinations are Germany, Belgium, Scandinavia and Eastern Europe. Although there are a large number of importers, only a few deal in exotics. Some imported produce is sold by public auction.*
- 7 *The detailed interviews confirmed that there are no products with export potential that are unique to The Gambia. However, the best opportunities in the European market for Gambian produce lie with the following products:*
- | | | |
|--------------------|------------------------|---------------------|
| <i>Papaya</i> | <i>Chillies</i> | <i>Salad onions</i> |
| <i>Beans</i> | <i>Baby sweet corn</i> | <i>Sweet corn</i> |
| <i>Galia melon</i> | <i>Aubergines</i> | <i>Ginger</i> |
| <i>Asparagus</i> | <i>Mango</i> | |
- Other crops should not be neglected however, since very minor products often have the best margin.*
- 8 *Over 40 countries supply the EU with exotic fruit and vegetables and so are in competition with The Gambia.*
- 9 *International transport costs are a large component of the total costs of African exotic exports to the EU. As exotic products become more common, there is a tendency towards commodity trading methods, and with it there is a growing demand to use more sea freight.*
- 10 *Specifications regarding quality, packaging, labelling etc are growing, these are presented in the report and its annexes, together with details of terms of business. Of particular note is that in the UK agents are obliged by law to act 'Del Credo'. This means that even if they fail to collect the money from the customers, they still have to pay the sender. On mainland Europe there is no such obligation.*
- 11 *Most of the firms contacted in Europe showed strong interest in trading, preferably on sole agency basis, with Gambian exporters. However, few of these importers are prepared to consider investment in The Gambia. However, discussions are still*

underway with three firms who have expressed interest in examining opportunities in more depth, and these will be explored in the second phase of this project.

World Trade and the Market for Cut Flowers in Europe

- 12 Excluding the USA, the top five European import markets (Germany, France, UK, Netherlands and Switzerland) account for more than 65 per cent of the rest of world import trade in cut flowers. The Netherlands dominates the world export trade, controlling more than 60 per cent of the total business.
- 13 In most countries three flowers – roses, carnations and chrysanthemums – account for around half of total imports. While some export opportunities will exist for almost all species, flowers with low demand (eg gladioli, aster, solidaster etc) can be vulnerable to oversupply.
- 14 The Netherlands plays a central role in international trade in all floriculture products because of its large domestic production and export activity. To place some perspective on the size of the industry, the Netherlands has some 23,800 ha under a combination of glasshouse flowers, ground flower and bulb crops. This compares with a total of 5 ha under commercial flower production in the Gambia. Even if production doubles or triples in The Gambia, it is unlikely to have any significant impact on the European trade. With a market that is still expanding, the opportunities for Gambian exporters to trade in Europe are good, assuming quality and price criteria are met.
- 15 Within the Netherlands, UK, Germany and France, there is no difficulty in identifying importers who would be interested in marketing flowers from a Gambian producer, particularly if the flowers were available on an exclusive basis. There are a large number of traders involved in the business, particularly in the Netherlands. However, if large consignments of flowers are exported at any one time, it is less risky to link in to the larger importers who have access to the auction markets where flowers not directly required by the importer, can be disposed of. For this reason, the focus of effort in identifying marketing partners in this first phase has been directed at the larger importers. The principal organisations are located in the Netherlands and the UK.
- 16 Four European companies have expressed some interest in The Gambia for future floriculture business. Discussions with these companies are still in the early stages and will be developed further in Phase 2.

Horticulture and Floriculture in the Gambia

- 17 The horticulture export business in The Gambia is dominated by two enterprises who have access to cold storage and packing facilities. There is only one floriculture producer/exporter, with a total of 5 ha under flowers.
- 18 There is no support service or infrastructure for new entrants into the industry.
- 19 Although freight rates are competitive when compared to East Africa (US\$0.75–1),

there is a real shortage of airfreight space on scheduled and passenger airlines, and competition will intensify as the horticulture and floriculture industries expand. Because there is little southbound freight into West Africa, there is a shortage of northbound space on cargo flights and competition for this space is strong.

- 20 *Sea freight offers real opportunities for the future development of the horticulture industry. However, to benefit from this, trade volumes have to increase sufficiently to attract vessels into Banjul on the northbound journey. Current developments in the industry, suggest that this will occur in the short to medium term.*
- 21 *The European markets for fruit, vegetables and flowers, require excellence in quality. To achieve this international management should be recruited to run production and export activities. At the same time significant capital investment in production and export infrastructure is required. The implications of this are that any producer/exporter must have a production unit of not less than 100 ha to sustain these costs.*

Farm Resources

- 22 *The four farms under review have good quality land and water resources. However, the investment to date on each holding is largely inadequate for horticulture for export. Future strategies would build developments essentially as greenfield sites. Management structures have been put in place on each farm, however, significant in-field training is considered essential to success of future developments.*

Viability of Horticulture in The Gambia

- 23 *Crude analyses indicate that the industry is viable in The Gambia, and can generate rates of return on investment in excess of 30 per cent assuming technical and marketing parameters presented in this report are met.*
- 24 *However, the demands of the business are high, and the risks associated with not meeting these demands are significant. Some of the more important conclusions to be drawn are:*
 - *It is critical to meet the quality specifications demanded by the European market to succeed in the business. To do this it is essential to make quality investment in production and post harvest facilities, and to ensure that effective management is in place.*
 - *The implications of this are that investment costs of at least US\$1.5 million are required, with annual management costs of the order of US\$230,000 (based on 100 ha unit).*
 - *With these levels of investment and annual cost, a production unit of much less than 100 ha will not be viable. Larger units will of course generate significant economies of scale.*

- *The horticulture business is becoming more competitive, and risks are high. For this reason it is imperative to link into a secure market, which relies on securing long term links with importers that sell directly to the multiples in Europe.*
- *The important part that freight plays in the cost structure of this industry, determines that management of freight is critical to the success of the business. Because of the shortage of space on scheduled and passenger aircraft, new businesses will only be viable if they are sufficiently large to charter cargo aircraft, requiring volumes of some 38 tons per shipment to be achieved.*
- *Sea freight must be a serious consideration in the long term for the development of any horticultural business.*

Viability of Floriculture in The Gambia

- 25 *This analysis suggests that the floriculture business in The Gambia is viable. The country has a real comparative advantage in its climate (although it is too hot for roses and carnations). Freight rates are competitive, and labour rates are no more than those of competitors in East Africa.*
- 26 *Capital investment costs of the order of US\$1 million would be required to develop a unit of 10 to 15 ha. Returns on this investment are in excess of 25 per cent if the technical specifications demanded by the European markets are met.*
- 27 *Business risks remain high, and the costs associated with freight are most significant in this, representing some 50 per cent of total costs.*

Summary and Next Phase Programme

- 28 *The results of the first phase suggest that both industries are viable. If the promoters accept that capital investment required to succeed in the business are high, and the risks of export are significant, and on this basis are still prepared to go ahead with full strategy studies, then it is recommended that Phase 2 proceeds.*
- 29 *Technical partners are critical to the future success of both sectors. In the case of horticulture, it is important that the partner is linked into the European market, specifically into the supermarket trade. The risks of selling into the wholesale business are too high. It is therefore essential to identify a marketing partner.*
- 30 *Marketing does not represent the same constraint or risk in the floriculture sector. While ideally a technical partner should have both production and marketing skills, the production aspect is considered the most critical for floriculture.*
- 31 *The work programme for the second phase will build on the information put together in phase one. Specific emphasis will be given to (a) developing relations with potential partners, and (b) to detailing financial arrangements for farm developments. Full farm strategies will be put together for each farm.*

- 32 *Although there has been positive reaction from the partners already identified during phase one, it is highly recommended that some work is done to reach other organisations, and particularly those outside Europe. It is highly recommended that two advertisements should be placed, one in FloraCulture International, and the other in Eurofruit. These are the two international trade journals for each sector and are estimated to reach 90 per cent of all producers/traders worldwide.*

1 INTRODUCTION AND BACKGROUND

1 INTRODUCTION AND BACKGROUND

The Gambia's horticulture and floriculture export industries have seen significant expansion in recent years. To date this has resulted from the almost exclusive development of one or two businesses only. While a number of entrepreneurs have made a bid to enter these export-orientated businesses, they have met with limited success.

The Gambia has a comparative advantage in both these sectors due to its proximity to Europe, its climatic conditions, and favourable labour rates, and therefore has the potential to generate foreign exchange earnings. In recognition of this, the Government has promoted the development of these two industries to the forefront of its agenda.

Four separately owned and managed farms have independently approached the USAID funded programme – Finance and Private Enterprise Development (FAPE) – for assistance to develop commercial strategies to expand production of fruit, vegetables and flowers for export. A multi-phased work program has begun in response to these requests, which aims to:

- identify profitable market opportunities,
- identify potential investors,
- provide specialist inputs and conduct commercial trials if required, and where feasible,
- assist in the development of joint-venture relationships with international partners,
- draw up full commercial feasibility studies, based on investor interest.

The report which follows documents progress and results of the first stage of this work programme. The principal objectives of this first phase were to establish the technical requirements for farm development, to determine whether there is a genuine market opportunity in Europe, and determine the level of interest of international partners and to establish whether the industries are viable before proceeding into the second phase which will draw up detailed plans and undertake full feasibility studies.

The report is divided into 8 Chapters including this introduction. The second chapter provides an analysis of the best market opportunities in Europe for fruit and vegetables, providing some detail of the technical specifications demanded by the industry as well as profiles of principal companies involved in the sector which have expressed interest in trading in Gambian produce. The third chapter provides an analysis of trends and trade opportunities in the European floriculture industry. Chapter 4 provides a profile of the Gambian horticulture and floriculture industries, and Chapter 5 provides a preliminary analysis of the four farms. Chapters 6 and 7 examine the viability of the horticulture and floriculture industries respectively. Finally, Chapter 8 proposes an outline of work to be completed in the second phase of this programme.

2 ANALYSIS OF THE EUROPEAN MARKET FOR FRUIT AND VEGETABLES FROM THE GAMBIA

2 ANALYSIS OF THE EUROPEAN MARKET FOR FRUIT AND VEGETABLES FROM THE GAMBIA

2.1 INTRODUCTION

A report produced in November 1993 - Agricultural Export Market Study (AMES) - provides a comprehensive assessment of the European market for fruit and vegetables from West Africa. The study contains a wealth of general information on the opportunities and constraints related to horticultural exports from a number of West African countries. The object of the current work is not to duplicate this report, but to build on it in order to develop a specific, viable, marketing plan for horticultural production and export in The Gambia.

To undertake this task a large number of importers involved in the marketing of exotic tropical produce in Europe were contacted. Those that showed an interest in the potential of exports from The Gambia were interviewed in greater depth. From these contacts together with the consultants experience in this field, it has been possible to identify where Gambian produce can advantageously fit into the European market place.

This report provides information on the potential Gambian products of interest to importers. For each major product the optimum seasons, quality requirements, packaging, etc are identified. Information is provided on the major companies which were interviewed together with the business terms on which they would wish to deal with The Gambia. Although considerable interest exists for trading in Gambian produce, few companies are prepared to consider investing in The Gambia. Having examined the reasons for this the search for suitable investors was widened to include European grower/packers. This approach is still at an early stage but it is showing some promise.

2.2 APPROACH AND METHODOLOGY

In order to obtain the market information needed, in addition to that in the AMES report, contact was made with a large number of specialist importers in the major European markets. While there are a huge number of importers, wholesalers, packers, etc in Europe only a few are specialists in exotic tropical produce of the type likely to be exported from The Gambia. This is because this segment of the market is small when compared to main line products such as apples, bananas, citrus, potatoes, etc. Some of the importers contacted only act as importers but others are also involved in related marketing activities such as wholesaling, transport and pre-packing.

Initially some forty or so importers were targeted, selected on the basis of the consultants' experience, and the suggestions of contacts in the business. In each case the marketing of exotic produce was the company's main activity or a very significant part of its turnover. We estimate that we contacted about 70 per cent of the specialist importers in this field.

Particular focus was given to firms in France, Belgium, Germany, Holland and the UK as these are the most important first destinations for exotic imports into Europe. Holland, and to a lesser extent France, also have a major re-export business to other EU countries and beyond. Companies in Scandinavia were also contacted. However due to the relatively small population of Scandinavia most produce distributors do not import minor crops such as

exotics directly but instead deal with large specialist importers mainly in Holland. The countries of southern Europe, such as Spain and Italy, have a low consumption of tropical exotics but demand is expanding. Importers in these countries were contacted and it was felt that in the long term there could be some profitable business to be done, but the immediate opportunities lie with the core markets of France, Belgium, Germany, Holland and the UK.

A limited number of supermarket buyers were approached. All stated, however, that they were not prepared to get involved in the direct import of what are for them, minor products from distant countries. Instead they wish to deal with reputable importers who can take responsibility for sourcing and importing exotics and often provide a year round continuity of supply through their contacts in a number of exporting regions.

The following table sets out the number of importers contacted in each country. A more detailed list of these companies is given in Annex I.

	Initial Contact	Visit/Interview in Depth
UK	9	5
Germany	7	2
Holland	8	6
France	6	3
Belgium	6	2
Spain	2	-
Italy	6	-
Scandinavia	3	-
	47	18

The results of these meetings, and the marketing conclusions drawn, are set out in the following sections of this report.

Due to the reluctance of importers to consider investment in The Gambia the consultants approached some leading grower/packers in Europe to see if they would be interested in The Gambia. Grower/packers are large farmers growing and packing their own crops and then marketing them on domestic and/or export markets. It was considered that these firms could be more interested in investment as production is a core part of their business and they are used to investing to secure their supplies. In order to test this idea the consultants have written to over 100 leading grower/packers in France, UK and Spain. These countries were chosen because:

France: There are many large companies in this field often formed as joint ventures between merchants and growers' co-operatives.

UK: The British supermarkets have a special close relationship with their suppliers which is not seen elsewhere in Europe. Currently the supermarkets are asking suppliers to provide year round continuity of supply for any given product. This means that UK grower/packers are looking overseas for "out of season" supplies and therefore an involvement in The Gambia could interest them.

Spain: The grower/packer system is well developed in Spain and some have a history of investment outside Spain, mainly in South America and North Africa.

Holland is a very important horticultural producer but it does not have grower/packers in the same way as other countries as most produce is sold through the auctions, thus growers are not directly involved in packing and marketing.

The initial response to a mailed briefing has generated some interest. This will be followed with a number of meetings in phase 2 of this project to see if arrangements can be made which are of mutual benefit to the European grower/packers and the farmers in The Gambia.

2.3 STRUCTURE OF THE INDUSTRY AND PROFILE OF PLAYERS

2.3.1 Industry Size

The bulk of the fruit and vegetables consumed within the EU are grown by member countries. Even within the portion that is imported exotics form only a small part. In general, however, they have the highest price per kg. Some guide to the scale of the trade can be obtained from the following table based on the AMES report which shows EU imports of selected products for the year 1991/2:

Crop	Metric Tonnes
Asparagus	3,979
Chillies	3,423
Aubergine	1,123
Green Beans	37,555
Limes	6,992
Mango	53,121
Melons	59,601
Papaya	10,964
Strawberries	228,604
Sweet Peppers	3,752
	10,885

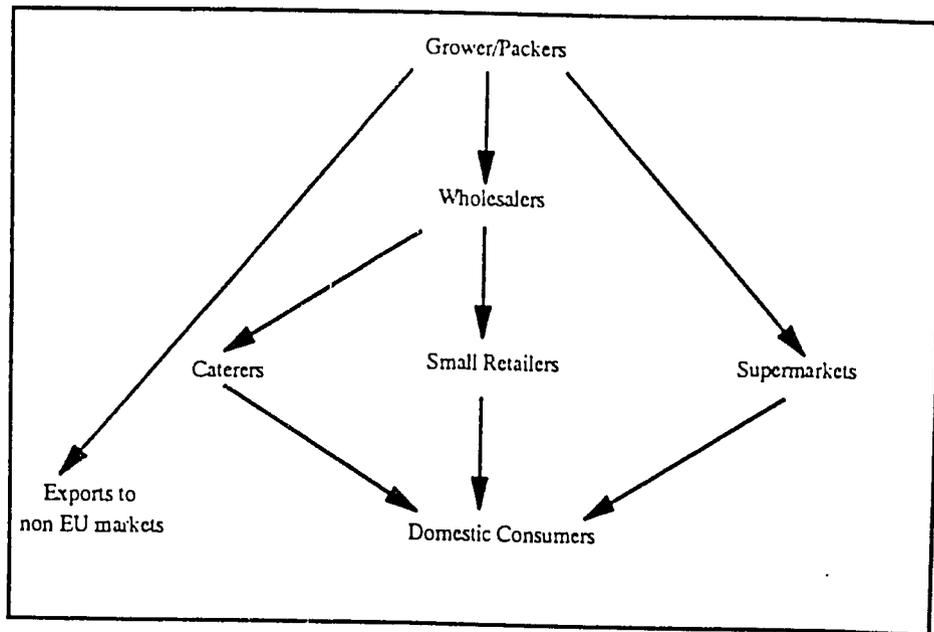
Source: AMES report.

2.3.2 Industry Structure and Trends

The Fresh Produce Sector

The sub-sectors that operate in the fresh produce industry in Europe, and the distribution of produce between the sectors is illustrated in Figure 2.1.

Figure 2.1



The most notable trends in this industry are:

- The dominant influence of supermarket trade on produce distribution. On average about 50 per cent of produce sales at retail level are now in supermarkets, with the balance through smaller retailers and caterers. The following Table 2.3 shows the approximate percentage of produce sold by supermarkets in selected countries:

Sweden	98 per cent
Germany	85 per cent
Holland	75 per cent
France	50 per cent
Italy*	30 per cent

* There are legal restrictions on the size of retail chains in Italy.

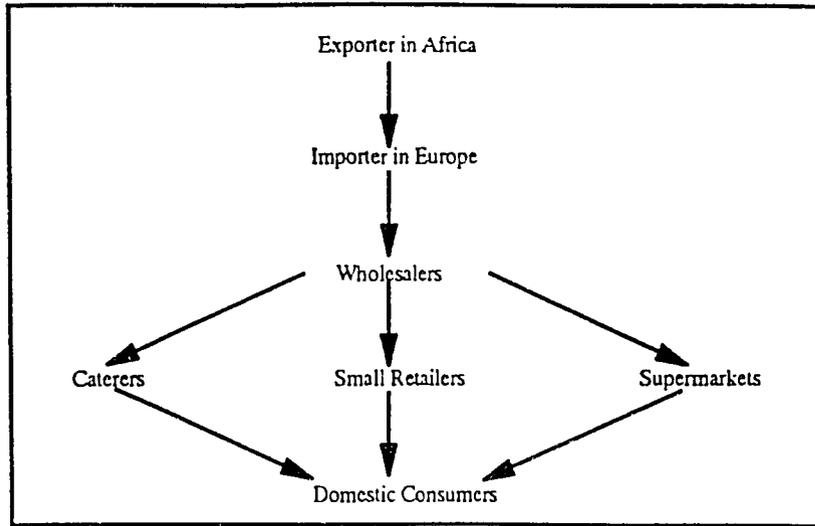
Firm figures are hard to obtain as the situation is constantly changing and some countries include flower sales in the percentage and others do not. The general trend is clear however that exporters who do not serve supermarkets are in a very weak position.

- Most larger growers act as grower/packers but smaller farmers often sell to packers who undertake the marketing function. A lot of these packers are farmer owned co-ops.
- The increasing power of the supermarkets has led to a rapid reduction in the number of smaller fruit and vegetable retailers. These include specialist greengrocers, market stalls, general stores, mobile shops, etc.
- In turn the decline in the number of retailers has led to a reduction in the number of wholesalers through mergers, company failures and closures. This trend is very clear in the major primary fruit markets such as Rungis and Covent Garden. These markets are often kept short of produce during shortages as suppliers divert goods to their more important supermarket customers. Conversely during gluts produce is dumped on the wholesalers who often feel obliged to try and sell it as they are acting as commission agents. These two trends tend to make open market prices increasingly volatile.
- Another trend that is hitting the primary markets is the development of secondary wholesalers. These companies provide small retailers and caterers with produce delivered to their business so saving them the trouble of buying in the markets and arranging their own transport. Although secondary wholesalers buy much of their produce in the primary markets there is a trend for them to obtain delivery of the major products such as citrus and potatoes direct from importers and grower/packers.
- One of the few bright spots for wholesaler is the growth of the catering market throughout Europe. As incomes rise consumers tend to spend more on meals outside the home. Most caterers are small companies and so obtain their produce supplies from wholesalers or retailers. The current recession in Europe has slowed this growth but it is still an important trend.

Exotic Trade

These trends affect both domestically produced fruit and vegetables as well as imported produce. The structure of the exotic import trade also follows the same lines as demonstrated in Figure 2.2.

Figure 2.2



There are of course, a lot of variations to this chain. For example, some importers also act as wholesalers and there are exporters who have their own import office in Europe. Some products have extra links in the chain, for example, bananas go via ripeners who are often the same company as importers and/or wholesalers. Other produce goes from importers to pre-packers who add value to the goods by grading and pre-packing before selling on to supermarkets. In many cases importers also undertake this function.

There has been a significant contraction in the number of importers in the EU. This has been due to three main factors:

- As more trade goes via supermarkets there are less customers in the wholesale sector for importers to serve.
- The single Market within the EU has made it easier for companies to deal with each other across EU frontiers. This means that there is less need for the intervention of an importer to organise the deal.
- The liquidation of many wholesalers in recent years has left importers with bad debts which in turn have led to their failure.

The structure of the fruit and vegetable trade within the EU is very similar from country to country but there are some national features of importance:

France

France is a large country with several climatic zones and a strong agriculture. This means that France has a high degree of self sufficiency in produce. Most of the farmers are small but group together into farmer owned co-operatives which pack, store and market produce on behalf of their members. Many of these co-ops are run on the S.I.C.A. system where the co-op is managed, for the growers, by an experienced produce marketing company.

French consumers are loyal to French produce and are more prepared to wait for local produce to be in season than to purchase expensive out of season lines.

There are some national multiples such as Monoprix and Casino which use central buying offices and many regional supermarket chains. The consumer co-op movement is also strong in France where it is organised on a regional basis.

There are a few large importers, mainly based in Paris and Marseilles, who import exotics, such as Helfer, Azoulay and Compagnie Fruitiere. A more comprehensive list of importers is given in Annex I. Other importers such as Dunand, Pascual and Malet et Azoulay only deal with major products. Pomona is the only national wholesaler of any account but there are a huge number of regional wholesalers such as Piron in Anger. There are wholesale markets in most of the major cities and growers' markets in some of the important horticultural production areas. A few of these markets work on a dutch auction system but at most growers sell out of their lorries to wholesalers.

Belgium

Belgium is a rather small market dominated by supplies from Dutch and French importers and traders. The supermarkets tend to buy from the importers in addition to the one or two Belgium importers such as Goossens and Service Fruits. The leading wholesalers are Lier and Parmin. Much of the local grown produce is sold by farmers co-operatives using clock auctions.

As with most EU countries there are large groups of recent immigrants who have interesting special fruit and vegetable requirements.

UK

The UK has five major supermarket groups (Tesco, Sainsbury, Safeway, ASDA, Waitrose). The consumer co-ops are regionally based and of declining importance. Regional supermarket chains such as Morrisons and William Lowe do not have a major market share.

Most UK importers only handle produce from one country such as Egypt or Spain. Many of these firms have strong family links with their source of supply. Most imports of exotics are handled by specialist companies such as Exotic Farm Produce and J.O. Sims or departments within large companies such as Geest and Saphir. There are a few national wholesale companies such as Geest and Fyffes but most of the wholesalers in the 40 wholesale markets, and many secondary wholesalers, are small family firms.

An important feature of the UK market is the special relationship between the major supermarkets and their suppliers. The supermarkets prefer to deal with only a limited number of suppliers with whom they have pre-arranged programmes but not firm contracts. British supermarkets will also only deal with suppliers who have approved hygiene and quality control systems. This is in contrast to supermarkets in other EU countries for which price is the main factor.

The reasons for the British policy are:

- Very high quality standards are required which can only be maintained through close co-operation between both parties.
- Great importance is placed on continuity of supply.
- The Food Safety Act 1990 requires retailers to ensure that their products are safe and hygienic. This can only be done if everything is known about the conditions under which they were produced and packed.

In most EU countries checks on pesticide residues are carried out by the State. In Britain however the supermarkets are also heavily involved and often request suppliers to provide details of all agro-chemicals used. The UK has a substantial domestic production of fruit and vegetables. Much of the production is in the hands of large grower/packers and farmer owned co-operatives who deal directly with the main supermarket buyers.

Germany

The supermarkets dominate the fruit trade in Germany. Most of the supermarkets are not however public companies as in the UK and France but are of two types of co-operative. The first is the giant Co-op AG which is a consumer owned organisation. The others are 'associated trade' or 'voluntary groups' where retailers have joined together to co-operate in buying, etc. Examples of this are EDEKA and REWE. This type of group occurs in other EU countries, for example, SPAR in Spain and UK but they are not as strong as in Germany. The main independent supermarket group is Gedelfi GmbH

It is notable that German supermarkets import some produce themselves, but not minor items such as African exotics, which they obtain via importers. No other EU supermarkets import to any extent themselves except from other EU countries.

There are only a limited number of importers in Germany and they tend to specialise in specific product lines, for example, Atlanta (Bananas), TROFI (exotics) and T. Port (citrus). There are a large number of wholesalers in the main markets (Berlin, Hamburg, Munich and Frankfurt) and in the smaller towns, but most are small, local companies. Atlanta/Scipio is the only real national wholesaler covering the whole country through a network of depots.

German consumers are very resistant to price increases. When prices rise they tend to stop buying and change to other foods. This tends to lead to more stable prices than in many EU countries.

An important new feature of the German industry is the retail packaging re-cycling scheme. All foods which are pre-packed at retail level, such as strawberries and sweet corn from The Gambia, are covered by the regulations. First the packaging must be approved by the German authorities. Then a 'green dot' mark can be placed on the pack. Retailers then have to make provision for this packaging to be re-cycled. Suppliers, such as those in The Gambia, have to pay 0.8 per cent of the selling price to cover the costs of this service.

The Netherlands

A critical feature of the Dutch industry is that importers re-export much of their goods. The principal destinations are Germany, Belgium, Scandinavia and Eastern Europe.

The domestic retail market is dominated by the supermarket group Albert Hijn and the Co-op chains. There are a large number of importers in Holland but only a few deal in exotics, including FTK, Jos van den Berg and Van Dijk Delft. Many of the large importers are also wholesalers such as Windig BV and Citronas.

Some imported produce is sold by public auction in Holland. The main companies in this business are Jan van den Brink and Jacob van den Berg. Some exotics are also sold by auction, such as beans from Mali, but the system is in decline and has been abandoned in all other EU countries.

Holland is a major producer of fruit and vegetable crops and has a large export business throughout the world. The major customers are however Germany, UK, France and Sweden. All produce, except potatoes and onions, are sold by growers co-operatives. Selling is conducted by the clock auction system. Packaging is undertaken by the traders who buy on the auctions. This system has meant that large grower/packers have not developed in Holland.

2.4 MARKET OPPORTUNITIES

2.4.1 Product Range

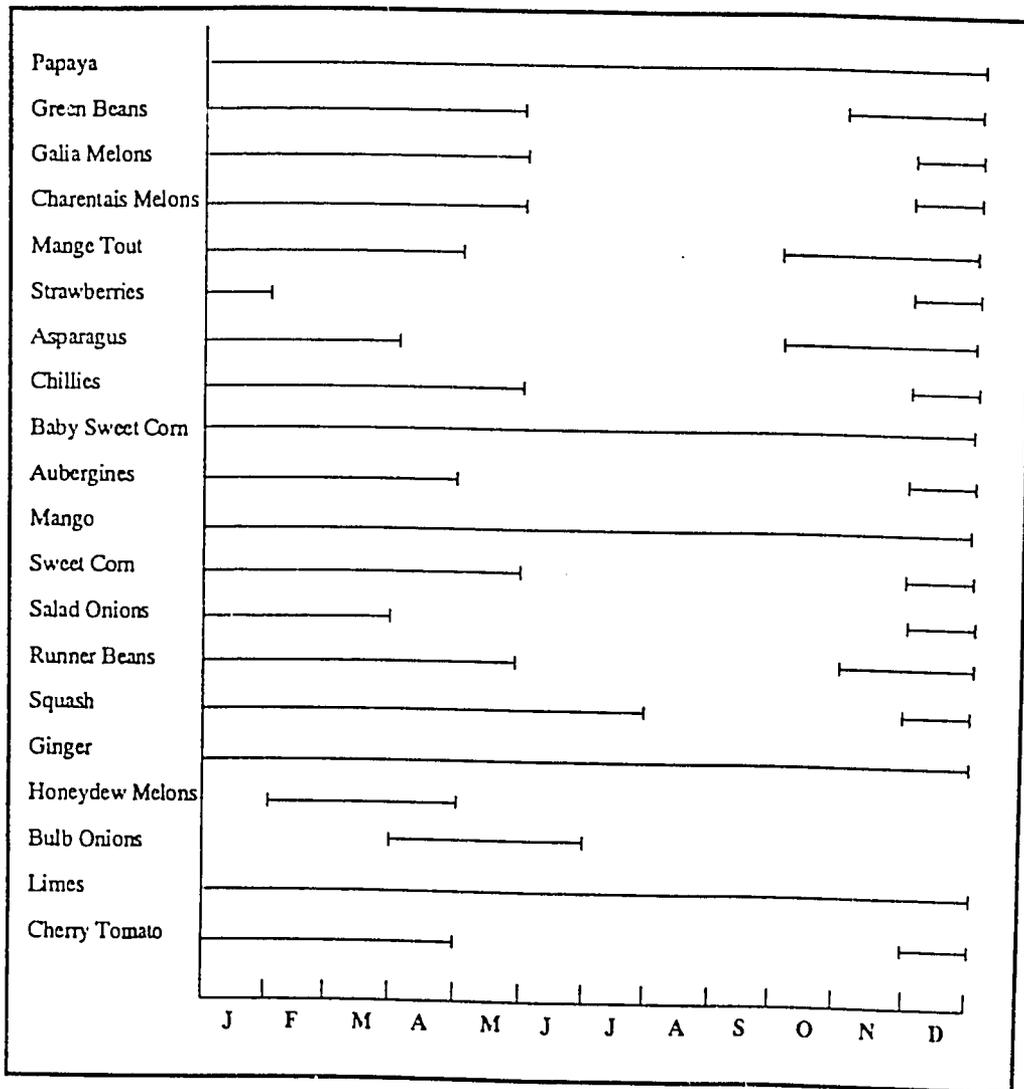
Export opportunities from The Gambia fall into two specific product categories. First, produce that cannot be grown economically in Europe, for climatic reasons, such as papaya. In principle these products can be exported throughout the year unless there are periods when other third country suppliers are more competitive. In addition, of course, there are periods of the year for some products, eg mango, when they cannot be produced to export quality in The Gambia.

The second category of potential exports are those that can be exported when seasonal production in Europe is not possible. (eg melons). Spain, and other southern European countries, produce melons from May to November, and because of the lower transport costs from Spain to northern Europe by road and rail more distant countries cannot compete during the 'regional' season.

It is conceivable that, if labour costs in The Gambia remain competitive, that some crops, such as mange tout and fine green beans, could be exported even during the European season because a large part of the production costs of these crops is hired labour for harvesting and packing.

Table 2.3 shows how the European production cycle allows export windows for distant tropical producers of certain products:

Table 2.3
Export Windows for Gambian Produce Exports



2.4.2 Products from The Gambia of Interest to Importers

Table 2.4 summarises the interest shown in each of the main possible export products by the importers interviewed in depth:

Table 2.5 shows the typical interest in each product by importers in the main countries that make up the EU exotics market:

It is important to note that importers' requirements vary from year to year with changes in customer interest in the various products.

Importers' comments on the potential for each product were as follows:

Papaya

Most importers felt that demand for this product was increasing but from a very small base. Fruit of the SOLO types was mainly in demand. Green fruit can only be sold to the small ethnic markets and so is of little interest. Several importers felt that demand was being held back by quality problems such as:

- a) Lack of uniformity,
- b) Problems with ripening to produce a good flavour, perhaps related to harvesting too early.

While some supplies arrive in Europe by air most companies believed that the only exporters with a long term future in this product are those that can use sea freight to keep costs down. Several suggested that the papaya they had seen from Africa was not as good quality as the main suppliers in Central and South America.

One importer, Goossens, has tried to develop supplies from Senegal but this had failed due to quality problems. Large fruits over about 500g do not sell well as they are too expensive at retail level because of the transport costs. Saphir felt that if the recent developments in the production of prepared, fresh, tropical fruit salad are a success this could provide a valuable outlet for large papaya. The duty free status of The Gambian papaya was seen as a great advantage on the EU market compared to many other senders such as Brazil.

Table 2.4

Importer	Papaya	Green Beans	Bobby Beans	Galia Melon	Charentais Melon	Fresh Herbs	Mange Tout	Strawberry	Asparagus	Chillies	Baby S. Corn	Okra	Asian Vegetables	Aubergines	Mango	Mini Vegetables	Sugar Snap	Sweet Corn	Salad Onions	Globe Artichokes	Runner Beans	Exotic Fruits	Squash	Ginger	Honeydew Melons	Shallots	Onions	Limes	Cherry Tomato	
UK																														
Saphir	G	G	G	G	M	-	M	M	G	M	G	-	-	G	G	M	G	G	G	-	G	M	M	G	-	-	M	M	M	
G.O. Sims	G	G	M	G	M	M	-	G	G	G	G	M	-	-	M	G	-	M	G	G	-	G	G	M	G	M	-	M	G	
Hart & Friedmann	G	M	G	G	M	-	-	-	-	G	-	-	-	G	G	-	M	-	-	-	G	M	G	G	-	-	-	-	G	-
Frumar	G	M	G	G	M	-	M	G	G	G	G	-	-	G	G	-	G	G	G	-	G	M	G	-	-	-	-	-	M	G
Exotic Farm Produce	G	G	G	G	M	-	M	M	G	G	M	-	-	G	G	-	G	G	G	-	G	M	G	G	-	G	-	G	M	
France																														
Pomona	M	G	-	M	G	-	-	G	M	M	-	-	-	G	G	-	-	-	-	-	-	M	-	-	-	-	-	-	G	-
Azoulay	-	G	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G. Helfer	G	G	-	G	G	G	M	G	G	M	M	M	-	M	G	M	-	M	G	M	-	M	-	M	-	G	-	G	M	
Germany																														
Atlanta	M	-	G	G	M	-	M	G	G	M	M	-	-	-	G	-	-	M	-	-	-	M	-	M	-	-	-	-	M	M
TROFI	M	M	G	G	M	M	M	M	C	M	G	-	-	G	G	-	-	M	-	-	-	M	-	G	-	-	-	M	M	
Belgium																														
Goossens	G	G	G	G		G	-	-	M	M	-	-	-	-	M	G	-	-	-	-	-	-	-	M	-	-	-	-	-	G

Table 2.4 (cont)

Importer	Papaya	Green Beans	Bobby Beans	Galia Melon	Charentais Melon	Fresh Herbs	Mange Tout	Strawberry	Asparagus	Chillies	Baby S. Corn	Okra	Asian Vegetables	Aubergines	Mango	Mini Vegetables	Sugar Snap	Sweet Corn	Salad Onions	Globe Artichokes	Runner Beans	Exotic Fruits	Squash	Ginger	Honeydew Melons	Shallots	Onions	Limes	Cherry Tomato
Holland																													
BUD Holland	G	M	G	G	-	-	-	-	G	-	-	-	-	M	G	-	G	G	-	-	-	M	-	-	M	-	-	-	-
FTK	G	G	G	G	M	-	M	M	M	G	G	M	-	M	G	-	M	G	-	-	-	M	-	G	-	-	-	-	M
Van Dijk	G	M	G	G	-	-	G	-	G	-	-	-	-	-	G	-	-	-	-	-	-	M	-	-	-	-	-	-	G
Jacob van den Berg	-	G	G	G	M	-	-	G	M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J. van den Brink	M	G	G	G	-	-	G	-	-	M	M	-	-	M	G	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jos van den Berg	M	M	G	G	M	-	M	M	G	M	M	M	-	G	G	-	-	-	-	-	-	M	-	G	M	-	-	-	-

Key: G = Good Interest
M = Minor Interest
- = No Interest

Table 2.5

Country	Papaya	Green Beans	Bobby Beans	Galia Melon	Charentais Melon	Fresh Herbs	Mange Tout	Strawberry	Asparagus	Chillies	Baby S. Corn	Okra	Asian Vegetables	Aubergines	Mango	Mini Vegetables	Sugar Snap	Sweet Corn	Salad Onions	Globe Artichokes	Runner Beans	Exotic Fruits	Squash	Ginger	Honeydew Melons	Shallots	Onions	Limes	Cherry Tomato
UK	G	G	G	G	M	-	M	G	F	F	F	-	-	G	G	-	G	G	G	-	G	G	G	G	-	-	M	G	G
France	G	G	-	M	G	G	M	G	G	M	M	M	-	G	G	M	-	M	M	M	-	M	-	M	-	-	M	G	G
Germany	M	M	G	G	M	M	M	G	G	M	M	-	-	G	G	-	-	M	-	-	-	M	-	M	-	G	-	G	M
Belgium	G	G	G	G	G	-	-	M	M	-	-	-	-	M	G	-	-	-	-	-	-	M	-	G	-	-	-	M	M
Golland	G	G	G	G	M	-	M	M	G	M	M	M	-	M	G	-	M	G	-	-	-	M	-	G	M	-	-	-	G

Key: G = Good Interest
M = Minor Interest
- = No Interest

Beans

The EU imported green bean market can be divided into four distinct sections:

Fine & Extra Fine – This market has been developed by Kenya exporters and is the main type in demand except in Germany.

Importers are keen to see another alternative to Kenya due to:

- a) Fears about the political stability of Kenya;
- b) Concern that some exporters use a large number of smallholder producers which makes the production of a consistent product more difficult;
- c) Continuity of supply problems due to periodic shortages of space on aircraft from Kenya to Europe;
- d) Some lack of freshness in the product due to unacceptable delays between picking and pre-cooling.

Several UK importers are bringing in trimmed beans. That is to say beans with each end cut off ready for cooking. Importers in other countries also hope to promote this product. It is a useful trend for exporters as it adds value to the product in the country of origin and helps to differentiate the pack from its competitors in a very competitive market.

Some importers expressed concern at the increased number of African suppliers. In general however it was not felt that the market would easily be oversupplied as lack of air space from most countries will limit the volumes that can be sent. Should it prove possible in future however to export by sea, in modified atmosphere containers, as some experts predict, the supply situation would be greatly changed.

Another possible future problem for green bean exporters is the rapid emergence of Maroc as a major supplier. This could occur as recent adverse changes to the EU import regulations for Maroc tomatoes could lead to grower/exporters planting beans instead.

Runner Beans

Runner beans are very popular on the UK market but of no interest elsewhere. Until recently this vegetable was only available during the home grown season (approximately July–October) but imports from Zimbabwe (April–June), Central America (October–April) and South Africa (January–May) have been well received. Runner beans are more difficult to grow in the tropics than the other types of bean.

Bobby Beans

Bobby beans account for about 90 per cent of the very large tonnage of beans imported into Germany. (The balance are mainly extra fine

for the high class catering trade). Recently there has been an increase in demand for this type of bean in all the other main EU markets except France.

Flat climbing beans

This product has a niche market in Europe with supplies from Spain in the winter months and local supplies in the summer. Small amounts have also been imported profitably from Central America and several importers felt that this could be a market for the future.

Melons

Three types of melon have been identified as being of potential for export from The Gambia:

Galia – Galia are an expanding market in all countries except France. The product is seen as 'up market' and preferable to the 'commodity' honeydew melon because of its better flavour. At present exporters to Europe from distant countries are using both sea and air transport. Some importers are dubious about the quality of Galia sent by sea and still want air freight arrivals. All agree however that, in time, better technology will allow all Galia to come by sea making air freight uncompetitive. The increase in the import of sea freight cantaloupe melons from Central America was also seen as a threat to Galia's place as the premium melon in Europe during the winter months.

Charentais – The main market for this product is France although most other European markets absorb small amounts. It does not travel well, so at present all supplies are sent by air. The main suppliers are the French West Indian Islands but importers believe that the market is under supplied.

Honeydew – Importers believe that The Gambia could not compete with Brazil during the winter months. This is because melons in Brazil are grown at low cost on a large scale and shipped in cheap reefer boats rather than containers. The only opportunities exist if:

- a) The Gambia could produce a better quality product; or
- b) Production could be concentrated on the end of the Brazil season in March and early April when supplies are often short before Spain comes into production.

Fresh Herbs

It was felt that this is a small complex market controlled by highly specialist traders and dominated in the winter by supplies from Israel. Most firms felt that it could only be profitably supplied by growers with very specialist knowledge and even then herbs are regarded as a very high risk venture.

Mange Tout

Importer's reaction is that the demand for mange tout had passed its peak and that there are too many suppliers chasing a declining, mature market. A few importers mainly in Holland and the UK, however still feel there is good business to be done in mange tout. Guatemala is a major supplier at present but it was suggested that its market share could decline due to high air freight costs to Europe. As with green beans 'trimming' the product also provides better prices from some customers in the UK and to a lesser extent other EU markets.

Strawberries

Over the last few years the window for the import of out of season strawberries into the EU has been greatly reduced to mid November–mid January. In practise this means mid November–mid December as there is very little demand on the markets for a couple of weeks after Christmas. Most years however there is a very strong demand during the period 10–20 December to meet orders for the Christmas holidays. The need for imports from distant countries during the late winter and early spring has been reduced by improved cultural methods in Spain, Israel and Maroc bringing their season forward to start in mid January. In addition the problems with tomato and cucumber oversupply in Holland, Belgium and UK have led some growers in these countries to plant their glass houses with early strawberries, thus increasing local supplies.

Asparagus

Green and white asparagus is in demand in Europe. The main markets for each type are:

Green	White	White & Green
UK	Germany	Holland
France		Belgium
Italy		
Spain		

Most importers see good prospects for asparagus sales but claim that the market is now price sensitive. The duty advantage that The Gambia has over important suppliers in South America is seen as a valuable benefit. Over the last few years a market has developed for asparagus tips mainly from Thailand.

Chillies

Chillies are only of real interest in the UK where the bulk are sold into ethnic markets so no major growth can be expected. Red and green, Fresno and long types, are all in demand.

Baby Sweet Corn

Again the UK is the main market for baby or mini sweet corn. Thailand is the leading supplier but other countries such as Zimbabwe are also involved. Importers have a very high regard for the quality of the Thai mini corn and are dubious that any other country can compete. Thai corn does however have the disadvantage that it is liable to



customs duty on imports into the EU and air freight rates from Thailand to Europe are high.

- Okra* As okra only really sells to ethnic minority markets so demand is limited.
- Asian Vegetables* The main market for Asian vegetables is in the UK which has a substantial population from the Indian sub-continent. The problem with the trade is that goods are distributed through specialist Indian wholesalers and the produce by-passes the normal channels. This makes it difficult to be involved.
- Aubergines* Relatively little is imported into the EU as improved production in Spain and the Canary Islands has made distant imports less competitive. Some importers were however critical of the quality of Spanish aubergines and felt that other producers had a chance if transport by sea could be used to keep costs down. In most European markets the large, dark coloured fruit of the type grown in Holland and Spain is the most popular but the smaller samples at present being sent by The Gambia were in demand in the UK.
- Mango* Demand for mango is increasing in the EU. Although there are small plantings in Spain almost 100 per cent of supplies come from outside the EU. The main demand is for red or Bi-coloured varieties as consumers are reluctant to believe that green types are ripe. Although some mangoes arrive by air most are sent by sea and it is clear that seafreight is required to develop a substantial business. The leading supplier is Brazil. Several importers stated that African mangoes were more prone to fungal damage than South American ones.
- Mini Vegetables* Little interest in this line. A couple of years ago mini-vegetables were tipped as a major development but importers feel that sales have not progressed as expected.
- Sugar Snap* Only of interest in the UK where it is gaining popularity with the supermarkets.
- Sweet Corn* This product is popular in Holland and the UK but of little interest elsewhere. Only supersweet varieties are acceptable. Most importers like to have the cobs pre-packed in twin packs in the country of origin. A few however import untrimmed cobs in bulk containers to pre-pack in Europe. Air transport is used for sweet corn but it is widely thought that only sea freight supplies will be competitive soon. Bulk packs of untrimmed corn can only be profitably imported by sea.
- Salad Onions* Salad onions are only of real interest in the UK. Although production is possible in the winter in England quality is often poor due to weather damage. In order to provide continuity, airfreight supplies,

mainly from Mexico and Egypt, have been developed. Importers are not however happy with these sources and would welcome new exporters.

Globe Artichokes Little interest in out of season supplies even in France where summer consumption is high. The limited winter demand is met from Egypt and Cyprus.

Exotic Fruits Limited interest was shown in the following exotic tropical fruits:

Lychee (Not from Dec-March when supplies from Southern Africa were abundant)

Cape Gooseberry

Passion Fruit (Purple types)

Carambola (By sea if possible)

Guavas

Mangosteen

Rambutan

The level of interest in these products was insufficient to encourage new export orientated plantations. If supplies were available already it may be possible to do some business.

Squash This product was only of interest to importers in the UK. The main types required are:

Patty Pan

Gem

Acorn

Munchkin

Butternut

Onion

Patty Pan needs air transport but the other types can be sent by sea. UK grown supplies are available from August-November but outside this period there seems to be room for modest exports.

Root Ginger Several importers expressed a strong interest in supplies of ginger by sea from The Gambia. It is important that supplies are clean, free of shoots and in large 'hands'.

Shallots Only of interest in France but well worth considering for export by sea.

Onions Several importers were interested in the idea of onions from The Gambia in the April-June period. They were however reluctant to comment further until they have seen samples and guide CIF European port prices. Preference for 'sweet onions'.

Limes The European market for limes is expanding steadily. Only green fruit is acceptable. Seedless fruit is ideal. Importers in France and the UK showed a strong interest in limes from The Gambia but stressed that there was a lot of competition on price. Almost all limes are exported by sea.

Cherry Tomato Several importers in Holland, Belgium and the UK have seen good quality cherry tomatoes from The Gambia and Senegal. This has encouraged an interest in further supplies during the period December–March.

Other Products In the course of meetings with importers a number of other possible export crops were suggested such as:

- Sweet Potatoes
- Garlic
- Brussels Sprouts
- Pineapples (Baby and standard)
- Courgettes
- Sugar Cane (Chewing)
- Watermelons
- Garden Peas

In the light of these findings we do not believe that there are any products with export potential which are unique to The Gambia. The Gambia's main advantage is its competitive air and sea freight rates. Results of discussion suggest that the following crops have the best marketing potential because they can exploit this advantage and are in demand within the EU:

- Papaya
- Beans
- Galia
- Asparagus
- Chillies
- Baby Sweet Corn
- Aubergines
- Mango
- Salad Onions
- Sweet Corn
- Ginger
- Limes

Other crops should not be neglected however since very minor products often have the best margins as the supplier can effectively be in a monopolist position.

2.4.3 Competitive Sources of Supply

Over 40 countries supply the EU with exotic fruit and vegetables and so are in competition with The Gambia. the main ones are however:

Kenya

A pioneer of the trade. Most exports go by air. There is a well developed horticultural infrastructure and considerable expertise within the country. Some importers feel that the potential for further growth is limited.

South Africa/Zimbabwe

Zimbabwe's and South Africa's main strength are the large, fertile, well run farms.

Israel/Morocco/Egypt

These countries have low transport costs to the EU but cannot grow many of the crops that The Gambia can produce for climatic reasons.

Mexico/Guatemala

Low labour costs helped these countries get into the business but expenses are now increasing.

Chile/Brazil/Caribbean

Large scale production, cheap sea transport, often on banana boats, and a tradition in the export of main line produce items have helped these countries.

2.4.4 Price Trends

Over the last three years produce prices trends within the EU have tended to be downwards in real terms. The main reasons for this are:

- Oversupply within the EU and elsewhere.
- Depressed demand due to the economic downturn.
- Rapid importation when shortages occur, due to local bad weather, for example.
- Concentration of buying power into fewer hands because of the growth of supermarket chains.
- Increases in the consumption of prepared and convenience food rather than traditional vegetables.

While exotics have not been hit as hard as main stream products they have followed the same trend.

On a micro level the most important factors that effect the daily prices are:

- Quality
- Supply levels
- Buyer interest

2.4.5 Windows for Gambian Produce

The following table shows the 'export window' when there is potential for Gambian exports to the EU. For each product, The Gambia will be competing with typically five or more other principal third-country suppliers. In Annex II charts showing seasons by each principal supplier and by product are provided.

2.5 INTERNATIONAL TRANSPORT

International transport costs are a large component of the total costs of African exotic exports. As exotic products become more common, there is a tendency towards commodity trading methods, and with it there is a growing demand to use more sea freight even if it means that some re-packing is required in Europe. Although there was not full agreement among importers interviewed on the optimum means of transport for each product the following table set out the majority views:

Product	Sea Freight	Air Freight
Papaya	Best	Possible
Beans	No	Yes
Galia Melon	Best	Possible
Charantais Melon	No	Yes
Fresh Herbs	No	Yes
Mange Tout	No	Yes
Strawberry	No	Yes
Asparagus	No	Yes
Chillies	Possible	Best
Baby Sweet Corn	No	Yes
Okra	No	Yes
Aubergines	Best	Possible
Mango	Best	Possible
Sugar Snap	No	Yes
Sweet Corn	Yes	Possible
Salad Onions	No	Yes
Squash	Yes	No
Ginger	Yes	No
Exotic Fruits	Possible for some	Best for most
Honeydew Melons	Yes	No
Shallots	Yes	No
Onions	Yes	No
Limes	Yes	No
Cherry Tomato	No	Yes

Improved technology, such as the use of modified atmosphere, is expected to enable more products to be sent by sea in the next few years. This offers a significant advantage for The Gambia which has better access to sea freight than many of its African competitors which are landlocked.

2.6 PREFERENCE ON EU PORTS AND AIRPORTS

In general importers on the mainland of Europe are willing to take delivery of containers at any Western European port (eg Rotterdam, Antwerp, Hamburg, Le Havre, etc) but not the UK or Ireland because of the cost of transport by road to their depots. UK importers prefer to use UK sea ports but are more willing to arrange collection from continental ports.

The main airports used by importers in France, Belgium, Holland and Germany are Paris, Brussels, Amsterdam and Frankfurt. They are not keen to use London, Rome and Madrid.

UK importers would rather use a UK airport but again will collect from other countries if they have to.

None of the importers like transport routes that involve transshipments due to the potential for delays and so loss of quality.

2.7 PACKAGING, LABELLING AND QUALITY REQUIREMENTS

European importers lay out very specific packaging, labelling and quality requirements. Details of these are given in Annex 4. It is critical for exporters of exotic produce to meet all specifications if they are to succeed long term in this demanding market.

2.8 RESPONSE FROM EUROPEAN IMPORTERS

2.8.1 Level of Interest

The majority of the importers approached expressed keen interest in being involved in the development of Gambian horticultural exports. It should be noted however that the companies targeted had been selected for their known interest in this type of trade. Had a more random sample of importers been contacted a much lower level of interest would have been expected.

The main companies with which we conducted in depth interviews were:

Holland	BUD Holland FTK Van Dijk Delft Jacob van den Berg Jan van den Brink Jos van den Berg
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UK	Saphir S.O. Sims
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	Frumar Hart & Friedland Exotic Farm Produce
Belgium	Goossens
Germany	Atlanta TROFI
France	Pomona Azoulay Helfer

Details of these meetings are enclosed in Annex 5. The following sections and tables however summarise the main points raised:

2.8.2 Terms of Business

In general companies handle most of their business in exotics on a free consignment basis. Once confidence has been built up however it is often possible to do more on a CIF basis which most exporters prefer. Old fruit trade practices such as minimum guarantees, often linked to Letters of Credit, and joint accounts are little used now.

Importers were reluctant to discuss quantities that could be exported as few had any real experience with produce from The Gambia. Most indicated that they would prefer to start with small consignments and build up in the light of market reaction to the goods.

Details of the initial quantities suggested by those few importers prepared to do so were as follows:

J.O. Sims	'Several hundred' boxes per week of beans, Galia, Charentais, strawberries and mango.
Exotic Farm Produce	Details elsewhere in the report.
Frumar	Papaya - 1 container every 2 weeks (by sea) Galia - 2,000 x 5 kg/week Beans - 1,000 x 3 kg/week Strawberries - 500 outers/day
Saphir	Green Beans - 2-5 MT/week Galia - 150MT/week (60MT pre Christmas) Mange Tout - 2-3MT/week Sweet Corn - 28MT/week (by sea) Aubergines - 7-8MT/week
Atlanta	Beans 500 cartons/week Galia - 2 containers/2 weeks
Jacob van den Berg	1,000 cartons of beans/week 1,000 cartons of melons/week

UK importers were more prepared to estimate quantities and this reflects their style of business in that they prefer to build long term relationships, based on pre-arranged seasonal programmes. In mainland Europe however importers were more interested in 'spot' offers and speculative business. These different approaches reflect the contrasting demands of their major supermarket clients.

For most types of produce there is a peak seasonal demand before Christmas followed by very poor sales between Christmas and about mid-January. In Germany there is another peak in demand before Easter but this is of less significance in the other EU markets. During August demand is low in Northern Europe as so many consumers are on holiday in the south.

Where importers act as agents their basic terms of business are set out in the following table:

Table 2.7
Terms of Business for Importers/Agents

Company	Del Credo	Commission Rate	Expenses Deducted						
			Airport/ Port Costs	Transport to Depot	Storage	Re-Packing if Needed	Delivery to Customer	Duty	Packaging Re-Cycling
FTK	No	8%	Yes	Yes	Yes	Yes	No	Yes	No
Van Dijk Delft	Yes	8.5%	Yes	Yes	No	Yes	No	Yes	No
Jacob van den Berg	No	8%	Yes	Yes	Yes	Yes	No	Yes	No
Jan van den Brink	No	7%	Yes	Yes	No	Yes	No	Yes	No
Jos van den Berg	No								No
Saphir	Yes	10%	Yes	Yes	Yes	Yes	Yes	Yes	No
Sims	Yes	6%	Yes	Yes	Yes	Yes	Yes	Yes	No
Frumar	Yes	8%	Yes	Yes	Yes	Yes	Yes	Yes	No
Hart & Friedland	Yes	8%	Yes	Yes	Yes	Yes	Yes	Yes	No
Goossens	No	10%	Yes	Yes	No	Yes	No	Yes	No
Atlanta	No	10%	Yes	Yes	Yes	Yes	No	Yes	Yes
TROFI	No	8%	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pomona	No	8%	Yes	Yes	Yes	Yes	No	Yes	No
Helfer	No	8%	Yes	Yes	No	Yes	No	Yes	No

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In the UK all agents are obliged by law to act 'Del Credo'. This means that even if they fail to collect the money from the customers that they sell the goods to they still have to pay the sender. On mainland Europe they are not obliged to work in this way. Van Dijk Delft act 'Del Credo' but increase their commission rate by 0.5 per cent to cover the extra risk. In practise most importers outside the UK pay suppliers even if they cannot collect small sums but if a large customer fails the exporter is expected to share in the loss.

Where expenses are deducted they should be at cost. This is an area, however, where importers and exporters are often in conflict. As importers do not make fixed charges for these services they are reluctant to quote prices. The following were supplied however as typical examples:

Sims	Storage 5p/pack/week Delivery to customers - 6p/kg
Saphir	Clearance through airport - £50/consignment Transport airport to depot - £50-70/container Storage, re-packing, etc - 30-200p/outer Delivery to customer - 40-50p/outer
Goossen	Airport costs and transport to depot BF24/outer
FTK	Airport costs - 1 DF/5kg Transport from airport to depot - 0.5DF/5kg Storage/handling at depot - 0.5DF/5kg Documentation charge by customs - 65DF/consignment Discharge of sea containers 350-400DF each Transport of containers from port to depot 400DF each

There should not be any duty payable on Gambian produce export to the EU but if errors are found in the documentation duty will have to be paid and then re-claimed. This is a slow and complex job. The main documentation which has to be sent with each consignment is:

- Air Way Bill/Bill of Lading
- Certificate of Origin
- Phytosanitary Certificate
- Commercial Invoice

Most importers will not pay the international freight charges on goods sent to them.

2.8.3 Business Activities

Many of the companies contacted are involved in other aspects of the fruit and vegetable industry other than importing. The following table shows this:

Table 2.8 Importers Involvement in Fruit and Veg Business						
	Pre-Packing	Storage	Road Transport	Wholesale	Ripening of Bananas	Market Stands
FTK	Yes	Yes	Yes	Yes	No	No
Van Dijk Delft	Yes	Yes	Yes	Yes	No	Yes
Jacob van den Berg	Yes	Yes	Yes	Yes	No	No
Jan van den Brink	Yes	Yes	Yes	Yes	No	No
Jos van den Berg	Yes	Yes	Yes	Yes	No	No
Saphir	Yes	Yes	Yes	Yes	No	No
Sims	Yes	Yes	Yes	Yes	No	No
Frumar	Yes	Yes	Yes	Yes	No	No
Exotic Farm Produce	Yes	Yes	Yes	No	No	No
Hart & Friedland	Yes	Yes	Yes	Yes	Yes	Yes
Goossen	Yes	Yes	No	Yes	No	Yes
Atlanta	Yes	Yes	Yes	Yes	Yes	Yes
TROFI	Yes	Yes	Yes	Yes	No	No
Pomona	Yes	Yes	Yes	Yes	Yes	Yes
Helfer	Yes	Yes	Yes	Yes	No	No

Several of the companies contacted were heavily involved in re-exports as set out in the following table:

Table 2.9
Importers Also Involved in Export

	UK	Germany	France	Holland	Belgium	Sweden	E. Europe	USA	Italy	Switzerland	Spain	Others
FTK	✓	✓	✓	-	✓	✓	✓	-	✓	✓	✓	✓
BUD	✓	✓	✓	-	✓	✓	✓	-	✓	✓	✓	✓
Van Dijk Delft	✓	✓	✓	-	✓	✓	✓	-	-	-	✓	✓
Jacob van den Berg	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	-	-
Jan van den Brink	✓	✓	✓	-	✓	-	-	✓	-	✓	✓	✓
Jos van den Berg	✓	✓	✓	-	✓	✓	✓	-	-	✓	-	✓
Saphir	-	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓
Sims	-	-	-	-	-	-	-	-	-	✓	-	✓
Frumar	-	-	-	-	-	-	-	-	-	-	-	-
Hart & Friedland	-	-	-	-	-	-	-	-	-	-	-	-
Exotic Farm Produce	-	✓	✓	✓	✓	-	-	✓	✓	-	-	-
Goossen	✓	✓	✓	✓	-	-	-	-	✓	-	✓	✓
Atlanta	✓	-	-	-	-	-	-	-	✓	✓	-	-
TROFI	✓	-	✓	-	✓	✓	✓	-	-	✓	-	✓
Pomona	-	-	-	-	✓	-	-	-	-	✓	-	-
Helfer	✓	-	-	-	✓	-	-	-	✓	✓	✓	-

The following table gives some further background data where available for each company:

	Year Started	Approx Sales per Yes	Part of a Larger Group	% Sales to Supermarkets	Quality Control Staff	Technical Staff
FTK	-	200 M Dutch F	Yes	50%	Yes	No
Van Dijk Delft	-	800 M Dutch F	No	85%	Yes	No
Jacob van den Berg	1920		No	50%	Yes	No
Jan van den Brink	1946	250 M Dutch F	No	33%	Yes	No
Jos van den Berg	1911	55 M Dutch F	No	60%	Yes	No
Saphir	1948	£80M	Yes	88%	Yes	Yes
Sims	1896	£15M	No	50%	Yes	yes
Frumar	1984	£30M	No	55%	Yes	Yes
Exotic Farm Produce	1983	£15M	No	60%	Yes	No
Hart & Friedland	1983	IR£611M	Yes	None	Yes	Yes
Goossen	1908	-	No	50%	Yes	No
Atlanta	-	DM2.7 billion	No	80%	Yes	Yes
TROFI	1950	-	Yes	75%	Yes	No
Pomona		\$1.4 billion	No	55%	Yes	Yes
Helfer		F400M	No	50%	Yes	No

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Some companies were not prepared to disclose their turnover. Others, who are part of large groups, only gave the group turnover.

Most of the importers are only willing to act as sole agents within their country. This is because:

- a) They have little credibility with large buyers such as supermarkets if several importers are trying to sell the same goods to them.
- b) They feel that their efforts to develop the trade may benefit competitors if they are not sole agents.

Some importers will act as joint agents if they have an exclusive brand.

Sole agencies are recommended, but they should not have too long a duration so that changes can be made when required. There are examples where sole agencies sell outside their own country, (for example a Dutch importer may sell to a German supermarket in competition with the German importer). It should, however, be possible to sort out these matters by negotiation.

Many of the importers interviewed are involved in imports other than exotics. The following Table 2.11 a picture of this business, and Table 2.12 shows the main sources of supply for each of the importers.

Table 2.11
Non-Exotic Business Activities

	Apples	Citrus	Bananas	Potatoes	Onions	Grapes	Vegetables	Tomatoes
FTK	✓	✓	-	-	✓	✓	✓	✓
Van Dijk Delft	✓	✓	-	✓	✓	✓	✓	✓
Jacob van den Berg	✓	✓	-	✓	✓	✓	-	✓
Jan van den Brink	✓	✓	✓	✓	-	✓	✓	✓
Jos van den Berg	✓	✓	-	-	✓	✓	✓	✓
Saphir	✓	✓	-	✓	✓	✓	✓	✓
Sims	✓	✓	-	-	-	✓	✓	-
Frumar	✓	✓	-	-	-	✓	✓	✓
Hart & Friedland	✓	✓	✓	✓	✓	✓	✓	✓
Exotic Farm Produce	-	-	-	-	-	-	✓	✓
Goossen	✓	✓	-	✓	-	✓	✓	✓
Atlanta	✓	✓	✓	✓	✓	✓	✓	✓
TROFI	✓	✓	-	✓	✓	✓	✓	✓
Pomona	✓	✓	✓	✓	✓	✓	✓	✓
Heller	-	✓	-	-	-	✓	✓	✓

Table 2.12
Main Sources of Supply for Each Importer

	Kenya	Zimbabwe	S. Africa	C. America	Senegal	Caribbean	North Africa	S. America	Israel	Thailand
FTK	✓									
Van Dijk Delft	✓	✓	✓	-	✓	-	-	✓	✓	✓
Jacob van den Berg	-	-	✓	✓	✓	✓	✓	✓	✓	-
Jan van den Brink	✓	-	✓	✓	-	-	-	✓	✓	-
Jos van den Berg	✓	-	-	✓	✓	✓	✓	✓	-	-
Saphir	✓	✓	✓	✓	-	-	-	✓	✓	✓
Sims	-	-	✓	✓	-	✓	-	✓	-	-
Frumar	✓	-	✓	✓	-	-	-	✓	-	-
Hart & Friedland	-	-	✓	-	-	-	-	✓	-	-
Exotic Farm Produce	✓	✓	✓	✓	-	✓	✓	✓	✓	-
Goossen	✓	-	✓	✓	✓	-	✓	✓	✓	✓
Atlanta	✓	-	✓	✓	✓	-	✓	✓	✓	✓
TROFI	✓	✓	✓	✓	✓	-	✓	✓	-	✓
Pomona	✓	-	✓	✓	✓	-	✓	✓	✓	-
Helfer	✓	✓	✓	-	✓	✓	✓	✓	-	✓

Even where importers have a heavy involvement in goods which compete with The Gambia most felt they could handle both sources of supply. Only a few, such as Geest, felt it would conflict with existing suppliers.

It is important to note that we have not made any checks on the financial status of the companies contacted. Before doing any business with them it would be worth taking up bank references and other checks on their credit worthiness.

Some exporting countries operate national marketing boards which control all exports. Most of these boards sell in Europe via selected wholesalers or panellists. Membership of a major panel implies that the company is competent and credit worthy. A few companies, such as Sims and Frumar, will not join panels. The main reason for this are:

- a) low commission rates
- b) the need to sell at board guide prices
- c) the cost of any bank guarantees that may be required

The following table shows the panel membership of the importers interviewed.

Company	Cape	ENZA	Agrexco	NZ KIWI
FTK	-	-	✓	✓
Van dijk Delft	✓	✓	✓	✓
Jacob van den Berg	✓	✓	-	-
Jan van den Brink	✓	✓	✓	-
Jos van den Berg	✓	✓	-	-
Saphir	✓	✓	✓	✓
Sims	-	-	-	-
Frumar	-	-	-	-
Hart & Friedland	✓	✓	✓	✓
Exotic Farm Produce	-	-	-	-
Goossen	-	-	-	✓
Atlanta	✓	✓	✓	✓
TROFI	-	-	-	✓
Pamona	✓	✓	✓	✓
Helfer	-	-	✓	✓

Marketing Boards are declining in importance and two large ones, Jaffa (Israel) and OCE (Maroc) have been disbanded in recent years.

2.8.4 Accessing the EU Industry

The best way to promote Gambian produce was discussed with several importers. The volume involved is not enough to justify consumer advertising in the press, TV, posters, etc.

It was felt however that valuable promotion could be done to the trade through advertisements in the trade press, and exhibiting at industry shows and conferences. Other useful ideas were visits to The Gambia for trade journalists and general PR with press releases etc.

Some of the importers contacted have already been involved with Gambian exports. Details are given in the following table:

Importer	Gambian Imports
FTK	via Wealmoor
Frumar	From Sifoe Farms
Saphir	From Sifoe Farms
Goossen	From Sifoe Farms No current trade
Jos van den Berg	From Sifoe Farms No current trade

2.9 SUMMARY/CONCLUSIONS

Supermarkets are now the dominant force in EU produce distribution. Thus it is important to have access to these outlets in order to develop a profitable exotics export business. Because of the growth of the supermarkets the wholesale markets have declined and become more volatile. During this first phase most of the important importers of African exotics into the major markets of the EU have been contacted. These markets are Holland, UK, Germany, France and Belgium. The companies that showed interest were interviewed. Most of these are leaders of the industry and are the type of firms that Gambian exporters should deal with. Few however are interested in investing in The Gambia so we have widened the net to include grower/packers. This approach shows promise and the results should be known in 2-3 weeks.

Produce offering best opportunities in the European market are:

Product	Export Season	Transport Method	Packaging
Papaya	All year	Sea	4 kg
Beans	Nov-May	Air	3 kg
Galia Melons	Dec-May	Sea or air	5 kg
Asparagus	Oct-March	Air	5 kg
Chillies	Dec-May	Air	3 kg
Baby Sweet Corn	All year	Air	150g x 12
Aubergines	Dec-April	Sea or air	5 kg
Mango	All year	Sea	5 kg
Salad Onions	Dec-March	Air	20 Bunch
Sweet Corn	Dec-May	Air or sea	12 x 2 cals
Ginger	All year	Sea	5 kg
Lime	All year	Sea	4 kg

Some of the best potential marketing agents for The Gambia include:

- UK – Exotic Farm Produce Ltd
- Holland – FTK Holland BV
- Belgium – Ets. A. Goossens et Fils SA
- France – G. Helfer SA France
- Germany – TROFI

Importers are confident that Gambia's advantages can help to develop a profitable exotics export business based on a continuity of supply of good quality goods.

3 CUT FLOWERS – AN OVERVIEW OF WORLD MARKETS AND THE STRUCTURE OF THE EUROPEAN INDUSTRY

3.1 WORLD TRADE

3.1.1 World Imports

Total world imports of cut flowers increased from US\$2,512 million in 1988 to US\$3,543 million in 1992, an increase of 4.1 per cent during the five year period.

Table 3.1 gives details of the leading import markets for cut flowers during 1988–1992. Germany was by far the largest import market with imports increasing from US\$881 million in 1988 to US\$1,322 million in 1992. The United States was the second biggest world market with imports of US\$437 million in 1992. France and the United Kingdom both imported US\$320 million in 1992. The Netherlands with US\$244 million ranked number five in 1992, and was followed by Switzerland with imports of US\$140 million. Excluding the USA the top five European import markets accounted for 66 per cent of the total world import trade in cut flowers.

Importing Country	1988	1989	1990	1991	1992
Germany	881	842	1,044	1,245	1,322
USA	367	396	408	403	437
France	243	242	315	338	320
UK	229	257	302	306	319
Netherlands	131	129	166	185	244
Switzerland	127	118	141	141	140
Japan	102	110	118	144	128
Italy	81	82	106	134	134
Austria	65	64	81	83	85
Belgium/Lux	57	62	73	77	82
Sweden	60	60	70	79	83
Canada	35	38	42	37	40
Denmark	40	31	35	37	39
Norway	27	27	30	30	31
Spain	8	12	23	35	42
Ireland	10	10	15	16	18
Hong Kong	13	15	18	19	22
Finland	11	12	14	13	11
Singapore	7	8	11	13	18
Greece	3	5	8	9	8
Portugal	0.5	0.7	1	2	4
Total World Imports	2,512	2,539	3,030	3,368	3,543

Source: UNSO/ITC Contrade data base system

3.1.2 World Exports

Table 3.2 shows the leading exporting countries of cut flowers during 1988–1992. With a share of 62.9 per cent in 1992 the Netherlands dominates the world export trade in cut flowers with a massive US\$2,229 million export value in 1992. Colombia followed 12.4 per cent, then Israel 4.1 per cent, down from 5.1 per cent in 1988, then Italy 3.2 per cent, Thailand 2.0 per cent, Spain 1.8 per cent and Kenya the leading developing country producers with 1.7 per cent of total world exports. It is of note that in 1992 around 150 countries were exporting cut flowers. With imports of US\$244 million in 1992, 89 per cent of Netherlands exports are sourced from domestic production.

Exporting Country	1988	1989	1990	1991	1992
Total World	2,512	2,539	3,030	3,368	3,543
of which Netherlands	1,555	1,558	1,935	2,152	2,229
Colombia	286	303	341	390	442
Israel	130	113	140	146	148
Italy	98	106	118	113	115
Spain	95	92	79	70	65
Thailand	65	63	68	77	74
Kenya	34	34	44	53	62
France	24	26	27	32	33
USA	21	19	21	23	26
Mexico	9	13	17	19	15
S. Africa	16	14	16	16	16
New Zealand	13	13	16	18	20
Ecuador	8	12	15	22	32
Germany	16	16	15	17	18
Singapore	10	13	13	21	23
Costa Rica	8	12	13	15	17
Morocco	8	9	13	15	16
United Kingdom	11	12	13	15	17
Zimbabwe	6	7	13	17	29
Australia	12	10	12	17	16
Turkey	3	8	12	13	13
Peru	8	10	12	16	14
Other Asia	18	17	12	15	9
Malaysia	9	9	9	13	18
Brazil	3	4	6	8	7

Source: UNSO/ITC Contrade data base system

3.1.3 Import Trade – Cut Flower Species

In most countries three flowers, roses, carnations and chrysanthemums, account for around half of total imports. While some export opportunities will exist for almost all species it is important

to recognise that exports of those flowers with low demand, eg gladioli, aster, solidaster, molucella etc can be vulnerable to oversupply.

With the Netherlands accounting for the majority of world exports some indication of the relative importance in world trade of individual species of flowers can be obtained from an analysis of Netherlands auction sales. Table 3.3 shows auction sales of the major flower species for the period 1989 to 1992. The figures in brackets denote imports.

	1991	1990	1989
Rose	2,057	1,969	1,862
Rose	(166)	(103)	(73)
Chrysanthemum (spray)	1,159	1,090	1,024
Chrysanthemum (spray)	(16)	(10)	(10)
Tulip	851	902	864
Lily	307	302	273
Freesia	569	560	558
Carnation	561	579	632
Carnation	(441)	(385)	(422)
Gerbera	318	306	310
Cyrtidium	60	62	59
Alstroemeria	172	162	155
Alstroemeria	(31)	(21)	(15)
Gypsophila	127	134	129
Gypsophila	(82)	(76)	(76)
Iris	209	226	227
Aster	80	76	71
Aster	(30)	(23)	(9)
Anthurium	21	19	16
Chrysanthemum Std	32	34	30
Chrysanthemum Std	(16)	(10)	(10)
Narcissus	162	173	189
Gladioli	111	112	114
Hippeastrum	55	49	50
Bouvardia	59	59	59
Statice	43	53	43
Statice	(120)	(122)	(101)
Lisianthus	31	23	18
Chrysanthemum Parthenium	39	34	32
Trachelium	27	31	24
Trachelium	(8)	(4)	(2)
Liatris	18	20	22
Liatris	(32)	(28)	(21)
Solidaster	7	9	12
Solidaster	(34)	(33)	(23)
Tuberose	0.377	0.367	0.145

Source: V.B.N. Netherlands Note: () figures are imports

3.1.4 Netherlands Export Trade

Netherlands cut flower export statistics provide a valuable insight into the relative importance of individual flower species. Table 3.4 shows the relative importance of the major flower species exported for the period 1989 to 1991.

	1991	1990	1989
Rose	1,244	1,335	1,556
Carnation	706	650	742
Tulip	638	760	626
Chrysanthemum	623	690	759
Freesia	324	360	395
Gerbera	276	267	286
Summer Flowers	299	272	281
Iris	161	169	168
Lily	211	234	236
Narcissus	143	129	123
Gladioli	91	82	83
Gypsophila	145	166	155
Orchid	59	56	53
Alstromeria	81	83	91
Amaryllis	23	24	26
Anthurium	18	20	25
Lilac	7	6	6
Aster	–	–	59
Nerene	24	22	24
Other	633	736	758
	5,705	6,063	6,454

Source: P.V.S. Netherlands

3.2 STRUCTURE OF THE FLORICULTURAL INDUSTRY IN EUROPE

3.2.1 Introduction

Within the Netherlands, United Kingdom, Germany or France, there is no difficulty in identifying importers who would be interested in marketing flowers from a Gambian producer, and particularly if those flowers were available on an exclusive basis. Indeed production from a 5 to 10 ha farm is small in comparison to the volumes marketed by the large importers. However linkage into a large importer would be important if significant volumes of flowers were to be delivered in a single consignment. In chapter 4 some discussion of the freight problems faced by producers, suggests that new entrants into the floriculture business in The Gambia may have to consider operations of a scale sufficient to fill one cargo freighter. This would put the onus on the importer to market around 3000 boxes each week. Given these volumes, there would be greater difficulty in marketing solely in Germany, France or the UK. In the Netherlands the leading importers have access to the auctions, therefore any product not directly required by the importer could possibly be placed on the auction. A further argument favouring the large importer is their ability to market the product in more than one country. For example, Southern Glasshouse Producers have an associated marketing company, Hiljo in the Netherlands.

A list of the larger companies in each of these four countries is given in Annex 2. The larger importing companies are located in the Netherlands and the UK, and the following discussion provides a profile of the industry structures in these two countries.

3.2.2 The Netherlands

The Netherlands plays a central role in the international trade in all floricultural products. Although as outlined earlier, the Netherlands is a smaller import market than the United Kingdom the Netherlands auction markets are still extremely important given their price establishment role. Throughout Europe all flower prices are influenced by the Netherlands daily auction price. The Netherlands dominant position as an exporter is made possible by its extensive domestic production.

Domestic Production

The Netherlands is the largest producer of cut flowers in the world. The area of cut flowers and pot plants under glass increased from 4,275 ha in 1985 to 5,140 ha in 1990, and further to 5,344 ha in 1992. Table 3.5 shows the areas devoted to the main cut flower crops.

	1985	1990	1991	1992
Roses	758	889	900	894
Chrysanthemums	518	738	742	766
Freesia	320	322	316	308
Carnations	358	250	244	233
Lily	149	210	208	205
Orchids	189	185	177	189
Gerbera	267	208	195	185
Alstromeria	-	83	97	102
Gypsophila	76	71	80	82
Anthurium	-	36	49	61
Nerene	-	31	30	30
Bouvardia	-	-	-	18
Other Cut Flowers	453	572	559	545

Source: Produktschap Voor Siergewassen, Netherlands

In addition to the glasshouse flower crops, there were 2,281 ha of open ground flower crops and a further 16,227 ha of bulb crops in 1992.

Table 3.6 shows the volume of production of individual flower species for the period 1988 to 1992.

	1988	1989	1990	1991	1992
Aconitum	NA	NA	12.9	14.5	18.0
Alstromeria	148.6	155.3	162.0	170.4	176.3
Amaryllis	50.3	49.6	48.5	54.5	57.3
Anemone	NA	NA	28.0	29.4	28.3
Carnation	543.3	577.6	579.5	560.7	555.8
Anthurium	15.8	16.2	48.6	21.4	25.0
Anthurinum	NA	NA	19.6	22.9	26.6
Aster	60.6	70.7	75.6	80.2	73.2
Astilbe	NA	NA	14.8	13.1	17.5
Bouvardia	58.7	58.8	58.3	58.8	55.6
Campanula	NA	NA	16.1	15.8	14.3
Celosia	NA	NA	11.0	13.9	14.9
Chrysanthemum Disbuds	28.4	30.3	33.8	32.2	41.5
Spray	896.0	1,023.8	1,090.5	1,157.8	1,210.5
Delphinium	NA	NA	31.9	30.8	29.9
Dianthus Barbatus	NA	NA	23.0	25.4	17.3
Euphorbia	11.7	12.5	14.0	16.5	14.0
Freesia	616.7	558.0	559.9	565.0	545.4
Gerbera	299.6	309.8	306.5	317.6	330.8
Gladioli	119.1	114.1	112.3	111.3	114.7
Gypsophila	126.7	129.1	133.9	126.9	117.2
Iris	176.3	226.7	226.3	208.6	206.0
Lathyrus	NA	NA	16.3	19.0	18.4
Lily	194.3	229.7	301.8	307.0	304.0
Limonium	38.2	43.2	53.3	42.7	53.7
Lisianthus	NA	NA	23.2	31.3	47.7
Phlox	NA	NA	19.7	19.6	24.2
Rose	1,697.7	1,861.6	1,968.7	2,056.0	2,097.0
Trachelium	NA	NA	30.9	27.0	32.4
Others	NA	NA	525.5	522.3	551.0

Source: PVS

Note NA = Not available

The auction sales data is valuable in that it shows product trends. For example, over the five year period spray chrysanthemums production increased by 35 per cent, roses during the same period increased by 23.5 per cent, while Gypsophila, a crop with potential for The Gambia declined by 7.5 per cent. Gladioli production also declined. This table is of particular importance because declining domestic production is frequently a symptom of competition from imports, illustrating that comparative advantage in production lies with overseas suppliers.

Trade Structure

There are no wholesale markets for flowers in the Netherlands. With few exceptions producers are committed by law to sell flowers only through the auctions of which there are seven. The three major flower auctions are Aalsmeer (VBA), Westland (BVH) and Rijnsberg

(Flora). Cut flower sales through the auctions have increased from 2.46 billion guilders in 1985 to 3.56 billion guilders in 1992, an increase over the period of 44.5 per cent.

At each auction centre there are many hundreds of import/export wholesale companies. Many foreign buyers also have offices at the auctions and facilities for repacking and export.

Although the auctions sell imported flowers the majority of flowers imported into the Netherlands are handled directly by importers. Many foreign producers favour sales through the auctions. The major attraction of auction sales is the guaranteed payment in seven days. However, sales via the auction are subject to prior arrangement and acceptance by the producer of stringent requirements with regard to quality, volume and continuity of supply. For example most auctions set volume quotas for imports and demand a minimum of three consignments each week, throughout the export season November to April.

Competition and Prices

The Netherlands has some of the largest and most efficient flower producers in the world and they are supported by comprehensive technical and research services. In recent years the auctions have placed great emphasis on improving the vase life of flowers. It is now mandatory for most flowers to have been pretreated after harvest with flower preservatives. For some species, samples of the stems are analysed to establish if preservatives have been used and bacterial counts are mandatory. Flowers failing to conform to the auctions specifications cannot be sold and are destroyed.

Prices are determined by supply and demand. Prices can vary widely, even on the same day depending upon flower quality, variety and freshness. For example on 1 March 1994 Molucella was ranging in price from 30-90 Guilders cents/stem.

Average Dutch auction prices for potential Gambian flower crops are shown in Table 3.7.

	Monthly Price Range	Marketing Period November/April		
		1992/93	91/92	90/91
Ammi majus	17-32	22	24	26
Molucella	32-63	41	47	39
Aster Monte Casino	29-62	43	53	50
Aster Sunbright	25-81	34	60	-
Gladiolus Addi	14-83	22	29	43
Gladiolus Other	21-73	32	34	44
Gypsophila	36-71	47	52	55
Gypsophila Other	37-99	54	57	66
Limonium Misty Blue	32-87	41	60	52
Lomonium Heavenly Blue	17-50	26	28	32
Solidaster	31-59	39	53	42

Source: VBN

The prices shown provide some examples of the wide differential in price between varieties of the same species. With chrysanthemums this can be even more marked with new introductions achieving significant premiums. Total costs of marketing flowers through an auction range between 20 and 25 per cent.

3.2.3 The United Kingdom

The United Kingdom is the third largest import market (along with France) for flowers after Germany and the United States of America. Although per capita consumption of flowers in the United Kingdom is amongst the lowest in Europe imports have expanded rapidly in recent years. There are two aspects of the United Kingdom market which are of particular relevance to the new entrant. Firstly, prices are on average 10–20 per cent higher than in the Netherlands and secondly there is less competition from very high quality suppliers. Indeed the United Kingdom market has a reputation for accepting lower quality than the other major European flower markets.

Domestic Production

Although the United Kingdom is the world's largest producer of narcissus the area devoted to glasshouse flower crops is less than 350 ha, with chrysanthemums the most important flower crop.

Imports

Imports of cut flowers have increased steadily from US\$229 million in 1988 to US\$319 million in 1992. Although in 1992 64 different countries exported flowers to the United Kingdom, the following three countries dominate the trade: the Netherlands 66 per cent of all imports, Colombia 13.6 per cent and Israel 6.3 per cent of imports.

Table 3.8 provides a breakdown of imports from the Netherlands on the basis of export figures obtained from PVS, the Netherlands commodity board for floricultural products. The data shows a significant increase in chrysanthemum, gypsophila and summer flowers, all products with Gambian potential.

Table 3.8
United Kingdom: Imports of Flowers from the Netherlands by Flower
Species 1987-1992
(million stems)

	1987	1992	% change 1987/1992
Camation	138.7	177.9	+28.3
Chrysanthemum	72.1	155.9	+116.2
Rose	38.1	51.8	+36.0
Freesia	22.0	46.2	+110.0
Lily	17.0	30.4	+78.8
Summer Flowers	9.0	22.1	+145.5
Gypsophila	8.0	19.5	+143.8
Iris	17.8	19.1	+7.3
Gerbera	8.3	11.4	+37.3
Tulip	5.4	10.2	+88.9
Alstromeria	4.1	10.7	+161.0
Gladioli	3.5	4.5	+28.6
Orchid	3.3	2.2	-33.3
Nerene	0.5	1.2	+140.0
Narcissus	0.5	0.8	+60.0
Amaryllis	0.2	2.5	+1,150.0
Syringa	0.2	0.3	+50.0
Anthurium	0.3	0.6	+100.0
Others	21.1	48.2	+128.4
Total Excluding Bouquets	369.8	620.8	+67.9
Bouquets (million)	9.5	12.4	+30.5

Trade Structure

The New Covent Garden and some 19 other regional fruit and vegetable markets remain the traditional and primary distribution channel for cut flowers. New Covent Garden is the only specialist flower market; the other regional markets sell mainly fruits and vegetables and have a limited number of specialist flower wholesaling companies.

In recent years the number of new market based flower importing companies has increased significantly. Although trade within the wholesale markets has traditionally been on a commission basis, an ever increasing volume of imports are on a fixed price basis. Within the past five years there has been a dramatic increase in the volume of flower sales through supermarket and multiple outlets. These large chains procure prepared bouquets from importer packers in the United Kingdom and the Netherlands. Some exporting countries have established links with UK flower growers. For example Zwetlots a large UK flower grower, is a major importer of Israeli flowers and supplier of bouquets to the supermarkets. Lingarden, the United Kingdom's largest bulb producing co-operative, packs both UK and imported flowers for all the major supermarkets.

Competition and Prices

Although competition is intense as elsewhere in Europe, the United Kingdom market has gained a reputation within the Netherlands as an outlet for lower grades of flowers. This is not to suggest that high quality is not important but rather that the Dutch provide flowers with lower quality specifications ie lower flower weights, shorter stem lengths etc to the UK. It is therefore sometimes easier for a new entrant to compete in the UK market than, for example, in either the Netherlands or Germany.

With regard to prices, as elsewhere in Europe importers prices are always related to the Dutch auction price. However, given that importers have to purchase the flowers on limited or nil credit terms and incur transportation costs UK prices are effectively 10–20 per cent higher than Netherlands prices. There are exceptions to this, for example premiums for consistent high quality will normally be greater from the Netherlands auctions.

3.3 OPPORTUNITIES FOR THE GAMBIA

3.3.1 Competitive Advantage

An analysis of Gambian meteorological data reveals that with little or no rain during the period November to April The Gambia is ideally suited for field grown flowers, which can be grown without plastic greenhouse protection. The Gambian climate is however too hot for rose and carnation production but well suited to chrysanthemums, Gypsophila, Gladioli and summer flowers. The Gambia has a significant niche opportunity for chrysanthemum production, as has already been identified by Mukambya. Gambia is competing during the winter months with glasshouse produced chrysanthemums. To compete, Netherlands and UK producers have to produce in high cost heated greenhouses, and supplementary lighting is also required. Inevitably winter production costs in N. Europe are far higher than those of The Gambia. Gambian producers do have a freight disadvantage and there are some suggestions that the vase life of field grown chrysanthemums may be shorter than glasshouse produced crops. However, there remains a competitive advantage in favour of The Gambia.

With field grown flowers, eg gladioli and summer flowers, The Gambia would be competing with Kenya, Zimbabwe and Tanzania and to a much lesser extent with Europe producers. Winter rainfall in all these competing countries is higher than in The Gambia.

3.3.2 Identifying Joint Venture Partners

Gaining Market Access

In discussion with major importers in the Netherlands and the United Kingdom it is apparent that a high quality producer in The Gambia would find no difficulty in identifying companies prepared to market Gambian flowers.

Identifying a Joint Venture Partner

The consultant's research programme in The Gambia identified the critical importance of securing a partner prepared to provide technical management and undertake marketing of the farms' production.

Given the potential for chrysanthemum production the consultants have contacted the major European chrysanthemum cutting producers. The companies contacted were all chrysanthemum cutting producers who currently import planting material from world sources. Three companies requested to be kept informed of The Gambian project, these were.

- Southern Glasshouse Producers, a member of the Kirin group of companies (a Japanese owned company) and the world No.2 chrysanthemum cutting producer. Kirin also own Fides the Netherlands No.1 chrysanthemum breeding company. SGP also own Hiljo a major Netherlands import/export company. SGP are the UK's largest chrysanthemum flower producer. They also own a flower farm in the Canary Islands and are the sole marketing agent in the UK for Kenyan based SULMAC the world's largest flower farm. (Sulmac is a subsidiary of Unilever).
- In the Netherlands interest in the project was shown by the CBA (Chrysanthemum Breeders Association) CBAs founder companies include three of the largest cutting producers in the Netherlands. CBA's interest arises from the very high cost of producing chrysanthemum flowers in the Netherlands and in particular the high costs of complying with stringent environmental regulations.
- A third company P. van der Kamp, also a chrysanthemum cutting producer in the Netherlands was contacted. Van der Kamp already has a joint venture flower farm in Malaysia and are currently assessing the opportunities for an Indian project. Further discussions are to be held with Van der Kamp during the project's next consultancy stage.

Further discussions will be held with each of these firms in the next phase of this work programme.

3.4 SUMMARY AND CONCLUSIONS

Principal conclusions of the market investigations are:

- there will be little difficulties in selling flowers from The Gambia if they meet the quality requirements of the market.
- There are many marketing partners that would be prepared to take on the marketing of these imports in all of the four major European markets.
- If exports from The Gambia are in significant volumes, then a link to one of the larger marketing companies is of importance, and these companies are to be found in the Netherlands and the UK.

- The varieties required will depend on the marketing partner selected.

From this analysis it would appear that marketing of flowers in Europe is not a constraint to the future development of floriculture businesses in The Gambia. The critical issue is to meet the quality requirements demanded of the European markets. Thus, there is no doubt that the success or failure of any flower development is dependent on the technical competence of the production management. Therefore within this first phase of the work programme, emphasis has been placed on identifying marketing partners who also have a proven track record in management of flower farms.

The immediate response of many marketing organisations (importers), and in particular the Dutch, is that they can supply technical assistance (ie advice on selection of varieties, plant densities, marketing requirements etc). The consultant's experience in Central America and Africa is that this form of 'technical assistance' is of very little value to the new entrant. There are other examples where marketing companies have provided production consultants at cost. Again very few of these projects have been successful. The aim has therefore been to identify existing flower producers who both have the proven production and export track record and are looking to diversify into another country.

The response from the companies discussed under section 3.3.2, has been quite positive, and discussions will continue in the next phase. However, following discussions with Bouwman Snijder import service, a Netherlands importer with many Kenyan suppliers, BSI indicated that they were aware of several of their clients who were actively looking to establish new flower farms in Africa. In the next consultancy stage it is therefore intended to widen the net to Kenyan and Zimbabwe flower producers as a source of potential joint venture partners.

**4 THE GAMBIA'S HORTICULTURE AND
FLORICULTURE INDUSTRIES**

4 THE GAMBIA'S HORTICULTURE AND FLORICULTURE INDUSTRIES

4.1 PROFILE OF THE GAMBIAN HORTICULTURAL INDUSTRY

4.1.1 Production

Crop Areas

There are no reliable estimates of Gambian fruit and vegetable crop areas or production for any of the target export crops. The consultants estimate the total area of export fruits and vegetable crops excluding mangoes at around 550 to 600 ha with Radville and Sifoe farms accounting for around 90 per cent of exportable production.

In addition to the commercial horticultural sector there are an estimated 40 communal gardens producing fruits and vegetables. The gardens range in size from 0.25 to 10 ha, with individual garden membership of 20 to 850 persons. Individual members cultivate their own plots with production sold either locally or to the hotels.

Seasonality of Production

Table 4.1 shows the estimated main production periods for a range of potential export crops.

Artichoke	December-May
Asparagus	January-March
Aubergine	December-June
Avocado	October-May
Beans - French	October-May
Beans - Bobby	October-May
Beans - Runner	October-May
Capsicum	March-April
Chillies	AYR (October-April)
Courgette	AYR (October-April)
Guava	October-May
Ginger	November-February
Mango	January-April
Mange Tout	May-July/August
Melon- Honeydew	December-April
Melon- Cantaloupe	December-May
Melon - Galia	December-May
Melon - Ogen	December-May
Melon - Water	December-May
Okra	AYR
Onions - Salad	AYR
Papaya	December-April
Lime	AYR
Orange	October-March
Passion Fruit	October-March
Cherry Tomato	March-June
Sweet Corn	November-February
	November-January

4.1.2 Industry Structure

Number of Farms

In 1993 the Department of Planning estimated that there were some 27 commercial horticultural enterprises in The Gambia, the majority of farms were however out of production in January 1994.

Farm Size

The FAO/UNDP Horticultural Development Programme study of The Gambia completed in 1991 reported fruit and vegetable farm size as ranging from 4 to 300 ha. From discussions with GAMHOPE members the following estimates of farm size and export activity (1993/94 export season) have been established.

Company	Farm Size (ha)	Estimated 1994 Export Crop Area (ha)
Radville/Agrotech	400	400
Sifoe Farms	150	70
Yams Agric Enterprises	240	10
Gambia Horticultural Enterprises	60	10–25
Sinchu Farms	118	Nil
Faraba Farms	27	Nil
Tanji Farms	50	Nil
Farato Farms	68	Nil

Development Status

Apart from Radville/Agrotech farms which are fully equipped with drip and sprinkler irrigation and supported by a modern packhouse and cold stores, no other Gambian producers have the capability to supply the European supermarket buyers. Of the other Gambian producers only Sifoe farms has modern irrigation systems and cold storage facilities. Again, with the exception of Radville/Agrotech and Sifoe farms **no other Gambian producers have the expertise to produce consistent supermarket quality, and no farms have cold storage facilities.**

4.1.3 Imports of Fruits and Vegetables

There are significant annual imports of potatoes, onions and temperate fruits. Recorded imports of fruits and vegetables are shown in Table 4.3:

	Tons	D'000	Tons	'000
1988/89	372	2,297		
1989-90	787	3,310	5,186	8,514
1990-91	1,284	3,279	5,117	10,257
1991-92	472	3,705	6,769	8,654
			5,,08	7,296

Source: Ministry of Trade and Industry

4.1.4 Exports of Fruits and Vegetables

Ministry of Trade and Industry statistics for fruit and vegetable exports are only available for the period to 1992-93.

1984-85	163
1985-86	177
1986-87	584
1987-88	3,458
1988-89	7,7906
1989-90	10,532
1990-91	12,532
1991-92	16,258

Source: Ministry of Trade and Industry

Given the significant volume of exports by both Radville Farms and Sifoe farms in both 1991-92 it would appear that there is significant under recording of exports. It is estimated that Gambian fruit and vegetable exports in 1992-93 could have been in excess of D.40 million.

4.1.5 Post Harvest Handling Practices

Only Radville Farms/Agrotech and Sifoe farms have the cold storage facilities and infrastructure to precool fruits and vegetables immediately following harvest and refrigerated transport to maintain a cold chain from harvest to airport.

Production and post harvest handling practices of all other Gambian producers are below the basic requirements of even the European wholesale markets. Thus a situation currently exists whereby only Radville/Agrotech and Sifoe farms have the capability to supply the highly specific demands of the European supermarket buyers.

Although a condition of the IFC funding of Radville farms cold storage complex was that the facilities must be made available to all Gambian Producers, only one company (producing Chinese vegetables) is currently utilising the facility.

4.2 PROFILE OF THE FLORICULTURE INDUSTRY

The Gambia's floriculture industry is new. Although Faraba farms had trials conducted a few years ago, and were looking to establish a joint venture with Southern GlassHouse Produce, the agreement did not materialise. The only existing flower farm which in the export business is Mukumbya which has a joint venture agreement with the Commonwealth Development Corporation. The business has been operation for about 3 years. There is 5 ha under flower production, and some amount of export activity has taken place. To date there have been no other farms that have invested in the flower export business.

4.3 SUPPORTING INFRASTRUCTURE AND SERVICES

4.3.1 Technical Support Services

Given the small size of The Gambian horticulture and floriculture sector it is not surprising that the Ministry of Agriculture is currently unable to provide any specialist technical support to the sector. This places the onus on producers themselves to build up the technical knowledge and support services. There is little horticultural research activity to speak of. Research activities through from variety testing to trial shipments of produce fall in the hands of producers themselves. This is an activity for which support from international donors could be usefully employed.

Within The Gambia there are no manufacturing facilities for export packaging, fertilisers or chemicals. Furthermore, given the small scale of the two sectors there are no specialist inputs supply distributors in The Gambia. Therefore all import requirements are imported directly by the individual exporters.

A Massey Ferguson dealer exists to service tractors. However, because of the small size of the business, the dealer does not hold adequate stocks of spares, and tractor repairs are therefore subject to delay until appropriate parts can be put on order and shipped to The Gambia.

Tractors can be hired through the Ministry of Agriculture at competitive rates, but producers report that it is always possible to secure these services at the time required. The Ministry, through its Water Resources Department, provide a service for the construction of boreholes. There is one private company that also provides the borehole construction services, but at prices significantly higher than those charged through the Ministry. This company will supply a technical support service and irrigation infrastructure if required.

Airfreight Services

There are presently some 25 tonnes per week freight space available on scheduled airlines and passenger charters out of the Gambia to Europe. In addition, one cargo freighter of 38 to 40 tonnes is leaving Banjul for Europe each week through most of the year, and during the peak

horticultural export season this increases to two freighters weekly. Table 4.5 provides a breakdown of flights and routes operating to Europe between October 1993 and April 1994.

Day	From	To	Aircraft Type	Operator
Monday	LGW BRU/CKY	LGW BRU	B757 A310	Britannia Sabena
Tuesday	FRA/DKR	FRA	B757	Condor
Wednesday	LPA BRU/CKY	DKR/GVA/ZRH LPA BRU	A310 B757 A310	Swiss Air Span Air* Sabena
Thursday	FNA LGW MAN MAN ARN/LPA	LGW LGW LGW MAN MAN LPA/ARN	B757 B707 B757 B757 B757 DC10	Gambia Airways Air Gambia Monarch Air 2000 Air Tours Scanair
Friday	ORY/SID LGW MAN BRU PAR	LIS/ORY LGW MAN BKO/CKY/BRU PAR	B727 B757 B757 A310 MD83	Air Charter Britannia Britannia Sabena Air Liberte
Saturday		DKR/GVA/ZRH	A310	Swissair
Sunday	LGW	LGW	B757	Monarch

Notes and definitions for table:

* - fortnightly service

** - Air Gambia recently bankrupt

ARN - Stockholm

BKO - Bamako, Mali

BLL - Billul, Denmark

BRU - Brussels

CKY - Conakry

CPH - Copenhagen

FRA - Frankfurt

GVA - Geneva

LGW - London Gatwick

LPA - Grand Canaria

MAN - Manchester

TFS - Tenerife

ZRH - Zurich

Demand for the scheduled airfreight space is strong. Much of what is available has been secured by Radville Farms, but for the current season space on Britannia and Air 2000 has been contracted by Mukumbya. As these two operations expand, competition for freight space is expected to intensify. New entrants into the horticulture and floriculture industry are advised to forward contract space. However, failure to take up twice capacity could lead to

significantly higher unit costs, and puts considerable onus on the management to ensure that an adequate production programme is in place.

Freight costs on scheduled and passenger airlines are currently running at the order of 75 to 95 US cents per kilo. Favourable rates at the lower end of this range have been negotiated for the current season for the export of Mukumbya flowers, however, these are expected to strengthen as competition for freight space grows.

The most regular air cargo service is provided by Das Air which operates a 707 aircraft with approximately 38 tonne capacity of freight, or some 1,380 boxes of flowers (equivalent to 22.5mt). Radville regularly takes up at least 70 per cent of the cargo space, with other smaller exporters taking up the balance.

There are difficulties in organising cargo flights because of the shortage of southbound traffic into West Africa. Das Air has coordinated its service with southbound traffic to Lagos, Dakar and Accra. However each of these places has demands for the northbound freight, and cargo operators require an incentive to call at Banjul. The current rate for the northbound journey is US\$38,000, equivalent to US\$1 per kilo of fruit and vegetables or US\$1.69 per kilo of flowers. If the southbound freight is not assured, the cost of a round trip is US\$58,000, or US\$1.5 per kilo.

There are other cargo companies that are prepared to offer attractive deals for freight. For example, a Lutian aircraft with a capacity of 50 tonnes is currently available for US\$60,000 for the round trip (US\$1.20 per kilo). However, cargo businesses are notoriously unreliable, and careful planning and scheduling of activities is essential to ensure that a long term business can be built up.

Cargo management and handling services are currently provided either through Gambia Airways or through Redcoat. The reputation of Gambia Airways services is mixed, and scheduled airlines that use their services recommend that the exporters provide their own supervision at the airport to ensure operations run smoothly. This is particularly relevant for passenger aircraft which rely on maintaining departure times. Redcoat is the handling agent for Das Air cargo flights.

Sea Freight

Two companies operate through Banjul destined for Europe – Gambia Shipping (on behalf of OT Africa), and Maersk. Both companies currently only operate a southbound route as there is insufficient freight to justify a northbound stop. Journey time to Europe is some 22 to 25 days and therefore does not allow the export of fruit and vegetables. Both companies offer reefer containers, and Maersk can supply modified atmosphere if this is requested in advance. Gambia shipping offers a 17 day service, and Maersk a regular fortnightly service.

Both companies have considered northbound stops in Banjul, and Gambia Shipping has implemented these for a short period in order to run some trials for Radville Farms. Reefer containers were used in trials to ship mangoes, melons, chillies and aubergines, and were largely successful. In order to provide a regular northbound service, both shipping companies would need to be guaranteed a load of 10 to 15 containers at minimum. On this basis transit

time to Antwerp is 9 to 11 days with Maersk, including a transshipment time in Algeciras from where delivery can be assured to most European ports. Transit time with Gambia Shipping to UK ports is 12 days.

While the northbound services for these two shipping lines is not yet guaranteed, it is likely that Radville will raise volumes sufficiently to guarantee this service within the next two seasons. Other entrants in the market can only help to ease this situation, and with this, sea freight offers a real potential in enterprise development plans.

Costs of seafreight using reefers amounts to some US\$0.25 per kilo of fruit and vegetables.

4.3.2 Summary and Conclusions

Both the floriculture and horticulture export industries are still in their infancy, and consequently there has been little development of support services and infrastructure. In the horticulture business, new entrants to the sector have broadly two choices when viewing their future development which are:

- to concentrate on production activities and operate as outgrowers to the existing large scale producers who have adequate cold storage and packing facilities.
- to invest in the complete package from production through to cold storage/packing and export.

In the second phase of this work, both options will be considered in more detail. However, it should be noted to date that the relatively low cost option of developing as outgrowers to, for example, Radville, has not been taken up by any of the 3 horticultural farms. There is a strong argument to be made that without the existence of other export companies, outgrowers do not have a strong negotiating position, and there is considerable risk in investing heavily in agricultural production with only a single possible outlet. This situation is further exacerbated by the fact that there is no significant domestic market which can serve as an alternative outlet for produce. Therefore, the focus of this first stage of the work programme has been given to identifying the costs and viability of a totally integrated development from production through cold storage, packing and export.

From the discussion in the earlier sections of this chapter, it is possible to highlight some of the key issues that a 'new' entrant into the industry must address:

- Freight difficulties have been the downfall of a number of companies that have endeavoured to enter the industry. In normal circumstances horticultural businesses will start small and build up activities in order to minimise risk. However, due to the freight problem, serious consideration must be given to starting off on a scale that is sufficiently large to require the chartering of a cargo freighter, or to ensure a northbound stop-over by shipping companies. The implications are that the horticultural business should be of a minimum of 100 ha, and that units larger than this will benefit from economies of scale.

- The highly technical demands made on horticultural producers by the European market, suggests that good management should be recruited to manage the farm production and export activities. This management is not currently available in The Gambia, and therefore international recruitment will be necessary, with associated higher cost structure. Again, larger production units will be required to finance this cost structure.
- No development for export should take place without good quality storage facilities, and ultimately packing facilities.
- The production unit will have to be self-sufficient in support services.

The implications of these points are that investors should consider scale in future developments, and capital investment requirements will be considerable. Once two or three fully integrated production and export facilities exist, it will be feasible for smaller-scale producers to enter the industry and focus solely on production, operating effectively as outgrowers to the exporting enterprises. Indications of the cost and viability of these developments, and the associated risks are given in sections 6 and 7 of this report.

5 FARM BY FARM ANALYSIS OF RESOURCES

5 FARM BY FARM ANALYSIS OF RESOURCES

5.1 INTRODUCTION

The four companies supported under this USAID study have all considered or attempted to develop export-orientated businesses in the past.

Three of the sponsor companies (Tanji, Faraba and Farato) are owned by individuals (or shareholders) with other business interests ie the farms do not provide the owners with their only source of income. Sinchu farms is the only company where the owner is directly involved in the day to day management of the farm.

In terms of land suitability and water quality all the farms offer significant potential for intensive fruit and vegetable production for export. All farms are located within 15 to 20 minutes of the airport, and approximately 30 to 40 minutes to Banjul port.

An analysis of individual farm resources is shown in the following Table 5.1.

	Sinchu	Tanji	Faraba	Farato
Farm area (ha)	118	50	27	68
Export crops 1994(ha)	Nil	Nil	Nil	Nil
Cultivated Area 1994 (ha)	40	15	Nil	15
Boreholes	2	1	-	1
Borehole status	OK	Poor	-	OK
Wells	-	-	1	-
Water Storage m ³	Nil	800	-	170
Sprinkler area (ha)	4	12-16	3	15
Generator KVA	50	145	5	45
Generator KVA	-	56	5	50
Generator Status	Poor	OK	Poor	Poor
Tractor	MF265	MF165	MF185	Hired
	-	Ford 7610	-	-
Tractor Status	Poor	OK	Poor	-
Cultivating Equipment	Poor	OK	Limited	Hired
Packhouse Facilities	Nil	Nil	Nil	Nil
Storage Buildings	Limited	Limited	Limited	Limited
Cold Storage	Nil	Nil	Nil	Nil
Farm Fencing	Nil	Limited	Limited	Limited

5.2 SINCHU FARMS

5.2.1 Resources – Machinery and Infrastructure

Sinchu farms is the largest of the four farms with soils which give every indication of being highly suited to intensive fruit and vegetable production. Although, some investment in boreholes (2) has been undertaken, significant further investment is required if the farm's full potential is to be realised.

To achieve a viable export status the following investments are required:

- Additional boreholes
- Borehole pumps
- Generators
- Drip and sprinkler irrigation system
- Tractors and cultivating equipment
- Spraying machinery
- Cold storage facilities
- Basic packhouse facilities
- Stock proof fencing

5.2.2 Management and Technical Resources

The farm's owner recognises that the companies existing management and technical expertise is inadequate, significant external management and technical support being required to raise production levels to international standards.

5.2.3 Export Performance

At the time of the consultant's visit to The Gambia Sinchu Farms were not producing export crops. However, the company has obtained orders for the 1994 season from leading importers in the United Kingdom and the Netherlands but have been unable to supply through financial constraints.

5.3 TANJI FARMS

5.3.1 Resources – Machinery and Infrastructure

Although Tanji farms are by comparison with the other three farms better equipped, much of the past investment is of limited value in attaining international production standards. The following investment is required if satisfactory export performance is to be achieved:

- Boreholes
- Drip and sprinkler irrigation systems
- Cultivating equipment
- Spraying machinery
- Cold storage facilities
- Basic packhouse facilities
- Stock proof fencing

5.3.2 Management and Technical Resources

The farm's owner recognises that the existing management is inadequate for export production.

5.3.3 Export Performance

There is currently no production of export crops. Existing production is solely for the domestic market. Orders from importers in the UK have been received but have been subject to the use of on-farm cold storage.

5.4 FARATO FARMS

5.4.1 Resources Machinery and Infrastructure

In common with Tanji Farms, Farato owners have invested in irrigation and farm infrastructure. Regrettably very little of this investment can be adapted to export production. The following investment is required if export orientated production is to be developed.

- Boreholes
- Drip and sprinkler irrigation systems
- Tractors and cultivating equipment
- Spraying machinery
- Cold storage facilities
- Basic packhouse facilities
- Stock proof fencing

5.4.2 Management and Technical Resources

The farm's owners recognise that the existing management lack the necessary expertise and export experience.

5.4.3 Export Performance

The company supplies only the local market. There is currently no export crop production. In common with Tanji farms orders from importers have been received but are subject to the use of on-farm cold storage.

5.5 FARABA

5.5.1 Resources – Machinery and Infrastructure

Faraba is the smallest of the four farms. Although the flower trials conducted by Faraba and Landell Mills Associates were clearly successful, confirming the farm's suitability for flower production there are almost no infrastructure facilities on the farm which could be adapted to flower production.

5.5.2 Management and Technical Resources

The farm's manager gained valuable flower growing experience during the trials programme. However, management and the company's shareholders recognise that a foreign technical and marketing partner is essential if the farm is to be developed.

5.5.3 Export Performance

There is currently no cutflower production.

5.6 CONCLUSIONS

With few exceptions, little of previous farm investment on any of the farms can be utilised for future development. The farms have therefore to be assessed on the basis of their land use capability ie as 'green field sites'. In this respect all the farms offer potential for intensive crop production.

**6 VIABILITY OF HORTICULTURAL PRODUCTION
AND EXPORT**

6 VIABILITY OF HORTICULTURAL PRODUCTION AND EXPORT

6.1 GROSS MARGIN ANALYSIS FOR HORTICULTURAL PRODUCTION

6.1.1 Introduction

A competitive cost structure is critical to the development and future success of the Gambia's horticultural industry. In this section it is intended to present all the principal costs of production and export in order to determine viability of horticultural production, and identify areas of risk for producers and exporters. Section 6.1.2 sets out the variable production costs, section 6.1.3 the costs of export, and section 6.2 provides an analysis of principal fixed costs and capital investment. This analysis is confined to a few selected crops with good prospects in the European markets.

6.1.2 Variable Production Costs and Yields

Seed

For most crops sold into the European markets, buyers insist on specific varieties as part of the quality specifications. Source of seed is also extremely important and there is little prospect of obtaining high quality seed of specified varieties from other than the seed breeding/producing companies in either Europe or North America. It is therefore assumed that seed will be procured from either European or North American sources.

Seed prices are closely related to the size of order. The following are indicative prices for some of the crops under consideration.

Crop	Unit	Unit Price	Unit/ha	Price/ha
Galia melons	kg	FL 3000	1.5	F1 4500
Cantaloupe melons	kg	£ 170	1.5	£ 255
Salad Onions	kg	£ 28	30	£ 840
Sweet Corn	kg	£ 15	7	£ 105
Bobby beans	kg	£ 7	75	£ 525
Runner beans	kg	£ 7	110	£ 770
Courgettes	kg	£ 120	2	£ 240
Squash	kg	£ 120	2	£ 240
Aubergines	1000	£ 50	25	£ 1250
Artichokes/Asian veg	1000	£ 63	8	£ 504
Cherry tomato	1000	£ 50	30	£ 1500
Mange tout	kg	£ 4	150	£ 600

Salad onions, sweet corn, beans, mange tout, courgettes and squash will be direct seeded, other crops will be module raised.

Fertilisers and Agrochemicals

All fertilizers and agrochemicals are imported into the Gambia, and it will be most cost effective for any significant producers to import these directly. Fertiliser costs are of the order of D120 per 50 kg (US\$0.28/kg). Application levels for fertilisers and chemicals for each of the crops are set out in summary tables 6.5 to 6.8.

Irrigation

For all four farms irrigation water is supplied from boreholes 70 to 90 metre in depth. Pumps of 5 to 7 KVA capacity are used to pump water to storage facilities, and then booster pumps are engaged to transfer irrigation to the field.

Fuel charges are currently D6 per litre, of which D3.2 is government duty and D1 is a trader margin. To date, none of the fruit and vegetable producers in the Gambia are exempt from this duty, but it is understood that the Mukumbya flower farm – the only existing floriculture exporter – has been given duty free access to fuel for production. For the present purposes it is assumed that all producers will pay the full price inclusive of duty.

It should be noted that the fuel costs faced by producers are high relative to costs in many other countries. A more detailed analysis of fuel costs of direct competitors will be carried out as part of phase 2 of this work. However the point is illustrated with a comparison with the UK where farmers (as well as some industries) pay the equivalent of D1.57 per litre of diesel. More detailed discussion of the implications of this cost are given in later sections of this chapter.

Fuel costs for existing fruit and vegetable producers are currently averaging (across the range of crops) D16,000 per ha, based on a consumption of 2,675 Lt of diesel per hectare per crop. Fuel costs are high because most farms have a single generator for each borehole, usually of 50 – 70 KVA, thus pumps and generator outputs are not matched, resulting in excess use of fuel. The problem could be alleviated by a central farm generating plant. Drip irrigation will also be less costly than furrow irrigation systems.

Agricultural Labour

Labour is available from nearby villages and is reported to be readily accessible. However it should be noted that the Radville farms find it necessary to truck in labour from more distant villages to meet their daily labour demands, and have reported problems in securing labour during specific short periods in the year.

Labour costs are D12–14 per day (US\$1.3 to 1.5/day equivalent). This compares quite favourably with countries competing with the Gambia as shown in the following:

Approximate Agricultural Labour Rates Paid in Various Countries (US\$/day)	
Kenya	1.5
Zimbabwe	2.8
Zambia	0.7
South Africa	1.5-3.0
Thailand	2.0-3.0

The most critical element in labour costs is that involved in harvesting and packing of fruit and vegetables. These typically represent some 10 to 20 per cent of total variable production costs. Achieving high productivity in these activities is critical to the competitiveness of the business. It should be noted that currently most labour in The Gambia is employed on a daily rate. It would significantly improve productivity if piecework payment was introduced. The following labour productivity rates for packing/harvesting have been assumed for the present gross margin calculations.

Crop	Days/ton Harvesting	x2 for packing	% Rejects	Productivity days/t
Galia melons	3.85	7.69	10.00%	8.55
Cantaloupe	3.85	7.69	10.00%	8.55
Salad Onions	8.33	16.66	10.00%	18.52
Sweet corn	8.33	16.66	10.00%	18.52
Bobby beans	22.73	45.45	10.00%	50.51
Runner beans	15.63	31.25	10.00%	34.72
Mixed beans	27.78	55.56	10.00%	61.73
Mange tout	22.73	45.45	10.00%	50.51
Chillies	8.33	16.67	10.00%	18.52
Courgettes	12.50	25.00	10.00%	27.78
Squash	3.85	7.69	10.00%	8.55
Aubergines	4.17	8.33	10.00%	9.26
Artichokes	10.00	20.00	10.00%	22.22
Cherry Tomato	3.85	7.69	10.00%	8.55
Ginger	1.56	3.13	10.00%	3.47
Sweet Potato	1.56	3.13	10.00%	3.47

A summary of labour assumptions used is given in tables 6.7 to 6.10.

Yields

It is notoriously difficult to estimate fruit and vegetable production costs and crop margins. The difficulties arise because of the many technical factors which can influence crop yield and quality. The following factors all influence the marketable yield, quality and profitability:

- selection of variety
- source of seed
- seed quality and vigour
- seed storage practices

- plant raising methods
- planting density which influences both yield, product size and grade
- field losses after planting
- cultivations
- weed control practices
- irrigation systems and application frequency
- fertiliser rates
- timing of operations
- pest, disease and vermin control methods
- harvesting stage and timing
- mechanical damage at harvest
- post harvest handling practices
- weather conditions

Yield prediction is all the more difficult because of the exacting grade specifications of the supermarket buyers. For example although yields of melons in excess of 40 tons/ha are achievable only 10 tons may be of the sizes required by the buyers. Production systems and choice of variety are therefore critically important in determining the final grade out percentage which meet the buyer's specifications in terms of size and individual fruit weights.

With effective production management and utilisation of drip irrigation, yield performance should be good. However, the exportable yield will be somewhat lower and for the present calculations, it is assumed that some 80 per cent of yield meets export quality. Later analyses show how sensitive the business is to the yield performance. Management will need to be excellent to sustain these exportable yields.

Field and exportable yields for the crops under consideration are given in the following tables.

Crop	Field yield t/ha	Exportable Yield t/ha *
Galia melons	30	24.0
Cantaloupe	30	24.0
Salad Onions	25	20.0
Sweet Corn	15	12.0
Bobby beans	13	10.4
Runner beans	13	10.4
Mixed beans	13	10.4
Courgettes	20	16.0
Squash	30	24.0
Aubergines	20	16.0
Artichokes	14	11.2
Ginger	35	28.0
Sweet potato	35	28.0
Cherry tomato	38	30.4
Mange tout	10	8.0
Chillies	13	10.54

Note: * assumes 80 per cent of exportable quality.

Production Costs Summarised

Tables 6.5 to 6.10 provide a summary of unit volume and value, and total production costs for each of the representative crops, and Table 6.10 sets out the relative proportion of each of these variable costs as a percentage of the total.

Specific points of note are:

- Fuel costs for pumping irrigation represent the single largest expenditure for all crops under review (except galia melons), and typically average some 35 to 60 per cent of total variable costs. Almost 50 per cent of the fuel cost is government tax. This can represent a significant cost per kilo of produce marketed. The following table illustrates this point, setting out the irrigation per kilo marketed of all crops under review under two alternative assumptions of marketable yield. Clearly as marketable yield drops, so the cost of irrigation rises.

Crop:	Assuming % Marketable Yield	
	80% US\$/kg	50% US\$/kg
Galia melons	0.08	0.12
Cantaloupe	0.08	0.12
Salad onions	0.09	0.15
Sweet corn	0.15	0.25
Bobby beans	0.18	0.28
Runner beans	0.18	0.28
Mixed beans	0.18	0.28
Mange tout	0.23	0.37
Chillies	0.18	0.28
Courgettes	0.12	0.18
Squash	0.08	0.12
Aubergines	0.12	0.18
Artichokes	0.16	0.26
Cherry tomato	0.06	0.10
Ginger	0.07	0.11
Sweet potatoes	0.07	0.11

- Productivity of labour in harvesting and packing fruit will be a critical element in determining the Gambia's ability to compete in the European markets.
- Seed costs are typically of the order of 20 per cent of total variable costs of production.

Table 6.5
Production Costs Per Ha: Volume/Unit of Inputs

Production Costs Per Hectare

Crop:	Units	VOLUME/UNIT OF INPUTS															
		Galia Melons	Cantalo upe	Salad Onions	Sweet Corn	Dobby Beans	Runner Beans	Mixed Beans	Mange Tout	Chillies	Courg-ettes	Squash	Auberg-ines	Arit-chokea	Cherry Tomato	Ginger	Sweet Potatoes
Item	Units	No of units..... >															
MECHANICAL INPUTS																	
Land Preparation tractor hrs																	
- basic cultivation	hrs/ha	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
- others	hrs/ha	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5
- harvesting	hrs/ha																
Sub Total																	
PHYSICAL INPUTS																	
Seed - units																	
- no of units		kg/ha	kg/ha	kg/ha	kg/ha	kg/ha	kg/ha	kg/ha	kg/ha	kg/ha	gm/ha	Kg/ha	Kg/ha	1000	1000	1000	ton/ha
Fertilizer	50 kg	15	15	30	7	75	110	75	75	150	250	2	2	25	8	30	2.5
Chemicals	lmpsum/ha	10	10	20	22	10	8	8	8	10	20	20	20	25	10	25	25
Fuel for pumping irrg	litres	£150.00	£150.00	£300.00	£150.00	£150.00	£150.00	£150.00	£150.00	£150.00	£75.00	£150.00	£150.00	£150.00	£150.00	£250.00	£150.00
Fuel for tractor @10l/hr	litres	2675	2675	2675	2675	2675	2675	2675	2675	2675	2675	2675	2675	2675	2675	2675	2675
Plant raising	1000 plants	425	425	425	425	425	425	425	425	675	425	425	425	425	425	425	675
Sub Total											50			37	25	37	35
LABOUR INPUTS																	
Tractor operations:																	
- basic cultivation	hrs/ha	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
- fertiliser application	hrs/ha	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
- mark out/sow	hrs/ha	30	30	12	12	12	12	12	12	20	12	30	30	12	12	12	20
- spraying	hrs/ha	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Irrigation	hrs/ha	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Hand hoeing	hrs/ha	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110	110
Transplanting	hrs/ha	20	68	148	148	404	278	494	404	50	222	68	110	110	110	110	110
Harvesting/packing	hrs/ton	68															
Sub Total											148			74	178	68	28
YIELDS																	
Yield per ha	t/ha	30	30	25	15	13	13	13	13	10	13	20	30	20	14	38	35
% below export quality	%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Net exportable yield		24	24	20	12	10.4	10.4	10.4	10.4	8	10.4	16	24	16	11.2	30.4	28

Table 6.6
Production Costs Per Hectare

Crops		COST PER UNIT OF INPUT			Sweet Corn	Bobby Beans	Runner Beans	Mixed Beans	Mange Tout	Chillies	Courgettes	Squash	Aubergines	Artichokes	Cherry Tomato	Ginger	Sweet Potatoes
		Galla Melons	Cante-lope	Salad Onions													
Item																	
MECHANICAL INPUT COSTS - all are included in capital equip. depreciation																	
Sub Total																	
PHYSICAL INPUTS																	
Seed	- £/kg	£1,058.57	£170.00	£28.00	£15.00	£7.00	£7.00	£7.00	£4.00	£0.40	£120.00	£120.00	£50.00	£63.00	£50.00	£200.00	£200.00
Fertilizer	D/50kg	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
Chemicals	lump sum	£150.00	£150.00	£300.00	£150.00	£150.00	£150.00	£150.00	£150.00	£75.00	£150.00	£150.00	£150.00	£150.00	£250.00	£150.00	£150.00
Fuel for pumping Irig	Delasie	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Fuel for tractor	Delasie	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Plant raising		£5.00															
Sub Total																	
LABOUR INPUTS																	
Tractor operations:																	
- basic cultivation	D/hr	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
- fertiliser application	D/hr	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
- mark out/sow	D/hr	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
- spraying	D/hr	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Irrigation	D/hr	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Hand hoeing	D/hr	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Transplanting	D/hr	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Harvest/packing	D/hr	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Sub Total																	

8

Table 6.7
Production Costs Per Hectare

Crop: Item	TOTAL PRODUCTION COST (DELASIE/HA)				Bobby Beans	Runner Beans	Mixed Beans	Mange Tout	Chillies	Courg- ettes	Squash	Auber- gines	Arti- chokes	Cherry Tomato	Ginger	Sweet Potato
	Galia Melons	Cante- lope	Salad Onions	Sweet Corn												
MECHANICAL INPUT COSTS - all are included in capital equip. depreciation Land Preparation tractor hrs																
Sub Total																
PHYSICAL INPUTS																
Seed	20,722	3,328	10,962	1,370	6,851	10,049	6,851	7,830	1,305	3,132	3,132	16,313	6,577	19,575	6,525	6,525
Fertilizer	1,200	1,200	2,400	2,640	1,200	960	960	1,200	1,305	2,400	2,400	3,000	1,200	3,000	3,000	3,000
Chemicals	1,958	1,958	3,915	1,958	1,958	1,958	1,958	1,958	979	1,958	1,958	1,958	1,958	3,263	1,958	1,958
Fuel for pumping Irng	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050	16,050
Fuel for tractor	2,550	2,550	2,550	2,550	2,550	2,550	2,550	4,050	2,550	2,550	2,550	2,550	2,550	2,550	4,050	4,050
Plant raising	4,078	0	0	0	0	0	0	0	3,263	0	0	2,414	2,550	2,550	4,050	4,050
Sub Total	46,557	25,085	35,877	24,568	28,609	31,566	28,369	31,088	26,546	26,090	26,090	42,284	29,966	46,852	33,866	33,866
LABOUR INPUTS																
Tractor operations:																
- basic cultivation	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23
- fertilizer application	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
- mark out/sow	45	45	18	18	18	18	18	30	9	9	45	18	18	18	30	30
- spraying	19	19	19	19	19	19	19	19	18	45	45	18	18	18	30	30
Irrigation	38	38	38	38	38	38	38	38	19	19	19	19	19	19	19	19
Hand hoeing	165	165	165	165	165	165	165	165	38	38	38	38	38	38	38	38
Transplanting	30	0	0	0	0	0	0	0	165	165	165	165	165	165	165	165
Harvest/packing	2,462	2,462	4,444	2,667	6,303	4,333	7,704	4,848	75	0	0	75	38	75	75	75
Sub Total	2,789	2,759	4,715	2,937	6,574	4,604	7,974	5,131	2,657	5,631	2,759	2,124	3,295	3,464	1,524	1,524
TOTAL PRODN COSTS	49,347	27,845	40,592	27,505	35,183	36,170	36,343	36,219	29,203	31,721	28,849	44,408	33,261	50,315	35,391	35,391
YIELDS																
Yield per ha																
% below export quality																
Net exportable yield	t/ha	24	24	20	12	10.4	10.4	10.4	8	10.4	16	24	16	11.2	30.4	28
Production cost per kg marketed	D/kg	2.06	1.16	2.03	2.29	3.38	3.48	3.49	4.53	2.81	1.98	1.20	2.78	2.97	1.66	1.26
Production cost per kg marketed	US\$/kg	0.24	0.13	0.23	0.26	0.39	0.40	0.40	0.52	0.32	0.23	0.14	0.32	0.34	0.19	0.15

Table 6.8
Production Costs Per Hectare: Costs as Percentage of Total Production Costs

Crop: Item	Galla Melons	Cant- elope	Salad Onions	Sweet Corn	Bobby Beans	Runner Beans	Mixed Beans	Mange Tout	Chillies	Cour- gettes	Squash	Auber- gines	Arti- chokes	Cherry Tomato	Ginger	Sweet Potatoes
MECHANICAL INPUT COSTS - all are included in capital equip. depreciation Land Preparation tractor hrs																
Sub Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PHYSICAL INPUTS																
Seed	42.0%	12.0%	27.0%	5.0%	19.5%	27.8%	18.9%	21.6%	4.5%	9.9%	10.9%	36.7%	19.8%	38.9%	18.4%	18.4%
Fertilizer	2.4%	4.3%	5.9%	9.6%	3.4%	2.7%	2.6%	3.3%	8.2%	7.6%	8.3%	6.8%	3.6%	6.0%	8.5%	8.5%
Chemicals	4.0%	7.0%	9.6%	7.1%	5.6%	5.4%	5.4%	5.4%	3.4%	6.2%	6.8%	4.4%	5.9%	6.5%	5.5%	5.5%
Fuel for pumping ltrg	32.5%	57.6%	39.5%	58.4%	45.6%	44.4%	44.2%	44.3%	55.0%	50.6%	55.6%	36.1%	48.3%	31.9%	45.4%	45.4%
Fuel for tractor	5.2%	9.2%	6.3%	9.3%	7.2%	7.1%	7.0%	11.2%	8.7%	8.0%	8.8%	5.7%	7.7%	5.1%	11.4%	11.4%
Plant raising	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.2%	0.0%	0.0%	5.4%	4.9%	4.8%	6.5%	6.5%
Sub Total	94.3%	90.1%	88.4%	89.3%	81.3%	87.3%	78.1%	85.8%	90.9%	82.2%	90.4%	95.2%	90.1%	93.1%	95.7%	95.7%
LABOUR INPUTS																
Tractor operations:																
- basic cultivation	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.1%
- fertiliser application	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
- mark out/sow	0.1%	0.2%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
- spraying	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.0%	0.1%	0.0%	0.1%	0.1%
Irrigation	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	0.1%	0.1%
Hand hoeing	0.3%	0.6%	0.4%	0.6%	0.5%	0.5%	0.5%	0.5%	0.6%	0.5%	0.6%	0.1%	0.5%	0.1%	0.1%	0.5%
Transplanting	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.5%	0.6%	0.4%	0.5%	0.3%	0.5%	0.2%
Harvest/packing	5.0%	8.8%	10.9%	9.7%	17.9%	12.0%	21.2%	13.4%	7.9%	16.8%	8.5%	4.0%	9.0%	6.2%	3.3%	3.3%
Sub Total	5.7%	9.9%	11.6%	10.7%	18.7%	12.7%	21.9%	14.2%	9.1%	17.8%	9.6%	4.8%	9.9%	6.9%	4.3%	4.3%
TOTAL PRODN COSTS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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6.1.3 Post Harvest and Export Costs

Cold Storage Operating Costs

Certain assumptions have been made to estimate fuel costs for operating cold storage facilities. These are as follows:

Diesel Consumption = 6.6 litres/mt of produce/day
 = 0.04 Delasie/kg/day
 = 0.005 US\$/kg/day

Assuming average two 2 days storage for produce = 0.009US\$/kg

For those products that are to be sea freighted, it is assumed that the average storage period is longer at some 14 days. Therefore average fuel consumption per mt of produce is 93.24 litres, which calculates to a cost of D0.56/kg (US\$0.047/kg).

Packaging Costs

There are no packaging materials available in The Gambia. Users who import supplies in bulk, pay a price of around Delasie 4 to 6 per box. Those who purchase smaller volumes pay around Delasie 9 to 10 per box. For the present purposes a cost of Delasie 6 per box has been assumed.

Freight

Some discussion on freight availability and costs have been supplied in other sections of the report (see section 4.25). For the present purposes it is assumed that air freight costs (which will include handling at both ends) are US\$1 per kg. Later sections of the report (6.4) discuss the effect of this freight rate on the viability of horticultural export businesses.

Sea freight options are also discussed in Section 4.25. Costs incurred per 20 ft container are as follows:

Delivery to port	D1500	US\$172.00
Inspection	D300	US\$34.49
Clearance	D900	US\$103.45
Handling	D504	US\$57.93
Discharge in Europe	£75	US\$112.00
Freight per 20 ft container	£2040	US\$3060.00
		US\$3539.87

This amounts to some US\$0.25 per kg exported. Clearly costs fall as the number of containers exported rises.

European Transport Charges

European transport charges are a small proportion of total costs. A cost has been assumed based on an average trucked distance of 3–400 km, and a transport cost of the order of US\$25 per ton.

Importer Commission

As discussed in Section 2 of this report, importer commission and charges vary. A cost of 12.5 per cent of the sale price has been assumed to cover this component.

6.1.4 Prices

As discussed in Section 2 of this report, prices fluctuate considerably, not only seasonally, but on a day-to-day basis. At the same time, there is a long term downward trend particularly on many of the less perishable of these horticultural products. The following Table 6.12 sets out anticipated prices for each of the products under review. In each case a high, low and seasonal average price is shown. It is reasonable to expect that high prices can be achieved for very short windows if the quality requirements are met, but beyond these windows, the average price will be assumed. These prices have been compiled based on detailed discussions with importers.

	High	Low	Average
Galia melons	4.05	1.80	3.60
Cantaloupe	1.20	0.60	0.75
Salad Onions	2.58	0.42	1.38
Sweet corn	2.43	0.53	1.26
Boboy beans	3.90	2.25	2.70
Runner beans	2.78	1.20	1.35
Mixed beans	2.78	1.05	1.38
Mango tout	5.25	2.25	3.14
Chillies	4.05	1.80	2.40
Courgettes	3.00	0.78	1.35
Squash	3.00	0.78	1.35
Aubergines	3.30	1.35	1.80
Artichokes	2.79	1.35	2.13
Cherry Tomato	2.10	1.13	1.80
Ginger	1.50	0.75	1.05
Sweet Potato	1.50	0.75	1.05

6.1.5 Gross Margins

Table 6.13 sets out the gross margins for each of the crops under consideration based on the assumptions laid out above. The table demonstrates returns under alternative assumptions. First, margins for all crops are calculated assuming that produce is airfreighted (at US\$1/kg), and assuming prices achieved in Europe are based on the average for the season. Part B of the table illustrates margins achieved if the produce is sold at the high prices indicated. Part C of the table illustrates returns with average prices, but a lower airfreight rate. Part D indicates returns with average prices and on fuel cost of D3/litre.

Table 6.10

Item	Unit	Unit Cost	Galja Melons	Cantal oupe	Salad Onions	Sweet Corn	Dooby Beans	Runner Beans	Mixed Beans	Mange Tout	Chillies	Courgettes	Squash	Auber-gines	Artichokes	Cherry Tomato	Ginger	Sweet Potato	
A Assumption on price =	- average																		
European costs			0.48	0.12	0.20	0.19	0.37	0.20	0.20	0.42	0.33	0.20	0.20	0.26	0.30	0.26	0.16	0.16	
Freight, insurance, and port charges			1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Packaging and cold storage			0.22	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
On farm production costs			0.24	0.13	0.23	0.26	0.39	0.40	0.40	0.52	0.32	0.23	0.23	0.14	0.32	0.34	0.19	0.15	0.15
Total costs			1.93	1.44	1.61	1.63	1.94	1.78	1.78	2.12	1.83	1.61	1.52	1.75	1.82	1.62	1.49	1.49	
European price			3.60	0.75	1.38	1.26	2.70	1.35	1.38	3.14	2.40	1.35	1.35	1.80	2.13	1.80	1.05	1.05	
Gross margin per kg marketed			1.67	(0.69)	(0.23)	(0.37)	0.76	(0.43)	(0.40)	1.01	0.57	(0.26)	(0.17)	0.05	0.31	0.18	(0.44)	(0.44)	
B Assumption on price =	- high																		
European costs			0.54	0.18	0.35	0.33	0.52	0.38	0.38	0.69	0.54	0.41	0.41	0.44	0.38	0.29	0.22	0.22	
Freight, insurance, and port charges			1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Packaging and cold storage			0.22	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	
On farm production costs			0.24	0.13	0.23	0.26	0.39	0.40	0.40	0.52	0.32	0.23	0.23	0.14	0.32	0.34	0.19	0.15	
Total costs			1.99	1.49	1.76	1.78	2.09	1.96	1.96	2.39	2.04	1.81	1.72	1.94	1.90	1.66	1.54	1.54	
European price			4.05	1.20	2.58	2.43	3.90	2.78	2.78	5.25	4.05	3.00	3.00	3.30	2.79	2.10	1.50	1.50	
Gross margin per kg marketed			2.06	(0.29)	0.82	0.65	1.81	0.82	0.82	2.86	2.61	1.19	1.28	1.36	0.89	0.44	(0.04)	(0.04)	
C Assumption on price =	- average																		
European costs		And Assumption on freight = \$0.85/kg	0.48	0.12	0.20	0.19	0.37	0.20	0.20	0.42	0.33	0.20	0.20	0.26	0.30	0.26	0.16	0.16	
Freight, insurance, and port charges			0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	
Packaging and cold storage			0.22	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	
On farm production costs			0.24	0.13	0.23	0.26	0.39	0.40	0.40	0.52	0.32	0.23	0.23	0.14	0.32	0.34	0.19	0.15	
Total costs			1.78	1.29	1.46	1.48	1.79	1.63	1.63	1.97	1.68	1.46	1.37	1.60	1.67	1.47	1.34	1.34	
European price			3.60	0.75	1.38	1.26	2.70	1.35	1.38	3.14	2.40	1.35	1.35	1.80	2.13	1.80	1.05	1.05	
Gross margin per kg marketed			1.82	(0.54)	(0.08)	(0.22)	0.91	(0.28)	(0.25)	1.16	0.72	(0.11)	(0.02)	0.20	0.46	0.33	(0.29)	(0.29)	
D Assumption on price =	- average																		
European costs		And Assumption on fuel cost = 3 D/lt	0.48	0.12	0.20	0.19	0.37	0.20	0.20	0.42	0.33	0.20	0.20	0.26	0.30	0.26	0.16	0.16	
Freight, insurance, and port charges			1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Packaging and cold storage			0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	
On farm production costs			0.19	0.09	0.18	0.17	0.29	0.30	0.30	0.38	0.22	0.16	0.09	0.25	0.25	0.16	0.10	0.10	
Total costs			1.85	1.39	1.56	1.54	1.83	1.67	1.68	1.97	1.72	1.53	1.47	1.68	1.72	1.58	1.44	1.44	
European price			3.60	0.75	1.38	1.26	2.70	1.35	1.38	3.14	2.40	1.35	1.35	1.80	2.13	1.80	1.05	1.05	
Gross margin per kg marketed			1.75	(0.64)	(0.18)	(0.28)	0.87	(0.32)	(0.30)	1.16	0.68	(0.18)	(0.12)	0.12	0.41	0.22	(0.39)	(0.39)	

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The key aspects that the table demonstrates are that:

- European prices for the less perishable commodities are too low to sustain airfreight costs. Therefore the only option open for the export of cantaloupe melons, ginger and sweet potatoes is to export by sea freight. Perhaps surprisingly, squashes can sustain airfreight costs when prices are high.
- Many of the more perishable commodities can only sustain airfreight costs during the very short windows when prices are high, and airfreight costs would have to fall to some US\$0.70/kg before these crops generate positive returns at average prices prevailing during the season.

Table 6.11 sets out margins for each of the crops where sea freight offers potential.

Item	Galia Melons	Cantaloupe	Squash	Ginger	Sweet Potato
- European costs	0.48	0.12	0.20	0.16	0.16
- Freight, insurance, and port charges	0.22	0.22	0.22	0.22	0.22
- packaging and cold storage	0.17	0.17	0.17	0.17	0.17
- on farm production costs	0.24	0.13	0.14	0.15	0.15
Total Costs	1.11	0.65	0.73	0.70	0.70
European prices US\$/kg	3.60	0.75	1.35	1.05	1.05
Net return per kg marketed	2.49	0.10	0.62	0.35	0.35

6.2 INVESTMENT AND OPERATING COSTS FOR HORTICULTURAL DEVELOPMENT

6.2.1 Capital Investment Costs

The highly specific qualities demanded of the European market (as discussed in Section 2 of this report), illustrate the need for any producer/exporters to ensure that they provide consistently high quality produce in order to sustain a position in the European market in the long term. To achieve this technical excellence requires adequate investment in both production and post harvest facilities. This next section presents the capital investment that would be required to ensure that the demands of the European market can be met. For the present discussion, it is assumed that the farm has 100 ha net of cultivated land, ie some 110 ha o. total surface area. This assumption has been made on the basis that the three horticultural farms under review have land holdings of this size, or an option to increase holdings to 100 ha. However, it should be noted that 100 ha is "small" in relation to the level of investment required, and better economics of scale could be achieved with larger land holdings.

A discussion of the necessary production infrastructure has been given in section 5 of this report. The following Table 6.12 presents all principal investment costs that would be incurred on a 100 ha unit, including cold storage and cold transport facilities and equipment. A total investment of some US\$1.5 million would be required.

Item	Unit Cost US\$/unit	No of Units	Total Cost US\$
CONSTRUCTION COSTS			
Boreholes	48,000	6	288,000
General purpose building (40x15m @\$75/m ²)	45,000	1	45,000
Roads	50,000	1	50,000
Fencing	5,000	1	5,000
Toilets, septic tanks etc	11,500	1	11,500
Electrical installations			449,500
Sub Total			
EQUIPMENT COSTS			
Mains pump	15,000	2	30,000
50 KVA generators (incl wiring and fuel tanks)	18,000	5	90,000
108000 lt tanks	6,000	3	18,000
Drip irrigation cost/ha	3,750	100	375,000
Fertiliser injectors	15,000	1	15,000
120 HP tractor	60,000	1	60,000
70 HP Tractor	40,000	3	120,000
Sprayer	6,000	2	12,000
Fertiliser spreader	4,000	2	8,000
Trailers	8,000	2	16,000
20ton Reconditioned refrigerated containers	8,500	2	17,000
Cultivating equipment	7,000	5	35,000
150 ton cold store (incl. generators, fuel tanks etc)	115,000	1	115,000
Reefer truck (10 ton)	40,000	1	40,000
4WD pick up trucks (@D214000 each)	24,598	2	49,195
Office, telephone, fax etc	9,500	1	9,500
Radio	10,000	1	10,000
Sub Total			1,019,695
Contingencies	62,000		62,000
TOTAL COST			1,531,195

6.2.2 Management and Fixed Labour Costs

Section 5 of this report has highlighted the need to ensure excellent management is in place, and that supervisory staff are highly trained and able to supervise production activities.

The following Table 6.13 sets out the cost of this management and supervisory staff. It is envisaged that, in order to secure senior management that understands the technical requirements of this business, that it will be necessary to bring in international staff for this purpose. It has been assumed that the positions of Production Manager and Production Assistant are internationally recruited. In addition, well qualified staff will be recruited and trained to fill the supervisory positions.

Management/Labour Category	Unit Cost US\$	Number of Units	Total Annual Cost US\$
Production manager	100,000	1	100,000
Production assistant	60,000	1	60,000
Accountant	7,000	1	7,000
Irrigation supervisors	6,400	2	12,800
Chemicals supervisors	6,400	2	12,800
Propagation supervisors	6,400	1	6,400
Weed control supervisors	6,400	2	12,800
Harvesting/packing supervisors	1,250	10	12,500
Tractor drivers	1,250	3	3,750
Truck drivers	1,250	2	2,500
Total cost			230,550

6.2.3 Operating Costs

A schedule of operating costs is presented in the following Table 6.14.

Item	Unit	Currency	Unit Cost	Cost US\$	No of Units	Total Costs
Insurance						
- 4WD		Delasie	6000	690	2	1,379
- reefer truck		Delasie	20000	2,299	1	2,299
Operation and maintenance costs:						
- Cold storage and building	% of value	US\$	1.00%	5,645	1	5,645
- 4WD pickup	lumpsum/yr	Delasie	36930	4,245	1	4,245
- reefer truck	lumpsum/yr	US\$	8000	8,000	1	8,000
- tractor 70 hp	% of value	US\$	12.50%	5,000	3	15,000
- tractor 120 hp	% of value	US\$	12.50%	7,500	1	7,500
- generators	% of value	US\$	15.00%	2,700	5	13,500
- cold store	% of value	US\$	15.00%	17,250	1	17,250
- irrigation pumps	% of value	US\$	20.00%	3,000	2	6,000
- reefer containers	% of value	US\$	20.00%	1,700	1	1,700
Fuel costs						
- fuel cost 4WD	1500 lt/yr	Delasie	6	1,034	2	0
- fuel cost reefer	6000 lt/yr	Delasie	6	4,138	1	2,069
Professional fees						4,138
Office expenses	lumpsum/yr	US\$	5000	5,000	1	0
Post and telephone	lumpsum/yr	US\$	10000	10,000	1	5,000
Licences		Delasie	40000	4,598	1	10,000
Total annual operating costs						108,323

Depreciation costs on all buildings, facilities and equipment is estimated at US\$230,000 annually.

6.3 CROPPING PATTERN

The cropping pattern that evolves on any farm will depend to a large extent what marketing partners and arrangements exist. For the present purposes, a cropping pattern for a 100 ha unit has been drawn up based on detailed discussions with potential importers/investors, and is based on their assessment of what is feasible to sell in the European market. This is presented in the following Table 6.15 as 'Cropping 1'. As discussed above (Section 6.11.5), a few of the crops used in this cropping pattern are only profitable during a very precise 'window' in Europe, and would not make adequate margin at the season's average price. A second cropping pattern has been drawn up, based on crops that are viable even at these average seasonal prices, and is represented in 'Cropping 2' below. This cropping pattern is used as the basis for profitability analysis below. Finally, a third cropping pattern has been compiled based exclusively on produce that can be sea freighted to Europe. It is unlikely that "Cropping 2" or "Cropping 3" represent feasible (from the production aspect) cropping patterns, but they are used in this analysis for illustrative purposes, to demonstrate the effect of good production/marketing management and the options available if a seafreight strategy is adopted respectively.

For the present calculations cropping pattern 2 is assumed to stay unchanged over a 10 year period, but in reality the production unit will adapt activities to changing market trends.

	Cropping 1	Cropping 2	Cropping 3
Galia melons	10.00%	10.00%	30.00%
Cantaloupe	10.00%	10.00%	30.00%
Salad onions	15.00%	0.00%	0.00%
Sweet corn	15.00%	0.00%	0.00%
Bobby beans	10.00%	35.00%	0.00%
Runner beans	10.00%	0.00%	0.00%
Mixed beans	10.00%	0.00%	0.00%
Mange tout	0.00%	10.00%	0.00%
Chillies	0.00%	10.00%	0.00%
Courgettes	2.50%	0.00%	0.00%
Squash	2.50%	5.00%	30.00%
Aubergines	5.00%	5.00%	0.00%
Artichokes	5.00%	5.00%	0.00%
Cherry tomato	0.00%	5.00%	0.00%
Ginger	2.50%	2.50%	5.00%
Sweet Potato	2.50%	2.50%	5.00%
Total	100.00%	100.00%	100.00%

It would not be practical to expect to get 100 ha operating effectively from the first year of operation. A phased approach is likely, and it is assumed that in the first year 30 ha could be

fully productive, with 75 ha on stream in the second year, and the full 100 ha from the third season.

This cropping pattern would result in a total output from the production unit of some 1,650 tons from year 3 (assuming an 80 per cent exportable yield and cropping pattern 2). The output levels for each crop are provided in the following Table 6.16.

Produce	Year 1 (tons)	Year 2 (tons)	Year 3-10 (tons)
Galia melons	72	180	240
Cantaloupe	72	180	240
Salad onions	90	225	300
Sweet corn	54	135	180
Bobby beans	31	78	104
Runner beans	31	78	104
Mixed beans	31	78	104
Mange tout	0	0	0
Chillies	0	0	0
Courgettes	12	30	40
Squash	18	45	60
Aubergines	24	60	80
Artichokes	17	42	56
Cherry tomato	0	0	0
Ginger	21	53	70
Sweet Potato	21	53	70
Total	494	1,236	1,648

6.4 RETURNS ON INVESTMENT

Table 6.17 presents the basic parameters and results of a crude analysis of returns on investment. The analysis has been conducted over a 10 year period, and the base case is according to cropping pattern 2 above. All other assumptions are indicated at the bottom of Table 6.17. The results show that, assuming all technical and quality parameters are met, a 100 ha unit can provide a return on investment of some 26 per cent. For the present purposes, the financing details for the development have not been included.

Item:	Year 0	Year 1	Year 2	Year 3 to 10
CAPITAL INVESTMENT COSTS	1,531,195	0	0	0
OPERATING COSTS				
- management and fixed labour	69,165	115,275	230,550	230,550
- operation, maintenance, fuel etc	5,416	27,081	108,323	108,323
- depreciation			230,639	230,639
Total fixed costs	1,605,777	142,356	569,512	569,512
VARIABLE COSTS AND GROSS RETURNS				
On-Farm Production Costs		109,978	274,945	366,593
- physical inputs		12,918	32,294	43,059
- labour costs				
Sub Total		122,895	307,239	409,651
Export and European market costs				
- packaging and cold storage		140,675	351,686	468,915
- freight, insurance and port charges		300,307	750,768	1,001,024
- European marketing costs		93,030	232,574	310,098
Sub Total		534,011	1,335,028	1,780,037
Gross return from sales		1,011,924	2,529,810	3,373,080
Net Return on variable costs		355,017	887,544	1,183,391
NET FARM RETURNS	(1,605,777)	212,662	318,032	615,880
Return on investment =	26.29%			
Based on the following assumptions:				
Exchange rates:				
US\$1 to Delasie =	8.70			
£ 1 to US\$ =	1.50			
£ 1 to Delasie =	13.05			
£ 1 to HFL =	2.83			
% of field yield of export quality =	80.00%			
Labour cost - per day (Delasie) =	12			
= US\$	1.38			
Labour cost - per hour (Delasie) =	1.50			
Fuel costs for farming (D/ltr) =	6			
Airfreight cost to Europe (US\$/kg) =	1			
Seafreight to Europe (US\$/kg)=	0.22			
Cropping pattern =	Cropping 2			
European prices gained =	- average			

This raw analysis suggests that the horticultural production and export business is viable. However, close attention should be given to means of financing this investment as the business becomes marginal if financed at current domestic commercial rates of some 22 to 25 per cent.

The risks of operating a sophisticated export business should, however, be noted. The following Table 6.18 is intended to highlight the risks involved. Each column represents sensitivity under alternative assumptions, the altered assumptions are indicated with the use of a box in the table.

Sensitivity analysis has been conducted on the following key parameters:

The European Price

- The base case assumes that the 'average' seasonal price is obtained for all products. As discussed in Section 6.1.5 above, not all crops are profitable at this average price.
- The second column of the Table 6.18 indicates that, assuming all crops could be sold during the profitable 'window', the return on investment is significantly more attractive (74 per cent). In reality the enterprise is likely to sell a proportion of produce at the average, and a smaller volume at these higher prices, and thus the return on investment should be more attractive than the base case indicates.
- The third column of Table 6.18, shows that the enterprise will be loss making throughout the 10 year period if only the low prices are obtained. This illustrates the critical need to be producing quality produce that can command premium prices, and the need to link into the steady multiples market.
- Columns 4,5,6 and 7 of Table 6.18 show the results assuming different cropping patterns, and illustrates the real potential that development of sea freighted produce offers.

Airfreight Costs

Airfreight costs are the largest component of variable costs. As discussed in previous sections of the report, it is possible to buy freight space on scheduled airlines and passenger charters at around US\$0.80 per kg. To charter a cargo plane, the cost per kg increases to around US\$1.0 per kg. Small producer/exporters who do not have adequate volume or regularity of exports are charged rates of up to US\$1.5 per kg.

The sensitivity analysis shows that the business is not viable if airfreight rates of more than US\$1.5/kg have to be paid. There would have to be a real freight cost incentive to attract possible partners away from alternative sources of supply such as Kenya where freight rates are of the order of US\$1.5 per kg. Clearly, if rates below US\$1 per kg can be negotiated the viability of the business is significantly improved.

Table 6.18
Sensitivity Analysis

	Base Case	2	3	4	5	6	7	8	9	10	11	12
Return on investment =	26.29%	73.64%	ERR	ERR	56.18%	68.33%	ERR	37.40%	0.53%	32.22%	.06%	6.92%
Based on the following assumptions:												
Exchange rates:												
US\$ 1 to Delasie =	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70
£ 1 to US\$ =	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
£ 1 to Delasie =	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05	13.05
£ 1 to HFL =	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83
% of field yield of export quality =	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	60.00%	70.00%
Labour cost – per day (Delasie) =	12	12	12	12	12	12	12	12	12	12	12	12
= US\$	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Labour cost – per hour (Delasie) =	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fuel costs for farming (D/ltr) =	6	6	6	6	6	6	6	6	6	3	6	6
Airfreight cost to Europe (US\$/kg) =	1	1	1	1	1	1	1	0.7	1.5	1	1	1
Seafreight to Europe (US\$/kg)=	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Cropping Pattern =	Cropping 2	Cropping 2	Cropping 2	Cropping 1	Cropping 1	Cropping 3	Cropping 2					
European prices gained =	– average	– high	– low	– average	– high	– average	– low	– average				

Note: ERR indicates negative returns through the 10 years projected.

Exportable Yield

The final two columns of Table 6.18 illustrate the importance of producing a high percentage of export-quality produce. The base case has assumed that 80 per cent of the field yield will be of export quality. This can only be achieved with close supervision and management. If exportable yields falls below some 60 per cent of field yield, the business is no longer viable, and at 70 per cent of export yield the business is marginal.

6.5 SUMMARY AND CONCLUSIONS

The above analysis suggests that horticultural business can be viable in the Gambia. However, the demands of the business are high, and the risks associated with not meeting these demands are significant. Major conclusions to be drawn are as follows:

- It is critical to meet the quality specifications demanded by the European market to succeed in the business. To do this it is essential to make quality investment in production and post harvest facilities, and to ensure that effective management is in place.
- The implications of this are that investment costs of at least US\$1.5 million are required, with annual management costs of the order of US\$230,000 (based on 100 ha unit).
- With these levels of investment and annual cost, a production unit of much less than 100 ha will not be viable. Larger units will of course generate significant economies of scale.
- The horticulture business is becoming more competitive, and risks are high. For this reason it is imperative to link into a secure market, which (based on discussions in chapter 2) relies on securing long term links with importers that sell directly to the multiples in Europe.
- The important part that freight plays in the cost structure of this industry, determines that management of freight is critical to the success of the business. Because of the shortage of space on scheduled and passenger aircraft, new businesses will only be viable if they are sufficiently large to charter cargo aircraft, requiring volumes of some 38 tons per shipment to be achieved.
- Sea freight must be a serious consideration in the long term for the development of any horticultural business.

**7 VIABILITY OF FLORICULTURE PRODUCTION
AND EXPORT**

7 VIABILITY OF FLORICULTURE PRODUCTION AND EXPORT

7.1 THE GAMBIA'S COMPARATIVE ADVANTAGE FOR FLORICULTURE

7.1.1 Climate

The Gambia's climate favours the production of a wide range of temperate and tropical fruits and vegetables. If The Gambia is to develop a successful cutflower export trade then the species grown have to be suited to the climatic conditions. Table 7.1 compares the maximum and minimum temperatures of Banjul with Nairobi, Kenya and Harare, Zimbabwe, two countries with substantial cut flower exports.

Table 7.1
Climatological Tables: Banjul, Nairobi and Harare
(mean, maximum and minimum monthly temperature)
(degrees centigrade)

	Banjul		Nairobi		Harare	
	Max	Min	Max	Min	Max	Min
January	31	15	25	12	26	16
February	32	16	26	13	26	16
March	34	17	25	14	26	14
April	38	18	24	14	26	13
May	32	19	22	13	23	9
June	32	23	21	12	21	7
July	30	23	21	11	21	7
August	29	23	21	11	23	8
September	31	23	24	11	26	12
October	32	22	24	13	28	14
November	32	18	23	13	27	16
December	31	16	23	13	26	16

The implications of growing roses and carnations in areas of high temperature can be serious in terms of reduced quality. Research has shown that as temperatures increase the number of flowers increases but flower quality declines dramatically. Thus Banjul with maximum temperatures above 30° is too hot for both roses and carnations but temperatures are suitable for chrysanthemums and many summer flowers, eg asters, solidaster, molucella, statice gladioli etc.

In most countries the majority of flowers for export are grown under plastic for protection against rain damage. It is in respect of its low winter rainfall that The Gambia offers a significant comparative advantage over Zimbabwe and even Nairobi for field scale summer flower production. Table 7.2 compares the winter rainfall for Banjul, Harare and Nairobi.

Table 7.2
Climatological Tables: Banjul, Nairobi and Harare
(mean monthly rainfall)
(degrees centigrade)

	Banjul	Nairobi	Harare
January	3	38	196
February	3	64	178
March	0	124	117
April	0	211	28
May	10	157	13
June	58	46	3
July	282	15	0
August	500	23	3
September	310	30	5
October	109	53	28
November	18	109	97
December	3	86	163

From a climate viewpoint, therefore, Banjul, with its negligible winter rainfall during the winter export season, is ideally suited to open field production of summer flowers.

7.1.2 Freight Rates

Discussions with leading importers in the Netherlands indicate that a cargo charter rate for a 707 freighter of US\$38,000 is comparable with Kenya and more competitive than either Tanzania or Zimbabwe. More detailed discussion of freight rates can be found in section 4 of this report.

7.1.3 Labour Costs

With daily labour costs of US\$1.00 to 1.50, The Gambia is comparable with all its East African competitors and dramatically lower than the Northern European producers.

7.2 SELECTION OF CUTFLOWER SPECIES FOR EXPORT

The final selection of cutflower species will largely be determined by future arrangements or links with marketing partners. However for a new entrant into the industry it is worth noting that the 'volume' businesses offer the least risk. For example a new entrant supplier of a high volume species such as chrysanthemums is unlikely to suffer severe competition providing quality is high and consistent. Minor species such as eg ammi majus and molucella are at greater risk of oversupply and resultant lower prices. For example Netherlands annual auction sales of chrysanthemums are in excess of 1.1 billion stems while annual sales of other target species are as follows: aster ericoides 110 million, solidaster 41 million, statice 163 million, molucella 5 million and gypsophila 210 million.

7.3 MARKET PRICES

The Netherlands auction prices are the only reliable source of market prices, with all European market prices having some relationship to the auction price. However, on any day there will be a wide range of prices obtained for an individual species. Price being determined by many factors which include:

- variety,
- stem length,
- foliage quality,
- flower quality,
- freshness/vase life,
- freedom from defects,
- volume of supply.

In addition there can be a significant daily, monthly and year to year variation in price. The following Table 7.3 for Molucella shows the monthly and annual variation in prices for the November to April periods 90/91, 91/92 and 92/93.

	1992/93	1991/92	1990/91
November	39	50	32
December	37	39	48
January	46	39	48
February	55	63	38
March	41	61	38
April	40	54	40
Average	41	47	39

Source: V.B.N.

The importance of quality and the influence of quality on price cannot be overemphasised. For example, on 1 March 1994 the auction price for Molucella ranged from 25-90 Dutch cents per stem. Table 7.4 shows the range in average sales price for the winter months (November to April) for the target species, based on the Netherlands auction prices 1990/91 to 1992/93.

Table 7.4
Average Winter Sales Price of Target Flowers Species Netherlands Auctions
1990/91 to 1992/93
(Dfl cents/stem)

	1992/93	1991/92	1992/93
Ammi majus	22	24	26
Molucella	41	47	39
Aster Monte Casino	43	53	50
Aster Sunbright	34	60	-
Aster Sun City	76	-	-
Gladiolus Addi	22	29	43
Gladiolus Chana	18	28	27
Gladiolus Rachellie	28	43	44
Gladiolus Yamit	20	30	53
Others	32	34	44
Gypsophila Paniculata	54	57	66
Gypsophila Rose	32	49	48
Gypsophila other white	24	26	48
Limonium Heavenly Blue	26	28	32
Limonium Pastel Blue	30	34	28
Limonium Pastel Pink	29	33	129
Limonium Average other	31	36	35
Solidaster	39	53	42

The average prices shown highlight the variation in price between different varieties and emphasise the importance of selecting a marketing/technical partner experienced in the trade. With chrysanthemums varietal selection is critical with individual markets having specific colour and varietal preferences. For example doubles required by the UK market are heavily discounted in the Netherlands.

7.4 CROP GROSS MARGINS

The following table 7.5 presents production costs for the 6 flowers with the best opportunities for The Gambia. It is notable again that diesel for pumping and lighting absorbs 35 to 40 per cent of total production costs for chrysanthemum, solidaster, aster and ammi-majus production. For the present calculations it is assumed that producers have to pay the full diesel price of D6/ltr, although Mukumbya receive this duty free.

Table 7.5
Production Costs for Flowers (Cost in US cents per bunch)

	Chrysan- themum	Solidaster	Aster	Gladioli	Statice	Ammi- Majus
Planting growing	2.00	2.00	2.00	2.00	2.00	2.00
Plant propagation and planting material	4.75	2.00	2.00	65.00	4.45	0.50
Fertilisers	3.50	4.07	4.07	2.50	2.50	0.50
Chemical sprays (incl soil sterilisation)	10.60	10.32	10.32	5.50	5.50	5.50
Diesel for pumping and lighting	13.10	12.68	12.68	4.50	4.50	4.50
Harvesting	1.00	1.50	1.50	2.00	1.50	2.00
Packing	0.003	0.003	0.003	0.050	0.050	0.100
Others	1.50	1.00	1.00	1.00	1.00	0.07
Cold storage treatment	36.45	33.57	33.57	8.05	21.50	15.17
Total Cost				90.60		
Crop returns - bunches per ha	75600	65000	65000	13500	48000	50000
Summary of prodn cost D/ha	39,759	184,183	184,183	95,722	85,399	65,250

The following table 7.6 presents the crop margins for all principal crops under consideration for The Gambia.

Table 7.6
Crop Margins

	Chrysan- themum	Solidaster	Aster	Gladioli	Statice	Ammi-Ma- jus
Item						
Price per stem	£	FL	FL	£	FL	FL
- currency	0.25	0.5	0.52	0.24	0.3	0.29
- value	378000	650000	650000	135000	480000	500000
Output stems/ha	15	15	15	18	18	11
Weight kg/box						
Value of Output						
- currency	£	FL	FL	£	FL	FL
- value	94,500	325,000	338,000	32,400	144,000	145,000
- value in D/ha	1,233,225	1,628,250	1,693,380	422,820	721,440	726,450
Expenses	D/ha	D/ha	D/ha	D/ha	D/ha	D/ha
Production	239,759	184,183	184,183	95,722	85,399	65,250
Packaging	70,000	60,000	60,000	7,000	17,000	39,000
Freight	555,408	473,860	473,860	70,470	235,160	367,400
Marketing	20.00%	25.00%	25.00%	20.00%	25.00%	25.00%
- @	246,645	407,063	423,345	84,564	180,360	181,613
- cost						
Total Costs	1,111,812	1,125,106	1,141,388	257,756	517,919	653,263
Margin/ha	121,413	503,144	551,992	165,064	203,521	73,188

Freight costs again dominate the cost structure for flowers representing of the order of 50 percent of total production and marketing costs. Production costs range between 9 and 37 per cent of costs depending of the variety under consideration, and marketing costs typically 20 to 30 per cent of total costs.

7.5 INVESTMENT COSTS

Investment costs of the order of \$1.0 million are required to establish a flower farm of some 10 to 15 ha. Principal costs involved are highlighted in the following table 7.6.

Item	US\$
Buildings - packhouse etc	150,000
Cold Storage	125,000
electricity and generators	90,000
irrigation pumps, boreholes	96,000
2 water storage tanks	12,000
Windbreaks	50,000
Irrigation equipment	90,000
3 tractors and trailers	150,000
Cultivating equipment	10,000
Spraying equipment	20,000
other specialist equipment	75,000
refrigerated truck	40,000
2 pick up trucks	50,000
Total costs	958,000

7.6 RETURNS ON INVESTMENT

The cropping pattern that is adopted for the flower farm will ultimately depend on the marketing arrangements and partners. For the present purposes a cropping pattern dominated by chrysanthemums has been assumed (50 per cent of the area), with the remainder of the land evenly divided between the other flowers under consideration.

Crude calculations to determine the return on investment show that returns of some 25 per cent are achievable if all quality and volume parameters are met for a 15 ha farm. Clearly a greater emphasis on the more profitable flowers show that the returns are better.

**8 SUMMARY AND SECOND PHASE WORK
PROGRAMME**

8 SUMMARY AND SECOND PHASE WORK PROGRAMME

8.1 SUMMARY AND CONCLUSIONS

The results of the first phase of this work programme confirm that The Gambia has potential to exploit a real positive advantage in both the horticulture and floriculture industries. There is therefore every reason to proceed with more detailed development of strategies for the four farms in the second phase. However, the analysis has indicated that (unless farms are developed as outgrowers for existing export businesses) considerable capital investment is required to achieve required export standards and to compete in the European market. Even with this level of investment, risks of investment remain high. This report has attempted to demonstrate the type and extent of risk involved.

Assuming the four promoters are aware of the risks of these businesses, and the level of capital investment that would be required for full development of the farms, and are still interested in proceeding with planning of the businesses, then it is recommended that the second phase of the work proceeds to feasibility level. Development strategies to be evolved will seek to minimise risks in both sectors.

While there are factors and constraints that are common to both industries – for example, freight issues, lack of technical support services and infrastructure – the two sectors have important distinctions with regards to the markets, and these are critical in determining strategic approach to development. The European markets for both sectors are very demanding in quality specifications, and there can be no compromise in ensuring that the qualities are met. The distinction, however, lies in the size and nature of trading in the two industries:

- The horticulture industry is dominated by the small number multiples in all the target European countries. This, coupled with the fact that the size of business in exotics is still small, means that it is imperative to link into an importer with trading links into the multiples. The wholesale markets no longer provide a viable option for planning future development and sales.
- The floriculture industry requires many of the same quality standards to be met. However, the volumes are large, and the impact of a new Gambian exporter on the overall business is small. Auctions still play a dominant role in the industry, and there are numerous traders who are prepared to purchase Gambian exports.

While the ideal scenario for both industries is to identify a technical partner that can address both issues of production and marketing, the marketing aspect is less critical for the floriculture industry. Attention will therefore be focused on identifying marketing/production partners for horticulture, and production partners for floriculture.

8.2 WORK PROGRAMME FOR PHASE 2

The work programme for the second phase will build on the information put together to date. Most of the material required to put together a production cost and investment profile have been compiled. While some minor additional work will be completed in this area, most material can be adapted to fit the development scenarios that will result in phase 2.

The emphasis of this next phase will be given to:

- Identification of partners
- Financial parameters
- Detailed farm strategies

Partners

As discussed in earlier sections of this report, a few potential partners both for horticulture and floriculture have been identified in Europe. This next phase of the work will focus on developing discussions with these partners and, where possible, drawing up detailed strategies based on proposals from the organisations. Further discussions will also be held with Radville Farms to explore in more detail the option of developing farms as outgrowing operations.

Although there has been positive reaction from the partners already identified, it is proposed that some additional work is done to reach other organisations. In particular, some emphasis should be given to reaching potential production partners that may be located in other parts of Africa. To do this, it is strongly recommended that two advertisements are placed, one in FloraCulture International, and the other in Eurofruit. Both these publications are the only international publications for each sector, and it is estimated that 90 per cent of producers and marketing organisations for each sector worldwide subscribe to these.

Finance

Work to date has focused broadly on the economics of the two sectors. The second phase will develop in detail, options concerning finance. It is anticipated that detailed discussions will be held with each promoter regarding the levels of finance required for development, and further detailed meetings will be held with banks and international financing institutions.

Farm Strategies

Farm strategies and feasibility studies for these will be drawn up and will include reference to potential partners, and to financing levels and sources.

ANNEX 1

**LIST OF HORTICULTURAL IMPORTERS
CONTACTED**

ANNEX 1

LIST OF HORTICULTURAL IMPORTERS CONTACTED

BELGIUM

Spiers

Zeevaarstraat 2
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Telex: 31316
Fax: (3) 225 0325

Service Fruits

Quai de Usines 155,
1210 Bruxelles
Tel: (02) 215 1910
Telex: 22602 coprim
Fax: (02) 245 0843
Attn: Mr. J. Thijs

Ets Parmin SA

Magasin 21&26
Quai des Usines 112/154
1020 Brussels
Tel: (2) 242 6520
Telex: 21873

SPRL V. van Lier & Fils

Magasin 7&12
Quai des Usines 112/154
1020 Brussels
Tel: (2) 215 4915
Telex: 21 714

Ets A. Goossens et Fils S.A.

Wholesale Fruit Market
Qui Des Usines, 112-154
Mag. 44&45
1210 Bruxelles
Tel: (02) 2169255
Telex: 21915 PRIMGO B
Fax: (02) 2162946
Attn: Mr. G. Goossens

DENMARK

Attn: Mr. Torben Lyngholm
H. Lembcke AS
226-230 Gronttorvet
2500 Copenhagen - Valby
Tel: (36) 303822
Telex: 22379 LEFRK DK
Fax: (36) 301766 or 440989
Attn: Mr. K. Lembcke

Attn: Mr. P. Brandt,
Interfrugt AS
6 Gronttorvet
2500 Copenhagen - Valby
Tel: (31) 303322
Telex: 198582

FINLAND

KESKO OY

Fresh Foods Department
Satamakatu 3
00160 Helsinki
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Telex: 121635
Fax: (0) 175 570
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Cour d'Alsace
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94155 Rungis Cedex
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Telex: 270 310 PASCAL A
Fax: (1) 4560 9510
Attn: Mr. Allene

Dunaud & Cie
10 rue du Colonel Driant
75001 Paris
Tel: (1) 4261 5682
Telex: 210652/210603

Compagnie Fruitiere Import
33 Blvd. Ferdinand-de-Lesseps
BP 354
13309 Marseille Cedex 14
Tel: 9102 7046
Telex: 410027/430536/410036 FAPRECO
Fax: 9102 4205
Attn: Mr. P. Gilot

Fruits Unis S.A.
5 rue de la Corderie
BP 315
F-94152 Rungis Cedex
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Telex: 270723

Malet et Azoula
53 rue de Montpellier
Fruileg 337
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Telex: 270 859 ROMALET
Fax: (1) 4687 1645

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Pomona Import
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Telex: 220997 POMONA
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Attn: Mr. M Schwartz

Mr. P. Langlais
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Telex: 270079 Azoul
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GERMANY

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Grossmarket
Amsinckstrasse 66
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Attn: Mr. M Stulcken

Tel: (40) 3020 9279
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Telex: 2161688

Atlanta Handelsgesellschaft/Harder & Co
GmbH
Breitenweg 29/33
28195 Bremen
Postfach 107547
Tel: (0421) 3092-266
Telex: 244512
Fax: (0421) 13695
Attn: Mr. Corsten Keyer

Trofi-Tropenfruchtimport GmbH
Kontorhaus Grossmarkt
Lippelstrabe 1
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Telex: (2173211 TROF
Fax: (040) 327549
Attn: Mr. Norbert W.A. Timme

ITALY

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Cadsky
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39100 Bolzano
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Telex: 400024
Fax: (471) 284492
Attn: Mr. F. Fraccaroli

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Agrar Holland
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Europoint IV,
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Tel: (31) (0)10 4767377
Telex: 21130
Fax: (31) (0)10 4764254
Attn: Mr. Leo Pels

Jan van den Brink BV
Marconistraat 19
P.O. Box 6179
300209 AE Rotterdam
Tel: 31(10) 4766122
Telex: 21477
Fax: 31(10) 4255415
Attn: Mr. John van Duivenbode

Bud Holland BV Postbus 8
Hoornseweg 15
2600 AA Delft
Tel: (015) 690690
Telex: 38154
Fax: (015) 622790
Attn: Mr. Paul van Pelt

NORWAY

Interfrugt A/S
Transithalien
Okern Torg
Oslo 5
Tel: (02) 645 360
Telex: 71850

Windig BV
Centrale Markthal 16-20
Jan van Galenstraat 4
NL-1051 KM Amsterdam
Tel: (20) 824 040
Telex: 16342
Fax: (20) 861813

Jacob van den Berg BV
Europoint 16,
3029AK,
Rotterdam.

FTK Holland BV
Klappolder 191-193
2665 MP Bleiswijk
Tel: 01892 41700
Telex: 22593
Fax: 01892 19616
Attn: Mr. Marc de Naeyer

Van Dijk Delft BV
Hoomseweg 26
2635 CN Den Hoom
Postbus 5003
2600 GA Delft
Tel: 35 15 680280
Telex: 35 15 618187
Attn: Mr. Harold Moonen

Jos van den Berg BV
Klappolder 170
P.O. Box 188
2665ZK Bleiswijk
Tel: 31 1882 42222
Telex: 23574
Fax: 31 1892 19449
Attn: Mr. Henk Spijker

SWEDEN

KF - Fruit
P.O. Box 15200
104 65 Stockholm 15
Tel: (8) 810080
Telex: 19449
Fax: (8) 819122
Attn: Mr. P. Karr

KF - Vegetables
Avd. 425-035
P.O. Box 50
S-201 20 Malm OE
Tel: (40) 285 000
Telex: 32290

SWITZERLAND

Coop Suisse
Thiersteinerallee 12
Postafach 2550
4002 Bale
Tel: (61) 206060

Georges Helfer SA
45 rue des Fosses
CH-1110 Morges
Tel: (021) 715 634
Telex: 458 132

Migros
152 Lim Matstrasse
CH-8005 Zurich
Tel: (01) 277 2314/14
Telex: 558334

UNITED KINGDOM

Dalgety Produce
Floods Ferry Road
Doddington
Cambs. PE15 0UW
Tel: 0354 77361

Exotic Farm Produce Ltd
Mani Estate
Skeldyke Road
Kirton
Boston
Lincs PE20 1LR
Tel: (44) (0)205 724100
Fax: (44) (0)205 722691

Saphir International
The Oast, Perry Court
London Road, Faversham
Kent ME13 8RY
Tel: (0795) 530700
Telex: 96 5285
Fax: (0795) 530797
Attn: Mr. I. Chesterman

Hart & Friedman Ltd
Unit B, Western Trading Estate
Park Royal road, London NW10 7LY
Tel: (071) 961 5171
Telex: 916402
Fax: (071) 961 6133
Attn: Mr. M. Higgs

Fyffes Group Head Office
15 Stratton Street
London
W1X 5DP
Tel: 071 499 3411
Telex: 25392
Fax: 071 491 7208

Walpole Fruit Packers Ltd/Fyffes
Multifresh (Main packing/distribution)
Broadend Road, Walsokem
Wisbech, Camb
Tel: (0945) 585731
Fax: (0945) 61133

Frumar Ltd
Tolworth Tower
Tolworth
Surbiton
Surrey KT6 7EL
Tel: (081) 390 1133
Telex: 914800
Fax: (081) 399 3499
Attn: Mr. Robert Pring

J.O. Sims Ltd
16 Winchester Walk
London SE1 9AQ
Tel: (071) 407 0756
Telex: 885386
Fax: (071) 403 4889
Attn: Mr. C.O. Sims

St. Richards Road (depot)
Four Pools Industrial Estate
Evesham, Worcs WR11 6XJ
Tel: (0386) 499775
Telex: 338320
Fax: (0386) 41052

Pudding Lane (depot)
Pinchbeck
Spalding, Lincs PE11 3TJ
Tel: (0775) 762271
Fax: (0775) 762132

ANNEX 2

SELECTED IMPORTERS - FLOWERS IN EUROPE

**3 CUT FLOWERS - AN OVERVIEW OF WORLD
MARKETS AND THE STRUCTURE OF THE
EUROPEAN INDUSTRY**

ANNEX 2

SELECTED IMPORTERS - FLOWERS IN EUROPE

UNITED KINGDOM

- | | |
|--|--|
| Crystal Import Sales Ltd
Caledonia House
98 The Centre
Feltham
Middlesex
TW13 4BH
Tel: 081 844 0050
Fax: 081 890 7473 | Euroflower Import Export Company
281 Flower Market
New Covent Garden
London
SW8 5NB
Tel: 071 720 6961
Fax: 071 498 0383 |
| Florimex (Manchester) Ltd
Stainburn Road
Manchester.
M11 2JZ
Tel: 061 223 1006
Fax: 061 231 7472
Contact Kate O'Shea | Florimex (London) Ltd
Florimex House
Clayton Road
Hayes Middlesex UB3 1AX
Tel: 081 569 2346
Fax: 081 569 2145 |
| Klein & Owen Ltd
6 Woodham Lane
New Haw Weybridge
Surrey KT15 3NA
Tel: 0932 853421
Fax: 0932 853447 | J&E Page (Distributors) Ltd
230 Flower Market
New Covent Garden
Vauxhall
SW8 5LZ
Tel: 071 720 7681
Fax: 071 720 7688 |
| Sunflora Ltd
Eden House
64/66 High Street
Cobham Surrey GU24 8AD
Tel: 0276 856980
Fax: 0276 857505 | Southern Glasshouse Produce Ltd
Swallowfield Nurseries
Titchfield Road
Fareham
Hants
PO14 3EP
Tel: 0329 844214
Fax: 0329 844425 |
| Continental Farms
25 Vanston Place
London SW6 1AZ
Tel: 071 381 4811 | Mack Markets Division
43 North Street
Chichester
W. Sussex PO19 1NF
Tel: 0243 787646
Fax: 0243 775795 |

S. Robert Allen
New Covent Garden
Vauxhall
London SW8
Tel: 071 720 9432
Fax: 071 627 8029

Geest Flower Imports
c/o W Newnes & Co
Wholesale Market
Pershore Street
Birmingham
Tel: 021 622 3060
Fax: 021 666 6489

GEEST WHOESALE SERVICES

Francis Nicholls, New Covent Garden Flower Market
Tel: 071 720 8355; Fax: 071 627 3831

Francis Nicholls, Western International Market
Tel: 081 848 4561; Fax: 081 573 7657

Burgess Webb and Squire, Bristol
Tel: 0272 773631; Fax: 0272 723765

W. Newnes, Birmingham
Tel: 021 622 3060; Fax: 021 666 6489

Francis Nicholls, Liverpool
Tel: 051 220 9341; Fax: 051 259 2817

Francis Nicholls, Manchester
Tel: 061 223 8338; Fax: 061 223 5037

Francis Nicholls, Glasgow
Tel: 041 552 4291; Fax: 041 552 3053

William Hardy, Newcastle
Tel: 0914 879441; Fax: 091 491 0277

FRANCE

AS. Vainer
2 Allee des Arums
94150 Rungis Cedex
Paris
Tel: (1) 4727 9779

Laville et Cia
247 Allee des Mimosas
Fleur 465
94638 Rungis Cedex
Paris
Tel: (1) 4686 0592
Telex: 203202

Fleurassistance
271 Allee des Violettes
94648 Rungis Cedex
Paris
Tel: (1) 4686 4397
Telex: 205374

Marcel Mottier
Rungis Cedex
Paris
Tel: (1) 4686 9052
Fax: (1) 4687 9370

Florimex Paris
61 Allee de la Vilette
94637 Rungis Cedex
Paris
Tel: (1) 4686 9137
Telex: 200958
Fax: (1) 4687 0148

Roata Pignet SA
(Lignes Groupees)Rungis Cedex
Paris
Tel: (1) 4686 9352
Fax: (1) 4686 9727

France et Cie
81 Allee des Ansmores
94150 Rungis Cedex
Paris
Tel: (1) 4686 9256

Sarl Agros
M.I.N. St. Augustin
Fleur 3
06042 Nice Cedex
Tel: (93) 835 062
Telex: 970455

Simone Vigoureux et Fils
Fleur 190
94634 Rungis Cedex
Paris
Tel: (1) 4687 0484
Fax: (1) 4687 6492

Sarl Gastaldi
M.I.N. St. Augustin
Fleur 24
06042 Nice Cedex
Tel: (93) 832 562
Telex: 970729
Fax: (93) 830 713

Air Fleurs
Cergy Pontoise
Paris
Tel: (1) 3425 0365
Fax: (1) 3073 1950

Sarl Herman
200 Allee des Glaisuis
Fleur 551
94639 Rungis Cedex
Paris
Tel: (1) 4686 0546
Telex: 205393

GERMANY

Buuck Blumengrosshandez
Derferbogen 72
2050 Hamburg 80
Tel: 040 336350
Fax: 040 7373801

Everflora Blumenvertries GmbH
Flughafen Gebaude 131
D6000 Frankfurth Main 75
Tel: 069 691 310

Floratex BmbH
Flughafen Gebaude 458
D6000 Frankfurth Main 75
Tel: 069 690 4511

Florimex
Zentralein Kaum, Amgrunen Weg 5
D6092 Kelsterbach
Tel: 06107 4090
Fax: 06107 62566

Multiflor Blumen Import GmbH
AM Aspenhaag 7-9
6092 Kelsterbach
Tel: 06107 719030
Fax: 061 075 877

Uniflora GmbH
Bergmannring 11
2000 Hamburg
Tel: 040 6550011
Fax: 040 6516206

EGN Wesel (Auction Market)
Schepersweg 41-61
4230 Wesel
Tel: 0281 8140
Fax: 0281 81454

UGA Straelen (Auction Market)
Straelen
Tel: 02834 910301
Fax: 02834 6729

Niderrheinische (Auction Market)
Blumenverniarktung EG (NBV)
Hammer Landstrasse 103
D4043 Neuss
Tel: 02101 1871
Telex: 08517634

Straelener Blumenhandel
Straelen
Tel: 02834 604147
Fax: 02834 601416

Rosentham Und Weitz
Nassh3cker Strasse
D5401 Mariaroth
Tel: 02607 4353
Telex: 517791

NETHERLANDS

Aalsmer Flower Auction (VBA)
Legmeer Dijk 313
1430 Aalsmeer
Tel: 2977 32162
Fax: 2977 32791

Rijnsburg Auction (Flora)
Postbus 60
2230 AA Rijnsburg
Tel: 1718 55645
Fax: 1718 55361

Bloemenveiling Westland
Dijkweg 66
2670 Aenaaldwijk
Tel: 1740 33626
Fax: 1740 32169

B and S Import Service BV
Hauen 10
PO Box 355 2160 AJ Lisse
Tel: 2521 21850
Fax: 2521 10488

Hiljo BV
Postbus 1155
1430 BD Aalsmeer
Tel: 2977 22170
Fax: 2977 41961

Van Dijk Flora BV
Hoomseweg 26
2635 CN Den Hoom
Postbus 5003
2600 GA Delft
Tel: 15611261
Fax: 15 614967

Baardse & Zonen
Handelswekeri
PO Box 1007
1430 BA Aalsmeer
Tel: 2977 51551
Fax: 2977 28063

Blumex BV
Legmeerdijk
Postbus 1017
Legmeerdijk
1430 BA Aalsmeer
Tel: 2977 22222
Fax: 2977 25957

Florimex BV
Molenweg 247
1436 BV Aalsmeer der Grug
Tel: 2977 25555
Fax: 2977 41701

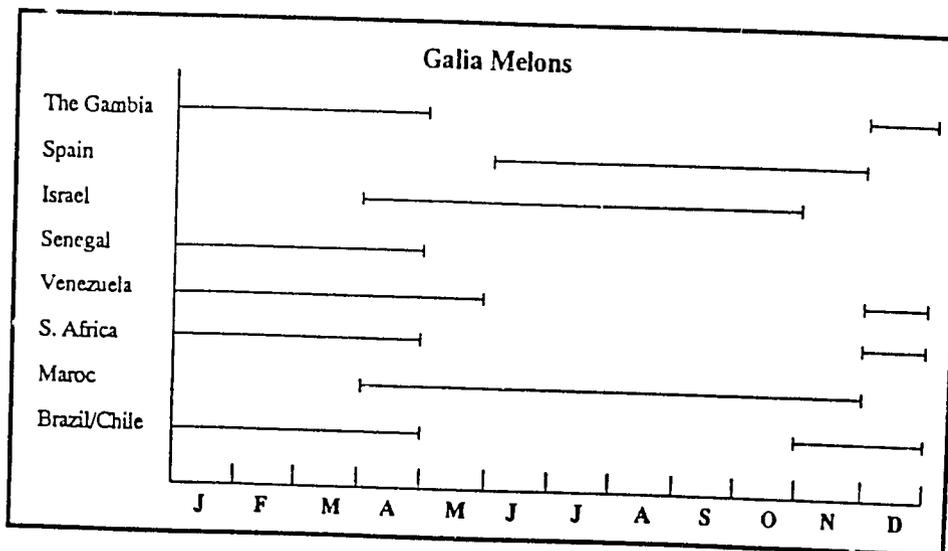
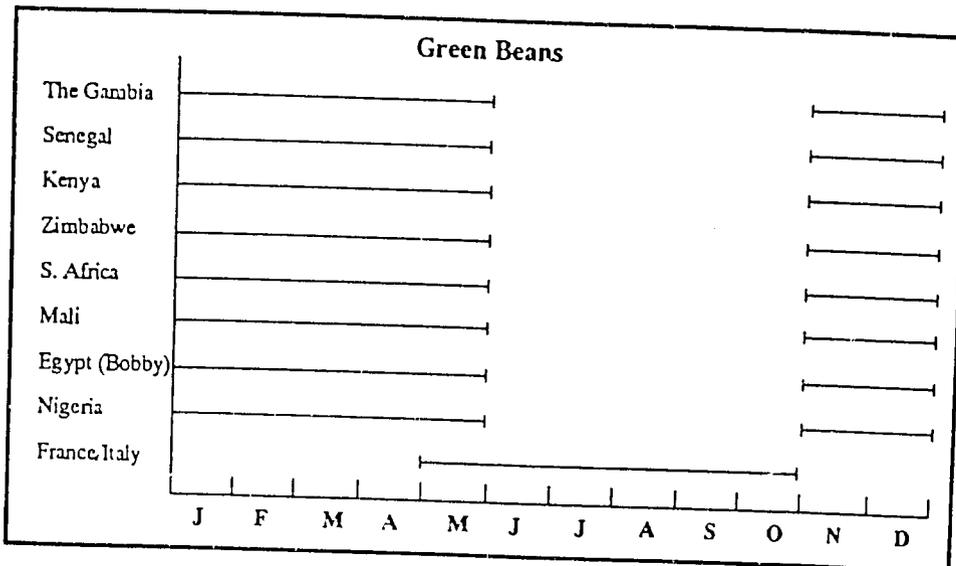
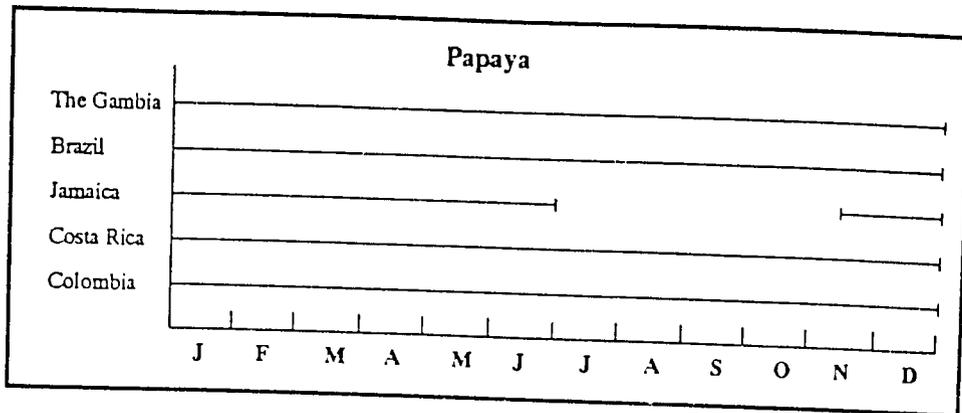
Klaas Van Zijverden BV
Tlrfstekerstraat 35-37
1431 GD Aalsmeer
Tel: 2977 22752
Telex: 10032

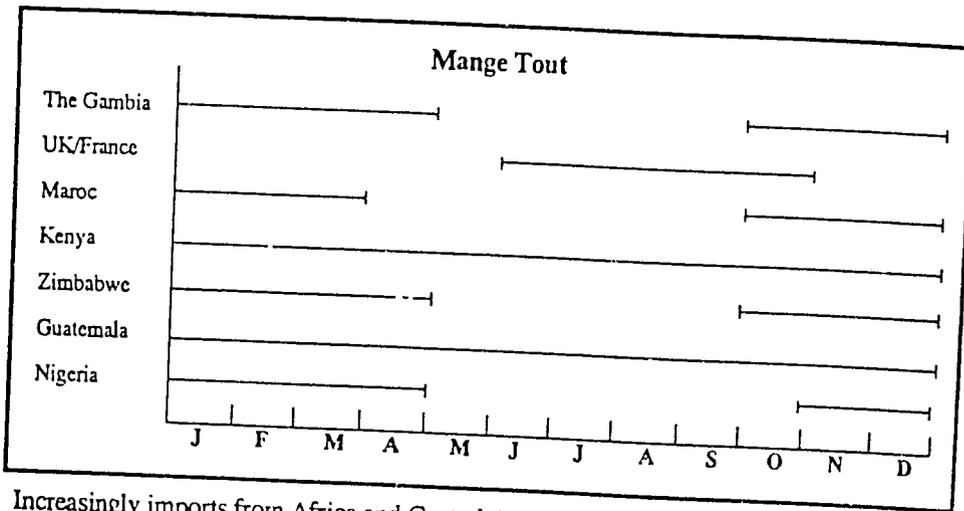
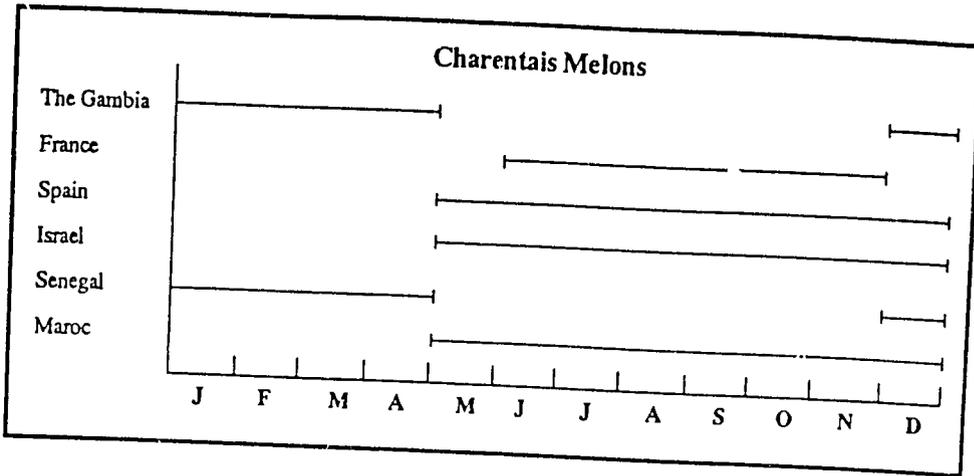
Zurel & Co
P.O. Box 1050
1430 BB Aalsmeer
Tel: 2977 33333
Fax: 2977 33378

Hilverda Bloemen BV,
Postbox 8
1430 AA Aalsmeer
Tel: 2977 52700
Fax: 2977 28080

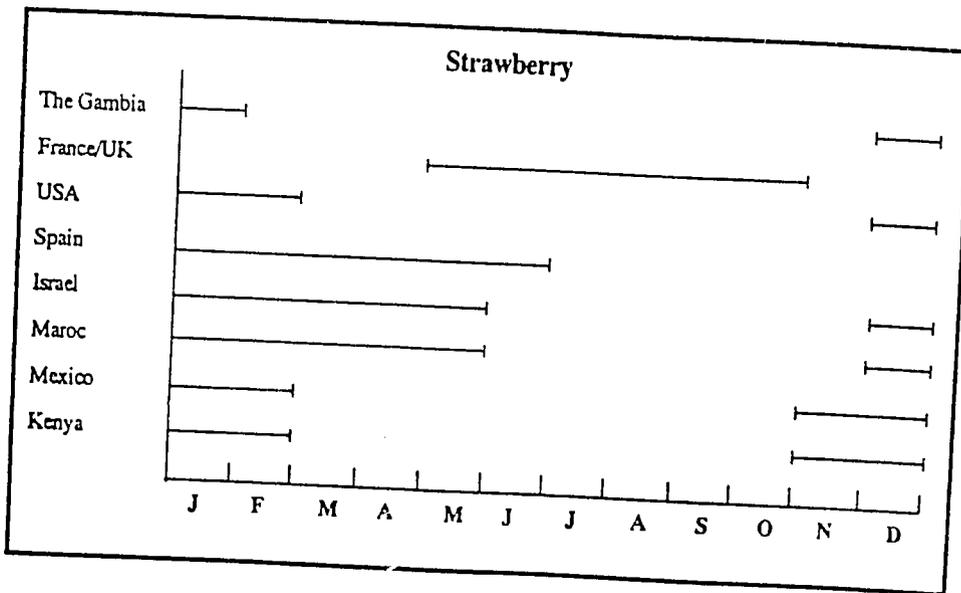
ANNEX 3

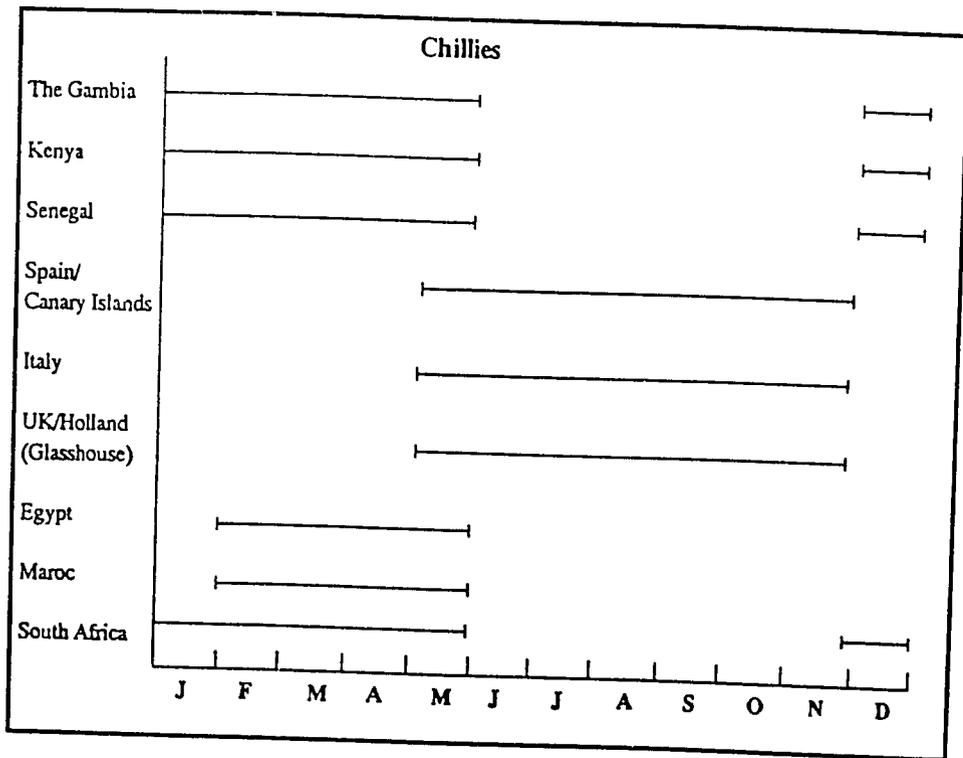
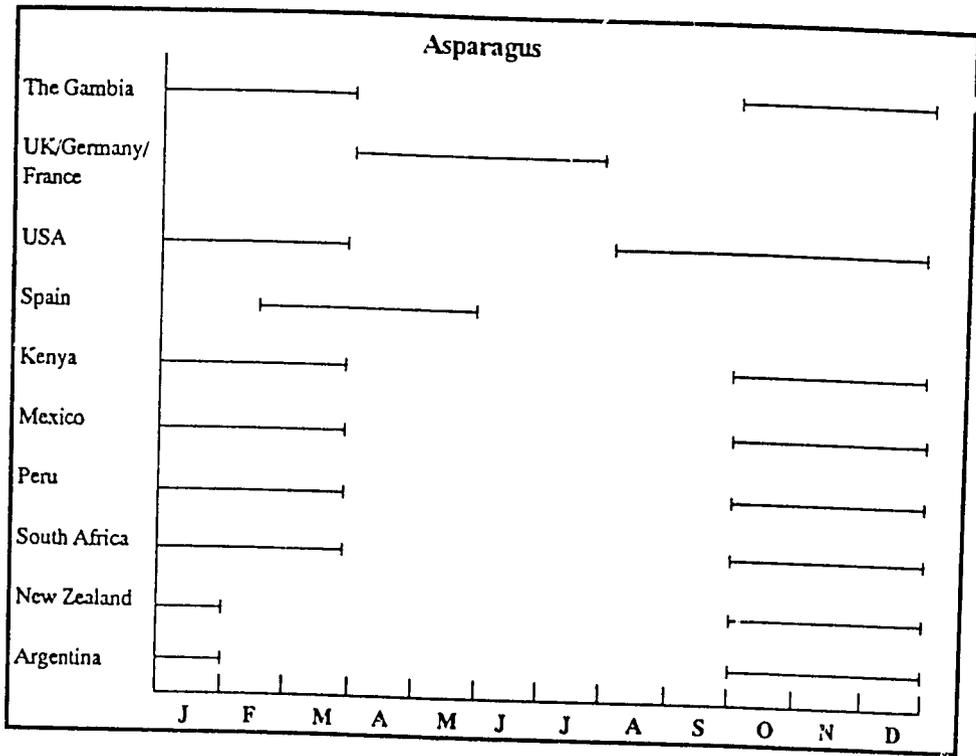
**PRODUCT-BY-PRODUCT ILLUSTRATION OF
'WINDOWS' TO THE EUROPEAN MARKET, AND
COMPETING THIRD-COUNTRY SUPPLIERS**

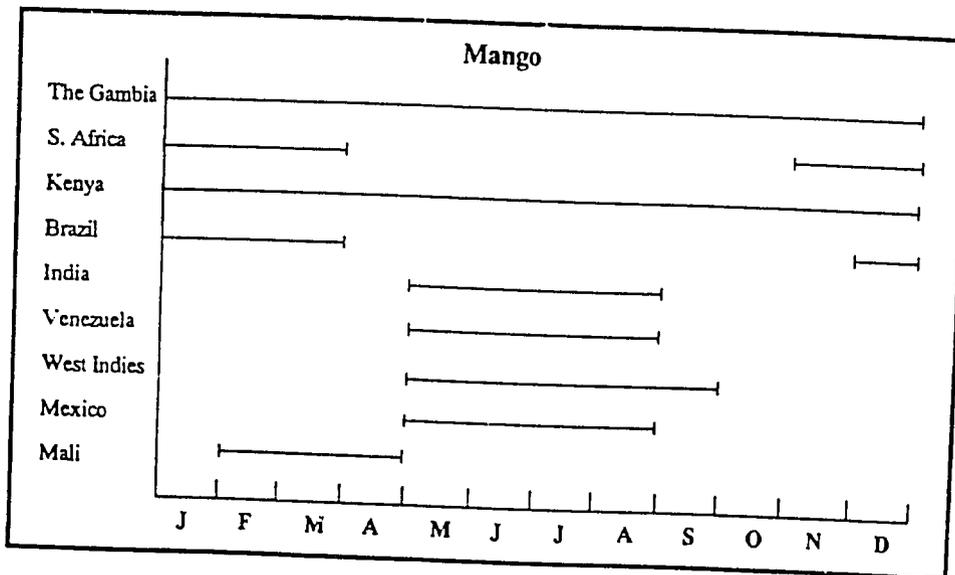
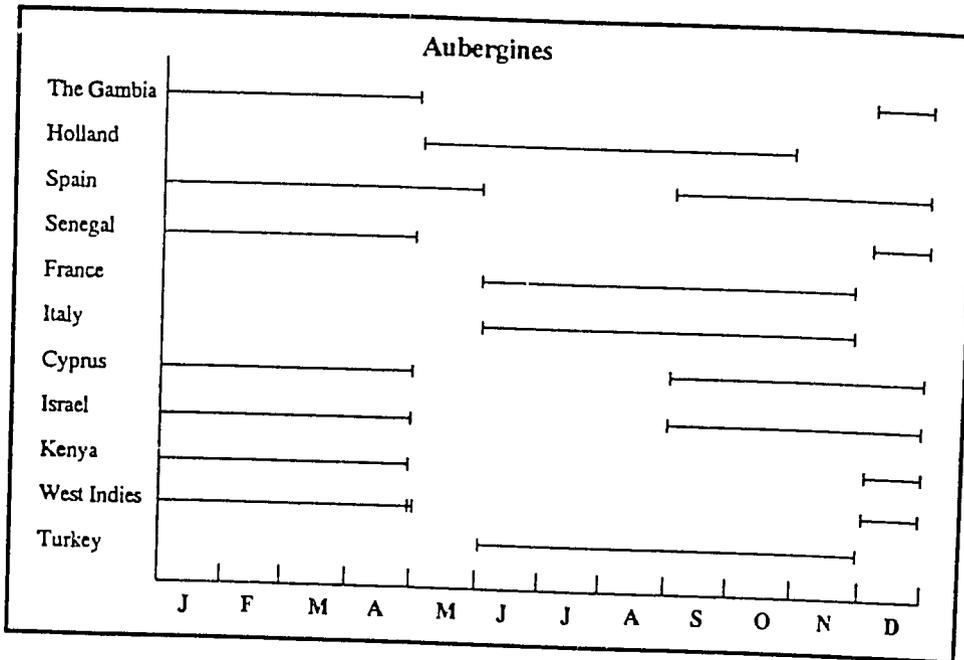
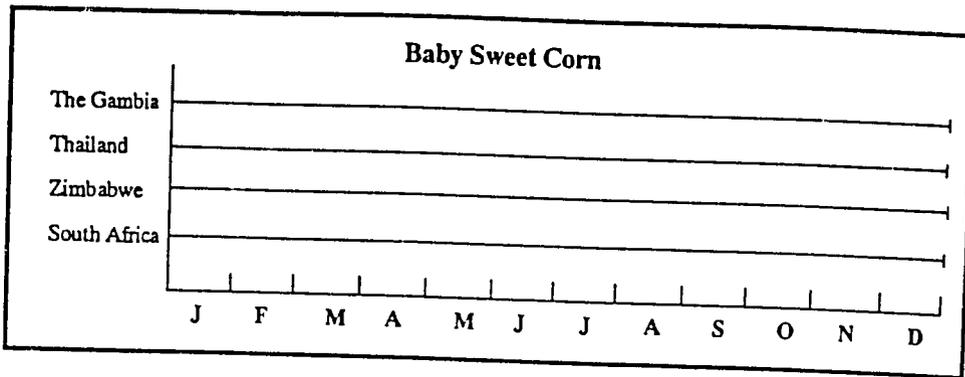




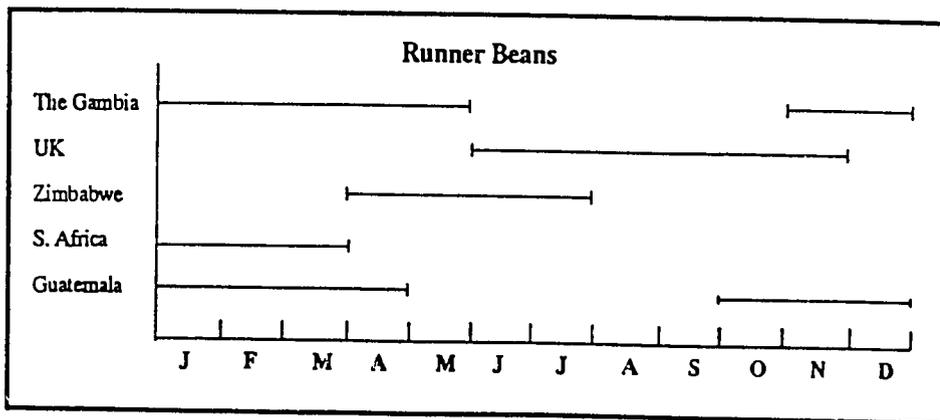
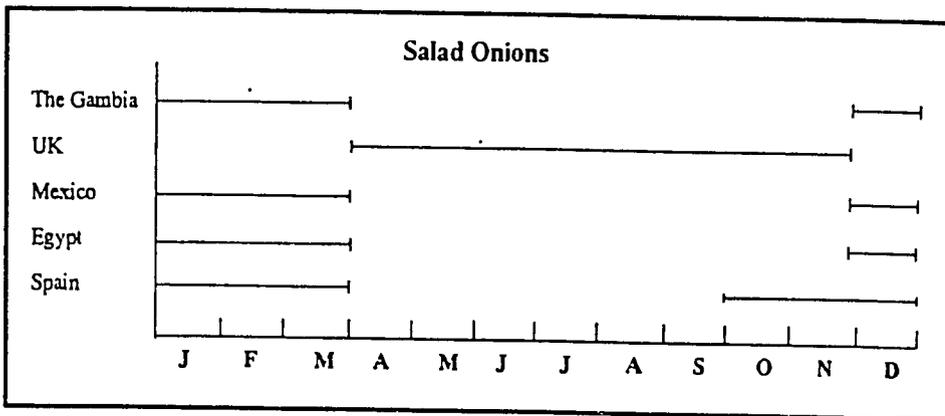
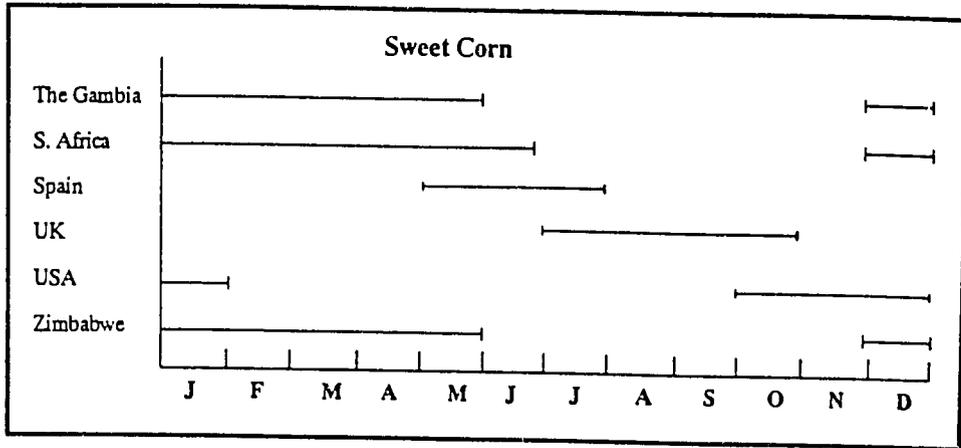
Increasingly imports from Africa and Central America are replacing EU produce due to lower labour costs.

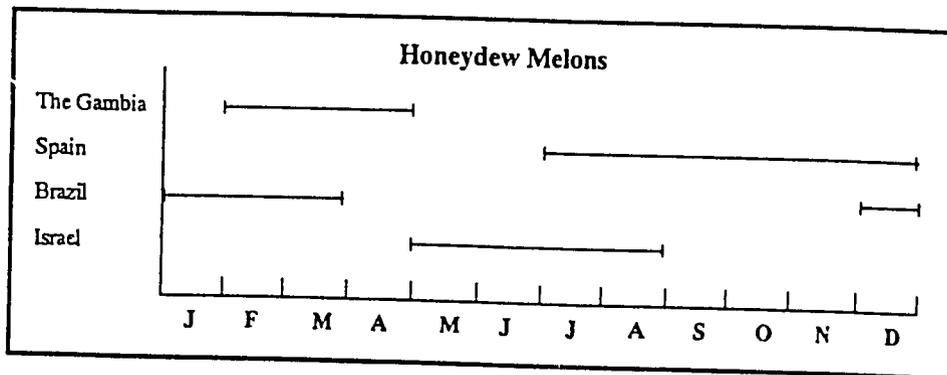
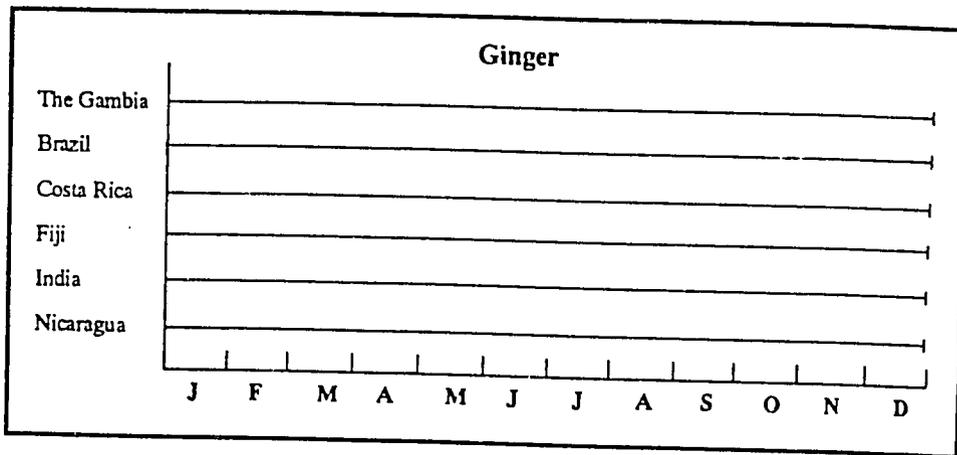
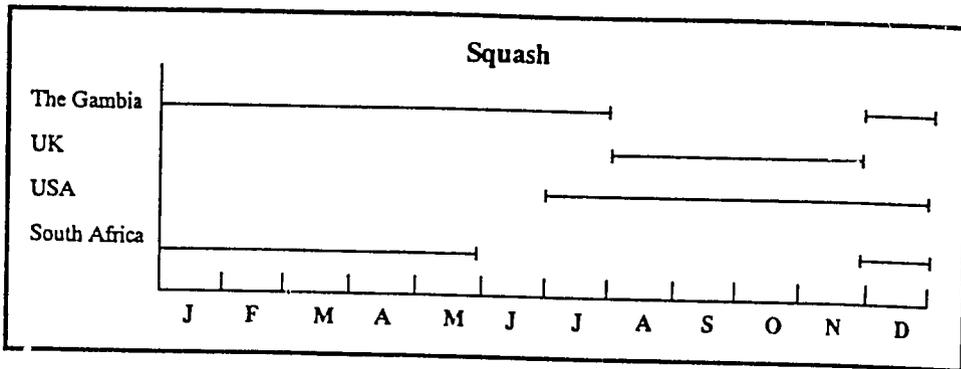


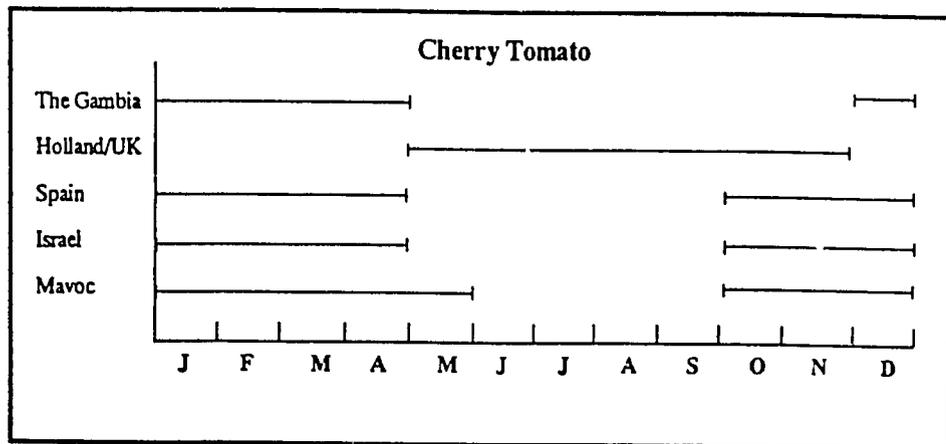
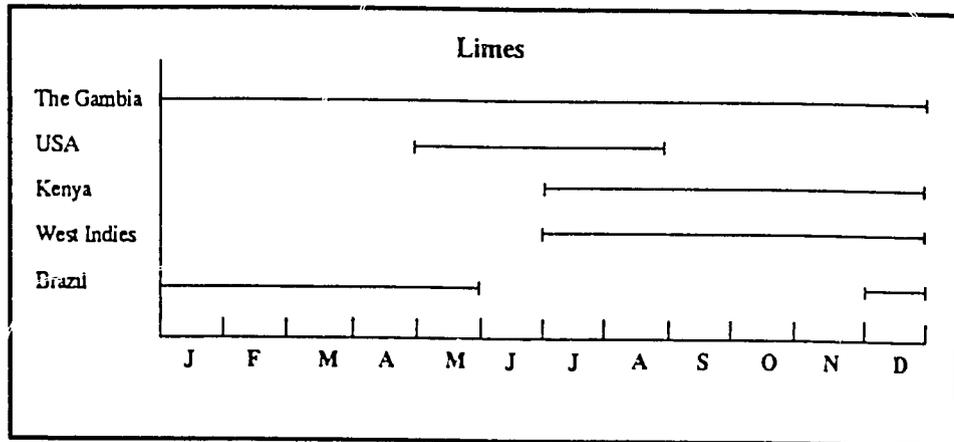
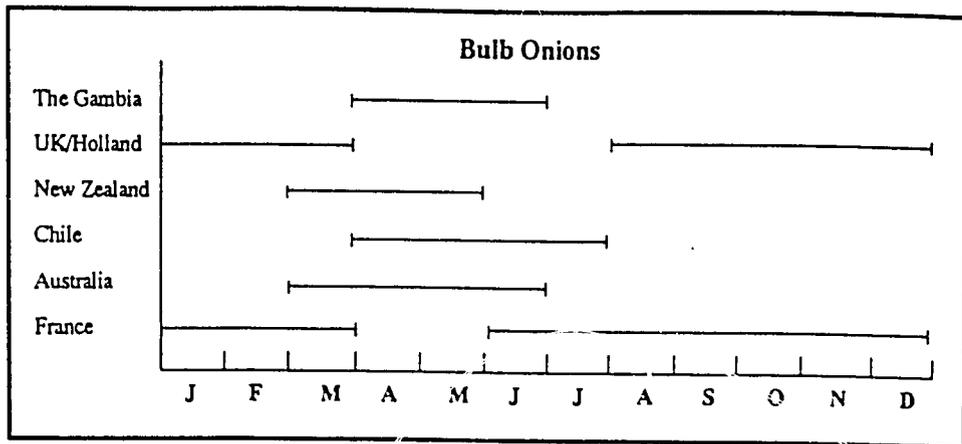


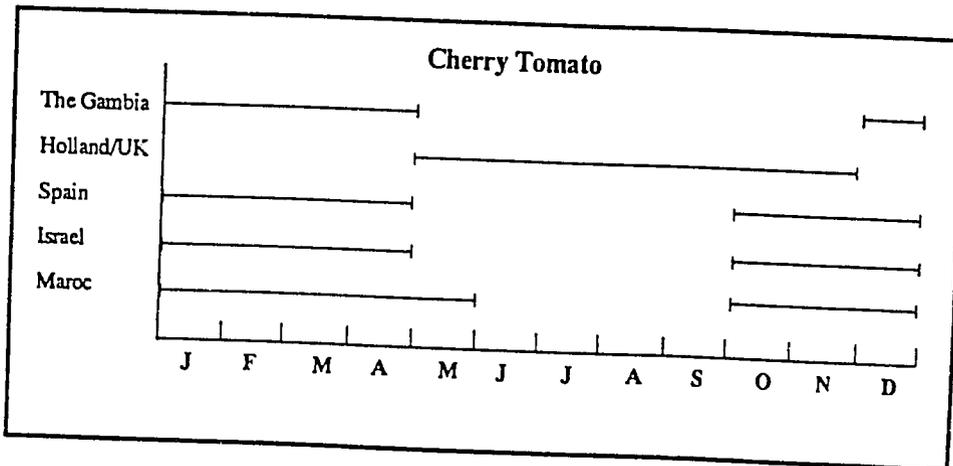
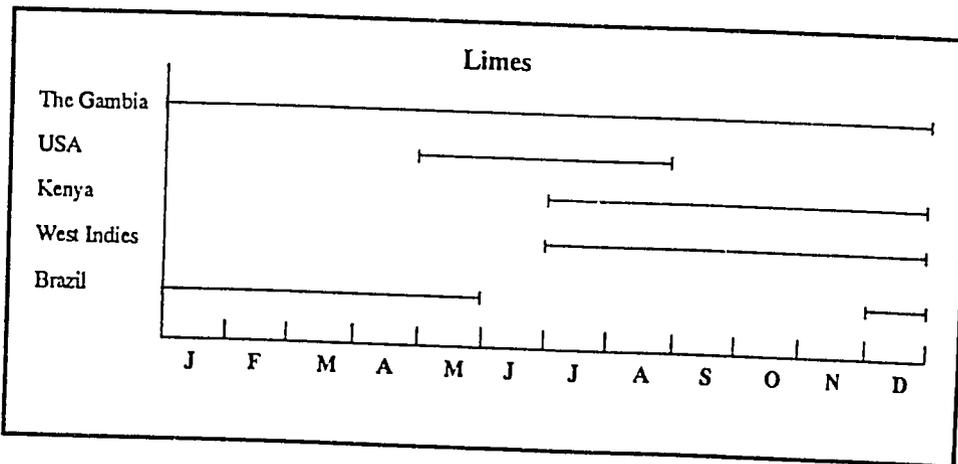
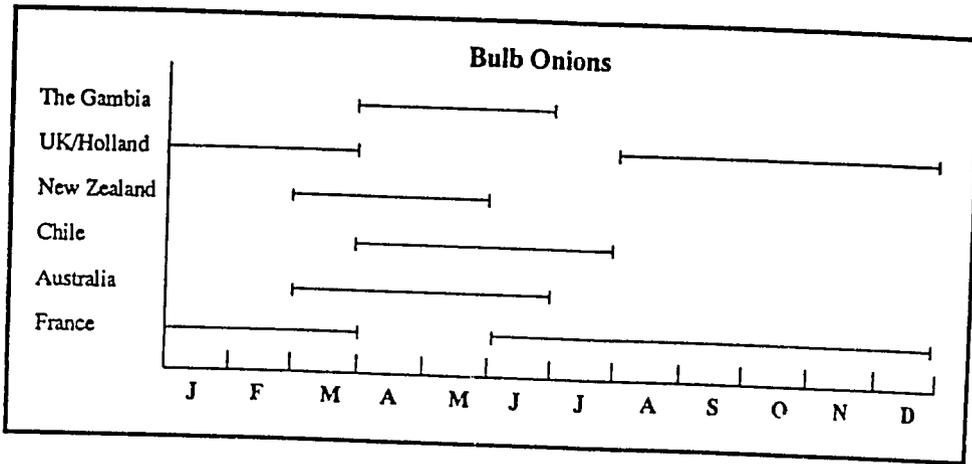


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ANNEX 4

**PACKAGING, LABELLING AND QUALITY
REQUIREMENTS FOR THE EU FRUIT AND
VEGETABLE MARKETS**

ANNEX 4

PACKAGING, LABELLING AND QUALITY REQUIREMENTS FOR THE EU
FRUIT AND VEGETABLE MARKETS

PACKAGING

There are few hard and fast rules about the size and type of packaging for produce. The following table however set out the most popular options for the products under consideration from The Gambia:

Product	Pack Size	Pack Type
Papaya	4 kg net	Carton with lid and ventilation holes. Most packs have the fruits in a vertical position kept secure with dividers.
Green & Bobby Beans	3 kg net	Carton with lid and ventilation holes. Beans are neatly packed in horizontal rows. Paper is used as lining and in some cases as layer pads.
Galia & Charentais Melons	5 kg net	Cartons with lids and ventilation holes. Melons are placed stalk up with card dividers between fruits. Alternatively each fruit is covered with soft net.
Mange Tout	2 kg or 3 kg net	Cartons with lids and ventilation. Pods are packed in layers side by side. Lining paper is often used.
Strawberries	250 g punnets 16 or 12 per outer. Other punnet and outer sizes also used.	Clear or blue plastic punnets. Clear overwrap film sleeve over each punnet. Most exporters pack the punnets in a single layer in an open cardboard outer but a few use cartons with lids for extra protection.
Asparagus	500 g bundles. 5 kg/outer (ie 10 packs)	The spears are placed in bundles and trimmed neatly. The bundles are tied with tape. The bundles are stood in a carton tips up. The base of the spears stand on a damp pad to help to keep them fresh.

Product	Pack Size	Pack Type
Chillies	2 kg or 3 kg net	Carton with lids and ventilation holes.
Baby Sweet Corn	150 g or 125 g per packs. 12-16 packs/outer	The trimmed cobs are placed in rectangular food grade poly trays which are then packed flat in one or two layers in a carton with a lid.
Okra	2 kg net	Carton with lid and ventilation holes.
Aubergines	5 kg net	Loose pack in a carton with a lid and ventilation holes.
Mango	4 kg or 5 kg net	Fruit is packed in a single layer in a carton with a lid and ventilation holes. Dunnage is often used to prevent the fruit moving in the box.
Sugar Snap	2 kg or 3 kg net	Carton with lid and ventilation holes.
Sweet Corn	Twin packs. 12 packs/carton	Trimmed cobs are overwrapped without trays. The packs are packed in cardboard cartons often with lids or bulk pack of untrimmed cobs in a large carton, Bruce box or similar.
Salad Onions	20 Bunches per outer. (Larger outers also used)	The bundles are tied with rubber bands. These are then packed in cartons with lids. A few exporters use polystyrene boxes and top ice.
Runner Beans	4 kg net	Carton with lid and ventilation holes.
Squash	5 kg net	Carton with lid and ventilation holes.
Ginger	10 kg or 5 kg net	Carton with lid and ventilation holes.
Honeydew Melons	10 kg net	Telescopic cartons with lids and ventilation holes.

Product	Pack Size	Pack Type
Shallots	5 kg net	Small mesh nets. Orange colour is common.
Onions	25 kg net	Small mesh nets. Orange colour is common.
Lime	2 kg or 4 kg net	Carton with lid and ventilation holes.
Cherry Tomato	250 g or 150 g punnets. 8-12 per carton	As strawberries.

The cartons must be strong enough to stack high on pallets without damage even in humid conditions.

A smart, colourful, carton with a good logo helps a great deal with sales. Customers are more inclined to pay good prices for packs that look good.

LABELS

The following data should be shown on each carton:

- a) EU grade label. This is only essential for products covered by the statutory grading scheme. These include beans, strawberries, asparagus, aubergines tomatoes and onions. In practise many importers use a grade label on all products even if they are not obliged to.
- b) Country of origin.
- c) Exporters name and address.
- d) Net weight in metric units and/or count.
- e) Nature of the product, eg 'Strawberries' or 'Asparagus'.
- f) In the case of mango and squash the variety should also be shown.

Most exporters label their cartons in French and English but any EU language is acceptable.

QUALITY

All importers agree that quality will be the key to any business from The Gambia. The high cost of freight means that only the very best produce is likely to fetch high enough prices to meet expenses, and leave the growers with a profit. After all, it costs just as much per kg to ship rubbish, as top class goods.

Every type of produce must meet the following basic requirements:

- Intact
- Sound
- Fresh
- Free of foreign bodies, smell and taste
- Clean and dry
- Free of pest, disease and mechanical damage
- Uniform in size, maturity, colour and shape
- Free of rots and blemishes
- Edible

The following table gives further details of specific quality requirements for the major lines under consideration:

Product	Quality Requirements
Papaya	Solo types are the most popular. Fruit which has a yellow skin, or at least mainly yellow is required. The best sizes are counts 8-12 in a 4 kg pack. Uniform size, shape and maturity is vital. Very backward samples are not wanted as they often fail to ripen in distribution and so are inedible.
Green Beans	EU Class I. A copy of the EU grading regulations for beans is included in the appendix. Size grading is critical for beans. The sizes in use are: Extra fine width of pod not exceeding 6 mm Fine width of pod not exceeding 9 mm Standard width of pod exceeding 9 mm
Galia Melons	Skin colour is not too critical so long as it is uniform. Striped types and russet skins are acceptable. A sugar content of 11° Brix at harvest is required to ensure good flavour at the point of consumption. The most popular sizes are counts 4-7 in a 5 kg box. At present there are no EU grading regulations for melons but they are expected to be introduced soon.
Charentais Melons	Maturity at harvest is critical with Charentais. Undermaturity at harvest leads to poor flavour and overmaturity leads to decay in transit. 11° Brix is ideal at picking. The best sizes are counts 6-8 in a 5 kg box.
Mange Tout	Small tender pods about 4-6 cm long are required. They should be free of fibre.
Chillies	Fresno types are ideal. Red or green fruit are of interest but not in the same box.

Product	Quality Requirements
Aubergines	EU class 1. The larger 'Dutch' types are the main ones in demand but smaller, broad fruit is also acceptable in some markets. The long, thin varieties do not sell well. All types should be dark in colour and free of pole patches. The calyx should be in fresh green.
Mango	Counts 8-10 in a 4 kg carton sell best. The fruit should be firm but not so backward that it will not ripen to give a good flavour.
Ginger	Large, clean hands are required free of rots, chill damage and shoots.
Limes	The most important quality aspect of limes is that they should be firm and have a uniform, dark green skin. Increasingly customers are looking for seedless fruit. The best sizes are counts 40-50 in a 4 kg carton.
Strawberries	EU Class I. Large fruit is essential in France and Germany. Even a small amount of rot in strawberries can render the fruit unsaleable.
Onions	EU Grade 1. The best sizes are 40-60 mm and 60-80 mm.
Salad Onions	Roots should be trimmed to about 1 cm below the base. All dead and damaged leaves should be removed.
Sugar Snap	Small tender young pods 4-6 cm long are required. They should be free of fibre.
Asparagus	EU grade 1. The main demand is for large and jumbo size. Green and white spears should be the same colour all over. White asparagus is very prone to discolouration due to mechanical damage and dehydration.
Sweet Corn	Cobs should be 15 cm + long. The grains must be milky and not indented. It is important that the cobs are well filled with grains right to the tip. Leaf sheafs should be fresh and green.
Mini Sweet Corn	Fresh, tender cobs about 40-70 mm long are required. These should have been neatly trimmed. Cobs should be free of 'woody' cores.
Runner Beans	Fresh, straight, tender pods free of 'string' and large seeds are required. The best size is 20-35 cm long.
Honeydew Melons	Fruit should have a sugar content of 10° Brix at harvest. The best sizes are counts 6-10 in a 10 kg carton. Fruit shape should be uniform.

Product	Quality Requirements
Shallots	Free of rots, sprouting and loose leaf.
Cherry Tomatoes	EU Class I. A lack of uniform colour grading is often the main problem with this product.

ANNEX 5

**NOTES OF MEETINGS WITH EUROPEAN
HORTICULTURAL IMPORTERS**

**NOTES ON A MEETING WITH THE ATLANTA GROUP IN BREMEN ON 15/2/94
RE GAMBIAN PRODUCE EXPORTS**

Present: Mr. Corsten Meyer (Marketing Manager - Exotics)
P. Clarke (C.T.S.)

Atlanta Handelsgesellschaft Harder & Co GmbH
Breitenweg 29/33
28195 Bremen
Postfach 107547
28075 Bremen
Tel: (0421)3092-266
Fax: (0421)13695
Telex: 244512

The following products were identified as of interest to Atlanta:

Papaya

100,000 cartons/year are imported by sea, mainly from Brazil. Mr. Meyer believes that Central/South American papaya is better quality than African and was dubious of Gambia's ability to compete. A 40ft container from Brazil to Rotterdam costs about 4,000 DM for the freight.

Green Beans

Only Bobby of interest. Current imports come from Senegal, Kenya and Egypt. Demand for this product is good, but this has been a poor season for prices. Despite this, Atlanta felt that air freight beans have a good future in Germany.

Galia

Atlanta feel that the best prospects for this product is by sea, but air freight is still possible. Galia are, at present, coming by sea from Senegal. In Senegal, Atlanta deal with Saphina Agrocup (mark - NAFY), who have 500 hectares devoted to export produce.

Charentais

Small demand in Germany. The market is not often able to pay the extra cost of air freight, compared to Galia by sea.

Mange Tout

A very small business in Germany.

Strawberry

Of possible interest in Nov/Dec. only, packed 8 x 250gms, if it can be sold for 25-30 DM or less, wholesale.

Asparagus

White asparagus is of interest. The market is often under supplied in December. The main shipper is South Africa.

Chillies

Small business.

Baby Corn

May be competitive with Thailand because of lower transport costs and duty exemptions, but only if the high Thai quality standards can be met.

Aubergines

Demand met in winter by Spain. Trial sendings of medium sized aubergines from Liberia recently failed to sell well.

Mango

Good interest in coloured types by sea in 4kg cartons. Counts 8-12 sell best. If prices per carton are low, shorter counts are also acceptable, as the fruit is sold retail by the piece. 500,000 cartons of mango were imported last year, mainly from Puerto Rica.

Sweet Corn

Minor interest.

Lime

Very competitive with large volumes arriving by sea from South America.

Lychee

Good interest apart from Jan/Feb.

Passion Fruit

Possible, but often over supplied.

Carambola

Some interest by sea in the Jan-March period.

Ginger

Minor interest.

Atlanta were reluctant to quote quantities, but suggested the following to start with:

Beans	-	500 cartons/week
Galia	-	2 containers/2 weeks

They would, however, like to start with small arrivals.

About 80% of Atlanta sales are to supermarkets. Most sales are within Germany.

All exotics are sold on consignment. 10% commission is charged. All expenses for discharge, storage and transport are deducted. Payment is made within 5 weeks. For pre-packed goods only (eg. strawberries in punnets), an extra charge of 0.8% is deducted to cover the cost of the German 'green dot' retail packaging re-cycling scheme. All imported pre-packed products must be registered with the German authorities before the symbol can be used. All pre-packs must carry the symbol.

Exotics are mainly imported into Amsterdam or Paris airports. Frankfurt is considered too expensive. UK airports are not acceptable. All exotics are taken to Atlanta's Dutch depot near Rotterdam. This is run by Bratlanta B.V. which is part of the Atlanta group. From here the goods are distributed to customers in Germany, together with produce from the Dutch auctions. The best ports for imports are between Antwerp and Hamburg. Rotterdam is ideal.

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Exporters are required to pay their own international freight.

Atlanta are pleased to plan deliveries in advance, but cannot do the same with their customers to any extent.

They like to act as sole agents.

Atlanta have the '1 + 1' brand, but suppliers are not obliged to use it.

The company started in 1902 and has a turnover of DM 2.7 billion. Its main business is in bananas, and it is closely linked to Chiquita. The company incorporates Scipio, Bratlanta, Agenfruit, Fruttexport, Fruchtunion and other well known companies. At present there are 30 depots in Germany which ripen bananas and sell produce in their areas. In many ways it works in a similar manner to Geest in UK and Pomona in France. Recently they have opened offices in the former Eastern Block countries to develop sales there. The main effort is in citrus and bananas.

The company is on all the main panels such as Cape, ENZA, New Zealand Kiwi (2,000,000 trays last year), Agrexco, etc..

Main exotic suppliers are Kenya, South Africa (600,000 cartons of avocados last year), South and Central America, Senegal.

I was interested to learn that Mr. Meyer thinks that Agrexco will break up soon. This could have a big effect on the European exotics trade.

Until this year Bratlanta BV have imported about 60,000 x 8 x 250gms of cherry tomatoes per year from Senegal. This year, Agrexco have killed this trade by sending similar fruit at a wholesale price of 10 DM per outer.

Atlanta have never imported from Gambia and are not interested in investment there.

They have technical staff, but I suspect they mainly work on bananas.

Atlanta would like to be involved in the marketing of Gambian produce in Germany.

**NOTES ON A MEETING WITH AZOULAY ET CIE RE GAMBIAN
HORTICULTURAL EXPORTS IN PARIS ON 8/2/94**

Mr. P. Langlais (Marketing Manager)
E. Azoulay et Cie
18-28 Rue du Puits-Dixime
Senia 547 THLAIS
94577 RUNGIS Cedex

Tel: (1) 4687 2540
Fax: (1) 4686 2316
Telex: 270079 AZOUL

Mr. Langlais was unable to meet me as planned. He, however, sent a message that he would be interested only in Fine Green Beans.

These products could be handled on a consignment basis depending on market conditions.

Azoulay have a large, modern distribution depot and sales office near Rungis market which at the time of my visit was handling mainly Spanish, Dutch and South African goods.

The company is on many large panels such as Cape, Agrexco and New Zealand. In addition, it handles a lot of bananas (Del Monte) and citrus from Israel and South America.

**NOTES ON A MEETING WITH JACOB VAN DEN BERG B.V. IN ROTTERDAM ON
10/2/94 RE GAMBIAN HORTICULTURALEXPORTS**

Present: Mr. Leo Pels (General Manager)
Clarke (C.T.S.)

Europoint IV
Marconistraat 16
3029AK Rotterdam
Tel: (31)-(0)10-4767377
Fax: (31)-(0)10-4764254
Telex: 21130

and at: South Westchester Executive Park
100, Corporate Boulevard
Yonkes, New York 10701, USA
Tel: 1-914-964-5900
Fax: 1-914-964-5901
Telex: RCA 232156

The following products were identified as of interest:

Beans

Fine and Bobby.

Galia

Counts 4-6 in 5 kg cartons. Well coloured or striped types best. The main demand is pre-Christmas and pre-Easter. Very little would be needed between Christmas and mid-Jan.

Strawberry

Mainly for Christmas. Mr. Pels felt that the extension of the Spanish season had led to a very small window for non-European supplies.

Asparagus

Minor interest.

Mr. Pels felt that he could sell several 1,000 cartons of beans and melons per week in season.

His company sells throughout Europe. About half goes to supermarkets.

Any seaport can be serviced, but they do not like to take goods from UK airports or Orly, Paris. (Orly is unpopular due to the high levels of cargo theft there).

Jacob von den Berg have a large depot near Rotterdam with all the normal modern facilities.

All goods are handled on consignment. 8 per cent commission plus expenses are deducted. Payment is made within 21 days of receipt of goods.

They like to act as sole agents for Europe apart from the UK.

Programmed supplies was of only limited interest.

The company started in 1920 and has a substantial turnover.

The main business is:

South America

Grape, stone fruit, citrus, apples, kiwi

USA

Citrus, apples.

They are also heavily involved in transit business through Rotterdam.

They do not have a significant trade in exotics at present but are keen to be involved.

**NOTES ON MEETING WITH JAN VAN DEN BRINK B.V. IN ROTTERDAM ON
10/2/94 RE GAMBIAN HORTICULTURAL EXPORTS**

Present: Mr. John van Duivenbode (Sales Manager)
P. Clarke (C.T.S.)

Jan van den Brink BV
Marconistraat 19
P.O. Box 6179
30299 AE ROTTERDAM
Tel: 31(10)4766122
Fax: 31(10)4255415
Telex: 21477

The following products were of interest to Jan van den Brink:

Papaya
Minor interest.

Green Beans
Good interest in Bobby and fine.

Galia
Good interest.

Mange Tout
Good interest.

Chillies
Minor interest.

Baby Corn
Minor interest.

Aubergines
Some interest by sea.

Mango
Good interest by sea.

Mr. van Duivenbode was reluctant to discuss quantities until he has some experience of handling Gambian produce. About 33 per cent of his sales are to supermarkets.

All airports/seaports are acceptable for deliveries. The company has its own facilities for handling reefer produce ships within Europort.

About 60 per cent of imports are sold by auction on the Rotterdam Citrus Exchange. Commission rates for this service are 7 per cent plus the expenses of clearing and transport to the van den Brink warehouse. Mr. van Duivenbode suggested that the auction may be a good way to introduce Gambian produce to customers as a lot of people would see it there. At the time of my visit a few exotics were being sold on the auction including beans from Mali. Payment for goods is made within 14 days by T.T.

The company has its own Q.C. team but not technologists. Several of their suppliers, however, use a firm of independent experts – Fred Harmsen and De Groot (Tel: 4767366, Fax 104779987).

Import plans should be made in advance if possible. Jan van den Brink like to work as sole agents in Holland. Their produce is sold through-out Western Europe and they have branches in London and Belgium.

The company was started in 1946 and has sales of 250M Dutch F/year.

They are the largest Cape agent in Europe and handle a lot of green bananas via Antwerp. Exotics are sold from S. Africa, Egypt, Venezuela, Peru and Costa Rica. Other important lines are:

Californian	-	citrus
Brazil	-	applies, citrus
Uruguay	-	citrus
Chile	-	apples, grapes
Argentina	-	apples
Maroc	-	salads, citrus, potatoes
Spain	-	various
France	-	apples

At one time the company was part of Polly Peck, but it is now owned by the von den Brink family again.

Market reports, including account sales, are sent by FAX weekly.

The company is not interested in investments in Africa.

They do not feel the exotics they already sell would be in conflict with Gambian supplies.

Note

Mr. van Duivenbode told me that he was receiving Galia from Central America by sea with an exceptional shelf life. The seed came from NUNHEMS ZADEN BV, P.O. Box 4005, 6080 AA, Harlen. (They are also in the UK).

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**NOTES ON A MEETING WITH FTK HOLLAND BV IN BLEISWIJK ON 10/2/94 RE
GAMBIAN HORTICULTURAL EXPORTS**

Present: Mr. Marc de Naeyer (Director)
P. Clarke (C.T.S.)

FTK Holland BV
Klappolder 191-193
2665 MP Bleiswijk
Tel: 01892-41700
Fax: 01892-19616
Telex: 22593

Branches in London, Hamburg and Alicante (Spain)
Mr. A. de Naeyer - President.

The following goods were of interest to FTK:

Papaya

By sea from Brazil at present. Counts 8-12 in 4kg cartons.

Green Beans

Strong interest in fine and Bobby.

Galia

By sea or air. Good interest.

Charentais

Small interest.

Mange Tout

Little interest as overdone at present.

Strawberries

Only at Christmas due to competition from Spain, Israel and increasing Dutch production under glass.

Asparagus

Minor interest.

Chillies

Good interest in red and green Fresno types.

Baby Corn

Good interest in pre-packs 150 gms x 16 and 125 gms x 12 or similar.

Okra

Small interest.

Aubergines

Moderate interest in 'Dutch' type fruit.

Mangos

Good interest in Hayden/Atkins types by sea.

Sugar Snaps

Minor interest.

Sweet Corn

Interest in twin packs. 12 x 2/outer.

Exotic Fruit

Minor interest unless very cheap.

Ginger

Good interest by sea. 5 kg cartons.

Deliveries by air through UK airports are not acceptable for sales in mainland Europe.

FTK have very good modern handling and storage facilities at Bleiswijk just north of Rotterdam.

Although Gambia goods should enter the EU duty free, Mr. de Naeyer said that a pro-forma invoice should be sent with them.

Goods are sold on consignment. 8 per cent commission is charged plus the cost of airport handling (approx. 1 Dutch F/5 kg carton) plus transport from the airport to the depot (about 0.5 Dutch F/5 kg) and handling/storage at the depot (about 0.5 Dutch F/5 kg). There is also a charge of 65 Dutch F per consignment for clearing customers' documentation.

Cost for sea containers would be 350-400 Dutch F for discharge, about 400 Dutch F for transport to the depot and again 0.5 Dutch F for depot handling. Clearance would again be 65F per consignment.

About 50 per cent of FTK's sales are to Germany with the rest going to Holland and the rest of Europe. About 40,000 outers per day are being handled at present. Supermarkets account for about 50 per cent of sales. About half the sales are exotics and the other half 'bulk' lines such as citrus.

They prefer to act as sole agents in Holland at least.

The company has a turnover of 200M Dutch F/year. It is part owned by Saba Trading AB of Johanneshov in Sweden. Saba have sales of 1B Dutch F/year and are best known for bananas.

They like to make programmes with suppliers but find that European supermarkets are not as interested in this approach as UK ones.

Major suppliers to the company are:

Kenya

(Sunripe and Vegpro brands) beans, okra, passion fruit, apple banana and mange tout.

Zambia/Zimbabwe

Mange tout, passion, mini corn, chillies.

Thailand

Mini corn.

South Africa

Avocado, sweet corn, mango, lychee, mini pineapples, sweet potato.

Israel

Agresco panel plus citrus.

Chile

Grapes, kiwi.

New Zealand

Kiwi, onions.

Gambia

Few melons via Whealmore. They were pleased with these goods and felt they showed potential for a larger business.

The company has a QC team but not technologists.

FTK are not interested in investment in Gambia.

They do not feel that the wide range of African exotics which they handle would conflict with supplies from Gambia.

Hygiene standards do not seem to be of much interest to Dutch importers compared to the UK. FTK were, however, concerned about agro-chemical residues as the Dutch government have samples checked from time to time and importers can be fined if the EU limits are exceeded. The main interest seems to be if any prohibited substances have been used. (I have a list of banned products).

This company was clearly very involved in exotics and had a dynamic approach to the trade.

**NOTES ON A MEETING WITH GOOSSENS ET FILS IN BRUXELLES ON 9/2/94 RE
GAMBIAN HORTICULTURAL EXPORTS**

Present: Mr. G. Goossens (President)
P. Clarke (C.T.S.)

(Mr. A. Yohan (Marketing Manager) was unable to attend but is heavily involved in exotic imports).

Ets. A. Goossens et Fils S.A., Wholesale Fruit Market
Qui Des Usines, 112-154
Mag. 44 & 45
1210 Bruxelles
Tel: (02) 2169255
Fax: (02) 2162946
Telex: 21915 PRIMGO B

The following products were identified as of interest:

Papaya

A good market in Belgium mainly supplied by Brazil, Colombia and Jamaica. The demand is for uniform, blemish free fruits with about half the surface yellow and half green.

Goossens are interested in this line but stated that efforts to produce the quality needed in Senegal had failed.

Green Beans

Bobby and fine of interest.

Galia

Increasing demand in Belgium. Goossens import from Senegal and S. Africa. Sea freight mainly used.

Charentais

Imported during the winter by air from Martinique but of interest from Gambia.

Strawberry

Minor interest. Berry size must be large for Belgium.

Asparagus

Minor interest. White mainly.

Mango

Good interest if quality high.
Coloured types sell best.

Aubergines

Some interest but mainly on a speculative basis when cold weather in Spain reduces Spanish output.

Cherry Tomato

Good interest in this line. Some cherry tomatoes have been imported from Sifoe in Gambia

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but not for about a year.

Mr. Goossen was not prepared to speculate on quantities until he has seen more of the quality of produce available from Gambia. About 50 per cent of his business in exotics is with Belgium supermarkets. Customers in Holland are also served.

Trans-shipment of goods via the UK is not acceptable but arrivals at other European ports and airports can be handled. Mr. Goossen felt that sea consignments every 14 days would make it hard to develop business due to continuity problems. He suggested that goods could be taken to Dakar which has a sea service every 8 days to Europe. Air freight rates from Senegal are \$0.80/kg.

Goossen have modest cold storage and other facilities on their market stand.

Imports are handled on consignment. 10 per cent commission is charged. Unless the goods need to be re-packed the only expenses deducted are the airport costs and transport from the airport to the market. This averages BF 24/carton. Payment on account sales is made within 28 days.

Programmes are possible but market trends must be the main concern. They like to act as sole agents.

Goossen S.A. was founded in 1908. The business is split into two main areas:

- (a) Imports from Spain, Italy and France.
- (b) Exotic imports mainly in the winter.

These include:

- Agrexco panel
- South African avocado and mango.

Senegal-Goossen are heavily involved in Senegal and have an employee there to procure goods. The main products are beans and melons.

Madagascar-Goossen are European agents for a large exporter and claim to handle 4,000 MT a year, mainly lychee. These are sold via a panel of wholesalers throughout Europe.

Kenya - beans, okra and mango. Some direct but also via French importers.

A company handout is available.

Goossen are not interested in investment in Gambia. They do not have technical staff but Mr. G. Goossen is an expert in this field.

I think there was some concern that exports from Gambia would conflict with their business from Senegal, but they were keen to be involved.

**NOTES ON A MEETING WITH GEORGES HELFER SA FRANCE RE GAMBIAN
HORTICULTURAL EXPORTS HELD IN PARIS ON 8/2/94**

Present: Mr. G. Helfer (President)
P. Clarke (C.T.S.)

Georges Helfer S.A. France
1, Rue des Tropiques
Entrepot 133
94538 Rungis Cedex
Tel: (1)46872517
Fax: 445604852
Telex: 263288

The following items were of interest to Helfer from Gambia:

Papaya

Mr. Helfer felt that he could sell a lot more papaya if the quality was right. He likes 'SOLO' types with some colour. Uniform grading for size and maturity is vital. The best sizes are 350-500gms. His main source is Brazil.

Green Beans

Mainly fine types in 3 kg cartons similar to Kenya. Not trimmed.

Galia

Demand in France is increasing. Good interest. Best by sea to keep costs competitive.

Charentais

Good demand to supplement supplies from the French West Indian islands. Counts 7-9 in 5 kg cartons. Probably by air.

Fresh Herbs

Mr. Helfer has a good trade in herbs, but stressed that it is a specialist market which needs a lot of work. The main types are mint, basil, tarragon, sage, chives, plain leaf parsley, coriander, etc. The goods would have to be pre-packed in Gambia into small overwrapped trays with smart labels and bar codes.

Strawberry

Good demand in 250 g punnets.

Asparagus

Expanding trade in green asparagus packed in 500 g bunches.

Aubergines

Main interest in larger 'Dutch' types by sea.

Mango

Good interest. USA and green types acceptable. Main counts 8-10 in 4 kg cartons.

Limes

Interested in green, seedless types in 4 or 5 kg cartons.

Shallots

Interest all year if quality good. Typical price 10FF/kg on French market.

Salad Onions

Helper are seeking bunches of salad type onions with well developed bulb.

Minor interest was also expressed in chillies, mini-corn, okra, sweet corn and tropical fruits.

Mr. Helfer was reluctant to suggest possible volumes until he has seen some deliveries, but he felt that Gambia has good potential and substantial imports could be made. If possible, he would like to start with small lots by air.

Helper S.A. trade with supermarkets, but feel that the type of goods proposed from Gambia could mainly be sold by wholesalers in France.

They do not like air delivery via the UK. Arrivals by sea every 2 weeks are acceptable, but Mr. Helfer feels that a weekly arrival is needed to develop a large business.

Helper have good facilities in their depots at Rungis, Morges (Switzerland) and Marseille.

They buy goods CIF once the reliability of the supplier has been established. Until then, goods are handled on free consignment. 8 per cent commission is charged plus expenses at the port/airport and the cost of delivery to the Helfer depot. Payment is made within 28 days. They do not offer advances, minimum guarantees, etc. Exporters pay for the international freight.

Little produce is exported outside France except to their depot in Switzerland.

Helper like to act as sole agents in France.

The company has sales of F.Fr 400M/year. It acts only as an importer and distributor. Its main products are:

USA	Citrus
Central America	Exotics
Maroc	Citrus, salads, exotics
South America	Grapes, citrus, exotics
Ivory Coast	Pineapples, exotics
Zimbabwe	Exotics
Kenya	Exotics
New Zealand	Kiwi
Australia	Grapes
South Africa	Avocado (Westfalia), exotics, melons, mango.

They are keen to plan deliveries in advance and provide daily market reports to senders.

Helper do not employ their own technologist but have used South African experts to help develop their trade in Central America.

They do not wish to invest outside Europe.

Helper do not feel that their other suppliers (eg Kenya, Zimbabwe) would conflict with imports from Gambia.

They have never imported from Gambia.

**NOTES ON A MEETING WITH BUD HOLLAND B.V. IN DELFT ON 11/2/94 RE
GAMBIAN PRODUCE EXPORTS**

Present: Mr. Paul van Pelt (Director)
P. Clarke (C.T.S.)

Bud Holland BV
Postbus 8
Hoomseweg 15
2600 AA Delft
Tel: (015)690690
Fax: (015)622790
Telex: 38154

The prospects for the following exports from Gambia were discussed:

Papaya

Sea freight important. May have duty advantages over Central America/ Brazil which are the main senders.

Beans

Mainly selling Bobby types. Mr. van Pelt felt that it would be hard for Gambia to compete with Egypt. Bud import large amounts from their company in Senegal from Jan-March.

Galia

Mr. van Pelt said that he was not happy with the quality of Galia melons by sea even from Israel (Bud is in the Agrexco panel). He has had Galia from Senegal by air but ran into maturity and colour problems. His best supplies come from Venezuela.

Herbs

Bud felt that this specialist trade was dominated by Israel.

Mange Tout

Tends to be overdone. The current FOB price for Guatemalan mange tout in 5lb cartons was USD 2.75-3.00. With air freight this comes to USD 6.25 CIF Rotterdam airport.

Strawberry

Believes Europe will soon produce all its own winter strawberries with the aid of new technology in Spain and Morocco plus extra glasshouse production in Holland, Belgium and UK.

Asparagus

Mr. van Pelt felt that product may have duty advantages compared to Central and South America.

Chillies

Bud believe that Morocco will dominate this trade with produce by truck.

Aubergines

A lot of competition from Spain.

Mango

Good potential if competitive with Brazil.

Sugar Snaps

Developing fast in Europe.

Sweet Corn

12 x 2 cob pre-packs at a typical C & F price of 21 Dutch F Rotterdam airport ex South Africa would have to be competed with.

Exotic Fruit

Some interest in purple Passion Fruits and Mangosteen/Rambutan. Current cost of Rambutan and Mangosteen ex Thailand are 16-21 Dutch F/2kg C&F Rotterdam airport.

Honeydew

Feb-April only when S. American supplies decline and before Spain starts.

Bud are major players in the exotics trade. Goods are handled on consignment. The company have a large storage and distribution depot in Delft. Much of their trade is with wholesalers throughout Europe rather than supermarkets.

Mr. von Pelt was unsure if his company would want to be involved with trade from Gambia. I think this was because of a conflict of interest with supplies from their company in Senegal and a fear of encouraging further supplies onto the European market.

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**NOTES ON A MEETING WITH JOS VAN-DEN BERG BV IN BLEISWIJK ON
10/2/94 RE GAMBIAN HORTICULTURAL EXPORTS**

Present: Mr. Henk Spijker (Managing Director)
P. Clarke (C.T.S.)

Jos van den Berg BV
Klappolder 170
P.O. Box 188
2665ZK Bleiswijk
Tel: 31 1882 42222
Fax: 31 1892 19449
Telex: 23574

The following products were of interest to this company:

Papaya

Minor interest.

Beans

Good interest. Mainly Bobby type plus flat climbing beans.

Galia

Good interest.

Charentais

Small interest due to the poor shelf life of the product.

Mange Tout

Minor interest.

Strawberry

Only really interested at Christmas.

Asparagus

Some interest November-February.

Chillies

Small interest.

Baby Corn

Small interest.

Okra

Small interest.

Aubergines

Good interest by sea.

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Mango

Good interest by sea.

Exotic Fruit

Minor interest in Cape Gooseberry, Carambola, Guarva, Mangosteen and Rambutan.

Ginger

Good interest by sea.

Honeydew Melons

Possible interest Feb–March by sea in 10 kg cartons.

The company has a large depot at Beliswijk.

Goods are sold on consignment. 8 per cent commission plus expenses are deducted.

About 60 per cent of sales are to supermarkets. Goods are sold throughout Europe.

They like to act as sole agents.

The company started in 1911 and has a turnover of 55M/year. At one time it was part of the Whitworth Group in the UK, but is now owned by a Curacao company.

Exotics are imported from Kenya (mainly beans and chillies) and Ethiopia (beans) (Etfruit brand).

The company's main business is, however, in:

Chile	UTC mark apples, pears, grapes, stone fruit
Brazil	MAISA mark melons, apples, grapes, etc
Peru	Asparagus
Korea	Asian pears
Uruguay	Citrus
Spain	Citrus, etc
Brazil	Mango

The company has its own farms in Uruguay (citrus) and Chile (kiwi). It is not, however, interested in investment in Gambia.

A company handout is available.

For a while they imported from Sifoe in Gambia. The produce quality was good but there were problems with continuity.

**NOTES ON A MEETING WITH POMONA IMPORT RE GAMBLAN
HORTICULTURAL EXPORTS HELD IN PARIS ON 8/2/94**

Present: Mr. M. Schwartz
(Directeur du Service Commercial International)
P. Clarke (C.T.S.)

Pomona Import
21, Rue Du Pont-Neuf
75039 PARIS CEDEX 01
Tel: (33-1)40.28.30.00
Fax: (33-1)40283014
Telex: 220997 POMONA

Main Depot - Zone Entrepots
Rungis, Paris

The following products were identified as of interest to Pomona:

Papaya

Very small demand.

Beans

Extra fine mainly. Pomona are large importers of Kenyan beans but are seeking new supplies as continuity of supply is poor due to a shortage of air transport. Bean consumption varies a lot between the regions of France. The largest market is in the Lyons area.

Charentais

Very keen on this line but not interested in Galia. 5kg. cartons required with counts 6-8 and a sugar content of 11° brix at despatch. The French Caribbean ships about 3,300MT to France in the winter but Mr. Schwartz believes there is room for more as the demand is expanding. As Charentais do not have such a good shelf life as Galia sea freight probably would not work.

Strawberry

250gm punnets wanted. Good interest.

Asparagus

Minor interest.

Chillies

Minor interest.

Chrysanthemums

Pomona are developing flower imports and were interested in this line.

Tropical Fruits

Some interest in Passion, Carambola, Guarva, Mangosteen and Rambutan.

Mango

Good interest in arrivals by sea. Only coloured types acceptable.

Limes

Good interest in green fruit sent by sea in 2kg cartons.

Aubergines

'Dutch' type better than the small varieties. Only competitive by sea. Mr. Schwartz was very critical of the quality of Spanish aubergines in the winter and would welcome a supply with better quality.

Pomona were not prepared to advise on quantities until they see samples and the exporters 'break even' prices C.I.F.. They would, however, prefer to start with small sendings by air.

Any mainland European port/airport is acceptable but not UK airports. Pomona bring all imports through their Rungis depot. A two week interval between sea arrivals was not considered acceptable unless supplemented by air deliveries. Arrivals in the early part of the week are best.

Pomona have extensive storage and packing facilities at Rungis.

Phytosanitary and Origin certificates are required.

All goods of the type under consideration are handled on consignment. 8 per cent commission based on the ex-depot price is charged. Exporters are also charged for the port expenses and transport to the Pomona depot but not the cost of delivery to the customer. Storage charges are only made if the goods have to be re-packed in France.

Pomona like to agree programmes in advance but stress the need for flexibility to respond to market conditions. While about 55 per cent of their sales are to supermarkets, they estimate that only about 35 per cent of the type of products under consideration from the Gambia will be distributed in this way.

Payment is made within 21 days.

Pomona do not insist on being sole agents but they ask for exclusive use of a brand. They have a substantial business with supermarkets and wholesalers in Spain and Italy as well as France.

The company has 40 branches serving all parts of France. Total sales are about \$1.4B/year. They are on the main panels and import bananas and citrus from S. America.

They maintain close contact with suppliers.

Pomona is not interested in investment in Gambia and does not pay advances or offer minimum guarantees.

The only competitive products they import direct are from Kenya. They have never traded with Gambia and believe that there are very few exports from Gambia to France.

Pomona have technical experts to advise suppliers.

Pomona are probably the largest wholesalers in France with about 8 per cent of the market.

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**PRIVATE NOTE ON 'MEETING' WITH SERVICE FRUIT IN BRUXELLES ON
9/2/94 - NOT FOR REPORT**

Mr. J. Thijs (Director)
Service Fruits
Quai de Usines 155, 1210 Bruxelles
Tel: (02) 215 1910
Fax: (02) 245 0843
Telex: 22602 COPRIM

I called at the above market stand.

Mr. J. Thijs was not there. I spoke for a few moments to another Mr. Thijs who told me that his company was only interested in offers of beans already in Belgium.

NOTES OF A MEETING WITH TROFI IN HAMBURG ON 14/2/94 RE GAMBIAN PRODUCE EXPORTS

Present: Mr. Norbert W. A. Timme (Managing Director)
P. Clarke (C.T.S.)

TROFI-TROPENFRUCHTIMPORT GMBH
Kontorhaus Grossmarkt
Lippelstrabe 1
2000 Hamburg 1
Tel: (040)335596
Fax: (040)327549
Telex: 2173211 TROF

The following products were identified as of potential interest from Gambia:

Papaya

Mr. Timme felt that supplies from Gambia were unlikely to be competitive with supplies from Costa Rica, which arrive on banana boats direct to Hamburg. He also receives papaya from Brazil by sea and air. Despite their good quality it seems they find it hard going against the cheap Central American supplies.

Beans

The German market for imported beans is about 90% Bobby and 10% extra fine. Most of the extra fine go to the high class catering trade. At present TROFI import about 12MT of beans from Kenya per week, but felt they could profitably sell more from Gambia.

Galia Melons

This is an important product for the German market. Sizes 5-8 in 5 kg cartons are best. Mr. Timme was not very confident about the potential for sea freight melons from Gambia as he has had a lot of problems with Galia from Moroc by sea. (6 days in transit). He believes, however, that air freight Galia would be of interest.

Charentais

Charentais are a small but useful product of the German market. The best size is 6-8.

Fresh Herbs

TROFI trade in this product mainly from Spain and Israel. The herbs are packed in 100 g bunches. Mr. Timme advised caution with herbs, however, as he regards it as a high risk business.

Mange Tout

Only minor interest due to over production and low demand in Germany.

Strawberry

Very large berries are required in Germany. (The Kenyan product is too small in this respect). Due to competitive production in Israel, Spain and Morocco, Mr. Timme did not think Gambia stood much chance with strawberries into Europe.

Asparagus

Germany is a very large market for white asparagus. Green asparagus consumption is going up, but remains small. During the winter months, white asparagus is imported from

Zimbabwe and South Africa. Suppliers from Gambia would be of interest, however. TROFI stressed that white asparagus is more difficult to handle than green as it tends to discolour rapidly.

Chillies

Minor interest in red and green Jalopino types.

Baby Corn

Of interest, but felt it would be hard to compete with the quality of Thai produce.

Aubergines

Main interest in the large 'Dutch' types by sea to sell at about 2DM/kg wholesale.

Mango

Green types do not sell well. Coloured types in demand, however. Sea freight needed to be competitive in most cases.

Sweet Corn

Minor interest in 12 x 2 cob pre-packs.

Globe Artichoke

Small interest. Most winter supplies come from Egypt.

Flat Beans

Interest January to March. (These beans are climbing french beans like those grown in Almeria).

Lychee

Good interest outside the South African season (Jan/Feb).

Passion Fruit, Cape Gooseberry, Mangosteen, Rambutan

Minor interest.

Ginger

Good interest in 5kg cartons.

Honeydew

Honeydew melons have been sent from Senegal, but quality was poor.

Mr. Timme was not prepared to predict the possible quantities that could be sold, until he had experience of handling small batches, and had some feedback from his customers.

About 75% of sales are to supermarkets. Almost all goods are sold within Germany.

TROFI like air deliveries to Frankfurt and sea arrivals at Hamburg or Rotterdam. Other arrival points outside the UK can, however, be handled.

They have their depot, with cold stores, etc. at Frankfurt airport.

Most goods are sold on consignment. Terms are 8% commission, plus the costs of discharge and all transport expenses, including delivery to the customer. Storage and other handling expenses are also deducted. TROFI would only be interested in goods on consignment.

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Payout is made in 4-5 weeks. International freight should be pre-paid.

They do not insist in acting as sole agents.

Mr. Timme will programme supplies with exporters, but finds that the German supermarkets have little interest in forward plans.

TROFI do not employ technologists.

TROFI, like FTK Holland, is part of Saba Trading AB. They do not serve on any panels apart from New Zealand kiwi. Mr. Timme feels that the large panels place too much between the grower and the importer.

Exotics are an important part of the company's business. Major suppliers include:

- Kenya
- Tanzania
- Zimbabwe
- S. Africa
- Mexico
- Senegal

Other important business is done with:

Mavoc Citrus, salads, potatoes. They have a small reefer each week from Agadir to Hamburg.

USA Pears

Australia/
New Zealand Onions

Blueberries Large amounts of fresh and frozen blueberries from Germany, Poland and Russia are sold.

At present, pineapples are being imported from Ghana by air. Full charters cost USD 0.50-0.60/kg. from Ghana to Luxembourg.

They do not see any conflict between Gambian suppliers and their other sources. TROFI have never dealt with Gambia. There is no interest in investment in Gambia.

**NOTES ON A MEETING WITH VAN DIJK BV HELD IN DELFT ON 11/2/94 RE
GAMBIAN PRODUCE EXPORTS**

Present: Mr. Harold Moonen (Marketing Manager)
P. Clarke (C.T.S.)

Van Dijk Delft BV
Hoomseweg 26
2635 CN Den Hoom
Postbus 5003
2600 GA Delft
Tel: 35 15 680280
Fax: 35 15 618187
Telex: 38013

The following potential products from Gambia were of interest to Van Dijk:

Papaya

Yellow, by sea.

Green Beans

Mainly Bobby.

Galia

Good interest by air or sea. Counts 5-7/5kg required. The company has recently imported Galia from Venezuela which were cut with about an inch of stem attached. The stem was then painted with 'Latex' to seal it. It seems this greatly improved quality on arrival.

Mange Tout

Good interest.

Asparagus

Good interest.

Chillies

They are now obtaining winter supplies from Spain.

Cut Flowers

Interested. Suggested roses.

Mango

Of interest by sea. Only coloured types.

Honeydew

Feb-March only.

Cherry Tomatoes

Good interest. Have had supplies from Senegal.

Pineapples

Van Dijk are importing from Ghana by Delmas Line. Could similar goods come from Gambia?

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Passion Fruits

Purple type of interest.

VDD were reluctant to quote quantities which could be profitably sold.

About 85% of their sales are to supermarkets. Goods are sold throughout Europe but Germany is the most important destination.

VDD have a very large packing and distribution depot at Delft. This is equipped with an extensive range of grading and packing equipment, mainly for handling Dutch glasshouse produce prior to export.

All goods are handled on consignment but I think large, long established suppliers are able to negotiate better terms. Their standard commission rate is 8% plus expenses from port to company depot. In addition, an extra 0.5% is deducted to cover credit insurance in the event that VDD is unable to obtain payment from their customer. In the UK, produce commission agents are legally bound to pay consignees, even if they fail to collect payment from the buyer. Elsewhere in the EU it seems agents are not obliged to act 'Del Credo' in this way. Payment is made within 21 days.

VDD are strong believers in forward programmes with suppliers. It is only in the UK, however, that supermarkets like to programme. They have also found that only UK supermarket buyers show much interest in visiting producers.

The company seek to act as sole agents as much as possible.

VDD has disbanded their technical team as they felt that suppliers were using their technical advice and then selling through other agents.

The company has a turnover of about 800 M Dutch F/year. The group includes the Superior group in the UK, which is heavily involved with supermarkets via its Huntingdon depot and also operates six large market stands. There are also procurement offices in Spain and a sales office in Berlin. Recently this office has built up a large trade with E. Europe.

As well as being a major buyer of Dutch produce, the company is on the Cape, ENZA, Agrexco, Apple Brazil and Tnuport/Jaffa panels.

The main supplier of exotics is Kenya and Zimbabwe. They no longer trade with Ethiopia.

VDD are not interested in investment in Gambia.

VDD is one off the giant Dutch companies with a very big investment in infrastructure and staff.

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NOTES ON A MEETING WITH FRUMAR LTD. HELD AT SURBITON, NR.
LONDON ON 28/1/94 RE GAMBIAN HORTICULTURAL EXPORTS

Present Mr. Robert Pring (Marketing Manager)
Dr. N. Smith (Technical Manager)
P. Clarke (C.T.S.)

Head/Sales Office: Tolworth Tower
Tolworth, Surbiton
Surrey KT6 7EL
Tel: 081-390-1133
Fax: 081-399-3499
Telex: 914800

Depot: St. Richards Road
Four Pools Industrial Estate
Evesham
Worcs WR11 6XJ
Tel: 0386-49775
Fax: 0386-41052
Telex: 338320

(Frumar also trade as Worldfresh Marketing Ltd).

The following possible Gambian products were identified as of potential interest to Frumar.

Papaya

Good interest. At present Frumar receive supplies by sea from Brazil. (Season - all year).

Green Beans

Main interest in Bobby types rather than fines. (Nov - May).

Galia

Suggested that sea freight would be best. (Dec - April).

Mange Tout

Feel market over supplied. (Oct - April).

Strawberry

Good potential. (Nov - March).

Asparagus

(Oct - March). Mr. Pring believes this line is very price sensitive now.

Chillies

Mainly Fresno types.

Cherry Tomato

(Dec - March). Imported at present from Gambia.

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Baby Corn
(All year).

Aubergines
(Dec – April). By sea, if possible.

Mango
(All year).

Sugar Snaps
(Oct – May). Good interest.

Sweet Corn
(Oct – May). Strong interest in bulk packs of sugar sweet varieties for pre-packing in UK.

Runner Beans
(Nov – May).

Tropical Fruits
Lime, Lychee, Passion, Cape Gooseberry, Carambola, Guarva, Mangosteen, Rambutan. (All year).
(Volumes small in many cases).

Squash
Types in demand include – Gem, Acorn, Munchkin, Buttercup, Onion and Patty Pan.

Salad Onions
(Dec – March). Frumar import from Mexico at present, but would welcome a new supply as they feel they only get supplies when the USA market is weak.

Mr. Pring suggested the following possible volumes:

Papaya	-	1 container every 2 weeks by sea
Galia	-	2,000 x 5kg/week
Beans	-	1,000 x 3kg/week
Strawberry	-	500 outers/day.

He suggested that it would be best to start with small volumes and build up.

Frumar sell about 55 per cent of their sales to supermarkets and the balance to

wholesalers and processors. They feel that Gambian produce needs a better track record before it can be safely promoted to supermarkets.

They have no special quality/packaging requirements.

Only air deliveries, direct to UK airports, are acceptable. Any European seaport can be used. Arrivals in the early part of the week are best for very perishable goods.

The company has its own depot in Evesham which has all the facilities required for modern produce marketing.

Frumar offer CIF or minimum price deals for long established, main line, suppliers, but most goods are handled on commission. Terms are 8 per cent plus normal expenses at cost. They do not pay advances or work on joint account. Suppliers are expected to pay for the international freight. Growers are paid within 28 days of delivery.

The company is keen for suppliers to insure their goods against loss or damage in transit.

They are not interested in taking equity in Gambian companies, but are willing and able to provide technical support.

Frumar are very concerned about standards of hygiene and pesticide use. They require suppliers to sign a certificate of good practice on these points. A copy is enclosed.

They feel that a sole marketing agency is best, but do not insist on this.

Frumar like to agree programmes in advance with suppliers.

The 'Worldfresh' brand is used on some produce, but this is not vital.

The company has recently started a department dealing in processed fruit and vegetable products.

Little re-export is done to the EU.

Frumar started in 1984 and now has a turnover of £30M/year. It acts as an importer and primary wholesaler only.

Main areas of business are:

Exotics from 40 countries including Gambia		
Chile	-	Grapes, soft fruit
Spain	-	Vegetables, grapes, citrus, salads
USA	-	Plums, cherry, radish, apples
France	-	Various
UK	-	Salads, vegetables, soft fruit
Mexico	-	Salad onions, grapes
India	-	Grapes
Greece	-	Citrus, grapes, vegetables.

A company handout is enclosed together with an availability list for 30/1/94.

120 people are employed. There are procurement offices in USA, Canada, Chile, France and Spain.

They are not on any panels.

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Furmar import from Sifoe Farms in the Gambia. They value this business and feel that it could be expanded.

Information on prices, Q.C., etc are provided to suppliers daily.

Furmar is a rapidly growing importer with high standards and very experienced staff.

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NOTES OF A MEETING WITH SAPHIR HELD AT FAVERSHAM, U.K., ON 1/2/94

Present: Mr. I. Chesterman (Procurement Manager - International)
Ms. J. Boardman (Technologist)
P. Clarke (C.T.S.)

Saphir International
The Oast, Perry Court,
London Road, Faversham,
Kent, ME13 8RY
Tel: (0795) 530700
Fax: (0795) 530797
Telex: 96 5285

The following products were identified as of potential interest to Saphir from the Gambia:

Papaya

Would probably have to come by sea to be competitive with S. American suppliers. Demand is modest and Mr. Chesterman was cautious about the prospects. He suggested that, in the long term, papaya may have the best prospects as part of a prepared tropical fruit salad.

Green Beans

(Nov-May). Interested in fine and bobby beans. This is a competitive market and much would depend on the potential to undercut Kenya on price through lower freight costs, etc. It was stated, however, that some supermarkets were seeking alternative suppliers to Kenya as:

- a) They are unhappy about some supplies coming from a large number of smallholders as this leads to a lack of uniformity and control.
- b) In some cases the beans are at ambient far too long between picking and arrival at the packhouse, resulting in a loss of freshness.

Galia Melons

Strong interest from Nov-April. Sea freight if possible.

Charentais Melons

Fair interest. Nov - April.

Mange Tout

Fair interest. A bit over supplied recently.

Asparagus

Competative on price. Interested in standard bundles and tips. Mainly green asparagus required.

Chillies

(Dec - May). Fair interest in Fresno types. Red and green.

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Baby Corn

(All year). Saphir are major dealers in Thai mini-corn but are interested in other sources. Air freight rates from Thailand are currently £1.40 – £1.80/kg. Mr. Chesterman commented that baby corn worked best on farms with livestock to eat the large volumes of waste stems, leaves, etc.

Aubergines

(Dec – April). Good interest in medium/small fruits. Sea freight if possible but air acceptable.

Mango

Good interest in coloured varieties. Sea freight probably needed to be competitive with Central America.

Mr. Chesterman was concerned about fungal damage on W. African mangos.

Mini Vegetables

Minor interest. Feels that demand is falling.

Sugar Snaps

Good interest (Oct – May).

Sweet Corn

Strong interest in super sweet varieties sent by sea. (Dec – April). Main competition is USA and South Africa.

Runner Beans

Good interest (Nov – May). Main competition is Zimbabwe (April – July), Central America (Oct – April) and S. Africa (Jan – March). It was stated that specialist technology is needed to grow runner beans in the tropics. Saphir claim to have this knowledge.

Limes

Fair interest in green samples sent by sea.

Squash

Minor interest in butternut (Nov – June).

Ginger

Good interest.

Sweet Onions

Would like to see samples.

Salad Onions

(Nov – April). Strong interest by air.

There were no special quality/packaging requirements other than those noted above.

Typical volume requirements were suggested as follows:

Green Beans - 2-5MT/week
Galia - 150MT/season (60MT in Dec. for Christmas trade)
Mange Tout - 2-3MT/week
Sweet Corn (standard size) 28MT/week (by sea)
Aubergines - 7-8MT/week.

About 88 per cent of Saphir business is with multiples and the rest with the wholesale trade. Mr. Chesterman was confident that he could place Gambian produce with supermarkets at the start of the project provided that acceptable facilities, technology and management are in place.

Air arrivals at any N.W. European airport are acceptable. Any EU seaport can be serviced. The best time for air arrivals is the early part of the week.

Saphir have their own modern packhouse, etc. at Faversham and also use sub-contract facilities. Much of the goods are now pre-packed in the country of origin.

Most imports require phytosanitary and origin certificates.

Well established suppliers often work on a C.I.F., minimum guarantee or similar basis. Advances are sometimes paid. Most business is done on a free consignment basis, however. 10 per cent commission is charged on the price at the point of sale. Handling expenses are also deducted at cost. Typical charges for a one ton air container would be:

Clearance through airport - £50
Transport airport to depot - £50-70
Storage, re-packing, etc. very variable, from 30p-200p/box
Delivery to customer - 40-50p/box.

Payment is made within 21 days of delivery to Saphir.

Saphir claim to provide a high level of technical support to suppliers. No extra charge is made for this.

Daily contact is made with exporters to report on prices, etc..

Exporters normally pay the international freight costs direct.

Saphir are keen to agree export programmes in advance.

Saphir is part of the Albert Fisher Group which has sales offices in Europe. They claim to be able to service the European supermarkets and wholesale trade via these offices.

Saphir will only represent exporters, on a long term basis, as sole agents in the UK. Increasingly they also seek to be sole agents for the whole of Europe.

Saphir was founded in 1948 and is now split into two divisions - Fruit with a turnover of £80M/year and vegetables with sales of £25M. Exotic produce such as the lines proposed from the Gambia are handled by the Vegetable Division. Exotic sales are currently £250,000/week.

The company is on all the main panels and much of its fruit business comes via this way. It is also strong in French apples and citrus from Cyprus.

The Vegetable Division acts as the marketing agent for six UK producer co-operatives mainly involved in field vegetables and potatoes.

The main suppliers of exotics are Guatemala, S. Africa and Zimbabwe but they do not feel that these conflict with Gambia.

Small imports are being made from SIFOE farms in Gambia. About 1MT/week of air freight melons and chillies are imported. The business is done on a speculative trading basis only. At one time they also imported vegetables from a CDC run farm in Gambia, but they understand this now only grows flowers.

From time to time Saphir invest in suppliers companies, but only when a long term partnership has been built up. They have also made long term loans to suppliers for the purchase of capital equipment such as graders.

They may also be prepared to assist with the provision of expert staff in Gambia.

The Albert Fisher Group is involved in fresh produce and fish trading in N. America and Europe. It also has interests in processed foods. Total sales are about £1.2 billion/year.

Saphir is one of the giants of the EU fruit trade built on a reputation for innovation and growth.

**NOTES OF A MEETING WITH J. O. SIMS (MANAGING DIRECTOR) RE THE
POTENTIAL FOR GAMBIAN HORTICULTURAL EXPORTS**

Present: Mr. C. O. Sims (Managing Director)
P. Clarke (C.T.S.)

Head/Sales Office: J. O. Sims Ltd.
16, Winchester Walk
London, SE1 9AQ
Tel: 071-407-0756
Fax: 071-403-4889
Telex: 885386

Distribution Depot: Pudding Lane
Pinchbeck
Spalding
Lincs PE11 3TJ
Tel: 0775-762271
Fax: 0775-762132

(1) The following products were identified as being of potential interest to J. O. Sims:

Papaya
(All year). Increasing demand.

Green Beans
(Nov - May). Fine type only. Possibly trimmed.

Galia Melon
(Dec - April). It was felt that this line could only be handled in volume if sent by sea to reduce freight costs. Mr. Sims believes that winter melons sent by air will become uncompetitive soon as more goods are sent by sea.

Charentais Melons
An increasing trade. Counts 5-8 in demand. (Season Dec-April).

Corriander
(Dec - May). No other fresh herbs of interest.

Mange Tout
(Oct - April). Only small pods of interest. Trimmed samples useful. Sims are major importers of Guatemalan mange tout but believe this source will decline due to freight costs. They are, therefore, interested in new sources of supply despite the fact that the UK market has been oversupplied recently.

Strawberries
(Nov - March). In punnets.

Asparagus

(Oct - March). Bundles not trays.

Chillies

(Dec - May). Red and green. Fresno and long thin types.

Baby Corn

(All year). Mr. Sims commented that several countries have tried this but been unable to compete with the quality of goods from Thailand.

Okra

(All year). Very small demand, mainly from ethnic markets.

Aubergines

(Dec - April). Mini types best. Sea freight probably required to be competitive on price.

Mango

(All year). Main market for red and bicoloured types. Again sea freight best to keep costs down.

Mini Vegetables

(Oct - May). Some interest. Main lines in demand are courgettes, cauliflower and carrots.

Sugar Snaps

(Oct - May). Mainly a supermarket line but demand increasing.

Sweet Corn

(Dec - May). Could be pre-packed in Gambia and sent by air or sent by sea for packing in UK.

Globe Artichoke

(Dec - April). Very minor line.

Runner Beans

(Nov - May). Good prospects for loose and pre-packed goods, but mainly sold via supermarkets.

Exotic Fruits

Interest was expressed in the following:

Lime (Must be green and sent by sea to be competitive.

Lychee (not Dec - March when S. African supplies flood market).

Cape Gooseberry

Passion Fruits

Star Fruit.

Ginger

(All year). By sea only. Large pieces required, free of shoots.

Patty Pan Squash
(Dec - May). By air?

Honeydew Melons
Mr. Sims was very dubious that the Gambia could compete with Brazil.

Sweet Onions
Mr. Sims was unsure about this line and said he would like to see samples and an estimated C.I.F. cost before he could advise.

Salad Onions
Mr. Sims suggested that this line should be considered for the Dec - March period.

Cherry
Mr. Sims expressed an interest in this line. I said that I did not think it could be grown in the Gambia but would check.

J. O. Sims Ltd. do not provide specifications, except for supplies to supermarkets, but expect goods to meet EU grading standards where available (Grade 1), or normal trade standards of quality and packaging.

Their sales are split about 50 per cent to supermarkets and 50 per cent to wholesalers.

Demand peaks occur at Christmas and, to a lesser extent, Easter, for most products.

Mr. Sims was not prepared to set quantities at this stage, but suggested he could sell 'several hundred' boxes a week of products such as beans, Galia, Charentais, strawberries and mango.

J. O. Sims are only interested in air deliveries to UK airports. Sea arrivals at any N.W. European port are acceptable.

The company has recently spent £3M+ on a new depot at Spalding. This provides facilities for cooling, cold and ambient storage, pre-packing, re-packing, Q.C., distribution, etc. The company's technical manager, Dr. David Smith, is based in Spalding. (Dr. Smith visited Gambia about 5 years ago when he was employed by Geest Foods).

In addition to transit documents (AWB, etc.), Sims require phytosanitary certificates for most products and a Certificate of Origin. Mr. Sims explained that he had heard that there were problems with C. of O. from Gambia and without these they are not allowed in duty free under the terms of the Lome Convention.

All goods are handled on a consignment basis. 6 per cent commission on the gross selling price is charged. Expenses are also deducted such as airport/port costs, clearing agents fees, storage (5p/pack/week), re-packing, delivery (about 6p/kg), etc. Account sales are presented and payment made within 28 days of receipt. J.O. Sims prefer the exporters to pay the international freight charges direct.

J.O. Sims Ltd. would wish to act as sole agents within the UK. They believe this is important when dealing with supermarkets.

Sims have their own registered 'Tropical Taste' brand which may be available, but they do not insist on its use.

They are not interested in equity investments in Gambia, but are keen to provide technical support.

Mr. Sims stated that to make any real progress in the UK market, Gambian exporters would have to serve supermarkets via their importer. In order to do this they would have to:

- a) Be able to show acceptable standards of hygiene, Q.C., chemical residues, etc.
- b) Have a good track record over at least two seasons with regard to quality, continuity and general reliability.

Without these he felt supermarkets would not be interested and he would not be prepared to risk the reputation of his company with the supermarkets.

The company is keen to plan deliveries ahead. Little produce is re-exported to the EU. Processed foods are not handled much.

J.O. Sims Ltd. was founded in 1896 and has a turnover of £15M/year. It serves customers by telephone and does not have its own market stands.

Its main business is:

N. America - Cherry, Cranberry, Apples, Dates, etc.
Central America - Exotics
Cuba - Citrus, exotics
S. America - Citrus, grapes, melons, exotics
Spain/Italy - Apples, stone fruit
India - Grapes (seedless)
Turkey - Citrus
S. Africa - Melons, exotics
Zambia - Exotics.
(They do not deal direct with Kenya).

They are not on any large panels.

Information on prices, trends, Q.C. reports, etc. is sent to suppliers by telephone/fax daily, or as required.

Sims do not handle Gambian goods at present.

Mr. Sims was keen to send his technical manager on a visit to the Gambia in order to progress suppliers further. This company is well established and progressive. It is small enough to provide a very personal touch to its business.

Throughout our meeting Mr. Sims stressed that there was only room for grade one goods, sent on a regular basis, within a competitive price structure.

NOTES ON A MEETING WITH EXOTIC FARM PRODUCE LTD HELD AT KIRTON, LINCS ON 22/2/94

Present: M. M. Paske (Director)
P. Clarke (CTS Ltd)

Head Office: 628 Spur Rd, Feltham, Middx, TW14 0SX
Tel: 081-890-2222
Fax: 081-890-6261
Telex: 9419833

Depot: Mani Estate, Skeldyke Road,
Kirton, Boston, Lincs, PE20 1LR
Tel: 0205-724100
Fax: 0205-722691

The following products were identified as of interest to Exotic Farm Produce Ltd:

Papaya	Good interest
Beans	Interest in green, bobby and runner
Galia	By sea if possible
Charentais	Minor interest
Asparagus	Good interest in winter month. E.F.P. Ltd are specialists in UK and imported asparagus
Chillies	Some interest
Baby Corn	Good interest
Okra	Some interest
Aubergines	Of interest by sea
Mango	Coloured types and green (eg Alphonso) of interest. Sea freight if possible
Mini Vegetables	Small courgettes of interest
Sugar Snaps	Demand increasing
Sweet Corn	Pre-pack at source. Oct-May
Globe Artichokes	Standard and 'cocktail' size required in the winter months
Squash	Gem & Patty Pan types
Ginger	Good interest by sea
Honeydew	Possible market if quality better than Brazil
Sweet Potatoes	Strong interest

The companies sales are split roughly:

- 60 per cent supermarkets
- 30 per cent wholesalers and packers
- 10 per cent re-exports mainly to Belgium, Holland, France, Germany and USA

Exotic Farm Produce have a depot near Heathrow airport and another at Kirton which is well equipped for pre-packing, etc.

Most goods are purchased on a CIF basis. Other systems used are minimum guarantee or joint account.

They will pay international freight in some cases.

The company is keen to programme suppliers with growers.

EFP like to act as sole agents.

The company was founded in 1983 following the merger of M. Paske Farms Ltd & Dohani Traders. The current turnover is £15M. Exotics is the companies only business. Key activities include Kenya, Thailand, Central America, South Africa, etc. They are not on my panels.

Mr. Paske stated that he may be interested in investing in The Gambia as he has done in Thailand and Kenya.

The only imports from The Gambia to date are a few mangos.