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Voluntary Public

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Afghanistan's Vibrant Apple Market

Report Categories:

Fresh Deciduous Fruit

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Report Highlights:

Due to favorable weather, improved extension and limited pest and disease problems, apple production in Afghanistan is forecasted to increase by five to ten percent, or 77,000 metric tons, in Marketing Year 2013/14 (April/March). Apple prices received by the farmer as well as at the retail level remain extremely low around harvest but increase dramatically over the course of the year due to strong demand but low cold storage availability. According to data from the Afghan Government's Central Statistics Organization, during the Afghan MY 2012/13 apple exports from Afghanistan totaled \$7.7 million. Exports were reported nine destinations dominated by Pakistan, India and Turkmenistan. Pakistan was the largest importer in MY 2012/13, importing 23,532 metric tons of fresh apples from Afghanistan.

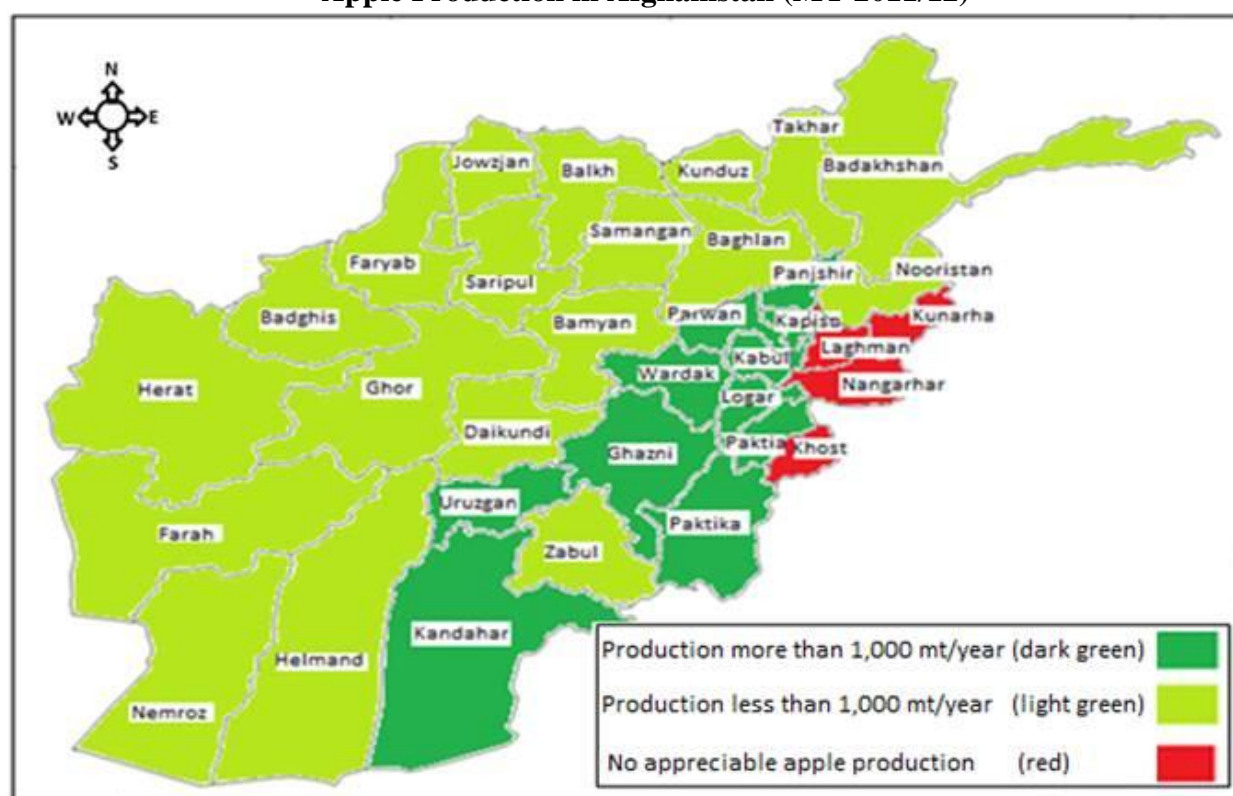
Production:

Apples are an important fruit in Afghanistan, and apple trees are well-suited climatically. Production of apples is concentrated in seven provinces: Wardak, Kabul, Kandahar, Parwan, Logar, Ghazni and Balkh, but apples are grown in 23 other provinces too. Current apple production is almost exclusively from exotic varieties imported around 20 years ago. Out of almost 20 exotic varieties of apples, only three varieties are grown commercially:

- Red Delicious
- Golden Delicious
- Granny Smith (known as Green Delicious in Afghanistan)

Cultivation is on the rise along with production. Domestic markets do see competition from imported fruits from Iran and Pakistan, but domestic demand remains strong, accompanied by demand in regional markets. Apples are an important cash crop in Afghanistan, accounting for about five percent of all cash crops as of a 2003 FAO horticulture survey.

Apple Production in Afghanistan (MY 2011/12)

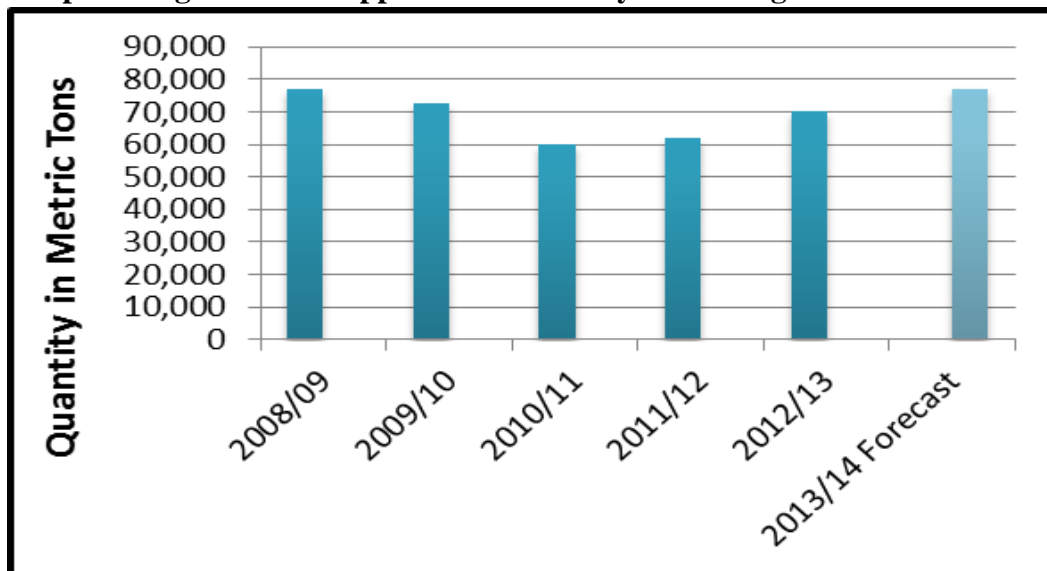


Source: Map compiled from Ministry of Agriculture, Irrigation and Livestock data.

The Ministry of Agriculture, Irrigation and Livestock (MAIL) predicts that 2013/14 production will be up by at least five percent and perhaps as high as 10 percent. MAIL is optimistically forecasting 2013/14 production at 77,000 metric tons compared to 70,000 metric tons in 2012/13. This projection is supported by reports from the Provincial Directorates of Agriculture, Irrigation and

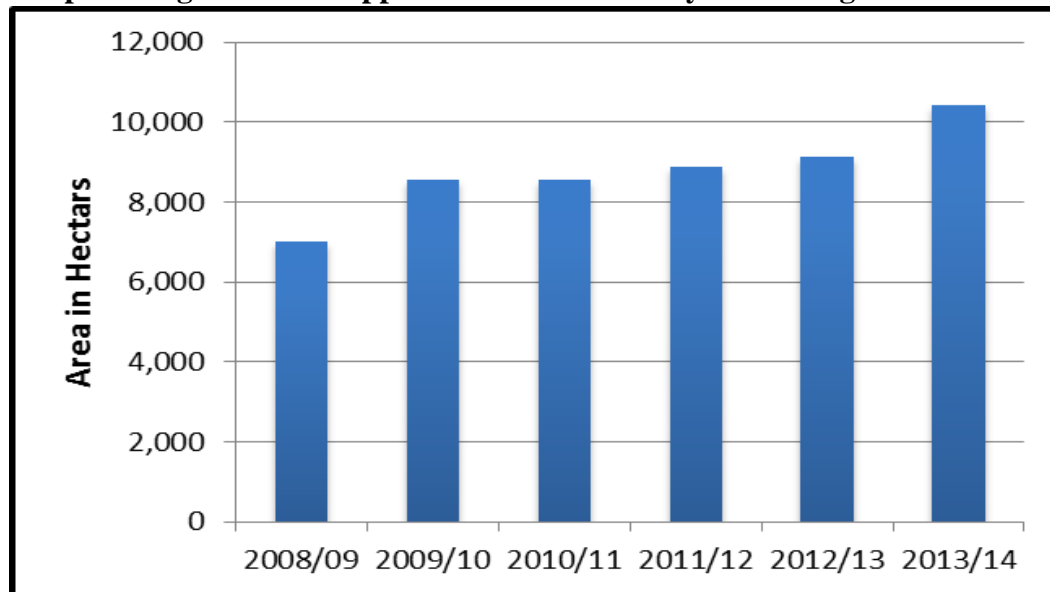
Livestock (DAILs) in the seven main apple producing provinces. Production increases are being attributed to factors such as intensified efforts by the extension agents, favorable weather, limited pests and diseases and support from international donors for apple production.

Graph 1: Afghan Fresh Apples Production by Marketing Year



Source: Ministry of Agriculture, Irrigation and Livestock

Graph 2: Afghan Fresh Apples Cultivated Area by Marketing Year



Source: Ministry of Agriculture, Irrigation and Livestock

International Support for Apple Production:

Among the international donor support programs for apples are the World Bank-funded National Horticulture and Livestock Program (NHLP), which seeks to rehabilitate and establish orchards, and the European Commission-funded Perennial Horticulture Development Project (PHDP) which established apple orchards in 14 provinces in the North and East in 2010/11. In addition, the U.S. Agency for International Development-funded Commercial Horticulture and Agriculture Marketing Program (CHAMP) established apple orchards in Paktika province.

Consumption:

Apples are the most consumed fruit in Afghanistan. The vast majority of apples are consumed at home or from juice shops as apple smoothies. Apples are also considered an excellent food to present at weddings and other celebrations. As noted in the picture below, Afghans prefer large apples to be shared by several people or at a feast.



Apples from Paktia Province, photo from 2013 Kabul International AgFair.

In the last 10 years The Afghan Government's Ministry of Commerce and Industry has promoted the processing of apples, either via improved packaging or processing into juice. One factory produces a juice called Juic-e-Watani (homemade juice) which is enjoying steadily growing sales. While processing remains limited, the Afghanistan Chamber of Commerce and Industry (ACCI) works with juice factories in several parts of Afghanistan including Kabul, Herat, Balk and Kandahar.

Prices:

The average retail price of apples in the country in MY 2012/13 is Afs 40/kg (approximately USD\$0.7/kg at the current exchange rate). According to the Directorate of Statistics and Marketing Information, the prices will come down to around Afs 10-15/kg (approximately USD\$0.2/kg) in the months immediately following harvest. The wide fluctuations in price reflect the inadequate supply of cold storage in Afghanistan.

Trade:

Like many commodities in Afghanistan, data on the export and import of apples is limited. Import data is virtually non-existent, and there is debate about the actual quantity of exports. Information suggests that traders will deflate their numbers of exports to avoid paying higher taxes. This distorts the level of exports as reported by the Afghan Government, and independent data does not exist.

Table 1: Afghan Apples Export Statistics MY 2007/08 to 2012/13

Afghan Export Statistics: 080810, Apples, Fresh					
<i>Quantity: Metric Tons</i>					
<i>Afghan Marketing Year: April/March</i>					
Country	2009/10	2010/11	2011/12	2012/13	Apr-Sep2013 (6 months)
Pakistan	9,331	955	3,693	23,532	600
India	11	17	2,750	811	1,093
Turkmenistan		353	180		
Tajikistan		56		66	28
Iraq		59			
Canada	24				
Turkey		24			
United States				9	
UAE	0.77				
TOTAL	9,367	1,464	6,623	24,418	1,721

Source: Central Statistics Organization and the Afghanistan Chamber of Commerce.

Note: large increase in exports to Pakistan in 2012/13 reflects easing of border constraints.

Most exported Afghan apples go to Pakistan. Exports to Pakistan and India have fluctuated greatly over the last several years. This is mainly caused by transportation problems and issues at the border with Pakistan. In MY 2012/13 the export increased by 368% compared to MY 2011/12. (Graph3) The implementation of the Afghanistan-Pakistan Transit Trade Agreement is likely the main cause for this dramatic increase.

Although reliable data are not available, Afghanistan also imports a large amount of fresh apples every year from China, Pakistan and Iran. The imports reflect the fact that Afghanistan does not have adequate facilities equipped with cold storage to keep apples long after the harvest.

