



Uzbekistan outruns Spain in cherry exports and enters group of global leaders

Thanks to active expansion of areas under cherry orchards in 2013-2017, Uzbekistan has significantly increased cherry exports, become the fourth largest global exporter and outrun Spain in cherry export volumes. In 2017, according to EastFruit, Uzbekistan exported about 32,000 tons of cherries, 5,000 tons more than Spain. In 2018, EastFruit analysts expect the exports to go up to 36,000-38,000 tons.

Just 5 years ago Uzbekistan exported no more than 5,000 tons of cherries, but the export volumes have jumped in 2016-2017. The progress seems to be even more remarkable considering that the quality of Uzbekistani cherries (as the end product) is still relatively low from the market point of view.

Uzbekistan still ships about 99.5% of cherries to Russian and Kazakhstan, and dependence on these markets poses a problem for further business development. Uzbekistani products are not in demand in other countries despite their nice flavor and taste qualities. Thus, all attempts to diversify export are still unsuccessful.

The Uzbekistani cherry sector loses competition due to too wide diversity of varieties, mainly small sizes of grown fruits, as growing technologies are outdated in the country, lack of cherry sorting facilities, problems with cooling and packing technologies. In addition, there are many questions to food safety, as cherry growers use a wide range of different plant protection products, often of unchecked efficiency and uncertain origin.

Export development is as well decelerated by market regulation: required full advance payment for products shipped for export necessary for customs clearance, fixed minimum prices, attempts to monopolize export through inefficient state-owned and quasi-public structures etc.

However, the sector's most serious problem is inefficient marketing. Participating in international exhibitions and advertising their products, Uzbekistani companies often do not respond to phone calls and email enquires of their potential clients, and their web-sites often are out of operation. Naturally, the image of all Uzbekistani suppliers is rather negative.

Under conditions of growing supply of cherries, all those factors have resulted in a sharp fall in domestic market prices in 2017. Many farmers were forced to sell their cherries at \$0.35-0.45/kg, despite promises to purchase all grown volumes at prices 10 times as high made by Uzagroexport, Uzbekistani state-owned company.



Nevertheless, Uzbekistani cherries have a great global potential. Despite all the problems, traders have been shipping small quantities to South Korea, and, in 2018, Uzbekistan has for the first time entered the Chinese cherry market. With right varieties and technologies, Uzbekistani cherries can as well find their place in the EU market, as their season starts earlier than in Turkey. Meanwhile, low prices are still Uzbekistani cherries' main competitive advantage, while the attempts must be made to be competitive also in quality. Nonetheless, still being of relatively low quality, Uzbekistani cherries have already started exerting downward pressure on Turkish suppliers in Russia.

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