

CEPI Brief N° 7

Strategic positioning study of the dates processing branch

FOREWORD

Dates constitute one of the leading exports of the Food Processing Sector. During the period 1990-1999, the value of date exports reached 12% of total sector exports, representing an average annual value of 50 million dinars. Over 80% of dates exported are the Deglet Nour (DN) variety.

NATIONAL SITUATION

The Dates Processing Branch counts 35 units distributed between the North and the South of the country, that process around 30% of the harvest (30000 tons) of which 80% is DN.

Date harvest for the 2000-2001 season increased to 104 260 tons of which 59 560 tons were DN and 34 700 tons were composed of other varieties (Bisr, Kenta, Rochdi, Kentichi, etc...), that are regrouped under their generic name of common dates (CD), versus 73600 tons for the 1996-97 season, representing an increase of **30%**.

The quantities of dates exported by Tunisia during the 2000-2001 season reached 36 060 tons for a value of 86 MD (of which close to 75% was DN), versus respectively, 26 772 tons and 67 MD for the 1999-2000 season.

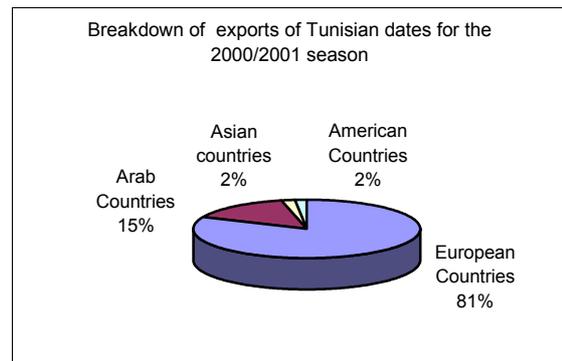
This increase, representing a **35%** increase in terms of volume and a **29%** increase in terms of value was essentially the result of:

- ❖ The improvement of the quality of Tunisian dates
- ❖ An increase in the quantity of dates exported to Morocco, Spain, Greece, Switzerland and Brazil
- ❖ The adherence of a third of the processing units to the National Modernization Program.

Tunisia exported in 2000-2001 around 680 tons of organically grown dates versus 425 tons in 1999-2000.

Germany is Tunisia's premier client for dates followed by Belgium and France.

The principal destination for Tunisian date exports is the European Union which imported in 2000-2001 around 81% of date exports.



INTERNATIONAL SITUATION

World production of dates reached 5 million tons in 1999 versus 3.4 million tons in 1990.

The Middle East is the principal producer of dates representing 52.4% of production, followed by the Maghreb (31%), Asia (11.4%) and Algeria (4.6%). The remaining 0.7% of world production is divided among the USA, Mexico, Peru and Spain.

70% of world production comes from only 5 countries: Iran, Egypt, Iraq, Saudi Arabia and Pakistan.

The Middle East is the principal exporter of dates representing over 75% of total export volume, followed by Asia with 13% of total volume and the Maghreb with 8% of total volume.

Tunisia held the position of the 6th ranking exporter of dates in 1998-1999 (27 300 tons of dates, representing around 6% of total world exports).

Over the period 1990-98 the average exporting price in Western Europe (with the exception of France) and the USA rose to over 3 USD/Kg. France on the other hand, has always maintained prices fluctuating around a half a dollar relative to Tunisia (2.2 – 2.7 USD/Kg).

Prices for Algerian dates have a tendency to plunge (1.6 USD/Kg).

Finally, the countries of the Middle East and Asia have maintained relatively low stable prices (0.7 USD/Kg).

World imports of dates in 1998-99 were 633 000 tons for a value of 319 million US\$.

The Middle East and Asia together import 80% of world volume, followed by Europe which represents around 10% of volume.

INTERNATIONAL COMPARISON

The Benchmarking analysis comparing Tunisia against four other countries has resulted in the following observations:

- Over the period 1991/92-1998/99, Tunisia remained the leader on the European Union market, representing an average market share valued at 43% of the market, followed by Algeria (15%), France (12%) re-exported, and the USA (7%).
- Between 1990/91 and 1998/99, the exporting price of 3 traditional exporters of Deglet Nour dates, Tunisia, Algeria and France have decreased around 20%, while the new comers like the USA have succeeded in raising their average prices by 45 %, based upon the originality and the quality of their offer.
- Tunisia and Algeria need to implement an international marketing strategy, distinct from that of the USA where the production of dates more recently has been oriented towards the international markets.
- The USA has established quality assurance systems, contrary to Tunisia and Algeria.
- With a few exceptions, the branch must evolve from an artisan and agricultural activity to an industry.

OBJECTIVES 2006

Given that Tunisian dates are already well known around the world, the strategic option for the development of the branch is based upon the production of quality dates and an increase in value added, in order to consolidate the position of Tunisia on the international market.

In order to realize this objective, concrete actions are recommended.

ACTIONS TO UNDERTAKE

➤ Actions within the enterprises

- Implement upgrading actions by enterprise groups.
- consolidation of modernization plans.

➤ Institutional Measures

- Overall revision of the approval system for date processing units.
- Awareness and presentation of the strategy to the enterprises.
- Travel for studies and awareness for markets for Tunisian enterprises.
- Creation of an observatory for the branch.
- Price liberalization.

➤ Promotional Actions

- Promotional campaigns for dates targeted at tourists in Tunisia (hotels and Tunisair)
- International promotional campaigns for dates.
- Organization of buyer visits to modernized Tunisian enterprises of the branch.

The overall cost of these action programs is estimated at 20 million dinars of which 3 million dinars will be for immaterial investment.

➤ Enterprise creation and Partnership

The study has resulted in the identification of 2 project files to promote.