

Exporting Mangoes

An integrated Approach

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Where are we coming from?

Early 90's

- Rapidly growing industry
- Distinct timing advantage globally
- Very presentable variety
- Underdeveloped markets

= opportunity

No cost effective method of delivering fruit to these markets



Developing an opportunity

- Plan was put into motion to develop the systems to deliver the fruit to these markets
- Exploiting our window of opportunity and allowing the large scale development of an industry



Background

- Cheap freight system, that will deliver large quantities of acceptable quality fruit to the markets.
- **SAILING TIMES** est ex Fremantle
 - Singapore 5 days
 - Hong Kong 12-14 days
 - UK 22 days
 - Middle East 17 days



Calendar of events

- 1994-1999
 - *Identified market opportunities*
 - *Development of post harvest technology*
 - *Proving it could work*
 - *Commercially Impractical*
- 2000
 - *MA Singapore & Dubai*
- 2001
 - *CA Dubai & London*
- 2002
 - *CA London*
- 2003
 - *CA Netherlands (London/Paris/Switzerland)*
- 2004
 - *CA Netherlands X 3 (London/Paris/Belgium/Russia)*



Background:

- Post harvest work using Modified Atmosphere, MAP 1993-1996
- Successfully stored KP for 42 days and TA for 56 days with 5 days shelf life
- Problems commercialising technology.



Background

- Advent of CA and MA technology for containers
- MA containers selected (Singapore and Dubai)
- Singapore first give quick result. Dubai to test the system
- Testing Logistics of System. Identify impediments.



Change of focus Why Europe?

- Mango Imports fastest growing in the world
- Seasonal advantage Limited competition
- Large affluent population sophisticated market
- New Product
 - Opportunity to influence market size etc.
- Distance is our advantage
 - Competitive advantage over air freight
 - Potential to isolate market from Aust wholesale market price.



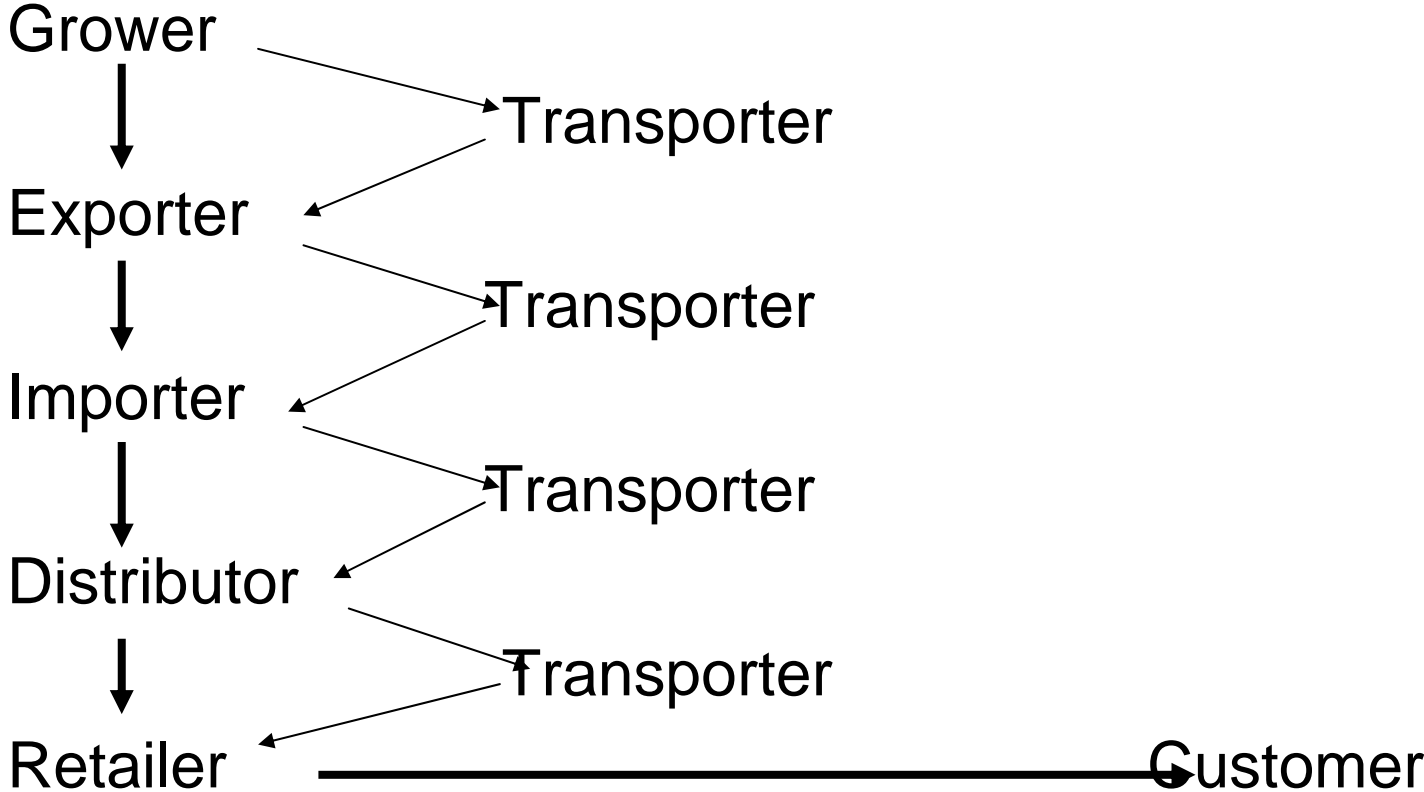
What we have learnt along the *Way* Realisation (2001)

No market for KP in Europe

- Fruit characteristics
- Have to develop the market
- Enormous opportunity
- Require review of all supply chain members



Supply Chain Traditional



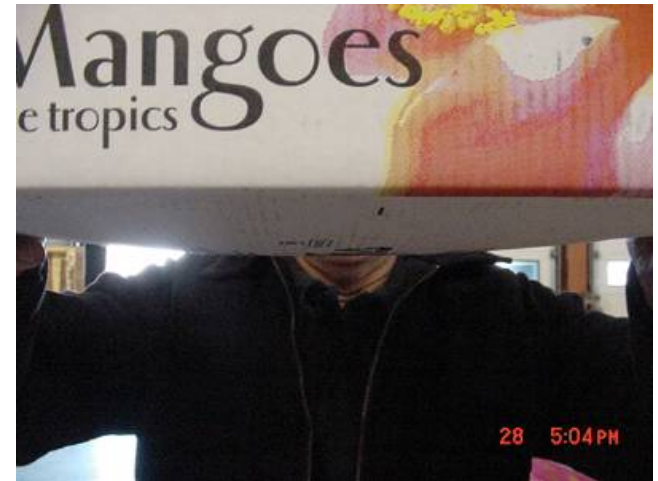
Problems

- Little to no communication between parties two links away
- Poor feedback down and up chain
- Develops mistrust
- Often supply chain members needs are do not necessarily reflect the customers needs
 - Mid 90's Switch to R2E2 in Asia from KP
 - Importers driving change due to inconsistency of Kensington outturns?



Suppliers

- No carton or liner suitable for sea freight readily available in Australia.



Producers

- Disease problems
- Not growing for the market
- Quality problems
- Coordination issues
- Variable post harvest practices
- Lack of willingness to take responsibility for product.
- Limited commitment



Exporters & Freight forwarders

- Inappropriate handling facilities
- Lack of knowledge of product
- Poor market intelligence
- Lack long term vision
- Not willing to disseminate important information



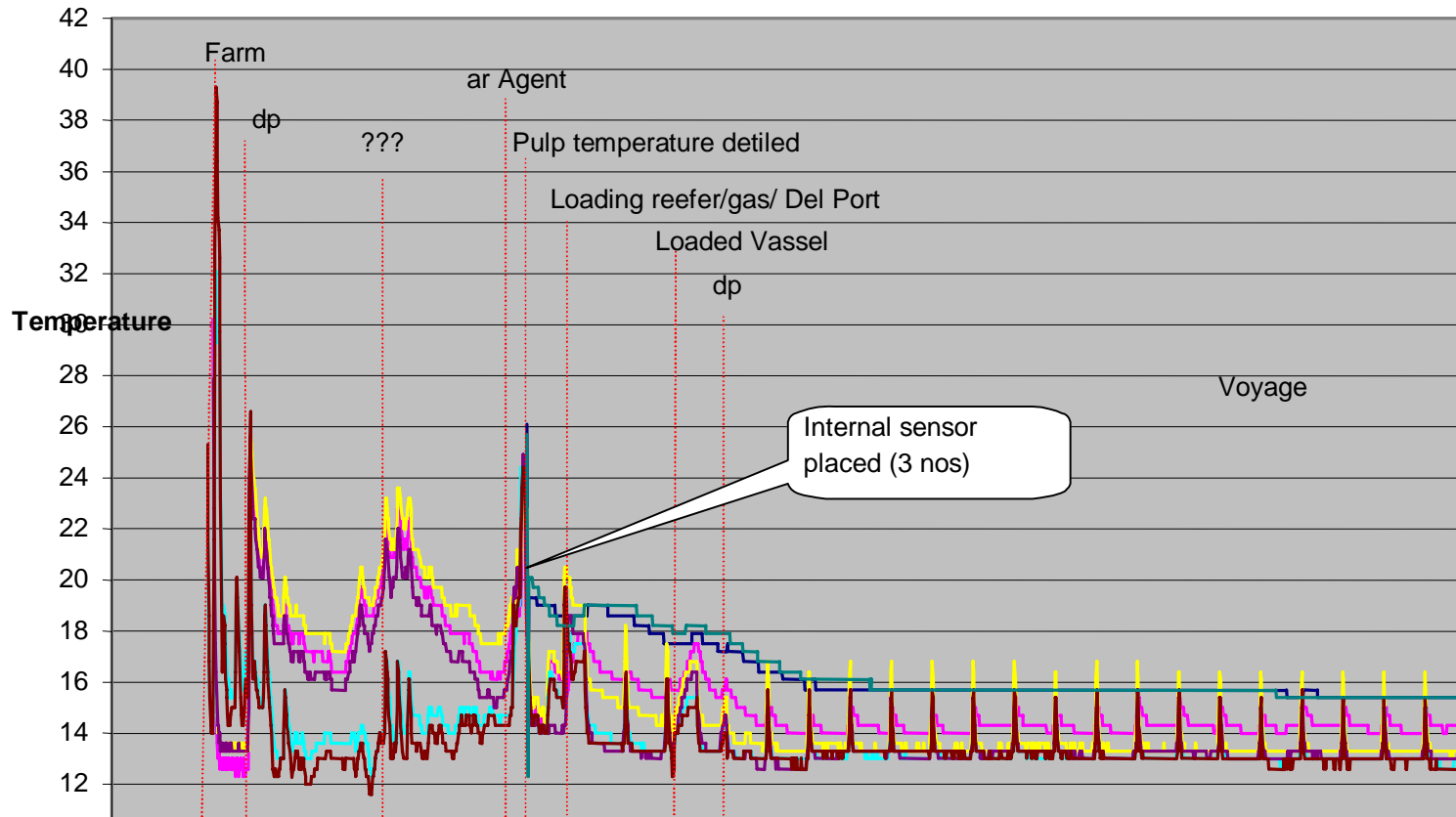
Transporters

- Unreliable temp control (vast fluctuations)
- Poor coordination with loaders
- Problems of breakages in the cool chain
- These are exacerbated with export



Cool Chain Issues

CA Mangoes - SIN



Importers (distributors)

- Poor knowledge of the product
 - Temp
 - Colouring
 - Perishability
- Detrimental handling systems
- Lack of controlled temp/ripening rooms
- Unwillingness to learn
- Restricted customer base
- Conservative culture

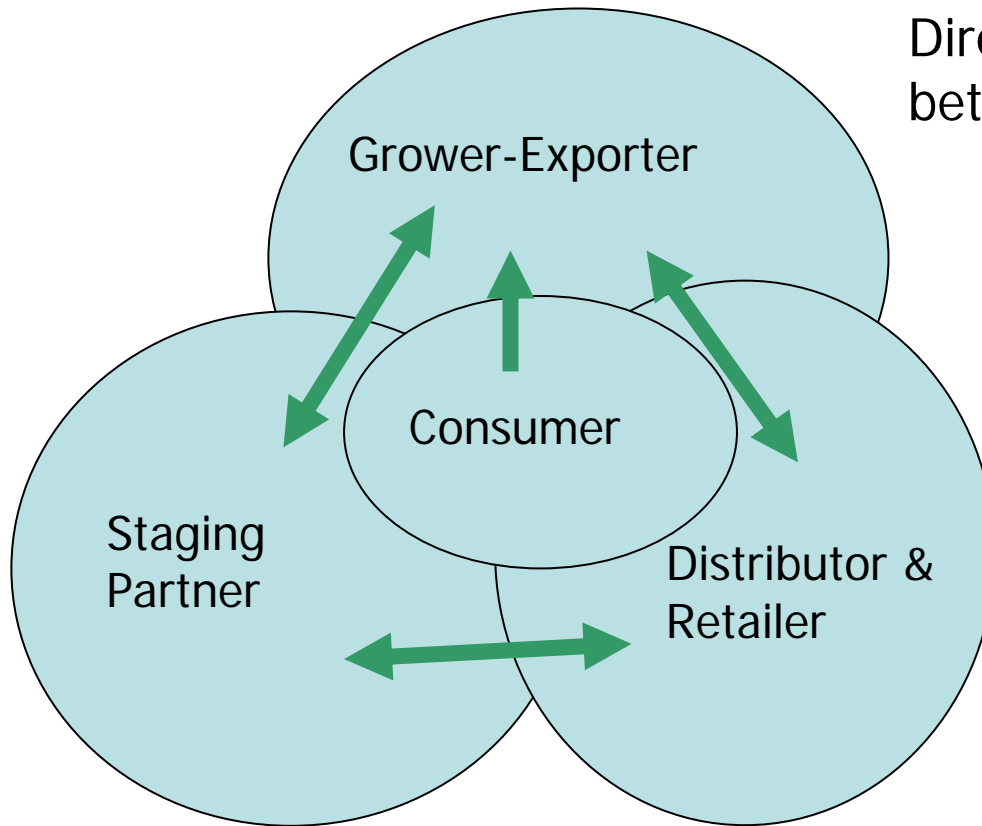


Thinking outside the square

- Develop an integrated supply chain
 - Growers
 - Transporters
 - Exporters/Importers
 - Distributors
 - Retailers
 - Consumers
 - (Most importantly each member of the supply chain must add value)
- Take responsibility for the product in the export market
 - Staging partner prepare the fruit for specific customers



Supply chain a new Approach



Direct communication
between all participants.



Growers

- Disease management plan implemented
- Understand the potential risk in the orchard
- Beginning of Euro GAP accreditation
- Uniform packing and presentation standards (No room for error)
- Central consolidation point
- Growing the fruit for the market



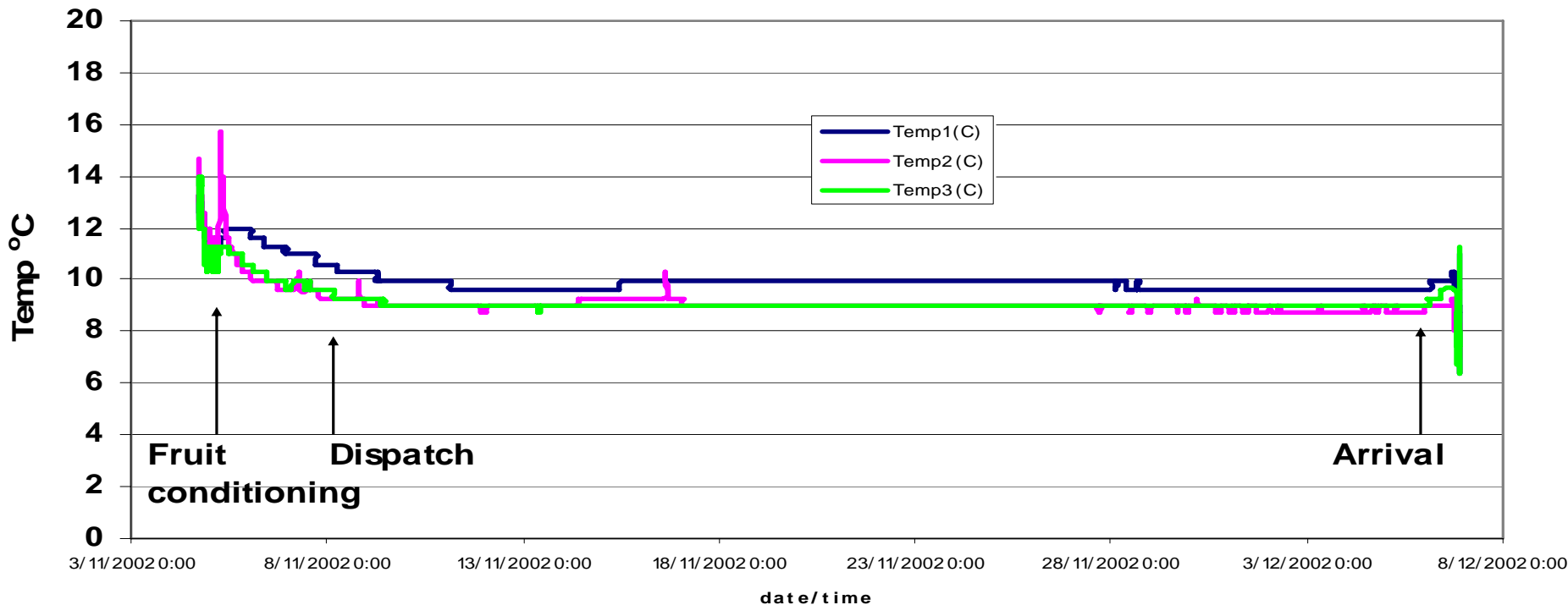
Shippers

- Uniform preconditioning of fruit
- Loading of container on farm
- Conditioning of fruit pre arrival



Change to CA When we get the cool chain right

Export mango in transit temp



Staging Partner

- Receival of fruit
- Colouring of fruit
- Distribution



Distributors

- Education program
- Prepare product for supermarket
- Deliver to distribution centres



Supermarkets

- One customer
- Vehicle for delivery of product to consumer (Where we can create our market)



Develop a brand

- Develop a detailed understanding of each market
- Consumer education and promotion program



Paris

- In store Promotion
Lafayette Galleria
- Promotion Rungis markets
- Promotional dinner
Australian Embassy



In store Promotion Sainsbury's South Kensington

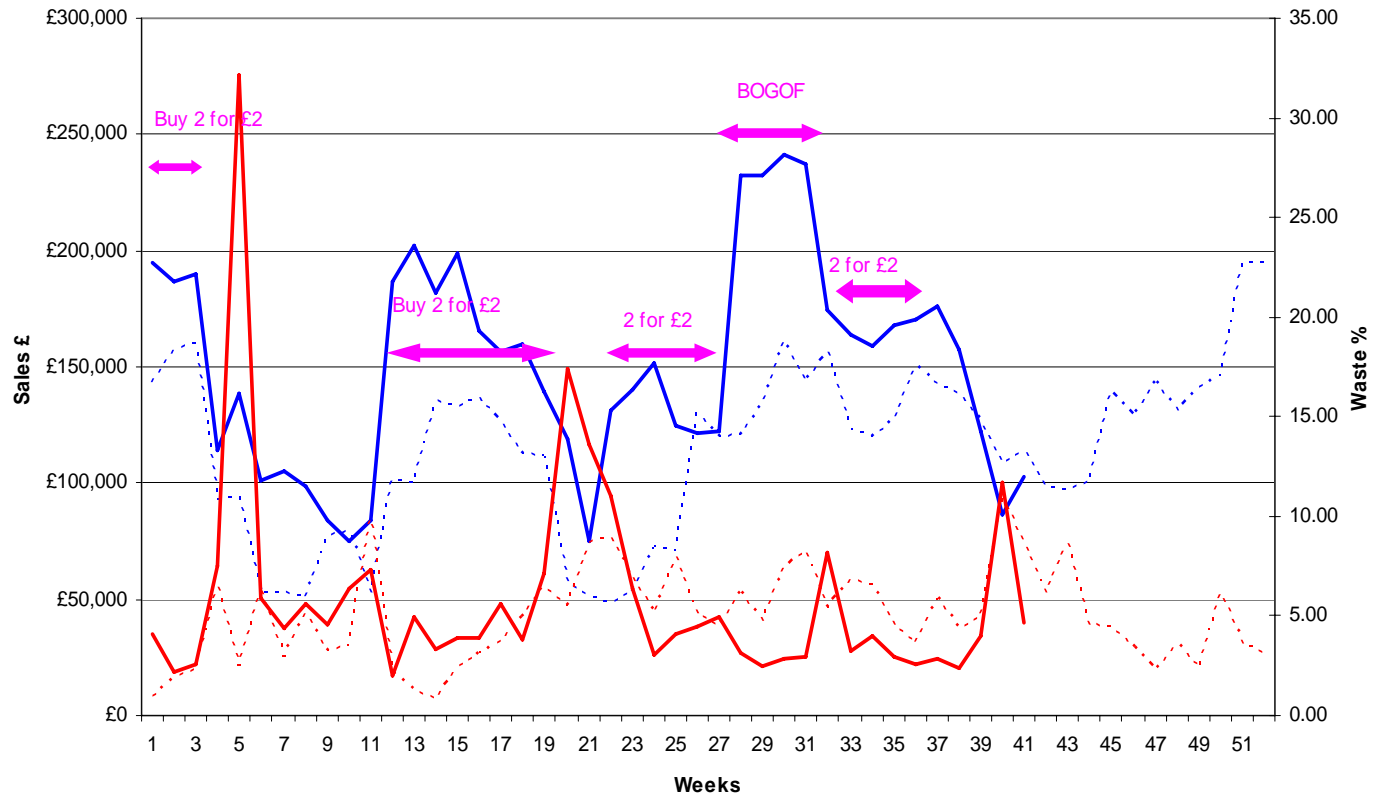


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Promotion UK Style

Large Mango Sales V Waste 2003 V 2004

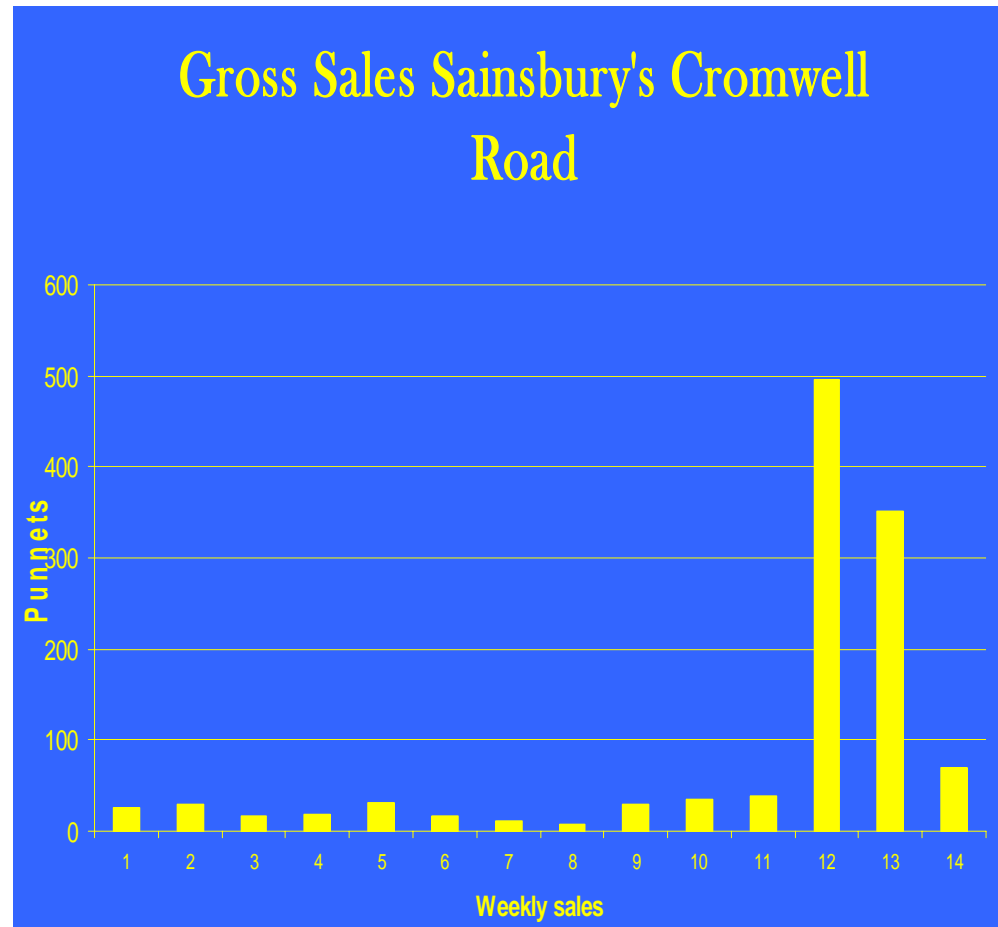


— Actual Sales£TY ····· Actual Sales£LY — Actual Wst % TY ····· Actual Wst % LY



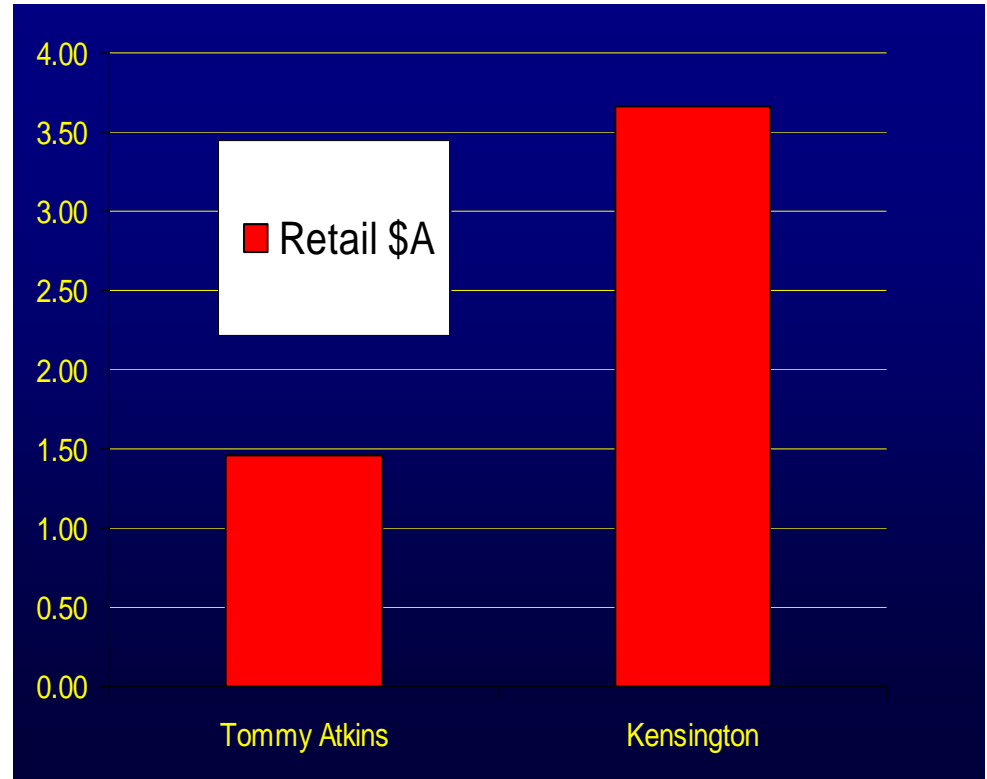
Promotion AOM Style

- Excellent consumer feedback
- Repeat sales



Graph of \$ comparison?

Kensington
marketed correctly
is able to retail
over 2 times the
price of Tommy
Atkinson



Berlin Trade Fair

- Present in 2004 and 2005
- Wide exposure to large customer base
- 2005 buyers actively seeking AOM
- Substantial new customers coming on stream.
- Adding to existing customers in UK, France Belgium, Netherlands, Switzerland, Latvia and Russia



Post Shipment shelf life

- Fruit held up very well up to two weeks post shipment.
- Some minor breakdown of tissue around the stem post shipment



Quality and logistic issues

- Quality Excellent
- Still some technical issues to work on.
- Some Skin browning Katherine and sap burn Kununurra.
- Some low levels of disease
- Pallets collapse destroying some 700 trays





VILLE D'ORION
HAMBURG



The Future

- Creating a demand driven market
- Using a single desk to service this market
- Demand is controlled through promotion and education
- Promotion controlled through relationships
- Requires cooperation along all lines



Loyalty

- Loyalty lasts as long as there is a market advantage in doing business
- The best loyalty is seen when you are the only supplier!



THANK YOU

Australian outback mango promotion Netherlands



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