

Fruits & Vegetables



F&B CONNECT – SUBSECTOR ANALYSIS

An initiative of UAE Food & Beverage Manufacturers Group

Fruits & Vegetable Sector

OVERVIEW

In 2018, the fruits and vegetables market in the UAE was valued at USD 3,731 million

80-90% of this is imported since they cannot be grown in the UAE due to the hot and dry climate

However, over recent years, the UAE has begun investing in agricultural technologies, such as **hydroponics/vertical farming/controlled environmental agriculture**, to increase local production and grow crops within the country

One important fruit that is locally produced in the UAE is **dates**. 15% of the country's total area of crop cultivation is taken by date palms, and **40% of the world's dates are traded through the UAE**, making it a key player in international date trades

The UAE is also known to grow fruits and vegetables like **cauliflower, cabbage, potatoes, onions and eggplants**, however, the most popular is dates.



Fruits & Vegetable Sector

Key Product Types

- | | |
|--------------|---------------|
| Oranges | Onions |
| Watermelons | Potatoes |
| Bananas | Carrots |
| Apples | Tomatoes |
| Lemons | Garlic |
| Mangoes | Ginger |
| Grapes | Cabbage |
| Mandarin | Chili Peppers |
| Pomegranates | Eggplant |
| Pears | Pumpkin |

**1.3MN
Tonnes**



**1.2MN
Tonnes**

Fruits imported in 2019

Vegetables imported in 2019

Key companies in UAE



Some key concerns of Fruits & Vegetable Sector

- **Strict importing rules** – many occasions where imports from certain countries have been banned due to risk of disease or pest infestations
- **High import dependency** – for food products, as well as resources like fertilisers, seeds, pesticides, etc. COVID 19 caused delays in trade & delivery (border closures, quarantine measures). High susceptibility to price increase owing to external circumstances
- **Expensive & resource hungry** – for R&D in agricultural technology, lack of natural resources
- **Limited support** – despite increased focus, many agriculture entities do not have basic infra like access to electricity & water



Employment and informal Economy

- As most of the fruits and vegetables are imported instead of farmed, there are **not many jobs** needed to farm fruits and vegetables, except for date farming
- Majority of the jobs are for **stocking, packaging, delivering and storing**
- However, in recent times, there has been an increase in requirements for the **research and development** of advanced technology that allow the UAE to grow its own crops
- High cost of doing business vis-à-vis importing, R&D, resource organisation – resulting in **few number of small players/ informal economy**



Impact of Regulations

- **No residue of chemicals such as pesticides and fertilizers** are left on fruits and vegetables that are being imported into the country
 - Regulations also make sure that the produce are **not contaminated with plant pests**
- **Certificates are required** from countries that are exporting their fruits and vegetables to the UAE that ensure the goods are free of residues and pests
 - Countries infested with the fall army worm are required to send a Phytosanitary certificate that ensures the goods are free of fall army worms
- For example, all apples from **Lebanon**; fruits from **Yemen**; peppers from **Egypt**; carrots & watercress from **Oman**; pepper, cabbage, cauliflower, lettuce, squash, beans and eggplant from **Jordan**; are **banned**





IN COOPERATION WITH INFOSAN ADAFSA ISSUES
GUIDANCE DOCUMENT PREVENT THE SPREAD OF COVID-19
AT FOOD BUSINESSES SECTOR

Content



Q&A related to food handling during the current circumstance



WHO'S recommendations on reducing the transmission of pathogens



Procedures to keep farm workers and food handlers safe



30 practices to enhance food safety throughout the production, handling and consumption stages

Objectives



Raising the awareness of ADAFSA stakeholders regarding the precautionary measures to prevent the spread of Covid-19.



Exchanging information and experiences in the field of food safety



Promoting ADAFSA contribution to the global scientific efforts in combating Covid-19

Stakeholders



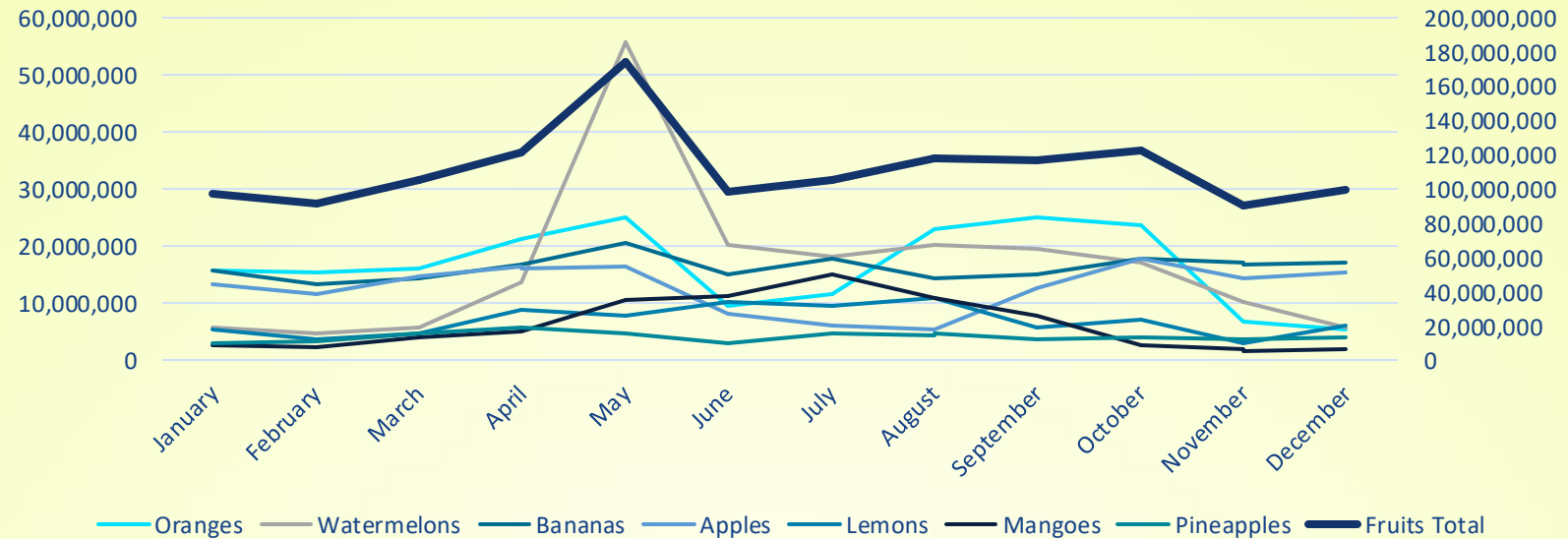
Effect of Covid-19

- Food workers and farmers are required to **maintain good hygiene and sanitation**
- Goods coming from countries suffering with high infection rates must be **inspected thoroughly**
- **Certain countries have decided to stop exporting food** products in order to maintain food resources to sustain themselves, such as Russia and Kazakhstan
- People across the world have resorted to **panic-buying** canned or frozen fruits and vegetables
- Countries like Pakistan and India that grow fruits and vegetables for exporting to other countries are struggling during the pandemic. **Farmers and food workers were staying at home**, causing a surplus of fruits and vegetables that remained unpicked
 - This is a **threat towards UAE's fruit and vegetable supply** as the country is dependant on imports
 - The pandemic situation can give the UAE **a push to invest in new technologies** that can allow the country to grow its own plants for fruits and vegetables and rely less on other countries

Import Trends - Fruits

Note: Fruits totally on secondary axis

Import Volumes – Fruits – by type – (kgs) (2019)



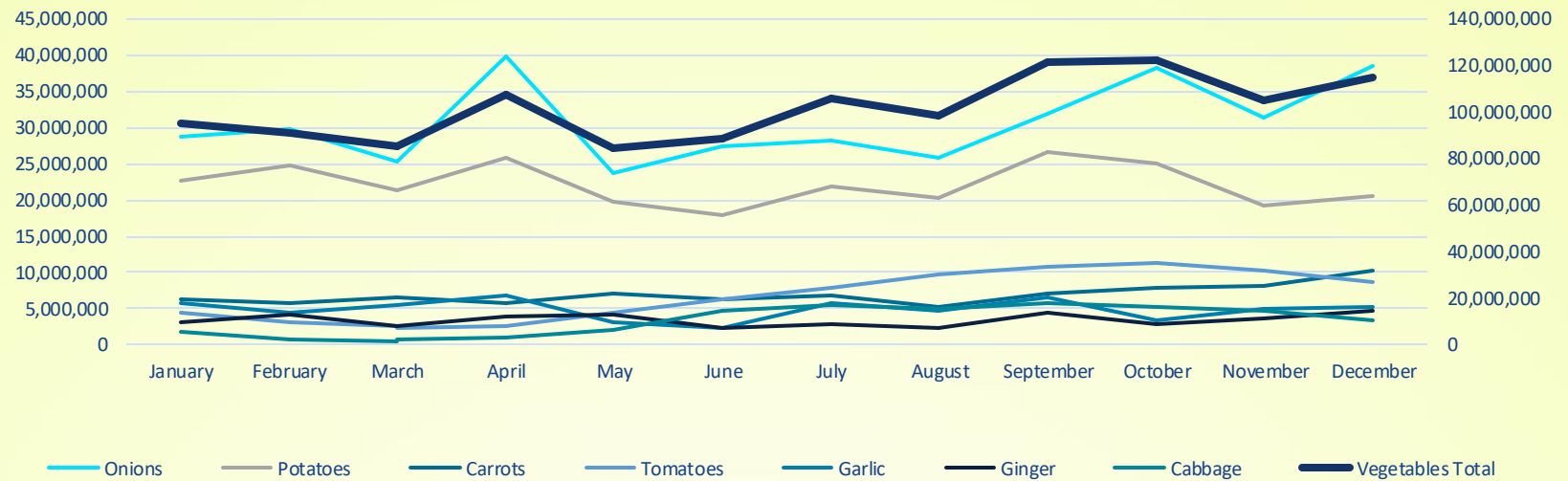
- Fruits are used in various purposes by industry:
 - Products sold to consumers
 - Value addition
 - Processing of other food products, e.g., bakeries, confectionary, etc.
- 2019 imports peaked in May (during Ramadan) – driven by Watermelons
- 3 fruits – oranges, watermelons and bananas – account for nearly ½ of all fruit imports into UAE



Import Trends - Vegetables

Note: Vegetables totally on secondary axis

Import Volumes – Vegetables – by type – (kgs) (2019)



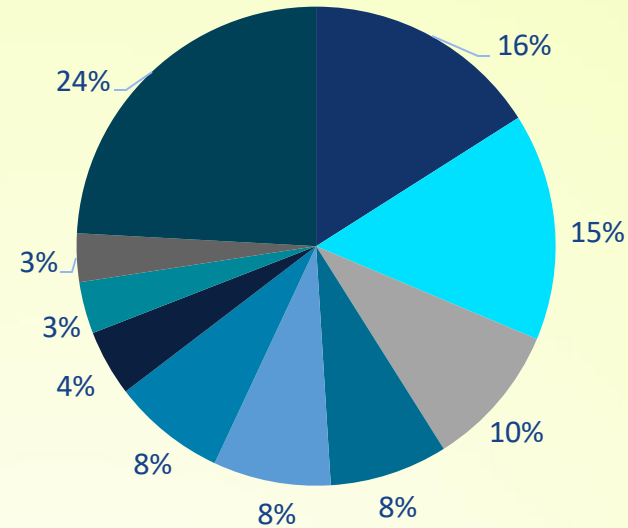
- Overall volume of vegetable imports into UAE similar to fruits
- General trend of vegetable imports increased through 2019
- Onions & Potatoes account for >50% of total vegetable imports



Countries Imported From Fruits & Vegetables

- India & Iran are the key countries from where Fruits & Vegetables are imported – together contributing nearly 1/3rd of imports
- However, low risk as there are several countries and regions from where imports come to UAE

Countries imported from (2019) (%)



CDM = 8

- India
- Iran
- Pakistan
- South Africa
- Egypt
- China
- Ecuador
- Turkey
- Philippines
- Others

Country Dependency Metric (CDM) measures how many countries comprise >70% of all imports. Lower CDM value means higher risk

Country dependency	Interpretation
1-3 countries	Risky
4-7 countries	Moderate
7+ countries	Low risk



Retail Trends

Like most food categories, Dairy also sees a significant retail spike during Ramadan

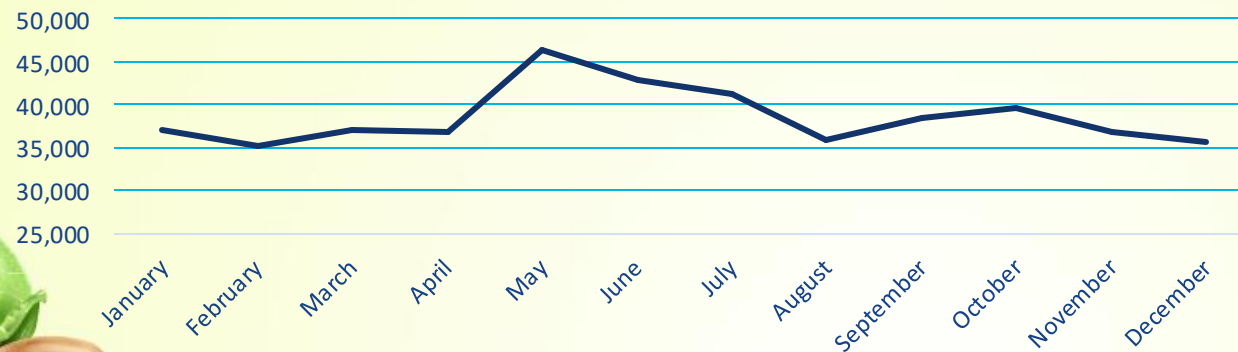
The widespread utility of dairy products – in cooking, daily consumption in tea/ coffee, as a refreshment, etc. – is represented by a relatively high traditional trade importance

Dairy products are considered staples, but have a lower shelf life than other staples (e.g., cooking oil, rice, wheat, pulses, etc.)

Therefore, the stock piling witnessed during the peak COVID-19 lockdown period (with retailers and households), bears implications for supply for rest of the year

Are we running the risk of wastage? | Will we have enough for the remainder of the year?

Retail Volumes – Dairy – ('000 kgs) (2019)



Dairy Trade	Trade split
Modern Trade	~75%
Traditional Trade	~25%



*weight calculated as converted litres

Questions And Inputs

The objective of this exercise was to share insights with the industry to help support their view of the market

We would like to build on this by seeking more inputs from you, so that we can utilise your wisdom and knowledge in working towards a better business environment for all F&B manufacturers and traders in UAE

