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DATE FRUIT MARKET

IN IRAN

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DATE FRUIT MARKET IN IRAN

An insight to challenges facing the date industry in Iran
Flanders Investment & Trade - Teheran
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1. INTRODUCTION

Dates are considered a major fruit crop in the hot regions (semi-arid and arid lands) of the world. They are rich in certain nutrients and marketed widely as a high-value food product. Egypt is the largest producer of dates in the world followed by Iran, Algeria, Saudi Arabia, Iraq and Pakistan. According to the Food and Agriculture Organization of the United Nations, Iran produced more than 1.15 million tons of dates in 2014 and hereby ranked first among the Asian countries.

Due to the high production rate of dates and the consumer preferences, different kinds of date-based food products are also produced. Date paste, date syrup, dates juice, date seed flour and fermented date concentrate are the most common food products made from dates

The objective of this research is to provide an overview of date production in Iran and the challenges and opportunities in the date fruit industry.

With 15% share of the world date production, Iran has been a leading global producer of dates. Out of 3.000 different varieties of dates that exist in the world, more than 400 different types of dates grow in Iran. Some varieties have particular properties and characteristics. For instance, Mordarsang is the only date in the world that has a cold nature and grows only in Iran.

Table 1. The variety of dates in different countries

Country	Number of variety
Iran	400
Iraq	370
Tunisia	250
Morocco	244
USA	196
Egypt	26
Sudan	22

2. DATE PRODUCTION AND CULTIVATION

Out of 31 provinces in the country, 15 are home to various types of dates. The major date-producing regions are Kerman, Sistan-Baluchestan, Khuzestan, Bushehr, Fars and Hormozgan

In the past 25 years, Iran's date fruit production has registered a five-fold increase, from 173.940 tons in 1991 to 1.042.277 tons in 2018. Furthermore, the number of date palm trees has increased from 12.981.000 in 1991 to 44.520.000 in March 20, 2018, according to the latest statistics provided by the National Statistical Center of Iran as well as in the Annual Agro Report of Iranian Ministry of Agriculture covering the period (March 21, 2017 – March 20, 2018).

An overview of the cultivated area of dates in the major producing provinces and production figures based on the aforementioned reports and statistics are shown in table 2.

Table 2. Planted areas and amount of produced dates in six provinces

Province	Planted Area (Hectare)	Amount (Tone)
Kerman	52.700 ha	299.400
Sistan-Baluchestan	32.200 ha	178.299
Bushehr	29.509 ha	142.019
Hormozgan	29.500 ha	125.899
Fars	25.800 ha	138.300
Khuzestan	24.800 ha.	144.200

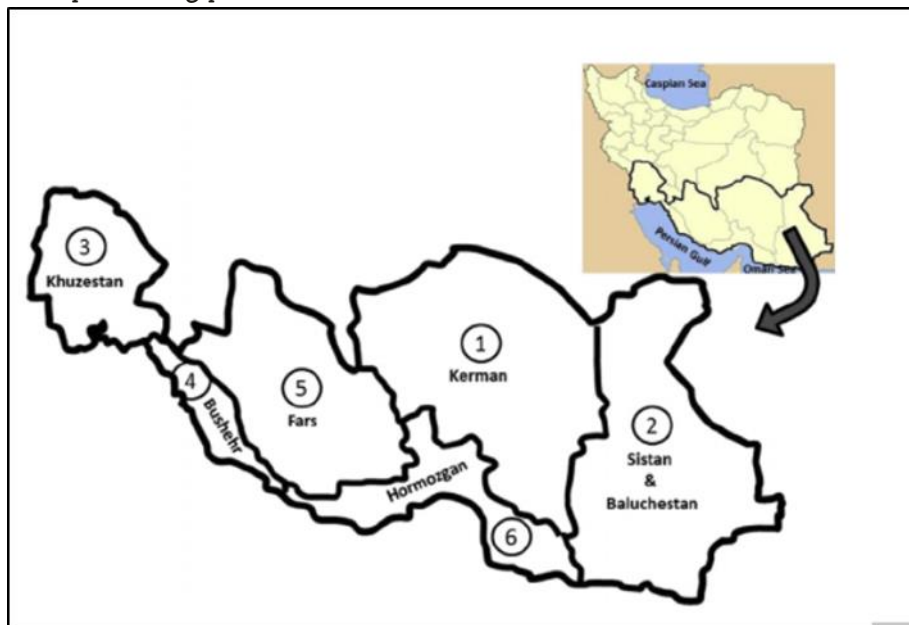
3. CHALLENGES FACING THE DATE INDUSTRY IN IRAN

Despite huge potential, the process of production, processing and exporting dates is facing serious challenges. According to the Date Trade Association of Iran, the following factors have hampered the growth significantly:

- **Traditional Production Structure**

In Iran, palm farms are small, fragmented and owned by individual locals. This has led to poor maintenance of the farms. According to the National Association of Iranian Dates, in 2015, the surface of around 33% of the date farms in the country were less than 0.5 ha and only 1% was over 15 ha. The figure below indicates the traditional structure of date production in the country.

Date producing provinces of Iran



- **Aged Date farms**

About 55% of the date farms need to be either improved, annihilated or replaced. While the government has committed to renovate 25.000 ha, budget was allocated for only 5.000 ha.

- **Lack of Proper Fertilizers**

The use of fertilizers by the majority of date farmers depends on their taste, purchasing power and the availability in the market. Studies have shown that fertilizers are not used in 78% and 72% of the date farms in Hormozgan and Jiroft, respectively. Overall, about 50% of date farms are deprived of any kind of fertilizers. The remaining farms are also enriched only by nitrogen fertilizers.

- **Traditional Irrigation**

Palm trees are highly resistant to shortage of water, however, high quality crop depends heavily on timely and proper irrigation. In order to yield high quality crop, they need a sufficient amount of water. Reports suggest that about 95% of date farms are irrigated by using surface irrigation methods including furrow, border strip or basin irrigation.

- **Inefficient Hazard Control Mechanisms**

In recent years, climate change in the date producing regions of Iran has led to drought and dust storms which drastically impacted the production quality and quantity.

The water resources in Karoun Dam, located in the province Khuzistan, are limited because of scarce rainfalls. This caused the water supply of the Arvand River to decline as well as its salinization.

Experts however, argue that chemical pollution and industrial waste are behind the declining quality of the Arvand River. Many nearby date farms have suffered from the consequences of the reduced quality.

- **Poor Production Practices**

There are several factors behind the low quality of dates that are produced in Iran including, but not limited to, wrong selection of date varieties for growth in the absence of a cultivar quality standard, mismanagement of date farms, poor handling and transportation, processing and packaging, lack of refrigerated storage houses and quality control mechanisms. As a consequence, about 30% of the produced dates in Iran do not reach the consumer markets because of their unattractive appearance and low quality. Since sophisticated processing mechanism is missing in the country, it is not possible to add value to the dates and turn them into quality by-products

- **Lack Of Health And Hygiene Framework for Date Industry**

The date industry misses a framework regarding health regulations that will help with the process of washing, drying, grading, sorting and disinfecting dates. Most farmers apply outdated and semi-automated methods post-harvest. In some cases, dates are immediately packaged in cardboard boxes upon harvest.

- **Unattractive Packaging**

Attractive packaging as well as competitive prices are among the most important factors needed to increase the added value of the products before export. Proper processing and packaging are the two ingredients for a successful product export. According to FAO, Tunisia and Algeria have earned much higher export revenues compared to Iran, despite their lower production levels. About 90% of Iranian dates are exported in bulk for processing or packaging to other countries, namely UAE, and re-exported to Europe with elegant packaging. High import duty on cardboard boxes and raw material for packaging industry have made it uneconomical compared to neighboring countries, namely Dubai. Some Iranian exporters prefer to export the bulk dates to Dubai and then reexport to other destinations after packing them properly. The environment in which dates are packed is also another challenge. Most of those places are not sanitized and workers do not follow hygiene rules.

Few factories are equipped with packaging machines and their working hours are limited to one working shift. Printed pictures and words on packages are very basic and have no visual attraction for the customers.

- **Marketing and Pricing for International Markets**

Marketing is an important aspect which includes transportation, distribution, packaging and advertising. Marketing agro products has a significant role on the economic situation and increases farmers income. Unfortunately, there is no organized and unified system among date farmers to sell their product. Not a single attempt has been taken in order to change the situation.

- **Lack of National Promotional Policy for Iranian Date Fruit**

While certain Iranian products enjoy unrivalled global fame such as caviar, saffron, pistachio and carpet, date fruits have remained unknown to the international markets.

- **Lack of Mechanism**

As mentioned earlier, all stages including harvest, process, transport, storage etc. are done without applying sophisticated industrial machines. Industrial refrigerators are old and warehouses are not sanitized.

- **Weak Processing Industry**

Little efforts have been paid to develop by-products of dates by adding value to the part of the crop that does not reach consumer markets.

- **Poor Overall Industry Policy Framework**

The date industry in Iran is affected by macro-economic challenges including high inflation that leaves a significant impact on prices compared to the stable international environment for the product. Regular information and statistics on the sector is not easy to find.

4. POTENTIAL OPPORTUNITIES

Dates and its by-products present enormous potentials for growth. For instance, even the powdered date seeds have recently found their way into the food industry. If Iran plans to have a more active presence in world markets, it should consider improving the processing of dates which is quite underdeveloped for the moment. It should be noted that many of the by-products of dates enjoy high prices in international markets.

Iranian dates are sent in bulk to Australia, France and Spain where they are being processed, repackaged and rebranded, and finally sold at much higher prices. Introducing modern machinery and mechanized solutions to transform the traditional nature of the date fruit market in Iran could be economically of high potential for machinery manufacturers and technological solution providers.

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