



Exporting Pakistan's 'Kinnow' Fruit

An agribusiness support initiative has enabled fruit growers to get international quality certification, providing access to lucrative new markets and boosting incomes for farmers.



Nisar, 18, supports his parents with the income he earns picking kinnows from a certified orchard. Photo: Mohammad Ismail Khan

Bhalwal, Pakistan – Pakistani farmer Shoaib Ahmed, 31, grows a mandarin-like citrus fruit called *kinnow*, a staple in the province of Punjab. For Ahmed, receiving accreditation from Global Good Agricultural Practice (Global GAP) - a voluntary international standard - has improved business immensely.

"I've seen a 15% -20% increase in the exports of my kinnow since the fund helped us gain Global GAP accreditation," says Ahmed, who is also director of National Fruits in Bhalwal, Pakistan's citrus-growing region, about 250 kilometers (km) northwest of Lahore.

Bhalwal's kinnow growers benefit from the Agribusiness Support Fund, a not-for-profit company established by the Ministry of Food and Agriculture in 2006, under the \$18 million, ADB-supported Agribusiness Development and Diversification Project. The fund financed an accreditation drive that helped Bhalwal's citrus growers and exporters obtain Global GAP accreditation.

"ADB's assistance to the Agribusiness Support Fund was part of a broader project to diversify and develop the agribusiness sector in Pakistan and to improve the lives of small-scale farmers, among others," says Donneth A. Walton, principal natural resources management specialist at ADB's Pakistan Resident Mission. Walton adds, "The fund spurred many successful agribusiness initiatives including improvement in citrus exports."

Tahir Mehmood is the investment and financial adviser for the Agribusiness Support Fund. "The fund formed ... groups of leading citrus growers, processors, and exporters in Sargodha district, and dedicated PRs39 million (about \$429,000) for the certification drive," says Mehmood. It helped progressive farmers establish screen houses to nurture plants in a disease and insect free environment, he says.

According to Chaudhry Amjad Nisar, senior vice president of the All Pakistan Fruit & Vegetable Exporters, Importers & Merchants Association, the accreditation process also impacts how fruits are handled after they are picked.

"Thanks to the fund," says Nisar, "our capacity in collection, grading, packing, storage, and transportation has improved to international standards."

Without the certification, says Ahmed, exports of kinnow were restricted to Asian and Middle Eastern markets, where the fruit commanded lower prices.

"Lack of certification of fruit orchards was a major obstacle in accessing potential markets, especially in Europe and America," Ahmed says.

Thanks in part to the certification drive, Pakistan nearly doubled its exports of kinnow to European countries (from 50,767 tons in 2008-2009 to 95,204 tons in 2009-2010). Kinnow also fetched a higher price after certification. In 2006, growers earned PRs5,000 per ton, but ADB estimates that that has now increased to PRs6,250 per ton.

More than accreditation

Earning an export-quality certification for Punjab's kinnow was just one priority. The fund unleashed an array of agribusiness support initiatives across Pakistan.

For example, the fund supported 324 kinnow growers in 16 marketing organizations to market their fruit at international produce exhibitions as far afield as Berlin; Hong Kong, China; and Moscow. The project improved the marketing and distribution of 150,000 tons of annual kinnow production, about 75% of Pakistan kinnow exports.

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Beyond exports, the fund also helped farmers develop rural markets to improve domestic sales. It supported farmers to create new horticulture, livestock, and dairy products, diversifying their wares. And, to stabilize the incomes of the most disadvantaged groups, the fund helped poor women grow off-season vegetables in greenhouses in the remote villages of the Punjab, Khyber Pakhtunkhwa, and Gilgit-Baltistan regions.

A recent study by the Lahore University of Management Science, Pakistan's leading business school, notes a significant reduction of poverty in rural areas targeted by the fund. The Agribusiness Support Fund's activities have been a key factor in improving rural lives.

The fund's work continues with \$90 million from the United States Agency for International Development (USAID), a testimony to its success.

Diversification dividends

In 2006, agriculture in Pakistan accounted for 25% of gross domestic product, almost 50% of employment; and about 70% of exports. But in the years leading up to the launch of the Agribusiness Development and Diversification Project, agriculture had been dominated by traditional food crops (wheat and rice) and industrial crops (cotton and sugarcane), and rate of agricultural growth had begun to slow, signaling stagnation.

The fund's support for Pakistan's citrus sector was part of a broader program to diversify agribusiness and improve the lives of small-scale farmers and entrepreneurs.

The kinnow hails from the United States, and is a hybrid of two citrus varieties - the "king" and the "willow leaf". Introduced into the region by the Punjab Agriculture College and Research Institute in 1940s, the kinnow boasts highly productive trees, abundant juice, and high levels of vitamin C.

Kinnow farmers, farmer groups, and entrepreneurs have benefited from the fund's technical, financial, and managerial support. The support has improved productivity, competitiveness, and credit worthiness, helping farmers access future financing.

The Agribusiness Support Fund has been an effective strategy for the citrus sector. Within a short span of time the fund oversaw accreditation of 15,111 acres of citrus orchards; raising the incomes of about 2,000 farming families.

Ahmed's company, National Fruits, is Pakistan's biggest exporter of kinnow. Bhalwal's Sarghodha district where he lives is often called "Pakistan's California" for its abundance of the citrus fruit.

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