

Why Thailand is the leading exporter of durian, mangosteen and other tropical fruits

Sun, soil, skills, the proximity of China and social organization gives Thailand a competitive advantage.

By Karolien Bais



Harvesting durian in an orchard in Tha Mai, Chanthaburi

Any social gathering in Thailand is showered with fruit. Not with endless cups of coffee, like in my homeland Holland, but with baskets of mangosteen, rambutan, longan, lamut or lychee. And of course durian – if only to try me out. Europeans reputedly detest the strong-smelling ‘King of Fruits’. I happen to like it, and earn both admiration and disappointment.

Thai people not only devour fruit; they are also good at growing it. Through my regular visits

to a friendly family of orchard owners I was lucky to gain some insight in the expertise of the fruit farmers in my region, the province of Chanthaburi. On Sunday mornings, three generations gather in the huge shed adjacent to the house, amidst fans, vehicles, machinery, dogs and cooking pots. While the food gets prepared, youngsters try out some motorbike, babies are being cuddled, and business is discussed. Typical conversation topics: pros and cons of certain fertilizers, the newest varieties

of durian, the best lubricants, or the hiring of laborers from Cambodia or Laos. Sometimes a salesman is invited for a demonstration of a gardening tool; neighbours, all fruit farmers, are invited. Sometimes the entire family jumps into their pick-ups to visit a prosperous garden in the vicinity. Of course to try the fruit, but also to discuss the growing method with the owner. In their lives, it is fruit that counts and they derive great honour from improving the taste, the shape, the smell and the yield.

An abundance of fruits

The eastern province Chanthaburi, bordered by the Gulf of Thailand and short mountain ranges, has the favorable soil and climate to grow an

abundance of fruits. It has become one of Thailand's major sources of durian, rambutan, mangosteen, salak, longkong, banana and longan.

Export is booming. Every year, hundreds of new fruit purchasing depots spring up in the region, often run by Chinese traders. During the fruit season, April to June, these places are bustling with activity. An endless parade of fully loaded pick-ups provides a continuous supply. Work is done with impressive efficiency; quality is checked on the spot, fruits are instantly packed in boxes and loaded onto large container trucks, while the drivers take a nap in their hammock before they head to China.¹ The road network through Laos has seen major improvements to



Packing durian for export in Noen Sung, Chanthaburi

¹ For a short movie on the durian trade, see <https://www.youtube.com/watch?v=ZdVvk2shLLQ>.

facilitate the Chinese customers' longing for the tasty tropical fruits. Transport by road is not cheaper than by sea, but much faster, an indispensable factor for perishable goods. By road the south of China is reached in two or three days, by sea it takes ten days. Since the China-ASEAN Free Trade Agreement came into force in 2003, eliminating import tariffs on fruits and vegetables, the growth in Thailand's exports of fruits to China escalated from below 10% a year to over 90% a year in both trade volume and value.²

Besides China, major customers for fresh Thai fruit are Indonesia, Malaysia, Laos, Vietnam, Singapore, Taiwan, Japan and Korea.³

Fruit strategy

The intensified export of tropical fruits has left its mark on the production, harvesting and marketing of fruits. Some marks are intentional. The 'Fruit Strategy' of the Thai Ministry of Agriculture and Cooperatives emphasizes raising the quality of the fruits and encouraging farmers to produce according to internationally



Fruit trading at Nong Khla, Chanthaburi

² Bangkok Post, November 2012.

³ Dr. Lop Phavaphutanon, Fruit production, marketing and research and development system in Thailand, Department of Horticulture, Faculty of Agriculture at Kamphaeng Saen, Kasetsart University, Bangkok, Thailand, 2015

recognized certifications like GAP (Good Agricultural Practice). Hence, with the help of research institutes and mainly through local cooperatives⁴, fruit farmers are instructed in production methods that are environmentally friendly and deliver better yields.⁵

But some marks are unintentional and unwanted. The influx of foreign traders, who buy crops straight from the farmer, has been beneficial to the growers, because they gain easy access to international markets without losing money to middlemen. But the local fruit traders now have a hard time to compete, especially since some foreign traders start selling on the local markets. This is illegal under the Foreign Business Act, but by appointing a Thai nominee owner, a foreign firm appears being Thai-owned. According to the Bangkok Post, of the 100 fruit wholesale operations in Chanthaburi 60% are owned by foreigners or have a Thai as nominee owner.⁶

To tackle this problem, the Commerce Ministry has launched the so-called 'Chanthaburi model'. Foreign traders have to register with the Agriculture Department if they intend to buy fruit straight from farmers. The fruits they buy must comply with the GAP standards and the

contract with the local farmers must be 'fair'. For buying and selling in Thailand, they need approval from the Commerce Ministry.

Public relations

The Ministry of Agriculture and Cooperatives has also set guidelines to launch public relations campaigns for the promotion of Thai fruit. As a result, not only the fruit markets are bustling, so is the 'market' of seminars, conferences, trade partner matching fairs, field trips and fruit festivals. In March this year, when orchards started showing their promising fruits, the provincial administration of Chanthaburi and Chinese traders from the Guangxi autonomous region met to discuss the distributors' hurdles and suggestions for better trading opportunities. Huge volumes are at stake, as in 2015 alone Guangxi purchased about 30,000 tons of fruit from the cooperatives in Chanthaburi.⁷

Last year, Chanthaburi hosted an international symposium on durian and other humid tropical fruits.⁸ Some 200 participants from Malaysia, Vietnam, Indonesia, Japan, Australia, USA and Thailand discussed topics like biodiversity, breeding, production, processing and marketing.

⁴ Read more on the organization and aims of cooperatives on the website of the Federation of Savings and Credit Cooperatives of Thailand: <http://www.fsct.com/english/index.php?f1=menu1.4.html>.

⁵ Bangkok Post, 3 March 2016.

⁶ National News of Thailand, 3 March 2016.

⁷ Jointly organized by the Thailand Department of Agriculture and Department of Agriculture Extension, Horticultural Science Society of Thailand, Food and Agricultural Organization, King Mongkut's University of Technology, Thailand Research Fund, National Research Council of Thailand, Chanthaburi Province and International Society for Horticultural Sciences.

On a less serious and more festive level, during the fruit season one can stumble across a festival anywhere in the region, where passers-by can eat as much fruit as they like. The places are always crowded with people who are so unfortunate not to have their own orchard.

Fruit trade is dominated by women

One aspect of the Thai fruit trade that does not stop striking me is the female dominance. Women buy crops from dispersed orchards, they check the quality of fruit offered in the back of pick-up trucks, they negotiate the price, and they carry the calculators and the bulging money

bags. Men are for the hard work: loading and unloading, packing, weighing, carrying. Women scrupulously watch the scales, take decisions, calculate and hand out the bank notes.

In the family of my Thai friends, it is the materfamilias, a lady of almost eighty years old, who owns all the land on which her highly educated children grow their crops. She is the one who decides which new plots of land are bought and which son or son-in-law is allowed to try his skills on it. And of course she is the one who assembles and distributes the earnings among her offspring.



Fruit traders at the market of Noen Sung, Chanthaburi

It is also a lady fruit planter and trader who heads a 7,000-member cooperative in the neighbouring province of Trat. Focused on exporting fresh rambutan to Vietnam, she experimented with cold storage methods at the lowest possible costs and set up a joint venture with Vietnamese businessmen. She managed to slash the cold storage costs to less than a third. At the processing plants the best quality fruits are chosen, rinsed in water, covered with a moist, fibrous sheet and packed in ice. With this process the rambutan reaches the Vietnamese markets, 1,000 kilometres away, in a fresh state. Currently this determined woman is spurring the Thai government to help small exporters by shortening the lengthy customs procedures at the border.

Harvesting time

Whereas in Europe harvesting time is a farmer's race against the clock, my Thai friends are utterly relaxed when their orchards show branches burdened with ripe fruit. As has become common practice in the region, their entire crop has already been sold. They only have to wait for the Chinese trader, who brings in his own crew to pick, pack and transport the result of a year's hard work. So, time enough to discuss what newest model sedan is on the wish list. Meanwhile dessert is offered: salak-on-ice and home-made durian paste. Actually, I would die for soursop. But that is way beyond the preference of the sweet-minded Thai. No real worries though, I have some trees growing in my own garden.

Facts and figures about some Thai fruit

The source of most of this information and all three tables is *Fruit production, marketing and research and development system in Thailand*, by Dr. Lop Phavaphutanon.

Durian (*Durio zibethinus*)

Thailand is the world's largest durian exporter, with roughly 90% of the international market share. Second and third, but way behind, come Malaysia and Indonesia. There are over 100 cultivars in Thailand, but the most common is 'Mon thong'. In 2012, 371,946 MT of durian was exported, mainly as fresh fruit (94%), with China, Hong Kong and Taiwan as major buyers. Frozen durian goes to the USA, China and Australia. Most of the durian paste finds its way to Russia, Hong Kong and Singapore, whereas dried durian goes to – again – China and Hong Kong, but also Malaysia.



Mangosteen (*Garcinia mangostana*)



Thailand is also one of the world's largest producers and exporters of mangosteen, lovingly called 'the Queen of Fruits'. Supposedly that pet name derives from Queen Victoria's offering 100 pounds sterling for anyone who could bring her a fresh sample. The anecdote comes from the famous American plant explorer David Fairchild, but nobody knows whether it is a tale or a fact.

In 2012, 89% of the Thai production was exported, mainly as fresh fruit. Most important buyers are Vietnam, China and Hong Kong.

Rambutan (*Nephelium lappaceum*)



The majority of rambutan is consumed in the domestic market, due to short shelf life. Only 5% of the total production (334,087 MT in 2012) is exported. Main cultivar in Thailand is 'Rongrian', followed by 'Si Chomphu'. Export consists for 54% of fresh fruit, mostly to United Arab Emirates, Malaysia and Cambodia. Canned rambutan (17% of export) goes to China, Myanmar and Malaysia, whereas rambutan stuffed with pineapple in syrup (29% of export) is most popular in USA, Japan and Germany.

Longan (*Dimocarpus longan*)



In 2012 Thailand produced 876,269 MT of longan, of which 94% was exported. The main commercial cultivar is 'E-Dor' (over 500,000 MT each year). Longan requires low temperatures to induce flowering, so it was initially grown in the northern region. But flower induction technology made longan production possible in other regions. Longan is sold fresh and dried, and processed into longan powder, baked longan and longan sugar.

Salak (*Salacca edulis*)



Salak, native to Indonesia but grown around southeast Asia, is available all year round. Market information hardly exists. The fruit is relatively unknown outside of Indonesia, Malaysia, Singapore, China and Thailand. Most common cultivars in Thailand are Rakam and Sala. In order to boost recognition of salak in domestic and international trade, the Thai Ministry of Agriculture and Cooperatives has begun to set standards for quality and safety in 2013.

Longkong (*Lansium domesticum*)



In 2012 Thailand produced 122,902 MT of longkong. The bulk is for the domestic market; only 5% is exported due to short shelf life, remote production sites and attached insects (scorpions!). In 2012, the export of fresh longkong went mainly to Cambodia, Philippines and Vietnam. Much research is put into controlling fungal diseases, postharvest treatment and storing fruit to enhance the export of longkong.

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Number of households involved in fruit production in Thailand between 2010 and 2013

Kind of fruit	Year			
	2010	2011	2012	2013
Mango	221,188	222,053	198,041	189,154
Longan	196,798	202,533	199,533	190,712
Durian	157,987	146,831	150,403	151,000
Mangosteen	173,540	162,753	165,676	164,446
Rambutan	131,209	120,850	118,801	116,236
Longkong	209,387	193,409	195,819	195,067
Tangerine	19,187	13,918	9,537	8,963
Pomelo	24,306	25,019	20,755	20,077
Lyches	37,016	33,612	24,857	23,106
Banana	14,582	14,157	14,178	14,271
Babybanana	21,187	21,526	19,941	19,992

Source: Department of Agricultural Extension, Ministry of Agriculture and Cooperatives, Thailand

Total yield of important fruit crops in Thailand between 2008 (unit in MT)

Kind of fruit	Year					
	2008	2009	2010	2011	2012	2013
Mango	2,374,165	2,469,814	2,550,600	2,793,640	2,985,530	3,141,950
Longan	477,956	623,032	525,230	772,099	876,269	861,926
Durian	637,790	661,665	568,067	509,381	524,387	569,238
Mangosteen	175,274	270,554	250,508	146,079	210,255	278,919
Rambutan	404,053	370,600	347,470	308,471	334,087	315,843
Longkong	100,583	158,343	151,806	87,294	122,902	160,677
Tangerine	647,171	514,678	280,190	214,898	185,084	155,772
Pomelo	320,122	305,500	294,949	272,160	245,500	247,080
Lyches	53,175	49,581	36,997	36,977	65,763	47,766
Banana	236,822	240,394	242,319	230,480	233,200	234,220
Babybanana	169,252	172,587	167,495	89,900	88,600	94,930

Source: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives, Thailand

**Export quantity of important fruit crops of Thailand between 2008 and 2013
(unit in MT)**

Fruit crops	Year					
	2008	2009	2010	2011	2012	2013
Mango	41,660	50,305	47,613	66,418	76,313	73,167
Longan	168,285	239,828	216,395	382,013	455,663	413,440
Durian	240,265	299,692	247,126	307,925	371,946	386,746
Mangosteen	44,268	117,987	119,572	111,717	149,398	215,865
Rambutan	6,564	6,793	9,448	13,904	20,493	14,049
Longkong	637	1,531	1,780	2,915	2,487	4,932
Tangerine	14,774	6,472	2,907	4,023	1,432	1,661
Pomelo	11,218	11,156	12,149	13,303	13,368	14,338
Lyches	23,320	43,924	38,470	9,681	18,631	8,977
Banana	7,235	9,910	6,740	4,632	2,169	1,531
Babybanana	11,585	12,633	14,490	15,513	15,471	16,936

Source: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives, Thailand