

Case Study

linking producer to market

Fresh Cut Herbs for Export in Jordan

Promotion of MHAP including Fresh Herbs for export

- Why? (justifications)
- Problems & constraints
- How? (approach & steps undertaken)
- Out comes (achievements)
- Lessons learned
- Next steps

Justifications

for promotion of MHAP & fresh herbs

Extremely serious driving forces:

a) Scarcity of Water

that calls for crops of high water use efficiency

b) Increasing fragmentation of land holdings

that calls for farming system with high value crops

** Medicinal Herbs including Fresh Herbs are reported to satisfy both requirements!!

Justifications

for promotion of fresh herbs

Other driving/encouraging factors:

1. The variety of crops that can be grown over the whole year due to variable agro-eco-systems in the country
2. The increasing demand in and out side the country and export to EU
3. Competitiveness in price due to lower labor cost
4. Possibility for added value and income improvement of farmers

Country Resources

- **Land Resources:** limited
 - Agricultural area (800 thousand Hectares)
 - Irrigated 222 thousand Hectares
 - Increasing fragmentation (50% > 0.4 Hectare)
- **Water Resources :** scarce
 - One of the ten water- poorest countries in the world
 - 757 mcm renewable
- **Climate:** dry
 - Dry long Summer, short Winter
 - Rain fall 50-600mm
- **Human Resources**
 - Population 5.5 million
 - 30% dependent on agriculture
- **Agriculture's Contribution in GDP:**
 - Poor contribution (around 2%)

Approach & Steps undertaken

to promote MHAP & fresh herbs

1. Conducting socio-economic baseline studies
2. Providing specific awareness and training to beneficiaries
3. Providing initial technical support or promotions
4. Establishing linkages between producers, farmers, aggregators and exporters

Socio-economic studies

for better understanding the MHAP sector

- First National Workshop about MHAP sector (97); it gave guidance
- Encouraging initial research & development results at NCARTT (96-0)
- 3 Baseline Studies Conducted for better understanding (0-02)
 - An inventory study **assessed local natural resources** of MHAP in terms of conservation and potentials for utilization.
 - Another study examined **the feasibility of growing** domestic and exotic MHAP in the different agro-ecosystems of the country. *Identified;*
 - a) *feasible crops,*
 - b) *target farmer groups and target production areas,*
 - c) *fragmented and scattered capacities and facilities available in the country, and*
 - d) *the lack of know-how and experience and the need for human capacity building.*
 - A third study analyzed **the socioeconomic status** of MHAP; demand, supply, marketing and potential export markets. *Concluded;*
 - a) *local market volume is small*
 - b) *many MHAP commodities imported that could be produced locally*
 - c) *locally produced commodities should be oriented for export at higher quality in order to generate maximum added value and improve income of farmers.*
 - d) *Fresh herbs are most feasible for export to EU*

Main constraints faced

in promoting MHAP & fresh herbs

- Lack of specific experience and know-how
- Low awareness about quality standards
- Fragmentation & shortage of facilities and capacities

Providing specific awareness and training to beneficiaries

- **Awareness** has actually started early in 1996.
 - NCARTT practiced extension & demonstrations on farmer's field -feasibility of growing MHA crops.
 - Considerable campaign in mass media was also practiced.
 - Domain of MHAP was always present in every agribusiness forum, meeting or show in the country.
- **Training is fundamental** since specific experience & know-how lacking.
 - Project allocated big portion for specific training and human capacity building.
 - Specialized training workshops conducted and a training schedule in different topics planned.
 - Project provided research grant for students to be graduated in MHAP field; 12 Msc and 4 PhD.
- **Study tours** provide opportunity to learn from the experiences of others
 - Group of interested farmers and technical staff participated in study tours organized by the project to Syria, Egypt, Israel, Holland and Denmark.
 - Other study tours are planned for specific purposes.
- **Major quality standards** for export to EU; EUREPGAP & HACCP. Horticultural producers and exporters made aware of that, 7 have already achieved the two standards and more than 10 are preparing their facilities to achieve them.

Providing initial technical support or promotions

- As new line farmers & investors are usually hesitant;
- Although production facilities used for producing fresh vegetables can be used for fresh herbs, fresh herbs revealed as more sensitive and require more precautionous treatments and thus special pre- and post harvest techniques and machinery.
- In order to encourage producers of fresh herbs and minimize their initial rescue the Project was ready to provide specialized machinery and proper plant material for pioneer producers and exporters.
- The project has also provided the producers with specialized consultancy. A German firm was hired to provide consultancy for fresh herbs growers.
- Moreover, an individual consultant (from Israel) is being hired to train and supervise farmers on day by day production and export of fresh herbs over 6 months.

Establishing linkages between producers and exporters

- Building partnerships between producers, processors and exporters is crucial for a functioning marketing.
- Knowing that, the Project has qualified a partner (a consortium of agribusiness companies) to work with.
The consortium should establish
 - i) a pilot farm in certain locations for applying advanced production techniques to be demonstrated to farmers,*
 - ii) a production, processing and export agribusiness based on contract farming system to benefit other small and medium producer/farmer.*Against this pioneer undertaken the consortium receives special technical support and promotion from the Project.
- Beside that, the Project is focusing on a broader spectrum of beneficiaries parallel to this deal and trying to enhance contract farming and collaborations between different growers and exporters.

Out comes!

- Fresh herbs are produced and retailed locally at improved quality.
- Supermarkets started to devote shelf space to a wider variety and higher quality of fresh cut herbs.
- Export to Europe has started and is increasing in volume and variety, which has in turn provided producers with improved income.
- Many growers are aware, they can be classified into three groups:
 - 1) those who have already begun to produce fresh herbs at high quality for export;
 - 2) farmers who are preparing their facilities for the coming season to establish their own production, and
 - 3) those who are watching the trials and errors of fellow farmers.

Lessons learned

- Fresh herbs are very sensitive commodities that require special care to maintain quality along the market chain leading to the final consumer
- Quality standards should be taken very early and during every step of the value chain.
- Precise management of fresh herb business is prerequisite to meet stringent requirements for export
- Specialized training and awareness necessary to mobilize and commit the target producer groups
- Willingness is not enough to ensure commitment. Quality standards can not be left to farmers discretion. Firm contractual agreements are needed.

Next steps

- Consolidation of successes and expand production
- Promotion of essential oil production and processing of seconds and lower quality product as a complement to fresh cut herbs.
- Utilization non-conventional water resources to augment production of non-edible MHAP
- Promotion of MHAP as supplements for pharmaceutical companies through contracts with the farming community
- Domestication of local genetic resources and fed into improvement schemes to generate more crop options for Jordanian farmers

JORDAN

Conservation of Medicinal and Herbal Plants Project

Donor: GEF, Gov. of Jordan

Implementer: WB, MOPIC,

Executer: NCARTT, RSCN, Private Sector

Financing

	Total	GEF	GOJ	RSCN	EFJ	Benef.
1.Inst.Strengthening	2.54	1.95	0.50			0.09
2.Pilot-sites Conservation						
2.1.1 in-situ, Wadi Mujib	3.11	1.12	1.21	0.78		
2.1.2 in-situ, Rift Valley	0.98	0.60	0.38			
2.2.1 ex-situ, NCARTT	1.37	0.50	0.87			
2.2.2 ex-situ, NCARTT/EFJ	1.46	0.49	0.18		0.79	
Sub-total	6.92	2.71	2.64	0.78	0.79	
3. Public awareness & education	1.25	0.34	0.27	0.51		0.13
4. Income generating activities	3.5		3.5			
Total	14.21	5.00	6.91	1.29	0.79	0.22