

*The first International Fruit and Vegetable Fair successfully wrapped up last week in Tashkent to most likely get the laurels of the region's leading specialized event. There is a reason behind it, since today Uzbekistan ranks among ten leading exporters of fruits and vegetables. Uzbekistan Today reporters have assessed the capacity of the agricultural sector of Uzbekistan.*

If we say that the first International Fruit and Vegetable Fair in Tashkent surprised representatives of international trade organizations, logistics companies, traders and businesses who came to Tashkent from more than 40 countries, means saying nothing. It was a phenomenal success! Even those who have got accustomed to the lifetime work with fruits and vegetables, walked in Uzexpocentre pavilions in amazement: during four days the fair was as if colored by a wild imagination of an impressionist. Each region of Uzbekistan presented its unique exposition. The Bukhara representatives surprised the visitors with a carved palace and subtle carving on ... watermelons and melons. They were true Spanish caravels and medieval palaces. Samarkand artists showed various figures of animals and birds made from fruits and vegetables. Representatives of Khiva made a medieval city, and Surkhandarya masters carved a huge bunch of grapes and a fruit stream pouring from the jug out of the ordinary

eggplant.

There was something interesting on the stand of each region, because representatives not just presented their tasty and useful products, but arranged them in a creative way. Most importantly, all the wealth and gifts of the Uzbek nature were not just a riot of colors, but exhaled a fragrance, which intoxicated and seduced even the most demanding visitors. It seemed fairly hard for foreign guests to resist from trying each exhibit. Meanwhile, the entire lyric was backgrounded by serious economic projects, long-term contracts and many promising areas for cooperation. Uzbekistan annually grows about 18 million tons of fruits and vegetables, more than 4 million

tons of which are exported. The numbers are expected to increase in the next five years: by the end of 2020 the agricultural sector intends to bring the fruit and vegetable production to 32 million tons.

During the fair, the Prime Minister of Uzbekistan Shavkat Mirziyoyev announced a new initiative, which is expected to help in promoting exports of fruits and vegetables. According to him, it is scheduled to launch an electronic trading platform for exports of fruits and vegetables in the second half of the current year. It will provide an opportunity to place orders and

conclude export contracts for the supply of fresh and processed products online.

Experts see the e-market and IFVF as a unique mechanism for establishing beneficial cooperation and conclusion of direct long-term contracts with interested foreign partners.

That would primarily promote the well-functioning, transparent and clear market conditions for the product supply, and eliminate the chain of intermediaries. At the same

time, the Uzbek side will be able to collaborate with customers on export volumes, transportation and logistics. The IFVF platform and its electronic version in the global network will make it possible to make contracts for at least five years, while generally, Uzbekistan builds on long-term strategic agreements for 15-20 years. Founded this year, the foreign trade company

Uzagroexport is ready to process the guaranteed export of horticultural products in conformity with customer's needs, as well as make long-term contracts for the supply of a wide range of products, including orders of foreign partners.

Local specialists currently actively negotiate with foreign partners on cutting cargo transportation cost in

the direction of major outlets primarily through the provision of tariff privileges and preferences for transit shipping.

Moreover, cargo carriers are provided with modern vehicle by successfully operating joint ventures with the German automaker MAN and the Japanese Isuzu.

The financial and

technical cooperation has paved the way to dozens major and important ongoing projects on modernization and intensification of agricultural production, development of the horticulture sector, as well as to model projects on the production,



storage, freezing, enhanced processing and building of an effective logistics infrastructure and export production. The portfolio of ongoing and drafted projects totals more than \$1.5 billion.

By the end of 2020, Uzbekistan intends to bring the total storage

capacity of fruits and vegetables up to 1 million tons. Today, there are more than 1,300 specialized storage facilities with a total capacity of simultaneous storage of more than 800,000 tons, run by progressive methods of

product storage with integrated approach to sorting, packaging and calibration.

With new refrigeration chambers Uzbekistan intends to reduce the loss of fruits and vegetables by 10%. In the next five years the Uzbek side will draw

more than \$163 million of foreign investments and loans in the development of food industry, which is about 27% of all the funds estimated for the development of the industry.

New storage

facilities will be established under standard trade and logistics centers, the construction of which will be invested by over \$115 million. It is planned to build a total of 15 logistics centers, which will

be evenly located  
throughout the  
country.

The forum has  
become a place of  
origination for  
another interesting  
initiative on the  
establishment of a

large food transport  
and logistics center  
in the Bukhara  
region by the  
Chinese company  
Xinjiang Silu  
Changlong  
Investment. The  
Chinese investors

are partnered by the regional administration and the Ministry of Economy of Uzbekistan. The Chinese company intends to invest \$30 million, most of



which will be  
channeled as a  
loan of China  
Eximbank.

There is a reason  
behind choosing  
the Bukhara  
region. For the  
current year, its

administration has planned to grow more than 1.2 million tons of fruit and vegetables, potatoes, melons and grapes. That should be enough to not just fill the

domestic market,  
ensure processing  
and seed, but also  
to scale up  
exports. So far,  
enterprises of the  
region export  
about 52,000 tons  
of agricultural

products, while the demand is obviously much higher. Before the start of IFVF, they expected to sign export contracts for \$58.7 million, but the amount

exceeded \$78.7 million in the first two days alone. Some foreign guests visited farms of their partners in Bukhara region to see intensive

gardens and  
processing  
enterprises, and  
establish mutually  
beneficial  
cooperation.

The Chinese  
partners intend to  
build sorting and

storage facilities,  
as well as four  
modern  
refrigerators.  
They will also  
build two plants  
with  
state-of-the-art

production lines.  
The first company  
will focus on  
processing of  
fresh products of  
Uzbek farmers  
into jams,  
marmalades,



preserves, pickles  
and other  
products. Another  
company will be  
engaged in meat  
and milk  
processing, and  
production of a

wide range of  
sausage and  
dairy products.  
In addition, the  
Chinese partners  
intend to launch  
their own  
packaging

factory for plastic  
and cardboard  
containers,  
boxes and cases  
in line with all the  
market  
requirements of  
the CIS and

European  
countries. They  
also plan to  
gradually  
establish their  
own agrarian  
base, build  
intensive

gardens and  
greenhouses for  
all year round  
production.  
Consequently,  
they will their  
own car fleet. To  
this end, in the

first phase of the  
project the  
company intends  
to purchase  
about 20  
refrigerators by  
MAN factory in  
Samarkand.

China, Russia,  
CIS and EU  
countries are  
expected to  
become key  
consumers of  
food products  
processed and

manufactured in  
the center. This  
choice is truly  
justified.

Uzbekistan has  
recently  
commissioned a  
new electrified



railway line  
Angren-Pap,  
which has  
provided a  
unique  
opportunity for  
businesses to  
reduce

transportation  
costs. In the  
coming years  
the Uzbek side  
intends to fully  
electrify the  
road till the  
border with

Kyrgyzstan, and  
built a line to  
China.

Altogether, the  
sections will be  
incorporated  
into a pivotal  
traffic artery for

the three  
countries, which  
is going to be a  
new competitor  
for the existing  
rail routes  
between Europe  
and Asia.

Incorporating  
over 45  
companies, the  
O'zbekoziqovq  
atzahira  
Association has  
also outlined

several  
export-oriented  
projects. Each  
of its  
enterprises is  
equipped with  
vegetable

stores,  
refrigerators  
with the  
concurrent  
storage  
capacity from  
200 to 3,000

tons. The total volume of refrigerating containers makes up about 68 tons, plus about



45,000 tons of  
'dry  
warehouses'.

Latest  
technologies  
and equipment  
for fruit and

vegetable  
storage have  
guaranteed the  
supply of  
products to the  
population in  
winter and

spring, and  
expanded the  
deliveries  
abroad.

In order to  
increase  
exports to

Russia and  
Kazakhstan,  
Uzbekistan  
opened three  
trading  
houses, which  
offer clean,

delicious and  
healthy  
high-quality  
products under  
Food  
Uzbekistan  
and FAZO

brands. To  
date,  
Uzbekistan  
has signed  
long-term  
export  
contracts for

almost \$120 million. Fruits and vegetables for \$4.5 million were shipped already in June, and

batches worth  
\$2.2 million  
have been  
shipped in the  
first decade of  
July. Having  
studied the



demand, some  
companies  
have started  
growing  
melons by  
themselves.  
For instance,

PSM Group  
grows melons  
for export on  
500 hectares.  
There is a  
good demand  
for these

products in  
Russia, the  
Baltic countries  
and  
Scandinavia.  
In the first two  
days of IFVF

the foreign  
trade  
company  
Uzagroeksport  
signed export  
contracts for  
\$382 million

with the  
Iranian Pure  
Corporation,  
the China's  
VSEE  
Corporation,  
the Chamber

of Commerce  
and Trade of  
Dubai, the  
Indian Eco  
Green Group,  
and others.  
The Spanish

company  
Lendel Media  
Solutions has  
signed a direct  
contract with  
Yuqoribogh  
Ne'matlari

agrofirm of  
Urgench  
district for a  
weekly  
delivery of 30  
tons of melons  
since October



1.  
A total of 270  
contracts on  
exports of  
fruits and  
vegetables

have been  
signed at  
more than \$2  
billion at  
IFVF.

Vegetables

will make up  
27% of  
exports, fruits  
- 25%, dried  
and  
processed

products -  
17.6%,  
legumes -  
8.4%, and 2%  
of melons.  
The Fair is

over, but  
contracts are  
still signed. It  
will take at  
least a few  
weeks to

calculate a  
total number  
of the  
projects  
signed, as  
many foreign

partners are  
traveling  
across the  
country,  
studying the  
capacity of

the suppliers  
and their  
products. At  
least one  
thing is clear  
today – the



initiative has  
fully justified  
itself, so  
Uzbekistan  
anticipates  
not hundreds

but most  
likely  
thousands of  
participants  
from all over  
the world for

the next year  
IFVVF to once  
again enjoy  
the variety of  
delicious and  
environmenta

Ily friendly  
Uzbek fruits  
and  
vegetables.  
*(Source:  
«Uzbekistan*

*Today»  
newspaper)*