THE DRAGON FRUIT EXPORT CHALLENGE AND EXPERIENCE IN VIETNAM

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Overview of Dragon fruit trees

Belonging to the cactus family

Originating in the desert region of Mexico and Columbia

Most of the dragon fruits grown in Vietnam are Hylocereus undatus (red or pink skin/white-fleshed) remaining as red-fleshed

There are currently 20 varieties of dragon fruit preserved from domestic sources and imported from abroad and 40 hybrid dragon fruit varieties.

Area of dragon fruit growing in the whole country is more than 55 thousand hectares. The largest concentrated areas are: Binh Thuan, Long An and Tien Giang
Major dragon fruit growing areas of Vietnam (red)

- The area of dragon fruit growing in Vietnam increased rapidly from 5,512 ha in 2000 to 55,419 ha of dragon fruit growing area with a total output of about 1,074,242 tons.

- The area of dragon fruits in these three provinces accounts for 87.44% of the total area and 94.65% of the whole country.

- Binh Thuan, accounting for 52.82% of the area and 55.11% of the national production, Long An (accounting for 20.35% of the area and 24.51% of the production) and Tien Giang (accounting for 14.28% of area and 15.04% of production).
Situation of dragon fruit consumption

- Domestic market accounts for 15-20% of the output; 80-85% of the remaining output is exported but the main market is China.

- In domestic term, Activities of buying and selling dragon fruit by enterprises and purchasing facilities, dragon fruits packing are carried out through distribution channels.

- In exporting term, Dragon fruits are exported to about 40 different countries and territories.

- Some traditional markets like China, Thailand, Indonesia, Malaysia as well as fastidious markets like the US, Australia, New Zealand, Chile, EU, Japan, Korea, Singapore and India.
The percent of all in-home eating occasions that include fresh foods, like fruit, vegetables, and dairy items, is almost back to levels seen 30 years ago, according to NPD food consumption research.

Younger adults, ages 18 to 34, including the Millennial generation, are the main drivers of the shift to fresh foods and beverages.
Commercial Sustainability

- Dragon fruit accounts for 32% of the total export value of vegetables and fruits - Vietnam.

- The export value of dragon fruits (~230 million USD), longan (121 million USD) and mango (104 million USD) (According to the General Department of Customs).

- Depending on the market and the technical requirements of each market. The more difficult market, the higher selling price will be applied on dragon fruit and vice versa.
Commercial Sustainability

Dragon Fruit retailing price at markets examples:

- **US Dragon Fruit Retail price**: 45-55 USD/ Package 4.5kg
- **Australia Dragon Fruit Retail Price**: 15~17 AUD/kg = 255.000~289.000 VND/kg
- **China Dragon Fruit Retail Price**: 25~30 China Yuan Reminbi/ kg = 82.500~99.000 VND/kg
Availability

- Dragon fruit is one of the easiest fruits to grow, even though it is a desert plant it really doesn’t require excessive amounts of light for it to grow healthy.

- Vietnamese farmers have developed a Lighting technique to the dragon fruit for the off-season.

- Currently, dragon fruit lighting technique used at night to handle off-season flowering in short-term conditions have been widely applied by farmers to bring high profits.
Dragon fruit is packed with many natural antioxidants like betalain.

Dragon fruit is low in calories but packed with essential vitamins and minerals. It also contains a substantial amount of dietary fiber.

Nutrients in a one-cup serving (227 grams) a research conducted by USDA Branded Food Product Database:
- Calories: 136 grams
- Protein: 3 grams
- Fat: 0 grams
- Carbohydrates: 29 grams
- Fiber: 7 grams
- Iron: 8% of the RDI
- Magnesium: 18% of the RDI
- Vitamin C: 9% of the RDI
- Vitamin E: 4% of the RDI.
Super Fruit

Aiding Digestion

- Given that dragon fruit contains prebiotics, it can potentially improve the balance of good bacteria in your gut. Regularly consuming prebiotics may reduce the risk of infection in your digestive tract and diarrhea.

Anti-Aging

- A study from US National Library of Medicine National Institutes of Health shows that eating Dragon fruit can prevent the risk of having Chronic diseases and it can act as an Anti-Aging product because Dragon Fruit is packed with Vitamin C, Betalains and Carotenoids in which acts as an Antioxidant substance.
Challenges in Exporting Dragon Fruit

Challenges with Farmers Awareness

- The Viet Nam farming areas are fragmented the fragmented product quality.

- The abuse of pesticides and growth regulators on dragon fruit is still occurring and not meeting the demand of markets for food safety.

- Vietnamese farmers have long been unfamiliar with the record keeping when using pesticides.

- Vietnamese Farmers and Exporters did not attach the importance to post-harvest preservation and cold storage for dragon fruit.
Commercial Challenges

- Majority of the Vietnamese business cannot offer Exclusive Purchasing contract from Farms which leads to Waste issue.

- For centuries, reliance on an export market was no longer unfamiliar to the country's agriculture.

- Vietnamese dragon fruits are still distributed only through small markets in these markets or some Asian markets in other countries in which only serve mostly for the Asian communities.
Solution

Standardization

- Unify product quality standards throughout the country in accordance with international food hygiene and safety standards
Product diversification

- Diversification of varieties will contribute to diversified products in the market while reducing competition pressure for traditional White Flesh variety.
- In addition to the White Flesh variety, there are other varieties such as Red Flesh variety named LĐ1, Purple and Pink Flesh variety named LĐ5.
Product diversification

- In addition to promote processed products, **advanced preservation technology** should be applied to develop the fresh products segments in high quality market.
- Established production facilities to export processed food instead of exporting raw material
Promoting Trade Activities

- In order to further support exportation of the fruits and vegetables:

- The Vietnam fruits association and competent agencies should push forward negotiations to remove trade barriers and find out new exports and niche markets.
Thank you