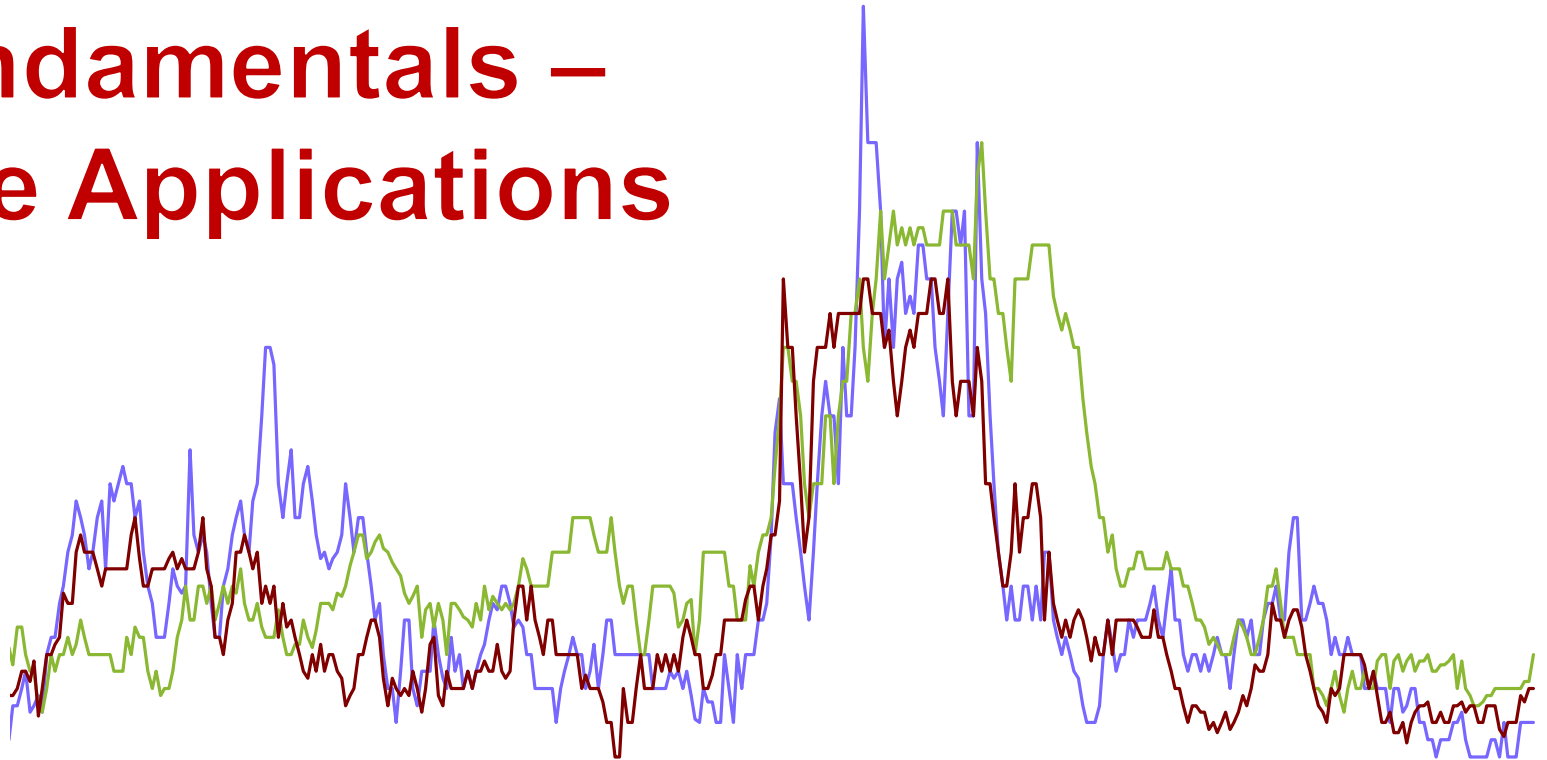


Market Fundamentals – Some Applications



Tiago Wandschneider



Structure of the presentation

- ✧ Vegetable price dynamics in Cambodia and implications
- ✧ Mango market dynamics and opportunities in Indonesia
- ✧ Supply seasonality and competitive advantage: the case of plums in Vietnam
- ✧ Market prospects for Vietnamese pear and implications for government policy

Vegetable Price dynamics in Cambodia and Implications

CONVOLVULUS

បរិស្ថានរឹង កូនចៅជំនាន់ក្រោយ!

Natural agriculture village

សរីរាង្គ Organic

P.G.S Organic certified

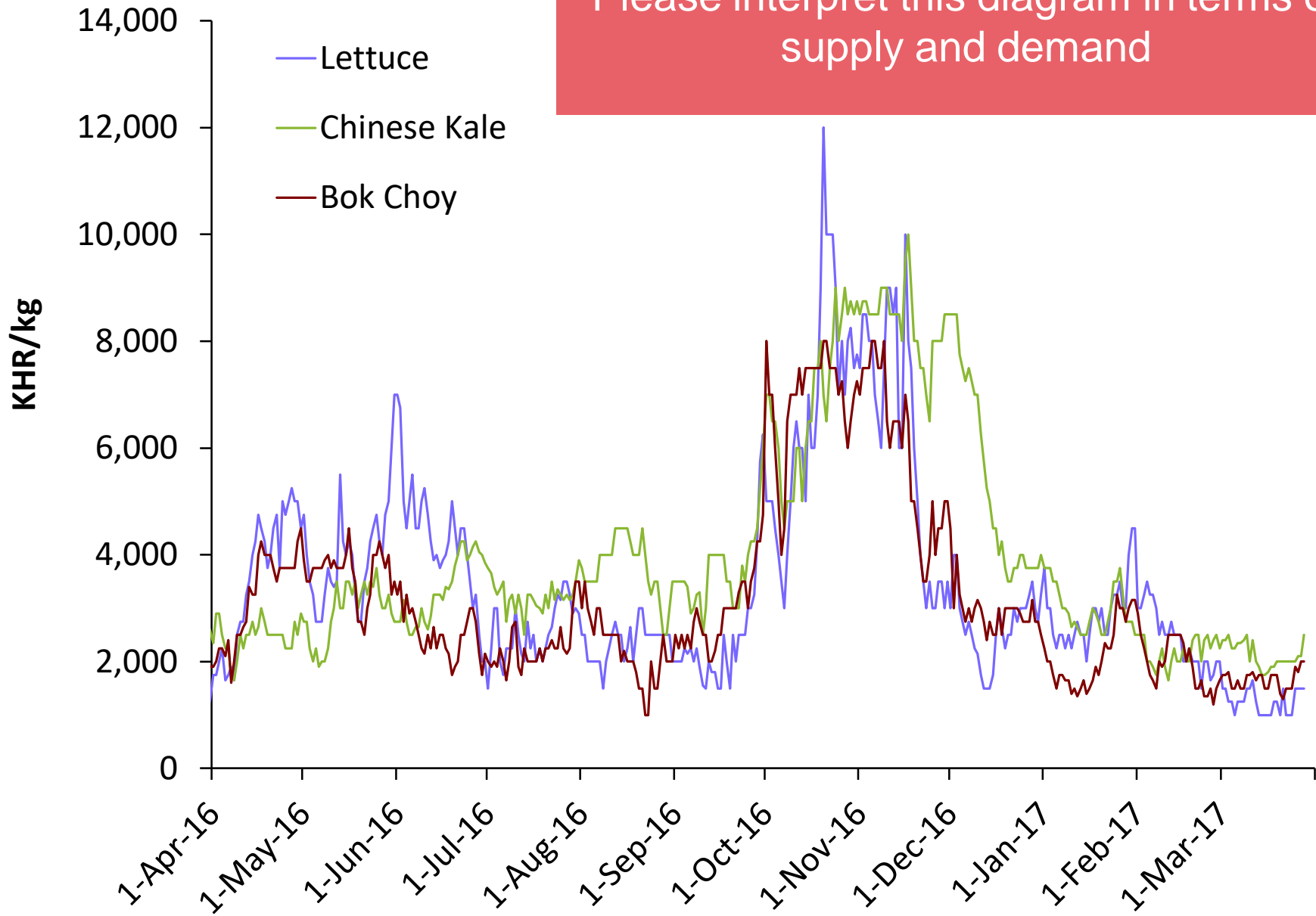
បរិស្ថានសិកម្មធម្មជាតិ

- ✓ មិនប្រើថ្នាំពុលគីមីកសិកម្ម
- ✓ មិនប្រើ ជី អ៊ីម អូ
- ✓ មិនប្រើជីគីមី
- ✓ មិនប្រើអ័រម៉ូន

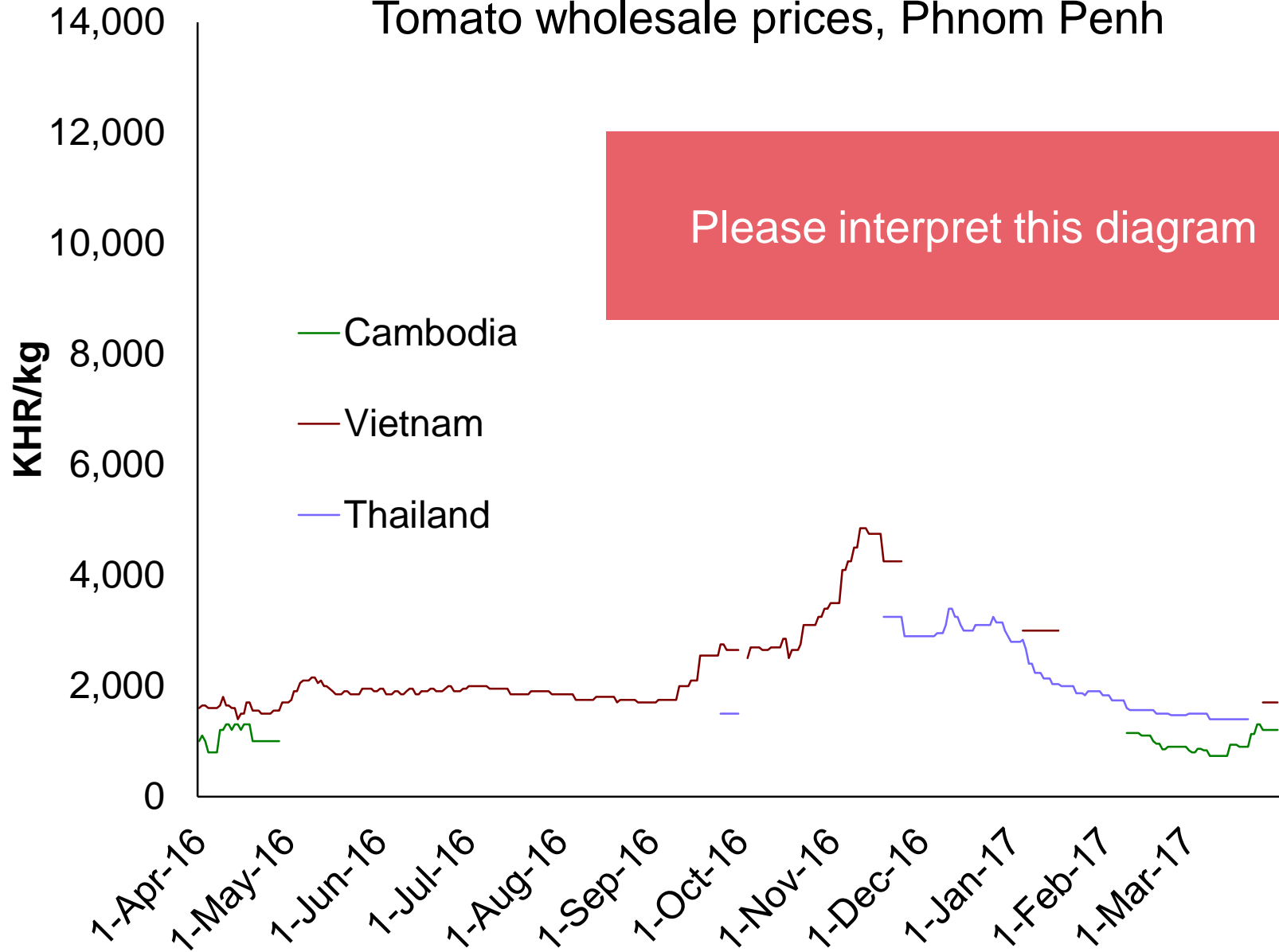
បន្លែដាំក្នុងផ្ទះសំណាញ់

www.ifoam.bio/en/pgs-maps 070 53 11 53

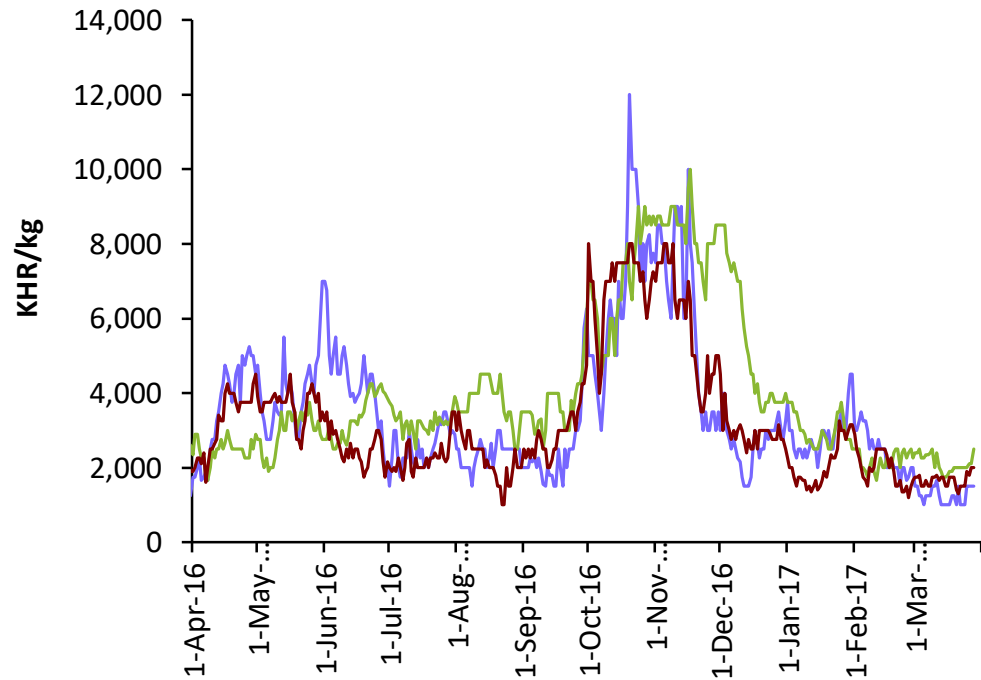
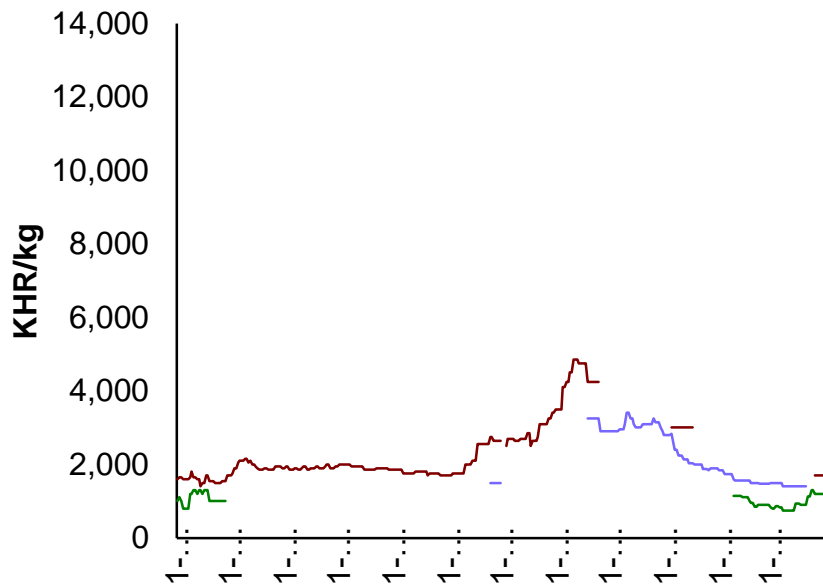
Please interpret this diagram in terms of supply and demand



Tomato wholesale prices, Phnom Penh

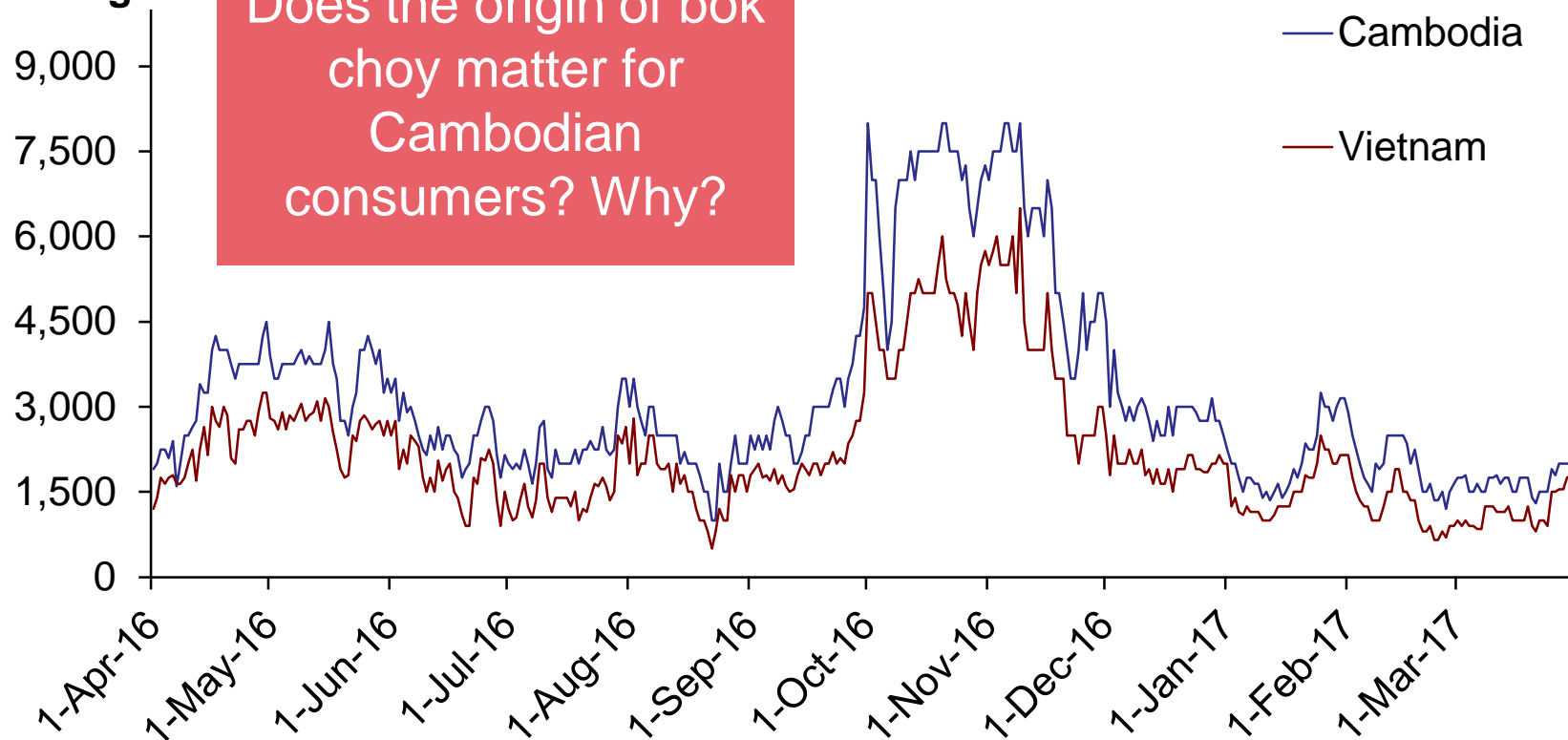


Why are there such significant differences between tomato and leafy vegetables in terms of price behaviour (inter-daily price volatility, inter-seasonal price variations)?



KHR/Kg

Does the origin of bok choy matter for Cambodian consumers? Why?



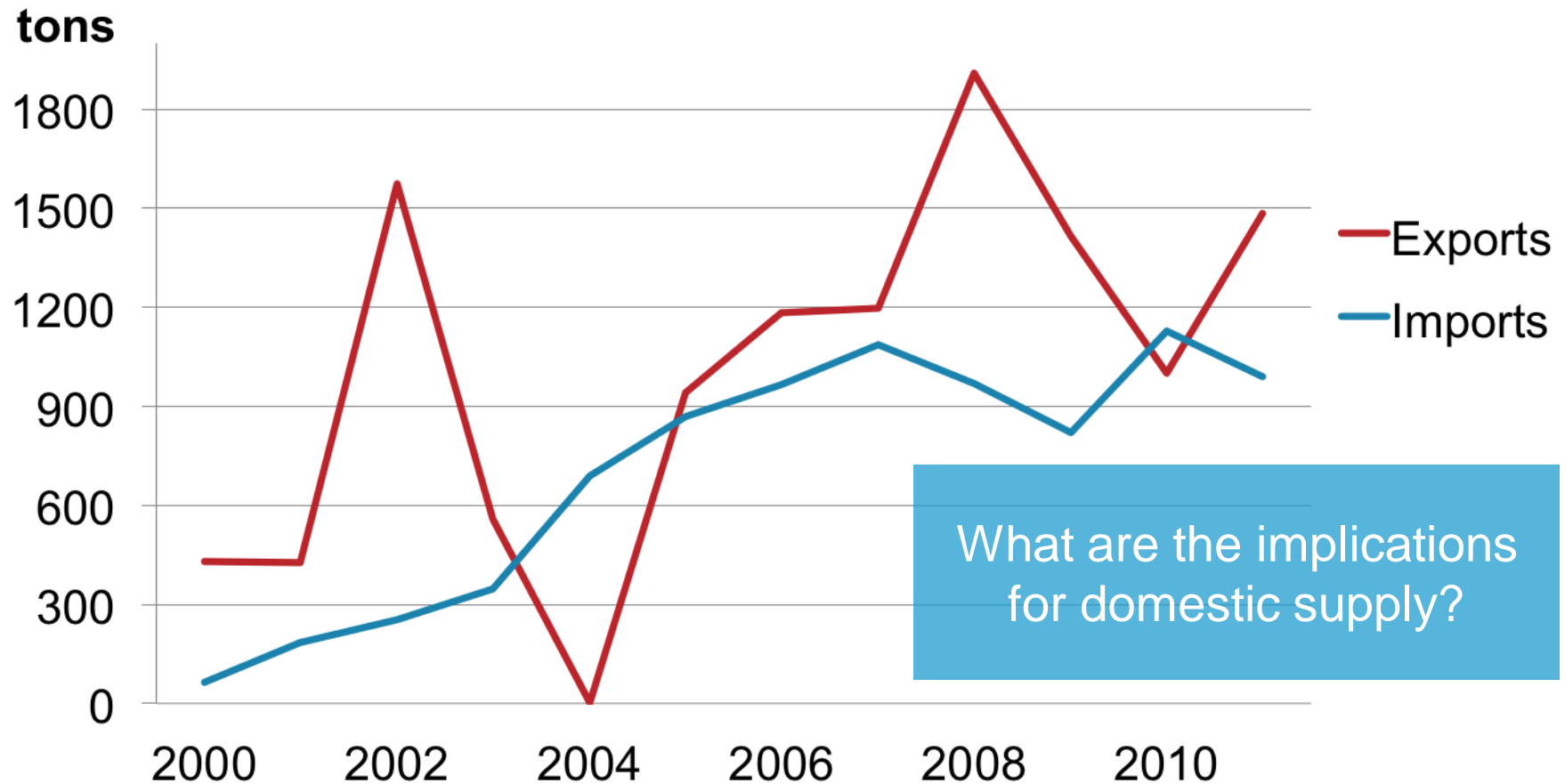
Average differences in wholesale prices between Cambodian and Vietnamese bok choy

Average daily price premium	Apr-Jun 2016	July-Sept 2017	Oct-Dec 2016	Jan-March 2017	12 month period
Khmer bok choy (KHR/kg)	873	751	1,686	598	979
Khmer bok choy (%)	39	44	47	46	44

Mango Market Dynamics and Opportunities in Indonesia

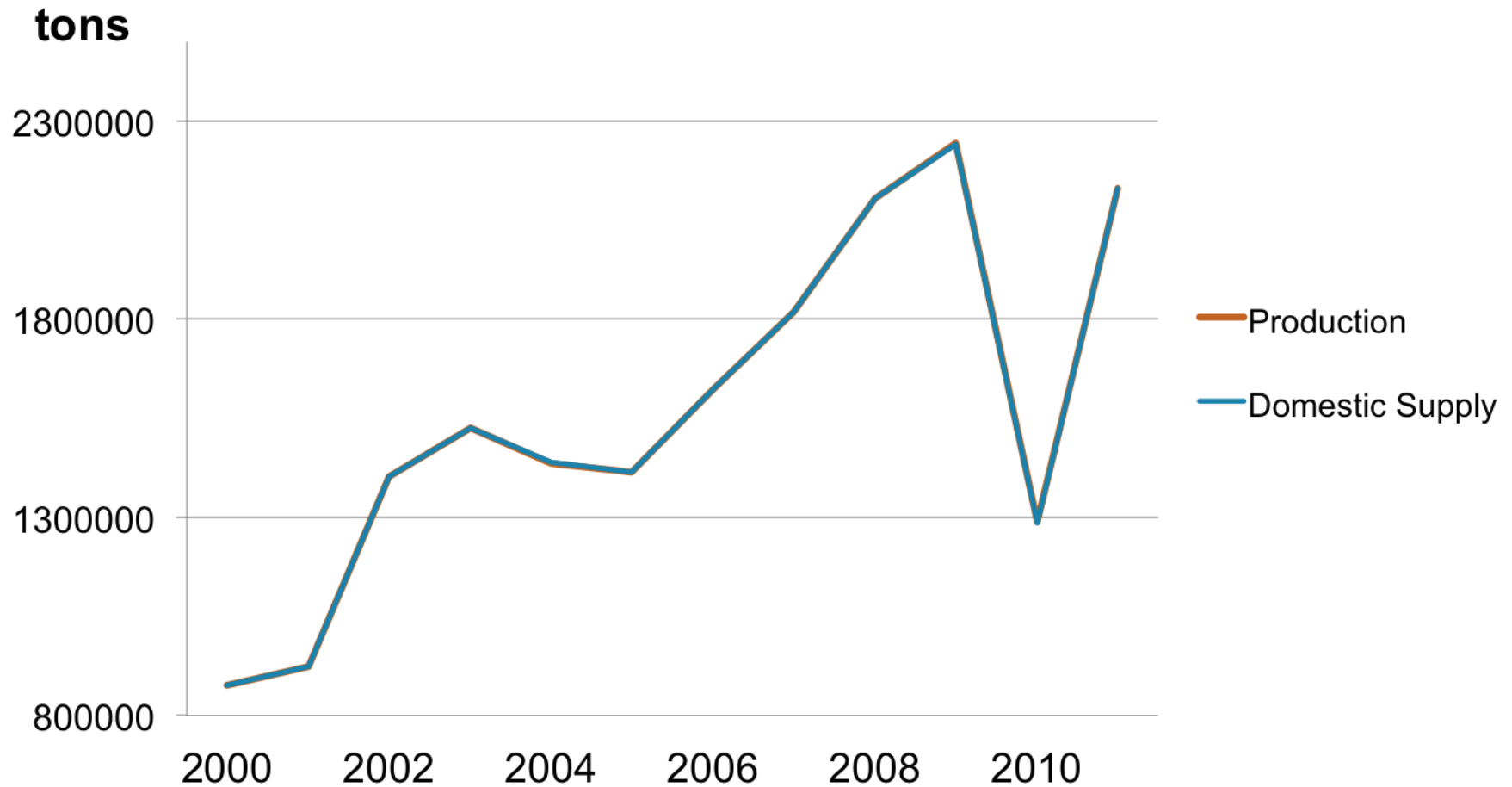


In Indonesia, fresh mango exports and imports are very low



Source: FAOSTAT

domestic mango production \approx domestic mango supply

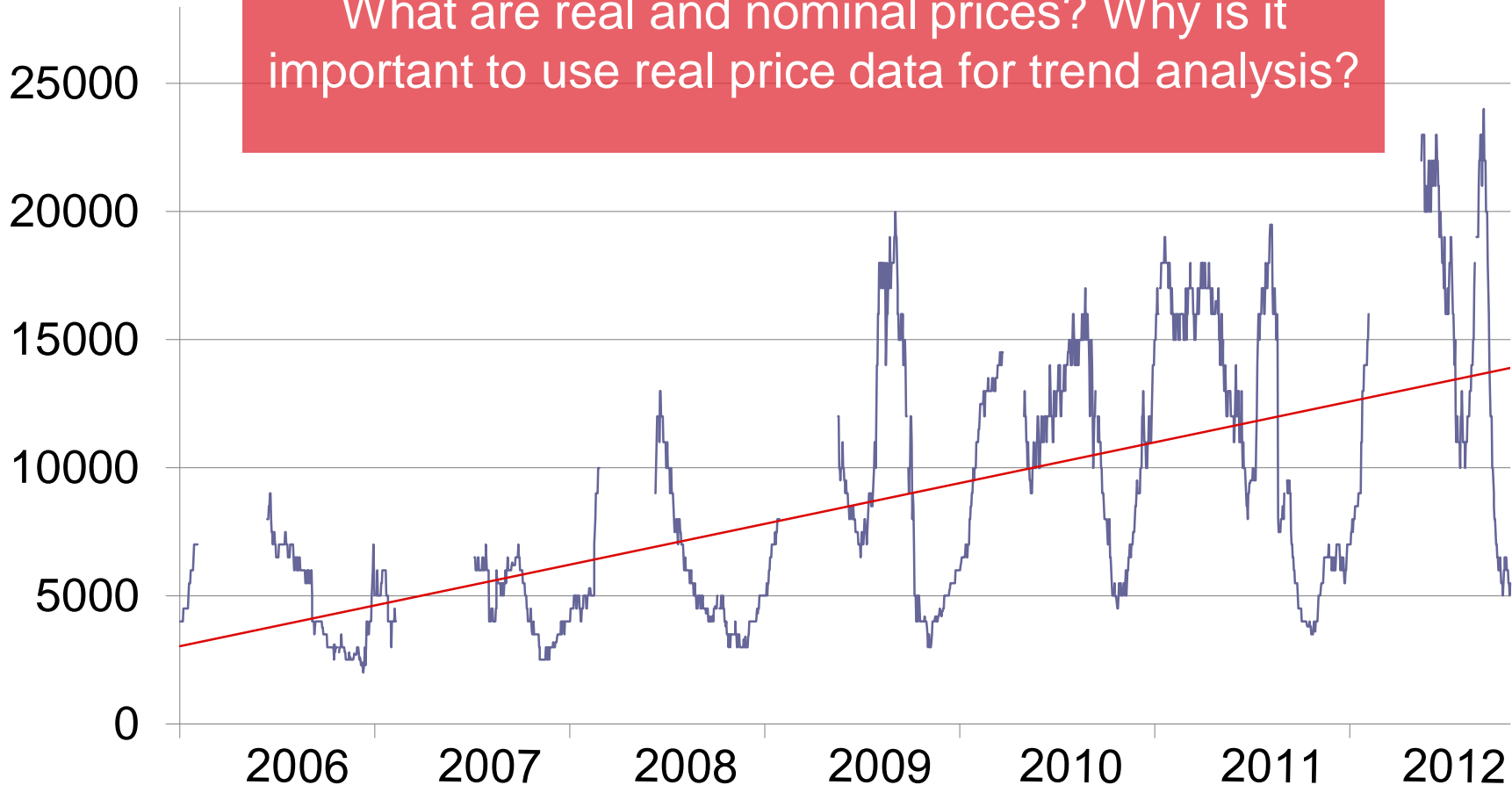


Source: Calculations based on FAOSTAT data

In Indonesia, real mango prices have been going up over time

IDR/kg

What are real and nominal prices? Why is it important to use real price data for trend analysis?



Source: Kramatjati Market Management Board

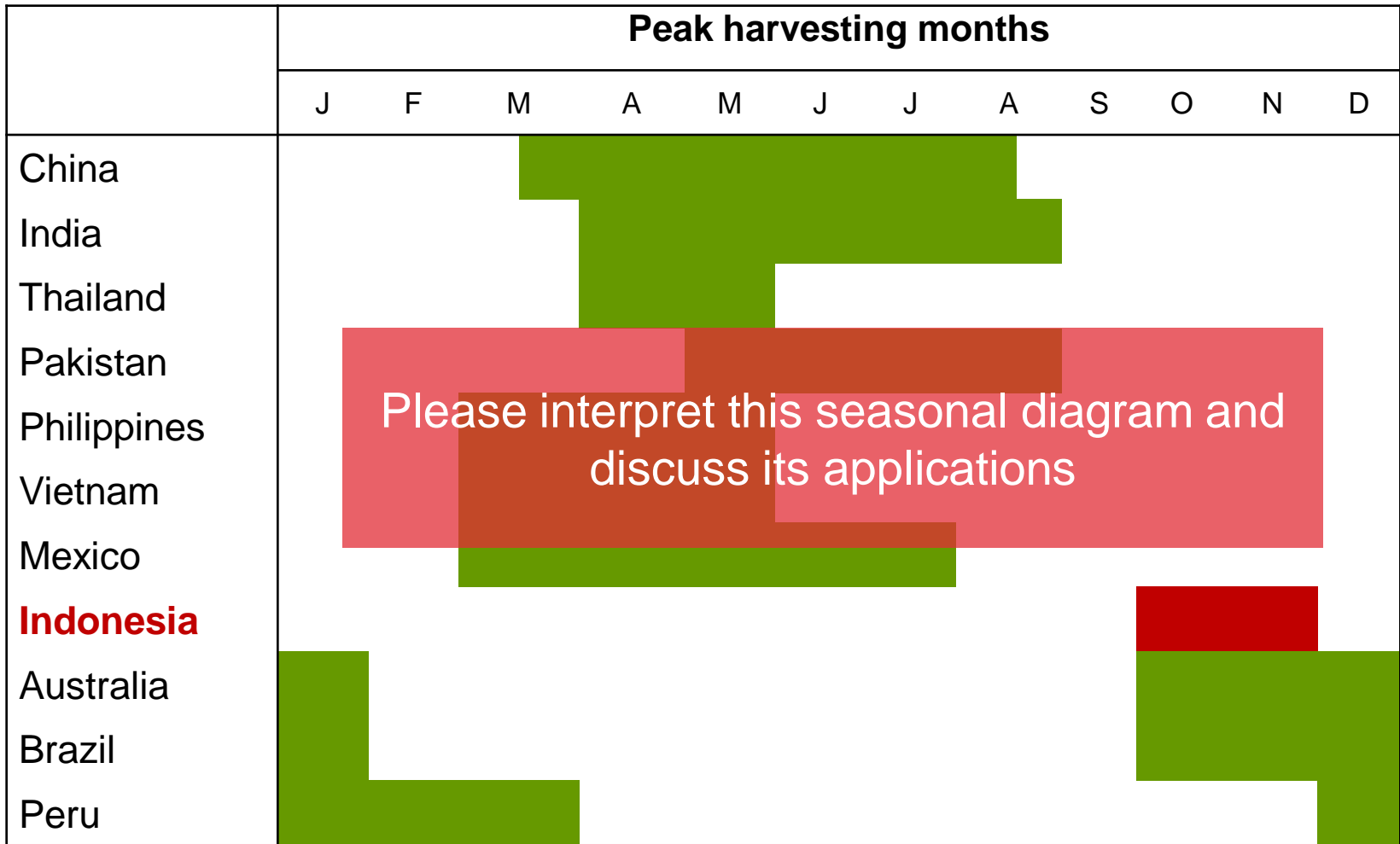
Supply



Prices

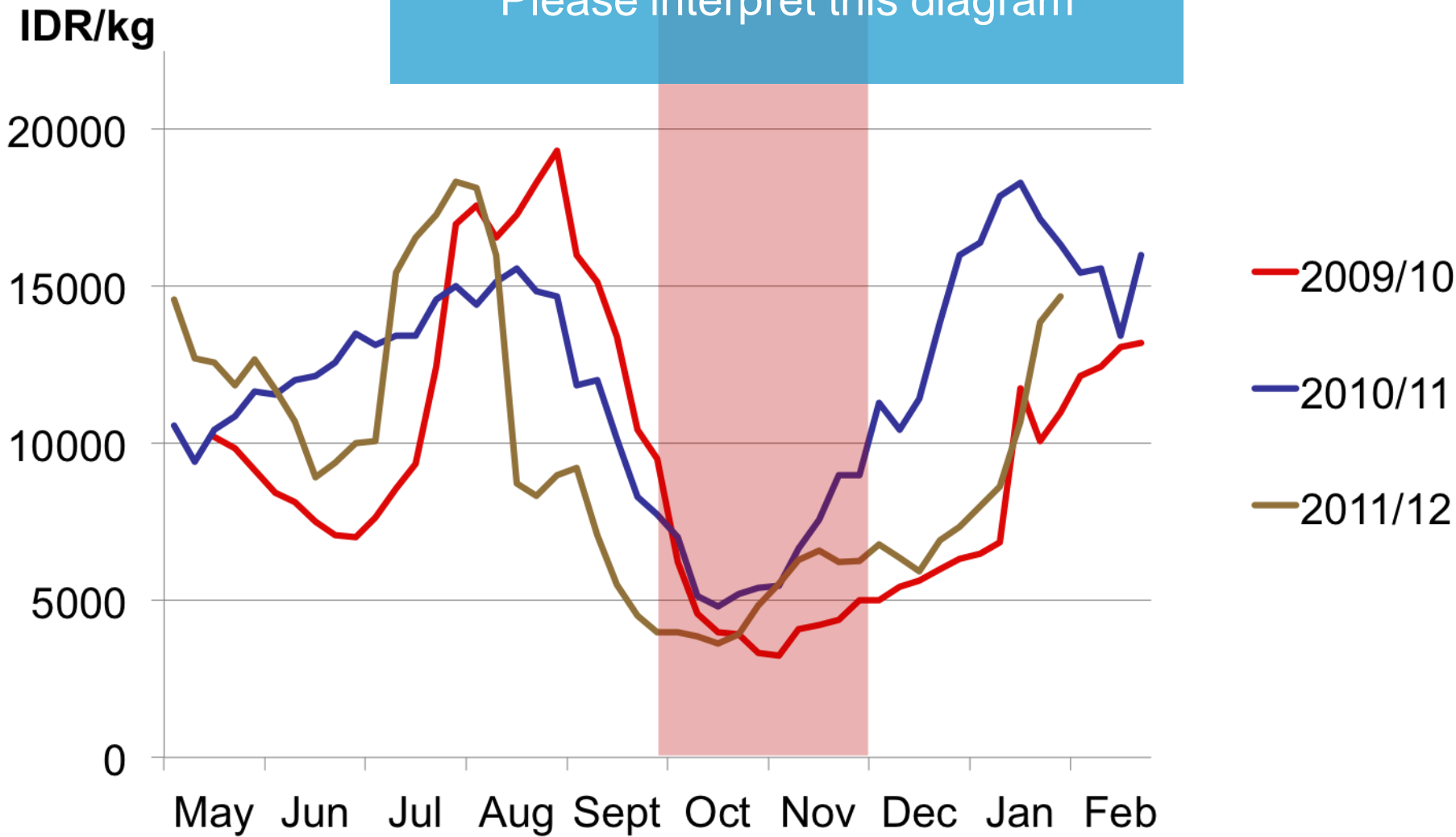


What is happening on the demand side?

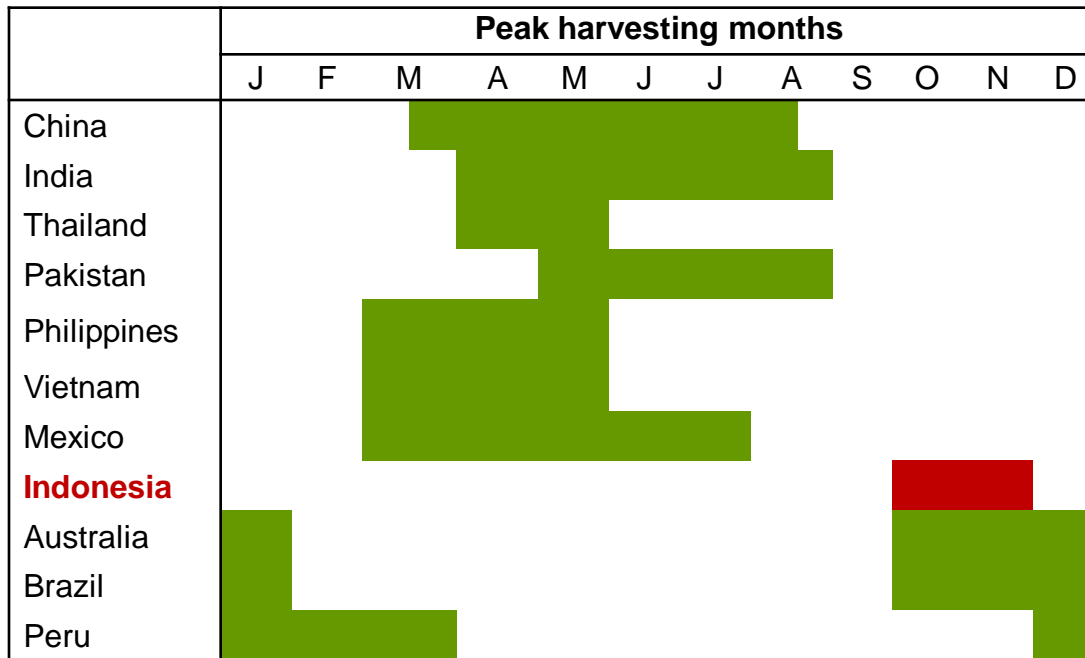


Sources: Internet (various)

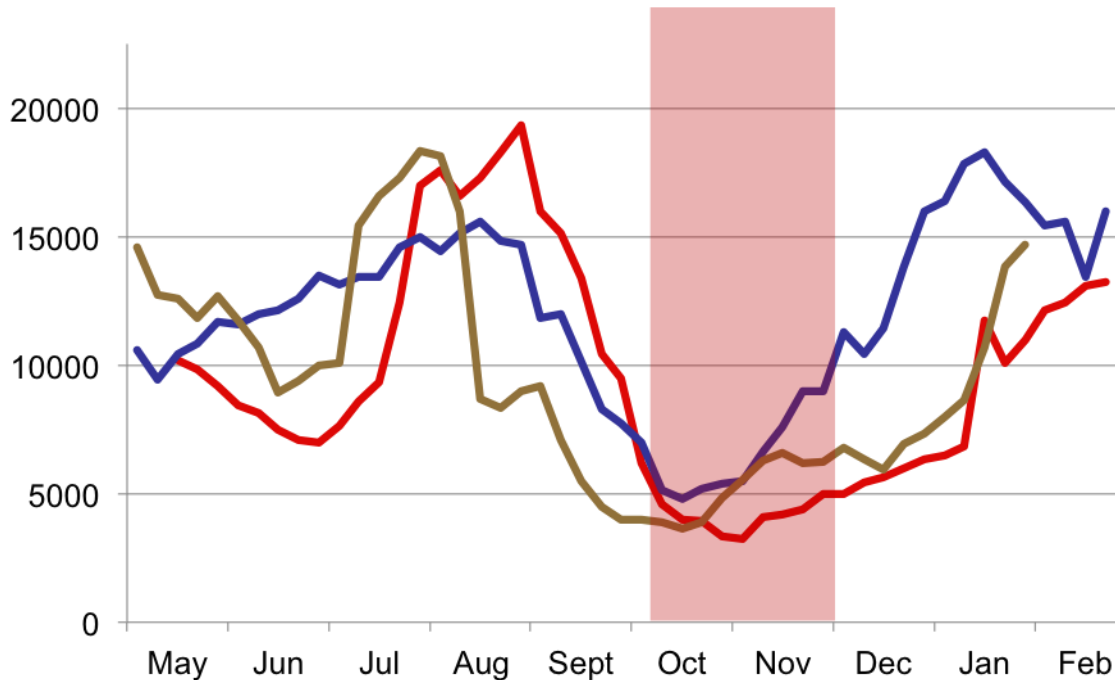
Please interpret this diagram



Source: Kramatjati Market Management Board



Seasonality is an important source of competitive advantage for Indonesia in regional markets



So why isn't Indonesia succeeding in regional markets?

Why are fresh mango imports into Indonesia and mango exports from Indonesia so low?

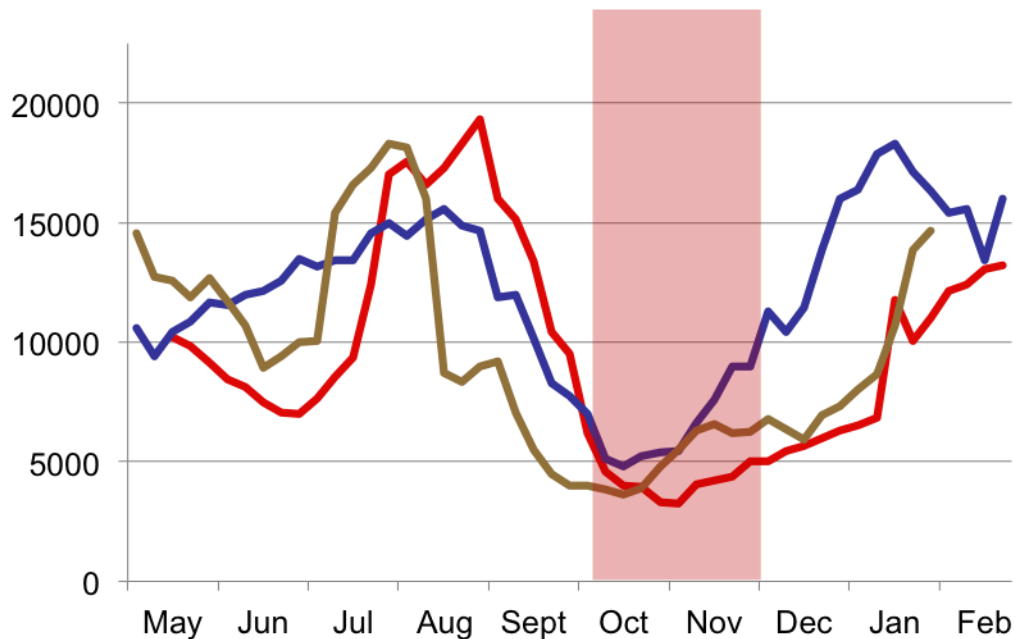
Imports

- ✧ Product perishability
- ✧ Consumer preferences
- ✧ Consumer willingness to pay for imported mangoes

Exports

- ✧ Crop management
- ✧ Post-harvest pest and disease management
- ✧ Phytosanitary regulations in some regional markets
- ✧ Variety

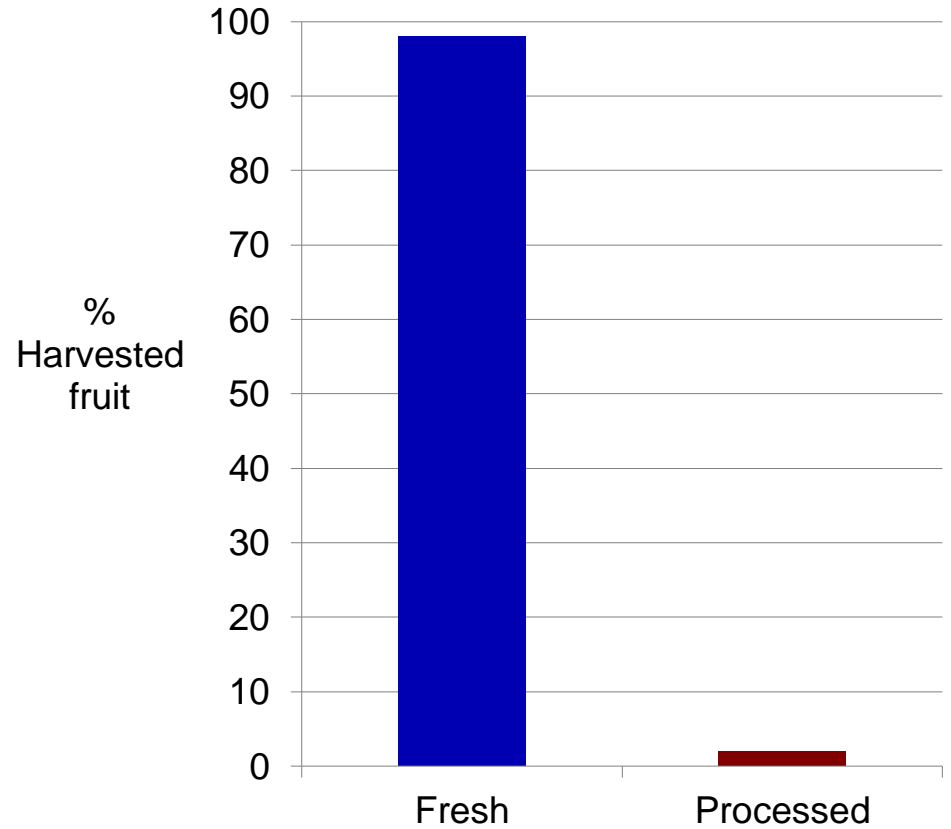
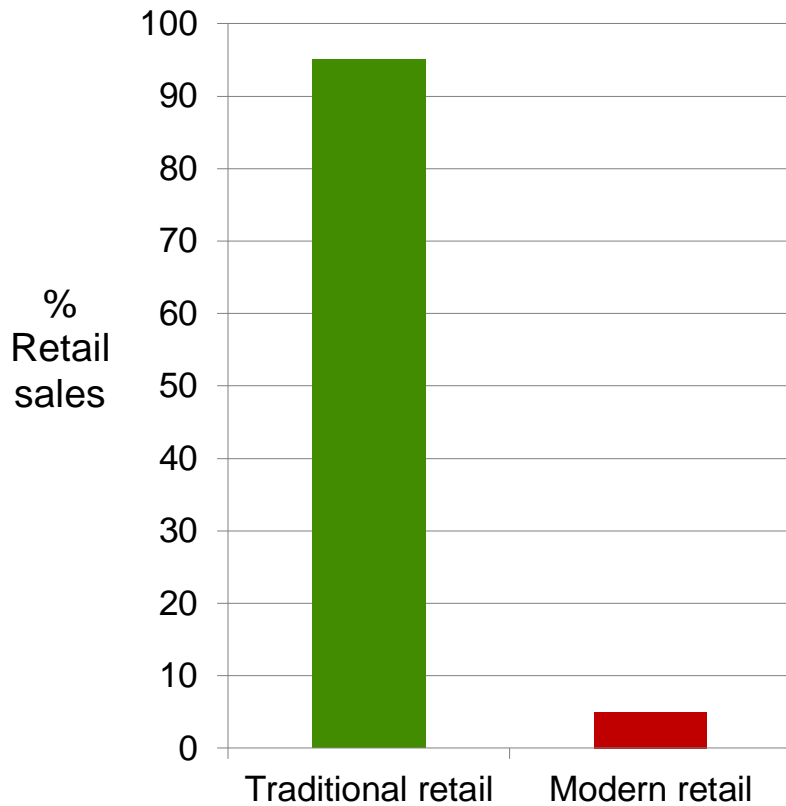
Why are there such significant inter-seasonal price variations?



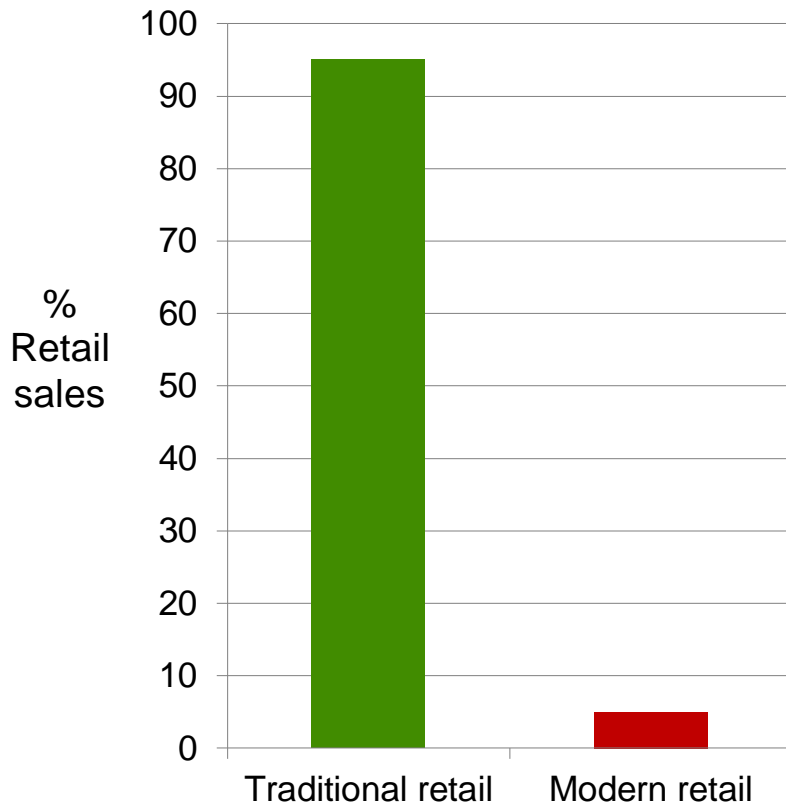
- ✧ Seasonal production patterns
- ✧ Perishability
- ✧ Processing
- ✧ Exports
- ✧ Imports

Supermarkets have a small share of the mango market

A very small share of the harvest is processed

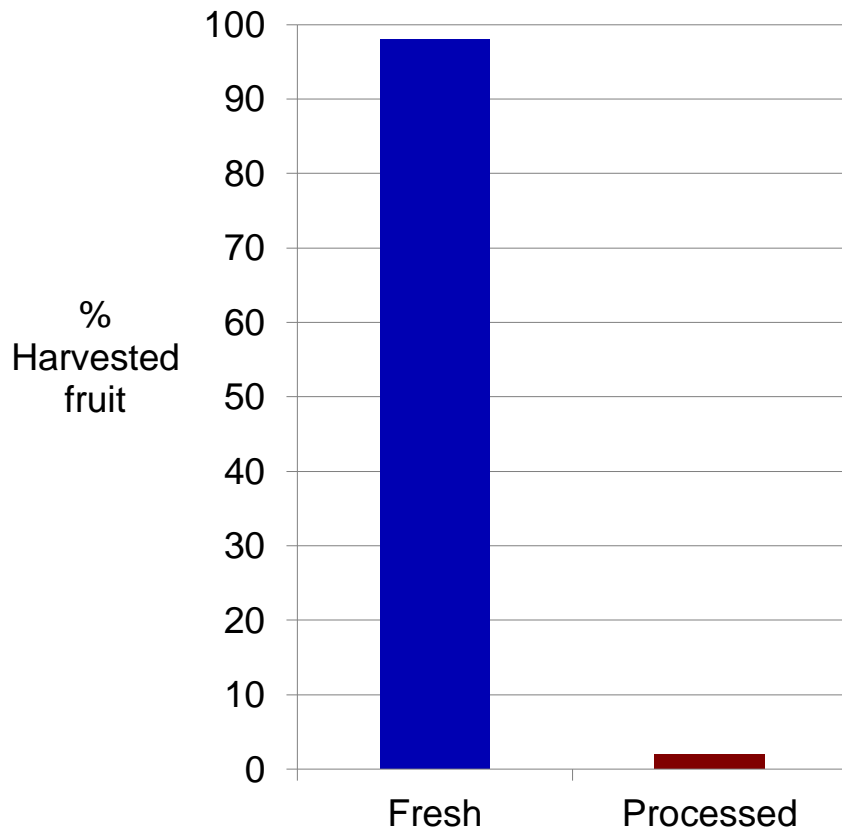


Why do modern retailers have such a small share of the market?



- ✧ Price
- ✧ Quality
- ✧ Consumer purchasing habits
- ✧ Accessibility

Why is such a small share of the harvest processed?



- ✧ Domestic demand: size of the domestic market
- ✧ Short peak harvesting season
- ✧ Competition from imports
- ✧ Competition in export markets

So What? What insights about market opportunities have we gained from the market analysis conducted?

Can you think of some market and other research that could help chain participants take advantage of these market opportunities?