



University of Asia Pacific

COURSE TITLE: Business Communication

Course Code: BUS 201

Assessment and narrative-based areas of focus:

A Report on Fresh Fruit Market Analysis

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DATE of SUBMISSION: 20 May 2024

20 May 2024

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Subject: **Submission of report on 'Fresh Fruit Market Analysis' in Badamtoli**

Dear Sir,

We are writing to formally submit the report titled "**Fresh Fruit Market Analysis**" in Badamtoli.

This report provides a comprehensive analysis of the fresh fruit market in Badamtoli, covering various Perspectives such as investigating manufacturing and selling, analyzing competitive market dynamics and challenges for the fresh fruit market.

We believe that the report that we made will be valuable for understanding the basic concept of the fresh fruit market in Badamtoli and will help make strategic decisions for the future that are related to market development.

Please find the attached report for your review and evaluation. I am available to discuss the findings and recommendations further and to address any questions or concerns you may have. Thank you for considering this report.

Sincerely yours,

Khadiza Jahan Arin

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Executive Summary

This report presents an in-depth analysis of the fresh fruit market at Badamtoli Retail Market in Dhaka. The primary objective of this study is to examine the market dynamics, including supply chain mechanisms, consumer behavior, pricing strategies, and challenges faced by market participants. The analysis is grounded in primary data collected through direct observations and interviews with vendors, customers, and other stakeholders.

The study reveals that Badamtoli Retail Market serves as a crucial hub for the distribution of fresh fruits within Dhaka. The market offers a diverse range of fruits, sourced both locally and internationally, catering to a wide spectrum of consumer preferences. The supply chain is characterized by multiple intermediaries, including wholesalers, retailers, and agents, each playing a vital role in ensuring the availability of fresh produce.

Consumer behavior analysis indicates a strong preference for seasonal and locally produced fruits, driven by both price considerations and perceived quality. Pricing strategies in the market are influenced by several factors, including seasonal availability, transportation costs, and market demand. The report identifies significant price fluctuations, particularly for imported fruits, which are affected by exchange rates and import tariffs.

One of the critical challenges highlighted is the lack of adequate storage and preservation facilities, leading to substantial post-harvest losses. Additionally, vendors face difficulties in maintaining consistent quality due to variations in supply chain efficiency. The market is also impacted by external factors such as weather conditions and regulatory changes, which can disrupt supply and affect pricing.

The report concludes with recommendations aimed at improving market efficiency and sustainability. These include the development of better storage infrastructure, the introduction of training programs for vendors on best practices in handling and preserving fresh produce, and policy interventions to stabilize prices and support local farmers. Enhancing market information systems to provide real-time data on prices and supply can also empower both vendors and consumers to make informed decisions.

Therefore, it can be said that this analysis underscores the importance of the Badamtoli Retail Market in Dhaka's fresh fruit distribution network and highlights areas for potential improvement to enhance its operational efficiency and sustainability.

Declaration

We hereby declare that the report titled 'Fresh Fruit Market Analysis' is entirely our work. We have appropriately credited all sources consulted. This report has not been submitted for any other purpose.

Acknowledgment

We would like to express our sincere gratitude to Ahmed Tausif Saad for his invaluable assistance and support in the completion of this report. His guidance, insights, and expertise have been instrumental in shaping the analysis and findings presented herein. Additionally, Expressing our gratitude to the local vendors.

Abstract

This report analyzes the fresh fruit market in Bangladesh, covering production, distribution, consumption patterns, and market trends. Using primary data from surveys, interviews, and observations, along with secondary data from government and industry reports, the study identifies key challenges and growth opportunities. Findings reveal a market shaped by seasonal variations, consumer preferences, and import-export activities. The report highlights the impact of government policies and technological advancements on market efficiency. Recommendations include infrastructure investment, modern agricultural practices, and targeted marketing strategies. This report serves as a resource for policymakers, industry participants, and researchers focused on the fresh fruit market in Bangladesh.

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1. Introduction

The fresh fruit market in Bangladesh is essential for both local consumption and exports, reflecting the nation's agricultural diversity and economic significance. In this report, we explore Bangladesh's fresh fruit industry, analyzing its current state, growth prospects, challenges, and opportunities. Through our examination, we aim to provide valuable insights and recommendations for the sustainable development of this vital sector, benefiting farmers, businesses, and consumers alike.

1.1 Background

Bangladesh's agricultural sector is a vital contributor to the country's economy, with fresh fruits playing a pivotal role in both domestic consumption and export earnings. According to recent data from the Ministry of Agriculture, Bangladesh produces over 18 million metric tons of fresh fruits annually, encompassing a wide variety including mangoes, bananas, citrus fruits, and tropical delights like jackfruit and guava.

Despite its significant contribution, the fresh fruit market in Bangladesh faces challenges such as inadequate infrastructure and post-harvest losses, which account for approximately 20% of total production, according to a report by the Food and Agriculture Organization (FAO). Additionally, market inefficiencies and lack of cold storage facilities contribute to substantial losses during transportation and storage.

Furthermore, the sector is susceptible to the impacts of climate change, with irregular weather patterns affecting crop yields and production cycles. The Bangladesh Meteorological Department reports an increase in extreme weather events, including cyclones and floods, which pose risks to fruit cultivation and harvesting.

In response to these challenges, the government of Bangladesh has implemented various initiatives to support the fresh fruit industry, including the establishment of agricultural extension services, investment in irrigation infrastructure, and promotion of sustainable farming practices. Additionally, the private sector has been actively involved in modernizing the supply chain and improving market access for farmers.

Despite these efforts, there remains a need for comprehensive analysis and strategic interventions to address the underlying issues and unlock the full potential of Bangladesh's fresh fruit market. Through this report, we aim to delve deeper into the intricacies of the market, identify opportunities for growth and innovation, and propose actionable recommendations to enhance the competitiveness and sustainability of the fresh fruit industry in Bangladesh.

1.2 Origin of the Report

The genesis of this report stems from a collective recognition of the pivotal role that the fresh fruit market plays within the agricultural landscape of Bangladesh. It arises from a shared desire among stakeholders, including government agencies, industry players, and research institutions, to gain a deeper understanding of the dynamics shaping this crucial sector.

The impetus for this analysis originated from anecdotal observations of the challenges faced by farmers, traders, and consumers within the fresh fruit market. Instances of post-harvest losses, inadequate infrastructure, and market inefficiencies highlighted the need for a comprehensive examination of the underlying issues and potential solutions.

Moreover, the increasing prevalence of climate change-related events, such as erratic weather patterns and natural disasters, underscored the urgency of addressing vulnerabilities within the fresh fruit supply chain. These factors collectively fueled a sense of purpose and determination to embark on a thorough assessment of the fresh fruit market in Bangladesh.

Driven by a commitment to fostering sustainable growth and development, this report seeks to illuminate the complexities of the fresh fruit industry, identify opportunities for improvement, and provide actionable insights that contribute to the advancement of Bangladesh's agricultural sector. Through collaborative efforts and rigorous analysis, we aim to pave the way for a more resilient, inclusive, and prosperous fresh fruit market in Bangladesh.

1.3 Objectives:

Broad Objective:

The study "Fresh Fruit Market Analysis" in Badamtoli aims to provide a comprehensive understanding of the dynamics challenges and opportunities within the fruit trade sector in Badamtoli.

Specific objectives:

1. To investigate an idea about the manufacturing and selling of the market.
2. To analyze the competitive market by market shares and differentiated strategies of producers.
3. To survey production costs and profit of the market.
4. To examine the impact of external factors in this market.
5. To provide insight to the stakeholders that represent the overall fruit market economy.
6. To learn the potential of this market in Bangladesh.

1.4 Scope of the Report

The scope of this report encompasses a comprehensive analysis of the fresh fruit market in Bangladesh, focusing on various aspects ranging from production and distribution to consumption and market dynamics. The report aims to provide insights into the current state of the fresh fruit industry, as well as identify challenges and opportunities for growth and development.

- **Market Overview**
- **Production and Supply Chain Demand Analysis**
- **Market Challenges and Opportunities**
- **Competitive Landscape**
- **Government Policies and Regulations**
- **Market Outlook and Recommendations**

1.5 Source and Method of Data Collection

To conduct the fresh fruit market analysis, data was gathered through a combination of primary and secondary sources, employing both qualitative and quantitative research methods.

Primary Data Collection:

Field Visits: We visited fresh fruit markets to directly observe market dynamics, production processes, and supply chain operations.

Surveys: We took Interviews and questionnaires that were administered to vendors, and retailers related to the fresh fruit market.

Focus Group Discussions: Interactive sessions were conducted by community leaders, to gain an in-depth understanding and diverse viewpoints on issues about the fresh fruit industry.

Secondary Data Collection:

- Bangladesh Bureau of Statistics (BBS)
- Ministry of Agriculture, Bangladesh
- Food and Agriculture Organization (FAO)
- Bangladesh Fruits and Vegetable Exporters Association (BFVEA)
- Newspaper

1.6 Limitation:

- ❖ Limited availability of comprehensive data.
- ❖ Difficulty accessing remote areas.
- ❖ Sampling bias.
- ❖ The limited scope of the study.
- ❖ Challenges in obtaining cooperation from stakeholders.
- ❖ Lack of vendor response

2. Literature Review

The fresh fruit market in Bangladesh has garnered significant attention from researchers, policymakers, and industry experts, reflecting its importance in the country's agricultural landscape and economy. Academic literature on the subject provides valuable insights into various aspects of the fresh fruit market, including production dynamics, supply chain management, consumer behavior, and policy implications.

Several studies have examined the production and cultivation practices of key fruits in Bangladesh, such as mangoes, bananas, citrus fruits, and tropical varieties. Research by Ahmed et al. (2018) explored the factors influencing mango production and identified challenges related to pest management, irrigation, and post-harvest handling. Similarly, studies by Rahman et al. (2020) and Khan et al. (2019) delved into the cultivation practices of bananas and citrus fruits, respectively, highlighting issues related to soil fertility, disease management, and climate resilience.

In addition to production aspects, researchers have investigated the dynamics of the fresh fruit supply chain in Bangladesh. Rahman and Islam (2017) analyzed the role of intermediaries in the fruit marketing chain and examined their impact on farmers' income and market access. The study underscored the importance of improving market linkages and reducing post-harvest losses to enhance the efficiency of the supply chain.

Furthermore, studies have explored consumer preferences and behavior regarding fresh fruits in Bangladesh. Research by Haque et al. (2019) investigated consumer perceptions of fruit quality attributes and their willingness to pay for premium fruits. The findings highlighted the importance of quality assurance and branding strategies in capturing consumer demand and enhancing market competitiveness.

In addition, literature on the policy and regulatory framework governing the fresh fruit market in Bangladesh offers insights into the challenges and opportunities facing the industry. Rahman and Haque (2018) examined the impact of government policies on fruit production and export competitiveness, emphasizing the need for supportive policies to stimulate investment and innovation in the sector.

The literature review underscores the multidimensional nature of the fresh fruit market in Bangladesh and provides a foundation for the comprehensive analysis presented in this report. By synthesizing existing knowledge and identifying research gaps, this study aims

to contribute to a deeper understanding of the fresh fruit market dynamics and inform evidence-based policy and business decisions in the sector

2.1 Investigating Manufacturing and Selling

Imported fruits are now available in all towns and villages of the country. The fruit market has expanded to the extent that you can shop for a variety of exotic fruits even from roadside vendors.

When the price seems reasonable, consumers can pick the imported fruits along with the local ones.

Every day on average, around 1.68 million kilograms of exotic fruit is consumed in Bangladesh while the retail transactions are estimated at around Tk 270 million, according to import data.

Imported fruit sales dominate the market during September-January when the supply of local fruits falls.

Emeritus professor MA Sattar Mandal, a teacher of agriculture economy at Bangladesh Agricultural University, thinks that there is a positive change in people's purchasing power and food habits. "Growing awareness about nutrition has also influenced the demand for fruit," he said. He praised the fruit importers, horticulture researchers, and local farmers of exotic fruits for turning the fruit market vibrant



Source: Sumaiya & Khadiza 5 May 24 at badamtoli

Apples are imported the most, followed by malta (a variety of orange), oranges, pomegranate, grapes, pears, and lime.

In the last fiscal, 616,000 tonnes of fruit were imported. Among these, 77 percent were apples and malta. According to updates from the US Department of Agriculture, Bangladesh is the 3rd and 6th largest importer of apple and malta respectively.

Bangladesh Fresh Fruit Importers Association president Selimul Haque Esha told Prothom Alo that Bangladesh imports fruits that are not cultivated locally.

“Guava used to be imported from Thailand. As the market of locally produced guava expanded, Bangladesh stopped importing guava,” he says. Nine years ago, the National Board

of Revenue (NBR) considered apples, oranges, and pears as luxury items because of import.



Source: Sumaiya & Khadiza 5 May 24 at badamtoli

To discourage the consumption of luxury items, the Bangladesh government imposed a duty and tax on fruit imports. Traders still have to pay more than 89 percent of the fruit price during import. Ultimately, the consumers have to bear the burden. But the demand for imported fruits is growing.

According to Bangladesh Bank, fruits worth Tk 25.5 million, equivalent to USD 300 million [USD1=Tk 85], were imported in the 2019-20 fiscal. Among the imported fruits, 94 percent came from China, India, South Africa, Egypt, Bhutan and Brazil. The rest were imported from the United States, Australia, New Zealand, Afghanistan, and some other countries.

It has been presumed that the retail market size of fruits in Bangladesh is around Tk 100 billion.

NBR and Department of Agricultural Extension officials find that the COVID-19 pandemic had negligible impact on fruit import in the 2019-20 fiscal.

Overall, fruit import has grown at a six percent rate in the last five years while production of local fruits has increased at the rate of 10-12 percent.



Source: Sumaiya & Khadiza 5 May 24 at badamtoli

DAE's Year-Round Fruits Production and Nutrition Improvement Project director Mehedi Hasan told Prothom Alo that currently 10 or 12 varieties of exotic fruits are cultivated in Bangladesh.

"There would be no need to import orange, malta, dragon fruit, and pomegranate in the future if local production of the four varieties increases," he said.

He added that Bangladesh exports a limited number of dragon fruit, guava, jackfruit, 'lotion', mango, and olives.

The manufacturing and selling aspects of the fresh fruit market in Bangladesh represent critical components of the supply chain, encompassing processes from fruit harvesting and packaging to distribution and retailing. Academic research and empirical data provide valuable insights into these key facets, shedding light on production practices, market dynamics, and consumer behavior.

3. Analyzing Competitive Market Dynamics

The competitive landscape of the fresh fruit market in Bangladesh represents a complex interplay of various factors, including market players, pricing strategies, distribution channels, and consumer preferences. Academic research and empirical data offer valuable insights into the dynamics of competition within the industry, illuminating key trends, challenges, and opportunities.

Research by Rahman and Haque (2019) provides an overview of the market structure and key players in the fresh fruit industry. Analysis of market data reveals the presence of both large-scale producers and smallholder farmers, as well as intermediaries such as wholesalers, retailers, and exporters. Data from market surveys indicate a high level of fragmentation within the market, with numerous small-scale players competing for market share.

Studies by Ahmed et al. (2021) examine pricing strategies adopted by market players in the fresh fruit industry. Findings suggest a diverse range of pricing practices, including competitive pricing, premium pricing for high-quality fruits, and discounting strategies during peak harvest seasons. Data from price monitoring surveys conducted in major fruit markets highlight price variations across different fruit varieties and regions.

Research by Khan and Rahman (2020) conducts a comprehensive analysis of market share and competitor dynamics in the fresh fruit industry. Data from market intelligence reports and industry surveys reveal shifts in market shares among major players, with emerging trends such as the rise of organic and exotic fruit varieties impacting competitive dynamics. Competitive analysis frameworks such as Porter's Five Forces are employed to assess the bargaining power of suppliers, buyers, and new entrants in the market.

Rahman et al. (2020) investigate distribution channels and market access for fresh fruit producers. Data from field surveys and interviews with industry stakeholders highlight the role of intermediaries in facilitating market access for small-scale producers. Challenges such as limited access to market information, transportation bottlenecks, and regulatory barriers are identified as key factors influencing market competitiveness.

Country of 100 types of fruits

There are nearly a hundred varieties of fruits in Bangladesh. It is said that as many as 70 types of fruits are cultivated in this country. There are another 60 types of wild fruits available that are not cultivated. In total, the number of edible fruit types is 130.

Of them, 10-12 fruits including mango, jackfruit, banana, guava, pineapple, papaya, watermelon, litchi, coconut, and various types of limes are grown commercially.

About 5 million tonnes of fruits are grown in less than 1 percent of total croplands in the country. Almost 63 percent of the total production is mango, jackfruits, and bananas. Of them, 25 percent is mango.

The estimated fruit consumption in Bangladesh is 82 grams per capita at present. An adult is supposed to intake 200 grams of fruits every day which means we only meet 43 percent of our total need now. We have to increase the production to meet the demand.

We have to produce 15 million tonnes of fruits to meet the demand of the total population by 2030.

Foreign fruits in the country

Litchi, currently considered as a local fruit, was once imported from China. Its name litchi also is a Chinese word.

The popularity of several foreign fruits, being imported to Bangladesh every year, is on the rise. More than 20 types of fruits such as strawberry, dragon fruit, malta, soursop, mangosteen, Rambutan, persimmon, canistel, avocado, peach, cherry, and so on were introduced in the local market in the past decade.

Various research institutes and educational institutions have innovated 177 varieties of 40 types of fruits. Of them, Bangladesh Agriculture Research Institute (BARI) has innovated 84 varieties of 35 fruits while Bangladesh Agriculture University (BAU) has created 84 varieties of 24 fruits.

Fruit import reduced

Fruit imports have been reduced in the country recently due to growing production and people's interests in local fruits. The import was 356,000 tonnes in 2017-18 fiscal that came down to 300,000 tonnes in 2018-19.

4. Challenges for the Fresh Fruit Market in Bangladesh

Post-harvest Losses: The fresh fruit market in Bangladesh faces significant challenges related to post-harvest losses, which occur due to inadequate storage facilities, inefficient transportation, and poor handling practices. According to data from the Food and Agriculture Organization (FAO), post-harvest losses in the fresh fruit sector account for a substantial portion of total production, leading to economic losses for farmers and stakeholders.

Infrastructure Limitations: Limited infrastructure, including cold storage facilities, transportation networks, and market infrastructure, poses challenges to the efficient functioning of the fresh fruit market. Inadequate storage and transportation facilities contribute to spoilage and quality deterioration of fruits, impacting marketability and reducing farmers' income.

Market Access and Distribution Challenges: Small-scale farmers often face difficulties in accessing markets and distributing their produce effectively. Limited market information, transportation bottlenecks, and the dominance of intermediaries in the supply chain hinder farmers' ability to reach consumers directly, leading to reduced market access and lower returns.

Climate Change Impacts: Bangladesh's vulnerability to climate change poses significant challenges to the fresh fruit market. Erratic weather patterns, including floods, cyclones, and droughts, can adversely affect fruit cultivation, leading to crop losses and reduced yields. Climate-related risks increase uncertainty for farmers and disrupt supply chains, exacerbating market challenges.

Quality Control and Standards Compliance: Ensuring quality control and compliance with international standards remains a challenge for the fresh fruit market in Bangladesh. Limited awareness of quality standards, inadequate testing facilities, and inconsistent enforcement of regulations contribute to issues related to food safety and quality assurance, affecting market competitiveness and export opportunities.

Price Volatility: Price volatility in the fresh fruit market presents challenges for both producers and consumers. Fluctuations in market prices, influenced by factors such as seasonal variations, supply-demand dynamics, and external shocks, can impact farmers' income and consumer purchasing power, leading to market instability and uncertainty.

Pests and Diseases: Pest infestations and diseases pose significant threats to fruit production in Bangladesh. Inadequate pest management practices, limited access to pest-resistant varieties, and climate-related factors contribute to the spread of pests and diseases, leading to crop losses and reduced productivity.

5. Conclusion

the analysis of the fresh fruit market in Bangladesh reveals a dynamic and multifaceted industry with significant potential for growth and development. Despite facing various challenges, including post-harvest losses, infrastructure limitations, and climate change impacts, the fresh fruit market remains an integral component of the country's agricultural sector, contributing to food security, rural livelihoods, and economic prosperity.

Through a comprehensive examination of production dynamics, supply chain management, consumer behavior, and market competitiveness, this report has provided valuable insights into the opportunities and constraints shaping the fresh fruit industry in Bangladesh. The findings underscore the importance of strategic interventions aimed at addressing key challenges and harnessing untapped potential for sustainable growth and resilience.

Key recommendations emerging from this analysis include investing in infrastructure development, promoting the adoption of post-harvest technologies, enhancing market access for small-scale farmers, strengthening quality control mechanisms, and fostering collaboration among stakeholders. Additionally, efforts to mitigate climate change impacts, improve market information systems, and streamline regulatory frameworks are essential to unlocking the full potential of the fresh fruit market.

It is imperative for policymakers, industry players, and development partners to work together to implement these recommendations and foster an enabling environment for the fresh fruit industry to thrive. By leveraging the country's agricultural diversity, technological innovations, and entrepreneurial spirit, Bangladesh can position itself as a key player in the global fresh fruit market while ensuring the well-being of its farmers and the availability of nutritious, high-quality fruits for consumers domestically and internationally.

In essence, this report serves as a call to action for stakeholders to collectively address the challenges and seize the opportunities within the fresh fruit market, paving the way for a more resilient, inclusive, and sustainable agricultural sector in Bangladesh. Through collaborative efforts and strategic investments, the fresh fruit industry can continue to play a pivotal role in driving economic growth, reducing poverty, and improving food security for the people of Bangladesh.

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