



**THE PROBLEMS OF PRODUCTION AND MARKETING OF SAFFRON, AND
SWOT ANALYSIS OF EXPORT POTENTIALS IN GHORYAN DISTRICT,
HERAT PROVINCE OF AFGHANISTAN**

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Abstract

The study was conducted in the year 2017-2018 to study the “ The problems of production and marketing of saffron and SWOT analysis of export potential in Ghoryan district, Herat province of Afghanistan” The study was conducted with the objectives to identify the problems of saffron production and marketing in Afghanistan and suggested for suitable mandatory for policy implication. For realizing the objectives of this study the researcher used interview schedule, distribute the questioner and interviews and focus group discussions with the farmers, to identify the problems of saffron production and marketing in Afghanistan and suggest for suitable mandatory for policy implication, wholesalers, cooperative societies, and private saffron processing companies. The result showed that Iranian traders purchase most of the saffron produced in Afghanistan. The saffron is then integrated into the larger saffron market in Iran and exported as Iranian saffron. Afghan farmers sell the bulk of their saffron to Iranian merchants for the simple reason that Iran is tied to the global saffron market, and Afghanistan is not, which puts farmers in a poor negotiating position. The largest global producer and exporter of saffron right next door, Iran can easily absorb the miniscule amount of saffron that Afghan farmers currently produce.

Key words: miniscule, wholesalers, integrated, cooperative, SWOT, exported

I. INTRODUCTION

Afghanistan is a mountainous country covering of 652,225 sq km in the south-western part of Asia. Over 80% of the country population is dependent on agriculture activities as the main livelihood options. From the total land area of 65 million hectares, only 12% is arable land. Saffron has been cultivated in Afghanistan for over 2000 years, and the cultivation has accordingly increased recently as the refugees, especially those who worked in saffron fields, repatriated from Iran. The first decade of the 21st century would be counted as the birth decade of the saffron in Afghanistan. For the first time, the trained returned farmers brought saffron corms from Iran and planted saffron in Ghoryan and Pashtoonzarghoon districts of Herat.

Saffron is the most precious and most expensive spice in the world. It is derived from the stigma of the flower of the saffron crocus (*Crocus sativus* L.), which is collected and dried to produce the spice. The saffron plant (20-30 cm tall) has a fleshy bulb called corm or onion which is about 5 cm in diameter and has a maximum weight of 8 g. The plant has narrow leaves which are around 6-10 cm long and 2-3 mm wide. Its petals are light purple in colour and sometimes have red or white stripes. The flower of

saffron plant has three stigmas and these are often collected and dried to make the saffron spice. Saffron plant has a flashy bulb called corm or onion which is about 3 cm in diameter and weighs approximately 8 g (maximum).

II. RESEARCH METHODOLOGY

Saffron cultivation is practiced throughout the district. However, the large scale cultivation of saffron is concentrated mainly in Ghoryan district. The information on area under saffron crop and number of saffron growers from the selected villages was obtained from the respective Head of village (Arbab). A proportionate sample of 10% the population from each village was selected randomly. Thus the total size of the sample selected for the study was 66. . Therefore a list of all market functionaries' was prepared with the help of markets heads, of both markets, out of the 10% of each market functionaries were selected randomly for the present study. All to gather total 37 market functionaries (6 village merchants, 7 private companies, 7 Wholesaler, 9 retailers, 8 consumers) were selected randomly for the present study.

For analyzing the data collected during the study, tabular analysis and financial analysis were employed.

III. RESULT AND DISCUSSION

Summary of key problems and constraints for saffron farmers in Afghanistan

Marketing of Afghan product:

- Afghan saffron is unrecognized and unbranded in the market, most goes through Iranian channels however there is strong interest among International buyers (particularly Holland, USA, Australia and Italy) to procure Afghan Saffron, provided a guarantee of quality can be assured.
- Lack of quality assurance for international buyers (no ISO compliance).
- Lack of knowledge of market dynamics pricing structure and marketing approach (strong need for detailed study).
- Lack of skill in marketing.
- Lack of computation amongst Afghan exporters.

Lake of production capacity

- Producers need to be organized in local, provincial and National Association to improve their access to technical support
- Lack of regulation on corm imports. Farmers have no training to identify good quality leaving them vulnerable to purchasing bad quality corms. Without this basic training growing Saffron become a high risk investment as farmers may lost their initial investment.
- High price and low availability of corm. The increasing interest in corm has led to an artificial increase in corm prices. Current investment needed or around USD \$5000 per hectare which is probably expensive for many farmers. Corm bank and subsidies, corm scheme should be used to improve this situation.
- Lack of Government support. Some organization are importing corm from Iran rather than purchasing from Afghan farmers at higher price.

Lack of industry standards:

- Farmers are not aware of the International standards for quality and hygiene required for selling produced directly to International customers.

- A grading system based on quality need to be established.
- It is necessary that unless standards or address quickly, then the private sector is likely to move into Afghan production and gain market share.

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Lack of local storage or packaging capacity:

- Lack of packaging equipment for organizing consignment to international market. It has been proven that price fluctuate according to the season- for instance, price are highest just prior to harvest (up to USD \$8000 per kilogram). Without adequate packaging to store Saffron or package it in small attractive package, local exporter cannot add maximum value to the final product or take advantage of price speculation.

Coordination between all industry stakeholders:

- More coordination is needed between all value chain actors in the saffron industry. Current market Outlook so that foreign companies are beginning private sector operation within Herat and that China is now moving into saffron production. It is clear that the Afghan industry will unlikely be able to compete in this environment unless it organized itself in a relatively short time frame. Suggestion for doing this firstly, we should establish a provincial and national level saffron promotional centre and organize the industry into more associations. Secondly to coordinate regular meeting between interested stakeholder groups and finally, to establish provincial and national level coordination committees.

IV. EXPORT POTENTIAL OF SAFFRON

Saffron production has increased in recent years since the demand is more in national market, therefore national policy and specific program is required for exporting the product, increase the quality of saffron, increase the quantity of the product and packaging tools. In 2017 Afghan government export more than 10 tons saffron to different countries (MAIL).

SWOT- analysis

Strength	Weakness	Opportunity	Threats
<ul style="list-style-type: none"> • The most expensive and legal spice in Afghanistan. • It is a good alternative crop for opium poppy in Afghanistan. • Due to low water requirement (300 mm) it is an ample space for increasing Afghanistan Production. • Availability of good market for Afghanistan saffron the main market for Afghanistan saffron is Iran, France, UAE, India, USA and etc. • It is very labour intensive crop. 	<ul style="list-style-type: none"> • Marketing of Afghan saffron still underdeveloped, Afghan saffron is currently marketed as Iranian saffron. • Mid-term maturation period required for growing saffron with full production realized in the third year, therefore, many farmers have a poor economic situation and find it difficult to wait for the crop to become fully productive. • The cost of planting with corn are 1000 US\$ per ha. 	<ul style="list-style-type: none"> • As organic export product-niche marketing to gain better prices, Afghan saffron could compete for a share of world market in the medium and long term. • Great business potential for small farmers. • With farmers as a fair crop sharing (to buy bulbs for 5 year cycle not on yearly basis) could be a great opportunity form "Islamic Investments" without interest but on crop sharing basis. 	<ul style="list-style-type: none"> • Quality and reputation of Iran's saffron and entering of China to the saffron's world market smuggling exports to India, Iran, and Pakistan undermines the quality assurance of the Afghan brand. • Persistent drought years can delay first irrigation and affect quality.

V. CONCLUSION

The study results showed that Afghanistan has a proper spatial dispersion for saffron production because of its special climatic condition. Saffron average production in Afghanistan and harvest, low irrigation, compatibility with geographical position of Afghanistan especially western Afghanistan and above all its high price, encourage saffron producers to increase its cultivated area year by year. One decade ago, saffron production began from a small farm in Herat and now, as the statistics of Afghanistan's ministry of agriculture shows thanks to trainings and propagations of local and international organizations, it has extended to other provinces.

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