

VII. CASE STUDY: CADG Raisin Exports

The Central Asia Development Group (CADG) is a private enterprise headquartered in Singapore. The small group of professionals has vast experience in exporting horticultural products from developing regions. In Afghanistan, they administer NGO funds and have succeeded in establishing export operations for raisins and vegetable seeds. Their main office is located in Kandahar while a large operational office is maintained in Helmand. Their raisin operation has been successful and proves the viability of Afghan horticultural exports.

The project started in July of 2002 with donor money. Utilizing an abandoned raisin processing plant in Helmand (which already had machinery of Californian origin), approximately \$75,000 was initially invested (excluding working capital). The project is expected to be self-sustaining and/or profitable sometime between November of 2003 and January of 2004

The operations model is a hybrid of Turkish and Californian systems, utilizing a 3-table sorting process and a clean – wash – clean process. The plant has averaged 80-100 tons of raisins per month; however, it is important to note that CADG has an unmet monthly demand of 200 tons.

CADG customers are currently located in the UK, Germany, Czechoslovakia and Taiwan. Lower transportation costs to the Far East should eventually allow Afghanistan to compete better against Turkey and Iran. However, given the Pakistani constraints (i.e. if you want to export out of Karachi, goods must travel by train), CADG often ships through Herat to the port of Bandar Abbas in Iran, and loads onto containers there.

Other potential market constraints identified by CADG include possible over-production by Turkey and Iran, driving prices down; and the common practice of Afghan traders over-speculating on price and sitting on their stock. CADG has also views corruption in the public sector as a significant detriment to their costs.

In summary, the key success factors for CADG have been the introduction of improved grape production practices; greater processing and quality control; and increased marketing activities (ex. international tradeshows, grower associations).