

CHAPTER VIII

SUMMARY, CONCLUSION, AND RECOMMENDATION

8.1 Summary and Conclusion.

Price fluctuation of agricultural commodities is unavoidable due to the mismatching of demand and supply. Where farm price is undesirable, exportation is one solution to release domestic production and improve the farm gate prices. Though it has been exported decades ago, however, the amount of export accounted for less than 1% of the total production. Therefore, foreign market expansion by looking at geographic, market size and consumers' preferences as concerning factors to choose the importing countries are in consideration.

Kunming is a capital city situated in the middle of Yunnan Province. It has a population of 4.7 million with 26 nationalities. It has a long history of opening to the outside world. After entering a new era of reforming and opening, particularly since 1992, Kunming has enjoyed the policies that state government gave the coastal cities opening to the outside world. However, Chinese government still imposed a certain degree of import restriction, such as tax, tariff, and plant quarantine restriction to agricultural commodities to protect domestic farmers and entrepreneurs.

Thailand and Yunnan Province have trade relationship for a decade, the transportation routes include river, road, and airplane. The main exported commodities from Thailand were Rubber, seeds/animals, fruits and vegetables, seafood, instant noodles, custard cake, and candies. In contrast, the major import

commodities from Yunnan Province included fruits, fertilizers, and medicine. Nevertheless, Thailand has trade deficit with Yunnan, continuously.

There are three main channels for the fruit markets in Kunming City, those are East Bus Station wholesale market, and two retail markets – 1) fresh markets, and 2) supermarkets. Fruits available in the markets were both domestic production and imported ones. The major sources of imported fruits are Guangzhou, Myanmar, Vietnam, Laos, America, Australia, and New Zealand. Refer to the Chinese Plant Quarantine Office, imported fruits must pass the disease inspection and had been received the certificate document from the Plant Quarantine Office of exporting countries. Most of the imported fruits were gathered at the East Bus Station wholesale market and then they were distributed to retail fresh markets and finally, they were sold to the final consumers. However, some amounts of imported fruits were shipped directly from the port to supermarkets and to the final consumers at last.

Regarding the demographic of Kunmingnese, most family sized three. According to the one hundred household survey, most of them aged from 21-25, 26-30, and 31-40 years old, respectively. The largest positional in families was taken by progeny, following by wives and husbands. Most of them finished bachelor's degree; moreover, the lowest and the highest household income were 500 Yuan per month (2,500 Baht) and 6,000 Yuan per month (30,000 Baht). The household income averaged at 2,700 Yuan per month (13,500 Baht).

a week. Considering favorite mango attributes, the preferential size of ripe mango was medium size (250-300 grams). Peel color should be yellowish green and yellowish orange and the texture should be moderate and sweet – sour – juicy taste. Most households purchased mangoes 1-2 kilograms per time and stored them for 2-3 days after purchased. According to the attitudes towards Choke Anand variety, they revealed that it was good taste and nice peel color. The suggested price extended from 2 to 16 yuan per kilogram (10 to 80 Baht per kilogram). However, most households suggested price at 8.5-10 yuan per kilogram (42.5 to 50 Baht). On the other hand, retailers selected large mango size (300-450 grams) and suggested lower price to Choke Anand than households.

With reference to the regression analysis, texture and taste are significant factors that strongly determine the suggested price, particularly moderate firmness of texture with sweet-sour-juicy would be the proper mango attributes. Not only do mango attributes determine the suggested price, consumer characteristics revealed that well educated (finished bachelor's degree or higher) with relatively high income would offer high price to Choke Anand variety. For those who always went shopping at supermarkets with quality and health concern tend to prefer mangoes as the first/second fruit choice. The health consciousness consumer group were those who are well educated. In contrast, for those who concerned much on quality (or taste) of the fruit were those who offered relatively high price to Choke Anand variety

In conclusion, based on consumers' preference and suggested price, there is good potential for Thai mangoes in Kunming markets. Refer to the SWOT analysis, there is a potential to make profits from exporting mangoes (see cost-benefit

analysis). In addition to the excess profits, market size in Kunming is very large and people there have positive attitudes toward Thai mango. As a result, it could be recommended that it is feasible to export Thai mango to Kunming.

8.2 Recommendation.

8.2.1 Marketing Strategy.

The best strategy to market Thai mango in Kunming is to focus on supermarket as the main target place. Target consumers should be those who have a high educational level with high level of income (which yield 20%), and have health consciousness (19%) and quality consciousness (31%) before purchasing fruits. Moreover, consumer quality and health consciousness model also reveals a useful implication for the sales managers. Promotion on mango nutrition would attract health consciousness consumer group, while quality consciousness group could be captured by focus on high-income group and distinguish the quality of mango attributes from other varieties.

8.2.2 Implication for the Thai Mango Producers.

Mango disease is a major obstacle for getting entrance to Kunming market. Fruit fly disease has been existed widely in tropical area. Chemical application and heat vapor treatments are two major ways to terminate the disease. However, it results a higher cost of production.

8.2.3 Implications for Thai Mango Exporters.

Since mango season in Kunming City is different period from Thailand. The low season in Kunming is the high season in Thailand. Therefore, it is an opportunity for the Thai mango exporters. Apart from mango season, good logistics management is recommended. First of all, mango packaging should be perfectly made to safe the products from damage. Foam net wrap on each mango piece is suggested. Though it generates higher cost, however, it could be sold at the selected target group (i.e. high level of income). Air transportation is suggested as a trade route for shipping mangoes to the high level of income customer group. In contrast, the river transportation is recommended for the lower level of income group.

8.2.4 Profit Sharing between Exporters and Farmers

Exporting mangoes directly to the supermarkets would ameliorate the farm gate price (table 7.10). By improving farm-gate price, this would enhance farmers to rectify the mango production and treatment after harvest. Consecutively, it would complement the image of the Thai mangoes.

8.2.5 Implications for the Thai and Chinese Government

Chinese trade barrier is the greatest obstacle for exporting mangoes. Tariff rate (30%) and value-added tax (VAT 7%) are two apparent restrictions. Being a member of WTO, Chinese government would be forced to reduce the trade barrier. However, both Thailand and P.R. China are the members of

Sub-regional Economic Cooperation (Mekong river basin), henceforth, they should design and exercise some policies to lower the trade restrictions and encourage more inter-commerce.

มหาวิทยาลัยเชียงใหม่
Chiang Mai University