



Saudi Dates Industry in KSA: A Contribution to Economy

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ABSTRACT: Saudi dates have an important place in the structure of Saudi Economy on both national levels generally and on the level of agricultural sector particularly because of its active contribution in the economic activity. KSA is at the forefront of the countries which produce and export the dates at the same time and in the tradition of today's World market. KSA enjoys both advantages comparative and competitive for production and export process. Also, the Kingdom is enjoying a broad production base which enables it to occupy a leading position in International market. Amongst many dates producing areas in the Kingdom with the growth rate merely 3.7 and 3.5 percents for production and export in the market, need study to strengthen marketing efficiency and export potentials.

Keywords: Dates, KSA (Kingdom of Saudi Arabia), Production, Export, Marketing.

I. INTRODUCTION

According to Saudi Gazette, the national daily dated twenty eight of July 2014; the total production of dates in Saudi Arabia reached to 1.1 million tonnes which was covered under the crop from 25 million palm trees spread around 157,000 hectares [1]. It is estimated that production of dates enables the kingdom to reach at seventeen percent of world produced dates and five percent of its production is consistently are involved marketing activities. Numerous challenges marketers are facing namely during season low prices give big surplus of dates in the market, dependency of traditional marketing, consumption patterns of local consumers directly affect the prices of varieties of dates, poor technical knowhow, More produced dates for consumption instead of proper processing and exporting of dates.

II. MAJOR CHALLENGES AND PROSPECTS OF DATES

Information centre: KSA government established information centres in the regions for providing and updating dates information.

Extension programmes: Through programme government and partners encourage the sales of dates

Pricing: During dates production season low prices may give surplus in the market while price variations always specify the quality of dates varieties, Attractive prices encourage the farmers to remain invest for dates farming, Price may differentiate from one place to another in accordance with demand and supply.

Packaging: Packaging attracts the sales for fresh dates by the marketers.

Marketing agents: Marketing agents enjoy major portion of prices come from the dates producers.

Marketing system: Sell dates without marketing services, In contrast with give preference traditional marketing system than modern marketing system. Modern marketing system comprises standardization, grading and attractive packaging.

Consumption pattern: More consumption than poor processing may lead to price of dates varieties in market.

Value chain: Appropriate channel selection communicates friends and social media for improving the sales.

Quality assurance: Modern marketing system improves sales through good quality management and standardization to improve export efficiency.

III. REVIEW OF LITERATURE

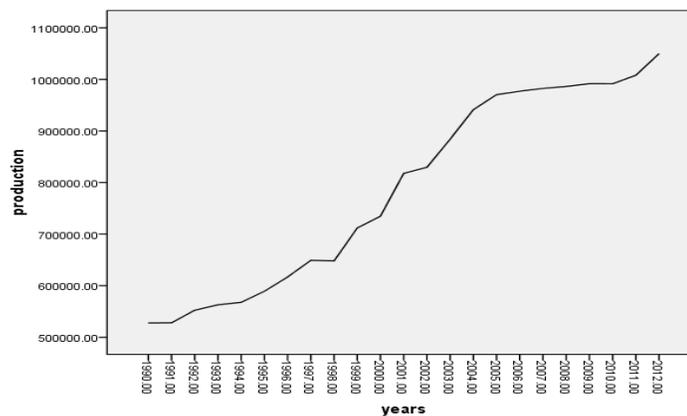
The literature in the study on Saudi dates marketing in the region. Vast research has been done on marketing its functions and applications in various industries, but the research on marketing aspects and its implications gained a lot of significance in the past very few studies concentrated on dates marketing challenges. Dates are purely agriculture based products and therefore the demand for the products was considered to be obviously in-elastic (John G Thompson, 1916) [2,4-6].

Analysis of production and exporting of dates:

Table 1: Dates Production in Saudi Arabia.

| Year | Production |
|------|------------|
| 1990 | 527881 |
| 1991 | 528074 |
| 1992 | 552493 |
| 1993 | 563008 |
| 1994 | 567762 |
| 1995 | 589261 |
| 1996 | 616908 |
| 1997 | 649239 |
| 1998 | 648000 |
| 1999 | 712000 |
| 2000 | 734844 |
| 2001 | 817887 |
| 2002 | 829540 |
| 2003 | 884088 |
| 2004 | 941293 |
| 2005 | 970488 |
| 2006 | 977036 |
| 2007 | 982546 |
| 2008 | 986409 |
| 2009 | 991660 |
| 2010 | 991546 |
| 2011 | 1008105 |
| 2012 | 1050000 |

(The average of dates production is (775912.18) tones. (Source: FAOSTAT).



Graph 1. Graphical Representation of Dates production in Saudi Arabia. (Source: FAOSTAT).

The marketing challenge in marketing of dates described by the researchers in their studies namely material being used for packaging of dates is not accordance to the international quality and standards. Moreover, Farah Naz (2012) developed a time series model to forecast the trend of exports of dates. In the model, the data of dates exported for the period of 1962–2008 was taken to forecast the pattern of export for the next 15 years. The model was identified an upward trend in the exports of dates in Pakistan [3].

Table 2: Statistical Analysis of Dates production in Saudi Arabia (1990-2011).

| B | R² | F | Growth rate |
|----------|----------------------|----------|--------------------|
| 0.036 | 0.95 | 410 | 3.7 |

Table 3: Export Quantity of Dates in Saudi Arabia (1990-2011).

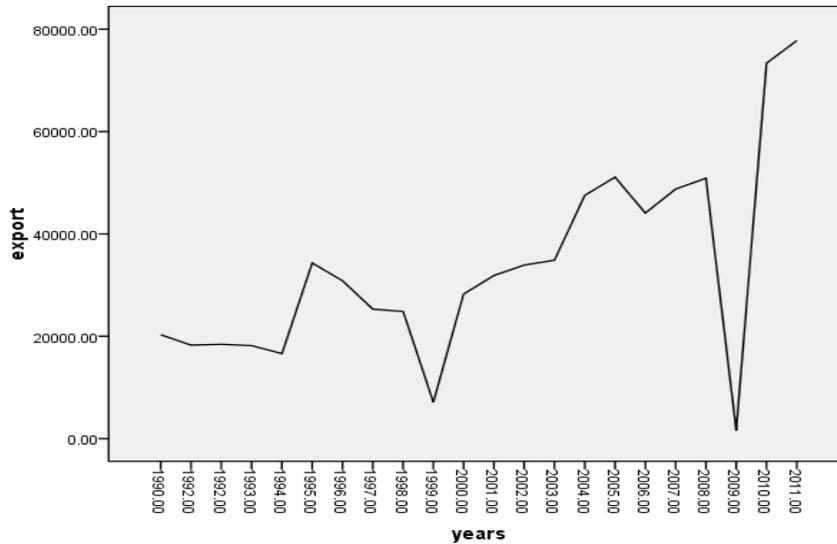
| Years | Export |
|--------------|---------------|
| 1990 | 20299 |
| 1992 | 18272 |
| 1992 | 18428 |
| 1993 | 18181 |
| 1994 | 16622 |
| 1995 | 34323 |
| 1996 | 30846 |
| 1997 | 25310 |
| 1998 | 24852 |
| 1999 | 7100 |
| 2000 | 28248 |
| 2001 | 31881 |
| 2002 | 33925 |
| 2003 | 34875 |
| 2004 | 47535 |
| 2005 | 51098 |
| 2006 | 44087 |
| 2007 | 48762 |
| 2008 | 50891 |
| 2009 | 1593 |
| 2010 | 73362 |
| 2011 | 77795 |

Source: FAOSTAT

Average of exporting dates is (33558.4) tones.

Table 4: Statistical Analysis of Exporting Dates in Saudi Arabia (1990-2011).

| B | R² | F | Growth rate |
|----------|----------------------|----------|--------------------|
| 0.034 | 0.071 | 1.53 | 3.5 |



Graph 2. Graphical Representation of Exporting of Dates in Saudi Arabia (1990-2011).

The graph above shows the trend of the dates production in Saudi Arabia for the period (1990-2011), it signifies the increasing of production over the time. That may be due to big attention from the ministry of agriculture to the date's production, so the country participates in the world's production. According to the above table Saudi Arabia is exporting dates with a growth rate of (3.5), so the kingdom produced dates with large quantities but its export is less than produced. That may lead to an explanation of wide local consumption of dates in Saudi Arabia. The exporting dates in Saudi Arabia during the period (1990-2011) are fluctuated annually. According to the world fact book Saudi Arabia exports dates in the year 2014 corresponding to \$ 359,400,000,000. After oil Saudi Arabia enjoys many natural resources with production with its potential to high market share in international market with reference to dates market. Production of dates in the Kingdom after 2011 was tremendously increased with the increase in growth rate of 3.7 percent. The country has enough potential to compete chiefly in exporting of dates since the year 2011, with the growth rate of 3.5 percent.

IV. CONCLUSION

Saudi Arabia represents one of the top producing countries of dates in the world. The country is potentially very high in terms of dates varieties, marketing efficiency, processing and exports. Among the several challenges and advantages of dates production, the need to improve marketing efficiency to promote the dates industry in the world. Primary regions of the Kingdom need extensive research to improve the production and export growth. Further research is needed to investigate the challenges encountered by farmers, marketers and other stakeholders for improving the export efficiency. Proper strategies are needed in order to ensure international standards, quality assurance and specifications.

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