

Investigating Iran's Situation in the melons and cantaloupe World Market & Screening of business partners

ABOLFAZL MAHMOODI^{1*}, GHOLAMREZA YAVARY²; ROGHIEH KALVANDY³
1, Associate Professor of Agricultural Economics at Payame Noor Universities, Tehran, Iran
2, Associate Professor of Agricultural Economics at Payame Noor Universities, Tehran, Iran
3, Graduate (MS) Student in Agricultural Economics at Payame Noor Universities, Tehran, Iran

(Received: Arp. 10, 2019- Accepted: Dec. 23, 2019)

ABSTRACT

The second largest producer of melon and cantaloupe is assigned to the Islamic Republic of Iran during the years 2001-2017 after China, and these products can play an important role in the development of non-oil exports. The paper aims to examine the place of Iran in the export of melons and cantaloupe among 15 major exporting countries. Needed information for calculating indices was gathered from FAO and TRADEMAP sources. The 15 largest exporting countries were selected for comparison: Spain, America, Brazil, Netherlands, Mexico, Guatemala, Costa Rica, France, Honduras, Morocco, China, Italy, Iran, Australia, South Africa. The structure of the melon and cantaloupe market was investigated using indices of concentration ratio and Herfindal-Hirschman. Also, using the business mapping index and the global integration of the market, this market has been identified. In the following, by using the screening method (weighted average of the import advantage index and several other indicators), the target markets of Iranian melons and cantaloupe have been ranked. The results showed that the IRAN with the relative advantage of exporting 3.8 is ranked seventh in the world. Also, the average indices of the structure of the melon and cantaloupe market during the period of the study (2001-2017) are open-ended multilateral, with Spain having the highest share in the export of melon with 20% of the world market and with other countries there is a lot of difference. In 2017, four countries (Spain, the Netherlands, Brazil, Guatemala) have nearly 50% of melon exports. Based on a basket of agricultural commodities, the evaluation of the trade plan during the period under review, showed that Iran was the winner in the declining markets. Based on the results of the screening method, the countries are the target markets for Iranian melons and cantaloupe, respectively In the first to thirteen priorities: United Kingdom, Germany, Denmark, Sweden, Estonia, Armenia, Kuwait, Bahrain, Qatar, the United Arab Emirates, China, Kazakhstan, Hungary.

Keywords: Trade Plan, Concentration Index, Herfindal-Hirschman Index, Screening Method

Extended Abstract

Introduction

The largest melon and cantaloupe producers are China, Iran, Turkey, the United States, Spain, India, Egypt, Morocco, Italy and Mexico, respectively, according to statistics published on the Faostat during the study period (2001-2017); The first to tenths are allocated. The second largest producer of melon and cantaloupe in the world belongs to the Islamic Republic of Iran. In year 2017, it occupied the second place in world production with 1.5 million tones with yielding 20.1 tons per hectare and 78.9-thousand-hectare cultivation area. The global area under cultivation and production of melon and cantaloupe has been increasing over the years from 2001 to 2017 years, with the area under cultivation reaching from one million hectares to more than 1.2 million hectares, with production ranging from 24 to 31 million tons. Investigation of export status can be a good model for the development of Iran's melon and cantaloupe exports. Iran should also seek to identify new target markets to increase the value and value of melon and cantaloupe exports.

Materials and Methods

In summing up these studies, it is worth noting that the most important research method for assessing the world market status of products is the comparative advantage index method. Not found. In this study, the competitive status of Iran in the global study export market as well as the import market of Iran's trading partners were evaluated and ranked based on the screening technique. The comparative advantage of it can be the development of productive and appropriate business planning to provide limited resources and opportunities. The paper aims to examine the place of Iran in the export of melons and cantaloupe among fifteen major exporting countries during the years 2001 to 2017. The 15 largest exporting countries were selected for comparison: Spain, America, Brazil, Netherlands, Mexico, Guatemala, Costa Rica, France, Honduras, Morocco, China, Italy, Iran, Australia, South Africa. For this purpose, RCA, RCAS, X^2 , indices were calculated. Needed information for calculating indices was gathered from FAO and TRADEMAP sources. The structure of the melon and cantaloupe market was investigated using indices of concentration ratio and Herfindal-Hirschman. Also, using the business mapping index and the global integration of the market, this market has been identified. In the following, by using the screening method (weighted average of the import advantage index and several other indicators), the target markets of Iranian melons and cantaloupe have been ranked.

Results and discussion

The results showed that the IRAN with the relative advantage of exporting 3.8 is ranked seventh in the world. Also, the average indices of the structure of the melon and cantaloupe market during the period of the study (2001-2017) are open-ended multilateral, with Spain having the highest share in the export of melon with 20% of the world market and with other countries there is a lot of difference. In 2017, four countries (Spain, the Netherlands, Brazil, Guatemala) have nearly 50% of melon exports. Based on a basket of agricultural commodities, the evaluation of the trade plan during the period under review, showed that Iran was the winner in the declining markets. Based on the results of the screening method, the countries are the target markets for Iranian melons and cantaloupe, respectively In the first to thirteen priorities: United Kingdom, Germany, Denmark, Sweden, Estonia, Armenia, Kuwait, Bahrain, Qatar, the United Arab Emirates, China, Kazakhstan, Hungary.

Suggestion

Based on the findings of this study, relevant authorities should consider global experiences and develop short- and long-term stability programs. Some of these actions are suggested as follows:

1- During the period under study (2001-2007), Iran was the second largest producer of melon and cantaloupe, but its export value share in the world market was about 1.5%. On the other hand, the rate of melon and cantaloupe yield in Iran is lower than its global average, Obviously, the increase in yield and production of melon and cantaloupe will be an effective aid in stabilizing the export process of these crops, so agricultural and technical engineering measures are needed to increase yield in melon and cantaloupe agriculture.

2- Prioritize countries that do not re-export Iran's imported melons.

3- Government support through political-economic consultations to remove existing barriers to the export of melon and cantaloupe to the top-5 ranked countries (England, Germany, Denmark, Sweden, Estonia) based on the screening method.

4- The priority is to develop exports to neighboring Iranian trading partners whose shipping costs are lower than in other distant countries.

5- Research and study on the instability factors in melon and cantaloupe exports to Iran's trading partners and reduce these factors in the medium and short term.

6- Monitor the export situation of melon and cantaloupe competing countries, especially Morocco and Brazil, regarding Iran's main trading partners and adopt appropriate strategies with both countries in terms of export prices, packaging quality and more.