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Master's Degree in Commercial Sciences**

**Major: International Business**

**TOPIC:**

**The Challenges of Deglet Nour's Export**

**In the Region of Biskra**

**Case study: SARL ZIBAN GARDEN**

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# *Dedication*

*I dedicate this dissertation work to my beloved mother who means the world to me .*

# *Acknowledgement*

*I'm very thankful to Allah who gave me the courage, the will and the strength to accomplish this work .*

*I'm very grateful to my precious mother who has provided all what I needed to achieve this work.*

*I would like to acknowledge and thank my supervisor Mr BABA AHMED Hichem for his guidance , and his patience.*

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## **Abstract**

What is observed on the Algerian economy is the dominance of hydrocarbons over exports which have reached 98% in recent years. This may have bad consequences in case oil prices collapse of fuel prices, taking into account that these are related to political, economic and social variables occurring in the world .Besides, hydrocarbons are vital, yet they are on the way of disappearing. The agricultural sector is of one of the most important ones that Algeria owns, and that is required to develop its way and means of production, which contributes to the development of Algerian exports outside hydrocarbon. The most important products are: dates, olives, citrus, potatoes, tomatoes, carrots, grapes, and apricots.

Dates are considered as the most important products that can contribute to the development of exports outside hydrocarbons, since Algeria is one of the most important producing countries in terms of quantity and quality.

In our study we will cast the spotlight on the variety deglet nour of the region of bsikra and we will examine the different obstacles that face this market.

**Key words:** agricultural products, deglet nour competitiveness, ,deglet nour export, obstacles.

## **Résumé:**

Ce qui est observé sur l'économie algérienne est la prédominance des hydrocarbures sur les exportations et qui ont atteint 98% au cours des dernières années, ce qui aura de graves conséquences en cas de l'effondrement des prix des hydrocarbures, qui sont très sensibles aux changements politiques, économiques et sociaux qui se manifestent dans le monde. En plus les hydrocarbures en voie de disparition sont des substances.

Le secteur agricole est l'un des secteurs les plus importants et dont l'Algérie dispose de grands moyens qui ont besoin d'être exploités de façon optimale, de même que les moyens de production, ce qui contribue à développer les exportations algériennes en dehors des hydrocarbures, parmi ces produits on cite : les dates, les olives, les agrumes, les pommes de terre, tomates, carottes, raisins, abricots.

Les dates sont parmi des produits les plus importants produits qui peuvent contribuer au développement des exportations hors hydrocarbures, du moment que l'Algérie est l'un des principaux pays producteurs de point de vue quantité et de qualité.

Dans notre recherche on va identifier et examiner les contraintes à l'exportation de deglet nour dans la région de Biskra

**Mots clés** : produits agricoles, la compétitivité de deglet nour, l'exportation de deglet nour, obstacles.

## List of tables

Tables	Title	Page
Table 1	Major motives for starting exporting	4
Table 2	Comparing exporting and investing in international markets	29
Table 3	The potential and the production per variety of Date Palm in Algeria	44
Table 4	Ranking of countries exporting quantity of dates (1990-2011)	49
Table5	the list of the companies surveyed and the interviewees	59

## List of figures

Figure	Title	Page
Figure1	The export market planning process	5
Figure2	The export Operations	9
Figure 3	The export risks	22
Figure 4	Algeria Agribusiness Market Value 2016	34
Figure 5	Wheat production in Algeria 2010-2016	35
Figure 6	Milk production in Algeria 2010-2016	36
Figure 7	Cultivated Areas for date palm in Algeria	42
Figure 8	Map of Algeria indicating the different areas with date palms	42
Figure 9	Date palm Total production in Algeria(1961-2013)	45
Figure 10	Exported quantity of dates 1990-2011	47
Figure 11	Annual sales of the last 4 years in Quantity	62
Figure 12	The legal status of the firms surveyed	66
Figure 13	The period of deglet nour export of the respondent companies	67
Figure 14	The graphic trend of degletnour 's total annual sales in the last 5 years of the respondent companies	68
Figure 15	Statistical graph representing major foreign markets the respondent companies exporting to	69
Figure 16	Statistical graph representing the motives behind exporting deglet nour according to the respondent companies	70
Figure 17	statistical graph representing the conduct of market	71

	Research in foreign markets by the respondent companies	
Figure 18	Statistical graph representing deglet nour's quality related problems	72
Figure 19	Statistical graph representing Custom and administrative related issues of deglet nour export	73
Figure 20	Statistical graph representing the international marketing issues of deglet nour	74

## **List of abbreviations**

**Algex** :Agence nationale de la promotion du commerce extérieur

**FAO**:Food and agriculture organization

**FDI** : Foreign Direct Investment

**GDP**:Gross Domestic product

**IMF**:International monetary fund

**SME**: Small and medium sized Enterprise

**USD**: United states dollar

# Summary

General Introduction .....	I
ChapterI:Exporting as a context.....	1
Section I:the export process .....	3
1. The export strategy .....	3
2. The export development .....	9
SectionII:Export related issues .....	12
1. Problems encountered during the export process .....	12
2. Other areas and causes of export risks .....	14
3. Risk Management .....	16
4. Mitigating export risks .....	19
ChapterII: The agribusiness sector.....	25
SectionI: The international agribusiness .....	26
1. Entering international markets .....	26
2. Motives and opportunities of international agribusiness .....	29
3. Unique issues with agricultural products .....	30
Section II:the agribusiness sector in Algeria .....	32
1. The context.....	32
2. Dependence on food imports and oil revenues weigh on Algeria'sagribusiness..	32
3. The the agribusiness sector's challenges in the light of lower commodityprices..	35
4. agricultural sector in Algeria as an exporting industry .....	36
5. Investment Opportunities in agricultural sector in Algeria.....	37
ChapterIII:The date palm sector in Algeria .....	39
Section I:The date palm status .....	41
1. Historical and Current Agricultural Aspects.....	41
2. Importance of date palm .....	43

3.	Production statistics and indicators.....	43
4.	Dates Marketing status.....	45
Section II:Analytical study of exports of dates in Algeria and its problems .....		47
1.	Analytical study of export of dates .....	47
2.	Analytical study of problems of dates export .....	51
Chapter IV: The challenges of degletnour’s export in the region of Biskra .....		55
Section I: Methodology of the survey.....		57
1.	Research Purpose .....	57
2.	Research approach .....	57
3.	the interview guide design .....	58
4.	The Questionnaire design.....	59
5.	Sample size and data collection .....	59
Section II: the internship course at “Ziban Garden” outline .....		60
1.	Biskra’s spalm dates .....	60
2.	Presentation of “Ziban Garden” company .....	60
3.	Ziban Garden’s organogram .....	61
4.	Ziban Garden’s exports’ evolution .....	62
5.	Ziban Garden’s SWOT Analysis .....	63
6.	The Participating in the ‘ SIDAB platform’(the 2nd edition of the International Exhibition of the Date of Biskra ).....	64
Section III:The analysis of the survey results .....		66
1.	The analysis of the questionnaire data .....	66
2.	The analysis of the interview data.....	75
General Conclusion.....		82

*General introduction*

## General introduction



Algeria, with more than 18 million palm trees and 952 varieties, occupies an important place among the countries producing and exporting dates, more, it ranks first in terms of quality, thanks to the famous variety Deglet Nour.. Algeria is currently representing 6.75% of world production of dates and it ranks sixth, it also carries 3.20% of world exports and also ranks eighth. Its exports contribute 48.25% of total export value of agricultural products. However, these data do not reflect the true image of the dates sector in Algeria, as many studies showed that this sector in particular suffer from many difficulties in its operations at all levels and particularly its exporting process. And despite the policies of the country since independence to develop the agriculture sector which has affected in the first place the dates exports , it did not reach the fixed objectives.

Through this study we will try to highlight exclusively the reality of the variety Deglet nour's export in the region of biskra focusing on its main challenges and issues .

So, our research topic will be about “The challenges of deglet nour's export in the region of Biskra”

The choice of this topic was based on two motivations:

- The prupose behind this study comes mainly because of the cultural background that i own as i grew up in (the region of Biskra) . For that reason it seemed crucial that i must evoke one of the problems that really effect the date palm sector.
- The fact that 80% of biskra-based firms are involved mainly in the date palm business

## General introduction

In this study, we aim to answer our problematic that is summarized in the following main question: “What are the challenges encountered by the exporters of deglet nour date in the region of Biskra ?”



To answer the previous question we have to answer the following subsidiary questions:

**Q1 :Is the international marketing strategy efficient to raise the competitiveness of the deglet nour of Biskra?**

**Q2: Do the custom procedures and the administrative formalities process represent an actual barrier to deglet nour’s export ?**

**Q3 : does deglet nour ‘ quality match the international standards of the dates global market?**

Hence we can conduct the following hypothesizes which are going to be either approved or disapproved at the end of this research:

**H1 : The lack of an efficient international marketing strategy is a constraint of deglet nour export.**

**H2:The excess of custom procedures and the administrative formalities process is a constraint of deglet nour ‘s export.**

**H3:The non conformity of deglet nour ‘s quality to the international standards is a constraint to its export.**

To answer our main question and approve or refute our hypotheses we have adopted both qualitative and qualitative approaches in our data collect. So a survey was proceeded using a questionnaire and an interview addressed to a representative sample of Biskra-based firms operating in the dates export business. The criteria of the sample selection was by its convenience to our research study.

## General introduction

To make our study more obvious and understandable, we have developed a work plan that includes four chapters:



-In the First chapter ,we are going to deal with the exporting process as a context; This chapter provides a general overview of exporting in which we will study according to the literature theories the definition of the concept , the factors involved in the export process which are: the motivations and drivers within and outside the firm, the risks and problems encountered during the operation.

-The second chapter will be dedicated to discuss the agribusiness sector ; we will identify some of the reasons why the international marketplace is of great interest to agribusiness managers. We will also examine some of the reasons why doing business internationally may be challenging ,and some of the strategies agribusiness firms use to enter the global market. We will attempt as well to display some indicators of the current Algerian agribusiness sector.

-The third chapter will be held exclusively for the date palm status in Algeria; we will discuss historical and current agricultural aspects of the Algerian date palm and we will have an analysis study on the difficulties encountered during its operations( production , marketing , export)

-The fourth chapter will concern our survey that will take place at different companies operating in the date's export business and which is going to be achieved using a questionnaire and an interview.

# *The first chapter*

*Exporting as a context*

### **Introduction**

Exporting has been the most popular approach adopted by firms to enter and penetrate foreign markets, as it requires less commitment of resources, has minimal effect on the ordinary operations of the firm, and involves low investment and financial risks. Exporting enables firms to attain growth objectives, raise sales and profits, and diversify their business risks and to retaliate to the entry of foreign competitors into their domestic markets<sup>1</sup>

This chapter provides a general overview of exporting. It aims to present exporting as a context in which we will study according to the literature theories which concern the subject the export process from the strategic decision making to the export development plan . Here and beside the definition of the concept we will study other factors involved in the export process which are: the motivations and drivers within and outside the firm, the risks and problems encountered during the operation.

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<sup>1</sup>Balabanis (G.) , Theodosiou (M.) & Katsikea (E.) “ Export marketing: Developments and a research agenda”, International Marketing Review, 2004 N° 21 ,pp354.

## **Section I: the export process**

### **1- The export strategy**

#### **The Motives for starting exporting**

The factors that motivate a firm to begin exporting can, theoretically, be differentiated into proactive and reactive motives. Proactive motives represent incentives to try strategy change, based on management's interest in exploiting the firm's unique capabilities – such as special technological know-how, market opportunities or tax incentives. Reactive motives show that the firm reacts to pressure or threats in its domestic market or in foreign markets and adjusts passively to them by changing its activities over time <sup>1</sup>

In practice, micro and macro environmental dynamics affecting the firm, the export firm's management sensing ability, and the stage of export development that the firm is in, significantly influence the impact of motivational factors. Management's cosmopolitan character<sup>2</sup>, desire and sense-making abilities determines how they interpret both the internal and external factors that influence the decision to export, as well as when and how to act on them. During the initial stages of export development process, exporting activity is reactive. Management responds to external influences and export activity reflects passive and tactical thinking. At more advanced stages of export development, management becomes proactive and internal factors become influential. The firm management adopts a more aggressive and strategic approach to exporting<sup>3</sup>.

Research conducted in the late 1980s on Danish SME exporting firms revealed that the more general export motivational factors; growth and profit goals, managerial desire and risk diversification were the most important reasons for engaging in exporting activity. Specific motivational factors such as; exploitation of foreign market opportunities, change agents, economies of scale, marketing advantages, extending sales of a seasonal product, excess capacity of resources, seeking unsolicited

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<sup>1</sup>Hollensen (S) , *Global marketing: a market-responsive approach*, Pearson Education,Harlow2001,p28.

<sup>2</sup>Hollensen (S), op.cit, p35

<sup>3</sup>Leonidou (L)& Katsikeas( C)“The Export Development Process”,an Integrative Review of Empirical Models,1996N°27 ,p536-537

order, the existence of a small domestic market and a stagnant declining market, where of neutral importance<sup>1</sup>.

**Table 1. Major motives for starting exporting (Hollensen 2001)**

Proactive motives	Reactive motives
Profit and growth goal	Competitive pressure
Managerial urge	Domestic market /small and saturated
Technology competence/unique product	Overproduction/excess capacity
Foreign market opportunities/market information	Unsolicited foreign orders
Economies of scale	Extend sales of seasonal products
Tax benefits	Proximity to international customers/psychological distance

**Source:** Adapted from *Global marketing :a market-responsive approach* , Pearson Education ,Harlow2001

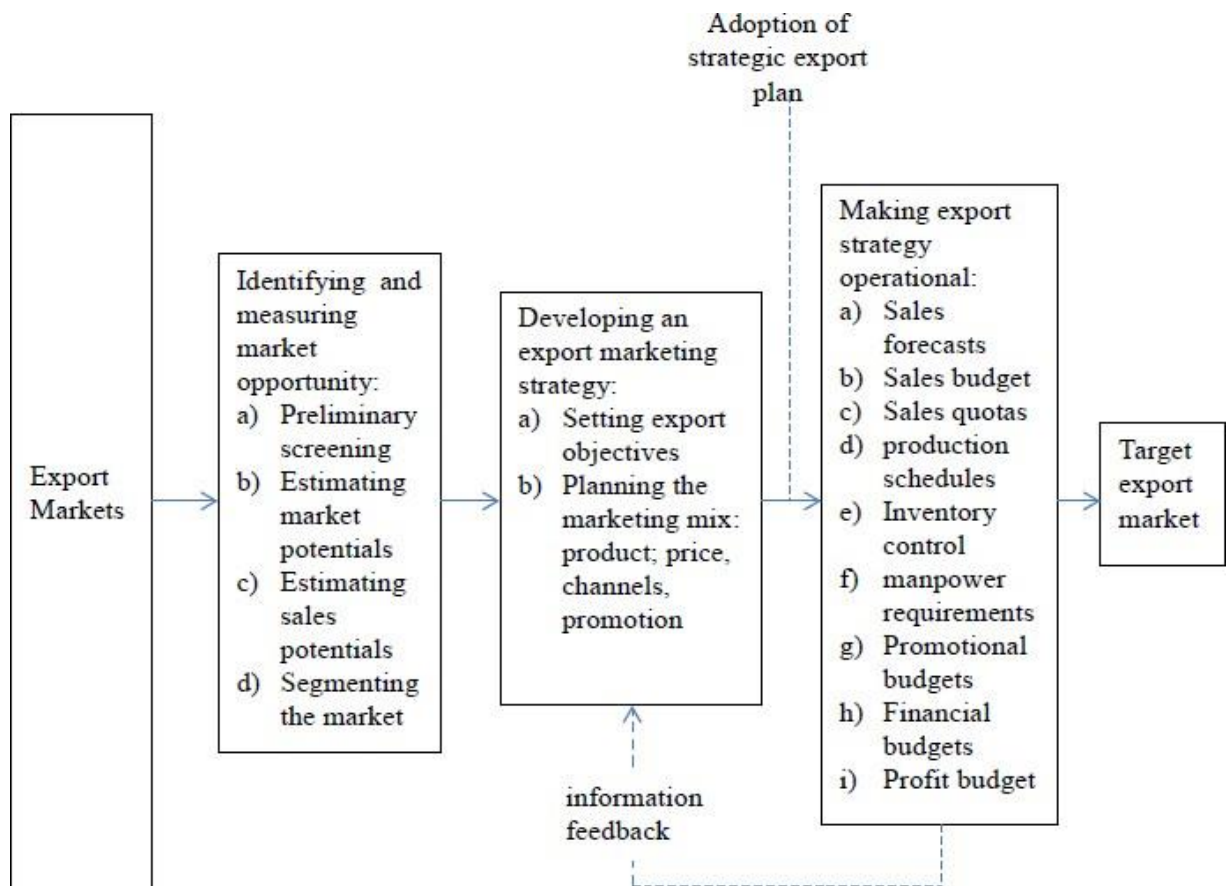
### **The export market planning process**

The export marketing plan describes the firm's strategic objectives and tactical goals.

The export plan should include: a product, market and competitor analysis in addition to details on; objectives, strategy of market entry, and an action plan specifying responsibilities of different tasks as well as an outline of evaluation processes. The plan begins with an information gathering process to identify admeasure market opportunities. This is achieved by conducting structured market research that profiles potential markets, identifies opportunities and challenges, estimates sales potential and segments the market<sup>2</sup>.

<sup>1</sup>Albaum (G) et al , *international marketing and export management* , Ed.Prentice Hall,New Jersey,1994,p32

<sup>2</sup>Albaum(G)et al , op.cit,p11

**Figure 1. Export market planning process (adapted from Albaum et al. 1994)**

**Source:** with adaptation from international marketing and export management by Albaum 1994

### Implementing the export plan:

After the establishment of the export plan the firm steps out to implement it by:

1. Obtaining finances/resources for the exports
2. Managing the export risk
3. Promoting the firm and its products abroad - This involves letting the world know about the exporting firm and what it offers through many promotional channels that it could use (such as advertising in trade magazines, e-mail marketing or participating in a trade fair). The channel that the firm uses will depend on its promotional strategy that is outlined in its export plan.
4. Negotiating and quoting in export.
5. Revising the export costing and price.
6. Obtaining the export order - Closing the sale and signing the contract.

7. Producing the goods - With the export order in hand, the firm needs to produce the goods promised to deliver. This will mean securing raw materials and components from the suppliers, and producing, packaging and labeling the goods for export.<sup>1</sup>

## **Export transportation and logistics**

### **A. Export documentation**

Export documentation identifies the goods and the terms of sale. It also provides title to the goods, evidence of insurance coverage and certifies a certain quality or standard. Several documents are required for overseas shipping and fall into two categories.

#### **i. Shipping documents**

Shipping documents are prepared by you or your freight forwarder. They allow the shipment to pass through customs, to be loaded onto a carrier and transported to the destination.

Key shipping documents include:

- A commercial invoice
- A special packing or marking list
- A certificate of origin
- A certificate of insurance
- A bill of lading\*

#### **ii. Collection documents**

The most important collection document is probably the commercial invoice, which describes the goods in detail and lists the amount owing by the foreign buyer. This form is also used for customs records and must include:

- The date of issue
- The names and addresses of the buyer and seller
- The contract or invoice number

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<sup>1</sup>The export process - What's involved in exporting <http://www.exporthelp.co.za/modules/intro.html> accessed 12/02/2017 at 14:32

\*A bill of lading is used for land and ocean freight, and an air waybill is used for air freight. Note that the ocean bill of lading can be a negotiable instrument that passes title to the goods. Other types of bills pass title to the consignee as soon as the goods are delivered.

- A description of the goods and the unit price — the total weight and number of packages
- Shipping marks and numbers
- The terms of delivery and payment

### **B. Transportation insurance**

International carriers assume only limited liability and make the seller responsible for the goods up to the point of delivery to the foreign buyer. For this reason, the exporter absolutely must have international transportation insurance.

Marine transportation insurance protects both ocean and air-bound cargo. It also covers connecting land transportation. There are three main types of marine transportation insurance:

- ❖ Free of Particular Average (FPA) is the narrowest type of coverage. Total losses are covered, as well as partial losses at sea if the vessel sinks, burns or is stranded.
- ❖ With Average (WA) offers greater protection from partial losses at sea.
- ❖ All Risk is the most comprehensive, protecting against all physical loss or damage from external causes. Once the documents transferring title are delivered to the foreign buyer, the exporter is no longer liable for the goods.

### **C. Labels and marks**

Labeling regulations vary widely from nation to nation, so verify the required labels before you ship. Your product may not clear customs if labels don't conform to local requirements such as product weight or electrical standards.

Marking distinguishes your goods from those of other shippers. Marks shown on the shipping container must agree with those on the bill of lading or other shipping documents, and may include some or all of the following:

- Buyer's name or some other form of agreed identification.
- Point/port of entry into the importing country.
- Gross and net weight of the product in kilograms and pounds.
- Identification of the country of origin , “Made in Algeria”
- Number of packages.
- Appropriate warnings or cautionary markings.

Provide a packing list identifying and itemizing the contents of each container. Each container must also contain a packing list itemizing its contents<sup>1</sup>

### **the export operations**

The two principle ways to export are direct and indirect. In practice firms tend to use more than one channel in their overall exporting operations. Using indirect exporting does not exclude the possibility of a firm exporting directly. The firm may for example export directly to nearby markets while allowing an intermediary to handle sales to challenging or distant markets. A firm may also gradually increase its level of direct exporting once it has gained enough experience and sales volume to justify added investment<sup>2</sup>.

When exporting indirectly, the manufacturer utilizes the services of various types of independent marketing organizations or cooperative organizations referred to as export intermediaries.

Export intermediaries are helpful when a company lacks sufficient resources, such as; capital, personnel, and equipment to sell directly.

Intermediaries are located in the firm's home country, they assume the responsibility for carrying out the foreign selling from the exporting firm. The challenge for the firm is to select an intermediary firm which is capable of finding foreign markets and buyers for the company's products<sup>3</sup>

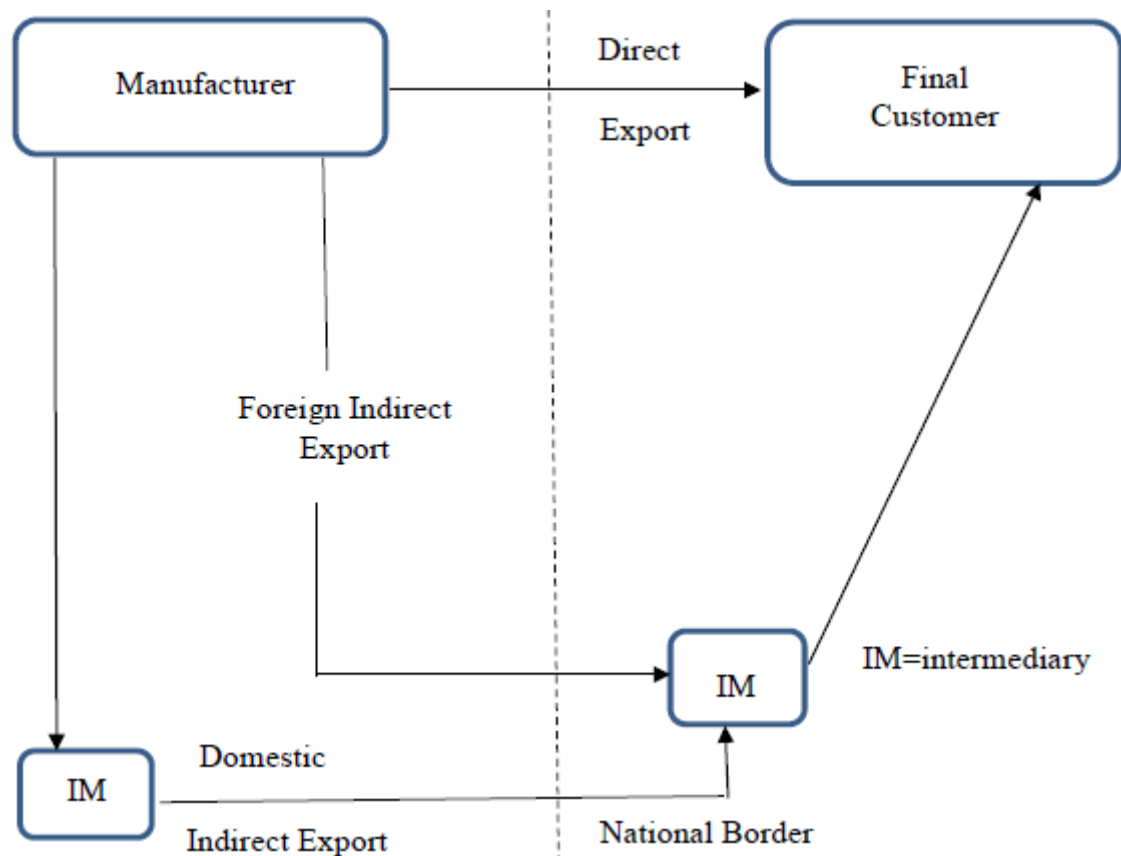
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<sup>1</sup>Step by step guide to exporting, Foreign Affairs and International Trade Canada retrieved from <http://www.tradecommissioner.gc.ca/eng/guide-exporting.jsp> accessed 06/01/2017 at 17:12

<sup>2</sup>A basic guide to exporting, retrieved from [http://export.gov/basicguide/eg\\_main\\_038338.asp](http://export.gov/basicguide/eg_main_038338.asp) accessed 08/02/2017 at 01:17

<sup>3</sup>Albaum et al , op.cit,p154

**Figure 2. Export Operations (adapted from Welch et al. 2007)**



Source: Foreign operation methods Elektroninen aineisto : theory, analysis, strategy by Welch et al. 2007

## 2. The export development

Export development is a growth process in which theoretically, the exporting firm progresses through stages. In practice the growth process is multidimensional, complex and dynamic in nature, this is due to due to intra-andinter-firm differences in resource endowments, market opportunities and managerial capabilities<sup>1</sup>.

<sup>1</sup> Leonidu (L)& katsikeas (C) , op.cit,p517-551

By understanding and the behavior of risk and profitability associated with each growth stage, exporting firms are better prepared to confront short term challenges that may have negative impact on growth<sup>1</sup>.

A review and analysis of export development models by **Leonidou and Katsikeas (1996)** reveals specific patterns in the export development process of exporting firms. The authors divide these patterns into three broad phases.

- ❖ The pre-engagement phase: when firms are engaged in business activities in their domestic market but are seriously considering exporting activity.
- ❖ the initial phase : when the firm begins exporting activity.
- ❖ advanced phase : when exporting significantly contributes to firm revenue

**Czinkota et.al (2004)** refers to the phases mentioned by **Leonidou and Katsikeas (1996)** as stages of export development which the export venture advances through as it grows.

In the early stages of exporting the firm has limited knowledge and experience of exporting, particularly exporting procedures and practices. The firm's ability to collect and process information about foreign market opportunities is also limited. The result is that managerial decision making is to a large extent informal, disjointed and unplanned. The lack of adequate information of foreign markets creates a sense of uncertainty. The firm's commitment of human, financial and related resources towards exporting is done gradually and in small amounts. The firm is at this stage still an experimental exporter, targeting markets that are psychologically close to its domestic market. These markets are likely to be easier and less costly to penetrate. In this early stage of export development, firm managers with a cosmopolitan and international mindset, and organizational factors that relate to the firm's competitive advantage are essential in facilitating the export development process.<sup>2</sup>

The firm is most likely to use indirect exporting modes to enter foreign markets, and rely on intermediaries to access established experts and contacts while the firm maintains some degree of control over the sale. The firm is likely to adopt a standardized marketing strategy and a

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<sup>1</sup> Czinkota et al , « Executive Insights : A national export assistance policy for new and growing businesses », Journal of the international marketing , 1994 N°2 , Washington DC, p53

<sup>2</sup> Leonidou(L) & Katsikeas ( C) , op.cit, p532-533

concentrated market focus due to limited resources. And will be highly dependent on foreign buyers' guidelines regarding marketing mix requirements in foreign markets. Management is faced with the challenge of developing the appropriate capabilities required to facilitate international business transactions. Management focuses on seeking technical advice and securing adequate sales effort. As their exposure to international markets grows, managers begin to think about tactical marketing issues, such as communication and sales effort<sup>1</sup>.

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<sup>1</sup> Ibid

## **1. Problems encountered during the export process**

### **Problems Related to Quality and Standardization Perception Deficiencies**

Most of the firms perceive the quality as a final stage of the production process. However, according to modern quality approach, quality starts from the purchasing stage of the supply chain, production stage, branding, packaging, distribution and continues event during the post-purchase processes.

### **Problems Related to Marketing Research**

Conducting marketing research in international markets requires collecting data from those markets, hence the importance of foreign language speaking human resources. The lack of foreign language human resources limits the firms to access the data relating to the industrial and end-use consumers. Social and economic changes, from one market place to another, cause serious problems resulting with unsuccessful business operations. Ignoring marketing research or conducting inappropriate research techniques affect the firms with the results of unsuccessful exporting operations. Because of financial constraints, firms face with in exhibiting their production samples in the international markets, like fairs, which is also an important aspect of the marketing research. In addition to this, adaptation to the changes, estimation of the possible changes, innovation and R&D activities require tremendous marketing research efforts .

### **Problems Related to Prices**

Input costs increase the product prices resulting with the exporting problems with the decrease of the firm competitiveness in international markets. Another negative effect on the competitiveness power of the exporting firms relates to the lack of knowledge regarding competitors and market structures and following inappropriate marketing strategies<sup>1</sup>.

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<sup>1</sup>Akdogan(M)et al,7th International Strategic Management Conference“Problems Encountered by the Exporting Firms: AnApplication in the City of Kayseri”,Procedia Social and Behavioral Sciences , Elsevier Ltd, Turkey,2011

### **Distribution Problems**

Delays of supply of inputs and related to this irregular productions without Proper planning create distribution problems. This kind of drawbacks results with the discontinuous exporting.

### **Promotion Problems**

Promotional activities of the exporting firms, within the international marketplace, are very weak. This is particularly because of the unawareness of the firms regarding advertising, fairs, exhibitions, face to face contacts with the potential buyers . In addition, because of the high costs of the promotional activities in the international markets, the exporting firms are unable to conduct proper promotional activities and, to some extent, they lack in understanding the importance of the promotional activities in international marketing

### **Problems Related to the Financing of Exporting**

Financing is another issue in exporting. Every exporting firm cannot access to and benefit from the exporting credits because of the complicated and bureaucratic procedures. In addition, in some cases exporting firms face with the collection trouble for the credits with a negative revenue effect because of the exchange rate fluctuations.

### **The lack of Qualified Human Resources and Exporting Departments**

Most of the SME's do not have any separate department relating to foreign trade and hence they lack in qualified human resources in terms of exporting and experts in international trade.<sup>1</sup>

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<sup>1</sup>Akdogan(M),Loc.cit,p794

### **Problems Created by the Export Regimes**

Difficulties in following frequently changing export legislations may cause contradictory applications of the exporting activities with the current export regime.

In addition to this, complicated and unclear legislations and bureaucracy may trouble for the Exporting firms.

### **Legislative and Bureaucratic Problems**

Firms encounter with heavy bureaucratic procedures in their relations with the public institutions and organizations. Lack of cooperation and coordination among the public organizations may result with conflicts and waste of time and money. Most of the firms. generally complain about the unnecessary and complicated procedures. Because of the legislative obligations bureaucratic system works very slow. Decisions of municipalities and other local authorities conflict with the central authority creating problems for the exporting firms. Attitudes and behaviors of the staff in the public organizations, where exporting firms conduct the required bureaucratic procedures, caused disturbance.<sup>1</sup>

## **2 Other areas and causes of export risks**

### **Country/political risk**

this implies the threat that some government action could interfere with export/import commerce in some way, which could take several forms, including loss of property, market share, ability to operate etc. This is prevalent in those countries that may experience major political instability, which could result in defaults on payments, exchange transfer blockages, nationalization or confiscation of property.<sup>2</sup>

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<sup>1</sup>Ibid

<sup>2</sup>*Export Consultancy Unit (ECU) of Saudi industrial development fund*, « Export Risks & Management », retrieved from <http://www.sidf.gov.sa> accessed 20/02/2017 at 19:58

### **Legal risk**

differences in local laws can exist in overseas countries, which may have an impact in areas such as import procedures, taxation, employment practices, currency dealings, property rights, the protection of intellectual property, agency/distributorship and other related subjects.<sup>1</sup>

### **Credit & financing risks—**

this implies that possibilities exist that:

- (A): a customer will default on payment
- And/or (B) the customer's business may fail
- And/or (C) there is political or economic volatility.

The company to protect itself against payment default it is sensible, at least, to use payment methods which can provide some level of security.

—e.g. irrevocable letters of credit. The Producer/Exporter's bank should be able to provide advice on payment options and their relative advantages. Banks can also advise how a company can protect itself against changes in currency fluctuations as international trading exposes the Producer/Exporter to foreign exchange risks.

there are a number of other secondary risk concerns that the exporting firm needs to be aware of which include :

❖ **Macro-economic mismanagement risk:** this relates to governments who may pursue unsound monetary/fiscal policies.

if a situation occurs where a country's policies:-

- Has an increase in its money supply – inflation will occur which can affect the Producer/Exporter in terms of higher local costs, difficulty in planning, currency depreciation, etc.
- Runs a fiscal deficit – then the following could occur and effect the Producer/Exporter:-

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<sup>1</sup>Loc.cit,p2

- ✓ Higher interest rates may need to be implemented which would create higher borrowing costs in the target country.
- ✓ Recession could be produced, which would lower demand for products in target market.
- ✓ Hard currency shortage could be created, as the government may use its hard currency earnings to pay foreign debts

❖ **Insurance gap risk**

the possibility that multi or bi-lateral or private insurance cover may not be obtainable or only partly available due to the country/political risk of a particular export country being high. This leaves an insurance gap that cannot be covered except by the producer/Exporter himself. Here it may be possible to take out insurance cover from several sources that will cover different aspects of the deal, instead of trying to secure a single insurance deal.

❖ **Cargo theft risk**

this is a growing areas of risk where the cost of insurance cover is rising regularly because the incidence of theft is also rising rapidly.

❖ **Other areas of risks**

these could include the following:-

- War & civil disorder, creating general disruptions in getting products to market.
- Labor unrest, creating higher costs, work stoppages, etc.<sup>1</sup>

### **3. RISK MANAGEMENT**

Risk Management is a process consisting of well-defined steps which, when taken in sequence, support better decision making by contributing to a greater insight into risks and their impact on the business. Also as corporate management becomes increasingly accountable for company losses, there is a need to understand the implications and risks associated with any export decision that may be undertaken as accountability may be lacking without a risk management policy in place.

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<sup>1</sup> Loc. cit, p3

It is the process of identifying, assessing and controlling or minimizing a range of business risks that may lead to financial loss that has to be addressed by management. Risk management is, therefore, needed for the following reasons:-

- It is a good business and management practice.
- It assists companies to undertake strategic planning.
- It helps to reduce unexpected and costly surprises.
- It enables a more effective and efficient allocation of corporate resources.
- It provides better results from projects and programs that are implemented.
- It assists the Producer/Exporter to clearly define insurance needs.
- It provides better information for decision making.
- It enables compliance with regulatory requirements in export markets.
- It assists in preparation for eventual corporate auditing.
- It minimizes risk and enables the development of a growing export customer-base.
- It enables the company to balance its opportunities with its relevant risks.

The exporter can administer an efficient risk management process which would address the following factors:

- 1. Risk Identification** : identify the specific risks connected with the various facets of the particular export activity. Some risks are fairly obvious and others take a little more thought and foresight to fully understand and identify as a truly potential risk. The question to be asked here are:- (a) what can happen? (listing the events that might happen), and (b) how and why can it happen? (listing the possible cause and scenarios).
- 2. Risk Assessment** : assessing the relative significance of the export activity and its level of risk, as well as estimating the probability of the event occurring and its magnitude. Risk assessment requires the identification and gauging of risk exposures that the company may be subjected to in an export environment. Therefore, risk assessment lies at the heart of risk management because it assists in providing the information required to respond to a potential risk.

The questions necessary to be addressed here are the following:

- (a) what are the consequences if it occurs ?
- (b) how likely is it to occur?. Answers to these can be determined by:
  - (i) looking at the adequacy of existing controls.
  - (ii) assessing any consequences that may incur any levels of risk.
  - (iii) reviewing the level of risk determined in the previous stage.
  - (iv) deciding which risks are to be treated or accepted.

**3. Risk Control:** Estimating and/or minimizing the identified export risks and treating them through available mitigation mechanisms. In this phase an Action Plan needs to be developed to plan for the mitigation of the identified risks.

This plan, just like the assessment stage must be carefully thought out because:-

- Risk management planning extends the values and vision of Exporter by determining the needs of the company and how it can accomplish its goals.
- The plan must be simple and detailed enough to clearly identify specific goals and its mitigation measures.
- Risk management planning is a continuous process. It should be done periodically to determine if goals are being reached and are on track.
- Risk management planning is a road map to show where the company is going.
- Risk management planning can provide a sense of security.
- Risk management planning minimizes the needless waste of financial and human resources.
- The risk management plan should be realistic and manageable.
- On finalizing the risk plan, the management should evaluate the plan's status from time to time.

Once the plan has been implemented, its effect on corporate risk should be evaluated on the basis of it:

- (a) minimizing the likelihood of risk.
- (b) reducing the consequences of risk.
- (c) transferring the risk (e.g. Insurance).
- (d) accepting certain levels of risk.
- (e) avoiding the risk.

**4. Risk Administration:** – implementing a system of ongoing monitoring and review of the risks. This provides the necessary protection against the unavoidable risks (e.g. insurance coverage). The overall goal of risk administration is to create and sustain the interest and commitment of risk management and work towards the implementation of the specific risk management items - as deemed necessary by the company.

By addressing these points positively, there are many benefits which could be achieved in implementing these risk management procedures, some of which include:-

- More effective strategic export planning.
- Better business cost controls.
- Enhancing shareholder value - by minimizing losses and maximizing opportunities.
- Increased knowledge and understanding of exposure risks.
- A systematic, well-informed and thorough method of decision making.
- Increased preparedness for outside review where appropriate.
- Minimizing business disruptions. Better
- utilization of available resources.
- Strengthening in-house business culture for continued future improvements.
- Creating a best practice and quality organization.<sup>1</sup>

### 5. Mitigating export risks

International trade disaffected by the stability of the local currency market and social, political and geographic issues and, therefore, foreign risk requires businesses to take

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<sup>1</sup> Ibid

additional precautionary measures to protect their interests as these variables will directly impact on their customer's ability to repay. As discussed earlier, dealing with export customers increases the need to be aware of and mitigate against the potential commercial risks, fraud possibilities, and to understand the strategies that can help the exporting company to protect its business against them.

In this respect, the commercial risks involved in an export transaction include currency exchange risk, risk of non-performance, credit risk, transfer risk, country risk, transport risk and risk of fraud, etc. The following information on the risk factors provides data on the 'cause' and how to 'mitigate against' the company exposure to such export risks:-

- 1. Country/political risk** : in addition to restrictions on the export customer to send payments overseas, a change in government regulations could prevent or restrict the Exporter's ability to ship products to the selected export market. This arises because many countries regulate the import and export of goods. Unexpected regulatory changes, such as cancelling of permits or licenses, may occur between entering and settling a export sales contract.

The Exporter should always research the country of destination of its goods and identify any associated risks. They should examine the need for credit insurance, identify the most appropriate policy and investigate competitive products and services.

- 2. Credit Risk** : is involved when the export customer is not creditworthy, or not willing and/or able to pay. This arises because the customer, or other parties involved in the payment chain, are not able to meet their legal commitments.

The exporter should check credit references before dealing with any trading partner, to assess the credit worthiness of the export customer. This should include checking the following:

The identity of the customer (a) does he exist as a legally established business in the country of import, and (b) is the Exporter dealing with someone who has the authority to bind their employer to a deal.

- The usual period of credit offered in the customer's country and the acceptable methods for payments.
- The credit limit the Exporter is prepared to offer their customer.
- The trading history of their customer - are they prompt payers have there been any changes to their normal payment patterns etc.
- Are the products being sold compatible with the customer's normal business profile.
- Can the export customer pay the bill a customer's insolvency can involve the Exporter in a pre-credit risk, where losses can occur if the customer becomes insolvent during the manufacturing process or at any time before or after the dispatch of the export consignment.<sup>1</sup>

3. **Currency exchange risk**– this exposes the company to receiving a lower amount of payment if the currency amount receivable on settlements lower than the amount calculated when entering the export contract.

through foreign exchange risk management techniques including hedging and buying the foreign currency forward or entering a futures contract the company can mitigate the currency exchange risk . Exporter should contact their bank's Foreign Desk office and obtain more information on currency exchange management.

4. **Risk of non-performance** : occurs when the export customer repudiates the contract and refuses to pay. In this situation, any efforts the Exporter makes to enforce the contract will add costs that detracts from their expected profit. This arises when the export customer refuses to acknowledge their obligation to pay.

In this case, Exporter may consult an international trade attorney before entering a large export contract and an export credit insurance agent to insure against the risk of the contract being repudiated (this means - to refuse to acknowledge, ratify, or recognize an agreement/contract as being valid).

5. **Transfer risk** : occurs when a change in government regulations prevents or restricts the Exporter's ability to receive payments or exchange foreign currency. It arises from the fact that many countries regulate transfer of money and conversion of foreign currency receipts.

Unexpected regulatory changes may occur between entering and settling contract. export credit insurance agencies can insure Exporter against transfer risk.

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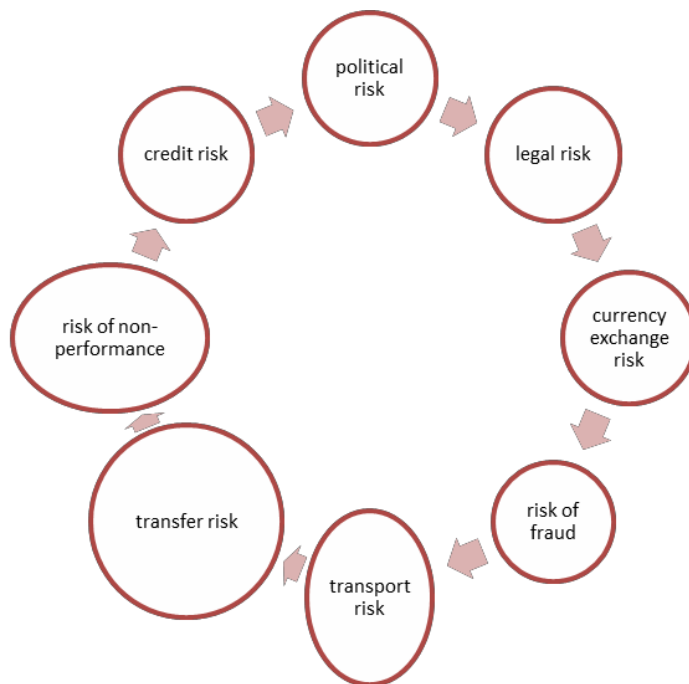
<sup>1</sup>Loc.cit,p9

## Chapter I : Exporting as a context

The Exporter could use without Recourse Export Finance to combine the benefits of post shipment finance and export credit insurance for one hundred percent of the transaction amount.

6. **Transport risk** : where the goods are stolen, pilfered or damaged while in transit. Commercial marine insurance policies will insure the goods against transport risks. These protect the Exporter from losses from warehouse to warehouse as well as general loss or damage. Additionally, insurance helps to reduce the level of damage that an Exporter may possibly have to incur during the transportation of his products. Detailed information can be obtained by consulting with a freight forwarder or an insurance agency.
7. **Risk of fraud** : arises if the trade partner/export customer is not 'bona fide' and turns out to be an unscrupulous person/organization seeking to take advantage of the Exporter. The complexity of international trade can sometimes make it difficult to detect fraud before it occurs. Undertake business transactions only with reputable parties that have a proven record in the products in question including any third parties involved. Beware of offers that seem too good to be true, as they are often not<sup>1</sup>

**Figure 3 : The export risks**



**Source: conducted by the student**

<sup>1</sup> Loc.cit,p13

## **Conclusion**

As discussed above , I hereby confirm that the export process is a long and demanding process and it takes both resources and management commitment to succeed. For that reason , in order for the Firm to join the global marketplace , it has definitely to evaluate its export potential to know whether it would survive in the fluctuating global business patterns .

Answering this question is very crucial for the company that considers indeed to proceed .

Given the above discussion about the context of exporting, this study will focus mainly on the risks and problems related to the export process which would facilitate the answering of the research questions.

*The second chapter*  
*The agribusiness sector*

## **Introduction**

Agribusiness is a business that earns most or all of its revenue from agriculture.

An agribusiness tends to be a large-scale business operating and may dabble in farming , processing and manufacturing and or the packaging and distribution of products

In this chapter, we will explore this question and identify some of the reasons why the international marketplace is of great interest to agribusiness managers. We will also examine some of the reasons why doing business internationally may be challenging ,and some of the strategies agribusiness firms use to enter the global market. We will attempt as well to display some indicators of the current Algerian agribusiness sector.

## **Section I: The international agribusiness**

### **1- Entering international markets:**

As the global marketplace becomes reality to an ever-increasing number of agribusinesses, an evolutionary process becomes evident. This evolution may take place by design or by happenstance, immediately or over a course of years. However, many observers point to three phases of evolution as a firm moves from a domestic to a global perspective.

Some companies arrive in the international market via detour; some even by accident. Introduction to the international market for these companies may be the result of an interaction with an international buyer or perhaps an export company. Often, in these cases, the international market is not treated any differently than the domestic market. Changes to the product, the marketing, and so forth are not made to fit the international market; firms simply sell what they have always sold, but to a new, international customer group.

However, over time, many of those same firms shift to purposeful rather than incidental marketing of their products abroad and enter the second phase of the evolution. This means a deeper level of involvement, assigning resources specifically to developing markets in specific countries, looking for opportunities in production and distribution of the products ,etc. This phase of the evolution of the global firm is known as the export marketing phase. Here, the business conducted internationally is viewed as a sideline to the normal domestic endeavor, but it is recognized as a separate and unique business.

The third phase emerges when a firm truly develops a global perspective, and manages its business accordingly. Decision-making at all levels is done in a global context. Production and raw material sourcing decisions are optimized around the world, marketing similarities are exploited globally, and the firm may focus on building global brands. Managers move across borders regularly to better understand the nuances of running a global enterprise. For all three phases of evolution, decisions about market entry must be made.<sup>1</sup>

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<sup>1</sup>Barnard(F.),Akridge(J.),Dooley(F.)&Foltz(J.),Agribusiness management, Routledge, New York,2012,pp114.

### 1.1 Modes of entry

Three general methods are used to enter an international market: exporting, licensing, and foreign production. There are, of course, many variations of these methods including indirect and direct exporting, franchising, and foreign direct investment through acquisition, joint venture, or Greenfield investment. The choice of entry method into the global arena depends on a firm's external and internal factors. External forces that influence the method of entry are factors such as the political, economic, and cultural arrangement of the target market. Internal firm factors include the agribusiness's strategic and financial goals, the firm's financial resources, the type of product that is being produced, and the sensitivity of the product or production method to the firm's competitiveness, and the firm's international market experience<sup>1</sup>. Historically, many firms have used a strategy that gradually increases their presence in the global market over time.

#### A. Licensing

Licensing involves contracting with a firm (licensee) in the target market to produce and distribute the firm's (licensor) product. In return, the licensor receives a fee or royalty, one that can be profitable given that little capital is required by the licensor. Licensing can be especially attractive with agricultural products that are perishable and bulky or where the receiving country has restrictions on imports. There are also disadvantages to licensing. The license may entail giving secret product formulas or processing technologies to the licensee, a key source of competitive advantage for the firm, and the licensee, may also become a competitor selling products where they are currently being sold. Also, if sales take off, the licensee could decide to establish and sell competing products, depending on the nature of the agreement that was signed.

Finally, the licensor could find its brand image hurt if the licensee has not maintained sufficient control over product quality or promotion.

#### B. Direct investment

Agribusinesses use a variety of investment means to enter and serve a foreign market. These can fall broadly into three areas: Greenfield investments, joint ventures, and acquisitions. Greenfield investments are direct investments by a firm into a particular country (so called because they are a project that lacks any constraints imposed by prior work; the analogy being that of construction on a "green field" where there is no need to remodel or demolish an existing structure).

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<sup>1</sup> Stern(L.) , El-Ansary(A.) & Coughlan (A.) , "Marketing Channels." ,7th ed. Upper Saddle River, NJ : Prentice Hall , 2006

An example would be a new plant built by a multinational firm or foreign subsidiary. Greenfield investments are often the only method of investing in a developing country where no other plants exist. High costs and risks are the drawbacks of these types of investments because unexpected market deterioration may prevent the firm from achieving a return on its investment. Another concern of Greenfield investments maybe the lack of understanding of the regulations and rules in the existing markets as well as the distribution channels that must be established. In fact, the distribution channel may be“closed” in the sense that other firms may have contractual distribution arrangements that prevent the new firm from selling its products through the existing system. To counter the difficulties, risk, and costs associated with Greenfield investments, an agribusiness may choose to establish a joint venture. A joint venture is a form of a strategic alliance that involves two or more firms that share resources in research, production, marketing, or financing, as well as costs and risks. Purchasing a firm or a controlling interest in the firm, known as an acquisition, is the third method of direct investment.

### **C. Exporting**

There are two general means used to export an agribusiness’s products: indirect and direct exporting. Most agribusinesses, especially those with little international marketing experience, initially enter the global market via indirect exporting.

**Table 2: Comparing exporting and investing in international markets**

<i>Choose exporting when...</i>	<i>Choose investment when...</i>
Financial resources are small	Financial resources are large
Little experience in the new market	Experienced in the new market
Barriers of trade for product do not exist	High barriers to trade exist
Target market is small	Target market is large
Growth potential is limited	Growth potential is high
Barriers to investment and ownership exist	Barriers to investment or ownership do not exist
Control of market is unimportant	High desire for market control
Globalization is not a high business priority	Firm's goals include an international presence
Foreign market is unstable	Stable political and economic climate
Foreign market is culturally "distant"	Market is culturally "similar"

**Source:** Agribusiness management, Routledge, New York, 2012

## 2- Motives and opportunities of international agribusiness

### The benefits of doing an international agribusiness

From a managerial standpoint, international markets hold appeal for a number of reasons. Some of these reasons are shown in the list below:

- Exports and sales.
- Take advantage of scale economies.
- Capture benefits of a global brand.
- Reduce risk by diversifying across markets
- Lower costs of production.
- Access lower-cost raw materials through international sourcing.
- Broaden access to credit.
- Leverage experiences from operating in international markets into domestic markets<sup>1</sup>.

### Opportunities for smaller firms

It's not only the multinational conglomerates finding opportunities and success in the international marketplace. Small agribusinesses have found niches in serving needs around

the world. Their active pursuit of placing and developing products for international markets has in many cases met with great success.

<sup>1</sup> Barnard(F.), Akridge(J.), Dooley(F.) & Foltz(J.), Op.cit., pp101

While large companies reap the benefits of deep pockets ; economies of scale and greater returns on their investment in research and development; smaller agribusiness firms are often more flexible, allowing them to adapt to the changing structure and demands of the international food industry. As with all business in the international marketplace, successful global business endeavors by the small firm require an understanding of the unique characteristics and structures of the customer in each given instance<sup>1</sup>

Although countless factors influence the global marketplace during any business day, a few key factors have helped increase the number of opportunities for small agribusiness firms in the international arena.

### **i) The first factor**

emerging markets have entered into the world trade picture at a rate unequaled since post-World War II. Those markets are opening up to conduct business with international suppliers, partners, etc. These nations include those in Eastern Europe, other countries of the former USSR, India, Latin America, China, and other Asian countries. Many African countries are moving continually closer to allowing or welcoming business from outside their borders.

### **ii) The second factor**

Opening doors of world markets for smaller businesses is technology. Simply put, today's small food and agribusinesses are often "well wired" connected via the internet by computer, modem, email, telephone, cell phone, and fax making them very competitive with much larger firms for emerging-market growth potential. Essentially, the world is truly available to creative, innovative businesses. However, unlike the world market of post-World War II when the multinational companies controlled these markets, markets today are often open to the best competitors. Companies that succeed will be flexible enough to adapt to constant change and adjust to an array of challenges. Those companies are often the small, agile companies.

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<sup>1</sup> John (M.) & Schiek (W.) , *Food Processing: An Industrial Powerhouse in Transition* ,2nd ed.: John Wiley & Sons New York ,1997

### 3- Unique issues with agricultural products

More than the typical issues that any exporting firm can encounter<sup>1</sup>, other special problems inherent in the production of agricultural products may have indirect influence on the international agribusiness such problems are **seasonality** and **perishability**. Agribusiness supply firms are engaged in highly seasonal production processes. During the peak planting and harvesting seasons, facilities are often strained to the utmost to produce the services and products producers need to utilize in a very short period of time. While the manufacture and processing of farm supplies is scheduled as evenly as possible throughout the year to maximize efficiency, lack of sufficient storage to accommodate peak season needs places tremendous pressure on production facilities as they struggle to keep up.

Perishability is in some ways related to the problem of seasonality. Of course, fruits and vegetables are highly perishable and must be processed quickly to prevent spoilage. At the same time, some of these products are so highly seasonal that processors, canners, freezers ,and packers are left with virtually idle facilities after a peak season.

Yet other typical issues still to be managed in the agribusiness industry such as **Variability in quality and quantity** ; in some cases for example product weights must be standardized to fit certain-size packages or selling weights; this can sometimes produce waste.

A final difficulty experienced in the production of agricultural products is **variation in value** . Price efficiency demands that production managers manufacture outputs with the highest possible value consistent with the costs of production.<sup>2</sup>

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<sup>1</sup> Previously cited in chapter I

<sup>2</sup> Barnard(F.),Akridge(J.),Dooley(F.)&Foltz(J.),Op.cit., pp130

## **Section II: the agribusiness sector in Algeria**

### **1- The context:**

The agricultural sector of Algeria is of significant economic importance to the country. Since the launching of a National Agricultural Development Plan in 2000, the sector has made substantial progress in terms of employment and income. However the dependence of farming on rain water has at times negatively affected the agricultural production. Food security remains an issue as the government has to import a significant amount of food.

About 70 percent of the country's farms are of small size ranging between 0.1 and nearly 10 Hectares . Main crops , vegetables and fruits are wheat , barely potatoes, oats, citrus fruit, grapes, dates and figs. Palm trees cover about 72.000 hectares. Algeria also produced olive oil and Tobacco. Herders in the high plateaus rear livestock, specifically goats, cattle and sheep.<sup>1</sup>

Algeria is not a major producer of agricultural goods and thus depends on food imports to meet domestic demand. Faced with the erosion of its foreign exchange reserves, due to the drop in oil prices, the Algerian government is multiplying measures to try to rebalance its trade balance. These measures include reducing imports of food and agricultural products.

### **2- Dependence on food imports and oil revenues weigh on Algeria's agribusiness**

The agribusiness is Algeria's second largest industry (following hydrocarbons) and employs a workforce of some 140,000. It accounts for 17,000 industrial enterprises, of which 95% are in the private sector. The country is heavily dependent on food imports, which account for 75% of its needs. The government has shown its strong willingness to support agriculture and rural development and thus reduce its dependence on imports. Algeria's agricultural production is dominated by large crops - especially cereals and date palms, as well as livestock production and poultry farming. Agricultural exports mainly concern dates and olive oil. Specific programs have been introduced by the government to give impetus to local production, with a focus on improving product quality and labeling.

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<sup>1</sup> [www.g-fras.org](http://www.g-fras.org) accessed in 22/03/2017 at 17:56

## Chapter II: The agribusiness sector

The country's main agricultural imports are commodities such as cereals, pulses, milk and oilseeds<sup>1</sup>. Water resources play a key role in Algeria's food security, due to the semiarid and arid climates that characterize most of its territory. The government has initiated an action plan to boost agricultural production and reduce reliance on imports, in order to maintain the security of food supplies. In line with falling oil prices (the government's premier source of revenues), the authorities have implemented a new growth model that prioritizes attracting private investment to the sector, mainly through public and private partnerships. The government is focusing on the sustainable development of strategic sectors (such as cereals, milk, meat and pulses) and reducing its massive reliance on imports of certain agricultural and food products. In this respect, Algeria plans to restrain imports of some agricultural products (such as olive oil, milled flour products, refined sugar, meat and fish products and seasonal fruit and vegetables). The government's agricultural development strategy aims to reduce the import bill by 30%, by 2019, through this limitation of imports. In the same period, the goal is to double agricultural exports, to \$1.1 billion.

Despite this, the country remains a major importer of food products and it will be difficult for Algeria to meet its own growing requirements for wheat and milk. Nevertheless, the government is showing its commitment to improving food self-sufficiency and this is helping to revive the country's agribusiness. Although this higher government support will be positive for productivity and product quality in the medium term, Algeria will remain a major importer of agricultural products. Food spending represents 45% of household budgets for Algerians and the country ranks third worldwide in terms of imports of milk and milk products.

The consumption of biscuits remains high at 2.5 kg per person, per year, while soft drinks consumption stands at 47 liters. The government aims to end imports of products such as milk powder, beef and potatoes by 2019<sup>2</sup>

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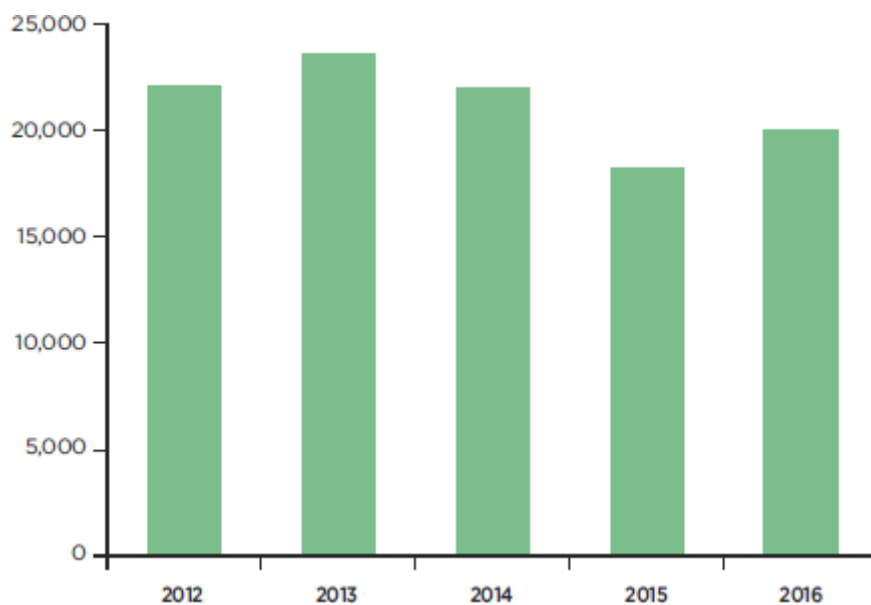
<sup>1</sup> Cadre programmation par pays, Algérie (2013-2016), 2012, FAO

<sup>2</sup> Objectifs de développement des filières stratégiques de l'Agriculture, Ministry of Agriculture of Algeria, 2016

Algeria's reliance on oil revenues (97% of exports, 60% of the State budget, and more than 30% of its GDP) is putting the development of the agricultural sector under pressure, as lower energy prices have narrowed the State's financial resources and weighed on its ability to provide incentives. The drop in energy prices is also pulling down the country's economic performance. Coface forecasts that Algeria's real GDP growth will slow to 1.9% in 2016, down from 3.7% in 2015. This will also have a negative effect on the country's ability to attract the foreign investments necessary for the development of agribusiness.

Falling oil revenues will also result in tighter food subsidies and government incentives, restraining the sector's development potential. Poor topography and the lack of irrigational infrastructures also represent challenges for agricultural development. Nevertheless, Algeria was able to accumulate important foreign exchange reserves when hydrocarbon prices were high, estimated at \$135 billion by the IMF as of 2015 (and equivalent to around 33 months of imports). This means that the country can continue supporting agribusiness and investing in improving infrastructures for agricultural productivity in 2016. It should be noted, however, that these foreign reserves are on a downward trend, having fallen to \$106.9 billion, as of June 2016. Recent government efforts to increase food self-sufficiency should also help to revitalize the agribusiness sector.

**Figure 4 : Algeria Agribusiness Market Value (USD)**



**Source:** FAO 2016

### 3- The the agribusiness sector's challenges in the light of lower commodity prices

Low global food prices represent a serious challenge for Algeria as major food commodities edged down in July 2016 due to falls in international quotations for grains and vegetable oils<sup>1</sup>

Low global food prices represent a serious challenge for Algeria, as agriculture is a key economic growth driver for the region. weather conditions represent a major challenge, combined with high input costs, poor infrastructure and difficult meteorological conditions, the production of agricultural goods requires further efforts and support from governments (supporting their agricultural sectors through subsidies and making the investments necessary to improve infrastructures....etc. )

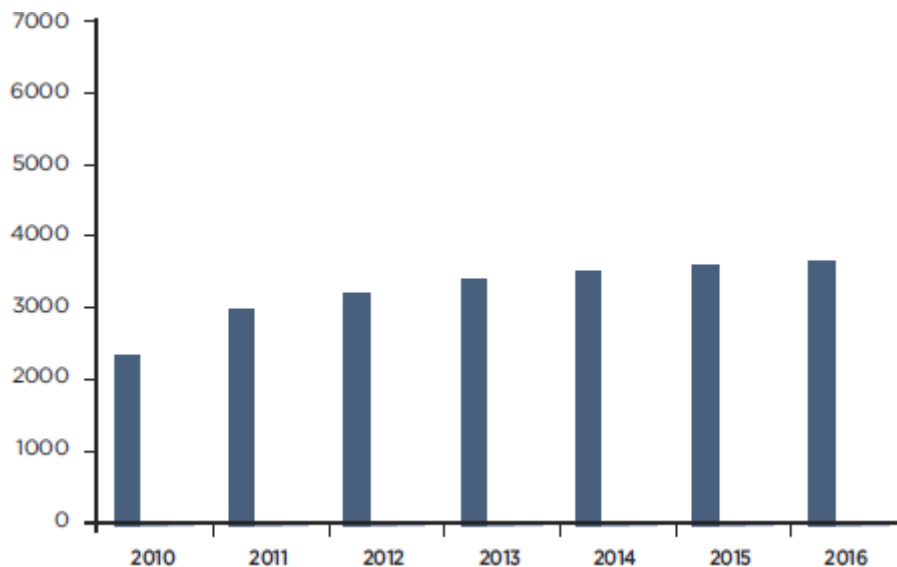
**Figure 5 : Wheat production in Algeria 2010-2016 (tons)**



**Source: World Bank database indicators 2016**

<sup>1</sup> Food Price Index down slightly in July, FAO, August 2016

**Figure 6 : Milk production in Algeria 2010-2016 ( tons)**



**Source:** world database indicators 2016

#### **4- agricultural sector in Algeria as an exporting industry**

The agricultural industry is becoming day by day an important contributor to Algeria ‘s socio-economic development. Currently Algeria is transitioning gradually from a net importer of agricultural goods into an exporting economy by focusing on the promotion of those particular goods that have a comparative advantage such as dates, wine and olives.

The agricultural sector is working on raising the standards up to international norms and a new framework for exports is in the process of being constructed.

The liberalization of the Algerian economy policy started in 1994 and the reform of the regulations on investment have produced remarkable results in terms of Foreign Direct Investment (FDI), despite the widespread fall of investment in Africa, Algeria has received a steady flow of investment reaching over 100 billion \$

## 5- Investment Opportunities in agricultural sector in Algeria

### 5.1 The assets of the Algerian agriculture:

- Wide diversity of agro-climatic environments.
- Low use of chemicals products.
- A big market (local and close to other important markets: Mediterranean and African countries).
- Ability to bring the products to the market throughout the year and in the off-season,
- A wide range of products.
- High quality products, even organic.

Algeria is encouraging foreign companies, having the necessary expertise and capacities, to invest with local partners in strategic sectors, focusing on concrete projects, likely to give a quick results and according to the win-win principle.

It should be recalled that the foreign investment will be made in accordance with the article 58 of the Supplementary Finance law for 2009; the foreign partner holds 49 percent of the social capital of the established partnership joint-venture. New needs have been identified particularly in terms of investment in upstream and downstream of the production process in: packaging, development and processing of fruits, vegetables, meat, fisheries and aquaculture products and in the field of agricultural and aquaculture production.

#### **incentive measures**

- Introduction of seasonal credit “R’fig”the amount of which granted to grain farmers exceeded 17 billion DA.
- Allocation of subsidized loans amounting to 01 million dinars per hectare for land development and the creation of farms not exceeding 10 ha.
- Establishment of a guarantee scheme for bank loans to farmers <sup>1</sup>

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<sup>1</sup> [www.embassyofalgeria-rsa.org](http://www.embassyofalgeria-rsa.org) accessed in 03/08/2017 at 20 :12

## **Conclusion**

As we could point out some of the trends of agribusiness on the international and the local level , we can deduce that the future of agribusiness is identifying promising investment opportunities in Algeria through the different strategies that the government undertakes to enhance this sector growth.

Some emerging agricultural industries as olive oil and palm date (to which we'll have a closer perspective study in the next chapter) are representing major promising markets to invest in.

## *The third chapter*

### *The date palm status in Algeria*

## **Introduction**

In Algeria, the date palm occupies a top position in the Saharan agriculture. With more than with more than 18 million palm trees and 300 varieties, Algeria occupies an important place among the countries producing and exporting dates .However , it has been showed during my researches showed that in this sector there are many difficulties in its operation at all levels (production and marketing) and fails to achieve its objectives since independence to our date.

In this chapter we will examine these difficulties by carrying out series of analyses to the date palm sector production and marketing status and its share as an exporting industry in the dates world market.

**Section I :The date palm status**

**1- Historical and Current Agricultural Aspects**

In the early twentieth century, date palm was cultivated as a subsistence crop but diversified and based on the local economy and water control .At that time, 4.5 million date palms were being exploited .During the colonial period, the number of palms increased to 6.7 million, cultivation techniques improved, and the understory cultures in particular fruit trees were introduced.

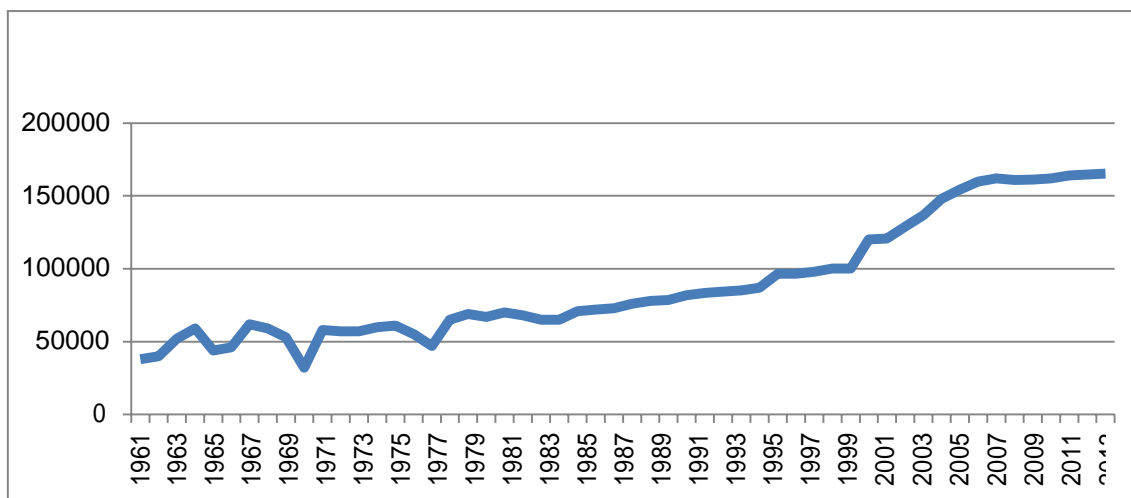
The Deglet Noor cultivar became the most desired dessert fruit and the fruit of export. Reorganization of date palm cultivation began after the country's independence with actions undertaken, supported by FAO, leading to the creation of research stations in southern Algeria. It was also the period of rural exodus which led to the loss of knowledge and know-how. Farmers currently prefer more profitable crops such as cereals and vegetables. Therefore, traditional date palm plantations have declined during the 1980s, new areas of Saharan agriculture were created, especially in Adrar, El Oued, Biskra, Ouargla, and Ghardaïa. In the same period, in those regions, an electric power network was developing, and new water resources were mobilized.

The number of date palms rose from 8 to 9 million in 1990 by the creation of large areas in Biskra, El Oued, El Guerrara, El Meniaa, Adrar, and In Salah. Since 2000, Algerian date palm groves have witnessed a further expansion that reached 13.5 million trees occupying 120,830 ha in 2002 and at present 18 million trees on 169.380 ha. Currently, oasis date palm cultivation occupies the regions situated south of the Saharan Atlas Mountains. It begins at the Moroccan border, in the west, and ends at the east Tunisian-Libyan border. From north to south in Algeria, it extends from the southern Saharan Atlas Mountain foothills at Reggane in the west, Tamanrasset in the center, and Djanet in the east.<sup>1</sup>

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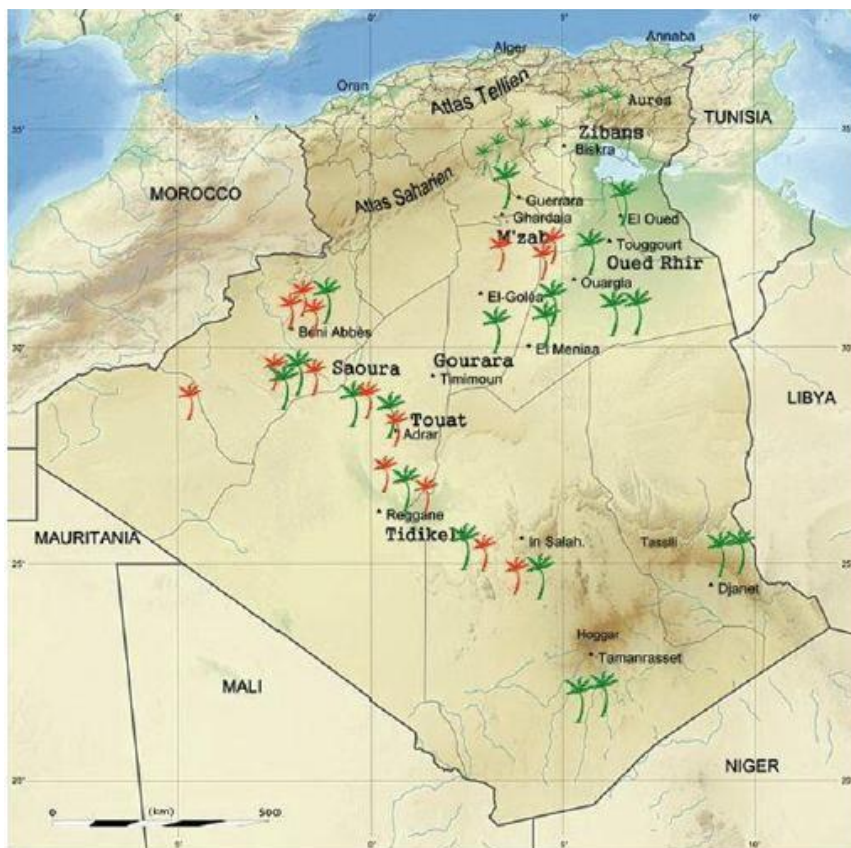
<sup>1</sup>Bouguedoura N, Bennaceur M, Benkhalifa A (2010) Le palmier dattier en Algérie: Situation, contraintes et apports de la recherche. In: Biotechnologie du palmier dattier. Ed IRD, Montpellier, France, pp 15–22

**Figure7: Cultivated Areas for date palm in Algeria (Hectares)**



**Source:** Adapted by the student , data retrieved from FAO

**Figure 8 :Map of Algeria indicating the different areas with date palms; those in red are bayoud infested, those in green not infested**



**Source :** Bouguedoura(N.) , Research Laboratory of Arid Areas.

## **2- Importance of date palm:**

The date palm is a major agricultural crop in North Africa and more specifically in Algeria. The date palm not only provides a concentrated energy food, it also creates a more amenable habitat for the people to live in by providing shade and protection from the desert winds. In addition, the date palm yields a variety of products for use in agricultural production and for domestic utensils.

Modern technological developments have made it possible to look at the palm as a raw material source for industrial purposes. Practically all parts of the date palm, except perhaps the roots, are used for a purpose best suited to them.

The fruit of the date is a drupe and has one seed, which can vary in size, shape, color and quality of flesh. The date itself is a high energy food item for both people and livestock. Since ancient times, the date palm has been a source of food for the inhabitants of the Arab countries. Dates have proved to be the best resource to ensure food security during food shortages and crises. <sup>1</sup>

## **3- Production statistics and indicators:**

According to the most recent Ministry of Agriculture and Rural Development statistics(compiled in 2015), the date palm covers about 167.000 hectares in Algeria with more than 18.6 million palm and a date production (all varieties) of nearly 990.000 tons.

The date producing regions are generally located in the south of Saharan Atlas and cover 16 wilayas .The wilaya of Biskra is the first date producing region with 27.4% of the total surface of the national date production. Biskra is followed by the wilaya of El Oued with respectively 22%,22.4% and 25%. These two wilayas together produce more than two thirds (2/3) of the national date production.

There are many dates varieties (more than 300) but only few of them have a commercial importance.

The main date varieties produced in Algeria are:

- DEGLET NOUR
- GHARS
- DEGLA BEIDA
- TAFEZOUINE

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<sup>1</sup> El-Juhany(L.), « Degradation of Date Palm Trees and Date Production in Arab Countries: Causes and Potential Rehabilitation », Australian Journal of Basic and Applied Sciences, 2010 N°8, INSIInet Publication,Australia,pp3998

**Table 3: The potential and the production per variety of Date Palm in Algeria**

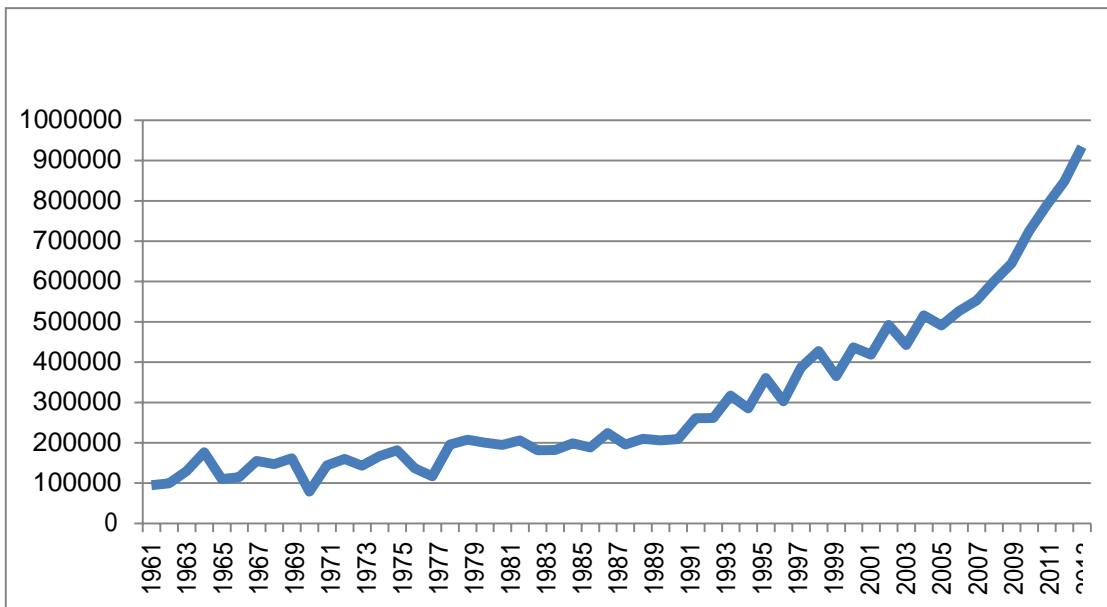
<b>Variety</b>	<b>Number of palms</b>	<b>Production(quintals)</b>
<b>Deglet Nour</b>	7.194 .700	5.249.500
<b>Ghars</b>	4.192.000	1.928.500
<b>Degla Beida</b>	7.218.400	2.725.700

**Source:** Second Edition of the international Exhibition of the dates of biskra Sidab (2016)

In terms of export ,the exported tonnages of dates are constantly growing up from nearly 21.000 tones in 2013 to more than 28.000 tones in 2015 . France remains the first client of Algeria with approximately 13.400 tones , followed by the UEA with 1600 tones, Canada with 1200 tones , India with 1100 tones and finally the USA with 1000 tones. On the world level and according to the FAO statistics , Algeria is ranked as the fourth in terms of date production after Egypt , Iran and Saudi Arabia. Algeria produces about 14% of the date's world production and it exports less than 3% of its production while the world average is nearly about 12%.<sup>1</sup>

<sup>1</sup> [www.sidab.caci.dz](http://www.sidab.caci.dz) accessed in 08/03/2017 at 22:23

**Figure 9: Date palm Total production in Algeria(tons)**



**Source:** adapted by the student , Data retrieved from World Bank database

#### 4- Dates Marketing status

Date marketing in Algeria is not very successful and fails to meet the preferences and expectations with regard to the existing means and reforms of the institutions responsible for the promotion of this sector.

The date market in Algeria is clearly segmented, and each segment is justifiable for a particular approach in terms of marketing mix. Indeed, analysis shows that the Algerian dates are known and do not need improvement, but merely effective treatment against pests and diseases and reliable classification to satisfy world consumers.

In Algeria, date fruit is perceived as a generic product although each cultivar has specific characteristics making it suitable for a particular purpose or market. This is not the case for most of the dates to be found on the various national markets. For packaging, one of the most important elements of marketing, at the national level, there are two types of presentation: bulk or packaged dates. Nearly 90 % of the dates are mostly sold loose. In this market, there are many types of cartons of different shapes, qualities, and weight, from 250 g to 10 kg. Marketing to gain a niche with European consumers, where date consumption has a hedonistic dimension, some processing units use fancy packaging to differentiate the requirements of importers. For advertising and promotion, and with a view to develop the export of dates, Algeria has established several approaches. However, they are not used effectively and are not well attuned to the international economic date commerce. For example, there is not an Algerian airline magazine in which to promote dates, although such magazines have proven their value in countries like Tunisia. Also beneficial are any advertising spots on ethnic radio programs for the Muslim communities in Europe. The lone technique that is experiencing a boom in recent years is Internet advertising which has become a more and more essential means of communication. Some exporters and packaging facilities have begun to use the Internet for advertising and e-commerce of Algerian dates.

The other method used to promote Algerian dates is through participation in national and international fairs and exhibitions. These events represent a real opportunity to make contacts with customers. Thanks to subsidies from the National Agency for the Promotion of Foreign Trade (ALGEX), exporters have participated in these fairs with many beneficial results. Increased exports are due to recent participation in trade fairs.<sup>1</sup>

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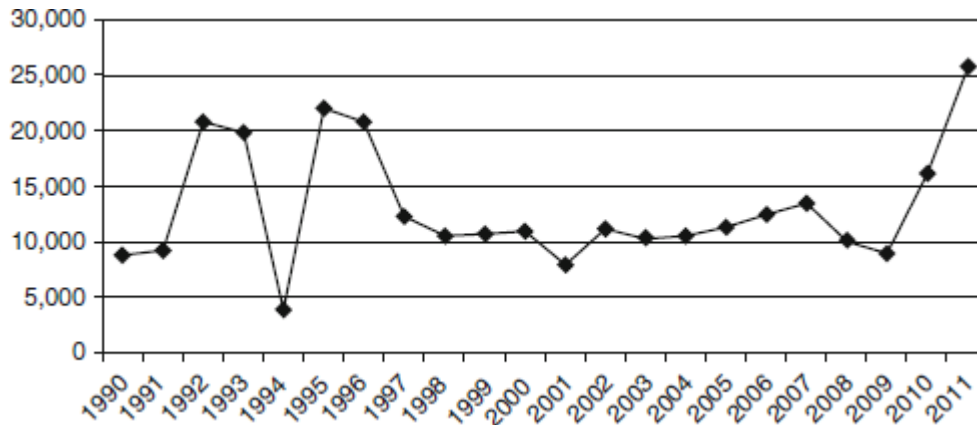
<sup>1</sup> Bouguedoura(N.) , Bennaceur(M.) , Babahani (S.) & Benziouche(S),”Date Palm status and perspective in Algeria”, Date Palm Genetic Resources and Utilization, Springer Publication,New York,2015, pp156-157.

## **Section II Analytical study of exports of dates in Algeria and its problems**

### **1- Analytical study of export of dates**

#### **1.2 Dates current exports**

**Figure 10: exported quantity of dates 1990-2011**



**Source: Date Palm status and perspective in Algeria**

Despite the increase in production, the growth of date exports from 1990 to 2011 (**Fig 10**) shows that Algeria exported only 12,743 MT per year, on average, during that time period, with a maximum of 26,000 MT in 2011 and a minimum of 3,763 MT in 1994. This data series is characterized by fluctuations, but the quantity of exports increased during the most recent season, 2012/2013.

The average value of Algerian date exports was USD 27,660 million in the same period. This value varies between a minimum of USD 10,440 million in 2001 and a maximum of USD 79,120 million in 1995. Statistics confirm a general upward trend of value due in part to rising prices.

The integration rate (expressed as the ratio between the quantity of dates exported and the quantity produced in the same period) has a clear trend during the period 1990–2011, from 4.19 % in 1990 to 6 % in 2011. The average of this ratio throughout the period is estimated at 3.52 %. Algeria exports mainly the Deglet Noor cv. and small amounts of other fresh dates such as cv. Tafezwin. Deglet Noor cultivar continues to dominate with 86 % of the average quantities of dates exported between 1996 and 2011 and accounting for nearly 94 % in terms of value.

Regarding soft dates, two categories dominate: Gharscv. fruit and date paste with a total of 12 % of exports in volume during this period. The remainder consists of dry and similar cvs., e.g., DeglaBeida and MechDegla, which represent only 2 % of the export volume. Most of these exports are principally intended for the European Union accounting for 94.82 % of Algeria's exports of dates in value and 95.46 % in quantity exported in 2011. In the EU, France is the largest importer with 77 % of the quantity and 80 % of the value of date exports between 2000 and 2011, due to the lack of efforts to diversify exports to other markets. Algeria occupied seventh place with 3.12 % of the average global exports of dates during the period 1990–2010.<sup>1</sup>

### **Position of Algerian dates in the international market**

Algeria is ranked seventh with 3.20% of world exports of dates on average during the period (1990-2011) estimated at 621.52 thousand t. This share is still small compared to the United Arab Emirates, Pakistan, Iran Tunisia, Saudi Arabia, who seized 28.11%, 14.38%, 13%, / and 9.96%, respectively. Examination of data revealed that the ranking of the largest exporters of dates depending on the value has changed completely. Indeed Tunisia took the lead from the list of exporting countries with an amount 60.14 million of U.S. \$, or 26.41% of the total value of world exports during the period (483.67 million U.S. \$). This reflects the high quality of its dates. Second is Iran with \$ 30.97 million or 13.60% while third place is occupied by Algeria with an average value of 28.48 million U.S. \$ or 12.50%. Pakistan, Saudi Arabia and France occupy the next three spots with an average export value of 22.88, 21.76, and 20.41 million dollars or 10.05%, 9.55% and 8.96% respectively.

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<sup>1</sup> Benziouche(S.), "Challenges of Algeria exports dates; in light of the current competition", pp454 retrieved from [www.researchgate.net](http://www.researchgate.net) accessed 20/03/2017 at 10:30

**Table 4: Ranking of countries exporting quantity of dates (1990-2011).**

Country	Average 1000T	Structure in%	Standings
E.A.U	96,41	25,68	1
Iran	92,67	24,68	2
Pakistan	57,05	15,19	3
Tunisia	27,74	7,39	4
Saudi Arabia	25,20	6,71	5
Iraq	15,17	4,04	6
Algeria	12,29	3,27	7
France	7,63	2,03	8
Oman	6,27	1,67	9
Israel	5,02	1,34	10
USA	4,77	1,27	11
China	3,64	0,97	12
Egypt	3,30	0,88	13
Other countries	18,34	4,88	14
<b>Total world</b>	<b>375,48</b>	<b>100,00</b>	

**Source:** Algerian Customs , FAO

### Development of exports of dates in Algeria

Despite the increase in production, development of exports of dates from independence to date shows that Algeria exported only 12 093,67 T in average during the period 1990-2011 , with 28143 t in 2011, and a minimum of 3763 t in 1994 . With Average annual rate of evolution does not exceed 36.6% This evolution is characterized by: the sequential decline and volatility and instability in the development.

Indeed 89% of variation explained by internal factors, such as weakness in the sector and the poor quality of dates caused by the misconduct of palm, but also by climatic factors.

And secondly, by external factors, including competitive pressure from Tunisia and the saturation of markets, which weigh all their weight. And thirdly by the constraints faced by exporters of dates and non-effectiveness of policies.<sup>1</sup>

<sup>1</sup> Benziouche, S. 2012. Analysis of the dates sector in Algeria, observations and prospects of development . A case study of the Daira Tolga. Thesis PhD, ENSA Algeria, pp 465

In parallel, reveals that the average value of exports of dates of Algeria is 26 million U.S. \$ in the period 1990-2011, and that this value varies between a minimum of 10.44 million U.S. \$ in 2001, and a maximum of 79.12 million U.S. \$ recorded in 1995. Moreover, the study confirms the general trend of increase of this value with an annual growth rate of 566.7 U.S. \$ thousand ,or an annual growth rate of 3.70%. These changes are attributed to 82% by the average price increase for export.

### **Evolution of the average price for export of Algerian dates**

The average price of exports experienced a general trend upward with a statistically significant annual growth, estimated at 46.72US \$ / t. However, despite an increase of 341US \$ / t in 1964 to 1744.60 U.S. \$ / t in 2011, it remains below the average export price of the dates of some competing countries such as Tunisia (over 2300 U.S. \$ / t in 2011). However, it remains above the average price of Iran and Saudi Arabia where it does not exceed 284 U.S. \$ / t and 671 U.S. \$ / t respectively. This is explained by 48% by the quality and variety type of dates exported as Deglet Nour while 52% for those changes back to other factors such as speculation in the markets. This helps to explain the decline in external demand.<sup>1</sup>

### **Structure of dates exports by variety and destination**

The analysis of the structure exports of dates by variety (according to the classification of Customs) shows that Algeria's main exports the Deglet Nour and other small quantities of fresh dates as Tafzuine. This variety, although slightly declining, remains predominant with 86% of the average quantity of dates exported between 1990 and pre 2011 and over 94% in value<sup>2</sup>. Regarding the soft dates, two groups dominate: the Ghars and date paste that 12% of total export volume during the period. The remainder consists of dry dates and the like (Degla-Beida, Mech-Degla) which represent only a very small proportion of 2% in export volume.

The Most of these exports is mainly for sale to the European Union, which represents the traditional client the largest and most stable of Algeria with 94% of Algerian exports of dates in value and 95% of the quantities exported between 2000-2011. In contrast, the French market remains the main partner with an import of 77% in quantity and 80% and the value of dates exported by Algeria during

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<sup>1</sup> Ibid

<sup>2</sup> Ibid

## 2- Analytical study of problems of dates export

### Production problems

One of the main causes for weak exports dates in Algeria and the unstable position of the dates in major markets is primarily problems associated with the production of palm that are characterized by low yields of the palms and productivity in both quantity and quality due to the advanced age of the plantations because much of the palm trees over the age limit of production (80 years). This situation is aggravated by the low or even lack of renovation and expansion of new niche would be aimed at both reducing the excessive density of trees and replacement palms.<sup>1</sup>

Bad, or even the lack of application of crop management in the conduct of the date palm cultivation.<sup>2</sup> Indeed, it is clear that the orchards were abandoned because the maintenance of palms are rarely performed work such as soil, compliance with technical standards, cleaning orchards, which is regarded as a means to fight against pests dates, causing damage of 20 to 30% of harvest.

The low level of mechanization and the phenomenon of abandonment of oasis worsened since the advent of oil and especially with the growing number of economic sectors in the country. Work in the

oasis appears increasingly burdensome for the local workforce in general, what makes that available to require compensation reaching high levels for some operations.

In most oases, the drainage problem has not ceased to exist. Increased irrigation water has further promoted the rise of the level of excess water that must be evacuated. In this sense, the inadequacy or lack of sanitation in the oasis is one of the main constraints to production-palm.

This constraint has resulted in reduced production and depreciation of the quality of date.<sup>3</sup>

The persistent water shortage in some oases generates low levels of satisfaction with irrigation as the irrigation rate not exceed 0.41l/s/ha in the oases of the region, a flow of 24,24 l / s and around the

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<sup>1</sup> Benziouche,( S),”The changes in oasis production systems in the valley of Oued Righ”,17th Symposium of the IFSA, Italy,pp150-162.

<sup>2</sup> Benziouche( S.), Chehat( F. ), The conduct of the date palm in the palm of Zibans; Some elements of analysis. Journal EJSR EUROJOURNALS,2010 N°42, pp 644-660.

<sup>3</sup> Bouamar( B.), Agricultural development in the Sahara;case study the region of Ouargla and the region of Biskra. PhD thesis in economics University of Ouargla , Algeria, 2009

day of water exceeds 14 days. Among the constraints that are causing the low irrigation water, shortage and under-utilization of resources.<sup>1</sup>

#### **Marketing problems**

Regarding the constraints links marketing phase the most ultimate expression of income, are numerous including:

- The lack of promotion of dates, especially for categories of so-called common varieties that remain unknown, severely limits the absorption capacity of the product at level nationally and internationally.
- The lack of control over the quality aspect at farms and packing units. Secondly, packaging dates packing units that do not meet the requirements of the different distribution channels, in addition to high costs operations of harvesting, sorting and transportation that affect the price of dates that are no longer competitive on the international market.
- The low flow of Algerian dates on the world market following the difficulties to retain existing markets and penetrating new markets. This situation resulted from the bad image on the dates given by some Algerian operators and secondly, due to lack of credit given to exporters on the world market.
- The image dates strongly degraded by Algerian exports anarchic performed by non-professionals. and non-proper application of laws enacted within its organization.

On the other hand, exports are governed by any rules of organization of the profession, especially when it comes to selection criteria specific to the export or distribution of export licenses. These exporters because of bureaucratic and administrative barriers at institutions involved in the export process (banks and customs and ports) and the lack of offensive spirit and consciousness among some exporters, this affects consequently on the credibility of Algerian exports dates.

The absence of a bold policy of integration and coordination that brings together exporters and other stakeholders in the profession and even some state institutions(embassies) hinders competitiveness, strengthening and consolidation of bargaining power scattered vis-à-vis the European importers and cope with foreign competition and penetrate new untapped markets in other regions.

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<sup>1</sup> Ibid

**Other most common problems**

- The limitation of Algerian exports to neighboring markets only traditional, effortlessly wise use of American markets, Asian and other markets promoters date.
- Exporters face major difficulties in the reservation and the landing of their containers following the anarchy that characterized the Algerian ports and insufficient of means(handling, storage and security).
- Lack of advertising culture in the minds of some officials of units of export.
- The mismatch between the packaging used by our exporters and international standards for packaging, is a major disability to compete with neighbor countries.
- The lack of rigor in applying the measures of quality of dates in the control and packaging establishments.
- The lack of programs to control pest of dates on all levels and non-rigorous application of existing laws dealing with this issue and at this level are many.<sup>1</sup>

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<sup>1</sup> Benziouche(S.), Loc .cit.,pp456

## **Conclusion**

Based on the analysis of this chapter it is concluded that exports of dates in Algeria are still weak and far from the objectives and effects and standards expected. This deteriorating situation resulting primarily from a series of constraints organizational, technical, socioeconomic, natural, agricultural and administrative.

A rehabilitation of this sector must be undertaken and some obstacles to be overcome if Algeria wants to integrate its date palm market among the international key markets. One of the major problems is the lack of competitiveness despite its first quality date product Deglet Nour on which exclusively carry out our study case.

# *The fourth chapter*

*The challenges of deglet nour 's export in the region of  
Biskra*

## **Introduction**

As we know to shed the light on the challenges of the exports of the degletnour fruit in the specific region of Biskra , a survey have been conducted to examine them.

In this chapter we will present our method for data collection. We will also discuss different perspectives on research methods. Then, using the results and the responses obtained from this survey we will be able to sort out the main observations and conclusions that will allow us to make some suggestions and recommendations concerning our research subject.

## **Section I: Methodology of the survey**

### **1. Research Purpose**

This research aims to deepen the base of information and analysis that will enable the decision makers on the regional level specifically and on the country level generally to deal efficiently with the conditions they face and to develop appropriate strategy to promote export expansion and growth of the Algerian degletnour .

### **2. Research approach**

#### **1<sup>st</sup>level : Qualitative approach**

The qualitative method is efficiently applied for this specific study case since qualitative inquiry helps to better identify and describe the set of problems involved in the degletnour exporting process . .In other words , we are aiming to create an adequate explanation of the problem statement solution , thus the qualitative data, interviewing , is one of the proper research for us.

#### **2<sup>nd</sup>level :Quantitative approach**

The quantitative method is also required for this research to create a numerical supporting explanation of the problem statement solution and obtain entire trends or statistical truth . Therefore we gathered its data through a questionnaire ,since it allows us tostatistically measure some of the factors, their impacts and influences on thedegletnour exporting performance.

### 3. the interview guide design( appendix)

In our preparation of the interview guide, we have formulated several questions. These questions are intended to supplement the needed information for the accomplishment of our research and to confirm the information that has been already collected through the questionnaire. Regarding the interview types, we distinguish three types

➤ **The unstructured interview:**

In this type of interview the questions are not prearranged .The form of the unstructured interview varies widely, with some questions being prepared in advance in relation to a topic that the researcher or interviewer wishes to cover. They tend to be more informal and free flowing than a structured interview, much like an everyday conversation. This nature of conversation allows for spontaneity and for questions to develop during the course of the interview, which are based on the interviewees' responses.

➤ **The semi-structured interview:** In this type of interview, the interviewer has a paper –based interview guide that he or she follows .it often contains open-ended questions, however, discussions may diverge from the interview guide.

➤ **The structured interview:** In this type, the interview takes the shape of a questionnaire .The interviewer asks each respondent the same series of questions that are created prior to the interview, and often have a limited set of response categories and few open-ended questions included in the interview guide.

#### 4. The Questionnaire design( Appendix)

Three of the most common type of questions used in questionnaires or surveys includes open-ended and Likert scales.

1. An open-ended question does not provide the participant with a choice of answers. Instead, participants are free to answer the question in the manner they choose.
2. closed-ended question provides the participant with several answers to choose from
3. The Likert scale asks participants to provide a response along a continuum of possible responses in terms of rating degrees (Strongly Agree, Agree, Undecided, Disagree, Strongly disagree)

#### 5. Sample size and data collection

In order to acquire and provide a reliable effective primary data , 9 over 27 firms of degletnour exporting firms in both communes Biskra city and Tolga were suggested and chosen by convenience and under the suggestion of the Director of the Agriculture Chamber of Biskra MR. Guemari . Among the selected firms was Ziban Garden in which i passed my part-time internship . A face to face interview with MR.Abdelaziz Mohamed El Amine –Director of the Customs of Biskra has been held as well during his conference on “The customs support of export operations” in the SIDAB Exhibition.

The interview was held exclusively with the top managers and /or the general directors mentioned below . In most of the time the unstructured interview was taking the lead of face\_ to face or by phone approximately 30 minutes length to give the interviewee much latitude to answer the questions in the ways that seem relevant to them.

While the questionnaire was self administrated by mail. The initial questionnaire has been pre-tested first the 9 interviewee managers and was further refined to be dispatched to the same sample.

**Table 5: the list of the companies surveyed and the interviewees**

<i>The exporting Firm</i>	<i>Name of the interviewee</i>
SARL ZIBAN GARDEN	MmeNabihaGhezali
SARL AMDAGHAGH	MR AbdelhaalimGuidom
SARL.STB TOLGA EL BARAKA	MR MANAA ALI
EURL SUD DATTE	MR. Zendagui Brahim
SARL BARDJAMANA	MR. Hassinette Salah Eddine
SPA SODAPAL TOLGA	MR.BensalahAbdelatif
SARL ECODATTE	MR. BouzghaiaAbdlatif
SPA SUDACO	MR.GhamriYoucef
EURL HADOUUD SALIM	MR.Hadoud Mohamed Nadjib

**Source:** conducted by the student

## **Section II: the internship course at “Ziban Garden” outline**

### **1. Biskra'spalm dates**

Biskra known as “the Queen of Ziban” was known during the the Roman period of VESCERA , which mean a stopover. Throughout history Biskra remains the eternal symbol that links it to the region of Ziban , Berber meaning the “oases”.

Biskra is one of the most visited cities in the region . Thanks to its tourist heritage , its holy landscape, its pure climate, traditional and historical crafts , not forgetting the best quality of its dates of course.

The cultivation of dates occupies an important place in the agricultural business in Biskra , it is the first phytorectic region with 27.4% of the total area , 23.1% of the total number of date palms and 41.2% of the national date production.

The main varieties of dates produced in Algeria are the following :

- Degletnour.
- Ghars
- Deglabeida

### **2. Presentation of “Ziban Garden” company**

SarlZiban Garden is a company of conditioning and date shipment open to the world, which offers an advanced technology to the service of the customer respecting the standards of hygiene in force.

It also holds the IFS (International food standard ) certificate

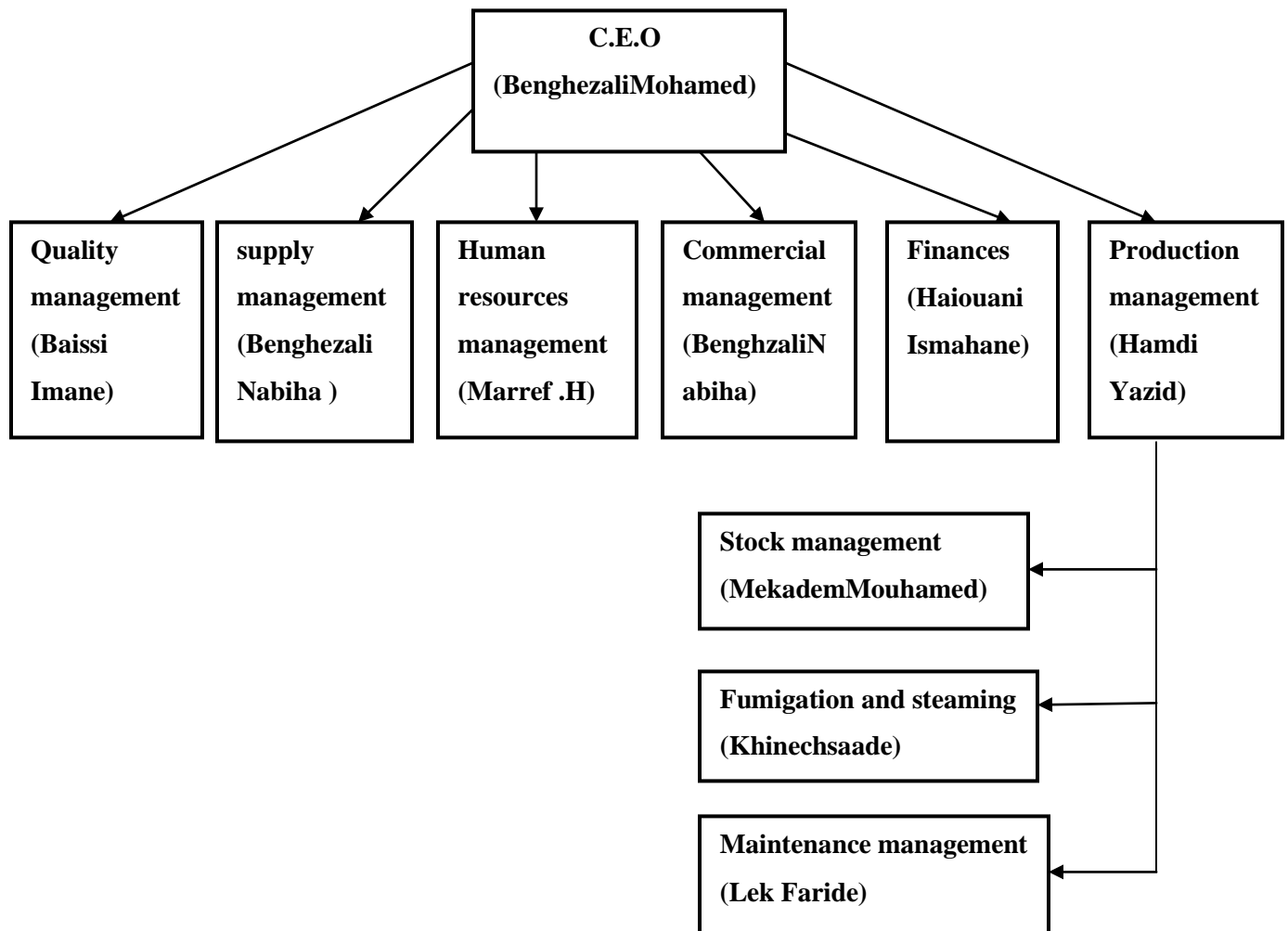
The production range of the company is available in several types of packaging composed of various hermetic packaging.

- Natural dates (in twigs)
- Pitted natural dates
- Stuffed dates (with almond or almond paste or walnuts paste)
- Conditioned dates and their derives

ZibanGarden is also the first partner of date producers in Algeria :

- 2000 tons of production per year
- Provided 500 seasonal work station

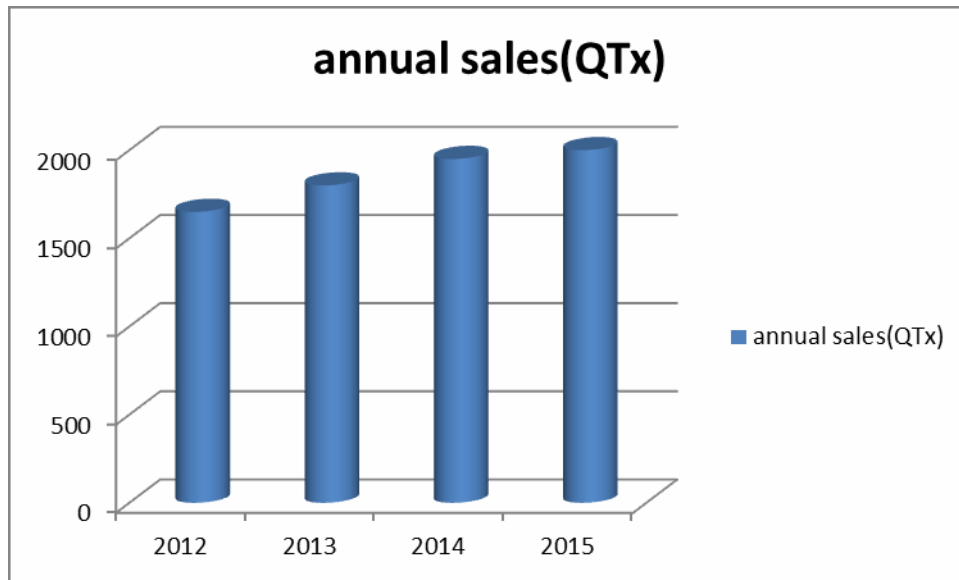
### 3. Ziban Garden's organogram



**Source:** Commercial department

#### 4. Ziban Garden's exports' evolution

Figure N° 11: annual sales of the last 4 years in Quantity (T)



**Source:** survey results

**Comment :**there is as the graph indicates a significant positive trend in firm 's exports this can explained by the service quality that the firm tends to deliver especially after being certified by the IFS ( international food standards)

Indeed, the CEO clearly clarifies”service quality is no longer a differentiatingfactor; it is a necessity .The companies compete now basicly interms of price and distribution in order to achieve a good exportperformance”

## 5. Ziban Garden's SWOT Analysis

the following SWOT analysis captures the key strength and weaknesses within the company , and describes the opportunities and threats facing Ziban Garden .

### Strengths

- Solid relationships with palm dates growers and distributors.
- The use of high quality date fruits
- Sophisticated technology is a strong factor that drives the conditioning and packaging process ensuring quality.
- IFS (international food standards) measurement certification is an added value .

### Weaknesses

- Exclusive dependence on a few number of suppliers.
- A financial lack in the marketing budget required for the development of the company's brand

### Opportunities

- The international wide demand of biskra's degletnour
- The annual international dates exhibitions of dates (like SIDAB)

### Threats

- A high competition from well-known firms like Salim HADOUD company

## **6. The Participating in the ‘ SIDAB platform’(the 2nd edition of the International Exhibition of the Date of Biskra )**

### **A. Space-time framework**

During my internship undertaken in the “Ziban Garden” enterprise I had the chance to be one of the enterprise presenters in the Sidab exhibition that took place on December 17th - 20th 2016 (Regional school of Olympic sports El Alia) organized under the high patronage of his Excellency the President of the Republic , the Chamber of Commerce and Industry of Zibans and the Algerian Chamber of Commerce and Industry , under the aegis of the Wali of Biskra .

### **B. Sidab objective**

The main objective of this exhibition is to organize a meeting between different actors that intervene in the date's matter such as producers, distributors , exporters, agronomists, manufacturers, bankers, public authorities , in order to exploit the business opportunities and investments in date field , to incite investment in date , to promote the Algerian date production , trade and export.

### **C. Sidab Structure**

The international Exhibition of the Date of Biskra-Sidab was structured around several parts:

- A production part : dedicated to the exhibition of the Algerian date's.
- An equipment part : allowing to display equipment, tools, accessories and products needed to produce dates , to maintain , to protect and to develop, pick , treat , transform and package the date palm ...

- D. Economic animation part : under conferences form that deal with different economic and regulatory themes.
- E. Business meeting area (B2B).

**On Sunday, December 18<sup>th</sup> , 2016 :**

**At 14:45** MR.ABDEAZIZ MOHAMED EL AMINE –director of the customs of Biskra held his speech for almost one hour, discussing “**The customs support of export operations**”.

I had the chance to undertake after his conference a short interview about the restrictions of the dates export in terms of customs, his answer, I quote, was the following

“the business is not submitted to any kind of custom taxes due to a number of different facilities allowed by the Algerian government particularly for the palm dates exporters.”

“However” he says “ a number of exporters or even producers choose the smuggling way to promote their sales , this parallel market is nothing but an evasion from repatriating their benefits to the Algerian banks from which they ‘re supposed to recover only a certain amount of it”

“This is basically, a subject repeatedly brought up by the exporters of dates and all the operating agents in this field”

### Section III: The analysis of the survey results

In this section we will attempt to discuss the questionnaire and the interview results and discern the different perceptions of the companies in study regarding the obstacles that they face during degletnour exporting process.

#### 1. The analysis of the questionnaire data

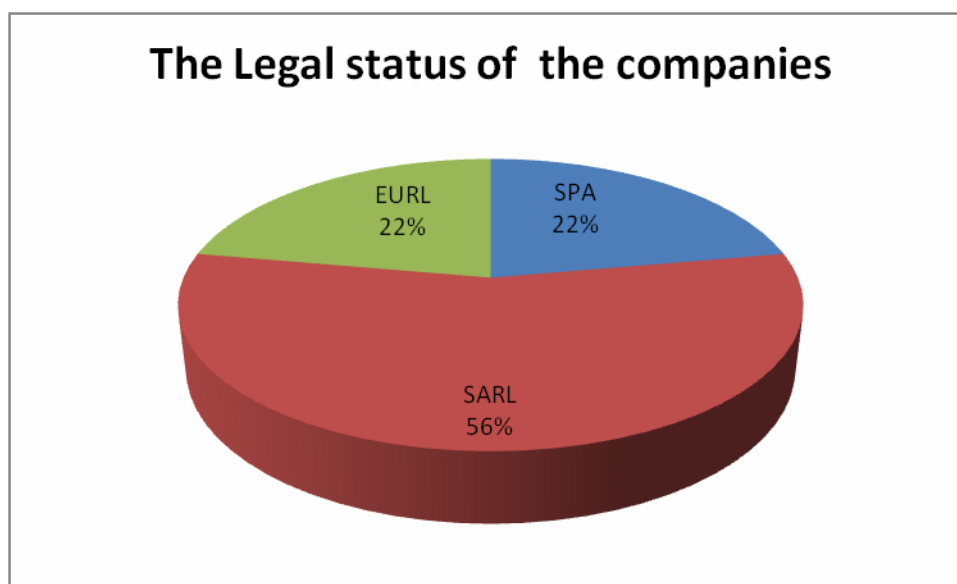
We will present the results from the questions one by one

##### Question1:

Previously mentioned in the methodology of the survey section (See table 5)

##### Question 2: What is the legal form of your company ?

Figure N°12: the legal status of the firms surveyed



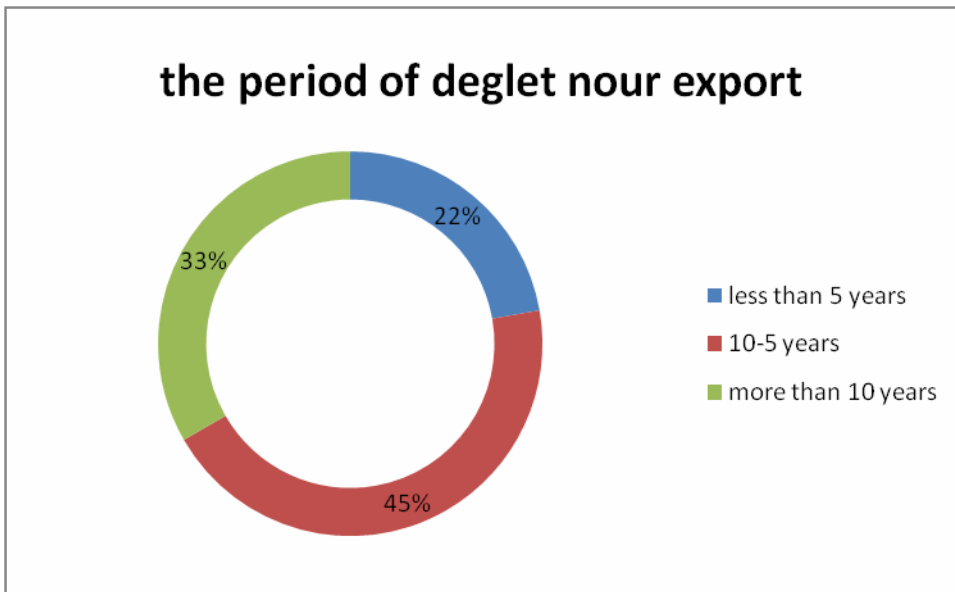
Source :survey results

Most of the respondents’ companies dispose the legal form of a Limited liability partnership (Sarl) with percentage of 55.56% after it comes the joint stock companies (SPA) and limited liability companies with a single shareholder (Eurl) with 22.22%. We can thereby conclude that the Sarl family business is more likely the leading the palm dates’ sector in Biskra and Tolga and this is due to the fact that family members may be more willing to make financial sacrifices for the sake of the company’s business growth . not forgetting the favored social atmosphere that this type of businesses have and the strong commitment.

BENGHZALI Nabiha says” *The common values of a family run business gives an extra competitive sense*”

**Question 3:** How many years your company have been exporting degletnour?

**Figure N°13: The period of degletnour export of the respondent companies**



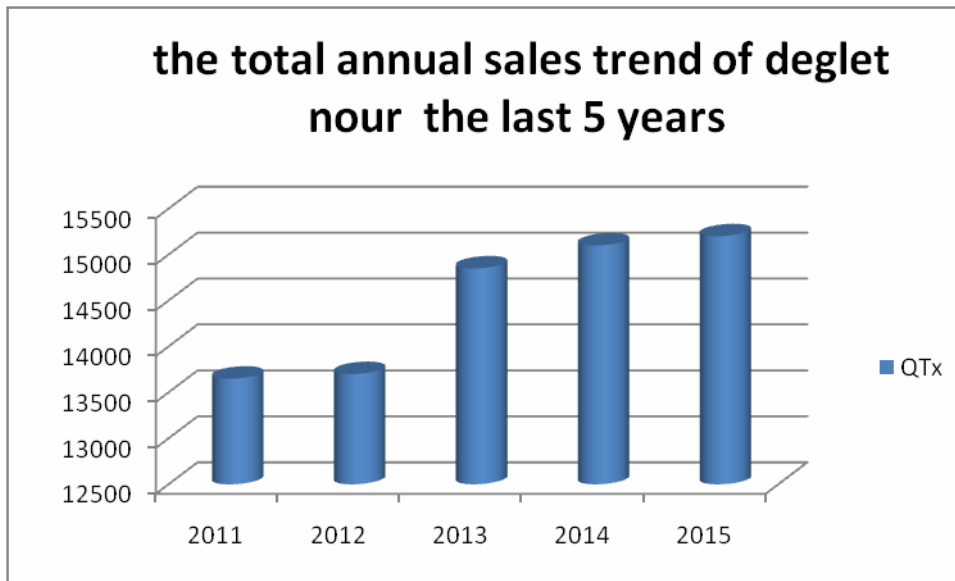
**Source:** survey results

45% of the respondents have been exporting degletnour between 5 to 10 years which means that this business polarizes a lot of investors due to the fact that the social deep rooted heritage enhanced its appealing to the new emergent investors besides its fast optimum benefits. While 33% represents a

Chapter IV :The challenges of degletnour's export in the region of Biskra range of firms that have a long time in this field so they are more experienced than the others then comes the last range representing 22% operating in the date palm business during less than 5 years.

**Question 4:**What is the total amount of export sales of degletnour during the last 5 years?

**Figure N°14:**The graphic trend of degletnour 's total annual sales in the last 5 years of the respondent companies



**Source:** Survey results

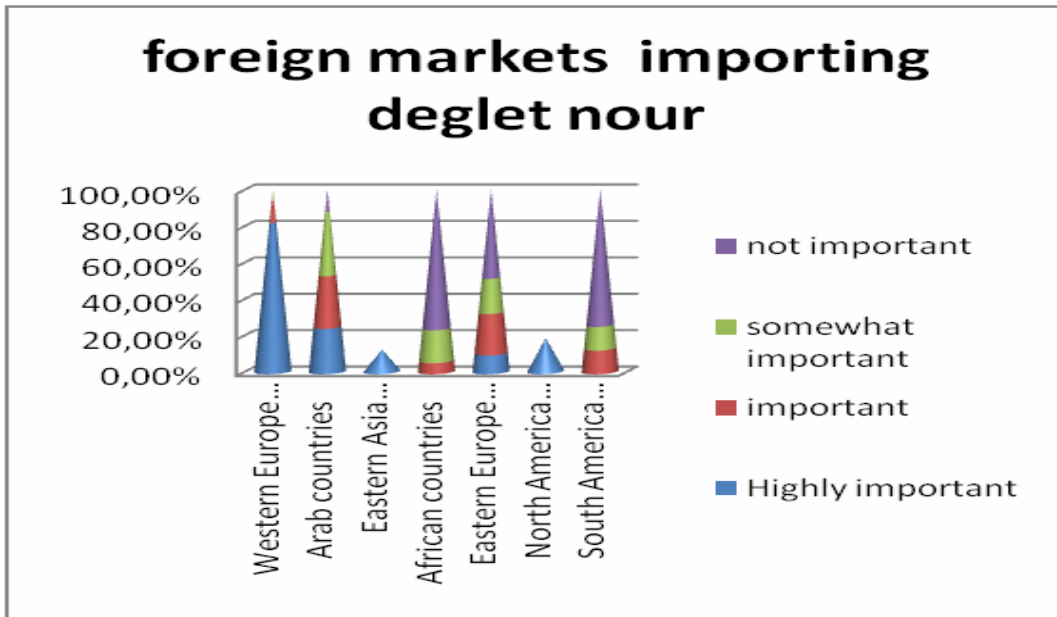
The overall export of degletnour has witnessed a steady growth the last 5 years in the region among the sample in question with a total annual sale of 15200 T in 2015 rising from the bottom annual sales 13650 T in 2011 .the export trend took a high rise during the first 3 years (2011-2013) to slightly slowdown in the next 2 years (2014-2015). This can be explained by MR BOUZGHAIA Abdelatif who clarifies :

*“ the season of the harvest during the couple of years has known monsoon rains which caused considerable losses to date growers which affected indirectly the companies ‘ income”*

*“ Also The lack of cold stores in the growing area of biskra has been threatening the companies in terms of cure and preservation of dates” he says.*

**Question 5:** What are the foreign markets that your company is exporting to ?

**Figure N°15: statistical graph representing major foreign markets the respondent companies exporting to**



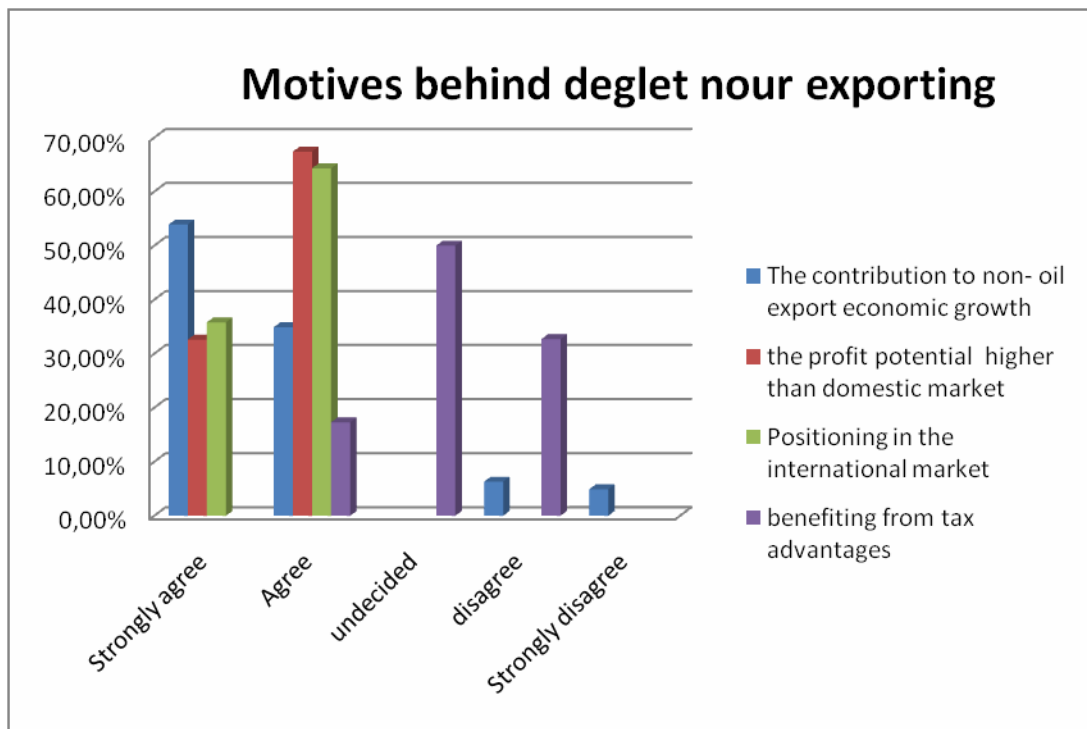
**Source:** survey results

What we can discern from the graph that approximately 81% of the respondent companies consider the Western European countries as highly important markets ( specifically France , England , Germany and Spain ) the reasons behind it can be summarized in:

1. The purchasing power of the EURO currency , which allows the purchase of a highly priced date range like degletnour.( it’s relative from country to another)
2. The presence of a large Muslim community among these countries which triggers the rise of demand for degletnour precisely in the religious seasons like Ramadhan.
3. The geographical distance , Because the European countries are more likely geographically closer to the North African countries which means a cheaper transport cost compared with other countries like South America ‘s countries.

**Question 6:**What are the main reasons and motives behind the company's degletnour exporting business?

**Figure N°16 :**statistical graph representing the motives behind exporting degletnour according to the respondent companies



**Source:** Survey result

The major objective behind this question is to measure the degree of the respondent companies awareness of their leading role in terms of their contribution in the non-oil export economic growth.

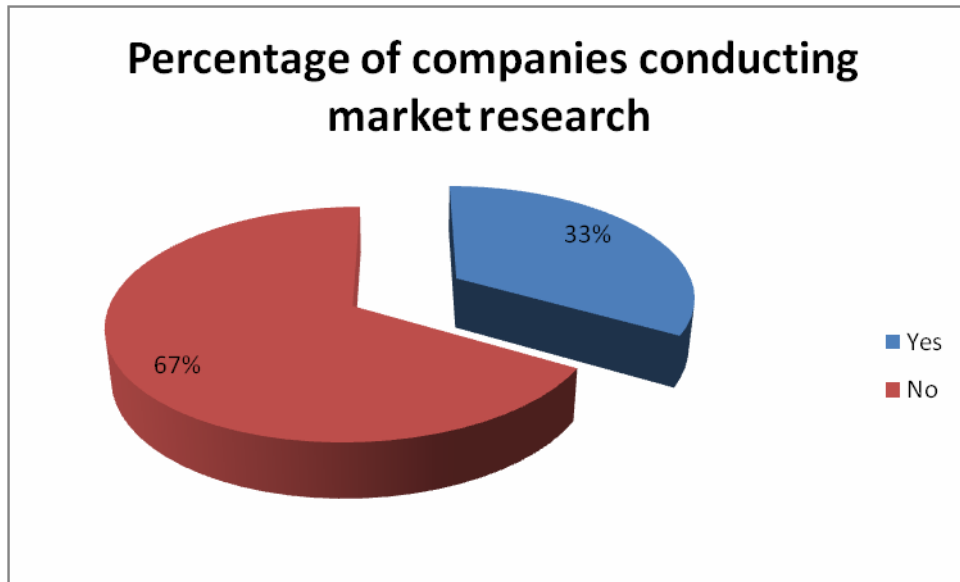
And as expected the companies tend to have a strong commitment into the country's efforts in developing the non-oil export sector with a positive percentage of 88%.

The companies also consider that the profit potential recovered by the international market is relatively higher than the domestic market but it still has some disadvantages like:

1. The rate exchange risk: because it's one of the key factors that enters into the exporter's calculation of the relative cost

**Question 7:** Does your company conduct detailed market research in the foreign market to be available globally?

**Figure N°17: statistical graph representing the conduct of market research in foreign markets by the respondent companies**



**Source:** survey results

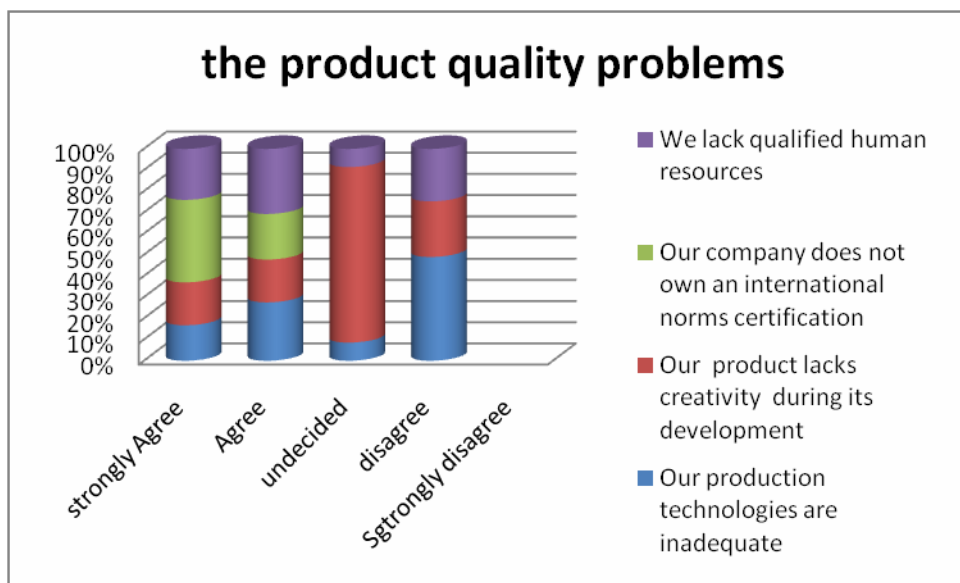
The results shown was negative as approximately 70% of the respondent companies do not conduct any detailed market research to collect the data resuired to study the potential target markets or the competitor's prices or the foreign consumer behavior.

Firms seem to seek opportunities without employing any formal strategy.

They mainly rely on personal business relationships or the international exhibitions or even the network.

**Question 8:** What are the product quality problems of your company?

**Figure N°18:** Statistical graph representing degletnour’s quality related problems



**Source:** Survey results

78% of the companies estimate that their product doesn’t meet the international standards.

Infact, public standards often cannot keep up with quickly changing trends in agri-food markets, particularly in developing countries. However food quality standards and social-environmental elements are strongly required to establish a high agricultural export performance.

Indeed. The agri- competition trend nowadays is shifting from price-based to quality-based products.

In response to these concerns some companies in question has already called after international standards certification as in the case of Ziban Garden , El Baraka and Hadoud Salim to encompass product and social- environmental issues and in order to overcome the access block of the poor quality products to the developed countries.

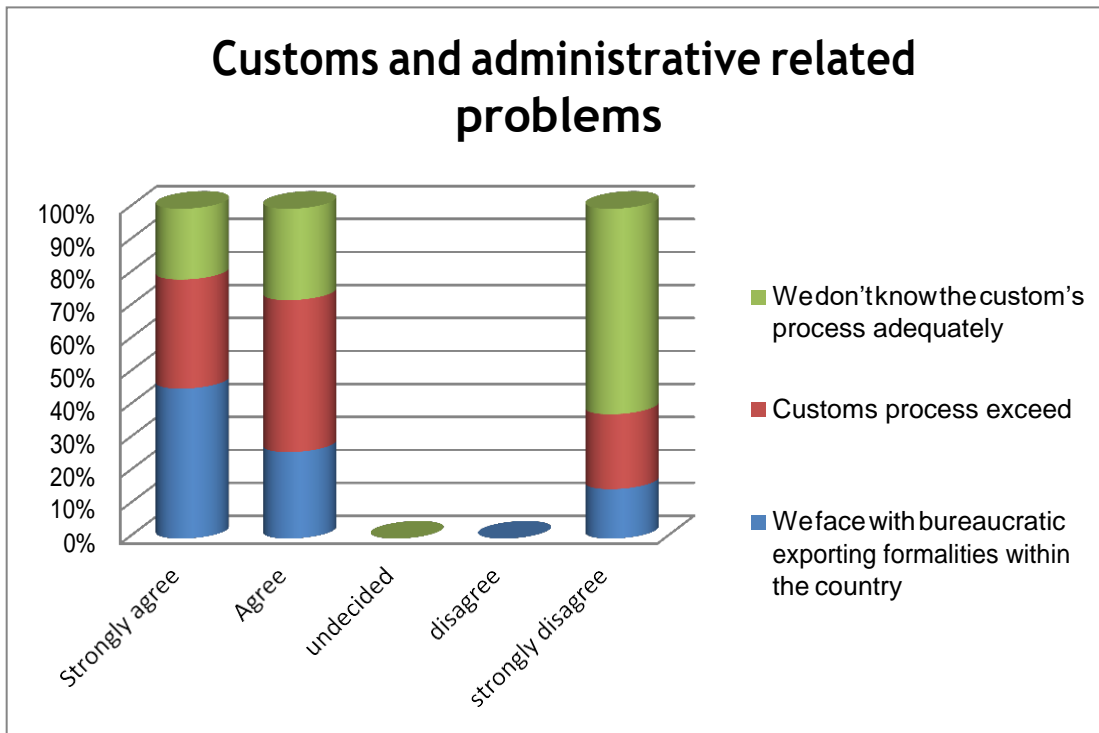
This particular issue we can find it it the SPA type firms , as MR BENSALAH Abdelatif says :

*“ The food manufacturing industry needs to involve regulatory experts to in the product development process ,only them can be really qualified to recommend the right packaging and labeling and the safe ingredients required to adjust the product to higher quality and safety standards. Unfortunately this*

*aspect is almost non existent as the country’s policy focuses only on the financial aspect of it and even this latter is often manipulated by some corrupted hands: corruption , bribery, political interference ....etc”*

**Question 09:**What are the Customs and administrative procedures related problems?

**Figure N°19 :** statistical graph representing Custom and administrative related issues of deglet nour export



**Source:**Survey result

The results given to this question were directly converging to shipping and logistic issues .

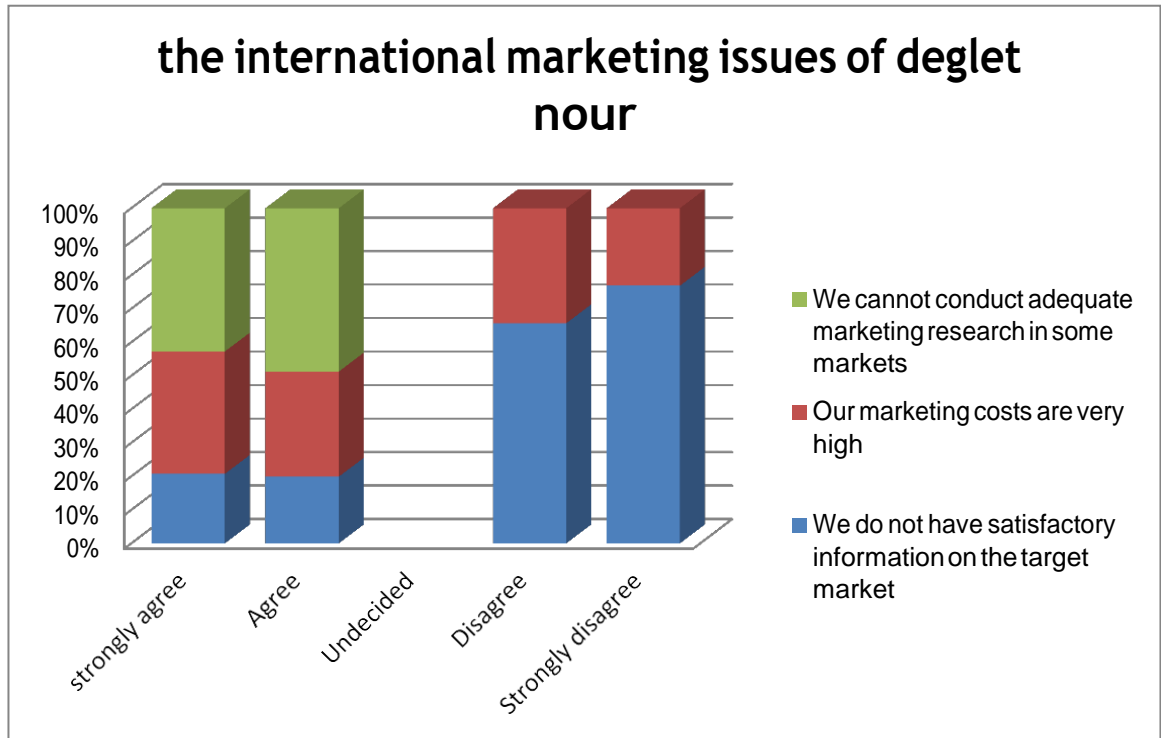
Most of the respondents had clearly clarified that both bureaucratic formalities and customs process exceed which negatively influences the conformity of the commodity delivered.

Despite the privilege that deglet nour exporters have in terms of the absent of any taxes imposed but the Administrative policies and formalities make the endeavor of exporting hard to accomplish in time.

MR ZENDAGUI Brahim states: *“In our country we have lengthy formalities to clear”*

**Question 10:**What are the marketing related problems in your company ?

**Figure N°20: statistical graph representing the international marketing issues of deglet nour**



**Source:** Survey result

More than 47 % of the respondents consider that the real marketing issue that they face is due to the lack of well conducted adequate marketing research , and this latter can be explained as showed in the graph by the same reason that the respondents chose to be another problem restricting these marketing researches : the lack of a sufficient marketing budget that can cover all the marketing costs which is relatively high . The typical general marketing expenses are : the salaries of marketing managers, salaries for marketing support, travel costs if needed, office space , communication costs ...etc

## **2. The analysis of the interview data**

**Question 1** :Could you present your company in few lines ?

For this question we gathered the findings in summarized technical sheets

### **1. Company N°1**

**The company's name** : SARL ZIBAN GARDEN

**Activity**: dates conditioning and exporting of dates

**The average production capacity** : 2000T per year

**The number of employees**: 350 employees

**Certifications**: IFS FOOD

### **2. Company N°2**

**The company's name**: SARL ECODATTE

**Activity**: the exporting of dates

**The average production capacity**: 1000T

**The number of employees**: 220 employee

### **3. Company N°3**

**The company's name**: EPE SUDACO SPA

**Activity**: conditioning and exporting of dates:

**The number of employees**: 125 employees

**Note** : the exporting process has been in suspend for the last 2 years

**4. Compnay N° 4**

**The company's name:** SARL STB TOLGA ELBARAKA

**Activity:** the exporting and conditioning of date& the packaging production in polystyrene

**Equity:** 166 000 000 DA

**The storage capacity:** 250 T

**The number of employees :** 160 employee

**Certefications :**-ISO 9001 (2010) -ISO 22000, IFS, BRC , HACCP (in the process)

**5. Company N° 5**

**The company's name:** SPA SODAPAL TOLGA

**Activity:** conditioning of dates and the agro alimentary products

**The average production 's capacity:** 3000 T

**The number of employees:**300

**6. Company N° 6**

**The company's name:** SARL AMADAGHA IMPORT/EXPORT

**Activity:** exporting of dates

**The number of employees:** 40 employee

**7. Company N° 7**

**The company's name:** EURL SUD DATTES

**Activity:** the exporting of dates

**The number of employees:** 80 employee

**8. Company N° 8**

**The company's name:** EURL HASSANI DATTES

**Activity:** exporting of dates

**The number of employees:** **OUTSOURCING**

**9. Company N° 9**

**The company's name :** EURL HADDOUD SALIM

**The number of employees:** 200

**The average production's capacity:** 3500 T

**Question 2:** How can you describe the Algerian dates current competitiveness in the international market?

The answers gathered to this question were convergent to one perspective status that Algeria's dates export raking in the past couple of years has significantly changed, indeed Tunisia has taken the lead among the exporting countries especially in North Africa .This is due to its highly competitive price advantage

**Question 3:** During the past five years, what are the main issues that your company has encountered in its exporting process?

A set of issues has been repeatedly brought up by the all the respondents which are:

1. The speculation nature of the date's market :

MR.Abdelhalim Guidom

*“In case of other industrial products , the producer is the only legitimate operator that can determine the basic price of the product .in the contrast to this the farmer or the producer of the agricultural goods does not know the price by which the product would be sold to the final consumer. So the price set would be not well estimated at all and the intermediaries would also add another margin which affect the ultimate price and the exporter would gain a low profitable surplus.”*

2. The Lack of storage spaces

The agricultural products as known are easily perishable, and this market in particular suffer from the absence of storage and the scarce number of warehouses which force the producer (the farmer ) to sell their products at the earliest . They even sometimes sell them at a very low price in the market .So both the farmer and the exporter get very low or even no profit at all sometimes.

3. The long chain of intermediaries:

Deglet nour market according to the interviewees has the longest chain of intermediaries among all the agricultural products .That's can be explained by the fact that it is a seasonal fruit however it's almost demanded throughout the year especially during the religious season Ramadan. As it passes by a long chain of middlemen, The consumer must finally bear the burden of the increased price. *“Outsider hands reaching up the market and looking for the quick profit find a place in this long chain.”MR MANAA Ali says*

### 4. Undesirable practices in the market:

Malpractices can be found in deglet nour market by the intermediaries to make quick profits at the cost of the consumer so they make a call for certain unethical practices such as :

- Manipulating the weights and the measurements of the commodity
- Black marketing and smuggling of the product
- Money laundering...etc

### 5. Lack of information in the supply market:

The availability of Internet nowadays has given an easy access to the industrial business to get various information about the supply market. However this cannot be the case for the poor and illiterate farmers farmers who have no access to such methods.

**Question 4:** For your opinion , what's the key problem that really influences the global competitiveness of Biskra's deglet nour among these three options ?

- a. Custom and administrative problem .
- b. The lack of an efficient International marketing policy.
- c. the lack of a high quality product meeting with international standards.

The answers diverged according to each company's perspective to the problem studied .The three options has been chosen to be key factors influencing deglet nour's export run . Thus its global competitiveness as well. Some interviewees stated that the government's lack of control of this sector and its unpredictable and uncertain long term trend of global economic policies , fiscal policies, may have a direct impact on the international traders . The drastic changes of these policies can have tremendous and endless negative impact on the agri-business export.

### **Conclusion**

In order to be able to measure and discern the different set of problems facing deglet nour's exort in the region of Biskra we have conducted a survey involving a representative sample of deglet nour exporting firms in Biskra city and Tolga. This survey has allowed us , by the questionnaire and the interview, to be able to answer our main questions and to approve or disapprove our hypotheses.

*General conclusion*

This study attempted to evaluate-on the level of Biskra-the exporters perceptions of the problems they face in exploiting their full competitive potential in the international market of Deglet Nour .

To get our goal we did look on the literature that concern the subject and try to examine the theories on the field. We first started by giving a conceptual and theoretical framework of the exporting process as a context . we could also study in this part the factors involved in the export process which are: the motivations and drivers within and outside the firm, the risks and problems encountered during the process.

On the other hand , we explored the agri-business sector by identifying the challenging factors that the agri-business firms may face during their attempt to enter the global market. We have displayed as well some of the indicators regarding the current Algerian agribusiness sector.

Finally, we digged out the date palm status in Algeria by carrying out an analytical study of its production and marketing and its share as an exporting industry in the dates world market and the many difficulties in its operation at all levels.

To examine these concepts and to be able to approve or refute our hypotheses , we have conducted a survey that has been fulfilled by a questionnaire and an interview that was destined to the top managers / general directors of a sample of dates export firms in the two communes Biskra city and Tolga.

The processing of the questionnaire and the interview responses allowed us to obtain the following results:

- Despite the fact that Biskra's Deglet Nour's variety is one of the finest dates in the world, there are other Arab countries that export this latter with even larger quantities and with more competitive price. It's the case of Tunisia of course that could conquer the international date's market by its product.

- The lack of an international marketing research because it requires a considerable financial means which makes the intervention of the state in this case is inevitable by providing its public agencies (such as Algex) to carry out such researches. We also found remarkable weakness in promotional tools , as we have seen previously all the companies rely 100% on the international exhibitions run by the state and the network . This can be explained by the high costs of any other advertising tools like TV or Radio commercials. Based on this result, we can admit that our first hypothesis that concerns the lack of an efficient international marketing is approved.
- The Complex lengthy bureaucratic process that seemed most of the time both annoying and unnecessary. As a result, our second hypothesis that is linked to Custom and administrative formalities is partially approved as dates exporting firms are exempted from any related taxes.
- The poor quality of the product in terms of labeling and packaging and in some companies it even lacks the proper conditions to meet with high international standards in terms of safety. This leads us to approve our third hypothesis related to the non- conformity of deglet nour as high quality product meeting the international standards.

Other problems have been discussed by the respondents and that they perceived them as crucial restrictions to the deglet nour's international and domestic market which are the following:

- The date's market is regarded in Algeria as a speculative market where the price can be altered each season by the farmer.
- Unethical practices in the market like : corruption , bribery, political interference, money laundering and black marketing and large commodity 's smuggling.

## General conclusion

- The absence of a sufficient storage spaces.
- The long chain of middlemen which affects negatively on the product's price.
- The illiteracy of farmers who can face problems in accessing the digital world.

As the survey had taken place in two different communes Biskra City and Tolga. We could notice that the company's location has an important bearing on its capacity to condition and export. In Tolga the cheap availability of inputs ( raw material deglet nour) played a big role in the systematic exporting process.

In contrast , the companies' located in Biskra city don't own that privilege but they have more skilled labor. This point was not brought up by the respondents by we could discern it as one of the crucial factors that influence the export performance of these companies.

Therefore based on the finding interpretation we can recommend some suggestions which are the following:

- Enforcing the the reservation and the landing of deglet nour's containers in the Algerian ports (handling, storage and security)
- Implementing advertising culture by providing the necessary financial means by the Algerian state.
- Applying the international measures of quality of dates for example : by matching between the packaging used by our exporter and the international standards of packaging ,this can ultimately empower the brand image of the Algerian dates in general and biskra's deglet nour in particular in the international market.
- The firms have to search to be on cluster, knowledge, industrial and technical
- clusters to share and minimize the risks and the costs of the operation.
- Trying to get label certification as ISO .

During this research, we have faced many difficulties that are linked generally to the lack of documentation due to the originality of the topic in the first place and the lack of books because of the language (books in English are not available) in the second place. So, if we had more references and data, our research would be more comprehensible and rich. The lack of time since the survey have been undertaken between the two communes Biskra city and Tolga.

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# Appendices

## Appendix1



### The Questionnaire

As a part of the preparation of our Dissertation Submitted in Fulfillment of the requirements for Master's Degree in Commercial Sciences option: International Businesses at HEC Algiers, we are undertaking a research about “the Challenges of deglet nour's export in the region of Biskra”

This questionnaire represents one of the most important parts of this research, it aims to identify and analyze the firms ' point of view regarding deglet nour international competitiveness and the main issues that encounter its exporting firms.

We ask you to respond to this questionnaire. We are committed to ensure the anonymity of your answers, because it is strictly oriented for scientific use.

We thank you in advance for your valuable participation.

1- What is the name of the company ?

2- What is the legal form of your company ?

SPA

SARL

EURL

Other

3- How many years your company have been exporting deglet nour ?

Less than 5 years

5-10 years

More than 10 years

4- What is the total amount of export sales of deglet nour during the last 5 years?

<b>Years</b>	<b>The amount of annual sales of degletnour( T)</b>
2011	
2012	
2013	
2014	
2015	

5- What are the foreign markets that your company is exporting to ? ( rate from 1 to 4 as given in the key)

<b>target markets</b>	<b>Degree of importance</b>
Western Europe countries	
Arab countries	
Eastern Asia countries	
African countries	
Eastern Europe countries	
North America countries	
South America countries	

Key for rating : 1- Highly important    2- Important    3- Somewhat important  
 4- Not important

6- What are the main reasons and motives behind the company's dates exporting business?

Motives and reasons	Strongly agree	Agree	undecided	disagree	Strongly disagree
The contribution to non-oil export economic growth					
the profit potential higher than domestic market					
Positioning in the international market					
benefiting from tax advantages					

7- Does your company conduct detailed market research in the foreign market to be available globally?

Yes  No

8- What are the product quality problems of your company?

Statement	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
Our production technologies are inadequate					
Our product lacks creativity during its development					
Our company does not own an international norms certification					
We lack qualified human resources					

9- What are the Customs and administrative procedures related problems?

Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly disagree
We face with bureaucratic exporting formalities within the country					
Customs process exceed					

We don't know the custom's process adequately					
---	--	--	--	--	--

10- What are the marketing related problems in your company ?

Statement	Strongly agree	Agree	Undecided	Disagree	Strongly Disagree
We do not have satisfactory information on the target market					
Our marketing costs are very high					
We cannot conduct adequate marketing research in some markets					

**Thank you !**

## **Appendix2**

### **The interview Guide**

First we would like to thank you , we really appreciate both your time and effort and for having us in your office .

In this interview we are going to present the main obstacles that the date palm fruit “deglet nour” competitiveness face in the international market and to highlight the basic issues that its exporting firms may encounter during the export process and the possible solutions.

1. Could you present your company in few lines ?
2. How can you describe the Algerian dates current competitiveness in the international market?
3. During the past five years, what are the main issues that your company has encountered in its exporting process?
4. For your opinion , what’s the key problem that really influences the global competitiveness of Biskra’s deglet nour among these three options ?
  - a. Customs’ and administrative problem
  - b. International marketing policy
  - c. the lack of a high quality product meeting with international standards

**Thank you!**

**Bestätigung  
Confirmation**

Die Zertifizierungsstelle LACON GmbH bestätigt hiermit,  
das beim Unternehmen

**ZIBAN GARDEN SARL**  
**COID: 53520**  
**Zone D'équipement N°25**  
**07000 Biskra**  
**Algeria**

im Bereich:

**Verarbeitung und Verpackung von Datteln (mit und ohne  
Stein) in verschiedenen Verpackungseinheiten**

eine Bewertung entsprechend dem

IFS Global Markets - Food

auf der Grundstufe bestanden hat.

Bestätigungs-Registrierungs-Nr.:	G-47654-2016-01
Tag des Audits:	21.07.2016
Datum der Ausstellung:	12.09.2016
Bestätigung gültig bis:	11.09.2017
Nächstes Audit ist spätestens durchzuführen am:	21.07.2017

Offenburg, den 12.09.2016

  
Jürgen Schwarz  
Kontrollstellenleitung



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Diese Bestätigung ist Eigentum der Zertifizierungsstelle und ist bei Aufforderung zurückzugeben.



A l'attention du Directeur General

## **FRUIT LOGISTICA 2017 – Le salon leader du commerce international des fruits et légumes frais du 8 au 10 février 2017 à Berlin**

Mesdames, Messieurs,

Du **8 au 10 février 2017** Berlin accueillera la nouvelle édition du salon **FRUIT LOGISTICA**, évènement mondial de la filière **fruits et légumes frais**. Plus de **2.600 entreprises** spécialisées dans le secteur des produits frais vont présenter leurs nouveautés dans les secteurs suivants: les **produits frais, fruits et légumes non transformés, fruits secs, noix, produits biologiques et fleurs, emballage et étiquetage, systèmes de transport et de logistique, produits de manutention et de stockage, presse et media, solutions informatiques et internet, et systèmes de culture**.

Ce salon aura été durant 3 années consécutives, le rendez-vous des opérateurs économiques internationaux qui auront su avec succès faire la promotion de leurs produits et de leur savoir-faire sur le marché international en jetant un coup de projecteur sur une production variée et de qualité.

Pour de plus amples informations, nous vous invitons à visiter le site officiel du salon : [www.fruitlogistica.de](http://www.fruitlogistica.de)

En tant que représentant exclusif de la Messe Berlin en Algérie, nous vous offrons un service complet autour de votre visite.

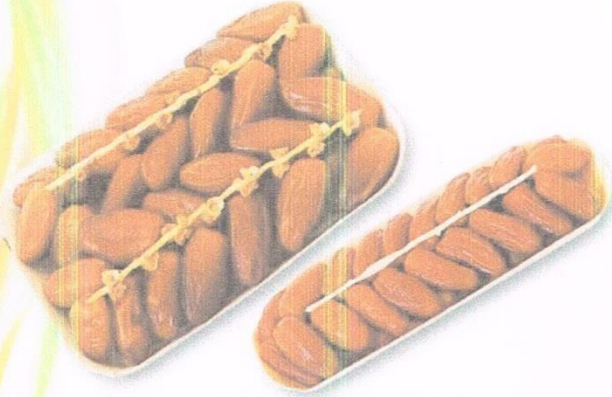
### **Contactez-nous pour:**

- Achat de ticket à un **prix préférentiel** : ticket permanent à **7500 DA TTC**
- Encadrement et information sur la demande de visa
- Information sur les salons et sur les villes d'expositions
- **5%** de réduction sur le prix du billet d'avion Lufthansa destination Allemagne

Dans l'attente de vous accueillir à l'AHK Algérie, veuillez agréer, Madame, Monsieur, l'expression de nos salutations les plus distinguées.

**Soraya Bengalouze**  
**Service Foires et Salons**

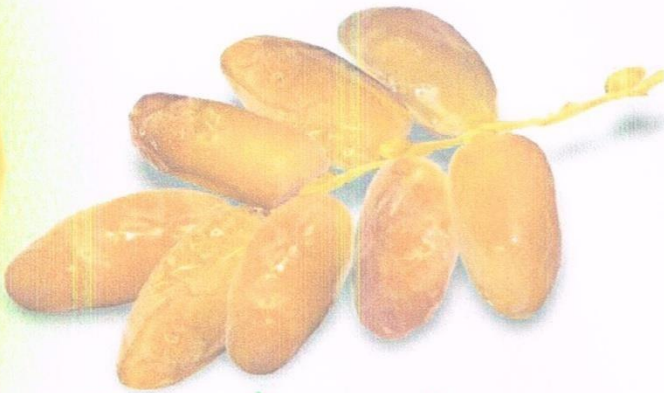
# مجموعة المنتوجات GAMME DES PRODUITS



تمور بالنواة  
Dattes avec Noyaux



تمور منزوعة النواة  
Dattes Dénoyautées



تمور شمروخ  
Dattes Branchées



تمور محشوة  
Dattes Fourrées



عجينة التمر بدون نواة  
Pâte de Dattes



ZibanGarden

# FICHE TECHNIQUE de PRODUIT

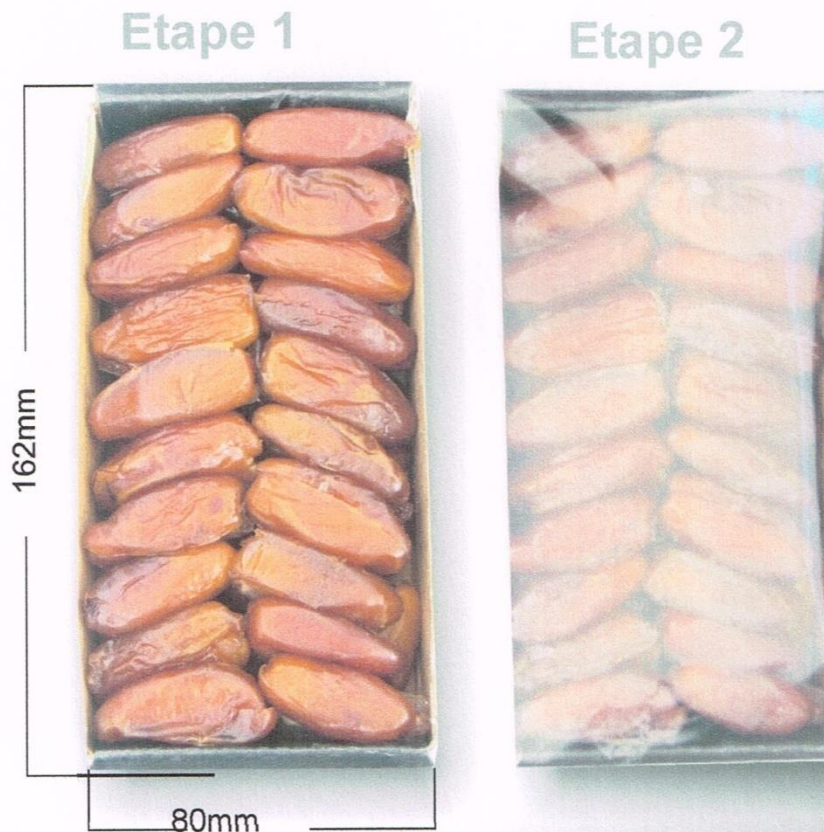
## AU SERVICE de PRODUCTION

Marque de Produit: **FINE FRUIT**

Grammage: **250g**

### Exposition du produit

<b>Destination</b>	<b>BROUSSE VERGEZ- Allemagne</b>
<b>Distributeur</b>	<b>BROUSS VERGEZ</b>
<b>Importateur</b>	<b>Eden Fruits</b>
<b>Variété de Produit</b>	<b>Datte Deglet Nour Dénoyautée.</b>
<b>Type de Support</b>	<b>Cartonnette couvert avec un film en plastique rétractable, alimentaire.</b>
<b>Position de la Datte</b>	<b>Coucher Incliné d'une façon qui forme une épi de blé en (Figure 1)</b>



(Figure 1)

**Remarque: Après l'étape 2, il faut toujours Contrôler:**

- 1- le poids : Il ne doit pas être moins de 265g.
  - 2- la couverture : Il ne doit pas contenir des défauts.
- Si non la cartonneatte doit être mise en retour.**

# Étiquetage du produit

## Orientation d'étiquette dans le support bobine



## Le modèle de l'étiquette et ses dimensions



25.00 mm  
D.L.U.O.  
Lot:

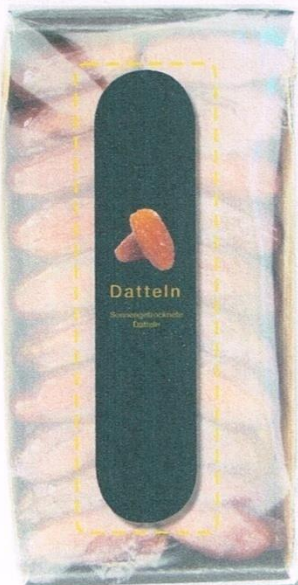
Etiqu Logo (Face avant)

Vignette Verso (Face arrière)

Remarque: Avant chaque commande, il faut toujours vérifier le DLUO et le N° de Lot avec le gestionnaire de stock des étiquettes.

## L'orientation des étiquettes sur la barquette

La direction de l'inclinaison des dattes



La direction de l'inclinaison des dattes

(Figure 2)

### Précautions:

- ne pas dépasser les marges indiqués par le cadre en ligne discontinue.
  - la position des étiquettes doit être à l'envers de la flèche de direction.
- Sinon le ravier doit être mis en retour. (Figure 2)

# La Mise en Carton

Appendix 8

Type de Carton

CAISSE AMÉRICAINNE

Capacité de Carton

24 Raviers

Positionnement des Raviers

- En 5 étages (chaque étage contient 4 cartonnette) +4 autres cartonnettes doit être glissé entre le borne de longueur de la caisse et les 5 étage des cartonnettes (Figure 3,4)



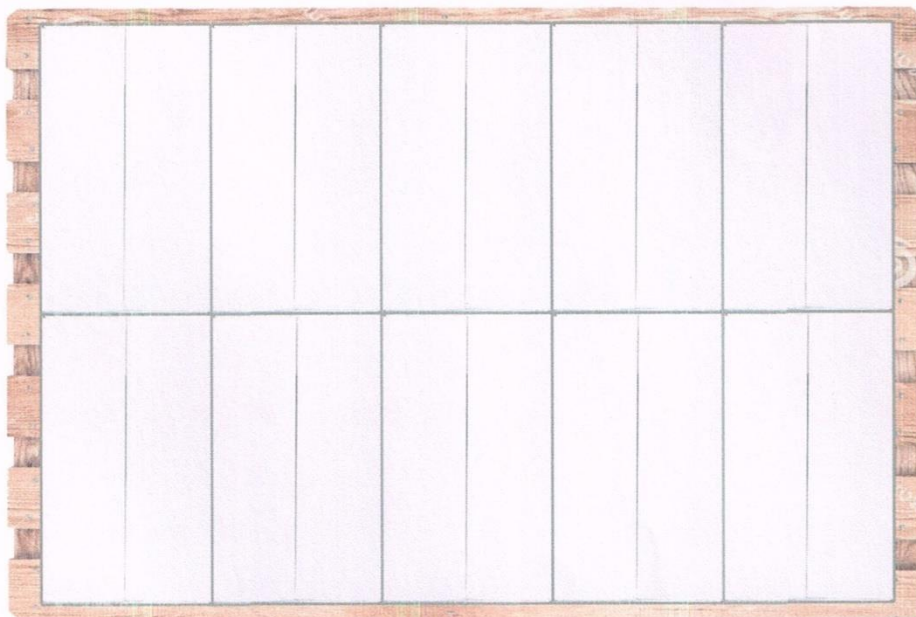
(Figure 3)



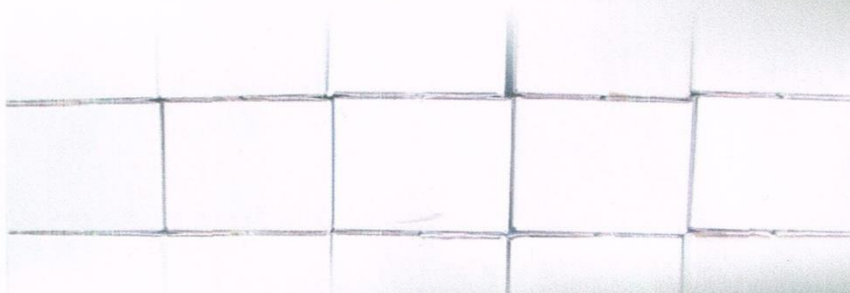
(Figure 4)

# La Mise en Palette

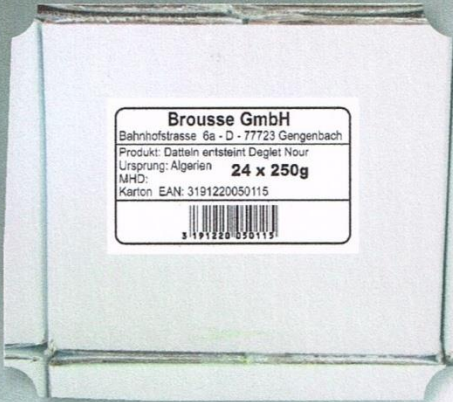
la coté longueur du carton doit être en parallèle avec le coté longueur de la palette, les cartons doit être mise en superposé en 10 étages, chaque étage contient 10 cartons. (Figure 4, Figure 5)



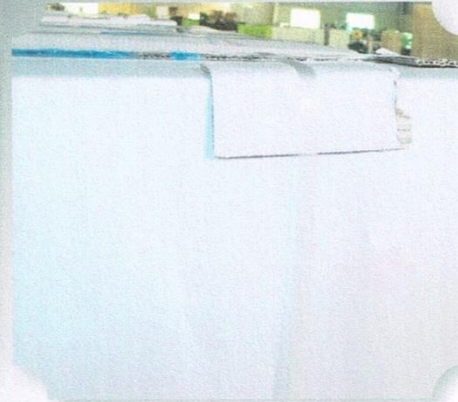
(Figure 4)



(Figure 5)



1- Il faut mettre une étiquette. Le carton contient la variété et le nombre des cartons par palette



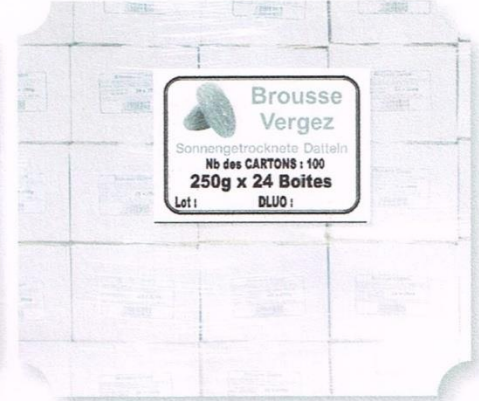
2- Le cerclage sert à bien attacher les cartons l'un à l'autre, avec un câble en plastique solide attaché aux coins de la palette horizontalement et verticalement.



3- au niveau de palettisation, il faut faire passer le rouleau en plastique de haut en bas et de bas en haut afin de couvrir toute la palette.



3- Il faut faire passer le rouleau en plastique manuellement afin de couvrir la face en haut de la palette.



4- La dernière phase c'est de coller une fiche en papier qui contient les informations suivantes: la marque, le nombre des cartons, nombre des barquettes par carton, le N° de lot de la commande.

## Statistiques

Ce tableau représente en terme quantitatif les consommables nécessaires pour produire une palette:

Consommables	la Quantité
Dattes Dénoyautées	600 Kg
Barquettes en bois	2400 Cartonnettes
Étiquettes logo	2400 Étiquettes
Vignettes Verso	2400 Étiquettes
Carton (Caisse Américaine)	100 Carton
Film Rétractable	≈ 484.8 mètres
Film de Palettisation	≈ 58.5 mètres

Remarque: Les valeurs du tableau sont des estimations, par fois une palette demande des consommables en plus (en cas où il y a des barquettes mise en retour).

# Table of contents

Didication	
Acknowledgement	
Abstract	
List of table	
List of figures	
List of abbreviations	
Summary	
General Introduction .....	I
ChapterI: Exporting as a context.....	1
Section I: the export process .....	3
1. The export strategy .....	3
The Motives for starting exporting.....	3
The export market planning process .....	4
Implementing the export plan .....	6
Export transportation and logistics .....	6
2. The export development .....	9
SectionII: Export related issues .....	12
1. Problems encountered during the export process	
Problems Related to Quality and Standardization Perception Deficiencies .....	12
Problems Related to Marketing Research.....	12
Problems Related to Price.....	12
Distribution Problems .....	12
Promotion Problems.....	13
Problems Related to the Financing of Exporting.....	13
The lack of Qualified Human Resources and Exporting Departments.....	13
Problems Created by the Export Regimes .....	14
Legislative and Bureaucratic Problems .....	14
2. Other areas and causes of export risks.....	14
Country/political risk .....	14

Legal risk .....	15
Credit & financing risks .....	15
3. Risk Management .....	16
4. Mitigating export risks .....	19
Country/political risk .....	20
Credit Risk .....	20
Currency exchange risk .....	21
Risk of non-performance .....	21
Transfer risk.....	21
Transport risk.....	22
Risk of fraud .....	22
ChapterII: The agribusiness sector.....	25
SectionI: The international agribusiness .....	26
1. Entering international markets .....	26
Modes of entry .....	27
2. Motives and opportunities of international agribusiness .....	29
The benefits of doing an international agribusiness .....	29
Opportunities for smaller firms.....	29
3. Unique issues with agricultural products .....	30
Section II:the agribusiness sector in Algeria .....	32
1. The context.....	32
2. Dependence on food imports and oil revenues weigh on Algeria's agribusiness..	32
3. The the agribusiness sector's challenges in the light of lower commodity prices.	35
4. agricultural sector in Algeria as an exporting industry .....	36
5. Investment Opportunities in agricultural sector in Algeria.....	37
The assets of the Algerian agriculture .....	37
incentive measures .....	37

ChapterIII: The date palm sector in Algeria .....	39
Section I:The date palm status .....	41
1. Historical and Current Agricultural Aspects.....	41
2. Importance of date palm .....	43
3. Production statistics and indicators.....	43
4. Dates Marketing status.....	45
Section II:Analytical study of exports of dates in Algeria and its problems .....	47
1. Analytical study of export of dates .....	47
Dates current exports .....	47
Position of Algerian dates in the international market.....	48
Development of exports of dates in Algeria .....	50
Evolution of the average price for export of Algerian dates.....	50
2. Analytical study of problems of dates export .....	51
Production problems .....	51
Marketing problems .....	52
Other most common problems.....	53
Chapter IV: The challenges of deglet nour’s export in the region of Biskra .....	55
Section I: Methodology of the survey.....	57
1. Research Purpose .....	57
2. Research approach .....	57
Qualitative approach .....	57
Quantitative approach	
3. the interview guide design .....	58
4. The Questionnaire design .....	59

5. Sample size and data collection .....	59
Section II: the internship course at “Ziban Garden” outline .....	60
1. Biskra’s palm dates .....	60
2. Presentation of “Ziban Garden” company .....	60
3. Ziban Garden’s organogram .....	61
4. Ziban Garden’s exports’ evolution .....	62
5. Ziban Garden’s SWOT Analysis .....	63
6. The Participating in the ‘ SIDAB platform’(the 2nd edition of the International Exhibition of the Date of Biskra ) .....	64
Section III: The analysis of the survey results .....	66
1. The analysis of the questionnaire data .....	66
2. The analysis of the interview data.....	75
General Conclusion.....	82
References	
Appendices	