



# REPORT

**5th Session of  
International  
Tropical Fruits  
Network  
General Assembly  
&  
6th  
Board of Trustees**

21 June 2012  
Guangzhou, China



# REPORT



## **5th Session of International Tropical Fruits Network General Assembly & 6th Board of Trustees**

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The 5th TFNet General Assembly held in Guangzhou, China on 21 June 2012, was attended by 31 delegates comprising board members, observers and the Secretariat. It was chaired by the representative from host country China, Dr. Yi Ganjun. A progress report covering activities of TFNet from 2009 to 2012, financial report for the same period and future directions was presented by the CEO. The assembly saw the appointment of new board members for the term 2012 – 2015. The assembly also endorsed the constitutional amendment that all country members are members of the board. Other issues deliberated and established during the assembly were:

- a. Due to the lack of nominations, the Assembly agreed that the appointment of the 2 expert members of the board be deferred. The Secretariat has been given 3 – 6 months to facilitate their appointment.
- b. TFNet to aggressively source for funding and projects from international bodies, including CFC (Common Fund for Commodities)
- c. The appointment of the representative from Australia and Sudan as internal auditors for TFNet
- d. TFNet to build up its database of experts/resource persons to improve the proficiency of the organisation.
- e. A new capability statement is required to effectively promote the capabilities of the organisation.
- f. TFNet to participate in conferences and symposiums to promote the organisation.
- g. Bureaus to be set up in member countries to provide information to the secretariat and promote TFNet.
- h. TFNet to collaborate with IICA to establish the Latin and Caribbean network by end 2012. The African TFNet will be expanded to include more country members.
- i. TFNet to look into the possibility of providing information and services in trade, sanitary and phytosanitary regulations, and germplasm exchange programs.
- j. The TFNet website to be tailored to members' needs.
- k. TFNet to enhance collaboration with regional networks such as IICA, AARDO and ICIPE.

The 6th Board of Trustees meeting, which was held after the General Assembly, saw the reappointment of Malaysian representative HE Dato' Mohd Hashim Abdullah as Board Chairperson.

The Board decided to extend the term of the current CEO for 2 years. The representative from Vietnam offered to host the next board meeting in Ho Chi Minh City, South Vietnam in June 2013.





The 5th Session of TFNet General Assembly (GA) was held in Guangzhou, People's Republic of China on 21st June 2012. It was attended by 31 delegates from 11 countries, including a representative from Food and Agriculture Organisation (FAO) of United Nations, Rome; observers from Afro-Asian Rural Development Organization (AARDO); the Fiji Ambassador to China, Common Fund for Commodities (CFC); and Inter-American Institute for Cooperation on Agriculture (IICA) and the TFNet Secretariat. The attendance list is appended in **Annex 1**.

The GA was officiated by the Honourable Ms. Long Xi from Ministry of Agriculture, Beijing. In her officiating speech Ms. Long Xi welcomed all delegates and thanked TFNet for hosting the General Assembly in Guangzhou, China. She pointed out that Guangdong Province is the third largest in terms of agricultural production in China and is an appropriate place to have the Assembly. Ms. Long Xi also expressed her hope that the GA would be beneficial in charting the future plans for TFNet in serving the stakeholders of the industry.

She highlighted that tropical fruit industry in China need to be further expanded to reduce the import of tropical fruits. China has also embarked on steps to further improve the production of tropical and sub-tropical fruit.

She also commended the good work of the Fruit Tree Research Institute, Guangdong Province in continuing the collaboration with TFNet at the regional and international level. She wished all the delegates of the GA to have a fruitful meeting and enjoy their stay in Guangzhou.

## agenda item 1

### INTRODUCTION AND OPENING ADDRESS OF CHAIRPERSON

The Chief Executive Officer of TFNet, welcomed the delegates and introduced Dr. Yi Ganjun, representative of the host Government, as the Assembly Chairperson. TFNet CEO also proposed the representative from Malaysia HE Dato' Mohd Hashim Abdullah be appointed as 1st Vice Chairperson and H.E Commodore Esala Teleni, Ambassador of Fiji to China as 2nd Vice-Chairperson. Delegates agreed to the proposal.

Dr. Yi Ganjun welcomed all delegates and proceeded to thank those involved in the "International Symposium on Tropical and Subtropical Fruits" for successfully organizing the event.

He reminded delegates to review the activities executed by TFNet since the last General Assembly and also asked them to present their recommendations and suggestions in guiding the programmes and activities of TFNet in the coming years. Delegates were then requested to introduce themselves.

## agenda item 2

### ADOPTION OF PROVISIONAL AGENDA

The Agenda as presented in **Annex 2** was adopted by the General Assembly without any amendments.

## agenda item 3

### ADOPTION OF REPORT OF BOARD OF TRUSTEES MEETING - 2011

The Report of the Board of Trustees meeting held on 26-28 July 2011 in Bandung, Indonesia was adopted by the General Assembly. The Chief Executive Officer of TFNet, Mr. Yacob Ahmad, said that the report had been circulated to board members and is also available on the website.

## agenda item 4

### TFNET PROGRESS REPORT (2009-2012)

TFNet CEO presented the progress report for 2009-2012, which consisted of projects, capacity building workshops, international meetings, finance, membership status and the future direction of TFNet.

He highlighted the action plan and the corresponding outcome from the 15 strategic initiatives implemented by TFNet since 2009. The strategic key result areas were membership, financial sustainability, products and services, corporate communications, and capacity and capability building.

The CEO continued on the progress of capacity building activities that were carried out or co-organised by TFNet. Five seminars, five workshops and two training/study visits were carried out during this period.

The CEO highlighted projects that have been completed such as the consultancy for the Development of a Business Strategy and Implementation Plan for the Establishment of "Agri-Production Park" in East Coast Region, Malaysia. Another project on citrus for Indonesia and Laos is still on hold, pending agreement by the countries involved.

TFNet also participated in three different regional forums, namely in IGG, FAO meeting in Rome, a CFC workshop in Mexico and IGG FAO Meeting in Cameroon.

On information exchange, the CEO reported that a new website has been developed with more features, including guest comments. Existing features include a Fruit Information Database, Tropical Fruit Trade Directory, TFNetSTAT, E-newsletter, and expert list.

TFNet CEO reported that during the period (2010 - 2012), TFNet membership grew by 26% from 119 in 2009 to 146 on 20th June 2012. The present membership composed of 12 Country Members, 15 Associate Members and 119 Ordinary members.

On the financial status, the audited financial report for (2009-2011) indicated that the total income received for the year 2011 has declined 42% from US\$ 653,650 in 2010 to US \$ 383,998. Major source of income for 2009 and 2010 were grants from the Malaysian Government, while in 2011 it was from consultancy services. Major expenditures were administrative and staff costs.

The full report is presented in **Annex 3**.

## DISCUSSIONS ON PROGRESS REPORT

- i. The representative from Malaysia, Dato' Hashim Abdullah commented on accountability and that the financial auditors need to be changed every three years.

The CEO responded that steps will be taken to replace the current auditors.

- ii. Dr. Errol Hewett, enquired about the effectiveness of using portals such as Freshplaza and e-trade.

The CEO replied that by placing advertisements in Freshplaza, TFNet received numerous enquiries on its activities for the recent symposium that was held in Guangzhou, China. International companies responded by enquiring on the programme book advertising rates. Freshplaza contains information on multinationals and companies trading in tropical fruits plus news on the current market and trade of horticultural products.

Regarding e-trade, CEO explained that it contains information on companies dealing with tropical fruit trade. The data available is currently not complete and TFNet seeks the assistance of member countries to provide updated information regularly so that can be shared to stakeholders.

Dr. Hewett further suggested that TFNet explore the possibility of collaborating with other trade portals by linking to their sites.

- iii. Upon mention of the fruit database, Dr. Sisir Mitra commented that TFNet has to be careful in classifying fruits as major, minor, underutilized, or rare since this categorisation is different for every country.

The CEO responded that the present categorisation for the fruits is based on trade volume. He requested for more inputs from country members on the other fruit types available in their countries.

- iv. Mr. Kaison Chang commented that eventhough TFNet had carried out the programs in the Strategic Plan of 2009-2011, there were still some areas that need improvement.

TFNet needs to ensure more participation in events like the General Assembly. He cited the example of the last Intergovernmental Group meeting in Cameroun but the TFNet workshop was held before the IGG in Nigeria. He shared that such events should be held back to back at the same locality.

On membership, Mr. Chang suggested for TFNet to participate in the Intergovernmental Group (IGG) meeting on Bananas and Tropical Fruits organised by FAO. This is an opportunity to create synergies with countries sharing common interests.

The CEO responded that TFNet had been attending all the IGG meeting on Bananas and Tropical Fruits for the past two years and participated actively to promote TFNet and its possible collaborative activities.

Mr. Chang also suggested that TFNet should participate in forthcoming proposed workshop on superfruits which has been planned back to back with the forthcoming Intergovernmental Meeting (IGG) in Latin America.

- v. Mr. Chang also stressed that marketability is important. In order for TFNet to achieve that, it needs to build its experts roster. He added that funding agencies always have a need for experts on all fields. TFNet should be ready to respond to any inquiry to build up its capability as an organisation.

The CEO agreed and informed that TFNet is seriously engaged with various organisations and experts to build up the expert list.

- vi. Mr. Chang also commented that TFNet's capability statement wasn't clear and suggested it to be relooked and improved. A one-page statement was recommended.
- vii. Dr. Hewett suggested that the 7500 membership database of ISHS should be integrated with TFNet's. He offered to organize a meeting between TFNet and ISHS to improve the database. He agreed with Mr. Chang that funding organizations only need to be aware of TFNet. He recommended that TFNet to participate in international symposia and promote the website. He encouraged TFNet to participate in the forthcoming International Horticulture Conference in Brisbane, Australia in 2014.

The CEO agreed on the proposal.

- vii. Dr. Badreldin enquired on the steps taken to strengthen the TFNet African Network and also suggested that TFNet should engage with organisations in the region such as Arab Organization for Agricultural Development (AOAD), Asian Development Bank, Islamic Development Bank and others for funding opportunities.

The CEO explained that in order for the Regional Network to function effectively, more countries in the region should become member of TFNet. TFNet will continue to build up membership in the African TFNet.

- viii. Dr. Yi Ganjun said that during his 10-year membership with TFNet, he observed that it has grown substantially with country members. He agreed that IGG is an important platform for TFNet to increase membership.

The CEO encouraged that members should also provide information and assistance, especially in membership expansion, project and funding opportunities.

The TFNet Progress Report 2009-2012 was adopted by the General Assembly.

## agenda item 5

### TFNET ACTION PLAN FOR 2012-2015

The CEO reported on the program and strategic directions for the period of 2012-2015 and the estimated income and expenditure as shown in **Annex 4**.

He emphasised on the need of increasing membership, being financial sustainable and improving product and services. TFNet is targeting to achieve a total membership of 250 by 2015. He also envisaged that all the strategic initiatives proposed will be implemented during the term 2012-2015.

The initiatives include increasing country and other membership categories, promote and market services of TFNet, source funding of projects from international organisations and satisfying members.

CEO also presented the proposed budget for 2012-2015 and projects that will focus on issues that are prevalent in the agricultural sector such as climate change, food security, increasing smallholders income, food safety and quality and market access.

In relations to strategic directions, the following issues and recommendations were discussed by the General Assembly.

#### A. INTERNATIONAL ROLE

- i. H.E. Dato' Hashim suggested that TFNet should provide a forum for the transfer of technology from researchers to end users. He suggested to conduct trade exhibitions for farmers. Going back to the strategic directions, he believes that international trade should be given emphasis. SPS issues should be discussed among authorities. He discussed 3 areas that are important: 1) Production of raw materials, 2) processing, and 3) promotion and marketing. He added that the produced goods should meet the demands of the market. For processing, certain countries have high standards in packaging, labelling, etc. He said that TFNet should provide information on these standards. Finally, TFNet must be able to bridge the gap between researchers and farmers.

The CEO, agreed to facilitate with some of the activities that can benefit member countries.

- ii. Mr. Frank Lam identified that the real challenge is providing market information. For Central America, IICA has a Market Intelligence Platform. Mr. Lam mentioned that IICA is willing to share with TFNet the methodology of gathering market information. He added that institutional capacity can be strengthened by building the gap between private and public institutions. Furthermore, policy institutions should be targeted. He said that TFNet has the potential to bridge this gap.

- iii. Australian Representative Mr. Robert Williams said that development programs will not work without engaging the private sector. Researchers do not know the real problems that farmers and retailers face. These stakeholders should be included during meetings to identify the real problems. This can help researchers to address the real issues. Commercial players also need to see the value of these meetings. They are needed to move forward with the strategic directions.
- iv. Dr. Hewett noticed that some activities were focused on Malaysia. He suggested TFNet to have a more global approach. He stressed that organizing trade fairs are expensive and there are other ways to facilitate trade.
- v. Dr. Mitra said that TFNet should reach out to possible members. He suggested that the needs of members, especially countries, need to be prioritized.
- vi. Mr. Lam added that TFNet should come to countries with solutions. He says that IICA has been working on this and can help TFNet out. They will be meeting the Produce Marketing Association in California on October and suggested TFNet to participate.
- vii. Dr. Trinh Khac Quang said that a big problem in Vietnam is the low price of its tropical fruits and lack of market information. He encouraged TFNet to organise a training course on fruit processing for member countries to mitigate the glut of low prices. He also suggested that TFNet should also facilitate in the germplasm exchange activities and this could become an important programme between member countries.

The CEO mentioned that TFNet is in the process of organising a fruit processing workshop in Fiji and such activities can be replicated in Vietnam.

- viii. Dr. Minh Chau suggested for TFNet to join Vietnam's fruit festival next year.
- ix. Dr. Badreldin commented that many developing countries are faced with ineffective extension services on agricultural technology transfer. He suggested that TFNet to provide a platform for such activities in the future.

The CEO highlighted that generally extension activities are done by the extension organisation of the country. TFNet can provide the capacity building to train the trainers.

- x. HE Wassfi Hassan El-Sreihin, CEO of AARDO supported the TFNet programmes and willing to share their experiences and work together in future programmes
- xi. HE Hashim added that there is a lack of researchers in certain fields. He says that The Malaysian government is willing to pay consultants for their expertise. TFNet can assist to identify the experts.
- xii. HE Commodore Esala Teleni, The Ambassador of Fiji to China, said that TFNet should not focus too much on getting members. He believes that TFNet should focus on helping current member countries and integrate with key stakeholders. To attract non-members, TFNet has to look at the country's needs.
- xiii. Mr. Nianjun Shen said that CFC is an autonomous intergovernmental financial institution that funds projects. He mentioned CFC was involved in the financing the TFNet workshop in Lagos, Nigeria. He also mentioned that the citrus project

needs to be updated and that TFNet was unable to win the bid for the mango project in Tanzania. Since it is their mandate to finance commodity development, he believes that CFC and TFNet can collaborate. He informed that CFC is veering towards co-financing with private organizations. Thus, projects with a private partner will more likely get the requested funding.

xiv. Mr. Williams explained that funders such as ACIAR and AusAID are willing to co-finance projects. As mentioned, ACIAR is only providing fund for capacity building in research work and not for the agricultural extension work.

xv. Dr. Hewett followed-up Mr. William's comment and said that extension is now a paid service. Several internet applications and programs have been used as a tool for extension services. For these endeavours, champions from each member country are needed. For example, Dr. Lisa Kitinoja, developed an extension service using LinkedIn.com. She provides information and training programs for people around the world. TFNet can work in this direction.

Dr. Hewett also mentioned an organization related to the Commonwealth that works directly with farmers, especially women. TFNet can explore the possibility of working with this organization.

xvi. Dr. Zhong Guangyan inquired if TFNet can provide scholarships for PhD students.

The CEO answered that TFNet has not reached that stage. Mr. Williams, HE Hashim, and Dr. Mitra agreed but suggested that TFNet can provide information on where to get scholarships in their website.

xvii. As a closing statement Dr. Yi acknowledged the efforts by the TFNet Secretariat in following the strategic plan. However, TFNet needs more membership and more funding. He stressed that the member-countries and the board are also responsible in helping the Secretariat. Market and institutional support, as well as funding from financing institutions, are crucial in building the network. He added that fruit exhibitions may be done to tap the businessmen, including more than 50,000 in South China alone. Hence, the website and printed newsletters are crucial tools. TFNet also needs to hire an economist to focus on market research and consumer studies. He suggested that board meetings should also be done at least once a year among member-countries.

## **B. TFNET NETWORK MANAGEMENT**

The CEO outlined the interim working mechanism for the functioning of TFNet Regional Networks. He also indicated that TFNet has been working with IICA to plan for the Latin American and Caribbean Network. TFNet will also continue to expand the African Network through a workshop in Sudan this year. He requested members to provide ideas and inputs on setting up of the regional networks. The CEO said that terms of references in managing the regional networks will be prepared.

Dr. Hewett suggested that TFNet could emulate other network organisations such as Banana Network in setting up the regional networks.



## C. APPOINTMENT OF BUREAU OFFICERS IN MEMBER COUNTRIES

The CEO requested member countries to appoint a bureau officer or contact person who can assist TFNet in procuring information with regard to fruit production, trade and prices. The contact person or bureau officer will assist in getting companies or individuals to join TFNet. TFNet will consider inviting them for a centralised training session in any one of the member countries.

## D. TFNet/INTER AMERICAN INSTITUTE FOR AGRICULTURAL COOPERATION (IICA) COLLABORATION

- i. The CEO also explained on the collaboration between TFNet and Inter American Institute for Agricultural Cooperation. A meeting will be held soon to discuss on the membership from Latin America and Caribbean.
- ii. IICA representative invited CEO of TFNet to meet and discuss the details with the stakeholders within the Latin American and Caribbean Region.

The General Assembly adopted the Strategic directions of TFNet for the period 2012 – 2015.

## agenda item 6

### DISCUSSION AMONG COUNTRY MEMBERS ON CURRENT ISSUES

The discussions were included in Agenda item 5.

## agenda item 7

### ADOPTION OF THE PROPOSED AMENDMENTS TO THE TFNet CONSTITUTION

The following amendments to Article 8, 9, 13, 15 and 16 of the TFNet constitution were approved and will be adopted immediately.

#### 1. Article 8: General Assembly

Present Clause	Proposed Amendment
8.1 There shall be a General Assembly of all country and associate members of TFNet, which shall meet once every three years.	8.1 There shall be a General Assembly of all Country, Associate, and Ordinary members of TFNet, which shall meet once every three years.



## 2. Article 9: Board of Trustees

Present Clause	Proposed Amendment
<p>9.1 (a) The Board shall comprise 13 members who shall consist of:</p> <ul style="list-style-type: none"> <li>i. The CEO who shall be an ex-officio member;</li> <li>ii. Seven (7) Representatives from among the Country Members.</li> </ul> <p>In the event there is insufficient number of Country Members, then Associate Members can be elected to the Board;</p> <ul style="list-style-type: none"> <li>iii. Two (2) Representatives from among the Associate Members;</li> <li>iv. Two (2) experts from among the members to represent the various disciplines in the tropical fruit industry; and</li> <li>v. A Representative from the Food and Agriculture Organisation (FAO) of the United Nations</li> </ul>	<p>9.1 (a) The Board shall comprise members who shall consist of:</p> <ul style="list-style-type: none"> <li>i. All Country Members</li> <li>ii. Two (2) Representatives from among the Associate Members, subject to Article 8.3</li> <li>iii. Two (2) experts from among the members to represent the various disciplines in the tropical fruit industry, subject to Article 8.3</li> <li>iv. A Representative from the Food and Agriculture Organisation (FAO) of the United Nations, and</li> <li>v. The CEO who shall be an ex-officio member</li> </ul>
<p>9.1 (b) In the case where there is no representative from the host country, an additional member from the host country shall be appointed</p>	<p>This clause shall be deleted.</p>
<p>9.2 The Board shall elect from among its members, a Chairperson who shall preside over all meetings of the Board. In the absence of the Chairperson, the members of the Board shall elect among themselves a chairperson to chair the meeting and such chairperson shall have the same power as the Chairperson.</p>	<p>9.2 The Board shall elect from among its members, who are Country Members, a Chairperson who shall preside over all meetings of the Board. The Board shall also elect from among its members, who are Country Members, two (2) Vice-Chairpersons to assist the Chairperson.</p> <p>In the absence of the Chairperson, either one of the two Vice Chairpersons shall chair the meeting with the same power as the Chairperson.</p>

### 3. Article 13: By Laws, Rules and Regulations

Present Clause	Proposed Amendment
Article 13 By Laws, Rules and Regulations  13.1 For the discharge of its functions under the Constitution, by-laws, rules and regulations may be specifically passed by resolution of the General Assembly in respect of the following matters:  vi. Amendment of by-laws, rules and regulations	Article 13 Rules and Procedures  13.1 For the discharge of its functions under the Constitution, rules and procedures may be specifically passed by resolution of the General Assembly in respect of the following matters:  vi. Amendments of Constitution, and rules and procedures

### 4. Article 13: By Laws, Rules and Regulations

Present Clause	Proposed Amendment
Article 15 Amendment of the Constitution, By Laws, Rules and Regulations	Article 15 Amendment of the Constitution, and Rules and Procedures
15.2 The General Assembly may amend Schedule I and any by-laws, rules and regulations made under Article 13.1, by a simple majority of the votes cast.	15.2 The General Assembly may amend any Rules and Procedures made under Article 13.1, by a simple majority of the votes cast.

### 5. Article 16: Settlement of Dispute

Present Clause	Proposed Amendment
16.1 Any dispute concerning the interpretation and application of the provisions of the Constitution, by-laws, rules and regulations shall be decided by the Board. Any party, who is not satisfied with the decision of the Board, may appeal to the General Assembly whose decision shall be final.	16.1 Any dispute concerning the interpretation and application of the provisions of the Constitution, and Rules and Procedures shall be decided by the Board. Any party, who is not satisfied with the decision of the Board, may appeal to the General Assembly whose decision shall be final.

## **ENDORSEMENTS OF NEW MEMBERS**

### **Country members**

The General Assembly accepted Australia and Vietnam as new Country members.

### **Individual members**

The following names were accepted as new members

1. Dr. Zhong Guangyan- China
2. Dr. Mohammad Roff Mohd Noor- Malaysia
3. Dr. Chaisit Preecha- Thailand
4. Dr. Md. Nurul Islam- Bangladesh
5. Dr. Naoko Kozai- Japan

## **APPOINTMENT OF INTERNAL AUDITORS**

The following board members were appointed as internal auditors for the term of 2012-2015.

1. Mr. Robert William from Australia
2. Dr. Badreldin El Shiekh Hassan from Sudan

## **APPOINTMENT OF AUDITORS FOR NEXT THREE YEARS**

The Secretariat will proceed to appoint a new auditing firm for the term 2012-2015

## **VENUE FOR NEXT GENERAL ASSEMBLY**

The next General Assembly (7th session) will be held in Malaysia in 2015.

# agenda item 8

## ELECTION OF MEMBERS OF THE BOARD OF TRUSTEES (2012-2015)

The following members were elected as members of the Board of Trustees 2012-2015:

### **Country Representatives:**

1. H. E. Dato' Mohd Hashim Abdullah - **Chairperson**  
Representative of the Government of Malaysia
2. Dr. Yi Ganjun - **Vice Chairperson**  
Representative of the Government of P.R China
3. Dr. Trinh Khac Quang - **Vice Chairperson**  
Representative of the Government Vietnam
4. Mdm. Miliakere Nawaikula  
Representative of the Government of Fiji
5. Dr. Hasanuddin Ibrahim (Representing Mr. Achmad Widodo Heru)  
Representative of the Government of Indonesia
6. Dr. Clarito Barron (Representing Dr. Henry T. Carpiso)  
Representative of the Government of Philippines
7. Dr. Elshiekh Badreldeen  
Representative of the Government Sudan
8. Mr. Robert Williams  
Representative of the Government of Australia
9. Mr. VK Singh (Unable to attend)  
Representative of the Government of India
10. Mr. Anwar Faruque (Unable to attend)  
Representative of the Government of Bangladesh
11. Mr. Muawya Jaber Abdul Rahman (Unable to attend)  
Representative of the Government of Syria
12. Dr. Adenike Olusolape Olufolaji (Unable to attend)  
Representative of the Government of Nigeria
13. Mr. Kaison Chang  
Representative of Food and Agriculture Organisation (FAO)
14. TFNet CEO - **Secretary**

### **Associate Members elected to the Board as follows:**

1. Dr. Michael Hermann (Represented by Mr. KhooTeng Kew)  
Crops for the Future, Malaysia  
(Extended to another term)
2. Mr. Cheah Kiu Lye  
Sime Darby Foods and Beverages Marketing Sdn Bhd, Malaysia  
(Extended to another term)

### **Two Experts of the Board:**

The Assembly decided to defer the appointment of two experts to between 3 to 6 months since only two candidates were present. It was recommended that an economist or market expert be one of those selected to improve TFNet's capabilities. The incumbent experts Dr. Errol Hewett and Dr. Sisir Mitra will continue to serve the board until the appointment of the two new expert members.

## **agenda item 9**

### **ADOPTION OF 5TH GENERAL ASSEMBLY REPORT**

The GA adopted the Report of the Fifth General Assembly of TFNet with minor amendments.

## **agenda item 10**

### **CONCLUDING REMARKS BY CHAIRPERSON OF GA**

In his concluding remarks, The Assembly Chairperson, Dr. Yi Ganjun, thanked all the delegates of the TFNet 5th General Assembly for their active participation and constructive contributions. This Assembly has been a turning point for TFNet with the adoption of the amendments to the Constitution which stipulates that all member countries are also members of the Board. He also congratulated other members who have been elected to the Board of Trustees 2012-2015 and urged them to participate actively in achieving the objectives and strategic initiatives outlined in the Assembly. He thanked all the members of previous BOT for their contributions. He also extended a warm welcome to Australia for joining TFNet as a county member.

The Chairperson also thanked the Secretariat for all the arrangements made during the meeting.

## agenda item 11

### 6TH SESSION OF TFNET BOARD OF TRUSTEES MEETING

#### **1. Election of Board Chairperson**

The representative of the Government of Malaysia, HE Dato' Mohd Hashim Abdullah was re-elected as the Chairperson of TFNet BOT for the term 2012-2015. The Vice Chairpersons elected were Dr. Yi Ganyun and Dr. Trinh Khac Quang, representatives from China and Vietnam, respectively.

The newly elected Chairperson thanked all the members of the board for supporting him to continue to chair the BOT of TFNet for the period 2012-2015. He also assured that Malaysia will continue to support all the activities organised by TFNet.

#### **2. Extension of Term of current CEO/appointment of CEO.**

The Chairperson lead the discussion on whether the incumbent CEO be allowed to extend his current term which expires in September 2012. The Board members agreed that the incumbent CEO, Mr. Yacob Ahmad be extended for another 2 years beginning from October 2012 until September 2014. The Chairperson added that the CEO will be invited to be a member of the Malaysian Ministry of Agriculture and Agro-based Industry Management meeting.

#### **3. Venue of Next Board of Trustees Meeting**

The Representative from Vietnam Dr. Trinh Khac Quang made an offer to host the next Board meeting in Ho Chi Minh City, Vietnam during the Southern fruit festival, which will be held during the 1st week of June 2013.

## agenda item 12

### CLOSING REMARKS BY CHAIRPERSON

In his closing remarks, Chairperson HE Dato' Mohd Hashim Abdullah thanked all the delegates for their contributions in this meeting. He expressed his confidence that with the level of strong commitments by the members, TFNet will continue to be relevant in developing the tropical and sub-tropical fruit industry globally.

He also congratulated the newly elected board members and hope they would continue to get engaged with the common agenda, ie improving the productivity and marketability of the tropical fruits. He encouraged the board members to assist TFNet secretariat to attract more members and propose projects that can generate income and more importantly to promote and secure a more respectable image for this organisation.

The government of Malaysia is very supportive of the efforts of TFNet and would assist in whatever ways that will strengthen the operation of the Secretariat.

He also thanked the President of Guangdong Academy of Agricultural Sciences, Dr. Yi Ganjun, the Director of Fruit Tree Research and his staff for their support and cooperation in hosting this meeting. .

He took the opportunity and invited the board members, observers and the TFNet secretariat to participate and visit Malaysia Agriculture, Horticulture and Agro tourism International show (MAHA International 2012) in Kuala Lumpur on 23rd November to 2nd December 2012.

Finally, he thanked TFNet Secretariat for successfully organising this meeting.





## **annexes**

# annex 1

## LIST OF DELEGATES AND OBSERVERS

1. **H. E. Dato' Mohd Hashim Abdullah**  
Representative of the Government of Malaysia  
Secretary General, Ministry of Agriculture and Agro-based Industry  
15th Floor, Tower 4G1, Precinct 4  
Federal Administrative Center  
62592 Putrajaya, Malaysia  
  
Tel: +603-88701014  
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Email: hashim@moa.gov.my
2. **Dr. Yi Ganjun**  
Representative of the Government of P.R China  
Vice President, Guangdong Academy of Agricultural Sciences  
Da Feng No. ST  
Wushan, Guangzhou 510640  
P.R. China  
  
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3. **Dr. Trinh Khac Quang**  
Representative of the Government of Vietnam  
Director, Fruit and Vegetable Research Institute  
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## PROVISIONAL AGENDA

<b>Thursday</b> <b>21 June 2012</b>		
8.30 am		Welcome address by President, Guangdong Academy of Agricultural Sciences
	Agenda Item 1:	Introduction and Opening address of Chairperson
	Agenda Item 2:	Adoption of Provisional Agenda
	Agenda Item 3:	Adoption Report of Board of Trustees Meeting -2011
	Agenda Item 4:	TFNet Progress Report (2009 – 2012)
		4.1: Projects and Activities 4.2: Finance and Administration
10.00 am	Tea break	TFNet action plan for 2012 – 2015
10.30 am	Agenda Item 5:	5.1: TFNet Network management (short and long term) 5.2: Appointment of Bureau officers in member countries 5.3: TFNet/ IICA collaboration 5.4: Triennial Budget
11.30 am	Agenda Item 6:	Discussion among country members on current issues
		Adoption of the proposed amendments to the TFNet Constitution
12.30pm	Agenda Item 7:	Other matters 7.1: Endorsement of New Members 7.2: Appointment of Internal Auditors 7.3: Appointment of Auditors for next three years 7.4: Venue for next GA
1.00 pm	Lunch Break	
2.00 pm	Agenda Item 8:	Election of Members of the Board of Trustees (2012-2015)
3.00 pm	Tea	
3.30 pm	Agenda Item 9:	Adoption of 5th General Assembly Report
	Agenda item 10:	Closing Remarks by Chairperson of GA
3.45 pm	Agenda Item 11:	Meeting of New Board Members (2012-2015) 11.1: Election of Board Chairperson 11.2: Extension of term of current CEO/Appointment of CEO 11.3: Venue of Next Board of Trustees meeting 11.4: Other matters
4.30 pm	Agenda Item 12:	Closing remarks by Chairperson

## PROGRESS REPORT (2009-2012)

### 1. Introduction

This report covers July 2009 to May 2012. Since the Strategy Plan Workshop in February 2009, TFNet has embarked on various activities to address the following key issues:

- a. Membership;
- b. Financial Sustainability;
- c. Corporate Communication;
- d. Product and Services; and
- e. Capacity Building.

The 2009–2011 plan identified 3 major thrusts:

- to increase membership, particularly country and institutional members;
- to be financially self-sustaining; and
- to promote TFNet as a capable International Organisation.

Membership grew by 26% from 119 in 2009 to 145 June 2012. The present membership composed of 12 Country Members, 15 Associate Members and 119 Ordinary Members. Country membership increased by 140% from 5 in 2009 to 12 in 2012.

TFNet continued its efforts to be financially self-sustaining by carrying out consultancy services and facilitating international workshops. The details of these projects are presented in this report.

Besides engaging with experts on tropical fruits, TFNet is gradually building itself as a credible international network by organizing conferences, symposiums, seminar and workshops and participating in activities organised by other institutions,

### 2. Activities of TFNet

#### 2.1. Seminars and Symposiums

TFNet was organized 1 international seminar and co-organized four others. Overall, an estimated 2000 participants from at least 15 countries participated in these conferences and seminars. The list of seminars and symposiums are summarized in Table 1.

**Table 1: List of conferences, seminars and symposiums from 2009 - 2011**

<b>Year</b>	<b>Title</b>	<b>No of participants</b>	<b>Countries</b>	<b>Presentations</b>
2009	International Seminar on Recent Developments in the Production, Postharvest Management and Trade of Minor Tropical Fruits Kuala Lumpur Malaysia (main organiser)	200	15	26 papers presented
2010	International Symposium on New Crops and Bio Resources Seremban, Malaysia (Co-organiser)	180	22	30 papers presented
2010	17th International Pineapple Symposium JohoreBahru, Malaysia (Co-organiser)	400	16	190 oral and poster presentations
2011	2nd International Symposium on Underutilised Plant Species Kuala Lumpur, Malaysia (Co-organiser)	160	15	25 papers presented
2012	5th International Symposium on Tropical and Subtropical Fruits Guangzhou, China (Co-organizer)	250	27	80 papers to be presented

## 2.2. Workshops

TFNet organised 5 workshops on 2009-2011. Two of the workshops were funded by CFC and FAO while the rest were jointly funded by the host government. A total of 300 participants from more than 20 countries participated in these workshops. The resource persons for these workshops were from member countries and other international organisations (Table 2).

The issues faced by tropical fruit smallholders and commercial growers include:

- a. Low income of smallholder fruit growers;
- b. Losses from poor postharvest handling;
- c. Market access;
- d. Lack of value-adding fruit processing;
- e. Consistent supply of the product;
- f. Conforming to SPS requirements of importing countries; and
- g. Pest and disease problems.

TFNet had tailored its workshops according to these issues that were prevalent in the region or country.

**Table 2: Workshops conducted in 2009 - 2012**

Year	Title	No. of Participants	Countries	Resource Persons	Outcome
2010	Increasing Competitiveness and Enhancing Market Access for Tropical Fruit through Quality Assurance and Value Chain Improvements in Asia Bandung, Indonesia	30	4 countries. (Indonesia, Fiji, Kampuchea, India)	Malaysia, Philippines, Thailand, Bangladesh TFNet	Participants were able to understand the weaknesses in the system and the workshop provided learning opportunities to improve further
2010	Agribusiness Roundtable on Small and Medium Agro-Processing Enterprise (SMAE) Development workshop- Kuala Lumpur, Malaysia (FAO funded)	20	11 countries (Malaysia, Bangladesh, China, India, Indonesia, Kampuchea, Laos, Philippines, Sri Lanka, Thailand, Vietnam)	FAO TFNet	Participants were able to share the knowledge and understand the shortcomings to improve the SMI enterprises in their own countries

2011	Workshop on Integrated Approaches in Banana Disease Management-Serdang, Malaysia	180	Malaysia	7 resource persons From China, Philippines, Indonesia, Malaysia	Participants were able to understand the gravity of the disease problem in Malaysia and the ways to move forward
2011	Enhancing Participation in the Value Chain and Establishing Links to the Market for Tropical Fruit Smallholders in Africa Lagos, Nigeria (CFC funded)	30	11 countries Nigeria, Togo, Burkina Faso, Ghana, Benin, Cote d'Ivoire, Ethiopia, Guinea-Bissau, Mozambique, Senegal, Gambia	7 resource persons FAO, ITC, CFC, IICA, IITA, ICIPE, TFNet	Identified the shortcoming in the value chain and proposed the way forward in the marketing of tropical fruits
2012	Increasing Income of Tropical Fruit Smallholders in Bangladesh through Quality Improvement, Post Harvest Management and Processing Bangladesh	40	3 countries Bangladesh, Sri Lanka, Pakistan	6 Resource persons: Malaysia, India, Bangladesh, TFNet	Identified the shortcoming in the value chain and proposed the way forward in the improvement of value chain of tropical fruits marketing

### 2.3. Study Visits

TFNet organized 2 study visits to agricultural and food processing centres in Thailand for the Malaysian Department of Agriculture from 7 to 11 December and 14 to 18 December 2009. Both the study visits were made possible with the assistance of the Foreign Agricultural Relations Division, Ministry of Agriculture and Cooperatives, Thailand.

### 3. Projects and Consultancies

TFNet secured 2 local consultancies on 2009-2012 (Table 3).

Table 3: Projects and Consultancies from 2009-2012.

Year	Title	Country	Status
2009	Implementation Plan for the Development of the Proposed ECER Integrated Pineapple Project in Pekan and Rompin, Pahang (2009)	Malaysia	Successfully completed in 2009
2010-2012	Business Strategy and Implementation Plan for the Establishment of Commercial Food Industry Plantations (CFIP) in ECER – 6000 ha of cassava and pineapple Funded by East Coast Economic Region Development Council (ECERDC), Malaysia.	Malaysia	Completion by end of 2012
2010	Organic Banana Production in China together Fruit Tree Research, Guangdong, China - Marketing component	China	Workshop planned for this year
2011	CFC project on citrus production (TFNet partial funding) (3 year)- 2013-2015	Indonesia, Laos	To be re proposed due to no commitment by Laos
2012	Rehabilitation of Mango Project has been proposed	Tanzania	Recent bid

### 4. Other Activities with TFNet involvement

#### i. TFNet Side Event, 8th December 2009, FAO, Rome

The side event was attended by 17 delegates, of which 8 were country representatives from Indonesia, Philippines, Oman and Malaysia. The other delegates were from the various divisions of the FAO.

The objective of the side event were:

- To explain TFNet core activities and member benefits to Country representatives and observers.
- To highlight the current scenario of the tropical fruit industry, especially in the areas of postharvest management; value chain efficiency; nutritional and health benefits; and the potential of underutilized and indigenous fruits for nutrition, health and livelihood of the rural community.
- To attract more countries and other organizations to become members of TFNet.

#### ii. 5th Session of the Intergovernmental Group (IGG) on Bananas and Tropical Fruits, 3 - 5 May 2011, Yaounde, Cameroon.

The 5th IGG session provided the forum:

- a. To notify the establishment of an African Tropical Fruit Network, which was discussed during the Workshop on Enhancing Participation in the Value Chain and Establishing Links to the Market for Tropical Fruit Smallholders in Africa in Lagos, Nigeria on 28-29 April 2011.
- b. To actively participate in the discussion on new projects being proposed and discussed on the 5th IGG session.
- c. Participation on the IGG's Proposed Projects for 2011-2013

TFNet agreed to participate in the working group on:

1. Information system on plantains
2. Surveillance and eradication of fruit fly on Banana

**iii. Workshop on Dissemination of Project " Diversification of Agriculture in Guatemala and Mexico (Chiapas) through the production and exports of fruits" and challenges and opportunities for smallholders integration in the international fruits value chain Cristobal de Las Casas, Mexico-17-19 November 2010 (CFC/FAO)**

TFNet was invited to present a paper on "Smallholders integration into the fruits value chain-Asia case studies" at the workshop. TFNet took the opportunity to discuss the establishment of the Latin American Tropical Fruit Network.

## **5. TFNet Website and information dissemination**

### **i. The TFNet Website**

Work on upgrading the website began in November 2009 with the objective of making it more accessible. Other changes include the main page format and to include articles on tropical fruits by TFNet members. In May 2012, the website format was amended to allow comments, improving interaction. An important feature of the website is the registration of experts who can be engaged as consultants for TFNet. Facebook and Twitter integration have been incorporated.

### **ii. Fruit Information Page**

Comprehensive technical information for 20 different tropical fruit types are available in the database. The list for major and minor fruit types have been completed and efforts are now focused to include more information on underutilized and rare fruits.

### **iii. Tropical Fruit Trade Directory**

TFNet Tropical Fruit TRADE Directory provides information on tropical fruit products. TFNet members and registered users of this website can promote and market their produce and products.

Efforts are being made to have a comprehensive list of major tropical fruit traders in the world. Member countries are expected to provide information for this section.

#### **iv. TFNetSTAT**

TFNetSTAT provides international tropical fruits statistics for all TFNet Members. The available data includes statistics on production, area, import, and export value. Users can query the data based on selection criteria and the result will be shown in both tabular form and graphical representation.

#### **v. E-newsletter**

E-newsletters are emailed to all members and others to promote TFNet. Members have been requested to provide information and news that can be published. Since November 2011, TFNet e-newsletters are circulated every 2 months

#### **vi. Expert / Resource person registration**

This feature was incorporated in the website to source for experts in the various fields. So far, 59 have registered.

### **6. TFNet Membership**

During the period (2010 - 2012), membership grew by 26% from 119 in 2009 to 145 on June 2012. The present membership comprises of 12 Country Members, 15 Associate Members and 119 Ordinary Members.

In addition, Sri Lanka indicated to join TFNet by end of 2012. Efforts are ongoing to invite Ethiopia, Myanmar, and Cuba.

Collaboration with The Inter-American Institute for Cooperation on Agriculture (IICA), which caters to the Caribbean region and Central America, will begin November 2012 to encourage membership and establish the Latin American Tropical Fruit Network.

The current membership status by category is as follows:

- i. Country Members : 12  
Australia, Bangladesh, China, Fiji, India, Indonesia, Malaysia, Nigeria, Philippines, Sudan, Syria and Vietnam (increase from 5 countries in 2009 to 12 in 2012)
- ii. Associate members : 15
- iii. Ordinary Members: 119 (from 96 in August 2009 to 119 in May 2012) , an increase of 23%).



## 7. Finance and Administration

### a. Audited Financial Report

The audited financial report is summarized in the Income and Expenditure Statement in Table 4. Figure 1 shows the trend of income and expenditure for the last three years.

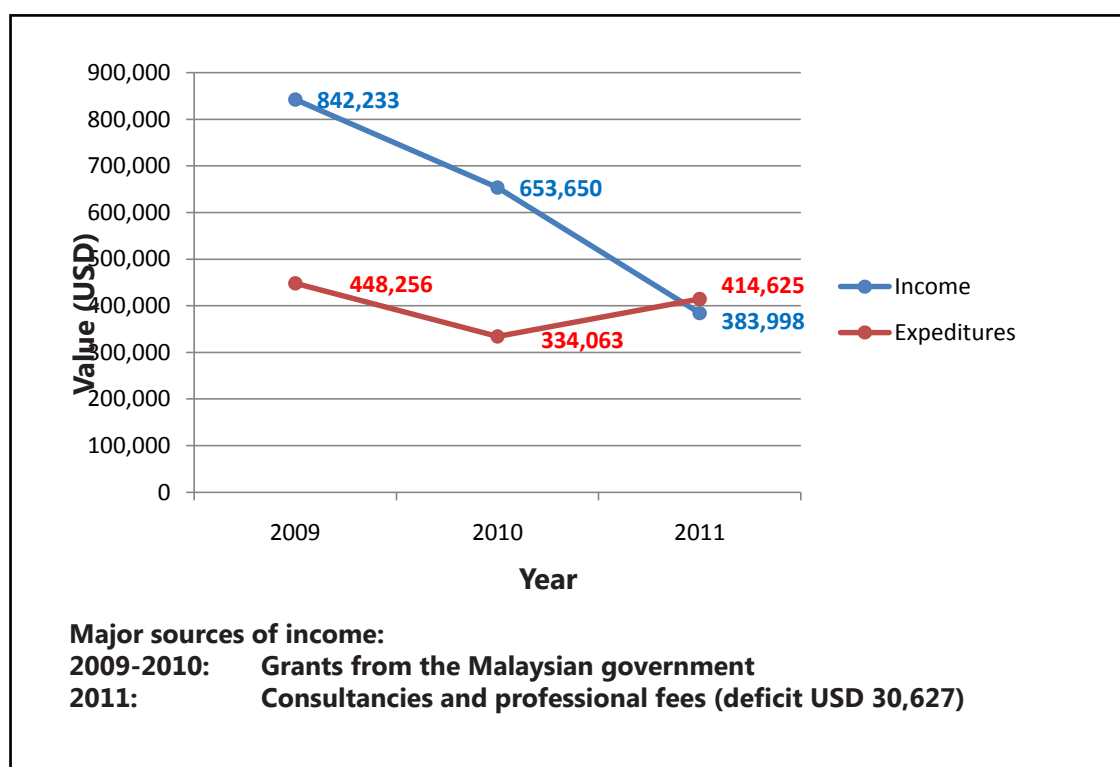
Table 4: Income and expenditure statement 2009 - 2011

<b>INCOME/ EXPENDITURE</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Income</b>			
Grant from Malaysian Government	619,177	337,323	44,935
Consultancy and professional fees	142,018	266,521	290,155
Gain on foreign exchange	4,647	-	720
Interest received and receivables	10,743	15,364	29,839
Membership and registration fees	20,338	24,448	10,410
Seminar and exhibition	45,123	9,995	7,719
Other income	187	-	221
<b>Total</b>	<b>842,233</b>	<b>653,650</b>	<b>383,998</b>
<b>Expenditure</b>			
Administrative cost	202,178	75,298	103,889
Advertising and promotion	-	194	1,071
Auditor's remuneration	1,290	1,613	1,742
Depreciation of property, plant & equipment	9,363	11,079	5,122
Staff costs	172,805	190,292	218,625
Workshop and seminar	8,311	3,705	27,196
Travelling and accommodation	54,308	46,143	55,931
Loss on foreign exchange	-	5,739	1,049
<b>Total</b>	<b>448,256</b>	<b>334,063</b>	<b>414,625</b>
	<b>393,977</b>	<b>319,587</b>	<b>(30,627)</b>

### Explanatory notes:

1. Major source of income in years 2009 and 2010 were from the grants received from the Malaysian Government where in year 2011 was from consultancy and professional fees.
2. Total income for year 2010 declined by 22% from total income received in year 2009. In 2010, total income is declined by 41% from year 2010. The declines were attributed mainly from the reduced grant received from the Malaysian government.
3. Administrative and staff costs were two major expenditures from year 2009 through year 2011. Increase in administrative costs in year 2009 was due to writing off bad debts amounting to USD 105,365.
4. Total expenditure was reduced by 25% in year 2010 from year 2009 but in year 2011 were increased by 24% from year 2010 due to workshop activities.

Figure 1. TFNet Income and Expenditure (2009-2011)



### b. Administration

#### Staff Strength

As at 20th June 2012, there are nine (9) TFNet employees, comprising the following:

1. Chief Executive Office
2. Technical officer
3. Project Officer (vacant)
4. Administrative/Financial Officer
5. Information Officer
6. IT Officer
7. Secretary
8. Driver
9. Casual Worker

# TFNet ACTION PLAN AND FUTURE DIRECTIONS FOR 2012 – 2015

## a. Membership

The Secretariat has made efforts via diplomatic channels, institutional approaches, and personal contacts to increase country membership. TFNet had also invited potential countries to participate as observers during the TFNet BOT meetings and other functions. TFNet expanded the ordinary members to include horticultural and fruit experts and fruit traders and exporters. The membership target for 2012-2015 is shown in Table 5.

**Table 5: TFNet Membership Target for 2012-2015**

<b>Membership category</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Country	14	18	22	25
Associate	15	18	22	25
Ordinary	119	140	160	200
Total	148	176	204	250

## b. Financial Sustainability

TFNet has embarked on writing new project proposals to various agencies and international organisations, both locally and internationally.

## c. Corporate Communication

TFNet, through the established linkages and network, has effectively communicated various entities and clients by providing with information through newsletters and websites on tropical fruits industry. The bi-monthly e-newsletter has been sent to more than 1000 readers all over the world.

Activities are regularly carried out at all functions both locally and internationally. These activities will continue to be pursued in coming years to further engage with the industry.

## d. Linkages with existing Regional Network

TFNet has engaged with CFC, ACMA, ICIPE, AARDO, Bioversity, Crop for the Future, CAB International, universities, International Mango Organization, and other international institutions. TFNet will continue to collaborate with more organizations for the benefit of stakeholders.

## e. Establishment of TFNet Regional Network

Establishment of regional networks is being pursued. In 2011, the TFNet - African Tropical Fruit Network was formalised. In November 2012, TFNet is planning to organise a Workshop in Central America (Costa Rica). During this event, the establishment of Latin American Tropical Fruit Network will be formalised.

#### d. Programs and Activities planned for 2012 – 2015

The programs are based on the objectives of TFNet to promote the production, processing, marketing, consumption, and trade of tropical fruits. Some of the activities shown below are multiple in their objectives. The activities planned are summarised in Table 6.

Table 6: Planned activities for 2012 – 2015

Objectives	Activity	2012	2013	2014	2015
Production	Workshop	4	1	2	1
	Symposium/seminar	3	1	2	-
	Project	1	1	1	1
Processing	Workshop	1	-	-	-
	Project	1	-	-	-
Marketing and Consumption	Workshop	1	-	1	-
Trade and Promotion	Participation in Trade fair	1	1	2	1

#### d.1. Capacity Building

Capacity building programs for 2012 to 2015 in the form of workshops and seminars are shown in Table 7.

Table 7: Workshops and seminars planned for (2012-2015)

	Particulars	Schedule
1	International Symposium on Post Harvest in Kuala Lumpur (co-organised with MARDI), Kuala Lumpur, Malaysia	June 25-28 2012
2	Workshop on value chain enhancement through processing of fruit and root crops in the Asia pacific – Suva, Fiji	September 2012
3	1st International Symposium on Jackfruit and other Moraceae Family in Bangladesh (co-organised) with Bangladesh Agriculture University	October 2012
4	Workshop on Fruit Fly Management and Enhancement of Tropical Fruit Value Chain and market Access in East Africa Region- Khartoum, Sudan	October 2012
5	Workshop on Information System to improve trade of Tropical Fruits in Central America-Costa Rica Jointly with Inter American Institute for Cooperation (IICA)	November 2012
6	Workshop on Enhancing the market Potential of Minor Tropical Fruits – Durian, rambutan, mangosteen for Asean member countries-Davao, Philippines	December 2012
7	Tropical Fruit Promotion during Malaysia Agriculture and Horticulture Exhibition (MAHA)	December 2012

8	5th International symposium for the Development of Integrated Pest Management for Sustainable Agriculture in Asia and Africa In Sabah, Malaysia (Co-organise with MARDI)	December 2012
9	Trade Promotion at International Trade Fair- Facilitate member countries to participate international trade fair	February 2013
10	Seminar on understanding Market Access issues and phytosanitary requirements of tropical fruits export. Forum with Importers and Exporters of tropical fruits and identify the issues and challenges –ASEAN Countries (during SOM AMAF) in Kuala Lumpur. (TFNet will also carry out promotion activities for new country membership)	September 2013
11	Workshop on Pests and disease management on selected Fruits that has potential for export in Malaysia	August 2013
12	Trade Promotion at International Trade Fair- Facilitate member countries to participate international trade fair	February 2014
13	International Seminar in Kuala Lumpur – Economics of Minor Tropical Fruits-Jointly with Crop For future (Asian and African Region) Product Promotion and Business Matching Activities	June 2014
14	Workshop on Supply Chain Improvement of Tropical Fruits in the South American Region-(joint collaboration Inter American Institute for Cooperation on Agriculture –IICA)	October 2014
15	International Seminar and Exposition of Malaysia fruits during MAHA 2015 in Kuala Lumpur	December 2014
16	Trade Promotion at International Trade Fair- Facilitate member countries to participate international trade fair	February 2015
17	Workshop on pest and disease management of selected Fruits that has potential for export in Malaysia	April 2015
18	Workshop on understanding Market Access issues and phytosanitary requirements of tropical and sub – tropical fruits export. For West Asian region- India	June 2015

#### d.2. Projects and Consultancies

- CFC-funded project on integrated management of citrus in enhancing quality assurance and improving income of smallholders in Asian countries (2013-2016)
- APEC project on improvement of post harvest handling among selected APEC country members (2013-2014)
- Project on minimizing pest and diseases incidence on tropical fruits as a result of climate change (2013-2015)
- Marketing of organic banana in Asia, in collaboration with China (2012)
- Trade promotions at fruit expositions (2013 onwards)

e. Proposed budget for 2012 – 2015

Table 8: Estimated budget for 2012 – 2015

	Items	Total (US (\$))			
		2012	2013	2014	2015
<b>A</b>	Income				
	Consultancy/Project	150,000	500,000	700,000	900,000
	Membership Registration fees	10,000	20,000	25,000	25,000
	Seminar and Exhibition	10,000	15,000	20,000	20,000
	Estimated total income	170,000	535,000	745,000	945,000
	Reserves / Country contributions/Donor	230,000	280,000	185,000	95,000
	Expected Total Income	400,000	815,000	930,000	1,040,000
	Expenditure				
<b>B</b>	Administrative Cost (Staff & office operation)	250,000	260,000	270,000	280,000
<b>C</b>	Program/Project				
1	Capacity Building (Symposium, Seminar/ Workshop)	80,000	60,000	50,000	50,000
2	Trade Promotion through Exhibition: Fruit Logistica, Hong Kong, Berlin and others	-	30,000	30,000	30,000
3	Projects Proposed (for member countries)	40,000	400,000	500,000	600,000
4	Promotion of TFNet organisation by participating in various international fora	-	15,000	20,000	20,000
5	Board of Trustee Meeting and General Assembly	30,000	30,000	30,000	30,000
6	Network coordinators / bureaus	20,000	30,000	30,000	
	Estimated Total Expenditure	400,000	815,000	930,000	1,040,000

f. Conclusion

TFNet membership has considerably grown in the last three years, especially in terms of country members. It has also successfully completed two projects, earning an income of more than US\$ 0.5 million. However, it is still insufficient and need the support and cooperation of TFNet members to increase and sustain the growth.

We encourage members to identify the challenges of the tropical fruit industry in their respective countries. This can help in the abstraction and conceptualization of future projects. TFNet is also willing to organize workshops and seminars to help alleviate these challenges. In turn, the income generated will not only sustain operations but also help strengthen the Network.

TFNet will continue to embark on strategic initiatives as a catalyst for promoting cooperation and information sharing among member countries through various platforms, organize capacity building programs, provide technical services and consultancies, and disseminate holistic information on tropical fruits.





Partners:

Adam Selamat bin Musa  
CA(M) CPA  
Mohd Ali bin Yusof @ Ismail  
CA(M)ATII(M)

## Independent auditors' report to the Board of Trustees of International Tropical Fruits Network (TFNet)

### Report on the Financial Statements

We have audited the financial statements of International Tropical Fruits Network (TFNet), which comprise the balance sheet as at 31 December 2011, and the income statement, statement of changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 20.

### *Boards' Responsibility for the Financial Statements*

The Board of the Organization are responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standard for Private Entities and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statement whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Organisation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# **Independent auditors' report to the Board of Trustees of International Tropical Fruits Network (TFNet)**

## *Opinion*

In our opinion the financial statements have been properly drawn up in accordance with Accounting Standard for Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Organisation as of 31 December 2011 and of its financial performance and cash flows for the year then ended.

## **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 1965, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Organisation have been properly kept in accordance with the provisions of the Act.

## **Other Matters**

The report is made solely to the members of the Organisation, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



ADAM & CO.

AF 1250

Chartered Accountants



ADAM SELAMAT BIN MUSA

2019/03/14(J)

Chartered Accountant

Bandar Baru Bangi

Date: **12 JUN 2012**



## International Tropical Fruits Network (TFNet)

### Statement by the Chairman

I, Dato' Che Mohd Hashim bin Abdullah, (I/C No.:541008-03-5307), being the Chairman of International Tropical Fruits Network (TFNet) to the Board of Trustee, state that in my opinion, the financial statements and notes set out on pages 6 to 20 are properly drawn up in accordance with the approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the state of affairs of the Organisation as at 31 December 2011 and of its results of operations for the year ended on that date; and
- (ii) cash flows of the Organisation for the year ended 31 December 2011



.....  
DATO' CHE MOHD HASHIM BIN ABDULLAH

Bandar Baru Bangi

Date: 12/6/2012

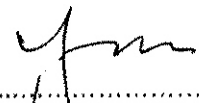
12 JUN 2012

## International Tropical Fruits Network (TFNet)

### Statement by the Secretariat

I, Yacob Bin Ahmad, (I/C No.:510424-01-5311), being the Chief Executive Officer of International Tropical Fruits Network (TFNet) and secretary to the Board of Trustee, state that in my opinion, the financial statements and notes set out on pages 6 to 20 are properly drawn up in accordance with the approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the state of affairs of the Organisation as at 31 December 2011 and of its results of operations for the year ended on that date; and
- (ii) cash flows of the Organisation for the year ended 31 December 2011

  
.....  
YACOB BIN AHMAD

Bandar Baru Bangi

Date: **1 2 JUN 2012**

## International Tropical Fruits Network (TFNet)

### Declaration by the officer primarily responsible for the financial management of International Tropical Fruits Network (TFNet)

I, Hariyatul Asni binti Abdul Rani, (I/C No.:710130-09-5092), being the officer primarily responsible for the financial management of International Tropical Fruits Network (TFNet), do solemnly and sincerely declare that the accompanying financial statements as set out on pages 6 to 20 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

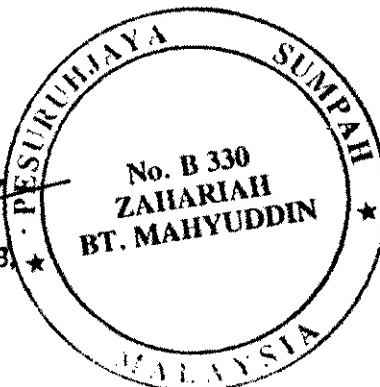
Subscribed and solemnly declared at  
Bandar Baru Bangi in the state of  
Selangor Darul Ehsan on **1 2 JUN 2012**

  
HARIYATUL ASNI BINTI ABDUL RANI

Before me:-

  
Commissioner for Oaths

31-1-1b, Tingkat 1, Jalan Medan PB 2B,  
Seksyen 9, 43650 Bandar Baru Bangi,  
Selangor Darul Ehsan.  
H/P: 016-371 8212



# International Tropical Fruits Network (TFNet)

## Balance sheet at 31 December 2011

	Note	2011 RM	2010 RM
<b>ASSETS</b>			
Property, plant and equipment	4	32,340	48,087
<b>Current assets</b>			
Other receivables	5	697,203	680,123
Fixed deposit		3,073,457	2,933,330
Cash in hand and at bank		429,120	663,086
		4,199,780	4,276,539
<b>Total Assets</b>		<u>4,232,120</u>	<u>4,324,626</u>
<b>EQUITY AND LIABILITIES</b>			
Accumulated surplus		4,223,120	4,318,064
		4,223,120	4,318,064
<b>Current Liabilities</b>			
Other payables and accruals		9,000	6,562
		9,000	6,562
<b>Total Equity and Liabilities</b>		<u>4,232,120</u>	<u>4,324,626</u>

The accompanying notes form an integral part of these financial statements.

# International Tropical Fruits Network (TFNet)

## Income and expenditure account for the year ended 31 December 2011

	Note	2011 RM	2010 RM
<b>OTHER INCOME</b>			
Grant		139,300	1,045,700
Consultancy and professional fees		899,479	826,214
Gain on foreign exchange		2,232	-
Interest received and receivables		92,500	47,627
Membership and registration fees		32,270	75,790
Seminar and exhibition		23,930	30,985
Discount received		684	-
		<u>1,190,395</u>	<u>2,026,316</u>
<b>EXPENDITURE</b>			
Administrative costs	6	322,057	233,424
Advertising and promotion	7	3,319	600
Auditors' remuneration	8	5,400	5,000
Depreciation of property, plant and equipment	9	15,877	34,346
Staff costs	10	677,739	589,905
Workshop and seminar	11	84,309	11,485
Travelling and accomodation	12	173,387	143,043
Loss on foreign exchange	13	3,251	17,792
		<u>1,285,339</u>	<u>1,035,595</u>
<b>(DEFISIT) / SURPLUS FOR THE YEAR</b>		<u><b>(94,944)</b></u>	<u><b>990,721</b></u>

The accompanying notes form an integral part of these financial statements.

## International Tropical Fruits Network (TFNet)

### Statement of changes in funds for the year ended 31 December 2011

	<b>Accumulated Surplus RM</b>
<b>Balance as at 31 December 2009</b>	3,653,973
Prior year adjustment	(326,630)
Surplus for the year	<u>990,721</u>
<b>Balance as at 31 December 2010</b>	4,318,064
Deficit for the year	<u>(94,944)</u>
<b>Balance as at 31 December 2011</b>	<u><b>4,223,120</b></u>

The accompanying notes form an integral part of these financial statements.

# International Tropical Fruits Network (TFNet)

## Cash flow statements for the year ended 31 December 2010

	Note	2011 RM	2010 RM
<b>Cash flows from operating activities</b>			
(Deficit) / Surplus of income over expenditure		(94,944)	990,721
Adjustment for:			
Depreciation		15,877	34,346
Interest receivables		(92,500)	(47,627)
		<u>          </u>	<u>          </u>
Operating (deficit) / surplus before working capital charges		(171,567)	977,440
Changes in working capital:			
Decrease in other receivables		(17,080)	(497,814)
Increase in other payables and accruals		2,438	2,367
		<u>          </u>	<u>          </u>
<b>Net cash generated from in operating activities</b>		<u>(186,209)</u>	<u>481,993</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(130)	(15,537)
Interest received		92,500	47,627
		<u>          </u>	<u>          </u>
<b>Net cash generated from investing activities</b>		<u>92,370</u>	<u>32,090</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		(93,839)	514,083
<b>Cash and cash equivalents bought forward</b>		<u>3,596,416</u>	<u>3,082,333</u>
<b>Cash and cash equivalents carried forward</b>		<u>3,502,577</u>	<u>3,596,416</u>
<b>Cash and cash equivalents:</b>			
Cash in hand		17,444	6,633
Cash at bank		411,676	656,453
Fixed deposits		3,073,457	2,933,330
		<u>          </u>	<u>          </u>
		<u>3,502,577</u>	<u>3,596,416</u>

The accompanying notes form an integral part of these financial statements.

# International Tropical Fruits Network (TFNet)

## Notes to the financial statements for the year ended 31 December 2010

### 1. Principal activities

International Tropical Fruits Network (TFNet) is an independent global network set up under the auspices of the Food and Agriculture Organisation (FAO) of the United Nations and was declared as an International Organisation on 23 January 2003 through the gazetting of the International Tropical Fruits Network (Privileges and Immunities) Regulations 2003. It is both inter-governmental and inter-institutional in nature and reports its activities to the subgroups on tropical fruits of the FAO inter-governmental group on bananas and on tropical fruits. TFNet act as a network to promote the production, processing, marketing, consumption and international trade of tropical fruits. The objectives of TFNet are:-

- a) to systematically collect, analyse, document and disseminate information on production, processing, marketing, consumption and international trade of tropical fruits to all members;
- b) to promote, coordinate and support conservation of germplasm, research and development and transfer of technologies in production and post-harvest handling including downstream processing for industrial use;
- c) to facilitate the expansion of international trade of tropical fruits;
- d) to enhance human resource development in the tropical fruits sector;
- e) to organise generic market promotion in collaboration with exporters and importers aimed at strengthening customer knowledge of the nutritional value of tropical fruits;
- f) to monitor and evaluate the impact of international and regional agreements on production, marketing, consumption and international trade of tropical fruits; and
- g) to facilitate technical and economical cooperation in the tropical fruits sector in pursuance of sustainable production, strengthening of domestic market, poverty eradication and food security.



# International Tropical Fruits Network (TFNet)

## 2. Basis of preparation

### 2.1 Compliance

The financial statements of the Company have been prepared in accordance with the provision of the International Tropical Fruits Network Regulations 2003 and Accounting Standards for Private Entities.

### 2.2 Presentation Currency

The currency expressed in the financial statements is in Ringgit Malaysia and the amounts are expressed in unit of Ringgit.

## 2. Financial risk management policies

The Organisation's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Organisation's businesses whilst managing its risks. The Organisation operates within clearly defined guidelines that are approved by the Board and the Organisation's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Organisation and the policy in respect of the major areas of treasury activity are set out as follows:

#### a. Foreign currency risk

The Organisation is exposed to foreign currency risk as a result of its normal trading activities, both external and intra-organisation where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Organisation's policy is to minimise the exposure of overseas operating to transaction risk by matching local currency income against local currency costs.

#### b. Liquidity and Cash Flow risks

The Organisation seeks to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Organisation's means to repay and refinance.

# International Tropical Fruits Network (TFNet)

## 3. Accounting policies

### 3.1 Basis of accounting

The financial statements of the Organisation have been prepared under the historical cost convention unless otherwise indicated.

### 3.2 Property, plant and equipment

Property, plant and equipment are initially stated at cost. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Depreciation is provided on the straight-line method in order to write off the cost of each asset to its residual value over its estimated useful life. The principal rates used are as follows:-

	%
Computer equipment	33
Furniture and fittings	20
Office equipment	10
Motor vehicle	20

Property, plant and equipment are written down to recoverable amounts if, the recoverable amounts are less than their carrying values. Recoverable amount is the higher of an asset's net selling price and its value in use.

### 3.3 Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off in the period in which they are identified. An allowance is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

### 3.4 Foreign currency transaction and balances

Transactions in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange approximating those prevailing at the transaction dates.

Monetary assets and liabilities in foreign currency at balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling on that date.

Exchange gains and losses are charged to the income statement.

# International Tropical Fruits Network (TFNet)

## 3. Accounting policies (cont'd)

### 3.5 Cash flow statement

The Organisation adopts the indirect method in the preparation of cash flow statement.

Cash and cash equivalents comprise cash at bank, in hand and fixed deposits.

### 3.6 Impairment of assets

The carrying amounts of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets (other than investments in subsidiaries, associates and jointly controlled entity) are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual asset, or if it is not possible, for the cash-generating unit.

An impairment loss is recognised as an expense in the income statement immediately, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

Any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. To the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

# International Tropical Fruits Network (TFNet)

## 3. Accounting policies (cont'd)

### 3.7 Payables

Payables are stated at cost which is the consideration to be paid in the future for goods and services rendered.

### 3.8 Employee benefits

#### Short Term Employee Benefits

Wages, salaries and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Organisation. Short term accumulating compensated absences such as paid annual leave are recognised when employees render services that increase their entitlement to future compensated absences. Non-accumulating compensated absences, such as sick and medical leaves are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlements that have accumulated at the balance sheet date.

#### Defined Contribution Plan

Contributions to the Employees Provident Fund scheme are recognised as an expense in the income statement in the period to which they relate.

### 3.9 Revenue recognition

- i. Grant received is recognised on receipt basis.
- ii. Members' annual subscriptions and registration fees, fixed deposit interest and income from seminars, exhibitions and other activities are recognised on accrual basis.

### 3.10 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, fixed deposits, receivables and payables. The recognition methods adopted are disclosed in the respective accounting policy statements.

### 3.11 Government grants

Grants in recognition of specific expenses are taken to income over the period necessary to match them with related cost they are intended to compensate.

# International Tropical Fruits Network (TFNet)

## 4. Property, plant and equipment

	Computer equipment	Furniture and fittings	Office equipment	Motor vehicle	Total
	RM	RM	RM	RM	RM
<b>Cost</b>					
Opening balance	176,251	43,842	85,418	77,474	382,985
Additions	130	-	-	-	130
Closing balance	176,381	43,842	85,418	77,474	383,115
<b>Accumulated depreciation</b>					
Opening balance	159,634	39,089	58,702	77,473	334,898
Charge for the year	2,583	4,752	8,542	-	15,877
Closing balance	162,217	43,841	67,244	77,473	350,775
<b>Net book value</b>					
At 31 December 2011	14,164	1	18,174	1	32,340
At 31 December 2010	16,617	4,753	26,716	1	48,087

Analysed as follows:-

	2011 RM	2010 RM
<b>At cost</b>		
Computer equipment	176,381	176,251
Furniture and fitting	43,842	43,842
Office equipment	85,418	85,418
Motor vehicle	77,474	77,474
	<u>383,115</u>	<u>382,985</u>

## International Tropical Fruits Network (TFNet)

### 5. Other receivables

	2011 RM	2010 RM
Membership fees in arrears	120,759	102,431
Workshop and consultancy fees	576,444	577,692
	<u>697,203</u>	<u>680,123</u>

### 6. Administrative costs

	2011 RM	2010 RM
Bank charges	352	731
Books	704	314
Car maintenance	2,951	3,616
Computer maintenance	3,741	2,038
Consumables	2,628	2,042
Consultant fee	118,650	78,890
Daily allowance	60,456	34,917
Domain name charges	250	-
Entertainment	1,092	-
Food and refreshments	11,323	6,725
Honorarium	2,440	2,268
Insurance premium	15,841	5,313
Interpretation	4,484	-
Maintenance charges	-	350
Meal allowance	73	3,223
Meeting package	34,830	6,206
Miscellaneous expenses	5,527	9,152
Office maintenance	900	16,660
Pasport renewal and visa	1,918	1,083
	<u>268,160</u>	<u>173,528</u>
Balance carried forward		

## International Tropical Fruits Network (TFNet)

### 6. Administrative costs (cont'd)

	<b>2011 RM</b>	<b>2010 RM</b>
Balance brought forward	268,160	173,528
Petrol, parking and toll	5,295	5,529
Postage and courier	981	1,903
Printing and stationery	15,239	20,593
Rental	630	120
Registration and seminar fees	-	5,050
Service charge	600	2,430
Service tax	250	180
Stamp duty	25	300
Sundry accounts	2,587	2,711
Translation	920	-
Transportations	3,288	1,895
Telephone and fax	8,137	6,685
Tips	107	-
Wages	7,703	7,200
Web page package	8,135	5,300
	<b>322,057</b>	<b>233,424</b>

### 7. Advertising and promotion

	<b>2011 RM</b>	<b>2010 RM</b>
Souvenir	3,319	600

### 8. Auditors' remuneration

	<b>2011 RM</b>	<b>2010 RM</b>
Current year	5,400	5,000

## International Tropical Fruits Network (TFNet)

### 9. Depreciation of property, plant and equipment

	2011 RM	2010 RM
Current year	<u>15,877</u>	<u>34,346</u>

### 10. Staff costs

	2011 RM	2010 RM
Entertainment allowances	36,000	36,000
EPF	51,112	52,840
Incentives	44,646	-
Medical fee	4,657	2,469
Overtime claim	571	1,727
Pension	13,280	8,854
Salaries and wages	506,047	468,249
Special allowance	19,323	17,697
SOCOSO	<u>2,103</u>	<u>2,069</u>
	<u>677,739</u>	<u>589,905</u>
	.	
Number of employees at the end of the year	<u>8</u>	<u>8</u>



## International Tropical Fruits Network (TFNet)

### 11. Workshop and seminar

	2011 RM	2010 RM
Seminar package	<u>84,309</u>	<u>11,485</u>

### 12. Travelling and accommodation

	2011 RM	2010 RM
Accommodation	11,770	48,806
Airplane tickets	159,031	85,009
Airport tax	784	400
Mileage claims	708	3,494
Parking and toll	-	1,570
Taxi fares	1,064	3,504
Train tickets	<u>30</u>	<u>260</u>
	<u>173,387</u>	<u>143,043</u>

### 13. Finance cost

	2011 RM	2010 RM
Current year	<u>3,251</u>	<u>17,792</u>

# International Tropical Fruits Network (TFNet)

## 14. Financial instruments

### 14.1 Interest rate risk

The risk will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on classes of financial assets are as follows:

<u>2011</u> <u>Financial assets</u>	<u>Less than</u> <u>1 year</u> <u>RM</u>	<u>1 to 5</u> <u>years</u> <u>RM</u>	<u>More than</u> <u>5 years</u> <u>RM</u>	<u>Total</u> <u>RM</u>	<u>Effective</u> <u>interest</u> <u>rate during</u> <u>the year</u> <u>%</u>
Bank balances	437,845	-	-	437,845	1.00 - 2.00
Fixed deposits with licensed banks	3,073,457	-	-	3,073,457	40 : 60
<u>2010</u> <u>Financial assets</u>					
Bank balances	685,071	-	-	685,071	1.00 - 2.00
Fixed deposits with licensed banks	2,913,732	-	-	2,913,732	40 : 60

### 14.2 Credit Risk

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet.

The Organisation has no significant concentration of credit risk with any single counterparty. In respect of investments in cash and hedging transactions, the policy is to transact with financial institutions that have at least a short term counterparty rate.

At 31 December 2011, the Organisation has no significant credit risk associated with its exposure to potential counterparty for failure to settle outstanding foreign currency and interest rate hedge transactions.

### 14.3 Fair Values

The carrying amounts of the financial assets approximate their fair values due to the relatively short term maturity.





**TFNet**

*Linking People, Technology, and Market*

[www.itfnet.org](http://www.itfnet.org)