



**FAO Sub-regional Office for the Pacific Islands
(SAPA)**

Report of the

**FAO Regional Workshop on
Improved Agricultural Marketing**

Apia, Samoa, 13-16 April, 1999

**Food and Agriculture Organization of the United Nations
Apia, Samoa, September 1999**

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Preface

The issue of improved marketing of agriculture produce and market development is nothing new for the South Pacific Island Region. For decades, agricultural sector planners, heads of agricultural departments and experts of technical support agencies have searched for ways and means to overcome marketing constraints and support the development of sustainable domestic and export market opportunities. Success stories and failures have been reported. This workshop, however, provided the first forum in which the topic of agricultural marketing was addressed in a comprehensive way in the region. The workshop proved very timely as workshop participants felt that agricultural marketing was of increasing importance for agricultural development, as well as food security, in the Pacific Islands.

As a first step towards addressing the topic of agricultural marketing, FAO commissioned a series of country papers of the seven FAO member countries in the sub-region, to look into preconditions for sustainable success for both domestic and export marketing of agriculture products. The analysis of the country papers formed the basis for the workshop. During the workshop three major topic areas were covered. It was discussed how to **overcome constraints to efficient marketing** by focusing more attention on the provision of marketing extension services, timely market information and adequate market infrastructure. The **requirements for export market development** were reviewed with regard to quarantine, effective post-harvest handling, and the opportunities and threats Pacific Island States are facing on international markets. An effort was made not only to focus on marketing issues but also to be aware of the supply capacity of the agricultural sector. Therefore, how to promote the development of **sustainable market-oriented production systems**, by way of overcoming socio-economic constraints and furthering production skills and capacity building, was also discussed.

The workshop brought together the authors of country papers and case studies, senior officers from marketing related units of ministries of agriculture and/or trade and commerce, private sector representatives and representatives of regional organisations and institutes. The workshop's Recommendations on how to improve agricultural marketing in the Pacific reflect this broad perspective by giving pragmatic and practical solutions to the challenges presented.

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Acknowledgements

The assistance and collaboration of the Forum Secretariat is gratefully acknowledged. The Forum sponsored ten participants and was represented by its Trade Commissioners from Auckland and Sydney as well as the Suva-based Marketing and Trade Officer. Furthermore, the European Union funded three participants, the Secretariat of the Pacific Community was represented by their Regional Marketing Officer. Two lecturers of the USP School of Agriculture, Alafua Campus, Samoa, attended as observers. Finally, the initiative taken by private sector representatives and marketing consultants to attend at their own expense is acknowledged.

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Recommendations

The Workshop reviewed in depth issues relating to both the domestic and export marketing of agricultural products. The following recommendations are addressed both to policy-makers, donors and technical assistance agencies and to those involved in agricultural marketing. Participants particularly requested that these Recommendations be brought to the attention of the Conference of Ministers of Agriculture, to be held in Nuku'alofa on 26-27 April, 1999.

1. Farmers are becoming more market oriented in supplying domestic markets for roots and tubers, horticultural produce and other foods. However, it was widely recognised that production remains a major constraint. Supplies are inadequate, prices are high and production tends to be seasonal. Government and non-governmental agencies could assist farmers to increase the supply of local produce for domestic markets and the increasingly important tourism market in a number of ways:

- by making available the necessary technical knowledge regarding existing and new crop production and out-of-season cultivation;
- by encouraging the private sector to stock the right varieties of seeds, planting material and other supplies;
- by improving extension in production, post-harvest handling and marketing;
- by working directly with commercial farmers, traders and others to promote improved farming techniques.

2. It is important, however, that governments and others remain fully aware of the social, cultural and nutritional constraints to a greater market orientation, and bear these in mind when planning production and marketing development activities. It is also important that governments ensure a realistic allocation of resources between domestic and export production support, giving prime emphasis to food crop production and the food security needs of the Pacific Island Countries.

3. Good quality market infrastructure can play an important role in promoting efficient marketing of domestically produced crops, and markets can often act as focal points for local communities. Governments and, more importantly, municipalities, need to be aware of this and ensure that urban and rural markets are adequate and planned in association with the market users and that revenue raised from market fees is reinvested into market development and improvement. The upgrading of transport infrastructure is also vital. It is recommended that governments seriously re-examine the merits of subsidising export producers during periods of low world prices and compare the impact of such subsidies with the alternative of spending the available

funds on infrastructure and other developments. The Workshop stressed the need for the countries themselves to take the lead in improving infrastructure.

4. The benefits of providing farmers with timely market information are considerable. The Workshop encouraged PIC countries to provide farmers with market information, both regarding domestic and export markets. It recommended that information provided should cover matters such as price, supply, demand, production prospects and economic returns. The need to ensure effective dissemination was stressed, and radio was considered the best means for this. Moreover, it is not just sufficient to provide information but farmers, through extension services and other channels, must be assisted to interpret that information in order to make informed marketing and planting decisions.

5. The Workshop considered training in marketing at all levels to be essential. It requested FAO, and relevant regional agencies to provide training support for farmers, traders, extension workers, market managers and exporters in areas such as post-harvest handling, pest and disease management and business management.

6. The Workshop considered marketing to be a legitimate extension function and recommended relevant government extension services to establish marketing extension units. At the same time, it felt that new approaches to extension needed to be explored, such as the provision of extension by industry organisations and by the private sector.

7. The Workshop stressed the need for improved communication between those involved in marketing and governments in order to facilitate a greater partnership between government and the private sector. The development of farmers', traders' and exporters' associations was highly recommended.

8. Greater co-operation on export marketing is desirable, both within countries and between countries. Initially, it is vital that all outstanding quarantine issues be resolved and it was considered that this should be approached on a regional basis, under the umbrella of relevant regional agencies. In the long run, there may be scope for collaboration between countries to supply the major export markets.

9. The Workshop pointed out that export markets for agricultural produce are growing increasingly competitive. To ensure that the South Pacific survives in this competitive environment governments are recommended to:

- make efforts to improve the quality of agricultural produce exported from the region, both for traditional and non-traditional export crops, through improved extension, industry regulation, primary processing support and export inspection;
- separate their quarantine organisations from their quality-control organisations;
- ensure that crops recommended for development or expansion can conveniently fit into the cultural and farming systems of their countries;

- ensure that farmers and traders are fully aware of the requirements of the markets in terms of quality, quantity, continuity, packaging, labelling, etc.
- ensure that they are able to make available support services such as plant protection and, in the case of organic farming, facilitate necessary certification;
- rapidly establish Bilateral Quarantine Agreements with relevant countries;
- in association with relevant regional agencies, develop updated lists of pests and diseases for each country;
- promote the acceptance by other countries of the “non-host” quarantine protocols of the type agreed with New Zealand
- allocate resources to the development of domestic skills in areas such as pathology;
- in association with relevant agencies further explore the possibilities for production for niche and off-season markets;
- facilitate improved coordination between relevant ministries;
- improve technical knowledge of handling, shipping temperatures, etc.

Finally, the Workshop noted that this was the first occasion in which the topic of agricultural marketing had been discussed in a comprehensive way in the region, and felt that this was a reflection of the increasing importance which is now being given to the development of market-oriented agriculture and a recognition of the importance of agricultural marketing for food security. The Workshop stressed the need for follow-up activities, both by the individual participants and by regional and international agencies and donors. Where possible, regional programmes to address the above recommendations should be encouraged, although it was recognised that the considerable diversity of agriculture within the region meant that problems would also have to be addressed on a national level.

FAO-Subregional Office for the Pacific Islands (SAPA)
Report of
Regional Workshop on Improved Agricultural Marketing, Apia, Samoa, 13-16 April, 1999

Table of Contents

	Page
Preface.....	I
.	ii
Acknowledgement.....	iii
.	vi
Recommendations	
Table of Contents	
1. OFFICIAL OPENING	1
2. WORKSHOP SESSIONS	
2.1 Regional overview and country presentations	2
2.1.1 Agricultural marketing in the South Pacific – the situation – <i>Andrew Shepherd</i>	4
2.1.2 Papua New Guinea – <i>George Gorogo</i>	5
.....	6
2.1.3 Solomon Islands – <i>Henry Kapu</i>	7
.....	9
2.1.4 Vanuatu – <i>Peter Napwatt</i>	11
.....	12
2.1.5 Fiji Islands – <i>Banuve Kaumaitotoya</i>	14
.....	15
2.1.6 Samoa – <i>Frank Fong</i>	
2.1.7 Kingdom of Tonga – <i>Finau Pole</i>	16
.....	17
2.1.8 Cook Islands – <i>Nga Mataio</i>	
.....	20
2.1.9 Federated States of Micronesia – <i>Adelino S. Lorenz</i>	
2.1.10 Kiribati – <i>Ritia Kamuti</i>	23
.....	28
2.2 Invited papers	
2.2.1 Production and marketing linkages – <i>Richard Cook/Pousima Afeaki</i>	28
2.2.2 Requirements of fresh produce importers – <i>Clive Wickham</i>	
2.2.3 Marketing and marketing requirements for domestic and export marketing – <i>Parmesh Chand/Aivu Tauvasa</i>	32
2.2.4 WTO: SPS and TBT Agreements – Implications for international trade of food products – <i>Annamaria Bruno</i>	34
.....	36
2.2.5 Importance of post-harvest handling, packaging and transportation – <i>Edgar Cocker</i>	38
2.2.6 Farming systems in the Pacific – Linkages for successful marketing – <i>Andrew McGregor</i>	
2.2.7 Entrepreneurial gaps which impact international marketing from the Pacific Islands Countries - <i>Rosemary Taufatofua</i>	
3. WORKING GROUPS	
3.1 Overcoming constraints to efficient domestic marketing	
3.2 Requirements for export market development	
3.3 Sustainable market-oriented production systems	

ANNEXES

1.	Official Opening – <i>Hon. Mafasolia Papu Va'ai, Minister for Agriculture, Forestry, Fisheries and Metereology, Samoa</i>	42
2.	Welcome Address – <i>Dr. ViliA. Fuavao, FAO Sub-regional Representative for the Pacific Islands</i>	44
	47
3.	List of Participants	51
	52
4.	Group Photo	
	
5.	Workshop Pogramme	

1. Official Opening

Following the opening prayer given by Rev. Masunu Taito Utumapu, the workshop was officially opened by the Hon. Mafasolia Papu Va'ai, Minister for Agriculture of Samoa. The Minister highlighted the importance for Pacific Island countries to improve domestic and export marketing and processing in order to ensure maximum returns to farmers. He informed the workshop that a respective Plan of Action was supported and is documented in a draft Ministerial Declaration prepared during the FAO Ministerial Conference on Agriculture in Small Island Developing States (SIDS), held in Rome in March 1999. The full text of the opening speech can be found in Annex 1.

On behalf of the Director-General of FAO, Dr Jacques Diouf, the FAO Sub-Regional Representative for Pacific Islands, Dr. Vili A. Fuavao welcomed the participants. Dr. Fuavao expressed his appreciation to the Forum Secretariat for co-financing this workshop as well as to all of the participants attending at their own or their organisations expenses. The welcome address can be found in Annex 2.

2. Workshop Sessions

Following papers describing the existing situation with regard to marketing in the South Pacific, more topic specific papers looked into the various aspects related to marketing were used as basis for plenary discussions and later as input for the working group sessions.

2.1 Regional Overview and Country Presentations

The technical sessions started with an overview about agricultural marketing in the South Pacific followed by country statements.

2.1.1 Agricultural Marketing in the South Pacific – the Situation¹

The technical sessions of the Workshop began with a presentation by Mr. Andrew Shepherd, of FAO's Marketing and Rural Finance Service, Rome.

Mr. Shepherd's presentation aimed to synthesise individual country reports from the seven FAO Member Countries in the South Pacific, i.e. Cook Islands, Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu as well as other studies, including those prepared in connection with various FAO projects in the region.

FAO's main concern in the field of agricultural marketing² is to promote improved *domestic* marketing as well as the marketing of export crops up to the point of export, and to a certain extent this presentation reflected that preoccupation. However, it was recognised that the small size of most island economies means that farmers wishing to expand production and increase their incomes look mainly to the possibility of expanding exports. In most, if not all, countries the value of agricultural production for export far exceeds that of produce sold on the domestic market, although it does not, of course, exceed the value of produce consumed domestically as subsistence production remains very important in the region.

While there are significant differences in the pattern of agricultural production in the seven countries, from a marketing standpoint the similarities are perhaps more important than the differences. Firstly, and obviously, the countries are made up of islands. Most of those which are inhabited have relatively small populations, which means that the difficulties associated with sea transport are compounded by the small quantities of produce which the islands have to sell and the small quantities of goods they can afford to buy. Some islands in the Solomons and Cooks, for example, are serviced by boat monthly, or even less frequently. This obviously has implications for the types of crop, which can be grown for sale. Several countries continue to subsidise a limited number of shipping services, without which subsidies many islands would receive no or only infrequent visits.

¹ Extracted from: Shepherd, A.W. (1999): Agricultural Marketing in the South Pacific, SAPA Publication 1/1999. FAO Sub-Regional Office for the Pacific, Apia, Samoa.

² <http://www.fao.org/waicent/faoinfo/agricult/ags/agsm/marketin.htm>

Even the larger and more populated islands experience communications difficulties. For example, bulky produce grown in the Highlands of Papua New Guinea has generally to be shipped from Lae to Port Moresby. There is no road and air freight is very expensive.

The domestic demand for agricultural produce in the seven countries is relatively small. While some markets for fresh vegetables and/or traditional produce are presently under supplied, this is mainly due to the abnormal climate (El Nino) or to disease (e.g. Taro Leaf Blight). In general, farmers should be able to satisfy domestic demand and the present food shortages cannot be considered in any way “structural”. The relatively limited demand is a major problem for farmers seeking to increase production and this is exacerbated by high marketing costs and by poor infrastructure, which causes significant post-harvest losses. Lack of domestic demand is also one reason why few agricultural processing ventures targeted at domestic markets have been sustainable. The demand has been insufficient to permit necessary economies of scale.

While export markets do, of course, offer greater potential than the limited domestic markets, supplying them is not without problems. Prices can fluctuate considerably and in the past decade have been largely disappointing. For the main commodities, accumulating sufficient quantities at individual export ports can cause difficulties. International vessels will only be prepared to visit a very limited number of ports and will require reasonable quantities to be available for shipment. Transferring smallholder production of, say, copra and cocoa to such export ports can involve costly local shipping. In the case of horticultural exports, production is generally much less dispersed and mainly concentrated close to international ports and airports. These crops, however, face other problems, including the relatively small size of the New Zealand market, which has to date been the main recipient of produce from the South Pacific, difficulties in providing a continuous supply of reliable quality, quarantine requirements in all major markets and, increasingly, competition from outside the Pacific Islands.

Many of these problems have been around for half a century or more, and are not easily overcome. It is clear that there are few magical solutions. That is not to say that nothing can be done and, hopefully, the Workshop would be able to identify activities which could be carried out to reduce the problems caused by isolation, climate, limited markets and cost and frequency of transport.

2.1.2 Papua New Guinea

The country statement for Papua New Guinea was presented by George Gorogo, Manager, Fresh Produce Development Company based in part on the country marketing profile written by Stephen Rambe.

Government policies pertinent to the development of domestic and international trade have a significant impact on the marketing system, especially with its vulnerable status

in being a price taker for all its agricultural products. Expansion for the domestic market through downstream processing has always been limited by the small size of the domestic market while the higher cost structures hinder the opportunity of enhancing international competitiveness.

Papua New Guinea has naturally fertile soils and large tracts of land capable of attaining economics of scale in the production process. Nearly 60 percent or more of agriculture production, except palm oil, comes from the smallholder sub-sector, using less purchased inputs such as inorganic fertilisers.

Major problems hampering the progress in agriculture development and marketing vary, with the salient issues being the following; poor extension delivery systems, insufficiently skilled agriculture workers, inadequate marketing services, poor infrastructure support systems, high transport costs, inadequate technology research, low private-sector investment and persistently declining world commodity prices.

As a strategy to address the various problems, the government introduced a Structural Adjustment Program and Institutional Reforms where each major industry is now governed by quasi-government bodies known as industry boards, corporations and industry marketing boards. The policy also places resource burdens on sectors capable of managing their respective affairs more efficiently than central government.

Agricultural marketing is in the hands of the private sector, except for the coconut industry, where the Copra Marketing Board is responsible for the entire domestic purchase and sales. The Board more or less could be regarded as a monopoly trader or monopsonist in its trade practices to date. Most other industry boards are involved primarily in policy and regulatory functions to ensure industry affairs are managed to safeguard their domestic and international trade obligations.

Mr Gorogo described in some depth the marketing of staples, fruits and vegetables from the Highlands of Papua New Guinea to Lae, Port Moresby and the islands. Constraints include poor post-harvest handling, non-availability of refrigerated containers on the Highlands Highway, and poor consolidation facilities at Lae harbour. In particular, the failure of the horticultural marketing business to attract traders with a long-term commitment was a cause of concern.

Future focus on agriculture development is industry diversification, especially developing the largely subsistence sector to semi-subsistence or fully fledged commercial entities. Downstream processing remains high on the government's list of priorities, essentially aiming at broadening the production and income generation base of the economy in the medium-to-long term. One of the impacting issues under this strategy is the country's inability to comply with its international obligations under the World Trade Organization. Papua New Guinea requires significant support in strengthening its institutions to meet the new international trade environment.

2.1.3 Solomon Islands

Henry Kapu, Marketing Officer, Ministry of Agriculture, who also wrote the country marketing profile, presented the country statement for the Solomon Islands.

The agricultural sector, which employs more than 90% of the population formally or informally, is still undergoing changes both in production and marketing technologies. Supplying affordable foodstuffs for both the urban and rural population is a great challenge for the government and its people, especially the farming sector. The slow growth in the local economy, coupled with the effects from the Asian economic melt down, has created socio-economic problems such as high unemployment in both rural and urban centres. There is a high inflation rate which makes imported food items more expensive and unaffordable by low income earners.

In spite of government efforts to help local farmers produce more beef, pork, chicken, copra, cocoa, spices, etc. Solomon Islands still imports substantial amounts of foodstuffs. The smallholder farming sector does have the potential to provide the growing population with employment opportunities, food supplies and so on; but for farmers to produce more, they need a secure source of income from the marketing of any excess production. Copra, cocoa and spices have a set marketing network organised by the Commodities Export and Marketing Authority. Other minor crops and livestock products from smallholders are left unattended in terms of official marketing arrangements.

Presently marketing has been limited by:

- lack of storage facilities and freezers at collection points
- unreliable inter-island shipping and road transport
- lack of market information
- lack of co-operation and trust between smallholders and transport owners resulting in high marketing costs
- lack of technical and management assistance
- lack of credit facilities to emerging private marketing agents or small-scale processors

It should also be noted that all these constraints are inter-related and in most cases reflect a lack of confidence due to the high risk aversion to investment in the marketing system. A stepwise approach has to be adopted to overcome these constraints in the domestic marketing systems, with the aim of improving market infrastructures and market information systems.

2.1.4 Vanuatu

The country statement as well as the country marketing profile for Vanuatu were presented by Peter Napwatt, Marketing Officer, Department of Agriculture.

The socio-economic situation of Vanuatu is heavily dependent on the agricultural status of the country. The country currently does not exploit any form of mineral resources for its foreign exchange, and the key investments lie within the tourism and agricultural sectors. Large company-operated estates and plantations owned by expatriates usually experience a monthly turnover that is higher than the smallholder sector. Nevertheless the smallholder sector will remain the mainstay of Vanuatu's agriculture.

Vanuatu has a wide range of farming systems, the main ones being based on the main root crops like yam and taro and on cash crops such as coconut and cocoa. The subsistence agriculture sector, under which more than 80% of Vanuatu's farmers fall, is very diverse. The focus is mainly on family consumption but surplus comes into the urban markets for cash income. Consumption patterns have changed and farmers have had to increase the size of their farmed land in order to produce more for the market. Experiences from Vila and Santo markets show that farmers are earning more from short - term vegetable crops when they are in season. Cash crops like coconut, cocoa and coffee are still the major income earners for the majority of the households. Kava has recently been included to the list of major cash crops and currently is the most lucrative one. Cattle and other smaller livestock when sold help to contribute to the family's income from time to time. There is a significant plantation-based meat export industry.

Regular vendors at the local markets do have some knowledge about market opportunities especially in Vila and Santo. In the other islands this knowledge is somewhat limited. Relatives living in the urban areas sell produce sent from the outer islands. An FAO market improvement project has been set up to facilitate information transfer for marketing agricultural produce. In a series of Workshops, extension staff has been taught how to give out appropriate market information to farmers to enable them to make use of marketing opportunities. Making price information accessible to farmers via radio broadcasts will be a big breakthrough. A fifteen minutes weekly program will be aired on Saturday evenings to inform farmers about general market conditions and especially prices of selected food items.

Improvement of infrastructure is another component that the project is looking into. Preliminary studies have already been carried out in some selected areas around the country where no organised market facilities are present. From the outer islands irregularity of shipping services and high freight costs are obstacles to exploit urban fresh produce market opportunities. On the export market, Vanuatu Commodities Marketing Board (VCMB) has been successful in maintaining its markets for copra and cocoa. Subsidies have in the past been provided to enable farmers to keep production going when world market prices fell. Kava exports emerged recently as a

very lucrative commodity and VCMB issues licenses to agents to market the commodity to all export markets.

The market improvement project is already making some impact on farmers' attitude towards presentation and condition of produce to be sold for the market. Farmers must learn to compete in a free market environment which is why lifting some of the current market restrictions regarding who can sell and when is relevant.

An extension to the existing Port Vila market has been planned and finance for the construction is coming from the 'Caisse Central de Développement'. Specifically designed sections of the building should be considered and fitted with appropriate equipment and accessories for cooked food and fresh marine food like fish and other crustaceans. A requirement that has been overlooked is the need to collect vendors' views regarding market facilities and make decisions based on those findings. Shipment of produce from the outer islands will have to be improved to give farmers chances to exploit urban market opportunities. Regularity of shipping schedules must be enforced through the Vanuatu Shipping Association. The producers organisations and the market improvement projects could assist in negotiating a favourable freight arrangement for agricultural produce.

The market news service will attempt to inform farmers about prices of selected produce and general information about market conditions. Farmers in the outer islands will also benefit if they have the capacity to exploit existing opportunities in the urban fresh produce markets of Vila and Santo. The Melanesian Co-operative Savings and Loans Society currently sponsors the Market news service. The management of Radio Vanuatu has so far looked favourably at the development needs this project is designed to promote. Air time costs for the program has been reduced considerably and if that spirit can be maintained information disseminated will continue to benefit targeted group.

2.1.5 Fiji Islands

The country statement for Fiji Islands was presented by Ms Banuve Kaumaitotya, Head of AgTrade, Ministry of Agriculture, Fisheries and Forest, who had also prepared the country marketing profile.

The problems of marketing agricultural, fisheries and livestock products are partially explained by the specific characteristics of and peculiarities of production. Fiji's domestic market is an important outlet for agriculture products but it is limited by the small and almost static population and competition from imports. The development program DP7-9 placed a heavy demand on production organisations and marketing infrastructure for small farmers to be successfully linked to the identified markets. Marketing of fresh products in Fiji is usually handled by the producer/farmer and mainly sold fresh in the urban municipal markets administered by local government. Marketing activities and their associated institutions have been left mainly to the private sector. Most transactions take place by private arrangement either through

family ties or long-held business associates. It is common to market produce through one vendor.

Agricultural marketing has three phases; producing the product, processing the product into a market-ready form, marketing the product. These have been the focus of the government policy of private sector-led growth implemented through the Commodity Development Program (CDF) of MAFF. The core of this framework is the development of agricultural commodities from subsistence to industry level. This requires development of the agricultural products marketing system. Fiji Agrtrade has been established to be the institutional vehicle for trade both for domestic and international markets.

Government has played a major role in establishing, regulating and developing marketing and industry organizations for each commodity sector. These organizations or bodies would manage linkages from production to the market leaving government to its facilitative role. However, there is a lack of suitable benchmark to compare marketing systems against which to measure performance. The existing marketing systems of agricultural products in Fiji have evolved through time and may have responded to changes.

An organised and developed marketing system for fresh produce is vital to the success of production and export of these produce. The present system, therefore, is subject to scrutiny. Certain aspects of marketing need addressing, modifying and perhaps change with a view to promote sufficient supply and promote reasonable returns to the market participants.

Storage space and cooling facilities are fundamental to keeping the market system operating without interruption. Concerted efforts are needed by government (and private sector) to install adequate facilities at Nadi Airport to facilitate exports.

Concerted efforts from government and private sector are required to collect all the necessary information for marketing of fresh produce to facilitate and enhance the production and export of these products. Such contacts are useful to the exporters, farmers and policy makers.

Marketing starts at the farm level. The development of export markets for fresh produce requires consistent supplies of a high quality in volumes sufficient enough to satisfy importers' demands. Moreover, export development of fresh produce depends on commercial farming of recognised varieties and using high standard of husbandry practices. The extension division of MAFF, together with the private sector, should provide demonstration programs and farms so that farmers can be given continuous, in-depth training on proper, current farming methods.

2.1.6 Samoa

The country statement for Samoa was given by Frank Fong, Chief Economist, Ministry of Agriculture, Forestry, Fisheries and Meteorological Services, on the basis of the country marketing profile written by Petelo Kavesi.

Since the extensive devastation of the agricultural sector from the cyclones and taro leaf blight in the early 1990s and more recently the African Snail, there has been a significant shift in its contribution to Gross Domestic Product. However, recently the agricultural sector has started to slowly recover, with the main agricultural export being fresh fish, coconut (cream, oil and dry copra) and kava.

The only agricultural census (1989) noted that there are more than 10,000 agriculturally active households, dominated by small holdings farming on customary land. The pattern of agriculture has developed from mixing two types of farming systems, subsistence village cropping and plantation cash cropping.

The Pacific region remains the largest market for exports, in particular New Zealand, Australia, American Samoa, the United States of America and Fiji. The Department of Trade, Commerce and Industries is the main arm of Government responsible for promoting and encouraging marketing of agricultural products (fresh and processed), while the Ministry of Agriculture, Forestry, Fisheries and Meteorology (MAFFM) is more involved with the technical expertise of agriculture. Samoa is well served with the support infrastructure (roads, port and air services). A number of processing facilities for coconut, cocoa and kava exist and an abattoir will soon be completed.

The marketing of cocoa, coconut and banana were undertaken separately by the Cocoa Board, Copra Board and the Banana Board under the control of Government in the early 1970s up to the mid-1980s, but these have since been dissolved. Lately the private sector has been responsible for marketing agricultural products to overseas markets.

The lack of basic field statistics on crop production, number of farm operations, sales, commodity imports, production and other relevant data for selected major commodities constitutes a major constraint to development. The 1989 Agricultural Census provides data which have largely become out of date due mainly to the cyclones in 1990 and 1991.

MAFFM currently does not collect and report agricultural statistics on a regular basis. Some of the data being used for the agricultural sector come from various sources including the Central Bank of Samoa and the Statistics Department. Therefore it is absolutely essential that the Ministry begins to collect relevant data. Initially these data might be compiled for the marketed component of total production, but should be extended to estimates of the principal subsistence crops. Given the size and importance of the agricultural sector in Samoa, lack of reliable production estimates for the principal crops should not be tolerated.

Recent studies have argued that very little effort goes into formal market studies to determine market potential, including possible potential for processing and exports. These studies have identified very weak linkages and coordination between MAFFM and the Department of Trade, Commerce and Industries.

The main inherent disadvantage for Samoa include:

- Narrow agricultural base vulnerable to internal and external shocks;
- Geographical terrain hinders productivity improvements through mechanisation;
- Costly infra-structural investment;
- Geographical isolation from main markets and the resultant high transport costs for raw materials and finished products;
- Propensity to natural disasters;
- Lack of clarity in property rights under the customary land system which constrains the development of a major portion of the country's production capacity.

On the other hand Samoa's competitive advantage in agriculture is based on:

- Climatic zone for fast growing tropical crops and vegetation;
- Location and relatively pest free and unpolluted environment;
- Ability to grow wide range of crops throughout the whole year;
- Ideal climatic conditions for quality coconut and cocoa production;
- Strong and sustainable traditional food production systems;
- High concentration of quality tuna (fish) in the surrounding fishing grounds;
- Scale of domestic markets creates some viable import substitution industries.

Consistency of supply for export markets should be supported through improved farming management systems, regularity of international transport and development of varieties which are more resistant to pests, diseases and cyclones. Consistency in the quality of agricultural products could be achieved through strengthening of the research and extension services, legislative backing for enforcement of quality standards and acquiring modern technology for meeting the quarantine requirements of the key export markets. Improved monitoring of market opportunities will be achieved through closer co-ordination with DTCI and overseas diplomatic missions as well as the Economic Development Board in which the private sector is represented. Dissemination of market information to the private sector will be improved regular publication of newsletters and use of the Internet.

To ensure that there is adequate shipping and airfreight capacity for movement of exports, steps will be taken to coordinate and support regular consultations between exporters and the transport operators. To improve the price competitiveness of exports the shipping and airfreight costs will be closely monitored in consultation with the Ministries of Commerce and Transport.

2.1.7 Tonga

The country statement for Tonga was presented by Finau Pole, Senior Agronomist, Ministry of Agriculture and Fisheries, on the basis of the country marketing profile prepared by Ms Rosemary Taufatofua.

All sectors in Tonga recognise the importance of marketing efforts, particularly through exporting as being vital to improve the quality of life for families through boosting the foreign exchange reserves, which support socio-economic improvements.

Tongan producers and exporters have made many attempts at exporting products, with varying degrees of success. The demise of once prosperous trading agencies, such as the Copra Board and the Banana/Produce Board have left producers paying for management's mistakes. Lessons learned have assisted with new industries, such as squash, and have helped prolong the product life cycle in this volatile niche market.

Major constraints which have hampered exporting from Tonga include;

- Irregularity of supply of products;
- Limited facilities available for credit and at times biases in application of credit preferences;
- High freight costs to overseas destinations;
- Poor post-harvest handling and facilities;
- Lack of expertise in marketing such as with regard to negotiation and concepts;
- Mismanagement at high level of certain exporting bodies;
- Over-involvement and lack of transparency of Government actions in licensing and the regulation of the export industry
- Little understanding of market variables, including research, available markets etc;

However, Tonga has a range of products with which it can compete favourably in regional and international markets, if steps are taken to develop and structure industries in an enabling environment, identify and disseminate information on markets and marketing variables, and develop relationships and credibility with importers.

Recommendations to improve the marketing of products from Tonga include:

- Build the much needed export infrastructure;
- Improvement of the understanding of markets and their variables for different products in which Tonga has a comparative advantage;
- Consider and improve the environment within country to facilitate the development and structuring of industries with marketing potential, such as policies, incentives and taxation structures and decreasing government involvement in private sector development;
- Improve and develop trade linkages with other regional countries, for potential markets as well as to supplement supply to markets where production capacity is insufficient;

- Improve reach and delivery of market extension services;
- Co-ordinate and improve access and equability of credit facilities.

2.1.8 Cook Islands

The country statement was presented by Nga Mataio, Senior Policy Officer, National Policy Division, who also prepared the country marketing profile.

The Cook Islands' main export markets are New Zealand, Hawaii, Australia, Japan and mainland USA. Major crops presently exported include pawpaw, maire and taro. Significant tourist inflows have led to the emergence of a sizeable local market, which is not adequately supplied by farmers, thus necessitating import of the surplus demand. There is room for further expansion of production for the local market.

The main differences between local and export marketing arrangements has to do with inspection by the authorities of produce prior to being sold, produce treatment, pricing, harvesting times, and transport costs. Although local marketing arrangements are simpler, there is still a need for some systems of control to ensure food safety and hygiene in the selling areas, and to ensure that prices remain within reasonable levels.

Concerning market infrastructure (roads, transport, etc.), some areas need improvement to be adequate for efficient marketing. A lot of these areas will require major financial investments to realise the necessary improvements.

Information on prices does not appear to be a major obstacle to expanding agricultural activities. This is despite the lack of marketing boards and the abolition of the Information Officer post in the Ministry of Agriculture. It seems that the farmer is more concerned about problems in agriculture such as infrastructure and rising input costs, than information on prices. This is due to price fluctuations being relatively insignificant even over a prolonged period of time.

Experience with marketing boards in the Cook Islands is mixed. Agriculture trade and marketing now continues with individual growers and crop-specific associations going their own way in filling the marketing gap that would have been the task of marketing boards. With the on-going downsizing of the government sector, the future will depend significantly on efforts by the farmers themselves and by the private/business sector.

The level of knowledge of farmers on agriculture marketing varies from 'nil' to 'well informed'. For the small farmers and those on the isolated islands, knowledge about marketing is very limited which, in most cases, does not affect them very much as their activities are more towards subsistence agriculture. On the other hand, full-time farmers are generally well-informed about marketing and extension. The Ministry of Agriculture no longer undertakes this task so that future assistance in this area will need to go directly from the private sector to the farmers.

Both national and sectoral policies affect agriculture marketing. Agriculture has been identified by government as one of three growth sectors of the economy that must be supported in order for them to maximise their contribution to the development and growth of the country. Sectoral policies are implemented by the Ministries of Agriculture (which include crops, livestock and forestry) and Marine Resources (fishing, pearl cultivation) in guiding and facilitating development in these areas. Legislation also exists which is designed to safeguard and augment agricultural trade and marketing on both local and overseas markets.

An important initiative taken by MoA was the creation of Agricultural Marketing Advisory Council (AMAC) to specifically facilitate agricultural trade and marketing activities of the country. For the future, the actual marketing and promotion of the country's rural sector resources (crops, livestock, forestry, fisheries, pearls) will have to be taken over completely by the private sector and the farmers themselves. Government's role will be in the area of putting in place the necessary legislation and facilitating the marketing activities in terms of research and export protocol development.

It was recognised that while existing policies may have had some adverse effects on agriculture trade and marketing, the positive effects of existing policies as far as their impact on agricultural marketing are concerned, far outweigh those on the negative side.

Bilateral Quarantine Agreements (BQAs) exist for specific products between the Cook Is and its existing trading partners of NZ, Hawaii, Australia, Samoa, and Tahiti. Apart from BQAs with NZ and Hawaii, the BQAs with the other trading partners are not fully utilised and hence there is potential for the further exploitation of these market outlets. BQAs with new trading partners may be an option at some later stage.

Given the above issues with respect to agriculture trade and marketing in the Cook Islands, seven recommendations were advanced which, if implemented, are expected to benefit not only farmers but all those associated with the development and advancement of the agriculture sector which will further contribute to GDP and the national well-being. The seven recommendations focussed on high freight and packaging costs, export protocol development, value adding, quality assurance, irrigation water, and low cost farm mechanisation. Possible areas for FAO involvement were also noted.

2.1.9 Federated States of Micronesia

A country statement was presented by Adelino S. Lorens, Deputy Chief, Office for Agriculture and Forestry.

Agriculture remains one of the most important activities in the FSM. It is the source of food and income for majority of the citizens. It has been estimated that local agriculture provides over 60 percent of the food consumed and employs nearly 50 percent of the labour force on a full time or seasonal basis.

Despite the great importance of agriculture in FSM, the significant imbalance of trade is a major concern. The FSM Economic Summit of 1995 reported the following import and export statistics during the year 1993:

- Total import = US\$ 109.3 million
- Total export = US\$ 34.2 million

The value of food imports was 31.2 millions in 1993 representing 28.3 percent of the above total import. Export is mainly fish at \$23.2 million and \$1.68 millions from agricultural products export. The main export products are banana, betelenuts, root crops, pepper, sakau (kava), citrus and copra.

There is a great potential to improve the Agriculture situation in the FSM. Adoption of appropriate technologies along with proper planning and project implementation can result in the desirable agriculture production level to produce locally sufficient food for the domestic needs and to provide good opportunity to earn income.

The following five objectives have been identified to work towards:

1. Increase production for import substitution.
2. Strengthen agriculture export.
3. Strengthen agriculture support services.
4. Manage and conserve the natural resources.
5. Improve financial assistance to local producers.

Agricultural marketing practices in the FSM are generally disorganised and vary from state to state. The domestic marketers include the private local produce markets, supermarkets, restaurants, hotels, fishing boats and farmer's co-operatives. The export marketers are the established private companies, farmers' co-operatives and the organised producers like PADIC in Pohnpei.

FSM farmers are mainly traditional smallholder producers, growing primarily for home consumption and surplus for sale to earn income for the family. These traditional production systems are ideal for the low input nature of production for family needs but not conducive for commercial market needs due to lack of consistency of supply in most cases. However their total surplus sales can contribute to a significant quantity of production. Breadfruit, banana, sakau, citrus, root crops and other fruits, vegetables and island food are produced.

The high price of the local produce demanded by farmers is a continuous problem making local producers unable to compete with prices of imported produce. Post-harvest handling as a method to maintain high quality produce is generally lacking in the FSM and, little attention is paid to care of produce during the transfer process from the field to the market.

Establishment of desirable agriculture market support infrastructures is also considered a future need to improve the market situation. It is necessary to improve roads, airports and seaports, suitable packaging and quality control facilities at major ports and improve transportation to accommodate export market needs.

2.1.10 Kiribati

Ms Ritia Kamuti, Graduate Research Assistant, EU-Prap 1, presented a short country statement for Kiribati.

Marketing has only come in focus within the last 4 – 5 years. Efforts are currently focused on:

- improving the self sufficiency of people, and
- promoting the switch to a more nutritious diet.

This objective is pursued by encouraging people to grow easy crops, such as pumpkin, as opposed to difficult cash crops. This helps sustain the interest in growing crops.

The problems faced by the crop producers, are among others:

- high retail prices;
- difficulties transporting produce;
- the lack of proper storage of crops by retailing shops (crops are not stored in refrigerators). When retailers do have refrigerators, they will be used to store imported goods.

2.2 Invited Papers

2.2.1 Production and Marketing Linkages

Richard Cook, a grower and exporter of organic produce from Samoa, spoke on this topic.

Mr. Cook offered an overview of his farming career in Samoa. He highlighted the fact that traditional farming in Samoa, but also in most of the other Pacific Island countries, has always been organic. From his farm he is producing a variety of vegetables and fruits based on organic principles. Some are locally marketed: others, such as Ginger and Bananas are exported. He organises the exports himself. However, in exporting organically grown produce he has been, and still is, fighting battles on several fronts in order to cope on one side with the requirements of the organic marketing groups (e.g. IFOAM) and on the other with the rigid quarantine requirements of importing countries, particularly Australia and New Zealand.

He reported on the movement currently on-going in Samoa to form a Farmers Association. Almost 400 farmers have indicated interest in participating. The idea is to produce a sufficient amount of supply of organically grown crops in order to make use of economies of scale for transporting and marketing. Again, he emphasised that the shift to organic production can open up new markets. The production of organic Vanilla in Vanuatu as well as in Tonga was mentioned as an example. Organic Ginger is grown in Samoa and the demand is exceeding the supply. The shift to organic production can not only open up markets but also contributes to human and animal health, maintain the quality of the soil and offer good financial returns.

Mr. Cook invited the workshop to assist in getting fairer quarantine regulations for producers based in the Pacific Islands. He was well supported by a statement from the audience saying that PIC farmers should turn their disadvantages to advantages, keep the environment “clean”, and get a name as the “clean group”. In the long run, this could be an enormous advantage, especially in view of the new trade regime under the WTO.

Pousima Afeaki, Manager of Tinopai Farm, Tonga presented “Another View to Developing Successful Agricultural Markets.”

He argued that the primary marketing problem in the Pacific Islands is inconsistent and expensive supply of produce both for export and the domestic market. The underlying reason is that Pacific Island agriculture/farming is inefficient, which leads to expensive produce at local markets and, consequently, to expensive produce for export.

Efforts should concentrate on improving farming of local produce first, to achieve higher yields all year round, i.e. every month. Local produce includes cassava,

kumala, taro, tamu, bananas and yams as well as ‘handicraft crops’ such as pandanus and tree bark for tapa cloth.

The parties who should be involved in promoting improvements are the commercial farmers, ministries of agriculture research and agriculture extension services. Concentrating on the above efforts should result in increased produce volume and regular supply in domestic markets. In turn, increased local volume will lead to more consistent and cheaper supply for export.

2.2.2 Requirements of Fresh Produce Importers

Clive Wickham from Carter & Spencer International Ltd., New Zealand, spoke on the requirements that Pacific Island produce has to meet in order to meet the needs of fresh produce importers as well as satisfy the demands of the New Zealand consumer.

Until the late ‘80s quarantine and import restrictions for New Zealand were fairly relaxed. However, after this time quarantine access requirements became much stricter and this affected the amount and range of products (and methods to treat them) that could be exported to New Zealand. Also, during the 1980s, closer economic relations were forged with Australia and easier access was also given to a wide range of horticultural products from other overseas countries.

The positive aspect of this competition is that it forced Pacific Islands, at an early stage, to make changes which have put the agricultural sector in a prime position to produce, in a professional manner, for various niche markets.

The New Zealand market involves around half a dozen major players. The old auction system is almost gone. Auctions are attended only by small retailers and the products offered are either unsaleable or overflow left behind by the principal buyers. In the place of auctions are professional and skilled buyers, more concerned with quality, consistency and continuity of supply, than with price. Consumers can now go to their supermarkets and buy with confidence the same quality product, at more or less the same price, that they purchased last week

The talk is of category management, of programming, of product placement, of production planning. Everyone is involved, informed and in step. The grower now has the confidence to plant to a programme knowing that he has a market and having a good idea of his returns. The broker, having put the production plan in place, follows it through by working closely with the buyer, even to the stage of providing marketing assistance. This could be in areas such as display, packaging, tastings and distributing suitable quality to different stores. Thus category management is all about building relationships, building trust and building business. It does, however, involve considerable effort, time and expense. For it to succeed, it must be done on a large scale.

To succeed in agricultural exporting, some basics must be adhered to, ranging from growing the right produce to the professional growing and presenting of the product. For the NZ trade, it is necessary to concentrate on proven products and look for niche markets. PIC's should not try to compete with the huge plantations of, e.g., Queensland. They should grow what they grow well, and look for ways to add value to their products. As an example, a Cook Islander is developing vacuum packed pawpaw for NZ supermarkets. This has huge potential if done properly, as the fresh market suffers from price fluctuations due to inconsistent quantities being available. The important point here is that someone recognised a unique opportunity to market a product, without expensive promotion, on the back of an existing popular product. Added value is always a good option.

Advice for exporters includes choose your importer well and work with one who knows the produce and its market potential. It is important that the basic requirements are understood and firmly adhered to as the first step in cementing a relationship. Once a mutual trust is developed, then a working partnership can be formed.

Communication is vitally important in the fresh produce industry. For the grower wanting to introduce new produce, his first step is to ensure that a market actually exists, find out what is expected, what is required and what the importers can do to make it all work. Ensure that the importer is the right one for that particular produce, is accountable and fully experienced. Ensure that he is fully versed in your expectations on returns, on your costs of getting product to market. Discuss the implications of a flooded market, the expected highs and lows. Armed with this knowledge, the importer can programme accordingly, and the grower can plan to suit the programme.

Once supply of the product is underway, it is important not to stop communicating. Importers do not like surprises. If production takes a dive, advise the importer immediately so he can make alternative arrangements for pre-sold produce. Ensure that all required paperwork is correct and faxed in advance as most importers have the ability to pre-clear customs. This is important when dealing with perishables in order to reduce time out of coolers. All original documents must be despatched with the load.

The grower must deliver. If, for example, the importer, after much planning involving the grower and his buyer, is expecting an airfreight container of 18 kilo pink taro packaged in the buyers' cartons every week, this must happen. On the third week, he doesn't want to discover that the pink taro is in fact white taro and it is in 30 kilo sacks. Quality must not be compromised. If a grower cannot fill his order, he should leave it short and notify the importer, not complete the order with a poorer quality product, thus destroying credibility. Some important rules need to be followed:

- Always pack to the correct weight. Allow a little extra for shrinkage.
- Do not over pack as this will result in damage. Similarly, under packing looks terrible.

- Do not try to hide inferior product at the bottom of the carton.
- Hand pack to ensure only the best product is used. Row pack when necessary.
- Use clean and new cartons.
- Ensure cartons are securely taped or stapled. If possible strap the carton.
- Clearly label the carton.
- Use the same carton throughout the load.
- Use the right type of box for the product.
- Choose a strong box, that is suitable for palletizing.

An ideal situation would be for a uniform grading system, to be prepared in consultation with growers and importers and be accepted throughout the Pacific. Pacific produce could be jointly marketed and thus achieve a reputation for continuity of supply, and consistency of quality and pricing. This is particularly relevant to the Pacific where, due to the volatile climatic conditions, one country's production can be severely affected, while another has full supply. If there were identical specifications there would be no need to "re-market" a new entrant each time importers changed countries.

Imagine that the agricultural sector is totally professional in its approach to the market place and that South Pacific grade standards are in place. Then category management can be approached with confidence. However, the size of the growing base remains an obstacle. Bearing in mind the large investment in time, money and resources required in order to set up a large programme with a supermarket chain, the importer has to be sure that the product will be available (grown, graded and packaged and all orders complete as planned) and supplied continuously.

Therefore it should be considered to develop a unified Pacific supply. Some benefits of co-operation are:

- Knowing what is being grown and for what market is invaluable when making decisions at the grower level.
- Information reduces chances of market oversupply.
- An enforceable grade standard will instil pride in growers and confidence in importers.
- Co-operation will promote consistency in terms of product placement in the market.
- Co-operation will give the strength to negotiate better freight rates with freight carriers.
- Combining consignments at each port will result in handling and clearance savings.
- Co-operation will give the strength to buy better, supplies such as seed and packaging.

2.2.3 Marketing and Market Requirements for Domestic and Export Marketing

Parmesh Chand, Senior Trade Officer, SPTC, New Zealand and Ms Aivu Tauvasa, Trade Officer, SPTC, Australia made detailed presentations on this topic.

“Market Opportunities in NZ for Fresh Produce” by Parmesh Chand

To explore export marketing opportunities in any country requires full understanding of the market of the respective country. Questions such as what requirements must be met to gain access, what are the standards, demands and quality requirements of that market, what is the distribution and pricing structure and so forth need to be addressed. These issues are particularly important for fresh produce exports and they need to be satisfactorily addressed by any exporter if he/she is to penetrate an overseas market successfully.

New Zealand is itself a highly advanced horticultural nation and a major exporter of fruit and vegetables. Therefore the NZ consumer is used to very high quality and the horticultural industry is very strict about protecting NZ from tropical fruit flies and other pests and diseases because of the threat to the economy. New Zealand therefore demands high standards in both quality and quarantine measures and meeting the MAF requirements is a prerequisite for product imports from every source.

The New Zealand fresh produce market is quite simple and straightforward. It essentially consists of three tiers.

Large Commercial Importers. These import only Pacific produce which is in high demand (large import volumes), e.g. taro, coconuts, ginger, pawpaw, watermelon and eggplant. These companies are aligned with major supermarket chains but also supply a range of smaller retailers. Some of them also sell their imported produce through auction.

Medium Commercial Importers. Several small-to-medium sized companies specialise in importing and distributing Pacific produce. Due to their size they are able to deal in limited quantities and carry out any necessary sorting and repacking economically. These companies often supply the large importers with the more specialised niche Pacific products such as okra, sugar cane, and duruka required by small retail buyers and restaurants. They may also align with Supermarket chains or have their own retail outlets. Some also sell through the ‘Flea market’ system in the weekends. The market for ‘ethnic’ vegetables and more specialised Pacific product is only about 10% of the whole NZ market and of this around 80% is sold at the flea markets.

Smaller Importers. Small family and church networks comprise the third tier. They supply their own local buyers and work with their own connections outside the general commercial system.

The fact that there is both a commercial and a private market for Pacific product tends to make control of quality and stability of prices difficult to achieve and can act as a deterrent to importers. The advantage of dealing with the established commercial companies include financial reliability, extensive established distribution networks, and experience in dealing with the necessary import procedures.

Despite being a major grower itself, NZ must import a high quantity of its produce supplies because of climatic and human factors:

- New Zealand cannot grow tropical produce such as bananas and pineapples;
- New Zealand is too cold in the winter season to grow tomatoes and beans;
- On occasion, factors such as drought or heavy rain lead to ‘spot’ shortages of locally available produce; and
- New Zealanders’ tastes are expanding with travel and increasing ethnic diversity.

Australia is a major competitor for the Pacific, supplying the New Zealand market with tomatoes, rock melon and watermelons, beans, cucumber, broccoli, brussels sprouts, sweet corn and capsicums (mainly during winter), and pineapples and mangoes (year round). Mexico also export mangoes to New Zealand. Some taro is now being exported from the Philippines.

An exporter must have a vision of the whole process from field to pack house to ship to plane to importer to wholesaler to retailer to consumer. When exporting produce there are many stages of handling during which damage may occur and there is a long time for the produce to survive in good condition. A lot of problems don’t show up for several days so the exporter is often unaware of them.

Frequently overseas suppliers to New Zealand follow up on their shipments to make sure they arrive in good order, that any problems are sorted out early, and that their distribution system is effective. They often provide information about their products and promote them with recipe leaflets, competitions, etc. If consumers do not know how to prepare and serve a particular fruit or vegetable they will hesitate to buy it. Branding of fruits with individual labels is also increasingly used to create a trusted image of the product in the consumers’ mind, e.g. Sunkist, Bonita, Dole. Unfortunately Pacific exporters often lack the finances to carry out such promotion and advertising and NZ importers and retailers may not feel confident of shipments being reliable enough to risk spending money on promotion.

A basic and vital undertaking before considering export is to carry out market research on the product. This will include:

- What is the preferred species, ripeness and size of your product in New Zealand?
- How should the produce be graded and packaged?
- What is the current import level (what is the demand)?

- Is the demand all year round or seasonal – that is, can you supply in a window of opportunity?
- What are the current prices, are they stable or do they fluctuate. Seasonal price fluctuations may give the best timing for crop maturation.
- Who is your competition and does the “competition” have an advantage over you in entering the market, e.g. an established brand name such as ‘Dole’, ‘Bonita’, or ‘Sunkist’.
- The background and credit rating of the importer you intend to deal with.

The key to success in the NZ market is to take a professional export-oriented approach from the start; to undertake market research, to ensuring quality at every stage and to keep communication levels high. There is opportunity for the Pacific to increase its exports of produce to the NZ winter market, to expand the market for ‘ethnic’ fruit and vegetables to the population in general, and to specialise in ‘niche’ market opportunities such as organic produce. However the produce must meet the standards of the market and the demands of the consumer. The SPTC is pleased to offer information, advice and assistance to those willing to take the necessary steps to take advantage of these opportunities.

“Characteristics, Opportunities and Threats in the Australian Fresh Produce Market” by Aivu Tauvasa, Trade Commissioner, SPTC Sydney, Australia.

The Australian market for Pacific Island produce is small. Two main reasons are that the Pacific Island community in Australia is small, and that Australia itself can produce many tropical crops in northern Queensland at very competitive prices. Examples are taro, kava, paw paw, mango and pineapple.

Only a handful of Australian wholesalers sell Pacific Island produce. The produce sold is:

- taro and cassava (from Fiji)
- coconuts (from Fiji, Samoa and Tonga)
- tea, cocoa and coffee (from PNG)

There is presently a large market potential for taro and coconuts. Other tropical crops are also showing rising popularity are yam and frozen cassava

Drinking coconuts (green coconuts) are becoming popular. These are at the moment being imported from Thailand, who export them prepared for easy serving in a presentable way. .. Green coconuts are promoted as being a pure and healthy drinking choice.

The Australian market for tropical produce is characterised by a lot of competition:

- Yakama beans are imported in large quantities from Thailand (a crop Samoa could easily produce)
- Cumara (sweet potato) is grown in North Queensland
- Banana is grown in North Queensland and imported from Mexico, Cuba and South America
- Mango is grown in North Queensland and imported from Mexico and Asia
- Ginger is grown in North Queensland
- Taro is grown in North Queensland and Northern Territory and imported from China
- Kava is grown in Northern Territory and China is also planning to grow Kava.

Pacific Island producers are seen in Australia as having problems with **consistently** supplying the **quality** required by the Australian market. There is a tendency of Pacific Island producers to stop producing once they have earned enough money. Australian importers also complain about the lack of **communication** with the suppliers/producers in the Pacific Islands. To help rectify the latter problem SPTC offers their assistance in bettering the communication between parties, also including the Departments of Trade, Commerce and Industries. Importers complain about the lack of **information** coming from the Pacific Island Government Departments (MAF, Dep. of Fisheries and Dep. of Trade, commerce and Industries). When Government Departments do not respond to requests from Australian authorities and/or importers, it reflects, from the point of view of the latter, a lack of genuine interest. Related to this is the lack of skill of custom officers, resulting in **erroneous documentation**. And when this happens, there is high risk of losing the produce covered by the erroneous form – all at the cost of the exporter/producer. Finally there is a lack of direct **product promotion**. Organic produce, for example, should be marketed to a much higher degree.

2.2.4 WTO: SPS and TBT Agreements – Implications for International Trade of Food Products

Ms Annamaria Bruno, Food and Nutrition Officer, FAO-SAPA, Apia, introduced the workshop participants to these very important agreements.

The value of the very large international trade in food now exceeds US\$ 400 billion and accounts for something in the order of 500 million tonnes of food products. Products traded include fresh, preserved and processed products of plant, animal and marine origin as well as live animals. An increasing number of countries, including developing countries, are becoming both importers and exporters of food - the number is expected to increase even further. In general it can be said that developed countries are net importers - they import about 22 % more food in monetary terms than they export. Developing countries are in general net exporters, exporting about 15 % more in monetary terms than they import.

The international food export market is of great economic importance, especially for developing countries with their limited financial resources. Not only food exporting does generate foreign exchange, it also creates and provides employment within the exporting country at all stages in the production chain from growing to shipping.

International food trade is subject to a variety of constraints, Food control agencies in importing countries generally apply regulations which give them authority over such aspects as food safety, hygiene, packaging, labelling handling and storage. In general, the regulations include precise requirements, which must be met if food products are to be admitted into the importing country.

The need to protect consumers from health hazards and deception is beyond question. However, the potential for applying the respective regulations in an inequitable or even discriminatory way is ever present. The adoption of such inequitable or discriminatory practices amounts to non-tariff technical barriers, which impede rather than facilitate the international trade.

The Uruguay Round (UR) of Multilateral Trade Negotiations includes negotiations between countries on removing non-tariff barriers in the areas of food safety and quarantine, while maintaining appropriate levels of protection for consumers and for plant and animal health. The result was the Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures and the revised Agreement on Technical Barriers to Trade (TBT). Both Agreements came into force on 1 January 1995, and they are binding for all World Trade Organization (WTO) Members³. These Agreements are annexed, along with 17 others, to the Marrakech Agreement establishing WTO.

The purpose of these Agreements is to ensure that measures established by governments to protect human, animal and plant life and health are scientifically justified and are not used as a disguised restriction to trade. Together, these two Agreements cover all aspects of food standard, including food safety and quality and additional concerns such as labelling, consumer protection, biotechnology, food irradiation, and “organic” food production.

THE AGREEMENTS ON SANITARY AND PHYTOSANITARY (SPS) MEASURES

The SPS Agreement concerns the application of measures associated with the protection of human, animal and plant health in such a way that they are not a disguised restriction on international trade. The basic objective of the Agreement is to limit the use of measures that may restrict trade to those that are justified to provide the level of protection that is necessary for importing countries.

To achieve this, the SPS Agreement sets out detailed rights and obligations to enable Members countries to determine the food safety levels and animal and plants health

³ At present among PICs Fiji, Papua New Guinea and Solomon Islands are WTO members; Samoa, Tonga and Vanuatu have observer status.

protection required in their country. SPS measures can take the form of national food laws and regulations to protect consumers against contaminated food and quarantine measures to prevent the entry of animal and plant diseases.

Member countries must ensure that SPS measures:

- are applied only to the extent necessary to protect human, animal or plant life and health;
- are based on scientific principles and are not maintained without sufficient evidence;
- do not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail, including their own situation and other countries; and,
- are not applied in a manner which would constitute a disguised restriction on international trade.

The SPS Agreement is working towards “freeing up” international trade and one of the tools to achieve this is the “harmonization” of SPS measures. The SPS Agreements recommends that WTO members should base their national standards on international standards, guidelines and other recommendations developed by the relevant international organizations. In particular those developed by:

- Codex Alimentarius Commission (CAC) for food safety;
- International Office of Epizootics (OIE) for animal health;
- International Plant Protection Convention (IPPC) for plant health.

Members are encouraged to play as full a role as possible in the activities of these organizations to develop and review standards, guidelines and recommendation with respect to SPS measures.

Countries can, however, apply more stringent standards than international ones, if there is a scientific justification for the additional stringency or the country has decided there is a need for such higher level of protection on the basis of risk assessment techniques developed by international organization.

The Agreement places emphasis on “equivalence” or achieving the same result - that is the same level of protection - without necessarily using the same procedure. Members shall accept the SPS measures of other members, even where they differ from their own or that of other Members in the same product, where the exporting country demonstrates that their measures will result in the same level of protection in the importing country. The importing country, as a consequence, should have access to inspection, testing, etc. of the product.

The Agreement emphasizes the need for “transparency” in the development and application of SPS measures. Members must publish all SPS regulations and time should be allowed publication and enforcement of the regulation to allow for

compliance in the exporting country, especially where it is a developing country. Each country must establish a national “enquiry point” to act as a national information centre on measures applied and provide details to other countries and the SPS committee as necessary. Members should notify the WTO of all new regulations or proposed changes to existing regulations when they differ from international standards, guidelines or other recommendation. The notification should show the reason for the intended measure, and allow reasonable time for Members to make comments in writing, discuss them and take into account the outcome of the discussion.

SPS Agreement calls for assistance to developing countries to enable them to strengthen their food safety and animal and plant health protection systems. Members shall provide assistance to other Members, especially developing countries for example in areas of processing technologies, research and infrastructure (including national regulatory bodies) Members may use this to seek technical expertise, training and equipment which will enable them to meeting SPS measures in their export markets.

THE AGREEMENTS ON TECHNICAL BARRIERS TO TRADE (TBT)

The Agreement on Technical Barriers to Trade (TBT) is a revision of the Agreement of the same name first developed under the Tokyo Round (1974-1979) of the GATT negotiations. The TBT Agreement covers all products, including industrial and agricultural products.

The TBT Agreement covers aspects of food standards related specifically to quality provisions, nutritional requirements, labelling and methods of analysis, with the exception of SPS measures which are covered by the SPS Agreement. It includes a large number of measures designed to protect the consumer against economic fraud.

The principal discipline of the TBT Agreement is that standard and technical regulations must have a legitimate objective, be applied in proportion to the objective, be transparent and non-discriminatory between domestic and imported goods.

Standards and technical regulations refer to product characteristics or related processes and production methods, and may include or deal exclusively with terminology, symbols, marks, packaging or labelling requirements as they apply to a product, process and production methods.

Conformity assessment refers to procedures directly or indirectly to determine that the requirements of a regulation or standard are being met. They may include sampling, testing, inspection, evaluation, verification, assurance of conformity, registration, accreditation and approval, and combination of these.

While prevention of illegitimate barriers to trade is the main objective of the Agreement, the rights of a country are acknowledged to take measures to ensure the quality of its exports for the protection of the environment, prevention of deceptive practices and the protection of its essential security interest.

Like the SPS Agreement, countries or national standardising bodies which intend to establish a new standard or regulation are required to use international standards or the relevant parts of them where they exist, unless it can be shown that the international standard is inappropriate or not effective for its intended use (for example, for climatic reasons).

TBT measures must be shown to have a legitimate purpose, proportional to the desired purpose, based on international standards. The TBT Agreement recognises that developing countries may have difficulties in establishing their necessary infrastructure to formulate and implement technical regulations, standards and the conformity assessment procedures and may need assistance in this regard.

CONCLUSION

The SPS and TBT Agreements provide new and more effective discipline on the international trade of food products. The impact of these Agreements has certainly both positive and negative effects. From a positive perspective, the SPS and TBT Agreements provide countries with defined level of acceptability for quality and safety in international trade. While meeting these requirements, food products and safety levels for food produces for domestic consumption are often improved as well. However, developing countries often find these requirements out of reach because of their lack of infrastructure needed in food quality and safety control; the lack of required resources to up-grade their technical capability and capacity. Developing countries need for training, education and information for food control personnel in government, food quality control in industry and for consumers.

To improve their performance as international food traders, Pacific Island Countries should give thought to the ways in which they relate to the SPS and TBT Agreements and especially to what their obligations are. To be effective food importers protecting the health of their consumers and ensuring fair practices in the sale of food, Pacific Island Countries should make a concentrated effort to revise, update or establish national legislation which should embody principles drawn by the WTO Agreements and be based on internationally accepted standards such as Codex Alimentarius.

2.2.5 Importance of Post-Harvest Handling, Packaging and Transportation

Edgar Cocker, Marketing and Development Officer, Forum Secretariat, Fiji, spoke on this topic.

Mr. Cocker stressed that the significance of proper post harvest handling must be globally realised for its ability to minimise un-necessary losses. Growers, exporters,

packers, inspectors, distributors, carriers, and warehouse operators have to be well aware of proper methods and techniques of handling after harvesting. Significant losses will continue to occur where non-technical personnel remain un-aware of elementary principles of post-harvest handling.

More efforts have been devoted to maximising yields. However, a need is imminent in making sure that all stakeholders to a marketable (domestic or export) crop must be fully aware of proper handling methods to avoid the introduction of diseases and disorders, bruising and injuries, wastage, shrinkage, and damage caused by poor and rough handling. It is acknowledged that losses are often substantial but difficult to quantify, and the prevailing situation (demand and supply) of the market has a decisive influence on the extent of both physical and monetary losses.

Factors influencing post-harvest deterioration are the cultivars, planting materials, weather, crop husbandry, harvesting and handling techniques, and storage and transport methods. All stakeholders must be aware that plant material is composed of cells, which continue to function after harvest. All fresh fruits and vegetables are living products and their organs continue to respire which in the process activates a series of biochemical reactions that may create post-harvest difficulties. Growers, exporters and transporters must be fully aware of this principle.

Following Mr Cocker's presentation a request was made for workshops/seminars on post-harvest handling funded by donor agencies. Donors indicated that there were many such workshops being held in the region, and also that the requests from Pacific Island states were more for extension training, which was seen as more valuable. However, it was also suggested from the donor side that Forum Secretariat, Secretariat for the Pacific Community and FAO should work together on practical workshops covering post-harvest handling issues. A request was also made for resource material on post-harvest handling, how to avoid losses and related issues.

2.2.6 Farming Systems in the Pacific – Linkages for Successful Marketing

Andrew McGregor, Trade and Development Office, Fiji, presented a summary of a paper on the above topic. The complete paper will be published as an FAO-SAPA publication, a summary is given below.

The report prepared is based on case studies from Fiji and Vanuatu. The presentation was divided into two interrelated parts. The first part dealt with traditional farming systems and economic performance; and the second with developing commercial markets based on traditional systems.

Traditional farming systems and economic performance

Too little attention is given by agricultural policy makers to past experiences – both failures and success. Institutional memory tends to be short and thus past lessons are often not learned and mistakes repeated. As result scarce public funds can be wasted and agricultural development constrained. With independence “government-led”

agricultural development projects featured prominently in the development plans of most PICs. These projects were completed by the establishment of parastatal marketing boards and agencies.

Despite the overall failure of agricultural development projects, most PICs retain strong traditional agricultural production systems, with farmers growing an impressive quantity and range of traditional food.

Traditional food production has been identified as a “hidden strength” of the PICs. The Review concluded that a combination of ability to grow, consumer preference, and unavailability or high cost of imported substitutes provides a long-term competitive advantage in the production of these crops. If grown in the traditional manner, without chemicals and in rotation, these are highly sustainable activities.

The resilience of Pacific island small-holder agriculture and traditional cropping systems comes with the integration of the whole system. The resilience of the whole system is greater than the sum of the component parts. These systems are adjusted for resource endowments, the seasons, and occasional disasters in the form of cyclones, droughts, and volcanic eruptions.

Unfortunately, the economic contribution of traditional food production tends not to be fully recognised by agricultural and national planners and generally substantially under estimated in national accounts. This has had a distorting effect on agriculture policy formulation and its implementation.

Measuring economic contribution of traditional farming systems

Official estimates of the value of subsistence Melanesian countries range between about 7% to 16% of GDP, depending on the methodology used.

Some PICs have produced management manuals that provided gross margin budgets for a range of crops and livestock activities. These manuals are very useful planning tools if they can be regularly and accurately updated. However these manuals tend not to be particularly useful in evaluating the returns traditional small-holder production systems. A proper analysis would lead a much higher valuation given to traditional crops and cropping systems and perhaps higher priority in the formulation of agricultural policy.

The value to the household of these self-sufficiency crops is the cost of purchasing the equivalent amount of energy, protein, and vitamins. The simplest approach would be to value crops that are consumed by the household at their farm-gate value. The assumption being that if they did not grow these crops the household would purchase them in the market. A common procedure is to cost the value of growing their own food in rice equivalents. With respect to returns to person day both these self-sufficiency-cropping options give a higher return than both copra and cocoa.

A realistic set of small-holder farm budgets provides the opportunity to evaluate constraints to increasing household income and to identify activities and appropriate

technologies that might reduce these constraints. The case of traditional kava production is examined in the paper.

Risk analysis and the transformation of traditional cropping systems to intensive monoculture

The resilience of Pacific island small-holder agriculture comes with the integration of the whole system. Certain traditional crops (root crops and kava) within the system have become important generators of household income. This is possible without undermining the viability of the system. Other introduced cash crops, such as cocoa and vanilla, have also been successfully integrated into the system. There is ongoing scope for increasing productivity of traditional cropping systems, particularly with respect to the returns to labour. However, serious problems can be encountered when a traditional crop is intensively mono-cultured, thereby replacing the traditional cropping system.

Developing commercial markets based on traditional farming system

The paper examines three distinct areas of market opportunity:

1. Domestic market sales
2. Produce and other high value exports
3. Commodity exports

Increasing domestic market sales: a realistic policy objective

For the vast majority of farmers, in most countries, expanding domestic market sales provides the best opportunity to increase incomes. A natural competitive advantage is identified for traditional food production. The great bulk of garden produce is consumed by the household which grows it, or is consumed as part of traditional exchange arrangements. However, with increasing urbanisation, trade has developed in traditional food staples.

In most Melanesian countries, despite the high prices obtainable, produce from outer-islands is conspicuous by its absence from the municipal markets. This can be explained by: the high cost of shipping; the small quantity grown by most farmers meanings that exceptionally high prices are required to justify the effort involved; the absence of middle men and traders to facilitate produce trade; and highly restricted and regulated access to urban municipal markets.

Increasing the price of rice through tariffs or quotas is sometimes suggested as a means of making domestic food production more competitive. However, increasing the price of rice through protectionist measures can be detrimental to the whole economy including farmers. For traditional crops to take market share from rice they must become more price competitive and increase their availability on urban markets. This can be best achieved through increasing farmer labour productivity and reducing price expectations, encouragement of the development of middlemen and traders, facilitating competition in inter-islands shipping, and reducing the regulatory restrictions on urban markets.

Produce exporting: unrealistic expectations

In recent years the promotion of non-commodity export agriculture has become the focus of agricultural policy in several PICs, despite the fact that locational and other disadvantages preclude even modest success in this area. For most PIC, exports have not been viable on any significant scale due to a combination of high producer prices, transportation linkages and costs, and quarantine constraints.

New Zealand has proved to be an important market for some Fiji farmers and worthwhile market for some farmers from the Cook Islands, Samoa, Tonga, and New Caledonia. Despite the fact that Australia is a larger producer of tropical produce it potentially offers a much larger market for PIC produce than New Zealand. Yet Australia's PIC fresh produce imports are less than they were a decade ago. The Australian Quarantine Inspection Service (AQIS) in recent years has adopted pest risk assessment and industry consultation procedures which make it very difficult for PIC produce to obtain market access.

The PICs quarantine departments, starting with Fiji, could benefit from technical assistance in the preparation of submissions to AQIS. This would include the collection and presentation of risk assessment data to meet Australian requirements. However, if progress cannot be made by Fiji, in accessing the Australian market there would seem to be a prima facie case for raising the issue with WTO under its ASPM provisions.

Exporting commodities: continued viability despite depressed prices

Tree crop commodities continue to be the only source of cash income for the majority of small farmers in western Melanesia. Large numbers of small-holders throughout western Melanesia find it worthwhile to devote labour input to tree crop production despite the fact that the terms of trade have continued to move against these commodities. This contrasts to the situation in Fiji and the Polynesian countries, where farmers have found more attractive alternative uses for their labour.

Smallholder tree crop production requires little or no purchased inputs. Crops like cocoa and coconuts have been integrated into self-sufficiency cropping patterns, and do not place heavy demands on the households labour for which they receive a guaranteed, albeit modest, return to their effort. Low risk with respect to production and particularly marketing would appear to be an overriding consideration.

The viability of integrated cocoa growing into self-sufficiency cropping systems was shown for Vanuatu. The crop still gives a sufficient return to effort despite depressed prices. The analysis shows there is scope for Vanuatu small-holders to expand cocoa exports if the right incentives are provided. This requires improved marketing arrangements and infrastructure, including the reintroduction of healthy competition in the industry.

2.2.7 Entrepreneurial Gaps which Effect International Marketing from Pacific Island Countries

This topic was presented by Ms Rosemary Taufatofua, Marketing Officer, Secretariat for the Pacific Community, Fiji.

A five-country report was undertaken by Pacific Women's Resource Bureau (PWRB) of SPC in October 1998. The main purpose for the report was to consider 'economic empowerment' of women in the region, consider what is being provided and identify gaps (if any) upon which a programme of assistance could be developed. The focus was to identify product areas in which women could participate, structuring of product industries and enabling products to move into international markets. Several essentially similar general challenges to enterprise development were highlighted across the countries considered.

The major findings were that in the majority of cases there is not the capacity to meet international market needs, particularly from within the indigenous communities of each country. Linkages between current training programs and the socio-economic needs of the countries are not clearly defined. Policy must link to viable activities to meet the needs of the people and the country. There is a need to integrate gender analytical tools in training programmes to ensure viability and sustainability of actions, including considering the effects of introducing a business and commercial marketing culture. Linkages between donor agencies, government departments, private sector and non-government agencies are poorly defined and in the majority of cases operate weakly, with often duplication of activities in similar areas, rather than a complementary approach.

Also there is a lack of understanding and hence commitment of many decision makers within the region of the full scope of translating policies into socio-economic benefits for communities families, resulting in poorly focused planning and non-sustainable development efforts.

Follow-up consultations with the countries confirmed areas of priority for further assistance. These included:

- better understanding of markets for specific products;
- training encompassing different disciplines and elements, comprising production through to marketing, on national, regional and international market levels;
- intensive training in marketing variables, including elements of trade agreements;
- improve linkages between relevant government and non-government organisations; and organisations in the marketing chain.

As a consequence a programme of technical assistance is being developed for the region with two components:

- *a “pilot” project is proposed to be carried out in Vanuatu to boost the development of a product (handicrafts have been identified), structuring the industry and furthering marketing from domestic sales to international markets for specific handicrafts; and*
- *a program of technical assistance for the region, furthering elements of product development through to marketing for products, which can improve the standard of living for community level families, for example, cottage industry and small enterprise development.*

3. Working Groups

Following the presentation of the country papers and technical presentations, the Workshop divided into three working groups. These groups covered (1) domestic marketing improvement, (2) export market development, and (3) production-marketing linkages.

Working Group 1: Overcoming Constraints to Efficient Domestic Marketing

Chairperson: Andrew Shepherd

Rapporteur: George Gorogo

Presentation

Infrastructure

- Infrastructure problems and needs differ between countries, therefore the appropriate facilities for marketing required by the individual countries should be identified and put in place. In order to fund required marketing infrastructure, countries should impress upon donors the importance of such infrastructure.
- Small-scale infrastructure improvements should be considered rather than large-scale infrastructure developments.
- Consultations with stakeholders are needed, in planning marketing infrastructure.
- Facilities to be made by the private sector where possible, as public sector involvement often results in lack of cost effectiveness and waste of public funds.
- Training in management of facilities, such as markets and cold stores, is needed.

Information

- A broad approach to market information is needed, including:
 - prices,
 - the balance of supply/demand, and
 - the general state of the industry.
- Information needs to be widely distributed.
- Information should be easily understood by users. In rural areas education levels are often too low to understand technical texts. Therefore information should be straightforward to the extent that it is impossible to misunderstand vital points.
- Linkages needs to be build between information and technical support. Information on niche markets, for example, is of little value if the technical assistance to produce for these markets is not in place.

Training and Extension

- All agriculture ministries should have Marketing Extension in their structure. This is not currently the case.
- Existing extension workers need knowledge of marketing and post-harvest handling, and need to feel confident in the advice they give.
- Training is needed for all groups involved in the production and marketing chain:

- farmers,
- traders,
- wholesalers,
- market managers, and
- transport owners.
- The value of credit awareness needs to be installed in the above as well as knowledge on:
 - honest business practices,
 - post-harvest handling, and
 - general business management.

Consultation

- “Smart“ partnership between government and private sector, meaning that consultations must take place between all parties involved in marketing.
- Industry bodies (i.e. associations) are needed to represent their stakeholders.

Plenary Discussion

In discussing the **funding** of marketing infrastructure, it was largely agreed that the need for such developments should be reflected in **government priorities**, when negotiating allocation of funding with donor agencies. However, the point was also made that it is important that the private sector initiate development of marketing infrastructure, leaving only the role of facilitating funding, through donor agencies, to government.

Relating to how to influence funding decisions, it was stated that donor agencies in the agricultural area generally focus on farming rather than marketing. It is therefore necessary to plea not only with governments, but also with **donor agencies, to focus more on marketing issues**. A representative from the donor community found that, the present workshop presented very important issues for the donor agencies. The donor agencies do not make independent funding decisions, but rely on government priorities to reflect the needs of different sectors. If marketing is not seen as a priority, it could be a manifestation of lack of co-ordination and co-operation between government departments.

Some participants felt that to be able to influence government and donor funding decisions, the workshop needed to come up with **clear recommendations** to guide these decisions. It was not felt that single individuals would be able to impress either governments nor donors. In response to this request for clear recommendations, it was argued that because the needs of the various countries differed clear recommendations could not be given. It was also argued that clear recommendations from the workshop did not necessarily ensure follow-up.

Finally, a point was made to highlight the importance of the **market place** as such, both with respect to local culture and with respect to tourism. The marketing infrastructure, including the market place, should not be “high tech” but rather be

basic. It should ensure good facilities for transporting, storing and selling. It was felt that if these basic needs were attended to production would rise and following from this exporting would become possible.

Working Group 2: Requirements for Export Market Development

Chairperson: Parmesh Chand

Rapporteur: Grant Vinning

Presentation

Background

The following presentation is based on the SPARTECA countries, and the focus is on fresh produce, fish and flowers.

1. Objective: Open New Markets

1.1. Solution: Quarantine

Action:

- Establish quarantine protocols - regional BQAs, multilateral agreements.
- Have updated list of pests and diseases – SPTCs to action.
- PPPO to continue work in quarantine documentation.
- Develop appropriate staff competence in pathology (plant and animal pathology) and biometricians.

2. Objective: Improve Marketing

2.1. Solution: Develop and improve market standards

Action:

- Market specifications in terms of quality, packaging, labelling.
- Increase Exposure Visits: conferences/workshops to be held in main market centres (Auckland, Sydney, Melbourne) so observance of market requirements can be undertaken.
- Synchronisation of standards between importers, exporters and quarantine authorities.

Who:

- Fiji-type industry councils to work with SPTCs.
- SPTCs to provide market data.
- Forum and SPC to organise conferences.

2.2. Solution: Improve quality, dissemination and use of market information.

Action:

- Need for clear and consistent points for inward data transmission.
- Greater use of radio.

- Need to acquire sponsored data.
- Need to strengthen councils.

Who:

- Government extension services.
- Industry councils.

2.3. Solution: Promotion

Action:

- Should be Island specific.
- Need for exporters to be assertive - what they want promoted and to whom.
- Need for greater collaboration between middlemen, distributors and government.

Who:

- SPTC
- Commercial sector

3. Objective: Improve In-Country Market Facilitation Services

3.1. Solution: Have independent monitoring of all inwards loads for quality (seals, temperature recorders, box counts, condition of product) to counter spurious importer claims

Action:

- Forum/SPTC to investigate appropriate resources and advise exporters.

Issue: Clearance costs are crippling for smaller exporters.

3.2. Solution: Develop a clearing house for consolidation of invoices for clearance costs

Action:

- SPTC to investigate.

4 Objective: Improve Intra and Inter Regional Transportation

4.1. Solution: Use of sea freight enables exporters to be more competitive.

Action:

- Get the science right:
 - Develop scientific solutions to sea freighting of tomatoes, eggplant, papaya, etc.
 - Have precise temperatures for specific root crops.
- Get the practice right:
 - Develop manuals
 - Training of the whole marketing chain for correct application of science: stress on non-classroom training.

Who:

- SPTC to collect all available information.
- Training to be executed by FAO.

4.2. Solution: There could be a role for a regional air-freighter.

Action:

- Funding to be made available to undertake feasibility study of regional air-freighter.
- Study to recognise transshipment quarantine issues.

4.3. Solution: Individual countries' regulations inhibit inter-Island shipping resulting in poor service and high costs.

Action

- Rationalise local transport regulations.

Pleanry Discussion

In response to the solution 3.1, it was stated from the importers' side that such **monitoring/consolidation** could not be done at point of arrival, but should take place at point of departure.

The **focus** of the group's discussions was questioned, as it was pointed out that **fresh produce** only accounts for a small percentage of agricultural exports from the Pacific Island states. The bulk of exports are made up of traditional commodities.

The need to change the way **industry councils** in Fiji work was stressed. Currently they are not seen as serving the industry, but function rather as top-down regulatory bodies. Industry councils need to be led by the industry.

Working Group 3: Sustainable Market-Oriented Production Systems

Chairperson: Andrew McGregor

Rapporteur: Pousima Afeaki

Presentation

How to increase supply, reduce prices and increase farmer income?

Supply of local produce to domestic markets is to be increased by improving efficiency and productivity of farming. Improving efficiency and productivity means that produce will be grown at lower costs, which will insure higher returns even at lower domestic prices. The focus should be on local crops.

The farmers targeted should be commercial farmers who are mostly small but who, as opposed to subsistence farmers, work full time. Subsistence farmers as a group are too hard to reach with training due to their high numbers. Moreover, if commercial

farmers succeed using new technologies or producing new crops, subsistence farmers will copy the success.

How to make Pacific Island farmers more efficient and productive?

Extension services, having specific skills with such crops as cocoa, coffee and squash, should be employed/utilised to work under the direction of exporters, farmer associations, NGOs, etc. In relation to farmers, this means that extension workers will be working directly with commercial farmers on improving local crops. Focus needs to be moved to primarily local crops. The payment of extension workers should also shift from government to private hands, to ensure best quality.

Remaining extension officers should work on improving food security, in collaboration with NGOs and Government Departments. This task should be approached by promoting the cultivation of traditional local crops such as taro, tamu, cassava, kumara, yams and bananas, as well as handicraft crops such as pandanus and bark for tapa cloth.

How to improve Market Information?

Market information is critical, but it must be accurate, relevant, and timely. Providing such market information could be a role for the existing “marketing quangos” (i.e. Ag Trade, Tonga Trade, AusTrade), rather than their present role of looking for new markets. **Radio** plays a critical role in disseminating market information. One way to establish this is through public funding and/or possible donor assistance. Another approach is sponsorship funded by e.g. farm equipment dealers and farm suppliers.

Infrastructure

If physical access to markets (such as roads, jetties/wharves, ships and landing strips) is provided the **farmers will respond**. One way to fund such infrastructure is through donor assistance.

Pleanry Discussion

The organisation and role of **extension services** was the focus of the discussion, raising a number of issues. Concern was expressed that **moving extension services to the private sector** would merely result in a move of the best extension workers from the government service to the private sector, and thus not result in an overall improvement. Moreover, valuable extension workers would now be working on only one crop, as opposed to agriculture in general. As a reply to this concern it was argued that given the current ineffective extension services, it would be better to move the service to private hands. Likewise it was suggested that if the establishment of private extension services does result in a ‘brain drain’ from the public sector, then new extension workers should be trained.

The point was also raised that farmers not only need to receive information on new crops and be trained in new techniques, but also need **access to help for making decisions** (e.g. calculating farm budgets) on growing and employing such new crops

and techniques. To this concern it was replied that if commercial farmers show that new crops can be grown profitably, or that new techniques can help increase the productivity of traditional crops, then the subsistence farmers will follow. They will know what to grow profitably, they just need to be trained in techniques. It was also maintained that extension workers should not forget to also focus on basic small-scale rural household food security.

It was suggested that **farmer-to-farmer training** would be a better option than trying to improve the already weak extension services in the Pacific. In response it was argued that the idea of training commercial farmers, who will in time be copied by subsistence farmers, is very close to farmer-to-farmer training.

The importance of the physical '**market place**' was brought up again, arguing that if it is designed in a practical and functional way, it has that potential to become an area where information, normally covered by extension services, is exchanged.

It was maintained that, in addition to new extension service initiatives, there was a role for **traditional extension services**. Anything which will increase local productivity will result in more food at lower prices, and facilitate future export.

The question of food security was raised, referring to the **safe handling of produce**. It was argued that extension services needed to be extended to the retail sector, to ensure that produce was handled correctly in order to ensure the highest return to the grower. In response to this it was held that small retailers are not likely to change their handling of produce as it is financially of little importance. Supermarkets on the other hand seem to be more receptive.

Socio-economic barriers to increased productivity in the agricultural sector, outside the immediate reach of extension services, were brought up. One example comes from an area in PNG where the **women**, as is often the case, are responsible for growing and selling produce. However, the husbands will monitor what is taken to market, and in turn make sure that a corresponding revenue is brought back. Women are reluctant to grow more because they will risk not being able to sell all, and thereby risk physical punishment by their husbands.

Relating to the **gender aspect** in PNG, it was described how problems with women growers interacting with male extension workers is being countered by educating women extension workers. The female extension workers are members of the village, and are thus, in a sense, training their neighbours.

The issue of **how to motivate extension workers** to improve services, in the light of their low salary, was raised. One response was that motivation will change with a changed focus from production of export produce to local produce. Another response was that motivation will improve if workers feel they are doing a valuable job. This can be achieved by formulating clear objectives and achievable results. In PNG extension workers have to report on results, and if higher productivity or other desired

results are not achieved, workers risk losing their job.

The **motivation of the farmer** was also questioned. It was argued that farmers have other objectives than just making money. That is, some farmers are content living a subsistence lifestyle. In response it was argued, that focusing on commercial farmers would serve the dual purpose of increasing food supply for the markets, but also giving the subsistence farmer an example to follow if he or she so wishes. Adding to this it was stated that in order to create sustainable advances, the farmers needed to understand and agree to production changes. That would involve, e.g., ensuring that information is comprehensible to the farmer.

Regarding the direction of farming development, it was argued that extension services and other support systems need to become more **consumer orientated**, for the grower to know what to produce profitably. Squash farming in Tonga was mentioned as a prime example. Responding to this, it was held that the demands of the (domestic) consumer were well known, i.e. it is more produce for lower price.

The deliberations following the three Working Groups' plenary presentations were used to prepare draft Recommendations of the Workshop. These were reviewed and amended in a final Plenary Session and appear at the beginning of this report.

During the course of the Workshop participants undertook a half-day field trip. The group visited the USP School of Agriculture taro breeding trials and the EU PRAP 1 multiplication plots for leaf blight tolerant Colocasia taro cultivars at Alafua, Wilex International (cocoa and kava processor and exporter), the Fugalei fresh produce market in Apia and the Atele Horticulture Center managed by MAFF Samoa. The assistance during the field trip of the staff of USP, EU-PRAP 1, WILEX and MAFFM Samoa is highly appreciated.

Annex 1

Official opening of the workshop by Honourable Mafasolia Papu Va'ai, Minister for Agriculture, Forestry, Fisheries and Meteorological Services, Samoa

Rev. Masunu Taito Utumapu;
Distinguished Guests and Participants;
Ladies and Gentlemen;

I am honoured to be addressing this distinguished gathering and participants to this FAO Regional Workshop on Improved Agriculture Marketing Development. I extend to you a warm welcome and greetings on behalf of the government of Samoa. Talofa lava.

For years our small governments countries in the South Pacific region have been struggling to respond to the needs of farmers and producers to provide markets for their produce on one hand, while at the same time labouring to satisfy the technical requirements of quarantine and commercial considerations of the potential markets on the other. A lot of hard efforts and resources have been expended on this problem and more will continue to be spent. But why is this so? Are the answers to these issues really necessary to facilitate sale of agricultural produce to overseas markets? I would have dearly loved to say no, but in reality it is a big yes. And I am hoping that this workshop and the deliberations in the next four days will enhance our knowledge and appreciation of some of the constraints facing the development of markets for agricultural produce in our countries.

Times have changed. Agricultural practices have evolved into new production modes. And as result, new and more resilient pests and diseases have similarly evolved that threatened agricultural security of potential market countries. As a consequence more stringent quarantine requirements are put forth to ensure prevention of these quarantine risks and at the same time satisfy the ultimate recipients, the consumers. Unfortunately under this scenario many of our Small countries have limited capacity and resources to provide satisfactory facilities and necessary procedures demanded by markets. At the end of the day the buck stops with the farmer or the producer and higher costs of productions. In this series of necessary steps, a number of weak linkages can be identified and addressed properly in order to improve the overall process. Again I am pleased that FAO is leading this initiative in the form of this Meeting which will look into weak linkages and any other constraints in this important issue.

The special FAO Ministerial Conference on Agriculture in Small Island Developing states held in Rome last month, which I was fortunate to attend, this week. That is agricultural marketing and trade and processing to ensure maximum, returns to farmers. Compounded by the inherent characteristics of our small isolated nations, the problem is immense and sometimes almost insurmountable. A draft Ministerial Declaration pledging their support to the Plan of Action to improve domestic and

export marketing and processing was endorsed. This indeed is giving international recognition appreciation of how important this issue is to our Small Island countries.

Recognition and appreciation of our need at the international level is a novel achievement but we ourselves must make the commitment to work together and collaborate with each other and share with each other experiences and expertise to come up with solutions. With FAO at the lead, we ourselves must play our part. FAO has taken the initiative to commission status papers from seven FAO member countries of the region in the subject and the rest depend on you as know your respective countries well and the prevailing conditions and constraints with regard to agricultural markets. But many of our problems, I believe are common to many of our countries. These include but not limited to the following;

- i. capacity to meet quarantine requirements of importing countries
- ii. the need to fully assess the costs of supplying markets for exports
- iii. the need to be able to supply the export markets or agro-processing as required
- iv. the need to address fully post-harvest handling including packaging to project, good impression on overseas markets
- v. the effects of over supply in markets impacting negatively on prices to producers
- vi. government policies relating to taxation and levies which impact on markets.

It is my fervent hope that some concrete recommendations for practical implementation by governments, producers and farmers and marketers will come out of this week's meeting. It is of critical importance that in-depth assessment on practical measures to assist the small farmers cope with the market-oriented type of production new prevailing be made. Regional organisations can play a crucial role in all these and the meeting is also invited to give clear indications of direction as to how best regional organisation can help our cause.

Once again, I thank FAO for their continuing efforts to improve food security through their pursuits in upgrading of various aspects of the production lime such as agricultural marketing, the objective of this week's workshop.

I encourage our friends here from overseas to make time to enjoy the environments of this lovely USP campus and IRETA as well as the beauty of Samoa, the last in line to greet the new millennium.

Without further ado, it is my pleasure to declare this FAO Regional Workshop on Improved Agriculture Marketing Development in the south Pacific officially open.

SOIFUA & GOD BLESS

Annex 2

Welcome address by Dr. Vili A. Fuavao, FAO Sub-Regional Representative for the Pacific.

Reverend Masunu T Utumapa,
Hon. Mafasolia Papu Va'ai Minister for Agriculture, Forestry, Fisheries and Meteorological Services
Members of the Diplomatic Corps
Delegates from Pacific Islands countries
Representatives from Regional Organisations
Observers, Friends of FAO
Ladies and Gentlemen

On behalf of the Director-General of the Food and Agriculture Organisations of the United Nations (FAO), Dr. Jacques Diouf, I welcome you all to this **FAO Regional Workshop on Improved Agriculture Marketing Development** being held here at the training fale of the Institute for Research, Extension and Training in Agriculture of the University of the South Pacific.

As you are aware, the major global commitment of FAO is food security. We acknowledge also that the task of ensuring food security is a complex and **formidable challenge**, which entails co-ordinated and simultaneous **actions on many fronts, not least of which is the improvement of agricultural marketing systems.**

The agricultural output of the south pacific island states has been steadily rising over the last decades. However, **population growth** rates have outweighed these gains in food production. Population density in most countries is now rising rapidly, and new **land available for agricultural cultivation is limited**. Most of our countries have had to import considerable amounts of foodstuff to meet domestic needs. In return, it is perhaps accurate to say that most of our countries adopt a policy of promoting increase agriculture production for export overseas. These two seemingly conflicting scenarios call for a balance in promotion of self sufficiency and export oriented production.

Even with best effort to increase the productivity of the existing land, agricultural growth in our region is regularly curtailed by **cyclones and droughts** as we have witnessed recently in Papua New Guinea, Tonga, Vanuatu and Fiji.

In full awareness of this situation, Ministers from the Small Island Development States during their Special Ministerial Conference on Agriculture which was held in Rome on 12 March 1999 reinforced the importance for policies

- to support the move towards more intensified, diversified and **sustainable** agriculture,
- to reduce production constraints, and
- to improve domestic and export marketing and processing.

As society changes the agricultural sector also faces the added challenge of not only supplying family and friends with foodstuff, but also supplying a growing urban market, and the added possibility of supplying export markets with high value niche products

Each of the Pacific island countries has to produce the products that can meet the changing demands in both the domestic and export markets. Therefore, agricultural production in the region needs to not only produce the quantity and quality to satisfy the changing demand, but also to remain competitive and carry on production without sacrificing the quality of the environment.

Attaining increased and sustainable agricultural production, and at the same time attaining domestic and export competitiveness are quite difficult given the limited resources and under the existing framework of small farm structure.

What are needed are new insights and approaches that will allow farmers to produce and sell not only the quantity, but also the quality of agricultural products required by the market. In other words, what is needed is an **efficient agricultural marketing system**. There is a need for timely market information, market infrastructure and for better post-harvest handling - that is, transportation, packaging and processing - in order to accommodate these new demands.

Naturally, existing levels of agricultural production should be increased through improved farming systems, but failure to also develop the agricultural marketing system, is likely to negate most, if not all, efforts to increase agricultural production. In as much as it provides incentives and outlets for increased production, an efficient agricultural marketing system is essential for the development of the agricultural sector in general and for the commercialisation of subsistence farmers in particular. As such it has the potential for increasing future **food security**.

Ladies and gentlemen, these are some of the challenges that we face today as we approach the new millennium.

In many instances, even if markets are assured, production is constrained not only by physical, climatic and biological factors but also by **social, economic and financial considerations**. Thus, for production systems to respond to changing market conditions, it is important to determine the production potential, the resource requirements and availability, the appropriateness and availability of technology as well as the risks involved in the production process.

We must establish effective linkages between agriculture and industry, with regard to the procurement of farm inputs, marketing of farm products and improvements in

marketing support services such as transport, grading, packaging, processing and timely market information. Regional and international organisations and governments departments also play an vital role in supporting agricultural marketing by creating adequate support systems in terms of good infrastructure, supportive regulating frameworks, effective extension services and satisfactory trade and quarantine agreements.

There is a need to promote the unity of production and marketing instead of the old dichotomy of production and marketing in which the latter begins when the former ends. As one economist has put it, “There could not be a good production system unless there is a good marketing system and vice-versa”.

Given our demonstrated dedication towards attaining food security, I am hopeful that, together, we can achieve something concrete for the development of agriculture in the Pacific region.

We are hopeful that in the next four days we will not only establish new bonds of friendship, which are important for future understanding, but also come up with more effective strategies for promoting effective marketing systems in the Pacific.

We believe this will be beneficial to everyone - small farmers, processing industries, trade businesses, consumers and the economy in general.

Before closing, I should take the opportunity to express our appreciation of the assistance received from the Forum Secretariat and the support received from the other regional organisations (SPC, USP/IRETA, EU-PRAP) and, of course, all of you who are participating at your own expense and at the expense of your organisations. I reiterate again how please we are that so much interests on this issue both from our members countries, private sectors as well as our regional partners. That in itself guarantees a successful outcomes of this workshop.

I wish you a productive four days and a pleasant stay in Samoa. I am looking forward to hearing the conclusions and recommendations as an outcome of your discussions on Friday afternoon.

Thank you and SOIFUA

Annex 3

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ANNEX 4

FAO-SAPA Regional Workshop on Improved Agricultural Marketing Apia, Samoa, 13-16 April, 1999



Upper row (partly in the shade) from left to right: Pousima Afeaki, Nafe Kuila, Steve Rogers, Sam Foy, Ms Annett Goerne, Ms Rosemary Taufatofua, Parmesh Chand, Ms Aivu Tauvasa, Frank Fong, Richard Cook, Andrew McGregor, Taniela Hoponoa, James Selwyn Wasi, Andrew Nanau. **Fourth row**: Finau Pole, Werner Schreckenber, Ms Ritia Kamuti, Ms Maria Kalsakau, Minory Nishi, Peter Napwatt, Timteo Kalmet, Metuisela Falesiva. **Third row**: Grant Vinning, Clive Wickham, John Murray, George Masaea, Edgar Cocker, Henry Kapu, Jonathan Jovekimbo, George Gorogo. **Second row**: Heiko Bammann, Roy Naidu, Davindra Singh, Adelino Lorens, Sant Kumar, Nga Mataio, Eugene Tatuava, Vei'a Mani. Front row sitting: Lyndon Chu Lingh, Rev. Masunu Taito Utumapu, Tuisugaletau Sofara Aveau, Ms. Lorraine Paasi, Hon. Mafasolia Papu Va'ai, Vili A Fuavao, H.E. Wang Xinyuan, Ms Banuve Kaumaitotoya, Andrew Shepherd.

Annex 5



FAO Regional Workshop on Improved Agriculture Marketing Development in the South Pacific

USP-IRETA training fale, Alafua, Apia, Samoa 13th to 16th of April, 1999



PROGRAMME

Tuesday, 13th of April:

- 8:30am** : Registration of Participants and Resource Person
- 9:00am** : **Opening Ceremony**
- 9:00am : 1. Opening Prayer
Rev. Masunu Taito Utumapu
- 9:15am : 2. Welcome Address
Dr Vili A. Fuavao, FAO Sub-Regional Representative for the Pacific
- 9:30am : 3. Official Opening
Hon. Mafasolia Papu Va'ai, Minister for Agriculture, Samoa
- 9:45am : Group Photo
- 10:00 to 10:30am** : - Morning Tea -
- 10:30am : **Introduction to the Workshop**
Heiko Bammann, FSD & Marketing Officer, SAPA, Apia
Election of Chairperson for the Session
- Session I: Agricultural Marketing in the South Pacific – the Situation**
Chair: Edgar Cocker
- 10:45am : **1. Agricultural Marketing in the South Pacific – An Overview**
Andrew Shepherd, Marketing Economist, FAO Rome
- 11:30am : **2. Country Statements** (15 minutes each)
- 2.1 Papua New Guinea**
George Gorogo, Manager FPDC/Alfred Bala, DAL
- 2.2 Solomon Islands**
Henry Kapu, Marketing Officer, MAF Solomon Islands
- 2.3 Vanuatu**
Peter Napwatt, Senior Marketing Officer, MAF, Vanuatu
- 2.4 Fiji Islands**
Ms Banuve Kaumaitotoya, AgTrade, Ec. Pla. & Stats. Div., MAFF, Fiji
- 12:30 to 13:30pm** : - Lunch Break -
- 13:30pm : **Country Statements** (contd.)
- 2.5 Samoa**
Frank Fong, Chief Economist, MAFFM, Samoa
- 2.6 Tonga**
Finau Pole/Metuisela Falesiva, MAF, Tonga
- 2.7 Cook Islands**
Nga Mataio, Senior Policy Officer, National Policy Division, Prime Minister's Office, Cook Islands
- 14:15pm : Discussion

- 15:00 – 15:30pm : - Afternoon Coffee -
 : **Session II: Invited Papers:**
Chair: Banuva Kaumaitotoya **Rapporteur:** HeikoBammann
- 15:30am : **1. Production and Marketing Linkages**
 Richard Cook, Grower and Exporter, Samoa
 Co-Speaker: **Pousima Afeaki, Grower and Exporter, Tonga**
 “Another view to developing successful agriculture markets”
- 16:15am : **2. Requirements of Fresh Produce Importers**
 Clive Wickham, Carter & Spencer International Ltd., New Zealand
- 16:45am : **3. Requirements for Successful Processing and Export Production**
 Jerry Hope/Eddy Wilson, Wilex Cocoa & Coconut Products Ltd., Samoa
- 17:30pm : End of the Working Day
- 19:00-20:30pm : **Reception at IRETA Training Fale for participants and invited guests**

Wednesday, 14th of April:

- 8:30am : **Session III: Technical Papers**
Chair: Nga Mataio **Rapporteur:** Lotte Lyng
- 8:30am : **1. Marketing and Market Requirements for Domestic and for Export Marketing**
 Parmesh Chand, Senior Trade Officer, SPTC, New Zealand
 Ms. Aivu Tauvasa, Trade Officer, SPTC, Sydney, Australia
- 9:15am : **2. WTO: SPS and TBT Agreements -- Implications for International Trade of Food Products**
 Ms. Annamaria Bruno, Food and Nutrition Officer, FAO-SAPA. Apia
- 9:30am : **3. Importance of Post-harvest Handling, Packaging and Transportation**
 Edgar Cocker, Marketing & Product Development Officer, Forum Secretariat, Fiji
- 10:15 to 10:30am : - Morning Coffee -
- 10:30am : **4. Farming Systems in the Pacific – Linkages for Successful Marketing**
 Mr. Andrew McGregor, Consultant, Fiji
- 11:15am : **5. Entrepreneurial Gaps which impact International Marketing from Pacific Island Countries**
 Ms. Rosemary Taufatofua, Marketing Officer, SPC
- 11:40am : **Discussion**
- 12:30 to 13:30pm : - Lunch Break -
- 13:30am : **Session IV -- Working Groups:**
 Critical Issues and Opportunities for Improved Agricultural Marketing
- Introduction to Group Work**
 Heiko Bammann, FSD& Marketing Officer, FAO-SAPA, Apia

WG One: Overcoming Constraints to Efficient Marketing

(topics to be included: market information, marketing extension, marketing channels, market infrastructure)

Chairperson: Andrew Shepherd

Rapporteur 1: George Gorogo

WG Two: Requirements for Export Market Development

(Topics to be included: strengths and weaknesses of different countries, Melanesian/Polynesian differences, opportunities and threats, post harvest handling, opportunities, etc.)

Chairperson: Parmesh Chand

Rapporteur 2: Grant Vinning

WG Three: Sustainable Market-oriented Production Systems

(Topics: socio-economic constraints, requirements, organisation, grouping, capacity building, farm management tools relevant for farmers in the Pacific, infrastructure, market-extension-farmer linkages, etc.)

Chairperson: Andrew McGregor

Rapporteur 3: Pousima Afeaki

- 15:15 to 15:30pm : - Afternoon Tea -
- 15:30pm : **Working Groups: contd.**
- 17:00pm : End of the Day

Thursday, 15th of April:

- 8:30am : **Working Groups: (contd.):**
- 10:00 to 10:30am : - Morning Tea -
- 10:30 to 12:30 : **Working Groups: Finalisation of next days presentation**
- 12:30 to 13:00pm : - Lunch Break -
- 13:00pm : **Departure for Field Visits:**
- 13:00to 13:45am : 1. EU-PRAP/USP & School of Agriculture, Alafua
(propagation of leaf blight tolerant *Colocasia* taro)
- 14:00 to 14:45pm : 2. WILEX Cocoa & Coconut Products Ltd., Matautu-uta
(cocoa, kava exporter, chocolate processing, etc.)
- 15:00 to 15:30pm : 3. Fugalei Fresh Produce Market
- 16:00 to 16:45pm : 4. Atele Horticulture Development Centre
(fruit tree cultivation: papaya, rambutan, mango, citrus, avocado, etc.)
- 17:30 to 20:00pm : **B-B-Q & Umu Dinner at the Yacht Club**
Mulinnu Peninsula, Apia (note: directly following the field visits)

Friday, 16th of April:

8:30am	:	Session V: Plenary Presentations of Working Group Findings and Recommendations Chair: Ms Aivu Tauvasa Rapporteur: Ms Lotte Lyng
8:30am	:	Working Group One
9:15am	:	Working Group Two
10:00 to 10:30am	:	- Morning Tea -
10:30am	:	Working Group Three
11:15am	:	Final Discussion – Summary of Workshop Recommendations ? How to overcome existing constraints to efficient marketing ? How to meet requirements for export market development ? How to support sustainable market-oriented production systems ? How to structure support systems for a sustainable market development
12:30 to 13:30pm	:	- Lunch Break -
13:30pm	:	Session VI - Closing: Chair: Dr. Vili A. Fuavao, SRR,SAPA Rapporteur: Lotte Lyng
13:30pm	:	Workshop Summary & How FAO can assist in implementing the recommendations Andrew Shepherd, Marketing Economist, FAO Rome
13:45pm	:	Statements by Representatives of Regional Organisations
14:30pm	:	Words of thanks
14:45pm	:	Official Closing of Workshop by Dr Vili A. Fuavao, Sub-Regional Representative, FAO-SAPA, Apia
15:00pm	:	Workshop Closed