

NRI Seminar Series

FRESH PRODUCE DEVELOPMENT AGENCY NFI, Lae

Presented By

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Feeding & Enriching Papua New Guinea

Theme

DECENTRALIZATION OF POWERS AND FUNCTION FOR 22 PROVINCIAL ECONOMICS:

**ARE WE BUILDING A STRONG
ECONOMY?**

Our perspective



OUTLINE of Presentation

1. FPDA Background
2. Provinces and Districts Economic Growth through Fresh Produce Industry
3. FPDA's partnership with provinces/districts to grow economy
4. Policies and Programs to Implement
5. Challenges
6. Way Forward
7. Conclusions



1. FPDA Background

- **Introduction**
- The Fresh Produce Development Agency (FPDA) is a pivotal government agency within the agriculture sector, tasked with fostering the growth of the fresh produce industry in Papua New Guinea.
- The FPDA was established under the Company Act, signifying its role as a governmental agency aimed at promoting fresh produce development. Its funding primarily comes from the national government through the Public Investment Program (PIP). This financial support underscores the importance of the agency's mission in driving economic growth.



1. FPDA Background...continues

- **Programs and Projects:** The FPDA's initiatives span various areas crucial to the fresh produce industry's success.
- These include extension services, farmer training, capacity building, post-harvest management, and quality control. value chain development, supporting fruit and vegetable production and supply, as well as functioning as an information hub for industry-related data such as production, markets, and prices.
- **Policy Framework:** FPDA currently lacks specific industry policies
- FPDA operates within the framework of broader policies such as the Food Security Policy, set by the Department of Agriculture and Livestock (DAL), as well as Nutrition Policies outlined by the Health Department and National Planning.
- However, it's crucial for the agency to establish industry-specific policies to guide its activities effectively.



1. FPDA Background...continues

- **Strategic Planning**
- The FPDA has a long-term strategic plan spanning from 2010 to 2030
- This long-term vision provides a foundation for the agency's activities. Additionally, the FPDA has a Mid-term Plan (MTP) aligned with the agriculture sector's policies and the government's Medium Term Development Plan (MTDP).
- Alignment with the government's PNG Development Strategic Plan (PNGDSP) for 2030.



2. Economic Growth through Fresh produce Industry

- **To enable provinces and districts to drive economic growth through the fresh produce industry, several key steps can be taken:**
 - **Strategic Partnership**
 - Collaborating closely with the FPDA can provide the necessary guidance and support for provinces and districts to develop their fresh produce industries. This involves leveraging resources, expertise, and shared objectives.
 - **Investment Allocation**
 - Allocating a portion of the Service Improvement Program (SIP) budget to the agriculture and fresh produce industry is crucial. This allocation can be directed towards creating a robust value chain, ensuring sustainability.
 - **Leveraging Comparative Advantage**
 - Provinces and districts should identify their unique strengths in specific crops. For instance, Morobe could focus on Taro and bananas, while the Highlands could specialize in potatoes and sweet potatoes. This specialization can lead to efficiency and competitiveness.



2. Economic Growth through Fresh produce Industry...continues

- **Policy Alignment**
 - Local governments must align with national policies, strategic plans, and development agendas. This coherence ensures synergy and avoids conflicting objectives.
- **Sector Policies and Plans**
 - Developing local sector policies, such as provincial or district agricultural policies, and economic development strategies provides a roadmap for fostering the fresh produce industry.
- **Implementation Plans**
 - Detailed implementation plans are essential for translating policies and strategies into tangible actions. These plans guide execution and accountability.
- **Program Development**
 - Designing targeted programs and projects, such as Fresh Produce Development Programs, Market for Village Farmers Projects, and Value Chain Development, allows for focused and effective interventions.



2. Economic Growth through Fresh produce Industry...continues

- **Creating a Conducive Environment**
- **Establishing a policy and legal framework that encourages investment and growth** in fresh produce and broader economic sectors is paramount. This involves regulatory adjustments and incentives.
- **Funding Strategies**
- Considering a percentage of **SIP funds dedicated to the economic sector**, which is further allocated to agriculture, can ensure sustained investment. Allocating a portion specifically to fresh produce development programs and value chains promotes industry growth.
- **Partnership**
- **Collaborating with development partners, donors, and private investors** is instrumental in garnering the resources, knowledge, and expertise needed to propel the industries forward.



3. FPDA's partnerships with Province/Districts

- FPDA as a major player in the industry, could play a significant role in assisting provinces to develop their economies, especially in the agriculture industry. Given the insights provided by the concept note, here's how FPDA could assist provinces:
- **Specialization and Comparative Advantage -**
- **FPDA can work with provinces to identify their unique strengths, resources, and agro-climatic conditions.** This would allow provinces to specialize in the production of specific crops that align with their strengths and have a comparative advantage.
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- **Capacity Building and Technical Support**
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- **FPDA can provide technical expertise, training, and advisory services to provinces.** This would enable them to improve farming practices, enhance crop quality and yield, and adopt modern agricultural technologies.



3. FPDA's partnerships with Province/Districts....continues

- **Market Access and Value Chain Development**
- FPDA can assist provinces in developing strong agricultural value chains. This involves linking farmers to markets, processors, and distributors, ensuring that their produce reaches consumers effectively. This could also involve assisting with packaging, transportation, and quality control.
- **Research and Innovation**
- FPDA can facilitate research and innovation in agricultural practices. This could involve promoting the adoption of new crop varieties, sustainable farming methods, and post-harvest technologies that are suited to each province's conditions.
- **Access to Finance and Investment**
- FPDA can collaborate with financial institutions and development agencies to provide funding and investment opportunities for agricultural projects in provinces. This could support the development of infrastructure, processing facilities, and marketing initiatives.



4. Policies and Program to Implement

Agricultural Plans

- Collaborate with provinces to develop tailored agricultural plans that align with their resources, strengths, and economic priorities.

Specialization Incentives

- Introduce incentives for provinces to specialize in specific crops or industries, encouraging them to develop a comparative advantage.

Market Linkages

- Establish platforms for connecting farmers and producers from provinces with potential buyers, both domestically and internationally.

Training and Extension Services

- Implement training programs to enhance the skills of farmers and agricultural workers, improving overall productivity.

Research and Development Grants

- Offer grants to provinces for research and development initiatives focused on improving agricultural practices, crop varieties, and sustainability



5. MAJOR CHALLENGES

1. Resource limitations
2. Alignment
3. Coordination and implementation



5. Minor Challenges

Limited Infrastructure

- Insufficient infrastructure, such as roads and storage facilities, can hinder the efficient transportation and distribution of agricultural produce.

Lack of Technical Knowledge

- Farmers may lack access to modern agricultural practices and technologies, which can impact productivity.

Fragmented Markets

- Inadequate market access and coordination could lead to oversupply or undersupply of certain produce.



6. Way Forward

Collaborative Planning

- FPDA should collaborate with provincial governments, local communities, and other relevant agencies to develop comprehensive and localized agricultural plans.

Capacity Building

- Invest in training and extension services to equip farmers with the skills and knowledge needed to modernize their farming practices.

Market Integration

- Focus on developing efficient market linkages, both within the province and beyond, to ensure that agricultural produce reaches consumers effectively.

Incentives for specialization

Introduce incentives for provinces to specialize in crops or industries where they have a competitive advantage.



6. Way Forward

Public–Private Partnership

- Collaborate with private sector stakeholders to attract investment, improve infrastructure, and enhance value chains.

Monitoring and Evaluation

- Establish a robust system for tracking the impact of FPDA's interventions and adjusting strategies accordingly.

Knowledge Sharing

- Facilitate the sharing of best practices and success stories among provinces to promote cross-learning and innovation.

There must be better alignment, effective coordination and support for implementation of government policies



Thank you



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Attachment: FPDA's MTP vs GoPNG MTDP 3

FPDA has made significant achievements in line with its Key Result Areas (KRAs) as reflected in the Key Performance Indicators (KPIs) during the MTDP III period (2017-2022).

Table 1: Main KPIs measures against the MTDP 3 annual targets, from 2019 to 2022

Key Performance Indicators	2019		2020		2021		2022	
	MTDP target	FPDA Actual	MTDP target	FPDA Actual	MTDP target	FPDA Actual	MTDP target	FPDA Actual
1. Number of Farmers contacted	5,517	5,072	5,793	3,720	6,083	5,080	6,387	9,300
2. Number of Formal MSMEs	41	50	44	47	47	50	50	37
3. Production Volume (tons)	22,000	25,000	25,000	23,500	27,000	25,000	30,000	23,250
4. Value of Production (Million)	44	55	50	20	54	10	60	47
5. Import Volume (tons)	6,000	9,800	7,000	8,600	8,000	8,600	Na	Na
6. Value Imported (Million)	12	50	14	37	16	37	Na	Na



Imports of Fresh Produce Data

Table 2: Shows data on the volume and value of imported fresh produce (fruits and vegetables) in Papua New Guinea (PNG) from 2017 to 2021. However, data for the year 2022 is not available.

Imported Fresh Produce		
	Volume (tons)	Value (Kina)
2017	7,987.65	48,329,392.00
2018	9,511.83	45,647,068.00
2019	9,802.53	48,224,435.50
2020	10,791.11	47,304,646.85
2021	8,660.82	36,552,349.77
2022	Data Not available	





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