



VIABLE EXTENSION APPROACH TO PROMOTE RURAL ECONOMIC EMPOWERMENT



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PRESENTATION OUTLINE

- ❑ **AGRICULTURE SECTOR'S VISION, MISSION AND KEY PERFORMANCE INDICATORS**
- ❑ **AGRICULTURE POLICY ON AGRI-BUSINESS**
- ❑ **REFOCUS OF EXTENSION AND TRAINING ON SUPPLY CHAIN**
- ❑ **DEFINING AND CREATING PATHWAY FOR MICRO AND SMEs IN THE CONTEXT OF SUPPLY/VALUE CHAIN**
- ❑ **FORWARD STRATEGIES**

AGRICULTURE SECTOR'S VISION

our Vision for the sector is:

To transform PNG's agriculture from subsistence farming towards an efficient, globally competitive, market driven sector that assures food security, enhances livelihood of families and communities, promotes rural prosperity, natural resource conservation, and supports gender equity.

KEY PERFORMANCE INDICATORS IN THE AGRICULTURE SECTOR

- Increase export and domestic production and/or revenues
- Increase the number of indigenous men and women in small, medium and corporate businesses in the agriculture and agriculture-related sectors; and
- Increase number and volume of new investments.

Cocoa
Coconut
Coffee
Fresh Food
Livestock
Oil Palm
Rice
Rubber
Spice

TRANSFORMING AGRICULTURE IN PNG

: TOWARDS AGRI-BUSINESS

- Why Agri-Business ??

'It involves creating the pathway for our farmers who are in the informal sector to transit and transform into Informal Sector.'

- Agribusiness is the key to resolving two of the great challenges of our time: **reducing the poverty** of the PNG's small farmers and **feeding the PNG's growing population**.
- Agribusiness covers the **supply of agricultural inputs**, the **production and processing of agricultural products**, and **their distribution to the consumer**.

MAIN IMPEDIMENTS TO AGRI-BUSINESS DEVELOPMENT IN RURAL AREAS OF PNG

- ❖ Land Availability and Access;
- ❖ Inability of our farmers to meet market requirements and poor marketing infrastructure for commodities both domestically and internationally;
- ❖ Low availability of capital and difficulties in accessing credit for commodity based projects;
- ❖ Poor transport, energy and communication infrastructure;
- ❖ Inadequate logistic systems and processing facilities;
- ❖ Poor and deficient extension services/training; and
- ❖ Inadequate legal and policy framework supporting new and large-scale investments

A RE-FOCUS ON EXTENSION

COMPONENT OF SUPPLY & VALUE CHAIN	DESCRIPTION
1. Land Mobilisation	
2. Nursery & Research	
3. Land Preparation 4. Planting	This is the high -risk, low -value end of business Rural based: bulk of smallholder farmers are engaged
5. Harvesting	
6. Processing & Packaging	
7. Marketing	This is the low – risk, high value end of business.
8. Distribution	Urban based & few smallholder farmers are involved: Dominated by foreign own agr-business[agro-industries]

WHERE DOES LOCAL SME FIT IN NATIONAL AGRICULTURE SME DEFINITION IN THE NATIONAL SME POLICY

CATEGORY OF AGRICULTURE SMES		
MICRO	SMALL	MEDIUM
Sales turn over of less than K200,000.00	Sales turnover of more than K200,000 and less than K5m	Sales turnover of more than K5m and less than K20m
Employees of less than 5	Employees of more than 5 and less than 20	Employees of more than 20 and less than 100
Assets of less than K200,000	Assets of more than K200,000 and less than K10m	Assets of more than K10m and less than K20m

ENABLERS FOR SMALLHOLDERS TO PROGRESS INTO MICRO AND SMES

EXTENSION, TRAINING AND INFORMATION DISSEMINATION SHOULD FOCUS ON :

- Access to Finance
- Access to Business/Commercial Land
- Access to Market
- Access to Business Information
- Access to Physical & Business Infrastructure
- Entrepreneurship Development
- Training
- Information Technology
- Legal and Regulatory Framework
- Human Resource [Capital Management]
- Business Insurance
- Institutional Frameworks



CATEGORIES OF FARMERS



Large Farmer

Medium Sized
Farmer (Emerging)

Commercial Smallholder

Semi-Commercial Smallholder

Subsistence Farmer

CRITERIA TO DETERMINE LEVEL OF PNG FARMER [MICRO, SMALL, MEDIUM & LARGE]

- Land : Size of Land
- Labour : Family or Paid Labour
- Technology: Low, Medium or High
- Resources : Capital, Skills, Labour, & Risk Management
- Production: Subsistence, Semi-Commercial or Commercial
- Capacity : Marketing, Storage, Processing
- Supply/Value Chain : Level and strength in supply & value chain

NEW EXTENSION APPROACH

Market Based, Climate Smart Supply/Value Chain focussed on;

- Quality [from Garden to Table] -Proper Post Harvest Handling
- Organic Production [For Premium Market]
- Market Information [Linking Producers to Buyers, avoid Middleman] focussed on prices and quality
- Promote downstream processing and packaging

IDEAL AGRI-BUSINESS MODEL

The ideal business model seeks to offer a **market-first** and a **science based** and **climate smart** approach to the creation of competitive livestock and crop business entrepreneurs in agri-business through high quality technology development and commercialization as well as influencing the teaching and learning of agri-business in PNG Universities.

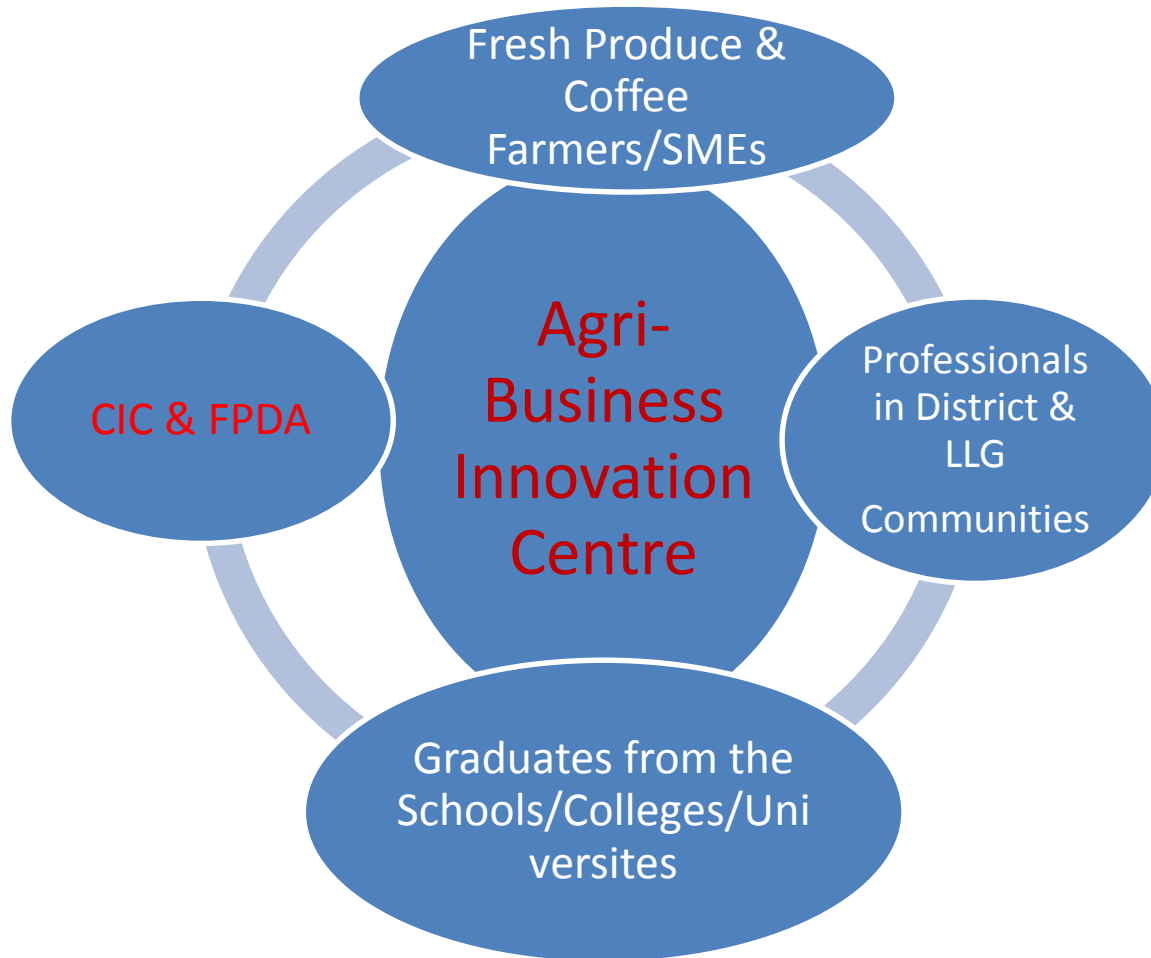
Priority Clients: Target beneficiaries are small & medium agri-business entrepreneurs, unemployed graduates (secondary & tertiary).

Business Associates include; supermarkets, hotels, restaurants, financial institutions, state owned organisations and institutions (LOCAL MARKETS).



CAPACITY BUILDING MODEL

[UOG with Partners]



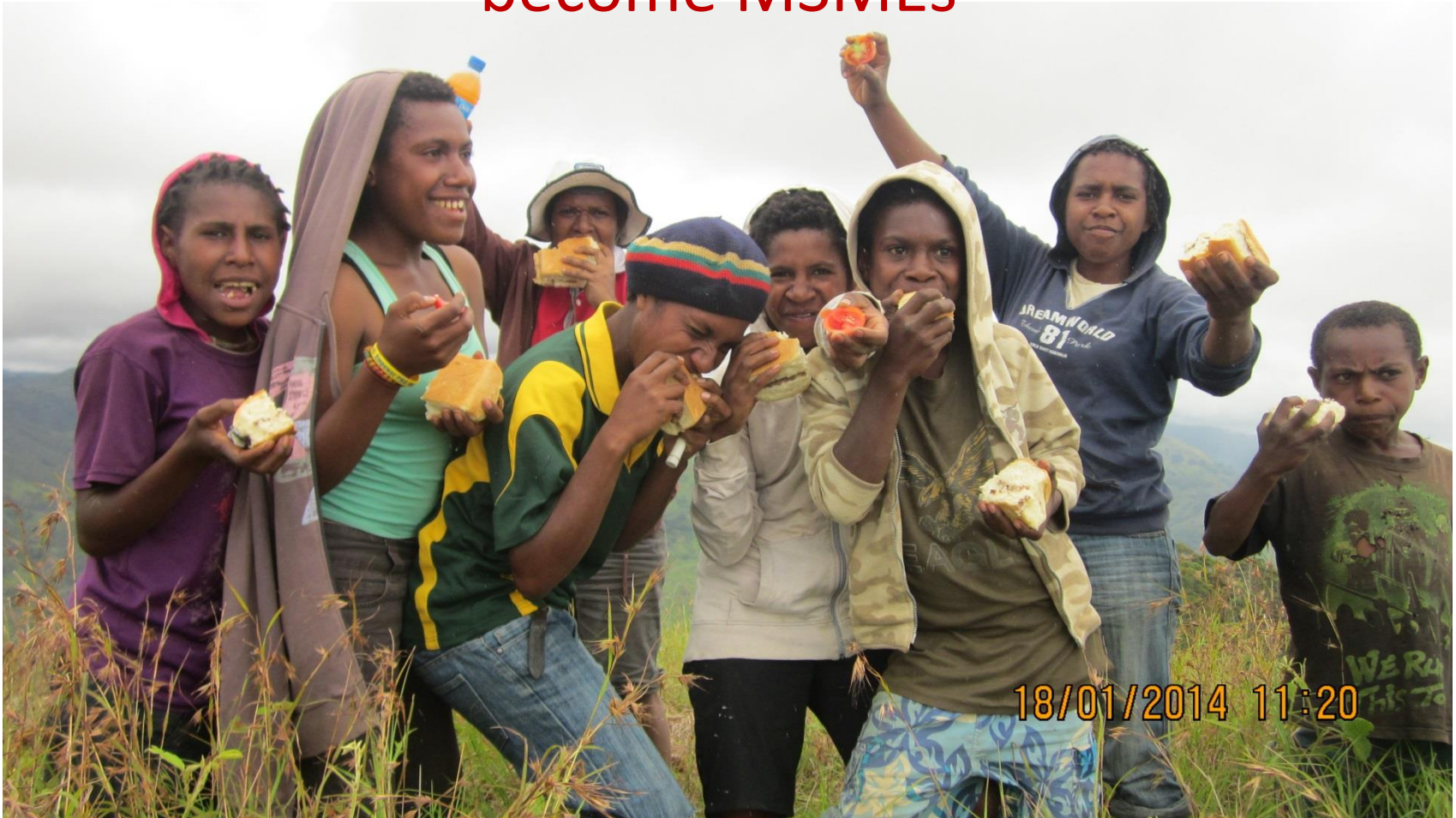
OBJECTIVES OF AGRI-BUSINESS INNOVATIVE CENTRE

- To create avenues for practical training and internship opportunities for agriculture and livestock based agribusiness trainees from the universities
- To improve agri-business teaching and learning to respond to Industry needs.
- To provide business advisory and diagnostic services to agri-business enterprises [Supply/Value Chain of Commodities]
- To create opportunities for networking to facilitate knowledge –sharing between incubator and incubatees and relevant stakeholders
- To create interactive platforms for actors in the various values chains of all commodities [Fresh Produce & Coffee]

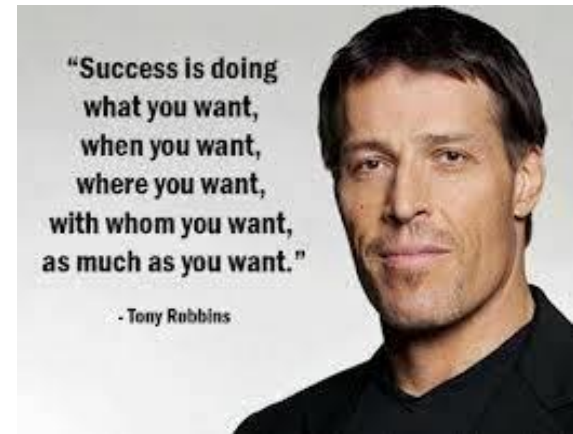
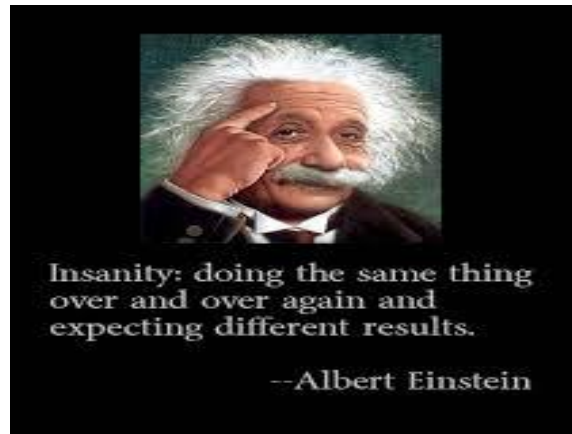
‘When do we want to see bulk of our women and youth engaged in commercial farming as MSMEs ?’



‘We need to groom youth and women to become next generation of farmers who will become MSMEs’



‘We need to be serious with our life, our agriculture;
Change is what we need now !’



“Proverbs 29: 18 - Where there is no vision, the people perish.”

**‘PNG GOVT SHOULD TRANSLATE THIS VISION BY INVESTING MASSIVELY
IN AGRICULTURE FOR RURAL ECONOMIC PROSPERITY’**

FORWARD STRATEGIES

- **ENGAGEMENT OF PRIVATE SECTOR [AGRO-INDUSTRY] IN PARTNERSHIP WITH GOVT [DAL/DPI] FOR EFFECTIVE EXTENSION SERVICE**
- **INNOVATIVE EXTENSION IN RURAL COMMUNITIES SHOULD FOCUS ON: IMPROVING SUPPLY VALUE CHAIN, MARKET INFORMATION, CLIMATE CHANGE INFORMATION AND FINANCING/FUNDING INFORMATION FOR FARMERS**
- **EXTENSION DELIVERY THROUGH PARTNERSHIP ARRANGEMENT SHOULD BUILD CAPACITIES OF FARMER GROUPS [COOPERATIVES AND ASSOCIATIONS] SO THEY BUILD SMES; ULTIMATELY INDIVIDUAL SMES WHO TRANSFORM RURAL COMMUNITIES.**
- **LEGISLATION SHOULD ESTABLISH MANDATORY FUNDING FOR MICRO AND SMEs.**
- **DISTRICT GOVERNMENT [DDA] TO SUPPORT AGRI-BUSINESS AND MICRO & SMEs DEVELOPMENT.**

THANK YOU

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