

Agri Value Chain Financing Overcoming Our Scale Limitation in Fiji



Overview of Global Ginger Market

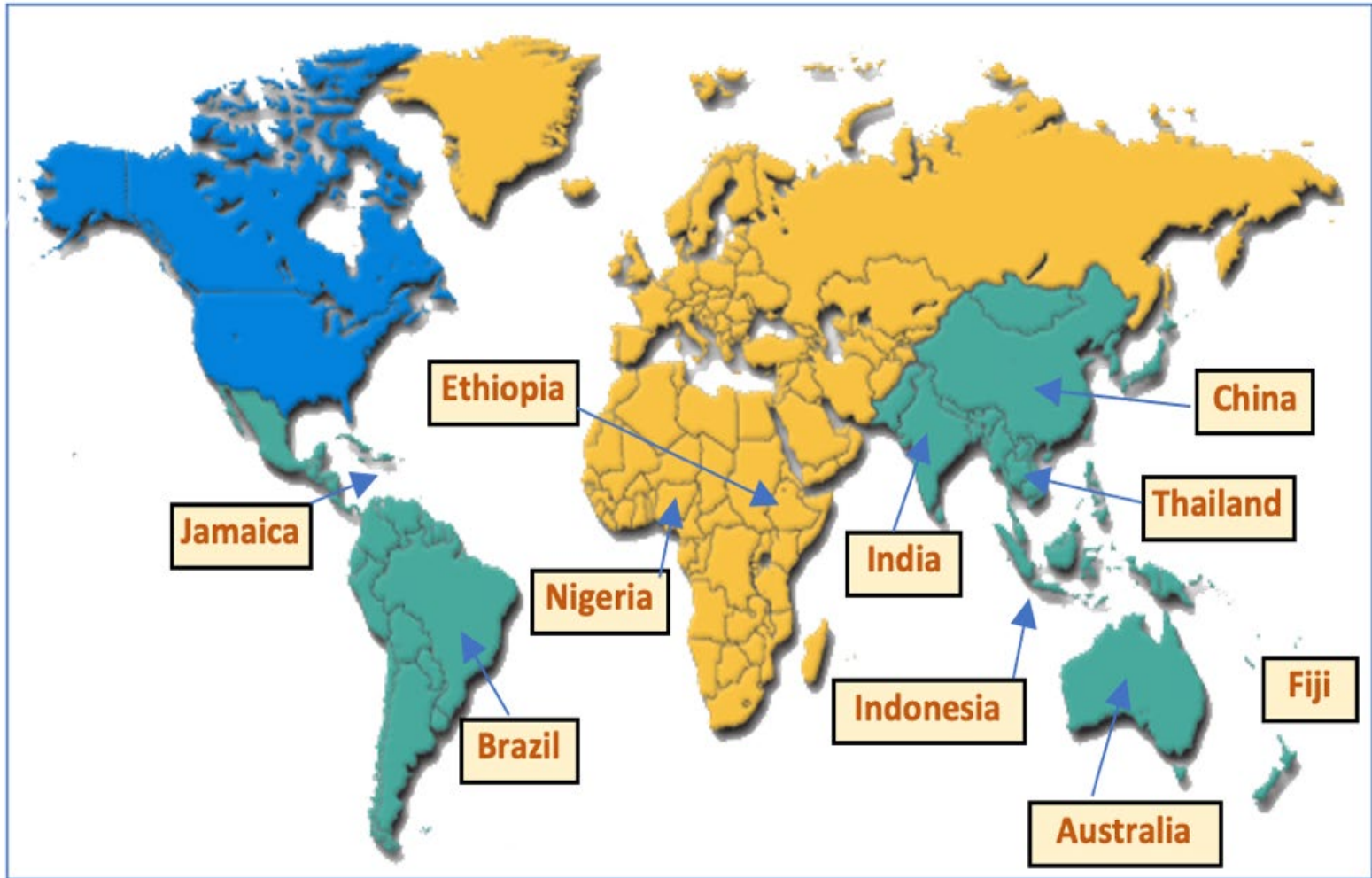
- **Top exporters of Ginger**

- China (\$649M) India (\$130M), Netherlands (\$127M), Peru (\$88.1M), and Nigeria (\$73.2M) **Fiji (\$14.8M)- 2021**

- **Top importers of Ginger**

- United States (\$160M), Netherlands (\$156M), Japan (\$98.9M), Germany (\$89.8M), and Pakistan (\$83.9M).
- According to the FAO, ginger is grown in over 80 countries around the equator.
- The current production is around 3 million tons per year.
- Over 80% is grown and consumed in just 5 countries: India (33%), China (18%), Nigeria (12%), Nepal (9.4%) and Indonesia (9.4%).
Production grows by about 4.2% per year .

Overview of Global Ginger Market



Competitive Advantage

The five main reasons to choose baby ginger from a specific origin are listed below.

SCORE OF PROPERTIES FOR STEM GINGER FROM DIFFERENT ORIGIN (0-10)					
1. Taste and appearance	25%	8	9	7	9
2. Health benefits	25%	8	8	6	7
3. Image	20%	9	8	5	9
4. Widen the assortment	10%	8	7	3	7
5. Price	20%	7	5	9	7
Total	100%	8.0	7.6	6.4	7.9

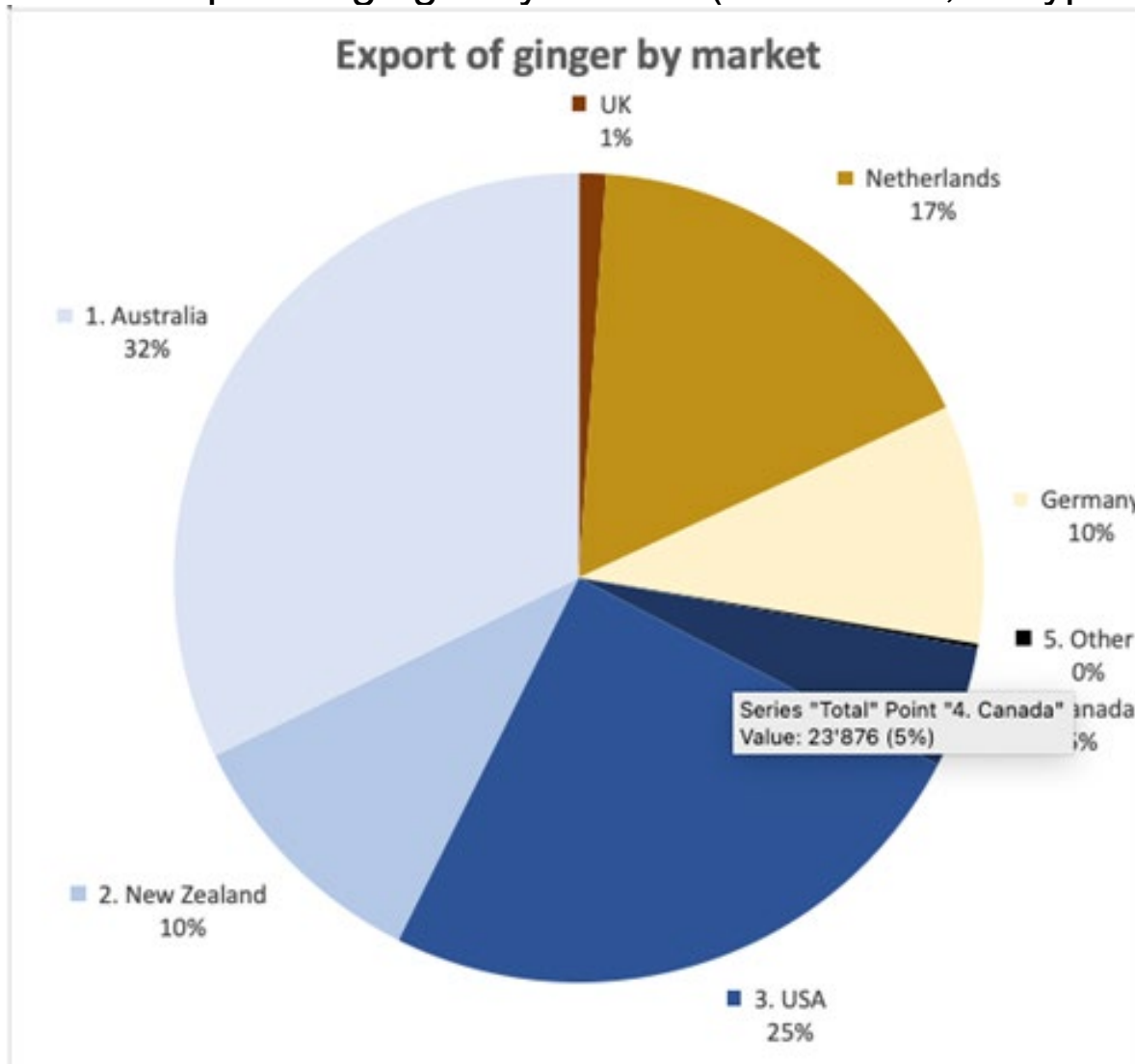
Fiji baby ginger scores 8.0, followed by Thailand 7.9, Australia 7.6, and China 6.4.

Overview of Fiji's Ginger Value Chain

- Total Production – approximately 13,800tons (2021)
- Approximately 800 registered farmers.
- Export Market – USA, UK, Europe, Australia and NZ
- Farm Level Yield- 35tons/ha or
- Price- \$1.60-3.20/kg
- 300-420 labour days per hectare.
- Rated one of the best in the world due to our semi organic environment.

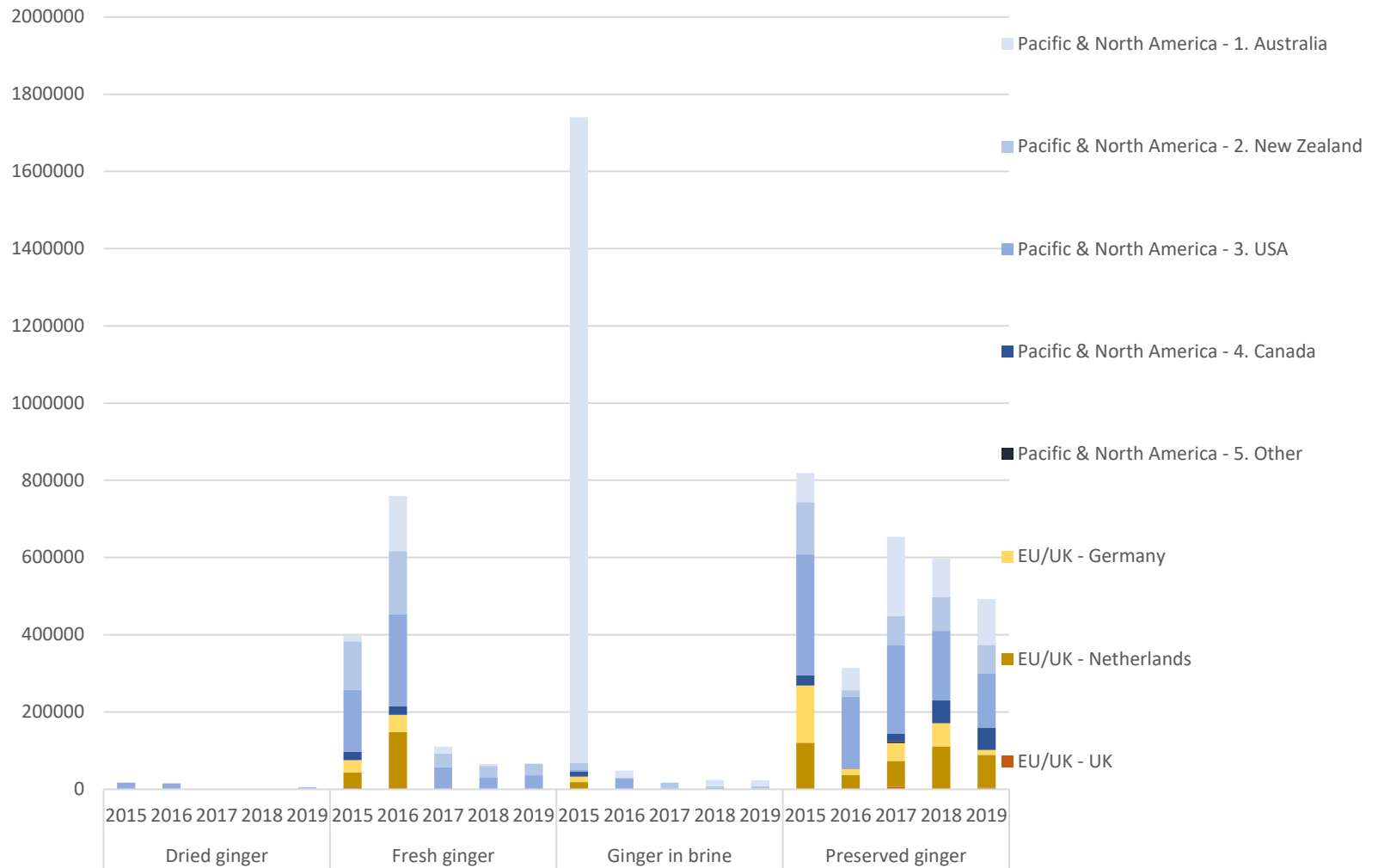
Overview of Fiji's Ginger Value Chain

Export of ginger by Market (2015-2019, all types)



Overview of Fiji's Ginger Value Chain

Export of ginger by market



Key Characteristics

A. Market Oriented Approach:

1. Farmers selection based recommendation of the exporters & track record.
2. Strengthened farm-buyer/exporter relationship through constant & continuous communication.
3. Formalized contractual agreement and engagement (Engagement Workshop & Contract Signing).
4. Market-oriented farming articulated in a well coordinated cropping plan to ensure acceptable quality (less fibrous) and optimal yield.

Key Characteristics

B. Bank-readiness:

1. Farmers selection also based on bank loan criteria.
2. Financial literacy training, coaching and mentoring.
3. Development of bankable loan proposal.
4. Post finance – period monitoring and project supervision.
5. Development of Crop Lien to give the Bank additional comfort on timely remittance of loan repayment. The farmer & exporter signed an assignment- authorizing the exporter to direct the ginger proceeds to the Bank. The Bank will deduct the loan repayment and refund the rest to the farmer within 24 hours.

Key Characteristics

Project monitoring and Supervision

1. Continuous monitoring by all parties (jointly/individually) including the Bank, MOA and Exporters motivates farmers to work harder and honor their contractual obligation to their designated exporter/buyer, financial obligation to the Bank and adhere to environmental policies.
2. Project Developed Monitoring Tool- Cropping Plan & Monitoring Plan allows these parties to be very objective and focused when visiting the farmers.

Key Characteristics

Tailor-made loan facility

1. Loan term and condition to be aligned to the ginger crop calendar. Eg. Repayment due 6 monthly in at the end of the harvest season.
2. timely disbursement in line with activities stipulated in the cropping plan.
3. Makes provision for losses during tropical cyclone and other climate induced extreme weather conditions.

Conclusion

- Strengthen Value Chain
 - Farmers contract
 - Financial Institution partnership
 - Constant communication & Collaboration
- Market Driven & Orientation
- Private Sector Driven & Partnership in areas of trade and policies

Thank you for Listening

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