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Papua New Guinea's drive for self-sufficiency in food production: Are we ready?

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Introduction

This paper is in response to the current introduction of import restrictions and prohibition (IRP) for several important fruits and vegetables as reported by the National Agriculture Quarantine and Inspection Authority in *National Gazette* No. G5071 of 12 August, 2015. Some potential benefits of the IRP include alleviation of Papua New Guinea's (PNG's) balance of payment problems, more employment opportunities in the agriculture sector and promotion of domestic agriculture industry to help encourage local farmers to produce more food. However, there are some important questions that need to be critically evaluated before choosing to introduce the IRP:

- Have we thought about the consequences of the introduction of IRP and are there programs in place to help mitigate the negative effects of IRP?

- Does PNG's agriculture sector have the capacity to meet domestic market demand for the fruit and vegetables affected by the IRP?
- Will the benefits of the IRP to PNG's economy outweigh its costs?
- Is it the right time to introduce the IRP?

When supply is decreased relative to demand, market prices go up

The IRP of certain products are often put in place in countries that have the capacity to meet domestic market demand. However, it is important to be very cautious on the use of IRP in that it might make domestic producers redundant in technological advancement and innovations stemming from little or no competition from the international market. In this way, domestic producers may not have enough economic incentives to increase efficiency and effectiveness in the production of goods and services.

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In the case of PNG, the IRP will lead to a shortage in supply of the fruit and vegetables in question relative to demand and will “shoot up” market prices of the produce as well as disrupt other sectors of the PNG economy which use the produce as raw materials. Further, the PNG Government will be deprived of tariff revenues from the import of the fruit and vegetables, and the potential for smuggling of the farm produce will increase, as opportunists may seek to make quick money by importing the produce illegally.

Although PNG has large tracts of arable land that can support the growth of different types of food crops, supply of farm produce from the PNG agriculture sector still fails to meet domestic market demand. Progress has been made through the work of the PNG National Agricultural Research Institute in the development of improved crop varieties, improved methods of food crop farming and control of pests and diseases. If PNG is to move toward self-sufficiency in agricultural production, there is a need to devote more effort to making more customary land accessible for development, improving existing road networks, and constructing new ones to link farms to markets. It is also important to train farmers on modern agricultural production techniques, storage of farm produce and possible ways to adapt to the changing climate.

In theory, the PNG agriculture sector might have the capacity to meet domestic market demand for the fruit and vegetables affected by the IRP. In practice, however, this may not be the case. Large quantities of farm produce does not get to consumers. In PNG, most food crops (e.g. fruit and vegetables) are produced by subsistence farmers (i.e. small-scale farmers), most of whom live in remote areas where they often find it difficult to move their farm produce to the market due to poor road networks, high transport costs, coupled with inadequate storage facilities. Moreover, the IRP is coming at a time when several provinces in PNG are facing food shortages caused by the incidence of drought and frost which have led to the loss of farm produce and livelihoods. The introduction of the IRP at this time might aggravate the food shortages that PNG is already facing and lead to further hike

in food prices. Although it has been reported in the newspapers such as *The National* and *Post-Courier* on 17 November 2015 that the IRP on some affected fruit and vegetables have been temporarily lifted, the market prices of the farm produce remain high. For example, in the *Post-Courier* article an onion seller at the Waigani Market in Port Moresby reported that the market price of onion bulb had increased by 400% even after the IRP was temporarily lifted.

A looming food crisis

Some of the fruit and vegetables affected by the IRP are among the staple foods. There is a possibility that the introduction of the IRP at this time could lead to a food crisis in PNG. It is expected that at this time we should be discussing more on issues regarding how best to adapt to climate change, making more customary land accessible for development and improving the distribution of farm produce so it can get to the market. If the motivation for introducing the IRP is to boost domestic production and provide more employment opportunities in the agriculture sector, it is important to first explore market supply and demand for the farm produce as well as the benefits and costs associated with the IRP. It is also important to put in place a program that will help cushion the negative effects of the IRP, both in the short term and long term. It is “only if and only if” the benefits of the IRP far outweigh the costs that the IRP will be very successful and will stand the test of time.

Toward self-sufficiency in food production

PNG has the potential to achieve self-sufficiency in production of fruit and vegetables to meet domestic market demand under the IRP. However, to realise this potential, more attention should be focused on:

- ***Establishment of an entity that will help facilitate increased access and utilisation of mainly customary land for greater economic use***, including the production of fruit and vegetables that are affected by IRP. The entity will mainly focus on the promotion, registration and governance of incorporated land groups (ILGs) so that

more land could become readily accessible and available for development. The establishment of a Customary Land Development Office as a way forward, for example, will focus on registering land that has been identified for voluntary registration and development by the ILGs under the *Land Registration (Customary) (Amendment) Act 1999*. Although the National Land Development Program has achieved its objective by promoting Land Reform through creating a legal and administrative framework within which customary land could be brought into development, there is still a need for establishing a fully functional customary land administrative system in PNG. This will address tenure security, and enable farmers to use registered land for agriculture and other purposes.

- ***Develop and implement a land use policy that expresses the PNG government's position on issues associated with uses of land and the proposed allocation of land resources over a fixed period of time.*** For the land use policy to be successful it is important to adopt a participatory, integrated and iterative process (FAO, 2015). A key element of land use policy is land classification according to capabilities. This will help relevant government agencies and other stakeholders identify various areas in PNG that will be most suitable for the production of different crops.
- ***Improve the current condition of agricultural extension services (i.e. informal education directed toward farmers) for food and cash crops to help promote agricultural productivity, food security and improve livelihoods of subsistence farmers in PNG.*** Agricultural extension services have the potential to increase the efficiency of subsistence farmers, increase production and increase the standard of living of PNG farmers (IFPRI, 2015). With declining government budgetary support for agricultural extension services in PNG, the quality of the service has deteriorated (Sitapai, 2012). Good quality extension services are needed to meet the challenges

confronting agriculture in PNG. It is important to empower farmers and motivate them to produce more foods. For example, there used to be an effective agricultural extension services managed by the Department of Primary Industries in the 1980s. However the extension services ceased in the 1990s. An efficient and effective agricultural extension services that focuses primarily on food crops should be introduced to help train farmers on the modern agricultural production techniques.

- ***Improve existing road networks and construct new ones to link various remote areas to markets.*** Inadequate infrastructure, such as a good road networks is one of the major impediments to distribution of food in PNG. It is important to improve existing road conditions and construct roads between farms and markets, to help increase connections between producers and consumers.
- ***Support research and training of farmers on possible ways to adapt to climate change.*** The poor and the weakest people in society are often hit hardest by the negative impacts of climate change. This is evident in several provinces of PNG where drought and frost has led to wanton loss of crops and livelihoods. It is important for the government to support research and training on adaptation to climate change to help develop an efficient and effective policy for managing climate change related incidence. Adaptation to climate change entails anticipating the adverse effects of climate change and taking appropriate action to reduce the damage the change can cause (European Commission, 2015).
- ***Support training of farmers on storage and preservation of farm produce as well as support local development of storage equipment.*** Farm produce is perishable, huge quantities of these goods are often lost due to inadequate storage facilities. It is important for the government to support research and training of farmers on different techniques that could help prolong the shelf life of farm produce.

- Provide agricultural credit facilities to prospective farmers.*** Due to that most people who engage in farming in PNG practice subsistence farming, they may not have the capacity to expand their farm business so that more farm produce could be supplied to the market. It is important to provide credit facilities to farmers who wish to expand their farm business. The credit facilities could be in the form of financial assistance for different farm operations such as land preparation, planting, harvesting and storage. The credit could also be used for buying seeds, chemicals and light farm equipment. For an agricultural credit program to be successful and sustainable, it is important to monitor and evaluate the activities of the recipient farmers. It is also important to train farmers on book keeping and on how to be a successful farmer. The credit facilities could be supplied to farmers through cooperative societies.
- It is important for the PNG Government to review import duties on agricultural equipment to help lower the price of the equipment and attract more investors into the agriculture sector.*** At present, the cost of farm equipment is an impediment to engaging in farming.

economy and society at large. The current IRP will “push up” the prices of the affected farm produce due to shortages in supply of the produce and might have multiplier effects on businesses that use the farm produce as raw materials. In addition, the recent drought and frost in several provinces in PNG have already led to food shortages which imply that the IRP might trigger a food crisis.

If the intention is to move PNG forward toward achieving self-sufficiency in food crop production, as a matter of urgency, attention should be paid to making more customary land available for development, support research and training on adaptation to climate change, improve road networks to link farms to markets, and support the training of farmers on modern agricultural production techniques. The IRP on affected farm produce could be introduced gradually until such a time that the PNG agriculture sector has the capacity to meet the domestic market demand for the produce. It is hoped that this paper will provide policy makers more understanding on the implications of introducing the IRP on several important farm produce. It will also contribute to more understanding on debates on how PNG could promote food security for the teeming population.

Concluding remarks

PNG does not have the capacity to meet the domestic market demand for fruit and vegetables affected by the IRP. In introducing any policy that relates to societal welfare, it is important to weigh the costs and benefits to the PNG

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