

## **Consolidated Responses for the PAFPNet Discussion for the month of May/June 2015**

**Date: 20/05/2015 – 19/06/2015**

### **"Linking Farmers to the Tourism Market"**

The PAFPNet topic for the months of May/June, **"Linking Farmers to the Tourism Market"** focused on questions that highlighted key problem areas affecting the connection between producers and hoteliers in the tourism industry, as well as methods to strengthen this link. This discussion topic was initiated with the objective of providing assistance, paired with a concrete dialogue outline to help close the gap between producers and buyers in the tourism market during the Pacific Agriculture Policy Project (PAPP) funded Pacific Community Agritourism Week held in June 2015.

Linking farmers to the Tourism market was a concept that stimulated constructive debate and dialogue among PAFPNet members. Bridging the gap between producers and the tourism market has been identified as an innovative way to reduce poverty and improve sustainability in the Small Island Developing States (SIDS). The connection between farmers and hoteliers in the tourism industry contends with many issues. The implementation of this idea faces the practicality of supply and demand consistency and the agriculture/tourism market capacity.

To address the issue of supply consistency, the importation of off-season crop varieties was suggested to help maintain the regularity of supply to hotel chefs. However, the notion of intensifying efforts to utilise local produce was predominant among members' during the discussion. Promoting and creating more awareness on the utilisation of local produce would play a key contributing factor to addressing the issue of supply consistency. Providing farmers with incentives, for instance, granting subsidies for farm equipment, vegetable seeds and fertilizers will help boost production, thus increasing the probability of its use locally.

Moreover, participants in the forum proposed for training workshop initiatives highlighting modern farming techniques as well as business/marketing knowledge. The techniques mentioned should be rendered around producing quality efficient crops compatible with meeting the standard criteria in the tourism market. Additionally, strategizing and preparing farm and cropping plans and calendars would help minimize the issue of crop supply shortage by providing farmers with the necessary business skills through various training initiatives.

The mention of policy incentives for both farmers and hotels from the government fuelled a number of recommendations. Participants made mention that the government should ensure the local market is protected with their continued support to develop. This support was encompassed around the implementation of policies compelling hoteliers to use local produce in their kitchens. However, a more realistic mention stated that the government should form a policy stating the usage of both local and imported produce on a 50/50 basis by hoteliers, with the exception of the comparative advantage aspect.

On the same note, given that islands in the Pacific, specifically low-lying coastal countries are most vulnerable to natural disasters, a policy for crop insurance was recommended to cater to the loss of crops during unforeseen events.

However, according to one contributor during the discussion, a 'policy incentive' may not necessarily be ideal to improve the linkage sustainability. Hotels should be sourcing from farmers because they believe it is beneficial to do so (either in terms of it being cheaper, or fresher, or offering some intangible benefit that hotel guests value in terms of supporting the local community), not because of an incentive offered by the government.

Information and awareness is important to both farmers and the hotels to ensure steady coordination between the two sectors. In order for farmers to be efficient in crop production, they must have a fair idea of the tourism market, that is, tourism peaks, tourists' preference on local foods and a list of popular local meals. In having this information, farmers will better determine potential agricultural products aligned with the potential of the tourism market. Additionally, hotels need to also consider alternatives to using middlemen (purchasing officers) for the supply of their produce. Members commented that hotels should undertake extra efforts to acquire farmers' contact and crop information/prices. This would help motivate farmers to produce more on a commercial scale with crops that meet an exceptional criterion.

It is essential that communication lines are effective to maintain the connection between farmers and the hotel markets. Using mediums like the use of phone applications was mentioned to help improve the dissemination of market information. Social Media and the use of online applications would help both parties stay updated with the tourism market fluctuations and crop seasonality.

On another note, given that value-add products play an immense role in our commercial market, promotional measures must be considered to help increase its market demand. Exposing local agri-products at national and international trade shows for exposure was a method discussed on the network. Also, using already existing ministries/institutions and organizations in the market would increase the chances of likely sponsorship of local agri-products which would pave the way for improved marketability.

Finally, the seasonality of crops is one of the constraining factors affecting the growth and development of our agriculture industry in relation to the hotel markets. The implementation of Agro-processing was highlighted to as a means to strengthen the local agriculture sector. Transforming local goods in their raw form to products would have a higher potential rate to sell in the hotel/tourism market. This point then brings us back to the importance of value-add products and how its use would be a potential key channel to linking farmers to the tourism market with higher returns.

The assessments of the consolidated responses were gauged from the questions below:

- 1) Hotel chefs are interested in fresh, quality local produce but often state that consistent supply can be a problem. State up to five (5) ways as to how this can be addressed?
- 2) Can governments help through specific policy incentives for both farmers and hotels, If yes, what are some examples?
- 3) Information, awareness and capacity is often stated as important for buyers and sellers
  - i. What key information do farmers need from hotels?
  - ii. What training/capacity do farmers need to better understand and supply hotels?
  - iii. What key information do hotels need from farmers?
  - iv. Should there be ways or mediums (websites etc) of enabling hotels and farmers to easily contact each other.
- 4) Value-add agri-products are also an immense opportunity. How can countries promote ideas, research, production and supply?
- 5) Some crops are currently produced seasonally. This is a constraint and an opportunity. How can this be addressed by the sector? Please cite any examples if possible.

Please visit the following link PAFNet discussion: [http://www.spc.int/lrd/pafnet-publications/cat\\_view/137-all/136-pafnet/491-discussion-queries](http://www.spc.int/lrd/pafnet-publications/cat_view/137-all/136-pafnet/491-discussion-queries)

Responses from:

1. [Mr. Fatafehi Moala, Ministry of Agriculture, Food, Forestry and Fisheries \(MAFFF\) – Tonga](#)
2. [Mr. Siosua Halavatau, Secretariat of the Pacific Community \(SPC\) – Fiji](#)
3. [Mr. Samu Turagacati, Secretariat of the Pacific Community \(SPC\) – Fiji](#)
4. [Ms. Luseane Taufu, Ministry of Agriculture, Food, Forestry and Fisheries \(MAFFF\) – Tonga](#)
5. [Mr. Nilson Prasad – Fiji](#)
6. [Mr. Kyle Stice, Pacific Island Farmers Organisation Network – Fiji](#)
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8. [Mr. Sanfred Smith, Secretariat of the Pacific Community \(SPC\) – Fiji](#)
9. [Mr. Grahame Jackson – Australia](#)
10. [Mr. Wayne Lilo, International Trade Center – Fiji](#)
11. [Mr. Peter Kjaer, Teitei Taveuni office – Fiji](#)
12. [Mr. Alan Quartermain, School of Natural Resources, University of Vudal – PNG](#)
13. [Mr. Bob Macfarlane, Biosecurity Solomon Islands – Solomon Islands](#)
14. [Mr. Robin Yarrow – Fiji](#)
15. [Mr. Jitendra Naidu, Western Charity Alliance – Fiji](#)
16. [Mr. Colin Chung, Celebrity Chef – Hawaii](#)
17. [Mr. Lagi Fisher, Fiji Development Bank – Fiji](#)

18. [Ms. Faumuina Ta’funa’I, Women in Business Development Inc. \(WIBDI\) – Samoa](#)
  19. [Mr. Paul Valemei, Market Development Facility \(MDF\) – Fiji](#)
  20. [Ms. Florina Samia, Ministry of Agriculture and Fisheries \(MAF\) – Samoa](#)
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1. **Mr. Fatafehi Moala, Ministry of Agriculture, Food, Forestry and Fisheries (MAFFF) – Tonga**

To answer to your questions

Question1

- Provide incentives to veg. growers to increase number of growers eg. by subsidize veg. seeds, equipments, fertilizers etc
- Import more off-season varieties, vegetable seeds, new varieties of veges seeds from Asia & European Countries, seedling trays, equipments, & etc
- Further training of Vegetable growers in a modern ways etc
- Promote cooking styles of women groups & house holds, using local products
- Improve watering facilities

Question 2:

- Improve Market Policies & ensure safety foods & hygienic
- Improve Processing & Packaging & labeling, cooling facilities for marketing (local & overseas)

Question3:

- More advertize on media (radio, news paper, TV, Phone etc)

Question 4:

- Have close contact to : Extension & Research Division of MAFFF to seek & import more seasonal vegetable crops. Consults CEO of MAFFF to be aware of these important factors if it is a huge problems, & try to solve.

Malo

Fehi.

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2. **Mr. Siosiua Halavatau, Secretariat of the Pacific Community (SPC) – Fiji**

These some answers I have for your questions:

1. Hotel chefs are interested in fresh local produce but often state that consistent supply can be a problem. State 5 ways as to how this can be addressed?

Consistent supply is influenced by demand factors, supply factors, and market factors. There are many of them but I will list 5 that I think that are most influential in determining consistent supply.

- a. Good promotion for local cuisine and the capacity to use local produce creatively in hotel and restaurant kitchens.
- b. The quantity and quality of local production. Producers need to understand this since hospitality kitchens will only buy quality. Producers also need to ensure enough quantities of produce.
- c. Price competitiveness of locally produced agriculture products. The hospitality kitchens need to buy at a competitive price otherwise producers will not sell.
- d. Standards in practice - health and safety. Both producers and suppliers need to operate with good standards.
- e. Stability of supply including seasonality in supply and demand. Most cool season vegetables will not be available at hot times.

2. What are two key market models you are aware of that works best in linking farmers to the tourism market?

- a. Accor Hotels like Novotels in Fiji are joining a program called Planet 21. Intrinsically linked to sustainable development, the name PLANET 21 refers to Agenda 21, the action plan adopted by 173 Heads of State at the 1992 Earth Summit in Rio de Janeiro. It also echoes the urgent need to focus efforts in the 21st century to change our production and consumption patterns with the goal of protecting our planet, its people and their environment. Part of this is the hotels are purchasing local produce from local farmers. Novotel Nadi are purchasing from the Singatoka Salad Bowl farmers and Nadi farmers and have farmers consistently supplying produce. It has been going on very well.
- b. Marketing based on quality and continuity and reliability: This is basically individual farmers or group of farmers marketing directly to hospitality kitchens and develop the trusts. In Taveuni Lilian and Peter Kjaer have over the years build up a customer base - going directly to the hotels and then building up a record of quality and continuity/reliability.

3. Chefs, restaurants, and caterers need to contact farmers/ suppliers ( particularly small holder farmers) to supply them with produce. Are you aware of any info systems/methods that enable chefs to contact farmers (and vice-versa) quickly?

In the early 2000 there was attempt to use SMS messages to enhance farmers and clients contact but has not taken up but there is still attempt to use this. Most Pacific Islands hotels are accessible to food markets and hence they can go everyday and buy their needs. A survey in Vanuatu recently shows the same trend still going on. In Tonga they have radio program which announces usually on Fridays what is available in the food markets. And many hotels and restaurants have phone numbers of their vegetables, fruits, root crops and egg suppliers that if needed urgently they will ring them. But still we need an information system.

I am sharing this innovation in Jamaica.

[Jermaine Henry and Janice McLeod](#), two young Jamaican application developers know that local farmers who cultivate top-quality produce often have a hard time selling their entire crop due to their lack of direct access to the market, and always have to handle the consequent spoilage. To solve the problem, they devised AgroCentral, a mobile application that will serve as Jamaica's first digital agricultural clearinghouse.

When Jamaican farmers bring in their fruit and vegetable crops, they face agricultural buyers who supply the hotel and restaurant trade. Rather than attempting their own marketing, growers are sometimes at the mercy of middlemen in the race to sell a field of fresh produce.

The island's large food brokers are often guided by strict standards of color and size in their selection, leaving behind perfectly good food to rot in the field. The more perishable the produce, the greater is the potential for loss during the reaping season.

Powered by Web-to-SMS and SMS-to-Web technology, AgroCentral works to link motivated buyer businesses, such as hotels and restaurants, directly with small farmers who previously relied on middlemen to sell their products. AgroCentral's clients will be able to identify and purchase large quantities of produce straight from the farm, allowing farmers to trade directly with the end of the market chain. Middlemen, who currently maintain delays and high markups as they buy, will be significantly weakened, allowing for more competitive pricing and higher revenues for the producers.

4. Some crops are also seasonal and can be a reason for greater imports. How can this be addressed by the sector? Please cite any examples if possible.

The seasonal crops are mostly the cool vegetables like cabbages and tomatoes. The way to address these are there and some countries use varieties tolerant to high temperatures. Others use protective cropping in shade houses or screen houses. For tomatoes - there is a variety - Tomatoll - bred for atolls can be grown off-season well in higher islands.

Cheers

Suia

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**3. Mr. Samu Turagacati, Secretariat of the Pacific Community (SPC) – Fiji**

May I respond a bit to the questions raised ...quick mode!

***We would like you to share your views on the questions below:***

- 1) Hotel chefs are interested in fresh, quality local produce but often state that consistent supply can be a problem. State up to five (5) ways as to how this can be addressed?
  - a. Awareness and training to be undertaken to farmers, post-harvest handlers, including vehicle drivers (conveying farm produce) on quality and standards
  - b. This is business not subsistence production, hence farmers to learn to switch to attitude change, also some business knowledge and skills, and control of finances and other key resources
  - c. Hotels to communicate to farmers/industry what they want in terms of varieties, size etc
  - d. Farmers to do a production and marketing plan, what to produce and when to produce it, so that they don't run out of supply
  - e. The whole exercise must have a commercial sense to both hotels and farmers: hotels to offer a reasonable price, and farmers to watch his production and marketing costs to keep them at minimum for better margins
  
- 2) Can governments help through specific policy incentives for both farmers and hotels, If yes, what are some examples?
  - a. The tourist market is quite lucrative but it can always opt to import when local connection is not right, so a policy to allocate market shares is welcome, say hotels to maintain 50% import and 50% local for certain crops, and vary this according to comparative advantage etc
  - b. A policy for trucks conveying food/fresh products to meet health and food safety standards
  - c. A policy to structure agriculture marketing to improve connectivity across the supply/value chain, improve logistics, standards and quality
  
- 3) Information, awareness and capacity is often stated as important for buyers and sellers
  - i. What key information do farmers need from hotels?  
market information esp price, weather, new production technology, post-harvest techniques, and information to derive affordable farm inputs etc)
  - ii. What training/capacity do farmers need to better understand and supply hotels?  
First awareness training is taking the farmers/suppliers to selected hotels to see for themselves how food/fresh produce is stored, prepared for meals and served in the restaurants, to understand the level of care and quality standard imposed
  - iii. What key information do hotels need from farmers?  
Farmer names, contact details and address, location, what they can produce better and volume/production plan
  - iv. Should there be ways or mediums (websites etc) of enabling hotels and farmers to easily contact each other.  
Cell phone, landline, email, fax, social media
  
- 4) Value-add agri-products are also an immense opportunity. How can countries promote ideas, research, production and supply?

Expose the local farmers/processors/exporters to international shows, take them through a selected product supply chain, show them how a product is developed through research, and leading to producing it on the farm, and back to the factory for processing/packaging/labelling etc

- 5) Some crops are currently produced seasonally. This is a constraint and an opportunity. How can this be addressed by the sector? Please cite any examples if possible.  
E.g. Tomatoes – can produce it seasonal and of season. Also towards the end of a seasonal crop you can harvest in bulk and frozen the tomatoes, this will provide some buffer during the off-season.

Cheers,

Samu

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#### **4. Luseane Taufa, Ministry of Agriculture, Food, Forestry and Fisheries (MAFFF) – Tonga**

- 1) Hotel chefs are interested in fresh, quality local produce but often state that consistent supply can be a problem. State up to five (5) ways as to how this can be addressed?
1. Chefs and purchasing staff visit farms and producers
  2. Identify the capacity to substitute imported goods that competitively and consistently use by chef.
  3. Check other areas of competition/conflict eg. Labour wages, land availability and prices, water, transport, credit and investment, etc.
  4. Establish coordination mechanisms or networks for chefs and farmers.
  5. Provide essential information to farmers on the main outlets for agriculture goods.
- 2) Can governments help through specific policy incentives for both farmers and hotels, If yes, what are some examples?  
A formal structure/agency established to foster agriculture/tourism linkages. This agency then assess and specify priority needs and incentives for farmers and hoteliers.
- 3) Information, awareness and capacity is often stated as important for buyers and sellers
- I. What key information do farmers need from hotels?  
  
Seasonality and tourism peaks and if any tourist preference for local food, fruits, fish?
  - II. What training/capacity do farmers need to better understand and supply hotels?  
  
    1. Type of agricultural produce including varieties of cultivars.
    2. Post-harvest practices to maintaining freshness of agricultural produce.



3. Potential agricultural products with tourism potential eg. Food and beverages, floriculture and ornamentals, aquaculture products, craft and wood products, processed food.

III. What key information do hotels need from farmers?

1. Crops seasonality
2. Shelf-life/storage time for each agricultural produce
3. Price for each produce

IV. Should there be ways or mediums (websites etc) of enabling hotels and farmers to easily contact each other.

Best to have both mediums as mean of contact. Some farmers are not accessed to internet.

- 3) Value-add agri-products are also an immense opportunity. How can countries promote ideas, research, production and supply?

It is MAFFF role to provide potential agro-processing products in particular the agricultural commodities that are often in excess when in season.

- 4) Some crops are currently produced seasonally. This is a constraint and an opportunity. How can this be addressed by the sector? Please cite any examples if possible.

Agro-processing allows preservation of crops especially fruits and vegetables. Ranges of preservation methods include drying, pickling, chutney, jam, sauces, freeze drying or simply pack and freeze.

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**5. Mr. Nilson Prasad – Fiji**

- 1) Hotel chefs are interested in fresh, quality local produce but often state that consistent supply can be a problem. State up to five (5) ways as to how this can be addressed?

- Changing the mind set of Farmers from subsistence farming to commercial
- Linking farmers to hotels (Networking)
- Educating and Promote Modern Agriculture Practices such as hydroponics etc.
- Funding and assisting small scale farmers to increase their production

- Providing access for farmers to deliver their produce to hotels easily
- 2) Can governments help through specific policy incentives for both farmers and hotels, If yes, what are some examples?
- Yes Government can help in setting policies where farmers can get easy access to finance in upgrading and expand their farms.
  - Government can put policies and standards where hotels can rely more on local produce rather than importing.
- 3) Information, awareness and capacity is often stated as important for buyers and sellers
- I. What key information do farmers need from hotels?
    - Demand Capacity
    - Supply Access (How farmers can reach their produce to hotels)
  - II. What training/capacity do farmers need to better understand and supply hotels?
    - Market access and Market Demand workshops should be organized for farmers to better understand and supply hotels.
  - III. What key information do hotels need from farmers?
    - Supply capacity and ability
    - Seasonal and non- seasonal crops
    - Network (How hotels can get in contact with farmers)
  - IV. Should there be ways or mediums (websites etc) of enabling hotels and farmers to easily contact each other.
    - Yes there should be mediums so that farmers and hotels can communicate better when it comes to supply. These mediums create more access for farmers to market their produce and also for hotels to meet their demands.

4) Value-add agri-products are also an immense opportunity. How can countries promote ideas, research, production and supply?

- Community workshops for farmers
- Providing ease access to Agriculture Technical Schools

5) Some crops are currently produced seasonally. This is a constraint and an opportunity. How can this be addressed by the sector? Please cite any examples if possible.

- Educating and Promoting Modern Agriculture Practices

e.g. Tomatoes have different varieties which can grow in season and off season periods

- Promote Hydroponic Farming Systems

Nilsen Prasad

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#### **6. Kyle Stice, Pacific Island Farmers Organisation Network – Fiji**

Greetings,

I would like to share a few thoughts on this subject related to my experience in the Fiji context.

1. Very often these discussions and even programmes focus around 'linking farmers to the tourism market' but do not pay enough attention to the very important intermediaries (market vendors and fresh produce traders) that are the real link between the farmer and the tourism sector.
2. For the Fiji context, the most extensive survey and report that I have seen compiled on this subject comes from Vinning and Young (2006). Fiji: Commodity Chain Study. FAO GTFS/RAS/198/ITA. This report covers a survey of 46 hotels in Fiji and clearly states that most hotels do not buy directly from farmers but instead source from wholesalers (middlemen) and municipal markets. This is not because the farmers and the hotels are not 'linked', but instead because these intermediaries provide a very important service to both farmers and the hotels. The report also surveyed over 250 farmers and 50 traders and clearly concludes that there is limited scope for individual farmers to supply hotels based on the fact that the tourism sector 'values highly factors such as having supplies directly delivered to their own premises, the need to comply with precise delivery time-schedules, and the fact that deliveries should involve a wide range of different products. One area of particular concern is the fact that around 40 percent of the larger operators demand credit.'

3. The 'supply gap' that is commonly referred to in relation to fresh produce in the tourism sector is often misunderstood and misrepresented. We cannot simply look at the hotels import bill and say that all of these imports should be substituted for local produce. In fact there are many things on the import bill that Fiji farmers have no comparative advantage to produce i.e. carrot, potato, celery, asparagus etc. The fresh produce that is imported that could be substituted with local produce is primarily things like lettuce, tomato, capsicum and zucchini. In fact the 'supply gap' for these products is only a short window during Fiji's summer months known as the 'off-season'. In this regard there is quite a bit that is being done to introduce farmers to technologies to extend the growing season of many of these products.

Sincerely,

Kyle Stice

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#### **7. Mr. Potaisa Hombunaka, Department of Trade, Commerce & Industry - PNG**

The 3 points below are spot on. We must make paradigm shift away from the conventional Garden to Market development approach to Market/Kitchen/Fork to Garden approach. This is whereby detailed Market Research is done to derive at bankable projects meaning all in the value chain will be fairly and equitably rewarded for services rendered in the chain. Private Sector(s) will be convinced to invest in the business only if it is bankable or profitable project. Private Sector involvement is the key in the value chain for sustainability to both provide the technological services to the farmers plus the marketing services. Furthermore the farmers to be vertically integrated in the business and that is for them to have share equity in the private sector joint venture operation. Hence farmers are not seen as mere growers but valued as producers and marketers hence they are motivated to produce more and efficiently as well.

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This is to inform those who have not heard yet that the McDonald's franchise in Fiji has begun recently importing lettuces and tomatoes from the PNG 9mile Hydroponic Vegetable Farm just outside Port Moresby. The farm was constructed and operated by the Israel LR Group, Innovative Agro Industry Ltd. The farm is using state of the art technologies. The Fiji Market requires a ton of lettuce and couple of hundreds of kilos of tomatoes per week and will increase other veges as rock melons, zucchinis etc to be added. Solomon Islands and Vanuatu also expressed interest to import after visit to the farm by their Agriculture Ministers 2weeks ago as they were here for the FAO South West Pacific Agriculture Ministers meet. Already the farm replaced unto 40% of imports of veges from Australia etc. The demand for both internal and export remains a challenge. It costed up to K30million (kina) to establish the 9mile farm.

There are taking advantage of the MSG Free Trade Agreement. Importing from Australia and NZ immediately attracts 30% Tax Tariff.

Potaisa Hombunaka

Papua New Guinea

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## **8. Sanfred Smith, Secretariat of the Pacific Community (SPC) – Fiji**

Some thoughts to throw into the mix

- 1) Hotel chefs are interested in fresh, quality local produce but often state that consistent supply can be a problem.

State up to five (5) ways as to how this can be addressed?

- a. Establish cool chain and storage systems ( There are many ways to get this done one could initially be government funded and operated to enable business to establish itself and to carry the losses at start up and then gradually privatise it.)
- b. Hotels orders can be inconsistent as well depending on occupancy rates, therefore planning with the hotel to identify low, medium, and high periods of occupancy to in relation to production cycles and seasons.
- c. Formation of clusters of farmers in various production areas who may be interested in the production of selected crops to collectively supply as per orders.
- d. Production planning for demand driven market outlets (hotels/restaurants/municipal markets)
- e. Better coordinated production with farmers.

- 2) Can governments help through specific policy incentives for both farmers and hotels, If yes, what are some examples?

- a. Farmers access to finance; 120m guarantee provided by the Fiji Government to the Fiji Development Bank for development is awesome, but the bank's criteria's put in place makes this a nightmare to access. The banks need to be little bit more flexible on interest rates and qualification so as not to discourage farmers from taking loans; 2% or less across the board for agricultural all development efforts.
- b. Crop insurance – This one reason a lot of farmers fail and some of which are victim of mortgagee sales of the farm properties. Natural disasters greatly affect crops planted for any particular market

- 3) Information, awareness and capacity is often stated as important for buyers and sellers

i. What key information do farmers need from hotels?

- a. Crop, preferred variety, stage of harvest, quantity, rate of supply, pricing offered, logistics (collection centre, farm – cool storage - hotel), high medium and low occupancy season, contingency planning (natural disasters), whether the hotel is willing to get into contracted supplies with an elite group or clusters of farmers as the main suppliers,

What training/capacity do farmers need to better understand and supply hotels?

- 2) Crop production, plant protection, soil management, producing for the market, main and off season production systems, adopting and adapting to new technologies to improve productivity and profitability of the farm business, farm economics, farm management, addressing and adapting to changing climatic conditions, precision agricultural production for consistent quality and supply.

### III. What key information do hotels need from farmers?

- 3) Commitment from farmers to produce during the main and off seasons (if required),
- 4) Their ability to meet quotas provided it is planned and agreed to by both parties and some assurance established through pilot schemes.
- 5) Price offered to hoteliers during the varying conditions as production costs vary as well ( a study prior to any contractual obligation is made needs to be undertaken to establish possible pricing range or fixed pricing that both the parties agree too - this would reduce the possible sale of crops to other buyers offering better pricing.)

IV. Should there be ways or mediums (websites etc) of enabling hotels and farmers to easily contact each other.

- 6) With the cluster system, the cluster leader is the contact point, mobile phone contact could prove to be the easiest as not all farmers have computers or smart phone but they do have mobile phones.

4) Value-add agri-products are also an immense opportunity. How can countries promote ideas, research, production and supply?

g. Videos on national TV, workshops, social media, print media etc

5) Some crops are currently produced seasonally. This is a constraint and an opportunity. How can this be addressed by the sector? Please cite any examples if possible.

h. The use of new technologies to address issues in off season production like green houses that some control rainfall, pest movement and airflow and other factors could well be adopted into our farming systems. Hydroponics is another way to get around production seasons but the cost and technical knowhow again is a barrier for most farmers.

The challenge of accessing finance to acquire such technologies is key technical know can be imparted.

Example Joes Farm in Fiji.



Sanfred Smith [SanfredS@spc.int](mailto:SanfredS@spc.int)

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## 9. Grahame Jackson – Australia

I agree with what you say "... this [increase in the tourism sector] underscores the immense value of the sector – and opportunities for the agriculture sector". But for whom? In reality is it going to benefit local producers - as we would want - or suppliers from overseas? Can local growers compete with those who have invested millions of dollars in high tech production, and where large volumes reduce transport costs to relative insignificance?

When I see the photos of tomato, lettuce, cucumber, capsicum production in Pacific rim countries in everyday posts to eg FreshPlaza (<http://www.freshplaza.com/news>) I am amazed at the size of the investments, and the high-end technology used. Is it realistic to expect that local growers can complete, subject to difficult climates, pests and diseases, 'old', poorly-financed production systems, and without the economies of scale of overseas producers?

I would say that experience over numerous decades says no.

Maybe one or two or a few growers will be able to take advantage of the new approach of PGS, but is this sufficient, and can we imagine this is going to make a sustainable impact? What will happen when the projects end?

Surely, a different model is needed. Perhaps a vegetable equivalent of oil palm estates, with modern production systems to which local growers can contribute, backed by effective extension and guaranteed sales. Perhaps donors should risk a few dollars encouraging an entirely different model.

Let's face reality: it is very difficult for local growers using present technologies to produce perishable vegetables in Pacific island countries. So is it right to continue to encourage small-scale growers to do the same thing, time and time again, knowing what we know about the chances of success?

Am I being too pessimistic? I would like to hear what others think.

grahame

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## 10. Wayne Lilo, International Trade Center – Fiji

Bula All,

to add to the discussion, I agree totally Kyle's view and Potaisa's observations. I would like to offer some further insight as gained through ITC's IKSA project over the last 2 years.

i) Farmers have shown a preference as a first option, to sell all their produce at the farm gate to whomever can offer them a reasonable price and pay cash. This takes away the burden of transportation costs and searching for a market. This preference runs counter to how the majority of the medium to larger hotels operate their procurement systems i.e. produce is purchased in specific quantities over a specific time, hotels prefer to enter into (formal or semi-formal) contract arrangements with single or few wholesalers rather than deal with multiple individual farmers, and in most cases do not have a cash payment system. This necessitates the function of the "middleman" segment of the value chain as the main linkage mechanism between farmers and hotels.

ii) the very important functions of product grading, quality standards, packaging, storing, handling and delivery are quite expensive, and better suited to an entrepreneur trader / wholesaler who bears the risk burden of the capital investment in the required infrastructure and transport assets. We have found that some farmers actually occupy several links in the value chain, but the vast majority will find it difficult to make the investment needed and would prefer to sell directly to a trader for cash than deal with the stringent demands of a hotel procurement office.

iii) product substitution on hotel menus - i.e. putting more product on hotel menus - this is an area where executive chefs make decisions based on cost margins and reliability of supply. Hotel food costs are very tightly controlled. Often times, the pricing volatility of local produce due to short seasons, climatic influences and sudden natural disasters, make it safer and more convenient for hotels to plan their purchasing well in advance, and rely on the security of imported produce because of price stability and supply guarantee.

iv) Inventiveness and creativity in designing hotel menu options using more local produce is also an area that development projects have not been able gain much traction beyond a few success stories. I strongly suggest that perhaps a change of thinking and putting more resources into food design research, i.e. create options that transform the produce that we already do well and have in natural abundance into attractive and viable menu items. This would probably need a think tank type of approach with full hotel sector stakeholder buy-in, research and development of new food and menu offerings, getting participating hotels to beta test and promote these 'Pacific Grown' menu options with the longer term view of displacing some currently imported produce.

If you've tried 'Legalega oyster mushroom confit with fresh herbs' or 'Roasted orange mini kumala & garlic chive potato salad with a mustard vinaigrette dressing' you'd know what I mean.

Regards



Wayne

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#### **11. Peter Kjaer, Teitei Taveuni office – Fiji**

I was much encouraged by Kyle's down to earth comments but want to add:

We are farmers/"private sector" growing pineapple and supplying a number of hotels directly. We have done so for 20 years.

Pineapple is a medium term crop – not as short as watermelon and not as long term as citrus.

I would like to add an additional issue to the discussion.

- The grower has to be big enough and efficient enough to produce the required quality/consistency to a price the tourist industry is willing to pay
- The tourist market in Fiji is bigger than in other Pacific Islands with less arrivals, but still a fairly small market.

The reality is that if we become "professional" growers and really start to produce the issue of oversupply/price reduction is just around the corner. And it will be the farmers who pay for the "mistake" after everybody else have taken their required percentage.

And the competition is tough and ruthless.

A big hotel in Fiji use around 35-50 ton pineapple a year. With a semi intensive system that will take 3-4 acres and with an intensive system 2 acres. When the new Marriot Hotel in Momi is complete we need a few acres more.

We fully support all efforts to grow as much as possible locally and we have to become much more professional, **but it must be based on facts and good planning.**

A typical example is growing vegetables for the small tourist industry on Taveuni.

We did that a few years ago and still plant some. We made the enquiries in advance and planted different produce accordingly. It went well the 1<sup>st</sup> year and not too bad the 2<sup>nd</sup> year.

The 3<sup>rd</sup> year a number of smaller producers and Tutu Training Centre had got their production of vegetables up and running, and the hotels bought where it was most competitive.

We scaled down and lost some produce. When fluctuations in supply occurred the hotels called (still do) but we could no longer supply.

For Taveuni as such it is a good development. There is much more vegetables grown/consumed - the diet must have improved - and the tourist industry can buy part of what they need on the Island, but a lot is still "imported".

All the best Peter Kjaer/Taveuni

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**12. Alan Quartermain, School of Natural Resources, University of Vudal – PNG**

For linking farmers to the tourism market I have only one comment. I thought we were talking about promoting traditional island or Melanesian foods and cuisine. So where did the lettuce, even tomato and capsicum, idea come from?

Let us focus on what our smallholders know how to do competitively - eat local and give our visitors that experience regularly, not just an occasional "island novelty night".

Alan Quartermain.

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**13. Mr. Bob Macfarlane, Biosecurity Solomon Islands – Solomon Islands**

Grahame, I think you are being realistic not pessimistic. As Grant says somewhere else we know you can grow almost anything in Pacific countries but can it be grown consistently with quality and quantity and be sold at a price the farmer can make a living from. Even more so if you want to try to export the product. No one has to buy your product, they will only do it if the quality and price are right consistently.

Perhaps an out grower's scheme using outside capital would work for export crops; but if an outsider tried to grow quality produce at a low price for the domestic market experience tells me, in some countries at least, the existing growers would not try to compete, rather they would try to sabotage the scheme. My view is that improved production for the domestic market must be locally lead: perhaps also farmers must get used to selling by weight rather than by the bundle and be prepared to negotiate price based on quantity and quality.

What ever became of the hydroponic imitative near Nadi, Fiji?

Bob

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#### 14. Mr. Robin Yarrow – Fiji

Colleagues

In my view a key strategy should be to work in a very pro-active manner on only a limited number of **selected and accredited larger 'elite' or 'master' farmers** and to do so in clusters in key localities initially - Sigatoka Valley for C/Coast resorts and Lautoka/Nadi for Denarau/Mamanucas plant - these producers should be 'accredited' under a **special program** which must have a catchy name, like Farm to Hotel Challenge with very clear objectives.

Criteria will need to be developed for accreditation to the program and farmers must satisfy these before being 'accredited' and signing up. Initially it would be better to have fewer accredited farmers and to ensure these succeed - success breeds success and this will stimulate interest. However, persistent non-performers will also need to be de-listed.

An **entity** will need to oversee the program and the accreditation process and incentives plus benefits must be carefully identified - this should include an annual recognition and Awards event with prizes which are much sought after. These could include overseas trips, cash and valuable capital items. Such an entity could be a special new arm of an existing organization under the M/Agriculture but a private sector entity like Natures Way could also be a vehicle. Equity or shares in the entity should be considered as a means of ownership and commitment.

The program should be marketed so that it is seen as one which elite producers strive/want to be part of. It should be the main information source on techniques, market data etc with full use of smart phones - I have been impressed this year to see the quality of green-house grown items in the Suva market from early May, [cauliflower is an example] much earlier than the normal cool season production which is usually not available until well into June.

A **cool chain system** should be seriously considered as infrastructure which Government might contribute some set-up funding toward. Processing including by snap-freezing should be another element looked at closely.

A sound information element is vital, using the best e-processes/practices to cover all the important needs, backed up by quality staff.

Smaller scale farmers will always be there, supplying many other outlets and markets and in time some of the high flyers can also be accredited. However, to really make an impact with quality produce on a more regular basis, larger producers and the economies of scale plus dedication which this must bring, are essential. In due course higher elevation production such as at Nadala/Navai [800 meters plus above sea level] for selected items must be a choice.

The above is my basic contribution although there are of course many details I could add!

I have read the various earlier contributions with much interest agree with most of what has been articulated but it is the effective 'doing' which is the greatest challenge.

Kind regards

Robin Yarrow

Suva.

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**15. Mr. Jitendra Naidu, Western Charity Alliance – Fiji**

Morning

Lot of empowerment and engagement is needed for both sides. for farmers and hoteliers as well.

currently our organisation is working on to link farmers to hotels and restaurants in local vicinity. currently we are doing meetings with chefs and local and export market for their requirements and commitments needed from farmers. It was highlighted that farmers were not able to supply them constantly and they look for price difference from other source to make an extra dollar for their produce. We are working closely to breach this gap and bring farmers and the market close and create a good relationship to ease their communication breakdown and create an efficient market to buy and sell.

We are working with farmers in communities create groups to do SMART farming for constant supply and to easily find market for their produce. currently we are setting up a group/Model farming community in Salovi, Nadi as a pilot project.

Also we need information from the chefs to be disseminated to the farmers and to the handlers to cater for food safety and hygiene.

Ministry of Agriculture has to play a vital role in this and work collaboratively with farmers to secure market and to boost agriculture in our Nation, and if these farmers can be look after to perform better. currently the farmers in west are feeling the brunt of the dry weather. The farmers are struggling to keep in agriculture but they do need lot of support and guidance. If only these farmers can be assisted with water equipment's to sustain; like water tank, pipes or bole hole to be shared in groups like we have in Salovi.

Another major issue our farmer are facing is preparing land for planting, to plough 1 acre of land its cost almost \$120 -\$140. If some of these issues can be looked after the government and constant meetings could be held with both parties; farmers and market to discuss issues and plan for improvement.

Regards

Jitend

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#### **16. Mr. Colin Chung, Celebrity Chef – Hawaii**

In my humble opinion, Alan, I believe that everything except the coconut was not local, but brought in by different ethnic groups at their time of immigration. The typical island diet is now interspersed with vegetables, meats, even seafoods brought in on the hulls of visiting ships or on migrating paths of wildlife or changing weather patterns and storms. Our islands have evolved through the ages with difference influences and cultures making our foods and diets ever so slightly evolving. I have seen this especially in Hawaii where I'm from and have seen how food tourism, a Hawaii Regional Cuisine (initiated by savvy local, internationally seasoned chefs) and innovative & educated farmers connecting with these chefs and then growing what that hospitality market needs and requires to build a healthy and ethnic tourism economy. This model can be used throughout the South Pacific. Local farmers can't survive on just growing the basics and food tourism will not grow on basic crops. For the last 40+ years I have been doing just that: connecting hotels with nearby farmers to get the right supplies and products for production into contemporary cuisine as I have

known from that long time ago that tourists don't really want to eat foods that they can get back home, but on the other hand they don't want to eat the local produce every day just as the locals eat them...hence a contemporary island cuisine that creates more demand for local grown and produced fruits, veges, seafoods and meats. A win-win situation, lower imports, increased local production, creative local flavoured cuisine, happy tourists, longer, more enjoyable stays and repeat visits as well. Truly a panacea for the islands' economy. I'm in the process of finishing a cook book called Kana Vinaka which I hope will answer a lot of questions and serve as a teaching tool in schools; continue to consult in hotels in Fiji, Samoa and the Cooks, whilst training chefs in the same ideology in training workshops put on by SPTO in conjunction with SPC and USP. I have attached some of the work I'm doing at present plus a bio so you know that I'm not talking rubbish. I've spent most of my adult life working in these islands and I do think I know a little bit about what we need and how to accomplish it, but no one ever asked me! I welcome any discussion. Please check out my web site and some of my blogs if you have time.

Cheers, Colin

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#### **17. Mr. Lagi Fisher, Fiji Development Bank – Fiji**

Linking farmers to Tourism Market is an attractive venture however there are factors within tourism sector that are not so 'farmer-friendly' thus the value chain approach and roles of the intermediaries are important as suggested by members. When dealing with hotel and resorts, one must understand that it's not a straight forward Cash on Delivery (COD) deal, as operators normally require a 30 -90 days account. Farmers just don't have the patience or the financial capacity to wait that long because of the nature of their operation thus making tourism market unattractive and that's why the roles of intermediaries are critical because their often can cope with these payment delays to some extent.

Whilst it's important that we encourage farmers to focus on farming for the best quality output, they need to also understand the post-harvesting activities that follows and have some form of ownership of the end product and consider value addition at some stage.

Some thoughts on the following questions:

1. Hotel chefs are interested in fresh, quality local produce but often state that consistent supply can be a problem. State up to five (5) ways as to how this can be addressed?:
  - b. Farmers Training on hotel expectations and specifications (colour, size, variety, quantity/order, packaging, frequency of order, etc) in consultation with hotel chefs/purchasing officers is a must;
  - c. Farmers need to have a farm & cropping plan that aligned to 1) a. above;
  - d. Extensive services can help monitor the implementation 1) b. perhaps for the 1<sup>st</sup> crop;
  - e. Farmers organisation is crucial- Clustering farmers in groups that specialises on a single commodity is one way of ensuring consistency in quantity and standardised

quality. Farmers can use the cluster to purchase raw materials, seedlings, farm inputs, etc thus reducing the unit cost of production (economies of scales principle kicks in)-Cluster business model is a communal approach to business and communalism has always been a part of the Pacific culture however we have not really taken advantage of it so we realise fully its economic benefits, rather we often tend pick on the downside of it. Farmers networking/infor sharing, peer mentoring/coaching, monitoring/ peer pressures amongst others are added benefits of such model.

- f. Market orientation program for farmers.
2. Can governments help through specific policy incentives for both farmers and hotels, If yes, what are some examples? :
    - a. Import substitute Incentive for farmers – Interest Subsidies on loan for import substitution commodities, government subsidies on seedling and farm input, cost sharing scheme for high- tech like in Fiji’s aquaculture scheme, duty free concession for purchase of hi-tech materials like enjoyed by other sector-like tourism.
    - b. Tax concession policies for hoteliers to encourage purchase local produces- I’ve learnt that policies are only effective when it impacts the pocket.
  3. Information, awareness and capacity is often stated as important for buyers and sellers
    - i. What key information do hotels need from farmers?
      - a. Capacity of to supply;
      - b. Harvesting schedules & Minimum order quantity to ensure its worthwhile for farmers.
      - c. Hotels need to understand the farmer’s financial capacity & nature and not group them with their other list of account payables rather tailor a payment system to support their growth.
    - ii. Should there be ways or mediums (websites etc) of enabling hotels and farmers to easily contact each other.

Yes it will be good to have one for online auction, information sharing, etc, however given that most of our farmers do not have access to internet, Mobile application tools & platform are more effective way of communication between the two parties like used extensively by mobile bankers.
  4. Value-add agri-products are also an immense opportunity. How can countries promote ideas, research, production and supply?

Value – addition must be market driven and not done in isolation that’s why research must precede production.
  5. Some crops are currently produced seasonally. This is a constraint and an opportunity. How can this be addressed by the sector? Please cite any examples if possible.

Off-season farming is lucrative venture however setup and operational cost are often high, especially when hi-tech are required. Costing spreading/sharing within a single crop cluster can

cushion some of these costs and opportunity for cluster financing also open up. I have seen how 10 cane farmers combine their assets, equities and cashflow to purchase the cane harvesters to curb the high cost of labour during harvesting season, this communalism at its very best- and same can be applied to our clustered farmers wanting acquire high tech, farm implements and so forth.

For Fiji members -Import Substitution and Export Credit facility are already available via Fiji Development Bank and commercial banks refer to links below for details.

<http://www.investmentfiji.org.fj/pages.cfm/for-exporters/finance-assistance-schemes/export-finance-facility-eff.html>

<http://www.fdb.com.fj/pages.cfm/our-products/agriculture-sme-loans/export-finance-facility.html>

Vinaka

Lagi Fisher

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**18. Ms. Faumuina Ta’funa’I, Women in Business Development Inc. (WIBDI) – Samoa**

Malo le soifua,

It has been very informative to read everyone's insights into the questions posed. Women in Business Development Inc (WIBDI) has been running an programme to connect smallholder farmers to restaurants and hotels and we wanted to share across our learnings with you all.

As a backgrounder, a FAO survey in Samoa in 2009 noted that 85% of these outlets would use local produce if the supply and quality were consistent. In the case of farmers, the short period of notice from restaurants was usually unworkable.



In December 2013, WIBDI set up an Organic Farm To Table in consultation with chef Robert Oliver. It was seed-funded by UNDP through their Youth Employment Programme that is run jointly with ILO. The programme aims to: link organic smallholder farmers to the burgeoning tourism sector in Samoa; substitute food imports, estimated to be around 70 per cent in the tourism industry; be a sustainable source of income for farmers; and raise the profile and quality of Samoa's cuisine. It also leverages the successful Mea'ai Samoa cookbook, written by Robert Oliver as a tool for development in Samoa.

Farm To Table operates a supply guarantee system where "consistency is our first product". The programme started with 7 restaurants and 20 farmers and has grown to 18 restaurants and 60 farmers. At the planning meetings with chefs and farmers, we asked for their patience and goodwill while we refined the system.

Our role is multi-faceted. It includes farmer training, seed distribution, marketing, restaurant liaison and ordering, produce grading and delivery, invoicing, and bridge financing to pay the farmers while we wait for invoices to be paid.

For the farmers, they are learning about the consistent quality and reliability restaurants require. They are also learning to grow new crops, which can be difficult if you have never seen or tasted coriander or rocket lettuce before.

For the restaurants they are learning about local produce and cuisine possibilities – like using local greens such as lautogotogo (pennywort) and kapisi sosolo (water spinach).

For now, the programme delivers produce once a week with plans to add another day in the coming months. We also bought a small chiller truck to keep the produce fresh.

To assist with business literacy, smallholder farmers have a 10 percent compulsory saving, which goes into an account that they can access through our microfinance team. Farmers can also later take a loan leveraging their savings as security.

At the Small Island Developing States conference in Samoa last year, we had an Organic Farm to Table food kiosk, showcasing an example of local produce and menu innovation. This was also supported by UNDP and ILO under the Youth Employment Programme.

To create more efficiency in our process, we are also developing a suite of mobile apps to support the communication between the farmers, our organization and the restaurants.

In terms of monitoring and evaluation, every week our team input the number of farmers, restaurants taking part and types of crops bought, as well as any problems so the team can look at how to improve the system.

For more information, please contact

Faumuina Tafuna'i

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#### **19. Mr. Paul Valemei, Market Development Facility (MDF) – Fiji**

Bula All,

If I could just add to what's been said before.

1. The major agents defining what goes onto the hotel and resort menu's are ofcourse the Chefs. Most of the major 4+ star hotels and resorts have executive chefs that are expats who move in and out every 2 to 3 years. In Fiji for instance, the only major hotel/resort that I can think of that has a local executive chef is the Outrigger. These Chef's come in with their own styles of cooking and ingredients that they are comfortable using. Getting them to change to cooking local cuisine and using local indigenous ingredients (not carrots) is 'difficult', and often times not very sustainable since they are replaced with a new expat after every few years.

What can we do? Working with chef's associations to encourage local cuisine, food competitions...a big long term one is transitioning to destination marketing where food is a

feature of travel to Pacific Islands, beyond sun & surf. Tourists consistently rate food as not one of their better experiences when visiting countries like Fiji. Little wonder when you're having burgers, fries and Pizza. There is a potential here to change that but it must start from the top where hotels and resorts see a profit motive for Pacific cuisine!

2. The major agent actually doing the buying of the produce for the Chefs to use are the Purchasing Agents. Hotels and Resorts (especially larger ones) don't want to deal with a multitude of farmers coming to their doorstep to sell their produce. Purchasing officers also want a nice simple life of buying from 1 party who is able to provide consistent scale and variety of produce, competitive prices, as well as offer credit that can run into 60days or more. There is also a bit of money changing hands here between purchasing officers and competing suppliers. There needs to be better transparency in this process, but don't just think about cutting out the middlemen. These guys are providing an essential service like transport, semi-processing, credit to hotels and resorts, as well as communicating hotel and resort produce demands to farmers. Technology and apps is great, but I think the current generation of farmers are still a step away from the smartphone & app revolution. More needs to be done around developing the payments system, logistics services, credit/purchase history database, etc to create that working system if you're looking at app/IT solutions.
3. Extending the growing season. Chief complaint of middlemen and hotels and resorts in the consistency of local supply. Traditional in-ground cultivation can only go so far. Extending the growing season means going into things like covered growing, hydroponics, etc which requires significant upfront investment. Larger commercial farmers may be able to do this, and we are seeing this in isolated cases. Small-mid sized farmers doing this independently (i.e without donor/government help) themselves is a stretch at this time. Good to note though from surveys we've done with hotels and resort purchasing officers and chefs, we've heard that they do prefer to buy local when available during the grow season because they are significantly cheaper than imports and the quality is more or so sufficient to meet their requirements. If you're still focusing on just more traditional growing in the main season, then all you're really doing is increasing the surplus that's there, and dropping the market price even further for existing farmers. Extending the grow-season should be the objective as there seems to be a ready tourism market to purchase the additional produce.

Vinaka,

Paul Valemei

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**20. Ms. Florina Samia, Ministry of Agriculture and Fisheries (MAF) – Samoa**

**LINKING FARMERS TO TOURISM**

The topic discussed is of great interest as tourism and agriculture are major factors of GDP to most Pacific Island however there's a huge gap between the two and hope with this forum will assist bridging it.

- iii. The initiative of linking tourism to farmers was trialled under a partnership project between the Samoa Hotels Association and the European Union with one of its major component the Community Linkage.

I'd like to share an experience gained during a partnership project by the Samoa Hotels Association and the European Union where I coordinated and implemented in 2011. One of its major component is the Community Linkage where the initiative raised of linking tourism to farmers.

***Under a project I coordinated where the Samoa Hotels Association and the European Union***

***We would like you to share your views on the questions below:***

- 1. Hotel chefs are interested in fresh, quality local produce but often state that consistent supply can be a problem. State up to five (5) ways as to how this can be addressed?**
  - Identify farmers within and nearby the location of a hotel. This includes information on quantity and quality of produce, varieties available from time to time (meaning seasonal produce)
  - Farmers to change their mentality to plant not only to cater for hotels (marketing hotels) but other available market opportunities such as local shops, markets and within own villages - this will be no loose ends
  - Agriculture Ministry to advise on produce suitable for certain period of time and assist farmers with farming plans.
- 2. Can governments help through specific policy incentives for both farmers and hotels, If yes, what are some examples?**

3. **Information, awareness and capacity is often stated as important for buyers and sellers**
  - i. **What key information do farmers need from hotels?**
    - What kind of produce they needed the most, the quantity and quality, their high season period.
    - Do hotels look at solving their problem or ways to minimise or eliminate their tourism low seasons.
  - ii. **What training/capacity do farmers need to better understand and supply hotels?**
    - Farmers need to know that not only hotels that they should focus on therefore they have to look at other market opportunities for them not to lose especially during tourism low season.
    - Planting plans so that produce/crops can be available right throughout the year. looking at dried fruits/vegetables to substitute in times of natural disasters.
  - iii. **What key information do hotels need from farmers?**
    - varieties available from time to time.
    - way of delivery
    - quantity and quality
  - iv. **Should there be ways or mediums (websites etc) of enabling hotels and farmers to easily contact each other.**
    - Initiate and establish a database for hoteliers and farmers to access to and it has to be updated
4. **Value-add agri-products are also an immense opportunity. How can countries promote ideas, research, production and supply?**
  - workshops shall be held with a purpose to implement what will be learned
5. **Some crops are currently produced seasonally. This is a constraint and an opportunity. How can this be addressed by the sector? Please cite any examples if possible.**
  - Awareness program shall be initiated by Ministry of Agriculture and or Farmers Association if any.

Florina

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**21. Ms. Brenna Moore, The World Bank – Australia**

**PAFPNet May/June 2015 Query: Linking Farmers to the Tourism Market**

***Hotel chefs are interested in fresh, quality local produce but often state that consistent supply can be a problem. State up to five (5) ways as to how this can be addressed?***

- Consistency has two dimensions: quantity and quality. Both are an issue for smallholder farmers trying to tap into the tourism market
- **Ensuring consistent volumes:** support farmers to produce consistent yields by advising on best agricultural practices with respect to cropping density, pest/disease treatment, etc.
- **Ensuring consistent volumes:** if feasible, support year-round domestic production through investments in appropriate equipment
  - The World Bank's Samoa Agricultural Competitiveness Enhancement Project (SACEP) is, inter alia, supporting horticulture farmers to link to local hotels and restaurants. Besides investing in new products (e.g. carrots) and improving yields of existing products (e.g. lettuce), the project is also supporting on-farm improvements through a matching grant scheme. Farmers are encouraged to purchase polyethylene tunnels, to protect crops from heavy rain during the wet season, and small-scale water storage and irrigation equipment, to provide water in the event of insufficient rain in the dry season. This should allow farmers to produce consistently year-round.
- **Ensuring consistent volumes:** If a hotel or restaurant relies on only one supplier, it is very risky – the chances that an individual farmer might suffer a crop loss (or simply decide not to produce) is high. Hotels can mitigate this risk by sourcing from an aggregated group of farmers (e.g. a cooperative), or some other intermediary (e.g. a packer/processor) who aggregates produce from a number of smallholders and then sells it on to the hotel.
- **Ensuring consistent quality:** food safety is a major quality concern, particularly for meat products (for those countries that produce it e.g. Fiji, Vanuatu, Samoa) but also for fruit and veg. Train farmers and intermediary processors on appropriate harvesting and post-harvest handling/transport techniques. Many hotels will require HACCP certification for the goods they purchase – this is costly for an individual farmer to obtain, and so they will most likely have to rely on intermediaries to clean/pack the produce before distributing to hotels.
- **Ensuring consistent quality:** educate farmers on what the consumer expects – relatively unblemished products. Advise farmers on appropriate harvesting and post-harvest handling/transport so that fruits/vegetables are not damaged.
  - The Nature's Way Cooperative in Fiji started a scheme involving the renting of crates to farmers, which they could eventually purchase. By using crates to transport produce instead of the usual sacks, quality was greatly improved (less bruising etc.)

***Can governments help through specific policy incentives for both farmers and hotels, If yes, what are some examples?***

- At a general level, governments can support smallholder farmers by providing appropriate extension services that could provide training on some of the above points.
- Not sure whether a 'policy incentive' is a sustainable way to go about this. Hotels should be sourcing from farmers because they believe it is beneficial to do so (either in terms of it being cheaper, or fresher, or offering some intangible benefit that hotel guests value in terms of supporting the local community), not because of an incentive offered by the government...
- That said, governments could possibly facilitate the process. Perhaps by facilitating the organization of farmers into groups/associations that would liaise with hotels
- The role of NGOs or other civil society (e.g. church groups) should not be underestimated. Some of the successful examples of linking farmers to hotels come from these kind of groups – e.g. Poutasi Development Trust in Samoa, and the 'Farm to Table' project of Women in Business Development (also in Samoa)

- Maybe the government could play a less direct role through encouraging the consumption of local goods through its tourism promotion agency, e.g. making the 'Pacific Cuisine' part of the tourist experience

***Information, awareness and capacity is often stated as important for buyers and sellers***

**What key information do farmers need from hotels?**

- Hotels should provide fair estimates of the volume and type of produce they will need each week, as far in advance as possible.

**What training/capacity do farmers need to better understand and supply hotels?**

- Probably training related to tourist expectations with respect to food quality and safety (a visit to the hotel could help – see box at the end with example from Jamaica).
- Maybe also training on respecting supply agreements (see next point).

**What key information do hotels need from farmers?**

- Hotels need commitment from farmers. There is little use of contract farming in the Pacific and most relationships are built on mutual trust. Hotels need to know that farmers will not decide at late notice not to produce, or to sell their produce on another (possibly more lucrative) market. Equally, farmers need to know in advance what hotels will purchase from them.
  - Note: this is a systemic issue in the Pacific. It is unlikely that formal contracts will be introduced as it is not customary, but other methods could be used to ensure delivery from farmers, and that hotels meet their purchasing commitments. Still thinking about what these other methods might be but could include, for example, paying bonuses to farmers if they supply consistently over a certain time period. This would still have to be price competitive with imports.

**Should there be ways or mediums (websites etc) of enabling hotels and farmers to easily contact each other.**

- The transaction costs and risks for hotels in dealing with individual farmers is very high. It would be easier for a hotel to deal with one farmers association or group, who then sources all of the produce that it needs from a pool of member farmers.
- However, the experience of the SACEP project has shown that it can be very difficult to encourage farmers to 'self-aggregate'. Farmers in that project have shown little appetite for forming groups/cooperatives, they say it is not in their nature. The only successful groups are those that pre-dated the project and were formed around some other shared interest, e.g. a church group, or an NGO that was already working with farmers. It is still not clear how this is going to affect farmers' dealing with hotels.

***Value-add agri-products are also an immense opportunity. How can countries promote ideas, research, production and supply?***

- There have been a large number of value-chain studies in the Pacific, which could probably be drawn on for ideas
- The key is to make something the consumer wants, not what the farmer wants to produce – otherwise there is no market. So the first step would be to do some market research

amongst tourists (assuming this is the target market) visiting the country, and identify what kind of products they would be looking for. E.g. they probably want something light and portable; if they are travelling to Australia they want something acceptable to Australian quarantine; etc.

***Some crops are currently produced seasonally. This is a constraint and an opportunity. How can this be addressed by the sector? Please cite any examples if possible.***

- See previous comments on promoting all-round production
- Not clear how this is an opportunity. We have seen how mass in-season production of the same crop can lead to gluts in the market and very low prices.
- Crop production is seasonal but so is tourist demand. Tourist demand is probably lowest when crop production is low, i.e. during the heavy rains. Would need better understanding of how the peaks/troughs of tourist demand align or not with peaks/troughs of production

**Possible example for the Pacific to learn from:**



### **Jamaica Sandals Resorts - success in sourcing local food from farmers**

*The Sandals Group is a large all-inclusive resort chain with properties in Jamaica, Bahamas, St. Lucia and Antigua. Their approach to developing agricultural supply linkages has been quite distinctive, going beyond just increasing their own demand for local products.*

*Sandals' Farmer Program in Jamaica began in 1996, with the aim of developing good working relationships between farmers and hotels by improving the quality of produce, developing proper pricing arrangements, and improving communications between farmers and hotels. Thus the initiative works across supply, demand and marketing. Key elements of the approach include:*

- ✓ *A farmer extension officer, funded by Sandals, who works directly with farmers on improving production.*
- ✓ *Collaboration with various other organizations, particularly on agricultural support, including the Rural Agricultural Development Authority (RADA) and Continuing Education Program in Agricultural Technology (CEPAT).*
- ✓ *Hotel management staff visit farmers, holding and attending workshop days with them to discuss quality and marketing procedures. Farmers visit the hotels to see how their products are being utilized and why Sandals' specifications are important.*
- ✓ *A focus on improving pricing and contractual arrangements concerning volumes to be traded.*

*Problems have also been encountered. The initial problems for farmers were a) problems relating to production (e.g. lack of water supply; lack of packing material); and b) problems relating to sale of the produce (e.g. inconsistent supply orders; lack of communication). RADA played an active part in ensuring that the communication lines were active and the hotels were being informed two weeks before the delivery date as to what crops and volumes are available, thus guaranteeing supplies to the hotels while informing the farmers of demand in due time. In addition, a list of types, volumes and delivery prices of produce was agreed to by individual hotels and the respective farmer groups. This corresponded to a monthly supply order. Despite initial problems, progress has been made. The project began with ten farmers supplying two hotels, but increased to involve 80 farmers across the island; and sales rose from US\$60,000 to \$3.3 million within three years. Farmers' income increased and became more reliable, while hotels have gained from a wider variety of good quality local produce and cost savings. The program subsequently expanded to St Lucia and Antigua.*

Source: [Pro-Poor Tourism, Brief No 3, ODI, UK](#)