

Making better choices: Policies to Improve Agriculture Linkages to the Pacific

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What do we mean by ‘improving policy and planning in the Pacific’?

1) Policy changes informed by evidence:

- International and national policy research (nutrition and NCDs, adoption of new technologies, smallholder marketing)
 - Improved access to production and price statistics (censuses/surveys)
 - Improved quantitative skills (CBA; VCA)

2) Policy decisions part of long-term plan:

- Sector and sub-sector plans
- Strategies for linking to key markets (tourism, niche exports, institutions..)
- Goal, policy, objectives, actions, actors, timeline, impact, indicators

3) Policy tools designed to achieve specific outcomes:

- Offer incentives to key actors in private sector
- Co-ordinate interventions in multiple sectors, multiple

stakeholders



Food and Agriculture Organization of the United Nations – *for a world without hunger*

Legislation/regulation meets international standards of best

Toolkits: providing policy options and case studies

PACIFIC TOURISM AND
AGRICULTURE POLICY
TOOLKIT

*Policy measures to
promote linkages
and drive inclusive
growth in Pacific
Island Countries*

FOOD MATTERS

*Policy measures for
strengthening food
and nutrition
security in the
Pacific Island
Countries*



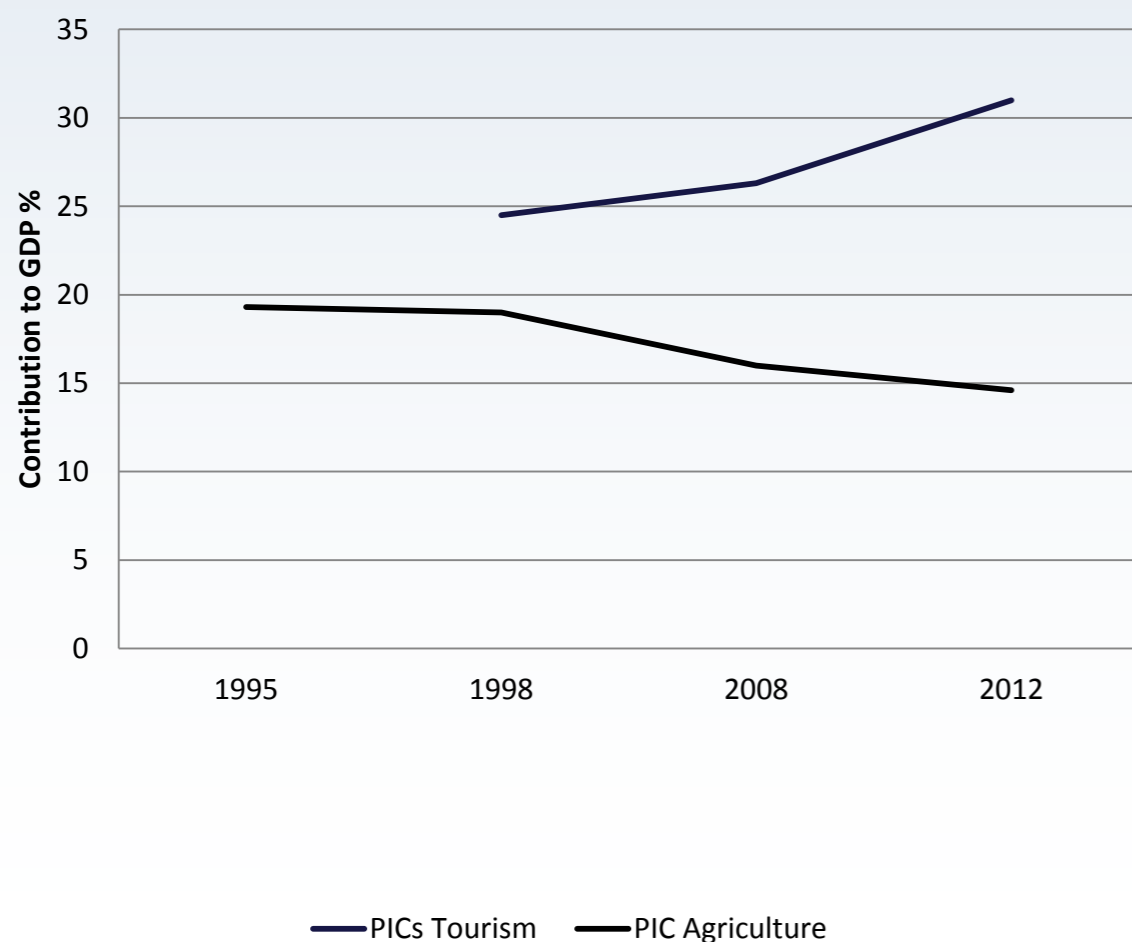
Focus of toolkit policy options

- Improving access to finance, to encourage investment in new technologies
- Public procurement of local food providing stable market and pathway into contracts
- Incentivising use of local food in tourism through tax deductions
- Revenue sharing models to encourage natural resource management
- Pricing policy measures to improve dietary outcomes
- Improved public-private co-operation in identification and implementation of reform



Tourism is an increasingly important market for agriculture; yet low rate of local food content increases foreign exchange leakage

Average tourism and agriculture value added (% of GDP) select PICs



Tourism arrivals and growth rates PICs

Country	2007	2013(e)	Growth rate
Cook Islands	97,019	121,237	25%
FSM	21,146	23,589	12%
Fiji	539,881	691,820	28%
Kiribati	4,709	4,981	6%
Marshall Islands	7,200	4,601	-36%
Niue	3,445	5,129	49%
Palau	88,175	124,129	41%
Papua New Guinea	104,122	175,524	69%
Samoa	122,356	137,271	12%
Solomon Islands	13,748	24,053	75%
Tonga	43,344	50,191	16%
Tuvalu	1,130	1,032	-9%
Vanuatu	81,345	116,100	43%
Total	1,127,620	1,479,657	31%



Linking agriculture and tourism

Basic problem: quality and consistency of supply; comparative price; market information; marketing linkages

Requires supply and demand side interventions

Supply

- a) Farmers have no incentive to grow out of season
- b) Farmers have no incentive to grow quality required

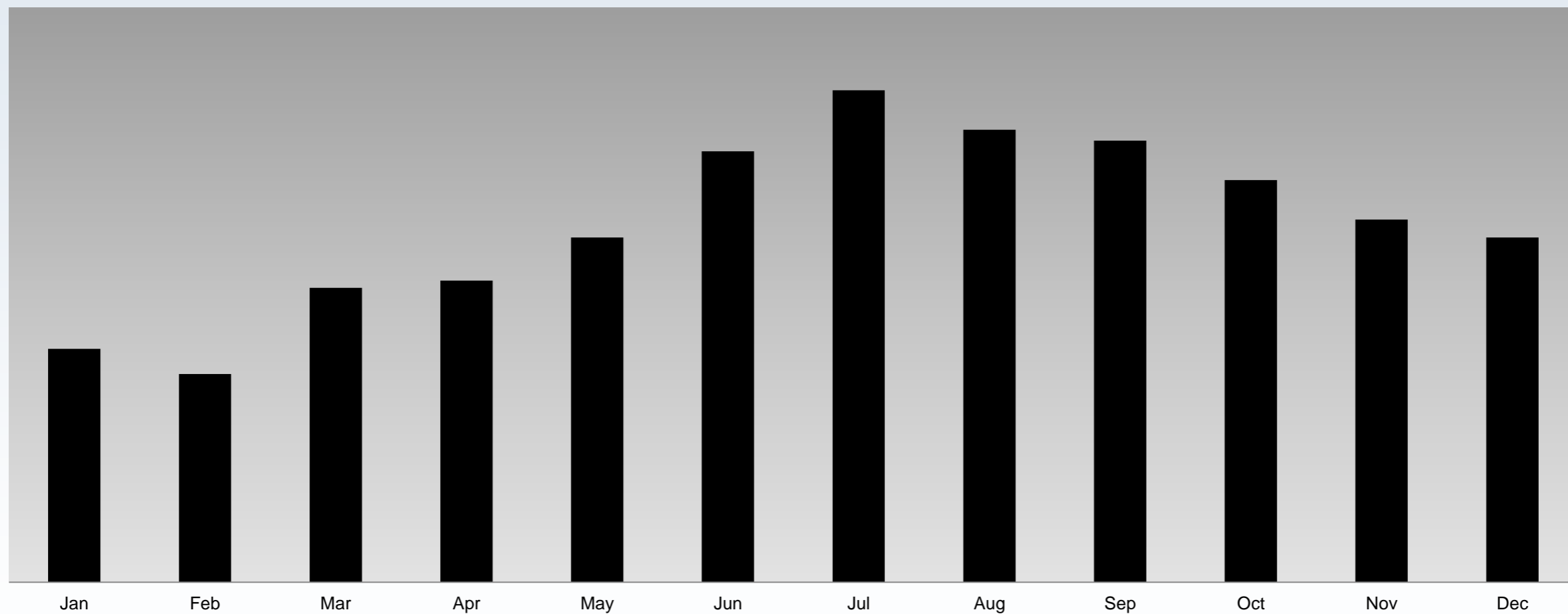
Demand

- a) Tourism lack incentives to buy local, despite challenges
- b) Tourism lack network of local suppliers, so import



Seasonality of production is a major barrier to forging closer linkages between agriculture and tourism

Seasonality of tourism arrivals and domestic agricultural production



Wet season fruits

Cool season vegetables

Wet season fruits



Facilitating investment in the adoption of new, productivity enhancing technologies is central to increasing competitiveness in key markets



Hydroponic production to reduce weather and pest risk



Intensive vegetable cultivation in greenhouses, and under coverings



Off-season fruit production utilizing hormone application technologies



Appropriate cool storage technologies to increase product shelf life



Linking agriculture and tourism (cont)

Supply side-interventions create an enabling environment for production quality/consistency:

- Lower interest-rates to encourage investment in off-season production
- Lower tariffs on imports of equipment/inputs
- PGS to assist quality control and group marketing
- Long-term demand forecasts to plan production

Demand side interventions create enabling environment for hotels to increase local purchases:

- marketing benefits to tourism businesses using local produce
- tax deductions for the purchase of local food and beverages



Other Policy Options for linking agriculture and tourism

support a regional marketing initiative to reward operators that offer a true Pacific cuisine experience

Incentivise the use of local content by the tourism industry through offer of tax deductions for purchases of local food;

Establish national revenue collection to support establishment of Marine and Forest Protected Areas

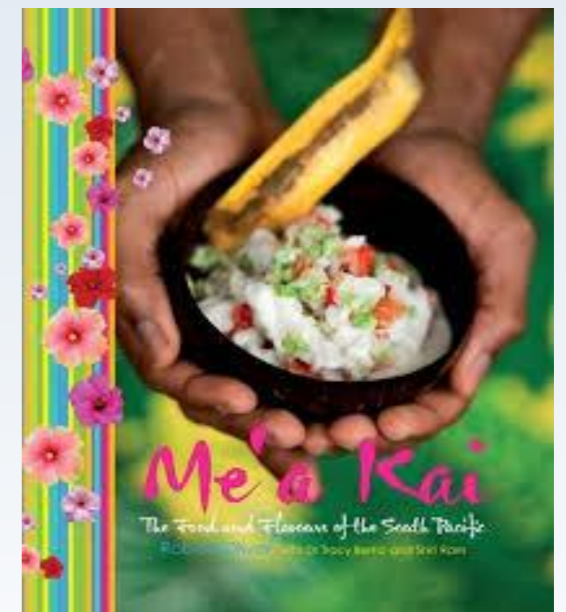
establish a national dialogue between the agriculture and tourism sectors to oversee the implementation of initiatives.



Improve the cuisine experience for tourists through increased local content



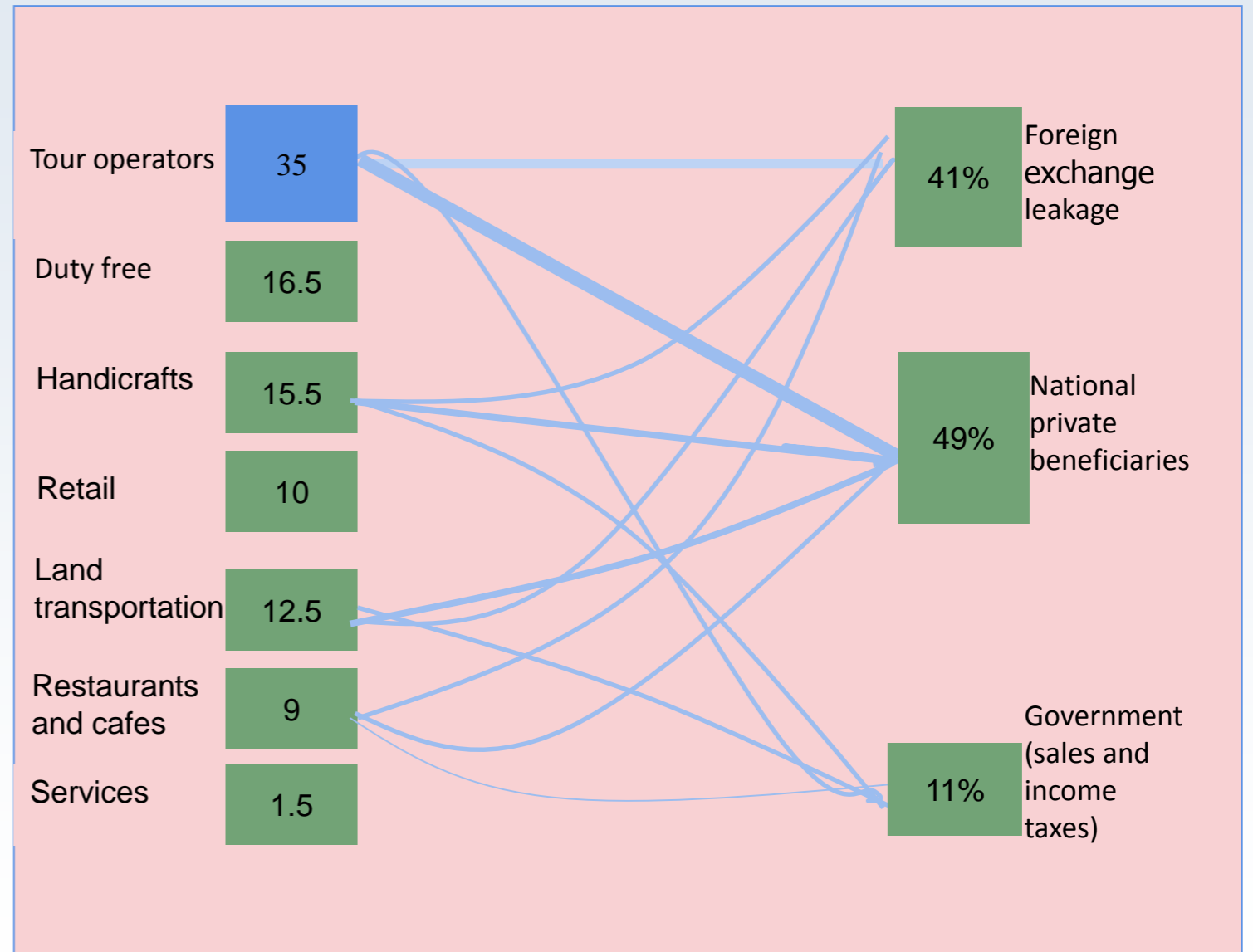
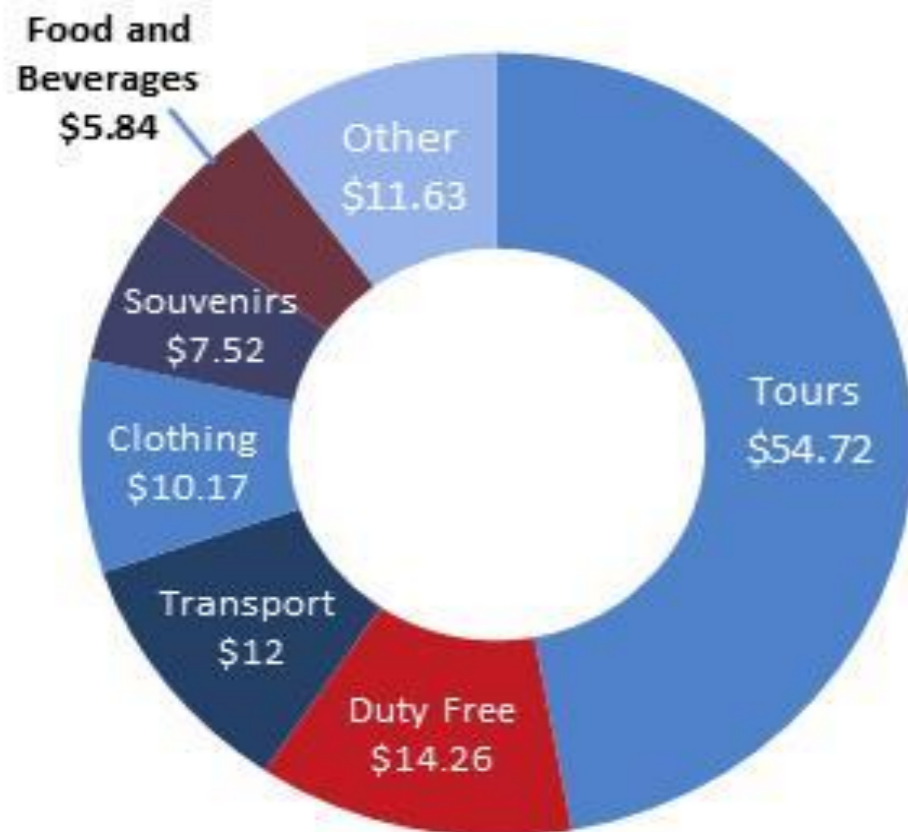
- National tourism authorities to incentivise industry to increase use of local food content through free marketing benefits (campaigns)
- Establish national accreditation schemes
- Support local suppliers with capacity building to meet quality and consistency requirements
- Demand forecasting



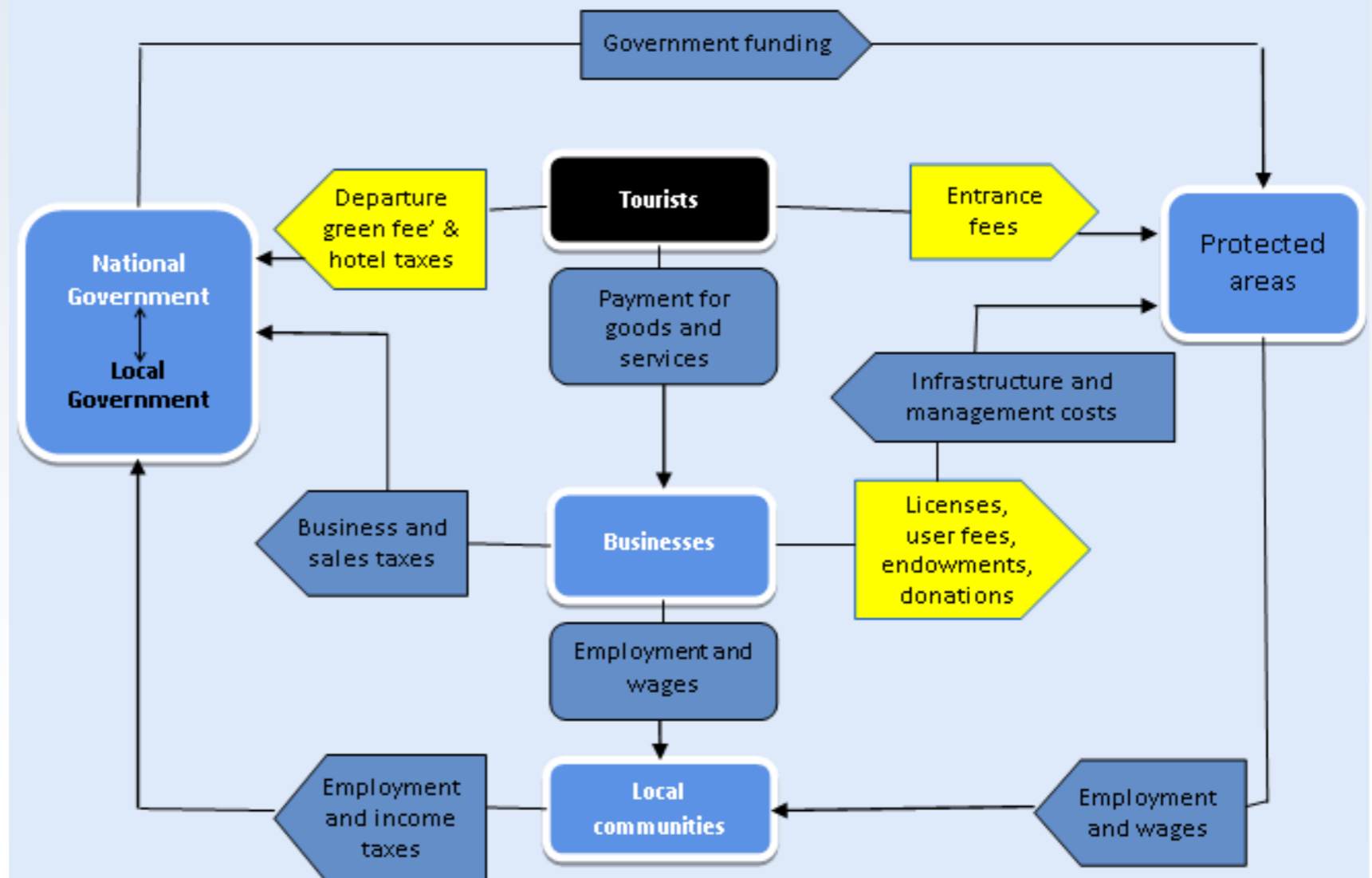
Despite high growth rates in cruise ship arrivals, PICs enjoy few revenue benefits and high compliance costs.



Average daily expenditure of a cruise ship passenger in Port Vila (AUD\$)



Niche ecotourism depends upon community managed Protected Areas, yet national revenue collection is required to provide communities with incentives to engage



Source: Adapted from Font, X., Cochrane, J. and R. Trapper (2004) Pay per nature view: understanding tourism revenues for effective management plans, WWF, London



Thank you

Any questions?



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