

# POLICY DISCUSSION

HIGH VALUE CROPS



# Content

## II. Policy Options for MAL Core Activities

- b. Oil Palm
- d. Coffee
- e. Cocoa
- Kava ?????

## **b. Oil Palm**

Palm Oil was the country's most successful agricultural industry before the "tensions", exporting 36,900 tons of palm oil products in 1998. The closure of the Solomon Islands Plantation Limited (SIPL) factory in 2000 had devastating effects on the export of this product and hence the economy and foreign exchange generation of the country. However, the company reopened under a new management [Guadalcanal Plains Palm Oil Limited (GPPOL)] in 2006 and production increased markedly to 21,979 tons of oil palm products in 2007. GPPOL in 2007 employed 2,000 workers and engaged about 100 households in an 'out-grower' scheme managing an estimated area of 500 hectares with potential to expand production and acreage. After nearly 10 years past, the overall oil palm development scenario has improved, in 2014, Guadalcanal has 7,200 hectares of oil palm planted, GPPOL owns 6,000 and Outgrowers Association comprising of 275 households owns 1,200 hectares with assistance received from MAL. The 2014 Oil palm production is 34,000 metric tons which is SBD\$350 Million worth of exports. The production and export figures are expected to increase further around 15 months after the April 2014 flash floods.

- **Objective:** To enhance the economic contribution of oil palm sector in livelihood system.
  
- **Policy Statements**
- 1. Review the Oil Palm sub-sector and develop a focused strategy to support its development
- 2. MAL will facilitate oil palm development on Guadalcanal Province (GPPOL) Western Province (Vangunu & Shortland), Malaita Province (Auluta and Waisisi) Choiseul Province and later to other Provinces of Isabel and Makira/Ulawa
- 3. The MAL extension service will support 'out-grower' schemes working together with nucleus plantations
- 4. Investigate the feasibility and introduce smallholder oil processing machines suitable for smallholder oil palm plantations
- 5. MAL departments of Research and Agriculture planning must support Oil Palm division with implementation of the program
- 6. MAL collaborate with MID and MCILI establish formal cross-sectoral approach to address infrastructural and market needs of the program to attract both more local and foreign investors to the industry

# d. Coffee

The import market for coffee in the SI is 150 tons annually. The country has areas that could produce high quality Arabica coffee such as high elevation locations in Central Malaita. Robusta coffee could be grown in lowland areas where cocoa is currently grown although return for coffee will be significantly lower than that for cocoa. In the volatile world coffee market, small new entrants to the world market like the Solomon Islands have little chance succeeding. However, there is opportunity for a small coffee industry in niche market and import substitution.

**Objective:** To enhance coffee production and increase farmers' ability for income generation.

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## Policy Statements

- 1. Review the status the coffee sub-sector and design a focus strategy for its development
- 2. Considering the climatic requirements of the 2 different types coffee (Arabica and Robusta), identify agro-ecological zone for farmers where the crop could be successfully grown
- 3. Develop a "how to grow each variety of coffee" pamphlets and provide training to farmers on how coffee should be grown and processed
- 4. Provide support for stocking and propagating coffee planting materials in potential production areas
- 5. Regulate harvesting, processing and marketing of all coffee to maintain quality standards essential for export to niche market
- 6. Facilitate and coordinate market fact finding mission to establish niche market for SI coffee within the region or overseas.
- 7. Encourage and support development of the Coffee industry for import substitution
- 8. Conduct trainings on how to process and dry coffee beans
- 9. Support and research development of and export marketing of a specialty differentiated Solomon Islands coffee in collaboration with MCILI, Private sector and coffee associations
- 10. MAL in partnership with coffee associations promote on-station and on-farm research
- 11. Improve farmer/Association support assistance for farm inputs, labour subsidy to increase production

## e. Cocoa

Cocoa has been the third most important export crop in the Solomon Islands. Exports in 2013 were SBD67.1 million and increased to SBD95.1million in 2014 (Int. Trade statistics, 2015). The increase in 2014 stemmed largely from improved production and higher export prices. The industry is almost entirely smallholder based. Cocoa production is widely distributed throughout Solomon Islands, grown in all provinces except Rennel/Belona which makes cocoa the second most important cash crop after coconut. The high rainfall in production areas led to severe outbreaks of the Black-pod disease having devastating effects on production.

**Objective:** To enhance the economic contribution of the cocoa sector in improving livelihoods.

### **Policy Statements/Focused Activities**

1. Support and improve construction of cocoa dryers so that it achieve smokeless dried cocoa beans targeting special markets and premium prices
2. Provide seeding financial support for cocoa buyers in remote areas of the country
3. The Provincial as well as National governments should support shipping of cocoa from remote areas
4. Promote and facilitate the marketing of cocoa as an organic product in partnership with NGOs and other stakeholders e.g. Kastom Gaden and POETCom. to obtain premium price
5. Conduct trainings on post-harvest processing especially on fermentation at farmer level
6. Support construction and registration of processing units as regulatory measure to facilitate quality and traceability of Solomon Islands Cocoa
7. Support development of Solomon Islands Cocoa superior materials by introducing new varieties, developed superior local varieties, and increasing production using IPDM through scientific and on-farm investigations
8. Establish protocol to stop incursion of Cocoa Pod Borer from neighboring Papua New Guinea