



Competitive domestic food supply chains for a food secure Pacific

To reduce reliance on imported foods and to ensure food security in the Pacific Islands Countries it is crucial to identify the potential of domestic and high value export markets, develop local food production and strengthen processing capacities.

Although Pacific Islands Countries (PICs) have made progress at eradicating poverty and hunger, much still needs to be done to meet the first Millennium Development Goal. Food security is at stake in many PICs.

Farming in the region is mostly small-scale and depends on family labour but farmers and fisherfolk, with their reduced capacity to supply domestic food needs and the loss of competitiveness in export markets, are becoming increasingly vulnerable. Thus, people leave their communities in search of new opportunities in urban centres.

As a result of urbanization food imports of many PICs are increasing and dietary patterns are changing. Consumption of locally produced carbohydrates, vegetables and proteins is being replaced by foods high in sugar, salt and saturated fat with negative impact upon health and greater incidence of non-communicable diseases such as diabetes and heart disease.

In the Pacific micro-nutrients deficiencies coexist with obesity rates that are higher than in any other developing region.

MOVING FROM SEMI-SUBSISTENCE FARMING TO COMPETITIVE SUPPLY CHAINS

In modern markets where buyers play a critical role through their choices, small producers in the Pacific struggle with quality standards, packaging requirements, delivery schedules and prices. To enter this competitive business requires understanding of marketing rules, capital, knowledge and skills.

IDENTIFYING OPPORTUNITIES: DOMESTIC AND HIGH VALUE NICHE MARKETS

The difficult economic geography of PICs, with significant scale disadvantages and long distances, suggests that Pacific agriculture should strategically reorient towards domestic markets.

Apart from increasing production to satisfy national demand, local supply also needs support to meet the service and quality requirements of the tourism industry. By doing so, countries will be able to minimize the amount of imported food consumed by tourism which is currently estimated to be 80 percent of the total.

High value niche markets, such as organic certification and origin branding of coconut, cocoa, coffee and noni are another opportunity for countries to market traditional commodities. However, sophisticated production and processing techniques have proved extremely challenging and limited opportunities exist even for farmers with sufficient volume and capacity.



STRONG POLICY FRAMEWORKS

FAO is working with PIC governments to make local agriculture more competitive against imports. This is done through designing policies to support semi-subsistence producers to move into more commercial production.

Regulatory frameworks that introduce subsidies, land tenure reforms, higher sanitary and phytosanitary standards and attract investments in marketing infrastructures, are vital to strengthen local capacities and slow the pace of food imports.

However, the lack of socio-economic data is a serious weakness of policy-making in the region.

PROMOTING A MULTI-STAKEHOLDER APPROACH

Many of the areas for policy action to increase competitiveness of local agriculture, create inclusive and efficient food chains and improve nutritional health status lie outside



the domain of the agriculture and health sector alone.

To make an impact on livelihoods there is a need to bring together representatives of the public, private and social sectors and to foster links and create synergies among them. FAO promotes the enhancement of a Food Policy Council composed of a wide range of stakeholders such as the Government, commodity associations, farmers cooperatives and the tourism industry, to mention a few. Stronger partnerships with the

private sector and capacity building activities in agribusiness and value chain promotion are also a priority.

THE WAY FORWARD

Food security in PICs is possible if FAO, together with national governments and other key stakeholders focus their efforts on the following:

- Promote sound data collection, technical and socio-economic analysis for evidence based policy frameworks;
- Identify and realize real growth market potential in domestic markets including tourism industry;
- Build farmer capacity in agribusiness, value chains, etc.;
- Increase production, improve processing and strengthen marketing skills necessary to meet international quality standards;
- Encourage the creation of multi-stakeholder bodies and fora where an integrated approach to national food security can be discussed and adopted;
- Strengthen partnerships between the public, private and social sectors.

