



# SMAE Competitiveness in the Pacific Island:

Proceedings of an FAO agribusiness roundtable  
on small and medium agro-processing enterprises

11–13 April 2012

Nadi, Fiji Islands

## ROUNDTABLE

## *Reports*



# SMAE Competitiveness in the Pacific Island:

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on small and medium agro-processing enterprises

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Rome, 2014

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## List of acronyms

ACIAR	Australian Centre for International Agricultural Research
AusAID	Australian Agency for International Development
CDE	Centre for the Development of Enterprise
EU	European Union
FACT	Facilitating Agriculture Commodity Trade
FAO	Food and Agriculture Organization of the United Nations
FSA	Farm Support Association
FSANZ	Food Standards Australia and New Zealand
GDP	Gross Domestic Product
HACCP	Hazard Analysis and Critical Control Points
HTFA	High Temperature Forced Air
IACT	Increasing Agriculture Commodity Trade
ISO	International Standards Organization
MSG	Melanesian Spearhead Group
NGO	Non-governmental Organization
PARDI	Pacific Agro-business Research and Development Initiative
PIPSO	Pacific Islands Private Sector Organisation
PITIC	Pacific Islands Trade and Investment Corporation
PHAMA	Pacific Horticultural and Agricultural Market Access
PNG	Papua Nuova Guinea
SMAE	Small and Medium Agro-processing Enterprise
SPC	Secretariat of the Pacific Community
SROS	Scientific Research Organisation of Samoa
SSOP	Standard Sanitary Operating Procedures
US	United States
USFDA	United States Food and Drug Administration
WSTEC	Western Samoan Trust Estates Corporation
WTO	World Trade Organization

# 1 Introduction

## 1.1 Background

Twenty four representatives of small and medium agro-processing enterprises (SMAEs) from six nations were sponsored by the Food and Agriculture Organisation of the United Nations (FAO) to attend a roundtable meeting on the competitiveness of these enterprises in the Pacific Islands. A larger number of SMAEs were invited but inclement weather in Fiji the previous week and in-house management commitments prevented a number of companies from attending.

The larger Fiji-based companies did not attend. As a general rule, these larger industries (the flour mills, the brewery and the biscuit manufacturers) rely heavily on imported raw materials and the use of locally grown raw materials is minimal. There was at least one processor of *Morinda citrifolia* (noni, nonu) represented from each nation – probably because the raw material base is consistent and the trees are hardy and resistant to most weather vagaries. Similarly, root crops and coconuts provide a fairly consistent raw material base for a continuing production schedule.

In some cases, specialized technology had been acquired either by trading into a position of financial strength or from aid agencies, broadening the opportunities for increasing product ranges. Spices, including vanilla in dried, paste and extract form were among the product portfolio of some enterprises. Cocoa and coffee were among the products processed and distributed in the Melanesian countries, as climate and aid agencies have assisted with augmenting production. In some instances, companies have exploited novel raw materials such as nuts.

In spite of the range of products described here, there are a number of common challenges faced by the Pacific island SMAEs. The roundtable was designed in such a way as to allow participants to make equitable representations, so that resulting discourse could be used to:

- Share problems and indicate the strategies that have been used to overcome these problems.
- Share methods used to capitalise on the positive features of working in the Pacific region.
- Share marketing strategies given that many markets are remote and feedback is often delayed and skewed.
- Assist FAO in the formulation of enabling policies specific for private sector processors in regions around the world.

In order to achieve these results, the roundtable format was set to encourage dialogue among participants. The introductory presentations were given to highlight FAO motives for engaging in the roundtable. In one of the presentations, made by an active food processing actor in the region, a collation of all the features of processing foods in the Pacific was presented. The presentation introduced a hard commercial edge by asserting that sustainability equates to profitability and that, consequently, commercial imperatives are vital for success in food agro-business. The crux of the roundtable was the time allotted for company presentations; in addition, all the companies have been split into groups created according to common characteristics and problems (e.g. technology, market access and intelligence). Feedback within group participants was believed to be of incredible value and germane to FAO future policy.

Panel discussions were somewhat truncated but nevertheless they highlighted the importance of gaining technical assistance, financing and that of alliances and associations.

## 1.2 Rationale for FAO SMAE Global Initiative

FAO has had concerns with trends and issues related to modernization and transformation of agriculture in developing regions. Dialogue and debate has extended over a number of forums since 2007 culminating in

the Milan Private Sector Forum in 2009. As discussions and views were aired, the importance of the private sector emerged especially in the development of value chains recognizing that the private sector is for all its diversity central to agricultural development. Agreement was reached that enabling the private sector is germane to empower the sector to play its vital role in developing the sector. FAO recognised that there was a need to rebalance its engagement, dialogue and policy concerns.

SMAEs are responsible for generating a large share of products and services in the agriculture sector and play a critical role in increasing demand for raw materials. They create income and employment in rural areas where the opportunities for employment are frequently sparse.

Many enterprises have been initiated in the family and extended family environments, and base product portfolios on traditional dishes because of their strong roots in local communities. As the enterprises mature in size and market volumes increase, they develop innovative services and procurement programmes for raw material supply, financial mechanisms and gain an understanding of market demands and buying motives. Repeated purchases – an important element in sustainability – are based on a number of factors including consistency, safety, natural and, where appropriate, certified products. Equally important is the perception from the market that they are receiving value for money at the time of purchase.

Smaller companies – particularly those in the growth stage of their development, do not have the resources to invest in equipment and packaging and storage facilities and are often at the mercy of fluctuating and intermittent raw material supplies. This is a significant impediment to commercial growth because markets demand safety and consistency in their purchases. As membership of the World Trade Organisation (WTO) increases, the imperative demand for the adoption of standards such as Codex and, with it, the Hazard Analysis and Critical Control Points (HACCP), becomes more urgent. The implementation of these standards is expensive and distracting for small enterprises, especially those with a small number of staff, as they strive for profitability and hence sustainability. Management skills are often acquired by trial and error, and errors can be expensive and confounding. Implementation of international standard can be daunting.

Within this background, FAO has taken the initiative to engage in a global programme of dialogue, to collate and verify these issues, and to devise strategies and policies to surmount impediments to development. The organisation has initiated this series of roundtables to engage managers to stimulate innovation, assist with development of business strategies and encourage networking and self help.

The expected short-term outcomes are to reinforce FAO understanding of SMAE working norms. In so doing, the goal is to improve competitiveness by meeting quality and safety standards, improving operational efficiency and forging associations and alliances through business to business networking, including all partners in the value chain.

### **1.3 Regional context for SMAE competitiveness**

There is no doubt that people of the Pacific depend on agriculture for their livelihoods and for their food security with between 65% and 85% of the population engaged in the sector. The SMAEs represented in this roundtable have highlighted the contribution that small-holder and subsistence farmers make to continued viability of their operations. Support for this segment can play a significant role in the improvement of the wellbeing of people of the Pacific nations. The support should be broad-based by establishing a synergy between international aid agencies and Governments that are currently unable to provide potent extension services. Improvements to services and provision of incentives for young people to remain in farming will depend on the benefits enjoyed from the outcomes – particularly financial rewards. Markets are often remote and extended value chains are not conducive to supply high quality fresh materials that would ensure maximum return for effort. SMAEs can provide a solution to such problems, and policies at national and international level could increase effectiveness once directed towards them. SMAEs' survival depends on regular supplies of raw materials – so crucial for effective competitiveness. Greater efficiencies from small-holder farmers and intensification of agriculture across the spectrum are crucial to sustainability.



Exports are the coveted aim of all agricultural activity both at Government and commercial level. Future policy makers cannot therefore neglect the importance of providing high quality safe food with systems in place to substantiate this. The continuing commitment of FAO to promote HACCP certification is crucial to this and has been emphasised by the majority of the participants.

**Marketing opportunities for Pacific Island SMAEs:**

1. Identify comparative advantages that company, region and nation have over existing suppliers of target market countries.
2. Apply caution to initiatives such as 'Fair Trade,' and 'Organic Certification,' since sales are less buoyant following the advent of the World Financial Crisis.
3. Initiate the process of HACCP accreditation by implementing simple hygiene protocols and rigorous record keeping.
4. Establish a company strategic plan including sales projections and maximising the use of resources including equipment, facilities and infrastructure to reduce fixed cost elements per item produced.
5. Implement product development strategies that increase the use of discarded or waste material, increase yield and make use of emerging (especially novel) raw materials.

**Main stumbling blocks for Pacific Island SMAEs development:**

1. Geographical features of larger nations which increase the cost of raw material procurement and distribution of processed and partially processed goods.
2. High cost of imported raw materials – especially packaging.
3. High cost of shipping and air services for export materials.
4. Inadequate support for the private sector in value chain management.
5. Inadequate support for the private sector in areas that would empower them to trade competitively in international markets (e.g. HACCP).
6. Inadequate support for the private sector in international trade negotiations (e.g. Biosecurity, bilateral trade agreements).
7. Lack of Government attention to issues such as Codex and the assistance that it can provide.
8. Land tenure.
9. Inadequate extension services that are hampered by:
  - o Lack of Government resources.
  - o Inadequate and misdirected training of agriculture staff.
  - o Low investment in planting material.
  - o Reluctance to engage with the farmers and private sector to refine the needs.
  - o Short term view in agriculture returns by Government policy makers.
  - o Political instability in a number of nations resulting in disjointed Government agricultural policies.

This roundtable was organized to encourage dialogue among participants. Within this format, the intention was to glean information from SMAEs on the constraints and impediments that inhibit agricultural development - a factor that is so crucial for improving the lifestyle and wellbeing of people of the Pacific. SMAEs play such a vital role in the supply chain with direct linkages to farmer-suppliers and to the markets and distribution chains.



All businesses recognised that to be sustainable, they must be profitable and three elements are required for this:

- Consistent and continuing raw material supply.
- Technological wealth to build in features required by the market.
- A full understanding of the market and of the buying motives.

To better understand the context in which Pacific Island SMAEs conduct their businesses an overview of each Pacific Island country situation will follow.

### ***Papua New Guinea***

Papua New Guinea (PNG) exports include valuable agricultural, timber, and marine products. Agriculture currently accounts for 32% of its Gross Domestic Product (GDP) and supports more than 75% of the population. Cash crops ranked by value are coffee, coconut oil, cocoa, copra, tea, rubber, and sugar. About 40% of the country is covered with exploitable trees, but a domestic woodworking industry has been slow to develop. PNG has an active tuna industry, but much of the catch is made by boats of other nations fishing in PNG waters under license. Locally produced fish exports are confined primarily to shrimp.

The progress in the agricultural sector in PNG has been hampered by political instability often accompanied by lack of continuity in its agricultural policy. There are several examples in which the private sector has started innovative agribusiness initiatives and some highly skilled professional entrepreneurs are developing value chains largely without Government support. Investment, either within private sector companies or within self-generated associations, is likely to be the strategy that will return more gains. The country is very large and infrastructure is poor in rural areas. Crop farming is thus confined to the environs of the large cities. Cocoa and coffee have longer shelf lives than fresh crops so these are the commodities of choice for the highlands and the rural areas.

The country suffers from lack of investment in the agricultural sector and scant support for farmers and cooperatives. The country joined WTO in 1996 and hence has a commitment to implementing Codex and HACCP. There appears to be little progress towards implementing such standards.

There is regular sea transport to Australia which has been a major benefit for the cocoa and coffee industries and is an incentive for future development of in-depth processing. Packaging is not fabricated in PNG hence its importation is a significant hurdle for competitive trading in processed foods.

### ***The Solomon Islands***

The Solomon Islands per capita GDP of US\$600 ranks them as a lesser developed nation, and more than 75% of its labor force is engaged in subsistence farming and fishing. The nation has a land mass of 28,400 km<sup>2</sup> of which only 6% is used for agricultural activities. Most manufactured goods and petroleum products must be imported. Until 1998, when world prices for tropical timber fell steeply, timber was Solomon Islands' main export product while, in recent years, other important cash crops and exports, including copra and palm oil, have grown to compensate in part timber sales decrease.

Solomon Islands' fisheries also offer prospects for export and domestic economic expansion. However, a Japanese joint venture, the Solomon Taiyo Ltd., which operated the only fish cannery in the country, closed in mid-2000 as a result of the ethnic disturbances. Though the plant has reopened under local management, the export of tuna has resumed but is confined to markets in the Melanesian Spearhead Group (MSG).

With respect to the closure of the Gold Ridge mine and of the major oil-palm plantation negotiations that may lead to their eventual reopening are underway.

The Non-governmental Organization (NGO) Kastom Gadens situated in Honiara has been trying to service locations not reached by the Ministry of Agriculture and build up networks for providing extension services and planting material. Small processing centers have been established in nuclei in the outer islands and on

the weather coast of Guadalcanal but the markets are limited to schools and local consumers. Many of these centers are without electricity and so control of quality is difficult.

The capital, Honiara, is the centre for small and micro-enterprises. For all processors, the volumes of production are so low that packaging cannot be purchased in large enough consignments to enjoy economies of scale. Locally available packaging is confined to polyethylene bags, the properties of which limit the shelf of products such as fried snacks and nuts to a few days only. Due to unreliable inter-island transport and to vast distances, processing in outer islands is extremely difficult. For a successful market development and satisfying the current demand, there is a need for more regular supplies and availability of fruit at the most important processing locations

The outer islands such as Markira and Malaita are recipients of significant aid (from the Australian Agency for International Development - AusAID) to develop a unique and highly desirable nut – *Canarium* – cultivation.

## **Vanuatu**

Vanuatu is an island archipelago consisting of approximately 82 relatively small, geologically newer islands of volcanic origin (65 of them inhabited), with about 800 miles (1,300 km) north to south distance between the outermost islands, among which there is a wide variation in climate.

Agriculture products are used for local and subsistence consumption as well as for export. It provides a living for 65% of the population. In particular, production of copra and kava creates substantial revenue. Many farmers have been abandoning cultivation of food crops, and use earnings from kava cultivation to buy food. Kava is exported to New Caledonia but is also being used in ceremonial exchanges between clans and villages. The tropical climate spectrum enables the growing of a wide range of fruits, vegetables and spices such as banana, garlic, cabbage, peanuts, pineapples, sugarcane, taro, yams, watermelons, leafy greens, carrots, radishes, eggplants, vanilla (both green and cured), pepper, cucumber, and others leafy green vegetables. In 2007, the value for agricultural products was estimated for different products: kava 341 million vatu, copra 195 million, cattle 135 million, crop gardens 93 million, cocoa 59 million, coffee 12 million. Fresh fruits and vegetables are used to support the local and burgeoning tourism (including cruise ship) markets.

Significant assistance has been donated to the Vanuatu cocoa sector and a number of growers are now organically certified. A feasibility study for the establishment of a chocolate processing facility has been completed and this is particularly timely given the increased arrivals of cruise liners.

There are regular air and shipping services to Vanuatu so that raw materials including packaging can be sourced relatively cheaply. In addition, the high quality vanilla, organic cocoa and coffee, which are the backbone of the agricultural export market, are low volume- high value items. Packaging is less of a constraint in Vanuatu than it is in PNG and the Solomon. Regular air services assist in transporting coffee from Tanna and vanilla from Santo. Higher volume items such as beef and cocoa are exported from Santo or Port Vila and packaging on-costs are minimal since carcass and live exports dominate.

The economy of Vanuatu is such that the Ministry of Agriculture is under-resourced and officers are multi-tasked even in aspects of the subjects for which they have received training. Hence, the extension services are inadequate. Planting material is generally self-generated by farmers and private sector practitioners, and farm practices broadcasted by a number of key private sector players.

## **Fiji**

The country comprises an archipelago of more than 332 islands, of which 110 are permanently inhabited, and more than 500 islets, amounting to a total land area of circa 18,300 km<sup>2</sup> (7,100 sq mi). The two major islands, Viti Levu and Vanua Levu, account for 87% of the population of almost 850,000. The former contains Suva, the capital and largest city. Most of Fijians live on Viti Levu's coasts, either in Suva or in smaller urban centres. Viti Levu's interior is sparsely inhabited due to its terrain.

Fiji, endowed with forest, mineral, and fish resources, is one of the more developed of the Pacific island economies, though still with a large subsistence sector. Sugar has been the major agricultural export for over 100 years but deteriorating infrastructure and aging mills have imbued the industry with poor returns and is now an industry that requires continuous financial support generally without equitable compensation. Nevertheless, over 200,000 people depend directly or indirectly on sugar for their survival.

Assistance, that will enable former cane farmers to diversify into crops, for which there are ready markets (such as fruits and vegetables for supply to the expanding tourism market), is pending but its advent is politically dependent.

As things stand, the papaya industry is something of a success story since the quality and supply is undertaken by the organisation, Nature's Way Cooperative, which has made significant progress towards establishing Fiji as a supplier of high quality reliable fruit.

Aid assistance is currently supporting the supply of selected vegetables to selected hotel on the southern coast of Viti Levu.

Smaller companies represented at the Roundtable reported that items such as kava, vegetables, *Morinda citrifolia* and the growing demand for virgin coconut oil are providing a base for increasing processing activity – particularly in Viti Levu. Novel crops such as breadfruit and limes may become significant exports and bases for processing in the coming period.

The extension service is reasonably well equipped and has shown in recent years that it has a laudable capacity to respond to weather trauma. In recent years, resources have been directed towards the research stations and it is encouraging that planting material and seeds for items such as capsicum, bird's eye chilies, lettuce and tomatoes are much more readily available.

There are two packaging companies in Fiji, which are capable of supplying both flexible packaging for the retail industry and cardboard outers for export, and which has assisted in the export of in-depth products such as canned fish, fresh and frozen vegetables and pouched spice pastes.

Large enterprises in Fiji are active but a vast majority of the raw materials are imported and thus have little impact on the agricultural sector; however, they are diversifying into some local crops and purchase significant quantities of locally fabricated packaging.

## **Tonga**

The Kingdom of Tonga is a sovereign state and an archipelago comprising 176 islands scattered over 700,000 Km<sup>2</sup>. Fifty two of the islands are inhabited.

Rural Tongans rely on plantation and subsistence agriculture. Coconuts, vanilla beans, bananas, coffee beans and root crops such as yams, taro and cassava, are the major cash crops. The processing of coconuts into copra and desiccated (dried) coconut was once the only significant industry, but deteriorating prices on the world market has brought this vibrant industry, as everywhere throughout the island nations of the South Pacific, to a complete standstill.

Squash has been a significant export crop to Japan during the decade 1994-2004 but competition and eroding prices has significantly confounded this industry. Entrepreneurs continue to export and have compensated by diversifying into other items such as *Sato imo* – a dwarf taro that is highly valued among Japanese consumers. Watermelons are now being exported to New Zealand. The major source of income for Tonga is remittances and so funds available for Government spending are limited. The services offered by the research stations and the availability of planting material are therefore restricted.

For smaller food processors, the extremely seasonal nature of the major cash crops including pineapples and tomatoes is difficult to manage. Tonga was recently assisted with aid to establish a general purpose food processing facility. This was equipped with extensive freezing equipment so that high season fruits and vegetables can be frozen in bulk for later value addition into consumer products.

The major processing center is Tongatapu, which is small in comparison with other Pacific islands detailed here. The cost of transporting raw materials to the capital, Nuku'alofa, is inexpensive. However, as with other island states, the cost of exporting finished goods and the costs of importing packaging is high. The volumes of raw materials is relatively low which means that only selected items such as coconuts, water melons, squash and *Sato imo* are in sufficient supply to fill shipping containers.

Smaller and medium sized companies are hindered by the high cost of packaging. Because of the small production volumes, they are more competitive in the domestic market but face fierce competition from imported items. Large importing buying cartels that have the financial resources, import huge quantities of products (especially from China) at very low cost for distribution to supermarkets and corner stores.

Infrastructure such as the fumigator and the High Temperature Forced Air (HTFA) treatment facility, which might have assisted in exports of papaya, chilies, and breadfruit, have both lain idle for several years because of poor decision making. Fortunately, both these facilities have been refurbished with the assistance of external aid which promises to assist fresh exports.

## **Samoa**

The total land area is 2,934 km<sup>2</sup> (1,133 sq mi), consisting of the two large islands of Upolu and Savai'i, which account for 99% of the total land area, and of eight small islets.

The staple products of Samoa are copra, cocoa bean (for cocoa paste – Koko Samoa), and bananas. The annual production of both bananas and copra has been in the range of 13,000 to 15,000 metric tons (about 14,500 to 16,500 short tons). If the rhinoceros beetle in Samoa were eradicated, Samoa could produce 40,000 metric tons (44,000 short tons) in excess of copra. Coffee grows well, but production has been uneven. The Western Samoan Trust Estates Corporation (WSTEC) is the biggest coffee producer. Planting of coffee has been re-stimulated by Government incentive through the provision of planting material at subsidised rates to plant coconut, coffee and cocoa..

Samoa was one of the major suppliers of fresh taro to New Zealand and Australia among the Pacific states but taro leaf blight in the late 1990s devastated the crop; this caused the market vacuum as the Samoa Taro has been overtaken by Fiji taro. Fortunately, aid funding has now been directed towards resistant taro, and several containers per month are now being exported once again. A small taro freezing operation has begun in Apia but it is in its infancy. Snack foods made from taro, banana and breadfruit make up a significant part of the local manufacturing activity, but lack of HACCP training has inhibited the transition to export. Chilli products are assuming greater importance.

In general, agro-processing in the Pacific has been largely dictated by historical successes – the 'Me Too' approach to product development. Typical tropical crops among the Melanesian countries are cocoa, coffee, kava and vanilla. More recently, interest has been generated in the nut crops and aid is being directed at improving value chains. The Melanesian countries are hampered by the extremely long lines of communication and distribution so that shelf-stable crops mentioned above take precedence. For processed products with shorter shelf lives, the costs of inputs such as specialised raw materials and packaging are expensive so that markets are restricted by geographic location.

Government services such as extension advisory assistance and planting material are under-resourced for the enormous geographic areas that they have to cover. In addition, the small number of staff means that they are multi-tasked and then distracted from the immediate needs of the agricultural sector.

Fiji is an exception because of its relatively small size and regular transport services. The infrastructure distribution distances are shorter and processed products and semi-fresh products can be distributed without significant deterioration to the shelf life.

Fiji also has the advantage of having a flexible packaging supplier operating in the nation and, increasingly, around the region.

For smaller nations, the volumes of raw materials are so low that small and medium sized enterprises cannot enjoy economies of scale and have difficulty competing with large scale imports.

Governments have a disappointing record in supporting the agricultural sector throughout the Pacific region. The engine of growth must be the private sector and all possible assistance should be levelled in that direction.

In short, a number of features hamper agriculture momentum and impede value chain development.

## 2 Roundtable discussions

The roundtable discussions included three groups with 8-10 enterprises and public sector participants in each group. The groups discussed three main topics:

1. Procurement
2. Product development, branding and labelling
3. Quality and safety management standards
4. Efficient supply chains and logistics

At the end of each roundtable discussion, a representative from each group provided a summary of the discussions back to the whole meeting group. The key points from the four roundtable discussions are provided below.



### 2.1 Procurement

Procurement is a major issue for the SMAEs in the Pacific region. To recap, many of the businesses attending the roundtable have their roots in family concerns. Product ranges may have been very narrow at the outset, perhaps based on a highly seasonal crop (e.g. fruit). However, during growth and development, product portfolios widened to ensure higher continuity to production. Processors have been forced to move further and further from the procurement nucleus to obtain sufficient raw material for year-round production. Production volumes increased and it has become necessary to increase the market coverage as a result. This has been achieved by widening the geographic location of markets. In so doing, it has been necessary to increase packaging performance to accommodate longer distribution lines and thus shelf-life.

As procurement areas widened then procurement of raw materials and packaging became more difficult. Packaging manufacturers are not prepared to laminate, and for other raw materials the degree of control reduces exponentially with the number of the suppliers and with the degree of remoteness of the growers. Retaining some land on which a portion of raw material could be produced was a common strategy).

For processors who must maintain credibility with their overseas or local markets, maintenance of the value chain is germane. Since this makes an impact on the supply chain, farmers must then make a transition from a subsistence approach and embrace farming as a profession. Government policies are rarely sympathetic. This requires a complete shift in mindset and is not often helped by external factors. For instance price fixing by governments is not unknown in some countries and this is a policy that ultimately discourages free enterprise, disenfranchises farmers from the profession and skews the market. To make matters worse, there is a regional perception that extension services are largely impotent and often confounds supplier-processor relationships rather than strengthen them.

Other enterprises adopted a system or maintained some degree of control over raw material supply by offering extension services. Larger enterprises have graded supplier reliability and directed most extension attention towards the subsistence and least reliable farmers. As the service progressed, the least reliable tended to gain confidence in the relationship and strove to improve performance in order to graduate up the grading. Provision of continuing support engendered trust. One enterprise had progressed to the point that little contact with suppliers was necessary and raw material supplies continued to flow with very little day to day upkeep.

Procurement of fresh raw materials has been seriously affected by adverse weather conditions. Not only has this decimated supply from the field because of flooding but also has prevented harvesting and crop and soil maintenance. One or two companies offered token recompense to maintain good offices with these raw material suppliers. Such action strengthens trust.

More critical, however, is the long-term damage to roads. One supplier reported that the state of the road caused significant post-harvest damage so entire areas of production are now unable to supply raw materials. Recruitment of other areas has now become a necessity.

In Fiji, one farmers group has successfully lobbied the government to raise the priority of their infrastructure for timelier road repairs.

It was gratifying that all companies operated some system of traceability so that they could take recourse with the supplier in the event of a complaint or other problem requiring remedial action.

A summary of the **issues** arose during the roundtable discussions follows:

- Infrastructure and weather are frequent impediments to regular, high quality raw material supplies.
- Business culture is not strong in the Pacific region, confounding growing contracts and pre-harvest agreements.
- Raw material supplies are inconsistent and unreliable.
- Costs of transactions can be high.
- All companies have in place a system of traceability back to farms.
- There is the general agreement that Government extension services are largely impotent.
- Predictions going forward are that climate change will further confound raw material supplies.
- Many companies owned some land – capable of producing some of the raw material requirements, however all SMAEs procured additional raw materials from other independent farmers.
- There is some difficulty in assessing quality objectively, but laboratory facilities are considered to be expensive and unreliable.

The following **solutions** were given:

- Companies had no option but to forge trusting and lasting linkages with suppliers.
- Investment in farmer-suppliers in issues such as planting material, post-harvest training and immediate payments, are essential in building lasting trust and reliability.
- One company has employed field officers who act as extension officers and had graded supplier reliability on a three point scale – thereafter directing attention to the weaker suppliers.

## 2.2 Product development, branding and labelling

Trading in commodities is extremely difficult in the Pacific region as raw material supplies are too low. Hence, SMAEs must identify a comparative advantage with their product portfolios. In some cases a



historical market perception can be exploited: for example, Tongan squash has a hard won reputation for having the best eating characteristics in the Pacific region. Tongan squash and Fiji papaya companies, and Herbex noni have been careful to brand products and in some cases (e.g. Tanna Coffee Ltd) exotic Pacific island scenes have been added to increase the mystique of island foods. For newcomers to the industry however, these reputations have to be garnered, either through a long-lasting reputation or by building some quality features that meets and overcomes the advantages enjoyed by larger producers with larger marketing budgets. A comparative advantage for the Pacific is that labour is inexpensive in comparison with larger Western-based enterprises. This advantage has been exploited by a number of companies, which used hand filling into unique packages (not easily achieved by machines), for instance, or filling of spice and vanilla paste into flexible re-sealable tubes. While labour is generally inexpensive in the Pacific, in many cases there is a labour shortage or the labour force is unreliable.

It is encouraging that a large number of enterprises have added value to their products through product development programmes. Most SMAEs generated their ideas by copying products already on the market or by modifying them to suit the raw material base. Fried crisps based on local starchy staples (breadfruit, taro, cassava and banana) are common among the root crop processors. The noni producers (at least one from each nation was present at the roundtable) generally copied extant products. Some enterprises produced products which had been modified for increased convenience. There was a general call for product development training among attendees. Those that had received training considered it to have been extremely valuable and would welcome additional training – particularly in generating ideas for new products. Many lamented that there are no facilities for training in their countries, the exceptions being the Scientific Research Organisation of Samoa (SROS) and the recently completed general purpose food processing facility in Tonga. All companies agreed that branding facilitated choice and was especially valuable for those enterprises that had capitalized on a comparative advantage.

One company had relabelled its flagship product and marketed it at a lower price to compete head to head with similar products on the market. The same product was packaged more sumptuously and retained its place as a premium product.

For labelling, enterprises that had had no technical assistance relied on the labels of other similar products. Attendees were introduced to the concept of Codex although there was little awareness of Codex and the horizontal standards contained therein. Participants were made aware of the specifications laid down by Codex and given the appropriate website.

Smaller companies targeting overseas retail outlets indicated that bar-coding of the label was a problem. Other companies indicated that they had obtained bar codes from supermarket outlets or had purchased a block of bar codes from a larger company.

For information on formulations, many companies used the internet to obtain formulations and recipes for new products. However, these formulations are frequently domestic recipes and are generally imprecise and not necessarily reproducible.

In the early stages of development, the reputation of the company principals and the family play a significant part in developing the reputation of enterprises in the region. Such influence dwindles as the company grows but some enterprises have continued to exploit the family name.

Such 'branding', serves to inspire continued confidence in some enterprises (Nishi Industries).

The **issues** for product development, branding and labelling are:

- The group was unanimous saying that the scale of business in the Pacific prevented them from trading in commodities.
- Value-adding, and thus product development, are an important part of sales maintenance.
- Most ideas for new products were based on the 'Me Too' technique of matching a pre-existing product perhaps by making slight modifications to accommodate local raw material supplies.
- A number of companies had altered products to increase convenience.

- The group commented that training in product development has been intermittent in the past.
- Some countries are equipped with backup facilities for product development (SROS and the general purpose food processing facilities in Tonga and Kiribati); however most rely on workshops as they occur.
- One company enjoyed success by relabeling an existing product and allowing the two identical products to compete in the market at different prices (common among the larger manufacturers).
- Most companies are unaware of the specifications for products to appear in Codex standards and they include the requirements for the label.
- Some companies have invested extensively in branding and had taken advantage of scenes from exotic Pacific to reinforce the clean and green image of the region.
- Bar coding was an issue for smaller companies.

The following **solutions** were offered:

- Most companies used the internet to obtain ideas and to seek formulations for new products.
- The benefits that can be obtained from Codex Standards were made clear – especially since they include label requirements. At the same time, allowable additives can give a clue to the formulation of established products.
- Many retail outlets purchase a block of bar codes and it is often simple to buy a few codes from them at reduced price.
- Many companies relied on the reputation of the senior management (especially family concerns) for branding; so they simply use the family name for branding.
- Some companies operate internal taste panels and these have proved to be useful in estimating storage performance, flavour and quality drifts over time.

## 2.3 Quality and safety management standards

With the exception of two companies, most enterprises have experienced pressures from their overseas markets to demonstrate willingness and tangible moves towards the adoption of a recognised quality management system such as HACCP or ISO 22,000. A number have sought and received technical assistance for adoption of these systems – HACCP is more widely known in the region. All SMAEs considered the mandatory adoption of these systems as an expensive distraction. However it has been made clear that membership of the WTO (Samoa, Fiji, Solomon Islands, PNG and Tonga are either members or in the final stages of gaining membership) mandates adoption of Codex and *ipso facto* - HACCP. Many enterprises had indeed undertaken the first stage of implementation by formalizing Standard Sanitary Operating Procedures (SSOP) – essentially a formal and written clean-down schedule.

Experience has demonstrated that market outlets understand the enormity of HACCP adoption and continue to purchase, provided that progress towards adoption is demonstrable. Most have been given a deadline for adoption.

Although some companies have been less diligent in the implementation of HACCP for the local markets, the sale of non-compliant products is not permitted. In the event that non-compliant food is available on the market then the regulatory authorities cannot prevent similar non-compliant food entering the country on quality grounds. Hence, countries are susceptible to becoming a dumping centre for substandard foods from less diligent countries.

In spite of the cost of HACCP implementation, senior managers in companies that have adopted the system agreed that it is an extremely valuable management technique, freeing them from constant surveillance.

The prospect of national adoption of standards was considered to have great value to enable bulk branding and perhaps a 'Made in Vanuatu,' logo.

The **challenges** for the Pacific SMAEs in food safety issues discussed in the roundtable were:

- With two exceptions, all companies at the workshop were familiar with HACCP and/ISO 22,000 series and systems of quality maintenance.
- Most of them considered that implementation of these systems were unduly expensive.
- Many companies had begun the process of accreditation by implementing such systems as traceability and had implemented formal cleaning schedules (the beginnings of the documentation of SSOPs).
- A few of them were HACCP accredited.
- Most of them have received some feedback from the market on the compulsoriness of these standards.
- Some companies were familiar with other market requirements additional to HACCP (e.g. FSANZ USFDA).

The following **solutions** were offered:

- Seek assistance from the funding agencies and their programmes (particularly from the Pacific Horticultural and Agricultural Market Access – PHAMA and from the programme Increasing Agriculture Commodity Trade – IACT) for assistance in preparing documentation for HACCP.
- Using the internet to source training material.
- Ensure close contact is made with the market to assure that the correct system is chosen for each market.
- Companies agreed that once systems are put in place (usually after three years) the performance of personnel at all levels improves. Senior managers can assume less day to day responsibility for activities on the factory floors and invest time in strategic management issues.
- Governments must be lobbied to implement quality standards systems throughout the nation so that national reputation and 'branding' can be implemented.

## 2.4 Efficient supply chains and logistics

It was generally recognised that processors were merely on one step of the value chain. Farmers are the driving force for all agro-industries and have a responsibility to the middle man or the processor or the market. The processor however, occupies a focal step in the food chain since he has responsibilities both to raw material suppliers and markets that demand consistent, safe and reliable products – often with the imperative of adhering to international standards. Processors are often in urban areas where they are easy to access and inspection services hence they receive most attention in the Pacific.

Processors are entirely dependent on the efficient and continuous supply, both upstream and downstream. Many companies will invest very large resources in securing raw materials. Issues such as providing transport for collection of raw materials – in some cases providing farm inputs such as fertilizers and pesticides, increase the cost of business. Participants indicated that there are signs around the Pacific region that farmers were transforming from a group that sells excess product from their subsistence farms to producing for a pre-determined market. The notion that farming is a profession however is not readily

recognised among government departments and genuine, targeted assistance is rare. It has fallen to the private sector – particularly processors, to establish with all the actors that they have a part to play in the value chain. It is confounded among the farming community because of dismissive attitudes of the lending institutions when attempts are made to upgrade farming practices and resources. Farmers – of necessity – must receive immediate payment for their products. The processors often wait 30, 60 and in some instances 90 days for payment. Bearing this short term debt, providing transport and undertaking extension services increase the cost of doing business for processors but they have accepted that this is a necessary part of maintaining the value chain.

Enterprises are acutely aware that their maintenance of the value chain is expensive and therefore requires direct special attention to inspection of inward goods.

As enterprises grow and mature, it becomes important to rationalize the use of facilities and equipment. Double shifts assist in the economic use of equipment, ensuring that fixed costs per item produced incurred in the factory and the equipment are minimized. Product development strategy is inexorably linked to this and it is the motive to develop varieties of successful products. In this case, the same equipment and often nearly all the same ingredients can be used for the same product.

Enterprises should source from raw material suppliers from a geographically wide spread area, so that weather trauma in one area can be mitigated by sourcing from an alternative. It is possible to purchase from a wide range of locations where price and availability may be most favourable. A couple of enterprises were using renewable energy (wind pumps and solar energy) to reduce costs.

The following **issues** were raised during this roundtable:

- The enterprise is one element in the supply chain but unlike other steps in the chain, enterprises play a pivotal role in issues relating to profitability, safety and welfare of clients especially leading to repeat consumption by the customer.
- Securing supplies is extremely difficult, confounded by wide distribution of supply farms.
- A paradigm shift is occurring in some parts of the Pacific region as farmers emerge from subsistence operators to professionals.
- The entire workforce must be made aware that they have a responsibility to both links in the chain, which will infuse empathy among other actors in the chain.
- Farmers require immediate payment but overseas clients can take 60 to 90 days to pay.

The following **solutions** were offered:

- Some companies are using solar power to reduce operational costs.
- Companies must form close links with both the upstream and downstream actors of the value chain.
- It is important to diversify sources of raw materials to account for weather trauma.
- Processors must be aware of the crucial important logistical issues affecting profitability and efficiency at each of different steps in the value chain. Farm gate negotiations must include transport costs; factory gate must be accompanied by a carefully controlled goods inwards system.
- Fixed costs per unit produced can be reduced by operating a double shift.

## 3 Panel discussions

### 3.1 Roles of associations and alliances

Associations and alliances are less formal than incorporated cooperatives, which are commonly run under a constitution. There are mixed feelings about cooperatives as they are seen as having a compulsory often pecuniary commitment. For any cooperative, alliance and association to continue to exist, there has to be a continuous advantage for all parties.

The roundtable participants have little or no enthusiasm for cooperatives and have relied heavily on much less formal associations and alliances. The useful organizations have been identified by participants throughout the Pacific region as follows:

- The Pacific Islands Private Sector Organisation (PIPSO), which is provided by the Pacific Islands Forum Secretariat. This organization undertakes strategic negotiations on behalf of the Pacific islands and is committed to the maxim that sustainable development in the region will only come about through functioning and effective partnerships involving Governments, civil society, regional organizations and development partners.
- The Pacific Islands Trade and Investment Corporation (PITIC), which provides support services, including marketing and distribution advice to public and private sector organization among the Forum Island nations. It has trade offices in Auckland, Sydney, Tokyo and Los Angeles and provides excellent trade data and facilitated market identifications.
- The FSA in Vanuatu, which provides support for sourcing farm inputs, training, internal control systems for organic certification and some marketing for private sector producers. It is particularly useful for its role in collaborative problem solving.
- The Pacific Island Noni Producers' Association, which was formed to unite growers and processors over issues such as market access. It was notable in gaining access to the EU for noni as a 'Novel Food.'
- The Fiji Manufacturers Association, which encompasses all manufacturers in Fiji including clothing, textiles, footwear and food manufacturers. The food enterprises have small subgroups that meet to lobby government.
- The Tonga Manufacturers Association, which is mainly centred upon Tonga Tapu. It has a limited role at the present time.
- The Pacific Organic Noni Growers Association, which has a distinct role to play at the present time since a number of noni growers are striving for Organic Certification. At present, only Herbex is certified. A note of caution has been sounded, however, since there may be a downturn in Organic food markets as discretionary incomes are declining during these periods of austerity.

Persistent alliances and associations are characterized by having continuous advantages for all participants. The role of these alliances and associations should be that to bring together like-minded members who can gain advantages from:

- *Collective buying, resulting in price advantages for bulk buying.* This is one of the major advantages of the FSA of Vanuatu in which farm inputs such as fencing material, pesticides and herbicides are purchased in bulk and distributed to end users on request. Such an association removes the necessity for large capital outlay for bulk purchases. The strategy is the subject of an on-going study in Samoa where enterprises will be collaborating over the importation of packaging material.
- *Assistance with distribution for archipelago nations.* Once again, the FSA of Vanuatu assists processors with linkages to farmers to comply with organic certification and high quality standards.

FSA also acts as the buyer of these products on behalf of the processor. A similar programme occurs informally in Tonga.

- *Lobbying governments for the collective good.* A small group from the Fiji Manufacturers' Association was able to lobby government to increase the airfreight capacity for frozen and fresh food export to Australia and New Zealand. They also lobbied government collectively to reduce import tariffs on some manufacturing items.
- *Combining for technical assistance.* The Noni Organic Growers Association has successfully combined with Pacific partners to obtain financial assistance to gain organic certification. The Food Manufacturers Association of Samoa has successfully lobbied FAO to undertake a study to rationalize the procurement of packaging materials.

### 3.2 Innovative financing and technical support in the region

Funding agencies that are active in the region were the subjects of the final presentation (included in the material distributed at the close of the round table meeting). Very few funding agencies will provide capital for equipment or facilities but a number will provide technical support for specific operations.

It is encouraging that the manufacturing sector is currently receiving more support from programmes such as the PARDI, which endeavours to provide assistance for downstream value adding with particular emphasis on the value chain. This is accompanied by the PHAMA scheme which seeks to assist Pacific island organizations to meet the demands of sophisticated markets. The IACT scheme is one of the few programmes that have provided equipment and facilities for Pacific private sector exporters.

Finance through the commercial banks has been difficult in recent years but lending policies are softening somewhat. Interest rates remain high throughout the region but the emphasis from the banks has shifted towards the provision of an income stream rather than hard collateral for lending purposes. One of the participants, who is erecting a new factory, indicated that his loan was reasonably easy to procure at an interest rate of 6%. One entrepreneur, however, indicated that he had raised a loan against life insurance but the conditions are stringent and such a form of financing is available to only a few business operators.

Participants were urged to solicit governments. In the correct political climate, quite large grants can be secured.

Funding agencies and programmes that provide technical support and undertake strategic research and development include:

- *FAO Technical Cooperation Programme.*

This programme is administered by the FAO Sub-regional office in Samoa. The programmes are identified by Governments and requests are made accordingly. The programme will not fund capital equipment but is able to draw on a wide range of technical expertise from within and outside the region.

- *PHAMA Programme.*

This AusAID funded programme is centred in Fiji but has organized a number of in-country committees that receive proposals and will refine the documentation for submission to the central committee. This programme will fund SMAEs and collectives. It has, for instance, assisted with the refurbishment of the HTFA facility in Tonga and has assisted a number of private sector companies to empower them to access international markets.

- *PARDI.*

This organization links a number of Australian academic institutions with private and quasi-governmental enterprises throughout the Pacific region, to undertake value chain analyses with a view to intervening where

appropriate, to commercialise agriculture enterprises. The programme has budgets to fund small capital equipment.

- *ACIAR.*

This organization is a well established funding agency that centres on strategic research activities designed to increase food security and production. Traditionally, the centre has been directed towards increasing agricultural production. The later organizations are designed to make commercial capital out of the fruits of ACIAR activity.

- *IACT programme.*

This programme is EU-funded and centres upon the empowerment of private sector organizations to increase exports in agriculture commodities. It is administered by the Secretariat of the Pacific Community (SPC) and funds technical assistance in research and development and in progressing towards HACCP accreditation. This organization will fund facilities and equipment.

- *SPC.*

SPC is the executive body for the administration of a number of research projects. A number of funding agencies use the SPC for the management of their programmes. The SPC employs a number of scientists and managers to oversee projects that may be short term or long term. ACIAR, PHAMA, IACT and the EU funding of sugar adaptation of crops to replace sugar in Fiji, are administered in part through SPC.

- *Government Assistance.*

Although many governments around the Pacific are struggling for funds, many will respond to political and social pressure. The Fiji government, for instance, has partly funded a ginger factory in a rural area close to Suva and have funded an extension to the Nature's Way Cooperative HTFA facility. In Samoa, the government has funded the establishment of the SROS. This is a dedicated laboratory and research and development facility designed to serve the food and other industries for adding value, pure research and for development activities.

- *Private Sector Assistance.*

There have been precedents in Fiji in which private sector organizations have funded nascent enterprises. Punja's Fiji Ltd for instance, has underwritten a container full of packaging material – a financial commitment beyond the means of a small enterprise. The private sector enterprise can purchase packaging as required, to maintain cash flow.



## 4 Roundtable opens channels for cooperation

The Roundtable aspired to engender cooperation and dialogue among participants and facilitators and to be part of the framework on which future FAO policy is to be based. There is tangible evidence that these outcomes were achieved with many participants engaging in dialogue for mutual benefit and cooperation and the first indications of appropriate policy being signposted.

The participating parties did not include many large companies. Participants expressed the strong desire that the outcome of the round table discussions are documented and that every effort is made to ensure that dialogue and interaction amongst stakeholders continues.

As a result of this prerogative, some participants have been enabled to interface with external funding agencies. A number of participants have agreed that national and regional associations able to compete effectively with other regions – particularly Asia – should be formed. This is an encouraging start in addressing the concern voiced by FAO in the Milan 2009 Forum, that issues such as product volumes, standards, transport and facilities impede competition among developing nations.

A second observation was made on the fact that many of the businesses were less than five years old. This may have been because the medium sized businesses that have progressed beyond this stage, require managers and entrepreneurs to be multi-tasked and hence without spare time. Four or five years may be the average life-time of an agro-business, perhaps confounded by poor advice, poor marketing skills or inability to access finance at a reasonable rate. An analysis of this profile may provide some useful indicators of where assistance might be targeted.

In order to address the scepticism that surrounds colloquia, Roundtable organisers and facilitators have continued to maintain contact with participants. However, continuing dialogue is not compulsory and while efforts to be available at all times are made, there should be more in-house effort. It is important however to maintain – as far as possible – accessibility to those in need. Therefore, since workshop closure, all SMAEs have been contacted by email and seven have been visited on site in Samoa, Tonga and Fiji. Technical assistance has been provided (electronically) to 14 participating organisations. There is optimism that two- and three-party joint ventures will be formalised through Memoranda of Agreement or Understanding.

In a very short time, one participant is now in the final stages of securing assistance for facility-upgrade and HACCP inception.

In Tonga, two processors have agreed to cooperate in the market place – one providing snacks and the other jointly offering dips and sauces. One participant has agreed to assist a nascent processor by providing processing facilities and technical advice.

In Fiji, two processors have agreed to cooperate over a product development programme that will utilise under-used equipment and raw material by-products.

The discussions held in this Roundtable reinforce the observations made, as a result of previous studies, that a significant proportion of the region's populations depend on semi-subsistence agriculture for their livelihoods and food security. If Fiji is typical, the use of land for agriculture in the region is declining (Fiji Agriculture Census, FAO 2011). This is alarming since agriculture is seen as a likely powerhouse for broad-based, inclusive and sustainable economic growth in the region. The SMAEs can play a key role in addressing this disturbing trend. Only speculation surrounds the dynamics for SMAEs' survival progress and development in an ever sophisticated food processing world. If there is a greater understanding of this, then it can be the forerunner of more carefully directed aid that can be enshrined in policy.

Nevertheless, it is encouraging that FAO and regional neighbours with large robust economies have redirected aid towards the agro-business sectors (IACT, PARDI, PHAMA, and MDF).

The onus, however, is not entirely on the aid agencies; support and management advice must come first from within countries. The region has problems in common with many other parts of the world. That the Pacific was included in such an event is encouraging and motivating.

The efforts of FAO are recognised and acknowledged as apparatus for change, and those involved have been enriched by the event.

## 5 SMAE presentations

As anticipated, there is a commonality of problems associated with running a small-, or medium-sized agro-business. In this background, the companies presented details of their organizations. Full presentations have been collected and dispersed to each participant and will not be duplicated here. However a brief overview of these presentations will follow.

The companies attending this workshop operate in very diverse environments. Some processors have access to a large supply of raw material whereas others are hampered by poor soils and insufficient funding to equip their operations with the correct equipment. Larger countries have taken advantage of international assistance programmes to develop raw material supply, value adding and marketing. Countries represented have a number of confounding issues in common but because of their diverse climates and geographical features, agriculture histories and wealth in natural resources have a number of unique qualities.

### 5.1.1 Lucy Fa'anunu - Ene'io Enterprises Company Ltd, Tonga

This company is situated in Vava'u Tonga and is based in an ecotourism resort, in which there is a collection of over 200 exotic local plants and trees. The company employs five full time staff giving an annual turnover ranging between WST<sup>1</sup>120,000 to 150,000. The food processing operation which comprises manufacturing of chutneys, jams, noni juice essences and root crop chips accounts for ~30% of the business. Food processing within the company is in its infancy but the raw material base for exotic crops in Vava'u (e.g. soursop) holds much promise for the island in general and Ene'io Enterprises in particular.



*Business requirements:* Financial assistance and technical assistance to expand product range; Technical advice on packaging (the chips are packed in extremely expensive Type V laminate, designed to provide protection for at least two years).

### 5.1.2 Pietro Bianchessi - Venui Vanilla, Vanuatu

The company was established in 1987 and received organic certification in 1987. It is now the largest spice manufacturer in Vanuatu with six full time employees and 10 seasonal workers. The annual turnover is AUD<sup>2</sup>200, 000 from sales of spices to the food service sector, and speciality convenience packs (spice pastes packed in tubes). The company works as a group with the Farm Support Association (FSA) of Vanuatu and production amounts to 1,700kg of vanilla and 2-3 tonnes of pepper. The constraints are the small size and the geographic isolation which increases the oncost of all raw materials – especially packaging.



The constraints are the small size and the geographic isolation which increases the oncost of all raw materials – especially packaging.

The company would like to seek HACCP compliance but the cost is prohibitive – meaning that it must make the decision between maintaining organic certification or HACCP compliance.

*Business requirements:* Certified laboratory in Vanuatu to support HACCP and quarantine requirements.

<sup>1</sup> Samoan Tala.

<sup>2</sup> Australian dollar.

### 5.1.3 Papalii John Ryan - Apia Bottling Co Ltd, Samoa

The company was established in 1966 bottling soft drinks (which included the Coca Cola franchise). Major lines include bottled water, ice cream and juices, but the flagship product is Hot Chilli Sauce. The company has recognised the benefits of double branding of the same product for premium and regular markets. It has an annual turnover of WST6-8 million of which the chilli sauce represents approximately 2-3%. The company employs 45 full time employees and three casuals. It obtains regular supply of chillies from 35 farmers and operates a small extension service which is strengthened by Ministry extension officers.

*Business requirements:* Increased raw material supply; Assistance with HACCP implantation.



### 5.1.4 Vaina Percival - Natural Foods International, Apia, Samoa

Trading under the brand name Sango, the company produces chips from the common starchy staples – vudi (non sweet banana), breadfruit, and taro and extruded wheat-based product that expand and become crispy on frying. Other products include flours and dried nonu. The company is progressing towards HACCP and International Standards Organization (ISO) 22,000 series accreditation. They are supplied by 22 farmers and employ 26 permanent staff.

*Constraints:* Sourcing of raw materials; high cost of power; high cost of transport; low water quality; high cost of financing for equipment upgrade and replacement.



### 5.1.5 David Brull - Royal Noni, Nadi, Fiji

Royal Noni employs 11 full time staff and an additional 4 – 5 staff at the height of the season. A major achievement for the company has been success in the noni athletes market in Australia with 50 Australian sports outlets now taking noni. Other markets include retail markets in Europe, Asia, US and a significant share of the Fiji market. More recently, orders have been received from South Africa. Turnover among farmers approximately US\$2,000 to US\$8,000 per month. The company aspires to build on existing markets.

*Constraints;* Low production capacity; expensive and intermittent distribution pathways for finished goods (shipping).



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### 5.1.6 Terry Addlington - Tanna Coffee Ltd, Port Vila, Vanuatu

Tanna Coffee Ltd was formed in 1998 when 3.5 tonnes of coffee were produced. This increased to 23 tonnes in three years. The company depends largely on the output from 350 farmers who produce coffee on a part time basis. The company has a turnover of US\$750,000 and employs 5 full time staff.

The company will expand its operation by 100% by leasing additional land on the coffee-growing island of Tanna during the year 2012- 2013.

*Constraints:* High cost of doing business; high cost of packaging; low quality infrastructure and transport.





### 5.1.7 John Ross - Heilala Vanilla, Vava'u, Tonga

At the outset, this nascent company produced approximately 42 Kg of vanilla. The raw material is outsourced among farmers in Vava'u. Substandard vanilla is value added in New Zealand to produce extract, paste, vanilla sugar and vanilla paste. In 2011, the export was 2.9 tonnes and the aspiration is to produce five tonnes in 2012. In Vava'u, the company employs one full time staff who assists by providing extension advice to six pollinators. Five people are employed in New Zealand for the production of value added products.

**Constraints:** Insufficient raw material of the correct quality; assistance required initiating HACCP accreditation.



### 5.1.8 Doreen Robinson - Kahuna Herbal Products, Dreketi, Fiji.

This nascent company grows *Morinda citrifolia* (noni) on part of a 350 acre property in Dreketi (Vanua Levu, Fiji). This is not processed but merely shipped to Viti Levu for on-processing. A secondary by-product is honey produced by bees pollinating the noni trees. This honey has (anecdotal) high antioxidant properties. The company has two permanent staff members and four seasonal staff. It is hoped that the honey produced, is of sufficiently high quality for export.

**Constraints:** Problems related to certifications made by regulatory bodies, packaging and access advice on standards.



### 5.1.9 Edgar Cocker - Cocker Enterprises, Nuku'alofa, Tonga

The company was established in 2006, producing vudi, taro and cassava chips. Its policy of using only local ingredients for value-adding has proved successful because the company now offers some forty lines ranging from jams, juices and chutneys to water, chilli paste and nuts. The company buys cattle for slaughter and rears pigs for retail sale. It has recently invested in a petrol filling station which acts as the outlet for many of these products. The company reports that it owes its success to a continuous programme of product diversification and constant reinvestment in plant and equipment.

### 5.1.10 Gerhard Stemmler - Herbex, Lautoka, Fiji

The company was established in 1998 and has been operating from Lautoka since 2000. Herbex ferments noni and exports both ready-to-drink noni, noni powder and noni leaf powder to Australia, Europe and Africa and has arranged warehouse facilities in Denmark and Australia. The cost of supplies is US\$1.1 million, US\$700,000 for wages, and US\$900,000 for Goods and Services. Ninety five percent of the company's production is exported and 95% of the supplies are sourced within Fiji (including packaging). The company employs 12 permanent and 18 seasonal workers. The company is organic certified and HACCP compliant. In 2001 and 2002, the company was awarded the Prime Minister's Exporter of the Year Award. It has succeeded in circumventing the Novel Food Regulations (UK) which has now opened European markets.

Mr Stemmler inaugurated the Pacific Islands Noni Producers' Association.

**Constraints:** The China General Systems Preference Duty imposes a US\$5,000 annual fee to maintain access to Chinese markets; high cost of packaging.



#### 5.1.11 Satish Narayan - Nature's Finest, Nausori, Fiji

This company initially produced virgin coconut oil but has subsequently diversified into general grocery lines including vegetables, rotis, and spring rolls, which are supplied (fresh) to local supermarkets. The company has a gross revenue of FJD<sup>3</sup>450,000 and employs six permanent staff and four additional casual employees, as it serves local supermarkets.

*Constraints:* High cost of packaging; high cost of equipment and access to funding for the acquisition of appropriate technology.

#### 5.1.12 Chedly Khalek - Western Dairy Ltd/Pacific Fine Foods, Nadi, Fiji

Initially this company was entrepreneur-driven and produced fresh pasta products including chicken ravioli, pumpkin, chilli and other diverse and novel varieties. It recently acquired the 'Yoplait' franchise that markets premium grade yoghurt and now includes sugar- and fat-free ice-cream, juices and mango, banana, papaya and some imported fruit yoghurts. The ambition of the company is to produce sufficient milk for its own use and maybe extend the range to speciality cheeses.

*Challenges:* Obtaining sufficient raw material of appropriate quality for yoghurt and fruit juice line extensions.



#### 5.1.13 Sebastion Ilala - Direct Management Ltd, Solomon Islands

This is a small family business purchasing, drying and in some cases fermenting and exporting cocoa to Singapore and Malaysia (~4,000 tonnes of dried beans). The company has been the recipient of the European Union (EU) Facilitating Agriculture Commodity Trade project (FACT) that will supply an additional 14 million cocoa trees; training has been provided in plantation maintenance under the Australian Centre for International Agricultural Research (ACIAR) scheme. The company has five full time staff. Its strength is its excellent storage facilities.

*Challenges:* Provision of planting material to farmers; technical assistance for progress into chocolate manufacture.



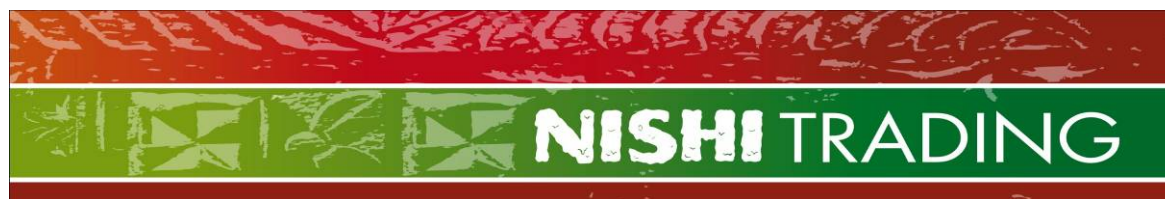
#### 5.1.14 Minoru Nishi - Nishi Trading, Togatapu, Tonga

Nishi Trading Co Ltd started as a family farming business in the early 1970s and began growing squash in 1988, specifically for the Japanese market. The company's core business is the farming and marketing of agriculture produce. About sixty per cent of the company income is generated from these activities. Other business activities include the importation of farm inputs and a quarry operation. The company works closely with 74 contract growers who meet fortnightly to discuss farm maintenance and crop care. The company now exports eight containers a month of water melon to New Zealand. The company now has its own generator and maintains the cold chain on site to avoid power disruptions as the containers await loading at the wharf. This company is the backbone of agricultural exports from Tonga.

*Challenges:* There is need for greater cooperation among Pacific island producers so that shortages caused by weather trauma can be ameliorated by other Pacific island nations and to ensure business is not lost to Asia and other producers.

<sup>3</sup> Fiji Dollar.





#### 5.1.15 Richard Pauku - Maraghoto Holdings Ltd, Honiara, Solomon Islands

This company is a small family concern, based in Honiara since 2007. The focus has been on fruits, nuts (canarium), chillies and ginger. The company has 15 Ha of land in Gizo (Western Division). Although a beneficiary of a programme run by the Pacific Agro-business Research and Development Initiative (PARDI) funding, the nuts are still very much gathered from the bush since the plantations are yet to enter the mainstream. Cash flows are maintained through cocoa production, whose beans are occasionally fermented but most often simply dried prior to export. The company has a permanent staff of seven people, plus an additional nine during the high season. The company is a member of the Nut Farmers Association of the Solomon Islands.

*Challenges:* Consistent supply of nuts of the correct quality; high-cost finance and the need to upgrade equipment.



#### 5.1.16 Alan Bird - Bengui Bio Products Ltd, Madang, Papua New Guinea

The company was established in 1999, and gradually wound down vanilla production and undertook chicken production which, at its height production was 25,000 birds per month. Simultaneously, the company increased its involvement in the cocoa industry, specializing in high grade chocolate cocoa. During 2008, the price of feed rose by approximately 40% over a period of 18 months and so chicken farming was not viable. The company has now settled on pig farming (1,000 animals per annum) along with crocodiles and some subsidiary fruit and vegetable farming including yams, banana and taro which are either frozen or distributed to the Port Moresby market. The target is to secure 98% of the local market for pigs and continue the outgrower farmer system in which 500 other farmers now participate. The annual distribution to farmers is Kina 130 million per annum. The ultimate goal is to capture 95% of the local market for the entire range of crops suited to the growing conditions.

*Constraints:* Poor infrastructure; high cost of transport.



#### 5.1.17 Theresa Arek - AMRUQA, East New Britain Province, Papua New Guinea

Originally set up as Pacific Spice in 1997, the company has directed its effort to the creation of jobs in isolated communities in East New Britain. The issues remain those relating to isolation namely, getting products to market and sourcing raw materials. The company conducts its own in-house product development and has now acquired (but not commissioned) equipment for distillation of spice oils from cardamom, citronella, and patchouli, nutmeg and lemon grass. The company has benefitted from several aid programmes including FACT and the Centre for the Development of Enterprise (CDE).

*Challenges:* Obtaining organic certification for an additional 1,000 Ha of land locally available; obtaining assistance in commissioning recently acquired equipment.



#### 5.1.18 Ian Jones - Taste of Tonga, Vava'u, Tonga

The company uses locally gathered coconuts for fermentation of coconut milk, to produce Virgin Coconut Oil. With four permanent staff it is possible to process 45,000 coconuts per month. From this, the revenue of US\$9,000 is generated but the process is hampered by inadequate processing facilities and equipment. The company plans to produce shelf-stable coconut milk for distribution to resorts and other local markets.



*Challenge:* This Company requires a capital of AUD111,000 at an acceptable interest rate for facility and equipment upgrades to increase production.

#### 5.1.19 Graham Thorpe - Balthan (Western) Ltd, Suva, Fiji

The company turns over an excess of FJD1 million per annum, freezing taro, cassava, cassava leaves and some breadfruit, long beans and small quantities of other vegetables for the export market. It had the foresight to set up a freezing operation in Vanua Levu so that it is the only significant outlet for farmers on the island. Much of the products are hand processed using 15 permanent staff and an additional 20 – 30 as required. The aim of the company is to diversify into yams and dalo-ni-tana and, given the appropriate equipment, frozen sweet potato French fries.

*Constraint:* The high cost of finance to upgrade processing facilities and equipment.

#### 5.1.20 Brij Lal - Food Processors (Fiji) Ltd, Suva, Fiji

This company has both canning and freezing facilities. It cans local vegetables in brine and coconut milk and also prepares some sauces (tomato, chilli, and Pick me Up – under contract). Lately it has started freezing reef fish for hotel and tourism markets. This is an unusual company in Fiji since it employs two supply chain officers who are required to maintain contact with over 500 supply farmers. These farmers are graded 'A,' 'B,' and 'C,' according to the quality of the material that they supply and their reliability. B and C grade suppliers are given training by the supply chain officers at each point along the production schedule. This includes issues such as soil preparation, planting material and post harvest handling practices. Notable achievements include HACCP accreditation, acceptance of product by Food Standards Australia and New Zealand (FSANZ) and the United States Food and Drug Administration (USFDA).

*Challenge:* Generating sufficient funding for facilities and equipment upgrade.



#### 5.1.21 Sonny Naidu - Bula Island Food Supplies Ltd, Nadi, Fiji

This company started in 2002 and has risen from a small family concern to a point where the annual turnover is approaching FJD1.4 million. The company exports fresh and frozen root crops and taro leaves. It has recently acquired a comminutor to grate and paste cassava, taro leaves and grated chillies. The company is a true success story and is moving to custom built premises in the outskirts of Nadi, with excellent facilities and infrastructure. The company relies on established relationships with existing suppliers and now has employed field staff to ensure that supplies are regular and timely.

*Challenges:* Equipping and commissioning the new processing facilities and therefore increasing throughput rate accordingly.

## 5.2 Summary of SMAE Presentations

### Common Features

It is possible that the group attending this meeting was not a true representation of SMAEs in the Pacific. A number of enterprises in Fiji for instance, were unable to attend because of production disruptions caused by devastating weather the previous week. South Pacific Foods, Foods Pacific, Goodman Fielder, Punja's and Flour Mills of Fiji were among these in Fiji, while Fresh Direct from Vanuatu and Tinopai Farms from Tonga were notable absentees from the region. The group present, however, was an excellent cross section sample of smaller and newer enterprises in the region.

- Most enterprises started as family businesses. This ensures a degree of loyalty among the principle actors in each company. Many businesses formed during the 1970s by Chinese and Indian farmers are now struggling, as income has been invested in education and second generations have moved from the land into office-based professions leaving only founding (and now ageing) principals to continue.
- Many were started four to five years ago – a period which corresponded to the outset of the global financial crisis and to the rationalization of employment among the public service and other manufacturing enterprises.
- Many are export oriented. Discretionary income among Pacific island consumers has eroded over the last five years because of political instability in several nations and rising world food prices. Exports bring new income to the country.
- Many SMAEs who had initiated their businesses on single product lines have now diversified - so that they are less dependent on a single raw material. Single raw material base is a very risky position to be in because of supply interruption due to seasons, poor infrastructure and inclement weather. Most companies now report multiple lines to cover seasonality and to regularize production.
- Some companies have overcome the difficulties of seasonality by freezing in bulk and on-processing at more regularized production rates.
- During diversification, some SMAEs have alluded to the tourism market but the food service industry in the Pacific island nations has been sadly neglected. The new wharf at Nuku'alofa and the increasing visits by cruise ships in Vanuatu should be significant incentives for product development activity.
- The United States (US) market is difficult to penetrate but the rewards are high, should standards and delivery schedules be met.
- All but two companies were aware of the requirements of HACCP and ISO conformation for access to lucrative markets. Some are accredited while others are embarking on the process.
- All companies acknowledged that they have a social responsibility to farmers and the unemployed in their environs. Many have donated inputs to get farmers and village groups started in agricultural production.

## 6 Annexes

### 6.1 Annex 1: Participants list <sup>[PS2]</sup>

#### Regional Agro Processing Enterprises

Country	Enterprise	Participants
Vanuatu	Tanna Coffee Co Ltd	Mr Terry Adlington (Managing Director)
	Venui Vanilla Co.	Pietro Bianchessi
Solomon Islands	Direct Management Ltd	Mr. Sebastian Ilala (Project Manager)
	Jedom	Donisiano Kelly (Manager)
	Maraghoto Holdings Company Limited	Richard Pauku (Managing Director)
Tonga	Nishi Trading Co. Ltd	Minoru Nishi (Managing Director)
	Cocker Enterprises Ltd	Edgar Cocker (Owner & Managing Director)
	Jones Enterprises Limited trading as 'Taste of Tonga'	Ian Jones (Director)
	'Ene'io Enterprises Company Limited	Mele 'Anitoni Lauteau Fa'anunu (a.k.a. Lucy Fa'anunu) (Managing Director)
	Tupu'anga Coffee/Fofola Ltd	Sepasetiano Fakaloloma Afeaki (Director)
	Heilala Vanilla	John Ross
Samoa	Nonu Samoa Enterprises Ltd	Garry Manua Vui (Managing Director)
	Natural Foods International Ltd	Mrs. Vaina Percival (Food Safety Team Leader/HR)
	Apia Bottling Co. Ltd	Mr. Papalii John Ryan
PNG	Previously known as Pacific Spices Ltd	Ms Theresa Arek
	Follywell No.6 Limited trading as "AMRUQA"	
	Bangui Bio Products Ltd	Mr. Allan Bird
<b>Total</b>		<b>16</b>

### **Fiji Based Agro Processing Enterprises**

<b>Enterprise</b>	<b>Participants</b>
Food Processors Fiji Ltd	Brij Lal
Bula Island Foods	Sonny Naidu
Western Dairy Fiji Ltd	Chedly Khalek
Balthan (Western) Ltd	Graeme Thorpe
Herbex Ltd	Gerhard Stemmler
Kahuna Herbal Products	Doreen Robinson
Nature's Finest	Satish Narayan
Kokosiga (Fiji) Ltd	Andrew McGregor
Royal Noni	David Brull
<b>Total</b>	<b>9</b>

### **Public sector, NGO and development specialists**

<b>Name</b>	<b>Organisation</b>
Richard Beyer	Consultant
Sant Kumar	Agriculturalist
Ms. Laisene Samuelu	Consultant
Mrs Apiame Cegumalua	SPC FACT/IACT
Elenio Yap	SPC/IACT
Sanfred Smith	SPC/IACT
Yee Wah Sing	Development Specialist
<b>Total</b>	<b>7</b>

### **FAO Reps**

<b>Name</b>	<b>Organisation</b>
Heiko Bammann	FAO
Vili Fuavao	SAP/FAO
Mrs Louison DumaineLaulusa	SAP/FAO
Doyle Baker	FAO
<b>Total</b>	<b>4</b>

## 6.2 Annex 2: Roundtable meeting programme

### Day of Arrival – 10 April

### First Day – 11 April

Registration of participants

Welcoming

- Yee Wah Sing - Marco Polo Holdings Ltd
- Vili Fuavao - FAO Sub-Regional Representative for the Pacific

Introductions – Kyle Stice (NWC)

Background, context and purpose of roundtable – Doyle Baker (FAO)

Coffee/tea break

Challenges facing Pacific Island agro-processing enterprises – Richard Beyer

FAO Agriculture for Growth case studies – Heiko Bammann (FAO)

Observations and discussion on SMAE competitiveness challenges

Lunch

Company presentations - *Short (five minutes) profiles of each company*

Coffee/tea break

Parallel “round the table” discussion – Business models for procurement from small farmers

- SMAE managers – company challenges and initiatives
- Public/specialists – policies and programmes to assist companies

Networking dinner

### Second Day – 12 April

Parallel “round the table” discussion – Product development, branding and labelling

- SMAE managers – company challenges and initiatives
- Public/specialists – policies and programmes to assist companies

Coffee/tea break

Parallel “round the table” discussion – Quality and safety management systems

- SMAE managers – company challenges and initiatives
- Public/specialists – policies and programmes to assist companies

Lunch

Parallel “round the table” discussions – Efficient supply chains and logistics

- SMAE managers – company challenges and initiatives
- Public/specialists – policies and programmes to assist companies

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Coffee/tea break

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Field visit

- Bula Island Foods
- Nature's Way Cooperative

<b>Third Day – 13 April</b>
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Public-specialist panel (1) – Roles for associations and alliances

- Panel remarks:
- Dialogue between managers, public and specialists

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Coffee/tea break

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Public-specialist panel (2) – Innovative financing and technical support

- Panel remarks:
- Dialogue between managers, public and specialists

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Lunch

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Public-specialist panel (3): opportunities and priorities for policy support and programmes

- Panel remarks: FAO,
- Dialogue between managers, public and specialists

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Coffee/tea break

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FAO on-going and prospective support – Vili Fuavao, FAO Sub-Regional Representative for the Pacific

Tour of the table for final remarks

Closure

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Final dinner

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### 6.3 Annex 3: Summary of enterprise profiles

Company	Contact	Products	Staff
Tanna Coffee Company Ltd	Terry Adlington	<ul style="list-style-type: none"> <li>Roasted coffee beans</li> </ul>	5 permanent
Venui Vanilla Co. Ltd	Pietro Bianchessi	<ul style="list-style-type: none"> <li>Vanilla beans, extract, paste</li> <li>Peppercorn in brine &amp; paste (black, white, green)</li> <li>Ginger, turmeric, hot chilli powder</li> </ul>	6 permanent 10 seasonal
Direct Management Ltd	Sebastian Ilala	<ul style="list-style-type: none"> <li>distribution of cocoa seedlings to farmers</li> <li>buyer &amp; exporter of Dried Cocoa beans</li> </ul>	
Jedom	Donisiano Kelly	<ul style="list-style-type: none"> <li>Muesli</li> <li>Dried Fruits products (pawpaw, banana, pineapple, Ngali nut)</li> <li>Fried products (Taro, banana, cassava &amp; potato chips)</li> </ul>	7 permanent 8 seasonal
Maraghoto Holdings Company Limited	Richard Pauku	<ul style="list-style-type: none"> <li>production, processing &amp; marketing of IFN and spices</li> <li>Agro products (roasted nut kernel, mixed nuts, Ngali nut oil, Beach almond kernel, honey, Ngali nut butter, dehydrated peanuts, chillie granules, ginger granules)</li> </ul>	7 permanent 9 seasonal
Nishi Trading Co. Ltd	Minoru Nishi	<ul style="list-style-type: none"> <li>Export of squash and watermelon to Korea &amp; NZ respectively</li> <li>Supply of potatoes for local market</li> </ul>	25 permanent 200 seasonal  44 squash growers  30 watermelon growers
Cocker Enterprises Ltd	Edgar Cocker	<ul style="list-style-type: none"> <li>Vudi, taro &amp; cassava chips</li> <li>Jams, juices, chutneys</li> <li>Water, chilli paste and nuts</li> </ul>	
Taste of Tonga	Ian Jones	<ul style="list-style-type: none"> <li>Virgin coconut oil</li> <li>Coconut cream</li> </ul>	4 permanent
'Ene'io Enterprises Company Limited	Mrs. Lucy Fa'anunu	<ul style="list-style-type: none"> <li>Manufacturing of nonu juice, vanilla beans &amp; essence, taro chips</li> <li>Others incl. kumara chips, dried pineapples, dried coconut slices, mango chutney &amp; pickles, hopa chips, soursop juice, body oil, kava bags, ginger shampoo</li> </ul>	2 permanent 4 seasonal 2 daily



Heilala Vanilla	John Ross	<ul style="list-style-type: none"> <li>• Vanilla beans &amp; extract</li> <li>• Vanilla paste, syrup, sugar &amp; powder</li> </ul>	6 permanent
Natural Foods International Ltd	Mrs. Vaina Percival	<ul style="list-style-type: none"> <li>• Samgo snacks – taro, breadfruit, banana, wheat forms</li> <li>• Pure Nonu</li> <li>• Samgo flours</li> </ul>	26 permanent 22 farmers
Apia Bottling Co. Ltd	Papalii Ryan	<ul style="list-style-type: none"> <li>• Chilli sauce</li> </ul>	
Amruqa	Ms Theresa Arek	<ul style="list-style-type: none"> <li>• Organically Certified spices (cardamom, nutmeg, pepper)</li> <li>• essential oils (cardamom, patchouli, nutmeg, lemongrass, citronella grass)</li> <li>• tropical nut oils (virgin coconut oil)</li> </ul>	
Bangui Bio Products Ltd	Allan Bird	<ul style="list-style-type: none"> <li>• Local food, taro, yams, bananas, pigs, crocodiles, ducks, mustard, kava, rice, corn, sweet potato</li> </ul>	40 permanent 60+ seasonal 500+ outgrowers
Food Processors Fiji Ltd	Brij Lal	<ul style="list-style-type: none"> <li>• Canned dry goods – tomato sauce, chilli sauce, garlic sauce, tomato puree, coconut cream, duruka, palusami, breadfruit</li> <li>• Frozen &amp; vacuum packed – vegetable, duruka, breadfruit, cassava, dalo, fish</li> </ul>	30 permanent 114 seasonal
Bula Island Foods	Sonny Naidu	<ul style="list-style-type: none"> <li>• Fresh/Frozen root crops – taro, cassava, yams</li> <li>• Frozen breadfruit</li> <li>• Fresh papaya, coconuts</li> <li>• Frozen chillies, duruka, cowpeas</li> </ul>	42 staff
Western Dairy Fiji Ltd	Chedly Khalek	<ul style="list-style-type: none"> <li>• Mango, Banana, Papaya Yoghurt (Yoplait)</li> <li>• Fresh pasta</li> <li>• Pumpkin chilli</li> <li>• Sugar- and fat-free ice cream, juices</li> </ul>	
Balthan (Western) Ltd	Graeme Thorpe	<ul style="list-style-type: none"> <li>• Fresh vegetables, chillies, duruka</li> <li>• Root crops – breadfruit, taro, cassava</li> </ul>	
Herbex Ltd	Gerhard Stemmler	<ul style="list-style-type: none"> <li>• Noni juice (ready to drink)</li> <li>• Noni leaf powder</li> <li>• Noni powder</li> </ul>	12 permanent 18 seasonal
Kahuna Herbal Products	Ms. Doreen Robinson	<ul style="list-style-type: none"> <li>• Noni juice</li> <li>• Honey</li> </ul>	2 permanent 4 seasonal
Natures' Finest	Satish Narayan	<ul style="list-style-type: none"> <li>• Virgin coconut oil</li> <li>• Coconut flour</li> </ul>	6 permanent

		<ul style="list-style-type: none"> <li>• Coconut ice cream</li> <li>• Coconut yoghurt</li> <li>• Vegan cheese</li> <li>• Feta cheese</li> <li>• Honey</li> </ul>	4 seasonal
Royal Noni	David Brull	<ul style="list-style-type: none"> <li>• 100% Noni Juice</li> <li>• Noni fruit capsules</li> <li>• Noni soap</li> </ul>	11 permanent 4-5 seasonal