

II. Situation Analysis and Agriculture Sector Overview

2.1 The agriculture sector (encompassing crops, livestock, forestry and fisheries) offers some of the best opportunities for Samoa's development. Given the high proportion of people who are engaged primarily in the agriculture sector, and Samoa's relatively limited resource base, the agriculture sector must be developed if the majority of Samoans are not only going to satisfy their subsistence needs in future years, but meet their increasing needs for cash income. With soaring global oil and food prices fueling inflation³¹ it is imperative that national food security is maintained by strengthening the resilience provided through the traditional farming system.

2.2 The Strategy for the Development of Samoa (SDS) 2008-2012 identifies accelerating economic growth through private sector development has a vital goal to improve living standards. This goal aligns with one of the four priority areas of the Pacific Plan, which are: economic growth; good governance, sustainable development and security. Agriculture and Fisheries are described as key

³¹ The average annual inflation rate moved higher in 2005–2007, exceeding the targeted maximum of 3.0% in 2006 and 2007. This largely reflected the impact of higher import prices especially for food and oil. The annual headline inflation rate rose to 6.0% in March 2008 from 4.5% at end June 2007 and 3.7% in the same period 2007. The underlying inflation rate similarly accelerated to 6.9% from 4.1% in the same period 2007.

sectors for achieving private sector led economic growth and employment creation (national development goal 2).

- 2.3** During the period 1994–2006, agriculture production fell at the average rate of 2.4% per annum, while varying from year to year due to the impacts of disease, changing weather conditions and commodity price fluctuations. The 1999 Agricultural Census confirmed the limited involvement of Samoans in commercial agriculture. Three-quarters of the population belonged to 14,725 agriculturally active households, but only 960 (6.5%) of these households were commercial producers, and only 8.1% of them had taken out loans for an agricultural purpose. The other agriculturally active households produced mainly for home consumption (7,549), or entirely for home consumption (6,216), while 1,597 households engaged in minor agricultural activity and 4,199 households were classified as nonagricultural. The large majority of agricultural holdings were less than 10 acres and few exceeded 50 acres. Ninety-one percent of cultivation took place on customary land, with freehold accounting for 6.1%, leased Government land 1.7%, leased customary land 0.8% and leased freehold 0.4%. If agriculture is to grow, there will need to be an increased emphasis on commercial production (ref. SDS 2008-20012).
- 2.4** Government recognizes that its core role is to create an enabling policy environment and promote knowledge and technology through the provision of a range of services including: effective bio-security, surveys of natural resources, scientific research on ways of improving productivity of resource use in agriculture and industry and economic research (particularly marketing and feasibility studies). A particular interest for Samoa lies in agro-processing opportunities and renewable energy development. The diversification of agricultural products to utilize by-products will also be strategically important.
- 2.5** About one in three households in Samoa engaged in fishing in 1999. The vast majority fished for mainly or entirely for home consumption, and only 6% fished primarily for commercial reasons. Most households (85%) fished inshore, while 12% fished offshore and the remainder fished inland rivers and lakes. Fisheries production expanded at rapid rates in 1995–1998 and peaked in 2001, when fisheries accounted for 8.2% of GDP. The expansion reflected the private sector development of long-line fishing for (mostly albacore) tuna, which was blast-frozen and sent in containers to fish canneries in nearby American Samoa. In 2002–2006, fish production and exports declined as a result of the adverse impact of changing climatic conditions on tuna stocks, rising fuel costs, and a declining US dollar. However, fish production in the first half of 2007 was up 3.8% on the corresponding period in 2006. Fish remains the largest commodity export, accounting for over half of total commodity export earnings. But the industry requires significant investment to ensure that Samoa gets the most out of this scarce resource. Updating and implementation of the Tuna Management and Development Plan 2005-2009 will be important to achieve the main objectives of commercial fisheries management: (i) maximization of catch-rates, profits and foreign exchange; (ii) extensive local participation; and (iii) increased safety at seas (ref. SDS 2008-2012).
- 2.6** Community development remains a priority area in the SDS 2008-2012³². Access to credit facilities; support for agricultural development; improved access to basic services and infrastructure including better roads and market access for rural communities are identified important areas for development. Although subsistence agricultural production has declined in recent years it remains an important source of food security, livelihood and social cohesion. Rising food prices coupled with rapidly increasing levels of food and nutrition related non

³² Goal 5: Community Development: Improved Economic and Social Wellbeing and Improved Village Governance.

communicable diseases, make it imperative that increased emphasis is placed on the production and consumption of nutritious local foods.

2.7 SDS Goal 7 is: *Environmental Sustainability and Disaster Risk Reduction*. The sustainability of natural resources is particularly relevant for agriculture, forestry and fisheries. The forest sector has developed a new logging code of practice, reviewed timber prices, undertaken resource inventory mapping, and has reviewed legislation, as part of its new forestry sector plan. The aim is to develop new ways of protecting the remaining indigenous forest resources and accelerating reforestation so that a viable forest sector and stakeholder communities are sustained. Farm agroforestry is seen as a viable option. The decline in native forest resources means that integrating timber species within the farming system is of increasing interest to many farmers, both for subsistence and commercial purposes, and the interest is expected to increase when the full commercial value of timber is realized. Efforts to improve land conservation and management are being focused on managing forest areas. Continued assessment of the state of forest protected areas in the country needs to be undertaken and also exploring carbon sink initiatives. Samoa has globally significant biodiversity, but biodiversity conservation - whether in formally protected areas (PAs) or the wider production landscape – needs strengthening. The establishment of PAs and other conservation measures are complicated by customary land ownership arrangements, which require that local communities are consulted and agree to any such changes. Furthermore, because agriculture and natural resource extraction is a crucial part of local livelihoods, communities need incentives to agree to restrictions on their activities in PAs and to change their forest and land management practices to ones that enhance biodiversity protection and are generally more sustainable.

2.8 Marine product harvests from Samoa's inshore reefs and lagoons have been in decline for years, mainly because of habitat loss and the use of more efficient and sometimes destructive technologies (such as dynamiting). Land reclamation and road construction have destroyed fish nursery areas and poor land management has led to erosion and consequent siltation of lagoons. The reduced availability of marine resources has caused concern for the nutritional status of village communities. This negative trend is being reversed through the adoption and implementation of community-based sustainable fisheries management plans and extension of this approach is crucial to sustainable livelihoods for the rural population (SDS 2008-2012).

2.9 Samoa runs a significant balance of trade deficit, the value of imports being some sixteen times greater than exports. The real contribution of the export sector to Samoa's economy has generally deteriorated over the last decade which is cause for great concern. Since 2001, the total value of exports has trended downwards, settling at US\$28.7 million in 2006. A slight rise in 2007 reflects an improvement in fish exports. A potent combination of domestic supply side factors and international demand side factors has contributed to the overall deterioration in the export sector over the years. Facilitating trade and improving exports remains a key priority for Samoa. A National Export Strategy 2008-2012 is currently being finalized. The NES vision is for the "Export sector to be a major contributor to sustainable economic growth by 2012." The NES identifies eleven objectives to achieve the vision and five sectors (including agriculture) that are key to the improved export performance of the country. Important strategies include legislation and enforcement of food safety standards, developing a Samoan brand, develop organic products and certification, establish fair trade products registration and regulation, train on HACCP and ISO certification of business processes and carry out value chain analysis of potential products. Building an abattoir to service the meat industry is also identified as important. Improving standards for export products in line with the demands of trading partners is recognized as critical. This will mean negotiating market recognition/access agreements with guidelines for products established and adopting tropical Codex standards for products of interest.

2.10 Samoa is challenged by rapidly increasing levels of food and nutrition related diseases (including diabetes, hypertension, obesity, coronary heart disease) which impact negatively on the health system, families and the national economy. These diseases are now the leading cause of death in Samoa as obesity rates have grown from 25.5% in 1978 to 67.5% in 2001, among the highest rates in the world. As a result, Government has identified health as one of its priority focus areas in the last two triennia covered by the SDS. The strengthening of health promotion and primordial prevention is also an important strategic area in the SDS 2008-2012.

III. Key issues shaping priorities for FAO assistance

- Lack of an overarching agriculture sector plan that provides a coherent policy framework for promoting agriculture development.
- Low productivity and returns in subsistence and commercial agriculture and fisheries.
- Expansion of the livestock sub sector is constrained by the ability to develop the feed resource and by limited breeding stock.
- Limited commodity base and need to diversify and increase agricultural production and products.
- Marketing and branding are critical to the realization of opportunities for organic agriculture and livestock production.
- Weak market intelligence and information dissemination (all sub-sectors)
- Difficulties in meeting technical requirements for market access, especially for fresh agricultural produce.
- Meeting food quality and safety standards for domestic and overseas marketing.
- Poorly defined competitive advantages that may allow Samoa to compete on the international market.
- Lack of competitiveness of agricultural products.
- Depletion of forest resource and vital need for reforestation.
- Potential loss of valuable biodiversity because of a lack of community managed Protected Areas.
- Rapidly increasing levels of food and nutrition related non communicable diseases, which impact negatively on health system, families and national economy

IV. Country programme framework

4.1 The Samoan Government places great emphasis on the importance of developing the private sector to stimulate investment, create employment opportunities, provide goods and services and generate a solid source of government revenue. With the aim of providing an enabling environment for private sector development efforts have focused on strengthening fiscal and monetary policies to ensure macroeconomic stability, improving infrastructure and utility services, strengthening the public administration and a programme of trade liberalization. Ratification of the Pacific Island Countries Trade Agreement (PICTA) was effective from April 2003, and a PICTA Rules of Origin Regulation entered into force in Samoa on 25 July 2006. Samoa consequently will apply preferential duty rates to PICTA members as of 2008. Samoa is also expected to accede to WTO in 2009. Negotiations are being continued with the European Union (EU) for an Economic Partnership Agreement (EPA), reflecting a desire to negotiate an FTA in goods with the EU (ref. SDS 2008-2012).

4.2 A UNDP coordinated donor-supported diagnostic trade integration study began in late 2007 and will assess the local impact of the implementation of trade agreements. The Commonwealth

Secretariat is providing assistance for the formulation of an export strategy. Efforts are under way to streamline and operationalise a common fund (Private Sector Support Facility) to assist small to medium enterprises. NZAID continues to support the Small Business Enterprise Centre (SBEC) providing training for businesses. Eligible businesses may be considered for a loan under the guarantee scheme (supported by ADB) for small and medium size projects from local commercial banks. The South Pacific Business Development Trust (SPBD) and ADB (through Samoa Development Bank) are providing micro-finance. Australia and New Zealand have harmonized their assistance through a Joint Country Strategy which focuses on two key strategic objectives: *Improve opportunities for employment and investment; and enhance the wellbeing of all Samoans through improved service delivery and community development.* AusAID have provided considerable support for public sector strengthening programmes including for agriculture³³. Australia will strengthen its support to the agriculture sector through a new bilateral partnership agreement signed at the Forum Leaders Meeting in Niue in August 2008. The World Bank has also signaled increased support for the sector focused on supporting opportunities for public-private partnerships. Japan's focal areas of assistance are: education, environment, social and economic infrastructure and income generation projects. There is an active Japanese volunteer programme in Samoa. Volunteers have been involved in programmes that include: livestock management; vegetable production, fish farming; port management; telecommunications; and income generation for women. The European Union development assistance focuses on improvements in the water sector through a sector-wide approach and support for micro-projects in rural area (including for agriculture and fisheries). China provides significant assistance mainly for government infrastructure and will support an agriculture demonstration-farm.

Overview of FAO on-going and recent assistance

4.3 FAO support under the RPFS focused on improved livestock production (sheep and chicken) and increasing the value of fruits and vegetables through product development. The main activities of the value adding programme included: recruiting a TA food processing expert; conducting product development training; in-house product development, assistance to selected processors on process flow line; awareness training on HACCP; and market consultations and investigations. Twenty five products have been developed. Frozen palusami and taro chips were tested in New Zealand and the United States, and a quality assurance system was designed for the chips and juicing industries.

4.4 Recent TCP support has provided capacity building for agribusiness, marketing and farm management, with a specific focus on youth capacity building. Other TA support has been provided to strengthen post-harvest research, for exploring the potential of selected agricultural-based crops as alternative sources of biofuel, to prepare the National Plan of Action to prevent, deter and eliminate illegal, unreported and unregulated fishing and for the preparation of Samoa's country report on Forestry Sector Outlook Study 2020. Samoa has also benefited from the Telefood Program of FAO. Since its inception in 1997, there have been 37 Telefood projects approved and implemented in Samoa. FAO is currently providing TA to assist sector planning.

V. Proposed Programme Framework

³³ At the time of the Australian ISP the Agriculture Ministry (MAFFM) included agriculture, forestry, fisheries and meteorology, subsequently forestry and meteorology responsibilities have been moved to the Ministry of Natural Resources and Environment (MNRE).

5.1 Based on the situation analysis and existing medium-term priorities of the Government and the UN System, and taking into account past and on-going FAO and partner's programmes, the following four priority outcomes will be pursued in the next four years:

- 1) Strengthened policy, legal, regulatory and strategic frameworks for sustainable agriculture, forestry and fisheries development.
- 2) Increased production, productivity and resilience of crop, livestock and fisheries systems.
- 3) Improved marketing systems and market access for livestock, traditional food crops and high value specialty commodities.
- 4) Sustainably managed terrestrial, freshwater and marine resources.

Strengthened policy, legal, regulatory and strategic frameworks for sustainable agriculture, forestry and fisheries development.

5.2 Samoa is moving towards a sector programme approach to coordinate and harmonize development activities and align these to the national development goals and strategies as set out in the SDS. Six sector plans have been completed some inclusive of Medium Term Expenditure Framework (MTEF). The agriculture ministry (with FAO assistance) has commenced a process to develop an overarching sector plan and policy framework for the agriculture sector and this work needs to be advanced further. FAO will continue to provide technical assistance to support policy formulation, legislation and regulation reviews and strategic planning. Particular emphasis will be placed on linking planning to financing. Capacity building support may also be provided to improve sector data collection and management systems.

Increased production, productivity and resilience of crop, livestock and fisheries systems.

5.3 Supply side constraints in all sub-sectors (agriculture, livestock, forestry & fisheries) limit opportunities for processing, product value adding and market development. There is a need for improved supply of inputs – improved planting materials, livestock feeds; for improved infrastructure and for better technology and husbandry practices supported by appropriate research and information services. Primarily through the FSSLP, but also through TCP programmes, FAO will bring support to improve productivity for targeted agriculture, livestock and fisheries commodities. Particular attention will be accorded to Samoa's vulnerability to the impacts of natural disasters and climate change.

Improved marketing systems and market access for livestock, traditional food crops and high value specialty commodities.

5.4 To progress towards the SDS goals 1 & 5 there needs to be an increased commercialisation of the agriculture sector. Improved market opportunities, market access, processing and value adding are critical areas for development. The objective is to create increased income earning and employment opportunities in the primary sector. Support through the FSSLP will strengthen infrastructure, improve capacity for product processing and value adding, and also strengthen capacity in food safety and standards to improve market access.

Sustainably managed terrestrial, freshwater and marine resources.

5.5 Samoa fully recognizes the need to protect its valuable and unique biodiversity and the importance of community involvement in this process. Biodiversity promotes ecosystem services important amongst which are: food production, provision of raw materials, recreational opportunities and cultural values. In partnership with UNDP, and subject to availability of GEF-PAS funds, FAO will support the government of Samoa implement a project for conserving

biodiversity via an integrated system of protected areas (PAs). The main output areas will be: improved policy and legal frameworks to underpin PA networks; strengthened capacity for community-based conservation management; establishment of new protected areas; and mechanisms developed for sustainable financing for the PAs. An important strategy for successful conservation is to provide, on a sustainable basis, an alternative access to resources required by the community. Development of agroforestry has been identified to have a strong role both for improving rural livelihoods and strengthening conservation efforts. FAO through TCP and TCPF resources will support the development of agroforestry in Samoa.

National Medium-Term Development Agenda SDS 2008-2012		UNDAF Results Areas: 1. Equitable economic growth and poverty reduction, 2. & 4. Sustainable environmental management		
Strategic Goals	Key Issues/constraints	NMTPF Outcomes	NMTPF Outputs	Potential areas for FAO assistance
Environmental Sustainability and Disaster Risk Reduction (Goal 7)	<ul style="list-style-type: none"> <input type="checkbox"/> Limited commodity base and need to diversify and increase agricultural production and products. <input type="checkbox"/> Marketing and branding are critical to the realization of opportunities for organic agriculture and livestock production. <input type="checkbox"/> Weak market intelligence and information dissemination (all sub-sectors). <input type="checkbox"/> Difficulties in meeting technical requirements for market access, especially for fresh agricultural produce. <input type="checkbox"/> Meeting food quality and safety standards for domestic and overseas marketing. <input type="checkbox"/> Poorly defined competitive advantages that may allow Samoa to compete on the international market. <input type="checkbox"/> Lack of competitiveness of agricultural products. <input type="checkbox"/> Depletion of forest resource and vital need for reforestation. <input type="checkbox"/> Potential loss of valuable biodiversity because of a lack of community managed Protected Areas. 	<p><i>Improved marketing systems and market access for livestock, traditional food crops and high value specialty commodities.</i></p> <p><i>Sustainably managed terrestrial, freshwater and marine resources.</i></p>	<ul style="list-style-type: none"> <input type="checkbox"/> Value-adding equipment in place, strengthen certification processes operating, training provided. <input type="checkbox"/> Equipment purchased, training provided <input type="checkbox"/> Strengthened public-private sector partnership, infrastructure and training <input type="checkbox"/> Infrastructure and training provided <input type="checkbox"/> Infrastructure and training provided. <input type="checkbox"/> Training provided <input type="checkbox"/> Improved planting materials available, appraisals undertaken, training provided <input type="checkbox"/> Improved policy and legal frameworks to underpin PA networks, strengthened capacity for community-based conservation management, establishment of new protected areas, and mechanisms developed for sustainable financing for the PAs. 	<p>Coconut production diversification (FSSLP)</p> <p>Organic farming capacity building (FSSLP, TCP)</p> <p>HTFA development (FSSLP)</p> <p>Quarantine support (FSSLP)</p> <p>Abattoir development (FSSLP)</p> <p>Training in Food Standards/HACCP</p> <p>Agroforestry development (TCP)</p> <p>Conserving Samoa's Biodiversity via an Integrated System of Protected Areas (GEF-PAS Project)</p>

The FAO activities have been determined through dialogue with the government and other sector stakeholders, and in accordance with the priorities set out in the Strategy for the Development of Samoa (SDS) 2008-2012.

