

SUB-REGIONAL OFFICE FOR THE PACIFIC ISLANDS

**CONSULTATION REPORT
JUNE 2012**

**NATIONAL CONSULTATION ON POLICY AND PROGRAMMATIC
ACTIONS TO ADDRESS HIGH FOOD PRICES IN COOK ISLANDS
19 – 20 APRIL, 2012
NEW HOPE HALL, AVARUA, RAROTONGA, COOK ISLANDS**



**FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS**

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The designations employed and the presentation of material in this paper do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.



From left to right:

Back row: Lafaele Enele (FAO Consultant); Edward Herman (Consumer Commissioner), Hon. Kiriaua Turepu (Associate Minister) John Baxter (Mayor, Aitutaki), Tutai Toru (Atiu), Henrianna Savage (Consumer Officer)

Front row: 'Aleki Sisifa (FAO Consultant); Taputu Mariri (CINCW), Teokotai Topa (Island Secretary, Mitiaro), Tuaine Tuara (Private sector, Mangaia). Rongo Oti, (Mauke) Akerongo Moekaa (Mauke), Vili Fuavao (SRR-FAOSAP), Nandi Glassie (Minister of Agriculture), Anthony Brown (Secretary of Agriculture)

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OVERVIEW OF THE NATIONAL CONSULTATION

Introduction

The National Consultation on Policy and Programmatic Actions to Address High Food Prices for Cook Islands was held at the New Hope Hall, Avarua, Rarotonga, on 19-20 April 2012. Cook Islands is one of the four countries that was selected by FAO to hold further dialogue following the Sub-Regional Consultation on High Food Prices for the Pacific region that was held in Nadi, Fiji in 2011. The other countries included Vanuatu, Niue and the Solomon Islands. The meeting was convened by the Cook Islands Ministry of Agriculture and the Food and Agriculture Organization of the United Nations (FAO).

Participants

The consultation was attended by participants from government agencies, international partners, private sector and civil society organizations (see Annex 2: List of Participants). Documents and presentations on policy and programmatic action to address high food prices were distributed to participants for reference and were made available in electronic form.

OPENNING SESSION

Following dedication of the workshop Mr. Anthony Brown, CEO of the Ministry of Agriculture, made his welcoming remarks. He welcomed all participants and the resource people and expressed hope for a successful consultation. He said that the national consultation was timely as the 2008/2009 high food price crisis appear to be persisting and as FAO has indicated, would likely repeat itself from time to time. For a country like Cook Islands that rely so heavily on tourism for economic growth and on imported foods for the basic diets of people, this national consultation is very much needed.

The FAO Sub Regional Representative for the Pacific, Mr. Vili Fuavao, in his opening remarks informed that FAO as part of its core function of promoting food security in member countries has in recent years increasingly involved in monitoring high food prices. He said that the national consultation was one of four to be held in the Pacific following the Sub-Regional Consultation on Policy and Programmatic Actions to Address High Food Prices which was held in Nadi, Fiji, in 2011. One of the main outcomes of the sub-regional consultation was the identification of need for national dialogue at national level to raise awareness of the impacts of high food prices, and potential policy measures and programmatic actions to address them. Mr. Fuavao reminded participants that high food prices although have adverse effects on the buying public, can have the positive effect of improved livelihoods for farmers.

The Minister of Agriculture, Honorable Nandi Glassie, delivered the key note address and formally opened the consultation. He told participants that the Cook Islands rely heavily on New Zealand and Fiji to supply everything that they need. Families today are paying so much to keep food on the table. He said that Cook Islanders do not grow as much of their own food as they would like to and more often, buy their meals from the supermarkets and shops.

Price volatility is a reality in the Cook Islands with trends that provide need to be discussed and considered at the workshop. Statistics from the Consumer Price Index from March 2012 report shows that: overall food group registered the most significant price rise of 2.0 percent over the quarter. This is highlighted in the fruits and vegetables subgroup with 6.9 percent and prepared food subgroup 5.0 percent. It was noted that imported produce such as potatoes and onions and local kumara contributed to the price hike in the fruits and vegetables subgroup. In the prepared food subgroup, fish and chips and fried chicken were the two items that contributed to the increase.

The Hon. Minister said that this national consultation needs to take into account all the issues mentioned when looking for solutions to support the Cook Islands economy and help the people of Cook Islands. (see Annex 3: Speech of the Hon Minister of Agriculture).

Background and objectives of the national consultation

Mr. Aleki Sisifa briefly outlined the historical perspective of the global high food prices crises and the key causes. He then explained the approach used in the national consultation. The two day consultation would be conducted in three main parts: 1) statements on high food prices by the national government and the FAO; 2) presentations by FAO on global, regional and national policy and programmatic actions to address high food prices, followed by group discussions; and 3) plenary discussions and the drafting, verification and endorsement of an outcome statement from the consultation.

The objective was to assist government in identifying various policy options and designing immediate actions in response to food price rises. The expected impact, as a result were improved policies on food price volatility that are relevant to national realities and are designed and implemented by both national stakeholders and development partners.

Similarly, the expected outcome was for stakeholders to be sensitized and encouraged to work closely to better address high food prices through relevant policies and programmatic actions that safe guard food security of low-income consumers, while at the same time provide opportunities for producers and exporters.

The expected outputs of the consultation included (1) shared understanding of global and national food price situation and future developments, (2) shared overview on policies and

programmatic actions to address volatile and high food prices, (3) agreement on strengths and weaknesses of current national policies and programmatic actions, (4) agreement on specific policy and programmatic actions, (5) required cooperation and necessary support, and (6) a workshop report that helps in following up activities.

PLENARY PRESENTATIONS

Global and Regional Trends in Food Prices: Underlying Causes and Implications to Food Security

Mr. Sisifa made this presentation. The policy imbalance that came about through many developing countries reducing investment in agriculture, availability of credits and protection to agriculture while developed countries were maintaining high levels of support to agriculture and to bio-fuel production, led to increased dependence of developing countries on food imports from developed and emerging countries. This has led to the creation of the global high food price crisis.

The crisis of 2008 caused major threat to political stability of many countries and a major cause of high rates of inflation, coinciding with record high petroleum and fertilizer prices. The potential impacts of climate change on production/productivity stand to make matters worse in future.

The impacts of high food prices have been particularly high on the poor who spend most income on food, forced to reduce consumption of nutritious foods and forced to sell off productive assets.

Guide to Policy Measures and Programmatic Action: Overview, Global Experiences

Mr. Sisifa presented the FAO guide as a “menu” of options which countries need to consider and possibly adapt depending on local contexts. He emphasised the relevance of the “no one size fits all” concept.

He outlined the three main categories of country level actions: Trade and market related measures; measures to facilitate access to affordable food by consumers; and measures to increase food production. He indicated how each measure could mitigate high food prices and suggested some possible implications (both positive and negative and both long and short term).

Mr. Sisifa emphasised some features of good interventions such as: do little harm as possible; be clear on humanitarian versus economic scale (efficiency vs. Equity); and ownership and participation.

Finally he outlined some policy responses and lessons learnt from data collected from an FAO survey involving 81 countries. Most countries applied general consumer support measures e.g. reducing tariffs and custom fees, releasing public stocks and restricting or banning export. The next most popular category of measures is targeted subsidy consumer support, as in cash transfer, food transfer and increasing disposable income.

One of the lessons learnt so far is that country wide consumer support measures did not help much in many countries for the following reasons. Reducing tariffs had minimal impact on prices in countries that had already reduced tariffs; budgetary costs were often very high; general subsidies fail to reach the rural poor; and unplanned interventions affected traders and producers. Safety net programmes work well in situations where: they are effectively designed; foster synergies between social protection for the poor and support provided to food production; and government is centrally involved in planning and implementing long-term programmes of assistance. Furthermore, producers' response has not been high for the following reasons: high fuel prices raised cost of farm power, transport, fertilizer, pesticides etc.; increased price volatility reduced incentives; lack of or poor markets prevented transmission of high prices to producers in many cases; and well designed productive safety nets (smart subsidies) have worked.

Outcomes of the Sub-regional Consultation on Policy and Programmatic Actions to Address High Food Prices in the Pacific

Mr. Sisifa briefly talked about the Sub-regional Consultation that took place in Nadi, Fiji, 14-15 April 2011. In summarising the outcome statement of the Sub-regional consultation, he asked participants to note that the outcomes were all general in nature befitting regional contexts. In contrast, the outcome statement from the national consultation should be very specific for Cook Islands, and where relevant to specific communities targeted. Furthermore, in identifying and considering policy and programmatic actions at national level, implications, particularly any long term ones should be seriously considered.

Mr. Sisifa emphasised that an important task for the consultation would be to identify the most group(s) within the Cook Islands society that are the most vulnerable if and when high food prices crises occur.

WORKING GROUPS SESSION

Participants broke into three groups to identify and discuss potential policy measures and programmatic actions that the Government may consider developing to address high food prices. The three groups focused on the following: measures: policies and programmatic actions to increase production; policies to enhance food supplies (e.g. pricing, marketing, food stock management and foreign trade and tariff policies); and policies to provide social protection/safety nets).

The three groups reported back to plenary. Participants then in plenary discussed the proposed measures and actions in detail. From these discussions, participants reached agreement on what to include in the Outcome Statement of the consultation.

CONCLUSIONS AND NEXT STEPS

The following are the conclusions and next steps to which the participants agreed to. These constitute the Outcome Statement of the Cook Islands national consultation on policy and programmatic actions to address high food prices.

Participants recognised the close linkages between fuel prices and cost of food production and marketing, and the need for the Cook Islands to explore alternative fuel sources.

Participants discussed the trends, impacts and key issues of high food prices and agreed that the following would inform their actions:

- a) Recognised the impact of high food prices on food security¹ in the Cook Islands, and its effects on people's ability to meet and fulfil other needs such as health, education, and socio-economic opportunities.
- b) Recognised that the price of imported foods will continue to increase into the future. With better management, marketing and regulation, local produce could be made more affordable.
- c) The most vulnerable group to high food prices include the elderly, children, people with disabilities, low income earners and some people from the outer islands living in the urban area on Rarotonga.
- d) Create opportunities to encourage employment in food production and agriculture to enhance skills and earning capacity through informal and formal education.
- e) Recognised the need for the provision of credit facility for agriculture development.
- f) Endorse government policy on the exemption of import levy on agricultural products and supplies
- g) Recognised the need to subsidise freight cost of fertilizers to the outer islands and develop a price support strategy that would reward the growers based on their output.
- h) Recognised the need to enhance consumer education/awareness regarding healthier choices, food safety, consumer rights and value for money.

¹ "Food Security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life"

- i) Endorse the policy of voluntary compliance of food standards and recommend the adoption of the 2006 draft Food Regulations.
- j) Introduce short term land use policies to enable access to land for agricultural production by more growers.
- k) Strengthen cultural and denominational safety nets and welfare system in looking after families and communities in managing the negative impact of high food price crises. Encourage cultural system of conservation, sharing and caring.
- l) There is a need to encourage import substitution by improving production, and promoting consumption of local nutritious foods.
- m) Strengthen coordination between the Ministry of Agriculture and the Island Councils to facilitate production of and investments in specific commodities and trade including value added products.
- n) The Ministry of Agriculture with the participants call on the Government of the Cook Islands and development partners to support the implementation of the consultation outcomes to address high food prices impacting on our society.

In closing, the FAO Sub regional representative, Mr. Vili Fuavao thanked the Ministry of Agriculture and the Government of the Cook Islands for their hospitality in hosting an excellent meeting. He also reaffirmed FAO's commitment to ensuring food security in the region and will work closely with the government to advance the meeting outcomes. Mr. Vili Fuavao also thanked the participants for their valuable contributions to the discussions and the meeting outcomes.

On behalf of the participants, Mr. Kiriau Turepu, Member of Parliament expressed sincere gratitude to FAO for organising the meeting and for sharing their experiences and knowledge. The meeting outcomes reflected the views of participants and they look forward to the implementation of these outcomes in the near future.

The meeting was official closed by Mr. Anthony Brown, Secretary for Agriculture on behalf of the Government of the Cook Islands. He thanked the participants for their valuable contribution in making the meeting a successful one and the FAO for their assistance in supporting efforts towards addressing high food prices.

Annex 1: Agenda

National Consultation on Policy and Programmatic Actions To Address High Food Prices in Cook Islands

Le Lagon Resort, 16 - 17 April, 2012

A g e n d a

Day 1: 19 April 2012

Purpose: To provide an overview of policy and programmatic actions to address high food prices

Time	Session
9.00-9.30	Opening Session: Welcome remarks by CEO Agriculture; Remarks by the FAO Sub-Regional Representative for the Pacific, Dr Vili Fuavao; and Keynote address and official opening by Minister of Agriculture Hon Nandi Glassie
Session 1: Global and Regional Food Price Situation, Trends and Implications	
9.30-10.30	1. Background and objectives on national consultations: <i>Aleki Sisifa, FAO Consultant</i> 2. Presentation: Overview of the Global and Regional Trends in Food Prices, Underlying Causes and Implications to Food Security: <i>Aleki Sisifa, FAO Consultant</i> Discussion
10.30-10.45	Tea/Coffee Break
10.45-11.30	3. Presentation: Guide to Policy Measures and Programmatic Action: Overview. Global Experiences ² : <i>Aleki Sisifa, FAO Consultant</i> Discussion
Session 2: Sub-Regional Food Consultation	
11.30-12.30	4. Presentation: Outcomes of the Sub-Regional Consultation on Policy and Programmatic Actions to Address High Food Prices in the Pacific: <i>Aleki Sisifa, FAO Consultant</i> Discussion
Session 3: National Consultation	
12.30-1.30	5. Presentation: Price situation and trends of major food commodities in Cook Islands, their implications on food security and the government's policy and programmatic response: Govt official
1.30-1.45	6. Introduction to working group session
1.45-2.00	Lunch Break
2.00-3.00	7. Working group session 1

² Reference: *Guide for Policy and Programmatic Actions at Country Level to Address High Food Prices*, FAO, 2011.

	<ul style="list-style-type: none"> - What are the policy and programme measures undertaken to address HFP? - What are the results of and problems/constraints in the implementation of the policies/programme actions identified above?
3.00-3.15	Tea/Coffee Break
3.15-4.00	8. Presentation and discussion of results of working groups: <i>Lafaele Enoka, FAO Consultant</i>

Day 2: 20 April 2012

Purpose: What are the gaps in policies and programmatic actions to address high food prices?

Time	Session
Session 3: Policies and Programmatic Actions to Address High Food Prices	
9.00-9.30	1. Formation of briefing to the working groups for parallel break-out sessions on: <i>Lafaele Enoka, FAO Consultant</i> <ul style="list-style-type: none"> • Policies and programmatic actions to increase production, • Policies to enhance food supplies (e.g. pricing, marketing, food stock management and foreign trade and tariff policies), and • Policies to provide social protection/safety nets
9.30-10.30	2. Parallel working group session 2
10.30-11.00	Tea/Coffee Break
11:00-12.30	3. Presentation of results and discussions ³ : <i>Lafaele Enoka, FAO Consultant</i>
12.30-1.00	Lunch Break
Session 4: Key Messages and Guidelines for Action	
1.00-2.30	4. Preparation of outcome statement: <i>Lafaele Enoka, FAO Consultant</i>
2.30-3.30	5. Presentation, discussion and adoption of the Outcome Statement: <i>Lafaele Enoka, FAO Consultant</i>
3.30-4.00	Tea/Coffee Break
4.00-4.30	6. Closing remarks and workshop evaluation <ul style="list-style-type: none"> • Participant representative: • MAF Government representative

³ Each working will have 15 minutes for presentation followed by 15 minutes for a question-answer session.

Annex 2: List of Participants

**National Consultations on Policy and Programmatic Actions
to Address High Food Prices in Cook Islands
New Hope Hall, Avarua, Rarotonga: 19 to 20 April 2012**

Name	Organization	Contact
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Pavai Taramai	Rarotonga	
Edwin Apera,	Ministry of Agriculture Rarotonga	eapera@agriculture.gov.ck
Kiriau Turepu	Member of Parliament	kturepu@oyster.net.ck
Tai Topa	Mitiaro island	misec@oyster.net.ck
Terry Hagan	Price Control Tribunal	ledzeb@oyster.net.ck
Edward Herman	Ministry of Internal Affairs	consumer@intaff.gov.ck
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Ada Rongomatane Ariki	Atiu island	33-072
Anthony Brown	Secretary for Agriculture, Ministry of Agriculture	abrown@agriculture.gov.ck
Tiria Rere	Ministry of Agriculture	tiria@agriculture.gov.ck
Vili Fuavao	FAO Sub-regional Representative for the Pacific	Vili.Fuavao@fao.org
Lafaele Enele	FAO Consultant	Enoka.lafaele@fao.org
Aleki Sisifa	FAO Consultant	Alekis6210@gmail.com

Annex 3: Speech of the Hon. Minister of Agriculture

Kia Orana,

Dr. Vili Fuavao (Sub-Regional Representative for FAO to the region),
Colleagues from FAO,
Representatives from the private sector, and public sector as well as some
of our NGO's,
Special Kia Orana to the participants from the Outer Islands.
Rongomatane Ariki of Atiu,

Welcome to the National Consultation on Policy and Programmatic Actions to Address High Food Prices.

The Cook Islands has a long history with food, we live and show our wealth through the consumption of food, sharing of food as well as trade with food. Our people showed their pride in the offering of food as the highest currency.

However, today, these customs and practices are becoming less obvious. Lifestyles have changed and of course the currency is cash only. We are paying a price higher than any monetary value, with our lives, through increased health problems as we know with the increased in Non Communicable Diseases (Such as diabetes, High Blood Pressure, Heart and Kidney problems etc).

On another note, families are going back to fast food, tinned food, mutton flaps chops, preserved chickens, all imported into the country. Bread and rice remain as key staple foods on dinner tables.

The Cook Islands is an Import-Reliant Country. We still rely heavily on New Zealand and Fiji to supply everything we need. Families today are paying so much to keep food on the table. Our people do not grow as much of their own food as we would like them to, and more often, buy their meals from the supermarkets and shops.

Price volatility is a reality for us in the Cook Islands with some considerable trends that provide the scenario for consideration at this workshop. Statistics from the Consumer Price Index from March 2012 report shows that:

Overall Food group registered the most significant price rise of 2.0 percent over the quarter. This is highlighted in the *Fruits & Vegetables subgroup* with 6.9 percent and *Prepared Food subgroup* 5.0 percent. It was noted that imported produce such as potatoes and onions and local kumara contributed to the price hike in the *Fruits & Vegetables subgroup*. In the *Prepared Food subgroup*, fish & chips and fried chicken were the two items that contributed to the increase.

Therefore at this national workshop, we need to take into account all these issues

when looking for solutions to support our economy and help our people.

The Cook Islands have been fortunate to maintain adequate food supply, and with this in mind, I beg you all to take an active role in the discussions, raising issues that affect you and your interests.

To the business leaders, policy makers, planners, those in Government and the public service and those from the Outer Islands, I extend to you all sincere words of thanks for taking the time to attend and participate in this workshop.

This national consultation aims at assisting governments of member countries in identifying various policy options and designing country-specific immediate actions in response to the current food price crisis. The outcomes of this will be considered in government policies that are being developed to ensure that the Cook Islands have a position to safeguard, cushion our people and especially our economy to the volatility of soaring food prices.

We have a few milestones that we can continue to build on and that is the achievement of the MDG Goals. I believe we are making progress towards this, this consultation will also provide some substantial leeway for us to review some of the activities/policies/plans to ensure that we consider the real recommendations expected out of this consultation.

Recognizing that one size does not fit all and that **policy and programmatic actions are best designed in the specific country context, through broad consultations with the stakeholders** who have to buy-in and support the proposed actions. The participants invariably recommended that the sub- regional consultations be followed by national consultations. This was seen as essential **to raise the awareness of the problem among various ministries and agencies of the government and other stakeholders** in the country who were not represented in the sub-regional consultations, but whose support, cooperation and collaboration are crucial for the approval and successful implementation of the policies and programmatic actions to address the problem of high and volatile food prices.

FAO has received an official request for technical assistance to conduct national consultations on high and volatile food prices in raising awareness, facilitating stakeholder participation in identifying key issues and a broad consensus on policy and programmatic actions.

I thank you once again for your participation and support at this workshop

Kia Orana e Kia Manuia