This Presentation

- General Introduction/situation
- Agriculture & Livestock
- Revenue from cocoa and copra
- Livestock/fresh food/Fruits & nuts/Grain
- Potential for Forestry
- Potential Oil Palm revenue
- Challenges
- Recommendations
AROB Agriculture & Livestock

- Cash crops (Cocoa, Copra, Oil palm)
- Alternate Crops (spices)
- Fresh food (staple/informal sector)
- Fruits and Nuts (peanuts, galip)
- Grains (Rice, feed)
- Livestock (poultry, piggery, cattle)
Regulatory Authorities In PNG

- Cocoa Board of PNG (CB)
- Kokonas Industri Koporasen (KIK)
- Palm Oil Council (POC)
- Spice Industry Board (SIB)
- National Dept Agriculture & Livestock (NDAL)
- PNG Forest Authority (PNGFA)
- Livestock Development Corporation (LDC)
- Coffee Industry Corporation (CIC)
Main Cash Crops

- **Cocoa** – improve Quality/increase production
- **Coconut**- replanting needed of old stand
- **Coffee** - little is grown
- **Oil Palm**- potential economic crop

- **Cocoa and Copra**- mostly Smallholders
- **Plantations**?
Revenue from Cocoa based on 2016 CB statistics

- Bougainville Cocoa provided 33% of overall PNG production from 2007-2016

- In 2016 PNG Export volume was 40,508 tones valued at K360.7m

- AROB produced 10,554 tons (26%) valued at K93.7M
Potential revenue from copra based on KIK Statistics

- Copra contributes approx K125M to PNG per annum
- 2015 PNG exported > 86,000 tons
- AROB export of copra was 19,193 tons
- @ average K1500/ton = valued at K28.8m
- Export levy = K767,720.00
Potential revenue source from Cash crops (Shared or not shared)

- Export levy
- Research levy
- Exporter fees (main and small port)
- Wet bean dealer
- Dry bean dealer
- Processing fees
- Fermentary fees
- Default fees
- Stamp duty
- Processing fees
- Smallholder levy
- others
Can AROB have its own Commodity Board?

• BPA- does not specifically mention this?

• MOU between ABG and NDAL Schedule
NDAL and DPI MOU

- Under the existing MOU between NDAL and AGB DPI schedule B – Functions for which Bougainville DPI can seek to transfer the powers from NDAL

- “Transfer the functions of Commodity boards and regulatory bodies to over see the operations of coffee, coconut, cocoa, oil palm, spices, livestock, rubber and fresh produce NARI, CCIPNG, CCRI, PMFA etc”
Current considerations

1. AROB Commodity Board
   - regulate all Agriculture commodities

2. Bougainville Fisheries & Marine Authority
   - Regulate the 3 nautical mile zone

3. Draw down of Power and Capacity
   Building are important for the above to happen
Livestock Development

- Poultry demand high in AROB
- Needs a policy (in progress)
- Engage with LDC
- Control measures (> 20 Cattle farms)
- Strong organisation (Private sector)
- Compliance issues (abattoir to packaging)
- Specialist - Animal Health issues, Facilities
Fresh Produce

- **Current intervention to boost food production (household)**
- **New technology in Farming (NARI, FPDA)**
- **Improve Facilities (post harvest, storage)**
- **Introduce new planting materials**
- **Food security policy**
- **Options for Commercialization**
- **Government support is in Progress**
Fresh Produce...
Fruits and Nuts (peanut, galip)

- Long term Policy
- Private sector engagement
- Opportunities exist eg galip
- DPI take lead in establishing nursery
- Resource and expertise (NARI)
- Investor needed
Spices

- High demand by food industry
- Needs organization
- Market access
- Farming technology
- Private sector engagement
- Need policy
- Resources and expertise
Rice and Grains ???

- Need a policy on rice/grains
- In line with Food security
- Most work ad hoc at family farms
- Need to commercialize??
- Partner with Private sector (Trukai?)
- Staff capacity
Forestry and Climate change

- TIMBER RIGHTS PURCHASE (TRP) Areas (Manetai, Tinputz)
- Round logs export
- Plantation forest
- Natural forest
- Forest conservation
- ReDD Plus
- Climate resilience
Forestry Activities that can generate revenue

- Re-activate the AROB Forest Management Committee
- Investigate potential for existing TRPs
- Potential for Forest Plantations
- Integrated oil palm and Forestry - Tonolei
Revenue from Forestry

- **Landowners levy @ K10/cubic**
- Company Taxes
- Infrastructure
- Health Facilities
- Schools
- Other Spin off- employment
- Conservation strategies
Plantation Forestry vs Natural Forestry

- Plantation use fast growing species
- Control Harvesting
- 300 Cubic/ha

- Natural Forest Slow growing
- Mix species
- 100-120 cubic/ha
Tonolei Integrated Agric & Forest Project

- Compliance Issues legal/procedural
- Landowner Issues- resolved but yet to be endorsed by ABG
- Developer Issues- yet to be resolved
- Hectarage- unresolved
- Timber and oil palm
- ILGs
Oil Palm Production and Assumptions

- **Area**: 10,000 ha
- **Production**: 23 tons Fresh Fruit Bunch/ha average (FFB)
- **Total Production**: 230,000 tons FFB
- **OER**: Crude Palm Oil (CPO) 23%
- **OER Kernel Palm Oil (KPO)**: 4%
- **Price**: USD250/ton CPO
Potential Revenue per year @ 10,000 ha

- @ 23% OER = 100,000 tons CPO
- @ USD 250/CPO = $25,000,000
- In PGK @0.31x = K80.7M

**Expenses-Company tax**
- Smallholder levy
- Sustainable foundations
- Landowners proceeds
- Infrastructure
Challenges

- Narrow based economic resource sector
- Capacity issues to implement policies
- Limited Funding to dept
- Lack of basic infrastructure
- Engagement with GoPNG has been slow
- Compliance issue
- No overarching strategy in place
- No Insurance for willing and local business
- Corruption within/external
- Plantations remain undeveloped
Recommendations

- **Sound Economic Policy**
- **Encourage Private Sector**
- **Government must provide support**
- **Conducive environment including L&O**
- **Positive engagement with GoPNG/Donors eg. CSF**
- **Encourage Downstream processing**
- **Diversify agriculture & align to ABG priority**
- **Economic sector must get adequate funding ceilings**
- **Compliance to standards**
- **Compliance to Tax regulations**
- **Fast track draw down of powers**
- **Develop commercial plantations**
Thank you- Questions