Fresh Fruit and Vegetable Marketing

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In 1970/71 imports of fruit and vegetables into Papua New Guinea amounted to \$3,580,000. Over a million dollars worth of these were fresh foods, the rest being mainly canned or frozen. This seems a considerable amount but it is really quite small when compared with the total amount of fresh food grown and consumed in the country. However imports are still increasing for these reasons:—

1. Some fruit and vegetables are not grown in Papua New Guinea at all because the climate is unsuitable. Examples are grapes, apples, pears, peaches and apricots and mushrooms.

2. Some areas of Papua New Guinea can produce more fruit and vegetables than are needed while other areas need more than can be grown. In the past the problems of organization of marketing and transport have prevented development of the fresh food industry on a nationwide scale.

3. It is found that as indigenes' incomes rise, they tend to buy more temperate climate vegetables and less kaukau, sago and other traditional foods.

DASF economists have been studying the fresh fruit and vegetable situation for some time. They have looked very carefully at the present markets and the quantities of goods being traded there and they have considered ways by which locally produced vegetables can replace imported vegetables sold in shops.

Plate I.—The easy way for a grower to market his produce, a truck comes to his village and he is paid cash on the spot

Photo: D.I.E.S.

SURVEYS OF PRODUCTION AND MARKETING

There have actually been three surveys carried out in the last year. The first involved a study of the situation in Port Moresby and the area along the Rigo Road. It was found that local producers were eager to alter present marketing arrangements, and that they had begun to accept changes in their traditional production to fit in with market demands. They had greatly increased the amount of fruit and vegetables grown and sold in the market since the road was first upgraded to all-weather status. There was still land available and villagers were willing to increase production still more, if they could be sure of selling their produce.

The second survey was an initial look at the supply and demand for fresh fruit and vegetables on a national basis. Using Port Moresby, Lae, Madang and Wewak as representative areas, investigations were made into the present volume and source of supplies to urban centres. Attention was focused on the amount, type and value of produce going through the market, being consumed by institutions and being supplied by retailers. It was found that in Lae 71 per cent of the total locally produced vegetable trade went through the market, in Madang 65 per cent, in Wewak 50 per cent and in Port Moresby 43 per cent. It was also found that the demand for particular types of fruit and vegetables varied according to the district. For example, kaukau (sweet potato) was the most popular item traded in Lae and Madang but only fifth most popular in Wewak and fourth in Port Moresby. This highlights the need for regional planning rather than local area planning. For economic reasons it may be necessary to link areas of high demand to suitable production areas by low cost freight systems. The area where the produce is grown, should be connected by road to the town where it is to be sold. If the only method of transport to market is by airfreighting, the extra cost involved may make the produce more expensive than imported food. Airfreighting is

Plate II.—Selling at Koki Market may take all day—but many people like spending the day that way
Photo: D.I.E.S.

not only expensive, it is also unreliable, because air cargo may be offloaded from an aircraft. Transport by canoes or workboats is usually cheap but time schedules may be unreliable. This survey also looked at the overall increase in demand for both locally grown and imported fresh foodstuffs over the next 10 years.

The third survey involved an investigation of the potential development of the area to be served by the proposed Hiritano Highway and its effect on the Port Moresby market. This road will run west from Port Moresby to Bereina. It was found that, as soon as the road is completed, up to 13,000 tons of fresh produce could be grown each year. Plans are now being made so that work can start on this as soon as possible.

WHOLESALE MARKET PROPOSAL

From these surveys it was clear that it was easily possible to increase the production of fruit and vegetables in Papua New Guinea but there would be considerable problems in transport and marketing to be overcome. It was felt that a wholesale market was needed and that initially this should be conducted by the Administration on a trial basis. Once it was proved that it was economically successful, it would be handed over to some other organization to operate.

In August, 1972, the Minister for Agriculture, Stock and Fisheries obtained approval for a joint study by DASF and Department of Business Development into the practical and financial problems involved in setting up a wholesale market in Port Moresby. This study will include the setting up of such a market in temporary facilities and will look at what growers need in the way of marketing facilities, transport and packaging in order to sell fruit and vegetables in bulk.

The day-to-day running of this trial facility will be under the control of a DASF officer. He will keep in close contact with growers in areas around Port Moresby as well as growers in other parts of Papua New Guinea who may want to sell produce in Port Moresby. The study committee will also keep in close touch with the Port Moresby City Council, Koki Market Trust, the Development Bank and with people interested in selling fruit and vegetables in Port Moresby.

This trial operation will enable the Government to work out what form of wholesale market is best suited to the needs of growers and buyers in Papua New Guinea. It will also help to resolve the form of management required to operate such a facility in this country.

Since this will only be a wholesale market it will not compete with any present retail business, nor will it affect Koki Market or any proposed market developments which may occur around the urban area.

If this proposed wholesale facility proves to be satisfactory for both buyers and sellers, it is anticipated that similar markets will be set up in other urban areas.

KUBUNA RUBBER FACTORY—*continued from p.* 101

rising cost of labour is not such a problem in this situation. Blocks are usually worked by the owner and his family, so the cost of hiring labour is saved. The young trees planted on these blocks are modern, high-yielding varieties, which will give a better production rate than the old trees of the low-yielding varieties which make up much of the plantation rubber in Papua.

Increased production from smallholder projects may be able to offset declining production from older uneconomic plantations, enabling Papua New Guinea to maintain its place in the world rubber market. Although Papua New Guinea production is not large by world standards, and rubber is only a minor export crop compared with such crops as coffee and coconuts, even the small amount of export income earned is needed. As all of Papua New Guinea's rubber is bought by Australia, the Australian currency earned through this export will help offset the costs of products imported to Papua New Guinea from Australia, and will assist in maintaining future trade relationships between Australia and an independent Papua New Guinea.