



AGRIBUSINESS FORUM
LINKING THE AGRIFOOD SECTOR TO THE TOURISM-RELATED MARKETS
Organised by CTA, PIPSO and SPC
Sofitel Resort, Denarau Island, Fiji, 1-3 July 2015

FINAL DRAFT OUTCOMES

Background

1. The Agribusiness Forum was held on 1-3 July 2015 in Denarau, Fiji, as part of the inaugural *Pacific Agritourism Week* which commenced on the 28 June 2015. The *Pacific Agritourism Week* was facilitated through joint efforts of: the Secretariat of the Pacific Community's (SPC) European Union-funded Pacific Agriculture Policy Project; the South Pacific Tourism Organisation's (SPTO) European Union-funded Pacific Regional Capacity Building Programme; the University of the South Pacific (USP); ACP-EU Technical Centre for Agricultural and Rural Cooperation (CTA); and the Pacific Islands Private Sector Organisation (PIPSO).
2. The three day Agribusiness Forum, organised by CTA, PIPSO and SPC, had 3 objectives: to promote linkages between the agrifood sector and the tourism industry to increase sustainable local sourcing; to analyse successful business cases and the drivers of success; and to identify support needed to strengthen relations between value chain actors and the tourism industry in the Pacific.
3. The Agribusiness Forum was attended by over 100 delegates from across the Pacific representing government, private sector, civil society and academia. Also in attendance was a delegation from the Caribbean and the Indian Ocean who presented on their experiences in agribusiness development in the Caribbean. It was also a great opportunity for the Pacific businesses to network with the Caribbean delegation.

Agribusiness Forum Deliberations

Opportunities for the Pacific agrifood sector in tourism related markets

The Forum noted that most Pacific islands countries do not have agritourism policies in place. There is a need for collaborative effort by the private sector, farmers' network and the government to put in place strategic policies that would bring together the tourism and agriculture industry. Agriculture and tourism policies are developed separately from each other and very little linkages are noted. The Forum noted that a recent Melanesian Spearhead Group (MSG) private sector study shows that in-country demand exceeds export demand. There is a huge opportunity for the informal agri-food servicing the tourism market.

Also noted how organics can provide a comparative advantage for the Pacific. Organic eco-tourism would ensure that activities are managed in accordance to principles of eco tourism, environmental protection and conservation, respect and promotion of traditional culture, use of natural/traditional building material and architecture. Overall it can be a tool for sustainable development.

On product development, the Forum acknowledged the importance of the environment and encouraged the private sector's commitment to operate business in a sustainable manner and produce environmental friendly products.

The Forum noted and learned a lot from the Caribbean experience. The Caribbean presented an overall view of the agritourism development and the combined efforts of the national and regional agencies in the Caribbean like IICA (InterAmerican Institute for Cooperation on Agriculture) and the Caribbean Export Development Agency (CEDA). It was not an easy effort as the agriculture industry has been struggling to remain competitive coupled with the high levels of food imports and natural hazards. Tourism is the life blood of many Caribbean economies and agritourism provided a promising avenue for diversification and trade growth. Some of the key drivers that promoted the growth of agritourism apart from developing appropriate agritourism strategies and policies, were product development, product differentiation, marketing & branding and diversification.

The Forum concurred on the need to collaborate more with the Caribbean and learn from their experience. There is a need to establish tangible links of regional organisations in the Pacific with relevant Caribbean counterparts, trade visits to be conducted to the Caribbean by Pacific businesses, the need for capacity development of key stakeholders and the need for product development support for Pacific businesses.

Linking agriculture and tourism: learning from success

The Forum noted the various successful examples of agritourism businesses operating in the Pacific. Most of these businesses are able to supply some needs of the tourism industry with the required standards and quality. These examples have demonstrated the potential of agri-products that can be developed in the Pacific and used by the tourism industry.

The Forum acknowledged the investment, technology and research that have been undertaken by these companies to develop their products successfully. The involvement of the community especially the women and the youth have encouraged subsistence farmers to supply organics products.

However, the Forum noted that a lot of linkages still need to be built or strengthened with the agriculture and tourism industry to ensure that local agriculture producers can ably meet the demand of the tourism industry.

The Pacific is already a well known destination for *sun, sea and surf* and the forum was a great opportunity to gather feedback on how to propel the Pacific into a culinary tourism destination, and a key part of this is to strengthen the branding and marketing aspects of the Pacific island countries and the Pacific region.

There was general consensus that ultimately resources are needed to facilitate this because branding and marketing (as intertwined agents) are expensive exercises, and that a 'one size fits all' approach does not apply when it comes to agriculture, food and tourism. In Agritourism particularly, it is about selling a product/services and a story, and with the latter, more so, as consumers are now more aware and conscious about health benefits, social responsibilities and community development and therefore more open to supporting initiatives that show benefits going to local communities and/or activities promoting social/environmental sustainability.

For produce and agriprocessed foods, the importance of communicating health benefits and validating these are key aspects of branding, just like that of packaging and labelling. This supports as well the fight against non-communicable diseases (NCD). Value adding and finding innovative ways is an area that need to be promoted and formulating branding that supports ones mission, vision, and the philosophies that benefit the community; it is through this consistent branding that creates a loyal following and customer base, and promotes products to be featured in menus etc.

Linking fisheries to the tourism related markets

The Forum noted the demands and needs of international and local hotels for sea food. It was highlighted that most tourists when coming into the Pacific were expecting Pacific cuisine in the hotels but this was not so, because of the lack of supply of quality seafood. The Forum heard that the best sea food is exported and what remains is usually of lower quality grade.

The Forum acknowledged that there is a need to enforce sustainable fishing to ensure a consistent supply of sea foods. It was also noted that there are other types of sea food that are available but many locals do not know that they can also be a quality source of food. Aquaculture is also being developed to meet the demand of sea food and a number of countries in the Pacific have developed fish and prawn farms.

The Chefs: the link between sustainable tourism, agriculture and cuisine

The Forum acknowledged the key role that chefs can play in developing national and regional agritourism. There was acknowledgement that the role of chefs in agritourism is still in its infancy and needed to be developed further, particularly in getting hotels and tourist hot spots to not only utilise local produce and products but integrate local cuisine and fanfare so that there is a culinary fusion of traditional and contemporary foods and meals. Further, to promote local agriculture and have farmers as key partners in the agritourism programme – by having them participate in events and showcase their products and build on opportunities. This can define culinary tourism based on the ‘from farm to table’ concept and further develop key relationships between the farming and culinary communities so that more locally-sourced foods are in restaurants, hotels etc.

The forum noted that the countries and the region are producing some good chefs but work is needed in two areas: (i) where individuals are wanting to become chefs and work in restaurants and hotels, what are the career path options and as they take this path, to work on ensuring that there is greater awareness and appreciation of local produce and foods and see how these can be fused into menus of where they work; and (ii) where individuals who are trained chefs can become entrepreneurs and establish their own businesses and what support networks are there to support such professional development.

Some suggestions to promote this area is to hold local food fairs or food festivals; work with authorities and schools in promoting agriculture and entrepreneurship from primary school level and do not leave it till secondary school or tertiary; inbound tourism operators to promote tours to local farming/culinary communities; and strengthen linkage of agrifoods and agritourism to the local cultural and creative industries; strengthen linkages between farmers and chefs.

Agrifinance: new opportunities for the agribusiness sector/Partnership & PPPs for entrepreneurship in Agritourism

The Forum noted that most commercial banks do not lend to the agriculture industry due to its perceived high risk. Despite various policy directives issued by Central Banks to lend a specified percentage of their loan portfolio to the agriculture sector, many cannot fully comply with it.

The Forum acknowledges the role of Development Banks that have the development mandates of their Governments, to lend to the agriculture industry. Many farmers borrow from the development banks.

To enhance access to finance, the forum participants noted that it was essential to have a multi-sectoral approach to addressing resourcing constraints faced by farmers and micro/SMEs in agribusiness, and acknowledging that finance schemes and platforms needed to be more dynamic and innovative and continue to promote financial literacy programmes and business mentoring.

With aspirations to contribute to reducing imports and increasing sourcing of local produce and foods, participants agreed that key to this was the need to improve/strengthen local food production and supporting systems and inputs such as technology/appropriate equipment; ICTs; and where possible, form farming/business coalitions (clusters) to collectively pursue business interests.

Addressing the data gaps for Agribusiness/Agritourism

It is widely acknowledged that statistics and data pertaining to agriculture, and business, particularly for micro and SMEs involved in agribusiness is lacking and is an area that needs vast improvement. Having updated and correct data is essential for informed decision making – be it in policy development or business related decisions, and this includes for agriculture and agribusiness. Further, access to affordable ICTs and platforms is essential to support business development growth as communications forms a core component in the business infrastructure.

The Forum heard that there were lots of data available but is not easily accessible and understood. Government agencies have commissioned various studies and data collection exercises but only some would be seen to be relevant for private sector use whereas others not so. There are gaps in the data for crop production, yields and service providers. These data relates to the types of crops that are planted, the volume, prices, the middlemen buyers and the amount exported. A lot of work and initiatives have been undertaken by SPC and partners to improve the area of statistics collection.

Agribusiness and related statistics are needed to facilitate domestic and international agricultural trade and has been at the forefront in recent years because of the recognition of the growing importance of agribusiness statistics and information among stakeholders such as commercial farmers, traders/ exporters, importers, agro-industries, government agencies, and consumers. Information and statistics needs differ but generally to capture items such as import and export tax rates and other charges; cost of production; trade regulations, government policy, and investment laws etc; export and import volumes and values by commodity by country of destination etc.

Participants at the Forum acknowledge the importance of having a robust data and ICT platform to support Pacific agribusiness, and steps to addressing business challenges to include benchmarking ongoing projects and seeing how ICTs/access to information could have define these; ICT infrastructure (database, mobile apps, programmes) and the supporting systems including ongoing training for personnel working in this area; and mobilising resources to support ICTs in community enterprises and agribusiness. For the latter, the Forum noted the useful application that Women in Business Samoa are utilising to improve the data gathering and information from farmers and producers.

Role of the private sector

The private sector has a key role in not only both the agriculture and tourism sectors but in *linking* the two and facilitating greater market access and opportunities, as well as collectively lobbying for support as needed to further drive and promote growth through agencies such as the Chambers of Commerce and other coalitions, in the countries.

The participants acknowledged that for the private sector to fully mobilise stakeholders along the value chain, it was important to do so in 4 ways:

- (i) to initiative representation so that businesses (farmers, food processors etc) are part of councils or chambers and can be empowered to pursue their interests;
- (ii) have access to appropriate information and communications platforms so that businesses can access information to opportunities and/or distribute their information to others;
- (iii) invest in product development and marketing as well as other quality and standards aspects (e.g. HACCP) to promote buy local, and for quality control etc; and
- (iv) support value chain infrastructure in agritourism – movements from small to big farms and agrofood processors, partnerships and logistics, and physical infrastructure to support business growth.

Recommendations on the Way Forward

Regional

1. Establish a Regional Agritourism Steering Group to initially comprise:
 - Regional partners: SPC, SPTO, PIPSO, CTA, USP, FAO, PIFS
 - Other members as required.
2. Task the Steering Group to establish a Pacific Work Plan for agritourism by 1 September 2015 that includes the following as well the other recommendations outlined below:
 - Conduct a feasibility study of the establishment of collection centres in rural areas with a private sector company to be the buying agents for salads and vegetables for hotels and supermarkets. The first feasibility study to be conducted in Fiji and a pilot project can be undertaken.
 - Develop a Pacific Food Revolution tool kit
 - Support the establishment of a Product Development Fund

3. Support the actions to promote agritourism undertaken by the Melanesian Spearhead Group, which is developing a Private Sector Development Strategy and collaborating with the newly established Micronesian Trade and Economic Community.

Caribbean-Pacific and Indian Ocean (ACP SIDS)

4. Strengthen Caribbean-Pacific visibility, including a marketing presence at each other's regional Agribusiness Forums and similar events including business industry visits to the regions. Special efforts can be made towards developing ACP SIDS projects for funding within the ACP-EU private sector envelope.
5. Share relevant Work Plan activities between the Caribbean and Pacific (and other ACP SIDS regions) that promote agritourism events.
6. Establish an online repository(s) for case studies, best practices and tools promoting agribusiness and tourism-related markets, and link this to similar repositories in the Caribbean, Indian Ocean and elsewhere. A coordinated approach will be used to link the online sites supporting the Agritourism Strategy.
7. Launch a "Chefs for Development" Platform where best practices in promoting local cuisine with local food can be promoted and shared.

National

8. Encourage the private sector to set-up collection centres on salads, fruits and vegetables in rural areas. A private sector business to handle the transportation, marketing and distribution to hotels and supermarkets.
9. Explore the feasibility of farmers cooperatives and other appropriate farmer network models in rural areas to strengthen the quality and volume of fresh vegetables being planted and supplied/sold on a sustainable basis to the tourism industry.
10. Recommend conference organisers, chefs and tourism operators to make more use of local foods and products as part of the meeting arrangements.
11. Support clear national policies, incentives and plans that promote the supply and demand of local food in tourism/hospitality markets as well as those that promote greater commercial opportunities and scalability in the agri-tourism market.
12. Provide support to national events on linking agriculture to tourism industry.
13. Support local chefs with the use of local ingredients in visitor menus, with special events to showcase their quality, taste and authenticity.

14 July 2015
Suva, Fiji