PNG COCOA JOURNEY: 2010 - 2030

FROM POD TO BAR -
FROM SCARCITY TO ABUNDANCE

2 KEY ISSUES
1. QUALITY
2. VOLUME

Dr. Vele Pat Ila’ava
Chairman, PNG Cocoa Board &
Acting Secretary, Department of Agriculture & Livestock
Agriculture & the Economy: Opportunities

Revenue surge from resources by 2030

Loi Bakani: Governor BPNG

- PNG economic growth over 10% last 5 years
- Agriculture contributes over 25% to GDP
- Population of 7.5 million

Windfall

PNG may rake in K80 billion by 2030

Mike Smith, ANZ Bank CEO
PNG AGRICULTURE FOCUS 2014-2017
GROWING RURAL ECONOMIES

RURAL COMMUNITY EXPECTATIONS

1. INCREASED INCOME for individuals & families
2. INCREASED OPPORTUNITIES for employment & business
3. EASY ACCESS TO QUALITY BASIC SERVICES like health, education, clean water, shelter & infrastructure
Cocoa Growing Areas in PNG

- Mainly Trinitario & Trinitario x Forestttero hybrids
- More than 80% by local families in rural villages
PNG Cocoa Export Volume 2000 - 2010

Export Volume (m/t): 2000/01-2009/10

Average Productivity: 300kg/ha
GOVERNMENT TARGET – 310,000 t by 2030
PNG Cocoa Export Destination & Achievements

✓ Engages about 1.5 to 2 million people in rural areas

✓ Generates over US$150m in export revenue for PNG

✓ Increased fine flavour rating from 75% to 90% in 2010 (ICCO)

✓ Awarded international cocoa of excellence in Paris – In 2010 & 2011
PNG Agriculture - Supply Chain

1. Land mobilization.
2. Infrastructure Development.
3. Nursery & Research.
   - This is the high-risk, low-value end of the business.
5. Planting.
   - Farmers (80% locals)
7. Processing & packaging.
   - This is the low-risk, high-value end of the business.
8. Marketing.
9. Distribution and Sales.
   - Traders & Exporters
GoPNG Strategies & Programs: 2013-2017

1. Empower & support farmers to increase productivity.

2. Encourage & support farmers to partner exporters, processors & manufacturers.

3. Encourage & support large investments into cocoa business.

AMENDING POLICY & LEGISLATION TO ACHIEVE THESE OBJECTIVES

- Cocoa Nursery
- Freight Subsidy
- Post Harvest
- Market Development

PNG Cocoa Board Programs
PNG Cocoa & Global Trends

Global Trends
1. Traders into processing
2. Processors into manufacturing

PNG Response
1. Motivating farmers to plant more cocoa.
2. Encourage & support farmers to partner traders, processors & manufacturers (agri-business)

ICCO Agenda
1. Sustainable cocoa farming
2. Fair Trade
3. Certification

It's about BUILDING RELATIONS BASED ON TRUST, MUTUAL RESPECT & MUTUAL GAIN
The PIE IS BIG ENOUGH FOR ALL OF US!!!
## PARADIGM SHIFT:
*From Scarcity to ABUNDANCE MENTALITY*

<table>
<thead>
<tr>
<th>NEED</th>
<th>METAPHOR</th>
<th>PARADigm</th>
<th>PRINCIPLE</th>
<th>OUTCOME</th>
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<tbody>
<tr>
<td>Physical</td>
<td>Stomach</td>
<td>Scientific Authoritarian</td>
<td><em>Fairness</em></td>
<td>Pay me well</td>
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<tr>
<td>Emotional</td>
<td>Heart</td>
<td>Human Relations</td>
<td><em>Kindness</em></td>
<td>Treat me well</td>
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<td>Psychological</td>
<td>Mind</td>
<td>Human Resources</td>
<td><em>Development</em></td>
<td>Train me well</td>
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<tr>
<td>Spiritual</td>
<td>Spirit</td>
<td>Principle Centred</td>
<td><em>Purpose</em></td>
<td>How can I contribute to your success?</td>
</tr>
</tbody>
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*From Stephen Covey: Principled-Centred Leadership*
PNG Cocoa Dream: 2015 - 2030

QUALITY NOT VOLUME!!!
90% FINE FLAVOUR

- 3.7m People
- Farmers, SMEs
- Manufacturers

- 2.7m People
- Farmers & SME

- 2.0m People
- 80% Farmers

2015
2020
2030
Sustainable world cocoa economy!!!
THAT ONE HOW?

If you want 1 year of prosperity, grow grain;
If you want 10 years of prosperity, grow trees;
If you want 100 years of prosperity, grow people.

Chinese Proverb
“The definition of insanity is to continue doing the same thing whilst expecting a different result.”

Albert Einstein