



STANDING COMMITTEE ON NATURAL RESOURCES

2013 ANNUAL REVIEW OF THE MINISTRY OF AGRICULTURE



PARLIAMENT OF THE REPUBLIC OF FIJI
Parliamentary Paper No. 111/18

July, 2018

Published and Printed by the Department of Legislature, Parliament House, SUVA.



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2013 Annual review of the Ministry of Agriculture

Report of the Natural Resources Standing Committee

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Chair's Foreword

I stand to present the review of the Standing Committee on Natural Resources on the Ministry of Agriculture 2013 Annual Report.

The Standing Committee on Natural Resources is established under Section 109 (2) (c) of the Parliament of the Republic of Fiji Standing Orders (SO). The Committee is mandated to examine matters related to forestry, agriculture, mining, environment, fisheries, water and marine services.

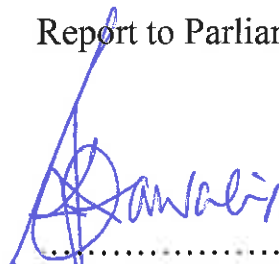
The purpose of the review was to scrutinise the Ministry of Agriculture 2013 Annual Report; to compare and to analyse the performance of the Ministry in terms of its administration, legislation, organisation structure, financial management, functions and programs for 2013.

The Committee in its review process has identified areas of concern that the Ministry will need to clarify and validate to assist the Ministry's management, extension and service delivery to all agriculture stakeholders. The review exercise was made possible through consultations and verification meetings with the Ministry of Agriculture.

The Standing Committee on Natural Resources recommends that the House take note of the Committee's report especially the Way Forward.

I extend my appreciation to the Honourable Members and the Secretariat who were involved in the production of this bipartisan report. My Committee colleagues are Hon. Alivereti Nabulivou (Member), Hon. Niko Nawaikula (Member), Hon. Samuela Vunivalu (Member), Hon. Jiosefa Dulakiverata and Hon. Salote Radrodro (alternate member for Hon. Niko Nawaikula).

On behalf of the Standing Committee on Natural Resources, I commend this Report to Parliament.



Hon. Joweli R Cawaki

Chairperson

Ministry of Agriculture

Recommendation

The Standing Committee on Natural Resources has conducted the annual review of the 2013 performance and operations of the Ministry of Agriculture, and recommends that the House take note of the Committee's report.

1.0 Introduction

The Standing Committee on Natural Resources was referred the Ministry of Agriculture Annual Report for 2013 for second reading on Tuesday 15th May, 2018. The Committee's mandate was to scrutinise the Ministry of Agriculture's Annual Report and make recommendations to Parliament under Standing Orders 110 (c). The Committee under the Standing Orders 109 (c) is to look into matters relating to forestry, agriculture, mining, environment, fisheries, water and marine services.

2.0 Gender Analysis¹

The Ministry of Agriculture ensures that equal access is rendered to our society to boost the agriculture development for their livelihood and for the national economy as a whole.

Tabulated below are some of the activities for the year 2013 that ensures equal access for women in Agriculture Development.

No.	Project Name	Activities
1	Homes of Hope at Wailoku, Naitasiri	<ul style="list-style-type: none"> Conducted awareness training in partnership with Research and AH&P Division on hands-on farm establishment, vertiver planting, alley cropping, agroforestry with dalo, pineapple and fruit trees
2	Ballantine Memorial School in Delainavesi, Suva.	<ul style="list-style-type: none"> Provision of Land Use Capability Survey and reports on demarcating the potential land use on existing soil types Present Land Use Survey Soil confirmation survey

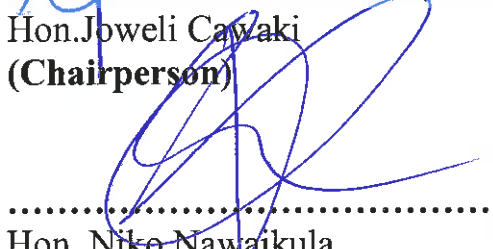
¹ This information on Gender Analysis of the Ministry of Agriculture was prepared by the Research and Library Unit of Legislature, Parliament of the Republic of Fiji.

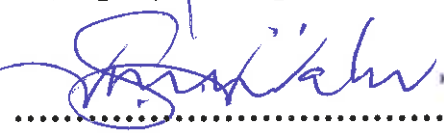
3	Navutulevu Womens Group in Serua	<ul style="list-style-type: none"> • Vegetables seed raising • Nursery Management • Composting & mulching training also attended by the LRPD staff in conjunction with Research, Extension and GEF Small grant from UNDP project
4	EL- SHADDAI women's group in Naitutu, Tailevu	<ul style="list-style-type: none"> • Project paper submission to ROI • Establishment of Nursery • Floriculture training • Vegetables raising awareness activities conducted together with Farm Management and Extension Division
5	Kavula Womens group in Bua	<ul style="list-style-type: none"> • SLM & Farm Management training • Nursery establishment and its management training together with Extension
6	Siberia/Emily Land Care [Women's] in Macuata	<ul style="list-style-type: none"> • Training on SLM nursery management and seed raising together with AH&P and Extension Division
7	Formation of the Tailevu North Floriculture Association in Tailevu	<ul style="list-style-type: none"> • Trainings conducted with Extension Division
8	FVI Training in Levuka, Rukuruku, Nacobo and Visoto in Ovalau, Lomaiviti	<ul style="list-style-type: none"> • Farming System • Land Use Planning • Food security measures • Sustainable Land Management awareness together with Extension and Provincial Offices

SIGNATURE OF MEMBERS:


.....
Hon. Joweli Cayaki
(Chairperson)


.....
Hon. Alivereti Nabulivou
(Deputy Chairperson)


.....
Hon. Niko Nawaikula
(Opposition Member)


.....
Hon. Samuela Vunivalu
(Government Member)


.....
Hon. Jiosefa Dulakiverata
(Opposition Member)

3.0 Acronyms

LRPD	Land Resource Planning and Development
GEF	Global Environment Facility
UNDP	United Nations Development Program
UNCCD	United Nation Convention to Combat Land Desertification
ROI	Rural and Outer Island Program
SLM	Sustainable Land-use Management
AH & P	Animal, Health and Production Division
GDP	Gross Domestic Product
TTM	Taiwan Technical Mission
HS Code	Harmonized System Coding
ACIAR	Australian Centre for International Agricultural Research
PABX	Private Automatic Branch Exchange (Automatic Telephone)
SQL	Structured Query Language (managing data)
SEA	Service Excellence Award
WTO	World Trade Organization
BQA	Bilateral Quarantine Agreement
TOT	Training of Trainers
FMIB	Fiji Meats Industry Board
FBC	Fiji Broadcasting Corporation
SPC	Secretariat of the Pacific Community
LWRM	Land and Water Resource Management
EIA	Environment Impact Assessment
REDD+	Reducing Emissions and Deforestation and Forest Degradation
TOT	Training of Trainers
PACC	Pacific Adaptation to Climate Change

4.0 Vision of the Ministry of Agriculture, 2013

“To Influence market forces through vibrant and sustainable agriculture activity that reduces poverty and the risk of food insecurity and increases the contribution to GDP.”

5.0 Mission of the Ministry of Agriculture, 2013

“To excel in the provision of customer-focused and market-driven services in the Agriculture Sector; in particular, the following elements:

- Efficient management of technical, administrative, financial and personnel services
- Sound human resource management and development
- Investment optimization through research and development in conjunction with all interest groups
- WTO and Codex compliance for domestic and international markets
- Development of collaborative and consultative alliances at all levels
- Manage land and water resources in a sustainable and cost-effective way
- Continue the inculcation of performance-based management
- Maintenance and enhancement of the commitment to food and income security
- Enact and implement legislation both within the Department and throughout allied agencies”

6.0 Achievements & Major Highlights of the Ministry in 2013².

- 6.1** Agriculture (Crop & Livestock) GDP FJD\$497 million – Which is 6.8% growth compared to the previous year.
- 6.2** Agriculture (Crop & Livestock) Production – The sector produced 314,508mt [272,314 Crop Production & 42,193 Livestock Production] of commodities in 2013.

² The information above was prepared by the Research Unit of the Department of Legislature, Parliament of the Republic of Fiji.

- 6.3** Import (Crop & Livestock) – Imports of crop & livestock commodities amounted to \$552m in 2013.
- 6.4** Export (Crop & Livestock) – Ministry earned \$180m from domestic products in 2013.
- 6.5** Australia, New Zealand, Vanuatu, USA and Tonga remain as Fiji's major export destination. USA is Fiji's Top Export Destination for Kava while Australia and New Zealand remained as Fiji's main market for fresh and chilled root crops and vegetables.
- 6.6** Most of the Processed or Value added Crops & Livestock products are exported to the Pacific Island Countries.
- 6.7** Fiji imports most of the Dairy Products, Meat and Other Fresh Fruits and Vegetables from New Zealand while Australia remains to be the main market for Wheat. Malaysia and Vietnam remains the main source of Fiji's Rice and Oil Import.
- 6.8** Ba River Dredging - A total of 7.5 km of the river mouth to Nawaqarua Village has been dredged. A total of 230m in length of river bank protection works completed.
- 6.9** Nadi River Dredging - Completed Nadi River dredging. A total of 4 km of the river from Moala Village up to the Nawaka River below Nadi Town was dredged.
- 6.10** Labasa River Dredging - Completed Dredging & Extensive Hull Maintenance of Dauqueueu. Completed Repair work of main engine fuel pump.
- 6.11** Sigatoka River Dredging - Completed the Environment Impact Assessment Study.
- 6.12** In 2013, there were a total of 14 donor funded (cash and aid-in kind) projects in progress implemented by various Divisions. *(Details can be seen on pages 48-50 of the Annual Report).*

APPENDICES

Appendix 1

Committee Procedures

Appendix 2

Verbatim Report

1.0 Committee Procedure

The Natural Resources Committee met on Tuesday 15th May, 2018, to consider the Annual Report of the Ministry of Agriculture. The Committee invited the Ministry of Agriculture's Senior Officials to briefly explain the overall performance of the Ministry as highlighted in its Annual Report for 2013.

1.1 Committee Members

The Members of the Standing Committee on Natural Resources are as follows:

- 1.1.1** Hon. Joweli Cawaki, Chair, Assistant Minister for Rural & Maritime Development & National Disaster Management
- 1.1.2** Hon. Alivereti Nabulivou, Deputy Chair, Government MP
- 1.1.3** Hon. Niko Nawaikula, Opposition, MP
- 1.1.4** Hon. Samuela Vunivalu, Government MP
- 1.1.5** Hon. Jiosefa Dulakiverata, Opposition MP

1.2 Submissions Received

The presentation by the Ministry of Agriculture to the Standing Committee on Natural Resources was held on Tuesday 29th May, 2018 at the Small Committee Room, Parliament.

Listed below are the attendees:

- 1.2.1** Mr. Vatimi Rayalu - Deputy Secretary Corporate Services
- 1.2.2** Ms. Sera Bose - Principal Economic, Planning Officer
- 1.2.3** Mr. Avinesh Dayal - Acting Director Animal Health and Production

2.0 Analysis of the Committee

2.1 The key strategic priorities of the Ministry in 2013

The strategic priority of the Ministry is to provide agricultural advisory services to ensure that agriculture further enhances farming as a viable and efficient profession, which endeavours to contribute significantly to GDP in a sustainable way concurrently ensuring food and income security to the people of Fiji. The Ministry's primary functions include:

- 2.1.1 To accelerate agricultural product diversification into crops and products where competitive advantage has been identified;
- 2.1.2 To facilitate private sector development;
- 2.1.3 To promote food security, and
- 2.1.4 To ensure sustainable development in non- sugar sector.

2.2 Service Outputs

The Committee noted that the Ministry of Agriculture service outputs was funded by the Government to provide outputs in the following areas:

- 2.2.1 Consultation.
- 2.2.2 Research.
- 2.2.3 Information and Training Services.
- 2.2.4 Other Services.

2.3 Agriculture [Crop & Livestock] Key Numbers

The Committee noted that \$552 million of imports of crops and livestock was produced by the Ministry in 2013 and produced only \$180 million from domestic exports for the same year, hence a trade deficit of \$372 million. The Ministry's response to the Committee was that it was currently in the process of improving its agricultural statistics, and one of the issues that the Ministry had taken on board was to single out export figures that were assigned to Agriculture to highlight only crops and livestock.

The Ministry Officials further added that since 2013, they had been able to extract the figures that were only representatives of fresh, chilled and processed crop and livestock commodities. That was the reason the figure stated was only \$180 million (only for crops and livestock), whereas HS Code 1 –24 (Harmonised System of tariff) included all the four sub-sectors of Agriculture which were crop, livestock, fisheries and forest as highlighted on page ten (10) and the Ministry only extracted crop and livestock commodity figures.

Furthermore, one of the issues that used to be highlighted by the Ministry, were the export figures that identified all the four sub-sectors, but for the 2013 export figures, the Ministry had narrowed the export figures to two only including crops and livestock.

The Committee was informed that the Ministry has improved the exports by increasing it by one percent (1%) as shown on page 13 of the Annual Report. The imports was still increasing in both value and quantity. It was noted that the Ministry did not meet its set targets for exports in 2013 but was able to increase export by one percent (1%).

2.4 Budget Summary

The Committee noted that \$47.6 million was the total Ministry's budget for 2013, but the Ministry utilised only \$44.9 million, equivalent to ninety two percent (92%) of the budget. A sum of \$2.7 million was unutilised by the Ministry mostly from Segments 1 and 2.

The Ministry advised that this is based from the salaries of the vacant positions not being filled during the year. Also part of the unutilised amount was due to the unavailability of building materials in most of the hardware stores especially for crops and livestock programs as the material demand of TC Evans rehabilitation increased.

2.5 Agriculture Sector Performance

2.5.1 Agriculture (Crop and Livestock) GDP

The Committee was made aware that the agriculture GDP was the measure of the value of production. When production increases, the value increases. The target was to increase production by ten percent (10%). The Ministry had increased its GDP contribution to eight and two tenth percent (8.2%) in 2013 which is a growth of six and eight tenth percent (6.8%). Even though, 2013 was a recovery year for TC Evans which struck in 2012, the Ministry did not achieve its 10 percent target but the total GDP contribution of six and eight tenth percent (6.8%).

It was noted that the Ministry export did not meet the target, however, it increased the local production in all sectors, especially in terms of subsistence market commodities.

2.5.2 Agriculture (Crop and Livestock) Trade

The overall trade of agriculture commodities and products remained in deficit for the period under review. For the past three (3) years, it was observed that imports continued to rise rapidly. Exports also increased but at a diminishing rate.

2.5.3 Agriculture (Crop and Livestock) Export

The Committee noted that in 2013, Fiji exported \$181million worth of Crop and Livestock Commodities both in fresh, chilled and value added which was seventeen percent (17%) of the National Domestic Export. The Ministry stated that the targets in the Annual Corporate Plan was to increase production of non-sugar commodity by ten percent (10%). It did not single out individual targets on each commodity. The Ministry was able to increase production but did not achieve the ten percent (10%) target. The commodities that make the significant impact in that increase were dalo, ginger, yaqona and pawpaw as highlighted on page 13 of the Annual Report.

There was a general increase in most of the commodities that were highlighted in the Report however, in terms of the export, Fiji was really at the mercy of the export markets. Our major export markets are Australia and New Zealand.

In terms of the major commodities that Fiji was exporting to these two countries, the niche markets consist mainly of former citizens of Fiji and the big Polynesian population, especially New Zealand. The major export commodities are dalo, cassava and ginger. Australia is importing fresh ginger. The Ministry has problems with import restrictions from the two countries, therefore, the export market is very limited.

2.5.4 Agriculture (Crop and Livestock) Import

To reduce the import of those commodities that can also be grown in Fiji, we must realise that most of the crops are seasonal. Fiji does not have the luxury of technologies that allow farmers to produce all-year-round. The Ministry of Agriculture is in the process of trying to entice investors such as Grace Road to bring in their technologies to help farmers produce rice and other commodities all-year-round. We must also understand that the majority of our producers are small scale and subsistence in nature.

The Minister has launched a programme called the 'Farm to Market Initiative'. This is a partnership between the Ministry and the British American Tobacco. They have the state-of-the-art nursery facilities in their farm in Votualevu, Nadi. This facility if fully functional can produce two million (2m) seedlings at any one time. The British American Tobacco to produce the seedlings and the Ministry of Agriculture will be responsible for the distribution to farming clusters.

The farmers that grow for exports are registered under the BQA. The reason for the registration is to monitor the product that does not meet the required standard and to meet the requirements from the export markets and food safety to trace the product back to its place of origin.

2.5.5 Achievements of Major Crop Commodities

The Committee noted that the major crop commodity national target shows an increase in 2013. The figures derived for crops and livestock are from the Crop Extension and Livestock Division Reports respectively.

The Committee noted that the decrease in the national targets for crop and livestock commodities were due to TC Evans in December 2012 as well as pests and diseases such as Tuberculosis (TB) and Brucellosis.

2.5.5.1 Table 1. Achievements of Major Crop Commodities

Commodity	Volume (metric tonnes)	Value (\$)FJD	Export Destination
Dalo	87,044 mt	(\$23.9m FJD)	New Zealand
Ginger	5,908 mt	(\$8.6m FJD)	Australia
Yaqona	3,733 mt	(\$7.2m FJD)	New Zealand
Cassava	74,239 mt	(\$2.5m FJD)	Australia
Pineapple	5,771 mt	(\$8,319 FJD)	New Zealand
Pawpaw	2,777 mt	(\$0.9m FJD)	Australia

2.5.5.2 Table 2. Achievements of Major Livestock Commodities

Commodity	Volume (metric tonnes)	Value (\$)FJD	Export Destination
Sheep	199mt	(\$18,461 FJD)	Nauru
Beef	2,272mt	(\$18,302 FJD)	Tuvalu
Goat	154mt	37,931 (No: of Stock)	Not exported in 2013
Poultry	26,354mt	(\$733,075 FJD)	Vanuatu
Pig	949mt	(\$73,020 FJD)	Wallis & Futuna
Dairy (Milk)	12.1 million litres	(\$35,344 FJD)	Wallis & Futuna

2.5.5.3 The Ministry advised that the Goat commodity was highlighted in the report due its positive performance in terms of Production.

2.6 Crop Extension Division

2.6.1 Core function

“To provide Technical advice/services to farmers and the general public in order to improve agriculture productivity and efficiency and improving people’s living standard”.

2.6.2 Budget Summary

In order to achieve the desired output of the Division and efficiency delivery of functional activities, the Division was allocated a total of \$4.62 million in 2013.

2.6.3 Achievements of Funded Crop Programs (FCP)

For the Rotuma Island Development Programme, the Ministry had planned of Trade between Rotuma, Kiribati and Tuvalu but unfortunately the Shipping Services was the bottleneck for this particular project. That is the reason why the results were not given to the Ministry as expected.

There is also an abundance of fruits in Rotuma during the season but the Ministry cannot export into mainland Fiji because of fruit flies.

2.6.3.1 Table 3. List of Funded Programs

No.	PROGRAMs	FUNDS ALLOCATED (\$)
1	Export Promotion – DDA program	1,000,000.00
2	Food Security – DDA program	1,000,000.00
3	Sigatoka Valley Development	200,000.00
4	Saivou Valley Agriculture	250,000.00
5	Nadarivatu Development	150,000.00
6	Rotuma Island Development	50,000.00
7	Agriculture Extension Services	200,000.00
8	Rice Revitalization	600,000.00
9	Coconut Development	370,000.00
10	Cocoa Revitalization	300,000.00
11	Ginger Development	100,000.00
12	Vanilla Development	50,000.00
13	Cottage Industry	100,000.00
14	Construction of Quarters & Office	250,000.00
TOTAL BUDGET		4,620,000.00

2.6.4 Cocoa Rehabilitation Programme

The Cocoa Rehabilitation Programme has already started in Namau in Naivicula, Tailevu and is fully functioning. The Ministry has already had a meeting with the growers in Colata in Wainibuka, Matawailevu in Ra. The Ministry is also trying to revive the Cocoa Plantation in Kubuna in Navatu and Kedra in Macuata, Vanualevu. There was a big cocoa nucleus project in Rabi but unfortunately most of those plantations are now overgrown.

2.6.5 Taiwan Technical Mission (TTM)

The Committee noted that the Taiwan Technical Mission (TTM), is being undertaken and enforced in the Nadroga areas. The TTM works with farmers in the valley to produce and market various types of vegetables and papaya as well as to supply seedling from its demonstration farms.

2.6.6 Non – Capital Program

The Crop Extension Division continues to promote the importance of producing local crops, fruits and vegetables to address the need of Food Security in Fiji.

The targeted crops are Vegetables, Dalo, Cassava, Dalonitana, Via, Kumala, Breadfruit, Yam, Rice, Duruka, Banana, Vudi, Vanilla, Voivoi and Floriculture.

The Ministry alluded that the vanilla production in Fiji is not on a large scale but is a profitable commodity. Unfortunately only the women of our communities are engaged in the cultivation of this commodity. The processes of pollinating of vanilla is a labour intensive exercise. Most of the vanilla plantations are operated by women groups.

2.7 Animal Health & Production Division

2.7.1 Core Function

Three important functions;

- Provide knowledge and livestock related services to livestock industries, provides advice to government on the development of livestock sectoral policies and programs aimed at promoting the sustainable development of the livestock industry.
- Provide animal health, regulatory and technical services to maintain and improve animal health status and prevent the introduction of exotic pests and diseases
- Promote and facilitate livestock research and development programs among other responsibilities

2.7.2 Achievements of Agriculture Livestock Programs

Most of the Livestock programmes are centred round the purchase of materials to assist the small holder dairy farms. The Ministry can only buy materials from suppliers that were awarded the tender by the Ministry of Economy. This has affected the progress of the livestock programs.

The Government has continuous programme for the Beef Industry Development, both at research and production level. The Ministry is trying its best to improve the quality of carcass. Most of the imports are of special cuts that are required by the hotels. The Ministry is currently producing enough beef to meet the local market. The bulk of the imports are of special cuts that are required by the restaurants, et cetera.

The Ministry has embarked on some programmes like producing the best breed that produce tender meat. If it achieves this, it can supply to the local hotels and restaurants. For the poultry industry, the Ministry also has firm commitment from private sector players which has led to the stability of our poultry production.

In regards to beef, some Senior Officials of the Ministry of Agriculture have just returned from the Australian Beef Week in Rockhampton, New South Wales, Australia which is known as the beef capital in the world. They have identified some good beef and dairy breeds in Australia that were doing successfully. The Ministry is embarking on a program of embryo transfers and the first batch of pregnant mothers will be dropping in September this year.

2.7.3 Table 4. Livestock Production Achievements

Livestock	Production in 2012	Production in 2013	No: of stock 2012	No: of stock 2013	Remarks
Beef Industry	1,613 (MT)	2,272(MT)	32,203	38,117	41% increase in Production
Dairy Industry (Milk)	11,275,604 (Million Litres)	12,050,000 (Million Litres)	10,310 (Herd)	12,950 (Herd)	7% Increase (Formal & Informal Mkts)
Sheep Industry	174	199	12,191	16,332	14.4% increase in Production
Pig Industry	813	949	29,447	31,365	17% increase in production of Pork
Goat Industry	100	154	24,723	37,931	Production increased
Apiculture Industry	188	215	8,828	10,634	15% increase in production

Poultry Industry				
Livestock	Indicators	2012	2013	Remarks
Poultry	Number of broilers	13,061,000	15,410,585	18% increase
	Production of poultry Meat (mt)	18,295	26,354	44% increase(excluding small backyard farmers)
Duck	Production (mt)	-	8.4	From 2 registered rural slaughter houses (Reddy & Iman)
Eggs	Production (dz)	5,462,902	6,736,100	23 % increase
	Per Capital Consumption	65	90	28% increase

2.8 Land & Water Resources Management Division (LWRM)

2.8.1 Core Function

To support the Ministry of Agriculture strategic and corporate goals through facilitation of sustainable land and water resource management for agricultural development.

2.8.2 Budget Summary

The Division was allocated a total of \$10 million for its capital works programs. An additional \$1.5 million was allocated to the Flood Protection program for the Ba River Dredging Works. The total utilization was ninety six percent (96%) of the allocated budget in 2013.

2.8.3 Achievements of Funded Programs

2.8.3.1 Flood Protection

Area	Activities Undertaken
Ba River Dredging	<ul style="list-style-type: none"> • A total of 7.5 kilometres of the river mouth to Nawaqarua Village has been dredged.
	<ul style="list-style-type: none"> • A total of 230 meters long river bank protection works completed.
Nadi River Dredging	<ul style="list-style-type: none"> • Completed Nadi River Dredging.
	<ul style="list-style-type: none"> • A total of 4 kilometers of the River from Moala Village up to the Nawaka River downstream from Nadi Town was dredged.
Labasa River Dredging	<ul style="list-style-type: none"> • Completed dredging and extensive hull maintenance of Dauqueueu.
	<ul style="list-style-type: none"> • Completed repair work of main engine fuel pump.
Sigatoka River Dredging	<ul style="list-style-type: none"> • Completed the Environment Impact Assessment.

2.8.3.2 Watershed Management

The Ministry rehabilitated three (3) Dams (Nawaka, Vatutu and Namulomulo in Nadi) that were damaged during the 2012 floods.

Furthermore, an Environment Impact Assessment (EIA) for the proposed Mosi Dam No: 2 in the Nadi Watershed was completed in 2013.

2.8.3.3 Irrigation Services

The Ministry maintained a total of eight (8) irrigation schemes in 2013. In addition, one thousand seven hundred hectares (1,700 h) of land were developed for rice and vegetable cultivation with eighty four percent (84%) of budget utilization.

2.8.3.4 Drainage Subsidy

The Drainage Subsidy was the Grant provided to the three (3) Drainage Boards for their operations and maintenance works for developed drainage schemes. The schemes support the sugar industry in the Western and Northern Division, while the Central Division were for non-sugar crops.

2.9 Land Resource Planning & Development Division.

2.9.1 Core Function

“To enhance capacity development for farmers as well as the agriculture staff, provide farm management training for both crop and livestock, promote sustainable land use practices by emphasizing on land conservation and land degradation issues, accelerate the generation and use of appropriate technology among other responsibilities”

2.9.2 Budget Summary

In 2013, the Division was allocated Three Hundred Thousand Dollars (\$300,000) for the implementation of the two (2) programs; Sustainable Land Management and Farm Management.

2.9.2.1 Sustainable Land Use Management

Programs	Activity Undertaken
Implementation of REDD+ Policy	<ul style="list-style-type: none"> Developed National Biodiversity Strategy and Action Plan to address issues such as Biodiversity, Forest Conversion, Special Conservation, Inland Waters, and inshore fisheries, coastal development, protected areas and invasive Alien Species.
	<ul style="list-style-type: none"> Established a National Village Relocation Taskforce.

	<ul style="list-style-type: none"> Established National REDD+ Steering Committee on two pilot sites at Mount Emalu, Draubuta Village, Navosa and Mount Namako and Nabunilagi in Vunivia Catchment, Dogotuki, Macuata National Environmental Council
Promulgation of the Land and Water Resource Management Decree	<ul style="list-style-type: none"> The new, Land and Water Resources Management Decree (the amended LCIA) and regulation with a Cabinet Paper were submitted to the Solicitor General's office for endorsement.
United Nation Convention to Combat Land Desertification (UNCCD)	<ul style="list-style-type: none"> A draft National Action Plan for UNCCD was formulated
SLM Technology transfer to communities	<ul style="list-style-type: none"> Soil stabilization work on one of the FEA Tower in Wailoa, and at the new village site for Narikoso in Ono Island, Kadavu where vertiver grass were planted around the Tower to protect soil erosion. Provided technical advice to the China Railway on planting of vertiver on the newly constructed Sawani-Serea Road for rehabilitation and protection purposes.
Capacity Building	<ul style="list-style-type: none"> Facilitated Training on Training of Trainers (TOT) with Extension Division and Land Use Planning Participated in public display and road show to showcase SLM strategies to the public mainly in National Agricultural Show in Lautoka. Participated in the Keiyasi Road Show in Vatumali Government Station, Navosa, Ratu Rakavi in Sigatoka and Nadarivatu Roadshow.

Ensuring Equal Access for Women in all Agriculture Development	<ul style="list-style-type: none"> • LRPD also ensures that equal access is rendered to our society to boost the agriculture development for their livelihood and for the national economy as a whole.
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2.9.2.2 Farm Management

This program is responsible with building the capacity in the Farm Management Discipline within the Department and the Agricultural Sector.

Programs	Trainings Conducted
Quick Economic Recovery	<ul style="list-style-type: none"> • Two (2) Farm management Trainings were conducted at Nadave.
Poverty Alleviation	<ul style="list-style-type: none"> • Conducted five (5) trainings to improve livelihoods, in Muani, Tailevu, Nativi in Ra, Koro in Ba, Korovou in Nawairabe and Bemana in Nadroga. • Farm Management Training for Farmers in Ovalau, Koro, Cakaudrove, Bua and Macuata. • Trainings for Bua and Kadavu Farmers.
Facilitate Market Development	<ul style="list-style-type: none"> • Developed six (6) commodity profiles (Beef, Dairy, Sheep, Poultry, Cocoa and Banana)

3.0 Crop Research Division

3.1 Core Function

“To complement and support the Ministry of Agriculture and Primary Industries through the development of new technologies and its transfer to suit the need of farmers, the clients and stakeholders for the enhancement of the agriculture sector through applied research”

3.2 Budget Summary

In 2013 the Division was allocated \$1.23 million to fund research activities in the areas of developing affordable agricultural technologies and dissemination of research findings.

3.3 2013 Achievements

A number of collaborative researches were carried out in 2013 including the ACIAR funded projects:

- 3.3.1 Soil Health Project.
- 3.3.2 Integrated Crop Management.
- 3.3.3 Developing Cleaner Export Pathway for Pacific Agriculture Commodities.
- 3.3.4 The preparation work for the Mushroom Technology is to be funded by the Chinese government.
- 3.3.5 The Pacific Adaptation to Climate Change (PACC) conducting research on lowland areas on two pilot sites in Fiji focusing on climate adaptation and food security.

4.0 Economic Planning & Statistics Division

4.1 Core Function

“To provide appropriate policy advice, marketing information, effective project formulation and evaluation, and collection of reliable agricultural statistics.

4.2 2013 Achievements

Achievements	Outcomes
International Relations	<ul style="list-style-type: none"> There were a few numbers of MOU facilitated in 2013 with FMIB, Goodman, Fielder, Fiji Sun, FBC, SPC and bilateral partners.
Policy Analysis	<ul style="list-style-type: none"> There were four (4) Policy brief drafted in 2013 for Agriculture, Food Security, Potatoes and Rice programs.

Project Formulation & Evaluation	<ul style="list-style-type: none"> • The Ministry analysed and submitted ninety five (95) projects which were all approved in 2013.
	<ul style="list-style-type: none"> • Monitored all Agriculture Projects which were funded from 2009 – 2012.
	<ul style="list-style-type: none"> • Compiled fifty eight (58) PSIP for new financial year (2014).
	<ul style="list-style-type: none"> • Conducted four Geographical Divisions Training on Project Planning & Management.
Compilation of Agriculture Statistics	<ul style="list-style-type: none"> • Exporters and Agro- Processors Survey: sixty one (61) Traders Surveyed. • Dairy Survey: 194 Dairy Farmers surveyed. • Livestock Feed Survey: The Survey was conducted around Viti Levu & Vanua Levu on all Companies processing livestock feed at large scale and small holder operation. • Large Scale Farmers Survey: 363 LSF covered from Northern & Western Divisions.
Marketing Information	<ul style="list-style-type: none"> • Facilitate and improve trade of agriculture products both locally and abroad. The three major areas of focus include; Market Survey, Market Information and Trade Facilitation.
	<ul style="list-style-type: none"> • Conducted forty four (44) Market Surveys in ten (10) Municipal Markets.
	<ul style="list-style-type: none"> • Completed Hotel Demand Survey to identify the food demand level.
	<ul style="list-style-type: none"> • Attended two (2) market scoping mission in New Zealand and Australia.

5.0 Human Resources, Finance & Information Division

5.1 Core Function

“To review current organisational structure and implement public service reforms, implement best practices in human resources management, enhance upholding of values and codes of conduct, develop and promote professionalism, implement effective training programs, collate effective asset management tools of the Ministry and ensuring good governance in administration and development of financial and other resources among other responsibilities”.

The Human Resource, Finance and Information Division coordinates and facilitates all the support services arms of the Ministry”.

5.2 2013 Achievements

Achievements	Outcomes
Post Processing Management	<ul style="list-style-type: none"> In 2013, the Human Resources Division was able to advertise a total of one hundred and thirty one (131) established positions and twenty six (26) Government Wage Earner positions. There were one hundred and forty three (143) contracts issued for the established positions during the year which includes renewals.
Ethics & Discipline	<ul style="list-style-type: none"> The current Disciplinary Process and Policy relating to disciplinary issues are being reviewed. There were seventeen (17) disciplinary cases in 2013.
Information Technology & Communication	<ul style="list-style-type: none"> In 2013, the ITC unit of the Ministry provided GOVNET access to staff in Korovou and Nacocolevu, revamped PABX at HQ, the Ministry website at Koronivia with the help of ITC. The unit also developed the migration of Tikina Profile Survey System and revamped the consolidation of EP&S (Census) Access databases into SQL Server and additional work is expected to be continued in 2014.

Newspaper Publication	<ul style="list-style-type: none"> The Ministry released one hundred and fifty four (154) stories in 2013 and incurred a total cost of two hundred and forty three thousand seven hundred and forty six dollars (\$243,746) for Newspaper Publications. Articles are also published in Hindi vernacular in the Shanti Dutt.
Agriculture Document Publication	<ul style="list-style-type: none"> The Ministry designed and finalised the SEA booklet and the Fiji Agriculture Journal in 2013. One of the major achievement was the successful completion of Crest Agriculture Show publications.
Radio Programs	<ul style="list-style-type: none"> In 2013, four hundred and ninety four (494) radio programs were aired against a target of five hundred (500).

6.0 Financial Statement for the year ended 31st December, 2013.

	2013	2012
Total Receipts	548,254	759,041
Total Expenditure	44,984,612	45,761,232
Consolidated TMA – Total Income	193,400	445,963
Consolidated TMA- Total Expanse	195,060	333,858
Net (loss)/Profit	(1, 660)	112,105
Consolidate TMA- Current Assets	1,841,061	1,495,913
Consolidate TMA- Current Liability	-	-
Total Equity	1,841,061	1,495,913

7.0 Way Forward

It is recommended that:

- 7.1** The Annual Reports be produced immediately in the following year.
- 7.2** The value of products for all agricultural programs that the Ministry invested in should be highlighted to reflect the return on investment.
- 7.3** The Ministry's Annual Reports should reflect the Ministry's performances and achievements against the set targets in accordance with the Ministry's Annual Corporate Plan.
- 7.4** The Ministry indicate measures undertaken to address issues raised in the previous year's Audit Report.
- 7.5** The Ministry strengthens its human resources recruitment policy to ensure that vacant positions are filled in a timely manner.
- 7.6** The results of crop research findings be disseminated widely to empower farmers and the public.
- 7.7** The results of the collaborative researches done in 2013 should be introduced to the farmers.
- 7.8** The Newspaper Publication be published in the Hindi and iTaukei vernacular (Nai Lalakai and Shanti Dutt).
- 7.9** The cost of Radio Programs be highlighted in the 2013 Report.

8.0 Conclusion

The Ministry's performance in 2013 was affected because it was recovering from the aftermath of TC Evans in December 2012. The Ministry's Annual Budget was underutilised by \$2.7 million due to the effect of TC Evans and coupled with the non-filling of a number of vacant positions and the unavailability of building materials in most of the hardware stores.

APPENDIX 2

Verbatim Report

STANDING COMMITTEE ON
NATURAL RESOURCES

[Verbatim Report of Meeting]

HELD IN THE

COMMITTEE ROOM (EAST WING)

ON

MONDAY, 28TH MAY, 2018

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON NATURAL RESOURCES, HELD IN THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON MONDAY, 28TH MAY, 2018 AT 10.12 A.M.

Interviewee/Submittee: Ministry of Agriculture

In Attendance:

- | | | |
|----------------------|---|-----------------------|
| 1. Mr. Vatimi Rayalu | - | Deputy Secretary, CSP |
| 2. Ms. Sera Bose | - | PEPO, Statistics |
| 3. Mr. Avinesh Dayal | - | Director, AH&P |
-

MR. CHAIRMAN.- Honourable Members of the Committee, we are blessed this morning to have the team from the Ministry of Agriculture since we are looking at the Ministry of Agriculture's Annual Report for 2013. Honourable Members of the Committee: we have Mr. Vatimi Rayalu, Ms. Sera Bose and Mr. Avinesh, one of the Directors in the Ministry of Agriculture.

The team from Agriculture, this is the Committee on Natural Resources. We are mandated to look after Agriculture since Agriculture is resource-based. We have Honourable Samuela Vunivalu, Honourable Jiosefa Dulakiverata, Honourable Alifereti Nabulivou and myself, the Chairman, and also Honourable Niko Nawaikula is outside, he will join us later.

This morning, we were being tasked to look at the Ministry's Annual Report for 2013. Mr. Rayalu and the team, the Committee has already gone through the Report and through our analysis, we found some discrepancies in some of the things that we will need to clear from the team this morning.

So, we will now open the floor for our discussions. There will be no presentation but we will just clarify some of the issues that we found in the Annual Report 2013. But if those issues have been cleared and addressed, we will need your clarifications and then we will move on as we look at the Report.

So, Honourable Members of the Committee, the floor is now open for our discussions, *vinaka*.

Shall one of the Honourable Committee Members start off? We will start off with Honourable Nawaikula.

HON. N. NAWAIKULA.- My thinking is that, when I look at the Report (I think it should be but I am not sure why the Annual Corporate Plan is part of it), may be if you can just tell us the reason why it is not part of it? Because, for example, when you come to the export and you have the National Targets, and that is what the Government wants of you, and from that target, you fit into that what your Ministerial Target is, in order to achieve that, but I am not finding it in the Annual Report. Is there a reason for that or could that be taken as part of future reports that Corporate Targets are included, so that it makes us able to measure whether you are on par with what you are set out to achieve or not?

MR. V. RAYALU.- Thank you, Mr. Chairman and Honourable Members of the Standing Committee on Natural Resources, I think the point raised by Honourable Nawaikula is a valid point.

The outputs, according to the Annual Corporate Plan, should be part of the Annual Report, because actually that is where the achievements that are stated in the Annual Report will be measured against. So, I think in future, we will make a point of including the targets that we have set in the Annual Corporate Plan as part of the Annual Report.

MR. CHAIRMAN.- Mr. Rayalu, your Annual Budget Summary: what we found out that you were given \$47.6 million, but you were only able to use \$44.9 million and underutilised, the amount of \$2.7 million or 92 percent of the budget was utilised. Any comment on that? Because what we found out, in the Annual Corporate Plan - the whole utilisation of your budget, but when it comes to the Annual Report, only 92 percent of the budget was utilised; \$2.7 million was underutilised; it goes back to the Government, any comment on that?

MR. V. RAYALU.- Thank you for that point, Mr Chairman. Usually at the end of year, there are savings normally in SEGs 1 and 2, that is from the salaries due to some of the posts that are supposed to be filled but are not being filled, so that is usually where big savings come from.

MR. CHAIRMAN.- So the underutilised figure just to confirm, it comes from the salary of posts that were not filled?

AGRICULTURE REP.- Yes, the biggest chunk usually comes from those two SEGs.

MR. CHAIRMAN.- *Vinaka*.

HON. J. DULAKIVERATA.- Still on that section, Honourable Chairman, that \$2.7 million could it be used in some other things like development in Agriculture?

MR. V. RAYALU.- Unfortunately, we cannot use those two SEGs for any other core sector because that is a specifically fixed amount and it comes under operating.

HON. J. DULAKIVERATA .- Thank you, Mr. Chairman, good morning to you all. Figure 2.3, 2013: Agriculture Sector Achievement and Performance. The total imports for crops and livestock for the year (I understand that 2013 is a few years back), may have changed dramatically by now, but \$552 million is for imports of crops and livestock but our exports is \$180 million, a trade deficit of \$372 million.

What is the Ministry's target to reduce this trade deficit?

MS. S. BOSE.- *Vinaka*, Sir, on the import and export of the Ministry, the Ministry is currently in the process of improving its agricultural statistics and one of the things that we have taken on board is trying to single out export figures that are assigned to Agriculture to highlight only crop and livestock.

Since 2013, we have been able to do that to extract the figures that are only representative of fresh, chilled and processed commodities; imported fresh, chilled and processed crop and livestock commodities. That is why you will see the figure is only \$180 million (that is only for

crop and livestock), whereas HS code 1 – 24 includes all the four sub-sectors of Agriculture which is crop, livestock, fisheries and forest, usually the tables are given to us and from that Table, we extract only crop and livestock because, I think, the Ministry only looks after crop and livestock commodities.

One of the things that used to be highlighted by the Ministry before, are the export figures that used to identify all the four sub-sectors, but for the 2013 export figures, we have narrowed it down so that it is only representing crop and livestock commodities.

HON. N. NAWAIKULA.- So are you saying that \$180 million for exports as opposed to \$552 million for imports?

MS. S. BOSE.- Yes.

HON. N. NAWAIKULA.- And one of your targets is to improve that?

MS. S. BOSE.- Yes.

HON. N. NAWAIKULA.- So can you just tell us how in 2013, did you manage to improve the export or how did the Ministry perform?

MS. S. BOSE.- We have improved export by increasing it by 1 percent which is in the Report, but not so much the import. Our import was still increasing in both value and quantity.

HON. N. NAWAIKULA.- So can I just go back to your Corporate Plan? Was there a set target on the export for that year which we can measure your performance on?

MS. S. BOSE.- I think so.

HON. N. NAWAIKULA.- In this Corporate Plan, I am just trying to work out, it is a general target that you have to reduce import, meaning to increase export and therefore in my mind, I will need to look at the national target for the Ministry and then it will dribble down to the livestock, to the extension, in order to meet the target. So, I am just trying to work out whether from that Corporate Plan, do you have a set target for exports for the year 2013? I know it is there, “reduced”, *e volai tu ga i ke* “reduced” but you do not have a number so that we can measure it against, 20 percent.

MS. S. BOSE.- Increase exports by 10 percent.

HON. N. NAWAIKULA.- All right, 10 percent of what?

MS. S. BOSE.- Ten percent of the base figure which is the 2012 for exports, I think.

HON. N. NAWAIKULA.- So generally in the exports, what did you achieve for 2013? Did you meet that target or no?

MS. S. BOSE.- No, but we were able to increase exports by 1 percent.

HON. N. NAWAIKULA.- All right, so exports was increased by 1 percent even though the target that you set for yourself was not achieved.

MS. S. BOSE.- Yes.

MR. CHAIRMAN.- Mr. Vatimi, any other comments?

MR. V. RAYALU.- I just wish to let the Committee know that 2013 was our recovery year after *TC Evans* in 2012.

HON. N. NAWAIKULA.- Can you just clarify that point again, 92 percent of the budget was utilised but the underutilised, you have already explained the reason for that.

MR. V. RAYALU.- So, there are usually huge savings in the posts that are not filled which are those SEGS - SEGs 1 and 2.

HON. N. NAWAIKULA.- So Human Resources.

MR. V. RAYALU.- Yes, but we have worked on trying to correct that through the recruitment processes to try and fill up all the posts that are still vacant.

HON. J. DULAKIVERATA.- Mr. Chairman, just a question on the contribution of crops and livestock towards GDP.

In 2012, there was a decrease of 6.8 percent towards GDP. Do you have a target or what is the programme here? Do you have a specific rate to contribute to the GDP or it will just be based on your performance?

MS. S. BOSE.- GDP is the measure of the value of production. So, when production increases, the value increases and looking through the ACP I think there is a target to increase production by 10 percent and I think we have increased our contribution in 2013 to 8.2 percent which is a growth of 6.8 percent.

HON. N. NAWAIKULA.- That is for what - GDP?

MS. S. BOSE.- Yes.

HON. N. NAWAIKULA.- So 6.8 percent?

MS. S. BOSE.- Yes.

HON. N. NAWAIKULA.- And I think the next question is whether that was achieved?

MS. S. BOSE.- By 10 percent increase in production.

HON. N. NAWAIKULA.- Understanding, of course, that 2013 was the recovery year.

MS. S. BOSE.- Yes.

HON. S. VUNIVALU.- So it increased in 2013.

MS. S. BOSE.- The GDP contribution is 8.2 percent with the growth of 6.8 percent. We did not achieve the 10 percent but our GDP contribution growth was 6.8 percent.

HON. N. NAWAIKULA.- So it is correct to say that even though it is the recovery year, it increased steadily, so 5.7 percent in 2011, 5.8 percent in 2012 and 6.8 percent in 2013, so despite the recovery year, you managed to contribute 6.8 percent towards the GDP in 2013.

MS. S. BOSE.- Which paper are you referring to, Sir?

HON. N. NAWAIKULA.- I am looking at Page 12.

MS. S. BOSE.- That is the National GDP. What you are looking at is the value of the Agriculture GDP. The total GDP of the Ministry of Agriculture in 2013 is 8.2 percent, with the growth of 6.8 percent.

HON. N. NAWAIKULA.- What does that mean in layman's term?

MS. S. BOSE.- That means that the total value of \$497 million, measured against the total national value of \$695 million is 8.2 percent, which is the total contribution of the Ministry to the national GDP. The growth of 8 percent to 8.2 percent in 2013 is 6.8 percent, am I clear?

HON. N. NAWAIKULA.- In layman's term, because I do not know the figures, it means production, exports increased.

MS. S. BOSE.- No, only production increased, the GDP does not include exports. GDP is just the value of production.

HON. N. NAWAIKULA.- Can we just say, we produced more?

MS. S. BOSE.- Yes, we produced more in all the sectors, in terms of subsistence, market and even the ones that we export, et cetera.

HON. N. NAWAIKULA.- We may not export more but we produce more locally, that is how that is explained, *vinaka*.

MS. S. BOSE.- Domestically, yes.

HON. A. NABULIVOU.- Mr. Chairman, there is a question here, Agriculture (Crop and Livestock) Export, Page 13, "In 2013, Fiji exported \$181 million (FJD) worth of Crop and Livestock Commodities and Products both in fresh/chilled and value added which is 17 percent of the National Domestic Export. The question is: were all agricultural national targets achieved based on Page 13, Crop and Livestock Export?

MR. V. RAYALU.- Can you pose the question again, Honourable Member?

HON. A. NABULIVOU.- Were all the agricultural commodities and the national targets achieved?

HON. N. NAWAIKULA.- How do you tie this to your Annual Corporate Plan and whether they were achieved? Can you tell us “Oh, the Annual Corporate Plan, this is our target and that was achieved” understanding that one of your targets there is - “reduce imports and increase exports”.

MS. S. BOSE.- I think the targets in the Annual Corporate Plan was just to increase production of non-sugar commodity by 10 percent. It did not single out on each commodity, individual targets would be able to be highlighted.

HON. N. NAWAIKULA.- All right, was that 10 percent achieved, that is 10 percent national?

MS. S. BOSE.- Yes, national.

HON. N. NAWAIKULA.- The others - AH&P can distribute that?

MS. S. BOSE.- Yes.

HON. N. NAWAIKULA.- So we can just know whether that 10 percent was achieved, and if not, what was the reason and how can we improve on that?

MS. S. BOSE.- We were able to increase production but we did not achieve the 10 percent target.

HON. N. NAWAIKULA.- All right, that is quite clear.

MS. S. BOSE.- The commodities that make the significant impact in that increase are the ones that are highlighted in the Annual Report.

HON. N. NAWAIKULA.- There is a question that follow from there, so we all agree that the local production is increasing but we are not managing to increase our export. What can we do or what are some initiatives that should be done or the Ministry can look into to increase the export margin?

MR. CHAIRMAN.- Increase the export and decrease the import?

HON. N. NAWAIKULA.- One obvious thing is market, how do you secure those markets.

MR. CHAIRMAN.- Increase your export.

MR. V. RAYALU.- Thank you, Honourable Member. As we have highlighted, there were general increases in most of the commodities that are highlighted in the Report. But when it comes to export, we are really at the mercy of the export markets. Our major export markets are Australia and New Zealand.

In terms of the major commodities that we are exporting to these two countries, these are commodities targeting the niche markets which consist mainly of our former citizens that are now

citizens of those two countries, and the big Polynesian population, especially New Zealand, so the big export commodities right now are *taro*, *dalo*, cassava, ginger which is coming up but in terms of fresh ginger to Australia, we are still having problems through the importation restrictions from the other side, nothing to do with us from this side. So the export markets are very limited, to put it very frankly.

HON. N. NAWAIKULA.- Am I correct in saying therefore that the export is all privately-driven?

MR. V. RAYALU.- Yes.

HON. N. NAWAIKULA.- The Government can only assist by assisting those that are doing the exports - the private companies.

MR. V. RAYALU.- Government only comes in during the negotiation of the pathway for exports.

HON. N. NAWAIKULA.- And if that might give them some tax, concession to them?

MR. V. RAYALU.- Yes.

HON. N. NAWAIKULA.- For example, Ben's Trading: what kind of assistance is the Government giving to Ben to allow Ben to expand the export, tax concessions and whatever?

MR. V. RAYALU.- We have assisted Ben in terms of him meeting the required standards from the other side. They are very particular on our exporters meeting the export standards for food safety reasons. So Government has assisted Ben to that end and so it has assisted other exporters.

HON. N. NAWAIKULA.- Like vegetables and the like?

MR. V. RAYALU.- Yes.

HON. A. NABULIVOU.- Mr Chairman, do we have any other plans for the village communities to contribute to increase exports.

MR. V. RAYALU.- We do have programmes within the Ministry right now where communities can access, we advertise them in the dailies. There is the Agriculture's Agro Processes Infrastructure Programme which was advertised in the papers but we did not receive any application. We will receive applications only from those that are already exporting to try and meet the standards and expand their operations, like the Honourable Nawaikula had stated, just to let the Committee know that we have assistance available.

HON. A. NABULIVOU.- ... to encouraging farmers from subsistence to commercial farming so that they maintain those export standards.

MR. V. RAYALU.- We have programmes also on the ground to try and get groups of farmers together.

HON. A. NABULIVOU.- The clusters.

MR. V. RAYALU.- Yes.

MR. CHAIRMAN.- Moving on to Agriculture (Crop and Livestock) Import: we have already seen that the import is still increasing but the question from us (the Committee), how can we reduce the imports? And what other programmes do you have to reduce these imports? It has already been said that most of these commodities that we are importing can be grown locally, but looking at the figures in your Annual Report, the import bill is still very high. What other programmes are in place in the Ministry of Agriculture to reduce these imports and make them locally? Any comments from the team?

MR. V. RAYALU.- Thank you, Mr Chairman. In terms of trying to reduce the import of those commodities that we can also grow wild here, I think we must first of all understand that everything we grow in Fiji is on a seasonal basis. We do not have the luxury of those technologies that can help us to produce all-year-round. We are in the process of trying to entice investors like what Grace Road is currently doing, where they bring in their own technologies to help them produce rice and other commodities all-year-round. But we must also understand that the majority of our producers are small scale producers, subsistence in nature.

These producers could be taro producers this year, cassava producers the following year and vegetable producers the very next year. They move when the price is right, if taro price is high, they will all go to taro farming, and if cassava price is high, they will all go to cassava farming. This is the nature of our small scale producers that we have to live with; it is a reality because to them, what matters most is what they get in their pocket.

But what we have tried to do is to work very closely with the private sector. You must have heard lately that the Minister launched the programme which is called the 'Farm to Market Initiative'. This is a programme that we have worked out with the British American Tobacco. They have the state-of-the-art nursery facilities in their plant in Votualevu. That Facility, if fully functional, can produce 2 million seedlings at any one time.

So we have a joint project with the British American Tobacco to use the nursery facility during their off-season as part of their contribution back to the community or the CSR (Corporate Social Responsibility). During the off season, what British American Tobacco will do is they will import seeds. We are looking at a few commodities, namely tomato, capsicum. They are looking also at eggplant and even pawpaw. For British American Tobacco to produce the seedlings and the Ministry of Agriculture will be responsible for distribution and planting of the seedlings with the farmer clusters.

Of course, we have a working committee which is made up of hotel and supermarket representatives and also exporters because these will be the outlets where the produce from this initiative will eventually end up.

For the information of the Committee, our hotels and supermarkets are finally accepting local produce. If you go to the New World Supermarkets, all those fresh vegetables and root crops that are sold there are local. We now have a distributor from Sigatoka who distributes to New World Limited.

Even the food that now goes to Fiji Airways from ATS are now all local because now we have finally found inroads through the normal campaigning of our Honourable Minister and the partnerships that we have gone into with the hoteliers and the supermarkets and we find it very very interesting.

Also on the agro-processing side, we have never had a time where we have had so many agro-processors in this country. You have those that deal with ginger, cocoa, coffee, you name it. There is even a company called "Agrana Fruit (Fiji) Ltd." based in Sigatoka. You will find their products in almost every shelf in this country - "Value Fresh", that is a local company, it has been around for thirty years. So they have faith in our local fruits, especially the fruits that are grown in Fiji. They do banana paste and all sorts of fruit juices; all their passionfruits come from the local passionfruit.

Last year, they said that all the tomatoes came from local tomatoes, for the tomato paste. It is a very encouraging time for Agriculture, thank you.

HON. N. NAWAIKULA.- Mr. Chairman, just before we move on, talking about reducing import, can we talk about rice for the moment: how much rice are we importing and what will be the impact of Grace Roads, also I heard that you are reviving the Rice Scheme in Bua? So how much would you hope to reduce import as a result of Grace Road's contribution and the new revamped rice sector?

MS. S. BOSE. - Maybe I can assure you that rice is one of the commodities that, of course, is decreasing significantly in terms of the imports but I do not have the figures with me right now. Would it be possible if we send it over to you by e-mail, Sir?

MR. CHAIRMAN.- Yes, through the Secretariat.

MS. S. BOSE.- If I can get your email address and I will give you a performance of the rice industry since 2013 maybe.

MR. CHAIRMAN.- *Vinaka*, I think, we have heard from the team that since 2013 they have been working very hard on all those programmes to reduce the imports: the Valley Fresh Company, and also other programmes; the Farm to the Market Initiative, so what we have available locally in the markets, hotels, supermarkets are locally grown, so that will reduce the import figures that we were talking about in 2013.

Moving on, any other questions, Honourable Members? Honourable Jiosefa Dulakiverata.

HON. J. DULAKIVERATA. - While we are still on that, Mr. Chairman, I just want to ask the question whether there is a distinction between the farmers that are engaged in the export markets and those that produce for local consumption, to be able to achieve all these targets, you are self-sufficient at home and you also export.

MR. V. RAYALU. - Thank you, Honourable Member. Mr. Chairman, yes, there is a distinction between our farmers that grow for exports and those that grow for the local markets. Our farmers that grow for exports are registered under the BQA (Bilateral Quarantine Agreement). There is a reason for that because of the requirements from the export markets and

as I have highlighted, the food safety requirements whereby if there is a product that does not meet the required standards they will trace back the product right up to the farm where it came from. So, that is why those farmers that grow for exports have to be registered.

MR. CHAIRMAN.- BQA registration.

MR. V. RAYALU.- Yes.

HON. J. DULAKIVERATA.- If you have the strict requirements for exports, also we are not very particular with the local consumption because everything in the market that we buy and eat, everyone use chemical extensively: weedicides, pesticides and all these other things. Where do you have the balance on these things? One side you want to have these healthy crops for consumption and export, and on the other side, you encourage the use of these chemicals because this Care Programme everyone just goes and buys sprayers, chemicals, et cetera. How do you promote this organic farming against all these?

I remember one Chinese guy said, "It is up to you whether you want to be a commercial farmer or a conservationist? But the thing is, you are taking care of the consumption and export and you have these requirements, where do you have the balance?"

MR. V. RAYALU.- Thank you, Mr. Chairman. The answer to the Honourable Member's question lies in encouraging more organic production. Government, through the Ministry of Agriculture and the Ministry of Trade, is moving rapidly. We already have a set of standards that will be the certification for all organic regrown products from Fiji.

At the Ministry of Agriculture, we are encouraging as much as possible, organic production, but then again, like the Honourable Member has stated, it is a very difficult thing to go fully organic, because when you talk on the commercial scale, when you talk about the demands of the market, it really has to be fast and meet the timelines that have been set by the markets. But nevertheless the Ministry is doing all it can to try and encourage as much as possible organically grown products.

One of our islands, Cicia, we have declared a fully organic island, and I think Matuku is also following soon. We have heard from our Minister that he wants to make Fiji the organic capital of the world, if we can go fully organic and declare the whole of Fiji as organic, but that in itself will be a huge ask.

MR. CHAIRMAN.- Honourable Members, can we move faster with time on this?

HON. S.B. VUNIVALU.- Thank you, Mr. Chair. My question is in regards to the coconut plantation and copra production.

If you move around the country, especially in estates like Taveuni, Savusavu, there is no replanting of coconuts. We saw only coconuts that were planted may be eight or 100 years ago are still there. How do you address the replanting of coconut to improve the copra export?

MR. V. RAYALU.- Thank you, Mr. Chairman. The Ministry still has the coconut rehabilitation programme where we raise coconut seedlings from selected mother palms and we still distribute coconut seedlings, of course, free of charge to those that are interested in

replanting. But as you know, the processing of copra cutting is quite a tough job. I know Honourable Nawaikula will know this very well because it is not an easy thing. The youth of today are not very favourable towards copra cutting because there are other alternatives that bring in more money than that, like *dalo*, *yaqona* farming, so if you go to most of these estates, like the Honourable Vunivalu has said, it is the very old people who are doing copra cutting and drying, not the young people.

MR. CHAIRMAN.- The younger generation?

MR. V. RAYALU.- No, no, not any more.

MR. CHAIRMAN.- Their preference is somewhere else?

MR. V. RAYALU.- Somewhere else.

MR. CHAIRMAN.- I think that is the same for sugar - cutting the cane, now it is being a challenge.

Moving on, Honourable Members of the Committee, looking at the achievement of major crop commodities on Page 15.

It shows the national target but it also shows the increase and decrease - 20 percent then 100 percent for 2013. This national target, you have divisional, provincial or district or what is the output for its major crop commodities in each of the areas? How do you get your figures from these major crop commodities?

MR. V. RAYALU.- Honourable Chairman, these figures for the crop is from the Crop Extension Reports; and for livestock, it is from the Livestock Division Reports.

MR. CHAIRMAN.- The Livestock Division?

MR. V. RAYALU.- Yes.

HON. N. NAWAIKULA.- You are on Page 15?

MR. CHAIRMAN.- Pages 15 and 16.

HON. N. NAWAIKULA.- Take for example, *dalo* - 45 percent; *yaqona* - 20 percent; these are the indicators of what? The increase?

MR. V. RAYALU.- Yes, just comparing the 2012 and 2013 figures.

MR. CHAIRMAN.- The same for Page 16?

MR. V. RAYALU.- Yes.

MR. CHAIRMAN.- My question is: this is 2012 and 2013, over the years till today, there is just the same increase?

MS. S. BOSE.- Compared to now?

MR. CHAIRMAN.- Yes, compared to 2014, 2015, 2016, the trend?

MS. S. BOSE.- Yes, and then we have to be considerate of the other natural disasters that comes along the way. I think there was *TC Winston* in 2016.

MR. CHAIRMAN.- And the flood?

MS. S. BOSE.- Yes.

MR. CHAIRMAN.- So the biggest challenge to Agriculture is natural disaster.

MS. S. BOSE.- Natural disaster, and also pests and diseases, yes, for the commodities.

MR. CHAIRMAN.- For the *bulumakau*, it is the Tuberculosis (TB) and

MR. V. RAYALU. BOSE.- Brucellosis.

MR. CHAIRMAN.- Looking at our export destination, in terms of crops and livestock, apart from the one we have here in 2013, do we get into another new export destination?

MS. S. BOSE.- Yes, for the commodities?

MR. CHAIRMAN.- For the commodities.

MS. S. BOSE.- Yes, in some cases we have lost some markets but in some of the years we increase the markets, we add on some more new markets, especially for *kava*. *Kava* has been making a lot of difference in terms of markets and also *dalo*, those many commodities.

MR. CHAIRMAN.- What about *kava* that are taken by passengers because they go through Biosecurity for quarantine purposes, does Agriculture have any data of *kava* that has been taken by passengers?

MS. S. BOSE.- I think that data would be available with Biosecurity Authority of Fiji (BAF). This national table comes from FRCS (Customs).

HON. J. DULAKIVERATA.- I think what we are trying to get here is to capture the accurate *kava* that is taken overseas. If there is a coordination with your staff dealing with your statistics and FRCS, so that they can put in the correct data, I think that is a big sector portion of the market, how much people take from the Airport?

MS. S. BOSE.- My understanding of this data is that, according to Customs in liaising with them, trying to extract the Agriculture trade table, they capture all the commodities that are taken out of the country. I think that is a good point to consider in liaising with them and getting particular definitions of all the items that are in the table. That is noted and we will try and liaise with Customs about that.

HON. S. B. VUNIVALU.- Going back to the rice, Mr Chairman.

MR. CHAIRMAN.- Yes.

HON. S.B. VUNIVALU.- The drainage work that is supposed to be carried out in Vunaniu, Serua for the rice but they moved to Dreketi. The budget was allocated for that and they moved to Dreketi. Thank you.

MR. CHAIRMAN.- I think the fund was diverted to Dreketi which was allocated for Vunaniu. Did the Ministry come back to Vunaniu?

MR. V. RAYALU.- We can come back to you, Mr Chairman.

MR. CHAIRMAN.- Okay, thank you. Okay, Members of the Committee.

HON. A. NABULIVOU.- Mr Chairman, any other top destination for the export for *kava*, apart from New Zealand?

MS. S. BOSE.- The one that is really making a lot of difference now is the US Market.

HON. MEMBER.- (Inaudible)

MS. S. BOSE.- *Io*.

HON. J. DULAKIVERATA.- Just one question, Mr Chairman.

MR. CHAIRMAN.- Yes.

HON. J. DULAKIVERATA.- On the Cocoa Revitalisation Programme, we understand that there were big plantations developed by the previous Government that had been neglected over the years, but now that you want to revitalise the industry, are you going to go back and try to improve these plantations instead of planting new areas? Because these plantations are still there, they just need to be managed.

MR. CHAIRMAN.- Especially in Wainibuka.

HON. A. NABULIVOU.- There is no Wainibuka mentioned here.

HON. J. DULAKIVERATA.- Wainibuka, Dreketi in Macuata and others, you have Namau in Tailevu, Naduruloulou and Vugalei - big cocoa plantations.

MR. V. RAYALU.- Thank you, Mr. Chairman. The Cocoa Rehabilitation Programme has already started; Namau is fully functioning; we have already had a meeting with growers in Colata; Matawailevu is ongoing in Vanua Levu; we are also trying to revive the ones in Kubuna area in Navatu and also Kedra. There was a big cocoa nucleus project in Rabi but unfortunately most of those cocoa plantations are now overgrown and now bushy. We will need quite a lot of work to get it back to production. The same goes for the cocoa plantation in Colata.

HON. A. NABULIVOU.- I think, Mr. Chairman, there is one in Lutu, Naitasiri.

MR. V. RAYALU.- But Lutu now is concentrating more on dalo.

HON. S. VUNIVALU.- In regards to ginger, we see here it is only Tailevu and Naitasiri. With regards to the climate change now, in the Western Division now, we are planting dalo. Why can we not try ginger in the Western Division too?

HON. A. NABULIVOU.- There are other plans for other provinces.

MR. CHAIRMAN.- What other programmes? In 2013, the target areas were Naitasiri and Tailevu, so after that, what other programmes? Do we only concentrate on Naitasiri and Tailevu or do we look at other areas?

MR. V. RAYALU.- Ra, Serua, Namosi are growing ginger now but I do not know whether we can go and grow in Nawaka.

HON. A. NABULIVOU.- Or the maritime islands?

MR. V. RAYALU.- Yes, Cicia grows organic ginger.

MR. CHAIRMAN.- In your Report, Achievement of Funded Crop Programmes and Livestock; those were the only targets for the year 2013. My question is, moving on to the other areas in terms of risk programmes, do we still look at targeted areas or we look at other areas?

MR. V. RAYALU.- The strategy now, Mr. Chairman, is to spread our risk, for example the BQA commodities have now gone as far as Ra.

HON. A. NABULIVOU.- What is BQA?

MR. V. RAYALU.- Bilateral Quarantine Agreement (BQA), that is where we register farmers for exports. Before it used to be concentrated only in Nasigatoka Valley but now it has gone as far as Ra, Tavua, Nadi, Ba up to the Sigatoka Valley, that is all covered.

MR. CHAIRMAN.- So, Members of the Committee, what we were looking at in the Report was only for 2013. Over the years, Agriculture has spread to other areas.

HON. A. NABULIVOU. - Five years ago.

HON. J. DULAKIVERATA.- Mr. Chairman, just one question on the Rotuma Island Development Programme. What we are questioning is the list of crops that are there for Rotuma and we understand that there a lot of yams grown in Rotuma but not on your list?

What is the current status of this trade with Tuvalu? Is that happening or has it come to a stop? What happened to the shipping services?

MR. V. RAYALU.- Thank you, Mr. Chairman, when we set out for that Rotuma Island Development Programme, initially we had thought of trade between Rotuma and the neighbouring Pacific Island countries, especially Kiribati and Tuvalu but unfortunately, the shipping service was the bottleneck for this particular project.

So, that is why it has not given us the results as we would have expected. For your information, there is also an abundance of fruits in Rotuma during the season but we cannot

import into mainland Fiji because of fruit flies. They have a species of fruit fly that is not here on the mainland. So, that is why we have to restrict that, as it is, the Rotuma Island trade with Tuvalu is at a halt.

HON. J. DULAKIVERATA.- Halt.

MR. CHAIRMAN.- Because of the shipping services.

HON. J. DULAKIVERATA.- Mr. Chairman, another question: I just want to know about the Saivou Agricultural Development Programme? We note that there are only twenty three farmers and I think there are more farmers there in Saivou. Why is it that it only caters for twenty three farmers; and whether this programme is still ongoing?

MR. V. RAYALU.- We have always had discussions on this Saivou Development Plan because this, in fact, is Sigavou.

HON. J. DULAKIVERATA.- Sigavou?

MR. V. RAYALU.- Yes, and despite us asking the Ministry of Economy for change in the name because this is actually the Sigavou Project. If you go to Nalawa, when you go down that road that links with Nakorotubu

HON. J. DULAKIVERATA.- Burotu at Matawailevu.

MR. V. RAYALU.- Yes, when you go down Matawailevu, that is all the flat area on your left, so this is where the twenty three farmers are.

HON. J. DULAKIVERATA.- All right.

MR. V. RAYALU.- Actually not Saivou because if you

HON. J. DULAKIVERATA.- Should have been Sigavou.

MR. V. RAYALU.- Should be Sigavou.

HON. A. NABULIVOU.- Who are those twenty three farmers?

MR. V. RAYALU.- It is a mix, in fact, it is a farming group.

HON. J. DULAKIVERATA.- Matawailevu, Burotu

MR. CHAIRMAN.- Also, on the Report, it only says about the area harvested and the production achieved. What we would like to see if you can include the cost and what the value of production was?

MR. V. RAYALU.- Your point is taken, Mr. Chairman.

MR. CHAIRMAN.- Also, how much of the production did the registered market and all that because we would like to see the benefits to the farmers, also the return of investment. We

are investing, there is the budget allocations to it and the value of production should tell us, “All right, the budget has been well-utilised, we are giving \$150,000 and the value of production is \$250,000,” so the return of investment is there.

MR. V. RAYALU.- Your point is noted, Mr. Chairman.

MR. CHAIRMAN.- *Vinaka.*

HON. J. DULAKIVERATA.- Mr. Chairman, just a question on the Taiwan Technical Mission (TTM). We understand that this programme had been here for a long time, but it is being concentrated in Nadroga only. Now, that we have this extension of all the crops everywhere because of climate change as you have just said, why was this programme not taken to other parts of Fiji like here in the Central Division? Why is there no programme in the Central Division to promote all the crops that they are doing? We have a Research Station in Dobuilevu, why was there not a branch set up there?

MR. CHAIRMAN.- Yes, Mr. Rayalu.

MR. V. RAYALU.- Our Minister has raised this point and I think he has already had discussions with team leaders of the TTM. So that is what he wants, an extension of their programme to other parts of Fiji.

MR. CHAIRMAN.- I understand they are already there in Nadarivatu?

HON. A. NABULIVOU.- Yes, they are already there.

MR. V. RAYALU.- They are also at Koronivia.

MR. CHAIRMAN.- In addition to that, from 2013, they moved to other areas apart from Sigatoka Valley.

HON. A. NABULIVOU.- The current status of the Collection Centre in Sigavou, it is still there?

MR. V. RAYALU.- We can come back to the Committee on the Collection Centre.

HON. J. DULAKIVERATA.- It is a Collection Centre, they are near the road to Nausori Village - Waimicia, whether it is still operating or not?

MR. V. RAYALU.- You mean the one that was previously owned by the Chinese?

HON. J. DULAKIVERATA.- Yes.

MR. V. RAYALU.- That was being taken over by Ben's Trading because the Chinese guy has left. Is that the one you are referring to?

HON. MEMBER.- Saivou is in the Annual Report

HON. A. NABULIVOU.- Can you just enlighten us with the proposed plan for the Collection Centre for all the provinces in Fiji?

MR. V. RAYALU.- Yes.

HON. A. NABULIVOU.- Are there any plans ready or not yet?

MR. V. RAYALU.- Not at the moment, but we have already had discussions with Agro Marketing to do that for us. In fact, we have handed them over the Dama Facility in Vanua Levu in Bua.

HON. A. NABULIVOU.- We are trying to go back to encourage rural farmers to go into commercial farming. What is the plan of the Ministry of Agriculture on that so that we can get all those so that we can reduce the imports?

MR.V. RAYALU.- Yes.

HON. A. NABULIVOU.- From the Collection Centre to make it easy for the farmers to get the market out there, especially their products. I think that is the best solution to all farmers in Fiji, in the maritime and rural areas?

HON. N. NAWAIKULA.- Mr. Chairman, can I just go back, take *dalo* and *tavioka*, for example. You know in 2013 - 45 percent, increase in *dalo* and *tavioka* was 100 percent. Can you just clarify to us whether we have reached the saturation point of the overseas market for this; and what are the driving forces for the *dalo* and *tavioka* and whether there is room there for improvement?

MR. V. RAYALU.- Thank you, Honourable Chairman. The highest that we have gone as far as *dalo* exports is concerned was about \$22 million and that is after the destruction of the Samoan Taro Industry by taro leaf blight. But as you know, the Samoan Taro Industry has recovered and they are back in business. Even though the species of *taro* that they currently have comes nowhere near the *Tausala* variety in terms of palatability and in terms of taste but they are very aggressive in their informal gatherings like community gatherings where they preach that Samoans should buy the Samoan *taro*. But then the quality of our *taro* because we continue to maintain the *Tausala* variety and also due to our tough Quarantine Regulations, even though leaf blight has been around the region for more than a decade now, it has still not reached our shores.

But to answer Honourable Nawaikula's question, reaching the saturation point of *taro* exports is very easy, before competition and now with competition, because most of our *taro* only ends up in the small dairies. If you go to areas around South Auckland, you will find rows of former Fijian citizens' shops. This is where our *taro* actually ends up, but we have Ben's Trading that is trying to penetrate the big supermarket chains. That is why we have helped Ben's Trading to reach the required standards that are required from the other side, so that we can go into Coles and all those big supermarket chains, but due to the nature of our exports reaching out only to the niche markets, when these small dairies have had enough, then they say "Oh, the market is saturated" so there is a glut in the market. But the Ministry is exploring ways to try and maintain the quality of *taro* with a longer shelf-life through some technologies that we have borrowed from Indonesia and Malaysia, but until we finally make inroads into those big supermarkets and

where *taro* can be eaten by a wider range of customers rather than only the Pacific Islanders, our level of exports will remain as such.

The other thing is that, it is worthwhile to mention to the Committee is that when we are talking about Agricultural exports in this Report, these are actually fresh produce exports. Any agricultural commodity that is processed does not appear in our records any more, it goes to manufacturing, that is the unfortunate thing about this.

HON. A. NABULIVOU.- Value adding.

MR. V. RAYALU.- *Io*, once you start to value add, it goes to the manufacturing

HON. N. NAWAIKULA.- Like cassava when it is turned into chips.

MR. V. RAYALU.- Yes, it goes to the manufacturing sector, I think we should all understand that factor.

HON. A. NABULIVOU.- Now we know.

MR. V. RAYALU.- *Io*.

HON. A. NABULIVOU.- Just a follow up question: the prices of *dalo* as you mentioned, are based on the buyers. If they have a lot of *dalo*, the price would come down. Does the Ministry have a plan for that? Especially, my people in Naitasiri, Tailevu and Namosi, all those people who are selling *dalo*, there are a lot of exporters here and the price is not good.

MR. V. RAYALU.- Interfering or trying to regulate price would be counter-productive. If Government were to do that, then it could discourage exporters. Why I say this is because the price at which *taro* is bought finally from the farm gate, it is lined up right up to the export market. So exporters have to take into account their freight cost, the Biosecurity cost, all those costs before they finally determine the farm gate price.

So you will find that when you let the market forces play, there will be good times when the price is high due to the high demand and the low production, that is why we are saying, that is the nature of our small producers. When the price of *taro* was \$5 a kilogramme, everyone went to planting *taro*. So we ended up

HON. A. NABULIVOU.- There is no grading there?

MR. V. RAYALU.- *Io*, now yes.

HON. A. NABULIVOU.- Now they grade \$0.50 a kilo for the Tausala, et cetera...

(Laughter)

HON. A. NABULIVOU.- No, what I wanted to know, this is just a *talanoa*, if Government can do some value adding for *dalo* that is the best solution, as the Honourable Minister was telling us as well.

MR. V. RAYALU.- *Io.*

HON. A. NABULIVOU.- Everybody can plant *dalo* and *cassava*, not only one commodity, different kinds, so that Government could stand up and stabilise on value adding and get a market from overseas, you can make ice-cream here in time this Government can do a lot of things, just to help benefit those people out there in the rural areas.

MR. CHAIRMAN.- *Vinaka*, yes, Honourable Vunivalu.

HON. S.B. VUNIVALU.- Going back to the vanilla, we can see on Page 21, a budget was allocated and only five farmers to cultivate 8 hectares but however, only five were achieved. Why was the hectares target not achieved and do you have other vanilla plans for the provinces?

MR. S. RAYALU.- Thank you, Mr. Chairman, the vanilla production in Fiji is not very big but it is a very profitable commodity which unfortunately only the women of our communities are very keen to go into, due to the processes involved in the pollinating of vanilla and the time that they have. All the vanilla plantations that have been planted here are for all women's groups, so we have moved on from this target of 8 hectares. There are now some really big vanilla plantations around the country.

MR. CHAIRMAN.- All right, we move on to the Livestock Programmes - Dairy Industry Substitution (DIS) for 2013. Most of the projects were implemented in Ba and Tavua but why was it that the funds was not all fully utilised? We understand that \$750,000 was given; 32 projects; but the money was not all utilised. Is there any reason for that, on Page 26, \$143,337.56 +was the balance; the balance is quite a lot.

MR. S. RAYALU.- Yes, Mr Chairman, most of these activities are centred around the purchase of materials to assist the small holder dairy farms and in a lot of cases, we do not have enough materials with our supplies which is something that we have tried to talk over with the Ministry of Economy and also with the suppliers themselves because we can only buy from those that have been awarded the tender.

MR. CHAIRMAN.- Again, I understand that it is after 2012 because *TC Evans* came in December. Thank you, Members of the Committee, any question on the livestock?

HON. J. DULAKIVERATA.- Yes, Mr. Chairman, just one question on the Beef Industry: when will we be self-sufficient with beef; is there any programme?

MR. A. DAYAL.- Thank you, Mr. Chairman and Honourable Members. As you know that Government has continuous programme for the Beef Industry Development, both at research level and also at production. We are trying our best to improve the quality of the carcass as you know that most of the imports are the special cuts and those cuts that are tender and required by the hotels. We are currently producing enough of beef to meet our local market but bulk of the imports are of the special cuts that are required by the restaurants, et cetera.

So, what we are currently doing is, we have embarked on some of the programmes like trying to get the best breed that produces the marvelling or tenderness of the meat for which we can produce locally and supply to these hotels and restaurants.

HON. N. NAWAIKULA.- Can you just tell us why are we so successful in chicken as compared to us; what is the driving force behind the poultry farming in Fiji?

MR. A. DAYAL.- Thank you, Mr. Chairman and Honourable Member, as you know, poultry has got high reproductive in the sense that even if you look at the time it takes to grow a chicken, it just takes five weeks, thirty five days compared to any other animal. If you look at beef, it takes us two and a half to three days to reach the market as well as others, be it lamb or goats which takes over one year. So, chicken has that ability to produce, reproduce fast so that we can be able to meet the market and also because of the other thing. If you look at the fast food industry, it has grown over the years, you have the fried chicken and our generation of people now are going for those kinds of food so I think that is one of the success behind the poultry industry, and I think this process and trend is going to increase in the future.

MR. V. RAYALU.- Just to add on to that, for the poultry industry, we also have firm commitment from private sector players which has led to the stability of our poultry production. Just to add on to the Honourable Jiosefa Dulakiverata's concern regarding beef, we have just returned from the Australian Beef Week in Rockhampton which is termed as the beef capital of the world. We have had a look at some of the beef and dairy breeds in Australia that are doing well, and I am happy to let the Committee know that the first pregnant mothers for those breeds that we have identified will be dropping in September this year.

MR. CHAIRMAN.- Coming to Fiji?

MR. V. RAYALU.- They are already here, and there are already pregnant cows with those breeds, they have been planted with imported embryos so they will be dropping in September. We have another round of embryo transfers next month, and we will be having the second round of embryo transfers next month where we will be planting more embryos, so we expect about 120 to drop in September.

HON. MEMBER.- Artificial insemination?

MR. V. RAYALU.- Embryo transfer, *sa fertilise sara tu ga na yaloka, sa kau ga mai na fertilized egg ya, plant-taki vana tinana, okoya qai buketetaka ga.*

HON. J. DULAKIVERATA.- Surrogate mother.

MR. V. RAYALU.- So, we have some very good Droughtmaster breeds, Brahman, Senepol, et cetera. For dairy breeds we have got the Brown Swiss, which is a very promising breed that is doing well in temperate countries.

HON. N. NAWAIKULA.- What about pig production, any room for improvement there?

MR. A. DAYAL.- Mr. Chairman and Honourable Member, I think, for pig production, it is the same case as beef. There is an increase production noted and we are able to meet our local market but again when it comes to hotel markets, it is the cuts that are required by the market. If we look at the requirement for bacon, it is quite high in the hotel market, especially for breakfast, all these hotels need bacon. We cannot produce so much of bacon from one pig. There is only a certain amount we can produce so it relies totally on the quantity produce, so if you look at Australia, New Zealand and other developed countries, they are actually producing a high

number of pigs every year and so we get more bacon from their animals. As a result, they penetrate our market and are able to sell more bacon than us.

HON. J. DULAKIVERATA.- Back to beef, Mr. Chairman, can we diversify into an extensive or semi intensive to improve the beef industry?

MR. A. DAYAL.- Thank you, Mr. Chairman and Honourable Member. I think that is a good point and that is possible. It all depends on investment. If you look at semi intensive or fully housed or feedlot system, that is possible here in Fiji, it has been done elsewhere. The biggest thing is the initial investment for the shed, the feeding equipment is quite high. I think one of the reasons why the farmers or the investors would not invest initially is because of the high investment cost.

Secondly, the feed cost, you have to actually grow the feed to feed them inside. For us, if you look at the availability of land competition of other crops, it will be quite difficult so we are growing more into semi intensive now so that part of the time they can be fed inside and then also they can get their feed from the pastures that are around.

MR. CHAIRMAN.- That will be the same for the dairy industry?

MR. A. DAYAL.- Exactly the same, Sir, it will be the same scenario.

MR. CHAIRMAN.- Are we getting new breed? I understand that the breed that we have can only produce, not the 25 litres, but five to eight litres.

MR. A. DAYAL.- Thank you, Mr. Chairman. The breeds that we are talking about like the breeds we have now, we have the Holstein-Friesians, which are black and white animals, this is from the temperate country. So, if you look at the temperate country, the weather pattern is very suitable. If you want high milk production, your temperature needs to be between 5 degrees Celsius to 25 degrees Celsius. But also the pasture in the temperate regions are of high quality, there is less fibre, more protein.

In Fiji, a tropical country, our pasture quality is very low. So, it is the breed in combination with the pasture and the environment that give us that amount of milk. If you compare the same cow in New Zealand, it will produce around 25 to 30 litres but when the same cow comes here, in Fiji, it has the ability to only produce eight to ten litres so that is affecting our production and therefore just like what our Deputy Secretary has said, we have identified some breeds which are heat tolerant. One of these is the Brown Swiss which we are trying to put the embryos now and we are hopeful that this breed, which is heat tolerant, will be able to produce much more than the Holstein-Friesians that we have at the moment.

MR. CHAIRMAN.- All right, Honourable Members of the Committee, moving on to the Livestock Health & Disease Eradication, it is at Pages 30 to 32. I think the biggest question here is: how is the Ministry coping in terms of the diseases that we have in terms of crops and livestock?

MR. A. DAYAL.- Thank you, Mr. Chairman. First of all, for diseases for livestock, we are very lucky that we do not have major diseases in livestock except for the diseases in the beef and dairy sector which are the Tuberculosis and Brucellosis and much of our resources are used

in the controlling of these two diseases. It is good to note that Brucellosis, since 2009, has reduced.

Last year, the incidence rate was quite low, around 1.2 percent, and now we are actually managing the disease. We do not have high increases of disease but the thing is, on the other side, we had an increase in TB because we had too much concentrated on Brucellosis and TB surveillance was down, but again if you look at the trend in the last two years, the Tuberculosis cases are going down. So we are consistently testing the animals now on 90 days on every farms, and we are slaughtering all those animals that are infected and this continuous process will definitely lead us to very low incidence maybe in another three or five years. So we are working very closely with our stakeholders, dairy farmers and the beef farmers to see that we test all these animals on time.

MR. CHAIRMAN.- So it has been decreasing?

MR. A. DAYAL.- Yes.

HON. A. NABULIVOU.- Do you have any plans for other dairy farmers on affected areas before, remember, the dairy farmers there in Naitasiri and Tailevu, so do you have any plans to revitalise all those dairy farmers?

HON. MEMBER.- Re-stock.

MR. A. DAYAL.- Thank you, Honourable Member. Yes, we have plans for rehabilitation. Currently, we do not have enough stock in Fiji to rehabilitate with the stock that we have. Our intention is to import stock from outside but again other countries like Australia and New Zealand are more infected, they have more disease than us. So for Biosecurity reasons, we are not able to rehabilitate immediately but as mentioned by our Deputy Secretary, we are now into embryo transfer programme. So these two: embryo transfer programme and artificial insemination are the programmes through which we can get clean animals. So this is an ongoing programme and we are pretty sure that in a few years to come, we will be able to rehabilitate all those farms that were diseased.

HON. A. NABULIVOU.- Is there any timeframe?

MR. A. DAYAL.- It is a process so it maybe 5 to 10 years, definitely.

HON. J. DULAKIVERATA.- Mr. Chairman, just out of curiosity, the animals that are slaughtered in the farms, are the farmers compensated or paid?

MR. A. DAYAL.- Honourable Chairman and Honourable Member, “yes” the farmers are fully compensated for every animal that is found infected, slaughtered and based on the percentage of damage, the farmers are paid, they are also given the remittance of what they are paid for.

MR. CHAIRMAN.- Yes, Honourable Vunivalu?

HON. S.B. VUNIVALU.- Sir, can we just go back to the agriculture industry - Page 29: looking at this industry which includes pig, sheep and others, some people steal cattle, et cetera,

and sell, but this is one of the best industries and I think one of the initiatives for the Government is to increase Apiculture but I have not seen Apiculture in the villages on honey production because I know there are plenty flowers in the bush and in the highlands. Thank you, Honourable Chair.

MR. CHAIRMAN.- What is the programme that the Ministry is doing on Apiculture?

MR. A. DAYAL.- Thank you, Mr Chairman and Honourable Member. Yes, we have got Apiculture Development Programme and the funding has increased over the years from \$15,000 initially and now we are getting around \$300,000. So under this programme, we have programmes where we are trying to assist farmers, including a lot of farmers at the village level who are now coming in and taking Apiculture, because Apiculture is a commodity that we need to train the farmers first on how to handle the bees, because nobody can just go and start doing Apiculture. It is all about taking out that fright from the people on handling the bees and all these sort of things. So basically, what we do is we run a series of training for the farmers and we have been training a lot of communities and villagers all over Fiji, and we provide bee hives to them with the bees - complete.

HON. RATU K. KILIRAKI.- Do you sell?

MR. A. DAYAL.- Normally, for some projects we provide it for free under Government grant, say 10 hives for the initial setup and then we follow up with them, and we provide the market for them. We link them to buyers. There are a few buyers around who collect the honey and then they sell it to major supermarkets, like MHs, New World Supermarkets, hotels, et cetera.

Just for the information of the Members here, there is a project by the Australia Centre for International Agriculture Research (ACIAR) who are here in Fiji now. There will be a four-year project with them on Apiculture, so this is for Research and Development and also to see how we can increase our production on farms.

MR. CHAIRMAN.- Yes, Honourable Nabulivou.

HON. A. NABULIVOU.- Mr Chairman, can we go back to the dairy: on Page 26 the total budget is \$750,000, the funds utilised is around \$606,000, where is the balance of that fund, go back to Government?

MR. A. DAYAL.- Thank you, Honourable Member. I think our Deputy Secretary has just explained on that actually, that \$106,000 is for the materials that were not able to be supplied by some Hardware suppliers because of the cyclone year before. Actually the Hardware suppliers were not able to supply the materials so the money went back and then the following year those projects were taken up again.

HON. A. NABULIVOU.- 2014?

MR. A. DAYAL.- Yes.

HON. A. NABULIVOU.- Okay, what about the “32 projects” mentioned here?

MR. A. DAYAL.- Thank you, Honourable Member. In 2012 and 2013, we decided to move the Dairy Industry to the West because of high incidence of disease on the farms in the Central Division, it was localised to the Central Division. We found that the Western and Northern Divisions were quite free so we did a pilot project and Government also wanted to remove some areas on poverty alleviation. We thought it is good to combine the dairy industry with the sugarcane sector so that some of the cane farmers can also keep three or four cows at the backyard and milk and sell.

So under that initiative, these were the 32 farmers that were assisted in the West and successfully these farmers are now continuing and they are supplying milk to C. J. Patel which is the SC Foods based in Yalalevu, Ba, so the company buys all the milk from the Western Division.

HON. A. NABULIVOU.- Assisted by Government.

MR. A. DAYAL.- Yes.

HON. A. NABULIVOU.- Thank you.

MR. CHAIRMAN.- Thank you, we will now move on and I understand that it is no longer with you now but Land Water & Resource Management, but the only question here was that we need some clarification on the additional \$1.5 million granted for the Ba River dredging works in 2013; and has that funding reduced flooding in these areas, or the flooding still happens there? I understand now the Land, Water & Resource Management Unit is now with Waterways.

MR. V. RAYALU.- Just the comment on that, Mr. Chairman, dredging is not a permanent solution to flooding because the amount of silt that you remove today will continuously be building up the next day. We had discussed this at management level when LWRM was with us for maybe a group made up of Parliamentarians, private sector players, to take a trip to some of the countries that have very good riverbank protection programmes.

We have a very good example - Brisbane River in Queensland, even in Rockhampton where we just came back. They have some very good riverbank protection works, expensive as it maybe but it is a long term solution, so most probably for the flooding problem, we may have to look at those alternatives. Thank you.

HON. A. NABULIVOU.- Mr. Chairman, just a follow up to your question, that \$10 million on the Table, \$1.5 million additional fund there, it does not show on the Table, the total budget is \$10 million, but \$1.5 million is missing here. Can you just clarify to us as to where this fund may have gone? Is it a grant or aid whatever else, we just want to know as it does not show here on the Table - Page 34?

MR. V. RAYALU.- We will come back to the Committee on this because we are not really sure on where this additional \$1.5 million came from, was it a virement from somewhere?

HON. A. NABULIVOU.- We just want to know.

MR. CHAIRMAN.- All right, Members of the Committee, we will move on to the Land Resource Planning & Development Division, any question in there?

To the Team, just on Page 39, there is a table with the “Project Name”, the “Activities”, what are the outcomes? What we would like to see is: did they go into the project or was the training only conducted, the project paper submission but we need to also see what the outcomes are. Did they go into the project? So, that can be for the future; what are the outcomes of the training programme in the villages; were there any progress and benefits for the women participation? Especially, Page 39 Table No. 28, there was a lot of participation of women in agriculture. Were there only training being done or only empowerment in terms of capacity building but what we would like to see is whether they did go into the project?

MR. V. RAYALU.- Your point is taken, Mr. Chairman.

MR. CHAIRMAN.- *Vinaka* and now we move on. Yes, Honourable Nawaikula.

HON. N. NAWAIKULA.- This is a comment and a request. When you say production like this, I feel from the figures that one part of the population is being left out, and I am referring to all the villages. Normally, you are here, these are statistics for registered farmers but a whole of the population, if you take it country-wide, it might be 35 percent, *koya era vanakoro*.

I would like to see in the future when you come here and you say, “Okay, from this unit of production”, for example, Deuba Village, so much of pork they produced; so much of poultry produce come from that unit of production; so much of honey; but I feel that need some initiatives and imagination.

We have had a lot of trial and error, the Cooperative Programme. You have your own example on the Market Demand-Driven Approach (DDA) Programme, et cetera, but we fail, we should learn from our mistakes, we should not give up, and I am hoping for a time when you do a production like this, that these people are not left out. They participate in the production and the outcome of farming production and all these poultry.

There are some examples there, there are many mistakes but we learn from our mistakes. To take the example from Deuba, they have a scheme where 10 chicken sheds were provided there, and at the end of the year they can say, “We contributed so much to the poultry” from doing that. So, this is only a comment but I request you are the experts in that field, I am just asking you to, please, come up with some kind of programmes in the future. I know there is a lot, there have been mistakes but, please, do not give up because if we continue to move on, then we will be leaving a whole bunch of the population who own land, who have the best land to plant *dalo*, have the best land to plant rice, who can really participate in poultry, and with these kinds of intensive industries, we would be leaving them behind.

That is just my short comment in relation to that.

MR. V. RAYALU.- Point is taken, Mr. Chairman.

MR. CHAIRMAN.- *Vinaka vakalevu*. We move on to “Crop Research Division”; any questions, Honourable Members?

HON. A. NABULIVOU.- Mr. Chairman, just a question. I think Deputy Secretary would take note of the value in production of all those industries. There is no value in most of the tables and the industry

MR. CHAIRMAN.- I think we have already said that.

HON. A. NABULIVOU.- The value in production of all those commodities.

MR. CHAIRMAN.- The benefits and also the cost. The value also tells us the return of investment.

MS. S. BOSE.- Mr. Chairman, can I just add on to that because we are currently trying to improve on our reporting system, what you can see on the Report is how it was reported from the Divisions.

MR. CHAIRMAN.- In 2013.

MS. S. BOSE.- Yes, in 2013, so we are trying to include or introduce a methodology where we will be able to disaggregate data according to value, and at the moment the only value of production that we can get from all the production that are reported in this Report, is the value of GDP.

MR. CHAIRMAN.- Yes, GDP and how much was the budget, and how much did we

MS. S. BOSE.- Yes, for us to be able to calculate the value of production for each of the commodities, we will have to go back to the farm gate prices and then we will calculate our value from there. But hopefully, in our next Report, not the 2014 or 2015 but maybe after 2016, there will be a lot of changes in our reporting.

MR. CHAIRMAN.- Thank you, we will now move on to the last chapter of the book, the "Independent Auditor's Report". Is there any question, Honourable Members?

HON. A. NABULIVOU.- The question there is: why the Ministry was not able to provide appropriate audit evidence to support the balance as per Qualification 1.? There are five Qualifications here - 1-5, I think.

MR. CHAIRMAN.- On Page 55.

HON. A. NABULIVOU.- On Qualifications.

MR. CHAIRMAN.- "Included in the Trading Manufacturing Account (TMA) Balance Sheet is TMA Surplus Capital Retained of \$2,263,536 and TMA Accumulated Surplus of \$422,471. I was not able to verify the amounts as the Ministry was not able to provide appropriate audit evidence to support the balances"

MR. V. RAYALU.- Mr. Chairman, I think the qualification issues for your Auditor's Report, we have had discussions during our presentation to the Public Accounts Committee, and we had mentioned that we want to reduce the items in terms of our qualifications in the Auditor's Report. We have made an improvement in terms of reducing the number of qualifications.

MR. CHAIRMAN. So, regarding this Audit Report, you have already said that to the Public Accounts Committee. All right, our case is closed there. It is already before the Public Accounts Committee. That brings us to the end of our meeting today.

Again to Deputy Secretary, Mr. Vatimi Rayalu, Ms. Sera Bose and Mr. Avinesh Dayal, on behalf of the Committee on Natural Resources, we would like to thank you for our meeting today.

It is basically for us to raise a number of areas that we found in the Report. I understand there are some points that you will need to clarify again to us and send it through to our secretariat. Again the Report was good, highlighting that the Ministry is moving and progressing forward. There is a number of increases from 2012. We understand it was the recovery year because of *TC Evans* and the Ministry of Agriculture's biggest challenge is natural disaster but after December 17th, 2012 (*TC Evans*), you have recovered in 2013, and we thank the Ministry and the team for availing yourselves today.

Any last comment, Deputy Secretary?

MR. V. RAYALU.- Thank you, Mr. Chairman, first of all, I would like to thank the Standing Committee, through you, Mr. Chairman, for the kind of questions that we have been asked this morning and we hope that the clarifications that we have provided have been clear. We will respond, of course, to those further clarifications that are needed over the next few days.

Just the assurance to the Standing Committee that the Agriculture sector is doing well minus natural disasters which are beyond our control, but be rest-assured that the Ministry is doing all it can to bring the Agricultural sector up to par in the areas that we have talked about this morning. Thank you very much.

MR. CHAIRMAN.- *Vinaka*, Members of the Committee, any last comment from any of the Members?

If not, on that note, since there is no more comment, I think we have covered everything, *vinaka vakalevu*, and we wish you well.

The Committee adjourned at 12.17 p.m.