STANDING COMMITTEE ON NATURAL RESOURCES

Consolidated Review Report on the Annual Reports of Food Processors (Fiji) Pte Limited for the Period 2008–2019

Parliamentary Paper No: 69/2026

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Chairperson's Foreword

In accordance with the mandate conferred under Standing Orders 109(c) and 110(1)(c) of the Parliament of the Republic of Fiji, the Standing Committee on Natural Resources presents its Consolidated Review Report on the Annual Reports of Food Processors (Fiji) Limited for the period 2008 to 2019.

The Committee was referred the Annual Reports of Food Processors (Fiji) Pte Limited for the period 2008 to 2019 on 13th March 2026, for consideration, examination, and reporting thereon to Parliament.

The Committee undertook a comprehensive examination of the operations, financial performance, governance arrangements, and strategic direction of the company over the period under review. Food Processors (Fiji) Pte Limited, as a Government Commercial Company, plays a significant role in the value-adding of Fiji's agricultural and marine resources, contributing to rural livelihoods, supporting local producers, enhancing export earnings, and strengthening national food security.

During the period under review, the Committee noted with commendation FPFL's investment in the Batiri Farm processing facility as a key operational achievement.

The Committee commends the commitment and dedication of the employees who continue to sustain production operations through labour-intensive processes while maintaining product quality standards.

The Committee noted that during the period under review, the company undertook initiatives aimed at improving operational efficiency, expanding product diversification, and strengthening market access. The Committee also noted challenges relating to supply chain reliability, infrastructure constraints, financial sustainability, and market competitiveness, which were addressed through various management and strategic interventions.

The Committee acknowledges the Board of Directors, management, and staff of Food Processors (Fiji) Pte Limited for their stewardship, commitment, and continued efforts in the discharge of the company's mandate during the period under review.

The Committee further records its appreciation to the Members of the Standing Committee on Natural Resources namely, Hon. Inosi Kuridrani, Deputy Chairperson, Hon. Shalen Kumar, Hon. Taito Rokomatu, Hon. Vijay Nath and Hon. Joseph Nand for their deliberations and oversight, as well as to the Committee Secretariat and for their procedural, technical and administrative assistance in the preparation and finalisation of this report.

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

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Chairperson
Standing Committee on Natural Resources

ACRONYMS/GLOSSARY

ARs	Annual Reports
ERP	Enterprice Resource Planning
FPFL	Foods Processors (Fiji) Pte Limited
NDP	National Development Plan
Pte	Private Trading Enterprise
SDG	Sustainable Development Goals

1.0 Introduction

The Committee was referred the Annual Reports of Food Processors (Fiji) Pte Limited for the period 2008 to 2019 on 13th March 2026, for consideration, examination, and reporting to Parliament.

The mandate of the Standing Committee on Natural Resources is derived from Standing Order 109(c), which provides that the Committee shall consider matters relating to agriculture, forestry, fisheries, land, minerals, environment, water, and marine services.

Standing Order 110(1)(c) further empowers the Committee to scrutinise Government departments and entities within its portfolio, including the authority to inquire into, investigate, and make recommendations on any aspect relating to administration, legislation or proposed legislative programme, budget, rationalisation, restructuring, functioning, organisational structure, and policy formulation.

In accordance with this mandate, the Committee was referred the Annual Reports of Food Processors (Fiji) Pte Limited for the period 2008 to 2019 on 13th March 2026, for consideration, examination, and reporting thereon to Parliament.

In the course of its review, the Committee undertook a site visit to Food Processors (Fiji) Pte Limited (FPFL) to gain a first-hand understanding of the company's operations, production processes, and facilities. The Committee also received both written and oral submissions from the Board and Management of Foods Processing (Fiji)Pte Limited in Parliament.

Accordingly, the Committee undertook a consolidated review of the said Annual Reports, with particular emphasis on the company's operational performance, financial position, governance framework, and its contribution to the national economy through the value-adding of Fiji's agricultural and marine resources.

Food Processors (Fiji) PTE Limited ("Food Processors Fiji Ltd") is a limited liability company incorporated under the Companies Act 2015 and is a wholly government-owned enterprise under the Ministry of Public Enterprises. It was established in 1984 by the Government to add value to Fiji's agricultural and marine products through secondary process and packaging. The company specializes in the processing and value-adding of agricultural and marine commodities and plays a significant role in supporting local farmers, enhancing food security, creating employment opportunities, and promoting Fiji's exports through its range of processed food products.

Through its value-adding operations and partnerships with local farmers and suppliers, FPFL contributes to food security, rural economic development, employment creation, and export growth in Fiji.

Achievements and Ongoing Strategic Projects

The Committee noted several significant achievements through its Five-Year Strategic Plan (2022–2026) undertaken by Food Processors (Fiji) Pte Limited (FPFL) in advancing its sustainability and operational efficiency objectives.

Among these are the ongoing implementation of the Batiri Solar Farm Project (2024–2027) and the Green Factory Conversion Programme (2024–2027). These initiatives demonstrate FPFL's commitment to renewable energy, environmental sustainability, and climate resilience. The projects are expected to reduce energy costs, improve operational efficiency, lower carbon emissions, and support Fiji's national green growth and renewable energy targets.

The Committee acknowledges these initiatives as important milestones towards enhancing the long-term sustainability and commercial viability of the company while contributing to national development priorities.

2.0 Committee Remit and Composition

2.1 Committee Remit

Under Standing Order 109 (c) of the Parliament of Fiji, the Standing Committee on Natural Resources is mandated to perform the following functions:

Scrutinize government departments and agencies, review annual reports, examine policies and legislations, monitor resource management programs, conduct public consultations, investigate issues and challenges, review budget allocations, and report to Parliament its findings and recommendations for improvement.

2.2 Composition

Hon. Kalaveti Ravu
Chairperson
Government Member

Hon. Inosi Kuridrani
Deputy Chairperson
Assistant Minister for Agriculture and Sugar

Hon, Shalen Kumar
Minister for Multi – Ethnic, Culture, Heritage & Arts
Government Member

Hon. Taito Rokomatu
Government Member

Hon. Joseph Nand
Opposition Member

Hon. Vijay Nath
Opposition Member

2.3 Procedure and Program

The Committee, in accordance with its Parliamentary mandate and established procedures, considered the Annual Reports of Food Processors Fiji Ltd through formal referral and scheduled Committee meetings. The process included the receipt and examination of written submissions as well as oral evidence from the Board and management of FFPL.

As part of its programme of work, the Committee conducted a site visit to FFPL's processing facility in Vatuwaqa, which enabled Members to obtain first-hand appreciation of the entity's operations and to inform their deliberations. The Committee's review focused on FPFL's operational and financial performance, governance framework, and its contribution to national development objectives, undertaken in a structured and orderly manner consistent with its oversight function.

Copies of written and oral submissions were received from the Fiji Foods Pte Ltd

2.4 Evidence and Advice Received - Please Refer to Annexures 1 – 4

3.0 Committee Deliberation and Analysis

The Committee, having considered the submissions, evidence, and Annual Reports presented, undertook a detailed deliberation and analysis of the matters under review. The Committee examined key operational, financial, governance, and strategic issues affecting the entity and assessed their implications on performance, accountability, and service delivery outcomes.

3.1 Committee Findings and Observations

Based on the presentation provided by the Chief Executive Officer to the Committee, the Committee found that FPFL has made progress in its financial recovery, operational efficiency, infrastructure development, and sustainability initiatives.

3.1.1 GENERAL PERFORMANCE

Key Issues Identified

3.1.2 Recurring Challenges: Rising raw material costs, supply chain disruptions, and operational inefficiencies were persistent issues. For example, in 2019, delays in regulatory payments and industry-specific constraints were highlighted as major obstacles.

3.1.3 Strategic Initiatives: Efforts to improve operations include automation, cost control measures, and exploring new market opportunities. In 2019, feasibility studies for expanding Batiri Farm operations and investments in automation were initiated.

3.1.4 Revenue and Profit Trends

The Committee noted that the Chief Executive Officer provided an overview of FPFL's financial performance, including its revenue and net profit trends. The Committee noted the financial challenges experienced by FPFL, including net losses from 2019 and a decline in revenue in 2022 due to the COVID-19 pandemic. However, the Committee noted a significant improvement in the company's financial performance in 2023 and 2024 and welcomed its projected revenue growth of between $6 million and $8 million by 2026.

The Committee emphasised the need for continued prudent financial management, operational efficiency, and sustainable revenue growth to ensure FPFL's long-term financial viability.

3.1.5 Challenges and Future Plans

The Committee noted the key challenges facing FPFL, including aging equipment, limited storage facilities, competition from imported products, deteriorating soil quality, and cash flow constraints arising from delayed customer payments. The Committee further noted FPFL's plans to modernise its processing facilities, expand cold-storage capacity, implement ERP and SharePoint systems, and strengthen collaboration with the Ministry of Agriculture.

The Committee also noted the estimated capital requirement of approximately $5 million to support farm sustainability, infrastructure upgrades, and operational improvements. The Committee welcomed FPFL's plans to expand domestic and export markets, including opportunities for green produce, and recognised the need for appropriate Government support to facilitate investment, export development, and long-term sustainability.

3.1.6 Internal Audits and Risk Management

The Committee noted that FPFL has conducted an internal audit and that the 2022 Annual Report has been cleared, while the 2023 Annual Report is under development. The Committee further noted the implementation of a Risk Assessment Policy, ongoing staff training on risk management, and the development of a new Strategic Plan for 2027–2032 to guide the company's future operations and growth.

3.1.7 Projects and Achievements

The Committee noted FPFL's completed facility upgrades, new equipment, and construction of a storage shed, as well as the achievement of ISO 9001 certification and electrification of its processing plants. The Committee further noted the development of a new value-added processing facility, plans for a 10-megawatt solar farm, and initiatives in agri-tourism and sustainable agriculture through partnerships with local farmers.

3.1.8 Solar Farm and Cost-Saving Measures

The Committee noted the Government's funding support for the installation of rooftop solar panels and solar power systems at FPFL's factory. The Committee further noted the cost-saving measures undertaken by management, including the removal of unfilled positions, optimisation of vehicle use, and improved debt collection. The Committee also noted FPFL's request for fuel subsidies to reduce operational costs and improve efficiency.

3.1.9 Challenges and Future Plans

The Committee noted that FPFL faces challenges including aging equipment, limited storage facilities, competition from imported products, declining soil quality, and cash flow constraints. The Committee further noted FPFL's plans to modernise its facilities, improve storage and energy efficiency, upgrade business systems, and expand domestic and export markets.

The Committee also noted the estimated capital requirement of approximately $5 million to support farm sustainability and infrastructure upgrades, and the need for Government support to facilitate investment and export market development.

3.2 Findings from the Site Visit:

The Committee visited the Food Processors Fiji Pte Limited (FPFL) facility as part of its scrutiny of the 2008–2019 Annual Reports. The visit provided a comprehensive overview of the company's operations, from the receipt of raw materials through to processing, packaging, and storage of finished products.

The Committee noted the following.

3.2.1 That the appropriateness of the Board composition depends on whether appointments are aligned with the required skills, expertise, and governance needs of the company, which require periodic review.

3.2.2 That most of the company's production and processing activities were undertaken manually, with significant reliance on human labour throughout the processing, sorting, preparation, packaging, and handling stages.

3.2.3 That while manual processing provides employment opportunities and allows for greater quality inspection of raw materials, it may also affect production efficiency, processing capacity, and output scalability.

3.2.4 The company's dependence on manual operations increases labour requirements and may expose operations to productivity challenges during periods of high demand.

3.2.5 Despite the lack of automated processing technology, the management continues to maintain production standards using the existing manual processing plants.

3.2.6 The future investment in modern processing equipment and automation technologies is necessary to improve productivity, reduce processing time, enhance operational efficiency, and strengthen the company's competitiveness.

3.2.7 5 Year Strategic Plan (2022-2026) - Alignment with National Development Plans

FPFL's Five-Year Strategic Plan (2022–2026) guides the company's efforts towards sustainable growth, improved operational performance, and support for Fiji's food security and economic development objectives. In summary, the **2017–2019 Annual Reports** fall within the **2017–2021 National Development Plan (NDP)** period, although they do not directly reference the NDP. However, Food Processors Fiji Ltd.'s initiatives in waste management, renewable energy, and rural farming (e.g., Batiri Farm) align with the NDP's priorities of green growth, environmental sustainability, rural development, and support for non-sugar agriculture.

3.2.8 The ageing processing equipment and plant infrastructure affected production efficiency and increased maintenance costs, highlighting the need for ongoing capital investment and modernisation.

3.2.9 The production output was directly influenced by the availability and inconsistency of raw materials sourced from local farmers and suppliers, resulting in periodic underutilisation of processing capacity.

3.2.10 Audit

The Company is progressing the preparation and audit of its outstanding Financial Statements, with the 2023 Financial Statements expected to be completed by August 2026, the 2024 audit by September 2026, and the 2025 audit by December 2026 to January 2027.

3.2.11 Internal Audits

FPFL has engaged Pal & Associates to undertake its internal audit programme for the period 2025 to 2027. The 2025 internal audit commenced in June 2026 as a one-off audit and is expected to cover the period up to June 2026, with completion anticipated by October 2026. Thereafter, the Company intends to undertake biannual internal audits for the 2026 and 2027 financial years.

3.2.12 Financial Struggles:

The company faced recurring losses in several years, including 2009, 2010, 2011, 2014, 2018, and 2019. Losses were often attributed to high operational costs and subdued revenue growth.

3.2.13 Foods Processing Fiji Limited generates significant processing waste, particularly dalo peelings and coconut shells.

3.2.14 FPFL employs women at the various processing sites in a range of operational, technical, administrative, and supervisory roles.

3.2.15 There was lack of synergy in coordination and information-sharing between FPFL, farmers, and the Ministry of Agriculture Extension Office.

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3.2.16 FPFL faces key operational constraints including ageing equipment and machinery, inadequate warehousing and cold storage facilities, and limited technical expertise to support farm and production upgrades.

4.0 COMMITTEE'S RECOMMENDATIONS

The Committee, having considered the findings of this report, makes the following recommendations for consideration of the Foods Processors Fiji Ltd.

4.1 Board Composition

That FPFL undertake a periodic Board skills and competency gap assessment to ensure that Board appointments are aligned with the required technical expertise, governance capability, and strategic needs of the Company.

4.2 Manual Operations and Labour Dependence

That FPFL develop a phased mechanisation and automation plan to reduce over-reliance on manual labour, improve efficiency, and enhance production capacity while maintaining employment opportunities.

4.3 Current Manual Processing Systems

That FPFL strengthen standard operating procedures (SOPs), staff training, and quality control systems to maintain production standards under existing manual processing arrangements.

4.4 Modernisation and Investment Needs

That FPFL prioritise capital investment in modern processing equipment and automation technologies to improve productivity, reduce processing time, and enhance competitiveness.

4.5 Five-Year Strategic Plan (2022–2026)

That FPFL ensure full implementation of its Five-Year Strategic Plan and undertake regular monitoring and evaluation to track progress towards sustainable growth, operational efficiency, and national development objectives.

4.6 Ageing Infrastructure and Equipment

That FPFL develop and implement a structured asset replacement and maintenance programme to address ageing plant infrastructure and reduce operational inefficiencies.

4.7 Raw Material Supply Constraints

That FPFL strengthen contractual arrangements and engagement with local farmers and suppliers, in collaboration with the Ministry of Agriculture, to improve raw material supply consistency and reduce underutilisation of capacity.

4.8 Financial Statements and Audit Backlog

That FPFL prioritise the timely completion of outstanding financial statements and audits and strengthen internal financial reporting systems to ensure compliance and transparency.

4.9 Internal Audit Arrangements

FPFL ensure the internal audit programme is implemented in accordance with the approved schedule and that audit findings are acted upon promptly to improve governance and risk management.

4.10 Financial Performance and Losses

FPFL undertake a comprehensive financial sustainability review to identify cost drivers, improve revenue generation, and implement corrective measures to reduce recurring losses

4.11 Waste Management

FPFL explore value-added opportunities for processing waste materials such as dalo peelings and coconut shells, including potential by-product development and partnerships for waste utilisation.

4.12 Gender and Employment Participation

FPFL continue to promote gender-inclusive employment practices and strengthen capacity-building programmes for women across operational, technical, administrative, and supervisory roles.

4.13 Coordination with Stakeholders

FPFL strengthen coordination and formal communication mechanisms with farmers and the Ministry of Agriculture Extension Office to improve supply chain efficiency, information sharing, and agricultural support services.

4.14 Equipment, Storage and Technical Capability

FPFL prioritizes upgrading of ageing equipment and machinery, development of warehouse and cold storage facilities, and strengthening of technical capacity through targeted training and partnerships to improve operational efficiency and productivity.

4.15 Solar Farm and Cost-Saving Measures

FPFL continues to implement effective cost-saving and energy-efficiency measures, including the use of renewable energy, to reduce operational costs and strengthen the company's financial sustainability. The Committee further recommends that Government consider FPFL's request for fuel subsidy support, subject to the relevant policies and requirements.

5.0 Gender Analysis – SDG 5

Standing Order (SO), 110 (2) states that "*Where a Committee conducts an activity listed in clause (1) the Committee shall ensure that full consideration will be given to the principle of gender equality to ensure all matters are considered with regard to the impact and benefit on both men and women equally".*

The Committee noted that comprehensive gender-disaggregated employment data for FPFL over the period 2008–2019 was not consistently reported in the annual reports reviewed, limiting longitudinal analysis of gender representation within the organisation.

Consequently, the extent of women's participation, representation and equality within FPFL's workforce and governance cannot be fully assessed from the information reported. This highlights a need for more systematic gender-disaggregated reporting to strengthen transparency, accountability and assessment of gender equality.

6.0 Sustainable Development Goals (SDGs)

The Committee noted that during the period 2008 to 2019, the Annual Reports of Food Processors Fiji Ltd (FPFL) did not contain a structured Sustainable Development Goals (SDGs) reporting framework, as the SDGs were adopted in 2015 and were not explicitly mainstreamed in early reporting periods.

However, from 2015 onwards, FPFL's operations can be broadly aligned to SDG Goal 2 (Zero Hunger) through its core mandate of food processing and value-adding of agricultural and marine produce, as well as SDG Goal 8 (Decent Work and Economic Growth) through employment creation and industrial

7.0 Conclusion

The Standing Committee on Natural Resources concludes that its review of the Annual Reports of Foods Processors Fiji Ltd has highlighted both the Company's achievements and the areas requiring continued improvement. The Committee is confident that the recommendations contained in this Report will strengthen governance, operational efficiency, financial sustainability, and support the long-term growth of the Company. The Committee extends its sincere appreciation to the Board of Directors, Executive Management of Foods Processors Fiji Limited, the Ministry of Agriculture and Waterways, and all witnesses for their valuable contributions throughout the review process. The Committee respectfully commends this Report to Parliament for its consideration.

Member's Signature:

We, as Members of the Standing Committee on Natural Resources do concur with the content of this report.

Hon. Kalaveti Ravu
Chairperson

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Hon. Inosi Kurdrani
Deputy Chairperson

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Hon. Shalen Kumar

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Hon. Taito Rokomatu

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Hon. Josheph Nand

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Hon. Vijay Nath

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APPENDICES

1) WRITTEN SUBMISSION BY

2) VERBATIM REPORT

3) RESEARCH PAPERS

4) SUBMISSION AND SITE VISITATION PHOTOS

APPENDICES

Appendix 1

Written Submission by the Food Processors Fiji Limited 2008 - 2019

Food Processors (Fiji) Pte Limited

Presentation to Parliament Standing Committee on Natural Resources

Date: 03 June 2026

Who we are?

Food Processors (Fiji) Pte Ltd (FPFL), established in 1984, is a government-owned enterprise operating under the Ministry of Public Enterprises. The company plays a pivotal role in enhancing Fiji’s food security, supporting economic development, and contributing to the export sector.

FPFL has built a strong reputation for producing high-quality products such as Chilli sauces, Palusami, Ivi, Breadfruit, Jackfruit, Duruka, frozen vegetables, and marine commodities.

5 Year Strategic Plan 2022-2026

5 Year Strategic Plan Achievements

Strategic Priority 1 : Ensure Sustainability	FY 2023	FY 2024	FY2025
1.1 Financial Stability			
Financial Performance Annual Operating Profit Margin	Annual Operating Profit Margin - 3% ($155k vs $52k) - 83% of Strategic plan Revenue Growth - 33% growth compared to 2022 Actuals Sales Figures - $5.1M (withough Sales Manager) ($5.11M vs $5.8M in ACP)	Annual Operating Profit Margin - 7.7% ($502k vs $201k- ACP) - 91% of Strategic Plan Revenue Growth - 32% compared to 2023 actuals	Annual Operating Profit Margin -7.3% ($428k vs 502k in ACP) Revenue decreased by 10% compared to 2024 actuals Sales Figure - $6.1M/$6.1M vs $6.5M in ACP)
Growth in emerging market share	across Fiji, the Pacific Islands, and New Zealand for dry goods. Market Share Growth - New Customer Acquisition - NZ (4 new customers), Australia (4 new customers), US (3 new customers)local increased by 16% and frozend increased by 10% when compared to 2022	Market Share Growth - Increased market share for frozen and dry goods in Australia, NZ, and the US for root crops. New Customer Acquisition - Canada (1 new customer), UK (1 new customers). Dry goods increased by 28% and frozend increased by 22% when compared to 2023	New Customer Acquisition - Australia (2 new customer - Epicure and OM International), New Zealand (2 new customer - Ashon ventures and Vinpak) and USA (1 new customer - CJ Prasad Supermarket) Distribution Engagement - local sales has increased by FJD 155k compared to 2024.
Implementation of ERP/Accounting System	Finance Modules - ERP System acquired and implementation commenced.	Finance Modules - Implemented. Manufacturing Module - completed and currently fine-tuning the system. Next Phase - Jet report implementation underway.	Production Module - Implemented
Debtor Days	71.17 days with debtors	80.33 days with debtors	Debtor Days has decreased to 44.41 debtor days compared to 2024
1.2 Sustainable Supply Chain			
Supply Chain Risk Management Framework **NDP Goals 3.1.4** Food and National Security **SDG 14 :** Life Below Water **SDG 15 :** Life on land	Agri-Buying - $933,440.99 Establsihed supply Chain section to support farmers 244 farmer surveyed	Agri-Buying - Increased to $1,258,799.32 Risk Metrics Integration - Integrated into the quality management system and business continuity plan. Farmer Communication - Enhanced communication with farmers through consistent field surveys and quality control measures. - 156 farmers	Agri - Buying for 2025 amounted to $1,026,693.52 Supply chain team and Fleet has been mobilised to Batiri (Vanua levu) to expand farmer's network
Supply Chain Data Warehousing		100% implemented for all farmers	Supply Chain Database - 400 active farmers database has been maintained, improving visibility and management of supplier . Payment methods- implemented Mpaisa and direct payment to mitigate cash handling risks.
Partnerships with Donor Agencies **NDP Goal: 3.2.12** - Non -Sugar Agriculture **SDG 17** Partnerships for the Goals	PTI Australia - Procurement of Taro Peeler for AUD 15K Korean Government - Funding for Batiri APV Solar Farm feasibility study $150K	PTI Australia - Procurement of Sachet Machine for AUD 15K Korean Government - Grid Impact Assessment support USD 35K PTI NZ - Development of Branding Guide funding support of NZD 7500	PTI Australia - Procurement of drum washer AUD 15k PTI NZ - Market access into chain stores NZD 7500 Korean Government - support for Rooftop solar USD 800k
1.3 Sustainable Production Process			
Optimal Plant utilisation **NDP Goal: 3.2.7** Manufacturing and Commerce **3.2.12** Non - sugar Agriculture **SDG 9** Industry, Innovation & Infrastucture	Production Capacity - 687,677.56 kg annual Warehousing - increased stock holding to $0.8M	Production Capacity - Increased to 839,101.83 kg annual - 22% Warehousing - Leased an adjacent building for warehousing -maximum stock holding of $1.4M Future Production Capacity - Enhanced production capacity threefold by FY 2025	Production Capacity - Increased to 881,729.74kg - 5% Warehousing - The adjacent warehouse lease has been terminated and a new warehouse secured at a lower rental rate to reduce overall rental costs. Production Capacity - expanded to Batiri processing Center with an initial 20 ton input target per month
Production Risk management Framework **SDG 12** Responsible Consumption and Production	Agricultural Initiatives - New sugarcane planting, farm implements, and bee farming. 40% land utilization at batiri was achieved. Supply chain team was established. comenced electricity grid extension on batiri. Infrastructural Upgrades - Office Setup (Vatuwaqa and Batiri) , completion of the Back Shed ($295k) Factory Floor Rehabilitation - Government Grant acquired Boiler Acquisition - Government Grant acquired Factory Condition Assessment - Government Grant acquired	Agricultural Initiatives - Increased buying. 55% land utilization at batiri was achieved. Grid extension and batri electfication completed. Infrastructural Upgrades - necessary rennovations done. Factory Floor Rehabilitation - Commenced -Factory Floor upgrade project successfully completed - Organic Certification rating redirected to this project Boiler Acquisition - Commenced Factory Condition Assessment - Commenced	Land Utilization at Batiri increased to 56% Development of Business Continutiy Plan under ISO9001. Risk Management - detailed risk register has been implemented where risks are identified, assessed, and regularly monitored, with mitigation and control measures in place. Overall Equipment Effectiveness (OEE) is tracked on monthly basis to improve operational performance. Customer complaints are recorded, investigated, and addressed to prevent recurrence. Robust documentation and compliance are maintained through an effective Quality Management System (QMS) and Environmental Management System (EMS), with audit findings and corrective actions to have continuous improvement across operations
Production Process Data Warehousing	ERP System acquired. $114K	ERP System - Implemented.	ERP System - Jet report has been implemented and Refresher's training conducted on ERP System to strengthen staff capabilities and improve
1.4 Environment Sustainability			
Carbon Footprint **NDP Goal 3.1.2** Energy **SDG 7** Affordable and Clean Energy **SDG 13** Climate Change	Commenced monitoring of Carbon Footprint - 1.65 per staff Factory Roof Top Solar Project - Initiated with KOICA and the Fiji Government. Batiri Solar Farm Project - Progressed to feasibility study, carried out by Envelops.	Carbon Footprint of 2.67 per staff Factory Roof Top Solar Project - Scope of the project being finalized and record of discussion between Fijian and Korean Government signed. Batiri Solar Farm Project - Progressed to grid impact study after discussions with EFL and consultants (Envelops) engaged.	Carbon Footprint reduced to 2.08 per staff Factory Roof Top Solar Project Batiri Solar Farm project - Grid impact assessment report for the Batiri Solar Farm Project has been submitted to EFL
Organic Certification **NDP Goals 3.1.4** Food and National Security	Proposal was given to PHAMA plus for assistance however there was no response. MDF and SPC was approached as well.	Funding was rediverted to Factory Floor upgrade due to high priority.	Funding was rediverted to Factory Floor upgrade due to high priority.
1.5 Asset Sustainability			
Data warehousing plant and machinery performance **NDP Goal 3.1.12**	Data Warehousing Framework - Established to monitor plant and machinery performance, including machine availability, performance quality, downtime, and maintenance, reported monthly	Data Warehousing Framework - Established to monitor plant and machinery performance, including machine availability, performance quality, downtime, and maintenance, reported monthly.	Overall Equipment Effectiveness (OEE) is tracked on monthly basis to monitor plant and machinery performance, machine availability, performance quality, downtime, and maintenance to improve operational performance.
Strategic Priority 2 : Develop and Value our			
OHS	Injury - 10 cases	Injury - Successfully reduced the number of injuries from 10 to 7	Injury successfully reduced from 25 in first half to 5 in second half of the
Employee Satisfaction **NDP 3.1.9** Women in Development **SDG 8** Decent work & economic growth	Employee Engagement and Satisfaction - Enhanced through regular communication, modernized HR processes, and improved leave balance management. Internal Growth Opportunities - management migration overseas	recognition programs, factory workers participated in Business Excellence Award, Prime Ministers Award. Internal Growth Opportunities - 10 staff benefited from internal growth programs. OHI (Organisational Health Index) - OHI of 3.98 against the Fiji Branch Benchmark of 3.84 (Refer to OHI report 2025)	Employee Engagement and Satisfaction - enhanced through daily communication during toolbox meetings., staff recognition awards, Internal trainings and events and 3% wage increment in recognition of their hardwork and commitment. Internal Growth Opportunities - 11 staff benefited from internal growth.
Strategic Priority 3 : Governance and Risk Management			
Regulatory Compliance and Certifications	Certifications Achieved - HALAL, USFDA Product Registration, MOH, NFA, Business License, Bio Security, Fisheries.	Certifications Achieved - ISO 22000:2018 and all other certification. maintained ISO 9001:201,14000 AND 45000 implemetation commenced.	Achievement and on going maintenance of ISO Certifications. ISO 14001:2015 , ISO 22000:2018 both factory and Batiri and ISO 9001: Other Certifications - Fiji Muslim League's halal certification, compliance with National Fire Authority and BioSecurity standards.
ISO 22000 Certified **NDP 3.2.1** Non - Sugar Agriculture	Implementation and certification awarded	ISO9001:2015 Implementation commenced and achieved. Achieve ISO14001 in 2025	Done and implemented
Board Policy and Procedural Compliance	Policies Developed - Risk Register, Corporate Governance, IT. External Audit - FY 2009 commenced Annual Accounts - Annual Accounts submitted to OAG up till FY 2023	Policies Developed - 3 (Markup, Discount, Discard, Food Safety) Policies Reviewed - Procurement, Finance, Agri-buying, DLA, professional membership Annual Accounts - Annual Accounts cleared and presented at AGM for FY 2008 to FY 2019. Internal Audit - Internal Audit cleared for FY 2020 and FY 2021.	Policies Developed - Property Revaluation Policies Reviewed - initiative review of HR Manual , reveiw of Revenue recognition policy in Finance Manual Annual Accounts - Annual Accounts cleared and tabled to Public Accounts Committee for FY 2008 to FY2019. Annual Accounts for 2020 to 2022 has been cleared. Internal Audit - Internal audit has been cleared til FY2024.
Strategy Priority 4: Build Brand Equity			
Digital Communications Strategy **NDP 3.1.4** Food and Nutrition Security	EPR System and IT Tools - Acquired new server and firewall, engaged contractors to manage. Online Presence - present on Facebook, initated Logo and Website Corporate Branding - Branding guide initiated.	Microsoft 365, MS Teams for Video Conferencing. Online Presence - Enhanced with a website, LinkedIn, Facebook, Amazon US presence, and digitized board meetings. Corporate Branding - New corporate logo developed and registered to strengthen brand identity, company branding through vehicle and building signages.	EPR System and IT Tools - Implemented Production module in EPR system, PayGlobal on cloud, SharePoint Online Presence - Expanded to Vitikart, tiktok and Instagram. Continuously active on LinkedIn, Facebook, Amazon and Overseas markets. Corporate Branding - Rebranding of Palusami, Fiji Rokete and Worchestire sauce and company branding through company uniforms and T shirts.
Business Execellence Awards **SDG 9** Industry, Innovation and Infrastucture	Business Excellence Awards - Participated, received a commitment award.	Prime Minister's Award - Awarded the Prime Minister's Award for Medium Enterprise, Exporter of the Year.	Prime Minister's Award - Awarded the Prime Minister's Award for Excellence is AgriBusiness Innovation Award
Additional - People and Culture	Staff Communication - Regular communication through pocket meetings and modernized HR processes. Payslip Distribution - Timely and accurate distribution of payslips.	Staff Communication - Regular communication through pocket meetings and modernized HR processes. Payslip Distribution - Timely and accurate distribution of payslips. Leave Management - commenced monitoring and management. Career Progression - 10 internal growth through staff recognition program. Training & Development - Continuous training programs initiated; 10 staff experienced internal growth.	Staff Communication - updating staffs and communicating during morning toolbox meetings. Payslip distribution - implementation of electronic payslip for employees and currently fine tuning Timesheet - Implementation of Biometrics in Batiri and currently fine tuning. Career Progression - 11 internal growth through staffs recognition and participated in FNU careers fair to promote young gradutates. Training and Development - Internal and external training for staff growth. Events Incidents/Injuries - External trainings and initiative in progress for staff insurance coverage.

Our Business Model

Customer Segments

- Export Markets
- Local Markets

Value Proposition

- We offer high-quality, locally sourced food products with an emphasis on freshness and healthiness, including traditional Fijian and international options.

Customer relationships

- Maintain strong customer service, engage through social media, and seek feedback for continuous improvement.

Revenue Streams

- Local Sales
- Export Sales
- Frozen Goods
- Dry Goods
- Fresh

Key Resources

- Agricultural Produce
- Processing facilities
- Skilled Labour
- Supplier relationships

Key Activities

- Procuring Agri produce locally and from overseas. This includes other ingredients and packaging items local and from oversea.
- Processing and packaging & Distribution and logistics
- quality control & marketing and Promotion

Key Partnerships

- Farmers
- Suppliers
- Distributors
- Shareholders

Cost structure

1. Raw materials
2. Labor and equipment
3. Marketing expenses
4. Distribution costs & Regulatory compliance

Key Metrics

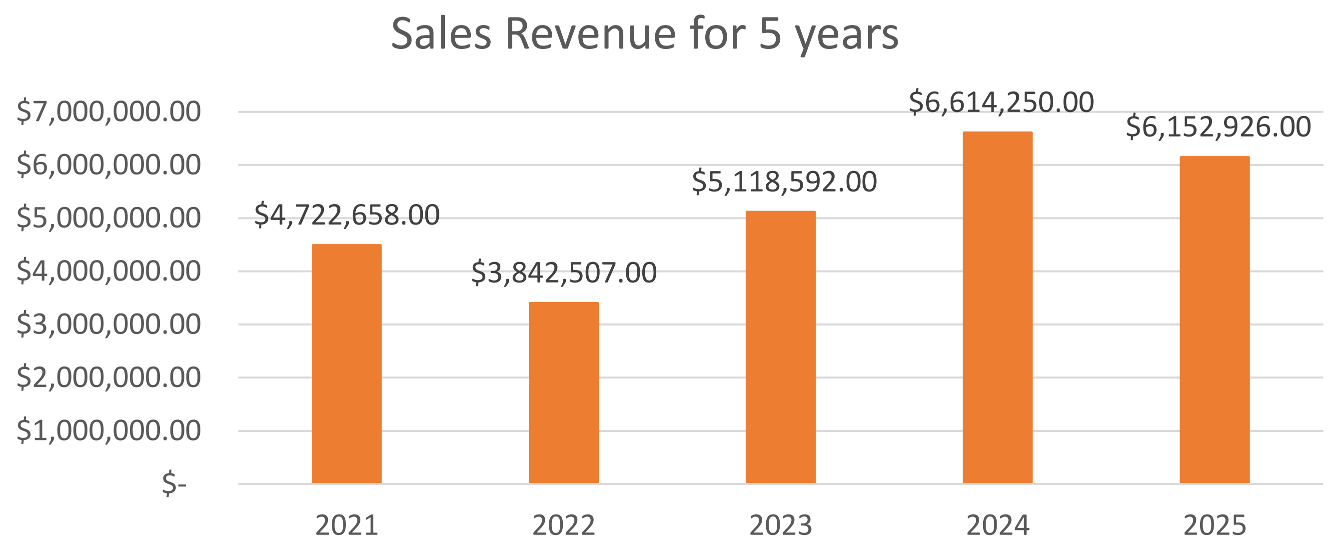
1. Sales revenue
2. Profit margins
3. Market share

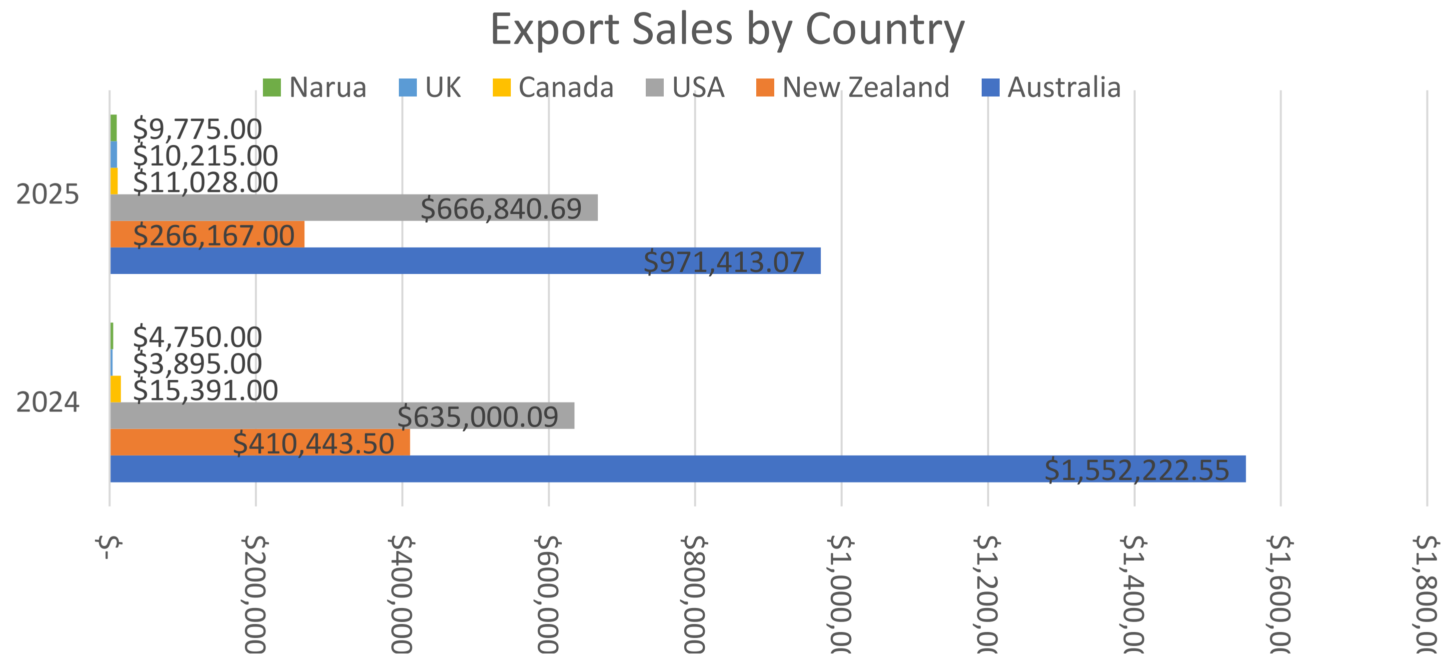
Overveiw – 2008 to 2025

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Revenue	$2,243,760	$2,136,309	$3,680,524	$3,275,490	$3,180,441	$3,422,567	$2,524,262	$2,886,841	$2,989,839	$3,246,273	$2,200,761	$2,848,527	$3,397,297	$4,765.107	$3,539,187	$5,118,592	$6,614,250	$6,152,926
Net Profit/loss	$1,004,144	($1,115,293)	($874,288)	($486,245)	($1,249,733)	($623,192)	($294,684)	($399,896)	($172,735)	($303,952)	($374,370)	($513,959)	$569,838	$355,886	$37,321	$197,161	$502,322	$428,330

Note : The figures provided for Financial years 2023 to 2025 is unaudited figures.

OUR HIGHLIGTHS

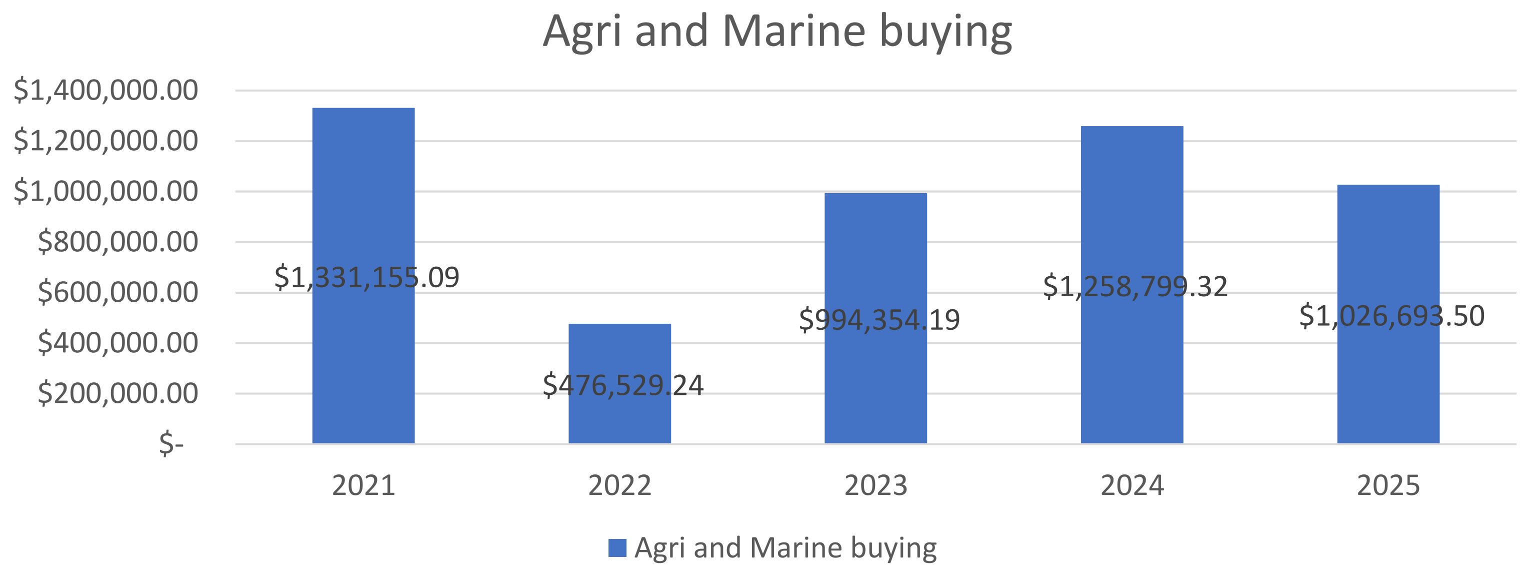


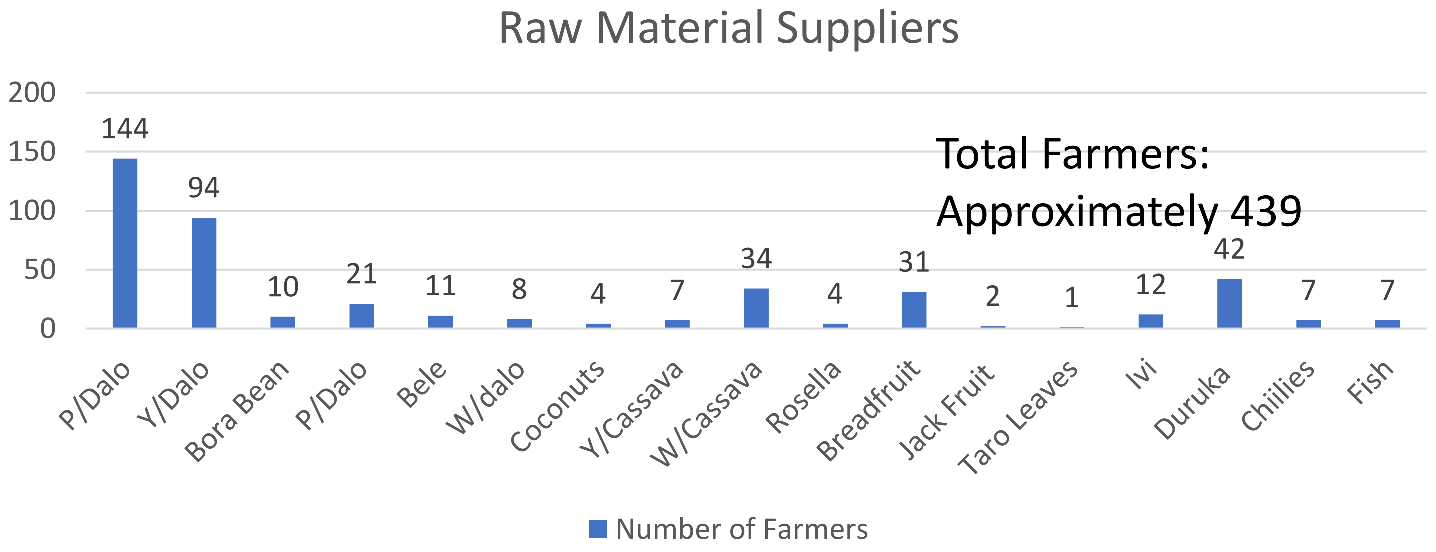


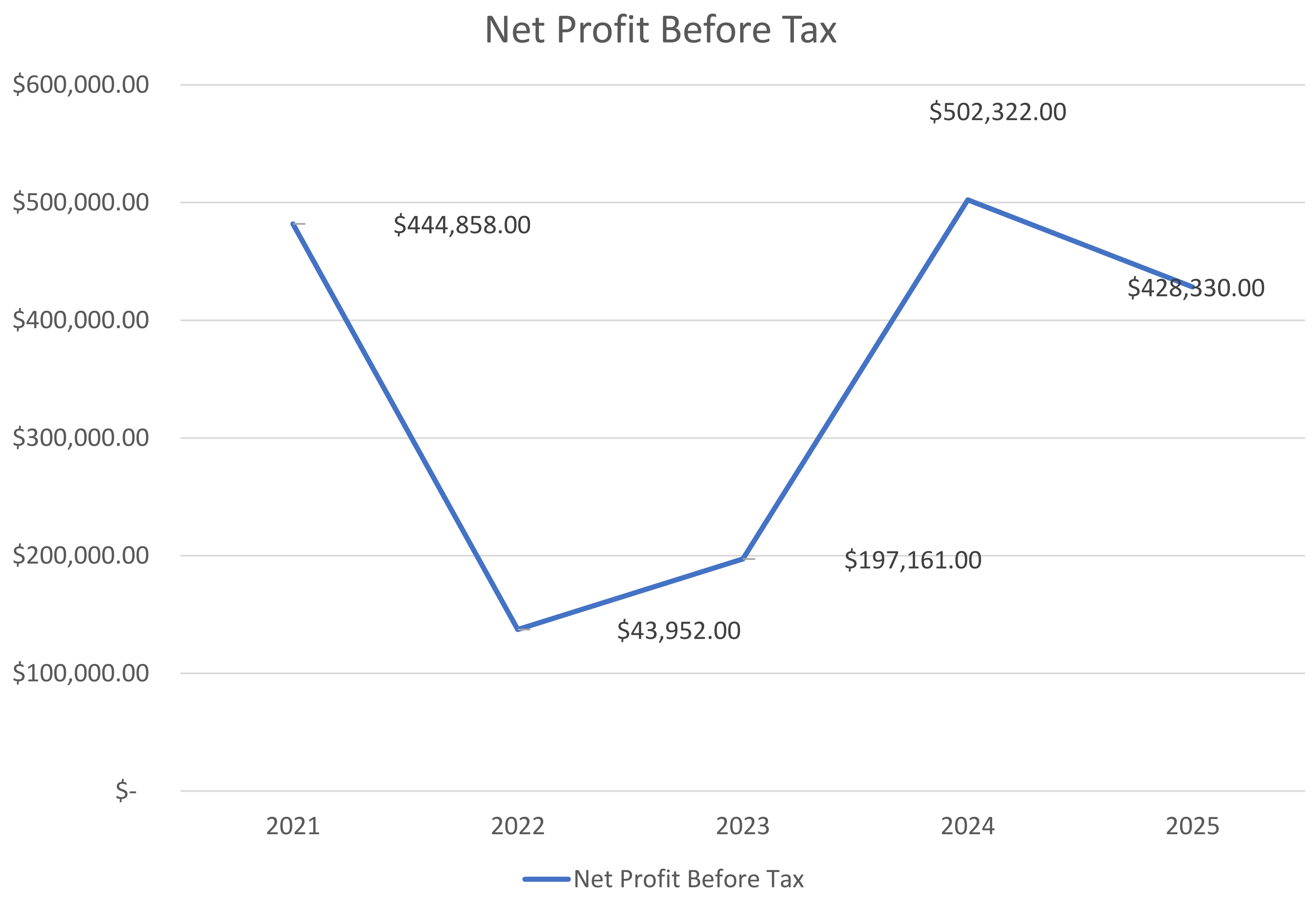
Sales Performance

Sales Performance

Agri and Marine Buying Performance







Profit and Loss

Challenges and Opportunities

Challenges	Opportunities
• Aging equipment and machinery • Lack of warehouse facilities • Absence of cold storage facility • Limited technical expertise to support farm upgrades • Strong competition, including other government-owned SMEs such as AMA • High reliance on imported products • Rising fuel prices creating operational cost pressures	• Replacement of aging machinery and equipment • Establishment of an additional processing plant for frozen and agricultural produce, while the existing facility is repurposed as a cannery to optimize space for storage • Development of new cold storage facilities • Strengthening engagement with the Ministry of Agriculture (MOA) and Fiji National University (FNU) for technical support and collaboration • Importation of price-fighter products to improve competitiveness and increase market share

Our Steps Foward

New Markets

•Expand sales opportunities in domestic and export markets through new customer onboarding and Strengthening market presence through promotions and product marketing

Increase Profits

- *Focus on higher-margin products and revenue streams.*

System Upgrade

•Implemented the ERP System to enhance production planning, inventory management, and reporting.

•Optimize payroll and HR processes through PayGlobal System.

•Introduction of SharePoint for centralized document management, collaboration, and information sharing.

•Introduce Employee Self-Service (ESS) to enable employees to access payslips, leave balances, and personal information online, improving efficiency.

Our Steps Foward

Audit

- *2023 FS preparation are currently ongoing and is expected to be completed by August 2026 followed by 2024 FS audit which is expected to be completed by September 2026 and lastly 2025 FS audit are expected to be completed by December to January 2027.*

Internal Audits

- *FPFL has engaged Pal & Associates for conducting internal audits for 2025 to 2027. The 2025 audit is expected to start by mid June 2026 as one off audit followed by Jan to June 26 to complete by October 2026. FPFL will conduct biannual audits for 2026 and 2027.*

Annual Reports

- *Financial Statements for 2022 has been cleared and currently Annual reports for FY2022 is in preparation – we can look at AGM in October (FY2022 & FY2023)*

Our Steps Foward

Risk Assesment

- Risk Assessment training for risk management and understanding and managing risk matrix will be conducted by KPMG on 9th June for the the current management.

Strateigc Plan

- FPFL's strategic plan was designed till 2026. The team has planning to engage an external party in developing the next 5 years plan (2027 to 2032). Terms of reference has been developed and vetted by an external party. Currrently FPFL is working on the tender to be published.

Capex Achieved FY2020 – FY2025

Decription	Total Value	2020	2021	2022	2023	2024	2025
Construction of Back Shed	$282,530.00						
Factory Floor Upgrades	$1,004294.89.00						
Replacement of supply chain vehicle	$144,600.00						
Upgrades to Batiri Farm	$663,283.00						
Acquisition of an auto taro peeler	$52,000.00						
Exhaust fan Installation	$21,800.00						
Twin liquid fillers	$16,200.00						
ERP System	$110,595.00						
Retort trolley redesign with dividers	$60,000.00						
PayGlobal Payroll System	$22,541.18						

Batiri

Batiri Solar Farm

- Envelops team has proposed a site visit next week to conduct a 10mw feasibility study
- MoU for 10mw solar farm has been vetted and sent for approval and for discussion with EFL

Batiri Processing Center

- FPFL has invested in a processing facility in Batiri Farm. Products such as Dalo, Rosella,Cassava,marine products,uto, breadfruit and Duruka are processed. Batiri has the capacity of 30 tons per month, and the maximum tons achieved was 23.58 ton for the month of April setting the benchmark.

Batiri

Agro-tourism

- Batiri Farm has strong potential for Agro-tourism development because of its large citrus orchards, rural farming environment, and connection to sustainable agriculture.

    - Cultural village visits with nearby communities
    - Eco-tourism activities such as river rafting and nature trails such as hiking
    - School and educational agriculture tours

- Food Security in terms of Agro Tourism
    - Seasonal Menu Planning – design menu based on seasonal harvest.
    - Increase in farm production and product diversification
    - Partner with local farmers

Thank you

Strategic Priority 1 : Ensure Sustainability	FY 2023	FY 2024	FY2025
1.1 Financial Stability			
Financial Performance Annual Operating Profit Margin	Annual Operating Profit Margin - 3% ($155k vs $52k) - 83% of Strategic plan Revenue Growth - 33% growth compared to 2022 Actuals Sales Figures - $5.1M (withouth Sales Manager) ($5.11M vs $5.8M in ACP)	Annual Operating Profit Margin - 7.7% ($502k vs $201k- ACP) - 91% of Strategic Plan Revenue Growth - 32% compared to 2023 actuals Sales Figures - $6.6M ($6.6M vs $6.2M in ACP)	Annual Operating Profit Margin -7.3% ($428k vs 502k in ACP) Revenue decreased by 10% compared to 2024 actuals Sales Figure - $6.1M($6.1M vs $6.5M in ACP)
Growth in emerging market share	Distribution Engagement - Engaged Ashabhai for distribution of FPFL products across Fiji, the Pacific Islands, and New Zealand for dry goods. Market Share Growth - New Customer Acquisition - NZ (4 new customers), Australia (4 new customers), US (3 new customers)local increased by 16% and frozend increased by 10% when compared to 2022	Distribution Engagement - Market Share Growth - Increased market share for frozen and dry goods in Australia, NZ, and the US for root crops. New Customer Acquisition - Canada (1 new customer), UK (1 new customers). Dry goods increased by 28% and frozend increased by 22% when compared to 2023	New Customer Acquisition - Australia (2 new customer - Epicure and OM International), New Zealand (2 new customer - Ashon ventures and Vinpak) and USA (1 new customer - CJ Prasad Supermarket) Distribution Engagement - local sales has increased by FJD 155k compared to 2024.
Implementation of ERP/Accounting System	Finance Modules - ERP System acquired and implementation commenced.	Finance Modules - Implemented. Manufacturing Module - completed and currently fine-tuning the system. Next Phase - Jet report implementation underway.	Production Module - Implemented
Debtor Days	71.17 days with debtors	80.33 days with debtors	Debtor Days has decreased to 44.41 debtor days compared to 2024
1.2 Sustainable Supply Chain			
Supply Chain Risk Management Framework **NDP Goals 3.1.4** Food and National Security **SDG 14 :** Life Below Water **SDG 15 :** Life on land	Agri-Buying - $933,440.99 Establsihed supply Chain section to support farmers.244 farmer surveyed	Agri-Buying - Increased to $1,258,799.32 Risk Metrics Integration - Integrated into the quality management system and business continuity plan. Farmer Communication - Enhanced communication with farmers through consistent field surveys and quality control measures. - 156 farmers supported	Agri - Buying for 2025 amounted to $1,026,693.52 Supply chain team and Fleet has been mobilised to Batiri (Vanua levu) to expand farmer's network.
Supply Chain Data Warehousing		100% implemented for all farmers	Supply Chain Database - 400 active farmers database has been maintained, improving visibility and management of supplier . Payment methods- implemented Mpaisa and direct payment to mitigate cash handling risks.
Partnerships with Donor Agencies **NDP Goal: 3.2.12** - Non -Sugar Agriculture **SDG 17** Partnerships for the Goals	PTI Australia - Procurement of Taro Peeler for AUD15K Korean Government - Funding for Batiri APV Solar Farm feasibility study $150K	PTI Australia - Procurement of Sachet Machine for AUD15K Korean Government - Grid Impact Assessment support USD 35K PTI NZ - Development of Branding Guide funding support of NZD 7500	PTI Australia - Procurement of drum washer AUD15k PTI NZ - Market access into chain stores NZD7500 Korean Government - support for Rooftop solar USD800k
1.3 Sustainable Production Process			
Optimal Plant utilisation **NDP Goal: 3.2.7** Manufacturing and Commerce **3.2.12** Non - sugar Agriculture **SDG 9** Industry, Innovation & Infrastructure	Production Capacity - 687,677.56 kg annual Warehousing - increased stock holding to $0.8M	Production Capacity - Increased to 839,101.83 kg annual - 22% Warehousing - Leased an adjacent building for warehousing -maximum stock holding of $1.4M Future Production Capacity - Enhanced production capacity threefold by FY 2025	Production Capacity - Increased to 881,729.74kg - 5% Warehousing - The adjacent warehouse lease has been terminated and a new warehouse secured at a lower rental rate to reduce overall rental costs. Production Capacity - expanded to Batiri processing Center with an initial 20 ton input target per month
Production Risk management Framework **SDG 12** Responsible Consumption and Production	Agricultural Initiatives - New sugarcane planting, farm implements, and bee farming. 40% land utilization at batiri was achieved. Supply chain team was established. comenced electricity grid extension on batiri. Infrastructural Upgrades - Office Setup (Vatuwaqa and Batiri) , completion of the Back Shed ($295k) Factory Floor Rehabilitation - Government Grant acquired Boiler Acquisition - Government Grant acquired Factory Condition Assessment - Government Grant acquired	Agricultural Initiatives - Increased buying. 55% land utilization at batiri was achieved. Grid extension and batri electfication completed. Infrastructural Upgrades - necessary rennovations done. Factory Floor Rehabilitation - Commenced -Factory Floor upgrade project successfully completed - Organic Certification rating redirected to this project Boiler Acquisition - Commenced Factory Condition Assessment - Commenced	Land Utilization at Batiri increased to 56% Development of Business Continutiy Plan under ISO9001. Risk Management - detailed risk register has been implemented where risks are identified, assessed, and regularly monitored, with mitigation and control measures in place. Overall Equipment Effectiveness (OEE) is tracked on monthly basis to improve operational performance. Customer complaints are recorded, investigated, and addressed to prevent recurrence. Robust documentation and compliance are maintained through an effective Quality Management System (QMS) and Environmental Management System (EMS), with audit findings and corrective actions to have continuous improvement across operations
Production Process Data Warehousing	ERP System acquired. $114K	ERP System - Implemented.	ERP System - Jet report has been implemented and Refresher's training conducted on ERP System to strengthen staff capabilities and improve accuracy
1.4 Environment Sustainability			
Carbon Footprint **NDP Goal 3.1.2** Energy **SDG 7** Affordable and Clean Energy **SDG 13** Climate Change	Commenced monitoring of Carbon Footprint - 1.65 per staff Factory Roof Top Solar Project - Initiated with KOICA and the Fiji Government. Batiri Solar Farm Project - Progressed to feasibility study, carried out by Envelops.	Carbon Footprint of 2.67 per staff Factory Roof Top Solar Project - Scope of the project being finalized and record of discussion between Fijian and Korean Government signed. Batiri Solar Farm Project - Progressed to grid impact study after discussions with EFL and consultants (Envelops) engaged.	Carbon Footprint reduced to 2.08 per staff Factory Roof Top Solar Project Batiri Solar Farm project - Grid impact assessment report for the Batiri Solar Farm Project has been submitted to EFL
Organic Certification **NDP Goals 3.1.4** Food and National Security	Proposal was given to PHAMA plus for assistance however there was no response. MDF and SPC was approached as well.	Funding was rediverted to Factory Floor upgrade due to high priority.	Funding was rediverted to Factory Floor upgrade due to high priority.
1.5 Asset Sustainability			
Data warehousing plant and machinery performance **NDP Goal 3.1.12**	Data Warehousing Framework - Established to monitor plant and machinery performance, including machine availability, performance quality, downtime, and maintenance, reported monthly	Data Warehousing Framework - Established to monitor plant and machinery performance, including machine availability, performance quality, downtime, and maintenance, reported monthly.	Overall Equipment Effectiveness (OEE) is tracked on monthly basis to monitor plant and machinery performance, machine availability, performance quality, downtime, and maintenance to improve operational performance.
Strategic Priority 2 : Develop and Value our People			
OHS	Injury - 10 cases	Injury - Successfully reduced the number of injuries from 10 to 7	Injury successfully reduced from 25 in first half to 5 in second half of the year.
Employee Satisfaction **NDP 3.1.9** Women in Development **SDG 8** Decent work & economic growth	Employee Engagement and Satisfaction - Enhanced through regular communication, modernized HR processes, and improved leave balance management. Internal Growth Opportunities - management migration overseas	Employee Engagement and Satisfaction - enhanced through staff rewards and recognition programs, factory workers participated in Business Excellence Award, Prime Ministers Award. Internal Growth Opportunities - 10 staff benefited from internal growth programs. OHI (Organisational Health Index) - OHI of 3.98 against the Fiji Branch Benchmark of 3.84 (Refer to OHI report 2025)	Employee Engagement and Satisfaction - enhanced through daily communication during toolbox meetings., staff recognition awards, Internal trainings and events and 3% wage increment in recognition of their hardwork and commitment. Internal Growth Opportunities - 11 staff benefited from internal growth.
Strategic Priority 3 : Governance and Risk Management			
Regulatory Compliance and Certifications	Certifications Achieved - HALAL, USFDA Product Registration, MOH, NFA, Business License, Bio Security, Fisheries.	Certifications Achieved - ISO 22000:2018 and all other certification. maintained ISO 9001:201,14000 AND 45000 implemetation commenced.	Achievement and on going maintenance of ISO Certifications. ISO 14001:2015 , ISO 22000:2018 both factory and Batiri and ISO 9001: Other Certifications - Fiji Muslim League's halal certification, compliance with National Fire Authority and BioSecurity standards.
ISO 22000 Certified **NDP 3.2.1** Non - Sugar Agriculture	Implementation and certification awarded	ISO9001:2015 Implementation commenced and achieved. Achieve ISO14001 in 2025	Done and implemented
Board Policy and Procedural Compliance	Policies Developed - Risk Register, Corporate Governance, IT. External Audit - FY 2009 commenced Annual Accounts - Annual Accounts submitted to OAG up till FY 2023	Policies Developed - 3 (Markup, Discount, Discard, Food Safety) Policies Reviewed - Procurement, Finance, Agri-buying, DLA, professional membership Annual Accounts - Annual Accounts cleared and presented at AGM for FY 2008 to FY 2019. Internal Audit - Internal Audit cleared for FY 2020 and FY 2021.	Policies Developed - Property Revaluation Policies Reviewed - initiative review of HR Manual , reveiw of Revenue recognition policy in Finance Manual Annual Accounts - Annual Accounts cleared and tabled to Public Accounts Committee for FY 2008 to FY2019. Annual Accounts for 2020 to 2022 has been cleared. Internal Audit - Internal audit has been cleared til FY2024.
Strategy Priority 4: Build Brand Equity			
Digital Communications Strategy **NDP 3.1.4** Food and Nutrition Security	EPR System and IT Tools - Acquired new server and firewall, engaged contractors to manage. Online Presence - present on Facebook, initated Logo and Website Corporate Branding - Branding guide initiated.	EPR System and IT Tools - Implemented new EPR system, PayGlobal, Microsoft 365, MS Teams for Video Conferencing. Online Presence - Enhanced with a website, LinkedIn, Facebook, Amazon US presence, and digitized board meetings. Corporate Branding - New corporate logo developed and registered to strengthen brand identity, company branding through vehicle and building signages.	EPR System and IT Tools - Implemented Production module in EPR system, PayGlobal on cloud, SharePoint Online Presence - Expanded to Vitikart, tiktok and Instagram. Continuously active on LinkedIn, Facebook, Amazon and Overseas markets. Corporate Branding - Rebranding of Palusami, Fiji Rokete and Worchestire sauce and company branding through company uniforms and T shirts.
Business Execellence Awards **SDG 9** Industry, Innovation and Infrastructure	Business Excellence Awards - Participated, received a commitment award.	Prime Minister's Award - Awarded the Prime Minister's Award for Medium Enterprise, Exporter of the Year.	Prime Minister's Award - Awarded the Prime Minister's Award for Excellence is AgriBusiness Innovation Award
Additional - People and Culture	Staff Communication - Regular communication through pocket meetings and modernized HR processes. Payslip Distribution - Timely and accurate distribution of payslips.	Staff Communication - Regular communication through pocket meetings and modernized HR processes. Payslip Distribution - Timely and accurate distribution of payslips. Leave Management - commenced monitoring and management. Career Progression - 10 internal growth through staff recognition program. Training & Development - Continuous training programs initiated; 10 staff experienced internal growth.	Staff Communication - updating staffs and communicating during morning toolbox meetings. Payslip distribution - implementation of electronic payslip for employees and currently fine tuning Timesheet - Implementation of Biometrics in Batiri and currently fine tuning. Career Progression - 11 internal growth through staffs recognition and participated in FNU careers fair to promote young gradutates. Training and Development - Internal and external training for staff growth. Events Incidents/Injuries - External trainings and initiative in progress for staff insurance coverage.

Appendix 2
Verbatim Report

[VERBATIM REPORT]

STANDING COMMITTEE ON NATURAL RESOURCES

ANNUAL REPORTS

SUBMITTEE: Food Processors Fiji Limited

VENUE: Committee Room, Parliament

DATE: Wednesday, 3rd June, 2026

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON NATURAL RESOURCES HELD AT THE BIG COMMITTEE ROOM 1, PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON 3RD JUNE, 2026 AT 2.20 P.M.

Interviewee/Submittee : Food Processors Fiji Limited

In Attendance:

1.	Mr. Raj Sharma	-	Chairperson
2.	Mr. Dr. Ilisoni Leweniqila	-	Board Member (Horticulture)
3.	Ms. Ruksha Bano	-	Board Secretary/Manager People and Culture
4.	Mr. Harmendra Singh	-	Director
5.	Mr. Vinal Chand	-	Acting CEO
6.	Mr. Nacanieli Waka	-	Director
7.	Ms. Annabelle Ducia	-	Director
8.	Ms. Nalin	-	Operations Manager
9.	Mr. Krishneel Lal	-	Sales Manager

MR. CHAIRMAN.- Honourable Members, members of the media and the public, secretariat, dear viewers, ladies and gentlemen, a very good afternoon to all of you. It is a pleasure to welcome everyone, especially the viewers who are watching this session. I am privileged to chair this 14th submission meeting of the Standing Committee on Natural Resources, which is being aired live on the Parliament Channel through the *Walesi* platform and livestreamed through Parliament's *Facebook* page. At the outset, for information purposes, pursuant to the Standing Orders of Parliament, specifically Standing Order 111, all committee meetings are open to the public. Therefore, this submission meeting is open to the public and the media and will also be aired live, as I mentioned earlier.

However, any sensitive information concerning this submission that cannot be disclosed in public may be provided to the Committee either in private or in writing. Please note that this will only be allowed in a few specific circumstances, which include:
• national security matters;
• third-party confidential information;
• personnel or human resource matters; and
• meetings whereby the Committee deliberates on all issues before developing its recommendations and reports.

I wish to remind the honourable Members and our invited sub-committees that all comments and questions are to be addressed through the Chair. Please also be mindful that only the invited sub-committees will be allowed to ask questions or provide comments to the Committee. This is a parliamentary meeting, and all information gathered is covered under the Parliamentary Powers and Privileges Act and the Standing Orders of Parliament.

Please note that the Committee does not condone libel, slander, or any allegation against an individual who is not present today to defend themselves. In terms of other protocols for this Committee meeting, please be advised that whilst the meeting is in progress, movement within the meeting room will be restricted. There should be minimal use of mobile phones, and any phone calls should be attended to outside this room. All mobile phones are to be placed on silent mode.

Also note, ladies and gentlemen, before speaking, please turn on the microphone and turn it off when you have finished. I would now like to request the members of the Natural Resources Committee to briefly introduce themselves.

(*Introduction of Committee Members)*

MR. CHAIRMAN.- The Submittee was requested to provide a submission on the Food Processors Fiji Limited Annual Reports for the period 2008 to 2019. I now take this opportunity to invite our guests to introduce themselves before we proceed with the submission. Please note that if there are any questions from the Members of the Committee, they may interject, or we will wait until the end of your presentation to ask our questions.

MR. R. SHARMA.- Mr. Chairman. and honourable Members, it is our pleasure to be here, and I wholeheartedly thank the Committee for inviting us and for your visit. I am the Chairperson of Food Processors Fiji Limited and have served in this role since 2018. I am also the Chief Executive Officer of the Sugar Cane Growers Fund and a cane farmer from Labasa, partly settled in Suva and Lautoka.
(Introduction of submittees)

MR. CHAIRMAN.- The Board Members and Senior Managers of Food Processors Fiji Limited are now invited to provide their presentation. We are giving you approximately 30 minutes. Should Members of the Committee wish to ask questions during the presentation, they will be given the opportunity to do so while the matter is still fresh in their minds.

MR. R. SHARMA.- Mr. Chairman and honourable Members, we have our presentation ready, which will be taken through briefly by our CEO and myself. Food Processors (Fiji) Limited would like to highlight certain matters, particularly since the reports from 2018 are now tabled, and you may be wondering why it has taken almost two decades for these reports to be presented. We provide some background on Food Processors (Fiji) Limited, including developments under the previous Board and from the time I was appointed. The company has undergone significant changes since then.

These accounts were not audited for almost two decades, which is why all the reports are being tabled now. At that time, the company lacked proper policies and governance frameworks. The company was facing significant challenges, and one particular bank was about to proceed with a mortgagee sale of the company.

During the previous Government, we worked systematically with the Government at that time, which greatly assisted us. While the Government was considering selling the company, it also listened to our position on two key matters. One was how to salvage the company from the mortgagee sale. Within Government, Fiji Investment Corporation Limited provides financing, and we refinanced the debt through that mechanism to avoid the forced sale of the company. The company had been scheduled for sale for approximately $3.5 million.

We approached the Government through the Public Enterprise unit and the honourable Minister and requested that the sale be put on hold. They agreed to this request. We then initiated a tender process and were able to sell two properties, one for $6 million and the other for $350,000. Following this, we cleared the loan with Fiji Investment Corporation Limited, settled overdue taxes, and also addressed outstanding FNPF obligations.

We then progressively implemented further reforms. We found that the accounts had not been audited, and that trial balances, debtors, and creditors were not properly reconciled. We had to go to the extent of confirming with debtors whether they truly owed the company money, and likewise confirming with creditors whether the company owed them money. Those were the conditions of the records at that time.

All of this had to be audited by the Office of the Auditor-General. However, the 10 to 15 years of audits could not be completed due to resource constraints. We did not have the funds to undertake this work. We therefore acknowledge the Government, which later allocated special funding. This applied not only to us but also to other State-owned entities in similar situations. The Auditor-General then outsourced the auditing functions to be carried out.

To summarise, we are now before you with this presentation. We have fast-tracked and completed the 2020 to 2022 Annual Reports last week. We are working towards completing the 2023 to 2025 reports by December this year, and the 2026 report by the first quarter of next year. These are the changes we have implemented. The remaining updates are outlined in the presentation. I will now request the CEO to take us through it.

MR. V. CHAND.- Thank you, Committee, for giving us time to go through the submission and presentation.

Who we are: in short, Food Processors Fiji Limited (FPFL), established in 1984, is a Government-owned enterprise operating under the Ministry of Public Enterprises. The company plays a vital role in enhancing Fiji's food security, supporting economic development, and contributing to the export sector. FPFL has built a strong reputation for producing high-quality products such as chilli sauces, palusami, ivy and breadfruit in cans, frozen jackfruit, duruka on a seasonal basis, frozen vegetables, and marine commodities.

We have developed a five-year Strategic Plan for 2022 to 2026, which is expiring. As you can see in the next slide, and as provided in the PDF for the honourable Members, we have outlined what we projected and what we have achieved. We are broadly in line with meeting our targets.

Our business model, in short, includes customer segments, revenue streams, key partnerships, value proposition, key resources, cost structure, customer relations, key activities, and key metrics. With this business model, we were able to report from 2008 to 2019, and we are continuing to progress towards 2025. We have turned around the business from 2020 to 2025 on a profitable basis.

Overview: although the figures are small, I will take you through the revenue stream and bottom line. In 2008, we recorded $2.2 million with a net profit of $1 million. In 2009, we recorded $2.1 million with a net loss of $1.1 million. In 2010, $3 million; in 2011, $3.2 million; in 2012, $3.3 million; in 2013, $3.4 million; in 2014, $2 million; in 2015, $2.8 million; in 2016, $2.9 million; in 2017, $3.2 million; in 2018, $2.2 million; and in 2019, $2.8 million. Until 2019, the company was largely operating in a net loss phase.

Since the introduction of the new Board and Chairman, we have been able to turn the business around from 2020. You will see business growth from the $2 million range to above $3 million. In 2021, we recorded $4 million. In 2022, due to the impact of COVID-19, performance declined slightly but remained stable at $3.5 million. In 2023, we increased to $5.1 million, with a net profit of $197,000. In 2024 and 2025, the company is now reaching approximately $6 million. We anticipate that from 2026 onwards, we will be able to grow from $6 million to above $8 million.

MR. R. SHARMA.- Deputy Chairperson and honourable Members, you will note that sales are increasing. Although the bottom line may be slightly variable, we are not declining. Of the approximately $6 million in sales, around 60 per cent comes from the supply of raw products provided by ordinary farmers. These farmers supply the raw materials, so the more we sell, the greater the benefit that flows to them.

These include bele, ginger, dalo, cassava, and other local raw materials sourced from farmers. This also includes items such as ivy, duruka, and others. As we increase production and sales, we are also strengthening support at the grassroots level by enhancing demand for their produce. We have also expanded into the marine and fisheries sectors.

DEPUTY CHAIRPERSON.- Mr. CEO, I have a question. We have noted the improvement in your sales revenue from 2024; however, there was a significant decrease in 2025, almost a 20 per cent drop. Was there any significant reason for this?

MR. V. CHAND.- The sales.

DEPUTY CHAIRPERSON.- The sales performance also includes your net profit after tax. It goes down by 15 percent from 2024 to 2025.

MR. V. CHAND.- Deputy Chairperson, that is a very good question. If you look at 2024 to 2025, the revenue impact has decreased. This is due to commodity prices falling. The output volume exported to the overseas market remains the same, but the price received from the overseas market has decreased, hence the reason for the decline in revenue. When the price of a commodity decreases, the impact is also reflected in the margin; therefore, the margin was reduced accordingly.

Deputy Chairperson and honourable Members, you will note that sales are increasing. Although the bottom line may be slightly off, we are not going down. Of the approximately $6 million in sales, around 60 per cent comes from raw supplies provided by ordinary farmers. These farmers supply the raw materials, and therefore the more we sell, the greater the benefit that flows back to them.

These include *bele*, ginger, *dalo*, cassava, and other local raw materials sourced from farmers, as well as items such as *ivi, duruka*, and others. As production increases, we are strengthening support at the grassroots level by increasing demand for their produce. We have also expanded into the marine and fisheries sector.

As mentioned, we continue to monitor the bottom line to maintain a 15 per cent margin for sustainable business growth. However, due to market challenges and stiff competition from imported products, Food Processors Fiji Limited is facing difficulties in maintaining competitiveness, particularly in tomato sauce products.

Some of the current challenges, as the Committee would have observed during its site visit, include aging plant and machinery. This is an area that requires attention, and I seek the Committee’s recommendation for consideration to modernise the plant from manual to semi-automatic or automatic systems to improve efficiency and output.

We also face a lack of warehouse facilities. We are currently hiring both cold storage and dry storage due to space constraints. If we are able to secure dedicated dry and cold storage facilities, it would significantly reduce operational costs.

There is also limited technical expertise to support farm development. As mentioned, we have a 420-acre farm in Batiri, which requires upgrading so that it can contribute more effectively to production. This would allow us to balance supply, with part supported by the plant and part sourced directly from rural farmers, particularly in Labasa and Batiri.

We also face strong competition from other government-owned SMEs such as AMA, high reliance on imported products, rising fuel prices, and increasing operational costs. These are daily operational challenges faced by the Board and management, which we continue to address to maximise output.

In terms of opportunities:

1. Replacement of aging plant and machinery, estimated at $5 to $10 million;
2. Establishment of an additional processing plant for frozen and agricultural products, while repurposing existing facilities as a cannery to optimise storage space;
3. Development of new cold storage facilities;
4. Strengthening engagement with the Ministry of Agriculture. Although we have an MOU with the Ministry, further discussions are needed to strengthen farmer development initiatives. Engagement with Fiji National University for technical support and collaboration is also planned;
5. Importation of price-fighter products to improve competitiveness and increase market share.

Way forward:
• New markets - We will expand domestic and export sales through new customer onboarding, strengthened market presence, and increased promotion and product marketing.
• Increase profits - Focus on higher-margin products and revenue streams.
• System upgrade

(1) Implementation of an ERP system to enhance production planning, inventory management, and reporting;
(2) Optimisation of payroll and HR processes through the PayGlobal system;
(3) Introduction of SharePoint for centralised document management, collaboration, and information sharing;
(4) Introduction of Employee Self-Service (ESS) to enable employees to access payslips, leave balances, and personal information online, improving efficiency. From this year onwards, payslips are no longer printed. We have around 130 employees on payroll, and all employees have email accounts through which payslips are sent electronically.

Steps forward to become compliant with the Public Accounts Committee: The 2023 financial statements are currently in preparation and are expected to commence auditing by mid-July and be completed by August 2026, subject to resource allocation from the Office of the Auditor-General. The 2024 audit is expected to be completed by September, and the 2025 audit by December. By 2027, we aim to hold our Annual General Meeting in line with compliance requirements of other entities.

Internal audits: FPFL has engaged Pal and Associates to conduct internal audits from 2025 to 2027. Internal audit functions were introduced in 2022 after identifying gaps and weaknesses in the system. The internal audit provides guidance on areas requiring improvement to minimise inefficiencies in plant and operations.

Annual reports: Financial statements for 2022 have been cleared, and the 2022 annual report is currently under development. We have completed up to 2021 as of last week with our shareholders.

Risk assessment is another key area. We have implemented a Risk Assessment Policy within FPFL, supported by ongoing risk assessments and mitigation measures. A refresher training session was held on 9 June to ensure Board members and FPFL staff are well versed in risk management processes.

Strategic plan: The FPFL Strategic Plan runs until 2026 and will conclude in December. We have begun developing terms of reference to go out to tender for the formulation of a new Strategic Plan for 2027 to 2032, to provide a clear forward direction.

Mr. Chairman, the next slide is for information regarding capital expenditure from 2020 to 2025. We constructed a back shed in 2021 and 2022 for coconut cream processing, and undertook factory floor upgrades, a major project carried out in 2023 and 2024 while maintaining operations with minimal disruption.

Following completion of the project, we obtained ISO 9001 certification. We also replaced supply chain vehicles by introducing four-wheel drive vehicles to reach rural farmers and collect agricultural produce. Upgrades were made to the Batiri Farm, including electrification at a cost of approximately $650,000. The farm previously had no electricity; it now has power supply, processing capacity, and improved communication systems for staff and farmers.

We also installed an auto taro peeler, exhaust fans in the factory to improve occupational health and safety, twin liquid fillers, retort trolley design systems for improved product processing, the ERP system for financial compliance, and the PayGlobal system to ensure timely payroll and statutory payments.

At Batiri Farm, as shown in the presentation, there is a proposed site visit next week to conduct a 10-megawatt solar feasibility study. An MOU for the solar farm has been vetted and forwarded to Energy Fiji Limited for approval and grid connection consideration.

Batiri Processing Centre is a key investment where products such as dalo, rosella, cassava, marine products, *uto*, and *duruka* are processed. The farm has a current capacity of 30 tonnes per month. Last month, production reached 23.58 tonnes in April, setting a benchmark with plans for further monthly increases.

Batiri also has potential for agro-tourism development, including rural farming experiences, cultural village visits by nearby communities, eco-tourism activities such as river rafting and nature trails, and educational agricultural tours for schools.

Food security initiatives linked to agro-tourism include seasonal menu planning based on harvest cycles, increased farm production, product diversification, and stronger partnerships with local farmers for supply of agricultural products. Thank you very much. We are happy to take any questions from the Committee and will respond to the best of our ability.

DEPUTY CHAIRMAN.- Thank you CEO for the very detailed and comprehensive presentation. Now it is time for questions from the Committee.

HON. V. NATH.- First of all, I must declare my interest as a farmer and a former supplier to Food Processors Fiji Limited. I am a chilli supplier, well known for Bongo chilli. But before I ask a question on Bongo chilli, Mr. Chairman, you just mentioned you were a director from 2010, am I correct?

MR. R. SHARMA.- 2018.

HON. V. NATH.- However, some of the reports you mentioned were still not audited. What was the reason for this?

MR. R. SHARMA.- At that time, we would not have the reasons, as it was under the previous Board or management in terms of how it was run. I think compliance and related matters were not given the level of importance that they have been given subsequently under the current Board. When I was appointed in 2018, these were some of the matters that, together with the Board, we treated as high-priority items.

Even after being audited, honourable Nath, our Board was not taking accountability and responsibility for those matters, as we would not be responsible for issues that occurred 15 years ago. It required two audits to be done. Firstly, management accounts were not prepared by managers at that time. We had to outsource that work. Once the accounts were prepared, they were then submitted to the Office of the Auditor-General. This took considerable time due to records and system-related issues, possibly linked to the way the system was operating at the time, including MYOB and related processes.

These were weaknesses that we continued to identify over time, and we had to systematise and address them. There were only a very minimal number of policies in place. I cannot recall the exact number, but today we have approximately 18 to 20 policies in place. A significant amount of work had to be done to establish and implement these systems.

HON. V. NATH.- Mr. Chairman, through you, I thank the previous Governments, and I think since 2008 until 2019 I have seen the accounts in the red. However, I think the Government had injected a lot of money into it, which is a good path for Food Processors (Fiji) Limited to probably achieve success. My question on Bongo chilli is, who decides the price?

MR. R. SHARMA.- The market decides the price.

HON. V. NATH.- Mr. Chairman, I am asking this question because the market price varies from $35 to $40 per kilo. At the very last stage, it reaches a minimum of about $5 per kilo. I understand that Food Processors (Fiji) Limited buys chillies at $7 per kilo, when we were supplying, although I am not entirely sure if I am correct.
I am raising this in the interest of the farmers because they work overtime. Again, there was a requirement to remove stock, which becomes an additional burden for farmers. It becomes easier for farmers to supply the market through middlemen, and there is also a large supply in Lautoka where they often go.

My question is, how is it that you only go up to $7 per kilo and do not take an average of the market price, which ranges from $35 to $40 per kilo at this point in time? The minimum may fluctuate, but not this year. I am sure the price will not go down this year because many people were unable to plant due to an uncontrolled disease.

MR. H. SINGH.- The current price is not available at hand, as it has not yet been decided. We still have stock from last year. Our policy is to purchase products that are in season so that we can buy at a lower price and achieve maximum output. When supply is high, we purchase those products at that time. The minimum price ranges from $6 per kilogram to $8 during peak season, while in the off-peak season, if a farmer wishes to supply, we purchase at $10 to $15 per kilogram for bulk production.

HON. J. N. NAND.- My question is currently against a backdrop of fuel crisis. How would is the Food Processors (Fiji) Limited well geared to ensure that it mitigates and keep the sustainability of the company?

MR. R. SHARMA.- So, before this fuel crisis started, I think about two months prior, we had already begun looking at how we could minimise these impacts if they occurred. I would like to note that the work is already in progress to install a solar rooftop system at our factory. This is separate from the solar farm we are discussing at Batiri. I must also thank the Department of Energy and KOICA for funding the rooftop solar supply for the factory.
Secondly, in managing our staff, we have had to look internally at how best we can minimise costs. I must acknowledge the management, and at the Board meeting held this Monday, we looked at cost-saving measures, including removing positions that have not been filled, resulting in savings of close to $100,000 per year.

The next area is vehicle utilisation. Instead of making frequent daily trips for small collections, we are now planning routes more efficiently. We have also requested management to write to the Ministry of Agriculture and Waterways. We understand that some fuel subsidy funding may be allocated, and we would like to apply for this support, not for general operations, but specifically for fuel used in collecting products from farmers. The CEO or other members may add further comments.

MR. V. CHAND.- To add to this, in the previous month and the month before, when we operated our boiler, 3,000 litres cost us $6,000. On the last order, we had to pay $11,800 for fuel, which represents a 100 per cent increase. To mitigate this, we have internally decided, together with management, to plan our boiler operations and retort production more efficiently. On days when the boiler is operated, we will maximise output for all products produced through boiler processing.

HON. S. KUMAR.- Can the management provide an overview of the company's current co-operations and identify the principal product lines contributing to revenue generation and operational sustainability?

MR. V. CHAND.- The overview, as mentioned, is that we are planning to run mass production of high-demand products required by the market, for example, tomato sauce under the Pacific Crown brand. We will increase production of this in line with the operation of our furnace or boiler. We will also optimise the production of *dalo*, as there is high demand but limited supply, with price being an additional factor due to the impact of the fuel crisis. We are planning to prioritise production based on demand requirements and ensure we fulfil high-demand products before producing other items required in smaller quantities by customers.

HON. T.R. MATASAWALEVU.- While we were doing the site visit last month, we saw the space for the factory inside. Does the Board have a plan to relocate, or any new site to build the new companies?

MR. R. SHARMA.- We do have plans in place, although these have not been decided just recently. We have been considering various options. The first option is a setup in Vanua Levu, which has already commenced operations. We have adequate space there and are currently operating from that location.

Secondly, we had approached the Ministry of Agriculture and Waterways when the late honourable Minister was in office, to explore whether they could allocate space at Koronivia for us to establish a processing centre. There is also a possibility for us to lease space, but our preference is to move out of Vatuwaqa.

Our options include looking at the Naitasiri area. Last Friday, we were scheduled to meet landowners in Verata Village to discuss potential arrangements. Another site has also been identified in Naitalasese. We have also discussed the possibility of diversifying into exporting green produce, including okra, eggplant, and other similar crops. In addition, the Board discussed last Monday the need to explore establishing facilities in the Western Division, which would be export-oriented. These are our current plans.

Within our existing premises, there is a front office area and available space. We are assessing cost-effectiveness options, including building upwards and redeveloping office space, while utilising the ground floor for storage, which is currently open space. If extended towards the boundary, subject to council requirements, additional usable space could be created. We are currently considering a range of options to improve efficiency and utilisation of the site.

HON. V. NATH.- Deputy Chairperson, through you, it was very unfortunate that I could not visit during the field trip with our team. Honestly speaking, I would have loved to, but what our colleagues shared was that you still do things manually. That was disturbing to hear because the country is moving forward, and even small exporters in Fiji are well equipped. Even if you look at AMA, why did you not consider modernised machines so that you can save manpower?

MR. R. SHARMA.- Gradually, we are doing that. You would have seen the automatic peeler machines that we have acquired, as well as the washing machines we have installed. One of the key constraints has been our financial position. We have invested over one million dollars just on the platform and flooring. That has been a significant cost for us, and it was a priority investment. Had we not undertaken that work, we would not have been compliant to export our products to the United States of America market. However, that is in place, and I think the CEO can provide further comments on this.

MR. V. CHAND.- Deputy Chairperson, the product that we were working on during the Committee's visit was *palusami* filling. As you would know, in *palusami* the *rourou* leaves should not be mashed; they should remain whole. Currently, we do not have machines that can pack 250 grams into a can, so that part is done manually. At present, we have no option but to continue with manual filling for that stage. However, the liquid component of the *palusami* is processed through machinery, as we have a liquid filler. All our fillers are automatic machines, but they are designed for the liquid processing stage.

There are no machines currently available that can automate the filling of the solid *palusami* leaves into cans. We are therefore exploring options to address this and to determine how this process can be automated in the future. That said, this was a valid observation, and we will take it back to the Board for consideration. We will work towards meeting this requirement. Until a solution is found, we assure the Committee that we will maintain strict hygiene standards in the manual filling process so that the end product meets all safety expectations and is not perceived as unhygienic.

DEPUTY CHAIRMAN.- Board members and senior managers have noted that the financial performance of the company has generally improved compared to the last six or seven years. In the past, sales and profits improved, although not significantly. I want to commend you for that. Thank you very much. It appears that people are working very hard.

My question is, you have noted that we have gone through a very difficult period regarding poor financial management, which has hindered the company's performance over the years. What measures are now in place to ensure that proper financial policies and management are followed?

MR.. R. SHARMA.- Deputy Chairperson - one is the absolute corporate governance policy and the framework of Board appointments. I must commend my Board — even the past Board that was with me and the current Board. We all bring different composite and versatile expertise. We have one of the professors from the University of Fiji with us, as well as a doctor, an agricultural specialist, and experts in finance and human resources:

(1) This reflects our strong belief in absolute corporate governance;
(2) Our risk management framework has been set by KPMG;
(3) We have not only external audit but also internal audit, which has been outsourced;
(4) We have established systems of controls through a complete Enterprise Resource Planning (ERP) system.

This system allows us to track from which farmer a commodity has been purchased, to which shelf it has been manufactured and delivered. Previously, we did not know the level of wastage or the return of goods. Now, we can identify these issues, although challenges remain.

One challenge we faced, despite the system being in place, was staff turnover. For example, the finance manager resigned midway, which created difficulties. These are the realities we face, but we continue to maintain checks, balances, audits, and compliance. In fact, we noticed that we were losing track of some matters, so instead of the minimum requirement of holding board meetings every second month, we now hold them monthly. In addition, we have formed several sub-committees, which also meet monthly to ensure regular monitoring.

HON. J.N. NAND.- Mr. Chairman, through you, we have highlighted the Committee's collaboration, and there is a Memorandum of Understanding between Fiji National University and the Ministry of Agriculture. Could the Chair or the Chief Executive Officer highlight the nature of this collaboration and the extent to which we have made progress?

MR. R. SHARMA.- The reason we intended to have this collaboration was to secure technical expertise. One example is the Batiri project. We attempted to secure support even from the Government of India and other multinational partners through public enterprises, but we were unable to obtain the expertise needed to revive oranges and citrus production. The first Memorandum of Understanding with Fiji National University is intended to provide that technical expertise. They have already started a number of activities, which will be elaborated on further.

The other Memorandum of Understanding is with the Ministry of Agriculture. For Fiji National University, the focus is on technical expertise. We acknowledge there may be a conflict of interest, as two of the Board members are connected to these institutions. However, this idea was also mooted by the honourable Prime Minister when he opened our factory floor, suggesting that we look at available expertise and resources. With the Ministry of Agriculture, there are several activities already underway, and the CEO could probably provide an update.

MR. V. CHAND.- Mr. Chairman, with your permission, Sir, currently at Batiri we are working on a pilot project to introduce sheep farming on 10 acres. The Ministry of Agriculture is providing materials and support to help us commence this initiative. Within the orchards, we are currently using tractors to slash and maintain the farm. By introducing sheep farming, we aim to minimise costs and reduce labour expenses. Another initiative with Fiji National University is grafting oranges for us, which is a key component of the Batiri project. We want to ensure that the Batiri name is sustained.

Additionally, under the Memorandum of Understanding with the Ministry of Agriculture, we have planted one acre of avocado as a pilot project. The Ministry has also shown interest in supporting the planting of jackfruit and breadfruit. At present, there are no established commercial farms for jackfruit and breadfruit, although there is significant overseas demand. We are therefore piloting three acres of jackfruit and three acres of breadfruit with the Ministry of Agriculture, with the aim of increasing production for the export market.

HON. S.S. KIRPAL.- Mr. Chairman, just a supplementary question. It is good that you have collaboration with the Ministry of Agriculture and Fiji National University, but how are you engaging the farmers? You have just mentioned jackfruit. I understand that we have *balekana*, *uto dina*, and *uto*. These are varieties in Fiji, and within two to three months you will not find these varieties; otherwise, throughout the year you will find them in the markets. How are you supplying the seedlings, or how are you promoting farmers to engage with FPFL?

MR. N. WAQA.- Mr. Chairman, we have undertaken several visits and consultations together with staff from the Ministry of Agriculture and also the Ministry of iTaukei Affairs, visiting villages in Verata and parts of Tailevu to promote commodities intended for our export markets. For the information of honourable Members, some of these commodities are currently sourced from wild areas. They are not

yet commercially cultivated. In particular, breadfruit, *ivi*, and *rourou* do not yet have established commercial plantations.
As has been mentioned, we have already signed a Memorandum of Understanding with the Ministry of Agriculture to encourage and support farmers to plant on a commercial basis, especially for commodities that have strong export demand overseas.

MR. R. SHARMA.- Also in Vanua Levu, the CEO and one of the Directors have gone out to meet farmers. You will also see on Food Processors' social media Facebook page that on the ground there is a person educating people and collecting the items, and that is how we operate. I believe there is still more to be done.

Honourable Members, to that end, this is the point we are raising. We do receive some level of subsidies from the Government, which we use in agro-buying. However, we are looking at a similar concept whereby farmers could also be supported to plant commodities that we require, such as *duruka*, which has been a good margin for us. It also has a relatively short production cycle of around 18 months. We have been exploring, together with the Ministry of Agriculture, whether farmers could be provided with some form of planting grants, although we acknowledge that such grants are currently very limited. This would enable farmers to act as a conduit, supplying directly to us.

While there is a level of risk due to the open market environment, we already have over 400 farmers with whom we have established trust. Therefore, some level of planting assistance could help ensure consistent supply of these commodities to us.

HON. V. NATH.- Mr. Chairman, just a supplementary question. I request that you can handhold the farmers because, as you have just mentioned regarding *duruka*, I am optimistic that when farmers bring *duruka*, you may not be able to purchase it, as there are larger buyers outside who will offer higher prices than what you can offer. What I am suggesting is that you should handhold the farmers and directly link them to your organisation. You could supply seedlings and support them from the beginning. Are you also considering that approach?

MR. R. SHARMA.- We are looking to engage with them, but we also have to take a risk-based approach. We do not want to be in a position where we overcommit, because the market is totally dependent on demand in overseas markets. We have seen situations, even in Government and companies, where agreements were signed with farmers, farmers produced, and there was no market available. Therefore, we would like to be very prudent with farmers, so that we do not overpromise or create expectations that we cannot sustain.
Mr. Chairman, the market is also competitive for us, and that is an important point. Definitely, we would like to engage more deeply with our farmers.

HON. J.N. NAND.- Just one last question with regards to Batiri Farm. I will not term it as a failure, but as a neglect. How much capital injection would Batiri Farm need in the next two to three years to make it fully sustainable?

MR. R. SHARMA.- To make it sustainable, it is challenging for us. We are also looking at whether there are any overseas partners who can partner with us. I believe the Government has announced, through Public Enterprises, that joint ventures may be explored. One issue is that the soil content of Batiri has deteriorated over time, which raises questions about what can be grown there. We have attempted to cultivate sugarcane to a maximum extent, but we are all aware of the current issues surrounding sugarcane.

To make Batiri sustainable, the intention is to progress the solar farm initiative. We commenced with a four-megawatt study, which has been completed. Energy Fiji Limited at that time confirmed that it was workable. Circumstances have changed, and further confirmation is required. Fortunately, we are not yet investing heavily in feasibility studies. If it proceeds, it would be a unique model, combining solar panels with farming underneath. We have been working on this concept for quite some time, although there have been a number of bottlenecks that still need to be addressed.

I would also like to raise, through the honourable Ministers and Parliamentarians, that in the context of current fuel and electricity challenges, such initiatives should be seriously considered and promoted. We have been engaging with Energy Fiji Limited for the past six years on this matter without significant progress, which is a concern at the national level. If this becomes viable, it would generate sustainable margins to support the company. We have many plans for the company, but we are cash-strapped. At present, we have no external debt, but we do have a million-dollar overdraft facility.

The reason for this overdraft facility is that while we receive payment for our products in 30 to 60 days, we cannot ask farmers to wait 60 to 90 days. We must pay them immediately, and that creates a working capital challenge for us.

HON. J.N. NAND.- I am trying to find out how much money …

MR. R. SHARMA.- I think the assessment is still to be done. We are looking at about $5 million, but we are revisiting our plan, as the CEO said, from around $5 million to bring it to a workable level. However, we still have to decide what we are going to plant. I will also provide further information. Overseas investors intended to enter into joint ventures with us. They tested the soil, but it was not suitable for the commodities they were targeting. Recently, together with the Ministry of Agriculture, we have conducted soil assessments to determine which commodities are suitable for planting at Batiri, and this is the work we are currently undertaking.

HON. V. NATH.- You have just mentioned that people should know the pH of the soil. That is very important, as it will help improve production. My question is that you have alluded to the five-year Strategic Plan from 2022 to 2026. We can put a lot of things on paper, but what are your KPIs? How many of them have you...

MR. R. SHARMA.- Mr. Chairman 75 percent. To mention new systems, policies, accounts nearly completed, restructured the organisation, and increased the sales by 100 percent from $2 million to $6 million – these are the achievements.

MR. CHAIRMAN.- Just to round off our presentation this afternoon, I understand that the members here are very experienced people, and I will give you a minute each to say something you want to say to support the food processing, if you think that we have not covered some issues.

MR. I. LEWENIQILA .- Mr. Chairman, in joining the team, I have seen the potential that Batiri has. I have described Batiri as the pearl of Fiji. We see huge potential there. Thank you very much for inviting us to elaborate and to outline what is needed to support the management team, not only as a statutory body for the Government but also for the vanua and our farmers.

There is a lot to discuss and share, and we are continuously pushing ourselves beyond our current limits, understanding the lifecycle processes of the commodities we deal with, including semi-perishable, perishable, and non-perishable products, and the demographic zones in which we operate. Through collaboration with ministries and universities, the management is continuing to strengthen its work in these areas.

Thank you for trusting us with the opportunity to serve a second term. In the first term, it was like building a house where we were fixing the interior. Now we are moving to the exterior, engaging with the wider public and contributing to the nation and GDP. Lastly, everything we are doing is aligned with the National Development Plan of the Government.

MS. R. BANO.- My area is mostly people and culture. What I am currently doing is working towards improving the human resources functions of the company so that we can bring in new models to the payroll system, such as an employee self-service portal, which can be beneficial for both the company and our employees.

MR. N. KUMAR.- Actually, I am fully involved with Food Processors (Fiji) Limited with my experience.

MR. N. WAQA.- My contribution is that we have the market, and it is not a small market. It is a market in large advanced economies such as the United States of America, the United Kingdom, New Zealand, and Australia. However, collaboration is needed between all stakeholders. I believe there are a number of non-renewable ALTA leases. If the Government can look into developing those lands and the crops and commodities that I have already mentioned, there is potential to commercialise them, as there are established markets. Even though we have already signed a Memorandum of Understanding with the Ministry of Agriculture and are doing our best to develop these commodities, further support is required because we already have access to markets in these advanced economies.

MS. A. DUCIA.- Mr. Chairman and honourable Members, I am the Chairperson of the HR Sub Committee and, with all our technology in place, one main issue is people management. It is not easy to manage people. We have found that there has been high staff turnover since we joined in 2023. Together with other Directors and Chairpersons, we have tried to put in place incentives to retain our key personnel at both senior and operational levels. I think we have managed to some extent. We have some key personnel who are now with us and are likely to remain.

We thank the Chairperson for his guidance, and we can see the difference it has made, along with training provided for ground-level staff and senior management, as well as small incentives to signal to them that they are valued and that they are here to stay at Food Processors (Fiji) Limited.

MR. R. SHARMA.- Mr. Chair, if you can allow me on that subject, this is a problem for all State-Owned Enterprises. This is what we have raised with the Ministry of Public Enterprises. The Board is empowered to appoint management, including the Chief Executive Officer. The Chief Executive Officer's salary goes through the Higher Salaries Commission, which is appropriate. However, one issue we find difficult, and this is what we have been writing to our Ministry about, is that any increment or retention of personnel within a public enterprise requires us to seek approval from the Ministry, which becomes challenging for us. We believe we should be empowered.

Our Ministry has advised that they are working on a policy to waive this requirement. If another public sector organisation offers a role to one of our managers, making a counter-offer becomes very difficult. A typical example is that we lost an employee at Batiri under those circumstances, as they were recruited elsewhere, and we were unable to match the salary. This is something we need to work through. We have raised it with our Ministry, and it requires attention.

MS. N. KUMAR.- From the operational side, some of the plans are:

- Product innovation and diversification – introducing new value-added products to meet changing consumer preferences and market demands;
- Investment into technology and infrastructure – continuing upgrading of manufacturing facilities and equipment to improve efficiency and product quality; and

- Food safety systems – maintain and contribute and improve on ISO food safety management systems.

MR. K. LAL.- As a sales perspective, I would like you to continue to trust and support us, because we are putting Fiji's name on the map. We are canning *duruka* and *palusami*, and these products are very scarce in the Fijian market and among Fijian people. When we go overseas and people see these products, they know they are Fijian products. We want your continued support. It is difficult to pack ivy in a can, but by marketing it globally, people will recognise it as a Fijian product.

I urge you, the Government of the day, the Board members, and my colleagues to continue to trust each other and bring these products to the market. I guarantee that our sales will increase. We will make a strong effort to grow sales, and we will continue to invest if we invest in our people and our machines. We have been operating with aged machines and manual processes, but we need to continue improving until we are fully stable and able to manage efficiently.

Once again, I want to see these products throughout the world — *palusami* and *ivi* — so that when families see them abroad, they recognise them as Fijian products. I will feel happy, and you will feel happy, knowing that Food Processors Fiji Limited has done something positive for our country, and we will continue to build on that. It will bring a smile to our faces.

MR. CHAIRMAN.- That brings us to the end of our session this afternoon. Just before I close, I want to thank you again, Board members, the CEO, and the Board Chairman. As I stated in my opening remarks, we have noted the improvement. Although ten years ago the company was in a very poor state, through your efforts we have seen improvement, even though you have not yet reached maximum performance. So far, we have observed a turnaround, and that will encourage the Committee to continue to support and, where necessary, convince the Government to provide what you need so that the business may continue to improve and remain sustainable for future farmers.

I have also noted the lack of connectivity and visibility to farmers. Everywhere we go, market access is an issue. People in rural areas often say there is no market. We encourage them to plant and improve production, but there is a lack of market linkage. This is an area that needs improvement, especially in agriculture. Extension crop and livestock officers need to be aware that there is a market available through Food Processors Fiji Limited.

We will advocate for this and communicate it. As Assistant Minister for Agriculture, I will ensure that farmers are informed that there is a market here, and where they are unable to bring produce to the market directly, there is an option to supply Food Processors Fiji Limited. On behalf of the Committee, the Secretariat, and the Government, I sincerely thank you all for availing yourselves for this submission meeting and hope you will remain available should the Committee have any further queries on the matter.

The Committee adjourned at 3.35 p.m.

Appendix 3
Research Papers

Information Brief – Standing Committee

For Standing Committee on Natural Resources

Annual Report Analysis

Food Processors (Fiji) PTE Limited, Annual Reports 2008 - 2019

This research brief is provided to the Standing Committee on Natural Resources ("Committee") as part of the research material for its review of the 2008 – 2019 annual reports ("AR") of Food Processors (Fiji) PTE Limited. This brief provides an overview analysis of some key trends, performance and overall direction as documented in these annual reports.[1] Additional information/analysis is provided to assist the Committee. This brief is intended to supplement other resources available to the Committee. [*Note: The information, data and trends used here are taken from the 2008-2019 annual reports, and exclude, unless otherwise stated, that which may have been provided or occurred after this period.*]

This analysis explores the general performance, financial health, productivity, and outputs of Food Processors Fiji Limited over the period from 2008 to 2019. The analysis identifies patterns, assumptions, issues, and opportunities for further exploration by the Committee

Part A: Annual Reports 2008-2019 Analysis

1.0 Food Processors (Fiji) PTE Limited

1.1 **Profile**: Food Processors (Fiji) PTE Limited ("Food Processors Fiji Ltd") is a limited liability company incorporated under the *Companies Act 2015* and is a wholly government-owned enterprise under the Ministry of Public Enterprises. It was established in 1984 by the Government to add value to Fiji's agricultural and marine products through secondary process and packaging.

1.2 Based on the annual reports, the following reflect the **vision, mission and values** of Food Processors Fiji Ltd:

1.2.1 *Vision* — The company envisions a future of growth, sustainability, and innovation, while honouring its rich legacy of dedication and customer trust. The company is committed to adapting to future challenges and opportunities, ensuring resilience and excellence in its operations.

1.2.2 *Mission* — Food Processors Fiji Ltd strives to deliver high-quality agro-food and seafood products tailored to its customers' needs. The company actively supports local farming initiatives, contributing meaningfully to Fiji's agricultural sector. Sustainability is a cornerstone, achieved through innovative practices and responsible management of resources. Furthermore, transparency and accountability are upheld throughout its operations and governance.

1.2.3 *Core Values* — The company is guided by the following values:

- Quality: Commitment to producing high-quality products that meet customer expectations.

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[1] AR *2008-2019*, Parliamentary Papers: PP 18/24; PP 19/24; PP 20/24; PP 21/24; PP 63/24; PP 64/24; PP 65/24; PP 136/24; PP 137/24; PP 138/24; PP 139/24; and PP 140/24.

- Sustainability: Emphasis on waste management, renewable energy exploration, and environmentally responsible practices.
- Innovation: Continuous improvement in processes, products, and technology to remain competitive.
- Corporate Responsibility: Supporting local communities and contributing to Fiji's agricultural development.
- Transparency and Accountability: Ensuring integrity in financial reporting and governance.

1.3 **Core Business Activities**: The company consistently focused on processing and canning agro-food products, value-adding seafood, and managing properties, investments, and farming operations. The Batiri Farm, producing oranges, remained a key asset throughout the years.

2.0 GENERAL PERFORMANCE

2.1 Key Issues Identified

2.1.1 **Recurring Challenges**: Rising raw material costs, supply chain disruptions, and operational inefficiencies were persistent issues. For example, in 2019, delays in regulatory payments and industry-specific constraints were highlighted as major obstacles.

2.1.2 **Strategic Initiatives**: Efforts to improve operations included automation, cost control measures, and exploring new market opportunities. In 2019, feasibility studies for expanding Batiri Farm operations and investments in automation were initiated.

2.2 Notable Patterns

2.2.1 **Financial Struggles**: The company faced **recurring losses** in several years, including 2009, 2010, 2011, 2014, 2018, and 2019. Losses were often attributed to **high operational costs** and **subdued revenue growth**.

2.2.2 **Sustainable Focus**: Sustainability initiatives gained traction in later years, such as waste management improvements and renewable energy exploration in 2019.

3.0 FINANCIAL PERFORMANCE

3.1 Key Financial Metrics

Table 1: Key financial metrics.

Year	Revenue ($m)	Cost of Sales ($m)	Gross Profit ($)	Net Profit/Loss ($)
2008	2.24	1.97	270,877	1,004,144
2009	2.14	2.20	-53,296	-1,115,293
2010	3.68	2.65	1,033,901	-874,288
2011	3.27	2.20	1,074,238	-486,245
2012	3.18	2.67	506,330	-1,249,733
2013	3.42	2.39	1,034,603	-623,192
2014	2.52	1.69	836,171	-294,684
2015	2.89	1.57	1,318,678	-399,896
2016	2.99	1.86	1,127,969	-172,735
2017	3.25	1.77	1,480,800	-303,952
2018	2.20	1.40	795,483	-374,370
2019	2.85	2.37M	477,766	-513,959

3.2 Revenue Trends

3.2.1 Revenue growth is volatile. Revenue fluctuated significantly over the years, with **notable growth** in 2010 ($3.68m) and 2019 ($2.85m). However, revenue declined in years like 2018 ($2.2m) compared to 2017 ($3.25m).

3.2.2 Strong growth periods were in 2009 – 2010 at **+39.9 percent**, and 2018 – 2019 at **+29.5%**, while there were significant reductions in 2013 – 2014 at **-26.3%** and 2017 – 2018 at **-32.2%** The business shows an ability to rebound after downturns, but revenue stability remained weak.

3.3 Profitability

The company struggled with profitability, reporting losses in multiple years, from 2009 to 2019. Even during high gross margin years 2015 – 2017, net losses persisted (see Table 1, in Part 3.1). The only profitable year was 2008 where a net profit of $1,004,14 was achieved. However, this was primarily due to non-operational fair value gains on investment property rather than core business/trading.

Table 2: Profitability

Year	Loss
2009	$1,115,293
2010	$874,288
2011	$486,245
2012	$1,249,733
2013	$623,192
2014	$294,684
2015	$399,896
2016	$172,735
2017	$303,952
2018	$374,370
2019	$513,959

3.4 Cost of Sales

3.4.1 Cost of sales consistently **consumed a significant portion of revenue**, with gross profit margins often being low. For example: 2019 – Cost of sales was $2.37 million, leaving a gross profit of $477,766; and 2018 – Cost of sales was $1.4 million, leaving a gross profit of $795,483.

3.4.2 Cost of sales generally trends downward until 2018, indicating some efficiency gains. However, there is a sharp increase in 2019 (+61.2%) indicate a drop in performance as far as managing costs is concerned.

3.5 Recurring Net Losses

The experienced recurring net losses throughout the period from 2008 to 2019. This analysis explores the possible reasons behind these losses.

3.5.1 **High Operational Costs** — One of the most significant contributors to the company's recurring net losses was the high operational costs, which consistently outweighed revenue. Key factors include:

- **Cost of Sales**: The cost of sales consumed a substantial portion of revenue, leaving limited gross profit to cover operating expenses. For example, in **2019**, cost of sales accounted for 83% of revenue, leaving a gross profit margin of only 17%. In **2018**, cost of sales accounted for 64% of revenue, leaving a gross profit margin of 36%.

- **Overhead Expenses**: Administrative and other operating expenses remained high throughout the years, often exceeding gross profit. For example, in **2019**, administrative and other operating expenses totalled $1.19 million, which was significantly higher than the gross profit of $477,766. Earlier in **2010**, operating expenses were $1.92 million, which consumed the entire gross profit of $1.03 million and contributed to a net loss of $874,288.

- **Finance Costs**[2]: Persistent finance costs added to the financial burden. For example, in 2016, finance costs were $179,790 contributing to the net loss of $172,735; and in 2019, finance costs amounted to $189,573 further exacerbating the net loss.

3.6 Revenue Volatility

The company's revenue fluctuated significantly over the years, which made it difficult to achieve consistent profitability. Key observations include:

- Revenue peaked in **2010** at $3.68M but declined to $2.85M in **2019**.
- In years like **2018**, revenue dropped to $2.2M, a significant decline from $3.25M in **2017**.
- Demand–Production Mismatch
  - Sales often fell short of projections, indicating inefficiencies in converting production into revenue. For example:
  - In **2019**, factory operations exceeded budget expectations, but sales did not meet targets.
  - This mismatch suggests challenges in demand forecasting, marketing, and distribution.

3.7 Poor Inventory Management

Inventory management issues were flagged in audit reports, such as the lack of annual stock takes in 2019, contributing to inefficiencies and potential wastage:

- **2015**: No annual stock takes were conducted, and inventory valuation lacked sufficient evidence.
- **2019**: Inventory levels increased to $506K from $389K in 2018, indicating potential overproduction or slower sales.
- **Impact on Financial Performance:** Poor inventory management likely led to higher holding costs, wastage, and inefficiencies in production planning, which negatively impacted profitability**.**

3.8 Rising Input Costs

The company faced increasing costs for raw materials, packaging, and logistics, which further strained profitability:

- **2019**: Purchases increased by 53.7% compared to 2018, contributing to a significant rise in cost of sales.
- **2018**: Packaging costs increased by 15.9%, reflecting higher material costs**.**

3.9 Dependence on Non-Recurring Income

The company relied heavily on non-recurring income to offset operational losses. Examples include:

- **2008**: Gains from revaluation of investment property.
- **2016:** $320K from the fair value adjustment of biological assets.
- **2019:** $270K from the amortization of deferred income.

[2] This
on loans and borrowings.

- **Impact on Financial Performance:** This reliance on non-recurring income highlights vulnerabilities in the core business model, as these income sources are not sustainable in the long term.

4.0 Audit Disclaimers and Financial Transparency

4.1 Audit Disclaimers

Recurring audit disclaimers and poor record-keeping were highlighted in several reports, affecting financial transparency and decision-making:

- **2010: Audit disclaimer** due to insufficient documentation for inventory valuation, property, plant, and equipment, and tax liabilities.
- **2015: Audit disclaimer** due to incomplete records for inventory valuation and trade receivables.
- **2019: Audit disclaimer** due to lack of supporting documents for trade payables, deferred income, lease liability, and tax.
- **Impact on Financial Performance:** The lack of reliable financial data likely hindered the company's ability to make informed decisions about cost control, pricing strategies, and operational efficiency.

5.0 Governance and Strategic Challenges

Governance and strategic issues also played a role in the company's financial struggles.

- **Governance Transitions:** The 2012 and 2013 reports mention that the then board of directors was not in place during the financial periods under review. This transition in governance may have contributed to gaps in financial reporting and decision-making.

- **Strategic Misalignment**: The company's strategic initiatives, such as automation and property sales, were often reactive rather than proactive, addressing immediate financial pressures rather than long-term growth.

- Structural Challenges**:** The company's cost structure appears misaligned with its revenue base, leading to recurring losses despite positive gross profit margins in most years. The assumption that non-recurring income can offset operational losses may have delayed necessary structural changes.

- **Operational Inefficiencies:** Inefficiencies in production, inventory management, and demand forecasting contributed to financial instability.

- **Governance and Financial Transparency:** Audit disclaimers and poor record-keeping suggest systemic issues in financial management and governance. Several years, including 2010 and 2019, faced audit disclaimers due to insufficient documentation and poor record-keeping. Key issues included:
  - Lack of evidence for inventory valuation.
  - Incomplete records for property, plant, and equipment.
  - Unreconciled variances in cash and receivables.

6.0 Government Support

6.1 **Grants** provided by the Government to Food Processors Fiji Ltd during 2008-2019 totalled approximately $1,324,176.

6.2 **Purpose of grants**: The grants were mainly provided for **capital investments**, such as equipment upgrades, infrastructure improvements, and operational support. This indicates the Government's focus on enhancing the company's production capacity and operational efficiency. Based on the ARs, the following grants were provided to the company by the government during the 2008-2019 period.

Table 3: Government grants 2008-2019

Year	Amount ($)	Purpose
2008	127,000	Vacuum packaging machine, can seamer, glass line equipment, labelling, and retort control.
2009	200,000	NES grant from Ministry of Industry and Trade for operational support.
2011	101,149	NES grant from Ministry of Industry and Trade.
2012	163,814	NES grant from Ministry of Industry and Trade.
2013	166,250	NES grant from Ministry of Industry and Trade.
2018	92,000	Ministry of Public Enterprise grant for coconut cream plant upgrade, IT upgrade, and infrastructure.
2019	473,963	Ministry of Public Enterprise grant for coconut cream plant upgrade, IT upgrade, USFDA certification, can seamer, steam boiler, back shed roof, infrastructure upgrade, and agriculture procurement.

6.3 **Reliance on grants**: It appears the company relied on government grants to offset operational challenges and fund critical upgrades. This reliance highlights vulnerabilities in the company's ability to generate sufficient internal resources for capital investments.

7.0 Potential Questions/Issues for the Committee to address

[*Note: Some of these questions/issues may have been resolved.*]

- How can Food Processors Fiji Ltd restructure its cost base to align with its revenue potential?
- What steps can be taken to improve demand forecasting and align production with market needs?
- How can the company address audit challenges to enhance financial transparency and stakeholder confidence? Has the company address the audit issues raised during 2008-2019?
- What strategies can be implemented to reduce reliance on non-recurring income and improve core profitability? Has the company implemented such strategies.
- How can Food Processors Fiji Ltd improve its inventory management practices to reduce waste and optimize costs?
- What specific steps can be taken to address the recurring audit issues and enhance financial transparency?
- How can the company leverage its sustainability initiatives to attract new markets and improve its brand image?
- What are the potential risks and benefits of expanding Batiri Farm operations, and how can these be mitigated?
- How can the company reduce its reliance on government grants and develop a more sustainable financial model?
- How can the company align future grant applications with the National Development Plan to maximise impact and support national goals?

Part B: Other Analyses

8.0 Gender Analysis

Standing Committees of Parliament are required under Standing Order 110(2) to undertake a gender sensitive approach to their work. Committees to ensure that all matters they examine, such as bills, policies, annual reports budgets, and government programmes are considered with regard to their impact and benefits on both men and women equality. This brief analysis examines whether Food Processors Fiji Ltd.'s annual reports (2008-2019) include gender-disaggregated data or address gender-related concerns.

8.1 Gender-Disaggregated Data

- **Absence of gender data**: Across the annual reports from 2008 to 2019, there is no evidence of gender-disaggregated data regarding the workforce, leadership, or beneficiaries of the company's operations. This includes the lack of information on the gender composition of employees, management, or board members.

- **Missed opportunity**: The absence of gender-disaggregated data limits the ability to assess the company's commitment to gender equality and inclusivity in its operations and governance.

8.2 Gender Concerns in Governance

- **Board Composition**: While the annual reports list the names of board members, they do not explicitly address gender diversity or provide information on the gender balance within the board. However, some reports (e.g., 2015 and 2016) indicate the presence of female directors, suggesting some level of gender representation.

- **Employee Development:** The 2018 and 2019 reports mention initiatives to improve employee engagement, diversity, and inclusion, but these efforts are not detailed or linked to specific gender-related goals.

8.3 Gender in operations

- **Workforce Data:** The reports do not provide gender-disaggregated data on the workforce, such as the proportion of male and female employees, wage gaps, or representation in different roles.

- **Community Engagement:** The company's sustainability initiatives include support for local farming communities, but there is no mention of specific efforts to empower women or address gender disparities in the agricultural sector.

8.4 Potential Issues/Questions for the Committee to raise.

- The Committee may ask the company to provide gender-disaggregated data, including staff, management, and board gender composition.
- Does the company have gender-inclusive policies in its workplaces? Is there a policy addressing the needs of women or vulnerable employees (e.g. those living with disabilities)?
- Has the company thought about partnering with local organisations to support women farmers and entrepreneurs in the agriculture sector?
- Can the company collaborate with government and non-government organisations to align the company's operations with Fiji's national gender equality and empower goals.

9.0 Alignment with National Development Plans

9.1 5-year and 20-year National Development Plan

The 2017-2019 ARs fall within the implementation and reporting periods of this NDP (2017-2021). The ARs do not explicitly mention or provide direct references to this NDP. However, the NDP emphasises green growth and environmental sustainability which aligns with Food Processors Fiji Ltd.'s efforts in waste management and renewable energy exploration. Additionally, the plan prioritises expanding the rural economy and supporting non-sugar agriculture. The company's farming operations, such as the Batiri Farm does contribute to rural development and align with this goal.

9.2 National Development Plan 2025-2029 and Vision 2020

As a government-owned entity, the company should align with the Government's *Fiji National Development Plan 2025–2029 and Vision 2020* by supporting economic resilience through local farming and agro-food diversification and advancing sustainability via waste management and renewable energy initiatives. The company's **establishment in 1984** was to add value to Fiji's agricultural and marine products through secondary process and packaging. This contributes to economic development and aligns with the Government's vision for Fiji's sustainable prosperity and social well-being. It **is recommended** that in annual reports from 2025 onwards to align policies and achievements to the current NDP wherever appropriate.

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27 March 2026

Appendix 4
Submission and Site Visitation Photos

Submission from the Food Processors Fiji Ltd Board of Directors and Management Team to the Standing Committee on Natural Resources in the Parliament Complex

Site visitation to Food Processors Fiji Ltd, Vatuwaqa


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