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# Development Bulletin

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## **Effective Development in Papua New Guinea**

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# Marketing fresh food in Papua New Guinea: The Alele story

*Graeme Ross, General Manager, Alele Farm Fresh Produce Ltd*

## Introduction

I would like to share some of our development programs which began in 1978. The first issue that needed to be addressed was, 'who are we and what are we going to do?'. Our company, Alele Farm Fresh Produce Ltd, is directed by five women from a Milne Bay family — Taima, my wife, and her sisters Labini, Gari, Rita and Cynthia. Our objective was to supply fresh vegetables to Port Moresby. At that time, imported fruit and vegetables dominated the supply chain and little PNG produce was in display cabinets. Few linkages from grower to the stores were in place for locally grown fresh food and the general feeling was that one could not grow or supply quality produce for the supermarkets.

I realised the huge market potential and did my sums. The predictions, based on known yields and type of produce looked great on paper, enough to make a bank manager smile and hopefully keep us busy. Little did I realise the long hard road that the PNG fruit and vegetable industry would have to travel to be what it is today. With only K5000 in our bank account and a strong objective to be a farmer, the new enterprise began. I stress here that our objective has always been to grow and distribute PNG fruit and vegetables, and this is still our driving force. We are farmers and have experienced what farmers need, their expectations, pride in national development, and their disappointment when their hard work of growing perfect produce is casually rewarded by being told to 'come back next week — I don't need it now'.

## Building the business

And so our venture began in January 1978. Our great plans began on a leased plantation in Central Province. This was three hours drive from Port Moresby and the future home for Alele. This is still our registered head office and is situated on the lower part of the Kemp Welsh River. It consists of 2000 acres of mainly undeveloped river flats and broken down machines. I well remember our very first sale of 20 kg of snake beans and some capsicum delivered to the Gateway Hotel. This was success for us and our lifestyle began. It is hard to give a sequence of events of nearly 27 years of development and I will only highlight some of our experiences.

Our small car had to be replaced with a second hand utility for K900. The utility had an engine heating problem, so next came our new Mazda truck nine months later, financed with a

loan. A bank loan was used to purchase the plantation and many production materials, including a large glasshouse where we could grow four tonnes of tomatoes a week. We used a grafting method to overcome bacterial wilt. One night, just as our juicy tomatoes were ready for sale, a huge electrical storm blew the roof off and ruined nearly all the tomatoes. They were insured for storm damage and replacement but we could not claim as the entire crop was not destroyed. I felt like giving up, but my wife took a positive attitude and we began again. Then came many events — flood, fire, workers' strikes, rejection by retailers, bogged trucks, new vehicles, tractors, irrigation equipment, special orders for our produce for a visit by Queen Elizabeth, and three trips a week with produce cartons on our shoulder in search of sales in government offices.

Eight years later we gave up our dream to be vegetable farmers and turned our attention to grain production for Ilimo farm near Port Moresby. Just after our financial arrangements for grain production came through, a new government policy to ban vegetable imports came into being in 1986. I was asked to advise the Department of Agriculture and Livestock, under the ministry of Dennis Young. This strong policy was the real beginning of our PNG fruit and vegetable industry. An advisory board was put in place to advise the minister and farmers all over the country responded by producing fresh food for sale.

## A fresh start

Alele was active again. Our development started to broaden and we opened our Port Moresby branch. The focus moved from being producers to being middlemen. We received training in tax incentives for exporting overseas, and there were even partial bans on imported rice to assist the local sweet potato industry. The 1980s were the real beginning of our realisation of industry success. But everyone forgot the need to maintain the quality of fresh produce. Studies were done on how best to transport vegetables from the highlands to other centres. However, there was no proper finance and donor aid was not given to the people directly working in the industry. Other challenges the producers faced were the reduction in protection from imported produce and a major increase in the cost of airfreight.

At this stage, Alele had to provide a full transport service, including semitrailers and cooler containers, if we were going to move the fresh food quickly and in peak condition from the



producers to the retailers. This was financially challenging and interest rates were as high as 26 per cent per year, but we went ahead. Our peak distribution has been 106 tonnes of fresh food in one week with over 65 types of food. PNG can be proud of this achievement. Alele now has five major transport depots throughout PNG facilitating vegetable distribution.

One of the major reasons for success is consultation and exchanging information. Alele has been very active in promoting our products. Show displays have been made at the Port Moresby Agricultural Show, and in Enga, Goroka and Morobe where we take time to listen and talk with farmers. They are a very talented people with courage to take on challenges. Alele has mounted displays in the Gold Coast and Sydney international food and beverage shows. PNG coconuts are sought after and we have conducted successful trial shipments. You have to teach Aussies how to correctly crack a coconut with a straight line, but they love the fresh taste of coconuts from a close neighbour.

Aside from the vegetables, some of our new products include Pati rice from our own plantation and vegetable compost made from waste vegetables. The latter is sold as three lines — seed raising mix, vegetable compost and Quick Grow. Alele has continued to provide advice to farmers and has set up an extension and development division. This began just before potato late blight destroyed 95 per cent of potato production in PNG. Helping the industry recover has been a successful story and I want to discuss how the private sector reacted to help bring about regeneration of an industry worth approximately K110 million to the PNG national economy.

### **Potato late blight**

The fungal disease potato late blight was first sighted in the Sirunki area of Enga Province in the highlands in January 2003. Within weeks, the disease had spread through the highlands and devastated the PNG potato industry. Links between growers, the business sector and public sector institutions are weak. The

Fresh Produce Development Company advised growers not to save seed from infected plants and not to retain seed of the currently used Sequoia variety.

A potato late blight working group was formed by representatives of the private sector in mid-February. The committee had membership drawn from the following groups: Chemica Ltd, Farmset Ltd, Kelta Potatoes, Alele Farm Fresh Produce and the Rural Development Bank. Fungicide trials were conducted by this committee. Fungicides tested were Bordeaux mixture (copper sulphate and quicklime), Bravo (chlorothalonil), Kocide (cupric hydroxide), copper oxychloride and Copper Nordox (cuprous oxide). The trials established that application of fungicides could control the disease.

Training programs for potato growers were conducted in Eastern Highlands, Western Highlands and Enga provinces. A total of 886 farmers received training on potato production. Aspects covered were management, safety, spray technology, recommended fungicides and field practice. The four companies involved in the program spent over K200,000 on farmer training and sponsorship programs. The latter includes provision of seed, chemicals, safety equipment, fertilisers and knapsack sprayers.

As a result of the training, farmers can produce 19 bags of potatoes from each bag planted. This is a better return than what was being achieved prior to the disease outbreak and can be attributed to better all-round plant husbandry. As a result of these interventions by the working committee, the potato industry has made a partial recovery from potato late blight. By late 2004, potato production had recovered to about 20 per cent of levels prior to the blight.

### **Conclusion**

The management of Alele as farmers wholesaler, retailer, extension transporter, specialised distributor and developer of new products is committed to pioneer in new directions for the PNG fruit and vegetable industry and proud of the competitive results the company has achieved. This industry has a great future ahead.