

553 Fresh Produce Development Company

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2009	2010	2011	2012	2013
2065	SEED POTATO	2.4	.8	.8	.8	.8	
2666	TISSUE CULTURE	3.0	1.0	1.0	1.0	1.0	
2943	FPDA	2.8	.7	.7	.7	.7	
TOTAL CAPITAL PROJECTS		8.2	2.5	2.5	2.5	2.5	
TOTAL		8.2	2.5	2.5	2.5	2.5	

AGENCY SUMMARY OF ALL PROJECTS

EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST		2007 Actual	2008	5 Year Total	2009	2010	2011	2012	2013
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Current Transfers			.7	7.2	1.8	1.8	1.8	1.8	
Goods and Other Services			2.1	7.5	2.9	2.2	1.2	1.2	
Sub-Total			2.8	14.7	4.7	4.0	3.0	3.0	
Capital Expenditure									
Capital Transfers									
Acquisition of Existing Assets									
Capital Formation			2.3	2.0	.5	.5	.5	.5	
Sub-Total			2.3	2.0	.5	.5	.5	.5	
A TOT DIRECT PROJECT COST			5.1	16.7	5.2	4.5	3.5	3.5	
Technical Assistance									
Project Preparation									
Equipment									
Advisory									
Training									
B TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)			5.1	16.7	5.2	4.5	3.5	3.5	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
Loan									
Grant			3.3	6.7	2.7	2.0	1.0	1.0	
b) Self Generating Revenue									
a) Government Input			1.8	8.2	.7	2.5	2.5	2.5	
C TOTAL DIRECT FINANCING			5.1	14.9	3.4	4.5	3.5	3.5	
Technical Assistance									
TOTAL FINANCING (C+D)			5.1	14.9	3.4	4.5	3.5	3.5	
FINANCING SOUGHT									
Direct Project Cost (A-C)				1.8	1.8				
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT				1.8	1.8				

PIP NUMBER: 2065

PROJECT NAME: SEED POTATO SCHEME

EXECUTING AGENCY: Fresh Produce Development Company

PROJECT OBJECTIVIES:

To establish the appropriate infrastructure to facilitate production of elite seed necessary to produce certified seed for the production of potatoes required by primary farmers, food processing industries and market consumption.

PROJECT STATUS:

financial support to the importation of seeds from New Zealand. The Government through FPDA now has the task of reproducing these seeds and distribute them as widely as possible through the highlands and throughout the country, This plant takes a lengthy stage and process (years) to fully recover to its pure tuber stage, which is the edible potato. General progress to date is just doing of the tissue culture, nursery them in the screen houses, transferring for planting out in the fields, and harvesting and collection of elite seeds. They are now in the process

The program is successful, however has faced tough times with the recent Potato Late Blight Disease in 2003 which destroyed a lot of the potato base and reproduction areas in the Highlands region. The focus of FPDA now is to revive the industry, particularly the holding of germ plasma of the Sebaco species potato , and also have an abundant supply of seed potato which can be further grown as eating potatoes by farmers. Successful development of the industry started picking up in 2005 with the cooperation of Highlands provincial governments in terms of

of seed collection and distribution and replanting, thus this process will continuing and will take time to fully recover the elite seeds back.

PROJECT COMPONENTS:

There are five components of the project: (a) establish a elite seed base at Tambul, (b) strengthen existing certified seed programme in WHP and SHP, (c) expand certified seed activities into the Enga, Simbu and EHP, (d) Supply seed to coastal provinces, (e) uptake commercial production of certified seed.

PROJECT LOCATION:

The project is located in Tambul, in the Western Highlands Province (WHP) and the extension activities go as far as Southern Highlands Province (SHP), Simbu and Eastern Highlands Province (EHP).

PROJECT JUSTIFICATION:

This project is in support of the implementation of the food security and to reduce the dependence on imported supply of potato seeds. The aim is to encourage the domestic production of elite seed in order to reduce the cost of imports of elite seeds.

PROJECT CAPACITY:

FPDA is now capable and has the capacity to implement the project.

PROJECT BENEFICIARIES:

The direct beneficiaries are the seed potato farmers of Western and Southern Highlands Provinces and eventually other farmers throughout the country.

PROJECT SUSTAINABILITY

The sustainability of the project will depend on how well the FPDA manages the project in terms of the training of the staff to effectively carry out its extension and training functions to the potato growers. Moreover, the success of the project will depend on the success of the domestic production of the elite seed potato.

2065 SEED POTATO SCHEME

ESTIMATED TOTAL PROJECT COST 1,456.6 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2007 Actual	2008 Budget	5 Year Total	2009	2010	2011	2012	2013
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services									
Current Transfers				3,200.0	800.0	800.0	800.0	800.0	
Sub-Total				3,200.0	800.0	800.0	800.0	800.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
A	TOT DIRECT PROJECT COST			3,200.0	800.0	800.0	800.0	800.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)				3,200.0	800.0	800.0	800.0	800.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input				2,400.0		800.0	800.0	800.0	
b) Self Generating Revenue									
Loan									
Grant									
C	TOTAL DIRECT FINANCING			2,400.0		800.0	800.0	800.0	
Technical Assistance									
D	TOTAL FINANCING (C+D)			2,400.0		800.0	800.0	800.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)				800.0	800.0				
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT				800.0	800.0				

CURRENT DONOR INVOLVEMENT

None. Project is fully funded through the national budget.

POTENTIAL DONOR INVOLVEMENT

No donor involvement in this project.

2009 Budget Votes for this PIP are :-

55331011203 SEED POTATOE SCHEME

PIP NUMBER: 2445

PROJECT NAME: SEED POTATO REHABILITATION PROGRAM

EXECUTING AGENCY: Fresh Produce Development Company

PROJECT OBJECTIVIES:

The major objective of the project is to aggressively promote and develop a sustainable commercially oriented fruit and vegetable industry in Papua New Guinea.

PROJECT STATUS:

Since 1999, FPDC has focused its activities towards addressing the needs of the formal market sector in terms of production of new seed potato imports from New Zealand. This effort will be enhanced the distribution of seed potato post the effects of the PLB in the country, and establishment of seed house development. FPDC continues to import mini-tubers from New Zealand for cultivation in the seed potato project, and intends to further improve its extension services as well as coherency amongst all sectors involved in the Fresh Produce Industry in the country. NZ AID has approved K1.0m aid in for seed potato rehabilitation for importation of seeds.

Other extension materials include procurement of two ploughs, fertilizers and chemicals, spraying gear and audio/visual training materials including the development of a pidgin filed booklet on Potae Late Blight.

PROJECT COMPONENTS:

There are 5 major components of the project including: (1) Market Support Programme which is responsible for matters associated with marketing of fresh produce; (2) Seed Potato Programme which is responsible for production and promotion of seed potatoes; (3) Crop Production programme which promotes and assists production of market driven crops in specific locations, targeting import replacement; (4) Food Processing and Preservation Programme which is being implemented at Unitech; and (5) Gender Equity Programme which promotes gender issues and addresses the needs of women, families and women groups in order to enhance their lifestyles and promote the fresh produce industry in the country.

PROJECT LOCATION:

Phase 1 of the project was introduced in Western Highlands, Enga, Morobe and Madang Provinces, and the National Capital District. Phase 2 of the project has now focussed to cover the whole country.

PROJECT JUSTIFICATION:

The Government's strategy aims at increasing fruit and vegetable production, the provision of rural income-earning opportunities and import replacement of fresh and processed fruit and vegetables. There is also a need to improve product quality through better handling at all levels, starting at the farm level. Extension skills needed to be made available to farmers for effective and improved post-harvest handling and marketing.

PROJECT CAPACITY:

Since 1996, FPDA has been operating separately from DAL and recruiting its own staff. Its staff are capable of assisting the project to achieve its objectives.

PROJECT BENEFICIARIES:

The project will benefit smallholder fruit and vegetable producers. It is anticipated that improved marketing information and infrastructure will support 4,700 small producers, many of whom are women. Papua New Guinea will benefit from foreign exchange savings of over K1,200,000 currently spent annually on imports of fruits and vegetables.

PROJECT SUSTAINABILITY

Recurrent costs will include the costs of providing continued extension services, and marketing information. With the obvious success of the Fresh Produce Development Agency (FPDA), it will be able to sustain many of the activities currently supported through the this project.

2445 SEED POTATO REHABILITATION PROGRAM

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2007 Actual	2008 Bugdet	5 Year Total	2009	2010	2011	2012	2013
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services			1,620.0						
Current Transfers			200.0						
Sub-Total			1,820.0						
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation			2,267.3						
Capital Transfers									
Sub-Total			2,267.3						
A	TOT DIRECT PROJECT COST		4,087.3						
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			4,087.3						
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			820.0						
b) Self Generating Revenue									
Loan									
Grant			3,267.3						
C	TOTAL DIRECT FINANCING		4,087.3						
Technical Assistance									
D	TOTAL FINANCING (C+D)		4,087.3						
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

NZ Government.

POTENTIAL DONOR INVOLVEMENT

2009 Budget Votes for this PIP are :-

PIP NUMBER: 2666

PROJECT NAME: TISSUE CULTURE FACILITY

EXECUTING AGENCY: Fresh Produce Development Company

PROJECT OBJECTIVIES:

The objective is for PNG to become self sufficient in potato production by consistently producing tissue culture plantlets to meet the Potato Industry's annual requirements for quality and to minimize the risks of associated with importing certified seeds from abroad.

PROJECT STATUS:

This is a new project which has started implemented in 2007. The 12 screen houses are completed and there's plan and construction into building of more screen houses. Other activities such as the securing of land at kainantu for Market Depot Development and the cool room processing facilities are progressing as expected.

PROJECT COMPONENTS:

The project will involve bulding of screen houses; construction of boundary fence; upgrading of food processing and preservation unit, and establishment of nurseries under the fruit and nut development.

PROJECT LOCATION:

The project is located in Goroka, Eastern Highlands Province.

PROJECT JUSTIFICATION:

By having Fresh Produce Development Agency's own tissue culture facilities, it can be able to control the destiny of the seed potato industry and importantly it will be better equipped to respond in a timely manner to meet the needs for quality seed to contribute to the expansion of the potato industry in PNG.

PROJECT CAPACITY:

FPDC with support from relevant stakeholders will implement the project.

PROJECT BENEFICIARIES:

The project will benefit the farmers and the potato industry through improved production facility and increased production capacity.

PROJECT SUSTAINABILITY

The project will be sustained by FPDA after the project is completed.

2666 TISSUE CULTURE FACILITY

ESTIMATED TOTAL PROJECT COST 880.9 ESTIMATED DURATION OF THE PROJECT 2.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2007 Actual	2008 Budget	5 Year Total	2009	2010	2011	2012	2013
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services			500.0						
Current Transfers			500.0	4,000.0	1,000.0	1,000.0	1,000.0	1,000.0	
Sub-Total			1,000.0	4,000.0	1,000.0	1,000.0	1,000.0	1,000.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
A	TOT DIRECT PROJECT COST		1,000.0	4,000.0	1,000.0	1,000.0	1,000.0	1,000.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			1,000.0	4,000.0	1,000.0	1,000.0	1,000.0	1,000.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			1,000.0	3,000.0		1,000.0	1,000.0	1,000.0	
b) Self Generating Revenue									
Loan									
Grant									
C	TOTAL DIRECT FINANCING		1,000.0	3,000.0		1,000.0	1,000.0	1,000.0	
Technical Assistance									
D	TOTAL FINANCING (C+D)		1,000.0	3,000.0		1,000.0	1,000.0	1,000.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)				1,000.0	1,000.0				
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT				1,000.0	1,000.0				

CURRENT DONOR INVOLVEMENT

There is currently no donor involvement in the project.

POTENTIAL DONOR INVOLVEMENT

There is currently no potential for donor involvement.

2009 Budget Votes for this PIP are :-

55331011207 TISSUE CULTURE FACILITY

PIP NUMBER: 2943

PROJECT NAME: MARKET INFRASTRUCTURE DEVELOPMENT PROJECT

EXECUTING AGENCY: Fresh Produce Development Company

PROJECT OBJECTIVIES:

To organise, establish and manage in collaboration with the private sector, the storage and transportation facility in the Highlands, Morobe and Central Provinces to facilitate marketing of fresh produce. To improve the marketing opportunities in the Highlands and enhance its availability to consumers in Port Moresby.

PROJECT STATUS:

This will be the sixth year of implementation. Due to issues relating to land, the project has not really taken off although there have discussions with FPDA management and the stakeholders. Towards the end of the second quarter 2005, FPDA secured a portion of land in Kainantu and therefore sought funding from the PIP for 2009.

PROJECT COMPONENTS:

The project initially had five (5) components. It has now been revised to only one, and that is the construction of a depot in the township of Kainantu in the Eastern Highlands Province (EHP).

PROJECT LOCATION:

Due to the issue on land availability, FPDA has secured a portion of land in the township of Kainantu, in consultation with the Town Council.

PROJECT JUSTIFICATION:

The project will boost local food production in the Highlands and supply to Port Moresby where demand is considerably high. Recent figures of highlands fresh produce shipment to Port Moresby indicated that the amount sent is far short of the demand in the capital.

PROJECT CAPACITY:

The Fresh Produce Development Agency will be charged with managing this project under the supervision of the National Department of Agriculture and Livestock.

PROJECT BENEFICIARIES:

Direct beneficiaries will include producers at the rural and peri-urban areas, wholesalers, transport companies and consumers.

PROJECT SUSTAINABILITY

The Cool Room facilities will be maintained by the Fresh Produce Development Agency.

2943 MARKET INFRASTRUCTURE DEVELOPMENT PROJECT

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2007 Actual	2008 Bugdet	5 Year Total	2009	2010	2011	2012	2013
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services				800.0	200.0	200.0	200.0	200.0	
Current Transfers									
Sub-Total				800.0	200.0	200.0	200.0	200.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation				2,000.0	500.0	500.0	500.0	500.0	
Capital Transfers									
Sub-Total				2,000.0	500.0	500.0	500.0	500.0	
A	TOT DIRECT PROJECT COST			2,800.0	700.0	700.0	700.0	700.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)				2,800.0	700.0	700.0	700.0	700.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input				2,800.0	700.0	700.0	700.0	700.0	
b) Self Generating Revenue									
Loan									
Grant									
C	TOTAL DIRECT FINANCING			2,800.0	700.0	700.0	700.0	700.0	
Technical Assistance									
D	TOTAL FINANCING (C+D)			2,800.0	700.0	700.0	700.0	700.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

There is currently no donor involvement but the National Government.

POTENTIAL DONOR INVOLVEMENT

There is currently no potential for future donor involvement in the project.

2009 Budget Votes for this PIP are :-

55331011209 MARKET INFRASTRUCTURE DEVELOPMENT