



Department of Foreign Affairs

Papua New Guinea MSG Green Trade Project Vanilla Voluntary Sustainable Standard Development

Content

1. Why Vanilla for PNG
2. Vanilla in PNG
3. National Activities



BACKGROUND - WHY VANILLA FOR PNG

- ❖ During Covid-19 period, the international borders were closed and the PNG Indonesia Land border was no exception
- ❖ Local Farmers from the East and West Sepik Region were not able to sell their vanilla beans across the border .
- ❖ This resulted in a stock pile of beans rotting on the PNG side of the border .The farmers in distressed asked through their Provincial Government to initiate talks with the Indonesian Government to have the Border reopen .
- ❖ Prime Minister had a meeting with two Governors from East and West Sepik Provinces together with the then Minister for Agriculture on 27 April 2021



Cont'd

- ❖ DFA was tasked to coordinate with relevant technical govt agencies to identify the issues
- ❖ A National Technical team consisting of Trade Facilitating Agencies along with the Department of Foreign Affairs travelled to the Border to assess the issues at hand.
- ❖ The National Technical Team Identified several issues one of which was the lack of a National Vanilla standard .
- ❖ DFA discussed with United Nations (UN) and UN connected with the United Nations Conference on Trade and Development (UNCTAD) and have included in the MSG Green Trade
- ❖ Hence the Vanilla beans could not be exported to other international Markets and this is what led to PNG choosing Vanilla as the choice commodity for the MSG Green Trade Project .

National Level Activities Undertaken

- ❖ Jan-Feb 2022, Established the core National implementation team
- ❖ March-May 2022, recruited the National Consultant
- ❖ 31 May 2022, held the first National Workshop at Lamana as part of awareness of the project
- ❖ June- Sept 2022, Non Tariff Measures (NTMS) data collection, identified 196 legislations and 795
- ❖ Sept-Oct 2022, did value chain analysis at both East and West Sepik Provinces
- ❖ 22-23 June 2023, second National Workshop at Lamana, presented the findings of the value chain analysis and draft two documents Voluntary Sustainable Standard Export Guidelines for Vanilla
- ❖ July-Sept 2023, circulated the draft comments and received the comments from technical agencies and finalized them

Findings from the Project

- ❖ Current Spice Act does not include Vanilla and ,therefore recommended to review the current Spice Act and the national spice policy
- ❖ Vanilla farmers do not follow basic process to grow quality beans
- ❖ Vanilla market is not regulated properly because of policy and regulatory gaps
- ❖ Vanilla farmers need specific trainings to meet the market requirements
- ❖ 196 regulations introduced NTMs identified
- ❖ 795 NTMs were identified and classified
- ❖ 33 different ministries and departments were involved
- ❖ More NTMs, ministries and legislations compare to others

Vanilla in PNG

- PNG Trade data from the Observatory Economic Complexity Website from the Year 2021
- The Vanilla market in amounts to K29.9 million Kina (about \$8.4m) annually (2021)
- This represents only 1.4% of export value for PNG which is small compared to other agriculture commodities such as coffee, cocoa etc
- Major destination market is Indonesia .
- Majority of the Vanilla beans are produced in the East and West Sepik Provinces but other provinces are picking up



Challenges

- ❖ Quality issues
- ❖ Extension services
- ❖ Lack of institution supports
- ❖ Consistence in markets

Lessons learnt

- ❖ Importance of Sustainable Vanilla production
- ❖ Significant challenges to environment and local communities if not managed properly
- ❖ Integrating vanilla into agroforestry systems
- ❖ The importance of NTMs
- ❖ Brought all the relevant agencies together for the first time and understood well the importance of sustainable vanilla production

Cont'd

- ❖ The importance of value addition on the certification process
- ❖ The different players along the value chain
- ❖ Most importantly, the training of farmers to produce the quality produces
- ❖ the contribution to achieving UN SDGs for 2030 Agenda and National targets
- ❖ Promotion of sustainable approaches in vanilla production, traceability and natural resources management

Future Steps

- ✓ Policy and Institution context
- ❖ Support Spice Industry Board of PNG to develop the spice policy and Review the Spice Act
- ❖ Support National Institute of Standards, Industrial & Technology (NISIT) to develop the vanilla standard for PNG
- ❖ Developing processing plants at the four (4) regions around PNG
- ❖ Train the farmers to meet the standards as per the export guides

Thank you.

- Presented by: Mr Pati Pyale
Director-International Economic
Affairs Branch
Department of Foreign Affairs
Papua New Guinea
Email: patipyale@gmail.com