



Creating export opportunities for Tonga

PHAMA
Pacific Horticultural & Agricultural Market Access Program
 An Australian Government initiative

Agriculture in Tonga

Agriculture represents around 14% of Tonga's GDP, and constitutes over 65% of the country's¹ TOP\$26M exports. The majority of Tonga's households (64% of 15,738) are involved in agricultural production, with approximately 2.4% of households operating as commercial producers.

In addition, around 39%² produce some crops to sell through markets and roadside stalls. Like many other Pacific island countries, Tonga has struggled to maintain agricultural competitiveness and meet more stringent biosecurity requirements imposed by trading partners. Traditional exports, such as copra, have been in long-term decline. In the mid-late 1990s, squash production emerged as an important export to Japan, peaking at over 50% of Tonga's exports. However, cheaper and more consistent supplies from Mexico largely pushed Tonga out of the Japanese market. Today, Tonga's agricultural potential lies in the export of root crops and higher-value horticultural crops to New Zealand (NZ), particularly in the NZ winter. Crops include:- root crops (e.g. taro, cassava, yams), squash, watermelons, breadfruit, zucchinis, eggplant, vanilla, chillies and beans.

Public-Private Partnerships

PHAMA is about maintaining, identifying and strengthening sustainable and profitable trading partnerships that benefit South Pacific island countries. Through 'Market Access Working Groups' (MAWGs), PHAMA facilitates public-private partnerships that pinpoint viable commercial export opportunities and collectively work to realise these opportunities for local agribusiness.

MAWGs involve private sector representatives (e.g. exporters and producer groups), relevant government agencies (e.g. Ministry of Agriculture, Food, Forests and Fisheries (MAFF); Ministry of Commerce, Tourism and Labour; Ministry of Foreign Affairs and Trade) and public enterprises. They are the vital link between farmers, processors, exporters and government. The PHAMA Tonga MAWG is a cabinet endorsed partnership, including high-level technical government and industry representatives, and operates under a National Charter.

PHAMA successes in Tonga

➤ **Taro** – Improved market access to Australia was achieved following a review released by the Australian Department of Agriculture in 2011. PHAMA supported preparation of Tonga's official responses to the review including removal of the 'topping' requirement (removal of the foliage) which can reduce product quality and shelf life. Trial shipments were supported in late-2013 and resulted in improved awareness of how to meet the import requirements and the challenging logistics of exporting to Australia. Taro and other roots crops have historically been significant crops for Tonga, so increasing available export markets and returns for fresh or processed forms is important for small through to commercial-scale producers, exporters and their employees. Root crops represent approximately 50% of total exports from Tonga, with half of this being taro (1,926 tonnes of taro in 2014³). Approximately 60% of the country's root crops is exported frozen to NZ, Tonga's major export destination.

¹ The Tongan Pa'anga, or 'TOP', is the currency of Tonga.

² Tonga agricultural census, 2001.

³ Reserve Bank of Tonga, Agricultural Export Volumes (online)

- **Watermelon** – PHAMA’s support to revive export of this widely-grown crop began in 2011. The Program’s assistance included efforts to improve government and industry capacity to meet NZ’s Ministry of Primary Industries’ biosecurity protocols and to ensure the pathway remained open. Exports of watermelons increased from 86 tonnes in 2010 to 271 tonnes in 2013, worth TOP\$389,000. Tonga’s target is to export 1,000 tonnes per annum, worth AUD\$1.45M, to NZ within the next three years. NZ imports 2,500 tonnes of watermelon annually. An additional outcome of PHAMA’s support was the commencement of shipments into Samoa in 2014 and volume increases into American Samoa. Annual exports are expected to be around 240 tonnes valued at AUD\$377,000.
- **Fruit and vegetable packaging** – Development and commercial use of new branded packaging promoting “Kingdom of Tonga” country of origin for fresh and frozen fruit and vegetables. This packaging has since been utilised by large and small-scale Tongan fresh and frozen vegetables exporters. Manufacture and supply of the packaging is managed on a commercial basis through The Ministry of Commerce, Tourism & Labour.
- **HACCP accreditation** – Training and support towards accreditation of producers, processors and exporters to HACCP standards (food safety and hygiene), which is increasingly required by export markets. Introductory training was provided to representatives of four exporters, MAFFF and the public enterprise that operates the High- Temperature Forced-Air (HTFA) facility. To date, one of these exporters has achieved HACCP accreditation.
- **Export facility** – Upgrade of MAFFF’s Nuku’alofa Export Facility to increase fumigation capacity, expand handicraft exports inspection area and allow better flow through of all export shipments.

Current focus

PHAMA’s strategy in Tonga is to support government and industry to utilise and improve existing horticultural export opportunities, address infrastructure needs to improve market requirements compliance and export efficiency, and identify and progress viable new market access opportunities. Current focus areas are outlined below.

- **Fresh zucchini** – Until the 1990’s, Tonga exported zucchinis to NZ. However, trade ended when NZ introduced new import requirements to manage biosecurity risks. These requirements followed the phasing out of the industry’s main pre-export chemical treatment. There is strong commercial interest in Tonga to renew exports to NZ, with initial export potential estimated at NZ\$1.3M per year (with demand peaking during the NZ winter). PHAMA is supporting the Tongan Government and private sector to achieve new access into NZ and meet its biosecurity requirements.

- **Processing facility** – Access to facilities to wash, grade, process, inspect and pack fruit and vegetables for export is a known limitation in Tonga. Consequently, PHAMA is supporting the preparation of a feasibility analysis and business plan for a new, purpose-built processing facility for the preparation of fresh and processed fruit and vegetables for export. This analysis and business plan will be used to help source financing (donor and commercial) for the construction of the facility.
- **Women farmers** – PHAMA is partnering with community groups and the private sector to support women farmers to grow and supply fruit and vegetables to meet export opportunities for eggplant, chili and zucchini. The opening and improvement of export pathways from Tonga will mean more opportunities for people already involved in commercial agriculture, as well as for non- commercial farmers and those new to farming.
- **High-Temperature Forced-Air (HTFA) facility** – This facility is used to treat fruit fly host crops such as breadfruit, papaya, chillies and eggplant before export to NZ. Previous PHAMA support included provision of new equipment, business planning and operations support. Ongoing PHAMA assistance will help farmers, exporters, the HTFA operator and MAFFF staff, to follow the required biosecurity and export standards/ procedures.



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