



Independent State of Papua New Guinea

Enga Provincial Administration



Successive Enga Provincial Governments (EPG) recognised the fact that our provincial economy is predominantly subsistence agriculture coupled with unskilled labour force. In an effort to address this they made huge investments in major agricultural projects since Enga Provincial Government was incepted in 1978. Enga secured a development programme package worth more than K8, 000,000 under the World Bank loan in 1982 which ended in 1989 (EYL). Under this program major agricultural projects were developed mainly focusing on coffee, pyrethrum and livestock and vegetables. Agricultural activities were centred on the resource centres or the base camps. Investment gradually deteriorated from 1990 attributed to lack of maintenance and sustenance funding by Government. It left little impact on the rural farmers in terms of training and technology transfer to ensure continuity.

Lately EPG's attempt to set up the Enga Vegetable Marketing (EVMD) Depot in 2008 in a bid to revive production and marketing fresh vegetables collapsed because again there was no serious connectivity between farmers and the marketing depot and partly due to miss management. The reason was that more than 90% of rural farmers were not sufficiently mobilized, up-skilled, equipped and or motivated to farm their land and continue production. EPG spent more money on the depot administration and marketing aspect of it but the farmers who are the **fundamental entrepreneurs** in the industry were neglected. They failed to capacitate and empower the rural farmers in terms of providing training, start-up capital and necessary tools. For the participating farmers, level of income was marginalized compounded by high transport cost and lack of stable market infrastructure. There was no market incentive for the farmers at the end of the production chain. The farmers stopped producing so the EVMD industry collapsed.

There is a need to shift from traditional subsistence farming over the last 40 years to large scale commercialized agribusiness entrepreneurship that would ensure prosperity of our people, grow and sustain both the national and provincial economy now and into the **post Pogera era**. To do this there is no other way than to allow **Direct Foreign Investment (DFI)** in the Province to help revitalize and commercialize the stagnant agriculture sector at a large scale.

The Enga Provincial Government (EPG) proactively visualizing this need and in its overall bid to diversify its dependency on Pogera gold mine and to stimulate the agriculture sector has entered into a joint venture with an Israeli company namely: **Innovative Agro Industry Ltd (IAI)**, a company using advanced methods and state-of-the-art technology in promoting agriculture in PNG. The EPG and the IAI have set up a joint venture company- **Agro Industrial Services and Training Center (AISTC)**- a modern high intensive farm to be located at Sirunki. A market is already created for rural farmers. Enga Provincial Government has already invested K6 million into the project as a partner.

The Primary goal of this joint venture project is to grow English potatoes, ring onions, carrots, straw berries and other vegetables by engaging small farmers. The project will be comprised of two major components:

1. Agro Industrial Services Training Center- which will provide services and inputs to local farmers and primarily procure (buy) fresh vegetables from small-holder farmers, process and market the produce; and
2. A 15 hectare Commercial Agro Industrial Center farm set up by joint venture company (AISTC) which will grow, process and market its own produce.

The company has already announced that the project will employ directly 100 people and 320 contracted household farmers to be engaged to produce and provide vegetables. This project alone will change the economic landscape of the province and is earmarked to put money into the pockets of all citizens of this province.

The project is worth K23.0 million.