

**RESEARCH
ARTICLE**

Towards Promoting the Participation of Smallholders in Agricultural Markets in Papua New Guinea

By Upali Wickramasinghe



Introduction

Papua New Guinea has a large smallholder agricultural sector as in many other developing countries in Asia and the Pacific. Smallholder farmers are often vulnerable to external shocks emerging from weather and market volatility and farm failures, which keeps them in perpetual poverty. It is not surprising that smallholders are often among the poorest of the poor and only marginally engage in markets. Because of these conditions, they are unable to take advantage of the opportunities offered by markets even when market conditions are seemingly favourable to them. Within this background, the Rio+20 conference, the L'Aquila Summit and many other meetings held in the post-2007/08 soaring food prices episode requested the international community and national governments to develop strategies for enhancing the welfare of smallholders and subsistence farmers by linking them with community, domestic, regional and international markets to enhance their welfare (United Nations, 2012; G8, 2009). This article reviews the current status of agriculture in Papua New Guinea with a view to identify factors that may explain the apparent mismatch between the current state of agriculture and its true potential.

Agriculture and the national economy

Papua New Guinea is a country of 7.06 million people. At the current rate of population growth (2.8 per cent during 2000-2011)¹, the population will be 20 million by 2050. It is the same year on which the Government expects to have realized economic development that would reduce the country's dependence on the mining industry and expand the capacity of the agricultural sector and manufacturing industries. As the current status of agriculture provides the foundation for realizing these visions, it is worthwhile to briefly review the current status of the agricultural sector in the national economy along with its true potential.

The per capita gross national income (GNI) in Papua New Guinea is estimated to have reached USD 1,300 in 2010. The relatively high per capita income reflects a high income earned through royalties from extraction industries. The fact that 35.8 per cent of the population was living on less than \$1.25 a day in 1996 (World Bank, 2012) implies that the national per capita income figure hides the true nature

Pagi. terima 13-3-2013
 No. Induk
 Asal bahan pustaka : Berit Yukat / Bredias
 staff :



Upali Wickramasinghe
 Regional Adviser
 on Poverty Reduction and
 Food Security
 CAPSA-ESCAP

¹ The 2011 census preliminary figures show that the total population of Papua New Guinea has reached 7.1 million (The National, Oct. 22, 2012, based on the National Statistical Office). According to the 2000 census, the total population was 5.1 million. This means that the population has grown at an annual average rate of 2.8% during the 11 years between 2000 and 2011.