

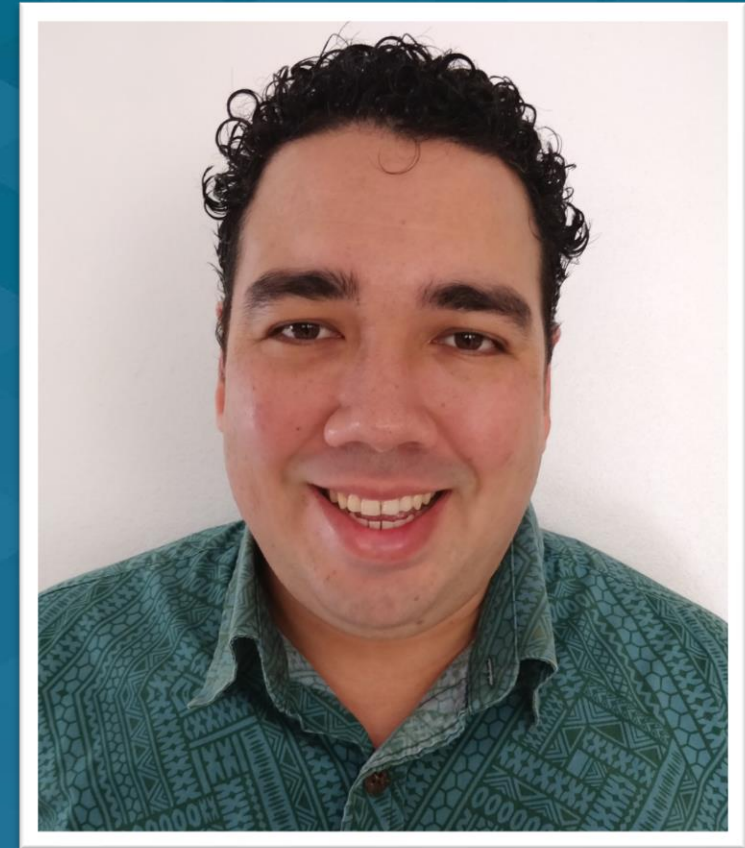
# ***From Farm to Tourist's Table: A study of fresh produce demand from Fiji's hotels and resorts***

Alika Cooper  
Tourism and Agriculture Consultant  
International Finance Corporation

# Alika Cooper

## Tourism & Agriculture Consultant, International Finance Corporation's Fiji Tourism Project

- Mr Cooper joined the IFC Tourism Project in late 2017 to support the agriculture linkages study entitled “From Farm to the Tourism Table: A Study of Fresh Produce Demand from Fiji’s Hotels and Resorts.”
- He is now working on implementing a program with hotels to assist them in increasing their local sourcing.
- IFC’s Fiji Tourism Project aims to support growth through: developing tourism arrival markets that increase tourism value for Fiji, improving linkages between local agricultural producers and Fiji’s growing tourism sector, and building a pipeline of tourism investments.





# FROM FARM TO TOURIST'S TABLE: A STUDY OF FRESH PRODUCE DEMAND FROM FIJI'S HOTELS AND RESORTS

October 2018



*Creating Markets, Creating Opportunities*

# ABOUT THE STUDY

- Partnership between IFC, Ministry of Agriculture and Ministry of Industry, Trade and Tourism
- Size the market for imported and local fresh produce sourced by hotels and resorts in Fiji's main tourism area.
- Areas covered in the study are home to 74% of all rooms
  - Nadi and Lautoka
  - Denarau
  - Coral Coast
  - Mamanuca and Yasawa Islands
- Based on a similar study in Vanuatu in 2016



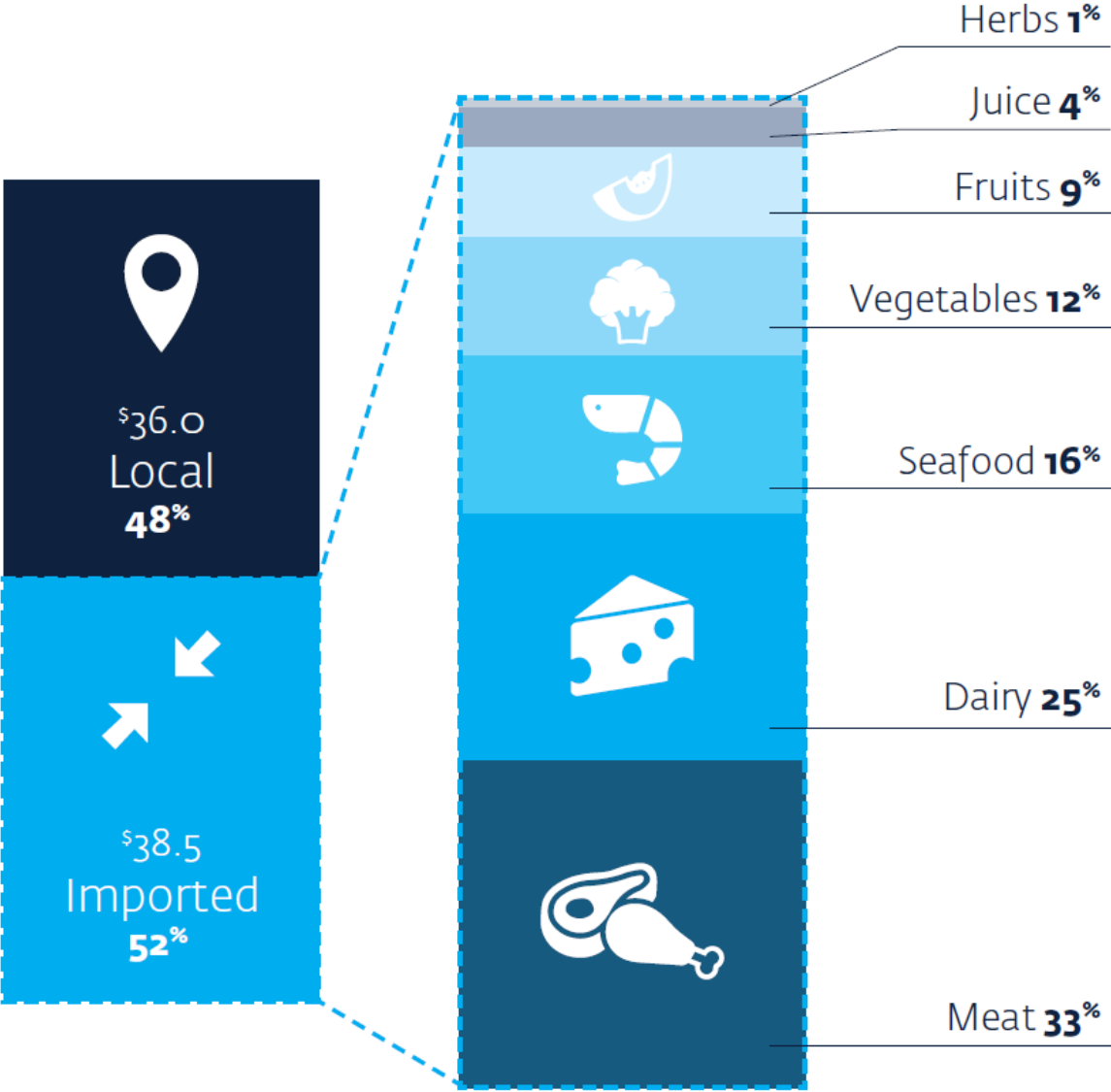


# STUDY METHODOLOGY

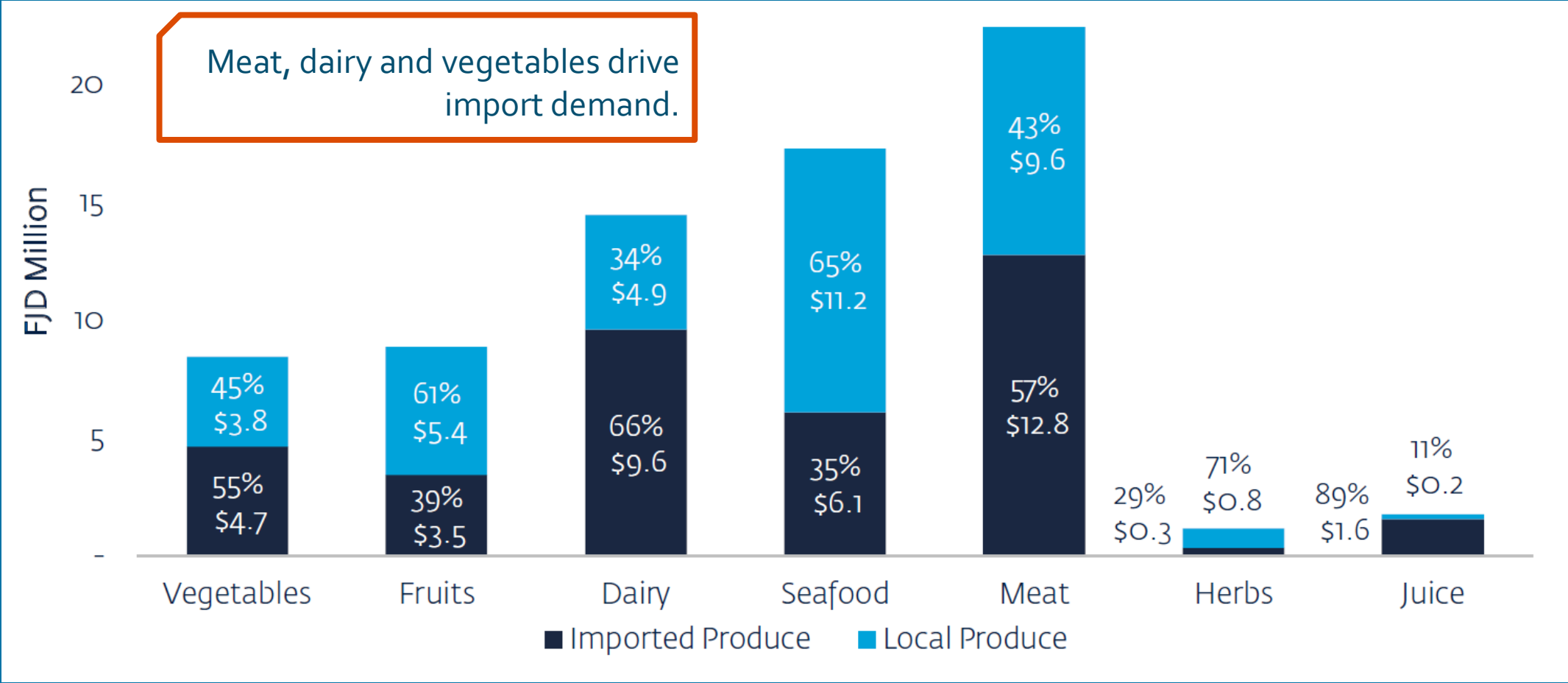
- Initial interviews with hotels during planning phase to inform methodology
- Stratified sample based on hotel location, size (number of rooms), and price category
- Qualitative questionnaire and interviews with 62 hotels on their purchasing preferences, habits and requirements
- Quantitative volume data collected from 44 hotels on 112 fresh produce items for one high season and one low season month, 47% of hotels in the four areas
- Extrapolated out to the whole population of 154 hotels
- Average price data and market estimates used to obtain value results (VEP)
- In depth interviews with key suppliers and aggregators

# IMPORTED AND LOCAL FRESH PRODUCE DEMAND

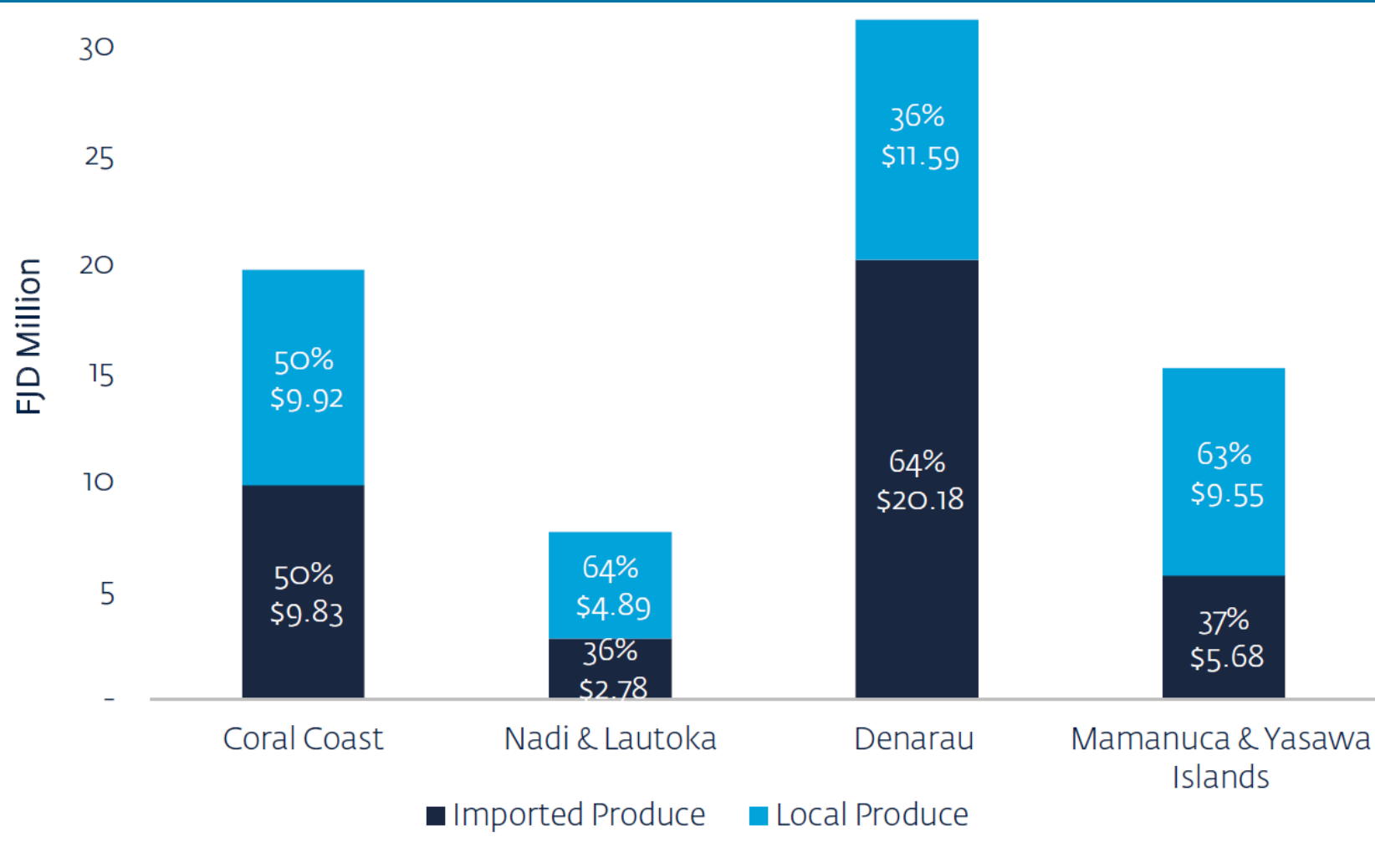
- **FJ \$74.4 million** is spent annually by hotels in the main tourism area on fresh produce
- **FJ \$38.5 million** of all fresh produce sourced by hotels is **imported**
- **52%** of all fresh produce sourced by hotels is **imported**
- Imports are driven by meat, dairy, seafood and vegetables



# LOCAL AND IMPORT DEMAND BY PRODUCT CATEGORY



# SOURCING BY HOTEL LOCATION



Mamanuca and Yasawa Islands use more local produce:

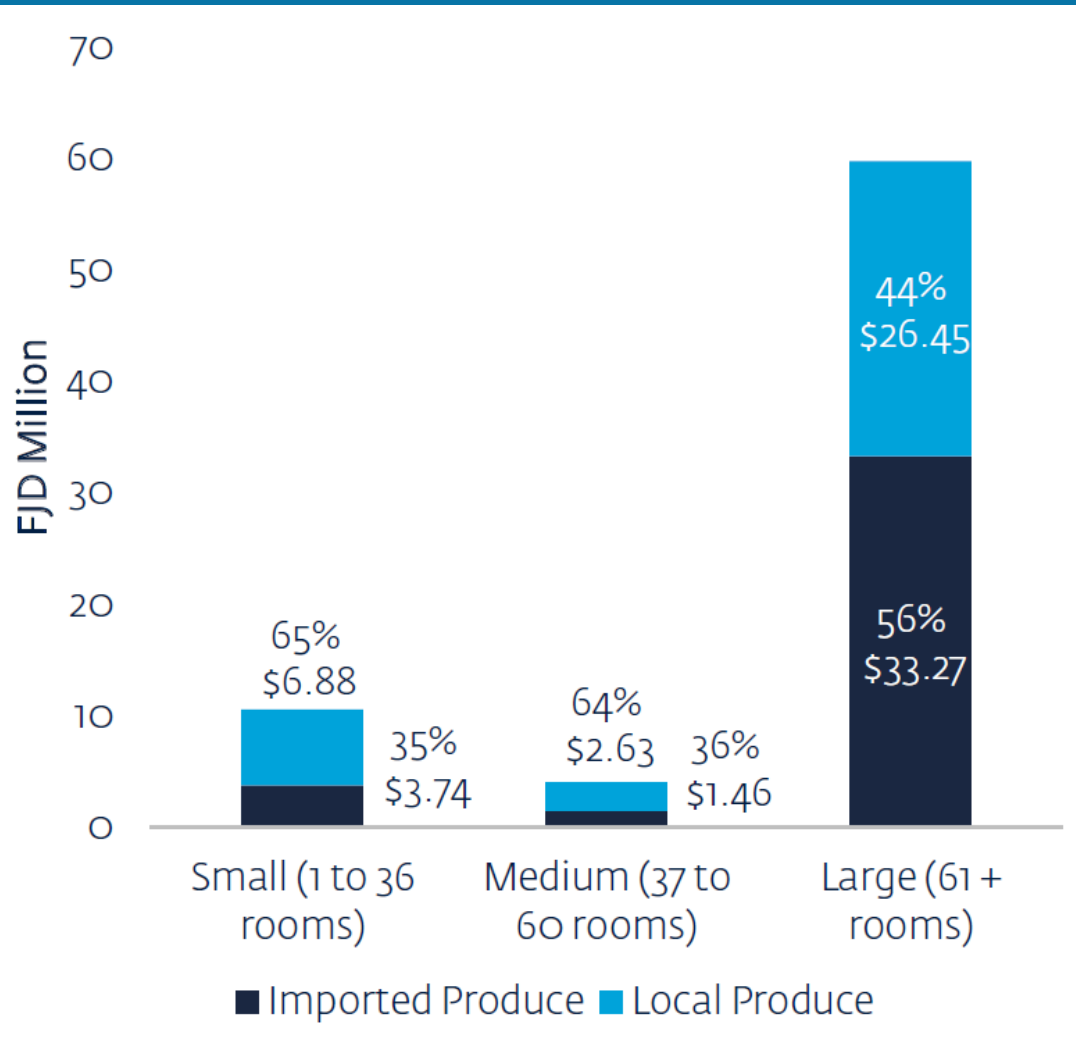
- Flexible purchasing
- Change menus to match produce availability
- Strong community focus
- Support local farmers by targeted purchasing and small-scale farming projects

Nadi and Lautoka use more local produce:

- More budget and mid-range hotels with less demanding customers
- More limited range of dishes on offer



# SOURCING BY HOTEL SIZE



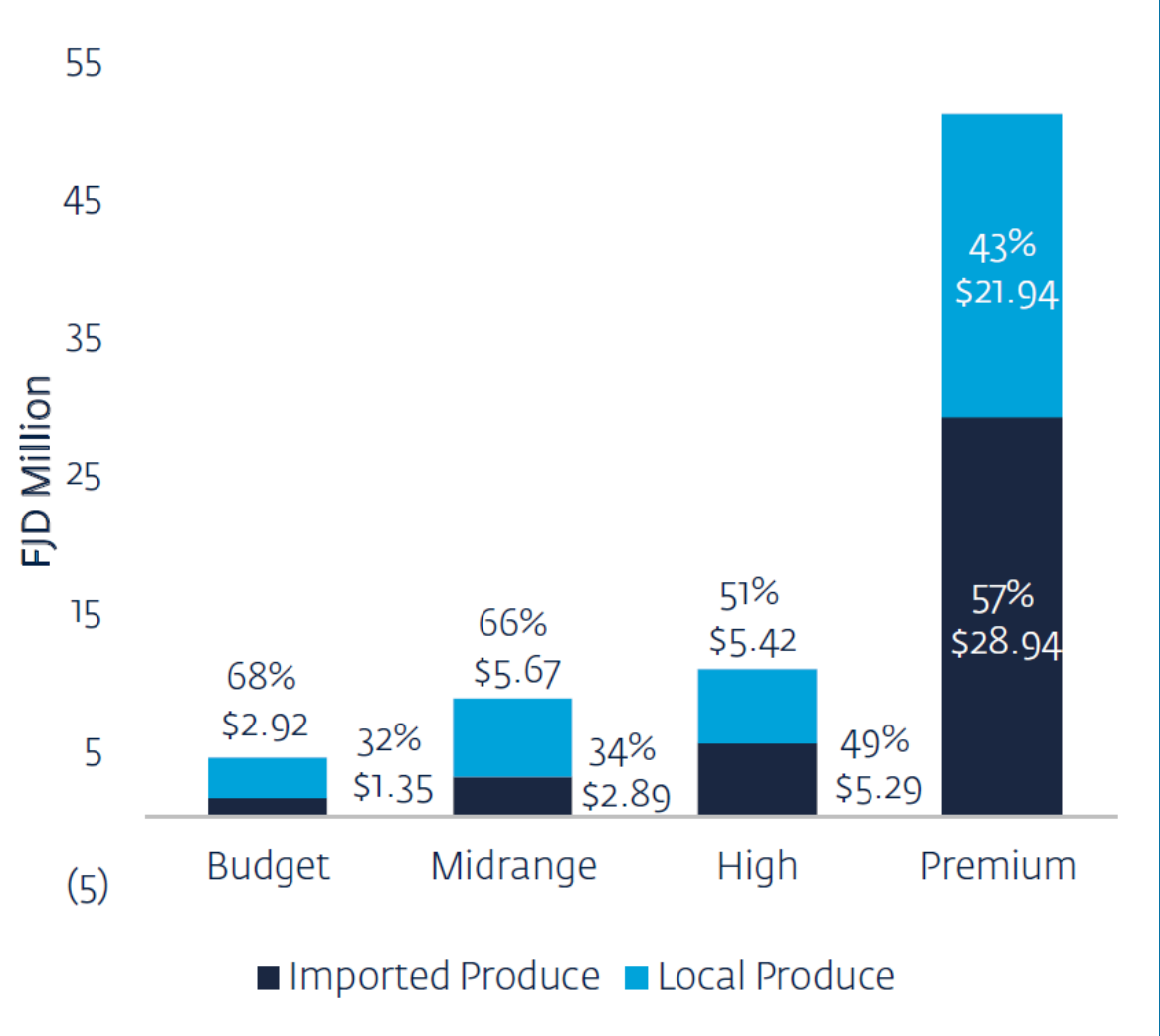
Smaller hotels purchase more local fresh produce

- Procurement staff visit local markets for purchases daily
- Buy smaller amounts and tend to pay cash
- Assess the quality of all available products and select according to preferences
- Flexible menus and change dishes based on seasonality or availability of products
- Medium to large hotels work with suppliers, ordering imported produce on a weekly or semi-weekly basis

# SOURCING BY HOTEL PRICE CATEGORY

High and premium hotels purchase more imported fresh produce

- Guest expectations for top quality food and good food safety, especially for meat and dairy
- Large, high end hotels have expatriate chefs that change every three to five years
  - Lower knowledge of locally grown produce options
  - Weaker suppliers networks



# FRESH PRODUCE ITEMS WITH HIGH POTENTIAL FOR INCREASED IMPORT SUBSTITUTION

18 fresh produce items account for 63 percent of total produce imports

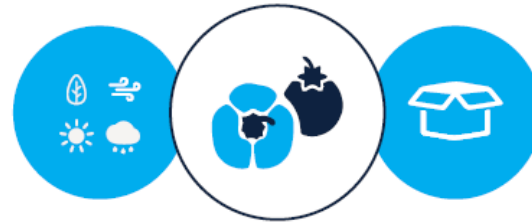
Vegetables	Potato, colored capsicum, green capsicum, broccoli, lettuce, cauliflower, zucchini, purple cabbage, and green cabbage
Fruits	Tomato, orange, rock melon and honeydew melon
Meat and seafood	Beef, bacon and prawn
Dairy	Cheese
Juice	Packaged tropical juices



## TOP REASONS FOR HOTELS NOT PURCHASING LOCAL PRODUCTS

# KEY ISSUES FACED BY HOTELS

### FRUITS & VEGETABLES



**60%**  
SEASONALITY OF  
PRODUCE AVAILABLE

**47%**  
INCONSISTENT  
SUPPLY

### DAIRY PRODUCTS



**53%**  
INCONSISTENT  
SUPPLY

**49%**  
POOR QUALITY  
PRODUCTS

### MEAT PRODUCTS



**70%**  
POOR QUALITY  
PRODUCTS

**32%**  
LACK OF FOOD  
SAFETY STANDARDS

### SEAFOOD



**58%**  
INCONSISTENT  
SUPPLY

**32%**  
POOR QUALITY  
PRODUCTS

# KEY FACTORS THAT INCREASE LOCAL SOURCING BY HOTELS

- Assess produce needs on a daily basis and purchase more often
- Change menus based on seasonality and availability of produce
- Proximity to productive farmland that offers variety, quick delivery and strong networks
- Assess produce quality at the market before purchasing
- Commitment to local sourcing at all levels of the hotel purchasing system, typically driven by the chef

## Imports driven by

- Need to forecast volumes on a weekly basis and pre-order high volumes at competitive prices





# FIVE KEY BARRIERS



## Decision maker networking

- Chefs have decision making power, but not full information
- Producers have low knowledge how to enter markets



## Inconsistent supply

- Poor business ethics
- Lack of understanding of hotel purchasing requirements
- Technical growing skills and equipment



## Seasonality of local produce

- Lack of supply in the off season
- Access to finance for smallholder farmers



## Quality of products

- Lack of proper infrastructure and poor post harvest handling
- Hotels want better cuts of meat



## Food safety standards

- Lack of applied food safety standards for meats and seafood



# KEY RECOMMENDATIONS

## Overarching

- Agritourism Working Group to coordinate among stakeholders
- Further product by produce analysis of the value chain for crops identified.

## Networking

- IFC hotel pilot program to increase ability to purchase more local produce and support hotel aggregators to increase supply by strengthening linkages with farmers
- IFC to partner with Chefs' Association to set up field visits for chefs to meet suppliers
- MITT to create further opportunities to integrate the Fijian Made-Buy Fijian Campaign into tourism

## Inconsistent Supply

- FAPP to include farmer training module on hotel requirements
- IFC to create a guide to upskill key hotel suppliers
- MoA and partners use report to prioritize items with high potential for import substitution

# KEY RECOMMENDATIONS

## Produce Seasonality

- Private sector to invest in agri-infrastructure with focus on modern equipment and improved farming techniques
- FAPP and MoA to prioritize high value produce for growing in high elevation areas in off season



## Quality of Products

- IFC work with Fiji Chef's Association to create vegetable and fruit grading charts based on hotels standards for farmers



## Food Safety

- IFC to determine demand by hotels for meat and seafood CCL Lite certification
- Work with HACCP Australia to develop CCP Lite for suppliers and train suppliers





IFC's work in Fiji is guided by the Fiji Partnership. Australia and IFC are working together through the partnership to promote sustainable economic development, reduce poverty and stimulate private sector investment in Fiji.

