Papua New Guinea (PNG) is an important regional producer with significant potential for yield uplifts and increase in national supply.

**Quick facts: PNG is the 5th largest producer in Asia**

- Production: 56 '000 tons, 2014
- Production share: 16th in world
- Coffee land: 5th in Asia
- Varieties: Arabica-Robusta ~95% A ~5% R

**R&R need:** ~90% of total land is in need of R&R

**Drivers of R&R need:**
- Need is primarily driven by old trees and bad current practices. The recent outbreak of Coffee Berry Borer, an endemic beetle, increases the R&R need.

**Uplift potential:** Significant uplift potential given low current SHF yields

- Current SHF yield & potential uplift: +100%
- Potential increase in supply: ~20-90%
  - Total national supply could increase ~20-90% if R&R and GAP is implemented on all SHF land in need of R&R

**Notes:**
1. No formal mapping of coffee growing areas in the country has been undertaken. FAO data is highly uncertain and land under coffee is likely to be underestimated.
2. The current yield is calculated on the basis of SHF production divided by SHF land area. Given that coffee growing area is likely underestimated, SHF yields are likely estimated too high.
3. Rounded to the nearest 5%, estimate assumes that R&R and GAP are implemented.

**Viability:** Climate change is not forecast to impact significantly

- No national or regional census have been held in Papua New Guinea so there is little comprehensive information on the coffee sector.
- The lack of road infrastructure hampers the growth of the coffee sector and increases the difficulty of implementing R&R programs.

**Other viability considerations**

- Climate change is not forecasted to impact PNG significantly though individual areas might require systemic adaptation, and in few cases, transformation.
Papua New Guinea has structural deficiencies that hamper the development of the coffee sector

- **National production is dominated by SHFs**
  - The majority of SHFs are in disconnected value chains, with weak and erratic links to market. SHF orgs. are generally mismanaged and lack capacity
  - **~500** – There is no population census, hence high uncertainty on the number of SHFs
  - **47** (~90% of national land) – farm size typically <1 hectare
  - **45** (~95% of national production)

- **Assessment of SHF orgs.**
  - Weak and underperforming coop sector – ~5% of SHFs are linked to coops

- **Links to market**
  - SHFs have no formal links to market and sell their unprocessed coffee in road markets

- **Examples of R&R programs: Past government R&R programs were mostly unsuccessful**
  - **CIC and Government - Industry-wide renovation pruning** (late 1990s) – The purpose of the program was to increase productivity, but, according to interviews and observers, the program was mismanaged and achieved poor results
  - **Government - National Agriculture Development Plan** (2006 – 2011) – The program aimed at “Injecting new life” into agriculture and the coffee sector, but was mismanaged and abandoned after five years
  - **The world Bank - Productive Partnership in Agriculture** (2010 – 2019) – The purpose of the program is to improve the livelihoods of coffee and cocoa SHFs through improved productivity. To date, the program has focused more on cocoa renovation

- **Enabling environment for R&R: Weak enabling environment**
  - Coffee share of GDP: N/A [Coffee share of exports: 1.6% (2015)]
  - Observers describe the Coffee Industry Corporation (CIC) as a bureaucratic and inefficient organization
  - The lack of roads is a bottleneck for productivity and exports
  - No centralized nurseries
  - Seeds are produced by farmers themselves using traditional techniques, with no quality control
  - SHFs have little, or no access, to other inputs (e.g. fertilizers)
  - SHFs have limited access to long-term credit. Banks or credit institutions do not lend to unorganized SHFs
  - Exporters / private sector actors can pre-finance SHFs, but this source of finance is inefficient for R&R
  - Most SHFs do not receive any form of TA
  - PNG is the most linguistically diverse country in the world, with over 850 languages spoken. This diversity, together with the lack of infrastructure, makes the providing of TA to SHF difficult and costly