This Summary presents key results of five surveys of the East New Britain Balsa Sector undertaken by ACIAR Project FST/2009/016, in 2014-15.

Survey scope & conduct
- The ACIAR Balsa Project undertook a series of surveys of East New Britain’s balsa sector between May 2014 and March 2015.
- Five surveys were conducted (number of respondents shown in brackets): of farmers’ needs for extension (140) and market information (166); of extension service providers (9); of grower groups (6); and of processors (7).
- Surveys of farmers’ extension and market information needs were limited to three ENB districts in which balsa is grown.

Farmers’ extension needs
- The 140 respondents were from six LLGs in three Districts; c. 45% of respondents were from one LLG (Toma Vunadidir).
- Sixty-two per cent of the farmers surveyed were current growers of balsa. 79% of respondents indicated an interest in growing trees (not necessarily only balsa) in the future.
- The majority of respondents would welcome more extension advice and assistance about tree choice and farm planning; almost half (46%) would also welcome extension about crop management, and more than half (55%) would welcome more extension about tree growing.
- Training was identified as the preferred extension mode.
- Nearly all respondents wanted more advice on sourcing planting material, and about techniques and tools for managing crops.
- Most respondents indicated that little training was available on tree growing. The generic training sought by most respondents was on farm planning and business management.
- A third of respondents were satisfied with training that they had received for crops on topics other than balsa.

Farmers’ market information needs
- The 166 respondents were from six LLGs in three districts; c. 60% of respondents were from two LLGs (Toma Vunadidir and Bitapaka Rural).
- 40% of respondents were current balsa growers; 83% of respondents who were not growing balsa currently expressed interest in possibly growing balsa in the future.
- Most respondents (> 80%) expressed interest in information on market ‘places’ (buyer types), market requirements and market prices.
- Most respondents (78%) preferred to receive such information both electronically, via radio or text message, and on paper. 90% preferred communication in Tok-Pisin; 40% were happy to receive information in English.
- The most preferred frequency of paper-based communication was monthly, and there was some preference (25%) for Ward-level communication in addition to electronic and printed forms.

Extension service providers
- One national and two provincial level agencies, three District Administrations, two grower-focused organisations, and one training provider were surveyed.
- All but the training provider focus on a single land-use or commodity.
- The emphasis of most extension service providers (ESPs) was on “how to grow” a crop, and in-field extension services.
ESPs reported a consistent focus on technology transfer, to increase farmer skills and knowledge of technical and management related issues. Three providers focused on the development of social capital, through support for grower group development to make the provision of services more efficient. The majority also promoted sustainable management of natural resources, food security, women and youth issues.

Governments are the dominant source of extension service funding, with all but one extension provider funded via combinations of government, donor and farmer payments. One provider was funded by grower members paying an annual membership fee.

While most ESPs reported that they had access to adequate materials for extension, they indicated that they did not have adequate recurrent funds to provide their services.

The majority of ESPs use their own staff; some also engage consultants and/or use lead farmers.

Face to face communication supported by written material is the most common extension mode; there is little use of electronic media.

Grower groups

Six grower groups were surveyed; five focused on one or more agricultural or food products (four copra, two cocoa, two fish, one other products), and one focused only on balsa.

All grower groups sold outputs to local processors and exporters; two had developed trade-store businesses to diversify their portfolio of business enterprises.

All groups reported high social capital associated with links to community, farmer, women and youth networks; two groups indicated a lack of adequate staff capability and numbers, and most reported inadequate financial resources.

Four of the groups received various forms of support (primarily technical training; in some cases, seedlings) from their customers.

Processors

The seven balsa processors surveyed included those dominant in ENB, and others which represented particular segments of the supply chain or market.

Processors’ responses indicated that China was the largest market for ENB balsa, and that the wind energy generation sector currently is the largest end-market for the balsa products. Other target markets include the model market and products for the industrial (construction) and transport sectors.

Processors draw their resources from a range of sources, including smallholder growers. Average haul distance from grower to processor was 35 km (range 2 – 80 km).

Five processors pay for their balsa resources at a fixed price per cubic metre of log volume. One processor negotiates log prices with each grower, and one purchases only sawn timber from portable sawmillers, at a fixed price.

In general, the processors do not provide suppliers with technical advice or materials. At times, one or more processors have supplied seedlings to smallholders and assisted them with establishment of the subsequent balsa rotation.

Five of the seven processors did not identify any institutional or external factors that significantly restricted achievement of their objectives. Two processors identified significant impediments: one of these identified certification requirements in relation to the inclusion of smallholder resource supply; the other identified the policies, laws and regulation of the PNG government relevant to the balsa sector.

All processors considered that their knowledge of the sector had improved since the establishment of their business; five indicated that skills and practices had improved in the industry over this time; four processors reported there had been general positive economic change since the establishment of their business, and only one reported the converse.