



PRESS RELEASE

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SDP partners with IAI in agribusiness development in South Fly

PNG Sustainable Development Program Limited (SDP) has launched an exciting agribusiness and aquaculture business in partnership with Innovative Agro Industry (IAI) in South Fly, Western Province.

South Fly Agribusiness is a nucleus estate development which will produce vanilla and black pepper in Oriomo, establish processing and storage facilities on Daru, and re-develop the Daru hatchery into an export-oriented aquaculture business.

This multi-million Kina joint venture is being co-funded by SDP and IAI on an 80/20 shareholder basis with IAI managing the project. This exciting venture will establish:

- an Agricultural Station in Oriomo that will operate as a commercial production hub, and a demonstration farm for showcasing efficient farming methods to out-growers
- a cluster of Participating Out-growers who will be integrated into the nucleus estate supply chains for inputs and outputs. These out-growers will also benefit from other shared services, e.g. logistics and knowledge transfer, and help build scale to improve the overall economics
- an Aquaculture Centre, incorporating the existing Daru Hatchery which will produce barramundi and high-value specialty marine products (beche-de-mer and sea horse)
- an Agro-Industrial Centre based on Daru that will support the venture with shared overheads, services and facilities
- enabling infrastructure comprising two boats and a jetty at Oriomo and a 1MW Solar Power Plant on Daru, which will supply the nucleus estate

South Fly Agribusiness will be using advanced agricultural technology and modern methods to achieve scale and productivity targets. IAI, as project manager, brings proven expertise to the venture as demonstrated by their successful track record in developing other successful start-up ventures in Papua New Guinea (9 Mile Farm, Illimo Dairy, Highlands Frozen Vegetables Enterprise, and the Enga Agro-Industrial Centre).

SDP is committed to creating livelihoods in the cash economy for the people of Western Province. The best way of doing this on a sustainable basis is by developing commercially viable business ventures. The project is expected to create direct employment opportunities for some

270 employees as well as 500 smallholders who will farm their own land as part of the integrated business system.

SDP's Daru Hatchery is being integrated into the new venture. It was initially set up in 2009 to restock the river system in the province and has been undergoing major renovations since last year. Land has been cleared, and new buildings are currently under construction, to make way for this project.

Selma Pamolak, SDP Operations Manager, has been on the ground in Daru supervising these efforts and working closely with the IAI team to ensure all the work is going ahead as planned. "So far, work on this project has been progressing well with IAI having visited all sites last year, and all planning and purchasing of materials for the Daru project completed," she said.

"This week, we are releasing the fish back into the wild so that the hatchery can be dried up and prepared for the new development to take place."

Selma, who has a Bachelor of Science majoring in Marine Biology from UPNG and a Master's of Science (Fisheries Biology & Management) from James Cook University in Australia will be seconded to IAI and become part of the management team running the joint venture. In this new role, she will be coached and mentored and receive further overseas training in commercial aquaculture production.

This exciting new industry will boost the economy in an area where income-earning opportunities are very limited.

"It will generate export earnings and provide a reliable extra food source in Western Province. In summary, this initiative is going to make a very valuable contribution towards improving the quality of life in the area."