Understanding Market Demand for Sweet Potato in Papua New Guinea

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\textbf{Abstract}

Sweet potato is the most important food crop in Papua New Guinea, grown by the majority of households throughout the country. In recent years, it has become an important source of income for smallholder farmers in a developing market economy at a time when demand is rising in urban centers, especially in coastal cities such as Lae and Port Moresby (POM). A transformation from subsistence to commercial farming requires new skills and a change of mindsets from production orientation to market orientation. A starting point is better understanding of what the market wants. The objective of the study was to understand the market requirements in POM of both consumers and institutional buyers through a consumer survey (350 households) and informant interviews (25 institutional buyers), respectively. The results show that while the demand for sweet potato is increasing in some segments of the POM market, rice poses a serious threat to the longer-term prospects of the sweet potato sector. Furthermore, the majority of consumers surveyed indicate a clear preference for some sweet potato varieties and associated product attributes, but lack of product information leads to confusion and high search costs. By contrast, institutional buyers demand good quality products and consistency in supply. The conclusion is that the sweet potato sector must improve its product quality and supply consistency, as well as reduce the marketing cost, in order to compete with rice and other food crops by changing their current postharvest and marketing practices.

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