COOK ISLANDS

Capital:	Rarotonga
Land Area (km2)	240
Sea Area/EEZ (million km2)	1.8
Islands (No.)	15 (13 are inhabited)
Population (No.)	18,700 (2000)
Annual Growth (%)	0.5
Density (inhabitants/km2)	79
Rural Population (% of total population)	31
GDP (US$ million)	95.8 (1997)
Agricultural GDP (% of total GDP)	22
GDP per caput (US$)	5,044 (1997)
Currency:	New Zealand Dollar Cook Island coins

A. General

The Cook Islands consists of a group of 15 islands with a total land area of 240 km2, scattered over some 2 million km2 of the Pacific Ocean. The country has no immediate exploitable mineral or energy resources. Its natural resource base is primarily the fertile soil and the marine resources.

Like many other Pacific Island Countries, the Cook Island's economic development is constrained by the isolation of the country from foreign markets, the limited size of the domestic market, lack of natural resources, periodic devastation from natural disasters and inadequate infrastructure. Agriculture provides a base for food security. Manufacturing activities are largely limited to fruit processing, clothing and handicrafts. Marine products generate most export revenues. Tourism generates the largest share of the GDP.

B. The Agricultural Sector

Agriculture in the Economy. Agriculture contributes around 18 percent to GDP and employs less than 5 percent of the employed work force. Though 67 percent of all households are agriculturally active, they do so more as a hobby and part time activity to grow some of their basic local food and not for income. Only 1 percent of the agricultural households derives all of their income from agriculture and all of them are in Rarotonga. None of the households in the outer islands depend on agriculture for all of their income, though almost all households engage in agriculture for both subsistence and semi-commercial purposes.

Land Use, Farming Systems and Institutions. The land area of the Cook Islands is 58,452 acres, of which 58 percent (33,826 acres) is arable and is classified into two categories. The first category, Class 1, includes lands which are suitable for cash and subsistence crops

including vegetables. The second category, Class 2, includes lands which are suitable for tree crops only. Twenty eight percent of total arable land is estimated to fall in Class 1 category.

Distribution of total arable, Class 1 and Class 2 land varies widely across the different islands. In Rarotonga the proportion of arable land is lowest but 71 percent of it is Class 1 land, whereas in the northern islands the proportion of arable land is highest but all of it is Class 2 land.

A high proportion of arable land is not available for agricultural activities and how much is in fact cultivated in any particular year is difficult to estimate with precision. According to the 1988 Census of Agriculture the total area of the agricultural holdings in actual use was 5,006 acres (only 15 percent of total arable land) and 1,429 acres were fallow. In addition, there are approximately 500 acres of land used by the government for agricultural activities. Total area in actual use, inclusive of fallow, thus amounts to 6,934 acres, only 20 percent of total arable land.

Major Challenges and Constraints. Due to the right to settle in New Zealand and the existence alternative income opportunities, agriculture in the Cook Islands is not an attractive choice and large tracts of agricultural land remain uncultivated. Thus the major challenge is how to make agriculture competitive, profitable and an attractive choice for income generation.

Access to land of sizeable proportion to generate sufficient income comparable with alternative sources is one of the main constraints to development of commercial agriculture. This, though related to the land tenure system (and multiple ownership), is more due to expected opportunities for commercial and residential use of land. People are keeping their options open to convert land into non-agricultural use whenever the opportunity arises. Large tracts of land are therefore lying unused. In addition, the country is severely labour constraint due to migration to New Zealand and shortage of hired labour imposes additional challenge for commercial agriculture in the Cook Islands.

Water is an important requirement for increasing productivity. Increased production and quality of fresh vegetables and fruit will crucially depend on availability of water. At present water for agriculture is drawn from the system supplying water for domestic use. This system, it is anticipated, will not be able to meet the increasing demand for domestic, industrial and agricultural use. It is therefore, highly probable that agriculture production and particularly productivity and quality of output may be severely affected by inadequate water supply.

The Cook Islands is a small and environmentally fragile country. In Rarotonga, nearly 70 percent of land area consists of steep slopes and hills. These hills, if improperly cultivated, risk being eroded and degraded. In the coastal areas, destruction of the coral reefs, intrusion of salinity through surface and underground water may become a major concern for agriculture. Control and prevention of degradation of the hills and the coastal areas is a major challenge and critical for sustainability of the resource base and long run sustained prosperity of the people.

Strategic Options. Zoning of prime agricultural land provides the best opportunity to reduce speculation on alternative opportunities and thus encourages investment in land development and facilitates access to land of sufficient size to enable generation of income comparable with alternative opportunities.

Zoning of agricultural land may come into conflict with peoples' desire and right to built houses. Specific provision for houses, when suitable non-agricultural land is not available, may need to be included in the zoning law. Specific provisions may also include government commitment to assist in developing non-agricultural land which is not suitable for houses for house building.

In Rarotonga, there is plenty of ground water suitable for irrigation and potential to capture rainwater by installing water tanks. The mean annual rainfall is 2,100 mm. The ground water should ideally be exploited by shallow tube wells only, to avoid salt water intrusion. A system of irrigation based on shallow tube wells also appears to be very suitable to the existing pattern of land holdings, where a single household may own several small plots of land not always adjacent to each other. Priority, thus, should be given in developing a suitable and adequate infrastructure and facilities for irrigation.

Increased livestock production has led to higher demand for feed. Availability of feed will soon become a severe constraint to livestock production. If not addressed immediately, the future of livestock will become dependent on imported feed. The country is already importing animal feed worth more than half a million dollars per year. The strategic options thus should consists of:

- production of fresh fruits and vegetables for domestic market as well as export; and
- encourage and give priority to the private sector to move into production of feed by providing tax incentives, land lease, credit facilities and free import of machinery and other related inputs including vitamins, protein and minerals for mixing with local products.

C. Project Interventions: Income Generation Activities

I. Fruit Trees Development

Tourism in the Cook Islands is "big business"; current ratio of local population to annual tourism inflow stands at 1:5 (15,000 population/75,000 tourists). This has created a huge local market for fresh agricultural products, which is not being met by local supplies. During times of low or non-existent local supplies, fruits have to be imported, resulting in loss of foreign exchange earnings. A lot of the imported tropical fruits can easily be grown locally if the local production capacity is sufficiently expanded and strengthened. This can be done with the following project.

Local Contribution

Local contribution includes the following:

- Labour for nursery operations, maintenance and management;
- Storage of project supplies and equipments;
- Maintenance cost of plantations after 5 years;

- Plant replacement costs; and
- Land rental.

Success Indicators

- Increased supply of fruit seedlings and planting materials for distribution to farmers;
- Increased fruits production from the planted seedlings and planting materials;
- Readily available supplies of fruits for both the local and export markets, thus reducing imports and increasing income earned; and
- Expanded employment opportunities in the farming sector as a result of the enhanced income generating capacity of the project participants.