

Seaweed farmers in Solomon Islands trained in basic financial literacy

*The farming of the seaweed *Kappaphycus alvarezii* is a steadily growing aquaculture production sector, particular in rural coastal communities in Solomon Islands. Although production has varied, Solomon Islands is the largest seaweed producer in the South Pacific, with around 480 tonnes produced in 2017¹. A major problem identified by the Solomon Islands Ministry of Fisheries and Marine Resources (MFMR) that plagues seaweed farmers is their lack of financial management skills to manage and advance seaweed and other subsistence businesses. In order to boost the financial skills of seaweed farmers on Manaoba Island and those of national fisheries staff, MFMR and the Pacific Community (SPC) – through the Sustainable Pacific Aquaculture Development project (PacAqua) in partnership with the Lotas Development Engineering and Electrics – conducted a basic financial literacy training on Manaoba.*

Interest in the training was so strong that following the initial workshop involving 25 invited farmers, 45 farmers attended and participated in the five-day training that ran between 9 and 13 December 2019. Of these participants, 26 were women who were keen to learn more about financial management concepts. Four MFMR staff were also trained to allow them to share the information during interactions with other farmer groups in the future. The training aimed to build business literacy skills of seaweed farmers so that they could better operate their small businesses. All participating farmers are members of the Manaoba/Hatodea Seaweed Farmers Association.

Manaoba was producing around 100 tonnes of dry seaweed in 2013–2014. Farmers earned around SBD 3000

(~ AUD 530) from the sale of ten 40-kg bags of dry seaweed. During the same period, the number of seaweed farmers grew from 50 to around 90. This has since, however, decreased back to less than 50, as many farmers have stopped producing because of marketing-related constraints. The primary issue is that they no longer have a locally based buying agent on the island. Remaining farmers are struggling and have to take their seaweed directly to Honiara incurring high freight cost. MFMR is currently negotiating with buyers and looking to establish local buying agents to overcome this issue.

A better understanding of how to operate and manage their businesses will greatly contribute to their growth. Prior to the training, many farmers stated that they were unaware of



Mr Silverio Alofi, retired teacher and seaweed farmer, leads discussions during group activities. (image: Avinash Singh, SPC)

¹ Anon. 2018. Solomon Islands Ministry of Fisheries and Marine Resources, Aquaculture Division Annual Report 2107. Solomon Islands Ministry of Fisheries and Marine Resources. 15 p.

financial management practices, budgeting, saving opportunities, and bookkeeping principles. Assessing production costs, managing money and reinvesting in their business were concepts that were foreign to them and, as a result, they did not fully understand how to manage their business operations and could not maximise their profits.

Reeves Tagini, a seaweed farmer from Manaoba, stated that through the training, he developed a better understanding of bookkeeping and record keeping, and said that prior to the training he was unaware as to how much he earned a year. Now he notes his income and expenditures and keep records to formally know his earnings and plan expenditures throughout the year. Mr Tagini also stated that there were no banks on Manaoba, with the closest Bank South Pacific branch located in Auki, around 112 km away. Rural banking was trialled but for reasons unknown to him were not continued. No agents for mobile banking exist in this area. Mr Tagini intends to find out more about how to operate a savings club to help his community as many people found it difficult to save money at home. Because commercial banks are far away, setting their own savings club would allow them to save money, individually and collectively, and if necessary borrow against it in the future.

Another farmer, Magreth Ratu said that many people did not know how to obtain financial skills. The training increased awareness on specific opportunities to improve skills, and how to access funding for development.

Farmers also highlighted that cultural practices such as buying on credit (*kaioni*) or the *wantok* system, prevents them from establishing sustainable businesses. Mere Eke tried to run a second-hand clothes business from income generated from her seaweed farm, but soon found that all of her investments were lost to such traditional obligations. She found it hard to say no to family and friends, and quickly found out

the hard way about business failure. She added that after the training, she will be stricter with any credit to family, and will focus on seaweed farming activities.

A lead farmer, David Molia, who has been farming seaweed since 2004, said that if he knew about the financial concepts he learned during the training in his early years of farming, his capacity to manage his business would have been better and he would be in a much better business position now.

Clement Aitore, lead trainer of the financial literacy training, highlighted that the knowledge gained by farmers here could be applied to their farming business, investments and their daily livelihoods. The training was delivered in the local language and resulted in high participation during lectures and group exercises.

Sylvester Diaké Jr, Chief Fisheries Officer of MFMR, said the training “was an eye opener for Manaoba farmers to learn about the business side of farming and we are looking forward to changes in terms of maximising their economic benefits”.

A similar training is planned for seaweed farmers on Wagina Island in January 2020. Wagina is the largest seaweed producing area in Solomon Islands.

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Participants of the December 2019 financial literacy training on Manaoba Islands, Solomon Islands. (image: SPC)

