



MINISTRY OF MARINE RESOURCES

TERMS OF REFERENCE

COOK ISLANDS PEARL MARKET ANALYSIS

BACKGROUND

The Cook Islands Ministry of Marine Resources (MMR) is seeking quotations from suitably qualified and experienced consultants to work on the **Cook Islands Pearl Market Analysis**. The attached Terms of Reference (ToR) provides detailed information on the analysis required.

Black pearl farming in the Cook Islands was established in the mid-1980s growing to its peak by the year 2000 where individual pearls could attract an average price of NZD 100 each. During this time the economic stimulus the industry created, for Manihiki in particular, was significant with almost half the population earning income from pearl farming.

Low pearl production and continued reductions in exports over the last two decades has resulted in a decline at Manihiki to only 14 active farms with eight of these, regularly seeding and harvesting. Some of these surviving farms have also vertically expanded their operations to include retail outlets based in Rarotonga.

Although the industry has a reduced presence in the international market, there is a sustainable local market driven by a customer base of local Cook Islanders and their diaspora in New Zealand and Australia, as well as tourists that visit the Cook Islands. Manihiki produced pearls also have to compete with imported black pearls from Tahiti and freshwater pearls from China. The impact this competition is having on the domestic pearl producing industry, especially as imported pearls are undercutting the price of domestic black pearls. Subsequently, there is a need to identify issues related to pearl farming and marketing practices in the Cook Islands and to develop strategies to address the problem.

TERMS OF REFERENCE: COOK ISLANDS PEARL MARKET ANALYSIS

Objectives

The objectives of this consultancy are to gain a better understanding of the pearl market in Rarotonga and to identify both the impact of imported pearls on the local industry and opportunities to further develop the industry.

Scope of work

The scope of work for the Consultant will include:

- Review of the domestic market demand for pearls including:
 - Total supply/demand for each grade of domestically produced pearl and pearl product
 - Total supply/demand for each grade of foreign imported pearl and pearl product
 - Retail and Wholesale pricing

- Cost/benefit analysis of farmers retailing their own pearls and impacts this has on other non-farmer retailers and overall supply/demand
- The impact of imported pearls on the market for domestically produced pearls and domestic retailers and jewellers
 - Assessment of options and impacts (cost/benefit) of the current practice of limiting the importation of foreign pearls through the use of levies. Should this be increased, decreased or discontinued?
 - Current state of quality assurance for domestic vs. foreign pearls being sold domestically including an assessment of compliance, accreditation and traceability issues
- Analysis of options for increasing the value of domestically produced pearls including but not limited to branding (e.g. impact of the Avaiki brand), traceability, third party certifications and other
- Comparative analysis of Cook Islands pearl grading/pricing system vs. other major pearls produced internationally
- Analysis of the functions of the recently disestablished CIPA to make recommendations for if/how these functions could/should be managed in the future. Should it be done? Who should do it? How will it be done?

Consultations with stakeholders will require travel to Rarotonga (outer island contacts can be made via phone/email), but most of the work should be done from the consultant's home base as a desktop study.

Deliverables

No.	Deliverable	Inputs/tasks	Due date
1	<i>Inception report</i>	<i>A work plan including an outline of proposed methodology for this study to be approved by MMR before the consultancy begins.</i>	<i>June 2020</i>
2	<i>Stakeholder consultations</i>	<i>Consult with stakeholders in Rarotonga, Local pearl traders, and other relevant organisations for example Cook Islands Customs, Statistics office, Cook Islands Pearl Retailers and Wholesalers Inc. Phone or email consultations with outer islands stakeholders.</i>	<i>July 2020</i>
3	<i>Desktop study</i>	<i>Research and analysis of each area listed in the scope of work. Compilation of the information gathered from the stakeholder consultations.</i>	<i>July 2020</i>

No.	Deliverable	Inputs/tasks	Due date
4	<i>Draft report</i>	<p><i>A draft report detailing the analysis listed in the scope of work for review and comment by MMR. This report should include specific recommendations for each area of analysis.</i></p> <ul style="list-style-type: none"> ○ <i>The report should include appendices for the following:</i> <ul style="list-style-type: none"> ▪ <i>List of people/organisations contacted for this study</i> ▪ <i>Pricing and grading information from other pearl markets</i> ▪ <i>Links/information relating to any branding, traceability, certifications etc. referred to in the study.</i> 	<i>July 2020</i>
5	<i>Final report</i>	<i>A final report that takes into account the feedback received from MMR.</i>	<i>July 2020</i>

Methodology

An outline of the proposed methodology for the achievement of the goal, outcomes and outputs should be included in the proposal by the supplier in response to this Terms of Reference. This should not exceed 5 pages.

All available background information available will be provided to the supplier during the tenure of the assignment.

Expected Competencies

It is expected that the supplier will have the following key competencies:

- Competency in economic and/or commercial analysis
- Industry/market knowledge and expertise preferred

Required Skills and Experience

The successful applicant(s) will have:

- A university degree in marketing, economics, commerce or similar
- Strong communication, report writing and interpersonal skills
- Proven consultancy experience in the Pacific would be desirable

Duration and Consultancy

Work is expected to be completed within 35 days over a period of 2 months

Organisational and Institutional Arrangements

The Consultant will be accountable to and liaise with the Secretary of MMR. MMR will cooperate fully with the Consultant in the provision of information and contacts required to carry out the study and will liaise directly with the Consultant as required to implement organisational arrangements.


Submission of proposals

Interested applicants should submit the following documents in support of their proposal:

- a. A curriculum vitae detailing your qualifications and experience for this consultancy, and a cover letter expressing your interest
- b. A proposed methodology outline and timing for this work
- c. A detailed cost estimate including fees, and any incidentals

Proposals should be sent by email to s.vaetoru@mmr.gov.ck and any questions on the proposed consultancy can be sent to the same email address and will be answered within 5 working days. This request for proposals should not be construed as an offer to any consultant contacted. MMR reserves the right to reject any or all proposals, and to negotiate with any bidder if the original proposal is not acceptable.

Due Date: 29th May 2020

Approved by: (signature)	Koroa Raumea 
Title and Ministry/Agency/Dept.:	Director of Inshore Fisheries and Aquaculture Division Ministry of Marine Resources
Date:	13 th May 2020