



PROCEEDINGS

Regional Learning Session on Sustainable and Inclusive Marketing Arrangements towards increasing Farmers' Market Power

May 9-11, 2013

The Sulo Riviera Hotel, Dilliman, Quezon City, Philippines

Organized by Asian Farmers' Association (AFA)

Hosted by Pambansang Kilusan ng mga Samahang Magsasaka (PAKISAMA)

Supported by Collectif Strategies Alimentaires (CSA) and Agriterra

Background of the Consultation

Rationale

The agri food system across the globe is fast restructuring. While to a certain extent this development opened up market opportunities to smallholder farmers, it lends dependency on their part to an array of intermediaries from input suppliers, to assemblers, traders, processors and service providers (transport, credit, etc). In agri-food value chains, usually the smallholder producers are seen as the weakest link given their lack of capacity to avail of resources and lack of access to markets.

The presence of big value adding agribusiness firms (producers, processors, wholesalers, etc) in the food chain are usually seen as exclusionary signals for smallholders to be wary and forget about planned market entry and sustained presence in the value chain. In principle this should not be the case, as participants in a given value chain should not be looking at each other as competitors but more importantly as mutually contributing stakeholders that need to coordinate (not compete with) each other's acts if mutually benefiting sustainability and enhanced chain performance are to be pursued.

Usually given their capacities, the big agribusiness enterprises have the potentials to assist and broker the inclusion of smallholders and in the process contribute to their empowerment as better and stronger link of their value chain. In addition to agribusiness enterprises, Cooperatives, CSOs and donor partner also play significant brokering role in the inclusion of smallholder in the value-chain and pushing more value down the chain.

Initial response modalities to improve on their plight were arrived at by smallholder farmers, such as organizing through informal and formal groups, cooperatives included and have likewise led, to a certain extent, to enhanced market access and improved incomes. Still, however, smallholder farmers seem to be partaking off very minimal returns, if included at all, from the expanding and modernizing food value chains of which they are a part of.

While working on at the agricultural value-chain, it is also important to consider the regional policy environment. At the regional level, ASEAN believes in the potential



of private sector to contribute to its goal of becoming, by 2015, a single regional economic community that is closely linked to the global economy. Hence, the most binding and progressive aspects of ASEAN investment policies are those moving its Members towards greater investment liberalization and investor protection. However, all across Southeast Asia, the unregulated influx of large-scale private sector investment in agriculture is creating problems for many poor communities. Various studies document its negative impacts. These include the displacement of small men and women farmers and rural poor communities from their lands to give way to the operations of private companies; food insecurity arising from the conversion of farmlands to plantations for exports and biofuels; the negative effects of unequal bargaining leverage on farmers' welfare; and environmental degradation. Women, who take the lead in managing the household and ensuring food on the table for the whole family, are specially affected by these problems.

In line with this, AFA together with the broader civil society organization in the region is pushing ASEAN to develop regional policies that will regulate investments in a way that will safeguard the interest and rights of its peoples and communities particularly the small-scale women and men farmers. At the international level, there are favorable policy instruments recently approved which can be basis for sound agricultural investment regulation e.g. voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security. In addition, AFA also explores opportunity to develop alternative models of marketing arrangements through cooperative marketing and partnership with CSO-led marketing intermediation mechanism. Engagement with the private sector is also one new area AFA tried to explore through its engagement with AMAF-PPD and the World Economic Forum (WEF). AFA also serves as support organization to the CSO-Asia representative in the Steering Committee of the Global Agriculture Food Security Program (GAFSP) where AFA brings together FOs, NGOs, governments, and Supervising Entities in consultation-workshops for a more relevant GAFSP implementation in the country both for its public and the private sector windows.

It is within this premise that the regional knowledge sharing on enhancing farmers' market power in value chain in Asia is organized by the Asian Farmers Association for Sustainable Rural Development (AFA) hosted by its member in the Philippines – PAKISAMA, and with support from CSA and Agriterra.

Over-all Objectives

The regional knowledge sharing workshop aims to:

- A. Provide a venue for sharing, learning and planning actions together on how best to enhance smallholder farmers' market power through:
 1. Sharing of country reports describing the situation and analysis of the benefits, level of participation and involvement of small scale women and men farmers in successful marketing arrangements within the supply/value chain in Asia including a regional synthesis of the national case studies from Philippines,



Thailand, Cambodia, Laos and Vietnam. In addition, cases from other regions (Africa, Europe) demonstrating elements of sustainable and inclusive business models shall likewise be presented.

2. Discussion on the issues and concerns of small-scale women and men farmers particularly their benefits and level of participation in the value chain as well as those of other key industry players and their initiatives in addressing such issues and concerns especially in the light of global issues such as land rights, food price volatility and climate change.
- B. Articulate concrete policy recommendations based on lessons learned through:
1. Analysis of the impact of existing policies, support services and business environment.
 2. Formulation of strategic options and policy recommendations at the local, national, inter-governmental bodies and regional/international level
- C. Organize and Gear for Action through:
1. Arriving at a common agreement for endorsement to concerned bodies as well as a plan of action
 2. Institutionalization of agreements through organized plan of action with commitment generated from identified people/organization involvement with complete timetable and follow up.

Program

Date/Time	Activities
May 8	Arrival/Welcome Dinner at Partnership Center
May 9	Day 1
8:00 – 8:45	Registration
8:45 – 9:45	Opening program <i>Welcome message:</i> <i>Mr. Ireneo Cerilla, PAKISAMA President</i> <i>Opening Remarks:</i> <i>Mr. Uon Sophal, AFA Chairperson</i> Opening Message: <i>Mr. Marek Poznanski, CSA</i> Introduction of participants Presentation of workshop objective and Flow Group Picture
9:45 – 10:00	Health Break



Session 1: Models of Small-scale Farmer Engagement with Private Enterprise through Effective Intermediation/Brokering in Southeast and South Asia

10:00 – 11:30	<p>Sharing of Country case studies</p> <p><i>Parallel Session 1a: (Facilitator: Esther Penunia)</i> -Sharing of Country case studies from Cambodia, Laos, Bangladesh -Open forum -Guided Discussion</p> <p><i>Parallel Session 1b: (Facilitator: Lany V.Rebagay)</i> -Sharing of Country case studies from Thailand, Vietnam and Philippines -Open forum -Guided Discussion</p>
11:30 – 12:00	Presentation of key discussion points from the parallel sessions
12:00 – 1:30	Lunch Break
1:30 – 2:30	<p>Trends, Patterns and Trajectories in Brokering small-scale farmer engagement with private enterprises <i>Dr. Nerlie Manalili</i></p> <p>Open Forum and Discussion Moderator: Vicky Serrato</p>

Session 2: Inclusive “Business Models” from Other Regions

2:30-3:45	<p><i>Key Discussants:</i> <i>Cases from Africa and Asia by: Emily Polack , IIED</i> <i>Cases from Europe by: Marek Poznanski, CSA</i></p> <p>Panel of reactors: <i>David Dyer</i> Chief of Party, USAID-MARKET</p> <p><i>Riza Bernabe</i> Policy and Research Coordinator-East Asia, OXFAM</p> <p><i>Rovik Obanil</i> Policy Officer, APNFS</p> <p>Marlene Ramirez Secretary General, AsiaDHRRA</p> <p>Open forum and Discussion Moderator: Lany V. Rebagay</p>
3:45-4:00	Break



Session 3: Capturing Key Lessons	
4:00 – 4:45	Workshop on Key lessons from case studies
4:45 –5:00	Synthesis Evaluation for 1 st day
5:00 – 7:00	Break /Preparation for cultural and solidarity night
7:00 – 9:00	Dinner and Cultural/solidarity night
May 10	Day 2
8:00 – 8:30	Recap – Day 1 Orientation for the field visit
Session 3: Capturing Key Lessons (continuation)	
8:30 – 9:30	Presentation of workshop Discussion on key lessons from case studies and models from other regions
9:30 –10:00	Synthesis
10:00 – 10:15	Break
Session 4: Policies to shape agricultural investments and markets in favour of small-scale farmers	
10:15– 12:00	<i>Role of government, intergovernmental bodies and IFIs in regulating / promoting responsible and inclusive agricultural investments and in ensuring food and nutrition security</i> Key Discussants: Noel de Luna Chief, International Relation Division Department of Agriculture-Philippines Ms. Lilian Cotz Resource-based Industries Department Board of Investement (BOI) Ms. Vedini Harishchandra Rural Development Economist Environment, Natural Resources & Agriculture Division, Southeast Asia Department ADB Mr. Gomer Tumbali, Team Leader of the DA-DAR-FAO Capacity Building of Small Farmers in Entrepreneurship Development and Market Access Project FAO Open Forum/Discussion Moderator: Esther Penunia
12:00– 1:30	Lunch Break



Session 5 : Action Planning	
1:30 – 2:30	Workshop <ol style="list-style-type: none"> Country-level Action plan / Sub-regional sharing of country plan Regional Action plan (AFA, AsiaDHRRA, CSA, APNFS, OXFAM, IIED, ASEAN member state rep, ADB, FAO, USAID-MARKET)
2:30 – 3:30	Presentation of Workshop Results <ul style="list-style-type: none"> - Sub-regional - Regional
3:30 – 3:45	Break
3:45 – 4:00	Synthesis
4:00 – 4:30	Evaluation
4:30 – 5:00	Closing Program <ul style="list-style-type: none"> • Messages • Awarding of Certificates
May 11	Field Visit (Soro-Soro Ibaba Development Cooperative, Batangas City and Café Amadeo Development Cooperative, Cavite City)

May 9, 2013

Opening Program

The workshop opened with welcome remarks from PAKISAMA President Ireneo Cerilla, opening remarks from AFA Chairperson Uon Sophal, and opening message from CSA Project Officer Marek Poznanski. It was followed by the introduction of participants and an overview of the objectives and flow of the workshop.

Welcome Remarks by Ireneo Cerilla, President, PAKISAMA

Welcome to the Philippines. It is an honor for PAKISAMA to be the host of this workshop.

Opening Remarks by Uon Sophal, Chairperson, AFA

Welcome to all delegations, especially Ireneo Cerilla, PAKISAMA president; Marek, from CSA Belgium; and all resource persons. Thanks to AFA Execom members and other participants from other countries. We will share and listen to case studies from different countries, including recommendations on how to link farmers to market, and come up with a common action plan. I invite everyone to participate and share. Thanks to CSA and Agriterra for supporting AFA this activity. Thanks also to Esther and the secretariat team of this event.



Opening Remarks by Marek Poznanski, CSA, Belgium

Dear AFA members and agriaAgency friends, dear participants,

It is an honor and a pleasure for me to address you on the occasion of the opening of this regional Learning Session on Sustainable and Inclusive Marketing Arrangements towards increasing Farmers' Market Power.

If the CSA was able to contribute to the financing of this workshop, it's thanks to the Belgian cooperation funds – so this is public money – and thanks to its membership in Agricord, a network of agri-agencies.

For the one that doesn't know, what is an agri-agency? I will try to explain it: It is cooperation organization specialized in supporting the organizations of agricultural producers (i.e., a specialized NGO). There is a second characteristic, which is important: that the agri-agencies are related in their countries to a farmers organization and are mandated by them to carry out their activities. It is therefore a form of cooperation between producer organizations (North-South) through the agri-agencies.

CSA is one of the two Belgian members of AgriCord and we are associated with the Walloon Federation of Agricultural producers which is the national FO representing the farmers in one of the two regions that we have in our country. We have other agri-agencies: Trias, the other agri-agency from Belgium, Agriterra from the Netherlands, SCC from Sweden and AsiaDHRRA, which recently has joined, in partnership with AFA, the Agricord network.

CSA is now cooperating since a few years with AFA together with AsiaDHRRA.

We are pleased that our partnership with AFA is focused for this activity on a so strategic question as the market power of producers. For us, the issue of the market power of producers cannot be underestimated, as family farming, regardless of the continent where it is observed, and regardless even the size of the family farm, small, medium and even large, is in an extremely weak position when it has to sell its production.

To compensate for this huge constraint that determines their income, family farms must rely on two external resources: first, on favorable agricultural and trade policies. It depends on the government and the ability of agricultural organizations - like the member of AFA at the national level and AFA at the regional and international level - to influence and to encourage good governance. Second, it depends on the organization of the marketing of production from family farms - isolated family farmers do not have this ability - so it also implies the existence of strong and effective organizations. In this case also, the AFA members and their



regional network are determined to play a role and I hope that this workshop can contribute to it.

I wish you every success in this workshop and thank you for lending me your attention.

Introduction of Participants

AFA Secretary General Esther Penunia led the introduction of participants. She said that there is not much income from farming so less people are going into farming. We want more income for farmers which will then help motivate young people to go into farming. She asked the participants to say in their local languages the phrase "Long live peasants/farmers." Then the other participants will repeat.

Indonesia

-Muhamad Rifai, Head of Management and Enterprise of API/Treasurer of AFA:

-Nur Hady, Media and Campaign Officer of API:

--*Hidup Petani!*

Vietnam

-Mr. Hung, Deputy Head of Farmer Science Newsletter, VNFU:

-Ms. Vu Le Y Voan, Vice Director of Organic Project, VNFU/Vice Director of ICD, VNFU:

--*Nong Zam Muo Nam!*

Thailand

-Niran Buasiri, Chairperson, SorKorPor:

-Kanisorn Punyaprasiddhi, Volunteer Manager, SorKorPor:

--*Sitik Kongchaona!*

Laos

-Giovanni Villafuerte, Adviser, SAEDA Laos:

-Sisouvong Khamsoouane, Director, ASDSP Laos:

--*Sivit sauna nenong!*



Cambodia

- Uon Sophal, President, FNN:
- Sophak Seng, translator:
- Set tay! (Farmer millionaire!)*

Philippines

- Ireneo Cerilla, President, PAKISAMA:
- Jane Zamar, Director, PAKISAMA Development Academy:
- Jasper Lebanan, Marketing Officer, PAKISAMA:
- John Francis Lagman, Training and Info Officer, PAKISAMA:
- Mabuhay ang magsasaka!*
- Antonio Badong, Vice Chairperson, Pecuaría Development Cooperative:
- Oragon parauma!*

Nepal

- Lyam Bahadur Darjee, General Secretary, NLRf:
- Puskar Prasad Achrya, Admin Coordinator, CSRC:
- Kisan ko - jai os!*

Bangladesh

- Monir Ahammad, President (April 27 election), KKM:
- Amirul Islam, Action Aid Bangladesh:
- Krishok (farmer) dirghojibi hok! (long live)*

Japan

- Yoshikuni Yatani, Board Member, AINOUKAI:
- ai - love, no - farmer, kai - association*
- motto: "love God, love people, love land"*
- "ai shing, ai jing, ai do"*



Taiwan

-George Chiou, TDFA – Taiwan Dairy Farmers Association:

--Motto: *"Dairy farmer golden milk!" ("ruoran wang shin nuo ran!")*

-Mr. Tsai, representing TWADA (Taiwan wax apple association) in behalf of the President:

--Mission: *make wax apple very delicious*

--Motto: *"Taiwan wax apple is the best!" (Taiwan lei ou, za hao tzu!)*

UK

-Emily Polack, researcher, IEED:

US

-David Dyer, Project Manager, MARKET:

--*Long live farmers, y'all!*

Belgium

-Marek, CSA:

--*Without farmers, no future!*

--*French: sans agircultures pas d'avenir*

Philippines

-Marlene Ramirez, AsiaDHRRA – one of newest members of Agricord:

-Ernie Lim, Office of Mr. AGuelo, Land Bank of the Phils/peoples campaign for land network:

-Dodoy Magdolot, Mahintana Foundation, member of PhilDHRRA; supported by DOLE – used to be owned by US, now by Japanese:

--*"Few flafus" – good morning!*

AFA Secretariat

-Lysa Villalba, Admin and Finance

-Victoria Serrato, Marketing and Enterprise Development

-Lany Rebagay, Policy Advocacy Officer



- Esther Penunia, Secretary General
- Jun Virola, KM Officer
- Nerlie Manalili, Consultant/Researcher of AFA and AsiaDHRRA

Presentation of workshop objective and Flow

Esther Penunia gave the workshop objectives and flow (See Annex 01 for powerpoint).

Main Program

There are three major activities being held: (1) May 9-11 - Regional Learning Session on Sustainable and Inclusive Marketing Arrangements; (2) May 12-13 AFA ExeCom meeting; and, (3) May 14 AFA-Agriterra evaluators' Meeting.

Context

The workshop is being conducted in the context of increasing land investments, private public partnership thrust of governments, the approved voluntary guidelines on responsible tenure of land, fisheries and forests, and the Responsible Agro Investments which is still up for consultation.

Objectives and Flow

Objectives	Sessions			Day
Share and Capture Lessons Learned	S1: Cases on Brokering/ Effective Intermediation (in AFA countries)	S2: Cases on Inclusive Models (outside AFA countries)	S3: Key Lessons	Day 1
	WS with guided reflection			
Form Policy Recommendations	S4: Roles of GOs, IFIs, IGOs, in Regulating and Promoting Sustainable and Inclusive Market Arrangements			Day 2
Gear for Action	S5 : Action Planning			
Field Visit	SIDC : Cafe Amadeo			Day 3



Bring home

At the end of the workshop, participants can expect to bring home: new learnings, new friends, action plan, and policy recommendations.

Host Teams

To make the workshop participatory, as is the usual practice of AFA, participants were asked to volunteer to become host teams. The task of the host team is to ensure the smooth and orderly flow of the workshop by time-keeping, calling the participants when sessions start, giving energizers or ice breakers, and assisting in the facilitators as needed.

For the first day, Yatani of AINOUKAI volunteered to be the host team in the morning, while Kanisorn and Niran of SORKORPOR volunteered to be the host team in the afternoon.

SESSION 1: MODELS OF SMALL-SCALE FARMER ENGAGEMENT WITH PRIVATE ENTERPRISE THROUGH EFFECTIVE INTERMEDIATION/BROKERING IN SOUTHEAST AND SOUTH ASIA

The session focused on the presentation of case studies funded by CSA covering a total of six countries in southeast Asia, namely Indonesia, Philippines, Cambodia, Thailand, Laos and Vietnam. The session was divided into two parallel sessions to provide enough time for case presentations and discussions.

Sharing of Country Case Studies

The participants grouped into two parallel sessions for the sharing of the country case studies. Parallel Session 1A was composed of FNN, SAEDA, KKM/AA-B, NLR/CSRC, Ainokai, and APNFS and was facilitated by Esther Penunia. The country case studies were from Cambodia, Laos and Bangladesh. Parallel Session 1B was composed of SKP, PAKISAMA, VNFU, IIED, USAID-MARKET, CSA, AsiaDHRRA, Mr. Ernie Lim, Mr. Dodoy Magdolot and was facilitated by Lany Rebagay. The country case studies were from Thailand, Vietnam and the Philippines. The sharing of case studies was followed by open fora and guided discussions per parallel session, where participants shared their reactions to the case studies.

Parallel Session 1A:

Sharing from Cambodia:

Uon Sophal, FNN President, presented the cases from Cambodia ([See Annex 02 for powerpoint presentation](#)), with the help of Sophak as interpreter.



Case of Successful Marketing Arrangements in Cambodia (Rice, Pig and Vegetable)

1. The case of rice marketing arrangement

The marketing arrangement is between CEDAC Enterprise and farmers living in Sdok Development Community located in Tropangsdok village, Tangyap commune, Preykabas district, Takeo province.

At the end of 2008, CEDAC Enterprise launched the initiative of marketing farmers' products directly, particularly organic fragrant rice. Farmers supply CEDAC Enterprise with organic fragrant rice, which they mill in their own rice mill cooperative. CEDAC Enterprise only provides farmers with training on Rice Intensification System (SRI). CEDAC Enterprise purchases the organic rice produced by farmers following the SRI techniques and certified by CEDAC Internal Control System (ICS). The enterprise provides farmers a price better than that by the middlemen -- is 2,950 Riel per kg (about US\$ 0.74) compared to 2,500 Riel per kg (about US\$ 0.63) by the middlemen. However, the 450 Riel per kg (about US\$ 0.11) price from CEDAC Enterprise includes the cost of transportation. It means that farmers are responsible for sending the product to CEDAC Enterprise, which is located in Phnom Penh.

The objectives of the marketing arrangement are:

- Link or engage farmers to the markets
- Build the capacity of farmers to adopt the new innovation system
- Help farmers add and keep the value of the products
- Earn a profit for CEDAC Enterprise

As a result, after over a 4-year process, farmers have access to believable market with CEDAC Enterprise. The value added of their product increased And CEDAC Enterprise is able to become a player in the domestic industry, with some profit.. However, while more and more farmers are adapting the new innovation system, there is still a long way to go.

2. The case of pig marketing arrangement

2.1. Between CP Enterprise and Individual Farmers

Since 2008, C.P. Cambodia Co. Ltd, located at 25 kilometers on National Road No. 4, Chak village, Baek Chan commune, Ang Snuol district, Kandal province, has been implementing a marketing arrangement with farmers living in Krang Thnal village, Mohasaing commune, Phnomsruch district, Kompong Speu province. CP Enterprise provides piglets, vaccination and feeds to individual farmers, while the latter are responsible for proper farm, irrigation and nurture.



CP Enterprise has two objectives in the marketing arrangement:

- Link or engage farmers to market

Earn a profit for CEDAC Enterprise As a result, farmers now have access to market through CP Enterprise. Farmers are not tricked by middlemen anymore when it comes to price. CP Enterprise itself can get good profits.

2.2. Between CEDAC Enterprise and Farmer Groups

Since 2005, CEDAC Enterprise and farmers living in Chorkchey Development Community located in Trapaing Thmor village, Trapaing Kor commune, Cheung Prey district, Kampong Cham province has been doing a marketing arrangement.

The farmers supply organic pigs to CEDAC Enterprise, while the latter provides farmers with training on organic raising techniques. CEDAC Enterprise buys the products that have been produced following the techniques. With such kind of products, CEDAC Enterprise provides them with a better price compared to middlemen. The price is 8,500 Riel per kg (about US\$ 2.13), while the middlemen only offers 7,900 to 8,000 Riel per kg (about US\$ 1.98 – 2). However, the 500-600 Riel per kg higher from CEDAC Enterprise includes the cost of transportation. Farmers are responsible for delivering the products to CEDAC Enterprise.

CEDAC Enterprise has two main objectives in the marketing arrangement:

- Link or engage farmers to the market
- Earn a profit for CEDAC Enterprise As a result, farmer gain access to believable market with CEDAC Enterprise. There is no price trick anymore to farmers. CEDAC Enterprise itself can get suitable profits.

3. The case of vegetable marketing arrangement

Since 2005, there has been a marketing arrangement between the enterprise and organic vegetable farmers through individual contracts. CEDAC Enterprise and farmers living in Thmor Reap Vegetable Community located in Thmor Reap village, Pongror commune, Rolea Ph'Ear district, Kampong Chhnang province, participate in this arrangement.

Farmers who signed individual contracts supply organic vegetables to CEDAC Enterprise. The Enterprise provides farmers only with training on organic growing techniques. CEDAC Enterprise buys the vegetables that were produced following the techniques as a whole. With such kind of products, CEDAC Enterprise can provide farmers with a better price compared to middlemen. Generally, the price is 400-500 Riel (about US\$ 0.10-0.13) per kg higher than middlemen. It includes the price of



product transportation. Farmers are responsible for delivering the products to CEDAC Enterprise.

The objectives of the marketing arrangement are:

- Link or engage farmers to market
- Earn a profit for CEDAC Enterprise - CEDAC Enterprise

As a result, farmer can access believable market with CEDAC Enterprise. There is no price trick anymore to farmers. CEDAC Enterprise itself can get suitable profits.

Findings

It is a good opportunity for farmers if they form groups and do farming together. The successful marketing arrangements are done through groups or cooperatives. But all farmers are asked to sign farming contracts individually. Farming in groups guarantees production capacity. Besides getting high price for their products individually, farmers can get more benefit from the shares of the group. Along with the process, technical problem needs to be solved in order to improve the arrangement. Farmers dream of marketing their products as there is no certainty in selling their products to the market. The middlemen sets low price for their products. Farmers do not trust in such kind of market. Now, farmers can trust the market due to their good experience with CEDAC Enterprise. The high price factor and market factor seem to be the same, but the word "High Price" to the products is the only word which farmers interestingly want to listen at the first time. There is the link between these four factors that contribute to the successful marketing arrangement. Each factor should be performed and ensured well at the same time in order to increase the level of success in marketing arrangement.

Sharing from Laos:

Vanni Villafuerte of SAEDA presented some cases from Laos ([See Annex 03 for powerpoint presentation](#)). He also showed some videos from Youtube about the cases ([See Annex 04 for the links to the videos](#)).

Enhancing Milled Rice Production Project (EMRIP)

EMRIP was successful in connecting a large number of smallholder rice farmers and rice millers to establish fair and equitable trading relations. Smallholder rice farmers significantly increased their production and income from improved input and extension support from partner millers. Around 300 farmer groups were established in six provinces during the project. These groups require additional on-going support to improve their operational efficiency. SNV envisages the



establishment of more groups that will require capacity building support for start-up and management.

The Building Income, Independence and Empowerment for Farmers (BIIE) project supports capacity building for existing and new farmer groups in Khammouane and Savannakhet provinces. Rural farmers are empowered to access information which will afford them economic leverage opportunities, and assist them to better negotiate trading conditions, resulting in increased income potential and decreased risk.

The BIIE project aims to increase income for 2,500 smallholder rice farmers by 20% by 2015.

The BIIE project supports selected rice mills and farmer groups to build their capacity in the following areas: forming and strengthening producer groups and associations; gaining access to input, extension and credit; and leadership and management skills. The project also supports farmers, miller groups, and associations to organise policy dialogue with relevant government agencies to improve framework conditions for the rice sector in Laos.

10 producer groups in eight villages of Luang Prabang

The project provided a cold storage facility for farmers so they can store their unsold produce. It also buys back these produce at cost so no loss is incurred by the farmers. The project is also demand-based or performance driven as farmers has to adhere to certain standards that must be met to enhance sale-ability of produce.

60 organic farmers of Sangthong District

AgroAsie loans the seed, provides training and basic extension service and buys the product at a fair price for sale to ASEAN markets.

AgroAsie intends to profitably sell quality organic long-grain brown rice from Lao farmers into niche organic or health food shops throughout the ASEAN community

By selling quality organic brown rice from Laos into ASEAN community, AgroAsie will be showcasing natural products from Laos and helping Lao farmers to begin to adjust to the future ASEAN economic community.

Organic Asparagus Producers Group of Sanxay District, Attapeu Province

To limit farmers' expenses, SWIFT provides farmers with components necessary to create organic compost that are not available in nature (e.g. sugar, dried fish oil, soy beans).



Moreover, to facilitate the export of fresh vegetable, asparagus as well as other crops, SWIFT is planning to open a packaging factory in Attapeu which would also provide a new source of employment for local people.

Infrastructure has improved, a new school has been built and a bridge is also being constructed to facilitate transportation during the rainy season. The forest area has now been replaced by the fields, where asparagus and other crops are cultivated.

Asparagus production takes 3.3 ha. on an overall surface of 5 ha. cultivated by the 21 families.

Organic Coffee Producers Group, Attapeu Province

Improvement of infrastructure and equipment for the extension of the organic coffee production as well as capacity building on coffee cultivation practices through various training programmes were done. Most importantly, the establishment of a stable partnership between a Laotian coffee company and producers from the **Rural Livelihoods Improvement Programme (RLIP)** ensures market access and alternative sources of income for the villagers.

The PPP established between the village and the Lao Coffee Company allows producers to sell their products at a fixed price, protecting them from potential market price fluctuations.

Pakxong Development Enterprise Export-Import Co. Ltd.

Individual producers purchase their own vegetable seeds and farm inputs, and organize their own production schedules as they see fit. In cases in which producers need credit to produce enough to fulfill their individual quotas, they apply for loans for this purpose from the provincial agricultural bank. These loans in turn are guaranteed by the field representatives operating in the area where the farmers are located. To ensure that the provincial agricultural banks have sufficient cash on hand to satisfy producers' demand for credit, the company deposits ThB 10 million with the provincial banks. Producers then pay interest to the bank on their loans, these interest payments being used by the banks to cover their administrative and overhead costs.

Boonpon and other officials of the provincial trade department encourage farmers to form groups for producing crops to match orders from traders, usually Laotians, who in turn are exporting to customers in Thailand.

Meanwhile he tries to find companies to place orders and helps find groups to match the needs of companies that come into the district seeking supplies.



"I introduce buyers to production groups and farmers, if the farmers want to see the company representative I will arrange a meeting. For example if the company wants to export 200 tons of vegetables, the company has to work with the trade unit. I will go to see the farmers to find who wants to grow these vegetables and collect data about their production. The unit tells the farmers to produce 200 tons with a guaranteed minimum price," says Boonpon.

Boonpon's unit has good reason to match farmers and companies: its budget increasingly depends on charges levied on production for helping to manage the production process.

Buying produce under this managed contract system incurs a tax of 1.25 kip per kilogram, another 5 kip is levied per kilo for extension services, and 7.75 kip for the units running costs, including salaries; a total of 14 kip per kilo.

Energetic Boonpon's involvement does not stop with such production agreements. "I monitor the implementation of the contract between the company and the farmers. I try to resolve disputes, for example if the company does not pay the minimum price." Thai Baht

Cross-border contract farming provides small farmers with a secure income. It guarantees sales, at daily market price. Farmers benefit as the market price may be higher than the agreed minimum price. Farmers can either sell the cabbage to the company in the town or they can take their produce to the Thai buyers at the border themselves. If farmers request inputs or other services, such as fertilizer and seed, the company provides them. The company deducts the cost of the inputs from the sale, with the farmers receiving the balance.

[Before] the farmers could only make profits in two months a year. Now they can make profits in seven months out of the eight month the cabbage season." . The consequences are striking: Hyundai light trucks are now common, parked in fields or being loaded high with cabbage along the roads weaving between the verdant fields. Farmers reckon a Hyundai, which costs 57,000,000 kip (\$5,876) in Pakse, is a good investment because each season they can save 20,000 baht (\$571) that would otherwise be spent on hiring transport to take cabbages to the Thai border.

Organic Farmers Association (OFA)

Every Wednesday and Saturday morning, the bulk of organic vegetable product is sold through the organic market supplied by 40 target members in 5 villages of Pek District. After the establishment of Organic Farmers Association (OFA), market management was fused into its organizational structure. Three OFA committee leaders were elected by farmer members to manage and to take care of the money of market operation.



SAMADP provided a template to every member of the producer group to record their income from sales of organic vegetables. The SAMADP team is also giving advice on accounting and management as well as in monitoring and supporting the operation of the organic market.

In 2012, market data showed that farmers sold around 145 million Kip of vegetables from a land area of 18,358 m².

As organic vegetable production is more labour intensive than conventional farming, it involves the whole family. This shows that organic vegetable production is well suited for smallholder farmers.

The OFA takes a crucial role in marketing and sales of organic vegetables for its members. The management of the OFA has developed ideas where to take their farmer organization in the future. The association also provides active and competent support to its members by providing technical advice and managing their internal control system and organic input supply. It is currently working on a production plan to match the demand of the market.

The organic market has benefitted 40 vegetable farmers.

Recently, the Pek district governor gave assurance that the organic market will stay in its present location.

Shared lessons

Experiences confirm market access to be a more sustained pathway through which rural smallholder farmers can increase agricultural production, profit from market opportunities and emerge from poverty.

Collective action is essential to furthering the integration of smallholders into commercial agriculture. When acting alone, farmers in Laos have virtually no bargaining power. Small farmers cannot produce the volumes necessary to satisfy the needs of buyers that want to reduce transaction costs, increase economies of scale and obtain a reliable supply.

Producer groups and cooperatives increase farmers' bargaining power and improve their ability to organise themselves around market issues. When acting collectively, smallholders may be in a better position to reduce transaction costs, obtain market information, access bulk inputs at a reduced cost, secure access to new technologies, add value (processing, packaging, branding, etc.) and tap into high value markets.



Sharing from Bangladesh:

Amirum Islam of AA Bangladesh presented the case from Bangladesh (See Annex 05 for powerpoint presentation).

CSO review of GAFSP PrSW: PRAN Bangladesh

Background of the study

The Global Agriculture and Food Security Programme Grant of USD 50 million was received by Bangladesh in 2010 for the IAPP.

The objective of the IAPP is to sustainably enhance productivity of agriculture (crop, livestock and fisheries) in two agro-ecologically constrained and economically depressed areas -- Rangpur and Barisal.

IFC, a member of the World Bank Group, is providing a \$15 million loan to PRAN, from GAFSP fund to expand production capacity, create 1,800 rural jobs and integrate small farmers into retail supply chains.

The study was commissioned by ActionAid Bangladesh and was conducted by a group of journalists from a reputed media house of Bangladesh.

Study method

Open-ended questions were used to collect data from the interviewees. Focus Group Discussion (FGD) was held with a group of 30 farmers. Twenty contracted farmers were interviewed personally. Top PRAN authorities -- Director, General Manager and Chief Operating Officer as well as an IFC official were interviewed.

About PRAN

PRAN was launched in 1985 as an agro business venture in Bangladesh with the following stated objectives: to serve the small farmers; organizing contract farmers to grow specific crops; selling of farm produce for profit; adding value & increase shelf life of agricultural products. It covers the whole process farming, processing and marketing.

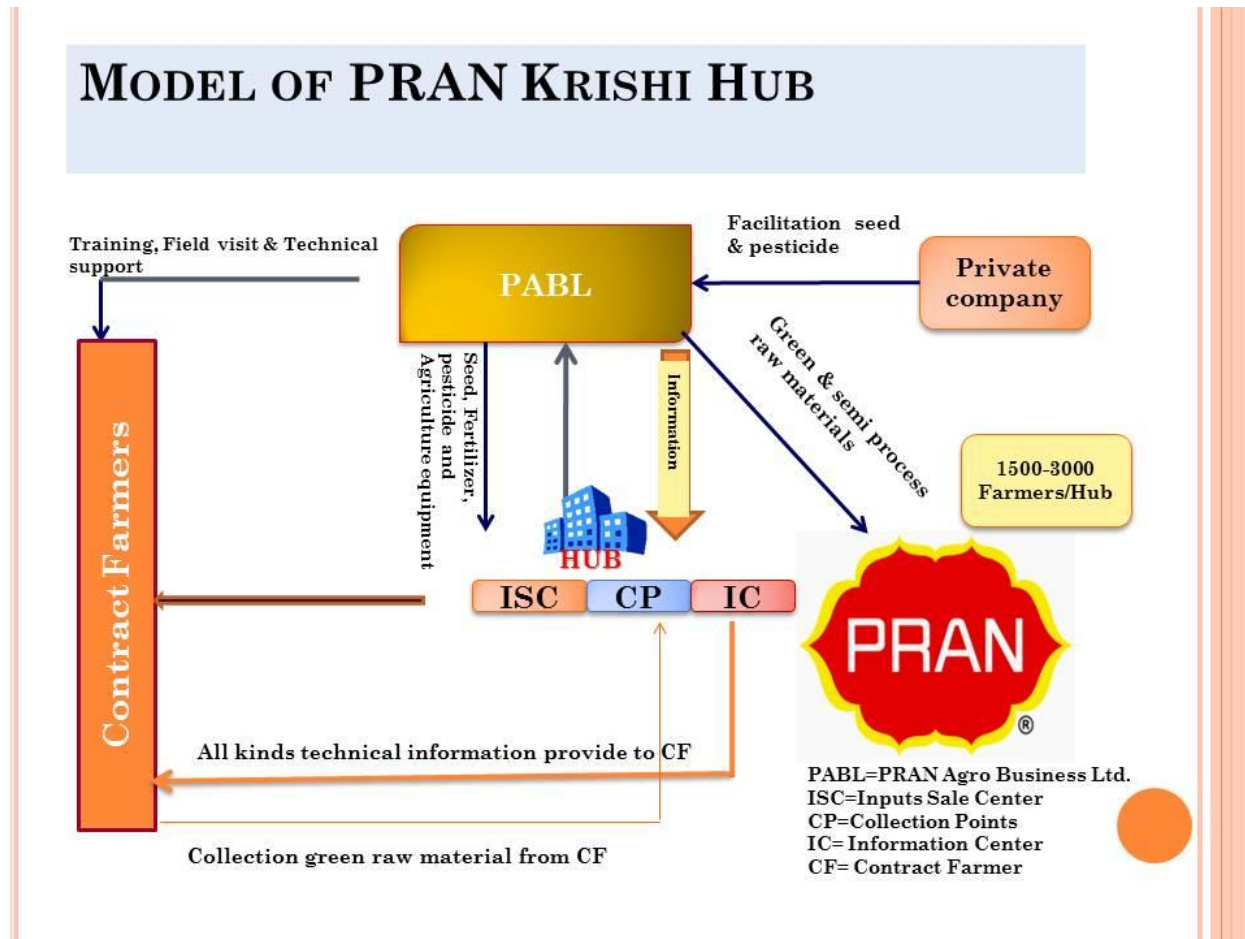
Contract Farming Approach

There were 75,000 contract farmers, 100 lead farmers, and 18,000 workers.

The contract included: feasibility study with each product; land selection; meeting with farmers; organizing farmers; training; seed distribution; regular field visit; technical help; and procurement.

Model of PRAN Krishi Hub

The following is the model of PRAN



Impact of PRAN activities

As a result of the contract, farmers are getting more involved in the formal supply chain which helps them sell their produces at fair prices; farmers are getting better yields due to quality seed supply and timely irrigation; increased farm activities in PRAN-project areas have generated jobs both for men and women; and farmers are engaged round the year due to diversification of farming.

Missing Link

However, there are some gaps identified such as: IFC loaned to PRAN without sharing goal and objectives of GAFSP fund (according to PRAN); there is absence in the GAFSP project a campaign among the farmers; a monitoring system is yet to be introduced; Public Sector Window and Private Sector Window are unknown to each other; PRAN is using IFC fund as usual loan; and sustainable agricultural practices are not considered.



Recommendations

It is recommended that: (1) IFC and PRAN should consider the GASFP objectives in their loan agreement. (2) PRAN should detail how it will achieve the targets in line with the agreement. (3) IFC team should monitor PRAN activities at the field level after a reasonable time gap. (4) PRAN activities need to be monitored as well as be regulated so that the contact farmers are not deprived of product and input price. (5) Bangladesh is one of the worst affected among the countries that are facing the early impacts of climate change. Therefore, support for climate-resilient sustainable agriculture is crucial to enable the farmers to increase food security and adapt. And this issue should be a priority agenda both for the IFC and PRAN. (6) The overuse of chemical fertilizers in farming and the use of formalin in crops posing a great threat to public health. So, there should need a regular campaign where PRAN can play a vital role in this regard as it has already got a network of 75,000 farmers.

Parallel Session 1B:

Sharing from Thailand:

The case from Thailand was presented by Kanisorn Punyaprasiddhi, Volunteer Manager of SKP (See Annex 06 for powerpoint presentation).

Herbal Production, Processing and Marketing: Women's Group Case in Thailand

Herbs for cooking and health uses were produced, processed and marketed by a women's group in Saiyok, Kanchanaburi Province, Thailand. The products were consigned to a private shop. Nine kind of herbs were produced. The production area is small plots of land (1 rai per family). Family labor is employed. The process uses sun drying and a common oven house. The herbs are placed in 120-gram packs. The farm price of the herbs is 25 baht, while the price at the shop when sold is 35-100 baht. The chairperson of the group acts as consolidator and sells the herbs to 5 souvenir shops in Kanchanaburi, a tourist area, on consignment basis. The tourist guide gets 50% earning every time the tourists visit the shops and buy the herbs. The shop owner has no risk; all risks are with the farmers. There is a need to improve packaging to incorporate the following -- vacuum sealed, design/branding, and tea bags or capsules. The group plans to expand to more herbal products, especially one that can help smokers quit smoking. The group needs money because the one-month consignment term is quite long.

Open Forum:

Nerlie: Beyond profit, the organization aims to help the women group. The women to pay in cash per day or in the form of dividends. Five different kinds of herbs that are used to prepare tom yam soup are placed in 20-gram packs.



Jane Zamar: How many women are involved?

Answer: Fifteen women members are involved.

Between the production cost vs. the selling price, how much do they earn? – They have a 10-15 baht production cost.

Ernie Lim: Who approaches the shop?

Answer: Usually they put the products in a basket for the new year. The group can sell their products in one shop for 13,000 baht per month. They also have a buy 10 get 1 promotion.

Lany Rebagay: The Tourist Guide is the silent winner in this case. They are getting 50% of the profit.

George Lin: In terms of production do you use fertilizer? In Taiwan when the market grows, the farmers intensify their production and put chemicals in order to meet the demand.

Answer: No. The products are organic. We specify that the herbs are organic and it is also the philosophy of the King.

Sharing from Vietnam:

Vu Le Y Voan presented the case from Vietnam ([See Annex 07 for the powerpoint presentation](#)).

The model agricultural products cooperative in Mong commune, Luong Son town, Hoa binh province

In the beginning, there were 8 households; now there are 15 households. In Vietnam, each family has only 2.3 hectares of land. The production volume is at 3-3.5 tons. The cooperative has a contract with 3 companies (Tam Dat, Viagap and Ecomart). The form of contract is a purchase contract. The contract has led to a 50-70% increase in income for the farmers. People voluntarily participate in and have some objectives in any determined value chain. They set up a cooperative with new principle. 40% of their volume is sold to the company and the company has direct benefit from their production. The member must follow the new principle. Fund raising is needed in order to support the operations of the cooperative.

Open Forum:

Question: How is packaging done? How was the income raised?

Response: The cooperative produces organic products only, with side contract with the company.



Question: What was the potential increase in the market?

Response: Big, we want to expand into offering organic chicken, pigs.

Question: Why do you have to go in to an enterprise and not the cooperative directly servicing the market? What are the cost constraints?

Response: The enterprise provides the transportation. When we go to the market, we make the market know our organic product through communications.

Sharing from the Philippines:

The case from the Philippines was presented by Dr. Nerlie Manalili (See Annex 08 for the powerpoint presentation).

Enhancement Entry Points in the Coconut Value Chain: Selected Cases in Quezon Province (A rapid coconut value chain assessment)

There are 10 major agricultural commodities in the country and the number one is Crude Oil. The Philippines is the 2nd largest producer of coconut, but the coconut farmers still belong to the poorest.

There are emerging & revived coconut products such as the coco sugar at 92.78% in 2011. The products are exported to 11 countries.

Coco Water is the 2nd biggest non-traditional export. Coco Husks is produced at 15 billion nuts a year. There are vast opportunities such as sugar, which is extracted from the shell of a mature coconut.

There are good cases of coconut marketing such as Coco Wine & Coco Sugar; Young Coconut (Buko) Marketing (however there are concerns about high rejection rate, high transportation cost, and the challenge of connecting with buying stations); Coco Wonder; and Coco Fiber. However, there are no existing marketing arrangements beyond the usual arms-length buyer-seller relationships.

Open Forum:

Question: Is it possible for farmers to link with Pepsi Co.?

Response: No, it's not possible because of the long queue of suppliers with them.

Comment: In US perspective, if you are good with production but but have no skills in marketing you hire someone to do that. If you are not big enough, it is the job of the cooperatives

Comment: In EU perspective, one alternative is the private cooperative. It is professionally managed, but is not owned by the farmers. The production is owned by the big company.



Comment: In Taiwan, small farmers form production and marketing units that link with the big companies.

The following insights were raised by the participants:

1. Develop the capacity to assess market, conduct feasibility study and identify groups who can grow into a service provider.
2. The shop receives comments from the consumers then this must be communicated to the producers to make the necessary improvement.
3. The farmers should understand and comply with the standards in terms of the process and the output.
4. Market information is really important.
5. We should learn to work with the stakeholders in the supply chain.
6. There is a different instrument in informing the farmers and the market.
7. What are the rules of the game? Expand market option.
8. What does PAKISAMA do to empower UGMA and to strengthen the organization? What have been the constraints?
9. Farmers only think that coconut is only copra though we sat and participate in raising our voice through various advocacy campaigns.
10. Identify first who is the buyer of your product.
11. Make the price beneficial to all.

Presentation of Key Discussion Points from the Parallel Sessions

The participants convened in plenary session for the reporting of the discussions from the two parallel breakout sessions.

Parallel Session 1A

The report from parallel session 1a was presented by Amir Islam of AA (See Annex 09 for the powerpoint presentation).

The Cases

The cases were classified into 3 types. One is brokering by private company with farmers. These were the cases of pig marketing (CP Cambodia Co), contract farming (PRAN Bangladesh thru GAFSP Private Sector Window), and milled rice (with rice millers with EU funds, SNV).



The second type is brokering by private company with NGO and government. These were the cases on milled rice/EMRIP project (rice miller, funded by EU and assisted by SNV), and cross border trading of corn (Thai trader) with provincial government support.

The third type is brokering by NGO enterprise. These were the cases on organic rice marketing (CEDAC), organic pig marketing (CEDAC), and vegetable marketing (CEDAC).

Reflections

The participants shared several reflection points:

1. There is a growing trend of farmers buying seeds from companies or where farmers do not grow/breed seeds by themselves.
2. There are no middlepersons in all the cases.
3. In contract farming, there is not much farmer choice (what crop, seed, technology, price) and not much room for innovation. Farmers are reduced to assembly line growers. With less innovation by farmers, how will agriculture grow?
4. The PRAN agro hub model would have been okay if the owner is the farmer organization. But there is a need for capacity building to increase the management capacity of FOs. FOs can hire/recruit professionals. Farmers' sons and daughters can be trained in schools to work in agro-enterprises.
5. There is a need to build negotiating skills through collective groups/cooperatives.
6. In Cambodia, lands are bought or leased by rich people and small farmers become laborer or are displaced and become migrant laborers in cities and other countries.
7. In Laos, government gives incentives to foreign direct investments (FDIs,) when there should be more incentives to farmers.
8. There is a need for consumer education, especially for organic products through mass media and personal orientation.
9. There is a need to build farmers' capacities to produce more efficiently (less cost, better quality, able to respond to demand).



Parallel Session 1B Report

The report of discussions from parallel session 1b was given by Vu Le Y Voan (See Annex 10 for the powerpoint presentation).

The Cases Presented:

Thailand Case: Herbs by womens' group

Vietnam Case: Organic Vegetables by collective farmers group

The Philippines Case: Coconut Cluster by UGMA

Key Discussion Points:

1. There are different options for farmers to be linked with market -- cooperatives (owned by farmers /producers), corporation /big companies, contract growing arrangement, traders /agent.
2. Communicating market information (demand/needs; standard/requirement by end users/consumers) is done through cooperative, shops companies acting as channel to transfer market requirements from consumers to producers, and government.
3. In terms of Research & Development (R&D), technology is needed to add more value to farmers' product (e.g. coconut to coco sugar). This can be the role of service providers like corporations and government.
4. The role of government is in the areas of market information, research and development, and enabling policies.
5. There is a need for policy advocacy.
6. There is a need for a mechanism/ forum among stakeholders to discuss issues.
7. There is a choice to be made between increasing market information access vs. improving role/power relation. The first is about expanding market option. The second is about rule changing intervention.
8. There is a challenge of translating strategic linkage established to concrete gains in improving actual production and marketing activities/initiative of members.



Trends, Patterns and Trajectories in Brokering small-scale farmer engagement with private enterprises

Dr. Nerlie Manalili gave the presentation (See Annex 11 for the powerpoint presentation).

The Paper

The research paper is an assessment of 14 case documentations of existing marketing arrangements in 5 Southeast Asian countries: Cambodia, Laos, Philippines, Thailand & Vietnam; within the context of regional development and challenges.

It is an initial scoping view of the types of marketing arrangement in the region, specifically in the 5 country study sites, and not intended to be a comprehensive assessment.

Insights are hereby shared to stimulate awareness, interest and sharing of views for further validation and possibly projecting future direction and identification of areas for further interest.

A Closer Look At The Region

Dramatic changes are happening in the Asia's consumer markets. There is rapid income growth and urbanization in first tier cities like Bangkok, Delhi, Jakarta, and Shanghai; and in second tier cities such as Cebu, Bandung, Danang, and Xiamen. With these changes come the upgrading of consumers' standard of living. These present opportunities as well as challenges in agriculture and agro-processing industries and value chains.

How Chain Players Are Coping?

Large Agribusiness - Some have developed coping mechanisms given long track record. Others have survived the tougher export market.

Small agribusiness - Most Small holder producers are still groping their way to inclusion into sustainable value chains. Some have made progress, but these progress still need to be documented & outscaled/upscaled.

The Asian market is fast growing & increasingly becoming more sophisticated

Small producers must be responsive to address the inherent requirements of the market. Traditional mindsets have to change, organizations have to evolve, and



value chains have to be developed and managed. Successful business models have to be either replicated or adapted to local conditions.

The Major Changes in the Asian Region

There is rapid increase in incomes and growth of the middle class; rapid urbanization; rise of modern retailing; transformation of supply chains; trade liberalization; and cross border investments.

Increase in Income & Growth of Middle Class

There is an increase in the annual income growth (2005-2010) of China (9-10%), India (8-9 %), and Southeast Asia (6%). The three comprise 3Billion people or half of humanity. This development brought purchasing power to the poor and lifted many families to middle class.

Growth of Middle class

In 1990, the size of the middle class was 21%. In 2008, it was at 56% or 1.9 Billion people. Expenditures increased almost threefold (compared to marginal increases in other regions). As a result, the farm sector shifted production from grains to high value products - meat, vegetables, fruits, etc.

Still on Major Drivers of Change

The major drivers of these changes include: rise of modern retailing; transformation of supply chains; trade liberalization; and cross border investments.

Malaysians and Singaporeans are investing in Indonesia's palm oil industry. Filipinos are investing in tuna canneries in eastern Indonesia and Papua New Guinea. A Singaporean group QAF is now the biggest player in bread in the Philippines. Thailand's CP Group has taken roots in major ASEAN countries -- Indonesia, the Philippines and VietNam. Filipino investors have put cold storage facilities for vegetables, garlic and onion in China for export to the home country.

Key Challenges

Along the value chain, the key challenges are: insufficient investment in agricultural R&D; informal & poorly organized input supply; networks; farmers have little knowledge of modern agriculture; extension services are under-performing; farmers lack access to capital/loans and assets (e.g. irrigation, storage), face high exposure to uninsured risks (weather, natural disasters), indebted with little prospect of freeing themselves of this burden; few farmers are organized under cooperatives or associations; and the overall supporting environment (policy, institutional, market conditions) often displays anti- agricultural bias.



In the area of integrating into modern agribusiness, the key challenges include: leveling of understanding of respect of contracts & partnerships; developing trust among chain players; firm understanding of what it takes to build sustainable value chains; payment terms of 7 to 30 days; farm management practices & processes that will produce a compliant product; and small growers need for support in capacity building.

Leveling of Understanding

Why the link with private enterprises? Why the value chain approach?

Why the Business Enterprise Link?

Kanayo Nwanze, President of the International Fund for Agricultural Development has the following to say: Linking smallholder farmers to the private sector is key to building the economy of developing countries. The private sector is increasingly crucial to drive economic growth in developing countries. Agriculture irrespective of farm size generates business & every entrepreneur needs to make money. We have the responsibility to transform smallholder agriculture into smallholder business.

Value Chain Approach: Concept

A value chain is a network of independent stakeholders contributing to the planning, production & distribution of products from farm to plate.

The objective of the value chain approach is to improve chain performance through efficient coordination of value adding & product flow for enhanced customers' satisfaction and greater benefits accruing to chain participants.

Value Chain Approach: Relevance

At the enterprise level, the relevance of the value chain approach is that it provide continuous indicator of one's position in the chain in terms of quality of its contribution or lack of it and the strength of its role/contributions to chain – whether it is easily taken over by anybody or not redundant/differentiated. It also alerts enterprise about strength to build upon, weaknesses to improve on, the threats to anticipate/prepare for, and the potentials to evaluate/decide to tap.

At the chain level, the value chain approach is relevant for its potential to improve profitability & product quality with benefits accruing to all chain stakeholders, including consumers. Also, combining assets, both knowledge & capital based, among Inter-dependent links in a value chain will improve the effectiveness of identifying, responding to, and supplying consumer demand.

Observations from the field: Marketing Arrangements

The observations from the field are classified according to case distribution by product type & by country, types of marketing arrangements, objectives of marketing arrangements, and insights from the cases.

Case Distribution by Product Type

43% of the cases involve vegetables; 22% rice; 14% livestock; 7% coffee; 7% herbs; and 7% fruits.

Case Distribution by Country

50% of the cases are in Laos; 29% in Cambodia; 7% in the Philippines; 7% in Thailand; and 7% in Vietnam.

Cases by Type of Initiating Organizations and Partners

Five ASEAN Country Documented Models of Marketing Arrangements By Type of initiating Organizations & Partners									
Initiator	Details	NGO	Private Firm		Donor		Government	Farmer group (FG)	
Partner		Farmer Group	Farmer Group	Gov't	Private Firm	FG	Private	Coastal/interior Op	Private Firm
1.Organic Pig Cambodia	Initiated by CEDAC in 2005	/							
2.Pig (regular) Cambodia	CP Enterprise initiated the arrangement in 2008		/						
3.Rice, Takeo Cambodia	Initiated by CEDAC in 2008	/							
4.Vegetable Kompong Chnang, Cam	Initiated by CEDAC in 2005	/							
5.Rice (milled) Laos	SNV Helvetas (private millers)	/							
6. Organic Rice, Laos	AgroAsie, ASDSP	/							
7.Coffee Attapeu, Laos	In 2011, thru RUP, IFAD with Lao Sansai Coffee Co.				/				
8. Clean vegetables, Laos	UN wide inter agency cluster					/			
9. Cabbage Laos	Pakxong Devt enterprise			/					
10. Organic Vegetables, Laos	SAEDA with donor support	/							
11. Asparagus Laos	Govt with Swift Co.						/		
12. Young coconut Philippines	PAKISAMA & UGMA with Urban poor							/	
13.Herb Production & Processing Thailand	Women's group								/
14.Organic Vegetables Vietnam	VNFU with private enterprise								/



Marketing Arrangements

Eight marketing arrangements were documented by type of tie up initiator and partnering institution, such as: NGO with farmer group; private firm with farmer group or government; donor with government or farmer group (FG); government with private firm; and farmer group with private or cause oriented group.

43% of the 14 cases reviewed were NGO initiated and are mostly social enterprise in nature. 21% are farmer group initiated. 14% are donor initiated and or government initiated.

While most interventions are targeted to the farmers, focusing on key intermediaries (millers in this case) was observed. There is room for women in value chains, the key is to identify where and how best they can contribute.

Objectives of Marketing Tie Ups

Most of the marketing tie ups were primarily for profit & enhanced income thru better markets/products (8 cases). Some have cause oriented objectives (4 cases) such as, awareness of organic, balanced farming, sound interaction of urban & rural communities thru social entrepreneurship, and creating a national policy environment for joint initiatives. Some marketing tie ups have also have the objective of farmers' enhanced productivity and value addition (2 cases), developing sustainable value chains (2 cases), and contributing to supply (2 cases).

Insights from the Cases

Marketing tie ups, while primarily initiated for economic gains, are increasingly becoming cause-oriented as well. There are early indications that initial objectives are met based on reported outcomes of better prices, better income, among others (although there were mention of discontinuance of some activities). Most NGO-initiated marketing arrangements are with accompanying training, production specifically. Brokering marketing arrangements are observed to be done by farmers groups, and they are mostly organized ones (e.g. PAKISAMA/UGMA, VNFU).

Policies that Impact on Farmers Empowerment

Policies that impact on farmers empowerment include: security of land tenure; taxes; exchange rate; food security (conflicting policy); neglect of priority products that are oftentimes the lifeblood of many small communities; and imbalanced regional development programs.



Expectations from various sectors

Women Sector: Where they are now and where else they can be

Women are currently in the agricultural input industry, farms, and food retail. But they have potential also to be involved more in the farms, and in the food processing and trading.

Potential roles for Women in Agricultural Chains

In the production phase women have potential roles in farm scheduling and production planning; and in handling delicate fruits. Their feminine touch is particularly important in harvesting/picking and in wrapping/packaging.

In the value adding phase, women have potential roles in marketing related such as, storage, sorting, leaning, marketing; as well as in processing activities such as, hobby growing into enterprise (preserves, etc.), and product development.

Government's Roles in Enhancing Private Sector tie ups

Government's role is to provide regulatory adjustments such as, tax holidays; one-stop permit and processing, etc; food safety standard development enforcement; and contract monitoring.

Government also has the role to provide an enabling environment through capacity building; research and development support; extension service provision; program push (technology commercialization); and doing away with conflicting policies.

Expectations from Donors

Donors are expected to: continue assisting farmers not only in terms of production but also in terms of recognizing their roles and added value to the chain and how best to strengthen their positions; expand recognition of other key intermediaries as point of intervention, as like farmers, they also have a role to play in enhancing value chain development; support to enhance value adding of crops closest to farmers' competencies which will have greater results and impact (as an alternative to focusing on unfamiliar high value crops), as majority of farmers are still in the traditional crops.

Expectations from Private Enterprises

Private enterprises are expected to continue brokering engagements of farmers and farmer groups. They can socialize or make known product & process requirements. They are not expected to change their basic way of doing business but just making it more inclusive by providing venues for participation and removing biases against



smallholder farmers' participation. They can continue to trail blaze in research and innovation as this will be beneficial to the whole value chain.

Expectations from Farmers & Farmers Groups

Farmers & farmer groups should recognize that they too have a role to play in enhancing the benefits of marketing arrangements in their favor.

They must collectively act as vehicles of change. They should enhance networking capability, because effective organizations are embedded in dynamic multi-agent networks that link their members to ideas, resources, technologies, incentives & opportunities. They should develop system of rules and incentives for allocation of costs & benefits. Finally, they should never stop learning.

Measures of Empowerment

It would have been nice if the cases were assessed in terms of the level of empowerment afforded to the farmers and farmer groups. While it was not done given resource and time limitation, the following are suggested as future measures: voice; influence; choice; ownership; commensurate returns (to contribution); and fairness of risks.

Awarding of Tokens of Appreciation

Representatives from Taiwan (TWADA and TDFA) awarded a token of appreciation for Nerlie.

SESSION 2: INCLUSIVE "BUSINESS MODELS" FROM OTHER REGIONS

The participants convened as a plenary group. Key discussants presented cases from Africa and Asia (Emily Polack, IIED) and from Europe (Marek Poznanski, CSA). They were later joined by a panel of reactors -- David Dyer, Chief of Party, USAID-MARKET; Riza Bernabe, Policy and Research Coordinator-East Asia, OXFAM; Rovik Obanil, Policy Officer, APNFS; and Marlene Ramirez, Secretary General, AsiaDHRRA. The discussions and reactions were followed by an open forum and discussion. The session was moderated by Lany Rebagay.

Cases from Africa and Asia

Emily Polack, IIED, gave the following presentation ([See Annex 12 for powerpoint presentation and Annex 13 for further readings from IIED](#)).

IIED is a policy research institution in UK – London and Edinburgh. It works on issues such as climate change, human settlements, sustainable markets, NRM and governance. Its partners include farmers associations, CSOs, NGOs, research



institutions, and governments. They do action research, publications, etc. Emily is in the NRM group, particularly land rights.

The presentation is an overview of the studies made, but there are more resources available online from IIED.

IIED did a country level mapping of “land grabs”. It is still dominated by European and N. American companies for biofuel productions and other commodities. One is that these lands are in empty available areas.

The study looked at the nature of investments and how they can be inclusive and sustainable. They include case studies on different models in different countries.

IIED uses an inclusive models framework that looks at who owns the resources, whether farmers have a say, who carries the risks, if the benefits are shared, etc. It also looks at socioeconomic outcomes.

Mali

In Mali, MBSA works with 2,500 contract farmers who have 20% equity. There are carbon credits in the form of equipment. They do intercrop of jathropa. There is some employment generation. The challenges include: productivity, processing, minimal dividends, and low price. There are some inclusive models, but they are not model projects.

Zambia

In Zambia, the case is that of a sugar company which has been in existence since the 80s and is not part of the new wave of investments. There was initial government support and finance. It has been privatized and the shares by government and development institutions were handed over to farmers associations (13%).

The business uses a contract farming scheme. Farmers have a 14-year contract. They retain access to land and there is positive outcome for women. Minimum wages are guaranteed and there is consistency in income. Casual labor is generated. Farmers earn an annual income 4 times than that earned by company workers. One of 4-6 hectares is allotted for housing and food production and cash crops. It is a long term investment with socioeconomic benefits.

Malaysia

In Malaysia, there were different models. The government owns the company and it goes into community ventures. Communities are looking for alternatives to retain land. The new mode of business is company-community partnership, which is more feasible due to easier local processing.



Features of inclusivity

In terms of equity share, how can farmers have a say at the table? There is transfer of skills, training, technology, local linkages, and third party certification.

Findings

There is no silver bullet. There is a need for dynamic entrepreneurs who are willing to put the interest of farmers first. There are few job outcomes, and it is not just about incomes. There is a need to look at indicators of success beyond economic value. There are different contexts and options for different crops with different transaction costs. There are mechanisms for communication, grievance, dialogues, etc.

Gender dimensions

The cases are not necessarily inclusive of women. There are norms relating to jobs and crops. Investor awareness and policy safeguards are needed and gender equality groups play an important role in this.

More studies online

There are more studies online such as: Pro poor value chain approaches – increasing development impact; Link Methodology – toolkit for analysing value chain; Tipping the balance – in favour of smallholders, particularly women; Shaping opportunities for accountability in agri investments – building capacity of people to claim rights (“legal empowerment” – a pathway to accountability).

Cases from Europe

Marek Poznanski of CSA gave the presentation as follows ([See Annex 14 for the powerpoint presentation](#)).

Farmers have a weak position in the market. But there are favourable agri and trade policies such as the common agri policy, which was the basis of European integration.

There is collective action to organize marketing, but other ways are not developed.

There are imbalances in bargaining power. Big companies do not play by the rules of market economy and have different strategies to avoid competition. Family farmers have no influence on the market and on the big companies.

Collective action can give farmers market power, but also have a lot of cost. They are organized when there is a need, on a voluntary basis.



One big constraint is the competition rules that do not differentiate between different market players. Collective action by numerous and weak players is the remedy for less ideal market competition.

There are different instruments to increase farmers' market power:

Farmer in his farm - It is important but does not change market power and have a lot of cost (e.g. fulfilling market requirements abroad).

Farmer before a firm – e.g. contract approach. It can be through an individual contract - with price clause; contract gives “previsibility” with joint benefits; vertically integrated; not a power solution; framework for contract as area for collective action. Another is through inter-trade agreement – collective negotiation of purchase conditions, but no price agreement; needs derogation of competition policy; public powers can give exemptions; but does not impact competition.

Farmer before the market – has a price objective. This can be through cooperatives – access to market, influence at price level; Isolation – differentiating a product/creating a niche market; Supply chain action; Market regulation.

These instruments can be used in complementation.

Panel of Reactors

David Dyer (USAID MARKETS):

We are talking as human beings. The question is how to organize to have more output and be more equitable.

Market allocation is not sufficient, so we put rules that we need to negotiate. How should the market be allowed to operate?

We cannot have cost that do not add benefits, that's why we look at the value chain.

Riza Bernabe (Oxfam):

Two key points:

The importance of empowering and helping strengthen the voice of farmers in articulating concerns, promoting inclusive business models, pushing for better policies. AFA is doing a lot of these; pushing for ASEAN small scale producers' council in the ASEAN; policies for small holders, etc.

The importance of policy environment for agri investments. Most trade investment agreements are made at regional level; more on trade investment liberalization; less on promoting small holder interests. We must have good standards for responsible agri investments.



Key points for ASEAN:

Ensure private sector investment projects undergo free prior and informed consent (FPIC).

Have policies on good contracts. They should include risk and benefits sharing arrangements. They should promote food security; investment should not displace food production; there should be income for families. There must be a system of redress – multilateral mechanism to create pressure on different countries.

Rovik Obanil (APNFS):

The models that remove access and control over resources also lead to less benefits for farmers. There is very real danger of vertical integration (E.g. Cargil); we need to empower farmers.

Investment policies are blind to concept of inclusiveness, equity, and other development concerns; e.g. Phil investment priorities. There is a need for scaling up farmers bargaining/negotiating power through collectives – e.g. countries can negotiate as a bloc with China on territorial disputes.

We must build capacity for bottom-up business planning for farmers. Benefits from models can be localized, but impacts can be broad; benefits can spill over to other areas or groups. Most investments are not for food production but for cash crops and biofuel production.

We have to look at the broader context of agri policy – what are our priorities, what do we want to emphasize, what are our other development objectives (not only inclusiveness, equity).

Marlene Ramirez (AsiaDHRRA):

Farmers need to be organized to take advantage of opportunities in the market. Groups need professional management; competencies needed should be there. Farmers need capacity building for implementing concrete actions and programs together with their partners. Policy environment is important, especially legal protection for farmers and their organizing activities.

There is a need to develop agri investment guidelines at the regional level. There is an ongoing consultation on principles of responsible agri investments (RAI) – 13 principles identified (e.g. food security and nutrition, environment, cultural norms, governance of investments, mechanism for monitoring investments, etc.) This global framework can be used as guidelines in countries.



Responses

The presentors gave brief responses to the points raised by the panel of reactors.

Marek Poznanski, CSA:

There are differences in language, but small scale farmers are part of family farmers. All issues with agri trade investments have to be approached commonly by family farmers. We cannot be too inclusive with our policy recommendations.

Emily, IIED:

There are international and regional processes relating to agri investments. Discussions should stay broad. Transparency is only a small part of the picture.

Summary

Lany Rebagay of AFA gave a brief summary in closing the session.

Good marketing models should: allocate equitable benefits (e.g. income, sharing and localizing of income at local and household level); have a system of participation in decision making, systems of redress, etc.; also consider food security and other concerns.

Good marketing models need: policies/enabling environment; consolidation/organizing – for economic and political objectives.

Advocacy is necessary to ensure that enabling policies are made supportive of the good marketing model benefitting small-scale farmers.

Awarding of Tokens

AFA Chairperson Uon Sophal awarded tokens to resource persons.

Open Forum and Discussion

Lany Rebagay facilitated the open forum and discussion, asking the question "What struck you most from today's sessions?" (Something new, something you do not agree with, etc.).

Rifai (API):

The structure should support farmers to have access and control over resources. Farmers do not have bargaining power because companies control all the resources. We need collective action to have inclusive marketing arrangements.



Monir (KKM):

Bangladesh farmers face the problem of market price syndicates (e.g. huge difference in price of okra). Collective marketing is good.

Lyam (NLR):

After linking farmers to market, what are the significant changes that happened in the life of farmers?

Y Voan (VNFU):

The most interesting thing for me is: no farmer, no future. But we have to realize the potential of farmers by improving our capacities in marketing concerns, restructuring our organizations, making ourselves flexible/stronger. We need to organize and learn how to negotiate.

Jane Zamar (PAKISAMA):

No farmers, no future. The young people in our organizations need to see that farming is viable.

George Lin (TWADA):

Taiwanese farmers are small holders, we link to the market, we rely on ourselves to open the market. When farmers are focused on production, the quality of products can be good. But when they have to face the issue of marketing, the quality could go down. Farmers need support in marketing.

George Chiou (TDFA):

There are three players in the Taiwan dairy industry: government, milk company, TDFA (Taiwan dairy farmers). TDFA can be strong as the company but cannot be company. Government balances the interest of farmers with the companies. Danny wants to help Asian dairy farmers, but he has no opportunity yet. AFA should think about how he can help.

Sisouvong Khamsouane (ASDSP):

It is not easy to have an inclusive and sustainable marketing arrangement. 80% of the population in Laos are farmers. WE need 3P partnership – public private producer partnership. We need partners from outside to support farmers.



May 10, 2013

Recap of Day 1 and Announcements

Jun Virola of AFA gave a recap of the first day, followed by announcements from Lany Rebagay and Jane Zamar.

Session 3: Capturing Key Lessons

The participants were divided into 3 workshop groups: Group 1 -- Japan, Nepal, Bangladesh, Cambodia and Laos; Group 2 -- Indonesia, Philippines, Vietnam, Thailand and Taiwan; Group 3 – AsiaDHRRA, APNFS, OXFAM, USAID-MARKET, CSA, IIED. Jun Virola of AFA facilitated the session.

Each group was asked to answer the questions below for the workshop.

- 1. What criteria can we use to judge whether a marketing arrangement or business model is good or not? (e.g. control, income, food security, gender, etc.)*
- 2. What indicators can we look for in support of each criteria? (e.g. retention of land, money for family needs, food on the table, women participate, etc.)*
- 3. What are the factors that have positive, negative or unknown effect on the indicators? (e.g. policies, organizing, capacity, NGO support, legal support, etc.)*
- 4. What are the roles of the various players -- farmers, private sector, NGOs, government, etc.?*
- 5. What are the enabling conditions -- policies, programs, support services, mechanisms?*

WORKSHOP RESULTS

The groups shared their results as follows:

GROUP 1

Criteria	Indicators
Empowering 1a. Participation	<ul style="list-style-type: none"> - contract favorable to the farmers - right to choose, not forced to sign contract - collective/active participation of members - farmers are grouped into collectives, coops. - producers groups – village, commune, district, national - farmers aware of the price



<p>Improve lives of farmers</p> <p>1b. Price (fair price)</p> <p>1c. Learning process</p>	<ul style="list-style-type: none"> - farmers do not migrate as laborers - can send children to school (income)price includes production cost and labor costs - farmers able to share knowledge and learn from each other
<p>Structure</p> <p>Information process</p> <p>1d. Capacity building (Capable farmers/FOs)</p>	<ul style="list-style-type: none"> - farmers can make informed decisions - info channelled to farmer organizations' structure - farmer have knowledge and organizing, management, marketing, planning (skills)

FACTORS

Positive effects	Negative effects	Unknown effects
<ul style="list-style-type: none"> - farmers were organized into collectives - farmers have access to credit - a good business plan - aligned with government policy (Cambodia case) - links with other stakeholders - NGO support for social enterprise - government support to national FO and its members 	<ul style="list-style-type: none"> - internal conflicts - aligned with government policy (Bangladesh case) 	

Player	Roles
Farmer	<ul style="list-style-type: none"> - Producer – good quality, good quantity - makes innovations/experiments - teach/train other farmers
Farmer organizations	<ul style="list-style-type: none"> - negotiate price - consolidator/organizing - standard/quality control - inputs - branding - monitoring - regulation for their members - post harvest facilities
Private sector	<ul style="list-style-type: none"> - market access - inputs - credit - technology support - post harvest facilities



NGOs	<ul style="list-style-type: none"> - monitoring - branding - technology support - organic certification - consolidator - standards/quality control - info/media linkage
Government	<ul style="list-style-type: none"> - policy making - referee – go between regulation/enforcement of policy/contract - monitoring - farm to market - irrigation - post harvest facility

<p>Policies (Legal, Government)</p> <ul style="list-style-type: none"> - cooperative law/farmer association law - accreditation, recognition, support to Cooperatives, FOs - crop insurance - land rights, policy - tax exemption - government procurement policy
<p>Program</p> <ul style="list-style-type: none"> - technical support – producer technology, processing/value addition - exposure visits - monitoring system - incentives for private sector to DO inclusive business programs - Promotion for organic products, consumer education
<p>Support Services</p> <ul style="list-style-type: none"> - support services on organic certification - irrigation facilities - farm-to-market/transportation - market info - post-harvest facilities - mobile communication system - technical support - agri-research and development

GROUP 2

Criteria	Indicators	Positive Factors	Negative Factors	Factors with Unknown Effects
Fair Trade	<ul style="list-style-type: none"> - Transparency in buyer expectations - Considering farmers' capacity to produce - Trust between farmer and buyer - Equal protection and benefits for farmers, buyers and consumers 	<ul style="list-style-type: none"> - Marketing board (farmers, government ,company) – Taiwan - Harmonization of product standards (national, regional, international) - Guaranteed buying price for farmers through the organization (organization shares benefits with members and assumes risks) - Traceability (product origin) - Labelling/branding/recognition for farmers 	<ul style="list-style-type: none"> - Lack of branding for farmers products 	<ul style="list-style-type: none"> - Private partnership program of government
Farmers Participation in Decision Making	<ul style="list-style-type: none"> - Setting price with the buyer - Setting product quality standard - Written marketing contract (clear, well-defined terms, sanctions for violations) 	<ul style="list-style-type: none"> - Written contract 	<ul style="list-style-type: none"> - No organization, no bargaining power - Big companies only deal with traders, not farmers 	<ul style="list-style-type: none"> -
Benefit and Risk Sharing	<ul style="list-style-type: none"> - Insurance for products and farmers (e.g. health insurance) provided by buyer/company 	<ul style="list-style-type: none"> - Farmers are organized into cooperatives - Farmer organization ensures risk and benefit sharing - Agri and trade policies that protect local products against dumping 	<ul style="list-style-type: none"> - Only cooperatives benefit, not individual member 	<ul style="list-style-type: none"> -



Income for Cooperative and Individual Farmer Members	<ul style="list-style-type: none"> - More services and expanded operation/investment by cooperative - More money to buy needs (individual farmer) 	<ul style="list-style-type: none"> - Farmer records (income and expenses) - Farmer planning and budgeting 	<ul style="list-style-type: none"> - Inflation and taxes 	-
Environmental Protection	<ul style="list-style-type: none"> - Environmentally friendly technology 	-	-	-
Value Chain Efficiency	<ul style="list-style-type: none"> - All aspects/players should contribute/play role - Chain is be as short as possible 	<ul style="list-style-type: none"> - Support from partners (donors, CSOs, etc.) 	-	-
Social Justice and Gender Equality	<ul style="list-style-type: none"> - Women involvement in all aspects 	<ul style="list-style-type: none"> - Recognition of women's contribution 	<ul style="list-style-type: none"> - Use of child labor - Unfair labor practices - Exclusion of other rural sections (fishers, IPs) - Globalization is negative for some countries - Land grabbing - massive land conversion 	-



Player	Roles
GROUP 1	
Farmer/ Producer	<ul style="list-style-type: none"> - Supply products (quality, quantity, continuity, sustainability) - Negotiate/bargain/lobby - Price negotiation - Environmental protection
Private Sector	<ul style="list-style-type: none"> - Processing, distribution and value adding - Capita/investment - Technology transfer - Price negotiation - Ensure quality
Government/ Donors	<ul style="list-style-type: none"> - good policies, programs, services - financing
NGOs/ CSOs/ Academe/ Research	<ul style="list-style-type: none"> - Capacity building - Awareness raising - Research and development - Value adding - Management capacity

GROUP 3

Criteria	Indicators	Positive Factors	Negative Factors	Factors with Unknown Effects
Fair distribution of benefit	<ul style="list-style-type: none"> - Income, fair share in price - efficient 	-	-	-
Shared risks	<ul style="list-style-type: none"> - Production cost - Financing cost 	-	-	-
Participation in designing the contract	-	-	-	-
Coordination/ aggregation / consolidation mechanism (cooperative market)	<ul style="list-style-type: none"> - Generate economy of scale/ minimize transaction cost - Bargaining power/ collective negotiation (contract) 	<ul style="list-style-type: none"> - Farmer records (income and expenses) - Farmer planning and budgeting 	<ul style="list-style-type: none"> - Inflation and taxes 	-



Legal aid/ regulation	-	-	-	-
"just" price	<ul style="list-style-type: none"> - Return on investment – farmer and private setor - Recognize the genuine value of the product - Profit with conscience 	-	-	-
Compatibility of farming system with market arrangement that ensure stability and regularity	-	-	-	-
System/ provision to address grievance/ "pull out"	-	-	-	-
Transparency/ access to information	<ul style="list-style-type: none"> - Open books for both producer and business as as part of the contract - Third party observations - Co-owners 	-	-	-
Ownership/ share	<ul style="list-style-type: none"> - Co-owners of the arrangement 	-	-	-
Foster responsibility	<ul style="list-style-type: none"> - Environment - Does not step on toes of other sectors 	-	-	-
"Local arrangement" vs external/ export	-	-	-	-



Strong legal investment framework	-	-	-	-
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Players	Roles
Farmer level	Producer-“entrepreneur” attitude
Cooperative	<ul style="list-style-type: none"> - Inter-trade agreement - Bargaining – contract - Consolidator - Big brother/ sister – big farmer / small farmer - Professional management
Other sector – consumer	<ul style="list-style-type: none"> - Community supported agriculture – CSA approach
Government	<ul style="list-style-type: none"> - Review/ regulate contracts – enforcement – minimum requirements checklist - Ensure “balanced negotiation” - Third party observer – “value setting” – observation of margin –cost of production – financial statement/record

SUMMARY OF LESSONS LEARNED

Lany gave a quick summary of lessons learned.

We had very rich presentations and rich harvest of lessons learned. We can visualize the kind of marketing arrangements and business models that we want to pursue and advocate at different levels.

SESSION 4: Role of government, intergovernmental bodies and IFIs in regulating / promoting responsible and inclusive agricultural investments and in ensuring food and nutrition security

The following key discussants gave their presentations:

---Noel de Luna, Chief, International Relation Division, Department of Agriculture-Philippines

-- Ms. Lilian Cotz

*Resource-based Industries Department
Board of Investment (BOI)*



--- Ms. Vedini Harishchandra, Rural Development Economist
Environment, Natural Resources & Agriculture Division, Southeast Asia Department,
ADB

---Mr. Gomer Tumbali, Team Leader of the DA-DAR-FAO Capacity Building of Small
Farmers in Entrepreneurship Development and Market Access Project, FAO.

Their presentations were followed by an open forum and discussion. The session
was moderated by Esther Penunia.

Presentation from DA (See Annex 15 for the powerpoint presentation)

- 1. Benigno S. Aquino III's Platform of Government.** The platform of the Aquino government includes: "From treating the rural economy as just a source of problems to recognizing farms and rural enterprises as vital to achieving food security and more equitable economic growth, worthy of re-investment for sustained productivity."
- 2. Investment Areas.** There are nine investment areas in the Philippines as follows: (1) Electricity, gas, steam and air conditioning supply (+50%); (2) Real estate activities; (3) Manufacturing; (4) Transportation and storage; (5) Accommodation and food service activities; (6) Water supply; sewerage, waste management and remediation activities; (7) Administrative and support service activities; (8) Construction; and, (9) Agriculture, forestry and fishing (1.2%).
- 3. Export Performance.** In terms of export performance, electronics is first at 50% of total exports, while agribusiness is second at 9.1%.
- 4. Growth Rate.** In terms of growth rate, electronics is at - 3.9%, while agribusiness is at - 4.7%.
- 5. Who are investing?** The following are investing in the Philippines (from highest to lowest): Japan, USA, Netherlands, Korea, China, PR, Singapore, Switzerland, Cayman I., British V.I., Taiwan. The biggest investor is Japan, while the smallest is Taiwan. Looking at start up enterprises, the total is negligible. Agribusiness is not a sexy investment area for foreigners.
- 6. No. of employees.** In 2010, it was recorded that in Agriculture, Hunting and Forestry, micro enterprises have 9,855 employees, small enterprises 31,213, medium enterprises 16,515, and MSMEs 57,583.
- 7. Agri Employment.** While the share of agriculture to total employment remains large at 31% agriculture employment has been decreasing: 0.7% in 2010, 2.6% in 2011, and 4.4% in 2012.
- 8. Share of agriculture and fisheries to the GDP.** The share of agriculture and fishers to the GDP has also been decreasing: 11.6% in 2010, 11.4% in 2011, and 9.3% in 2012.



- 9. Messages.** The main messages we can get from these statistics are: (1) agricultural population is aging with the median age placed at 58 - 59 years; (2) there is a strong trend towards urban migration and urbanization; (3) farmers themselves are the ones investing; and (4) the role of government is to see to it that farming remains a profitable option.
- 10. Enabling Environment.** The government can provide an enabling environment through: (1) improvement of rural infrastructure and facilities, (seeds, irrigation, farm-to-market roads, post-harvest facilities, storage, value chain); (2) development of markets and enhancing regulatory competence; (3) improvement of credit access; (4) research and development; and, (5) mainstreaming climate change.
- 11. Priority legislations to accelerate development.** In order to accelerate the development of the agriculture sector the following priority legislations are needed: (1) Accelerated Irrigation Act; (2) Food Safety and Food Labelling Law; (3) National Land Use Law; and, (4) Review of critical legislation (i.e. AFMA, Fisheries Code) and policy issuances on trade.
- 12. Global Context.** At the global level, the voluntary guidelines on the responsible governance of tenure of land, fisheries and forests in the context of national food security was approved in 2012. On the other hand, the principles for responsible agricultural investments (RAI) will be presented to the committee on food security (CFS) in 2014 for endorsement. These are principles to guide governments in operating in the years to come. The CSO community is an active partner of CFS and it is encouraging farmers to participate.
- 13. ASEAN Blueprint.** At the regional level, the ASEAN Roadmap aims to realize the three pillars of the ASEAN Community, namely: (1) ASEAN Political-Security Community; (2) ASEAN Economic Community; and, (3) ASEAN Socio-Cultural Community.
- 14. AEC Key Characteristics.** The envisioned ASEAN Economic Community has the following key characteristics: (a) a single market and production base; (b) a highly competitive economic region; (c) a region of equitable economic development; and, (d) a region fully integrated into the global economy.
- 15. The core elements for the ASEAN single market and production base are:** (i) free flow of goods; (ii) free flow of services; (iii) free flow of investment; (iv) freer flow of capital; and (v) free flow of skilled labour.
- 16. Free flow of goods** is one of the principal means by which the aims of a single market and production base can be achieved.
- 17. Means.** Achieving a free flow of goods would require not only zero tariffs (actually 0 -5%) but the removal of non-tariff barriers as well. Tariffs have actually started to fall down since 2010; by 2015, it should be 0 or 5% depending on the commodity. Philippine exemptions/sensitive list include rice and sugar. We have survived 2010. There is fear due to ignorance of AEC that



come from government's lack of communication strategy. Another major component is trade facilitation measures such as: integrating customs procedures, establishing the ASEAN Single Window; continuously enhancing the Common Effective Preferential Tariffs (CEPT); Rules of Origin including its Operational Certification Procedures; and, Harmonising standards (GAP, MRLs & SPS) and conformance procedures.

- 18. Actions / Timelines.** The following are the important actions that need to be taken: i. Monitor implementation of CEPT-AFTA schemes for agricultural and forest products; ii. Develop and apply fisheries quality management systems including HACCP that they may be applied to small enterprises in ASEAN by 2009; iii. Establish (GAP), (GAHP), (GHP), (GMP), and (HACCP) based systems; for agricultural and food products with significant trade / trade potential by 2012; iv. Harmonise the quarantine and inspection procedure by 2010 and (SPS) measures for agricultural, food and forestry products with significant trade/trade potential; in accordance with international standards, by 2015; v. Harmonise the (MRLs) of commonly used pesticides for widely traded crop products in accordance with international standards by 2010; vi. Harmonise the regulatory framework for agricultural products derived from modern biotechnology in accordance with international standards, by 2015; vii. Harmonise the safety and quality standards for horticultural produce and agricultural products of economic importance in the ASEAN region, in accordance with international standards, by 2015; viii. Harmonise the animal (both terrestrial and aquatic animals) health control for safety of food of animal origin through a common bio-security management standards scheme, in accordance with international standards, by 2015; ix. Harmonise guidelines for the use of chemicals in aquaculture and measures to eliminate the use of harmful chemicals, in accordance with international standards, by 2009; and x. Develop a regional reference framework on phased approach to forest certification by 2015
- 19. Another goal** is to "Promote cooperation, joint approaches and technology transfer among ASEAN Member Countries and international, regional organisations and private sector."
- 20. Actions** that need to be taken are: i. Develop joint strategies/positions on issues of related interest to ASEAN with international organisations such as WTO, (FAO), (OIE), (IPPC), CODEX, (CITES) and dialogue partners; ii. Promote collaborative research and technology transfer in agriculture, food and forestry products; iii. Establish strategic alliances and joint approaches with the private sectors in promoting food safety, investment and joint venture opportunities, promotion of agricultural products and market access.
- 21. Agri Cooperatives.** There is agreement on the role of cooperatives. It is more within ASEAN to take advantage of AEC. Farmer alliances within ASEAN are being encouraged through agri coops. The goal is to promote ASEAN



agricultural cooperatives as a means to empower and enhance market access of agricultural products, to build a network mechanism linking agricultural cooperatives, and to fulfil the purpose of agricultural cooperatives for the benefit of farmers in the region.

- 22. Scorecard.** As of March 2012, an implementation rate of 86.7 % for Phase I (2008-2009), 56.4 % for Phase II (2010-2011) and 67.9 % for both phases were recorded. In 2006, the ASEAN Good Agricultural Practices for Fresh Fruit and Vegetables was adopted. To-date (2012), ASEAN has established a total of 775 harmonised maximum residue limits (MRLs) for 61 pesticides. Common standards for mango, pineapple, durian, papaya, pomelo and rambutan have been adopted. 49 standards for animal vaccines, 13 criteria for the accreditation of livestock establishments and 3 criteria for the accreditation of livestock products have been endorsed as harmonised ASEAN standards. ASEAN is strengthening its genetically modified food testing network, developing guidelines on good management practices for shrimp, developing a code of conduct for responsible fisheries, and implementing the Hazard Analysis and Critical Control Point (HCCP) in the production of fish and fisheries products. In 2004, the ASEAN Food Safety Network was established as an integrated platform for ASEAN officials to exchange information on food safety.
- 23. ASEAN Market.** The ASEAN is a big market, with 10 member countries, around 600 million people, \$ 2.4 trillion trade, 0.6 trillion intra-trade, and \$ 2.2 trillion GDP.
- 24. Potential Changes in Sourcing due to AEC 2015 by Jollibee.** At present, at 30-45% import duty, the Jollibee is sourcing chicken, rice, pork, and sugar from RP and the US, and coffee from Vietnam. By 2015, with 0-5% import duty, it will be potentially sourcing chicken from Thailand, rice from Vietnam and Thailand, pork from Vietnam, coffee from Vietnam and Indonesia, and sugar from Thailand.
- 25. Competitiveness.** All ASEAN members had already reduced tariffs since 2005 and for the Philippines, our sensitive products only cover rice and sugar. Given equal conditions and opportunities, the ultimate question is production cost.
- 26. Indicative RP production cost.** The Philippines has high production cost: Rice – PHP 11.61/kg; Hog (live) – PHP 101.19/kg – backyard; Hog (live) - PHP 95/kg – the big ones; Chicken – PHP 71.25/kg.
- 27. DA Preparations for 2015.** The Department of Agriculture is preparing for 2015 by: (1) participating in negotiations for the harmonization of the ASEAN standards for GAP, MRLs and development of food standards; (2) helping small farmers get required certifications by buyers; (3) providing training for farmers; (4) strengthening inspection and audit systems; (5) increasing and improving its laboratories; (6) creating an Agricultural Trade Competitiveness Committee



and coordination with the Committee on International Trade on AEC 2015 matters.

- 28. Opportunities.** There are several opportunities for the Philippine such as: (1) possible lower input costs (i.e. seeds, fertilizers, packaging products, agro-chemicals, transport); (2) complementation & new partnerships/alliances; and, (3) new markets for hogs and other high value products (i.e. abaca). For example, it is very expensive to ship corn from Mindanao to Manila, while it is very cheap to ship from Bangkok to Manila. With zero tariff, we can source corn from Thailand. But that means corn farmers from Mindanao have to improve/compete. ASEAN farmers can group together to present strong leverage to buyers. There will also be a new markets for the high value products of the Philippines.
- 29.** Finally, AEC 2015 is a period of complementation rather than competition.

Presentation from BOI (See Annex 16 for the powerpoint presentation)

- 1. Board of Investments.** The BOI attached agency of the Department of Trade and Industry that promotes investments in preferred areas as identified in the annual Investments Priorities Plan (IPP). It administers incentives, both fiscal and non-fiscal.
- 2. 2012 Investment Priorities Plan.** The IPP is a yearly listing of preferred activities prepared in coordination with other government agencies with BOI as the lead agency. This promotes the government mandate of creating jobs for the people and economic development through the grant of fiscal or monetary and non-fiscal incentives for those investors whose proposed activities are deemed qualified for BOI registration. The IPP include: agriculture/agribusiness and fishery (commercial production and commercial processing); and services in support of agriculture/agribusiness and fishery (irrigation, harvesting and post harvesting services).
- 3. Agribusiness.** From January 2012 up to the first quarter of 2013, the Board of Investments (BOI) has registered a total of Php14.04 billion worth of local and foreign investments in the agribusiness sector. These registered investments cover about fifty (50) projects and are expected to generate about 10,327 employment opportunities when fully operational. For the past three (3) years, livestock sector has the biggest investments in terms of project cost, i.e., Php5.9B, these projects are located in Tarlac, Pampanga and Bataan. Other registered products are hybrid rice and corn seeds, processed coconut products, corn starch and its by-products, animal feeds among others. Investing countries are: Malaysia, China, Korea, Japan, Thailand, Kuwait, USA, Singapore, and Germany.



4. **Incentives.** The Board of Investments (BOI) gives incentives to private companies/corporations provided that the activity and/or the products being produced are listed in the Investments Priorities Plan (IPP). Income Tax Holiday (ITH) ar: (a) Six (6) years for projects with pioneer status and for projects located in Less Developed Areas (LDA); (b) Four (4) years for new projects with non-pioneer status; and, (c) Three (3) years for expansion/modernization projects.
5. **Foreign Investments.** The Foreign Investment Act of 1991 (R.A. 7042) is the basic law governing foreign investments in the Philippines which has liberalized the entry of foreign investments in the country. The key features of FIA are: the concept of negative list; opening of domestic market to 100% foreign investment except those in the Foreign Investment Negative List (FINL); and allowing of 100% foreign ownership of business activities outside FINL but WITHOUT incentives.
6. **Registration. To qualify for BOI registration, the entity should be** organized under Philippine laws and at least 60% Filipino owned. If not the entity is not Filipino, it should propose to engage in Pioneer project for domestic-oriented projects and commit to export at least 70% of production/ manufacturing revenues. Its activity must be listed in the Investments Priorities Plan.

Presentation from ADB (See Annex 17 for the powerpoint presentation)

1. **Importance of Agriculture Sector Growth in ASEAN.** There is impressive growth by developing countries. These countries are agrarian economies and agriculture has to grow. The question is what policy changes are needed to grow agriculture? Small holders still need access to markets/ empowerment/ profitability, but it is getting better than 10 years ago.
2. **Smallholder Access to Markets: Challenges.** Issues and challenges being faced include: (1) lack of policy, regulatory support and institutional framework ; (2) poor provision of access to credit; (3) inadequate provision of rural infrastructure that reduces postharvest losses and transport costs, and shortens transit time, while increasing overall rural mobility; (4) lack of access to value-responsive markets; (5) lack of access to agricultural information and market data; (6) high transaction costs; (7) lack of inclusion of smallholder farmer groups into value chains; and, (8) lack of opportunities for increased private sector engagement.
3. **Economic Indicators.** Agriculture employs a large percentage of the population in Asia -- 80% in Cambodia and more than 50% in other countries, except Malaysia and Singapore. However, agriculture is the last sector in terms of share of investments (9%). ADB is trying to increase this.



4. **Agriculture Sector Performance Enhancing Priorities.** ADB has the following priorities for enhancing the performance of agriculture: (1) Productivity - The key challenges are declining yields in agricultural crops, food price hikes caused by heightened demand for cereals for consumption and livestock production and climate change, which threatens agricultural production. ADB initiatives to raise agriculture productivity and research is a long-term vehicle to increase agricultural productivity and Investing in agricultural productivity; (2) Connectivity - Enhancing connectivity means the integration of the agriculture sector with domestic and international consumer markets, as well as nonfarm sectors so that small farmers, women and other vulnerable groups will have their fair share of the benefits. Building connectivity includes the construction of rural roads, electrification, and development of market infrastructure, such as rural growth centers, agriculture and food trade facilitation, small and medium enterprises development, development of market information systems, food value chains, and food safety standards; (3) Resilience - Sustainable food security requires improving the resilience of the agriculture and rural sectors against the impacts of climate change and associated climate variability and food price volatility.
5. **ADB's overall Agriculture and Natural Resources Priorities** are pro-poor investments focused on rural infrastructure, sustainability, climate resilience, and inclusive economic growth, to achieve the objective of poverty reduction. Some of ADB's SE Asia investments are in: rural infrastructure and connectivity; environment and natural resources management; irrigation efficiency and water resources management; public-private partnership; and, regional cooperation and integration.
6. **Infrastructure for Rural Productivity Enhancement Sector Project (INFRES) – Philippines.** The INFRES Project is an example of these investments that is aimed to increase agriculture productivity by improving rural infrastructure such as farm to market roads, communal irrigation systems and potable water systems. Results are seen in (1) Household Income - Average household income grew by 49%, on-farm income grew by 60% and non-farm income by 35%; (2) Agriculture Productivity - The rice yield increased from 3.28mt/ha to 3.53mt/ha and corn from 1.96mt/ha to 2.42mt/ha; and, (3) Distribution of Gains - INFRES contributed to reduction in poverty by 24.44 percentage points; exceeding the target by 11 percentage points.
7. **Sector Investments.** The following are loans and grants as of 2012 in the agriculture and natural resources sector: (1) Sovereign Projects - 21,453 million; (2) Grant Projects - 1,081 million; (3) Technical Assistance - 776 million; and, (4) Regional technical assistance - 247 million.
8. **Agribusiness Development Assistance for Smallholders in Mindanao.** The project Project's long-term objective is an improvement of the income of smallholders in Mindanao. It has a funding of 8.8million and will benefit about



2,000 smallholders (at least 50% will be women) by improving their access to capacity building, technical training, finance, infrastructure and other support. Project Components include: (1) Support for start-up agribusinesses for smallholders - This component will provide management, technical and financial support for smallholders in three provinces of Mindanao; (2) Establishment of an apex institution for smallholders - The grant implementation unit (GIU), will study viable options to establish an apex institution to support smallholders during and after the project; and (3) Preparation of feasibility studies for increasing agribusiness development for smallholders - This component will explore ways to increase the number of smallholders with access to technical, management, and financial services to improve their livelihoods from agribusinesses.

9. **Conclusions.** ADB focuses on inclusiveness, sustainability, and green agriculture infrastructure. The key constraints are lack of enabling environment to attract needed investments in agriculture; poor policy, legal, regulatory and institutional framework to support smallholder farmers; poor delivery and absorption capacity; inadequate support for agribusiness development; and, insufficient extension support and infrastructure. ADB's responses are in the areas of policy/program support, productive infrastructure/enhanced connectivity, and climate change resilience.

Presentation from FAO (see Annex 18 for powerpoint presentation)

1. The presentation has 3 parts: (1) Principles for Responsible Agriculture Investments Investments; (2) Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National National Food Security Food Security; and (3) Local Initiatives on Increasing Farmer's Market Power.
2. The Committee on World Food Security (CFS) was set up in 1974 as an intergovernmental body to serve as a forum for review and follow up of food security policies. It is made up of Members, Participants and Observers. The membership of the Committee is open to all Member States, The Food and Agricultural Organization (FAO), The International Fund for Agricultural Development (IFAD) or The World Food Programme (WFP) and non-Member States of FAO that are Member States of the United Nations. Member States are encouraged to participate in CFS sessions at the highest level possible.
3. **The Principles for Responsible Agriculture Investments** has the following features: (1) promotes investment in agriculture that contribute to food security and nutrition; (2) supports the progressive realization of the right to adequate food in the context of national food security; (3) provides practical guidance to governments private and public investors, intergovernmental and regional organizations, civil society organizations, research organizations and universities,



donors and foundations; and, (4) voluntary and non-binding and should be interpreted and applied consistently with existing obligations under national and international law.

4. The process for the RAI is as follows:

Tasks	Dates
OEWG meeting discussed preliminary work on Zero draft	Early Nov 2012
CFS Plenary – endorsed TOR for consultation processes for preparation of Zero Draft	Nov 15-20, 2012
CFS secretariat prepared Zero draft of rai	Nov 2012-Jan 2013
Zero Draft discussed in OEWG and CSF Bureau	Feb 2013
Regional multi-stakeholder consultations, e-consultations and consultation with existing regional fora	Feb 2013-Jan 2014
OEWG Meeting to provide feedback on Zero Draft and build collective comprehensive understanding of views gathered in consultations as input to preparation of Draft One	May 16-17, 2013
CFS Session 40 – Review and Progress Report Discussion	Nov 7-11, 2013
CSF Secretariat to prepare Draft One	Up to Feb 2014
Draft One to be discussed in OEWG and CSF Bureau	March 2014
Global meeting to be held in Rome to negotiate final version	June/July 2014
rai Principles to be endorsed to CSF Plenary	October 2014

5. The Zero Draft of the Principles of Responsible Agriculture Investments has 3 parts as follows:

<p>Part I: IMPACTS OF AGRICULTURAL INVESTMENT</p> <ul style="list-style-type: none"> - enhances food security and nutrition for all - is environmentally sustainable - sustains or improves livelihoods and sets in motion inclusive growth - respects cultural norms, is compatible with universal human rights and is considered legitimate by relevant stakeholders <p>Part II: IN SUPPORT OF ENABLING ENVIRONMENT</p> <ul style="list-style-type: none"> - supported by enabling, facilitating, and regulatory structures based on internationally-recognized good governance principles. - supported by policies and legislations consistent with each other, and addressing all aspects of responsible investment as described in this document. - affects local communities requires active, free, informed, and effective participation of stakeholders.

- accompanied by mechanisms for regular review and improvement of agricultural investment-related governance instruments
- accompanied by non-discriminatory access to justice grievance procedures and fair and effective remedy mechanisms.

Part III: COORDINATION, COOPERATION, PARTNERSHIPS AND ACCOUNTABILITY

- facilitated by clear mechanisms and institutions promoting coordination, cooperation, and partnership among the actors involved.
- supported by multilateral international and regional organizations that comply with these principles and primarily support small-scale food producers and processors in a perspective of local and national FSN.
- All actors involved in agricultural investment are accountable for their decisions, actions and the impacts thereof.

6. The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security

Food Security promotes secure tenure rights and equitable access to land, fisheries and forests as a means of eradicating hunger and poverty, supporting sustainable development and enhancing the environment. It is developed through a broad global partnership of international, regional and national organizations of different types that work together to achieve global changes in governance of tenure.

7. Consultations 2009-2010: Ten regional, one private sector and four civil society consultation meetings were organized between September 2009 and November 2010. These meetings brought together almost 1,000 people from over 130 countries. The participants represented government institutions, civil society, private sector, academia and UN agencies. Each consultation meeting resulted in an assessment identifying issues and actions to be included in the Guidelines in the context of governance of tenure.
8. Negotiations 2011 – 2012: The Zero Draft was prepared following the conclusion of the consultation process, and an electronic consultation was organized in April/May 2011. The First Draft incorporated proposals that were received from the public and private sectors, civil society and academia. The final version of the Guidelines was prepared through intergovernmental negotiations led by the CFS in July and October 2011 and March 2012.
9. Endorsement – May 2012: The Guidelines were endorsed by the 38th (Special) Session of the CFS on 11 May 2012.
10. Since then implementation has been encouraged by G20, Rio+ 20, United Nations General Assembly and Francophone Assembly of Parliamentarians.
11. **Local Initiatives.** One of the local initiatives of FAO is the Technical Support to Agrarian Reform and Rural Development (1990-2003). It supports participatory ARC planning, introducing the value chain approach (production planning to marketing) and incorporating gender and environment concerns. It also



supports access to market through training on entrepreneurship, market matching, and trade fairs.

12. One component is the Capacity Building of Small Farmers in Entrepreneurship Development and Market Access. Partner agencies for this initiative are the Department of Agriculture and the Department of Agrarian Reform.
13. The project's overall development objective is to contribute to food security by improving market access and increasing incomes of small farmers. The project focuses on market-oriented farmers, including any farmer motivated to respond to market signals and to introduce higher value enterprises to generate profit and income, and those who are market-led, 'economic' farmers and entrepreneurial farmers. Excluded by this definition are subsistence farmers selling surplus staples with limited and potential to market produce.
14. The project impact is on food security and improved market access and increasing incomes of small farmers.
15. As an outcome, extension service providers are applying the skills and competencies in farm business and market access learned and replicating them to other farmers.
16. The project targets the following outputs: (1) heightened awareness of policy makers and program managers (through the conduct of awareness campaign for decision makers at all levels, and set up of monitoring & evaluation system and use the results to raise further the awareness of policy makers; (2) developed capacity of extension service workers through training program for core team of trainers, for regional and provincial extension staff, and for municipal/barangay extension workers; (3) developed capacity of smallholder farmers and farmer groups through setting up of Farm Business Schools (FBS) featuring season long, 'learning by doing' curriculum and farmer learning groups; (4) established linkages between farmers, private agricultural service providers, financial institutions and market outlets through promotion of access to market and financial services, and forging of learning alliance with major non-profit service providers.
17. The project's main strategy is organizing Farm Business Schools (FBS) facilitated by field-level extension workers.
18. The Farm Business School (FBS) can be described as follows: (1) an extension modality aimed to help farmers build knowledge, adjust their attitudes and enhance their skills to make their farms more profitable; (2) how: by learning about business; (3) where: where they live. The FBS takes the school to the farmers; (4) guided by curriculum (set of training materials) agreed upon by the farmers and facilitator (entrepreneurial, promotes value chain development, environmentally sustainable); (5) a set of training materials agreed upon by and farmers and facilitator; (6) approach is learning-by-doing; (7) developed by FAO; and, (8) inspired by Farmer Field Schools.



19. The objectives of the FBS at the farm level is to enable farmers to (1) plan and implement farming enterprises and overall farm operations profitable and (2) respond to market demands.
20. The fundamental principles to be observed in FBS are: facilitation and not teaching; learning-by-doing; interactive and responsive; and season-long.
21. The FBS processes are as follows: (1) schools are set up at community level through a mobilization process; (2) farmers work in small groups at their own pace and at an agreed time and duration; (3) the process is facilitated by an extension workers who are supported by back-up teams of specialists to coach and mentor them in assisting farmers; (4) sessions will use practical situations to learn about farm business management concepts, tools and practices, based on their local knowledge and skills; (5) build on what farmers and extension workers know and to add value to this knowledge; (6) participants apply what they have learned in the FBS meetings/sessions to their farming businesses; and (7) participants bring what they experience in the farm back to the FBS sessions to share and compare results.
22. The FBS has the following characteristics: (1) designed around selected farm enterprise that can be produced locally; (2) covers the production cycle – from farm planning to marketing; and, (3) learning is linked to real farm settings to reinforce learning and to deliver more immediate impact.

Summary of Presentations

Lany Rebagay summarized the presentations as follows:

From FAO, we learned that VG can be implemented by national governments and that farmers can participate in RAI. On May 13, AFA will have a discussions on VG and RAI.

From ADB, we heard about the various investments for small holder agriculture in many countries, but that there is still small budget for agriculture, and that ADB is focusing on support structure and services.

From BOI, we learned about the policies dealing in with tax and incentives for domestic and foreign, big and small investors.

From DA, we heard about policies to make farming as viable option, as well as various laws and programs, and that the CFS chair pushed for declaration of IYFF 2014.



Open Forum and Discussion

The facilitator gathered the first round of questions from the floor:

Vanni (SAEDA, Laos): There was a study on shipment cost from Manila to Mindanao. The ships are full when they arrive from Manila, but they are empty when they arrive from Mindanao. We have to cover the cost.

Marek (CSA, Belgium): You made the assumption that the fear of AEC 2015 is due to people not being aware of the results of the negotiations. In Europe during the WTO negotiations, the only component of society that was aware of GATT was the farmers. They were specialists on the issue and they were easier to mobilize in order to ask authorities to protect them. Is it possible for farmers to adapt to drastic change in the future? Is it possible to mobilize government to ensure a future for family farming in the Philippines?

Monir (KKM, Bangladesh): Agriculture is a commercial activity, but it is not profitable. What is the future of producers? Who will grow food for us? For example, during the food crises of 2007-2008, Bangladesh has money but no food. We need sustainable food production in our countries.

Lyam (NLRF, Nepal): The basic need of human beings are land and water. But there is low investment in the agriculture sector. No farmer, no future – no land, no life. Land is a basic right of farmers. Why is there not enough priority for farmers and agriculture?

Uon Sophal (FNN, Cambodia): How can farmer access credit with soft loan from ADB? In Cambodia, economic land concession is given to private companies. Can farmers also access land through economic concessions?

The presenters gave their responses to the first round of questions:

Noel (DA, Philippines): Regarding shipping cost: That the ship from Manila full, while the ship back from Mindanao is empty is not entirely true. It is more expensive to ship rice than human cargoes because they are charged higher.

The cabotage law prescribes how shippers and shipping behave inter-island. There is an agreement among themselves. It has to be amended in Congress, but the shipping industry is a strong cartel. We need to lobby legislators to initiate the amendment.

Regarding the future of agriculture: There has been renewed interest in agriculture globally since the 2007-2008 price spike. Multilateral institutions are partly to be blamed. There has been low investment in agriculture. Part of the interest comes



from biofuels. In corn, there is competition for consumption and livestock, which leads to a rush to land/land grab – e.g. China.

However, this interest is not translated to ODA for agriculture. On the other hand, some groups are equating food security with food sufficiency (zero imports). We should take advantage of the renewed interest in agriculture.

Regarding farmers being afraid of AEC 2015: they will not only be afraid, they will be angry. The Philippine government has not purposely informed people on AEC. Thailand has been communicating to its people 5 years ago. Singapore is ready and welcomes it. Brunei too.

The CLMV countries (Cambodia, Laos, Myanmar, and Vietnam) are given more concessions to catch up. In the long run, governments are trying to do something to minimize the impact. For example, standards, MRLs, SPS requirements are not a problem for local markets. But they now have to be met for supermarkets (will be the same in 2015 for all countries). Competition will be at the level of cost of production. The Philippines has high transport, electricity, packaging, interest, and labor costs. How can we compete? The standards can equalize and bring down costs and farmers can remain profitable.

Vedini (ADB, Philippines): Regarding access to credit: This is done through commercial banks, cooperatives, CDC model. Regarding economic land concessions: The concerns about land grabbing gave rise to principles of responsible investments. They are very good principles and there are lots of resources for negotiations – www.responsibleagroinvestments.org. However, information on land leased/utilized for agro investments are not transparent (e.g. in Cambodia).

Gomer (FAO, Philippines): In the website, there is a statement by NGOs opposing the adoption of the principles. They say it will justify/sugar coat land grabs.

Lilia (BOI, Philippines): Foreign investors can lease lands in the Philippines. Agriculture is retained as preferred activity in the investment plans, so they will also benefit farmers

The second round of comments and questions were as follows:

Hsieng Liang (TWADA, Taiwan): We can share info on farmers' marketing arrangements. We sell wax apple to local markets, supermarkets, and foreign countries. It is hard for farmers to face companies/buyers directly. NGOs can provide buyers' information, quality training for farmers, and guaranteed price for farmers to ensure income/benefits. They can have signed contracts with buyers. Taiwan Wax Apple Development Association ensures quality and quantity for



market requirements. We can share the experiences of TWADA and TDFA (dairy farmers) in marketing.

Nerlie (AFA Researcher): When we talk about food security and nutrition, we also need to look at food loss in the value chain, which is now at 30-40%. We need 44 billion annually to address global hunger. What initiatives are being done to save food and address losses in the value chain?

Y Voan (VNFU, Vietnam): Regarding FBS: Farmer Field School is a good process in Vietnam. But Farmer Business School is very interesting. What is the mechanism for training and cooperation? Regarding report on agri invest by WB: The conclusion is that most donor organizations always work with governments of member states. But they should have some room for FOs in their strategy for investments. For example, the ministry transferring knowledge to farmers takes longer. Why not train farmers directly? We can shorten the cooperation by going directly to FOs. Extension workers do not understand the problem of farmers. There was a Paris declaration on the efficiency of investments. CSOs and other organizations were invited to participate. FAO and IFAD had good success in working directly with farmers – e.g. MTCP program with FOs.

Marlene (AsiaDHRRA, Philippines): Regarding VG: How is the VG (voluntary guidelines) being followed up in the Philippines? Have there been consultations to popularize it? In the Myanmar consultation last February organized by the Ministry of Agriculture, CSOs participated. The VG was translated to Myanmar language. It has also been translated to Lao language.

Regarding FBS: How are farmer organizations involved/consulted in developing the program? The FAO projects at national level are channelled through government. Are FOs involved in monitoring, etc? CSOs can provide good inputs.

Regarding ADB financing: How can ADB strengthen its contribution to food security and nutrition? Its priority is infrastructure, but there can be complementation with FAO and IFAD. As a bank, ADB cannot fund farmers directly. But there are now initiatives by WB and IFAD that allow farmers direct access to financial mechanisms – e.g. MTCP 2 will now be managed directly by FOs. There are models that ADB can look into. The MTCP2 design is important to consider. ADB can support networking, dialogue, and strengthening farmers' access to country investments. It can provide support to build capacity of FOs in engaging country investments (infrastructure, technology, etc.). Risk taking is already being done by other banks.

Regarding RAI: What should CSOs prepare for the next round of talks on RAI?

Rifai (API, Indonesia): What kinds of programs are conducted by ADB up to now that have direct impact on sustainable and inclusive marketing for small farmers?



The following were the responses to the second set of comments and questions:

Gomer (FAO, Philippines):

Regarding VG: We are still working with DA and DAR on how to translate VG into local languages, for access by farmers.

Regarding FBS: FAO will directly deal with farmers on training, but there will be no direct monetary investments. We will look at farmer leaders of organizations in pilot municipalities to do FBS with their members. The FBS curriculum in local version will be done with farmer organizations so they can give inputs.

Vedini (ADB, Philippines):

Regarding modalities for working directly with farmer associations: ADB is not a commercial bank, but is only here to help government. It has no capacity to monitor investments and lacks resources and staff. Thus it always works with governments. We will look into the MTCP2 model and see how to create flexibility in our mandate.

Regarding Indonesian investments: Investments directly impact farmers through income-generating activities, capacity building, connectivity, infrastructure, etc.

Noel (DA, Philippines):

Regarding Taiwan: We have a TWG (technical working group) with Taiwan on agri issues. We consult farmer groups in Taiwan. The next session will be in Taipei in July.

Regarding post-harvest losses: We have 14.8% loss for rice.

Regarding food wastage: We have high food wastage. Some companies use it as animal feed.

Regarding VG for land tenure: Why is the Philippines not sending experts to consultations? The Philippines has better laws than these guidelines!

Synthesis

Lany Rebagay gave a synthesis of the session as follows:

We heard from the presenters that the main role of government is to create an enabling environment through policies and programs related to rural infrastructure, markets, regulations, compliance, R&D, certifications, harmonization of standards and principles at all levels (VG and RAI). There are also programs for experimentation and upscaling of programs to promote farmer marketing arrangements like FBs.



We also had reactions from participants such, Can governments partner directly with farmers for its programs? Can we have more investments in agri? In AFA consultations, we say that there should be at least 10% of the budget for agriculture.

SESSION 5: ACTION PLANNING

The participants were grouped into workshops groups North, South, Southeast, Mekong, and CSOs. They were asked to answer the following questions:

1. What are the applicable features of the model?
2. What is the status/current way of doing it?
3. What are the major strategies/ adjustments needed (short and medium term)?
4. What activities will you implement?
5. What is the time frame?
6. What are the supports needed?

Each group was asked to report the results in the plenary. The session was facilitated by Vicky Serrato.

Workshop Results

Northeast Group (Reported by Yatani Yoshikuni)

Applicable Feature of the model	Status/current way of doing it	Major strategies/adjustment needed (short and medium term)	Activities	Time Frame	Support needed
Strengthening and improving organization	Marketing in not consolidated well, Farmer's organizations are too weak to contribute to be able to negotiate to the market	<ul style="list-style-type: none"> • Developing common understanding among the peasant • Improving the capacity of the peasant about marketing and economic institutions 	<ul style="list-style-type: none"> • Peasant consolidation to make the same perception about a production process and marketing, 		<ul style="list-style-type: none"> • communication management. • Coordination among farmer leaders.
Strengthening on production capacity:	Low in post-harvest handling	<ul style="list-style-type: none"> • Improving the production (capacity, quality and 	<ul style="list-style-type: none"> • Making the field school regarding production and 		<ul style="list-style-type: none"> • Skilled resources • Research regarding



Management and capacity improvement of production		continuity of supply) <ul style="list-style-type: none"> Improving post-harvest management 	post-harvest management		production management
Establishing Partnership between Farmer and strategic Private Sectors	There are still many different perceptions among the player in the chain, trust is needed	<ul style="list-style-type: none"> Strengthening the bargaining position to access the market 	<ul style="list-style-type: none"> Approaching/mapping to the actors in the chain Multi stakeholders meeting 		<ul style="list-style-type: none"> Mapping the actors involved in the chain
collective marketing and sustainable agri-cooperative	The chain is not efficient and has to be shorten	<ul style="list-style-type: none"> Developing an efficient supply chain 	<ul style="list-style-type: none"> Promoting collective marketing and facilitating the peasant organization to establish agri-cooperatives 		<ul style="list-style-type: none"> Facilitator to promote collective marketing and establishing the cooperative.

Philippines (Reported by Antonio Badong)

Applicable feature of the model	Existing status/current way of doing it	Major strategies/adjustment (short and medium term)	Activities	Time - frame	Support Needed
Exporting organic rice	Initially exporting organic rice in Hong Kong and Dubai since January 2013	They join local and international trade fair – traders	Rice mill was upgraded (whole grains) The process requires a	present	Post harvest facilities – trucks, logistics, packaging innovation, technology intervention (DOST), self-life tester, color



	<p>There is currently a demand from Russia. Traders want a 20 footer container van of organic rice</p> <p>Local farmers dictate the price, they are not controlled by the government</p> <p>Backed up by the government (Department of Agriculture)</p>		<p>certain standard to ensure good eating quality – farmers see to it that it is really “organic” and that the rice to be planted is tried and tested</p> <p>The farm for organic rice is monitored by Organic Certification Center of the Philippines (OCCP)</p> <p>Good manufacturing practices (GMP) from point of harvesting to point of distribution – storage temperature, number of hours drying/milling, vacuum sealing and packaging,</p>		<p>sorter</p> <p>Additional working capital</p> <p>Capacity building for stakeholders</p> <p>Implementation of Organic Law (RA 10068) by the local government units (LGU), the technical working group (TWG)</p>
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			storage. Workers undergo GMP training and they must passed the medical certification		
Local market of organic rice	80% of market demand is in Metro Manila (5% for export and 15% for local consumer)	Marketing arms (60% owned by the cooperative and 40% controlled by other organic practitioners)	Same with export practices	present	Same with the export support needs
Improve the farmer base organization and adopting organic farming	7 municipalities has adopted the organic farming technology developed by Pecuaría	Coordination with local government executives and private sectors	Farmers field school long/short season training every month	present	Belgium-based TRIAS South Asia provides funding for capacity building
Farmers' field school /Awareness and dissemination – significance of organic on price incentive, economic and environment	Internal Control System (ICS) teaches the difference between conventional and organic farming; profits; environment protection	Community organizers facilitate the schedule, campaign	Conducted every Saturday (free time of interested farmers who want to adopt the technology)	present	Belgium-based TRIAS South Asia provides funding for capacity building
The Cooperative	Minimum of 12,000 bags	Before the chicken manure is bought	After harvesting	present	DENR environment



e produce certified organic fertilizer	of organic fertilizer per year is being produced	outside of the cooperative, other farms. The Cooperative entered into contract growing	the manure at the poultry farm, it undergoes 2 months decomposition period using inoculants	nt	compliance/certificate every year
Farmers Business School	It will be included in Pakisama's development curriculum	Partnership with FAO in implementing the project	Meeting with FAO (Memorandum of Agreement) Targeting of training venues	Target date: June 2013	Approval from FAO
Marketing of organic rice produced by Pakisama member-organizations	Tie up with the National Food Authority and/or Pecuaría Development Cooperatives	Pecuaría will transfer the technology (adaptation)	Identification of organic rice producers Consolidation of products (Pick-up station) Billing	Target date: August 2013	Financial Organic seeds Training provided by ICS Farm equipment (mechanical weeder, shredder machine) and post-harvest facilities (dryer, thresher) Farm inputs such as fertilizer concoction (zero chemical pesticide)

Support needed	Specification/Description of type of support needed
Policy	Government incentives to entice or encourage the farmers
Programs/Support services	Post-harvest facilities



Mechanisms	Cooperative and consolidation of farmers
Others	Financing

Indonesia (Reported by Rifai)

Applicable Feature of the model	Status/current way of doing it	Major strategies/adjustment needed (short and medium term)	Activities	Time Frame	Support needed
Strengthening and improving organization	Marketing in not consolidated well, Farmer's organizations are too weak to contribute to be able to negotiate to the market	<ul style="list-style-type: none"> Developing common understanding among the peasant Improving the capacity of the peasant about marketing and economic institutions 	<ul style="list-style-type: none"> Peasant consolidation to make the same perception about a production process and marketing, 		<ul style="list-style-type: none"> communication management. Coordination among farmer leaders.
Strengthening on production capacity: Management and capacity improvement of production	Low in post-harvest handling	<ul style="list-style-type: none"> Improving the production (capacity, quality and continuity of supply) Improving post-harvest management 	<ul style="list-style-type: none"> Making the field school regarding production and post-harvest management 		<ul style="list-style-type: none"> Skilled resources Research regarding production management
Establishing Partnership between Farmer and strategic Private Sectors	There are still many different perceptions among the player in the chain, trust is needed	<ul style="list-style-type: none"> Strengthening the bargaining position to access the market 	<ul style="list-style-type: none"> Approaching/mapping to the actors in the chain Multi stakeholders meeting 		<ul style="list-style-type: none"> Mapping the actors involved in the chain



collective marketing and sustainable agri-cooperative	The chain is not efficient and has to be shorten	<ul style="list-style-type: none"> Developing an efficient supply chain 	<ul style="list-style-type: none"> Promoting collective marketing and facilitating the peasant organization to establish agri-cooperatives 		<ul style="list-style-type: none"> Facilitator to promote collective marketing and establishing the cooperative.
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Mekong Group (Reported by Jun Virola)

Applicable feature of the model learned	Current way of doing it	Strategies/ Adjustments Needed	Activities	Time Frame	Support Needed
Laos: Inclusive business plan – catalyst grant as incentive for rice millers to include small farmers in the plan	Millers and government approach farmers, but farmers are not ready	Build capacity of farmers to make it bottom up process	-discussion with farmers -business planning -implementation	One year	-Capacity building for farmers (NGO, government)
Vietnam: Comprehensive support to farmers in engaging with the market	-organizing farmers according to production and area --identify group leader --train group with potential on production and marketing -linking farmers to market/ companies	-mapping of farmers products -organizing farmers according to commodities --identify group leader --train group with potential on production and marketing -linking farmers to market -supporting farmers in negotiating contract with companies -monitoring	-pre-feasibility study -design project -human resource -training of trainers	2-3 years	-funding -tech assistance -policies identified -support of local authorities -support of scientists -support for post-harvest processing and packaging



		and review of contract -provide coaching services or assistance			
Thailand: farmer selling and distribution center/ intermediation by sorkorpor (linking farmers to buyers)	-not yet existing -direct marketing arrangement (direct mail) -online marketing -intermediation by sorkorpor	-sorkorpor building in business and residential area -first floor can be used as wholesale and retail center for products of sorkorpor members (showroom and selling area) -office can be moved to the second floor -members can produce special rice, herbs, other products -contact hospitals that use herbs for medicine -get orders from residential area and deliver products directly to homes (e.g. rice, herbs)	-start with members in western region and lower northern region -meet and discuss (they are already producing) -provide tech assistance for production plan and business expansion	-1 year	-support from agri promotion dept, rice dept, agri dept in the local area and in the Bangkok area
Cambodia: farmer cooperative – to export organic rice	Now: -farmer cooperatives own rice mills: --commune level 18 --district level 4 --national	By 2022: -remove commune level -increase: --district level up to 60 --national up to 3 (for export		10 years	Existing: -govt policy for export of rice -farmer cooperative law approved on may 8



	<p>level 1</p> <p>Now: -mobilize members --40,000 organic rice (1,000 groups, 2,500 USD ave capital per grp)</p> <p>2013: -export contract - 100 tons to US, Vietnam (Saigon company) Germany – brown unpolished rice</p> <p>Now: -market is only CEDAC shops in PP</p>	<p>purpose)</p> <p>By 2022: -increase to 100,000 members (1,000 groups, 250,000 USD ave capital per grp)</p> <p>By 2020: -60 FNN shops</p> <p>Produce: -organic vege, rice, chicken</p> <p>Training from FNN on production for market: -once a month</p> <p>Savings for self-reliance</p> <p>Training to support district level in women and youth issues</p>			<p>Needed:</p> <p>-coordination mechanism with private companies (contracts) -access to loans/credit</p>
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		<p>Good collaboration with local authority</p> <p>Biogas from animal waste, rainfall water collection, tree planting, small scale irrig scheme</p>			
Rice By-products -fertilizer -animal feed					
					<p>AFA can bring farmers together</p> <ul style="list-style-type: none"> -who can do what -share products and expertise -we can propose to ASEAN govt and ASEAN can talk to govts

South Asia group: KKM and NLRF (Reported by Amirul Islam)

NLRF `s main focus is landless farmers.

KKM's main issue focus is seed processing. It now has a capacity to produce 50 tons of seeds per year.

KKM and NLRF have developed a plan based on the matrix, with concrete activities and time frame.



Applicable feature of the model	Existing Status	Major Strategy	Activities	Time-frame	Support Needed
Community led land reform practice	Using govt. & follow land and doing cooperative farming Consensus with different political parties Formation of Committee	Using of follow land Leadership of community Increase productivity of land	Search of follow and public land Meeting of local community & with political leader Farming & fishing on cooperative Coordination with concern bodies (local & National) Study about the landless and other issues Joint ownership campaign	10 Years	Facilitation of Community discussion Capacity building Seed money Media linkage Networking with concern bodies

Existing status/current way of doing it	Major strategies /Adjustment (short and medium term)	Activities	Time-frame	Applicable feature of the model	Support needed
Rice seed production capacity of KKM is 50MT/year (till, 2013-14)	Short term Strategy: till 2015 Un-interrupted production of	Building relation and linkage with proper authority for procuring agricultural input for farmers	Next 6 months		Negotiation capacity



	seed from KKM	Necessary to develop cooperative attitude, savings from individuals to village level org. to union level organization for fund collection for investing to KKM central seed and other business (like-organic rice, mustard oil, organic fertilizer, spice, milk etc.)	By Mar, 2014		Management and org development capacity
	for getting rice seed of member organizations in fair prize				
	Long term strategy: before 2015 to 20				
	KKM is looking to capture 2% of National market demand (0.8MMT/year) i.e. 16000 MT of rice seed.	Possible area/land selection/identification on member farmers	By December, 2013		
		Relation development for breeder seed collection and technology adoption from BIRRI and other research organizations	By September, 2013		Negotiation capacity

Common actions

- organize and build capacities of farmers and FO leaders
- build relations with government, private sector
- build women leadership
- continuous campaign for rights to land, seeds, water, food



Support Needed	Specification / Types of Support
Policy	<ul style="list-style-type: none"> - Insurance - Compensation if Natural disaster happen - Sufficient Subsidy on seeds for farmers - Farmers Cooperative and linkage with others - Seed Policy
Program / Support Services	<ul style="list-style-type: none"> - Transportation - Storage facilities
Mechanism	<ul style="list-style-type: none"> - Participation of local farmer and leading role on their farming, marking and other decision making process. - Inclusive committee for monitoring from local govt bodies and other concern stakeholders including farmers.

Regional Groups (Presented by David Dyer)

Areas for cooperation in promoting marketing arrangement models/framework supportive of small-scale farmers

1. Contract-growing experiences/models

- Documentation – packet of learning materials
- Lesson learning session(s) among contract growers
 - Improve the contract – review existing arrangement (for content, for process)
 - Use existing legal tools
 - National
 - International rai/vg
- Capacity building
 - Access in market
 - Technology
 - Management, etc.
- Model contract/ “standard”
- Collective contract/international trade contract

2. PPP Experiences/Models

- Case studies (ADB, FAO, others)
- CSO engagement
 - Advocacy /provide input on framework for PPP
 - Actual engagement – facilitation
 - Capacity building for other CSOs
 - PPD – ASEAN



- Expand to South Asia/case studies
 - Improve existing cases/methodology

3. Capacity Building

- Knowledge management on
 - Case documentation/action research on document cases on marketing
 - Collective action / cooperative development
 - Packaging technology and arrangements
 - Input cooperation
 - Documentation of existing cooperatives
- Collective action strategies
 - Explore collective action at higher level
 - Marketing
 - Negotiation

4. Organizing/consolidation

- Cooperative building
 - Transforming associations to cooperatives
 - Building economic arm w/strategic relationship w/ political arm

5. Community of practice on legal tools

Investment & trade laws

6. Mobilizing resources

- Projects that will support on-the-ground marketing initiatives
- Government programs

7. Policy advocacy

- Input learning and lesson in rai process
- YFF
- ASEAN Farmers Advisory Council
 - Standards

8. Link with consumers

Synthesis

Esther Penunia gave a synthesis of the sessions.

We looked at the situation that we wanted to change. We had a workshop. We looked at strategies. We defined the model that we want.



We had 17 cases from Southeast Asia and Bangladesh, 4 cases from Africa, -cases from Europe, and 5 sessions with 3 workshop sessions.

The Model We Want

CRITERIA	INDICATORS
Fair Trade	<ul style="list-style-type: none"> - Transparency in buyer expectations (farmers aware of the price) - Considering farmers' capacity to produce - Trust between farmer and buyer - price considers both production , labor, environment costs (fair price) - Equal protection and benefits for farmers, buyers and consumers - price consider both production and labor costs - system/provision to address grievance/pull-out
Farmers Participation in Decision Making	<ul style="list-style-type: none"> - Setting price with the buyer - Setting product quality standard with the buyer - Written marketing contract is clear, well-defined terms, sanctions for violations)
Benefit and Risk Sharing	<ul style="list-style-type: none"> - shared risks - "just ROI" for both farmers and private sector - Insurance for products and for farmers (e.g. health insurance) provided by buyer/company
Income for Cooperative and Individual Farmer Members	<ul style="list-style-type: none"> - More services and expanded operation/investment by cooperative - increased income (More money to buy needs (individual farmer, farmers can send their children to school, farmers do not migrate as laborers)
Environmental Protection	<ul style="list-style-type: none"> - Environmentally friendly technology
Value Chain Efficiency	<ul style="list-style-type: none"> - All aspects/ players should contribute/ play role - Chain is be as short as possible
Social Justice and Gender Equality	<ul style="list-style-type: none"> - Women involvement in all aspects
Farmers' Skills and knowledge	<ul style="list-style-type: none"> - FO has skills in org mgt, marketing , business planning, negotiating
Information Structure	<ul style="list-style-type: none"> -info channelled to FO structure -access to info by both parties (open book)



Ownership	co-owner of the arrangement or has share in the business/arrangement -control over key production resources
FO strengthening	-individual farmers grouped into collectives/cooperatives at local and national levels

Our Strategies

- Organizing into production and marketing clusters , cooperatives to achieve economies of scale, increased bargaining power, consolidation of products (mapping of products), increased membership for stronger advocacy work
- capacity building to improve/enhance productivity through sustainable approaches
- Capacity building to enhance knowledge and skills in organizational mgt, business mgt, access to market, value addition (farmer exchange visits, study tours , knowledge learning and sharing,
- Continuous Innovation, Sharing and Learning among Implementors, Policy Makers
- Harmonization of standards / Labelling / branding of our products
- Implementation of Programs that Operationalize the Policies : (Farm business schools) , 3P Partnership, farmer-billionaire campaign, land rights campaign,
- Stronger multi stakeholder coordination and partnership (with private companies)
- Involvement of Women in all decision making aspects
- Organizing Support for Organic Products / Consumer Education
- Advocacy for an Enabling Environment/Policies: laws for recognizing /accrediting and supporting farmers organizations, promotion of farmers rights to natural production resources (land, water, seeds , forests), rural infrastructure (farm to market roads, irrigation, communication , market information) , price support (e.g. government buying price) market development, credit access, recognition of farmers, research and development , resilience/adaptation to climate change , economic incentives for small scale agro-enterprise investors, incentives for organic products / certification; policies against dumping, direct partnership with FOs, NGOs, inclusion of FOs in governance structures of businesses/marketing arrangements ; government procurement policy
- Documentation of Initiatives on Marketing, establishing business enterprise, PPP
- Resource Mobilization



The roles we will play

PLAYERS	ROLES
Farmer/ Producer	<ul style="list-style-type: none"> - supply products (quality, quantity, continuity, sustainability) - environmental protection - makes innovations/experiments - teach/train other farmers - build "entrepreneurship" attitude
Farmer Organization /Cooperatives	<ul style="list-style-type: none"> - negotiate price - consolidator/organizing - standard/quality control - inputs - branding - monitoring - regulation for their members - develop/install post harvest facilities - intertrade agreement - big brother/sister - ensure professionalism in management
Private Sector	<ul style="list-style-type: none"> - processing, distribution and value adding - capita/investment - technology transfer/support - develop/install post harvest facilities - price negotiation - ensure quality - market access - inputs
Government/ Donors	<ul style="list-style-type: none"> - good policies, programs, services - financing - referee/go-between in regulation/enforcement of policy/contract - monitoring – third party observer - farm to market road - irrigation - post-harvest facility - regulations and regulation mechanisms
NGOs/ CSOs/ Academe/ Research/consumer	<ul style="list-style-type: none"> - capacity building - awareness raising - research and development - value adding - management capacity - monitoring - branding - technology support - organic certification - consolidator - standard/quality control



	<ul style="list-style-type: none"> - info/media/linkage - consumer supported Agriculture
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Closing Remarks

Uon Sophal:

On behalf of AFA, we would like to thank CSA and other partners who supported us. Thanks to resource persons for their invaluable time.

Field Visit

The participants went on a field visit on May 11. They visited two agricultural cooperatives. One was the SIDC in Batangas. The other was Café Amadeo in Cavite.

SIDC

Sorosoro Ibaba Development Cooperative (SIDC) is a primary cooperative located at Sorosoro Ibaba, a peaceful barangay docked in the eastern part of fast-developing City of Batangas. At present, the cooperative has enlisted more than 7,852 regular and 9,583 associate members, most of them are residents of Sorosoro Area - a village composed of 4 barangays - Sorosoro Ibaba, Sorosoro Ilaya, Sorosoro Karsada and Tinga Itaas. Other members flock from 105 barangays of the City and other provinces in the region such as Panay Island, Mindoro, Quezon, Laguna, Rizal, Bicol, Nueva Ecija and Tarlac.

Since its birth in 1969, the co-op operation has been fruitful as manifested by growing membership and affiliations, strong linkages, increasing assets and income, expanding businesses, optimum services, effective workforce and others. In more than 44 years, the organization has proven to be a prime mover of development in the community by providing its constituents humble yet means of livelihood.

The business activities of the cooperative are feed milling, contract-growing, savings and loans, member-savings, coopmart operation, meat stalls, hog selling pen, artificial insemination center, rentals, piggery farm, cable television, ricemilling, meatshop, gas station, communal farm, water refilling station and organic farming.

The services rendered by the organization include free medical check-up, SIDC-Care (hospitalization benefit), scholarship grants to members and employees, mortuary aid, barangay development funds, trainings and seminars, system for pollution control, official publication(SIDCIKAT)and job opportunities among others.



Café Amadeo

Cafe Amadeo Development Cooperative was established under the Cooperative Development Authority Registry No. LGA-5363 on June 28, 2002 in an attempt to revive the coffee industry of the town. Aimed at affording its people a new major source of livelihood and income, it was able to gain strong support from the Municipal Government of Amadeo and then governor of Cavite, Hon. Ireneo 'Ayong' S. Maliksi. In April 19, 2002, it got greater boosts upon joining the "PAHIMIS", Amadeo's Unique Thanksgiving Coffee Festival where then president Gloria Macapagal-Arroyo launched "Kape Isla".

With 20 original founding members composed mostly of coffee millers, traders, producers and farmers engaged in selling of premium green coffee beans, it is now involved in the massive processing, promotion, distribution, repacking, and marketing of especially blended brewed coffee from the area for domestic and export market.

Cafe Amadeo Development Cooperative boasts of the finest Robusta, Arabica, Liberica and Excelsa green beans which make up their own 'Pahimis and Premium Blends'. Roasted to provide an authentic flavor and stimulating aroma, they are blends that can only be produced by the coffee masters of upland Cavite and a perfect representation of Philippine Coffee quality.

Annexes

Annex 01 Workshop Objectives and Flow

Annex 02 Case of Successful Marketing Arrangements in Cambodia (Rice, Pig and Vegetable)

Annex 03 Enhancing Milled Rice Production Project (EMRIP)

Annex 04 Growing Business of Small Farmers in Laos (SAEDA Videos)

Annex 05 CSO review of GAFSP PrSW PRAN Bangladesh

Annex 06 Herbal Production, Processing and Marketing

Annex 07 A case study of collective economic forms supported by VNFU

Annex 08 Enhancement Entry Points in the Coconut Value Chain (Selected Case Studies in Quezon Province)

Annex 09 Parallel Session 1A Report

Annex 10 Parallel Session 1B Report



Annex 11 Trends, Patterns and Trajectories in Brokering Small-scale

Annex 12 Presentation from IIED

Annex 13 Further Readings from IIED

Annex 14 Presentation from CSA

Annex 15 Presentation from DA

Annex 16 Presentation from BOI

Annex 17 Presentation from ADB

Annex 18 Presentation from FAO

Annex 19 Attendance