

Trends, Patterns and Trajectories in Brokering Small Scale Farmer Engagement with Private Enterprises in Selected Countries of Southeast Asia¹

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INTRODUCTION

The agri food system across the globe is fast restructuring. While smallholder farmers remain to be a major stakeholder, situation changes from where “the farm producing what the household consumes and consumes what the farm produce” to “the farm sourcing inputs outside the farms and producing beyond the farm for other households/communities/cities as well”. 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).

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.

As in any chain, strength is determined by its weakest link, thus the focus should be on identifying this link and see how best to strengthen it for the good of the whole chain. 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. To balance perspective, however, sustaining presence and contribution of other stakeholders, who may not be from the disadvantaged groups, are likewise key considerations along this line.

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.

Given their capacities, the big agribusiness enterprises, usually, have the bigger 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.

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It is within this premise that this regional paper was commissioned by the Asian Farmers Association for Sustainable Rural Development (AFA). To assess how the documented marketing tie ups were initiated, for what objectives where they created and to establish early indications of market empowerment on the part of the small farmers in the value chain. If so, what were the contributory factors and along what policy environment were they enabled. If not, what were the impediments to market empowerment and how can they be addressed

The paper looked primarily on selected documented cases of marketing arrangements in Cambodia, Laos, Philippines and Thailand (commissioned to country authors by AFA following a standard outline) which were comparatively assessed. A case in Vietnam prepared within almost the same timeframe of the study by AFA's project collaborator was likewise included. Assessments were done on who initiated, what were the objectives and if ever they were met. Trends and patterns observed were likewise discussed as additional insights and whenever possible compared with prevailing set ups.

II. Leveling on concepts

A leveling of understanding is needed for better appreciation of the paper such as marketing arrangements, value chains market empowerment. The ensuing discussion provides a basic of the concepts.

A. Farmer-Private Marketing Arrangements

The traditional arms-length seller buyer arrangement is still the predominant marketing system in Asia. However, on cases of continuous and regular supply arrangements, there are accompanying risks involved, such as the supply continuity assurance, on the part of the buyer, and market absorption assurance, on the part of the seller. These limitations gave rise to varying marketing arrangements, through the years, and the table below provides a typology of these marketing arrangements, taken from selected literatures (Table 1).

In Manalili's 1998 study, strategic alliances include long-term sourcing agreements, as well as non-traditional contract agreements (joint undertakings on product development, R&D, marketing and manufacturing), shared distribution-service and standard setting research consortia. It also includes "no new" and "non-creating entity" equity agreements, such as minority equity investments, equity swaps, and non subsidiary joint ventures.

A number of literature looks at business arrangements, marketing included, as business models or the way businesses create and capture values within a market network of producers, suppliers and consumers. Two classifications of business models are presented in table 2, those of Vorley (2008) and Vermeulen & Cotula (2010). While the examples may be the same, Vorley's classification, on one hand, was differentiated by type of model drivers (producer, buyer or intermediaries, like innovators, NGOs, or government). The Vermeulen-Cotula model, on the other hand, is by terms of arrangement (links, share cropping, contract agreements, etc)The said business models will help situate, characterize and understand better the varying cases to be assessed in the study.

Table 1. Typology of Farmer Private Business tie-ups		
Strategic Alliances Yoshingo & Rangan (1995) Manalili (1998)	Business Models	
	Vorley, 2008	Vermeulen & Cotula (2010)
	PRODUCER DRIVEN Individual Farm enterprise, cooperative	Farmer-owned business and upstream/downstream business links
Long-term Sourcing agreements	BUYER DRIVEN -supply continuity *Backward integration *Contract Growing	Tenant farming/share cropping
Contract agreements - production, R&D, product development		Contract farming Management contracts
*Alliance for standard setting research consortia *Alliance for shared distribution service	INTERMEDIARY DRIVEN *Introducing Innovations for food quality/ safety (processors, traders supported) *Niche marketing organic, healthy, safe products (NGO supported groups) *One village, one product (Government supported)	
*Equity agreements (No new entity created) *Equity swaps. * Equity investments (non- subsidiary joint ventures)		Joint ventures

B. Value Chains

The first question to ask is what is a value chain? In agribusiness, value chain is known as a network of stakeholders contributing to the planning, production and distribution of products from farm to plate. The overriding objective of value chain management is improved performance through a more effective flow of product.

The series of activities in agricultural marketing or agribusiness is like a chain where product damage incurred at any one level in the sorting to retailing chain of activities already affects quality and cannot be compensated by extra cautious handling in the succeeding levels. To ensure better coordination of these activities at any level requires supply chain approach.

Improving the competitiveness of a supply chain relies upon improving the efficiency of all its elements from production, to processing, handling, distribution, and marketing. The cliché “the strength of the chain is determined by its weakest link” also applies to agricultural chains. In most cases, the smallholder farmer/producer is the weakest link, not necessarily in terms of lack of inherent capacity but more of lack of awareness on the requirements of the consumers at the end of the chain, lack of information and access to resources to enable them to solidify and enhanced their position to the chain.

The next question is what is the importance of value chain approach? At the enterprise level - continuous assessment of the chain helps enterprise determine the strength of its position in the chain that it is a part of. It is able to determine, by virtue of the quality of its

contribution or the lack of it, how strong is its role/contributions to the chain and if that role can be taken over by anybody. The process of chain assessment alerts the enterprise of its strength to build upon, its weaknesses to improve on, the threats it has to anticipate and prepare for as well as the potentials it has to evaluate and decide on whether to tap or not. At the chain level, the approach benefits the chain as a whole. According to Devanney (2006), a value chain approach to doing business has the potential to improve profitability and product quality with benefits accruing to all stakeholders of the chain, including consumers. Devanney added, that combining assets, both knowledge and capital based, among interdependent links in a value chain will improve the effectiveness of identifying, responding to, and supplying consumer demand. Trust among partners will need to be established and maintained to sustain an effective value chain.

C. Farmer Empowerment

“Farmer empowerment is a process that increases the capabilities of smallholder farmers and farmer groups to make choices and to influence collective decisions towards desired actions and outcomes on the basis of those choices” (Danida, 2004)

A central argument in pursuing farmer empowerment is that there is a strong relation between empowerment and development outcomes such as poverty reduction, improved agricultural opportunities for growth, and better governance. Farmer empowerment is seen to be important for developing demand-driven advisory services with farmers articulating their demands on the basis of improved knowledge and analysis of their situations, according to the same Danida report. Promoting farmer groups and organizations that can secure better service provision, more efficient use of public resources, supporting farmers to be more potent actors in areas that influence their livelihoods such as education, health, and land rights are added advantages, likewise cited in the Danida report.

D. Policy Fundamentals

Within trade standard harmonization, a couple of action items are:
Expedite completion of the ASEAN GAqP;

Highlight the issue of small producer inclusion. ASEAN-wide mechanisms towards inclusion of small producers hold a long-term potential for uplifting livelihoods of millions of small farmers and fishers in Southeast Asia through improved market access and value addition. Such inclusion cannot follow the same modality as standards certification for large exporting companies. To this end, the blueprint targets and objectives for cooperatives, including other types of producer associations, should be reformulated towards collective modalities of approval and certification.

E. Measures of Empowerment

In general, one is said to be empowered when afforded the luxury of choice and the ability to influence. When in a partnership arrangement, in particular, a partner is empowered when he gets a share of the right to decide for the enterprise which is the subject of the

partnership, as well as the benefits (including responsibilities) that goes with it. A similar premise is the value sharing of business partners by Vermulen and Cotula, 2012, where ownership, voice, risk and reward were identified as indicators of value sharing.

For this study, empowerment measures will combine choice, influence and decision making to those of ownership, voice, risk and reward by Vermulen and Cotula. In here, decision making is differentiated from voice, as the former is specific to matters requiring actions, while voice refers to being listened to and heard but may not necessarily involve a direct power to put them into action.

III. Comparative Assessments of Cases on Marketing Tie-ups in Southeast Asia

A total of 14 case documentations from five countries were done within the period of February to April 2013 and were used as bases for this comparative assessment (Table 2). The documentation of the said cases from Cambodia, Laos, Philippines and Vietnam were guided by a standard outline prepared by the author, who likewise guided the country paper writers during the interviews and data generation in their respective countries.

Commodity/ Country	Initiating Institutions	Nature of marketing Arrangement & Partners	Key features (best describes marketing arrangement/unique)	Marketing Arrangement		Gains/Benefits
				Objectives	Outcomes	
1.Organic Pig Kompong Cham, Cambodia	Initiated by CEDAC in 2005	organic pig producers and CEDAC Arrangement is ongoing & FGs' committees coordinates	-farmers supply organic pigs to CEDAC Enterprise -CEDAC provides technical training -farmers delivered the products to CEDAC	-Link or engage farmers to market -Gain profit from the arrangement to the enterprises	- farmers access to believable market There is no price trick anymore to farmers. CEDAC Enterprise itself can get suitable profits	CEDAC Enterprise gives better price of 8,500 Riel per kg (about US\$ 2.13), against 7,900 to 8,000 Riel per kg (about US\$ 1.98 – 2) by the middlemen
2.Pig Kompong Speu	CP Enterprise initiated the arrangement in 2008	between CP Enterprise and farmers Arrangement is ongoing. CP enterprise coordinates all	The enterprise provides piglets, vaccination and foods to individual farmers. Individual farmers are responsible for proper farm, irrigation and nurture.	-Link or engage farmers to market -Gain profit from the arrangement to the enterprises	- farmers access to believable market There is no price trick anymore to farmers. CEDAC Enterprise itself can get suitable profits	Farmers gains depends on no. of pigs raised, <4% mortality, will gain 510 Riel per kg (about US\$ 0.13).If >4% mortality rate, farmers will gain 350 Riel per kg only (about US\$ 0.09).Farmer can gain net profit of approx. 21 millions Riel (US\$ 5,250) per 23 weeks for 1 farm.
3.Rice, Takeo	Initiated by CEDAC in 2008	between farmers and CEDAC Arrangement is ongoing & FGs'	- farmers supply organic fragrant rice (milled by coop's milling) to CEDAC Enterprise . CEDAC provides Rice	-Link or engage farmers to the market -Enhance farmers to adapt and adopt the new innovation -Keep farmers with	-farmer access to believable market with CEDAC. Value add of their product is prevented as a whole. And CEDAC Enterprise	CEDAC, farmers and others got 30% ,50% 20% gain respectively from the arrangement -provides a better price (2,950 Riel per

		committees coordinates	Intensification System Training (SRI) and certified by CEDAC Internal Control System(ICS)	value add of their products -Gain profit from this work to CEDAC	as well keeps playing as a domestic enterprise with its acceptable profits.	kg (about US\$ 0.74), compared to 2,500 Riel per kg (about US\$ 0.63) by middlemen -farmers delivered the product to CEDAC
4. Vegetable Kompong Chnang	Initiated by CEDAC in 2005	farmers and CEDAC Arrangement is still ongoing, Committees of the farmers groups coordinates	-farmers supply organic vegetables to CEDAC enterprise. -CEDAC provides technical training And provides better price -farmers delivered the product to CEDAC	-Link or engage farmers to market -Gain profits from the arrangement to the Enterprise	As a result, farmer can access to believable market with CEDAC Enterprise. There is no price trick anymore to farmers. CEDAC Enterprise itself can get suitable profits.	CEDAC Enterprise provides them 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.
5. Rice Khammouane, Bolikhamxai and Saravan Provinces, Laos	Enhancing Milled Rice Production in Lao PDR Proj (EMRIP) is a joint initiative by SNV Helvetas launched in 2009 with funding from the European Union's rapid response Food Facility to address soaring food prices in developing countries.	Intervention sought to scale up devt of rice value chain by proj expansion to six provinces, with a target of 20 mills (including 10 female rice millers & a production network of 20,000 smallholder rice producers.	-Selection of mills based on criteria set - Mills supply [farmers with] inputs and give them a one-stop market for their crop -The mills, by delivering seed and fertilizer to villages makes them available and at reasonable cost. With no private sector seed providers and a public sector seed system that hasn't developed a distribution system -provides technical support -conduct of policy dialogue	-contribute to a rapid & sustained increase in supply of good quality milled rice -Increase output of high quality milled rice thru upgraded storage, equipment & milling facilities, coordinated supply chains, & optimized farmer productivity -facilitate emergence of efficient value chains and provide technical and market support -Creating a national policy environment joint effort of producer, processor and provincial govt	As a result of mill support, farmers gained significant increases in income (>60%) due to both; increased crop yields (+30-50%); and higher prices (+10%) for improved quality of paddy .	-All mills established networks of producer groups with a total of 21,361 (2011 wet-season crop) members across 340 villages. The mill producer networks typically comprise 10-15 villages of 1000 members. - 21 mills measurably improved milling operation with actual throughput increase from 12,400 tons (2009) to 36,523 tons (2011 projected) an increase of about 300%
6. Organic Rice Sangthong District, Vientiane	AgroAsie, ASDSP	organic rice contract farming with 60 organic farmers of Sangthong	AgroAsie loans the seed, provides training and basic extension service and buys the product at a fair price for sale into 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	AgroAsie will be showcasing natural products from Laos and helping Lao farmers to begin to adjust to the future ASEAN economic community	Increased in FGs' 1) confidence in export markets ; 2) willingness to grow according to export market STD (i.e. non-sticky), not just for the local market (sticky rice) 3) improved organic production skills and higher productivity and efficiency within the organic group
7. Coffee Attapeu, Laos	In 2011, through RLIP, IFAD supported Development/ improvement of marketable	PPP with the Organic Coffee Producers Group and the Agriculture Department (District Level)	Strategies for stable market access thru sustainable partnership between public and private sectors; -Innovative production Processes;	to provide secure and stable market access to the Dakseum coffee producers	The PPP established between the village and the Lao Coffee Company allows producers to sell their products at a fixed price, protecting them	Producers were able to gain valuable experiences in coffee cultivation practices. As RLIP has promoted the group in various ways since, members

	products by partnering with Lao Sansai Coffee Company for secure/ stable market access to Dakseum coffee	producers.	-ensure human safety, environmental compatibility and biologically diverse agriculture; - products provide health benefits to consumers.		from potential market price fluctuations	were able to further develop their skills in coffee farming through capacity building trainings.
8. Clean Vegetable Marketing Luang Prabang, Laos	Swiss State Secretariat for Economic Affairs (SECO) and the UN agencies represented in the Cluster, e.g. UNIDO, UNCTAD, ITC, ILO and UNOPS	Market facilitation of clean vegetables --target market are hotels and restaurants for 'clean' (non-certified organic) salad vegetables	-organized 10 producer groups in eight villages of Luang Prabang. - was provided cold storage facility for unsold produce - buys back produce at cost - demand-based or performance driven as farmers has to meet standards	develop an overall competitive tourism industry, and strengthening the organic agriculture and the handicraft (especially the silk) industries	Enhanced backward linkages of selected handicraft and especially silk and organic agricultural products to the tourism industry.	-Increase supply of clean vegetables -Set up of a Laboratory -Ensure market opportunities for farmers –tourism sector -modernize the supply chain (cold storage) -Ensure better understanding of the organic concept and improve market opportunities
9. Cabbage Marketing Arrangements Pakxong, Laos	Pakxong Development Enterprise Export-Import Company Limited	Contract farming and market facilitation	Individual producers purchase their own vegetable seeds and farm inputs, and organize their own production schedules. -producers need credit, they apply for loans from the provincial agricultural bank.	to guarantee fair prices for farmers by only allowing companies holding contracts with a customer buy from the farmers	- can make profits in seven months out of the eight month the cabbage season	contract farming provides small farmers with a secure income
10.Organic vegetables Pek District, Xiengkhuang Province, Laos	With funding support from Bread for the World	SAEDA started organic market in July 2009 in Pek District, under the Sustainable Agriculture Market Access Development Project(SAMADP)	Every Wednesday and Saturday morning, bulk of organic vegetable product is sold through the organic market supplied by 40 target members in 5 villages of Pek District	To generate income for members of producer groups within project target area and to raise awareness of the public in Xiengkouang about the benefits of organic produce.	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.	strong enthusiasms within the members, realized that vegetables and rice have better price compared to conventional produce.
11.Asparagus Attapeu Province, Sanxay District, (Laos)	SWIFT Co and organic asparagus farmers	Public-Private-Partnership among Rural Livelihoods Improvement Project (RLIP) Asparagus production takes 3.3 ha. on an overall surface of 5ha cultivated by the 21 families	*SWIFT provide technical support *create organic compost not available in nature (e.g. sugar, dried fish oil, soy beans) in order to limit their expenses. - SWIFT plans to open a packaging factory in Attapeu	to identify, systematize and pedagogically package the existing and generated knowledge, innovations, best practices and lessons learned	experienced Organic Asparagus Producers Groups give orientations on ☑ Good practices in group creation and maintenance; ☑ Strategies for sustainable partnerships between public and private sector.	A new school was built, infrastructure has improved. The forest area been replaced by the fields, where asparagus and other crops are cultivated. . A bridge is being constructed in order to facilitate transportation during the rainy season
12. Buko (Young coconut) Philippines	-With initial intervention of PAKISAMA, a partner	Young coconut delivery (buko) -UGMA/local coco	direct delivery of buko from farmer producers to urban poor as partners retailers to	-Sound Integration & Interaction between rural & urban poor communities thru the	Test Delivered Buko to Urban Center 4 times Dec, 2012; >Increased profit &	>Dec. 6, 22, 24, 30 Buko Deliveries from Quezon to Novaliches-

	National Farmers Confederation with initial capital for test marketing	farmer business clusters (Quezon Prov.) & Tullahan River Alliance (TRA) – Novaliches, Q.C. Urban Poor business clusters; -Dec. 6, 22, 24 & 30, 2012- Test Marketing Activity; A projected on-going activity.	consumers; >reduces traders/ middlemen's role- increase in profit; >Formation of Business/Enterprise clusters from both farmers & urban poor organizations >Urban poor cluster situated strategically in a main market of a district with an organizational membership of 3,000 families; >A Social Entrepreneur Test Activity.	concept of Social Entrepreneurship -Reduce activities of unscrupulous traders -Balance farming vs. oversupply/ over production of agri products thru regular inventory of market needs; -Develop market supply system to ensure delivery of end users of urban communities at a reasonable & socially accepted pricing;	cbu of both rural & urban clusters; >Introduced a viable alternative to farmers vs. traditional marketing of buko practiced by traders	Initial Capital borrowed: Php 40,000.00 Total buko pieces delivered: 4,800 pcs. Urban buying price – P12.00-12.50/pc. Farmgate buying price – P6.00-7.00/pc. (P1.00/pc.- Org. share) <i>Gross sales</i> - P58,975.00 Less: Reject -893 pcs. 10,725.00 <i>Total sales</i> 48,250.00
13.Herb Production & Processing Thailand	Woman Farmer led	Chairperson of the group gather all the product and sell it to 5 souvenir shops in (tourist area) kanchanaburi	Group marketing arrangement *Assisting member Have option of daily pay basis or member labor contribution for later accounting	Income enhancement and tap opportunities given lots of herbs in the area Provide livelihood for women	Regular market, on Consignment basis to 5 shops Afford members the choice of paid labor (get paid same day) or as member contribution	Pricing: *farm price is 25 baht/120 grams *Shop price is 35-100 baht / 120 grams
14.Organic Vegetables Vietnam	Initiated by Vietnam Farmers Union , a farmers group	Production and marketing of organic vegetables Thru contracts	_ Collective selling for companies/distributors - Direct Marketing (Cooperative has shop for selling in Luong Son Town). - sell organic vegetable to schools, consumers by orders -Contract selling (Cooperative signed contracts with companies	- Selling organic products with stable volume with reasonable price - Increase their income from organic farming - Organic vegetable recognized by consumers and can get fairer price	-Production supply: 3 to 3,5 tons of vegetables/month (60% -Hanoi market) -average price: 13.000 đ/kg/ selling to companies -average income is 2-3 M VND /mo (50-70% increase_ - Coop has PGS logo organic vegetable -consumers recognize & pay higher price	Companies can get profit from selling organic vegetable to consumers (25.000-30.000 VND/kg)

A. Case Distribution by product type and by Country

About 86 percent of the 14 cases reported are on crops and the remaining 14 percent accounted for by livestock, both on hogs production (figure 1). Of the cases on crops, 50 percent are on vegetables, the 25 percent by cases on rice and the remaining percent equally accounted for by cases on coffee, fruit and herbs

In terms of case country origin, 50 percent of the 14 cases are from Laos, 29 percent from Cambodia and one each from Philippines, Thailand and Vietnam.

Case Distribution By Product Type

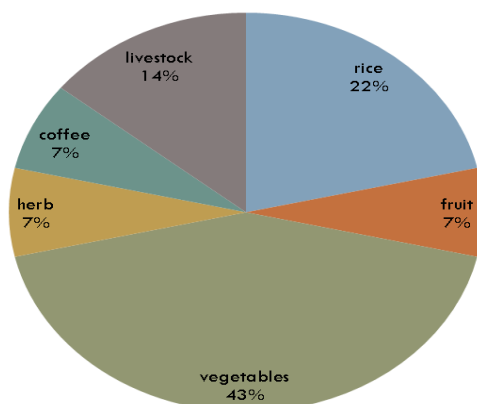
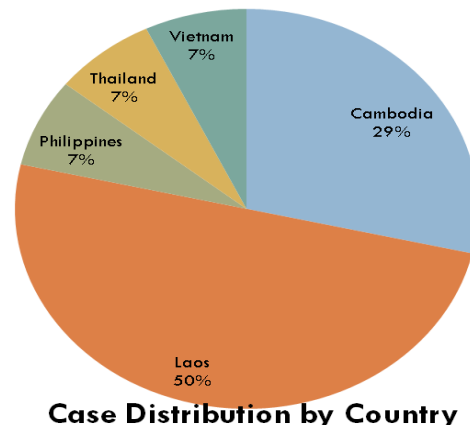


Figure 1. Case Distribution by Product Type



Case Distribution by Country

Figure 2. Case Distribution by Country

B. Marketing Arrangements

An assessment of the marketing arrangements were done by a) participant type - who are the collaborating parties, who initiates and are the focus of the intervention as well as b) by objectives - reason for entering into the marketing arrangements, extent of objective achievement.

B.1 By Types and Initiators

Eight marketing arrangements were documented from the 14 analyzed cases by type of tie-up initiator and partnering institution/s, namely:

- NGO with Farmer group (FG)
- Private firm with FG
- Private firm with government
- Donor with Government
- Donor with FG
- Government with private firm
- FG with private
- FG with cause oriented group

The most common type of participant across the eight variants of marketing arrangements are farmer group, they being present in five out of eight (62.5%), followed by the private firm (50%), Then by government (37.5%), donors (25%) then with NGO and cause oriented group, 12.5% each. Note that the number is about how many times an organization type is a participant to the varying arrangements, not the actual number a particular organization type is involved in the marketing arrangements.

B.2. By Type of Initiating Organizations

Much can be glimpsed about the nature of tie up or partnership by simply knowing who the initiator was. Generally, NGO initiated interventions are socially oriented, farmer or farmer group initiated -market entry oriented and government initiated - regional/ area development geared. Previous observations likewise point to the fact that farmers usually are lacking in capacity to enter into marketing arrangements and need to be brokered in. In the cases reviewed, almost half (43%) of the initiators of marketing tie-ups are NGOs, while a sizeable percentage are by farmer groups (21%), including a woman farmer group in Thailand and the rest are either by donor or government (14%).

As to whether the objectives for marketing tie ups of the reviewed cases fit the general observation by type of organizations, will be addressed in the succeeding section.

B.2. Objectives of the arrangements

The motivation for marketing tie up for the 14 cases reviewed were primarily for profit and enhanced income thru better markets/products (57%). The economic motivation, however, are combined with cause oriented objectives (29%) such as:

- Awareness of organic
- Balanced farming
- Sound interaction of urban and rural communities thru social entrepreneurship
- Creating a national policy environment for joint initiatives

There are also those whose objectives are for a more encompassing and long term supply and value chain development such as:

- Farmers' enhanced productivity and value addition (14%)
- Developing sustainable value chains (14%)
- Contributing to supply (14%)

As to extent of objective achievements, based on the reported outcome (table 2), most realized what they aimed for in entering the marketing arrangement. There are a handful of cases though, based on interview, where dropping out in the tie up and or discontinuance of activities were cited for non-realization of production volume and or logistical problems such as difficulty in transporting produce to the market.

B.3. By Type of Intervention Focus

Previous agricultural development interventions were generally farmer focused and geared towards those who are poorest of the poor or lacking in capacity to undertake activities on their own. In this 14 case assessment, the same farmer focused intervention was seen in most cases, although Intervention focusing on non-farmer key intermediaries, such as millers, was likewise observed. Interventions were not limited to the poorest of the poor farmers, as there are those farmer collaborators selected on the basis of their capacity to provide land, labor and animal

housing (case of hog farmers in Cambodia). In the same manner that some farmers selected, were beneficiaries of other completed projects (as in the case of Laos) where the observable intent is to capitalize on the gains of their previous project involvements, as well as their familiarity with development projects and their being organized.

C. Policies that impact on farmers Empowerment

Though not explicitly cited in the cases, there are glimpses of how some policies are affecting activities, choices and even performances in the cases reviewed. These are as follows:

- Security of land tenure - the decision to produce on a continuing basis and even the choice of crop is contingent to land tenure status. Growing long term crops, for instance, may be avoided when there's uncertainty in land tenancy.
- Taxes – serves both as incentive and disincentive depending on situations. Taxes on inputs, on one hand is a disincentive as they add on to costs, while tax holidays, on the other hand, are incentives as they provide windows of tax reduction/ non-payment for a certain period of time. Reduced taxes on imported produce serves as disincentives to domestic producers of the same commodity, as this provides competition, particularly if the domestic sector is still in the infancy stage.
- Exchange rate – could likewise be an incentive and a disincentive depending on which side of the marketing fence one is in. For smallholder farmer exporters, a weak domestic currency will surely not work in their favor, but in the case of local importers of inputs, this will be a favorable scenario.
- Food security and conflicting policy – in some cases staple crops are highly political in nature and growing them in some cases limits the option to grow other high value crops, for reasons of risk to food security. In some cases conflicting policies exist such as developing a particular commodity sector while allowing entry of stronger competitions.
- Neglect of non priority products; oftentimes the lifeblood of many small communities While focusing on economically performing crops at the national level is a welcome scenario, it is oftentimes, the neglect of secondary and non- priority crops that impacts on smallholder communities, particularly when this is the community's only source of livelihood.
- Imbalanced regional development programs – this usually creates varying economic dynamism as those with less in infrastructure and facilities are likewise lacking in terms of production and consequently market opportunities.

IV. Trends and Patterns

A number of emerging trends and patterns, for the better, were glimpsed from the 14 cases reviewed.

- A. Marketing tie ups while primarily initiated for economic gains are increasingly becoming cause oriented. Environmental and sociopolitical consciousness are the identified causes advocated for, such as the push for organic and balanced farming for the former and sound interaction of urban and rural communities through social entrepreneurship as well as creating a national policy environment for joint initiatives, in the case of the latter.

These are good indications that stakeholders are motivated beyond economic gains and are willing to do their part in contributing towards better communities. Environmental friendly practices and enabled environment for partnerships and collaborations are the clusters of causes espoused.

- B. Most NGO initiated marketing arrangements are with accompanying training, on production specifically.

Equipping partners with technical skills crucial to the execution of their roles in the production and marketing tie ups, greatly contribute to objective realization. Training is an incentive enough for farmer collaborators leading to enhanced commitment, knowing that their partners are willing to invest on them.

- C. Farmers and farmer groups Initiating marketing arrangements on their own (as in the case of the Philippines' Pakisama and UGMA and Vietnam's VNFU) are very much welcome scenario. These are signs that times are changing for the better and are farmers are collectively getting empowered, whereas, before farmers' marketing tie ups are done with facilitation either from NGOs, donors or government institutions.

An even more welcome scenario is a women's group initiating the tie up as in the herbal case marketing in Thailand. That women are able to do entrepreneurial activities within the bounds of their household obligations are refreshing emerging patterns. Hearing one women member citing, she does not need, anymore, the approval of the husband in applying for and getting credit is likewise a sign of women empowerment.

- D. There is room for women in value chains, the key is to identify where and how best they can contribute.

Women participation in production and marketing were seen in most country cases like in Cambodia, Laos and Thailand. This is a great development in a primarily male dominated culture. There is high potential for women's participation in the value chain.

- E. There are early indications that initial objectives of marketing arrangements are met based on reported outcomes of better prices, better income, among others. Although, there was mentioned of not meeting grades and standards such as in the case of the asparagus in Laos,

where farmers are still not able to sell grade A and B asparagus to SWIFT continually and most of the produce are sold locally. However, further technical support by SWIFT and the improvement of the water system will allow producers to access to the external market in the future. Discontinuance of some activities, were also reported in Cambodia, but these were few in number and still within normal level. These only shows that exit barriers are not delimiting choices, of farmers in particular, when marketing tie up expectations, are not turning out as initially foreseen.

In some cases, beyond objective achievement, the choices afforded by the arrangements are accomplishments enough along the area of empowerments that could partially be attributed to the tie ups. In cabbage marketing, for instance, individual producers purchase their own vegetable seeds and farm inputs, and organize their own production schedules as they see fit compared with general cases were production schedule and activities are dictated by partnering firms.

V. Trajectories, What We Wish To See More In The Future

Given that most of the emerging trends and patterns discerned in the cases reviewed are refreshing changes, then we wish to see more of them in the future. These are development trajectories that we are wishing for and are classified by sectors.

A. Women Sector

It is a desired scenario to see women as increasingly active participants in agricultural value chains. Currently, women are in the agricultural input, production and retailing sector (fig. 2) There are potentials for them also in expanded activities at the farms and at the food processing and trading sector. Details on this possible involvement are presented in table 3.



Figure 2. Where Women Are In The Value Chains, Current And Potential

Table 3. Potential roles for Women in Agricultural Chains

Production	Value Adding
<ul style="list-style-type: none"> ➤ Farm Scheduling and production planning 	<ul style="list-style-type: none"> ➤ Marketing related <ul style="list-style-type: none"> • Storage • Sorting • Cleaning • Marketing
<ul style="list-style-type: none"> ➤ Handling delicate fruits feminine touch <ul style="list-style-type: none"> • Harvesting/Picking • Wrapping/packaging • Others 	<ul style="list-style-type: none"> ➤ Processing <ul style="list-style-type: none"> • Hobby growing into enterprise (preserves, etc.) • Product development

B. Government Sector

The government plays dual and oftentimes conflicting roles of regulation and enabling environment (Fig 3). Regulation usually covers tax holidays, one stop permit processing, Food safety standard development and contract monitoring. The latter is usually a neglected role specifically in overseeing contracts entered into by smallholder farmers. The wish is for a more visible government arm in this role.

Provision of an enabling environment is another equally crucial role of governments. More than provision of capacity building opportunities, investment in R&D and extension services (which are generally wanting) and program push for technology commercialization, much gains can be generated if policies are continually reviewed, made responsive and conflicting stipulations done away with.

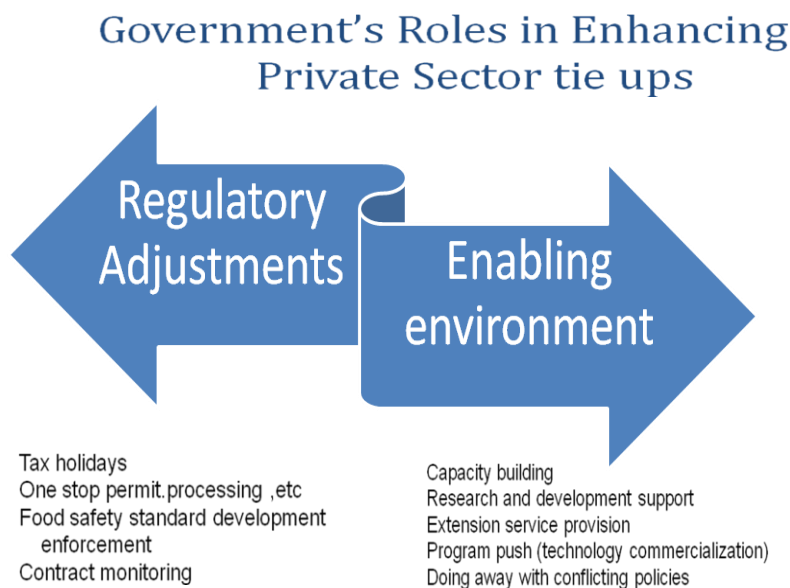


Figure 3. Government's Role in Enhancing Private Sector Tie Ups

C. Donor Communities

As to donors, the expectations are for them to:

- Continue assisting farmers in
 - production capacity enhancement aspects
 - recognizing their roles and added value to the commodity chain, and
 - how best to strengthen their positions in value chains.
- 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
- Majority of farmers are still in the production of traditional commodities, support to enhance their value adding to commodities closest to their competencies will have greater results and impacts as an alternative to the trend of enticing them to switch and focus on unfamiliar high value crops, where the risks are high.

D. Expectations from Private Enterprises

For their part private enterprises are encouraged to continue brokering engagements of farmers and farmer groups. It will be to theirs and farmer groups' benefits if their processes and expectations from farmer partners are made known and "socialized". In addressing the needs of smallholder farmers, they are not actually expected to change their basic way of doing business but just making it more inclusive by providing venues for participation and removing biases for smallholder farmers' participation.

More than ever, they are expected to continue to trail blaze in research and innovation as this will be beneficial to the whole value chain. Helping the weakest part of the chain which are generally the smallholder farmer- raw material supplier, will likewise redound to a stronger value chains, with the benefits accruing to all their stakeholders.

E. Expectations from farmers and farmer groups

While farmers & farmer groups are usually the recipients of assistance from all level, from their ranks, they should likewise recognize that they too have a role to play in enhancing the benefits of marketing arrangements in their favor. It is a welcome sight seeing them:

- Acting collectively and making a difference as vehicles of change
- Enhance their networking capability as effective organizations are embedded in dynamic multi agent networks that link their members to ideas, resources, technologies, incentives and opportunities (Dy and Manalili , 2011)
- Develop functional systems of rules and incentives for allocation of costs and benefits, as the absence, is usually the bone of contention in any farmer led collective activity

- Learning continuously, as agriculture and agribusiness is an ever growing venue for learning be they about their commodity, their processes and their markets, among others.

V. Future Areas of Assessment

While it would have been nice if the cases were assessed in terms of the level of empowerment, the marketing tie ups afforded to the farmers and farmer groups, this was not done given resource and time limitation. However, there are windows of opportunity reflective of signs of empowerment. In future, it is put forth that the following measures of empowerment be used.

- Voice - the opportunity to be heard and actually listened to
- Influence - for ideas put forward to be actually adopted or inputted as basis for decision
- Choice - to be afforded the right to have options and independently evaluate them in the process
- Ownership – collective process were the resultant output is everybody's and not by just one party
- Commensurate returns (to contribution) – giving everyone what is due to them on the basis of input or contribution, and
- Fairness of risks – risks are equitably shared, again with basis (capacity, contribution, independent choice, not forced on)

VI. Concluding Remarks

The base cases though only 14 in number and covers only five countries in Southeast Asia already provide a rich ground to see patterns of options, processes, decisions and outcomes of marketing arrangements or tie ups between farmers and the private groups. While the tie up are still in the basic stages and simple producer-supplier and buyer relationship, they already provide some early indications as to what to wish for or on which way to go. As they are, the insights are already valuable inputs to consider in future planning and enhancing marketing tie ups.

It will be ideal if the review exercise is expanded to other countries and see if similar patterns, generally positive are observable. If and when done, this will the more concretize the emerging patterns in brokering smallholder farm enterprises' marketing engagement with the private sector.

Attachment 1: The Case of Pig Marketing Arrangements in Kompong Cham, Cambodia

<p>Nature of marketing Arrangement & Partners Involved-</p> <p>(who initiated/coordinating, etc)</p> <p>(duration: start/completion or ongoing)</p>		<p>CEDAC Enterprise and farmers living in Choukchey Development Community located in Tropangthmor village, Tropangkor commune, Cheung Prey district, Kompong Cham province do the arrangement. The farmer group has 72 signing individuals.</p> <p>From year 2005, the initiative has been processed by CEDAC Enterprise to market farmers' product directly. At the beginning, CEDAC Enterprise initiated and coordinated the process. But after the committees of the farmer groups were created, CEDAC Enterprise empowers them to do coordination instead. Now the process is ongoing.</p>
<p>Key features (what best describes the marketing arrangement/ initiative, uniqueness)</p>		<p>In operational mechanism, those farmers supply organic pigs to CEDAC Enterprise. The enterprise provides farmers only with organic raising technique training. Following the technique as a whole, the products have been bought by CEDAC Enterprise. With such kind of products, CEDAC Enterprise provides them with a better price compared to middlemen's. The price is 8,500 Riel per kg (about US\$ 2.13), while the middlemen only offered 7,900 to 8,000 Riel per kg (about US\$ 1.98 – 2). However, 500-600 Riel per kg higher from CEDAC Enterprise is included the price of product transportation. Farmers are responsible to directly send the products to CEDAC Enterprise.</p>
<p>M A R K E T I N G arrangement</p>	Objectives	<p>CEDAC Enterprise has two main objectives of the marketing arrangement:</p> <ul style="list-style-type: none"> -Link or engage farmers to market -Gain profit from the arrangement to the enterprises
	Outcomes	<p>As a result, farmer can access to believable market with CEDAC Enterprise. There is no price trick anymore to farmers. CEDAC Enterprise itself can get suitable profits.</p>
<p>Gains/ benefits</p> <p>(qualitative & quantitative)</p>		<p>CEDAC Enterprise purchase farmers' products with a better price compared to middlemen's. The price is 8,500 Riel per kg (about US\$ 2.13), while the middlemen only offered 7,900 to 8,000 Riel</p>

	per kg (about US\$ 1.98 – 2).
Partner 1	CEDAC Enterprise
Partner 2	Farmer group
Remarks	<p>it is a good opportunity for farmers if they form in group and do raising together. The successful marketing arrangement is prepared in group or cooperative. But all farmers are asked to sign in farming contract individually. The ability of raising in group guarantees the production capacity. Besides getting high price from their products individually, farmers can get more benefit from share of group. Feedbacks from farmers declare that natural foods and medicines are not effective for their pigs. This technical problem needs to be solved in order to improve the process of the arrangement. So far, to market their products, farmers seem to be in the unclear dream. There is no certainty in selling their products to. The market from middlemen sets really low price for their products. Farmers do not trust in such kind of market. Now farmers likely trust in market from the arrangement. 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 contribute to the successful marking arrangement. Each factor should be performed and ensured well at the same time in order to increase the level of success in marketing arrangement. Hence, the marketing arrangement on organic pig raising has been done with a good result. But it also faces with difficulty in terms of vaccination.</p> <p>It is observed that women are promoted and encouraged to involve in the marketing arrangement. For instance, we see presence of women in the committees of farmer groups. This evidence shows the attention on gender equity. At field, we also found women who play very important role in the farm along with men.</p>

Attachment 2: The Case of Pig Marketing Arrangements in Kompong Speu, Cambodia		
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)		<p>There is a case on normal pig raising business. The case also link or engage farmers to the market but it is the business between an enterprise with individual farmers. Between both parties, an arrangement contract is signed. There is no involvement from middlemen. For instance, C.P. Cambodia Co. Ltd, located at km25, Road No. 4, Chork village, Bekchan Commune, Angsnourl District, Kandal Province, does the marketing arrangement with farmers living in Krangthnol village, Mohasang commune, Phnomrsuoch district, Kompongspeu province.</p> <p>From year 2008, the initiative has been processed by CP Enterprise along with individual farmers. Individual farmers are really interested in and satisfy with the marketing arrangement. CP Enterprise coordinates all for farmers. Now the process is ongoing.</p>
Key features (what best describes the marketing arrangement/ initiative, uniqueness)		The enterprise provides piglets, vaccination and foods to individual farmers. Individual farmers are responsible for proper farm, irrigation and nurture.
M A R K E T I N G arrangement	Objectives	CP Enterprise has two objectives of the marketing arrangement: -Link or engage farmers to market -Gain profit from the arrangement to the enterprises
	Outcomes	As a result, farmer can access to believable market with CP Enterprise. There is no price trick anymore to farmers. CP Enterprise itself can get suitable profits.
Gains/ benefits (qualitative & quantitative)		CP Enterprise markets their products with suitable gain price. If it is a good raising, when there is less than 4 percent death, farmers will gain 510 Riel per kg (about US\$ 0.13). If it is a bad raising, when there is percentage rate of death from 4 up, farmers will gain 350 Riel per kg only (about US\$ 0.09). Totally, each individual farmer can gain net profit approximately 21 millions Riel (about US\$ 5,250) per 23 weeks for one farm.

Partner 1	CP Enterprise
Partner 2	Farmer group
Remarks	<p>it is a good opportunity for farmers if they form in group and do raising together. The successful marketing arrangement is prepared in group or cooperative. But all farmers are asked to sign in farming contract individually. The ability of raising in group guarantees the production capacity. Besides getting high price from their products individually, farmers can get more benefit from share of group. Feedbacks from farmers declare that natural foods and medicines are not effective for their pigs. This technical problem needs to be solved in order to improve the process of the arrangement. So far, to market their products, farmers seem to be in the unclear dream. There is no certainty in selling their products to. The market from middlemen sets really low price for their products. Farmers do not trust in such kind of market. Now farmers likely trust in market from the arrangement. 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 contribute to the successful marking arrangement. Each factor should be performed and ensured well at the same time in order to increase the level of success in marketing arrangement.</p> <p>It is observed that women are present at the farm with men. At the field, both men and women involve in the raising. Actually, they are husband and wife.</p>

Attachment 3. The Case of Rice Marketing Arrangements in Takeo, Cambodia (State country)		
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)		CEDAC Enterprise and farmers living in Sdok Development Community located in Tropangsdok village, Tangyap commune, Preykbabas district, Takeo province, are in the marketing arrangement. The farmer group has 61 signing individuals. By the end of 2008, the initiative was processed by CEDAC Enterprise itself to market farmers' product directly. At the beginning, CEDAC Enterprise initiated and coordinated the process. But after the committees of the farmer groups were created, CEDAC Enterprise empowers them to do coordination instead. Now the process is ongoing.
Key features (what best describes the marketing arrangement/ initiative, uniqueness)		In operational mechanism, those farmers supply organic fragrant rice to CEDAC Enterprise after milling by their own rice mill cooperative. The enterprise provides farmers only with Rice Intensification System Training (SRI). By following the techniques as a whole, certified by CEDAC Internal Control System (ICS), the products have been purchased by CEDAC Enterprise. CEDAC Enterprise provides them with a better price compared to middlemen. The price is 2,950 Riel per kg (about US\$ 0.74), while the middlemen offered 2,500 Riel per kg (about US\$ 0.63). However, 450 Riel per kg (about US\$ 0.11) higher from CEDAC Enterprise is included the price of product transportation. It means that farmers are responsible to directly send the product to the enterprise in Phnom Penh.
M A R K E T I N G arrangement	Objectives	The objectives of the marketing arrangement are: -Link or engage farmers to the market that farmer can -Enhance farmers to adapt and adopt the new innovation -Keep farmers with value add of their products -Gain profit from this work to CEDAC Enterprise
	Outcomes	As a result, after over 4 year process, farmer access to believable market with CEDAC Enterprise. Value add of their product is prevented as a whole. And CEDAC Enterprise as well keeps playing as a domestic enterprise with its acceptable profits. Interestingly, as it is observed there this still a limitation of new innovation adoption among farmers while the adaptation is regularly seen.
Gains/ benefits (qualitative & quantitative)		CEDAC Enterprise got 30 percent gain from this arrangement business, 50 percent gain to farmers and another 20 percent to others. All above are gains in share with the arrangement. On the other hands, farmers firstly can gain higher price from their products when they sell to the Enterprise besides gains with share.

Partner 1	CEDAC Enterprise
Partner 2	Farmer group
Partner 3	CEDAC Enterprise's staffs
Other beneficiaries	Private individuals
Remarks	<p>It is a good opportunity for farmers if they form in group and do farming together. The successful marketing arrangement is prepared in group or cooperative. But all farmers are asked to sign in farming contract individually. The ability of farming in group guarantees the production capacity. Besides getting high price from their products individually, farmers can get more benefit from share of group. Feedbacks from farmers declare that natural fertilizers and pesticides are not enough and less effective for their farming. This technical problem needs to be solved in order to improve the process of the arrangement. So far, to market their products, farmers seem to be in the dream. There is no certainty in selling their products to. The market from middlemen sets low price for their products. Farmers do not trust in such kind of market. Now farmers likely trust in market from the arrangement. 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 contribute to the successful marking arrangement. Each factor should be performed and ensured well at the same time in order to increase the level of success in marketing arrangement. Personally, the marketing arrangement on organic rice has been done with a very good result. Why not such marketing arrangement gets success on normal rice, while the yield of normal farming is higher than the organic one's and its farming technique is easier to follow. It is observed that women are promoted and encouraged to involve in the marketing arrangement. For instance, we see presence of women in the committees of farmer groups. This evidence shows the attention on gender equity. At field, we also found women who play very important role in farming along with men.</p>

Attachment 4. The Case of Vegetable Marketing Arrangements in Kompong Chnang, Cambodia		
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)		There is a case in arrangement between enterprise and farmers on organic vegetables with individual contract. CEDAC enterprise and farmers living in Thmoriep Vegetable Community located in Thmoriep village, Pongror commune, Rolea Pa Ear district, Kompong Chnang province, done the arrangement. In operational mechanism, signing farmers supply organic vegetables to CEDAC Enterprise. The enterprise provides farmers only with organic growing technique training. Following the technique as a whole, the products have been bought by CEDAC Enterprise. From year 2005, the initiative has been processed by CEDAC Enterprise to market farmers' products. At the beginning, CEDAC Enterprise initiated and coordinated the process. But after the committees of the farmer groups were created, CEDAC Enterprise empowers them to do coordination instead. Now the process is ongoing.
Key features (what best describes the marketing arrangement/ initiative, uniqueness)		In operational mechanism, signing farmers supply organic vegetables to CEDAC Enterprise. The enterprise provides farmers only with organic growing technique training. Following the technique as a whole, the products have been bought by CEDAC Enterprise. With such kind of products, CEDAC Enterprise provides them 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 is included the price of product transportation. Farmers are responsible to directly send the products to CEDAC Enterprise.
M A R K E T I N G arrangement	Objectives	The objectives of the marketing arrangement are: -Link or engage farmers to market -Gain profits from the arrangement to the Enterprise
	Outcomes	As a result, farmer can access to believable market with CEDAC Enterprise. There is no price trick anymore to farmers. CEDAC Enterprise itself can get suitable profits.

Gains/ benefits (qualitative & quantitative)	CEDAC Enterprise provides them 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.
Partner 1	CEDAC Enterprise
Partner 2	Farmer group
Remarks	<p>It is also a good opportunity as well for farmers if they form in group and do growing together. The successful marketing arrangement is prepared in group or cooperative. But all farmers are asked to sign in growing contract individually. The ability of growing in group ensured the production capacity. Besides getting high price from their products individually, farmers can get more benefit from share of group. The technical problem needs to be considered in order to improve the process of the arrangement. So far, to market their products, farmers seem to be in doubt. There is no certainty in selling their products to. The market from middlemen sets low price for their products. Farmers do not trust in such kind of market. Now farmers likely trust in market from the arrangement. However, feedbacks from farmers declare that size of market is small for their vegetables. 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 can attract farmers. There is the link between these four factors contribute to the successful marking arrangement. Each factor should be performed and ensured well at the same time in order to increase the level of success in marketing arrangement. Hence, the marketing arrangement on organic vegetable growing has been done with a good result. But its scope is really small in size. It is observed that women are promoted and encouraged to involve in the marketing arrangement. For instance, we see presence of women in the committees of farmer groups. This evidence shows the attention on gender equity. At field, we also found women who play very important role in farming along with men.</p>

Attachment 5. The Case of Rice Marketing Arrangements in Khammouane, Bolikhamxai and Saravan Provinces, Laos	
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)	<p>The EMRIP project is essentially a Public Private Partnership (PPP) model. The intervention sought to scale up development of the rice value chain by expanding the project area to six provinces, with a target of 20 mills (including 10 female rice millers) and a production network of 20,000 smallholder rice producers.</p> <p>The Enhancing Milled Rice Production in Lao PDR Project (EMRIP) is a joint initiative by SNV¹ and Helvetas² launched in 2009 with funding from the European Union's rapid response Food Facility to address soaring food prices in developing countries.</p>
Key features (what best describes the marketing arrangement/ initiative, uniqueness)	<p><i>Inclusive businesses and investment plans</i></p> <p>. . . one of the critical strategies that has underscored [the] success [of EMRIP is] . . . the process of filtering suitable mill candidates to; firstly, receive the grants of equipment, and then to be active in establishing producer networks, a 'business model' that would have been almost counter intuitive for most mills.</p> <p>Briefly, criteria were set for suitable mills, the opportunity was [advertised] publicly (78 applied), and then an open committee was used to match the applications against the objective criteria. As a result of this process the mills that have been selected were those who had a broader vision of doing business than simply maximizing profit margins when purchasing from farmers. These mills have in effect been willing to think critically, to analyze their context and opportunities, and had a longer term perspective to improve their overall trading position. This includes ensuring an improved supply of feed (volume and quality); in effect . . . they have taken on a value-chain perspective. As a result, providing support to farmers to ensure they become effective producers fitted with this vision. Further to this, it is these millers who have been interested to form miller groups, and to then gone on to assist the new . . . farmers as part of their standard practices.</p> <p><i>Production agreements</i></p> <p>Mills supply [farmers with] inputs and give them a one-stop market for their crop. All groups expressed satisfaction in the security of the mills to purchase their crop.</p> <p>In practice the agreements of a minimum guaranteed price were only for repayment of the inputs provided on credit with farmers free to sell the remainder of their crop to any buyer. In all cases the mills honored the contract agreements, even when disadvantageous to themselves³.</p> <p>At the same time when buying the harvest the mills have done so</p>

¹ A non-profit, international development organization, established in the Netherlands in 1965.

² A Swiss Association for International Cooperation.

³ Bounkham mill (Saravan) accepted paddy repayment at contract price at a time when market prices were lower. Sripaseuth had mill operation difficulties and could not mill but purchased back paddy for credit discharge as agreed.

	<p>according to the market price, and then paid a premium for single variety batches by about 10%. This is a deliberate strategy of the mills to both reward quality and encourage other HHs to join the producer network.</p> <p><i>Input supply</i></p> <p>The mills, by delivering seed and fertilizer to villages makes them available and at reasonable cost. With no private sector seed providers and a public sector seed system that hasn't developed a distribution system, rice mills are filling a very important gap in the system and in fact providing a very valuable service to farmers. Prices millers set for inputs were sufficient to cover their costs (base, transport and bank interest), but lower than existing sources available to farmers. In other words millers did not try to make profit from input supply, but aim to encourage farmers' use of these to generate increased supply of single variety quality paddy as feed stock for their mills.</p> <p>Many mills encouraged initial use of HYV⁴ seed by not requiring payback for seed in the first year. Then in following seasons (2010/11 naa saeng⁵ and 2011 naa phii⁶) they collected repayment at cost. Finally where farmers suffered crop losses due to floods etc. and could not repay, mills rolled the debt over without adding further interest.</p> <p>Altogether the ready access, initial subsidy to gain farmers use of fresh HYV seed, and a policy of cost recovery for inputs were effective in gaining substantial application of these by contract farmers.</p> <p><i>Technical support</i></p> <p>The initial training event conducted by CADC⁷ was didactic and not suitable for farmers to apply in the field. This was quickly recognized and a multi-layered approach instituted by EMRIP. This included;</p> <ul style="list-style-type: none"> - One day training events, with mills as 'focal point' with 2 representatives from each village attending - Starting point for training generated by farmers brainstorming of issues they felt needed to be covered - Using a range of resource persons, including DAFEO⁸ staff; champion farmers, and increasingly mill staff.
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⁴ High yielding varieties of rice may also be referred to as 'improved varieties'. They confer higher yield through their improved plant physiology (better tillering, longer panicles, etc), better resistance to disease and pests, and finally greater responsiveness to fertilizer if applied. Seed supplied to farmers is generally 4th generation and should be replaced with fresh seed every 3rd- 4th year to maintain the high yield potential and good eating characteristics.

⁵ A form of dry season rice cultivation, called nana saeng, which relied on natural moisture remaining around lakes and swamps to sustain the rice crop, through creation of small bunded paddies.

⁶ secondary dry season rice crop

⁷ Clean Agriculture Development Center

⁸ District Agriculture and Forestry Extension Office

	<p>- Specific follow-up plans for village representative to pass-on the technical messages, which are attended by mill representatives (incl. DAFEO staff where available).</p> <p>This approach then (a) responded to farmers needs in technical advice; (b) mobilized appropriate resources persons, and included committed following-up to support the trainees relating the technical messages to fellow farmers. Millers have quickly come to recognize that effective technical support will contribute increased volume to their mill, and assist farmers gain profits and so find commercial rice production viable. Thus there is a genuine growing commitment by millers to enabling this support. As the mills increasing want to lock in farmers' productivity, several are beginning to employ their own field staff, either on a seasonal basis or time based.</p> <p><i>Farmer Production Groups</i></p> <p>Farmer production groups have been formed and then operated as a part of the mill supply chain. These farmers groups have been a pre-requisite for efficient supply of inputs and bulking of product for sale. They further have assisted members to become aware of, be trained and to use improved practices.</p> <p><i>Mill operation</i></p> <p>Mill support for farmers to establish producer networks is a profound change in the operation of the mills. It has direct effects on the ability for the mills to operate efficiently, generating a high quality product, and to operate within a planned business framework.</p> <p>Millers consistently stated that the network of producer groups supplying them with improved feed was the key to their improved operation. These improvements appear firstly in the improved feed to the mill, both in volume and quality. The single variety feed allows for increases in recovery rate (as distinct from the improved recovery due to equipment upgrades) and produces an improved product with a higher value. The 'producer network' dramatically reduces time to secure feed for the mill. One mill stated that he now can run at his new capacity by working with 3-4 villages, compared to ten or more in the past. Another stated that when in the past it often took a day to fill the truck, now it is an hour of her time to arrange. Perhaps more important is that having a secure supply, the mills are in a better position to make forward commitments, and to secure loans. One miller who had invested in additional mill equipment stated he would not have considered such a move without his producer network in place.</p> <p>These are compelling reasons for millers to ensure their producer network functions well. Thus the mill interactions with farmers are designed to enable them to produce more effectively, and to then secure the sale of their crop to them. As a result, the repayment rates for the inputs are at cost-recovery levels and prices paid for paddy have been competitive, with premium of quality paddy (single variety, etc.)</p> <p>Mills have often gone beyond the contract agreements and provided other enabling support to farmers as needed. This has included; paying electricity bills for pumps before season; soft loans for repairs to irrigation canals, acting as source of credit in times of stress. A new mechanism that may well become general</p>
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	<p>is that of allowing the mill warehouse to be used as a storage facility (rice bank) for network members' rice. Farmers notify the mill when they want to release it for sale, receiving the market price at time of milling. For the miller this secures a stock of rice which won't be sold to other traders.</p> <p>The provision of these as a grant is an unusual intervention for ODA⁹/public sector projects but does not appear would be a necessary component for replication. Of the 21 EMRIP mills 13 mills co-invested on average 31,000 EU each, close to the average EMRIP grant (39,424 EU) to each mill. On top of this, none of the 79 new mills that have joined miller groups in Khammouane have received such grants. Thus the grant has helped to provide a model for improved milling, without proving to be an obstacle for replication.</p> <p><i>Policy dialogue</i></p> <p>EMRIP has been able to facilitate policy dialogue which had contributed to constructive outcomes at the provincial level these include:</p> <ul style="list-style-type: none"> · Streamlining of trade procedures: previously mills needed to obtain approvals and signatures on 10 documents to trade across provincial boundaries. In Khammouane these have been reduced to a single approval · Reduction of import tax for agriculture equipment and materials. This was a provincial level tax (5-10%) applied to; milling equipment; fertilizer and production equipment. In Bolikhamxai this has been reduced to 1%. · Reduction in local trading restrictions: In early 2011 several provinces Saravan, Champassak and Bolikhamxai imposed a trade ban on rice. Provincial meetings included mills to discuss stock levels resulting in the bans being retracted. · Provincial authorities now recognize 'miller groups' as an appropriate association and have begun to consult with them in a more regular framework. <p>At the national level, a project based stakeholder group was formed with core members from MAF¹⁰ and MoIC¹¹. As well as these core members' specific agencies have been included according to the issues raised. The stakeholder group has conducted meetings covering a range of issues including; production; grain quality; access to funds for millers and marketing of rice. This has resulted in:</p> <ul style="list-style-type: none"> · Moves to develop a national rice strategy, currently being drawn up by DoA¹² · Allocation of national funds for new mechanisms; 50 B Kip for a rice stockpile through rice millers and 17 Billion Kip
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⁹ Official Development Assistance

¹⁰ Ministry of Agriculture and Forestry

¹¹ Ministry of Industry and Commerce

¹² Department of Agriculture

		for privatization of seed production and marketing.
M A R K E T I N G arrangement	Objectives	<p>The overall goal of the intervention was to contribute to a rapid and sustained increase in the supply of good quality milled rice for domestic consumption and trade. The specific objectives included:</p> <ul style="list-style-type: none"> · Increasing the output of high quality milled rice through upgraded storage and milling facilities and equipment, coordinated supply chains, and optimized farmer productivity to ensure increased supplies of paddy rice; · Supporting the targeted provinces, districts and business development service providers (BDSP) to facilitate the emergence of efficient value chains and provide technical and market support for the production of good quality milled rice; · Creating a national policy environment that was supportive of producer, processor and provincial government efforts to anticipate and adapt to supply, demand and price volatility.
	Outcomes	
Gains/ benefits (qualitative & quantitative)		<p>All mills established networks of producer groups with a total of 21,361 (2011 wet-season crop) members across 340 villages. The mill producer networks typically comprise 10-15 villages with about 1000 members. As a result of mill support, farmers gained significant increases in income (>60%) due to both; increased crop yields (+30-50%); and higher prices (+10%) for improved quality of paddy . . . As result of both the interventions above, the 21 mills measurably improved their milling operation with actual throughput increasing from 12,400 tons (2009) to 36,523 tons (2011 projected) an increase of about 300% . . . Within its project area EMRIP has enabled a more integrated rice value-chain. This is evident firstly at village level, by farmers seeing the local rice mill as more reliable markets for their crop than spot traders. Millers on their part have been willing to invest in their own operations; (e.g. seed for farmers; mill equipment for millers).</p> <p><i>Intended and unintended outcomes</i></p> <p>Achieving a higher quality grain not only gains a price premium, but also enables the mills to enter markets which previously were not open to them with mixed grades. This includes government quotas (police and military), which now form significant and secure portions of their sales. It also positions them to access new export markets in the future.</p> <p>At the higher end, one mill (Suthat, Vientiane) is now marketing A grade quality rice in branded bags and one other mill (Vanida, Thakhek) is considering something similar. This should place the mills in a more confident marketing position; to becoming price makers rather than price takers. Some of these millers are moving into a high quality higher priced market segment that was previously filled mostly by imports rather than Lao production. The Khammouane Development Rice Mills Group (KDRG) is already</p>

	<p>becoming proactive in seeking markets (Thailand) rather than accepting trade that comes to them.</p> <p>Village level perceptions:</p> <p>The crop yield increases have occurred broadly enough to affect village economies and outlooks. This is illustrated by two examples, the first from a community with established rice trade, and the second a rice deficit village, which would not normally be expected to be in a position to benefit from a trading relationship with mills.</p> <p>Increased trade - Farmers recognized that rice has become a more reliable traded commodity. B Naa Huaphou (Paksan) was already a commercial rice trading village. Farmers interviewed estimated that 70% of the contract HHs¹³ would have increased the volume of paddy they sold from 3 T/HH to 4.5 T/HH, an increase of +50%. The additional income from this would be +3.8 M Kip/HH8 (or +58%, corroborating the figures for HH income above).</p> <p>Achieving sufficiency - B. Dan, a Khamu village in Mahaxai district typically suffered crop losses to their main wet-season rice crop due to flooding of adjacent river, resulting in all HHs having rice deficits of at least 2 month each year. Pumps have been installed by NTPC to allow them to crop in the dry season and escape flooding. However technical support to assist them to take advantage of this new system had been weak and so their yields for dry-season cropping were low. Support under contract from the mill (Niphaphone) had resulted a dramatic improvement in their naa saeng yields of +100% over their earlier efforts. Floods this year were excessive and still damaged their crop, however 30% of HH had sufficient rice, and a further 20% had excess to sell. Here the mill support was enabling the village to move from a deficit, to sufficiency and excess.</p> <p>The improved outlook for villages comes not only from increased yields but also from more predictable trading relationships. Whereas in the past they visited many villages to buy paddy rice, they now satisfy their new mill capacity from a smaller no. of contracted villages that they actively support. This is also consistent with villages having gross increases in production available to trade.</p>
Partner 1	SNV ¹⁴
Partner 2	Helvetas ¹⁵
Partner 3	Department of Agriculture
Other beneficiaries	
remarks	

Source: Connell, November 2011

¹³ households

¹⁴ A non-profit, international development organization, established in the Netherlands in 1965.

¹⁵ A Swiss Association for International Cooperation.

Attachment 6. The Case of Organic Rice Marketing Arrangements in Sangthong District, Vientiane Province, Laos		
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)		Contract Farming AgroAsie, a fair trade company, wants to widen the scope of its product lines. It looked to organic rice as a good candidate. At that time, ProRice ¹⁶ , a rice value chain project of Helvetas was wrapping up in Sangthong District, Vientiane Province. AgroAsie saw this as an opportunity to help the farmers find market for their produce as well as take on where ProRice has left-off. AgroAsie wants to bring to the next level the project intervention made by ProRice – that is from capacity building to market access. The organic rice contract farming with Sangthong farmers is still an on-going experiment with 2012 being the first season.
Key features (what best describes the marketing arrangement/ initiative, uniqueness)		AgroAsie established a form of contract farming with 60 organic farmers of Sangthong District through their mother organization – ASDSP ¹⁷ . AgroAsie loans the seed, provides training and basic extension service and buys the product at a fair price for sale into ASEAN markets.
M A R K E T I N G arrangement	Objectives	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
	Outcomes	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
Gains/ benefits (qualitative & quantitative)		Qualitative: (1) increased confidence in export markets among farmer groups; (2) increased willingness to grow according to the export market (i.e. non-sticky), not just for the local market (i.e. sticky rice); (3) improved organic production skills and higher productivity and efficiency within the organic group Quantitative: (1) higher export prices translate into better farm gate prices for farmers; (2)
Partner 1		ASDSP
Partner 2		
Partner 3		
Other beneficiaries		
remarks		
Case prepared by _____, 2013 Source: Connell, November 2011		

¹⁶ An international cooperation projects between the Lao Department of Agriculture and the Swiss NGO Helvetas with a strong focus on marketing of organic products and the development of organic standards and an organic certification system (<http://www.certificationalliance.org/ver1/partners.html>).

¹⁷ A Lao-based association that supports Lao farmers' communities. ASDSP created and implemented a development project aimed at providing access to finance (micro-credit) and to provide training to the farmers of the district.

Attachment 7. The Case of Coffee Marketing Arrangements in Attapeu, Laos		
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)		Establishment of Public-Private-Partnerships (PPP). Key actors collaborated around the Organic Coffee Producers Group. At a governmental level, the Agriculture Department (District Level) is playing an important role for the promotion of the initiative. It partners with Rural Livelihoods Improvement Project (RLIP) which is active in the improvement of the livelihoods of rural poor in various parts of Sansai District, Attapeu Province by supporting the Organic Coffee Producers Group in various ways. Finally, the Lao Sansai Coffee Company represents a stable partner for the villagers that ensure market access to the producers. In 2011, through RLIP, IFAD started to support the development and improvement of marketable products by partnering with Lao Sansai Coffee Company in Attapeu to provide secure and stable market access to the Dakseum coffee producers.
Key features (what best describes the marketing arrangement/ initiative, uniqueness)		<p>The experience of the Organic Coffee Producers Group is a successful learning model for the improvement of livelihoods of extremely poor and food-insecure rural communities by securing market access through the establishment of sustainable long-term PPP. Even if the Organic Coffee Producers Group in its contemporary form was established relatively recently, their natural production and commercialization processes can already provide important lessons for transfer and replication in other contexts. In this sense, it can already give valuable insights and orientations for communities that face comparable development challenges regarding:</p> <ul style="list-style-type: none"> ☐ Strategies to secure stable market access by creating and maintaining sustainable partnerships between public and private sectors; ☐ Innovative production processes that ensure human safety, environmental compatibility and biologically diverse agriculture; ☐ End products that provide health benefits to consumers. <p>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. Most importantly, the establishment of a stable partnership between a Laotian coffee company and the producers by RLIP ensures market access and alternative sources of income for the villagers.</p>
M A R	Objectives	to provide secure and stable market access to the Dakseum coffee producers

K E T I N G arrangement	Outcomes	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.
Gains/ benefits (qualitative & quantitative)		During the last decade, the producers were able to gain valuable experiences in coffee cultivation practices. As RLIP has promoted the group in various ways since, members were able to further develop their skills in coffee farming through capacity building trainings.
Partner 1		RLIP at the provincial level as well as at the district level. RLIP in collaboration with the Agricultural Department has supported the organization of several skills and capacity building trainings in order to improve the quality of coffee growing in the village. It has further provided technical equipment and grants to the group members. RLIP has helped to establish a sustainable partnership between the producers and the Lao Sansai Coffee Company, and thus, to create stable sources of regular alternative income for the villagers.
Partner 2		The Agricultural Department (district Level). This Department ensures capacity building through technical support and trainings on the cultivation of coffee beans and good plantation management in terms of fertilizing and composting techniques. Improved quality of cultivation is, in turn, the basis for maintaining sustainable and stable market access. Besides training activities, the department is responsible for the monitoring and the follow up of production processes as well as for controlling the quality of the produce.
Partner 3		The Village Cluster (10 villages). The Village Cluster is an informal network of 10 communities working separately in coffee production. Its main objective is to raise awareness among villagers regarding the importance of the correct maintenance of the coffee plantations, as well as regarding the potential of growing coffee as a way to generate additional income. The members coordinate activities between villages and promote collaboration among producers. The cluster serves as a forum for the villages to share information of all kinds (e.g. regarding laws, agricultural or administrative management and other development issues). It acts as a representative towards district governors. The head of the cluster

	regularly reports to higher government offices.
Partner 4	Lao Sansai Coffee Company Lao Sansai Coffee Company buys the whole production of the group members at a fixed price and sells it to the local market, diminishing the producers' dependence on the price of coffee in mainstream markets as well as on market fluctuations.
Partner 5	The Producers Group It produces coffee beans without using artificial chemicals such as fertilizers or pesticides thereby contributing to the maintenance of a healthy ecosystem.
Other beneficiaries	
remarks	
Case prepared by: Giovanni S. Villafuerte, 2013	

Source: (Ministry of Agriculture and Forestry, December 2012)

Attachment 8. The Case of Clean Vegetables Marketing Arrangements in Luang Prabang, Laos		
<p>Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc)</p> <p>(duration: start/completion or ongoing)</p>		<p>Market facilitation</p> <p>In 2007, the UN established a thematic <i>Inter-Agency Cluster on Trade and Productive Capacity</i> to ensure that issues related to trade and productive sectors are adequately taken into account in the pursuit of the Millennium Development Goals (MDGs) and in the strengthening of the "Delivering as One" UN-wide reform process.</p> <p>Following the establishment of the Inter-Agency Cluster on Trade and Productive Capacity, the <i>Swiss State Secretariat for Economic Affairs (SECO)</i> has selected Lao PDR as a pilot country for the implementation of a trade related technical assistance program with the above mentioned UN Cluster.</p> <p>In June 2009, a SECO International Consultant defined the potential areas of intervention of the UN Inter-Agency Cluster and came up with a credit proposal that was approved by SECO on November 2010. In June 2010, a joint mission from SECO and the UN agencies represented in the Cluster, e.g. UNIDO, UNCTAD, ITC, ILO and UNOPS came to Lao PDR to discuss the approach and agree with the GOL on the implementation structure of the project in Lao PDR.</p> <p>January 2011 - 2014</p>
<p>Key features (what best describes the marketing arrangement/ initiative, uniqueness)</p>		<p>The project has organized 10 producer groups in eight villages of Luang Prabang. The target of the marketing is hotels and restaurants since they are the ones who are capable of paying the price premium for 'clean' (non-certified organic) salad vegetables. 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.</p>
<p>M A R K E T I N G</p>	<p>Objectives</p>	<p>develop an overall competitive tourism industry, while at the same time strengthening the organic agriculture and the handicraft (especially the silk) industries in order to achieve a spill-over effect on those sectors through backward-linkages, and improving the export volume and quality of the above mentioned sectors, thereby positively impacting on poverty in targeted provinces of Lao PDR.</p>

arrangement	Outcomes	Enhanced backward linkages of selected handicraft and especially silk and organic agricultural products to the tourism industry. This outcome will particularly focus on the hotels and restaurants groups in the two regions identified above (Champassak and Luang Prabang Provinces) in order to strengthen both the demand of hotels and the supply capacity of growers by addressing the weaknesses of the current demand-supply relationships in two particular fields: the silk sector and organic agriculture. Backward linkages of organic products will concentrate mainly on international hotel chains and 4* or 5* hotels, fine restaurants and gift shops (proper to the hotels or airport gift shops etc.) because the international tourists represent an ideal target group for such products. Organic production is very well-suited for smallholder farmers with poverty reduction impacts. Organic products are considered as Premium products and would represent the “gold standard”, destined to high-end and international niche markets. improved export opportunities of selected high quality silk and organic agricultural products Contribute to improved productivity in the tourism, silk and organic sectors through cleaner production
Gains/ benefits (qualitative & quantitative)		<ol style="list-style-type: none"> 1. Increase of the supply of clean vegetables 2. Set up of a verification body – Laboratory 3. Ensure market opportunities for farmers within the tourism industry and modernize the supply chain (cold storage etc...). 4. Ensure better understanding of the organic concept and improve market opportunities for Lao Organic products in LuangPrabang.
Partner 1		UNCTAD: Analysis and advocacy of supply-chain structures and coordination of organic producers; and product development
Partner 2		ITC – supply chain management and market research / handicraft and agriculture production promotion
Partner 3		UNOPS (trust fund manager – CTA)
Partner4		UNIDO: Cleaner Production Programme
Other beneficiaries		
Remarks		
Case prepared by: Giovanni S. Villafuerte, 2013		

Source: UN IACP Project Document and UN IACP Luang Prabang Concept Note

Attachment 9. The Case of Cabbage Marketing Arrangements in Pakxong, Laos	
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)	<p>Contract farming and market facilitation</p> <p>Pakxong Development Enterprise Export-Import Company Limited is a family business. Its principal owners are Inpeng Samounty and Montree Chomsamut. The company was registered in 2001, and began commercial activities in the timber sector. The company bought timber from the Government of the Lao People's Democratic Republic (Lao PDR) and exported it overseas, mainly to Japan and Thailand. Once Lao PDR's timber supply became exhausted, the company began dealing in fresh produce in 2004 when a high ranking Lao political leader¹⁸ asked the company for assistance in organizing cross-border trade in fresh vegetables.</p>
Key features (what best describes the marketing arrangement/ initiative, uniqueness)	<p>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 1910 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.</p> <p>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.</p> <p>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.</p> <p>"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.</p> <p>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.</p> <p>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.</p> <p>Energetic Boonpon's involvement does not stop with such</p>

¹⁸ The provincial trade department which in 2006 began a pilot project to regulate contract farming and trading in Paksong District of Champasak Province (Fullbrook, October 2007:45).

¹⁹ Thai Baht

		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.”
M A R K E T I N G arrangement	Objectives	“This unit was established because in the past farmers did not always earn reasonable prices as traders would push down prices for unfair reasons. The unit is here to guarantee fair prices for farmers by only allowing companies holding contracts with a customer to come here to buy from the farmers through this unit,” says Boonpon Boonarat, head of the cabbage and Chinese cabbage wholesale market unit of the trade office of Paksong.
	Outcomes	
Gains/ benefits (qualitative & quantitative)		<p>The owner of the Lao PDR company, Pakxong Development Export–Import State Enterprise, who signed the cross-border contract with Champasak Province, reported that 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.</p> <p>[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 beside salas 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.</p>
Partner 1		Pakxong Development Export–Import Company
Partner 2		Provincial Trade Department
Partner 3		
Other beneficiaries		
remarks		
Case prepared by: Giovanni S. Villafuerte, 2013		

Sources: Fullbrook, October 2007, Kanokwan Manorom, 2011, and Panyakul, 2012

Attachment 10. The Case of Organic Vegetables Marketing Arrangements in Pek District, Xiengkhuang Province, Laos

 	
<p>Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)</p>	<p>Market facilitation With funding support from Bread for the World, SAEDA started the organic market in July 2009 in Pek District, Xiengkhouang Province under the Sustainable Agriculture Market Access Development Project (SAMADP). On July 2013, the organic market will mark its third year.</p>
<p>Key features (what best describes the marketing arrangement/ initiative, uniqueness)</p>	<p>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.</p>
<p>M A</p>	<p>Objectives To generate income for members of producer groups within project target area and to raise awareness of the public in Xiengkouang about the benefits of organic produce.</p>

R K E T I N G arrangement	Outcomes	<p>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.</p> <p>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.</p>
Gains/ benefits (qualitative & quantitative)		There are strong enthusiasms within the members, they realize that their vegetables and rice have better price compared to conventional produce.
Partner 1		Pek District Agriculture and Forestry Office (DAFO)
Partner 2		Pek District Governor
Partner 3		Department of Agriculture and Forestry Office (PAFO)
Partner 4		Department of Natural Resources and Environment, Health, women, Commerce in District and Provincial Level
Partner 5		Extension Workers
Other beneficiaries		Approximately 10,000 people directly benefit by buying or selling in the market. Thousands more are indirect beneficiaries, including government officials, participants in other projects, schools, consumers, and farmers who come to learn from the project.
remarks		
Case prepared by: Giovanni S. Villafuerte, 2013		

Source: Nugroho, March 2013 and SAEDA 2010-2011 Annual Report

Attachment 11. The Case of Asparagus Marketing Arrangements in Attapeu Province, Sanxay District, (Laos)		
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)		Public-Private-Partnership The beginning of the collaboration between RLIP and SWIFT Co. LdT dates back to 2010 when Mr Soulichanh Phonekeo, RLIP Director, met with Mr. Noo, SWIFT representative, in a meeting jointly organized by IFAD and FAO in Bangkok, Thailand. In this occasion, Mr Soulichanh Phonekeo invites SWIFT to provide an orientation on organic agriculture to farmers in Attapeu. The training is organised under the supervision of DAFO, which together with SWIFT staff provides technical training to farmers. It is in the frame of the PPP established between local government, RLIP and SWIFT that the production of organic asparagus in Darkhied starts.
Key features (what best describes the marketing arrangement/ initiative, uniqueness)		In Attapeu, farmers are still not able to sell grade A and B asparagus to SWIFT continually; the most of the production is sold locally as the quality doesn't meet the standards required. However, further technical support by SWIFT and the improvement of the water system should allow producers to access to the external market in the future. SWIFT also provides farmers with those components necessary to create the organic compost that are not available in nature (e.g. sugar, dried fish oil, soy beans) in order to limit their expenses. Moreover, in order 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.
M A R K E T I N G arrangement	Objectives	The objective of the process was to identify, systematize and pedagogically package the existing and generated knowledge, innovations, best practices and lessons learned of two selected experiences from RLIP and SNRMPEP projects, in order to disseminate and scale them up by using the Learning Routes methodology. The training provided an opportunity for the projects to acquire new capacities in terms of knowledge management and participatory research techniques directly on the field, strengthening at the same time collaboration between project staff and farmers and enable these last to efficiently communicate their knowledge to a broad public.
	Outcomes	Resulting from the partnership between public and private sector, this is the first experience of production of organic asparagus in Attapeu province. Although the experience is still very young, as producers started commercializing asparagus only this year, it can already provide important lessons for its improvement and replication. Particularly, the experience of the Organic Asparagus Producers Group can provide orientations regarding:

		<ul style="list-style-type: none"> ☑ Good practices in group creation and maintenance; ☑ Strategies for sustainable partnerships between public and private sector.
Gains/ benefits (qualitative & quantitative)		<p>A new school has been built and infrastructure has improved. The forest area has now been replaced by the fields, where asparagus and other crops are cultivated.</p> <p>Asparagus production takes 3.3 ha. on an overall surface of 5ha cultivated by the 21 families. A bridge is also being constructed in order to facilitate transportation during the raining season.</p>
Partner 1		At governmental level, the Provincial Agriculture and Forestry Office (PAFO) of Attapeu, that has overall responsibility for all agricultural and forestry development in the province.
Partner 2		The District Agriculture and Forestry Offices (DAFO) of Sanxay, the PAFO's coordinating office at district level, have been fundamental in order to promote the establishment of public and private partnership. DAFO is also responsible for land allocation, thus its presence is crucial when addressing land and agricultural-related initiatives.
Partner 3		With its headquarter based in Kampangsaen, Thailand, and branches in Chiang Mai and Petchaboon, SWIFT Co. Ltd. is one of Southeast Asia's leading fresh produce exporters within the niche market of organic, chemical free, vegetable and fruits. SWIFT principal export destinations include the United Kingdom, countries in the Middle East, as well as Japan and Australia. As part of its commitment to communities, SWIFT offers free technical assistance to growers in converting their traditional farming into organic farming practices.
Other beneficiaries		
remarks		
Case prepared by Giovanni S. Villafuerte, April 1, 2013		

Source: (Ministry of Agriculture and Forestry, March 2012)

Attachment 12. The Case of Coconut Marketing Arrangements in the Philippines										
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)		>Young coconut delivery (buko) -UGMA/local coco farmer business clusters (Quezon Prov.) & Tullahan River Alliance (TRA) – Novaliches, Q.C. Urban Poor business clusters; -With initial intervention of PAKISAMA, a partner National Farmers Confederation with initial capital for test marketing -Dec. 6, 22, 24 & 30, 2012- Test Marketing Activity; A projected on-going activity.								
Key features (what best describes the marketing arrangement/ initiative, uniqueness)		>direct delivery of agri products from farmer producers to urban poor partners as consumers; >reduces traders/middlemen’s role in the marketing cycle thus an increase in profit & cbu can be viable; >Product focus in the test is young whole coconut or(“buko”); >Formation of Business/Enterprise clusters from both farmers & urban poor organizational structures; >Urban poor cluster situated strategically in a main market of a district and has an organizational membership of 3,000 families; >A Social Entrepreneurial Test Activity.								
MARKETING arrangement	Objectives	-Sound Integration & Interaction between rural & urban poor communities thru Social Entrepreneurship concept; -Reduce activities of unscrupulous traders who are profiting at the expense of farmer producers; -Balance farming vs. oversupply/over production of agri products thru regular inventory of market needs; -Develop market supply system to ensure delivery of end users of urban communities at a reasonable & socially accepted pricing;								
	Outcomes	>Test Delivered Young coconuts (Buko) to Urban Center 4 times last December, 2012; >Increased profit & cbu of both rural & urban clusters; >Introduced a viable alternative to farmers vs. traditional marketing of buko practiced by traders								
Gains/ benefits (qualitative & quantitative)		>Dec. 6, 22, 24, 30 Buko Deliveries from Quezon to Novaliches- Initial Capital borrowed: Php 40,000.00 Total buko pieces delivered: 4,800 pcs. Urban buying price – P12.00-12.50/pc. Farmgate buying price – P6.00-7.00/pc. (P1.00/pc.-Org. share) <table><tr><td>Gross sales -</td><td>P58,975.00</td></tr><tr><td>Less: Reject -893 pcs.</td><td>10,725.00</td></tr><tr><td>Total sales</td><td>48,250.00</td></tr></table> <table><tr><td>Total sales</td><td>48,250.00</td></tr></table>	Gross sales -	P58,975.00	Less: Reject -893 pcs.	10,725.00	Total sales	48,250.00	Total sales	48,250.00
Gross sales -	P58,975.00									
Less: Reject -893 pcs.	10,725.00									
Total sales	48,250.00									
Total sales	48,250.00									

	<p>Less: Expenses 39,403.00</p> <p>(Hauling Cost, Operational, misc. exp.)</p> <p><i>Net sales</i> <u>P8,847.00</u> (partners revolving capital)</p> <ul style="list-style-type: none"> ➤ Farmer members of the clusters are priority for labor To get additional income in delivery operations & their Coco farms are primary source of the product; ➤ Urban poor family members participate in the marketing & distribution of product to the market & community
Partner 1 – UGMA Farmers Coco cluster (Php 4,800.00 for cbu)	Can be replicated to member clusters of the local federation;
Partner 2- TRA- Nova Urban poor Cluster (Php 4,750.00 for cbu)	Can form additional expansion outlets & start any coco processed Products that are seasonally in demand in the market;
Partners – Initial capital lent Php 40,000 can be paid back.	Experience can be replicated in other chapter members Of the Farmers Confederation (PAKISAMA)
Other beneficiaries	N/A
remarks	<p>>Hauling cost is the highest expense considering the present rental rates; own hauling service can be beneficial later, nearer urban contact markets will have lesser cost;</p> <p>>Quality – size, age & color of buko gathered must be taken into consideration by gatherers to minimize rejects in quality;</p> <p>>Market demand – Scheduled gathering from the farm cluster sources is important to ensure the availability & continuity of supply based on market demand;</p> <p>>Management – a lean & mean, efficient proj. mgt. structure must be in place at the cluster level.</p>
<p>Case prepared by : Gil N. Gardiola, Ugma cluster, Quezon Province Ka Elmer & Inar Larin, TRA cluster, Novaliches, Q.C. In Partnership with Dr. Nerlie Manalili, April, 2013</p>	

Attachment 13. The Case of Herb Production: Marketing Arrangements in: Saiyok, Kanchanaburi Province, Thailand		
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinating, etc) (duration: start/completion or ongoing)		>Herb Production and processing for cooking and health -Women Farmers Entrepreneur Group -Consignment with five private shops
Key features (what best describes the marketing arrangement/ initiative, uniqueness)		Group marketing arrangement -Chairperson of the group gather all the product and sell it to 5 souvenir shop in kanchanaburi (tourist area) -Consignment Agreement with 5 shops -Pricing: ➤ farm price is 25 baht/120 grams ➤ Shop price is 35-100 baht / 120 grams -Risks: shop owner no risk; all risk with farmer only
M A R K E T I N G arrangement	Objectives	- Income enhancement and tap opportunities given lots of herbs in the area -Provide livelihood for women
	Outcomes	Production -9 kind of herbs produced ➤ Fang, blueberry, takrai, filkong, etc -Production area: small plots of land (1 rai per family Processing • Sun drying • Common Oven house • Packaging – 120 grams per pack
Gains/ benefits (qualitative & quantitative)		-Employ family labor -Harvest daily
Partner		Private shops
Partner		
Partners		
Other beneficiaries		
remarks		-Need to improve packaging a)vacuumed sealed b) design/ branding c) tea bags or capsule -Need to diversify/ include more herbal product not only cooking & expand to other product e.g indigenous banana for banana chip -Consignment takes 1 month before payment; farmers prefer cash upon delivery basis

Attachment 14.The Case of Organic Vegetable Marketing Arrangements in Vietnam		
Nature of marketing Arrangement & Partners Involved- (who initiated/coordinated, etc) (duration-start/end of arrangement)		<ul style="list-style-type: none"> Since 2005 VNFU has been implementing a project' Developing a framework for production and marketing of organic agriculture in Vietnam supported by ADDA (Denmark). The Organic farmer group in Mong Village, Luong Son Town, Hoa binh province is one of organic farmers groups of project. It established in 2008. This group produces organic vegetable by collective production form and sales their products by collective. Selling. in 2011, the organic agricultural cooperative was established . At the beginning there were only 8 households to be members of Organic Cooperative, , now 15 households. With assistance of Luong Son farmers' Union, the Organic Cooperative in Mong Village can hire more land to expand their organic farming area(0.6 ha). Mr Nguyen Duc Xuong, was Head of Organic farmer group. He is very an active member mobilizing other members to establish a organic farming cooperative and now he is a manager of cooperative
Key features (what best describes the marketing arrangement/ initiative, uniqueness)		_ Collective selling for companies and distributors - Direct Marketing (The Cooperative has a shop for selling in Luong Son Town). They also sell organic vegetable to schools, consumers by orders... -Contract selling(The Cooperative has signed contacts with companies
M A R K E	Objectives	- Selling organic products with stable volume with reasonable price - Increase their income from organic faring - Organic vegetable recognized by consumers and can get fairer price

T I N G arrangement	Outcomes	<ul style="list-style-type: none">• Production supply: 3 -3,5 tons of vegetables/month (60% for Hanoi market)• The average price: 13.000 đ/kg/ selling to companies based on the contracts.• The average income of members is from 2-3 mill.VND/month (raising income from 50 – 70%• The Cooperative has PGS organic vegetable logo, many consumers recognize it and pay higher price
Gains/ benefits to partners (qualitative & quantitative)		Companies can get profit from selling organic vegetable to consumers(25.000-30.000 VND/kg)
Partner 1		The contract has been signed with Tam Dat Company. Organic vegetables are supplied every day
Partner 2		The contract has been signed with Vinagap Company. Organic vegetables are supplied every day
Partner 3		The contract has been signed with Ecomart Company. Organic vegetables are supplied every day
Other beneficiaries		Supermarket, restaurant, schools. Direct consumers
Remarks		
Case prepared by VNFU , 2013		

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