

ANNEX B: Highlights of Regional Trainings

1) “Making Markets Work for Small Farmers: Understanding Marketing and Market Intermediation”

The Training Workshop was divided into 5 sessions. Session 1, entitled “The Market Situation and the Challenges for Small Farmers” discussed the current market situation and the challenges confronting small farmers in engaging markets. The inputs from Mr. David Hitchcock, Agribusiness & Infrastructure Officer, FAO Regional Office in Asia and the Pacific, provided analysis of agricultural market trends in Asia especially as it is also affected by global trends.

Session 2, entitled “Agri-marketing in Asia: Agribusiness perspective” was delivered by Mr. Senen Bacani, Ultrex Management and Investment Corporation, former Secretary of Agriculture in the Philippines and member of LSFM Project Advisory Committee provided insights into the agribusiness perspectives in Asia.

Session 3 entitled “Understanding Agricultural Chains Towards Enhanced Market Access” focused mainly on insights and possible strategies that would be used to improve the value chain and provide greater benefits to small farmers. Dr. Nerlie Manalili, Advisor Market Access of Vredeseilanden based in Leuven, Belgium and member of LSFM Project Advisory Committee stressed the need to improve and upgrade market value chains that would ultimately benefit small farmers.

Case presentations from CEDAC and PhilDHRRA on the value chain analysis of free-range native chicken and fresh calamansi fruits provided specific examples of existing value chains that needed improvements to generate favourable benefits to small farmers. The presentations also provided insights on possible strategies that would improve value chains beneficial to small farmers.

Session 4 entitled “Market Positioning /Marketing strategies” discussed the importance of marketing plan and strategies, economy of scale and other basic marketing concepts. Dr. Wen-chi Huang, president of TaiwanDHRRA and Associate Professor Graduate Institute of Agribusiness Management of the National Pingtung University of Science and Technology, also a member of LSFM Project Advisory Committee, stressed the importance of the organizing small farmers into producer groups based on products or commodities to be able to achieve economy of scale.

Sessions 1 to 4 were followed by 3 case presentations on actual market intermediation initiatives in Vietnam, Korea and Philippines. In Vietnam, a case was presented by Ms. Chu Thi Mai Anh of CRS Vietnam presented a case of CRS agro-enterprise development initiative in the province of



Datuk Marimuthu Nadason, AsiaDHRRA Chairperson with Dr. Uriarte and members of AsiadHRRA's Executive Committee during the launching of the LSFM Project.



Participants to the First LSFM Regional Forum cum Training Workshop with the theme Making Markets Work for Small Farmers: Understanding Markets and Marketing.

Nghe An province in Vietnam. Mr. Chang Hyo Kim, president of the Red Kiwi Cooperation in Cheju Island in Korea, presented the case of small Kiwi producers in Korea, how they as association of Kiwi producers positioned themselves vis-à-vis Kiwi importation from other countries. Mr. Rene Guarin, Executive Officer of the Upland Marketing Foundation, Inc. (UMFI) in the Philippines, presented the case of UMFI as a market intermediary for small farmers and how UMFI has able to penetrate the supermarket chains in Metro Manila in the Philippines.

A total of 75 participants, resource persons, guests and secretariat attended and participated the First Regional Forum cum Training Workshop.

A synthesis after 4 sessions were presented highlighting existing CSO models of market intermediation. Included in the discussions were the new and classic forms for intermediation. There were at least five (5) CSO models of market intermediation involving small farmers. Among them is the two-sided platform, which is a model for market facilitation whose success depends on the capacity of farmers to group together, and the one-sided platform, which is a model largely utilized by rural and agricultural cooperatives.

Food safety and product quality has been identified as among the major barriers of small farmers/producers' participation and engagement with markets. Because of the lack of information and technical support that small farmers get from government, small farmers have always been left behind in their efforts at complying with the growing sophistications of product quality standards set by governments and markets.

The over-all objective of the second regional training workshop was to provide information that can be used by used to develop capability-building interventions to suit specific needs on the production and marketing of safe and high quality products and thus enhance their market linking. The training workshop identified and provided information around distinct themes on food safety and product quality. The design was a structure and process that provide the flexibility to develop a training programme to meet the needs of a specific country, by allowing the participants to go over broad overview of food safety requirements and product quality standards.



Peter Sousa Hoejskov, Food Quality and Safety Officer of the FAO Regional Office of Asia Pacific brief participants about food quality and safety and the processes at the Codex Alimentarius in setting up food safety standards.

At the end of the training workshop, the participants were able to:

- 1) Identify specific food safety and product quality issues around the selected commodities that the LSFM project is involved, namely: tea, calamansi and free-range native chicken;
- 2) Understand the rationale behind product quality and most especially food safety standards set by international inter-government bodies and national governments;
- 3) Articulate the importance of certification, guarantees, etc. as mechanisms to ensure food safety and product quality;
- 4) Present practical steps that would address food safety and product quality issues in their own specific organizations and communities; and

- 5) Identify specific needs that require support from government and other stakeholders to improve safety and quality of those mentioned chosen commodities.

Site Field Visit

The workshop participants were divided into two groups for the field visit. The first group visited Teuk Vil station, a research, demonstration, training and exchange visit station of target farmers and target groups from other NGOs. Here, SRI technique is tested and demonstrated. Organic fertilizers, such as compost, fermented fruit and plant juices are also tested and demonstrated in different kinds of crops, e.g. vegetables, rice, fruits and others. Teuk Vil Station is supported by funds from APSARA Authority which is a certain percentage of the revenues from the Angkor Wat admission fees.

After the visit to Teuk Vil station, the first group visited farming communities in Angkor Thom district where they interacted with farmers practicing composting and sustainable agriculture, and where they met with the finance officer of the village's saving cooperative. They were also happy to witness community's preparations for a wedding ceremony. The first group ran out of time for sharing and reflection.

The second group visited organic farm in Ba Kong, a nearby public market, and one of CEDAC's distribution center for organic rice. The following insights and learnings were shared by the group:

- Shifting from conventional to organic vegetable farming results to reduction in production cost and improved yield which allow farmer to increase its capacity to supply existing market
- Price premium for organic product cannot be enjoyed by farmers without the presence of effective intermediation mechanism that will develop the link between them and the appropriate market
- Consumer awareness is necessary to build the market for organic product
- Consolidation of individual small-scale farmer is necessary to meet the required market volume
- Technology transfer and capacity building interventions are not enough to upscale the volume and quality of organic production, the following support services should likewise be advocated to ensure expansion of success cases:
 - Accessible credit
 - Pre and Post-harvest facilities
 - Organizing farmers



Group 2 Participants visited, among others, the Ba Kong Public Market in Siem Reap.



Participants to the Second LSFM Regional Training Workshop held in Siem Reap, Cambodia.

3. "The importance of commodity-based associations of small producers in addressing competitiveness and for successful market engagements"

Third Regional Training Workshop, June 28 to July 2, 2009, VIP Hotel, Cagayan de Oro City, Philippines

The workshop was designed to help participants understand the importance commodity-based associations of small producers to achieve economies of scale and a stronger bargaining strength in the market. PhilDHRRA, the in-country anchor for LSFM in the Philippines, hosted the event and provided a festive welcome dinner featuring a traditional Manobo dance number and the participants' diverse backgrounds and cultures.

Sixty five (65) participants representing networks of rural NGOs and people's organizations from nine countries in Southeast and East Asia gathered in Cagayan de Oro City and discussed how the small-scale farmers and producers can hurdle the extremely difficulties and challenges in entering and engaging competitively in the market. They are united in the belief that small farmers and farmholders can survive and compete in the market if they are organized as commodity-based associations of small producers.

The participants of the workshop realized how difficult the situation of small farmholders had become over the last 15 years due to various factors that influenced changes in agricultural markets. Regional and bilateral agreements on the removal of tariffs have pushed down the prices of highly-subsidized agricultural imports from highly-developed countries, to the detriment of small farmers in Asia. Consumer preferences have increasingly shifted from fresh farm products to processed food due to increasing urbanization. Small farmers who have not been able to claim their space in agricultural sectors and industries will now have to face the additional hurdle of increasing market segmentation.

Models of commodity-based small producers association in the more advanced countries in Asia, such as Korea and Taiwan, provide the way to a better future. The associations in these countries have grown so big that their small farmers actually earn more than salaried professionals. Mr. Seo Dong Woo of Korean Producers Association and Dr. Wen-Chi Huang of Taiwan Wax Apple Development Association (TWADA) presented how they reached this stage by narrating their history, marketing strategies, and how they have been able to address the challenges related to economies of scale, product quality, and food safety. The successful experience of small cassava farmer in Agusan in dealing with an established food and beverage corporation, narrated by Agnes Bolaños of Agri-Aqua Coalition for Development, provided significant insights about how small farmers dealt with the challenges of dealing with a huge, established, and stable market, and the opportunities in engaging the private sector.

Participants from various ASEAN countries identified the key factors to ensuring success in this endeavor. Government support will definitely be helpful, as well as the leadership provided by people's organizations in breaking through the market. Quality control and product promotion, systematic consolidation for greater bargaining power, the identification of competitive advantage, and thorough work on internal organization strengthening and development will all help push commodity-based small producers associations to success.



Participants have likewise identified the important functions of commodity-based small farmers/producers to include the following:

- 1) Easing access to input credit through member-based saving and credit schemes or through group lending schemes involving microfinance institutions
- 2) Facilitating extension training on production, addressing product quality and food safety issues,
- 3) Mobilizing external technical support
- 4) Consolidation of commodities for marketing, especially where they are linked to a major markets
- 5) Ensuring continuous supply of marketed products/commodities

Underlying these elements is the commitment to the principles of holistic, diversified, and sustainable agriculture as the foundation of any and all economic undertakings of commodity-based associations of small producers. The basis of their engagement with various players, especially the business/private sector, remains the same as the fundamentals guiding their advocacies for agrarian reform and rural development-- that is, social justice, environmental protection, sustainable agriculture.

A visit to the Northern Mindanao Vegetable Producers Association (Normin Veggies) in Barangay Dahilayan, Manolo Fortich, Bukidnon was done on the last day so that the participants will have a common community-based experience as one reference for concretizing their learning and insights.