LSFM AsiaDHRRA

LINKING SMALL FARMERS TO MARKET

Building the next links in the value chain

CONTENTS

LINKING THE CHAINS

WHAT LSFM SET OUT TO DO

The strategic goal of the project is to contribute to the reduction of rural poverty in South East Asia region through strengthened capacity of small farmers and their organisations to engage in the market and other institutions having impact on rural development. The program in general aims to strengthen entrepreneurial capacity of NGO workers and their partner Farmers' organisations (FOs) in Southeast Asia to establish an on-ground marketing link between small farmers' group and market players and to collaborate with policy makers at national, sub-regional, and regional levels to respond to agricultural marketing issues confronted by the small farmers.

More specifically the project aims to deliver the following outputs:

- Installed farmer-friendly market data-base and information system focused on selected crops as tool for decision making and negotiation on market related engagements of FOs;
- Enhanced knowledge and skills of 168 NGO frontliners and farmer leaders on engaging small farmers with the market and managing on-ground marketing projects;
- Strengthened and established Market Intermediation Mechanisms with direct involvement of Farmers' Organizations;
- Established healthy partnership among various market players towards improved marketing arrangement benefiting small farmers; and
- Enhanced mechanism for dialogue between Farmers' Organisations and national, sub-regional and regional level policy making bodies.

OUTPUTS

OBJECTIVE 1

FARMER-FRIENDLY DATABASE AND INFORMATION SYSTEM ON SELECTED CROPS/PRODUCTS

The project has conducted market studies and researches to be able to compile a data base and information of each selected commodity in each country. These market studies and researches include:

1. Mapping of CSO marketing initiatives
2. Value chain studies of fresh calamansi fruit, free-range native chicken, tea and organic rice
3. Capacity assessments of small farmers organizations
4. Inventory of productive capacity of small farmers organizations

The results of the mapping study helped the Project Advisory Groups (PAG) in each of the implementing country anchor in selecting the product of commodity that will be the subject of market intermediation at the specific stage of project implementation.

The following commodities have been selected:

a) Philippines – calamansi

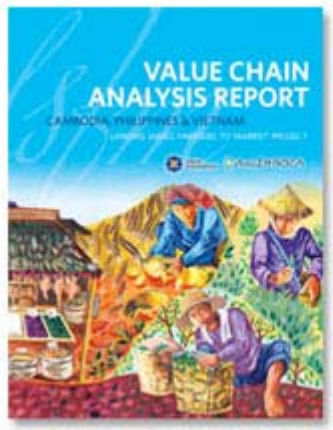
b) Cambodia – free-range native chicken

c) Vietnam – organic tea

d) Indonesia – organic rice

The Project Advisory Committee guided the process of selecting commodities by putting up a set of criteria that may help in-country anchors. The sets of criteria are as follows:

1. Criteria describing the growth potential
2. Criteria describing the poverty reduction potential
3. Criteria describing pragmatic aspects



4. Criteria describing size or outreach (number of farmers, enterprises. people affected)

5. Prospects of success

6. Relevance to government priorities

Farmers Organizations' Marketing Capacities

The capacity assessment studies conducted in four pilot countries have shown the general conditions of small farmers organizations' marketing capacities across the 4 countries. These indicative information includes the following:

1. Small farmers/producers involved in the production of tea, calamansi and native free-range chicken are largely/dominantly un-organized. Although some of the small organic rice producers in Central Java are organized, most of their organizations are by far still largely loose and are geared towards production (cooperation for production) rather than for marketing.

2. Those organized groups are either a) members of cooperatives, ranging from very small to larger co-operatives of mixed commodities or b) members of associations for local policy advocacy -"claim-making"- that do not have marketing objectives and activities;

3. In Vietnam, most of the organized farmers are organized under the state enterprises and cooperatives. Farmers under state enterprises are organized based on commodity but those in cooperatives are largely on mixed commodities;

4. Those organized under state enterprises in Vietnam, are farmers/producers organizations functioning primarily as producers that do not have marketing objectives, it is the state enterprise that assumes value adding and marketing;

5. Those farmers (small, medium, big) organized under cooperatives do have marketing objectives and activi-

ties but are confronted with problems of capital, loan defaults, governance and management issues such as accounting, etc.

6. In terms of operations, the studies showed that only a few organizations are engaged in income-generating activities while some rely on external grants for funding.

7. The assessments also revealed that the organized farmers have small membership base. Many of these organizations have not been able to expand membership through the years.

8. Mixed commodity associations of small farmers do not have marketing objectives and activities. Some of these organizations are members of regional or national federations of farmers advocacy, campaign and lobbying organizations. But many of them do not have a network where they will have 1) access to information and services and participate in government and non-government programs, 2) access institutions that provide grants and/or loans to small farmers organizations, 3) know of potential buyers or consumers of their products, and 4) relate with other small farmers organizations with similar nature for experienced-based knowledge and technologies.

Overall, the organizations of small farmers in the four pilot countries are focused mainly on policy advocacy and lobbying. They are also mostly mixed commodity groups. These small farmers associations are not able to effectively utilize their groups as effective mechanisms for their engagement in marketing and markets. Networking and consolidation (to achieve economy of scale) is difficult and therefore, small farmers/producers direct access to markets is limited. Small farmers pass through layers of traders, consolidators, increasing transaction costs at each layer, leaving the small farmer with very low farm gate price for his/her produce.

Product Inventories

The product inventory studies were intended to examine the capacity of an existing organization of small farmers to produce. The results of these inventory studies would help determine the viability and feasibility of linking these small farmers organizations to markets, that there is enough quantity and volume of products (at economic scale) that could be immediately linked to possible buyers as well as their capacity to continually produce and deliver supply at agreed delivery schedules.

The studies encountered many difficulties. PhilDHRRA found only one organization of small calamansi farmers Siay, Zamboanga Sibugay in the Philippines. CEDAC could not locate organized groups of small free-range chicken producers. Thus, CEDAC decided to organize small free-range native chicken producers into different clusters. Similarly, in Vietnam, VNFU could not find an organized small family tea-farming households and freelance tea producers. Because of this difficulty, in-country anchors in consultation with the project management team, decided to conduct product inventories in areas where there is high concentration of small calamansi farmers and free-range chicken producers. In Vietnam, VNFU conducted production capacity inventory of a cooperative engage in buying and selling tea as well as other commodities.

a. Production inventory calamansi

In the Philippines, PhilDHRRA conducted production capacity inventory in communities of small calamansi farmers in the provinces of Oriental Mindoro, Compostela Valley, and Agusan del Sur.

A total of 218 farmers participated in the survey, most of whom belonged to the 51 to 60 years old age range. The average age of the farmers is 51 years old.

Cluster 1 Victoria

Name of Member	Location	Land Area (in has)	Average Monthly Production (in kilograms)
Rea Marquez	Victoria, Oriental Mindoro	0.50	1,100
Rodrigo Atilano	Victoria, Oriental Mindoro	0.25	125
Alfonso Melgar	Victoria, Oriental Mindoro	2.00	6,600
Teresa Macalintal	Victoria, Oriental Mindoro	1.00	2,200
Gil Je Valdez	Victoria, Oriental Mindoro	1.00	1,850
Welson Gatong	Victoria, Oriental Mindoro	0.25	650
Johnson Esteban	Victoria, Oriental Mindoro	1.00	840
Ricky Ong	Victoria, Oriental Mindoro	2.50	6,750
Octavio San Pedro	Victoria, Oriental Mindoro	3.00	4,200
Floretio Castillo	Victoria, Oriental Mindoro	1.00	2,600
Dante Haplos	Victoria, Oriental Mindoro	2.00	2,500
Heneroso Patalino	Victoria, Oriental Mindoro	1.50	3,400
Teodilo Aquila	Victoria, Oriental Mindoro	1.75	2,000
Armando Benedicto	Victoria, Oriental Mindoro	2.00	11,300
Alex Valdez	Victoria, Oriental Mindoro	1.50	3,200
Arnold Puyot	Victoria, Oriental Mindoro	4.00	8,200
Esavero Manalo	Victoria, Oriental Mindoro	1.00	12,650
Maricon Matthew	Victoria, Oriental Mindoro	4.00	13,000
Christo Labagnoy	Victoria, Oriental Mindoro	2.50	4,620
Rosalinda Esteban	Victoria, Oriental Mindoro	2.50	5,800
Apolinario Esteban	Victoria, Oriental Mindoro	1.00	1,500
Total		36.25	95,085

An example of a productive capacity inventory of one cluster of small calamansi farmers in Victoria, Oriental Mindoro. The inventory provide information on the capacity and estimated volume of calamansi fruits that they can deliver each month.

Small calamansi farmers can be classified based on their land ownership status. There are: 1) owner-cultivators, who were awarded the rights and titles of the lands they till, 2) leaseholders, who were granted use rights over the land for a fee, and 3) tenants, who pay rent to till the land. With regards to the status of the land ownership, a majority (77%) owns and cultivates

the land. 15% are tenants and a number of them stated that they are under an "ariendo" arrangement. This is an arrangement wherein a parcel of land is being rented for a minimum of one year to a maximum of five years and a fee is paid to the land-owner. The rental fee ranges from PhP10,000 to PhP50,000. This arrangement is widely practiced in Oriental Mindoro.

Of those interviewed, less than half of the farmers (47%) are members of farmers' organizations. In terms of farm size, majority of the farmers (21%) cultivate a 1-hectare farm. The average farm size of the respondents is 1.5 hectares. The total farm size of all the respondents covered by the study is 331.5 hectares. But only 207.8 hectares are planted with calamansi trees.

Average production is 3.6 tons per hectare, way below the national average of 9 tons per hectare. This is because, farmers only maintain (underbrush, fertilize, etc) calamansi trees in preparation for the December until May harvests when prices of calamansi fruits are high but keep their farms with barely no maintenance when market prices of calamansi fruits are very low during the months beginning June.

Total production capacity of 218 small calamansi with a total of 207.8 hectares is 751.30 tons annually or 62 tons monthly. The estimated market value of these farm produce at the average farm gate price of P11/per kilogram is P80 million.

Increasing productivity of small farmers from the current 3.6 tons per hectare to at least 7 tons per hectare and linking them to markets would mean an additional value of P70 million or potential additional annual income of P38,000 per hectare of calamansi farm.

b. Free-range chicken

In Cambodia, CEDAC examined the production capacity of small free-range chicken raisers in the provinces of Kampong Cham and Kampong Thom provinces by interviewing individual chicken producer in 37 villages of 13 communes, and of 4 districts. One hundred fourteen small chicken raisers were interviewed representing about some 600 targeted small chickens raisers in these areas. Below are the summary findings:

- Cultivated land areas: in average, each household has 1.5 hectares of land for their cultivation. Rice is their main crop. Beside the rice and chicken, the second priority is cow raising. The third is pig raising. The fourth is seasonal production of vegetables. The cultivation areas are mostly own by the farmers. Only 5% is found

in forms of rent and tenant conditions. The land area for chicken raising around their residence is less than 500 square meters. In general, each household has around 200 to 500 square meters.

- For chicken production farmers use approximately 50 square meters of their residence for poultry house; 9 s.q.m for feed production; 1s.q.m for brooding; 5 s.q.m for hardening; 10 s.q.m for breeding; and about 600 s.q.m for fattening.

- On average, each producer keeps 10 productive adult chickens of which 9 are hens. A hen is able to give approximately 10 eggs are for laying. About 90% of hatched eggs can give birth to chicks. On the average, only 7 hardened chicks are able to survive.

- Live chickens are sold by the farmers at the ages between 75 to 120 days. The sold chicken weight is mostly between 1 to 1.2 kilograms.

- At the farm gate price at the time of survey, the price was 12,200 Riel per kilogram (approximately US$3). However, the price fluctuates according to the season with high demand during Chinese Buddhist and Muslim traditional holidays.

Based on these findings, it is estimated that in these 37 villages of 13 communes, and 4 districts of Kampong Cham and Kampong Thom provinces, 600 small free-range chicken raisers are able to supply around 6,000 heads per month or 200 heads per day.

c. Tea

VNFU conducted the production inventory study in Phuc Thanh village. Phuc Thanh is one of villages in Hoa Trung commune, Dong Hy District, Thai Nguyen Province. Phuc Thanh village is situated 12 kilometers far from Thai Nguyen City and about 106 kilometers from Ha Noi.

Phuc Thanh village is a mountainous and valley area pocked with small and large patches of farms. Its has basically two distinct seasons, dry season from November to April and rainy season from May to October. The annual average temperature is 22 C degrees, the highest is 32 C degrees, the lowest is 3 C degree in January. The average rain fall is 2,097 mm and the highest is 3,008 mm.

The population is 447 composed of 114 households. All of the households rely on agriculture for sources of income involving the cultivation of rice, vegetables, fruits tea, and husbandry. Others periodically engage in the production of building materials and services on transportation.

VNFU interviewed a total of 80 tea farming households of 4 different types of farmers, namely:

Members of cooperative	20 households
Freelance farmers	40 households
Members of State-run farms	15 households
Small farm owners	5 households
Total	80 households

Results were the following:

Type of Farmers	Number	Average Tea Farm Size (Square meters)	Average Annual Production Output (Kilograms)	Average Annual Income (US. Dollars)
Members of cooperative	20 households	2,330	490	505.30
Freelance farmers	40 households	1,800	530	315.72
Members of State-run farms	15 households	3,100	640	882.70
Small farm owners	5 households	3,300	560	430.20
Total	80 households			

The results clearly indicate that because of marketing tie-up between cooperatives and state-run enterprises, farmers get better prices of their tea products as compared to small household tea farmers and free lance tea farmers.

d. Organic Rice

In Indonesia, Bina Desa interviewed more than 123 organic rice producers spread throughout the Boyolali, Gunung kidul, and Kulon progo districts in Central Java Province. Net data was only taken from 99 respondents due to missing information and data sets from 24 respondents.

The survey was done in 3 regencies which were: Boyolali (48 farmer families), Gunung kidul (16) and Kulon progo (35). Those areas are the working area of Lestari Mandiri that

focuses on natural farming and organic product marketing intermediation especially organic rice. The highest respondents' age groups are 31 – 40 and 51 – 60 with percentages of 31.3% and 32.3%, respectively. Percentage of respondents included in Indonesian productive age is very high which is 92.9%. This shows that farming is the main livelihood for most of the locals in those areas.

Monoculture is still relied by the locals in the survey area with main commodity of rice (91.9% respondents). There are only 20.2% and 12.1% of the respondents who still cultivate 2 and 3 commodities , respectively, in one year. The selection of first and secondary commodities is based on the family needs of food and not for trading. The land usage is still prioritized for economic support of the family. 94.1% of the land with 3.001 – 5.000 m2 wide are used as cultivation land of main crops, the rest use those land as cultivation land of secondary crops.

Agriculture in the survey area still depends on the condition of the season. Time of planting is mostly done in the end of rainy season which is January – March (53,1% of cultivation commodities). For harvesting time, as much as 60.1% of commodities are harvested in the peak of summer which is April – June.

Average land ownership range from 3,500 square meters to 5,000 square meters. Production cost of organic rice is lower by 40 percent compared to conventional rice. Organic rice producers remove the cost of synthetic fertilizers and chemicals. Organic rice farmers spends for the cost of labor, organic fertilizers and seeds. Combined production output of 99 farmers is 136 tons per cropping season.

The over-all findings have pointed out that there is a need for organizations of small farmers to expand membership to be able to achieve economies of scale if they are to engage with markets and sustain their engagements. While there are already organized small farmers groups they are not prepared to engage with markets. Mixed commodity small farmers organizations have to group together members of the same commodity and agree a common agenda for marketing.

The results of these participatory market researches on organic rice have helped enhanced small farmers/producers understanding of value chains, the market potentials of the selected commodities, the markets players and the necessity to improve their position and active participation in the chain. It has also helped facilitate decision-making processes among project participants and stakeholders.

Dissemination of Results and Contribution to Public Knowledge

The market studies and researches have been completed and the results have been printed/uploaded and disseminated among project partners, farmers organizations, governments, NGO organizations not only in Southeast Asia but in Europe as well.

The project has also created a project website at URL http://www.smallfarmerstomarket.net and section of the existing AsiaDHRRA's website at http://www.asiadhrra@asiadhrra.org. LSFM documents and materials are available for free download at these sites. In addition, the project also created a commodity-specific websites at URL http://www.berasalami.com for organic rice in Indonesia and http://www.pinoykalamansi.net for calamansi in the Philippines. News and information about organic rice and calamansi and LSFM are available on these sites.

The major findings of the market studies are found in Annex B of this report.

OUTPUTS

OBJECTIVE 2:

ENHANCED SKILLS, KNOWLEDGE AND COMPETENCE OF 168 NGO FRONTLINERS AND FARMER LEADERS

The capacity building component of the project was carried out in two-levels, namely: 1) at the regional level which responds to the specific skills, knowledge and competences are of importance and relevant to national needs and requirements of the LSFM project, and 2) at the national level which respond to the specific skills, knowledge and competences particular to the realities and situation of each country.

Regional Training Workshops

At the regional level, AsiaDHRRA mobilized the expertise of the regional office of FAO and the regional networks of farmers organizations and CSOs in Asia to facilitate exchanges of experiences.

A series of three (3) regional training workshops was implemented to achieved the objectives of the project. They were:

"Making Markets Work for Small Farmers: Understanding Marketing and Market Intermediation"

First Regional Training Workshop, June 7-11, 2008, Tay Ho Hotel, Hanoi, Vietnam

The first regional Forum cum training workshop entitled "Making Markets Work for Small Farmers: Understanding Marketing and Market Intermediation" was designed to enhance the knowledge and skills of participants in marketing and market intermediation. It was expected that with the workshop, participants become initiators, implementers, advocates and supporters of initiatives that would link small farmers to markets.

Specifically, the workshop was designed to enable the participants to:

Dr. Filemon Uriarte, Jr. on an inspirational talk with the participants of the First LSFM Regional Forum cum Training Workshop held in Hanoi, Vietnam in June 7-9, 2008.

1. Explain the relationships of supply and demand and the factors affecting them;

2. Describe what is market chain (supply and value) and the stakeholders involved;

3. Discuss how product value is arrived at and how additional value can be added;

4. Articulate basics in marketing strategy;

5. Articulate how to respond to competition;

6. Have insights on how to achieve economy of scale;

7. Discuss the importance of producing quality products and managing processes to achieve better quality of products

8. Articulate the benefits of a marketing plan;

9. Explain the importance of market intermediation

LSFM Project Launching

To maximize the first regional training workshop, a simple and symbolic rite were made to officially launch the LSFM project, with Dr. Uriarte of the ASEAN Foundation and .E. Nguyen Hoang An, former Vietnamese Ambassador to Indonesia and former member of the Board of Directors of the ASEAN Foundation. As part of the LSFM Launching, there was a mini-exhibit showcasing products from the three (3) LSFM pilot sites and an inspiring video about the ASEAN and the ASEAN Foundation was shown.

"Complying with Market Requirements on Food Safety and Product Quality"

Second Regional Training Workshop, January 19-23, 2009, Monorich Angkor Hotel, Siem Reap, Cambodia

The Second Regional Training Workshop entitled "Complying with Market Requirements on Food Safety and Product Quality" was held in Siem Reap, Cambodia in January 19-23, 2009. CEDAC was the co-host of the workshop. A total of 42 participants attended and participated the event.

The second regional training workshop was designed to respond to the need raised by LSFM in-country implementers, not only because of the recent problems of food contamination in China, but also because CEDAC, PhilDHRRA and VNFU have selected commodities that are part of the food group of agricultural products. Already at the initial stage of market linkaging, CEDAC is already confronting food safety issues with the free-range native chicken from small farmer producers.

"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

During the opening of the Second LSFM Regional Training Workshop held in Siem Reap in Cambodia. Dr. Yang Saing Koma, President of CEDAC, welcomed the participants to Cambodia.

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

Ms. Nyla Prieto of ASEAN Foundation brought a message of support and inspiration to the participants during the Third LSRM Regional Training Workshop held in Cagayan de Oro City, Philippines.

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.

Site Field Visit

In all regional trainings field visit was a major component. It was purposively integrated in each training to allow oppor-

tunity for participants to know more about the context of its ASEAN neighbour particularly on the agricultural marketing aspect. The insights and ideas from the field visit supplemented and enriched the discussions/inputs provided in the Training Workshops.

During the first regional training, participants were given opportunity to interact with the organic tea community in Thai Nguyen Province in Vietnam.

In the second regional training 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 cultural practices in preparations for a Cambodian wedding ceremony. The second group visited organic farm in Ba Kong, a nearby public market, and one of CEDAC's distribution center for organic rice.

In the third regional training, a visit to the Northern Mindanao Vegetable Producers Association (Normin Veggies) in Barangay Dahilayan, Manolo Fortich, Bukidnon was done.

Table of Regional Training Workshops Organized and Implemented by LSFM

Country	No.	Title	Participants			Dates Held
			M	F	Total	
Regional	1	Making markets work for small farmers: Understanding Marketing and Market Intermediation	58	17	75	Held in Hanoi, Vietnam, June 7-11, 2008
	2	Complying with Market Requirements on Food Safety and Product Quality	31	11	42	Held in Siem Reap, Cambodia, January 19-23, 2009
	3	Importance of Commodity-based Organizations of Small Farmers for Successful and Sustainable Market Engagement	34	31	65	Cagayan de Oro City June 28 to July 2, 2009

Core Participants of National and Regional Training Workshops

Country	Number of Core Participants		
	Men	Women	Total
Cambodia	20	11	31
Indonesia	34	26	60
Philippines	13	8	21
Vietnam	12	8	20
Regional	31	11	42
Total	110	64	174

National Training Workshops

A total of eighteen (18) national training workshops were implemented in the four (4) LSFM pilot countries during the entire two-year implementation. The nature, subject and content of these training workshop were based on the requirements and needs in each of the pilot country. Themes/topics of national training workshops addressed specific issues that small farmers are confronted with as they engaged with markets. These includes basic understanding of markets, the dynamics of supply and demand, consumer preferences, costs, etc. But even as small farmers needed to arrived at basic understanding of markets, they are also confronted with high production costs, low productivity and product quality issues. The national training workshops included some discussions to address these needs as well.

The national training workshops general focused mainly on two (2) major themes, namely: 1) skills on the technical production to reduce production costs, improve product quality and

National Training Workshops in Cambodia addressed technical production issues faced by small native chicken producers.

enhance productivity and on 2) how small farmers could link to markets and sustain linkage successfully.

In Cambodia, the national training workshops were aimed at improving skills on the technical production of protected free-range native chicken and making business linkage and cooperation between small farmer groups of chicken raisers and CEDAC.

Free-range native chicken production in Cambodia is generally backyard, per capita production outputs is very low as farmers put more time, effort and investments in their primary livelihood, cultivating and growing rice. The production skills training workshops aimed to increase per capita production to be able to reduce costs and achieve higher income from free-range chicken production.

Country	No.	Title	Participants			Dates Held
			M	F	Total	
Cambodia	1	Business Cooperation between small chicken producers and slaughterhouse	13	13	26	Held in Kompong Cham Province August 15-16, 2008
	2	Business Cooperation between small chicken producers and slaughterhouse	20	11	31	Held in Kompong Thom Province, October 9-10, 2008
	3	Production planning, collective Consolidation and Payment Procedures and Schemes for Marketing	23	10	33	February 8-10, 2009, Kompong Thom Province
	4	Business Planning and Value Chain Analysis Sharing	25	18	43	May 20-22, 2009, Kompong Thom Province
	5	Production and Marketing Policy Issues and Recommendations	39	25	64	October 29-30, 2009 Kompong Thom Province

Similarly, in Vietnam, VNFU aims to address low productivity issues confronting small farming households and freelance producers of tea while at the same time orient them on the basic dynamics markets. There are 4 major groups of tea producers in Vietnam, namely: 1) tea farmers under state enterprises, 2) tea farmers within a cooperative, 3) small tea-farming households and 4) freelance tea-farmers. Small tea-farming households and freelance tea producers are the most vulnerable group of small tea farmers in Vietnam. These two groups are targeted by VNFU for LSFM project.

A National Training Workshop held in Skun District in the province of Kompong Cham in Cambodia

Country	No.	Title	Participants			Dates Held
			M	F	Total	
Vietnam	1	Methods To Formulate, Manage And Evaluate Family Scale Project	12	8	20	Held in Thai Nguyen Province, November 2-4, 2008
	2	Measures To Reduce Production Costs And Improve Product Quality	12	8	20	Held in Thai Nguyen Province, November 9-11, 2008
	3	Marketing Skills	12	8	20	Held in Thai Nguyen Province, November 21-23, 2008
	4	Tea Drying Methods and Handling to Ensure Quality, Food safety and Hygiene	7	13	20	Held in Thai Nguyen Province, February 2009
	5	Diversifying Tea Products	8	13	21	Held in Thai Nguyen Province May 15-17, 2009

Small tea-farming households and freelance tea producers have the smallest production scale. Most of them have the lowest education and poor cultivation skill level among the 4 groups of tea producing households in Vietnam (60% heads of households of these two groups just finished primary school). They lack the capital and are in very poor living conditions. Their absorption and application of techniques is limited.

During a National Training Workshop in the Philippines, Mr. Roberto Manalo, Director, Office of ASEAN Affairs of the Department of Foreign Affairs, briefed participants about ASEAN.

Country	No.	Title	Participants			Dates Held
			M	F	Total	
Philippines	1	Achieving Economy of Scale Towards Successful and Sustainable Small Farmer Engagements with Markets	13	12	25	Partnership Center, Quezon City, December 10-12, 2008
	2	Addressing Market Requirements on Food Safety and Product Quality	13	8	21	Partnership Center, Quezon City, March 27-28, 2009
	3	Importance of Organized Commodity-based Organizations of Small Farmers for Successful Marketing	12	10	22	SEARSOLIN, Collage of Agriculture, Xavier University Cagayan de Oro City June 27-29, 2009
	4	Business Planning Training and Workshop	12	11	23	Quezon City, September 9-11, 2009
	5	Calamansi Production for Profits	14	10	24	Partnership Center, Quezon City, December 14-16, 2009

Their cultivation is mainly based on traditional experiences. Most of their agricultural practices degrade soil quality and reduce yield and quality of tea. These households do not have processing machines. They either hire other to process or process themselves with traditional processing facilities. The quality of their processed tea is low and not uniform and low due to low processing skills and techniques, and low quality input materials. They are not often able to preserve and keep processed tea until they can get good prices due to their difficult economic conditions. So many of them, sell fresh tea right after harvest or they sell dry tea right after processing even at very low prices. They often sell tea to assemblers, who in turn sell to processing establishments for fresh tea, to wholesale traders for dry tea. They rarely receive real market information. Even

when they know very well that the price they get from their products is low, they still have to accept in order to have some income to cover family expenditures.

Similar themes have shaped national training workshops in the Philippines. Production of calamansi by small farmers is way down below the national average of 9 tons per hectare. Production of calamansi by small farmers in Mindoro, Agusan, Davao ranges from 3.6 tons to 6 tons a hectare. At the moment, there is not much incentives and motivation for small farmers to improve productivity because they don't get much benefits from very low prices of fresh calamansi fruits. For 6 to 7 months beginning the May or June each year, small calamansi farmers lay low from their calamansi farming activities to find other sources of incomes. Calamansi farms are usually left unattended. Calamansi farm activities resume only during the months beginning November to December when farm gate prices start to rise. Marketing and linking them to markets and extension support are the only potentially better option to motivate and support small farmers to enhance productivity.

Ms. Mags Catindig, PhilDHRRA LSFM Marketing Officer, discussed the calamansi syrup and calamansi juice standards as set by the Department of Trade and Industry with the producers of calamansi syrup and concentrates in Zamboanga provinces.

The national training workshops in Indonesia, focused more on enhancing participants knowledge, skills and competence that would respond to trends and increased market competition, changes the way markets have behaved and subsequently how market participants particularly small farmers, should respond. In enhancing bargaining positioning of small farmers and producers, Bina Desa saw the importance of levelling of understanding of agricultural chains (what they are and how they work) and the significance of conducting a value chain analysis. `

During a National Training Workshop in Indonesia. Participants discussed about the importance of certification and internal quality control mechanisms to enhance market competitiveness of organic rice.

Country	No.	Title	Participants			Dates Held
			M	F	To-tal	
Indonesia	1	Cross-Community Learning Visits on Cul-tivation and Marketing Experiences of Organic Rice	19	9	28	Sawangan–Magelang, Java, January 11 – 12, 2009
	2	Market Intermediation for Small Farmers	34	26	60	July 28-29, 2009, Boyolali, Yogyakarta
	3	Implementation of qual-ity control and quality assurance in cultivation and marketing of or-ganic rice	34	27	61	October 15-26, 2009, Surakarta, Central Java

But while it was important to examine and determine ways to improve small producers bargaining position, the project also responded to the needs at improving product quality and food safety. Thus, a national workshop was also organized to enhance farmer groups and associations capacities in the implementation of quality control and quality assurance policies and protocols to ensure food safety and high quality organic rice.

Bina Desa also organized an exposure-learning visit of LSFM team to the Philippines that include select representatives of the Indonesian Peasant Alliance (API), a national federation of farmers organizations in Indonesia, leaders of organic rice growers in Central Java Province and staff of Bina Desa. The exposure-learning visit was hosted by the Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHRRA).

The learning visit was primarily organized to provide an overview of the production and marketing of organic rice in the Philippines. Focal learning areas include production, processing, storing, transporting and marketing of organic rice which was facilitated with the visit, exposure,

exchanges and discussions with three leading organic rice marketing outfits, namely: 1) Organic Products Trading Association (OPTA) and 2) Upland Marketing Foundation, Inc. based in Manila and the Bukidnon Organic Products Company, Inc. based in Cagayan de Oro City. The team also visited farmers organization of organic rice farmers in the provinces of Bukidnon and Misamis Oriental.

OUTPUTS

OBJECTIVE 3

MARKET INTERMEDIATION MECHANISM FOR SMALL FARMERS

The objective of the project is to build market intermediation mechanisms, when there is an absence of appropriate mechanisms and or strengthen or enhance existing mechanisms.

These mechanisms are expected to facilitate the engagements of small farmers with markets.

In-country Market Intermediation Mechanisms

Market Intermediation Mechanism/Country	Status	Type of Organization	Project Interventions
Philippines Upland Marketing Foundation, Inc.	Existing	Non-profit marketing service organization	▪ Engaged only in market facilitation of processed products. LSFM interventions focused on enhancing capacity in handling, management, logistics for fresh fruits. ▪ Product promotion/ exposure amd participation in trade fairs ▪ Business planning and pre-investment study ▪ Technical support for product technology development involving processing calamnsi fruits into puree ▪ Organizing national core group of leaders and representatives of small calamansi growers ▪ Organizing initial number of calamnsi growers into commodity-based associations
Indonesia Kooperasi Serba Usaha Pasar Tani Alami	Existing	Cooperative	▪ Business Planning ▪ Linking with organized consumer groups and government processing ▪ Technical support for product quality and food safety standards ▪ Formation of a network of small organic rice producers to ensure economic-scale volumes and continuous supply.

Market Intermediation Mechanism/Country	Status	Type of Organization	Project Interventions
LSK Bina Bakat	Existing	Cooperative	▪ Business Planning ▪ Linking with formal markets, e.g Kentucky Fried Chicken Fast food chain ▪ Technical support for product quality and food safety standards ▪ Technical assistance for certification. ▪ Formation of a network of small organic rice producers to ensure economic-scale volumes and continuous supply.
Cambodia Sahakreas CEDAC Company Ltd.	Newly organized	Profit corporation	▪ Conduct of feasibility study on the feasibility and viability of a chicken slaughter house. ▪ Business planning ▪ Product exposure and TV advertising ▪ Organizing and participation in trade fairs ▪ Construction of slaughter house facility ▪ Construction of feed mill facility for feed supplements ▪ Organizing small free-range native chicken producers
Vietnam Economic Department of Vietnam Farmers Union (VNFU)	Existing	Organizational unit of VNFU	▪ Policy advocacy for internal changes involving engagement of VNFU in marketing ▪ Participation in trade fair ▪ Business planning

Indonesia

In Indonesia, the project engaged two mechanisms a) the Kooperasi Serba Usaha Pasar Tani Alami, and 2) the LSK Bina Bakat. These two market intermediation platforms are cooperatives with 75 percent equity ownership by NGO, NGO workers and 25 percent farmers but a plan is in the pipeline that would increase farmers equity ownership to 75 percent.

A new organic rice value chain has been created through these two market intermediation platforms. This new value chain is shorter than the conventional rice value chain. The key stakeholders include small organic rice producers, millers, market intermediation platform (Pasar Tani Alami and LSK Bina Bakat), distributors, consumer groups, institutional markets (e.g. government, KFC, etc.) and local store outlets.

Sorting, grading and repacking organic brown rice at Pasar Tani's Small Warehouse in Boyolali regency, Central Java.

During the duration of the project, these two intermediation platforms were able to diversify its organic rice markets. Pasar Tani Alami early on was advised to relocate its operations to a more accessible site. Now it is located at Jl. Regulo 79 B, Sidomulyo Pulisen at the heart of Boyolali where access is easily convenient for consumers and retailers. This was particularly important because Pasar Tani market is 40% consumer groups and 60% institutional markets that includes government purchases, restaurants and retail outlets. The

Comparison between conventional rice value chain and the new organic rice value chain

Areas of Comparison	Conventional rice chain	New Organic Rice chain
Purchasing system from farmers	Pre-harvest	Post-harvest
Payment scheme	Payments are made 2 weeks minimum time	Cash on delivery
Product	Threshed Un-milled rice of any variety	Milled rice of long grain and good eating quality rice variety specially Pandan Wangi, Menthik Susu, and Memberamo rice varieties.
Supply and value Chain	Farmer-pre-harvest buyer, collector miller, wholesaler, agent, retailer	Farmer, farmer group, intermediary, institutions/outlets/distributor, consumers
Price	Within the range of government's basic selling price (higher or lower depending on the season and actual conditions in the areas)	Above government's basic selling prices
Price Agreement	Farmers bargaining position is very weak	Agreements between and among key stakeholders in the chain
Other benefits farmers received	None	Farmers organizations capacities are built

new location contributed to the increased sales. Beginning August 2009, Pasar Tani's monthly gross sales from organic rice registered an average of US$14,000 and a monthly profit of around US$1,000.

LSK Bina Bakat largely deals with consumer groups. Consumers groups accounts for 60% of sales, Kentucky Fried Chicken fast food chain 35% of sales and restaurants 5% of sales. Since the middle of 2009, LSK Bina Bakat has registered a gross monthly sales from organic rice of around US$30,000. The single largest market is the multinational fast food chain Kentucky Friend Chicken (KFC). For this market, LSK Bina Bakat and organic rice farmers have submitted themselves for organic and halal certification. In addition, it has hired 90 women staff to manually remove rice impurities and comply with the set out quality standard which includes 93% purity requirement and 7 percent broken rice content.

At present, LSK Bina Bakat supplies organic rice to 70 branches of KFC in Java Island. KFC in Indonesia is owned by PT Fastfood Indonesia. PT Fastfood Indonesia owns 388 local KFC fast food stores nationwide and franchised 70 other fast food stores. KFC wants organic rice served in its local fast food stores as part of its corporate social responsibility objectives, that includes health, low carbon gas emissions and contribution to poverty eradication. While there is a large market for organic rice, supply is small as there are still very few farmers who are into cultivation and production of quality organic rice product. The real challenge ahead is to expand organic rice-based production involving more small rice farmers nationwide.

Areas of Comparison	Conventional rice chain	New Organic Rice chain
Market assurance	None	Contract and agreement between farmers and intermediary, intermediary and institutional markets
Role of farmers/farmers organization	Very weak, individual farmers, very limited role of farmers organization	Very strong role in production of quality and safe agricultural food products
Flow of information	Very poor information on price, markets, product standards, consumers, etc.	Exchange flow of information farmers to markets and consumers and vice versa.
Relationships among stakeholders of the chain	None	Continuing dialogue, consultation and periodic meetings

At the Swasembada warehouse, distributor of LSK Bina Bikat, 90 women personnel work on sorting, grading, packing of milled rice organic rice for delivery to the Kentucky Fried Chicken fast food chain. KFC requires 93 percent rice purity, 3 percent broken rice and certified as organic and halal.

Cambodia

During the implementation period, CEDAC has transformed its Agro-enterprise Support Program (AESP) to become the CEDAC Enterprise for Social Development, Inc but as the unit evolved, it was finally named PSBP and later organized a private company called Sahakreas CEDAC Company Ltd. A profit organization with investments by CEDAC, CEDAC personnel and staff and farmers and their organizations. Sahakreas CEDAC is now the market intermediation platform for small farmers.

Under the Sahakreas are the Natural Agricultural Product Shops (NAP) and its restaurants and affiliated outlets and shops. From period January to October 2009, a approximately 17,000 chickens or a total chicken meat weight of 9 tons were sold.

At present, there are 178 small chicken producers that are organized as producer groups and are link to CESDE slaughterhouse. There are also 310 farmers that are not yet organized but are also using CESDE as their market intermediation mechanism. The main impact that CESDE is providing stable price of free-range chicken that farmers in the target sites have benefited. Farmers get 1000R (US$0.25) more for

a kilo of live chicken higher than other farmers outside the target area.

Feasibility study on the establishment of a chicken slaughterhouse

Free-range native has given substantial income of farmers after rice production. Raising free-range native chicken requires on little investments unlike other livestock enterprise. Normally, farmers raise few chickens in their homestead, starting with few hens. Farmers sell free-range native chicken at live weight. Weight of chickens are heavily affected by transport and stress. Traders and middlemen buy live chickens at very low prices from farmers because of the various risks that are involve in live chicken trade, lose of weight, mortality and the costs of feeds in keeping chickens in small cages in the market and stocking areas.

Selling dressed and frozen native chicken is a method that would reduce risks, e.g. it will greatly reduce mortality, reduce chicken stress, keep weight loss at the minimum and benefit from higher prices of dressed native chicken.

A chicken slaughterhouse and dressing facility is of great importance to small farmers engaged in the production of free-range native chicken. The facility will provide services

As a result of policy advocacy and lobby, organic rice producers received a grant from local government of Boyolali for the construction of a rice mill dedicated for organic rice milling.

to small farmers for a fee to help farmers slaughter and dress chicken, provide good and quality dressed chicken meat, ensure food safety, reduce risks and benefit from higher prices.

The chicken slaughterhouse was built on a piece of land (4,500 s.q.m) in Skun distruct, Kampong Cham province. The slaughterhouse is equipped with facilities and processing system to ensure good hygiene. The protected fattening areas were also constructed for the live chicken sale. At present,

A new feed mill has been established by CEDAC to support small free-range native chicken producers in addition to the chicken slaughter house that CEDAC constructed earlier. The feed mill is intended to improve the quality of chicken through the production of supplemental feeds for the finishing stage of chicken production.

there is no facility for blast freezing and cold storage. When the volume of processed chickens will increase, these facilities will be added.

The dressed chicken sale point is usually at the slaughterhouse. The dressed chicken orders are usually delivered at restaurants' door. At the market entering period, dressed chickens are packed usually delivered to NAP shops by a taxi in early morning. If the quantity order amount is increased, a small car will be invested to transport the product to Phnom Penh sale outlets. Nowadays, the NAP shops sale outlets in Phnom Penh are at its three shops, two country bird restaurants, and two alliance restaurants. Most recently marketing have penetrated several markets in Phnom Penh such as Oreussey and Deum Kor markets where the dressed chicken are available for consumers

CEDAC has likewise invested on a feed mill facility. The feed mill facility was a direct response to the need for greater chicken weight and fatter chicken meat. Consumers earlier complained about the quality of chickens from the CEDAC shops. An analysis pointed out that the complaint was one of

the key reasons why sales was weak. Chicken fats add flavour, taste and aroma to cooked chicken meat.

The feed mill facility was established for supplemental chicken feeding prior to sales. The "finishing stage" is important to fattened chicken. Supplemental feeds include grains, protein and fats to increase weight and fats.

Philippines

The project has engaged the Upland Marketing Foundation (UMFI) to serve as a mechanism for market intermediation in Metro-Manila area. UMFI is a marketing foundation established by a consortium of NGOs including PhilDHRRA.

In the last 10 years, UMFI has been successful in helping CBEs get access to the super markets and store chains in Metro-Manila, SM Supermatkers, Rustans, Robinsons, particularly for processed products that includes organic rice, muscovado sugar, sardines, jams, jellies, juice concentrates, etc. While it is organized as a foundation with a board of trustees, management is composed of professionals from the industry with expertise, experience and contacts.

With LSFM, UMFI has agreed and will embark on a new market linkaging arrangement for fresh calamansi products at the outset and move on to a more strategic market linkaging with processed calamansi products and other small farmer-based products.

Participation of Sahakreas CEDAC Company Ltd, in trade fair in Phnom Penh. Sahakreas CEDAC is the newly formed market intermediation mechanism for small farmers and producers.

But before it can begin engagement in linking small calamansi farmers, UMFI needs to ensure that the engagement will sustain and continue on a regular basis.

Sustainable engagement with markets requires delivery of larger volume of products, compliance to quality and food safety standards and continuous delivery of supply at agreed

PhilDHRRA's participation in Trade Fair at Glorietta Super Mall during the celebration of the National Social Development Week.

delivery schedules. These requirements dictate that small calamansi farmers need to organize themselves as a commodity groups/association. Initially, the project has organized few clusters involving 120 small calamansi farmers in Agusan dels Sur, Mindoro Oriental. Nueva Ecija and Zamboanga Sibugay provinces. The periodic volume of aggregated products would have suffice the initial market engagement with a Manila-based processor. Unfortunately, typhoons Ondoy and Peping struck Metro Manila and nearby province affecting the production in Nueva Ecija and Mindoro Oriental as well as the processing facility. Resumption of the deliveries are scheduled once production of calamansi fruits returns to normal as well as when the rehabilitation and repairs of the processing plant are done.

Vietnam

The project has yet to establish a market intermediation mechanism appropriate for freelance and small household tea producers in Vietnam. The Research Department of VNFU has designated the Economic Department to seek ways and means to engage or establish such mechanism. But there are current constraints confronting VNFU as an organization officially supported by government. Marketing of tea is currently assumed by state enterprises, e.g. Vinatea. Any government efforts should support state enterprises despite the fact that state enterprises on key commodities are only able to market products of beneficiaries of land reform for lands owned by such enterprises. Thus, freelance and small household tea producers do have extreme difficulties in terms of access to state enterprises as markets. Freelance and small household tea producers who are not members of cooperatives and or affiliated with state enterprises have no other choice but with layers of small middlemen and traders.

The second constraint is about organizing freelance and small household tea producers as commodity-based associations for marketing, even under the VNFU organization is not possible at the current VNFU one organization policy. This requires an intervention from an independent body organization with a permission from VNFU.

A phase 2 implementation of LSFM requires a partner that would take care in the implementation of market intermediation component and the corresponding requirement of organizing commodity-based association for free-lance and small household tea producers in Vietnam.

Promotion of tea and participation of project participants in the trade fair held in Thai Nguyen City.

OUTPUTS

OBJECTIVE 4:

HEALTHY PARTNERSHIP AMONG VARIOUS MARKET PLAYERS TOWARDS IMPROVED MARKETING ARRANGEMENT BENEFITING SMALL FARMERS

Partnership

The project has organized a Regional Project Advisory Committee (PAC) and four (4) National Project Advisory Groups (PAG) and with expanded membership as the National Technical Working Groups) as mechanism for partnership and cooperation among key stakeholders relative to the implementation of the LSFM project.

The Regional PAC

The regional PAC committee extended technical, advisory and referral support to the regional Project Management Team. It has basically provided over-all project direction, advise and guidance to ensure the project's success. Members of the PAC are individuals and experts in various socio-economic and cultural spheres of society in Asia and elsewhere in the world. They were selected on the basis their previous engagement and invaluable support to AsiaDHRRA trade and marketing initiatives and advocacy in the Asian region.

A PMT with PAC members meeting that discussed the future directions of the LSFM project.

The Regional Project Advisory Committee (PAC) convened at least 5 meetings and held regular consultations through e-mails and telecommunications.

The National PAG/TWG

The National Project Advisory Group (PAG) and Technical Working Group (TWG) in each of the pilot county were organized by project in-country anchors. The PAGs and the TWGs served as the national and in-country mechanisms for partnership. The PAGs are composed of a small group of five (5) to seven (7) members representing NGOs, farmers organizations, business and academe. The TWGs are the expanded PAG which includes technical expertise from government agencies and private individuals.

In Cambodia, the PAG and TWG includes members from the local government units (commune councils) which draws very strong support and participation from the relevant agencies of government. In Vietnam, the PAG and TWG include a representative from the Thai Nguyen Farmers Union which are composed largely of tea farmers. In the Philippines, the PAG and TWG includes a representative from the Philippines Business for Social Progress, one of the corporate social responsibility arm of many business corporations in the Philippines.

In Indonesia, the Project Advisory/TWG has 17 members representing NGOs, farmers organization, academe, government, consumers and the private business sector involved in rice. The expertise and links of PAG members were very helpful in the installation of internal product quality control systems, improvements in production practices by farmers and in the process of organic and halal certification.

A meeting with the LSFM PAG and TWG members in Cambodia.

PAGs/TWGs held convened regular meetings and periodic consultation during the entire project implementation period. In the Philippines, for instance, it was the PAG which recommended for the conduct of pre-investment study on the business of puree extraction. Results of the pre-investment study will be utilized for a possible private-public-NGO-farm-

ers partnership for investments in calamansi puree extraction. The decision was based on the results of the earlier VCA study that found calamansi puree extraction and calamansi powder processing as the strategic direction for small farmers that deserve greater benefit from the value chain from through stable price of fresh calamansi fruits.

The PAG/TWGs were also instrumental in providing links and contacts with the private sector. For example, it was the PAG/TWG member in Indonesia that provided the initial link with the Kentucky Fried Chicken fast food chain. In the Philippines, it was the relationship with PBSP that made it possible for the business links with calamansi puree and powder processors. In Cambodia, it was the link with the Ministry of Agriculture, Fishery and Forestry that made it possible for a free television exposure and advertising for dressed free-range native chicken meat.

OUTPUTS

OBJECTIVE 5:

MECHANISMS FOR DIALOGUE BETWEEN FARMERS' ORGANISATIONS AND NATIONAL, SUBREGIONAL, AND REGIONAL LEVEL POLICY MAKING BODIES

Advocacy and Dialogue with FAO

AsiaDHRRA has engaged policy dialogue and is currently in a constructive engagement with the Regional Food and Agriculture Organization in Asia and the Pacific on food security, rural development, marketing and trade and for LSFM project in particular. It has also facilitated dialogues and consultations with small farmer leaders. AsiaDHRRA, as a regional network will work with farmers organizations and national rural-based NGOs and networks in this engagement with FAO.

Another AsiaDHRRA engagement is with the Regional Rural Development Working Group (RDWG) which is a broad forum of representatives from CSOs and farmers and fisher organizations from national and regional networks in the Southeast Asia region. As a pioneering member at this forum, AsiaDHRRA has brought rural policy issues to be brought into a harmonization a process of arriving at common policy advocacies for rural development.

Networking / Dialogue and Lobbying activities with ASEAN and other regional intergovernmental bodies to promote support for linking small-scale farmers to markets

Policy Campaign with the World Rural Forum

AsiaDHRRA, the World Rural Forum and other regional networks in Africa, Asia, Latin America, North America have joined hands in an international campaign for a UN declaration of an "International Year for Small Farmers and Family Farming." Most Southeast Asian countries, small farmers or family farming is important in terms of agriculture and food security. Its importance is derived from its prevalence and role in agricultural and economic development and the concentration of poverty in rural areas.

This campaign for a UN declaration of an International Year of Small Farmers and Family Farming is intended to give

a decisive boost to rural development which are currently being confronted, among others, the following challenges:

- Access to resources and production inputs (land, water, seeds, equipment, etc.)
- Aging and the migration to cities because of lack of rural employment.
- Scarce incorporation of young people in agriculture.
- Effective recognition of the role of women in agriculture.
- Lack of or insufficient participation of small farmers in the decision-making processes of policies that affect them.
- Volatility of markets and prices.
- Impacts of climate change
- Lack of access to services of marketing, extension, information and farming capacity and of credit and finance, unfair competition due to subsidised imports, etc.

The primary drivers of this campaign is the recent International Evaluation of Knowledge, Science and Technology in Agricultural Development (IAASTD) study has pointed out that "in agriculture, the current dominant focus, industrial on a grand scale, is not sustainable for it depends on cheap petroleum, produces negative effects on the ecosystem and worsens the growing lack of water".

In addition, FAO, most recently, has emphasised that the problems of the lack of food and the consequent rise in international prices require strategies such as the strengthening of family agriculture".

The positive effects of small farmers and family farming on the world food supply and on rural development, as a whole, are being underestimated and most often ignored. The decisions about the policies that affect it are very often taken far from its reality and its voice, on many occasions, is ignored. The International Year of Family Farming will provide the opportunity to promote agreement among the authorities -whose job it is to formulate farming policies-, countrymen and countrywomen, their rural associations as legitimate representatives, and other entities.

The focus of the proposed International Year is not only on the challenges and difficulties of family farming, but also its great contribution, real and potential, to the world's food, to the fight against poverty and to the fulfilling of the Millennium Development Goals.

Family farming, along with being the greatest source of employment in developing countries, represents the social base on which the Right to Food should be made a reality as recognised in the Charter of Human Rights, 1948.

Briefly, the International Year will be the driving force behind a number of initiatives and stakeholders cooperation in favour of small farmers and family agriculture. This impulse should be maintained after its celebration to optimise the results achieved and to critically follow-up its public policies, its programmes and the development of its agreed projects.

The expected impact resulting from this campaign and UN's declaration of an International Year for Small Farmers or Family Farming are the following:

1. Creation, expansion or strengthening of national and international platforms - with the participation of governments, rural organisations, development associations, experts, etc. as instruments to develop policies and strategies to defend a sustainable future for family farming, including the regulation of a just food international market.

2. Allocation of substantial budgets in different countries and in international organisations aimed to providing better and greater infrastructures and services in rural areas and in family agriculture.

3. Greater recognition and legitimisation of farmer's organisations as essential partners with public powers in everything related to the elaboration of agrarian policies in favour of family farming and rural development in general.

4. Recognition of the specific status of rural women and the creation of supporting tools directed to investment, credit, ownership, etc. for women in the farming sector.

5. Substantial increases in rural employment, especially among young people of both sexes, by means of "an appropriate selection of investments, with intensive

labour as an important ingredient, in agriculture and other non farming rural activities

6. Increasing agricultural research in aspects that deal with the strengthening of family farming, such as access to quality seeds, to other productive resources, to essential infrastructures and to modernisation and adequate mechanisation on their farms.

7. Increase in the training programmes and the reinforcement of skills, among small farmers (both men and women) and in this way, improve the accessibility, quality and quantity of information about family farming, about the rights of the rural world, etc.

8. Increase in social awareness about the importance of family agriculture, not only in food production, but also in the sustaining of rural areas, in the battle to eradicate poverty and in other great current challenges facing Humanity such as the climatic change.

Policy Dialogues at the National Levels

National Policy Dialogue and Workshop in Cambodia

A National Workshop and Policy Dialogue on Linking Small Farmers to the Market was organized in December 31, 2009 in collaboration with the Department of Agriculture Extension (DAE) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) at Phnom Penh Hotel in Phnom Penh. There were 120 people including farmers, representatives from agriculture development communities, representatives from the MAFF, the Ministry of Commerce (MoC), the Ministry of In-

dustry, the Rural Development Bank (RDB), and CEDAC staff members who attended this workshop.

The workshop aimed to:

1. Publicly share the experiences of Linking Small Farmers to the Market

2. Present the results of the technical working group meeting

3. Provide a chance for participants to participate in learning about the strategy of the MAFF, Ministry of Commerce in helping to link small farmers to the market.

The participants agreed that Linking Small Farmer to the Market is a very popular topic in the region today. Supporting farmers on technical skills on production are not enough. Support should also be given to change the way of thinking, habits and behaviour that require high discipline, mutual cooperation, self-reliance, and honesty which are the crucial points to boost agriculture and rural development work with the Cambodian farmers.

Many useful topics were presented by different resource persons including the results of the "Linking Small Farmers to the Market." There is a need to push national policies to support strategies for more initiatives at small farmer engagement with markets that may require reforms in the current principles behind the Agriculture Cooperative Registration by MAFF, Rural Development Banks loan principles, etc. The workshop also conducted a plenary discussion on important mechanisms to support the activities of Linking Small Farmer to the Market. The participants agreed on five strategic points:

1. Work harder to ensure that farmer communities/co-operatives can receive capital with a low interest rate from RDB;

2. Ensure the standards of product quality to improve competitiveness;

3. Ensure fair trade in the market;

4. Facilitate direct business dealings between farmers and domestic and or foreign markets; and

5. Expand the production of agro-industry products to replace currently imported products.

National Policy Dialogues in Indonesia

LSFM through Bina Desa and the Joint Committee of Indonesian Civil Society, on the occasion of the International celebration of World Food Day 2009, organized a national policy workshop with theme "Strengthening the Community Food System as National Food Security Platform Facing Global Crisis." The workshop was held at the Bank Indonesia in Yogyakarta, Central Java in October 8 – 10, 2009 and was attended by 200 participants representing various stakeholders.

A national policy workshop in Indonesia for food security, support to small farmers and producers and their access to markets.

The national policy workshop was aimed at providing strategic inputs from farmers organization civil society, local governments, academe and private sector to improve the weaknesses in previous Policy of Food Security (Kebijakan Umum Ketahanan Pangan /KUKP) 2006-2009. Key concerns that must be incorporated in the proceeding KUKP 2010 to 2014 includes climate change and global warming, implementation of agrarian reform, women and gender development, small farmers/smallholders and their access to markets and increased food access of the poor at the household levels.

In particular, the participants put forward the following recommendations:

1. that the new KUKP need to place the role of both local institutions (local governments, farmers organizations and cooperatives) and resources (land, irrigation, farm to market infrastructure, post-harvest facilities) as a priority for national food development. Localised community food system is strong not only in terms of production, but also in processing, storing and distribution as key indicators of national food security;

2. In terms of the role of stakeholders, in order for the KUKP to become a state document not only limited to the Ministry of Agriculture, as reference for formulating action plans, that will mandate and place food security as priority for all departments; in the context of regional autonomy, districts should be given more authority and resources in matters of deciding, planning and implementing food security targets, goals and objectives and that significance of food self-sufficiency should gradually be shifted from national to district, communities and households levels; increasing the political will of local governments in solving the problem of food and agriculture including the development of post-harvest services and facilities (increase of value added products); increasing support for institutional strengthening and participation of farmers/fishers and their organizations who are directly involved in food production;

3. In terms of aspects of food production: food diversity must be considered and that resources must be allocated across regions for the production of food from diverse local sources and should be placed among top agenda of food development;

4. In terms of aspects of food consumption: (a) required map and data related to category and classification of food insecurity (poverty, nutrition knowledge, access to food, etc.); (b) for each region and community should arrange ideal food composition, and the composition of food source; (c) improving local food campaign and consumption; (d) lack of food should be sought from the place closest to the location in need; (e) diversification of processing and consumption of local food sources (f) recognition and respect for local culinary techniques; (g) increased community awareness to improve the quality of consumption and

consumer preference for vulnerable groups (pregnant women, remote communities and children).

5. Food Security Agency (BKP) is no longer appropriate under the Ministry of Agriculture because of the limited implications of authority and politically not enough skill in coordinating other sectors. DKP / BKP should be independent and accountable and reports directly to the President, which has a stronger authority in decision-making and execution. DKP / BKP that is cross-sectoral body shouldn't be coordinating body only but also has instructive power and has binding decisions, including in terms of budgeting as well as regulating, supervising and developing the institution and its officials. Members of the head officer of DKP / BKP must be ideally a combination of government, academia and civil society representatives. This special authority be given to this institution is to submit a lawsuit if there is no state agency perform their task causing casualties and property.

While national policies for a favourable environment of initiatives in linking small farmers to market, organic and sustainable farming, food security etc., the project had likewise initiated policy advocacy and lobbying activities at the local level to tap resources from local government to support LSFM. In September 2009, the local government of Boyolali granted the Pangodi Bogo Organic Farmers Federation in Mojosongo, funds for the construction of a building and rice mill.

National Policy Workshop and Dialogue in the Philippines

The policy dialogue in the Philippines focused more on the recognition of calamansi as an emerging industry in the country. Calamansi markets have expanded and its uses have penetrated the manufacturing sector and contribute a significant value in exports, job generation and rural employment, calamansi is not yet in the list of agricultural commodity and industry of the Department of Agriculture. Thus, budget, technical, financial and logistical support are not extended to this sector. It is somewhat surprising, that the provincial government of Oriental Mindoro is not aware that Oriental Mindoro is the largest source of calamansi fruits in the entire country.

Department of Agriculture officials suggested that it is easier for a national organization of calamansi growers to push and lobby for the inclusion of calamansi as a national commodity of importance.

National Policy Workshop and Dialogue in Vietnam

VNFU has compiled a list of government policies for the tea sector and the list was subjected to review. Among the highlights of the review include the observation that there are no specific policies that are specific to poor and small scale producers, thus VNFU organized a policy workshop for a policy proposal that would benefit poor and small scale tea farmers. A series of two workshops were organized in September 26, 2009 and October 29, 2009. The workshops was participated by academe/scientists, representatives from MARD, NGOs and representatives from Thai Nguyen Farmers' Union in Thai Nguyen province. Results of government action on the proposal will await until a formal endorsement from the VNFU leadership and Standing Committee is made.

Tangible Results of Lobby and Advocacy at the Local Levels

While national policies for a favourable environment of initiatives in linking small farmers to market, organic and sustainable farming, food security etc., the project had likewise initiated policy advocacy and lobbying activities at the local level to tap resources from local government to support LSFM. In September 2009, the local government of Boyolali granted the Pangodi Bogo Organic Farmers Federation in Mojosongo, funds for the construction of a building and rice mill and October 2009, the Zamboanga Sibugay and Nazareth Women calamansi marketing cooperatives received support for a set of equipment for processing calamansi into calamansi syrup.

Project Coordination

The LSFM Project has employed 6 six personnel to take care of the day-to-day implementation of the project, namely: A Regional Project Coordinator and the Technical Assistant lodged at the AsiaDHRRA Office in the Philippines; four (4) Marketing Officers (one in each country lodged at the office of the in-country partners) who main responsibility take charge of the implementation of country component of the project in the specific sites. Marketing Officers are supervised by the Chief Executives of respective partner organizations.

A Project Management Team (PMT) was organized at the outset of the project. The PMT is composed of the following:

1. Secretary General of AsiaDHRRA
2. Mr. Sokundarun Lim, Program Coordinator, CEDAC Business Support Program (CBSP)
3. Mr. Chaerul Umam, Marketing Officer, LSFM, Bina Desa

4. Ms. Ma Genesis Catindig, Marketing Officer, LSFM, PhilDHRRA

5. Mr. Van Tam, Director, Research Department, Viet Nam Farmers Union

6. Mr. Florante Villas, LSFM Regional Coordinator, AsiaDHRRA

7. Ms. Ma Elena Rebagay, Technical Assistant, LSFM, AsiaDHRRA

8. Representative from the Asian Farmers Alliance (AFA)

The PMT mobilized technical and human resources, provided advise, referrals and logistical support to the involved organizations and other partners outside of the organizations. For example, with the help of KoDHRRA and TaiwanDHRRA and AFA, farmers organizations in Taiwan and Korea were mobilized to share their experiences on how they implement product quality and food safety assurance and monitoring systems and on the importance of commodity-based organizations such as the Taiwan Waxapple Development Association, Taiwan Dairy Farmers Association, the Jeju Kiwi Cooperative Association of Jeju Island, South Korea (JKCA) and the Korean Pear Farmers Association.

AFA is invited to the PMT meetings as AsiaDHRRA's strategic partner in rural and agricultural development. The PMT meetings is a learning opportunity for AFA.

During the two-year period, the Project Management Team (PMT) has convened six (6) regular meetings primarily for periodic assessment and planning workshops. But PMT meetings were also venue and opportunities for discussions and sharing of ideas and experiences and harmonization towards common action based on the local realities where project in-country anchors operate. The PMT meetings also provided opportunities to further sharpen understanding of key project implementation concerns that includes commodity selection, market research framework, methodologies and tools, training needs, modules and design, models of intermediation, value chain, etc. The discussions among PMT members made possible timely adjustments and fine-tuning of key strategies, target activities and schedules.

In these PMT meetings, 2 or three members of the Project Advisory Committee were present and participated in the discussions and sharing of ideas and experiences.

WORK ACTIVITIES

WORK ACTIVITIES

Key Results/Activities	Target Outputs	Actual Outputs
Installed farmer-friendly website capturing the product inventory and market researches focused on selected crops as tool for decision making and negotiation on market related engagements of		
1. Mapping of existing market intermediation initiatives	a. Map indicating market intermediation initiatives of NGOs	▪ Published a document Mapping marketing initiatives by CSO in Cambodia, Vietnam, Philippines and Indonesia.
2. Selection of a focused commodity	b. Selected commodity that would become the focal product for piloting	▪ Selected the following commodity as the project's focal commodity in each country: - Native chicken in Cambodia - Tea in Vietnam - Calamansi in the Philippines, and - Organic rice in Indonesia
3. Conduct of value chain study of the selected commodity	c. A value chain study and analysis of a selected commodity	▪ Published a value chain analysis report of each of the selected commodity
4. Assessment of marketing capacity of small farmers organization	d. A sample assessment of small farmer organizations' marketing capacity	▪ Assessments of marketing capacity of 12 selected small farmers' organizations in four countries.
5. Conduct inventory of productive capacity of small farmer organization involved in the production of the selected commodity	e. A sample inventory of the productive capacity of a small farmer organization	▪ An assessment of the productive capacity of selected organized farmer groups in four countries
		▪ Created three websites, namely: LSFM Project Website URL http://www.smallfarmerstomarket.net and commodity websites URL http://www.berasalami.com for organic rice in Indonesia and htt://www.pinoykalamansi.org for calamansi in the Philippines
		▪ Uploaded and made the above-mentioned research study results available and "downloadable" at Asiadhrra website http://asiadhrra@asiadhrra.org and in the project's website http://smallfarmerstomarket.net

Key Results/Activities	Target Outputs	Actual Outputs
Improved knowledge and skills of leaders of farmers' organisations and cooperatives and NGO field staff on engaging small farmers with the market and managing on-ground marketing project.		
1. Organized 18 National Training Workshops and 3 Regional Training Workshops	a. Enhanced skills, knowledge and competence of 168 NGO and farmer leaders in marketing and market intermediation	▪ Organized 18 national training workshops and 3 Regional training workshops that addressed a range of local and national marketing issues confronted by small-scale farmers and producers ▪ Enhanced the skills, knowledge and competence of 64 women 110 men core participants from the NGO, consumer groups and farmer leaders in the national training workshops. ▪ Facilitated a broader understanding of the current dynamics of agricultural markets, particularly agricultural food markets ▪ Improved the knowledge, skills and competence of 64 women and 110 men in ensuring compliance to food safety and product quality market requirements. ▪ Catalyzed the understanding on the importance of enhancing small-farmers market bargaining power to negotiate better and favourable market terms. ▪ Developed 3 regional training workshop designs and modules relevant to linking small farmers to markets. ▪ Mobilized expertise from the academe, private sector, regional and local NGOs, national and local government units for technical support.
2. Organize cross-community exchange and learning visit	a. Enhanced skills, knowledge and competence NGO and farmer organization leaders market intermediation, in addressing food safety and product quality issues and in improving bargaining strength of small farmers and producers.	
Functional commodity-based marketing intermediation mechanism with strong and involvement of small Farmers' Organisations		
1. Build or Identify and strengthening of appropriate market intermediation mechanism(s) 2. Consolidation and strengthening of farmers group based on common commodity through regular forum, trainings, exchanges etc. 3. setting-up appropriate organizational systems and policies (e.g. Governance structure etc.) 4. Installation of effective and efficient enterprise development system for commodity-based farmers group 5. Participation in trade fairs	a. Appropriate and functional market intermediation mechanism(s) for small farmers and producers are identified/engaged/ and strengthened.	**Cambodia** ▪ CEDAC Initiated internal organizational changes that included the creation of an enterprise support unit called Community-based Enterprise Support Program (CBSP) to manage CEDAC enterprises that include CEDAC shop and Country Bird Restaurants ▪ Established a market intermediation mechanism named Sahakreas, a company owned by the capital investments of CEDAC, CEDAC personnel and staff and farmers organizations ▪ Organized clusters/groups of small chicken producers (current membership 174) and federated them into a cooperative. ▪ Constructed a chicken slaughterhouse to support small chicken raisers ▪ Built a feed mill to process feed supplements for native chicken ▪ Turned-over the slaughterhouse and feed mill to the newly organized cooperative of small free-range native chicken producers ▪ Sold over 15 tons of chicken meat from period January to December 2009. ▪ Participated in Fair Trade Exhibitions in Phnom Penh.

Key Results/Activities	Target Outputs	Actual Outputs
		B. Indonesia ▪ Established partnerships with two existing organizations, namely: 1) Kooperasi Serba Usaha Pasar Tani Alami ,and 2) LSK Bina Bakat, as market intermediation platforms for organic rice. Farmers are stakeholder of both market intermediation mechanisms as members and/or shareholders. ▪ Helped established a network of groups of small organic rice producers to consolidate organic rice volumes ▪ Generated the participation of consumer groups for product promotion ▪ Experienced increases in organic rice sales to different markets to include direct consumer sales through consumer groups, government purchases, local store outlets and supply contract with a national fast food chain.
		C. Philippines ▪ Established a partnership with the Upland Marketing Foundation, Inc. to served as a market intermediation mechanism for small calamansi producers. ▪ Conducted a pre-investment study on the establishment of a calamansi puree processing/extraction business to determine the investment requirements ▪ Organized a national core of leaders calamansi growers representing 6 major calamansi-producing provinces in the country. ▪ Organized 7 groups of small calamansi growers in Nueva Ecija, Oriental Mindoro and Agusan del Sur. ▪ Formulated a business plan for the test collective of marketing of fresh calamansi fruits but implementation was affected with the onslaught of typhoons Ondoy and Peping in September and October.
		D. Vietnam ▪ Utilization of the economic department of VNFU as a market intermediation mechanism that will provide service to facilitate supply contracts between organized free-lance and small household tea growers and producers. ▪ Participated in market fair trades organized in Hanoi and Ho Chi Minh City.

Key Results/Activities	Target Outputs	Actual Outputs
Established healthy partnership among various market players towards improved marketing arrangement benefiting small farmers		
1. Formation of National Project Advisory Group and Technical Working Group 2. Conduct regular meetings 3. Provide technical advise to farmer-groups and organizations involved in the project. 4. Conduct of forum/consultations with key industry players 5. Mobilization of expertise and technical resources	a. A Technical Working Group that would serve as project advisory and the mobilization of technical support for the project. b. Improvements in the efficiency of the organic rice value chain	▪ Organized and formed a Project Advisory Group with representations from NGO, academe, government, private sector and farmers groups. ▪ Organized and formed a Technical Working Group as an expanded advisory group comprising of 17 members from national farmers federation, local government, market intermediation platforms, consumer groups, business sector and NGOs. ▪ Conduct of periodic regular meetings and consultations to discuss, among others, certification, Internal product quality control systems and mechanisms (IQC), production practices, etc. ▪ Mobilized technical resources from government, NGOs and academe to address specific production and post production technical problems.
Enhanced mechanism for Dialogue between Farmers' Organisations and national, sub-regional and regional level policy making		
1. Conduct National policy workshop and dialogue 2. Conduct meetings and consultations with national and local government units	a. Favourable policy environment for linking small farmers and producers to markets initiatives b. Tangible support from government for small farmers/producers access to markers	**A. Cambodia** ▪ Organized a national workshop on Linking Small Farmers to Market with the Ministry of Agriculture, Forestry and Fisheries (MAFF) on a wide range of marketing and cooperatives policy issues.
		B. Indonesia ▪ Organized a national policy conference and workshop participated by the 200 participants from the Ministry of Agriculture, Seven Provincial Government Units, NGO leaders, academe, consumers, private sector and farmers leaders that reviewed existing Policy of Food Security (Kebijakan Umum Ketahanan Pangan /KUKP) 2006-2009 and forwarded recommendations to strengthen support for small farmers for KUKP 2010 to 2014 as key strategy to achieve food security in Indonesia. ▪ Acceptance of government through the Ministry of Agriculture recommendations from the national consultation organized by LSFM. ▪ Received grant from the government for the construction of a building and rice mill for organic rice in the for the use of Pangodi Bogo Organic Farmers Federation in Mojosongo, Boyolali, Central Java

Key Results/Activities	Target Outputs	Actual Outputs
		C. Philippines ▪ Organized a national workshop on the importance of the calamansi, its emergence as a distinct industry and the importance of a policy environment to support its growth as commodity, its contributions to the national export earnings, to poverty reduction and to the benefits of more than 50,000 households of small calamansi growers and more than 20,000 households as seasonal agricultural workers directly involved in the production, home-based calamansi processing enterprises, traders, processors and wholesalers.
		D. Vietnam ▪ Organized a national workshop with the Ministry of Agriculture and Rural Development (MARD) with the participation of CSOs and representatives from the Thai Nguyen Province on policies that would provide support to small tea farmers, particularly those freelance and small household tea producers.

CONTRIBUTION TO THE PROMOTION OF ASEAN AWARENESS AND IDENTITY

The project has consistently made efforts on contributing to the building awareness of ASEAN identity and in promoting increasing concerted efforts and cooperation among ASEAN governments and Asian peoples at addressing poverty and food security in the region especially that approximately 70% of the world's 1.3 billion poor people live in Asia and millions of them are in Southeast Asia and depend largely on agriculture.

Promotion and building of awareness about ASEAN has been set as one among the objectives in the regional and national training workshops. A time slot dedicated to discuss about ASEAN has been allotted in each of the 3 regional and 18 national training workshops. At the regional level, Dr. Filemon Uriarte, graced the opening of the occasion of the

First Regional Training Workshop in Hanoi, Vietnam and spoke about ASEAN. In addition, Ms. Renelle Ivy Adan also of ASEAN Foundation explained about the ASEAN Foundation and its effort in promoting ASEAN identity.

During the Second Regional Training Workshop in Siem Reap, Cambodia, Ms. Marlene Ramirez, Secretary General of AsiaDHRRA discussed the link of the LSFM Project to the ASEAN in its over-all efforts at contribute to the reduction of rural poverty, enhancing food security and greater cooperation among ASEAN nations.

On the occasion of the Third Regional Training Workshop in Cagayan de Oro City, Philippines, Ms. Nyla Prieto of ASEAN Foundation came to brief participants about ASEAN and ASEAN Foundation.

Moreover, the field visit during regional trainings were powerful learning opportunities for enriching ASEAN consciousness among participants while deepening their understanding and appreciation of the specific marketing project in the pilot country.

Awareness-building efforts were likewise undertaken at the national training workshops in each of the 4 pilot countries. In the Philippines, the Office of ASEAN Affairs of the Department of Foreign Affairs has, on some occasions, sent official representatives to brief participants of national training workshops about ASEAN and the cooperation among member countries on agriculture, trade, education, technology, etc.

AsiaDHRRA as an affiliated CSO organization of ASEAN have utilized specific opportunities to promote and orient participants to international conferences, events, meetings and consultations about ASEAN and the cooperation among Southeast Asian countries.

CHINKS IN THE CHAINS

CHALLENGES:

The phase 1 of LSFM generated the necessary momentum among the value chain stakeholders of the chosen commodity. The project was able to direct the attention and energies of the various value chain players on the opportunities as well as major gaps within the value chain of the chosen commodity. The next challenge is to transform the small-scale farmers as an important player in the value chain.

The challenges include the formation of commodity-based producers associations to enhanced small farmers/ producers market bargaining strength, increase their capacity to supply and deliver larger volumes, address technical production requirements to achieve efficiency, product quality standards and compliance to food safety requirements, value adding and financing. Thus, the direction of the of the project is the formation of viable and disciplined groups of farmers organized on the basis of commodities, to negotiate better market terms, and other market conditions towards enhancing small-scale farmers and producers market bargaining position in the value chain. At the regional level, the main challenge is to consolidate the various national commodity association into a regional platform that will advocate for the creation of small-scale producer council that will be recognized by ASEAN as a consultative mechanism for relevant agricultural related bodies within ASEAN. Moreover, as the commodity association are empowered, the possibility for producing an ASEAN product out of the various raw materials produced from the pilot country is also an opportunity e.g. ASEAN organic tea (combination of organic tea from Vietnam blended with calamansi flavour from the Philippines). Cross-country product development is another challenge to explore which entails investment on research and technology development relative to food processing and packaging guided by regional and international standard on food safety. This cross-country effort would boost the cooperation among ASEAN small-scale farmers and thereby promote ASEAN identity through concrete production of ASEAN products. Such product can also benefit from the zero preferential tariff given to goods wholly produced within the region based on the rules of origin as provided under the ASEAN Trade in Goods Agreement (ATIGA).

BUILDING THE NEXT LINKS

RECOMMENDATIONS

An external evaluation was conducted to generate concrete recommendations from various stakeholders and experts on agricultural marketing. Specific recommendation per pilot country is is listed below (see more discussion in Annex C: External Evaluation Report):

For Philippines: Given that calamansi is indigenous to Southeast Asia and produced commercially only in the Philippines, much is to be gained by the country to tap other markets for calamansi and/or position it as an ethnic fruit.

For Vietnam: As export marketing is part of the organic tea industry plan, market information in the local dialect will be a worthy investment. The same is true in project reporting, since it is an international cooperation VNFU should invest in report preparation in English. In addition, commodity information has been set-up. In the future, the phase 2 component of the project should take into consideration measures as to how accessible and useful the information are to the target project beneficiaries. In cases of information facility underutilization, future project components may include promotion of information based decision making process together with the need to develop the culture to access and make use of this information.

For Cambodia: With the growing awareness on healthy food, natural and organically grown products, there is enough basis for the project to pursue a differentiated value chain product in the form of free range native chicken. To effectively capture this growing market in the urban centers of Cambodia, more efforts need to be pursued at the level of production, especially on technology research, development and extension, as well as setting up the necessary support facilities and services on feed requirements and post-harvest facilities, so that the desired economies of scale is achieved among the producers, processors and traders, hence a competitive value chain.

For Indonesia: The organic rice markets is growing. The current groups of farmers are not able to supply the current requirements of KFC at 80 tons per month excluding other markets outside of KFC. The evaluators have recommended, among others, 1) to expand the operations in present project site and consider spreading out to other farmer groups

in other areas in Java Island; 2) strengthen further consumers groups which are instrumental in promoting organic rice; and 3) enhance the capacities of partner NGOs as effective and neutral manager/facilitator of relationships among key stakeholders of the value chain.

In general, the Regional Project Advisory Committee, the National Project Advisory Groups and Technical Working Groups and the project in-country anchors in the 4 pilot countries have jointly recommended the continuation of the project to address the remaining gaps that needs interventions and complete the envisioned steps and foreseen measures to make the LSFM model on small farmers successful and sustainable access to markets work.

ANNEX A

MAJOR FINDINGS IN THE MARKETING STUDIES

ORGANIC RICE IN INDONESIA

Organic farming was introduced in Indonesia against the failure of green revolution. Organic rice is developing in Indonesia especially influenced by the rising cost of inputs and the development of health conscious consumers.

Organic rice was selected as the focal commodity of LSFM in Indonesia. The decision was based on earlier consultations with different stakeholders and the members of Bina Desa network. The growth potential of organic rice. Rice is the main staple for Indonesians. With a population of over 215 million people that is still growing, there is no doubt that organic rice will have a market in the future in Indonesia. Production level shows an increase but there is no proper marketing channel yet, therefore many products still using conventional marketing system.

Rice is widely grown in Indonesia and is largely grown and produced by small farmers. The knowledge about natural farming has significantly reduced production costs and has mobilized the involvement of family and local labor, generating local employment opportunities. It has also provided specific roles of women in the agricultural production process

and increased the capacities to earn more income for small farmers' families.

The Indonesian' government's program "Go Organik 2010" and the opening of premium rice export are part of opportunities of organic rice development. Reduction of outside agricultural input in natural farming avoids farmers from the dependence on subsidized chemical input. These things are expected to give impacts on government's support toward organic rice farmers.

TEA IN VIETNAM

Vietnamese people have planted tea for over three thousands years. Tea production is concentrated in the northern and central Vietnam spreading over the provinces of Tuyen Quang,Yen Bai, Phu Tho, Son La, Ha Giang, Lai Chau, Lao Cai, Thai Nguyen, Nghe An. There are about 6 million Vietnamese who are dependent on tea for livelihood. Interventions to improve production and marketing of tea would bring about meaningful solution at reducing rural poverty in Vietnam.

In recent years, the area of tea cultivation have increased rapidly, from an estimated of 5,400 hectares in 1975, the area of cultivation has reached more than 80,000 hectares in 2000. The output was about 40,000 tons in 1995, now stands at over 100,000 tons, of which export quantity is steadily rising.

Vietnam tea products have made their presence in more than thirty countries world-wide. Vietnam now ranked as the 6th among the 15 Asian countries exporting tea to the world market. The tea industry in Vietnam has excellent potential and prospects for future growth but there is a need to address the growing concerns about Vietnam tea quality resulting from the recent market changes and preferences that require higher quality, finer style and reasonable prices of tea products.

CALAMANSI IN THE PHILIPPINES

The Calamansi an evergreen trees of the genus citrus of the family Rutaceae, is a citrus fruit endemic in the Philippines. This plant is characterized by wing-like appendages on the leaf-stalks, white or purplish flowers and fruit with a spongy or leathery rind and a fruit with juicy pulps divided into star-like sections. It is rich in phosphorous, calcium, iron and Vitamin C. It is the most popular and most commonly used citrus fruit in the country. Its juice is nutritious and traditionally made into a fruit drink that helps prevent respiratory diseases. It also helps strengthen the bones and stimulate

growth especially among growing children. It can be used as a flavouring ingredient and additive in various food preparations. Its pulp is used as a major ingredient in beverages, syrups, concentrates, and purees. The peel is made into jams, candies, and marmalade. With its alkalinizing effect, on the body, calamansi helps circulate blood evenly and facilitates normal digestion.

Recently, with the emerging new technologies in food processing, calamansi use is no longer exclusive to the food industry but has expanded into the cosmetics and industrial manufacturing as material to astringents, whitening creams and solutions, bath soaps, laundry detergents and cleaning solutions.

Calamansi is largely grown by poor small farmers. It is estimated that around 50,000 rural households depend on calamansi as the primary source of income. Calamansi is widely grown across the country but concentration of small farms growing calamansi are in the provinces of Mindoro Oriental, Nueva Ecija, Quezon in Luzon, Guimaras in the Visayas, Davao, Zamboanga Sibugay, Agusan del Sur and Compostela Valley in Mindanao.

While it is possible to achieve a whole year production, Calamansi prices are dominantly low the whole year round and if wholesale price is high, farmer's potential for more income is dissipated due to the layers of players along the supply chain. Aside from that, knowing that the market is just there, it is difficult for the farmers to explore them and market their own produce. The tendency is they just leave off their produce hanging on its tree because it would cost them even more if they harvest them with no buyers available or prices are too low that it could not cover their production cost.

FREE-RANGE NATIVE CHICKEN IN CAMBODIA

In Cambodia, native chicken is an integral part of small farmers livelihoods. A small flock of native chicken is an asset that is easy to raise and maintain. Native chicken raising is one of the many activities in a diversified rural farming systems. More than half of Cambodian farming households keep native chickens. Revenues from native chicken production represent a very small proportion of total household revenues, but women accrue most of this income, which allows them to cover daily household requirements and education expenses.

Despite rising per capita incomes and dietary improvements in the last 10 years, malnutrition levels in Cambodia remain high. Native chicken meat and eggs are among the most and easily accessible sources of protein. Small farmers usually keep a small flock of native chicken for food and cash incomes.

In Cambodia, the rural poor are largely small farmers which depends on a small piece of land for rice production. Poverty reduction is a multi-faceted task. A much better integration of native chicken production into the small farm

enterprise could contribute significantly to the improvements of food and cash incomes. With the increased attention to the production of rice and other crops, the existing value chain of native chicken that offers very small incentives, native chicken raising is given least attention by small farmers, yet the market demand for native chicken meat remained high. A study by CEDAC has indicated that about 11 tons of chicken meat per day are consumed in Phnom Penh and surrounding urban areas. About 80% are the free range native chicken.

MAPPING OF CSO MARKETING INITIATIVES

The mapping results indicated that only a small number of CSOs are involved in marketing/market intermediation servicing small farmers and producers in the four pilot countries. Although there were other marketing initiatives, but these initiatives were focused on enterprises of micro-entrepreneurs involving handicrafts, food supplements, novelty items, etc. For details of the report please refer to Mapping of Marketing Initiatives by CSOs at www.asiadhrra.org or at www.small-farmerstomarket.net.

VALUE CHAIN STUDIES

CALAMANSI

The value chain study of fresh calamansi fruits have highlighted the following key information:

- Calamansi is widely grown in 16 provinces but there are only very few small associations of small calamansi farmers.
- Small calamansi farmers are largely unorganized.
- Demand for calamansi has been increasing in the last ten years. Calamansi products are now, not only exclusive for food, but expanding into the beverage industry, laundry and cleaning applications as well as cosmetics and other household and consumer use.
- Existing organizations of calamansi farmers are small and are operating at the barangay level. These organizations are not market oriented but largely organizations for "claim-making"/advocacy groups involving local government policies or self-help groups
- Some calamansi farmers are members of mixed-crop small farmers organizations
- The supply chain is made up of several layers of (dicers) at the local level including middlemen as consolidators at the regional levels. The large volume of fresh calamansi fruits are shipped to Metro-Manila and distributed to wet markets, supermarkets and processors through a few wholesalers. The multilayered supply chain affects farm gate prices of fresh calamansi fruits.
- Price curve is characterized by lows on months beginning April and highs beginning November until March of each year.
- Processing calamansi fruits into puree and then powder is the most profitable enterprise in the value chain. The price

of 1 kilogram of fresh calamansi is between US$0.18 to US$0.26, the same 1 kilogram of calamansi will get a price of US$ 1.5 if sold as puree/extract but the same kilogram will have a price value of US$ 12 if further processed into powder.

FREE-RANGE NATIVE CHICKEN

- The raising of native chickens is an integral part of the farming systems of Khmer farmers as they are the supplementary source of protein (eggs and meat) and cash incomes.
- Most small farmers invest money for native chicken production because the amount of investment is very affordable. To start, one has to only have to buy very few chicken stocks and increase their population gradually according to their capacities.
- Demand for chicken meat have steadily increased in the urban and urbanizing areas in Cambodia. For example, around 11 tons of chicken meat per day are consumed in the Phnom Penh. The average demand of chicken per district town is 500 kgs per day which is comparable to the provincial town.
- The free range chicken meat (organic) is still largely preferred by local restaurant owners, Khmer consumers, grilled and roasted chicken vendors.
- Current farm gate price of live chicken is Riels 7,730 (US$1.93) while retailer price is Riels 19,500. (US$4.8) and fried chicken between Riels 24,000 (US$5.9) to Riels 30,000 (US$7.4).
- Middlemen buy chicken from small farmers, to minimize transportation costs they use motorbikes and haul live chickens without regard of safety and in the process stress them affecting quality. To gain weight, middlemen usually feed stressed chickens with large amounts of feed and inject water into chicken meat.
- Small farmers/native chicken producers are largely not organized in Cambodia.

TEA

- There are three different value chain flows of tea products in Vietnam, briefly described as those:
    a. from state farming groups to state enterprise
    b. from cooperatives to markets

c. from farming households to assemblers/consolidators

d. from freelance households to assemblers/ consolidators

- The value chain study showed that there are 4 major groups of farmers involved in the production of tea. These groups are the following:

  1. state farm households: these are farm workers who received land from the state farms when these state farms was converted into the state companies in accordance with the Decree 01 issued by the Government in 1995, and those households who have land and signed contracts with tea companies;

  2. cooperative households are members of cooperatives (including members of groups).

     a. In processing and marketing, there are processing establishments, production-cum-processing households, private tea companies, tea processing and exporting joint ventures, assemblers, wholesale traders.

     b. Supporting agents are the Ministry of Agriculture and Rural Development, Ministry of Trade, NGOs, mass organizations such as the Farmers' Union, the Women's Union, the Youth Union.

  3. Family farm households have smaller production scale and not members of cooperatives or state farms;

  4. Free-lance households have the smallest scale of production. They are not members of cooperatives or state farms;

- The family farm households and free-lance households are the most vulnerable groups of small farmers involved in tea production. They have been targeted by VNFU as the target groups for this project.

ORGANIC RICE

Production of rice in Indonesia was reaching 55 million metric tons in 2007. About 55 percent is produced in Java Island.

- Organic farming was introduced in Indonesia earlier against the failure of green revolution. Organic rice is developing in Indonesia and is especially influenced by the rising cost of inputs and the development of health conscious consumers.

- Coordination of organic rice trade system has not been specifically regulated by the government.
- Organic rice consumption in Java and Bali are larger compared to consumptions in Eastern parts of Indonesia. This is affected by condition of the regions, availability and access of consumers to organic rice and media promotion.
- Value chain at the local level has three types:
    1. pre-harvest purchasing system are farmers particularly common among very small farms with an average size of 0.3 ha.
    2. village collectors as middlemen who also own a rice mill so they can mix the rice according to what the consumer wishes.
    3. City-based big merchants with larger capital resources and provide loan to the village collectors and city retailers. City big merchants also own big warehouse to store large quantities of rice.
- Indonesian Bureau of Logistics (BULOG) a government agency tasked to manage rice rice supply and control prices. BULOG also exports rice when the national supply exceeds the national requirements. The mechanism the BULOG is done by absorbing the surplus marketed by the farmers during harvest period. Absorption of harvest surplus is done through various channels especially working partners that include middlemen, traders rural cooperatives and task forces. BULOGs capacity to absorb rice volumes varies, in Jakarta 91% of farmers rice harvest is absorbed by BULOG but in Central Java, only 23% of the total harvested volume pass through the BULOG mechanism.
- The emerging value chain of organic rice is short, removing the roles of brokers, agents and other opportunists in the value of chain. The basic difference of chain value of organic rice is the development of relationships between farmers/farmer groups and consumer groups.
- Retail price of organic rice range from RP2,000 to RP10,000. specifically select rice varieties such as pandan wangi, mentik susu, rojolele. Price range is higher than conventional rice.

ANNEX B

HIGHLIGHTS OF REGIONAL TRAININGS

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.

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.

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 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 intermediator 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.

Second LSFM Regional Training Workshop:

COMPLYING WITH MARKET REQUIREMENTS ON FOOD SAFETY AND PRODUCT QUALITY

January 19-23, 2008 | Monoreach Angkor Hotel | Siem Reap, Cambodia

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 linkaging. 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 pro-

ject 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

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

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

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 prefer-

Participants in an activity workshop during the 3rd RTW in the Philippines

ences 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 (TWA-DA) 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

Normin Veggies toured the participants around their vegetable farm and vegetable sorting facility in Cagayan de Oro, Philippines during the 3rd RTW

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.

LSFM IMPLEMENTORS & PARTNERS

LSFM IN-COUNTRY PARTNERS AND IMPLEMENTORS

VIET NAM FARMERS UNION (VNFU)

VNFU is a national union of farmers throughout Vietnam with around 9 million members. The Union draws core support from government.

In the most recent years, VNFU has invested resources in enhancing agricultural technical capacities of its members and non-members to improve agricultural production.

As Vietnam joined the World Trade Organization (WTO), VNFU has launched a nationwide education and information campaign on the implications of WTO policies, rules and regulations on Vietnam's agriculture. Beginning January 2008, VNFU will launch a national information campaign on how farmers can satisfy the Food and Safety Standards as set by WTO. VNFU is an associate member of the Asian Farmers Association for Sustainable Rural Development (AFA).

VNFU has access to state-controlled enterprises dealing with the tea trade. VNFU plans to facilitate market engagement of small free-lance tea growers and small family farms producing tea for a supply contract with state enterprises. Small free-lance tea growers and small family farms do not have access to these markets. These sub-sectors are outside of the former tea plantations run by state-owned companies that were subjected to agrarian reform.

PHILIPPINE PARTNERSHIP FOR THE DEVELOPMENT OF HUMAN RESOURCES IN RURAL AREAS (PHILDHRRA)

PhilDHRRA is a network of seventy-two (72) non-government organizations involved in various development activities in rural communities all over the country. For coordination and management purposes, PhilDHRRA is organized into three regional groupings, namely: Luzon, Visayas and Mindanao, based on the group of islands which characterized the Philippine national territory. PhilDHRRA's work on rural

development are located in the poorest regions in the country, namely: Caraga Mindanao Region, Autonomous Region for Muslim Mindanao (ARMM), Western Mindanao, Region 7 and 8 in the Visayas and the Cordillera and Bicol Regions in Luzon.

PhilDHRRA has engaged the Upland Marketing Foundation, Inc. (UMFI) as a market intermediation mechanism for small-scale farmers and producers. UMFI is a spin-off marketing program under the Upland NGO Assistance Committee (UNAC) that was launched in 1989 until it became a marketing support organization in 1999.

UMFI has been successful in accessing supermarkets and store chains in Metro-Manila, particularly for processed products that includes organic rice, muscovado sugar, sardines, jams, jellies, juice concentrates, etc.

CENTER FOR STUDY AND DEVELOPMENT IN AGRICULTURE IN CAMBODIA (CEDAC)

CEDAC was established in August 1997 with the support of the French NGO GRET (Group Research Exchange of Technology). Since 1997, CEDAC has been involved in ecological agriculture and rural development and has since implemented 70 projects in 1,827 villages in 15 provinces covering around 65,000 households. In the recent years, CEDAC has started to engage in social enterprises and contribute to the sustainability of CEDAC operations.

Earlier, CEDAC was engaged in the distribution of organic agriculture products through its NAP (Natural Agriculture Product) Shop. The NAP Shop is an outlet of organic rice, vegetables, fruits and processed products such as coffee, processed fruit jams, jellies, vinegar, etc.

During the implementation of LSFM, CEDAC formed a separate unit, the CEDAC Business Support Programs (CBSP), tasked to catalyze marketing and market links of small-scale farmers and producers. In addition, it created a separate company, the Sahakreas (CEDAC Enterprise Company LTD) that functions as the market intermediation mechanism for small farmers. Under the Sahakreas are 1) four the CEDAC Shops which serve as the retail and distribution center for organic rice, vegetables, fruits, native free-range chicken, palm sugar and processed products, and 2) franchise management of 4 Country Bird Restaurants which rely supply from the CEDAC Shop. Sahakreas is owned by farmer associations, private investors that include CEDAC staff, and CEDAC. CEDAC will retain 20% shares of the company.

BINA DESA (INDONESIA PARTNERSHIP FOR THE DEVELOPMENT OF HUMAN RESOURCES IN RURAL AREAS, INDHRRA)

Bina Desa is a network of rural community organizations and other independent groups non-government organizations in Indonesia. Bina Desa provides facilities for community organizations and other people's movements in the social, political and cultural fields as an integral part in the empowering poor and marginalized communities and sectors of society.

Bina Desa was established on June 20, 1975 in Jatiluhur, Purwakarta, West Java. Bina Desa was organized primarily to catalyze and support practical needs and the strategic interests of the rural communities.

Bina Desa InDHRRA has engaged the Kooperasi Serba Usaha Pasar Tani Alami and LSK Bina Bakat, as the market intermediation platforms dealing with small rice farmers, small vegetable and spices and community-based enterprises manufacturing processed products such as Garut Gnetum Gnemon chip, instant ginger, instant tamarind-turmeric, instant curcuma, carrot essence, Antana tea. During the duration of LSFM Phase 1 period, these two intermediation mechanisms were able to increase the volumes of traded organic rice in the West Java, Central Java, Yogyakarta and Jakarta areas through the network of consumer groups, government purchases and tertiary education institutions.

LSK Bina Bakat has boosted its delivery of organic rice when it entered into supply agreement with the Kentucky Fried Chicken (KFC) food chain. LSK Bina Bakat now regularly delivers monthly supplies of organic rice to KFC branches.

ASIADHRRA

The Asian Partnership for the Development of Human Resources in Rural Asia (AsiaDHRRA) is a regional partnership of eleven social development networks and organizations in ten Asian nations that envisions Asian rural communities that are just, free, prosperous, living in peace and working in solidarity towards self-reliance. Its mission is to be an effective promoter and catalyst of partnership relations, facilitator of human resource development processes in the rural areas and mobilizer of expertise and opportunities for the strengthening of solidarity and kinship among Asian rural communities. AsiaDHRRA's regional policy advocacy work has always been anchored on its commitment to bring forward the voices of its partner peasant organizations to the frontline of the advocacy arena. AsiaDHRRA organized the five Farmers' Exchange Visits which eventually led to the formation of the Asian Farmers Association for Sustainable Rural Development (AFA).

THE ASEAN FOUNDATION

Established by the ASEAN Leaders on 15 December 1997 during ASEAN's 30th anniversary, the ASEAN Foundation aims to help bring about shared prosperity and a sustainable future for the peoples of ASEAN whose member countries are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam. The Foundation has two objectives:

- promote greater awareness of ASEAN, and greater interaction among the peoples of ASEAN as well as their wider participation in ASEAN's activities inter alia through human resources development that will enable them to realize their full potential and capacity to contribute to progress of ASEAN Member States as productive and responsible members of society
- endeavour to contribute to the evolution of a development cooperation strategy that promotes mutual assistance, equitable economic development, and the alleviation of poverty.

THE WRF

The World Rural Forum Association (WRF) is a forum for meeting, analysing and observing rural development. It has established agreements with universities and other educational or research centres, with farmers' associations and with NGOs which have solid links with grass-roots organization. As a result of this work, we avail ourselves of reliable information which enables us to analyse the problems of farmers (men and women), stock-breeders and the inhabitants of rural areas throughout the world and draw up proposals for courses of action.

The WRF is a non-lucrative Association of an international nature, whose activities are carried out in a world context. It defines itself as a network which amply covers the five continents and is formed by people and public and private institutions, committed to the achievement of sustainable and equitable development, particularly in the field of rural development. In the quest for achievement of rural development, the WRF also promotes projects for cooperation in various rural areas of the world.

ASIADHRRA

The Asian Partnership for the Development of Human Resources in Rural Asia (AsiaDHRRA) is a regional network with members in 10 Asian countries mostly in Southeast Asia. The network has been working with rural communities for the past 34 years employing musyawarah and community organizing approach towards building sustainable empowered rural communities. AsiaDHRRA also recognizes the importance of engaging national and regional intergovernmental bodies like ASEAN to advocate policies supportive of sustainable rural development. AsiaDHRRA together with other CSOs in the region has been engaging ASEAN on various initiatives ranging from policy dialogues on key rural development issues to on-ground project cooperation e.g. linking small farmers to market.

www.asiadhrra.org
www.smallfarmerstomarket.net