



Market Access for SE/East Asian Farmers

the need to regulate agricultural markets:
analysis and proposals
in view of the recent food price crisis

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by:

Asian Farmers' Association(AFA)




Outline of presentation


- Brief on AFA
- Issues on marketing
- Initiatives of AFA members on marketing
- Regional Trade Agenda



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AFA peasant agenda: to promote

- SA practices and policies
- fair and just treatment of farmers
- food security measures for small scale farmers
- land /resource rights, farmer rights,
- farmer-farmer market exchanges
- Alternatives to economic globalization
- Agriculture towards the young
- Strengthen FOs at national and regional level



Major activities on marketing

- 2006: farmers' exchange visit cum workshop on marketing and trading
 - held in Japan
 - result: concept paper on pro small farmer marketing and trading
- 2007: research on initiatives on pro small farmer trade (4 national cases, 1 regional case)
- 2008: research on national and regional trade situation in 5 countries
- 2008: linking small farmers to market project



Common issues among farmers in 5 ASEAN countries

- Poor investment in agriculture, especially for important rural physical infrastructure and economic services ; projects marred w/corruption
- Lack or inadequate post harvest processing technologies and facilities
- Lack or inadequate information about market systems and pricing, esp for SA products
- Presence of multi-layered, unscrupulous middlepersons



Common issues among 5 ASEAN countries

- Farmers poorly organized, inadequate capacities
- Lack /inadequate farmers' participation in agri policy making
- Unbridled “free trade” rules leading to domination of big business and TNCs, dumping
- Lack of competitiveness under globalization
- Increased pressure to use non-SA to meet quantity requirements



AFA Members' Initiatives

○ Taiwan Waxapple Devt Association

- shifted from rice farming after WTO
- production and marketing teams at village level
- strong tie up with University for research and extension
- tie up with govt for export activities

-tasks of TWADA:

- collect waxapple industry info at domestic/intl level
- promote production techniques through seminars
- assist in waxapple classification ratings, sale, demonstration, promotion and publicity activities
(e.g. wax apple fairs)



AFA Members' Initiatives

- Taiwan Dairy Farmers
 - bridge b/w govt and dairy product manufacturers
 - sits in milk price appraisal committee; nego for milk prices
 - leisure farms focused on dairy
- Japan (Ainokai)
 - direct farmer-consumer relationships (Ms. Simoo story)
 - cooperative distribution outlets in residential towns
 - organic certification system with government
 - owns agricultural high school
 - focus on local , not foreign, markets
- Korea (KAFF)
 - Best Crops Exhibition every year
 - agricultural cooperatives in many towns



AFA members' initiatives

● Indonesia (API)

- capacity building (value chain, quality control)
focused on organic rice, cashew
- act as market linkage : give info to farmers where is the market
- partnership with VECO Indonesia
- advocacy for agrarian reform
- diversified sources of food (East Nusa Tenggara story)


● Philippines (PAKISAMA)

- Agrarian Reform Community as main organizing strategy: the story of Pecuaría Development Cooperative
- advocacy for agrarian reform
- production and marketing survey
- commodity clustering : rice, coconut , sugar



AFA Members' Initiatives

- Thailand (SKP)
 - access of training from govt on product quality
 - negotiations for price support
- Cambodia (FNN)
 - producers' network for organic rice, vegetables, ecological chicken
 - tie up with NGO CEDAC as market mediator (with own organic resto and outlet)
 - AsiaDHRRA assistance to CEDAC (for chicken marketing)
- Vietnam (VNFU)
 - organic tea marketing project with AsiaDHRRA



Marketing strategies

- Setting up company owned by consumers and/or producers (social enterprises, marketing coops)
- Fair trade
- Direct marketing arrangements
- Identification of market intermediaries (NGO)



Requirements for pro-small farmer marketing: investments in

- Access to productive resources: land, water, seeds
- Good physical infrastructure
- Adequate support services
- Organizing farmers along crop lines
- Capacity building
- Adequate Space for farmers participation
- Meet domestic needs first
- Strong links with consumers



Regional Trade Agenda

- Trade agreements

- restrictions on importation of goods important to small farmers
- capability of government to protect farmers in times of import surges or price declines
- Removal of unfair subsidies of partners

Because of global crisis call on ASEAN to freeze trade liberalization concessions



Regional Trade Agenda

- Development of ASEAN-based Sanitary and Phytosanitary Systems
 - developing scientific capability to challenge Western based standards
 - Imposition of ASEAN based standards
 - Strategy to push for offensive and defensive trade interest



Regional Trade Agenda

- Assessment of AFTA-CEPT and other trade arrangements
 - assess to cover both direct and indirect impacts of trade and investment liberalization
 - Farmers and other stakeholders must be involved in the assessment process
 - Results of assessment to serve as input to alternative sustainability impact assessment
 - Assessment results to be used as basis in defining position and agenda in future trade agreements




Regional Trade Agenda

- Creation of ASEAN Agricultural Producers' Advisory Council
 - Creation of Terms of Reference of the Council, and location in ASEAN structure
 - National process to identify representatives of each member
 - Process should be transparent and democratic



Regional Trade Agenda

- Creation of ASEAN Rice Reserve
 - Set of rules and regulations to govern trade of the staple grain among ASEAN members;
 - Based on principles of fostering national food self-sufficiency as the foundation of regional food self-sufficiency



Possible agenda in view of the global crisis

- Freeze ASEAN liberalization



What next?

- Identifying champions for each agenda, (within and outside AFA, maybe the RD Working Group?);
- Each champion to develop very specific and detailed proposal for each agenda;
- Popularization of agenda among agricultural groups across the region (primers and discussions)
- National and regional advocacy for governments and ASEAN to adopt agenda



What next?

- Targets of advocacy

National agencies - Ministries of Agriculture

Regional agricultural bodies - ASEAN Ministers
on Agriculture and Food (AMAF)

Possible regional venues for advocacy:

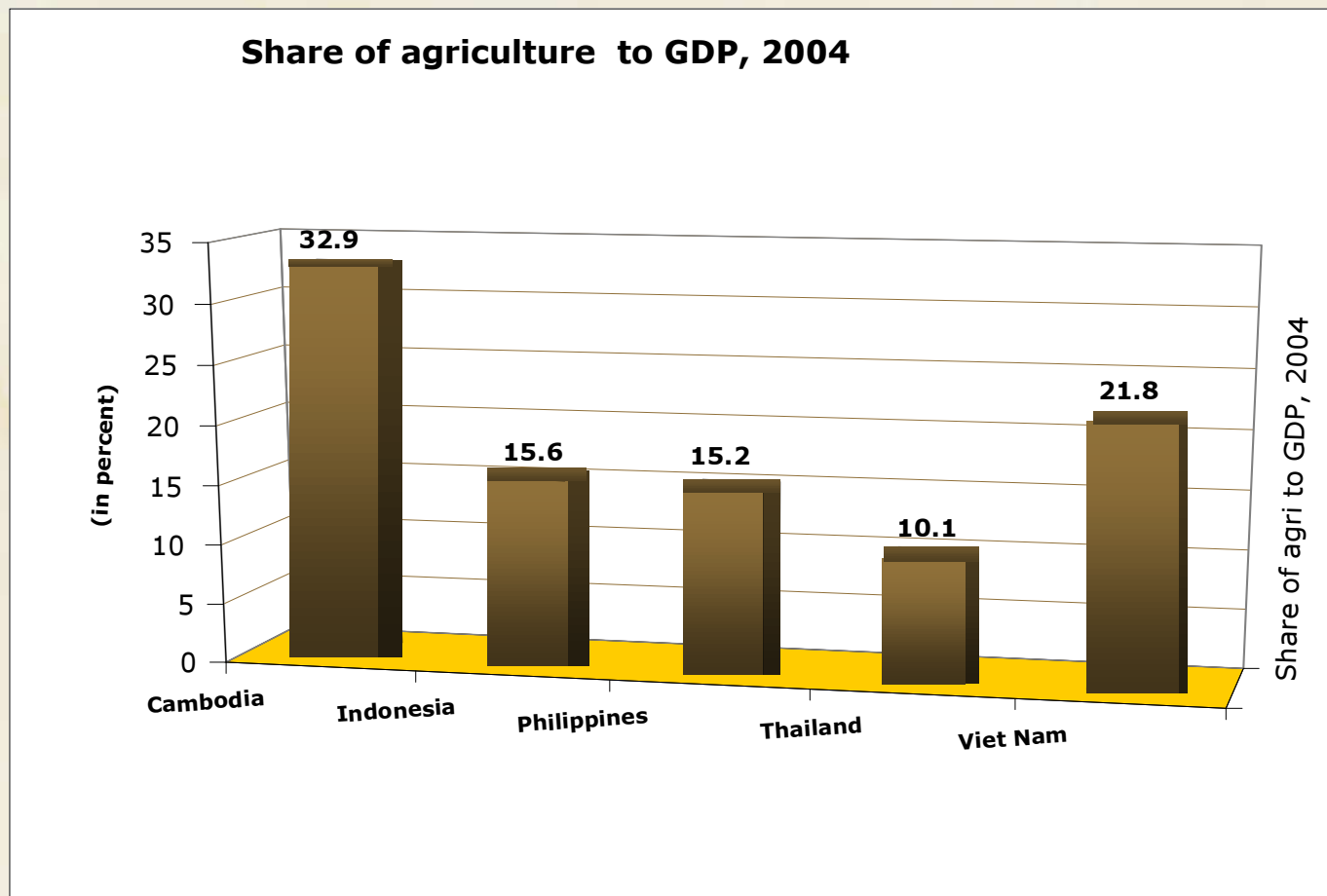
Special SOM in Hanoi

AMAF in Brunei



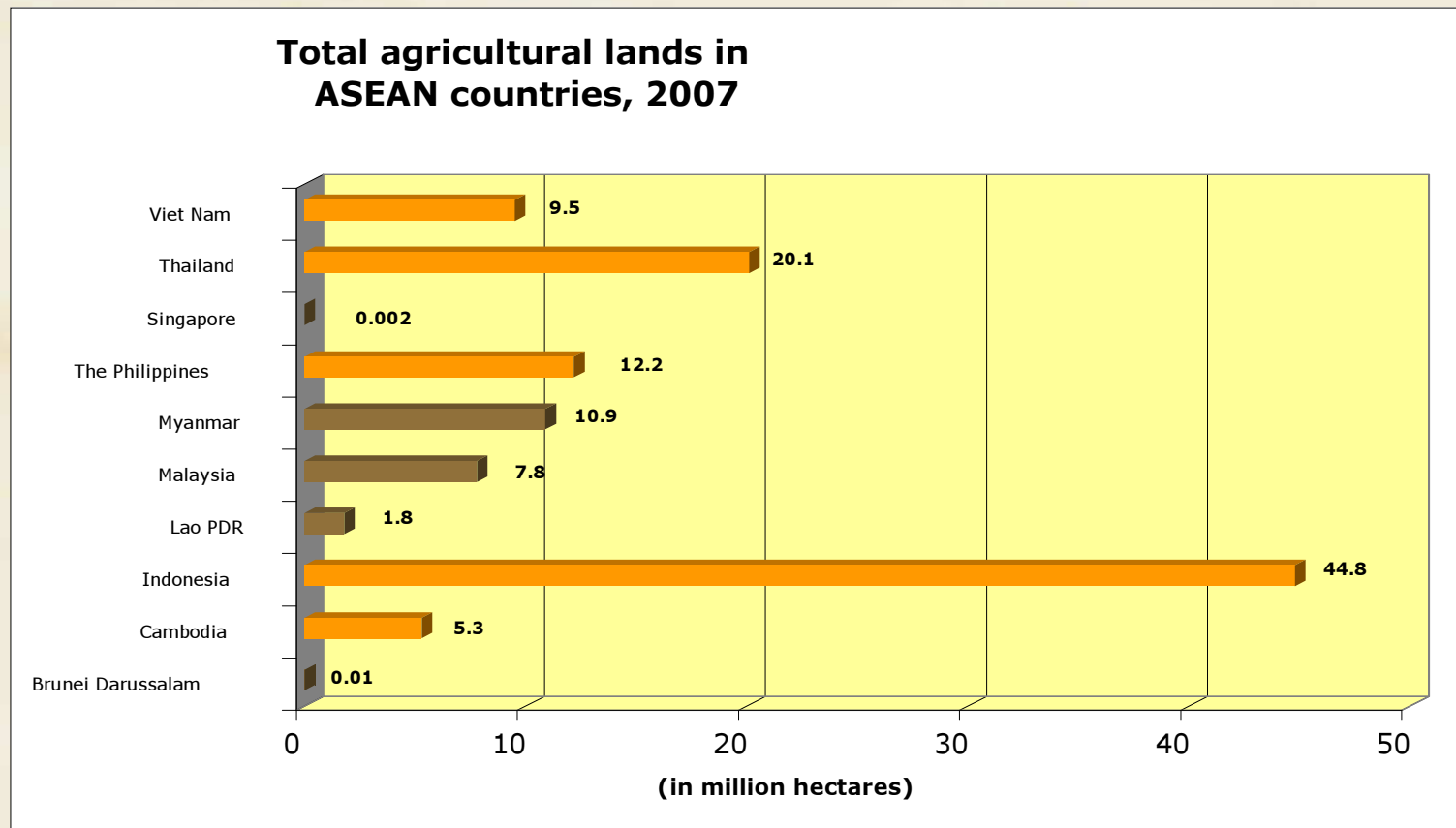
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Agriculture in ASEAN



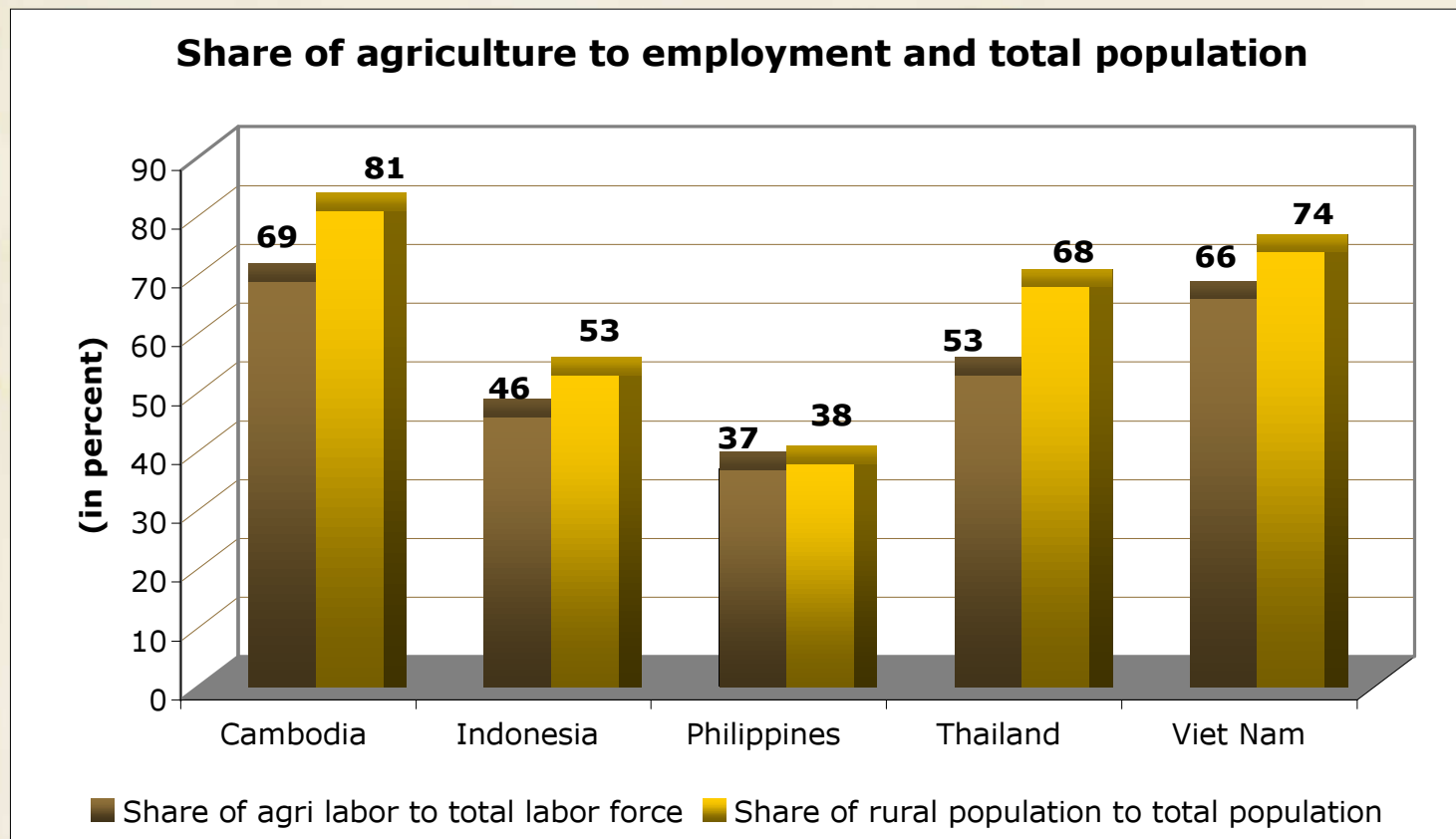
Source: ASEAN Database

Indonesia has the biggest agricultural area, followed by Thailand and the Philippines.



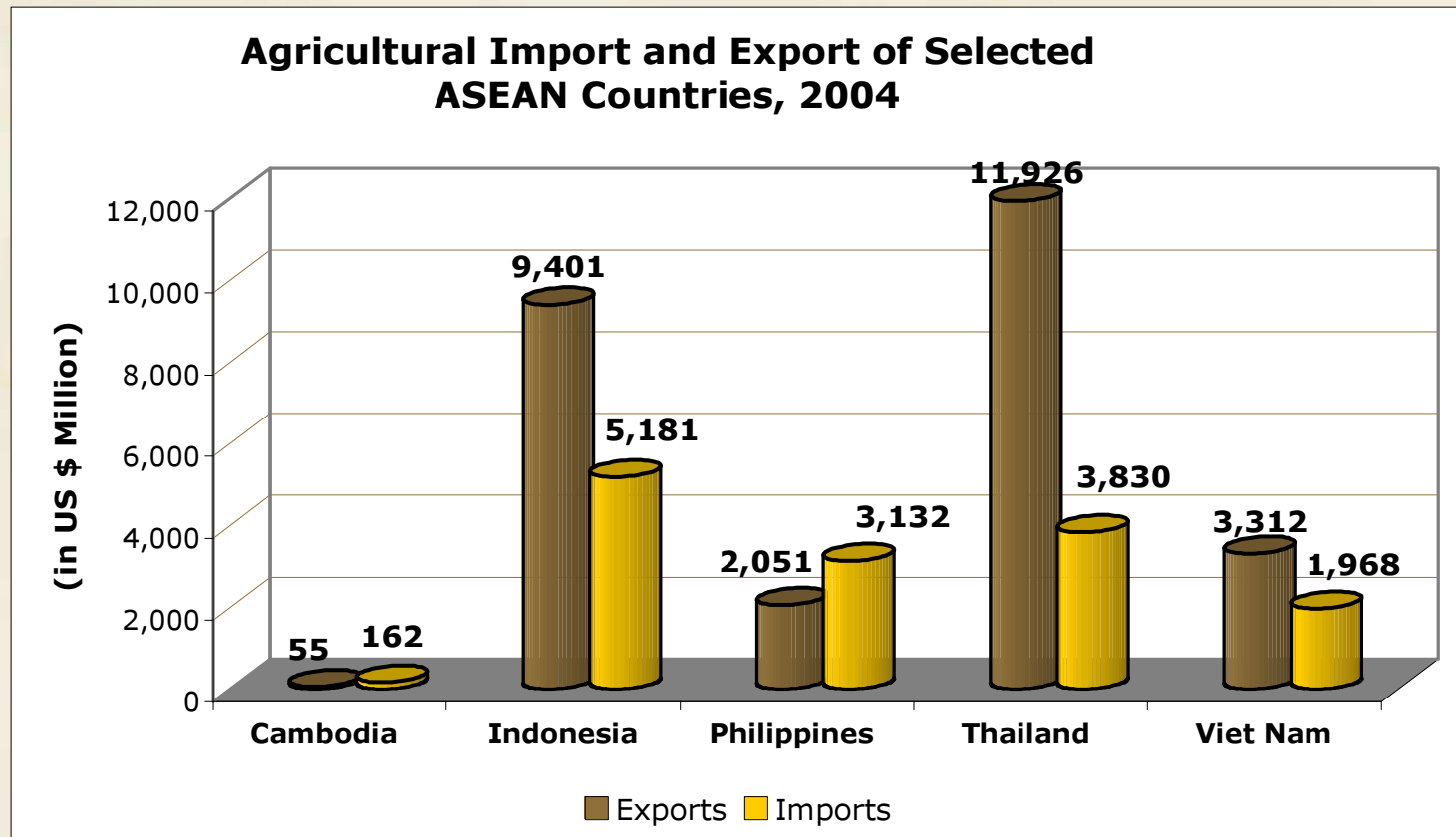
Source: ASEAN Database

Agriculture is an important source of income and livelihood in many ASEAN countries

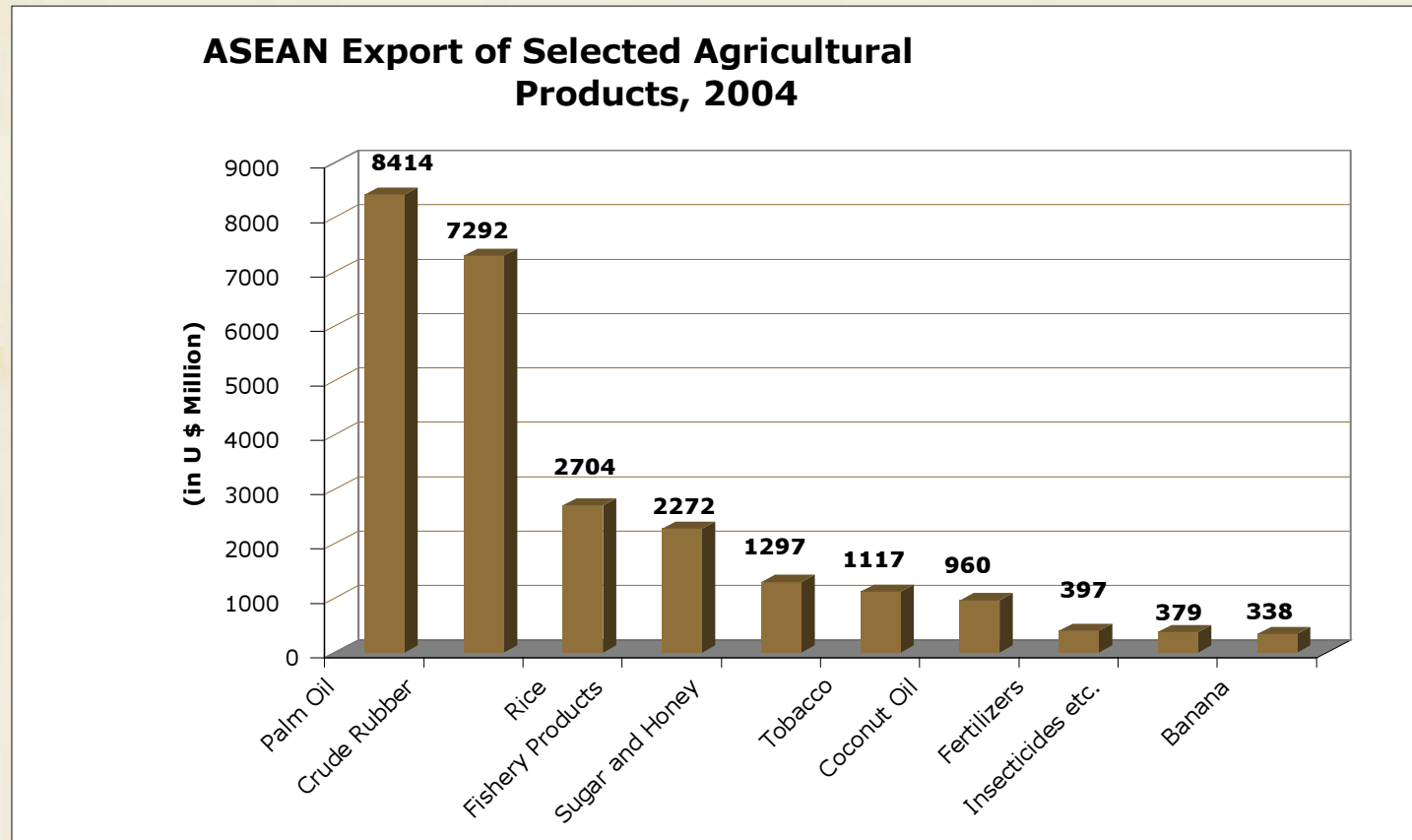


Source: FAOSTAT

ASEAN is a mix of net agricultural exporters and importers

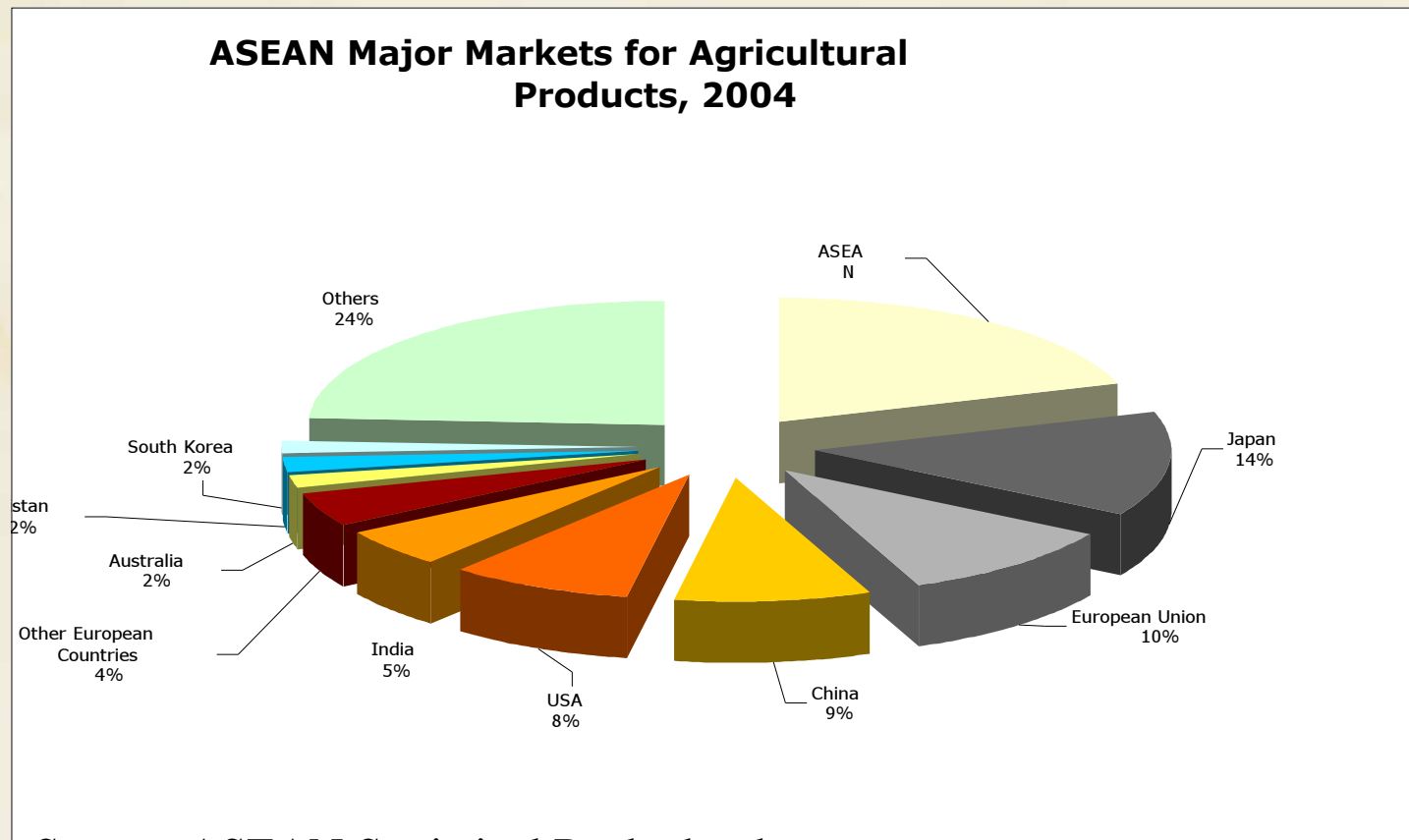


ASEAN's Top Agricultural Exports



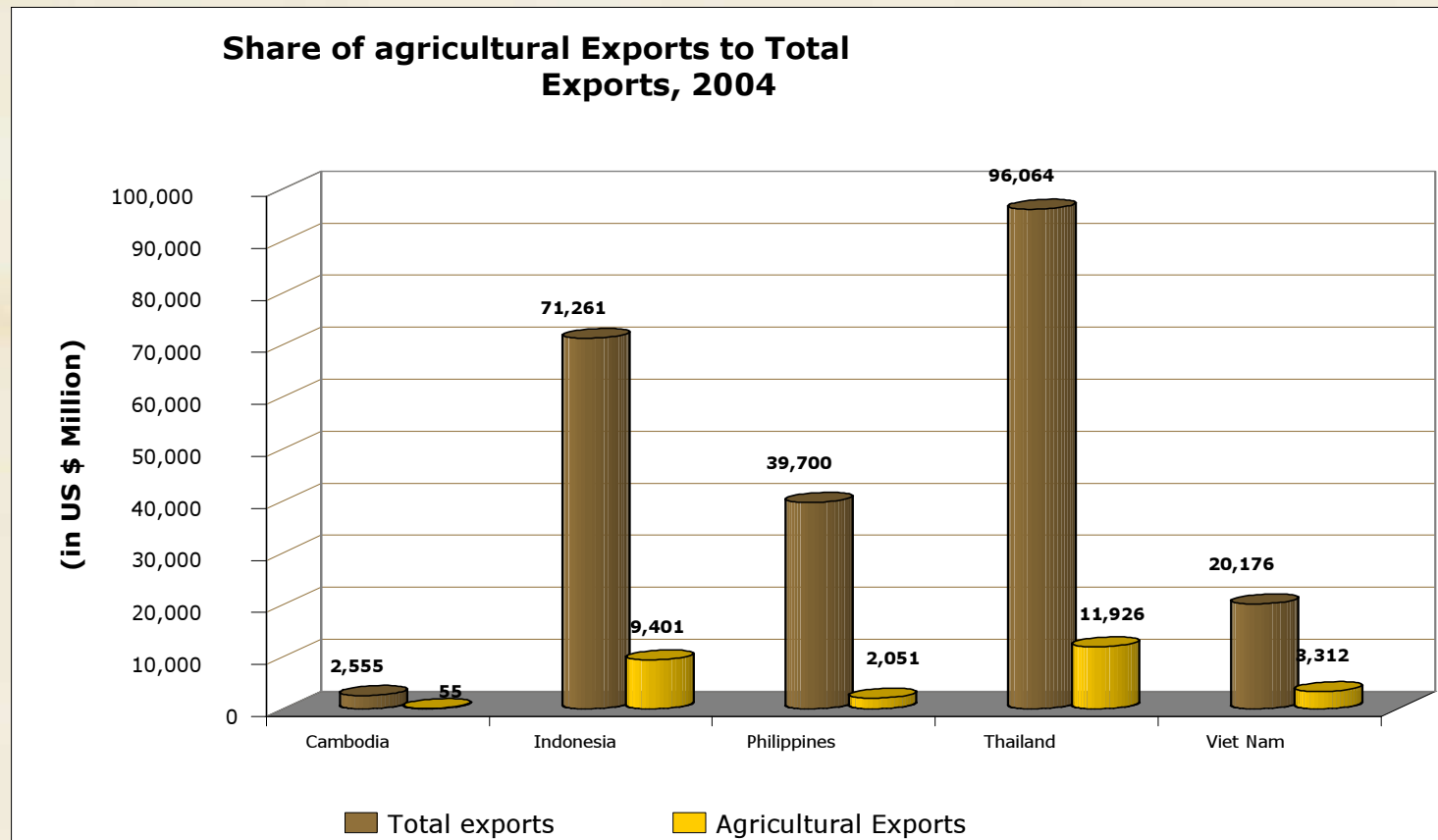
Source: ASEAN Statistical Pocketbook 2006

ASEAN's Top Markets for Agricultural Products



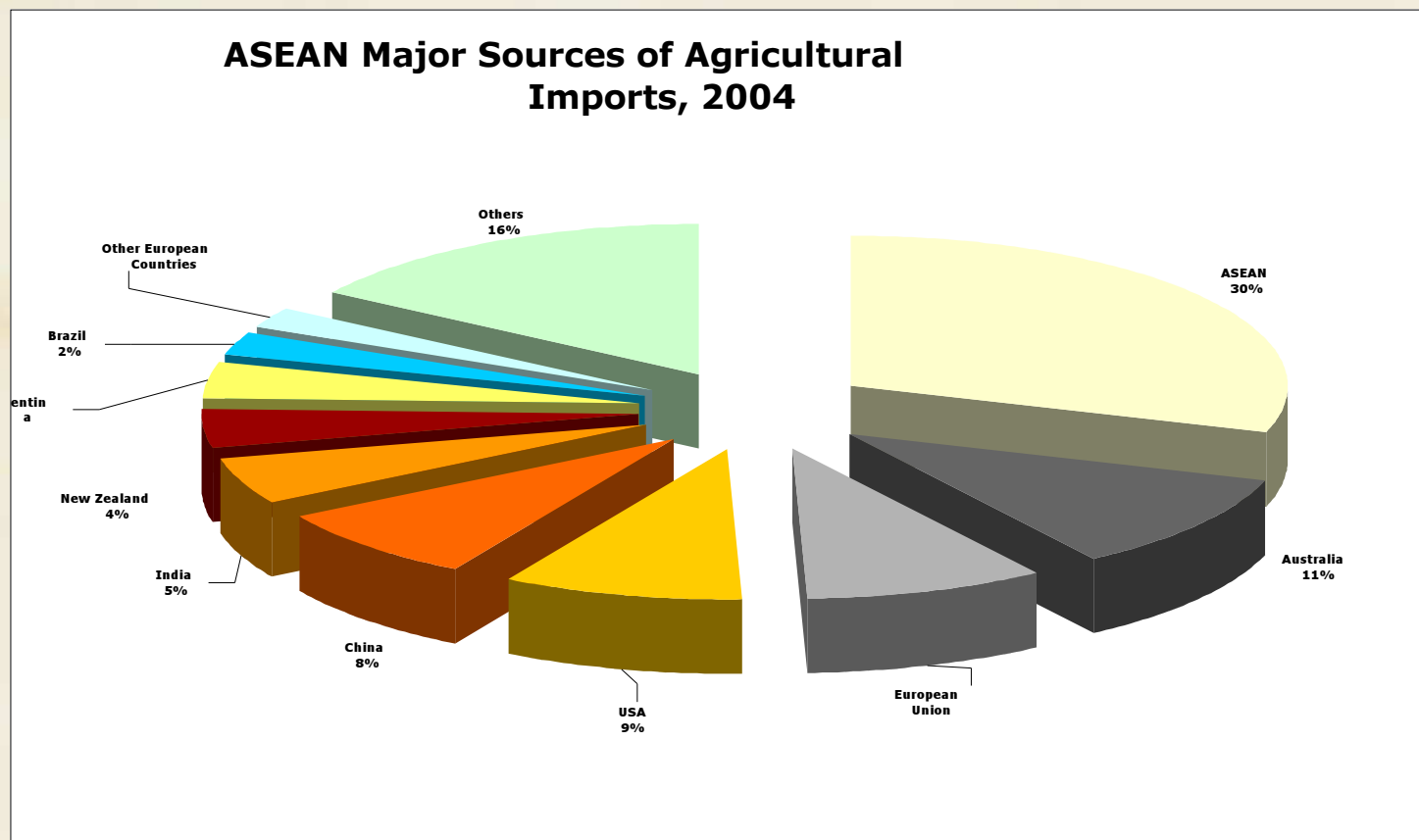
Source: ASEAN Statistical Pocketbook

Share of agricultural exports to total exports is generally small for many ASEAN countries



Source: ASEAN Statistical Pocketbook

ASEAN's Top Sources of Agricultural Imports



Source: ASEAN Statistical Pocketbook



Two phases of ASEAN Trade Policy

1st Phase : Promotion of intra-ASEAN trade; economic integration; creation of a common market

2nd Phase: Promotion of extra- ASEAN trade; establishing its role in the global supply chain; promotion of FTAs with major trade partners



Asean is entering into many new FTA's, and is also facilitating the forging of bilateral trade agreements of members and major trade partners

- **ASEAN-CEPT**
- **ASEAN trade arrangements with China, South Korea, India, Australia and New Zealand and the European Union**
- **Japan Partnership Agreements**

Schedule of phasing in of sensitive products in AFTA-CEPT

Country	Completion of phasing in of products in the sensitive list
ASEAN 6 (Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand)	January 1, 2010
Vietnam	January 1, 2013
Lao PDR and Myanmar	January 1, 2015
Cambodia	January 1, 2017



ASEAN Economic Blueprint: **Vision for ASEAN**

- Single market and production base
- Highly competitive economic region
- Region of equitable economic development
- A region fully integrated in the world economy



Strategies to achieve ASEAN economic vision

- Free flow of goods - elimination of tariffs and NTBs; rules of origin, trade facilitation, etc.
- Free flow of services
- Free flow of investments
- Free flow of capital
- Free flow of skilled labor
- Focus on 12 priority integration sectors
- Increased cooperation in food, agriculture and forestry



ASEAN Trade Agenda

1. For ASEAN to have a common agricultural policy with common agricultural development fund
 - fund to come from members and from donor organizations
 - can use the money to fund support for sustainable farming technologies, important support services, and capability building
 - Shld help farmers become competitive in national and international market
 - Shld be for developing countries, esp CLMV countries within ASEAN