Market Access for SE/East Asian Farmers

the need to regulate agricultural markets:
analysis and proposals
in view of the recent food price crisis
May 4-5, 2009
Brussels, Belgium

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 Pecuaria 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
Thank you for your attention
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
ASEAN is a mix of net agricultural exporters and importers.

Agricultural Import and Export of Selected ASEAN Countries, 2004

- Cambodia: 55 (Exports) 162 (Imports)
- Indonesia: 9,401 (Exports) 5,181 (Imports)
- Philippines: 2,051 (Exports) 3,132 (Imports)
- Thailand: 11,926 (Exports) 3,830 (Imports)
- Viet Nam: 3,312 (Exports) 1,968 (Imports)
ASEAN’s Top Agricultural Exports

ASEAN Export of Selected Agricultural Products, 2004

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.
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
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<td>ASEAN 6 (Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand)</td>
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<td>Vietnam</td>
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<td>Lao PDR and Myanmar</td>
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<td>Cambodia</td>
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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