



REPORT OF THE SEMINAR

OCTOBRE 2, 2009

**INCREASING THE MARKET POWER
OF AGRICULTURAL PRODUCERS**

INSTRUMENTS AND CONSTRAINTS





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INSTRUMENTS AND CONSTRAINTS

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This workshop was organized by the CSA in the framework of an information and lobbying program called «EuropAfrica» involving European NGOs (**CSA, Terra Nuova, Centro Internazionale Crocevia, Italian Group in support of the Farmer's movement in Western Africa, UK Food Group et GAIA Foundation**) and African Farmer's Networks (**ROPPA, EAFF, PROPAC**).

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This report is based on the talks of participants of the seminar « Increasing the market power of agricultural producers » organized the 2nd of October 2009 in Brussels. The graphs and tables in the present report spring from the participant's presentations. You can find original presentations on the CSA's website:

<http://www.csa-be.org/>

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SESSION 1.

**MARKET POWER IS CRUCIAL FOR AGRICULTURAL
PRODUCERS**

INTRODUCTION

WHY STRENGTHEN THE MARKET POWER OF AGRICULTURAL PRODUCERS?

BY ALEX DANAU, COLLECTIF STRATÉGIES ALIMENTAIRES

As discussions on the necessity for market regulation continue, there is a pressing need to develop instruments and arrangements to increase farmers' market power. As recent events in the dairy sector have shown, that power is currently very limited, affording them little or no influence over prices and market conditions.

The aims of this meeting are as follows:

- To identify possible means of strengthening farmers' market position.
- To learn about some existing examples
- To distil recommendations regarding the roles (responsibilities) of the different parties (producers, organisations and governments/public authorities).

The meeting was divided into three sessions:

1. The presentation of the problems
2. The presentation of five groups of instruments
3. The conclusions

THE COMPLEMENTARITY OF COLLECTIVE INSTRUMENTS CAPABLE OF INCREASING THE MARKET POWER OF PRODUCERS AND THEIR COMPATIBILITY WITH STRATEGIES TO IMPROVE THEIR ACCESS TO MARKETS

BY JEAN-FRANÇOIS SNEESENS, PROFESSOR AT THE AGRONOMIC SCIENCE FACULTY OF THE CATHOLIC UNIVERSITY OF LOUVAIN, SECRETARY OF THE BELGIAN CONFEDERATION OF SUGAR PRODUCERS

THE WEAKNESS OF FARMERS' BARGAINING POSITION [SLIDE 2]

Farmers are small and weak, both in relation to the firms they do business with and in relation to the market. They are weak in comparison with the purchasers of their products (processing and marketing companies) and in spite of the distinctive nature of their market with its low demand elasticity and high volatility, their market position is weak as well. When looking at instruments we need to distinguish between the firms and the market. We shall return to this subject later.

THE ECONOMIC APPROACH.

Some economic insights [slides 3 and 4]:

- 1991 Nobel Prize winner Ronald Coase's opus on "The Nature of the Firm" explains why the perfect competition model is not really applicable to a modern economy where established firms attempt to avoid market transaction costs and to organise and plan their environment through internal arrangements (several thousand employees) and contracts.
- All firms, all economic actors and indeed all producers strive - in as far as they are able - to gain a monopoly and protect themselves from competition. They do this through product differentiation (e.g. the automotive sector - Mercedes cars are different to Renaults), by trying to corner a market of their own (e.g. direct marketing) or by striving to control the whole of the market through mergers and acquisitions.
- The Second Best theory (LANCASTER et LIPSEY, 1957) is a model that proves there is no such thing as an undistorted economy, and that where major distortions occur (monopolies and oligopolies) the best way of addressing them is not always to forbid business partners from coordinating their negotiating positions. Sometimes the best results are achieved by allowing monopolies' business partners to organise themselves in order to ensure that the outcome of the negotiations is as similar as possible to what would be achieved in a situation of competition. This approach, which relates directly to the way competition is perceived in the economy, is far more nuanced than the one reflected in articles 81 and 82 of the Rome Treaty, and, more generally, in our public authorities' competition rules.
- A direct application of this theory is found in the views of J.K. Galbraith (1975) who contends that competition rules should be applied in a differentiated manner taking account of the existence of two systems:

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- a. *The Planning system* : the main part the economy, including the big firms;
- b. *The Market system*: the small players such as small producers who are always exposed to full competition.

Galbraith argues that in order to redress this market power imbalance the public authorities should proactively seek to increase the market power of the parties in the *Market system*, i.e. the small, weak and isolated. Anti-trust or competition rules should be adapted to this purpose. Extracts from Galbraith's « Economic Purpose » may be found in the box below (slide 5).

“The planning system has power over the prices at which it sells to the market system and over the prices at which it buys from the market system.”

“Any fundamental correction begins with the equalization of power between the two parts of the economy. This is no academic matter. It involves intensely practical questions of how prices, wages and incomes are established in the two systems.”

“To remedy the weakness of the market system, strongly affirmative support must be accorded to its efforts to develop market power. There would be a general presumption not against but in favour of collective action by those who are numerous, small and weak. In specific terms this means the following:

- 1. General exemption for small businessmen from all prohibitions in the antitrust laws, against combination to stabilize prices and output.*
- 2. Direct government regulation of prices and production in the market system.*
- 3. Strong and effective encouragement to trade union organization in the market system.*
- 4. An extension and major increase in the minimum wage.*
- 5. A revised view of international commodity organization and a cautiously revised view of tariff protection in the market system.*
- 6. A strong presumption in favour of government support to the educational, capital and technological needs of the market system. ”*

Galbraith, J.K., Economics and the Public Purpose, Pelican Books, 1975, p. 270-8.

TYPES OF INSTRUMENTS

To help us distinguish between different types of instruments, we propose three groups (slide 6) :

1. What can farmers do on their farms ?
2. What can farmers do when dealing with firms ?
3. What can farmers do about the market ?

Once again this classification distinguishes between weakness in relation to firms and weakness in relation to the market. Let us examine the points one by one.

What can farmers do on their farms ? [slide 7]

Match products to demand. The operative words here are quality, standards, and so on. These types of measures are taken on an individual basis but they are of crucial importance and can be extremely demanding. Of course the public authorities can facilitate the process through popularisation work and technical advice services, as they have done in Europe in the past. In the present day technical services are more likely to be delivered by the private sector. One important factor is the correct identification of the relevant market. Is it the local or the international market? If it is the local market, farmers will adapt to consumer demand in their own societies and change with them. If it is the international market greater care is required because producers have to apply sets of standards that are divorced from local and traditional production and consumption systems. This makes the application of such quality standards far more onerous. It is the choice of market that determines which standards are relevant.

Try to corner a segment of the market, just as firms do to protect themselves from their competitors. Examples of this approach include selling special niche products and developing local direct food marketing. This gives farmers a degree of protection from competition, but if the price of a type of product on the mainstream market is low, the farm gate price of the corresponding niche product cannot be kept considerably higher (unless a price agreement keeps the price relatively stable over time). In any case, although this solution may work for individual farmers, it cannot work for all. This instrument cannot resolve the problems of agriculture in general, however important it may be in particular cases and in particular regions.

What can farmers do when dealing with a firm ?

The bilateral approach : contracts between a single producer and a single buyer [slide 8]. The bilateral approach means that every farmer negotiates separately and that contracts may differ. In some European countries there have been instances where common contracts have been forbidden. This system works to the advantage of the firms (the buyers). The strict application of competition rules prevents farmers from securing the standardisation of contracts. What advantage can these contracts then represent? They satisfy a mutual need for predictability. Farmers wish to know how much they will be able to sell their crops for and buyers wish to know what price they will have to pay. In that regard both parties benefit. However, such contracts do nothing to correct market power imbalances when farmers are dealing with firms. To give an example, discussions are currently going on in France on an industry demand to insert a clause preventing milk producers from interrupting supplies. Bilateral contracts do not contribute to supply management and will not prevent EU surpluses. To stretch a point, one could say that such contracts are better at supplier management than supply management. They are not supply management instruments but they can be used to “manage” producers unless the necessary checks and balances are in place. In Belgium the Federal Agriculture Ministry is considering overseeing

the drawing up of contracts as a means of providing those checks and balances. The Ministry would not supervise the content of the contracts, only how they are formulated. This would create a common contract for all producers. It would not, however, determine price levels.

Let farmers control the firm : co-operatives [slide 9]. Cooperatives are important because they are the only instrument provided under community commercial law allowing farmers to act jointly vis-à-vis a firm. The cooperative approach is collective, not bilateral. A cooperative is a firm that farmers control themselves. Cooperatives can do many different things such as collecting milk and processing it. The advantage of a cooperative in a context dominated by multinational companies is that it allows farmers to retain the means of production. It means farmers can defend themselves against phenomena such as relocation. When one controls the processing equipment one is much stronger. There are two possible pitfalls for cooperatives:

1. Insufficient emphasis on good management and the development of the cooperative. If other private enterprises are growing, cooperatives must keep pace, or they will fall prey to their competitors. Once your peers have expanded it will be impossible for you to grow through acquisition, but they may be able to buy you.
2. At the opposite end of the scale is the risk of pursuing growth through capitalisation and neglecting the cooperative spirit. An example would be a cooperative buying a business in another country and paying farmers there differently to farmers in its country of origin.

Cross-sector (or multi-industry) agreements [slide 10]. The farmers negotiate jointly with the firm (the buyer). This means they are able to negotiate on prices, control, and sometimes even matters such as research and joint marketing campaigns. But beware, this solution is not enshrined in EU commercial law – and neither are any of the other instruments described below. They all require derogations from anti-trust rules or the intercession of the public authorities. Consequently, they can only extend as far as the public authorities will allow, because they qualify as « agreements » as defined in the competition rules. A derogation from those rules must be obtained, and such derogations are extremely restrictive. The second limitation of cross-sector agreements is that even if the public authorities consent and obtain a derogation, they will never oblige any firm to sign up to this type of accord, so firms will remain free to do their purchasing through individual contracts. Such a derogation does not preclude competition between farmers, nor does it prevent cut-throat battles between marketing agencies who offer consumers rock-bottom prices and then force farmers - the weakest link in the chain - to bear the consequences.

What can farmers do about the market ?

Seek some form of protection in a market segment [slide 11]. Denominations of origin are an example. These are derogations from the normal rules of competition. They usually apply to commercial brands like Nestlé, ... This subject is currently one of those under discussion in the Doha Round.

Industry agreements [slide 12]. These consultations or agreements involve not only all farmers dealing with a particular purchaser but also the whole of the distribution chain, right down to the retail sales component. Industry agreements are also agreements as defined in the competition rules and require derogations. They can be useful for protecting the weakest link (farmers) from the consequences of fierce competition between commercial enterprises. However, we should have no delusions. The public authorities will never issue a general derogation. It would be considered dangerous because it would allow companies to form cartels to overcharge consumers. What might be more achievable is a derogation allowing for consultations within the industry to ensure fair prices for producers (under the supervision of national governments and without restricting intra-community trade). In fact this is one of the reasons for the difference in prices paid to French and Belgian dairy producers.

Market regulation [slide 13]. Market regulation remains crucial for action at the level of the market. It is the prerogative of the public authorities. Market regulation can be achieved through demand management, such as developing new outlets, or through supply management which European experience has shown to be a less costly approach. It allows intervention at the most effective level (for market-related measures) and also provides a response to the problem of market power imbalances between the different actors.

Cartels and agreements between firms [slide 14]. Caution : these measures are prohibited and extremely dangerous in terms of their consequences for society. It is unlikely that they will ever be permitted. It should be noted that, paradoxically, it is the public authorities' retreat from market regulation that is – directly or indirectly - enabling companies to grow and merge until they are so large that they can have an immediate impact on the market and it is easier for them to make tacit agreements.

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SOME CLOSING REMARKS: [SLIDE 15]

- Market power is also a factor in competition between farmers (competition between regions)
- The competition rules require careful attention. Cf various French court rulings against attempts to organise production and to stagger the placing of goods on the market.
- In the sugar beet sector (slide 16) the following instruments are currently in use :
 - Contracts
 - (Cooperatives)
 - Cross-sector agreements
 - Quotas
- It is interesting to note that in the current discussions (slide 17) quotas and contracts are being presented as mutually exclusive alternatives. It is a point of fixation. The Commission wants to replace quotas with a contract-based system. In actual fact these two instruments are not alternatives, they are complementary. In the present situation they coexist.
- Furthermore there are two different visions of the concept of contractualisation. What the Commission envisages are bilateral contracts. That is the common commercial law interpretation. In France on the other hand there is greater emphasis on industry agreements. One has to be cautious because sometimes the one word hides very different interpretations. This type of ambiguity could lead to the accidental acceptance of a « bilateral contracts only » scenario. We would then risk seeing a worsening (rather than an improvement)) of farmers' market power.
- At EU level two important points need to be considered:
 1. The future of quotas, which will not only determine the future of the CAP but will also have a knock-on effect on the rest of Europe (outside the EU) and consequences at the WTO.
 2. The issue of derogations to the rules of competition, which brings us back to the contractualisation debate. This is just as important as the arguments over quotas, although at present it is possibly being overlooked.

DISCUSSION

QUESTIONS/CONTRIBUTIONS FROM THE ROOM

- *Kristof Volckaert* : In Flanders farmers perceive quotas as a production cost. Is it possible for quotas to be organised without this « production entitlement » side ?
- *Niek Koning*: There are two additional limitations to the two instruments presented by JF Sneessens.
 1. Niches may be helpful to some, but not to all farmers. Furthermore, there is a correlation to market price. In theory niche products can be sold at a premium, but only as long as there are not too many farmers in the niche. Niche product marketing does not increase farmers' market power, it simply enables a few farmers to be more competitive.
 2. Industry agreements require derogations. However, even if the latter are obtained, another constraint remains. Cf. US farmers in the 1920s. They created a cartel for which they were granted a derogation, but their venture failed due to « free riders, » i.e. individualistic farmers who did not share the same values. This shows that « self-organisation » is not enough – the State has to impose common rules too.
- *Gérard Choplin* : In Switzerland quotas have been removed and replaced by contracts which forbid milk producers from interrupting supplies ! Quotas should be maintained because they are a form of public regulation. In reply to Kristof Volckaer's question : One of the forces leading to the abandonment of quotas was their price. Only France allocated quotas without attributing a commercial value to them. No attempt has ever been made to modify the system to solve this quota price problem. The system needs improving, not eliminating.
- *Alain Masure* : We have an example of a shift from a system of expensive, purchased quotas to a system that greatly reduced their cost - the quota fund. I intend to examine this example in depth in my presentation.
- *Ndiogou Fall*. In Africa farmers are weak because of their geographical dispersal and, most importantly, the size of their farms. Does that mean we need different instruments to the ones presented ?
- *Esther Penunia* : In Asia there is a general trend to encourage farmers to be involved in marketing, in strategies to increase added value. Is this relevant ? And where would this instrument fit in amongst the instruments already presented ? Is it a strategy or an instrument ? What are the challenges of taking this path ?
- *Thierry Kesteloot*. Doesn't the power of the big firms tend to encourage larger units ? What instruments would be needed to curb expansion of firms' power and increase farmers' market power ?
- *Antonio Onoratti, in response Ndiogou Fall*. In Europe the majority of farms are also small or medium sized, this situation is not unique to developing countries. Because of this we need to differentiate between categories of producers when talking about instruments.
- *Babacar Ndao*. On the subject of geographical dispersal and the value chain, whether we like it or not, supply management etc are a question of fairness. In the value chain there is an opportunity waiting to be seized. However, the entity on which the entire chain is founded has no proper status. The family farm operator has no status. Thus by advocating the value

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chain approach one pushes family farmers into the informal sector.

- *Marcos Rochinski*. There is a process of selection going on. The consolidation of some means the exclusion of others. In Brazil those who have managed to move from conventional to organic production are already well organised. They are a minority. The majority are not part of this niche.
- *Ousmane Ndiaye*. Listening to JF Sneessens' presentation, competition between farmers seems to be inevitable. What should producers' organisations do about this problem, to minimize the negative effects ?

ANSWERS FROM JF. SNEESSENS

- Technological development has made us a society where agriculture is a heritage sector. There are still too many farmers for these new technologies. All farmers want to use the new technologies, and this implies that others will be forced out of business.
- The problem of the commercialisation of quotas is extremely complex. If the quotas are linked to land, the selling price of every hectare will rise. In Belgium at the moment a hectare costs 25,000 Euros. To be profitable the price would need to be 10,000 Euros. No commercialisation means no competition. But in reality there is always competition, it is just that sometimes it is « displaced ». Cf the Belgian custom of paying an extra "top-up" amount in addition to the officially declared sales price per hectare. It is pointless pretending that competition does not exist. Using administrative aspects as an allocation criterion in the event of disputes might help.
- Are there instruments to prevent industry concentration ? This question goes far beyond the sphere of agriculture. It relates to the choice that has been made to open up borders, allegedly for consumers' benefit. The drop in farm prices has indeed reduced product inflation. The overall process of globalisation fosters concentration. It is therefore difficult to answer the question solely in respect to agriculture.
- Many instruments are based on an underlying assumption that market access can be taken for granted. This may not be the case in Africa. It is vital to provide physical access to market (coastal or over land) before addressing the issue of market power. In the developing countries there is also the problem of gaps or « missing players » in the marketing and processing segments of the chain which, in Europe, have been exploited by cooperatives in order to provide outlets.
- With respect to the « value chain » approach, the aim is to increase farmers' share of the added value. These words are on everyone's lips, but in reality the opposite is happening as farmers become increasingly dependent on the firms supplying inputs or purchasing their products (phytosanitary firms, machinery) and see their direct food sales dwindle. Consequently their share of added value then drops in proportion to that of industry.
- Although mechanisation implies a drop in the number of operators, society can make choices about the type of agriculture it wants, e.g. by encouraging family farming in preference to huge holdings. This is a choice that is made by society, not by farmers. Producer organisations' role is not to make this choice, but to reflect on models of agriculture for society, to make ideological choices relating to the development of society, which require

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value judgements. The second role producer organisations have is to gauge the importance of their own agriculture in their own regions, their own markets and technical consequences, and to defend the interests of their own farmers.

- A basic fact : The agricultural structures of any country reflect the state of rights in that country. (Cf. Brazil where different group's access to land differs tremendously, and access rights have changed enormously over time). Where inequalities in rights are this great, the State has to provide at least a basic framework.

SESSION 2.

**THE INSTRUMENTS TO STRENGTHEN THE MARKET
POWER OF AGRICULTURAL PRODUCERS**

PANEL 1. EXPERIENCES RELATING TO COLLECTIVE MARKETING

INTRODUCTION

BY YVES LEDUC, DIRECTOR, DAIRY FARMERS OF CANADA

OBSERVATIONS

- There is a big imbalance between the number of purchasers and the number of vendors. Concentration has grown in the processing and distribution segments because governments have been ready to allow mergers and acquisitions. This concentration appears to have been accepted by the main international institutions (OECD, WTO). Although the latter have recognised that concentration is a problem, it is not the focus of their attention.
- Are the anti-trust laws effective, and are they strict enough? The legal framework which has allowed these big companies to exercise such huge market power does not seem to be a suitable framework for the producers.
- Too often, farm prices do not even cover production costs.

SOLUTIONS

- Counterbalancing the companies' power by allowing producers to join forces and control supply so as to increase their bargaining power. Various types of grouping are possible - mergers, cooperatives, marketing boards (sole agents), supply and storage management, etc. However, all of these tools require an appropriate legislative framework.
- Collective marketing is a tool which, if it takes the form of a contract between producers and processors/distributors providing for negotiation/price setting (regulation), enables farmers to obtain better prices.
- The problem of « free riders » is real, because conditions for successful collective marketing include :
 1. The affiliation of all producers
 2. Supply discipline, and the sharing of the responsibility by all producers. Without this the risk of failure is significant (cf example of the international agreement on coffee).
 3. The national and international contexts. The structures are established at national level, but it is international trade rules that shape agricultural policies. There is a debate going on at the WTO about trade liberalisation. There is some opposition to certain proposals hindering the use of collective instruments.

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CONCLUSION

Collective marketing requires:

1. A sharing of responsibility between producers and governments (the legal framework).
2. The right relationship between national laws/regulations and international trade rules (which can constitute an impediment to collective marketing).
3. That countries do not export their problems. There have always been price support mechanisms, but if these create an incentive to increase output we must not export our surpluses. We must also avoid importing problems through mechanisms providing protection against lower priced products from outside.

EXPERIENCE SHARING: EAST AFRICA

BY STEPHEN MUCHIRI, EASTERN AFRICA FARMERS FEDERATION

Collective marketing plays a big role in East Africa and helps producers there to increase their incomes (cooperative model, collective marketing at village level).

In the 1960s in Tanzania and in the 1970s in Uganda, governments encouraged the creation of collective marketing tools along with other incentives. Later, farm legislation authorised private sector involvement and commercial companies were put in a position to organise their own systems.

Our task is to help producers to manage the grouping of their production.

Producers need to know what types of demand exist. Mobile telephones and the Internet have helped here, but farms are still very scattered. We are partially organised. Furthermore, government support has been weak (unlike the situation with the dairies). It is for these reasons that we needed the MMC.

Farmers are brought together through schemes comparable to cooperatives, irrespective of whether they are members of the national federations.

One major obstacle for the dairy sector is the lack of infrastructure, and food miles. West Africa is affected by famine (25% of the population) and high price volatility. Demand for vegetables has fallen by between 20 and 40% as a result of the crisis.

Characteristics:

- The region is still in a process of having a common market.
- Prices are formed differently in horticulture (fix or market: private companies regulate themselves).
- Need capacity building in:
 - Schedule or processing
 - Leadership (trust between actors)
 - Warehouse, collection centres, product handling QA

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- Contractual agreements (information)
- Mobile phones (e-wakulima) can act collectively
- Need incentive to increase production
- It is a region where things are semi-organized (gaps en between market)
- Access to credit is limited (preference for organized actors)
- Extension services are deficient
- At village levels, self-helped groups, affiliated to national org. or not... but have shown a lot of resilience in current crisis (dairy)
- Very weak value network
- Brokers (infiltration of middlemen)
- Transport system, processing
- Stable formal market is a challenge into reliable systems
- International trade agreements (food miles) can be an obstacle
- High production risks (government could or should address this issue)
- In the crisis, demand failed 25-40%, while there is a current inflation rate 30%
- Political interferences

Lessons learnt:

- It doesn't fit
- Harmonisation of laws is needed
- Farmers being scattered (??)
- Contractual arrangements
- Production risks
- Mutual trust
- Dispute management
- Certification - tailor-made standards
- Building strong farmer organizations

EXPERIENCE SHARING: HUNGARY

BY GEZA VARGA - GAIA FOUNDATION - HUNGARY.

- The effect the CAP has had in Hungary has been to increase the gap between small and large farms more than in any other member state. Hungary is the EU's developing country.
- The effectiveness of cooperatives is limited because :
 - Small cooperatives' bargaining power is limited.
 - Large ones have more bargaining power but the administrative burden is greater. They are institutionalised and competitive pricing takes precedence over the income-generating goal.
- There are few cooperatives in Hungary. Farmers don't see the point in them because of the geographical dispersal of farms and assume that the companies will determine the price levels anyway.
- Furthermore, niche market producers are not very keen to expand and formalise this market. Organic production accounts for only 2% of total food production and of that 2% only 20% is marketed in Hungary. Organic farmers do not want to open the market up to other producers and are not willing to consider forming cooperatives because they want control over their own their own incomes, prices, balance sheets, etc. All of this information would be passed on to the tax authorities if they were to form a cooperative. Most of them sell their produce « off the books ».
- In 2009 the government took a new measure in response to pressure from small farmers. There was a demand for a code of conduct for the supermarkets including voluntary limitation of imported foodstuffs to 20%. This turns out to have been nothing more than a publicity stunt and that the government has had no real desire to sign such an agreement since it is obvious that the anti-trust committee would probably veto it.

EXPERIENCE SHARING: CANADA

BY YVES LEDUC, DIRECTOR, DAIRY FARMERS OF CANADA

- Supply management has been a feature of the Canadian dairy sector for 40 years and has secured good prices for producers. The dairy sector in Canada is buoyant ! The collective marketing is often done by cooperatives. Cooperatives are justified instruments, but are not sufficient in themselves.
- The supply management system is about aligning production levels with domestic demand. Quotas contain imports. The total amount that needs to be produced is calculated on the basis of demand minus imports. A total production volume is then allocated to each province (the allocation is adjusted annually) and then the province is responsible for allocation to producers, who have individual quotas. To prevent speculation producers are required to avoid exceeding their quotas,

otherwise quotas are withdrawn. Quotas have a value because they are a source of profit for the farmer.

- It is impossible to dissociate supply management and collective marketing in Canada. Collective marketing is necessary to counterbalance the large firms' market power. In this respect there is a big difference between the European and Canadian systems. In Europe there are quotas too, but sales are individual so there is competition and profits are lower. In Canada this problem has been tackled by setting up marketing boards which have been a way of counterbalancing the power of the big companies. This is a derogation from the anti-trust laws. The marketing boards make it possible to negotiate cost-effective prices. The boards negotiate the terms between groups of farmers and the processors, meaning that they establish the prices and the allocation of milk to factories, so that each factory receives what it needs to make its products. This process is extremely efficient because it includes transport efficiency measures (to keep transportation costs as low as possible) and enables value added to be shared out fairly. However a particular producer's milk is used, he/she will receive the same price as everyone else, reflecting the average value added.
- It is an entirely justifiable form of sustainable development and a good response to globalisation, but it requires the right legislative framework. Another of the system's limitations is the existence of « free riders » who try to import dairy products by playing on aspects such as product denomination or classification.
- This system implies the sharing of responsibility. The producers exercise self-discipline so as not to exceed their quotas and the government has to regulate and contain imports.
- The three cornerstones of the system are :
 1. Import control
 2. Fair prices, respecting needs throughout the sector
 3. Production discipline

DISCUSSION

QUESTIONS/CONTRIBUTIONS FROM THE ROOM

- Samba Gueye. Solidarity is needed to allow Africa to rise to the same level as others. It will take time.
- Krisztina Morvai. There are two different paradigms or systems of values :
 1. The pursuit of profit
 2. The pursuit of the best solution for the community.
- It is important to establish which goal one is pursuing before addressing all the other technical considerations. It is a political choice first, before it becomes a technical choice.
- Olivier Consolo. How has Canada managed to protect its system at the WTO ? Is it still possible to set up this kind of scheme in the present context ?

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- The reform that tipped the balance from one system of values to the other (from the collective to the individual) was sold to us as the opposite of what it really is !!!

YVES LEDUC'S ANSWER

- There is a big difference between the EU and Canada and that is the percentage of total milk production that is exported (10% in the EU as opposed to 2% in Canada). So to be able to go on exporting, the EU is trying to bring the world milk price down.
- There is a limit to how much the domestic price can increase in relation to international prices, because the government has some control over the price negotiations. In addition to the marketing boards there is also the Canadian Dairy Commission which oversees the discussions between the producers and processors and acts as a watchdog.
- Canada is a major exporter of foodstuffs, some of which are regulated through collective marketing. The collective marketing system has endured because of farmers' commitment to it (discipline) and because all the federal representatives and parties have supported it, including at the WTO.
- If customs tariffs were not negotiated during the Uruguay Round it is going to be difficult to set up this type of system within the current framework (WTO).

PANEL 2. EXPERIENCE RELATING TO SUPPLY MANAGEMENT

INTRODUCTION

NIEK KONING, UNIVERSITY OF WAGENINGEN

Supply management encompasses all measures producers can take to obtain higher prices without those prices being undermined if other producers do the same thing. But supply management means different things at different levels:

- At local level cooperatives can help push farm prices up. However, once a cooperative has achieved its best competitive price it faces a dilemma – should it remain small or grow ? What can producers do ? They can organise industrial action to obtain a better price, but such actions can never be sustained for very long. They are a political tool (applying political pressure) but not an economic one.
- At national level the provision of forms of protection such as tariff and non-tariff barriers, monopolies, etc can help raise prices above market prices. The problem is that if they are introduced at national level they increase surpluses and therefore the risk of dumping. Steps should be taken to avoid surpluses by adjusting national production to national demand.
 - By means of private cartels : cooperatives, monopolies. However, the success of such measures is mitigated by free riders.
 - By means of government intervention in public cartels (quota systems, supply management through storage, etc.) In organisational terms the question is whether this is done at the national level (like in the EU) or by farmers themselves (like in Canada). But free riders remain a problem because of the presence on the market of other exporting countries (e.g. New Zealand, which took advantage of quotas to export to the EU).
- This means that an international trade management system is needed (quotas, international stocks management). But it is impossible to regulate commerce without regulating agriculture and energy. Agriculture cannot be regulated in isolation because the scarcity of fossil energies will lead to competition between food production and biofuel production.

DISCUSSION

- Situations vary greatly. The action by European dairy farmers organised by the EU milk board utilized pressure from farmers but did not involve any economic instruments.
- In developing countries there are many local organisations striving to develop collective marketing, but their efforts are undermined by cheap imports. This points to the need for international measures of protection. The African Union is a governmental organisation not a professional organisation so it tends to have a vested interest in « cash crops. »

EXPERIENCE SHARING: BELGIUM (WALLONIA)

BY ALAIN MASURE, DAIRY OFFICER AT THE FWA RESEARCH DEPARTMENT - FÉDÉRATION WALLONNE DE L'AGRICULTURE

- The European Community (EU) dairy quota system was created on 1 April 1984. In Belgium the quotas were allocated as individual quotas (differently from in France) on the basis of 1983 production figures. Of the 3.4 billion litres' worth of quotas in Belgium, 3.35 billion take the form of dairy deliveries and 50 million take the form of direct sales (decreasing fast).
- The quota system has always been very popular with farmers, but it does have some disadvantages. Quotas have not prevented the restructuring of the sector. There were over 40,000 producers in 1984 and today there are only 11,500, 4,300 of whom are in Wallonia. Average output per farm is 300,000 litres (from <50,000 to 1,500,000 !).
- **The main operating rules**
 - The quota is set annually for each « dairy year » (= twelve month period). If production exceeds the individual or national quotas, a financial penalty of 0.27€/l (known as « the super-levy ») is applied. It is possible for farmers to sell quotas to other farmers (quota mobility). To curb the commercialisation of quotas a « Quota Fund » has been created. This is a common kitty which is intended to prevent direct transfers between farmers and includes a start-up function for new producers and the possibility of aggregation as long as the surface area rules are respected (the purchaser must have at least one hectare of forage - grassland, maize, forage crops – per 20,000 litres of quota after completion of the transfer) and the « 30km » rule is also met (the new farm has to be within a 30km radius).
 - Quotas from the quota fund can be fully or partly exempted from the surface area rule. (0.15€/l in 2009/2010). Quota prices are fixed each new dairy year. The fund is then distributed between buyers at the same price for everyone. To encourage young farmers 2/3 of the fund is shared out between buyers under the age of 35 and 1/3 is allocated to buyers over 35. The land area rule (at least 1 hectare of forage per 20,000 litres of quotas after completion) is applied to quota purchases.

- It is also possible to lease quotas for a dairy year. Leasing is restricted to 30% of the lessor's quota. This system allows farmers to utilize unfilled quotas if they under-produce. Leasing is also limited by the available forage area (at least 1 hectare per 20,000 litres of quota for the lessee). This makes it possible to avoid the financial penalty if the quota is exceeded.
- Despite all of these measures, quotas cannot guarantee farmers a fair price for their milk without market management rules.

EXPERIENCE SHARING: SENEGAL

BY BABACAR NDAO, (ROPPA)

The case of onion's supply management in Senegal

- This exercise in supply management began 8 years ago and is based on a three-pronged approach consisting of import control, output control and farm prices, while respecting the integrity of the national market. To control imports, special safeguard measures have been taken (cf article 5 of the Agreement on Agriculture).
- Locally grown onions (which are a very important diversification crop for Senegal) are subject to competition from imported onions. Onions are eaten in every household at least twice a day. Producing this crop is a profitable venture because yield can be up to 30 tonnes per hectare. Producers and their organisations want to manage the quality of their output and manage marketing through the process of placing on the market. Production charges are kept at around 700-893 Francs per hectare. Production costs per kilo are 35 Francs. The onions may be placed on the market at between 140 and 170 CFA Francs.
- There are two production areas : Les Niayes and La Vallée. Overall production in Senegal has not ceased growing since the system was created in 2006 and in 2009 it hit record heights because producers trust each other and consumers are satisfied with the product.
- The growing/marketing period lasts between five and six months on average and Senegal has no need for imports during that period. In 2007 the committee staggered management measures over 9 months. To avoid penalizing consumers the price has been kept at 150 Francs since 2006, and must never exceed 200 Francs under any circumstances.
- Producers' organisations discussed the problem for ten years between 1987 and 1997. In 2000 the government set up the CNNI (National Committee for International Negotiations) to develop Senegalese positions for the negotiations at the agricultural products sub-committee. The producer organisations (CNCR and FONGS) are represented. The subcommittee discusses all the technical issues relating to agriculture – EPAs, the WTO, the AGOA and their impact on the UEMOA agricultural policy and ECOWAP. Then the Market Regulation Agency (ARM) set up a national consultation and monitoring committee.

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- Outlook :
 - ◇ Extending the import stoppage period
 - ◇ Increasing production and ensuring fair prices for producers and for consumers alike
 - Continuing to improve the quality and the quantity of produce
 - Improving marketing
 - Adapting the organisational structures of POs
 - ◇ Maintaining and increasing producers' involvement in the processes
 - Mastering the issues
 - Developing the ability to make proposals
 - Improving advocacy
 - Participation in campaigns in the North and in the South.
- The limitations are :
 - ◇ Adhering to production schedules to improve production.
 - ◇ Charging of higher prices by some unauthorised producers
 - ◇ High import levels before the import stoppage.
 - ◇ Irregular imports (problem of sensitive products discussed in EPA negotiations – fortunately deferred for the fourth time, this time until November 2010).
- Human capital and production capital are plentiful. If production is boosted the country will no longer be as dependent as it used to be in terms of foodstuffs.
- The programme has advantages for both producers and consumers. Supply management has allowed the sector to develop in a way that puts the producer comes first rather than the product.
- What can still be done to defend local production :
 - ◇ Use article 5 of the AOA
 - ◇ The 13th managerial meeting of the TEC (2-6 February 2009)
 - ◇ Establish a 5th tariff band at 35% for the products we wish to protect
- Eligibility criteria :
 - ◇ Vulnerability of the product
 - ◇ The economic diversification it enables
 - ◇ Integration
 - ◇ Substantial production potential
- Conclusion :
 - ◇ Many people are benefiting
 - ◇ It is not costing the State anything

DISCUSSION

- *Yves Leduc*. Question to Alain Masure: How does the Commission buy back quotas ?
- *Yves Leduc*. Comment to Babacar: The condition for using article 5 of the AOA is the « tariffication » of the product.
- *Alain Masure*. The Commission introduced its first repurchase system because surpluses remained too large. In 1988 a second system was introduced and it is still being used in Wallonia to prevent certain regions losing all their dairy farmers.
- *Babacar Ndao*. Senegal has become an LDC, things have moved on. The instruments used include :
 - The sensitive products
 - The safeguard clause
 - We are getting organised for other products.

At present tomatoes are in tariff band 5 and we have three safeguard measures. For chicken we have taken advantage of bird flu to avoid imports. The list of sensitive products is soon to be closed. However, we have to take account of the de minimis clause. We cannot say we will not import anything. We have to import 5-10% of demand.

PANEL 3. EXPÉRIENCES OF PRODUCER INTEGRATION (COOPERATIVES) - PANEL 4. ARE EXPERIENCES OF CONTRACT FARMING A PROMISING WAY OF STRENGTHENING MARKET POWER?

INTRODUCTION

By MARC ROSIERS, BOERENBOND (BELGIUM)

There are problems with the way the food supply chain functions :

- Bargaining power imbalance between farmers and the rest of the chain.
- Problems with the passing on of value added.

The European Commission has brought forward proposals to tackle these problems :

1. Increasing market transparency
2. Encouraging farmers to work together to improve efficiency by making economies of scale and increasing their scope
3. Developing a European code of conduct setting out rules and involving several actors in the food chain
4. Organising processing cooperatives
 - a. To improve members' offerings and adapt them to present and future demand
 - b. To improve their bargaining power with regard to processors and retailers
5. Creating a European framework for cross-sector agreements involving all the actors in the food chain. This would make it possible for all the dairy sector protagonists to discuss things together.

The underlying idea is that the market plays a pivotal role but that it is not perfect (price volatility problems and non-cost-effective prices). The following solutions are proposed :

- To tackle price volatility:
 - a. The creation of a price observatory providing structured and reliable information on supply and demand.
 - b. Agreements between supply chain partners to contain the risks.
 - c. Market regulation instruments : management of stocks, alternative uses of surpluses such as the market for biomass, insurance systems, etc.
- To tackle the price level issue :
 - a. Code of conduct

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- b. Strengthening the farmers' position within the sector and the supply chain by means of :
- The organisation of producers in cooperatives
 - Agreements with actors in the chain :
 - i. Industry-wide agreements
 - ii. Specific contracts between purchasers and producer organisations. What would be needed is a reference framework with reference prices established in relation to production costs.
 - iii. Agreements between a single purchaser and a single producer. A European or international framework is necessary.
 - Certified product quality systems.

Research has been done at Leuven university into the reasons farmers give for signing contracts :

- Income stability throughout the year – an important incentive
- Higher income – a relatively unimportant reason
- Price stability – quite an important reason
- Being able to buy inputs on credit – an important reason
- Learning to use new technologies – an important reason
- No alternative to secure an income – a relatively unimportant reason
- Receiving an income during the learning process

EXPERIENCE SHARING: BRASIL

BY MARCOS ROCHINSKI, GENERAL SECRETARY OF FETRAF SOUTH - BRASIL

Farmers in Brazil have experience of contract farming. Due to their geographical dispersal amongst other things, they need to work with large enterprises. This is not an ideal situation (in terms of independence etc.) but there is an ongoing trend towards the consolidation of « integrated » contract family farming.

It would be a good thing for mechanisms to be created that would increase farmers' capacity to improve their contract conditions, such as :

- Collective contracts
- Ensuring that « integrated » farmers can be vertically integrated into the chain so as not to lose their freedom in terms of what they produce. Dependency on a single crop and therefore a single firm should be avoided.

EXPERIENCE SHARING: SENEGAL

BY OUSMANE NDIAYE, NATIONAL DIRECTOR ASPRODEB

There has been an experiment going on in the groundnut sector (Senegal's largest sector) since 2006. It involves six of the ten largest Senegalese producers in terms of turnover and production). Since 2000 the sector had been disorganised, struggling with input supply and sales problems. The producer organisations had talks with the government and financial partners with a view to designing a strategy to tackle these problems. An experiment was piloted in a number of localities to :

- Improve GFPs (Good Farming Practices)
- Encourage farmers to get organised
- Improve product quality, as demanded by the small scale processors and other industries. With the help of Asprodeb the farmers and these SMEs set down the terms and conditions with respect to quality, quantity, prices, conditions of delivery and terms of payment.

The producers set up GFP monitoring arrangements and technical support services supervised by farmers themselves. The end result is that the producers have improved their output and have been able to organise the collection of their crops. They have obtained government aid for the purchase of processing equipment. This has generated value added for their product and increased their income. It has meant a 16% gain for producers. The producers have organised this industry themselves and have not opened up the door to other processors and industrialists.

The following factors were responsible for their success :

- Command of the technical aspects at local level
- Prior organisation. The farmers have a strong tradition of working together (it was only a question of improving and professionalising existing practices).

The difficulties encountered were:

- Obtaining good inputs. Work has been done on upgrading the seed production sub-sectors.
- Having to advance money.

We can conclude that it is indeed possible for producers to work under contract and to plan their production as long as certain preconditions are met :

- For producers to work together a certain discipline has to be imposed : rules about practices.
- Producers need to be given support and guidance throughout the process.

DISCUSSION

- *Antonio Onorati*. Current price volatility is due to liberalisation and speculation. Can insurance be a means of speculation ? Regarding codes of conduct, is the EU able to impose regulations ?
- *Niek Koning*. The groundnut project Ousmane Ndiaye presented is a niche market so the system has its limitations - the approach cannot be mainstreamed. However, the positive point is that the producers got organised. Going back to Marc Rosiers' presentation and the « framework agreement » proposal, how can the reference price be pushed above the market price ? That would imply fundamentally changing the way market forces work.
- *Kolyang Palebele*. In Chad farmers sell their produce before harvest to speculators. They have problems with respect to market access, illiteracy and access to information in general. Local products have to compete with imported products such as rice, without any form of protection. Furthermore, food aid for refugees finds its way onto the market and local produce has to compete with that too.
- *Ousmane Ndiaye* (answering Niek Koning). Groundnut is not a niche product because it is not longer grown solely for oil production. There is now a market for groundnut as a delicacy. This is also why the quality has to be improved.
- *Marc Rosiers*.
 - Answering Antonio Onorati. There are different types of speculation – speculation by producers, by vendors, by governments. There is no scientific proof that it is speculation that causes the volatility. Insurance does not safeguard incomes (prices) but it is useful for risk management.
 - On the subject of terms and conditions : to protect producers' independence and meet

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demand from industry we have to have farming practices which will guarantee a comparable quality. This is a means of maintaining farmers' independence.

- Reference prices should not exceed world market prices minus import duties. There has to be a safety net in case the price on the world market drops below a certain level. It is not possible to set a minimum price. We cannot force companies to accept a minimum price, but the safety net should help restrict the fall in prices.

FIFTH PANEL. TWO APPROACHES TO MARKET ACCESS FOR PRODUCERS: THE USE OF STANDARDS (QUALITY LABELS AND INDICATIONS OF COUNTRY OF ORIGIN) AND THE SHORTENING OF THE MARKETING CHAIN

EXPERIENCE SHARING: ITALY

BY ANTONIO ONORATI, CROCEVIA

THE SHORTENING OF MARKETING CHAINS

Report on experience regarding the relationship between the agricultural market and appropriate market conditions and the creation of an appropriate market.

Italy is an agricultural country where the predominant form of agriculture is informal family farming (like in the developing countries). The agricultural system is based on the family model and is economically very successful. Most of the output is sold on the domestic market.

Observations

- The organisation of agricultural markets (common market organisation = CMO) determines the modes of production and influences or reorganises societal models (« it's what the customers are asking for »). Can the CMO be adapted so that it supports family farming ?
- There is a tendency to confuse the local market (which is being presented as the only alternative), the domestic or national market and the internal market (the EU market, which has to be protected). The borders are those of the EU, which means there is a need for special rules and public policies. Is there a political will ? There is no « appropriate » market, the current model of agriculture is based on the over-exploitation of natural resources, a kind of agricultural Darwinism. The number of farms is dwindling most rapidly in the livestock/dairy sectors, yet these are the farms that receive the most support. Our reaction to this situation : to seek appropriate markets. In Italy the degree of decentralisation of supply is quite high, in spite of what people generally think. This supply has to be matched with demand that is also decentralised. The decentralisation of supply is a solution to the crisis. It is the opposite of the grouping of supply. Some examples :
 - Mutually supportive buying associations. Demands outstrips producers' ability to organise themselves.
 - The organic market accounts for 10% of the overall value of agriculture in Italy.
- This is the sharing of value added through the shortening of the chain.
- A difficulty : We are not on a level playing field with the supermarkets because small producers have to pay for the externalities that supermarkets usually pass on to their customers.

EXPERIENCE SHARING : SOUTH-EAST ASIA

BY FLORANTE VILLAS , ASIADHRRRA

« Linking small famers to market »

- There has been a project in South-East Asia recently involving the organisation of highly diversified small farmers to achieve economies of scale. It is a form of organisation that being carried out in four countries, is based on Taiwanese and Korean models, and involves :
 - Tea growers in Vietnam and Indonesia
 - Livestock farmers in Cambodia and the Philippines
- It is a product-based form of organisation. Farmers are grouped according to types of products to increase their market power. It is very difficult to develop standardisation to equalise and stabilise product quality at a suitable level and improve prices.
- Information about the South-East Asian context :
 - The average size of farms is between 3 and 4 hectares.
 - They grow subsistence and cash crops
 - The farms are highly diversified
 - The small producers badly need to be organised.
- Like the farms, the cooperatives in South-East Asia are diversified (they cover several crops) and it is therefore difficult to achieve economies of scale. Loans are only available for specialised products. This means such possibilities are closed to small farmers if they do not learn to produce a single crop.
- The project aims to organise an intermediary market mechanism to connect the traditional markets with national markets.
- MMC can increase prices by between 20 and 30%.
- Lessons learned : Many national federations agree that projects like this have huge potential because they can strengthen their positions. The supermarkets are satisfied because they are able to obtain the quality they need.

SESSION 3

**GLOBALIZATION OF THE DISCUSSION ON THE
INSTRUMENTS AND STRATEGIES TO INCREASE
FARMERS' MARKET POWER**

SYNTHESIS

By OUSMANE NDIAYE, ROPPA

- This workshop has been an opportunity to examine a great many instruments that increase farmers' market power.
- The instruments tried out so far - most of which are collective - have made it possible to achieve :
 - a. Supply management
 - b. Collective marketing
 - c. The maintenance or improvement of good price levels, or the mitigation of the negative effects of falling prices.
- These instruments make it possible to organise and combine the strength of thousands of scattered farmers and to better manage the inevitable competition between producers so that they can hold their own against the substantial market power of the firms or purchasers. However, their effectiveness is dependent upon good regulatory framework, government support (through instruments to provide added security for farmers) and above all a shared vision of agriculture.
- These instruments raise a number of questions. They require collective action when every farmer has interests of their own to defend. How is it possible to reconcile these two centrifugal forces ?
- To be effective these instruments require :
 - Producer discipline
 - Adaptation to countries' development levels.
- To work properly they also require the satisfaction of certain market access requirements :
 - Infrastructure
 - Regulation/arbitration (a legislative framework)
 - Support and guidance
- Canada has experience of using a supply management (or cartel-based) system where responsibilities are shared by the different players.
- The strategies proposed to improve producers' market power are as follows :
In terms of action by the public authorities :
 - Legislation to safeguard and improve the effectiveness of the instruments
 - The overall pursuit of the objectives, in line with aspirations for the future of our societies.

In terms of action by POs :

- The further refinement of conditions for the proper functioning of the instruments. The sharing of information and experience relating to these instruments can facilitate the work of the POs.
- Action to ensure countries adopt national framework agreements to put these instruments on a firm footing.
- Questions requiring further thought or action:
 - What are the prerequisites for the implementation of these instruments ?
 - The instruments we have looked at here do not coincide with the vision of the Intergovernmental Organisations.
 - How can farmers be convinced of their right to use these instruments ?
 - Continuing the pooling of experience with and information about instruments that we have started at this workshop.
 - Disseminating information about the experiences discussed here.

DISCUSSION

- *Philip Kiriro*. The land issue remains vital. In many developing countries the prerequisite conditions of peace and security do not exist. The producers are in favour of cooperatives but need legislation.
- *Villas Florante (AsiaDRRAH)*. Market control means uniting farmers and building strong organisations capable of influencing governments and obtaining government support. That takes a long time. How many years did it take to arrive at the Canadian model ? And in financial terms, what resources are necessary ? Which actors fought for it ? POs ? Political parties ? Others ? In Asia only 10% of producers belong to organisations, and there are also problems as far as the political parties are concerned.
- Question about the time frame. How many years does it take to achieve a model like the Canadian one ? And how much money is needed ?
- Should we fight concentration or work within that framework ?
- *Ndiogou Fall* . How can the instruments be adapted to take account of different scales ?
- *Thierry Kesteloot*. There is a broad gamut of projects and instruments in the different regions. How can we take account of the fact that there are several different types of markets ? Market power is an important thing, but what type of agriculture are we defending ? We want more power, but to what end ? With more power it is important to pay attention to legitimacy and that means involving the public authorities, consumers and citizens.
- We have gathered a great deal of precious information here. However, situations differ enormously from country to country. The question of what type of farming we stand for is very important for ROPPA, the EAFF, etc. It is important to have a political discussion about these instruments and that this discussion should be held in the different regions.
- *Babacar Ndao*. Another question we have is how to increase supply, and how to improve it. This in addition to supply management. At each level specific instruments are needed.

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- Comment about the title of the workshop. It would be better to talk about markets in the plural to reflect the fact that there are several types of markets and to specify what objectives we are pursuing in attempting to increase farmers' power on those markets.
 - Stable and cost-effective prices
 - Maintaining a politically-determined model of agriculture
 - Improving the balance of power
 - Reinforcing the legitimacy of the actor

There are three main points to consider :

- a. Increasing supply
 - b. Ensuring vulnerable groups have access to supply
 - c. Managing supply (agree on all the levels of management, each level needs an appropriate policy/instruments).
- Facilitation instruments which must be provided by the State
 - Legal framework (laws)
 - Regulation
 - Incentives/disincentives
 - What type of partnership do we need for better governance? (Ethics important). What kind of partnership can POs/the public sector/the private sector enter into to succeed in meeting this challenge?
 - *Kolyang Palebele*. There is a problem with sub-regional integration – no free movement of people in the developing countries. There is also a problem with regard to training, information and illiteracy.
 - *Marek Poznanski*. What role can institutional purchasing (cf Lula's policy in Brazil) and stock management play?
 - *Geza Varga*. We have not broached the subject of inputs. We have not looked at biofuels, for example. Inputs account for 60% of production costs. We need to think about developing integrated systems in the rural areas, increasing local energy self-reliance (local use of local products), and combining livestock rearing and forage production.

LAST COMMENTS

- *Ousmane Ndiaye*. It emerges from the discussions that the organisers are being requested to include some other points and continue the discussions.
- *Alex Danau*. We need to be sensitive to hyper-specialisation and the need to develop integrated farming.

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The present report and original talks are available on the CSA's website:

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