

Empowering Smallholder Farmers in Markets

“Farmers organizations and researchers in a strategic partnership”

Update October 2012

ESFIM PHASE 3

Scaling-out and strengthening the institutional set-up

AGRINATURA currently provides research support to national farmers' organisations (NFOs) that strengthens their capacities to formulate feasible, evidence-based propositions for changes in key elements of the institutional or policy environment that empower smallholder farmers in markets.

For the new phase (2013-2016) we propose to work on four components:

- ESFIM Research Support Funds, available to NFOs exclusively, for contracted research that helps to refine their advocacy strategies
- Seed money to NFOs to facilitate the elaboration of these research proposals, including the necessary participative processes of policy generation and targeted advocacy
- Follow-up and backstopping by AGRINATURA to generate quality outputs
- Link these farmer-led processes with the knowledge and staff in national research institutes and related development interventions

[read more on page 4 »](#)



MALAWI - KENYA

Regional study tour on the role of farmers' organisations in Marketing Information Systems

In July 2012, representatives of the Farmers Union of Malawi (FUM) and the National Smallholder Farmers Association of Malawi (NASFAM) and AGRINATURA researchers went to Kenya to learn firsthand of the Kenyan experience in supporting the access to market information for the smallholder farmers. The delegation was hosted by the Kenya National Federation of Agricultural Producers (KENFAP).

The study tour was useful to gain a better understanding of how the Marketing Information Systems (MIS) operate in Kenya, the potential roles of farmer organisations, the challenges of making MIS operational and financially sustainable and on best MIS practices. Visits were made to the following organisations: KENFAP, Ministry of Agriculture, East African Farmers Federation (EAFF), East African Grain Council (EAGC), Alliance for a Green Revolution in Africa (AGRA), and the Kenya Agricultural Commodity Exchange (KACE).

Initially, based on a local consultancy report, the Malawi farmer organisations were thinking about the development of a MIS by themselves. However, managing a MIS that provides relevant and timely market information could prove to be costly and could

only become financially sustainable if it also provides paid-for services to specific stakeholder groups (e.g. linking sellers to buyers, providing historical price data to development and research institutes, etc).

Farmer organisations can play a role by analysing and repackaging available market information into relevant formats that signal market trends for its members, and can also advocate for the provision of useful and timely data through existing MIS.

With insights from both the study tour and the report, FUM and NASFAM concluded that a feasibility study including a needs assessment of potential users of MIS should be carried out, before FUM and NASFAM take further steps on seeking to improve or establish additional MIS in Malawi. ●

ADVOCACY CAPACITY

Advocacy capacities: a self-assessment tool

In the first half of 2012, a baseline and monitoring assignment was undertaken to assess the strength and weaknesses of the National Farmers' Organisations (NFO) in their advocacy on market access issues.

Five capacities are distinguished:

- Capacity for coherency: dialogue with members, internal and external credibility, legitimacy of the advocacy position taken
- Networking capacity: dialogue with stakeholders, collaboration with others, visibility
- Capacity to renew and adapt: explore data, reflect on policy dynamics
- Capacity to commit and act: budget for research and advocacy, availability of written advocacy strategy and proposals
- Capacity to deliver development objectives: relevance and effectiveness in creating enabling services and policies to enhance market access for smallholders.

[read more on page 2 »](#)

Read more

www.esfim.org/esfim-malawi-documents



AGRINATURA-EEIG

42 rue Scheffer

F-75116 PARIS - FRANCE

Fax: +33.1.53.70.21.56

secretariat@agrinatura-eeig.eu

www.agrinatura.eu





PERU

Partnering for quality and chain integration

The Cooperative of Multiple Services “Tallan-Chusis” (COSTACH Ltd.) is an association of producers of Pima cotton in the region of Piura, Peru’s north coast. At the moment, 5,600 small family farmers (producing 3-5 ha each.) are members.

Pima cotton as a niche product

The cradle of cotton in Latin America stands in Peru, where pre-Columbian cultures used it to weave clothes. The Peruvian Pima has an exceptional fibre quality: fineness, strength and long staple length (40-45 mm). The demand for this high-quality cotton constitutes 2% of the world production, and represents an attractive niche market with relatively high prices. In the past the “White Gold of Piura” was listed separately on the Stock Exchange.

The decline of the cotton cooperatives

In the early 70s, the agricultural companies on the Peruvian coast became production cooperatives as result of a drastic land reform. But from the 80’s onwards, these cooperatives were economically and institutionally strangled: there was a process of individual land allocation, and the state service providers to small family farmers gradually disappeared. Additionally, in particular the reduction of import tariffs affected the

market. The textile industry refrained from paying fair prices, as it managed to import cheap and subsidised lower quality cotton from the US.

And worst of all, “they are making clothes with regular cotton imported and state that it is Peruvian”, exporting it as if it was made from Peruvian Pima.

As a result, the 60,000 ha of Pima in the 60-80’s dropped to only 1,500 in 2010.

Through COSTACH, Pima cotton has been re-introduced. The activity of COSTACH and its partners sought to ‘paint the fields in white’ aiming for 12,000 ha for the 2012 campaign. In 2011 COSTACH started to assume processing and exporting functions. It managed to contract a cotton ginnery to produce fibre and vegetable oil. COSTACH is recognized by the key institutions such the Ministry of Agriculture, investment banks and municipalities and is now looking for ways to build their own ginnery. They are starting the first step to a Denomination of Origin (DO) of the Peruvian Pima Cotton, to stop unfair competition with imported low-quality textiles.

“We are reborn”

The association COSTACH has to withstand the existing oligopolistic control by strong private companies of the economic flow of cotton in Peru. For COSTACH this means “to make links, to go abroad, to improve farmers’ activities” and to regain part of the value added in the Pima cotton market chain. ●

Read more

www.esfim.org/collaborative-research/peru



» cont’d from page 1: ADVOCACY CAPACITY

We did so through a self-assessment among the board members of the NFOs of these five capacities, a reflection on ESFIM process, and interviews with various stakeholders ‘around’ the NFO. As context matters a lot, the results are not comparable between the NFOs. However they do reflect something about the self-assessed strengths and weaknesses in each of the NFOs. The self-assessments indicated that ESFIM had helped to strengthen the capacity to commit and act: the NFOs improved in their capacity to interpret research findings, organise policy discussion workshops, and reflect on their advocacy priorities.

We also asked to compare the change in these capacities in the last three years. The results indicated that again the capacity to renew and adapt and the capacity to commit and act had overall improved slightly. Whilst this strengthened capacity can be only partially attributable to ESFIM activities, it is an indication that the NFOs are improving in their advocacy capacity.

The self-assessment proved most valuable as an internal learning tool for the NFOs. Discussions at country level around the findings and especially on the points where board members differed in their

2. Capacity for networking	board member no. 1	no.2	no.3	no.4	no.5	no.6	no.7	Average
2.1 Support research institute								
2.2 Donor support								
2.3 Support local authorities								
2.4 Support Min Agri								
2.5 Coll. advisory services								
2.6 Access to experts								
2.7 Coll. Private sector								
2.8 Strategic partnerships								
2. Improvement compared to 3 yrs ago								
2.1 Support research institute								
2.2 Donor support								
2.3 Support local authorities								
2.4 Support Min Agri								
2.5 Coll. advisory services								
2.6 Access to experts								
2.7 Coll. Private sector								
2.8 Strategic partnerships								

mutual appreciations, provided ideas for self improvement. The tool is freely available to others that want to use and adapt it (mail: karin.degrip@wur.nl). ●

Read more

www.esfim.org/esfim/documents

COLLECTIVE MARKETING

Hard work

Finding rules that keep a group together

The path to becoming a fully-fledged collective marketing group necessitates tackling practical organisational challenges that emerge throughout its development and which need to be addressed to survive in the market.

Some organisations find ways to cope with these challenges through learning-by-doing and by trying out different solutions. Other organisations halt their development because they cannot overcome the challenges faced.

Within the site www.collectivemarketing.org we offer a knowledge-base for farmers' organisations and those who are supporting them. The web-portal, which is built upon examples from practice, can be used to search on problem topics, with descriptions of the specific context, the solution found, and an overall assessment of how transferable the solution may be and its efficacy.

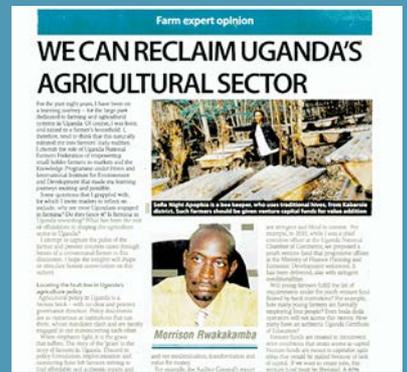
We welcome your experiences and case-studies that will help to build and enhance this knowledge-base.

Topics that are covered with examples of organisational intelligence:

-  1. Fair pricing
-  2. Quality assurance
-  3. Working capital constraints
-  4. Side selling
-  5. Disposing of profit
-  6. Services to members and non-members
-  7. Task delegation and supervision

Read more

www.collectivemarketing.org



UGANDA

Advocacy on Uganda's agricultural advisory system

UNFFE has started lobbying for changes in agricultural policy in Uganda, based on ESFIM research specifically work focused on the National Agricultural Advisory Services (NAADS). Based on this ESFIM-research and with additional support from IIED and HIVOS, the UNFFE consultant Morrison Rwakakamba has an active presence in the news, explaining why agricultural policy in Uganda is deficient and how it can be improved. ●

Read more

<http://www.esfim.org/lobbying-for-a-better-agriculture>



PHILIPPINES

Involving smallholders farmers in the design of a commodity exchange system

In the Philippines they want to establish an agricultural commodity exchange system (ACES) for corn and rice marketing to improve market efficiency. However, while the expected benefit of such system was clear for several categories of stakeholders (feed mill company, local traders, mid-size and larger farmers) questions were raised about stakeholders capacity to actually benefit from the system.

The issue was addressed by the Federation of Free Farmers (FFF) in the framework of ESFIM by a consultancy that undertook a baseline survey about smallholders' practices in corn and rice marketing. They also sought opinions about the proposed ACES. It turned out that the functioning of ACES remained unclear to most respondents.

To cope with this knowledge gap, the Filipino ESFIM team designed a game simulating how the projected ACES will operate. It relies on the distribution among the players of bonds representing a stock of maize and an amount of money. In each round of the game, past price and information about factors affecting supply and demand (climatic events, international price variation...) are given to each player. Then each player chooses either to make an offer to supply or to bid to buy

maize. The software that is actually used in the electronic exchange is used to match bids and offers and to determine the matching prices. Then a new round of bids and offers starts with a new set of information. The winner is the player who has the higher value of maize bonds and cash after several rounds of transaction.

The simulation game was used during four workshops gathering 40 market players including smallholders, traders and feed millers mixed into several teams for playing. Beyond its power to explain the mechanism in the ACES, the simulation game proved to be a perfect device to identify potential obstacles (size of the contract, method of payment, warehouse location, quality standard) that would prevent smallholders from using the ACES for marketing their products.



The simulation games also triggered exchanges between different types of market players that seldom discuss about marketing issues with each other.

These simulation sessions provide valuable and shared remarks about the technical and organisational improvement needed to ensure that the ACES could be used by a broad range of market players. ●

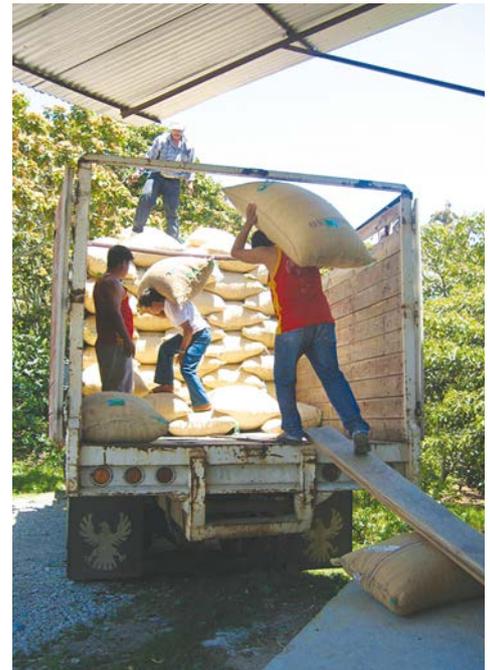
Read more

www.esfim.org/collaborative-research/philippines



A COALITION OF 15 ORGANISATIONS SUPPORTS ESFIM PHASE 3

	REGIONAL FARMERS' ORGANISATIONS
EAST AFRICA	East African Farmers Federation (EAFF)
SOUTHERN AFRICA	Southern African Confederation of Agricultural Unions (SACAU)
WEST AFRICA	Réseau des Organisations Paysannes et de Producteurs d'Afrique de l'Ouest (ROPPA)
	NATIONAL FARMERS' ORGANISATIONS
BENIN	Fédération des Unions de Producteurs de Bénin (FUPRO)
BURUNDI	Confédération des Associations des Producteurs Agricoles pour le Développement (CADAP)
KENYA	Kenya National Federation of Agricultural Producers (KENFAP)
MALAWI	National Smallholder Farmers' Association of Malawi (NASFAM)
MADAGASCAR	Coalition Paysanne de Madagascar (FTM/CPM)
NIGER	Coordination Nationale de la Plate-Forme Paysanne du Niger (CNPFPN)
UGANDA	Uganda National Farmers Federation (UNFFE)
BOLIVIA	Coordinadora de Integración de las Organizaciones Económicas Campesinas de Bolivia (CIOEC-Bolivia)
COSTA RICA	Coordinadora de Mujeres Campesinas de Costa Rica (CMC)
PERU	Junta Nacional del Café (JNC)
URUGUAY	Cooperativas Agrarias Federadas (CAF)
CAMBODIA	Cambodian Farmer Association Federation of Agricultural Producers (CFAP)
INDONESIA	Indonesia Farmers and Fishers Society Organization (WAMTI)
PHILIPPINES	Federation of Free Farmers (FFF)
THAILAND	Cooperative League of Thailand (CLTZ)



COUNTRIES CURRENTLY INVOLVED IN ESFIM PHASE 2



Main Partners in the ESFIM PROGRAMME

- IFAD – International Fund for Agricultural Development
- Dutch Ministry of Economy, Agriculture and Innovation
- AGRICORD – Alliance of Agri-agencies
- CTA – Technical Centre for Agricultural and Rural Cooperation ACP-EU

ESFIM Programme Management:

Giel Ton

Agricultural Economics Institute - Wageningen UR (LEI)



Frederic Lançon

Centre de Coopération Internationale en Recherche Agronomique pour le Développement (CIRAD)



Gideon Onumah

Natural Resources Institute (NRI)



Nélida Ale

AGRINATURA-EEIG



Editors:

Giel Ton, Karin de Grip, Felicity Proctor

Design:

Ocelot Ontwerp

Check Info Updates on www.esfim.org

ESFIM - A FARMER DRIVEN RESEARCH AND POLICY DEVELOPMENT PROGRAMME

The ESFIM programme aims to strengthen smallholder farmers capacity to generate remunerative cash income from markets by strengthening the lobby and advocacy capacity of National Farmer Organisations (NFOs). ESFIM stimulates this through a combination of action research and evidence collection, policy and case-study analysis, and dialogue and cross-learning between participating NFOs. With these activities ESFIM contributes to the formulation of evidence-based policy propositions and advocacy strategies to adapt the institutional environment of markets in the benefit of smallholder farmers.

