

Proceedings

Forum on Market Access Mechanisms

UPA Développement international

Longueuil, October 1st, 2nd and 3rd, 2007

“Mieux vaut une réussite solidaire qu’un exploit solitaire.”
(Success together is finer than success alone)

Albert Jacquard

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Foreword

The Forum on Market Access Mechanisms organized by *UPA Développement international* (UPA DI) was held in October 2007 at the *Maison de l'UPA* in Longueuil, Québec. Representatives of producer organizations from Kenya, Uganda, Zambia, Tanzania, Malawi and the Philippines took part in the event.

European and North-American researchers, including members of the Regoverning Markets group, which works in collaboration with the International Federation of Agricultural Producers (IFAP), and members of the *Groupe de réflexion et d'échanges sur la régulation des marchés agricoles* (reflection and discussion group on the regulation of agricultural markets), together with representatives of Canadian and Québec farm organizations and various Canadian and international bodies, were also present.

The Forum took place over a period of three days. The first two days (October 1 and 2) were devoted to case studies of various collective marketing tools, ranging from the simplest (e.g. a price information system) to the most complex (e.g. the milk industry in Québec). The third day (October 3) dealt with market regulation and supply management.

A Word from the Vice-President of UPA DI

The Forum on Market Access Mechanisms is a unique opportunity to bring together people from around the world with a common goal, to explore the lessons to be drawn from different experiences in agricultural marketing, along with directions for work in the future.

This event was held in the *Maison de l'UPA*, the home of Québec's agricultural producers. In their name, I was proud to welcome our visitors here. As the Vice-President of *UPA Développement international*, I thank them for accepting our invitation. We were delighted to have them among us.

For Québec producers, *UPA Développement international* is a means of sharing knowledge, skills and experiences, a meeting-place that helps create solidarity among farmers. I am a greenhouse producer. In my business, I produce cactuses. I am also President of the *Syndicat des producteurs en serre du Québec* (Québec union of greenhouse producers). The difficulties and hard-won successes of market access are something I deal with every day. For me in fact, as for all Québec farmers, market access is a daily concern, as it is indeed a concern for you, whether you are a producer or a researcher.

Times change and there are new challenges before us. One thing is certain: the men and women who live by farming must continue to be privileged players in the solutions to come. It is up to us, the producers, to develop solutions and ways of doing things that make use of all our strengths, all our experiences, solutions we can all believe in, that are concrete and practical; for this is the only way the farmers of the world will occupy a favoured place in our markets and in the choices of consumers. At the heart of these choices, the future of our agriculture is in the balance.

André Mousseau
Vice-President
UPA Développement international (UPA DI)

Conference

The complete version of the PowerPoint presentations is available upon request from UPA Développement international (UPA DI). Please make your request to: upadi@upa.qc.ca. Here are the conferences, as listed on the agenda for the Forum on market access mechanisms:

Monday October 1st

Collective action to improve the market power of farmers: an introduction
(André D. Beaudoin, secretary general of UPA DI)

Marketing contract: the vanilla case (Gosbert Kabanda Mayawa, Tanzanie)

Maple syrup or how to realize the impossible (Charles-Félix Ross FPAQ)

Un exemple de système collectif aux Philippines by Larry Digal Regoverning- Markets et Raul Montemayor – IFAP

Mali : The collective marketing of grains (Sissouma Abdoulaye - Faso Jigi)

Empowering The Kenyan agricultural producers to enhance the market ability of their produce
(Lucy Mwangi – KENFAP)

Tuesday October 2nd

Linking organized farmers to markets through an integrated supply chain: an introduction
(Bill Vorley Regoverning markets)

Example of a price information system (Coillard Hamusimbi Zambia National Farmers Union)

Towards Food Sovereignty : Construction of an Alternative to the World Trade Organization's Agreement on Agriculture (Giel Ton Université de Wageningen)

Linking small farmer's and supermarkets – The case of rice farmer's in Pecuaria in Cuba
(Bill Vorley et Larry Digal Regoverning Markets)

L'approche filière
(Gino Pelletier, chargé de programmes – UPA DI)

A history of the organization of farm products in Quebec and the milk production networking approach by Alyne Savary and Jean Vigneault, Fédération des producteurs de lait du Québec (FPLQ)

Wednesday October 3rd

Why and how market instability is a structural characteristic of agriculture markets.
(J-M. Boussard – INRA)

Is the deregulation of agriculture markets beneficial or harmful to farmers?
(Daniel Mercier Gouin - Université Laval)

The Mechanisms

Argentina and its new retailing code
(Bill Vorley - Regoverning Markets)

Lobbying to change the Canadian Competition Act (Justin To - Fédération Canadienne de l'agriculture (FAC))

The contributions and challenges of supply management in a new institutional agricultural trade framework
(Daniel De la Torre Ugarte - Agricultural Policy Analysis Center - The University of Tennessee)

Agriculture: The future of international agreements? (Hélène Delorme - CERI)

Is the WTO still a Forum to discuss regulation?
(Arlène Alpha - Groupe de recherche et d'échanges technologiques (GRET))

Eastern Africa market access issues and its implication for agriculture sector
(Julius P. Moto - Eastern Africa Farmers Federation)

Acting Collectively

Collective Action to Improve Producers' Negotiating Power: an Introduction

It gives me great pleasure, in the name of *UPA Développement international*, to welcome you to this Forum on Market Access Mechanisms. This is a unique opportunity to share our knowledge and expertise.

Over the next three days, we will have access to over a dozen talks and workshops in a program that we hope will be enriching and rewarding. For us, and we hope very soon for you, the same observation applies: sharing knowledge and know-how is the only way to support family farming and the farmers of the world.

Family farms employ the majority of the world's population, but for how much longer? Both in the South and in the North, too often the family farm has been the victim of the rules of the market. As we come together in a spirit of respect for the histories and political projects of all participants, we hope that this gathering will contribute to a brighter future, and that together we will weave a network of solidarity, forging links that will mark the beginning of cooperation between people who search and people who find, people who can prove that the family farm will always have meaning and a place in the world.

Thank you for being there.

André D. Beaudoin
Executive Director – UPA DI

Marie Christine Talbot

We have chosen to incite an encounter between researchers and farmers from here and abroad, to add to this idea of a network for sharing the knowledge of some and the realities of others. An anchor point between realities that may seem far apart but that resemble one another, resembling us and bringing us together.

This Forum was intended as an opportunity for exchanges to take place among the representatives of producer organizations, from both the South and the North, who are involved in marketing initiatives, together with researchers working in the same field.

This has been a very special time. It has allowed us to learn about initiatives that are very different from each other, being responses to particular needs and contexts. What we gain from these exchanges is experience, the challenge of drawing lessons that may enable these modest initiatives to be repeated on a grander scale and eventually transposed into different contexts. By exploring the limitations, strengths and weaknesses of each initiative, we can explore the policies that would facilitate its application and development.

Researchers and practitioners of agriculture must pursue and intensify their collaboration in order to tackle these challenges with the combined strengths of each one's particular role and expertise.

This collaboration will, we hope, make it possible to create a synergy to ensure the maintenance and sustainable development of family farming throughout the world.

Marie-Christine Talbot
Managing Director
UPA Développement international (UPA DI)

Hélène Delorme

"By exchanging with stakeholders on the ground, researchers are able to base their generalizations on the experience that farmers have of public policies and the realities of producing. This process has always struck me as being the only way to get an accurate assessment of the actual practices of economic agents and of the impact of public policies. From this dual point of view, the contribution of the Forum is a rich one indeed.

Experts from professional agricultural organizations (PAOs) in East Africa have shed light on the limitations of the integration of the agri-food chain by Western distribution centres in developing countries. Generally speaking, that integration excludes the poorest farmers and does little to improve the prices paid to the farmers who are chosen. This is very different from the price stabilization policies at work in Canada (as well as in Europe and the United States), which allow farm incomes and consumer prices to be regulated.

The Forum has also revealed an unexpected benefit of the super-marketization under way in developing countries. While modernizing production, it motivates farmers in the South to organize, primarily because it fosters links with farm organizations in the North that deal with the same partners. This development bears the greatest promise for future change. It could well profoundly modify the power relationships in the agri-chains and thereby strengthen the capacity of farmers to make their voices heard by governments and international organizations. The globalization of the agri-food economy could thus see a change of direction toward regulations that are more effective and more equitable than the market. These are strategies we should continue, and the exchanges we've seen here should be repeated!"

Patrick Eckloo

“The scope of the Forum was to ‘marry’ the work of practitioners and researchers, to exchange ideas and to come to a synergy between two groups of professionals. This evidently caused a wide range of subjects or rather levels of reflection to be covered, ranging from the macro-economic exposition of Mr Boussard to the down to earth marketing problems of small scale vanilla producers in Kagera, Tanzania. However, although some topics were not at all familiar to a number of the participants, the issues that were treated were each time very relevant and understandable. There were eye-opening presentations both for the farmers and for the researchers.

I myself, not being a farmer nor a researcher, was caught in the middle (although obviously more at ease with the practical farmers’ stories). But, one thing is for sure, my firm belief and the main principle of AgriCord, was confirmed in almost every presentation and story: farmers stand strong when they are united.

Wouldn’t you say so, Mr Beaudoin?

Also congratulations to the practical organization of the Forum, which was impeccable.”

Julius Moto

“I wish to acknowledge the support extended by CIDA, AgriCord, UPA-DI, Quebec Farmers Associations and Ontario Farmers Association to me and other participants from Uganda, Kenya, Tanzania, Zambia and Malawi. The support enabled me to learn a lot from Canadian agriculture and policy framework and farmers organizations.

The seminar brought together the policy makers, academicians, negotiators and farmers. The exchanges were very fruitful among the various players.”

Muwonge David

“In order to have market access the farm family has responded to the changing business environment over time by formation and even changing of the farmer organizations which make collective action and thus a better reward to the farm family possible.

The Forum highlighted that with increasing changes in domestic and international markets, farmer organizations in key sectors like coffee need to play an increasing role in linking the products of the member farm families as a means for the farm family of taking up more roles along the value chain, getting the rewards and achieving more market power.

The Forum further stressed that rather than responding to the changing business environment through change of their activities alone, farm families and farmer organizations have lobbied and continue to do so to achieve regulations, policies, and laws that promote market access at the local, national and international levels.

The Forum gave us an opportunity as representatives of Southern farmer organizations (FOs) and researchers to share experiences about marketing initiatives examine the lessons learned and explore possible avenues of development for improving producer’s access to the markets.

Among the many experiences shared was the Zambian market information system initiative which NUCAFE has shared with UCDA (Uganda Coffee Development Authority) with the aim of exploring ways of improving the current market information system by SMS (Short Message Sending) to enable more farmers to access better markets. Other key lessons have been taken up as action points to guide development of NUCAFE services to the members for better markets access.”

Jean-Marc Boussard

“Whether in Québec or in Africa, there is no lack of ideas for improving the marketing of agricultural products. These ideas always turn around two sorts of actions:

- a) combining supply, to gain negotiating power relative to the buyer, who (due to urbanization) is generally not the final consumer but a processor or purchasing centre with monopoly power;
- b) differentiating a product in a “market niche”, to gain monopoly power relative to the final consumer, sometimes going over the heads of middlemen.

Both types of action are beneficial for farmers, but also (paradoxically) for consumers, because the “monopolistic competition” associated with each makes it easier to manage risk, and this in turn favours investment and technical progress. It is precisely this security for the producer that is lacking in Africa, and which – in part – explains the difficulties that continent is having.

In both cases, collective action is necessary. But collective decisions are not easy to take, and their effects can be erased by “bandits” thinking only of themselves. This is why it is impossible to accomplish anything in this respect without a legal framework and market regulation by public authorities, both at the local and the national level, or even by international organizations. This is why there can be no doubt that we must continue to explore in this direction...”

David Hamusimbi

“First of all I should say it was a pleasure for me to be part of this very informative Forum. The Forum provided a very fertile platform out of which we so progressive exchange of proactive ideas and vast experiences on critical issues affecting producers’ access to markets world over. From a number of presentations I listened to, a number of lessons came out, prominent among them, the realization that we all (i.e. governments, farmers/producer organizations, and non-government organizations) have a role to play when it comes to re-structuring and conditioning markets for the good of the producers, consumers and the world as a whole. The UPA Forum thus helped us crystallize the different roles governments, farmer organizations and other lobby organizations can play in ensuring equitable market access, especially for the small scale producers. The Forum also illuminated the need for enhanced agro-markets, transparency and accountability, especially with regards to quality standards. The Forum also left us with some challenges. We need not end by blaming malfunctioning agro-market instruments without offering potent alternatives needed to induce improved market access mechanisms. Indeed, farm organizations have the capacity to positively influence agricultural development and marketing policies for the good of our world and generations next. It was time well spent for me. All ideas and experiences shared will remain permanently engraved in me.”

Giel Ton

“The seminar has been a very good initiative to bring together researchers and farm leaders to explore issues related to collective marketing and supply management. Politically timely, considering discussions in WTO and benefiting from the vast Quebec experiences on these issues. There is clearly a need to better document these ‘public-private’ collective marketing arrangements as they can be useful for operationalizing the discussion on ‘Special Products’ and suggest effective instruments and tools for market protection and price stabilization in key sectors in developing country agriculture. In that respect, I liked also the innovative thinking about international commodity agreements, as presented by Daniel de Ugarte.

The seminar could have benefited from a more targeted discussion between participants, grouping farmer organizations with comparable interests to discuss the issues from their (more homogenous) point of interest. E.g. farmers’ organizations organized around export commodities (coffee, vanilla, fair trade, etc.) seemed to be a bit ‘lost’ in the discussions on the Quebec supply management system. And the presentations on very recent initiatives of vegetable producers,

linking with supermarkets, were only partly relevant for the farmers that have already vast experiences with collective marketing.

I, as researcher, learned a lot from the different presentations. And I hope that we can give follow-up to the seminar discussions, to effectively influence and improve policy making and collective marketing strategies in developing countries.”

Larry Digal

“For me, the Forum provided the opportunity to share and discuss various aspects on market access mechanisms. The sharing of the experiences of the participants from the North and the South as well as the cases highlighted in the presentations enriched the discussions. Although experiences in the North may not be directly applicable to the South or to certain industries regardless of location, they remind people from the South that there are various options available and the choice would depend on a number of factors. Supply management may not be applicable in the South but this reminds people of the conditions that are necessary for this to work. This is true of all the presentations/cases shared. The key is understanding the conditions that underlie the success or the failure of a market access strategy or option.”

Ron Bonnett

“I want to congratulate UPA DI on putting together a very informative seminar. I believe there was strong value in hearing from both developed and developing countries about issues effecting farmers. While not all of the speakers were as engaging as others it became very clear that there were some common underlying elements in the presentations.

Some of the common key elements are:

1/ Efficiency and productivity gains have not led to long term profitability for farmers. Most gains inevitably translate into savings for consumers instead of long term financial stability for farmers.

2/ There is an underlying problem in both developed and developing countries that just gaining access to markets will not guarantee increased producer incomes.

3/ Liberalization of markets have reduced the ability of individual farmers to successfully negotiate with large players in the agri-food chain.

4/ Variability of farm income is affected not only by weather but also by markets, periods of oversupply and lack of hard infrastructure.

5/ A number of presentations showed that there are interventions which have been made that not only improved farm income, they also stabilized and took out the huge income swings that are common in commodity markets.

6/ These interventions can be a result of government, individual producer, or producer group actions.

7/ The current focus of WTO on reducing tariff barriers will not necessarily solve farm income problems.

As I mentioned at the beginning the session was informative in that it showed examples where intervention strategies had worked. The presentations also raised questions about the current focus of trade talks and it identified issues that need to be addressed. I am not clear on what comes next. Will this be a conference where people met, exchanged ideas and went home, or will there be follow up on the issues raised? Will a summary be compiled that identifies underlying factors that improve farm incomes? Is there a list of recommendations that can be help guide

farm organizations when negotiating with governments and agri-chain partners and what should be the follow up action from this conference? How do we ensure that the examples of successful intervention are replicated?

If the focus of the conference was to examine methods of improving farm income we are part way there. The issues were identified, examples of success stories were given and there was a common understanding that this is not a developing-versus-developed country issue. There needs to be thought given to what are the next steps and possibly the questions raised in the previous paragraph could be used to help formulate a plan going forward.

Thanks again for an informative conference.”

Paul Langelier

Talking about market access is the first step toward action.

A few thoughts following the Forum on Market Access Mechanisms...

Market access takes us back to production, and in that respect the principal challenge is clearly the protection and management of natural resources, especially the land and water. Climate change, erosion of all kinds, the increasing scarcity of water and other resources are just some of the threats to be overcome.

Market access invites us to engage in collective action among farmers. Information about markets, the storage and transportation of farm products, the development of management skills, access to credit, all of these elements are essential for production and for the marketing of products. If farmers want to have access to these services, farmers must organize and work together, because alone they don't have the means to pay for them all. Collective action is indispensable to the development of family farming.

Market access calls on us to provide ourselves with the collective tools to make a place for ourselves in the markets. Our tools must be as varied as our products and the situations we deal with. For example, we might consider developing a trademark, combining part of the supply of a product, mechanisms for negotiating prices, supply-management mechanisms, and so on. The main challenge continues to be the capacity of farm organizations to work together, to do what it takes to develop the necessary tools adapted to their needs.

Market access makes us think about the policies governing trade in farm products, be it at the national, regional or international level. The word that best sums up current policies is “inequity”. Our greatest challenge is to mobilize producer organizations to do the work of fighting for the development of policies based on the importance of food sovereignty.

Paul Langelier
UPA Développement international (UPA DI)