# Opportunities for small-scale producers' inclusion in dynamic markets in developing countries and transition economies:

# A synthesis of findings from eight country level chain-wide learning workshops

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**and**

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**Regoverning Markets**
Regoverning Markets is a multi-partner collaborative research and policy outreach programme analyzing the growing concentration in the processing and retail sectors of national and regional agrifood systems and its impact on rural livelihoods and communities in low and middle income countries. The aim of the programme is to provide advice and guidance to the public sector, agrifood chain actors, civil society organizations and development agencies on approaches that can anticipate and manage the impacts of these dynamic changes in local and regional markets and to support policy outreach.

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**Summary and key findings**

Eight country workshops developed in partnership with national institutions and sponsored through the Regoverning Markets' (RM) programme were held between May 2006 and March 2008. The country coverage was geographically and in terms of the level of market concentration diverse. They were Bangladesh, Indonesia, Morocco, Pakistan, Philippines, South Africa, Turkey and Vietnam.

The objective was to open the space for dialogue on the key issues and opportunities that currently and or could in the future exist and be further developed for enhanced participation in modern agrifood markets by small-scale producers and entrepreneurs. A key focus of these workshops was to build up single stakeholder voice and views and to bring together the views and opinions of multiple stakeholders. The specific emphasis was to deepen the assessment of policies and institutions that can help or hinder the inclusion of small-scale producers and to seek to agree interventions that can remove barriers and foster the broad-based participation in domestic and regional modern agrifood markets.

The workshop approach was developed by the Regoverning Markets team and built upon methods and tools developed internationally including from market value chain study and other schools of development thinking and practice. Based on the experiences gained through these chain-wide learning workshops (also known as Policy and Institutional Mapping workshops), a tool kit for general use by development practitioners has been published (Vermeulen et al 2008).

This report presents a synthesis of the eight workshops including the key findings, observations on both process and content, and a postscript on resulting.

Full reports from each set of workshops are available on the Regoverning Markets Programme website www.regoverningmarkets.org and are listed in Annex 1.

The key findings are summarised from an institutional and organisational perspective and in terms of outputs. Numbers in brackets refer to findings where the background is elaborated in Section 2.

**Institutional and organisational**

In many countries a policy dialogue vacuum exists that limits the capacity of all stakeholders to address the issue of small-scale producers' access to dynamic and modern agrifood markets. In this context the tools and processes of the Regoverning Markets (RM) chain-wide learning initiative were considered to be both relevant and beneficial.

The workshop processes in the eight countries were appreciated by the host country and partners in both the public and private sectors including farmers' organization representatives. In many instances, it was stated that this was the first time such chain-wide learning events engaging both single and multi-sector stakeholders had been held focusing on the theme of small-scale producer's inclusion in dynamic markets.

***In most countries multi-stakeholder processes addressing small-scale producers' participation in dynamic markets was new and seen as high priority (10)***

In order to secure longer term gains, the workshop processes including the preparatory process was embedded in existing national structures. One of the key outcomes of the workshops has been to re-enforce and where applicable refocus the work of these structures and launch new initiatives for the purposes of following through the question of small-scale producers' market participation.

These workshops should therefore be seen as part of a longer term programme of market and development change. The means to feed the outputs from these workshops into national processes and to follow-up with development partners at national levels is required. Such capacity and available resources differed between countries.

***Embed the process in existing structures and /or use the chain-wide learning process itself to launch/re-enforce multi-stakeholder structures to support planning and to take forward action (3)***

The level of organisation and preparation for the workshops including the perceived independence of the host organisation are determinants in the success and usefulness of workshop outcomes. Experienced moderators with some knowledge of the subject also contribute to this success.

***Ensure enough time is allocated for workshop preparation and to build or secure a constituency (2)***

***The value of an independent "honest broker" as a champion of the national process is noted (1)***

***The quality of the moderation team is a key determinant of depth of outcome (8). A reasonable subject knowledge by the moderation team helps the process (7)***

***Level of information shared and the quality of that information enriches the debate (9)***

A power imbalance exists between the different stakeholders which together with sometimes conflicting policy objectives within different public sector agencies and between the public sector and the modern agribusiness sector re-enforces the importance of holding both single and multi-sector meetings and using methods available in the chain-wide learning tool kit that offer a "safe space" for dialogue.

Participants in the farmer group meetings were very appreciative and welcomed the opportunity to hold an early single stakeholder meeting to explore views and options and to take forward key messages from their own group meetings to wider multi-stakeholder meetings.

***Ensure broad-based participation, enable voice and develop optimum sequencing of meetings (4)***

The workshop process of bringing stakeholders together is as important as the specific findings. In view of the limited opportunity generally presented in most countries for multiple stakeholders to explore the trends in agrifood markets and their implications to small-scale producers, the process itself is seen as valuable. Beyond any agreed points of action and follow up, new partnerships and linkages are made as a result of the interaction and the sharing of ideas and information. This was in part an unexpected outcome.

***New partnerships were forged, ideas generated and initiatives launched (11)***

The chain-wide learning framework (and its key activity domains) and the tools and methods options made available proved to be robust in the differing country contexts. This allowed the groups to explore along the value chain the key policies and institutional arrangements that can support pro-poor procurement and wider small-scale producer participation in dynamic market situations and to generate proposals for action. To gain maximum benefit all activity domains need to be addressed within the overall set of working meetings.

***Ensure that all necessary activities of the framework are explored during the process (5)***

The guide offers a range of techniques and methods that can be used to enable full participation and to optimise of the resources and experience of all stakeholders. Different countries opted to use different techniques and selected those best suited to the given cultural context, the physical workshop environment and the experience of the moderator team.

***Mix and match the range of tools that best work under differing country conditions (6)***

Innovative approaches adopted in the chain-wide learning process can encourage the private sector to engage. Although overall the levels of participation by the private sector has been relatively low in number, in many countries e.g. Morocco, Bangladesh, South Africa, there exists a much greater level of interest and commitment in the objectives of the Regoverning Markets programme than had been earlier anticipated. Whilst in some cases there was concern that exposing the private sector to greater public sector scrutiny by default of bringing parties together, with careful and judicious management real opportunities exist for the private sector to play an enhanced role in pro-poor procurement.

The workshops themselves (as in part reported within the country reports) identified many examples of innovative practice where new partnerships are being forged between dynamic agrifood market actors and small-scale producers (for example: Turkey, Morocco) that had not been recognized and shared locally. Opportunities exist to capture these innovations at country level for wider sharing both at national level and with other interested parties internationally.

**Key content lessons drawn from the country cases**

Whilst it is recognised that eight country cases are not enough to draw cross country and generic lessons, some points emerge from the outputs that are worthy of highlighting. The following are drawn from a synthesis of the key outputs from the country working meetings (Section 3).

General observations:

- There is weak anticipation of agrifood market change by the public sector including donors: the markets in developing and emerging market economy countries are changing rapidly including closure to small-scale farmers

- A wide variation in farmers' understanding of the changing and dynamic agrifood markets exists. Many recognise that change is taking place but feel that they can do little about it. As a result key challenges addressed by farmer group meetings often focussed on production and crop productivity issues - these being seen by small-scale producers as problems that could be tackled

- The chain-wide learning process including specifically the mapping of policies and institutions illustrates that there are many uncoordinated interventions interacting with the value chain with a limited understanding by the stakeholders of leverage points for effective intervention

- The chain-wide learning framework offers valuable mechanism to map the position of small-scale producers and SMEs and can help to identify the points of leverage for greater market inclusion

- The visualization of the value chain is useful as an entry point for dialogue and debate and a means to explore where the barriers for small-scale producers might exist and where entry points for change might be identified.

**Specific points from the country cases**

The following highlights points raised in three or more countries. There was broad agreement of key ***trends***:

- Raised consumer awareness of and demand for quality
- Food safety concerns of consumers
- Emergence and inclusion of modern retail in the market chain and these market opportunities will increase
- Changes in procurement systems and vertical market integration
- Ease of access of imported goods including for modern markets - global competition

- Opening up of new market opportunities including export and processing
- Good agricultural practice including traceable production and integrated quality assurance will become the norm

The ***drivers*** of these trends being reported as:

- Increased purchasing power
- Changes in consumer lifestyle and preference
- Health concerns will raise quality requirements and change patterns of demand (health foods)
- Media exposure
- Influence of globalisation including trade agreements and opening of markets
- Modernisation of the agrifood sector
- Growth in new national and external markets e.g. export

The key ***challenges*** faced by small-scale producers and entrepreneurs in supplying modern markets were felt to be:

- High consumer quality demands and preference
- Lack of a conducive public policy environment that is supportive of small-scale producers in the market including at municipality level
- Farmers have weak bargaining position in the markets and or producers organisations are too weak to engage with modern markets
- Imbalance of market information
- Farmer quantities are small and non continuous in supply
- Need to improve productivity and lower production costs including high cost of inputs
- Failure in the credit market to meet small-scale producers needs including dependency on traditional credit providers
- Inadequate cooperation between farmers and need for cooperative action

The key ***strategies for action*** were identified as the following:

- Form and organise commodity associations
- Develop new models of partnership between farmers and modern markets
- Foster partnership development between farmers and modern retailers based in specific needs and requirements
- Build and develop the value chain infrastructure procurement centres in production regions, warehouse, packaging, transport etc including in remote areas
- Re-vitalize the role and functions of extension agents including technical services geared to modern markets, production planning and good agricultural practice
- Improve transportation infrastructure for small-farmer competitivity
- Increase understanding of product quality along the value chain – share knowledge of market requirements
- Foster the formation of farmers' groups, associations and cooperatives for better market access including relevant legal measures and capacity building (skills, financial management) Note: this point was unanimous in all seven countries)
- Develop financial credit mechanisms that support farmers and farmer groups and that support farmer groups linkages to modern supply chain
- Develop new models of farming including contract farming
- Strengthen support to production technology and research (including diversification and niche products), new markets including understanding quality- modernise farming methods
- Address critical constraints to production e.g. water policy and water management and technology, land and land access

Section 4 provides a postscript to the eight country case and outlines some of the actions and activities that have taken place after the workshops which can be largely attributable to these processes.

## Section 1 Background and the framework

The process of interactive learning and policy support in the interests of small-scale producers' participation in dynamic markets requires a greater emphasis on *the understanding of the policy and institutional environment that affects small-scale producers' access to markets.* This is a prerequisite to ensuring that research processes and outputs support anticipatory policy making rather than running behind the rapid changes in domestic and regional agrifood markets. In this context, we refer to public policies and their institutions and private sector strategies as well as to collective action by producers themselves.

The chain-wide learning initiative (earlier referred to as the "*policy and institutional mapping*" initiative) of the Regoverning Markets (RM) programme[1] aimed to enhance understanding of the institutional and policy dimensions that enable small-scale producers to secure and enhance their access to dynamic local and regional agrifood markets. By supporting both single and multi-stakeholder dialogues within a structured process, the dynamics of the change processes that includes policies, institutions, actors and their interactions can be captured and entry points for action agreed. Well-managed, such processes can foster new relationships and understanding between the key actors which in turn can underpin future action and the emergence of new alliances and development innovation.

In early 2006, the programme sought to develop the tools and promote an approach to be able to support the:

- Analysis – understanding the policy and governance context of small-scale producers' market inclusion
- Planning – in the context of rapid change, devising best-bet strategies for influencing policy
- Impact evaluation – assessing impacts of strategies and policies on small-scale producers' market inclusion
- Dialogue – providing common platforms for exchange of information and ideas among different groups of stakeholders

As a first stage, a working paper was prepared[2] and presented at a task team meeting held in the UK on the May 4-5, 2006[3]. This resulted in the preparation of a draft manual for *policy and institutional mapping* together with a set of tools to support single and multi-stakeholder processes. This was then applied in eight country processes with adaptation over the country processes as experience was gained. A guide for practitioners built on this experience has been published (Vermeulen et al 2008). This work was enriched by a working paper prepared by IFPRI[4].

A short course for capacity building of moderators was run the May 2-7, 2007 and organised by the South East Asia, Regoverning Markets programme coordinator Larry Digal and led by Sonja Vermeulen IIED and Jim Woodhill WUR. Twenty one participants from Bangladesh (1), China (1), Indonesia (2), Vietnam (2), India (1) Pakistan (1), the Philippines (13) and Thailand (1) joined the course. They represented public sector, academia, farmers' organisations and the private agri-business sector. A report of this workshop is available[5].

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[1] www.regoverningmarkets.org

[2] Vermeulen S. (2006) Regoverning markets – materials for development of a policy mapping toolkit. Internal working paper April 2006 15pp

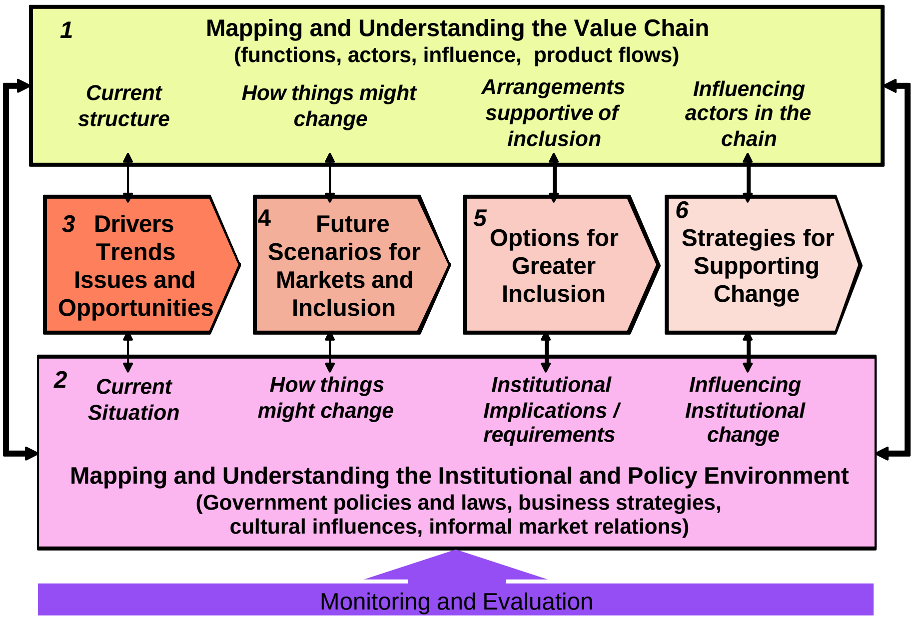
[3] Participants: Felicity Proctor NRI, Bill Vorley IIED, Sonja Vermeulen IIED, Regina Birner IFPRI, Jim Woodhill Wageningen International and Giel Ton, Wageningen International

[4] Birner, R (2006) A classification of policies for the inclusion of small-Scale producers in dynamic markets (December 2006). Draft working paper 14 pp

[5] Workshop Report Capacity Building on Institutional and Policy Mapping for Inclusion of Small-Scale Producers in Dynamic Markets Davao, Philippines, 2-4 May 2007 15pp www.regoverningmarkets.org

The chain-wide learning processes (or *policy and institutional mapping* process) is based on a framework (Figure 1) of understanding the context of small-scale producers' market engagement that includes mapping the value chain (activity 1) as well as the institutional and policy environment in which change can take place which may foster or limit small-scale producers' access to markets (activity 2). Key drivers and trends (activity 3) set the scene together with work on future scenarios for markets (activity 4) for determining opportunities and issues. From these, options to enhance the participation of small-scale producers (activity 5) and strategies to influence change towards greater inclusion of producers (activity 6) can be identified and developed. It provides a set of concepts and analytic tools to help understand the complex web of public policies, business strategies, formal and informal institutions that shape agrifood markets for small-scale producers.

Figure 1 The chain-wide learning framework




In developing the supportive tools and approach, the following was taken into account:

- Capacity to capture dynamics of the change processes including policies, institutions, actors, processes and their interactions
- Able to measure or capture small-scale producer inclusion and exclusion
- Able to map relevant political processes and how their interact
- Capable to draw out private sector strategy and motivation
- Capable of identifying gaps and levers (in policy, institutions and processes)
- Easily recognisable and communicable (to project partners and other interest groups)
- The approach and tools should accessible for use by researchers and policy makers alike
- Practical and cost-effective

This work is set in an understanding of the dynamic and complex nature of rapid change in markets and market governance and recognition that as an instrument for use for policy change that policy engagement requires options i.e. there are multiple approaches and location specificity is important.

The following was also noted:

- Importance of setting the process in the longer term and visioning future alternatives – i.e. the bigger picture
- Multiple scales and policy spheres – private and public, local to global and multi-sectoral
- Differences between countries – contexts, stage of restructuring, policy priorities, positioning and aptitudes of country research teams
- Differences between stakeholders, capacity, voice, and empowerment

- Differences between commodities including the high diversity even within a commodity and by sub-national location

The approach therefore provides methods for mapping and influencing institutions and policies, to support the participation of small-scale producers in dynamic markets. It was used by a diverse range of market actors, policy makers and researchers.

*Chain-wide learning* workshops were conducted in Turkey, Indonesia, South Africa, Morocco, the Philippines, Bangladesh, Pakistan and Vietnam (table 1). Local coordinators were identified to provide strategic professional and administrative support which was supplemented by an international team from the Regoverning Markets programme led by Felicity Proctor. Outputs (evidence from research, country review etc) from the Regoverning Markets programme were used as background resource material to inform the meetings as well as other national and international resources materials (research, policy papers etc) where available.

**Table 1 Chain-wide Learning: Policy and institutional mapping workshops**

| Country | Dates | Local coordinator | International support team | Other RM products used | Meeting sequence |
|---|---|---|---|---|---|
| Turkey | May 22 – 26, 2006 | Dr. Ali Koc and Dr. Safak Aksoy<br>Akedeniz University, Antalya, Turkey | Felicity Proctor NRI, UK<br><br>Jim Woodhill WUR Netherlands | Outputs from Regoverning markets phase 1<br>Early products from empirical research | Multi-stakeholder<br><br>Farmers and local service providers<br><br>Trade and business sector |
| Indonesia | July 31 August 4, 2006 | Ronnie S. Natawidjaja, Lies Sulistyowati, Yosini Deliana,<br>Tomy Perdana, Gemma W. Mukti,<br>Center for Agricultural Policy and Agribusiness Studies Padjadjaran University, Bandung | Felicity Proctor NRI, UK<br><br>Larry Digal University of the Philippines in Mindanao | Outputs from Regoverning markets phase 1<br>Early products from empirical research | Multi stakeholders<br><br>Producer's and local service providers<br><br>Modern market chain |
| South Africa | Oct. 30 – Nov. 3, 2007 | Andre Louw, Estelle Bienabe, Davison Chikazunga, Danie Jordaan, Johan Kirsten, Hester Vermeulen,<br>University of Pretoria, South Africa | Sonja Vermeulen IIED, UK | Outputs from Regoverning markets phase 1<br>Early products from empirical research | Research team meeting<br><br>Multi-stakeholder including Reference Group workshop |
| Morocco | March 13 – 15, 2007 | Aziz Sbai and Rachid Hamimaz<br>AV Hassan II and Targa-Aide<br>www.targa-aide.com | Felicity Proctor NRI, UK<br><br>Sonja Vermeulen IIED, UK | Outputs from Regoverning markets phase 1<br>Early products from empirical research | Producers/suppliers<br><br>Modern markets<br><br>Multi-stakeholder |
| Philippines | May 22 – 25, 2007 | Larry N. Digal, Carol Balgos, Luis Antonio Hualda<br>University of the Philippines in Mindanao<br>Milagros Locquiao and Christine Francisco<br>Department of Agriculture | Bill Vorley IIED UK | Outputs from Regoverning markets phase 1<br>RM Component 2 output -Vegetable value chain map and lessons learned from Normin Veggies | Modern Markets<br><br>Producers/suppliers<br><br>Multi-stakeholders |
| Bangladesh | June 12– 14, 2007 | Golam Sarwar, Rezaul Islam, NS Nisha and Moni Mohan Mondol<br>Unnayan Onneshan, Bangladesh | Felicity Proctor Consultant, UK<br><br>Larry Digal University of the Philippines in Mindanao | RM Component 2 lessons learned e.g. Normin Veggies Philippines | Producer's and local service providers<br><br>Modern Market Chain<br><br>Multi-Stakeholders |
| Pakistan | August 2-3, 2007 | Dr. Abid Suleri, Sajid Kazami, and Shakeel Ahmad Ramay.<br>Sustainable Development Policy Institute (SDPI), | | | Producer's and local service providers<br><br>Multi-Stakeholders |

| | | | | | |
|---|---|---|---|---|---|
| | | Pakistan | | | |
| Vietnam | March 19-21, 2008 | Nguyen Do Anh Tuan, Nguyen Anh Phong, Nguyen Que Nga, Pham Lien Phuong<br>Center for Agricultural Policy | Felicity Proctor<br>Consultant, UK<br><br>Larry Digal<br>University of the Philippines in Mindanao | Resource material from the RM International Conference March5-6, 2008 | Producer's and local service providers<br><br>Modern Market Chain<br><br>Multi-Stakeholders |

Whilst the workshops covered the entire market change process, focus was given to key commodities where this helped to address and or deepening understanding on specific sets of issues and challenges (Table 2).

**Table 2 Chain-wide learning - value chain commodity focus**

| Country | Value Chain |
|---|---|
| Turkey | Fresh fruits and vegetables – specifically tomato |
| Indonesia | Potato |
| South Africa | Fresh produce |
| Morocco | Fruits and vegetables, red meat, milk and cereals |
| Philippines | Vegetables and mango |
| Bangladesh | Potato |
| Pakistan | Citrus |
| Vietnam | Pig sector |

Outputs of these policy and institutional mapping workshops are reviewed in order to identify insights and lessons to be learned from this initiative both in terms of process and in terms of output (Section 2).

## Section 2 Findings and lessons learnt on the process from country case studies

### *1 The value of an independent "honest broker" as a champion of the national process*

The importance of an independent coordinating institution to plan and take the lead in inviting participants, designing the programme, identifying the moderators and resource persons was seen as a prerequisite. Of the eight case studies, the coordinating institutions were University Departments or centres within the University (X4), an NGO (X2) and independent policy centre (X2). Each in their own way was highly effective in mobilising the diverse range of stakeholders. They were seen in each occasion to be independent and not to take positions (i.e. a particular stakeholders' position, a policy, or alliance, etc) in what in some cases can be the opening up of new relationships between stakeholders who may not have worked together before nor consider that there may be opportunities for mutual engagement.

### *2 Ensure enough time is allocated for workshop preparation and to build a constituency*

In all cases a preparatory time of a minimum of two months from inception to workshop implementation was required in some case this time was up to six months. This permitted the following to be undertaken:

- put in place a workshop task group
- networking and preparation with key and strategic stakeholders to raise the issue within their own agendas and allow refection time
- build confidence that multi-stakeholder meetings could be a valuable vehicle contributing to the policy and action agendas of different stakeholder groups

- discuss and dispel any perceived threats and concerns. The importance of ensuring that in both the planning stage and implementation of single and multi-stakeholder processes that the issues are about seeking solutions, removing barriers etc and not apportioning blame (for the possible exclusion of small-scale farmers) on any single stakeholder group. This latter was seen as important
- enabled senior staff in all sectors to allocate time to join the meetings
- enabled farmer, farmer groups and their support institutions to make local arrangements
- gather and review the evidence surrounding the issues for use as workshop resource materials
- undertake necessary workshop administration

### *3 Embed the process in existing structures and /or use the chain-wide learning process itself to launch/re-enforce multi-stakeholder structures to support planning and take forward action*

Ideally, the multi-stakeholder processes should be embedded in national multi-stakeholder structures that seek to address the challenges of rural development and agrifood market development. Table 3 illustrates the different types of structures that supported the planning for and outreach from the workshops. Only in South Africa was the RM programmes' own Reference Group[6] at the centre of the planning. Morocco and the Philippines put in place external partners to guide the processes. In all cases the outcome from the workshops was either the re-enforcement of the RM supported RG but also and of equal importance was the setting up or linking with sustainable national structures to guide future action.

**Table 3 Relationship between the chain-wide learning workshops and national structures supporting value chain development and small-scale producer inclusion**

| | RM Component 1 study site | Multi-stakeholder steering committee in place which guided workshop planning | RM Reference Group in place which informed the workshop process | RM Reference Group formed or reinforced as a result of the workshops and taking forward action | Other structures launched or taking up the action following the workshops |
|---|---|---|---|---|---|
| Turkey | ✓ | | | ✓ | ✓ |
| Indonesia | ✓ | | | ✓ | ✓ |
| South Africa | ✓ | | ✓ | ✓ | |
| Morocco | | ✓ | | | ✓ |
| Philippines | | ✓ | | | ✓ |
| Bangladesh | | | | | |
| Pakistan | | | | | ✓ |
| Vietnam | | | | | ✓ |

### *4 Ensure broad-based participation, enable voice and develop optimum sequencing of meetings*

A total of 615 participants of which the private sector (modern retail, fast-food outlets, processors, wholesalers, consolidators, banks and trade associations) (143 participants or 23%), farmers and farmers organizations (221 participants or 36%), government and academia (222 participants or 36%) and non-government organizations, civil society, and media (29 participants or 5%) participated in the eight country level workshops (Table 4). The average per working meeting was: 42 participants for farmers meetings (7 meetings); 17 participants for private sector meetings (6 meetings) and 28

[6] The RM programme supported in some countries in depth empirical research study on the impact of modern markets on farming households. As part of that work a small multi-stakeholder Reference Group (6-8 persons) was supported to accompany the research process

participants for multi-stakeholder meetings (8 meetings). The numbers of participants in the working meetings in the Philippines were notably higher than for any other country. A preferred working mode was 25-30 persons/meeting. Farm level meetings were always larger in number where it was not possible or appropriate to pre-select specific farmers when meetings were held in rural communities and were therefore largely open.

**Table 4 Chain-wide learning workshops – profile and number of participants**

| | Producers meeting | | | | Modern markets meeting | | | | Multi-stakeholder meeting | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Private sector | Farmers, farmers organisations | Pu.blic sector Academia | Others | Private sector | Farmers, farmers organisations | Pu.blic sector Academia | Others | Private sector | Farmers, farmers organisations | Pu.blic sector Academia | Others | |
| Turkey | 8 | 25 | 5 | 0 | 6 | 0 | 4 | 0 | 8 | 4 | 3 | 1 | 64 |
| Indonesia | 9 | 12 | 9 | 0 | 11 | 0 | 5 | 0 | 7 | 0 | 7 | 0 | 60 |
| South Africa | | | | | | | | | 5 | 0 | 11 | 0 | 16 |
| Morocco | 2 | 12 | 16 | 0 | 8 | 2 | 11 | 4 | 6 | 3 | 14 | 3 | 81 |
| Philippines | 0 | 36 | 36 | 0 | 7 | 0 | 15 | 0 | 5 | 36 | 37 | 0 | 172 |
| Bangladesh | 6 | 25 | 1 | 1 | 13 | 0 | 0 | 0 | 7 | 4 | 7 | 5 | 69 |
| Pakistan | 14 | 40 | 3 | 0 | | | | | 2 | 9 | 11 | 8 | 87 |
| Vietnam | 6 | 13 | 14 | 3 | 7 | 0 | 4 | 2 | 6 | 0 | 9 | 2 | 66 |
| Sub total | 45 | 163 | 84 | 4 | 52 | 2 | 39 | 6 | 46 | 56 | 99 | 19 | 615 |

Footnotes:
South Africa work was one day meeting and comprised an expanded national Reference Group
Others includes: media, civil society organizations including consumer organisations, and development organisations
Moderators and staff of host institutions and international resource persons are not included in this table – averaged 5/meeting

In most cases three days were allocated to the series of one day meetings exceptions being South Africa – one day plus two days for internal team working meetings, and Pakistan - two days.

In setting up the series of working meetings, the model of single stakeholder meetings a) with farmers and their organizations including often local service producers, and b) with the private sector actors, followed by c) a multi-stakeholder meeting including selected representatives from earlier meetings, was seen as optimal to build up each of the critical steps in the full chain-wide learning or *policy and institutional mapping* processes. Specifically this offered:

Farmers meetings:

- voice for the farmers' concerns to be heard and developed i.e. the market issues were specifically explored through the eyes and perceptions of the farmer and their immediate service providers include the local private sector/intermediaries. Inevitably a proportion of the time and of the priority issues raised focused on problems of crop or livestock production which were not *per se* market-linked e.g. poor water management. However there were many market relevant issues raised linked to poor quality and non availability of production inputs (pesticides, fertilizers, seeds etc), weak extension services, high costs of inputs e.g. animal feeds, etc
- working where applicable in local languages
- farmers views were not be overshadowed by senior level public or private sector figures
- offered the space for farmers to identify for themselves actions that they could take for greater market empowerment as well as the roles and actions needed by others.

Private sector meetings:

- voice for the private sector concerns to be fully heard and developed. In most cases the agrifood based private sector had had little prior interaction with the public sector and farmer groups on the issues of small-scale producer inclusion in markets. This was both a new agenda and a new institutional environment for dialogue. It was helpful for the private sector as a group to develop their own ideas and issues

- the working of the private sector groups offered the most innovative thinking in terms of future trends and drivers which then informed the multi-stakeholder meetings
- issues relating to the relationship between the modern and traditional markets could be freely aired
- offered the space for the private sector to identify for themselves actions that they could take for greater market empowerment of the small-scale producers and to understand better how the private sector might work with the public sector on these issues.

Multi-stakeholder meetings:
- enabled the views and positions of all to be heard and shared jointly
- when followed in sequence on from the farmers and private sector meetings, this meeting could build on the outputs from earlier debates
- build new relationships and partnerships
- recognized that actions and solutions were not the role and function of a single stakeholder group.

The structure of all the meetings and the tools applied sought to ensure equality of views and opportunity for full participation by all. This was achieved for example through the use of smaller working and buzz groups, the use of cards, and the use of scoring and ranking techniques. Where ideas generated by single stakeholder groups were subsequently taken forward to multi-stakeholder meetings, time was allocated to ensure that areas of dispute, new ideas and or adaptation could be achieved. Material was not presented as "a given" nor were ideas from earlier group meetings abandoned.

***Sequencing of the meetings*** This was subject of debate within the managing team and the country teams. The first of the series of workshops was in Turkey, where it was proposed and agreed that the first meeting should be multi-stakeholder followed by single stakeholder meetings. Arguments for this option are given below:

Multi-stakeholder followed by single-stakeholder meetings
- senior figures can have an early say in the agenda setting and can share views based on prevailing situations and current knowledge and thus inform follow-up single stakeholder meetings
- the evidence available can be shared with everyone together at the launch, principles agreed and then used in follow up meetings
- the framework for drilling down to practical action by single sector groups can be set at the outset
- the value chain mapping can be best drafted by the multi- stakeholder group – this being a key entry point to the framework and process.

This approach was applied in Turkey, Indonesia and by default South Africa (only a one day multi-stakeholder meeting held). In Indonesia on reflection this sequence was concerned to be sub-optimal.

Single-stakeholder meetings followed by a multi-stakeholder meeting was applied in Morocco, Philippines, Bangladesh, Pakistan and Vietnam. The arguments for this option include:
- can use the outputs from single stakeholder meetings to feed into the multi-stakeholder meetings and for new ideas to be validated – thus opening new dialogue space
- can end the series of meetings with an agreed launch of action plans – as all stakeholders are present.

There is not a single answer to this. Ideally, however the process should take place over a longer time period with possibly a launch multi-stakeholder meeting – a series of single stakeholder meetings and then a round up multi-stakeholder meeting. All of which should be set within a wider institutional change process.

The challenge remains to cover the key activities within the framework to a level of depth and quality which is fit for purpose and adapted to the specific needs of a given country.

### *5 Ensure that all necessary activities of the framework are explored during the process*

Whilst it was neither possible nor necessary to cover each activity in full within each stakeholder meeting across the series of the meetings, most activities were applied to build up the full picture. Thus using the tailor-made tools designed to draw out systematically knowledge and lessons, the essence of all activities was captured in questions asked and specific tools applied to key and priority activity.

***Mapping the value chain:*** in countries where material was already available, a pre-prepared value chain map (activity 1) was drafted and presented for validation e.g. Indonesia and Philippines. Aside from saving time, this also offered the opportunity for countries where RM's empirical research studies had been completed (e.g. Indonesia) to validate and share the outputs. In Turkey, a pre-prepared value chain map was presented for validation and modified/improved by the participants. In Bangladesh, Pakistan and Vietnam the value chain map was generated by the participants themselves. In each of these latter cases, the series of meetings began with the farmers meetings.

***Mapping policies and institutions*** against the market value chain was done in Indonesia, Philippines and South Africa. The latter, however, was prepared by the organising team in advance and used for validation. In Indonesia, the policies and institutions were framed as strategies to support inclusion of small-scale producers with identified actors in charge. In the Philippines, definitions and examples of institutions and policies as well as examples of value chain maps for mango and banana were provided by the facilitators before policies and institutions were mapped per node in the value chain (i.e. production, consolidation, processing, retail and consumption) for fresh produce (mango and vegetables).

***Drivers, trends, issues and opportunities***: this step was modified by the various workshops. In general, issues were interpreted as problems or threats while opportunities were seen as positive factors affecting inclusion of small-scale producers in modern markets. Identification of trends and drivers was most effective in the private sector meetings including Bangladesh, Indonesia, Morocco and the Philippines. The private sector is not only closest to the consumers in the value chain but they also innovate and anticipate changes to maintain their competitive advantage. The identification of issues and opportunities was explored with producers in countries including Morocco, Bangladesh, Turkey, Philippines, Indonesia and Vietnam.

Identifying trends and drivers opened the conversational space beyond the challenges of the moment. This was a critical moment in most meetings that reduced tensions that surround in some cases rather contentious issues of for example the role of traditional market actors and their (often seen as negative) impact on market development and the small-scale producer. In most meetings work on drivers and trends took the debate far enough into the future not to necessitate work on future scenarios. The latter is however desirable as it can be very effective in demonstrating the negative consequences (and costs) of non action.

***Future scenarios*** were mapped in the case of Indonesia which also used opportunities and threats to define the future scenarios. In the Philippines, future scenarios were defined by the trends and drivers. In South Africa, the future scenarios were mapped by defining the present and future barriers per type of chain.

It can be observed that the activities in the framework were modified in part due to limited time as well as the need to simplify the framework. Activities to gather information as a basis for strategies (activities 1-5 of the framework) cannot be covered in a one day meeting. This is why prior information, processing of outputs from each work workshop as well as workshop design become critical to generate quality information where ideas, perceptions and values are captured within a given the time constraint.

There were efforts made to simplify the application of the framework. An example is the merger of activities 2 (mapping policies and institutions) and 5 (strategies) as applied in Indonesia and Bangladesh. Another was the merger of activity 3 (drivers, trends, issues and opportunities) and 5 (strategies). Problem analysis was linked to solution analysis as in the case of Indonesia, Bangladesh, Morocco, the Philippines and Vietnam. In the case of Indonesia and South Africa, it was suggested that to clarify and elaborate future scenarios alternative tools could be used. Where some groups identified trends and drivers and their implications to small-scale producers, others identified opportunities and threats including drivers, trends and future scenarios before mapping implications or actions needed for small-scale producers to adapt to these future changes. In Morocco, Bangladesh Pakistan and Vietnam, outputs from producer and modern markets/private sector workshops were integrated for validation and use in the multi-stakeholder workshops. Thus the application of steps/activities varied across countries. Table 5 presents a summary of the different activities applied.

**Table 5 Application of activities from framework, by country and by type of meeting**

| Country/Meetings | **Activity 1** Mapping the value chain | **Activity 2** Mapping policies and institutions along the value chain | **Activity 3** Drivers, trends, issues and opportunities | **Activity 4** Future scenarios | **Activity 5** Options for greater inclusion | **Activity 6** Strategies for supporting change |
|---|---|---|---|---|---|---|
| **Turkey** | | | | | | |
| Producers | | | ✓ | | | ✓ |
| Modern Markets | ✓ validated and developed | | ✓ | ✓ | ✓ | ✓ |
| Multi-stakeholder | ✓ validated and developed | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Indonesia** | | | | | | |
| Producers | ✓ | | ✓ problems and causes | | | ✓ |
| Modern Markets | ✓ | | ✓ drivers, threats, opportunities | ✓ | ✓ | merged with activity 5 |
| Multi-stakeholder | ✓ | | ✓ | ✓ | ✓ | merged with activity 5 |
| **South Africa** | | | | | | |
| Research Team | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Reference Group | | | ✓ | | ✓ | ✓ |
| **Morocco** | | | | | | |
| Producers | | | ✓ problems and causes | | | ✓ |
| Modern Markets | | | ✓ trends, threats, opportunities | | | ✓ |
| Multi-stakeholder | ✓ | | ✓ | | ✓ | ✓ |
| **Philippines** | | | | | | |
| Producers | ✓ | | ✓ threats, opportunities issues/causes | | ✓ | merged with activity 5 |
| Modern Markets | | ✓ | ✓ | ✓ | ✓ | merged with activity 5 |
| Multi-stakeholder | Consolidated outputs of producer and modern markets meeting and presented to multi-stakeholders with response from government | | | | | |

| Country/Meetings | **Activity 1** Mapping the value chain | **Activity 2** Mapping policies and institutions along the value chain | **Activity 3** Drivers, trends, issues and opportunities | **Activity 4** Future scenarios | **Activity 5** Options for greater inclusion | **Activity 6** Strategies for supporting change |
|---|---|---|---|---|---|---|
| **Bangladesh** | | | | | | |
| Producers | ✓ Built the value chain map | | ✓ | | | ✓ |
| Modern Markets | | | ✓ trends, and drivers | | ✓ | ✓ |
| Multi-stakeholder | | | ✓ consolidated challenges and issues | | | ✓ |
| **Pakistan** | | | | | | |
| Producers | ✓ | | ✓ problems | | | ✓ |
| Multi-stakeholder | ✓ | | ✓ trends, and drivers | | ✓ | ✓ |
| **Vietnam** | | | | | | |
| Producers | ✓ | | ✓ Problem and ranking Problem and solution analysis | | ✓ | |
| Modern Markets | | ✓ | | | | ✓ |
| Multi-stakeholder | | | ✓ Drivers and trends | | | ✓ |

Observations:

1. Most had pre-prepared value chain maps (Activity 1) that were either stated as a given, or validated and further developed
2. Most applied Activity 3 (issues, threats, opportunities, trends, and drivers) and Activity 6 (solutions, strategies)
3. Activity 5 was not commonly applied because it is similar to Activity 6 (i.e. identifying solutions) so most meetings merged these activities
4. Activity 2 was not commonly applied. This was due to a) time constraint, b) mapping the policies and institutions was processed within Activity 3 thus it was implicitly covered.
5. Activity 4 was also not commonly applied because Activity 3 (particularly trends and drivers) covers part of Activity 4. If trends and drivers are covered in Activity 3 then outcome of Activity 4 is the implication of these trends and drivers.

## *6 Mix and match the range of tools to best work under country conditions*

The common tools used in the workshops were value chain mapping, problem and solution tree analysis, and force field analysis. Techniques supporting these included brainstorming with the use of cards and ranking. All material was visualized on the wall and flip charts at all times. Work sessions were held in both plenary and in working groups. Buzz techniques were used in plenary to foster debate and enable inclusion and to speed the generation of issues and ideas. Where applicable a spare flip chart was always at hand to catch ideas that whilst useful may not have been relevant to a given work session. These were then available for later use.

For almost all countries, value chain mapping which is the first step in the framework providing a picture (a visualisation) of actors and functions in the value chain connecting producers to marketers. Such visualization in some cases (Turkey, Bangladesh and Vietnam) was extremely helpful in getting debate moving and bringing multiple teams together.

The most common tool used for producer’s meeting was the problem tree analysis as this provided a good transition towards identifying solutions. This was done in Bangladesh, Indonesia, Philippines, Morocco and Vietnam. On the other hand, force-field analysis was used mostly in private sector meetings particularly in activities 3 and 4 for trends, opportunities and threats and scenario mapping. It was also used in the Philippines for producers' meeting where it was combined with problem tree analysis to map opportunities and threats using force field analysis and underlying factors/causes of these with problem tree analysis.

The degree of application of the tools varied across countries. While problems faced by small-scale producers were identified in most cases using problem tree analysis the degree of probing of underlying causes and solutions to problems varied across countries.

The full country workshop reports (see reference list) capture the outputs from each session as material was generated and represent a true account of proceedings.

## *7 A reasonable knowledge by the moderation team helps the process*

For both analysis and facilitation, knowledge of the subject matter combined with a level of skill in the use of the range of facilitation methods and tools is necessary.

Given that most of the debate and exchange is spontaneous and draws often on values and perceptions, the team should aim to prepare as much as possible the information or evidence before the workshops – this should be shared in advance and or presented at the introduction to set the scene and to enable the group to build on what is already known. This balances evidence with perceptions, values and felt needs.

The framing of the key questions to be asked for each activity within in the framework to be covered is critical as is the decision on which tool to use to generate optimum output. In all cases this was done in advance by the country steering group and is a critical step in the process. A minimum of one day in advance of the meetings should be allocated to prepare these questions and agree methods and tools.

Familiarity with the subject matter further helps in processing outputs (e.g. clustering similar ideas) under time pressure during the workshop and in integrating outputs of for example the producer and private sector meetings into the multi-stakeholder meeting.

The international team provided key support in the planning of the workshops by sharing experience of workshops already conducted in other countries and providing feedback to the draft programmes' developed by the national teams.

## *8 The quality of the moderation team is a key determinant of depth of outcome*

Facilitation skills are important. Whilst the international team, which in most cases included at least one professionally trained moderator, contributed to guiding the moderation process, in all workshops the moderation was led by the national partners and their moderation teams.

Only Morocco opted to employ a professional local moderator team to support the national team. This added significant value.

The capability building short course on policy and institutional mapping held in the Philippines enabled participants to put their new skills into practice in the workshops in Bangladesh, the Philippines, Pakistan and Vietnam.

Preparatory work was of the essence in all cases. The moderators worked with the technical teams in advance of each meeting to scrip the activities, the tools and methods and prepare materials.

### *9 Level of information shared and the quality of that information enriches the debate*

Whilst the process generates new information and provides additional depth including values and perceptions of different stakeholders, it is useful to have information reviewed and available for the meetings – specifically draft value chains and general overview of the state of the agrifood markets.

It is important to invite participants who are knowledgeable and with practical or first-hand experience as their inputs can significantly add value to the overall output.

Clearly, as shown in the workshops, all participants were able to share information and ideas that are useful and which can where necessary be further validated and studied through research. Thus, such workshops enhance available information from research and vice versa.

### *10 In most countries multi-stakeholder processes addressing small-scale producers participation in dynamic markets was new*

For many stakeholders, this was the first occasion that either the topic had been debated at national or sub-national level and or where multi-stakeholders had had the opportunity to share views and develop ideas on the way forward. Such *chain-wide learning* processes contributed not only in understanding the policy and institutional dimensions of small-scale producer participation in restructuring markets but also in engaging stakeholders to use this understanding to identify entry points.

### *11 New partnerships were forged, ideas generated and initiatives launched*

The meetings were in all cases seen as a valuable learning process that would serve as building blocks of a longer term engagement and as a launch for follow through of key agreed action areas.

The process built trust among stakeholders as the different stakeholders began to see that they can be involved in different ways and with different partners to broaden the procurement base and contribute to seeking effective means for small-scale producers to be able to strengthen their engagement with modern market value chains.

The process itself offered the opportunity for case examples where actors already had in place innovation which was not widely known to come to light for example Morocco and Turkey, to be shared. In such case the private sector are launching innovative approaches and additional support from academia and public sector would help to re-enforce these practices and or enable them to be replicated.

In countries where Reference Groups or market-linkage task groups were in place such as the Philippines, Indonesia, and South Africa, the workshops provided the opportunity for these groups to better appreciate the spectrum of issues and opportunities that can feed into their working agendas.

New relationships were forged as a by-product of these processes e.g. in Turkey and Indonesia new linkages forged between the University and the private sector.

## Section 3 Outputs from chain-wide learning processes

A number of issues need to be considered in attempting to consolidate or aggregate findings from these workshops.

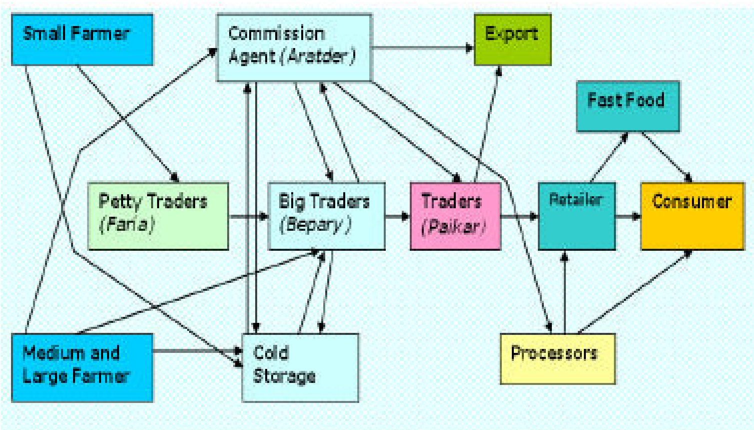
Firstly, while all workshops were based on the framework in Figure 1, the degree of the application of this framework varied across countries. Secondly, whilst the overall debate on agrifood market change and the wider policy and institutional framework is not commodity specific, commodities were used to illustrate specific points and to identify clusters of farmers and relevant interest groups e.g. processors etc. As shown in Table 2, most products fell under fresh fruits and vegetables/fresh produce except Morocco where cereals, dairy and red meat were also included, and Vietnam which focused on the pig sector.

With these issues in mind, a consolidation is done to identify key emerging issues and actions emerging from the workshops to enrich our understanding of the institutional and policy dimensions of enabling greater participation of small-scale producers in restructuring markets. Annex 1 list the workshop reports of each country and readers with specific country interests should draw on the original source for country specific information. Illustrations of each step and synthesis are given below.

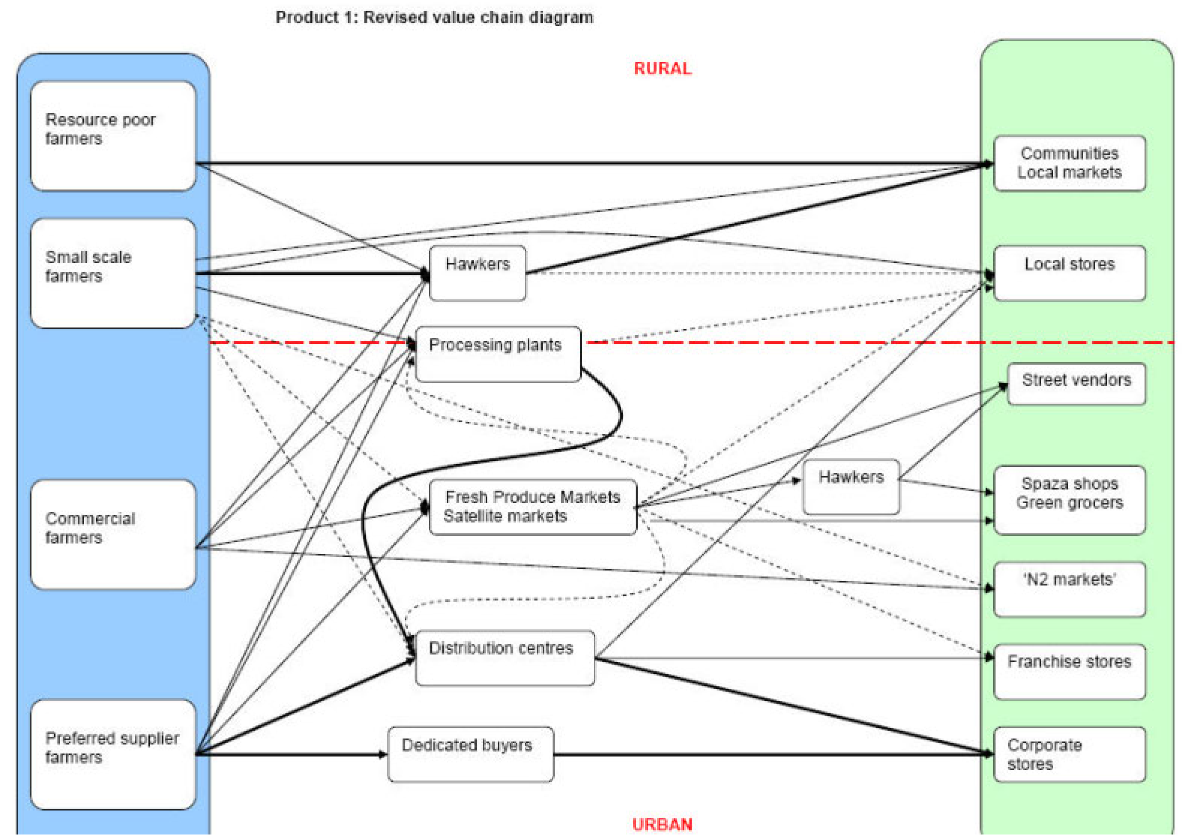
### Value chain mapping

In all cases the development of a value chain map through the processes of these working groups offered both the visualization of the value chain, and entry point for dialogue and debate and a means to explore where the barriers for small-scale producers might exist and where entry points for change might be identified. The following illustrates the range of value chains developed – from a straight forward chain (developed by the farmers at their working meeting in Bangladesh – Figure 1) to the more complex chains in South Africa (Figure 3) and Turkey (Figure 4). Both the latter were developed prior to the meeting and refined and debated during the meetings. All served to illustrate the complexity of the market chain and the diverse range of market entry opportunities for small-scale producers as well as potential barriers on a route for change. In the Philippines efforts were made to align specific institutional barriers or factors along the value chain (Figure 5).

**Figure 2 Bangladesh – potato value chain**



## Figure 3 South Africa – tomato value chain




## Figure 4 Turkey – tomato value chain

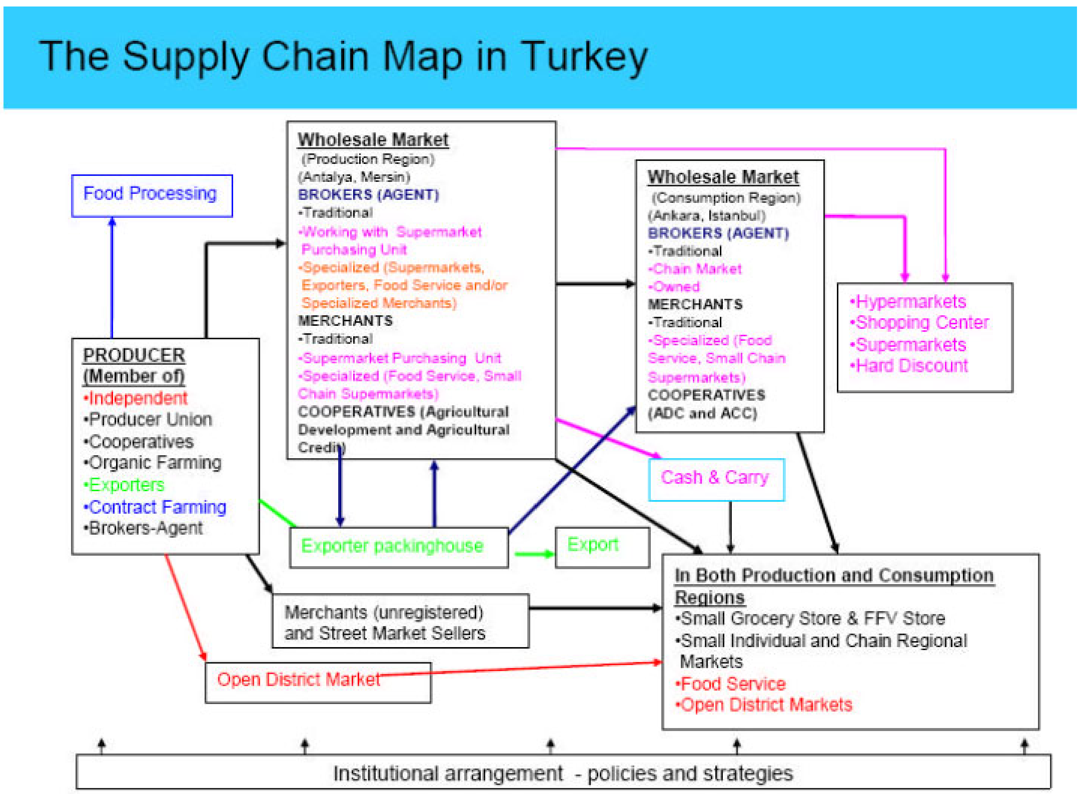
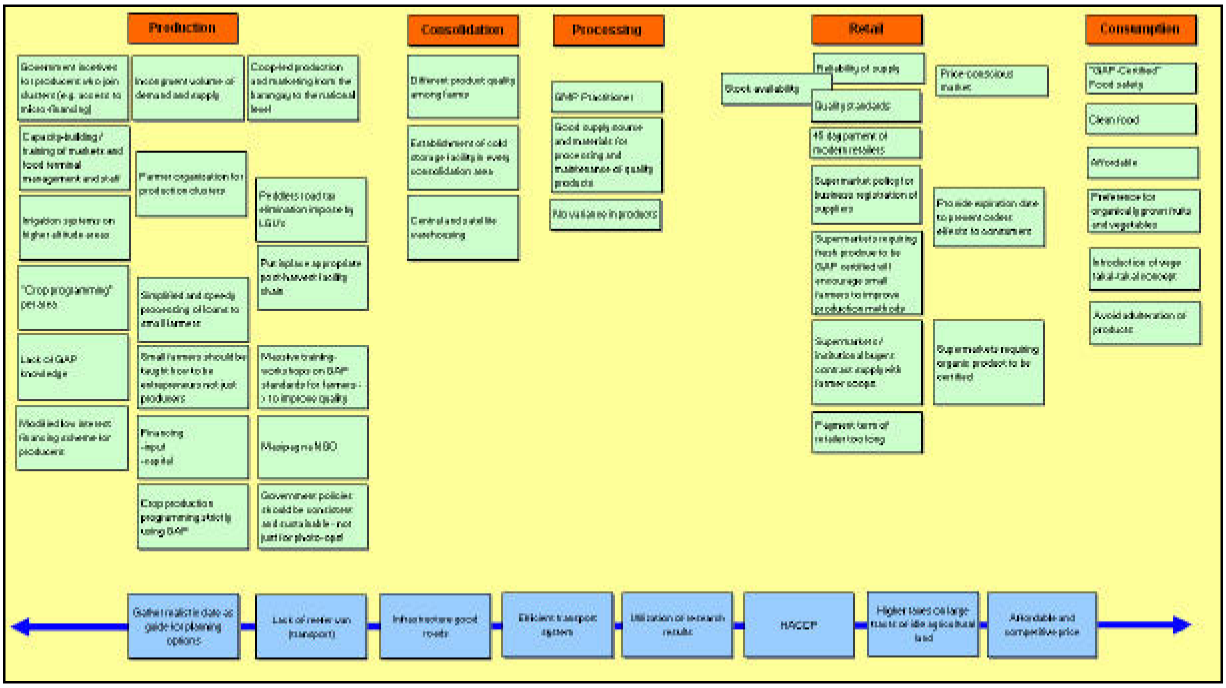


**Figure 5 Philippines - mapping institutions and policies along the value chain**




In a number of countries, notably South Africa and Turkey, prepared a list (audit) of the key policies and institutions that specifically impacted on small-scale producers participation in markets whilst the value chain was being created – the outputs fed into the follow-up work of the working groups.

## Trends and Drivers

Different country teams sequenced the debate in trends (Table 6) and drivers (Table 7) and threats and opportunities at different stages of the workshop processes and with different groups.

**Table 6 Key trends drawn from the eight country chain-wide learning processes**

| | Bangladesh | Indonesia | Morocco | Pakistan | Philippines | South Africa | Turkey | Vietnam |
|---|---|---|---|---|---|---|---|---|
| **Consumer level** | | | | | | | | |
| Increase in consumer spending/purchasing power | | | | ✓ | | ✓* | | |
| Increase demand for ready –to–eat products | | | | ✓ | ✓ | | | |
| Changes in consumer purchasing patterns (including fruit and vegetables and health foods) | | | | | ✓ | ✓* | | |
| Raised consumer awareness of and demand for quality | ✓ | ✓ | ✓ | ✓ | | ✓* | ✓ | ✓ |
| Food safety concerns of consumers | | ✓ | | | ✓ | ✓* | | ✓ |
| Consumer preference to purchase in modern markets | | | | | ✓ | ✓* | | |
| Changes in packaging | | | | | ✓ | | | |
| Consumer associations will increase with associated consumer protection | | | | | | | ✓ | |
| **Private sector and value chain** | | | | | | | | |
| Emergence and inclusion of modern retail in the market chain and these market opportunities will increase | | ✓ | ✓ | ✓ | | | | |
| Modern supermarkets will become the norm | | ✓ | | | | ✓* | | |
| Competition between modern supermarkets will increase | | | | | | ✓* | | |
| Quality assurance offered by modern retail | ✓ | | | | | | | |
| Better value chain management including vertical integration – direct selling and economies of scale in procurement | ✓ | | | | ✓ | | ✓ | |
| Changes in procurement systems and vertical market integration | | ✓ | | | | ✓* | | ✓ |
| Structural changes in the supply chain relationships are occurring (upward and downward) | | ✓ | | | | | | |
| Supermarket chains will become more competitive (pushing down prices along the chain) | | ✓ | | | | ✓* | | |
| Technology (R and D) in the private sector | | | | | | ✓ | | |
| Traceability and accredited pack houses will be the norm | | | | | | ✓ | | |
| Changes in traditional market structure including more middlemen and wholesalers | ✓ | | ✓ | | | | | |
| **Public policy** | | | | | | | | |
| Changes in government policies | | | | ✓ | | ✓* | | |

| | Bangladesh | Indonesia | Morocco | Pakistan | Philippines | South Africa | Turkey | Vietnam |
|---|---|---|---|---|---|---|---|---|
| Ease of access of imported goods including for modern markets-global competition | | ✓ | ✓ | | ✓ | ✓ | | |
| Opening up of new market opportunities including export and agri-processing | ✓ | | | ✓ | | | ✓ | ✓ |
| Emergence of regional trading blocks | | | | | ✓ | | | |
| Decrease in government support to farmers | ✓ | | | | | | | |
| Improved infrastructure | ✓ | | | | | | | |
| **Farmer level** | | | | | | | | |
| Small-scale producers will disappear | | | | | | | ✓ | |
| Land consolidation will intensify | | | | | | | ✓ | |
| Increases in cost of production | ✓ | | | | | | | |
| Changes in technology | ✓ | | | | | | | |
| Modernisation of chain infrastructure (glasshouse, packhouse, cool chain) | | | | | | | ✓ | |
| Most efficient suppliers will be most competitive in modern markets | | ✓ | | | | | | |
| Good agricultural practice including traceable production and integrated quality assurance will be the norm | | | ✓ | | | ✓* | ✓ | |
| Crop diversification | | | | | | ✓ | | |

Some Indonesia listed drivers at the w/s were trends and are listed here

Colour highlights the outcomes which were raised in three or more country cases. This footnote applies to all following tables

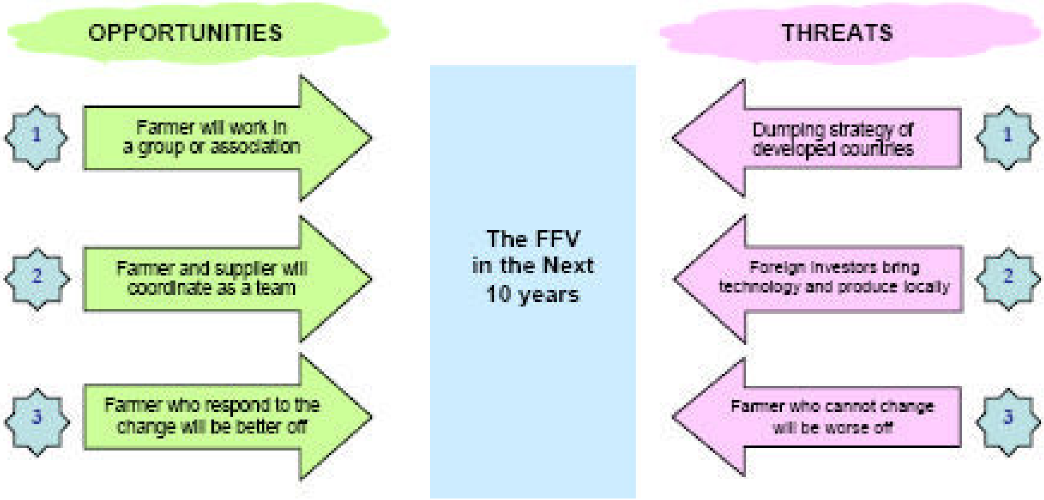
* Following the workshop a number of small multi-stakeholder meetings were held were additional points were raised. This footnote applies to all following tables.

## Table 7 Key drivers drawn from the eight country chain-wide learning processes

| | Bangladesh | Indonesia | Morocco | Pakistan | Philippines | South Africa | Turkey | Vietnam |
|---|---|---|---|---|---|---|---|---|
| **Consumer level** | | | | | | | | |
| Increased purchasing power | ✓ | | | ✓ | | ✓* | | |
| Changes in consumer demand | ✓ | | | | | ✓* | | |
| Changes in consumer lifestyle and preference | ✓ | | | ✓ | ✓ | ✓ | | |

| | Bangladesh | Indonesia | Morocco | Pakistan | Philippines | South Africa | Turkey | Vietnam |
|---|---|---|---|---|---|---|---|---|
| Health concerns will raise quality requirements and change patterns of demand (health foods) | | | ✓ | | ✓ | ✓* | | ✓ |
| Media exposure | ✓ | | | ✓ | | | | ✓ |
| **Agribusiness and public sector** | | | | | | | | |
| Influence of globalisation including trade agreements and opening of markets | ✓ | | ✓ | ✓ | ✓ | | | |
| International sanitary and phyto-sanitary regulation | | | | | ✓ | | | |
| Modernisation of the agrifood sector | | ✓ | ✓ | ✓ | | ✓ | | |
| Growth in new national and external markets e.g. export | ✓ | ✓ | | ✓ | | | | |
| Black Economic Empowerment market agents are more active | | | | | | ✓ | | |
| Quota for procurement from small-farmers | | | | | | ✓ | | |
| Produce standards will drive change | | | ✓ | | | | ✓ | |
| **Farmer level** | | | | | | | | |
| Changed demand will force social structures of farmers to change including spread of producer organisations | | ✓ | | | | | ✓ | |
| Unregistered production will be prohibited | | | | | | | ✓ | |
| Changes in production and market technology | ✓ | | ✓ | | | | | |

**Figure 6 Indonesia - threats and opportunities**




Indonesia identified key threats, ranked them and sought the key opportunities for intervention

**Figure 7 Turkey - addressed and ranked the forces for and against change**

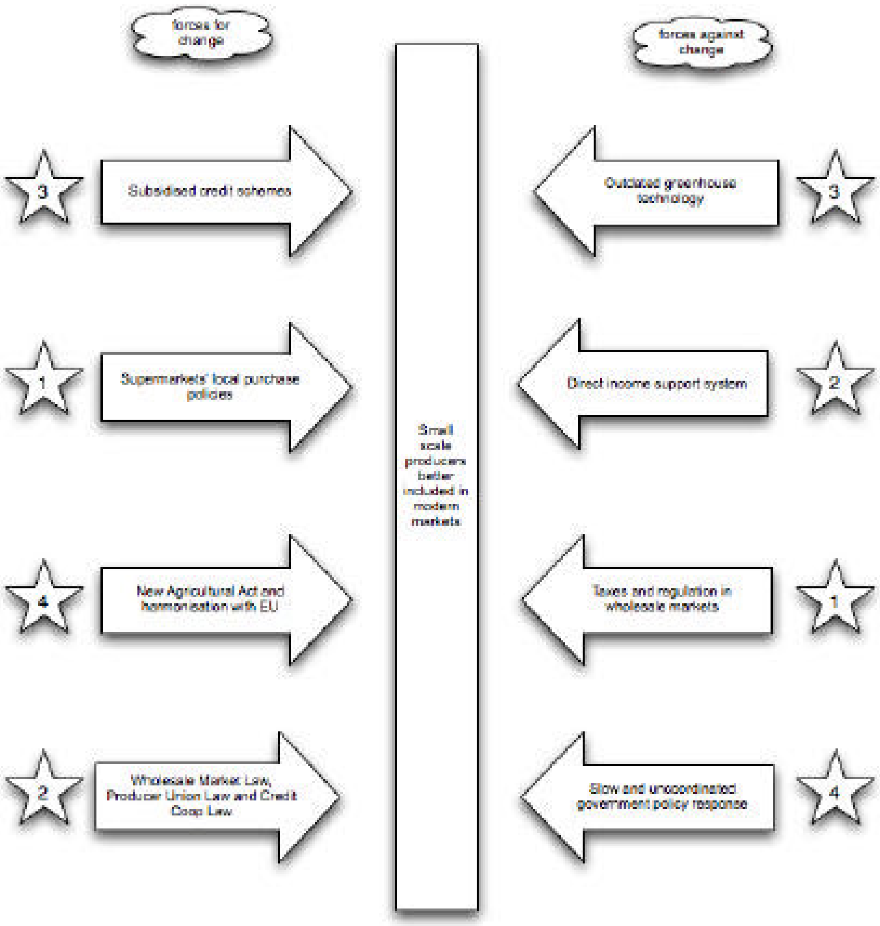
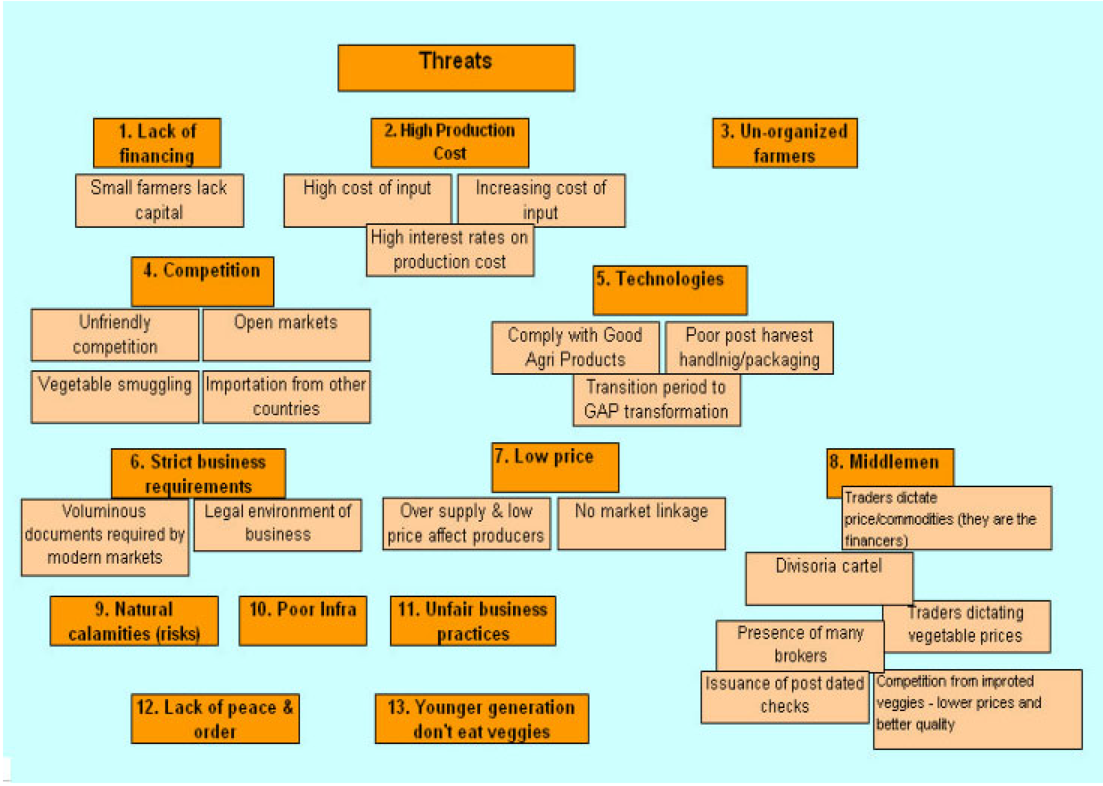
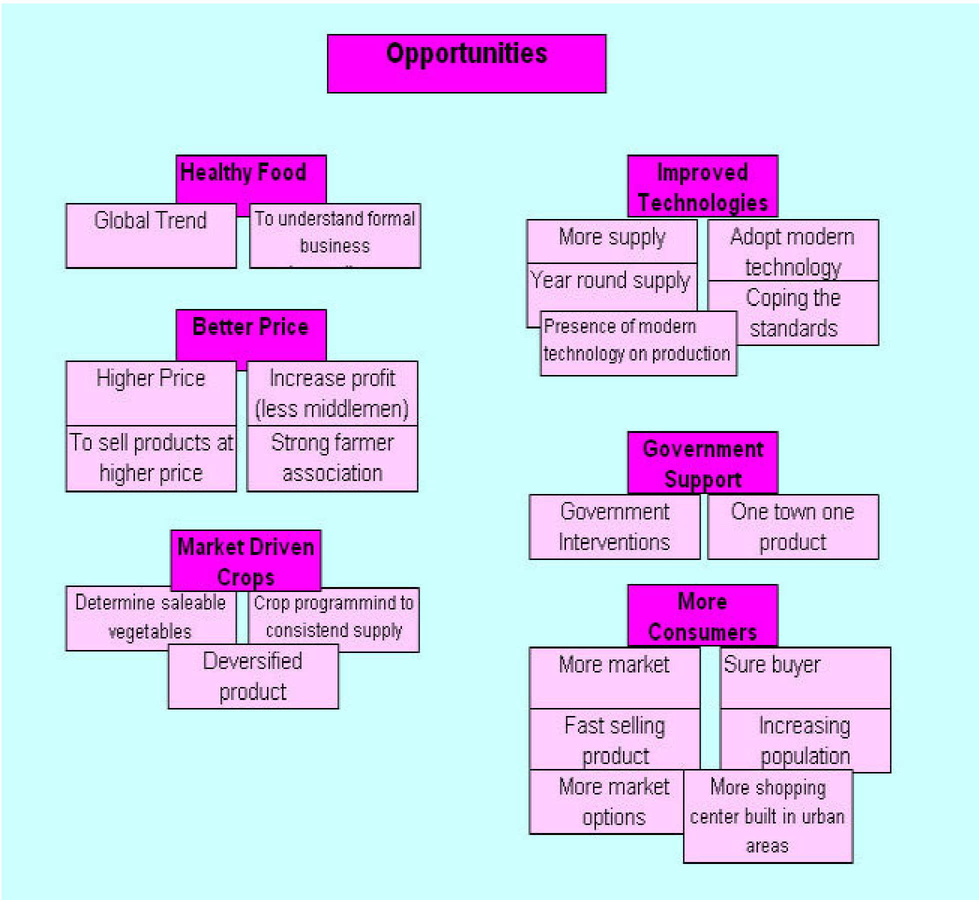


**Figure 8 Philippines – a threats and opportunities framework**



**Synthesis of Challenges**

Table 8 offers a collation of key challenges facing the agrifood industry in the seven countries where single and multi-stakeholder workshops were held. These focus on the challenges facing the small-scale producer and processor in accessing modern markets

**Table 8 Challenges faced by small-scale producers in supplying modern markets drawn from the eight country chain-wide learning processes**

| | Bangladesh | Indonesia | Morocco | Pakistan | Philippines | South Africa | Turkey | Vietnam |
|---|---|---|---|---|---|---|---|---|
| **Consumer level** | | | | | | | | |
| High consumer quality demands and preference | ✓ | | ✓ | | | ✓* | ✓ | |
| **Private sector level** | | | | | | | | |
| Lack of commitment by the supermarkets chains to support farmers – risk averse | | ✓ | | | | ✓ | | |
| Sourcing will not include small-scale producers | | | | | | | ✓ | |
| Concern that modern retailer will procure from sources outside of the country | | | ✓ | | | | ✓ | |
| Complicated procedures and requirements needed to supply the supermarkets | | ✓ | | | | ✓* | | |
| Long payment delays by supermarkets | | ✓ | | | | ✓ | | |
| Long payment delays by other traders and exploitation by middle men | | | | ✓ | | | | |
| Buyers only take the first quality for supermarkets leaving farmers to dispose to second grade | | ✓ | | | | | | |
| Inadequate and need for better vertical integration (including farmer to modern private sector) | ✓ | | | | | | | ✓ |
| Insufficiency and inconsistency in the system of slaughtering to processing | | | | | | | | ✓ |
| Little price differentiation between markets (supermarket and modern retail) and low price | | ✓ | | | ✓ | | | ✓ |
| Unfair business practice and monopoly of contractors | | | | ✓ | ✓ | | | |
| Need for a framework for ongoing private- public sector dialogue to address issues | ✓ | | | | | ✓* | | |
| Exclusive partnerships between seed companies and supermarkets | | | | | | ✓ | | |
| **Public policy level** | | | | | | | | |
| Lack of a conducive public policy environment that is supportive of small-scale producers in the market including at municipality level | ✓ | | | | ✓ | ✓ | | ✓ |
| Need to strengthen market opportunities for small-scale producers including export | ✓ | | | | | ✓* | | |
| Changes in wholesale law without other chain management support | | | | | | | ✓ | |

| | Bangladesh | Indonesia | Morocco | Pakistan | Philippines | South Africa | Turkey | Vietnam |
|---|---|---|---|---|---|---|---|---|
| will create small-scale producer exclusion | | | | | | | | |
| Inadequate infrastructure | | | | | ✓ | | | |
| Taxation policy not conducive to small-scale farmers | | | | ✓ | | | | |
| **Farm level** | | | | | | | | |
| Farmers have weak bargaining position in the markets and or producers organisations are too weak to engage with modern markets | | ✓ | | | ✓ | ✓ | ✓ | ✓ |
| Imbalance of market information | ✓ | | ✓ | | | ✓* | | ✓ |
| Farme r quantities are small and non continuous | ✓ | ✓ | ✓ | | | ✓* | | ✓ |
| Need to improve productivity and lower production costs including high cost of inputs | ✓ | | ✓ | ✓ | ✓ | ✓* | | ✓ |
| Low quality of product at farm gate including animal product | | ✓ | | | | | | ✓ |
| Small-scale producers cannot meet Good Agricultural Practice guidelines/ maximum pesticide residue limits. No certificate of origin | | | | | | | ✓ | ✓ |
| Failure in the credit market to meet small-scale producers needs including dependency on traditional credit providers | ✓ | | ✓ | ✓ | ✓ | ✓* | ✓ | |
| Inadequate cooperation between farmers and need for cooperative action | ✓ | | ✓ | | ✓ | ✓* | | |
| Need for new models of contract farming | ✓ | | | | | ✓* | | |
| Lack of and inappropriate technology | | | | | ✓ | ✓* | | ✓ |
| Unable to manage risks including natural calamities | | | | | ✓ | | | |
| Inadequate technical education for small-scale farmers including basic education | | | ✓ | | ✓ | | | |
| Contaminated and fake agrichemicals , poor quality veterinary medicines | | | | ✓ | ✓ | | | ✓ |
| Land tenure insecurity | | | | | | ✓ | | |
| Water shortages | | | | ✓ | | | | |
| Aging farm population | | | | | | ✓ | | |
| Theft at farm level | | | | ✓ | | | | |

**Options and opportunities for better inclusion and strategies to support change**

Table 9 provides a synthesis of some of the key strategies for action to foster small-scale producers' participation in dynamic markets drawn from the seven country working meetings.

First, some illustrations from some of the country working group sessions are given.

**Figure 9 Bangladesh - multi-stakeholder teams built up and develop a range of actions to address the specific issue of weak contractual relations between farmers and buyers.**

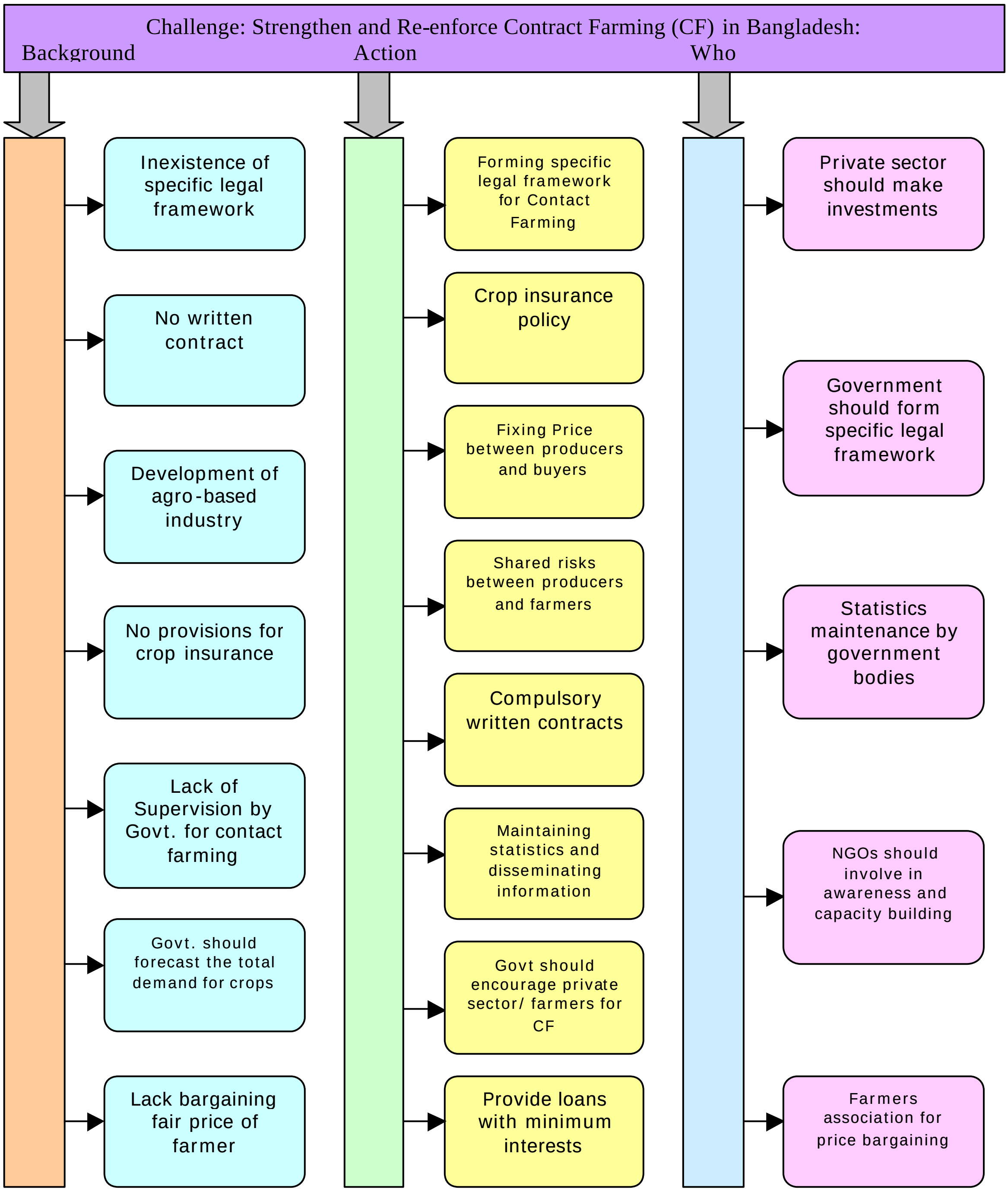


**Figure 10 Philippines - actions and actors were mapped out to address a range of issues**

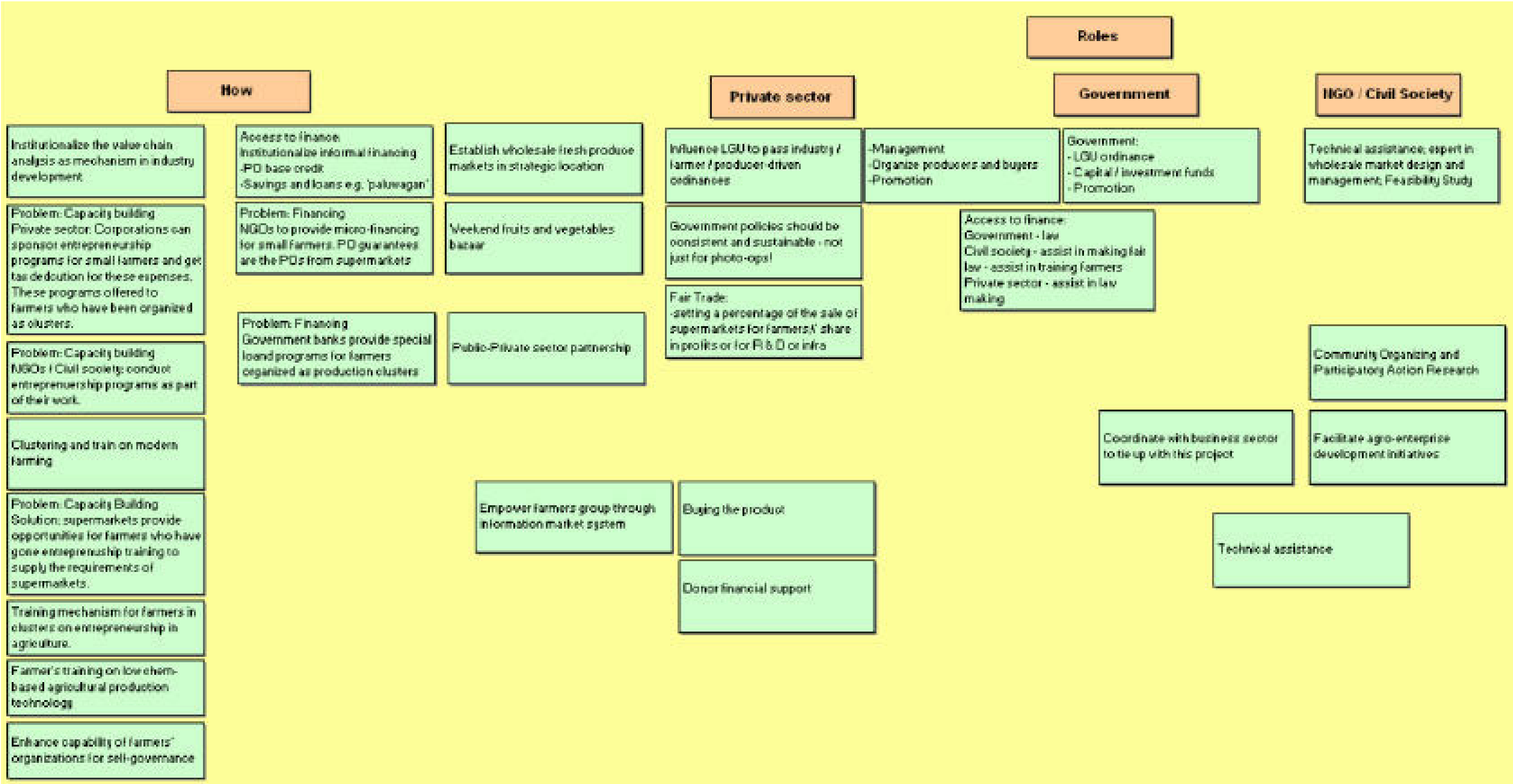


**Figure 11** **South Africa - strengths and weaknesses along the value chain** key action domains in yellow

**Table 9 Strategies for action/opportunities drawn from the eight country chain-wide learning processes**

| | Bangladesh | Indonesia | Morocco | Pakistan | Philippines | South Africa | Turkey | Vietnam |
|---|---|---|---|---|---|---|---|---|
| **Consumer level** | | | | | | | | |
| Raise profile of vegetables and livestock products for healthy living to consumers including teach in schools | | | | | ✓ | | | ✓ |
| Consumer behaviour research | | | | | | ✓ | | |
| Raise the profile of Corporate Social Responsibility | | | | | | ✓ | | |
| **Joint public and private** | | | | | | | | |
| Create a forum which meets regularly between public and private sector to address the needs along the value chain including training, production technology, credit etc | ✓ | | | | | ✓ | | |
| Forum an association of small-scale producers and retailers – organise buyers forums, establish directories, host investment fora. develop e-commerce | | | | | ✓ | | | |
| Form and organise commodity associations (e.g. Mango Philippines, pig sector Vietnam) | | | | | ✓ | ✓ | | ✓ |
| Develop new models of partnership between farmers and modern markets | | ✓ | ✓ | | | ✓ | | ✓ |
| Foster partnership development between farmers and modern retailers based in specific needs and requirements | | ✓ | ✓ | ✓ | | ✓ | | |
| Build and encourage mentoring between agribusiness and small-scale farmers and large and small-scale farmers | | | | | | ✓ | | |
| Public and private sector partnership raises funds and offers technical training | | | | | ✓ | ✓ | | |
| Build and develop the value chain infrastructure procurement centres in production regions, warehouse, packaging, transport etc including in remote areas | ✓ | | | ✓ | | ✓ | | |
| **Private sector level** | | | | | | | | |
| Encourage and support private sector investment in the value chain in particular procurement infrastructure – private sector led and driven | ✓ | | | | | | | |
| Private sector to develop new models of trade financing | | | | | ✓ | | | |
| Upgrade traditional market structure including middle men | ✓ | | | | | | | |
| **Public sector level** | | | | | | | | |
| Establish an institution to monitor relations (including contracts ) | | ✓ | | | | | | |

| | Bangladesh | Indonesia | Morocco | Pakistan | Philippines | South Africa | Turkey | Vietnam |
|---|---|---|---|---|---|---|---|---|
| between modern markets and the farmer | | | | | | | | |
| Governments to monitor prices and address issues of price structure of middle men in particular in traditional markets | | | | ✓ | | | | |
| Address issues of corruption/distortion within the value chain in particular within transport, addressing monopoly | ✓ | | | | | | | ✓ |
| Re-vitalize the role and functions of extension agents including technical service geared to modern markets, production planning and good agricultural practice | | ✓ | ✓ | | | ✓* | ✓ | ✓ |
| Strengthen/enable the role of universities to support specific needs of the market chain including in particular small-scale producers, undertake strategic research | | ✓ | | | | ✓* | ✓ | |
| Establish price guarantee mechanisms – floor prices to safeguard producers, new risk management models | ✓ | | | | | | | ✓ |
| Examine the law of retail to secure the existence of small-scale producers and open retail markets | | | | | | | ✓ | |
| Improve traditional markets including training of hawkers | | ✓ | | | | ✓ | | |
| Amend laws on retailing to secure the place for small-scale producers and local open markets | | | | | | | ✓ | |
| Government role remains critical to address a number of policies e.g. animal health, quality assurance of input suppliers – create a wider policy framework to accompany the agrifood market change | | | | | | | | ✓ |
| Improve transportation infrastructure for small-farmer competitivity | | ✓ | ✓ | ✓ | | ✓* | | |
| Address the influx of imports | | ✓ | | | | | | |
| Promote exports | ✓ | | | | | | | |
| Promote crop diversification | | | | ✓ | | | | |
| Build world class standards laboratories and sample testing | ✓ | | | | | | | |
| **Farmer level** | | | | | | | | |
| Increase understanding of product quality along the value chain – share knowledge of market requirements | | | ✓ | | ✓ | ✓* | | ✓ |
| Reduce the costs of inputs (diesel, fertiliser, pesticide, animal feed and animal health products) and ensure timely availability and control for adulteration | | | | ✓ | | | | ✓ |
| Set up information systems on markets and statistics | ✓ | | ✓ | | | ✓ | | |
| Re-enforce roles of NGOs as service providers | | ✓ | | | | | | |

| | Bangladesh | Indonesia | Morocco | Pakistan | Philippines | South Africa | Turkey | Vietnam |
|---|---|---|---|---|---|---|---|---|
| Strengthen role of the private sector service providers (consultants) including for good agricultural practice | | | | | | ✓* | ✓ | |
| Effective implementation of ongoing pro small-scale producers policies e.g. AgriBEE in South Africa | | | | | | ✓ | | |
| Foster the formation of farmers groups, associations and cooperatives for better market access including relevant legal measures and capacity building (skills, financial management) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Form pressure groups to raise issues with Government | ✓ | | | | | | | |
| Develop financial credit mechanisms that support farmers and farmer groups and that support farmer groups linkages to modern supply chain | ✓ | ✓ | | ✓ | ✓ | ✓ | | |
| Develop new modes of financial intermediation (small business guarantee fund) | | | | | ✓ | | | |
| Develop new models of farming including contract farming | ✓ | | | | | ✓ | | ✓ |
| **Production level** | | | | | | | | |
| Strengthen support to production technology and research (incl diversification and niche products, new animal breeds, animal feed), new markets including understanding quality- modernise farming methods | ✓ | | ✓ | | ✓ | ✓ | | ✓ |
| Improve packaging and reduce market loss | | | | | ✓ | | | |
| Promote organic farming | | | | | ✓ | ✓* | | |
| Address critical constraints to production e.g. water policy and water management and technology (Pakistan), land access also through equity schemes (South Africa), land (Vietnam) | | | | ✓ | | ✓ | | ✓ |

## Section 4 Postscript: Practical outcomes resulting from the chain-wide learning events

Beyond raising awareness, strengthening formal and informal linkages, a range of specific and *practical outcomes* have arisen as a result of the country chain-wide learning events. These can be summarized as follows:

**Bangladesh:** A proposal was made to set up a private sector informal network to address the issues of rural level procurement and intermediation. This reflected the very strong interest expressed by the private sector to seek opportunities for private investment in modern supply chains in Bangladesh.

**Indonesia:** Public sector expressed interested to explore the establishment of a multi-stakeholder commodity commission along the lines of the Mexico commodity group model reported by the Regoverning Markets programme[7]. This was followed up and as a result the Department of Horticulture has put in place a standing multi-stakeholder group to accompany the transformative processes in the horticulture sector. The multi-stakeholder chain-wide learning process was commended as a process that was felt to be valuable for use in other regions to support policy planning. In addition, Padjadjaran University (Regoverning Markets country task leader for empirical research study of the Indonesia case and manager of the chain-wide learning workshops) and Carrefour Indonesia signed an MoU to focus on manpower and technology development for the agrifood sector. Agribusiness Degree Students now gain first-hand product management, retail and agribusiness experience "*a live process is the learning process*". Modern intermediaries, traditional retailers and farmers will also access the training facility.

**Morocco:** National processes of review of agrifood market chains informed through the workshops and outputs fed into these public policy processes. Following the workshops there was further discussion between key public policy makers resulting in the launch of a major public sector supported programme to foster the supply by small-scale producers to supermarkets. The Farmer's Confederation (COMADER) was sensitized to the issues resulting from the workshops and has since appointed a senior adviser to work on a full time basis to promote small-scale producers market inclusion and to take initiatives to further strengthen the dialogue between the stakeholders in some strategic products as well as dairy and vegetables. Additional research has been supported at IAV Hassan II including a survey of consumers' preferences toward some local products (rabbit meat and local poultry) which are exclusively produced by small-scale farmers, mainly women in the north of Morocco. Resulting from this work a contract between the Marjane retail chain in Casablanca and three cooperatives is being negotiated for the regular supply of rabbit meat.

**Pakistan:** The chain-wide learning workshops in Pakistan drew very interesting results and encouraging changes in behavior, both of ordinary people and government. On one hand the exercise drew the attention of policy makers and other hand also motivated the farmers and small and medium entrepreneurs. The most positive aspect of the exercise was enhanced self motivated of farmers.

Policy makers' involvement in the exercise both at field and national levels resulted in positive and encouraging changes in policies regarding agricultural markets. As a follow up to the workshops, in November 2007, the Sustainable Development Policy Institute (SDPI) organized a one day workshop in collaboration with MINFAL and FAO and the idea of developing new market policies was debated. As result the government of Pakistan has now started the process of development of an "Agricultural Marketing Policy" with support from FAO. The modalities of linking of small-scale producers with modern retail including the legal framework is now being addressed through MINFAL. The recently developed Competitiveness Support Fund also drew on the outputs from the chain-wide learning workshops.

[7] Rubén M and A, Marx (2007) Strategy for the inclusion of small-and medium sized avocado producers in dynamic markets as a result of phytosanitary legal controls for fruit transport in Michoacán, Mexico Innovative Practice Series, IIED London

The chain-wide learning exercise also encouraged the small-scale producers to take the initiative to solve their own problems. Small-scale farmers in Sargodha established their own cooperative and farmers are looking to negotiate directly with modern retailers.

**Philippines:** Outputs from the workshops have fed directly into the national policy processes. National agreement has been secured on improved and more efficient vegetable marketing including smallholder vegetable producers. The chain-wide learning workshop strengthened linkages with the Department of Agriculture's Agribusiness Marketing Assistance Service group (AMAS) as well as the Department of Trade and Industry. AMAS is now assisting University of the Philippines in Mindanao (the workshop organizers and regional coordinators of the Regoverning Markets programme) in a new ADB funded project on the impact of supermarkets on small retailers and supply chains (mango and lettuce). The Department of Trade and Industry applied some of the concepts learned from the chain-wide learning process in the development of their projects funded by JICA and also in their cluster development programmes including the Rural Microenterprise Promotion Development Programme funded by IFAD.

The process also acted as a stimulant to further evaluation and replication of a smallholder collective action model i.e. the NorminVeggies[8] cluster model. After the workshop, a proposal was developed to implement the cluster approach to be spearheaded by Free Farmers Federation. This was taken up by a private retail supermarket group and to date clusters of vegetable farmers are still supplying to the supermarket. Farmcoop also approached UP Mindanao to develop a proposal to implement the cluster model and branding (UMFI organic rice[9]) for their organic banana for export in Japan.

**Turkey:** A senior level platform was formed to address trends in agrifood market restructuring and food retailing and the implications for agricultural and food policy and investment.

**South Africa:** Following the working meetings, an alliance was formed between the Consumer Goods Council in South Africa (CGCSA), Mpumalanga Economic Growth (MPEG) programme and national bodies to take forward the agenda of small-scale producers' inclusion in modern agrifood markets. Further the National Agriculture Marketing Council of South Africa (NAMC) is now undertaking various studies on expanding the National Fresh Produce Markets system into the former homelands, where the majority of small-scale farmers currently reside. Further value chain studies and studies on contract farming have also been initiated.

**Vietnam:** The workshop raised awareness of all stakeholders i.e. policy makers, cash and carry, retailer companies, local authorities, product collectors and producers about the trends of modern agrifood chain in Vietnam. This is seen as high priority before the opening up of FDI on retail markets due January 2009 and the findings of the workshop have been fed into the policy and planning processes.

[8] Concepción, S., Digal L.N. and J. Urey (2006) Keys to inclusion of small farmers in dynamic markets: the case of NorminVeggies in the Philippines Regoverning Markets Programme. IIED London, UK

[9] Concepción, S., Digal L.N., Guarin R. and L. Hualda (2007) Keys to the inclusion of small-scale organic rice producers in supermarkets: the case of Upland Marketing Foundation Inc. Regoverning Markets Innovative Practice Series, IIED London UK

## Annex 1 Workshop reports

Available on www.regoverningmarkets.org

Policy and institutional mapping for small-scale producers' participation in dynamic markets in **Turkey.** 22-26 May 2006. Ali A. Koç and Safak Aksoy Akendeniz University Antalya, Felicity Proctor Natural Resources Institute, UK and Jim Woodhill Wageningen International Netherlands. Workshop Report. 22pp

Policy and institutional mapping for small-scale producers' participation in dynamic markets in **Indonesia.** 31 July – 4 August 2006. Ronnie S. Natawidjaja, Leis Sulistyowati, Yosini Deliana, Tomy Perdana, and Gemma W. Mukti, Center for Agricultural Policy and Agribusiness Studies Padjadjaran University, Bandung, Felicity Proctor, Natural Resources Institute, UK and Jim Woodhill Wageningen International Netherlands. Workshop Report. 44pp

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Policy Dialogue Report **South Africa**. Andre Louw, Leah Ndanga and Davison Chkazunga August 2007. 3pp

Policy and institutional mapping for small-scale producers' participation in dynamic markets in **Morocco**. March 13-15, 2007. A.Sbai, R Hamimaz and Anne Chohin-Kuper Targa-Aide, Felicity Proctor Natural Resources Institute, UK and Sonja Vermeulen IIED, Workshop Report. UK. 65pp

Linking small producers to modern markets: policy and institutional mapping workshop. **Philippines** May 23-25 2007. Larry N. Digal, Luis Antonio T. Hualda, Carol Q Balgos University of the Philippines in Mindanao, Milagros Locquiao and Christine Francisco Department of Agriculture. Workshop Report. 57pp

Policy and institutional mapping for small-scale producers' participation in dynamic markets in **Bangladesh** 12-14 June 2007. Golam Sarwar, Rezaul Islam, NS Nisha and Moni Mohan Mondol, Unnayan Onneshan, Felicity Proctor, Felicity Proctor Consulting Ltd and Larry N. Digal University of the Philippines at Mindanao. Workshop Report. 26pp

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Policy and Institutional Mapping for small-scale producers' participation in dynamic markets in **Vietnam**: the case of the Vietnamese pig sector (2008) Nguyen Do Anh Tuan, Nguyen Anh Phong, Nguyen Que Nga, Pham Lien Phuong, Centre for Agricultural Policy, Felicity Proctor, Proctor Consulting Ltd and Larry Digal, University of the Philippines. 36pp

**Guide**

Vermeulen, S., Woodhill, J., Proctor F.J. and R. Delnoye (2008) Chain-wide learning for inclusive Agrifood Market Development. A guide to multi-stakeholder processes for linking small-scale producers to modern markets. IIED, UK and Wageningen University and Research Centre, Netherlands. ISBN 978-90-8504-964-7