

Improving rural live-hoods through linking small holder farmers to new growth markets in WANA region.

I. Background and justification

The rapid growth of the world population presents special challenges for the agricultural sector. Farmers in developing countries are under increasing pressure to fulfill the new market requirements of powerful supermarket chains and agro industries, which demand product quality, volume and continuity of supply. Most small scale farmers are facing low prices and a non stable market. Furthermore, there is a misunderstanding of supply and market chains along with a lack of know-how in targeting products and markets, coupled with a non-efficient production and marketing systems due to lack of information.

The WANA Region countries have gone through decades of centralized economy during which the agriculture extension programs were ineffective as they served governments' monopolized plans and rarely responded to farmers' needs or catered for their welfare. This situation resulted in a gap between knowledge, generated or obtained technologies and applications.

Furthermore, organic food is a growing business with good long-term prospects. Despite the heightened attention that organic agriculture has attracted during the last decade, it still only accounts for a mall proportion of overall agricultural land.

Market and supply chains in developing countries are characterized by low-scales of response to market needs, the presence of too many intermediates between the farmers and the consumer, and a lack of early warning systems against market failures. It is then obvious that small scale farmers key concern is not only agricultural productivity but also better market access with a minimum situation of missed opportunities. Given existing or potential business opportunities marketing chains must be modified so that all actors of the marketing chain and supply benefit, particular small-scale farmers.

Currently and due to complexity of constraints, the livelihood of small and medium scale farmers are threatened than ever as they are in a weak position facing the challenges of the new world trends towards privatization, free markets, trade liberalization and globalization. Such constraints include inadequacy in the education system, less qualified experts, farmers' illiteracy, farming fragmentation and inadequate mechanisms of technology transfer just to name a few.

With the collapse of the centralized economy comes on top of the constraining list the consequential relative vacuum in extension and its weak linkage with farmers causing the obvious failure of effective flow and exchange of information, new technologies, problems and market exposures, real assessment of farmers development needs and activating relevant and practical methodologies.

The certified and policy supported organic production area in general and in particular in the WANA region countries vary widely in relation to growth rate and total area and there were no clear or defined figures about the size of production and total area of production. For many countries it is still difficult to find precise and up-to-date figures on the state of organic farming in individual countries.

Organic agriculture comes as one of the top priorities, specifically with relation to food safety, diversification alternatives in agriculture production, income-generation for small and medium-scale farmers and improves access to regional and international markets, mainly through exports from developing countries. Organic agriculture can also play a role in achieving WANA four network's (Date Palm, cotton, Olives, medicinal Herbs) broad objectives of poverty reduction, food security and sustainable development.

The desired situation is a gain in the efficiency of the marketing chain by lowering costs of production and transaction, and an addition of the value in the marketing chain by increasing consumer prices. There is also an urgent need to establish a new beneficial marketing setting that involve different but collaborative marketing chain actors with a complete trust in their daily business. An important added value will result from the scales' enhancement of the management of marketing and supply chains with better informed decisions and better marketing and export opportunities. The exact know-how of the market needs, coupled with the transparency in the supply and market chains, will certainly contribute to the adoption of fair prices for the small scale farmers.

Furthermore, the present project aims that in certain sub-sectors (olives, dates, cotton, herbal plants), establish pilot and localized projects of effective extensions and technology transfer systems and mechanism within the WANA region through incorporating successful agricultural practices.

Once implemented, the present project will have a positive impact on the approach of farmers, growers associations and communities to both market and supply chains and will be well equipped to make the appropriate decisions on products and markets. Another important change resulting from this project is that policy makers will be able to take appropriate actions for the development of the sub sectors.

Furthermore, traders, brokers, agents and distributors will have a clear knowledge about the sub-sectors, yielding a better competitiveness and the role of each sub-sector within the respective national economy will consequently be strengthened.

Expected changes and improvements of the project's interventions will also include:

- Qualified extensions and farmers.
- Strengthening linkages and trustworthy channels.
- Changing and improving cultural concepts and attitudes toward extension workers.
- Improved productivity and quality.

Another aim is to activate the role of AARINENA networks and highlight the important role they can play in disseminating information and exchanging of success stories on the regional level.

As a conclusion, the present proposal aims to bring together key stakeholders, in the development of profitable, equitable, and operational market and supply chains that fulfill the consumers demand for fairly traded commodity (dates, olives, cotton and medicinal plants).

II. Project description

Development goal

To establish a comprehensive data collection, analysis and reporting systems for all stakeholders of the targeted commodities (dates, olives, cotton and medicinal plants), with an aim of building national capacity in the field of market, extension and organic farming orientations.

A better preparation and an action mode for all stakeholders in the market and supply chains of the four sub-sectors is another important goal of the project. This will consequently enhance the livelihood options for the small scale farmers. The development goals are summarized here below:

- Integration of developments efforts among stakeholders of sub-sector commodities.
- Capacity building of human resources (extensionists and farmers).
- Better utilization and management of natural resources.
- Better understanding of market needs.
- Enhance competitiveness capability through quality improvement.
- Involve Farmers in decision making on extension and development.
- Introduction, intensification and optimization of organic production, environmental protection and the promotion and supporting the access of Networks country members organic products to local, regional and international markets.

Purpose

The main purpose is to assist the sub-sectors (dates, olives, cotton and medicinal plants) to correctly respond to market needs and enhance their competitiveness. There is an urgent need to identify and evaluate all organizational options that provide effective and equitable linkages between the small-scale sector of developing countries (farmers, processors and traders) and alternative domestic and export oriented markets.

The project has the specific purpose of the increased involvement of AARINENA Countries in promoting Organic Agriculture. The introduction of organic agriculture could offer diverse benefits, such as income generation, natural resource conservation, food self-sufficiency and social development. Other purposes of the project are:

- Activate the role of extensionists to become productive members of the community.
- Melt the accumulated ice in the relationship between farmers and extensionists.
- Train farmers to become semi-extension workers to introduce farmer to farmer extension.
- Improve farmers' livelihood and alleviate poverty.

As a result of AARINENA networks involvement in this project in selected sub-sectors (olives, dates, cotton, medicinal and herbal plants), through the supporting of certain case studies in the region and organizing the information management approaches, the proposed project will also be a good opportunity for AARINENA countries to develop new production and extension methods and access new markets. Networks and their partners will get the support to the dissemination of phytosanitary rules and regulations needed to access the main northern markets , setting up local or regional certification programmes, initiating new or supporting existing capacity building programmes as well as promoting the exchange of experiences and information between the participated countries.

Outputs and principal activities to achieve each output

The present project is build around the following three main components:

- Market orientation for project's networks;
- Pilot innovation extension and technology transfer; and
- Utilization and enhancement of organic agriculture in the AARINENA region.

Hence the present project's outputs and respective activities will be presented, accordingly:

a. Market orientation for project's networks

a₁. Expected outputs

- Real and exact data and knowledge about market and supply chains, as well as other aspects of the sub-sectors, is available for use by research and development institutions.
- Major constraints and opportunities for the sub-sectors are identified along with the corresponding solutions and recommendations yielding to the preparation of respective programme proposals for the decision-makers.
- A methodology of mapping and characterizing market and supply chains as the basis for identifying key points of interventions is to be developed for each of the four sub-sectors (dates, olives, cotton, and medicinal plants).
- The profitability and competitiveness of selected market chains for each commodity (dates, olives, cotton, and medicinal plants).
- A management of these supply and market chains and their respective support services, will be available and periodically updated.
- Lessons learned, good practice and regulatory recommendations have been drawn up based on the analysis of selected crops (dates, olives, cotton, and medicinal plants) and the respective field experiences.

a₂. Principal activities and research methodology

- Conduct a study for the selected commodity (i.e: dates) to evaluate and synthesis suitable cases / experiences, methodologies, approaches and tools.
- Identify potential actors / stakeholders / institutions of the different market and supply chains with their activities, interests, ideas and problems.

- Organizing several fora , using a combination of virtual and actual meetings, for bringing together the identified stakeholders with the objective of:
 - Documenting and exchanging experiences;
 - Developing the conceptual frameworks;
 - Prioritizing mechanisms for equitable / sustainable mainstream of products and markets;
 - Identifying situations where these mechanisms can be implemented; and
 - Methods for monitoring and evaluation of these experiences.
- Implementing of the mechanisms agreed in 3, with adopted outcomes, through the launching of feasibility studies, business plans for new supply and market chains arrangements and the establishment of innovative support systems.
- Analysis of obtained results and development of appropriate extension materials (manuals, guides, CDs, web sites,...) for dissemination.
- Development of an action plan (follow-up project) for each commodity for scaling out of successful experiences and diffusion of recommendations of all stakeholders including policy makers.

The project will focus on market and supply chains of the selected commodity (dates, olives, cotton, and medicinal plants) in the respective growing countries of the AARINENA region. Successful cases / projects per commodity will be selected during the characterization study and initial partner / stakeholder meetings based on agreed criteria, including their potential for mainstreaming in market and supply chains.

b. Pilot innovative extension and technology transfer

- ***Improved farmers' quality and representation:*** for the pilot project to be successful it should have a cultural content to improve farmers' awareness of the importance of collaborative work. This can be achieved through encouraging the formation of farmers' organizations in sub-sector commodities and strengthening recent emerging ones which reflect actual farmers' interests. Such organizations will provide a platform for better interaction with extensionists and thus promote farmers self-esteem and their role as developers of technology and will to some extent resolve the fragmentation pattern through collective purchases of production inputs and introducing economics of scale.
- ***Build effective and integrated farmers-extensionists relationship:*** to improve extensionists' knowledge and foster farmer to farmer extension, in the pilot project selected extensionists from government extension agencies will be reassigned on loan basis to FOs and trained intensively with farmers' leaders on specific sub-sector commodities. The training will cover areas not exploited by the existing system such as social science, community mobilization, human resources development, problems analysis and solving, organic farming, biological control and IPM, promotion of small scale farmers through value addition, marketing and collective market information, the use of IT as an important channel of securing and disseminating information, natural resources management, socio-economic impacts, integrating environmental considerations into the development equation, training farmers to improve their technical abilities.
- ***Better and effective production systems, better quality and safe products:*** the interaction frame of the project will expose actual farmers' needs which will be effectively addressed by the trained extensionists and farmers' leaders will exchange information on good practices of low cost technologies which will facilitate appropriate application of acquired knowledge.

- ***Better procedures and methodology for technology generation, transfer and monitoring:*** previously discussed creative approaches to identify and resolve the problems of the ineffective current extension systems in the WANA region, recent successful extension systems developed locally or in collaboration with international agencies in the region or other regions of similar conditions such as in central Asia and Africa which can be adopted and cooperative systems in developed countries.
- The provision of utilizing the advanced IT techniques.
- Introduction of incentives for extension personnel from donors at the initiation of the project followed by FOs financing as they will benefit from the new system. Cost recovery might be an option as farmers need to be convinced they are making a profit.

c. Utilization and enhancement of organic agriculture in the AARINENA region:

Output 1: Information about the current situation in the concerned countries regarding market and organic production of olives, dates, cotton, medicinal and herbal plants is collected, and analyzed.

Output 2: Organic Agriculture in selected sub-sectors (olives, date palm, and cotton, medicinal and herbal plants) in the targeted countries is strengthened.

Output 3: Participation and capacity in the structures and membership of AARINENA networks is improved.

Output 4: The potential of organic agriculture in regard of social, environmental, and economic benefits is recognized.

Output 5: Organic marketing is improved at all levels in AARINENA countries (local, regional and export marketing).

Output 6: Advisory strategy, including consultancies and development agencies, for AARINENA countries with an emerging sub-sector (olive, date palm, and cotton, medicinal and herbal plants) organic products is developed and implemented.

Innovative nature of the project

The present project will directly build on already existing networks (dates, olives, cotton, and medicinal plants) as well as on the ongoing national and regional projects. There are also several case studies already implemented of various organizations and agencies.

The innovative approach of the present project will be based on combining both horizontal and vertical analyses for each commodity with the possibility of having a model per network that can be generalized immediately after its successful trial.

Another innovative characteristic of the project is the participatory approach of growers, processors, extension specialists, and traders that are all aware of demand and requirements of the respective markets.

The new and innovative approaches of the project will also use:

- Changing of social and cultural attitudes toward extension activities and extension specialists, semi-privatise the extension system, specialized agencies and specialists rather than general ones.
- Integrate development efforts of farmers and extensionists into a team work pattern is to be considered as an innovative approach.

- The scaling and development of domestic organic food markets which is essential for the sustainable growth of organic agriculture and for sustainable rural development in general.
- There is a need for the development of a balance between growth in organic agriculture and the demand for organic products. This true knows that not all producers in developing countries can export their organic products to a few markets in the North.
- There are a number of successful cases of local market developments on all continents. Experiences need to be exchanged, compiled and evaluated; effective models and tools drawn up and disseminated in order to develop organic markets in AARINENA country members, and lead to growth in organic agriculture.

Target beneficiaries

The present project will be of benefit to all stakeholders involved in the production, processing and marketing levels, namely small and medium sized scale-farmers, extension specialists, processors, traders, packers, food production chains, manufacturers and also indirectly consumers.

Higher incomes will be ensured to the small-scale farmers, who are usually cheated of their effort / real value of their products. Furthermore, there are presently too many traders and only the appropriate ones will remain but with a better off situation. The project will aim at more constant and sustainable supply of merchandise with an improved quality which will consequently affect positively the processors, packers and manufacturers. Affordable prices and greater availability of products will directly benefit to the consumers.

Project partners (collaborating institutions)

Depending on which network(s) will be first selected for the implementation of the present project, it is only then that collaborating institutions (per country from and outside the region) will be identified. However, the liberty was taken to adapt this part to the four sub-sectors.

- Ministries of Agriculture and specialized organic institutions in the AARINENA member countries;
- National Agricultural Research Centers (NARCS and GFAR);
- Farmers Organizations;
- Private sector / factories and associations in AARINENA region;
- Consumer organizations in WANA region;
- National and regional institutions;
- Local community organizations, associations, producers' organizations and enterprises and their support institutions (public sector and NGOs).

Institutions that might participate in the extension field could be:

- Current extension agencies and specialists: human resources, previous experiences, field contacts.
- Farmers' organizations, trade unions, NGO's: needs, model systems.
- Ministries of agriculture (MOAs) and NARS: resources, experiences, infrastructure.
- Information technology agencies: tools, techniques, mechanisms, programs.
- AARINENA as a regional organization: exchange of knowledge and experiences.

However, AARINENA Networks (olive, date palm, Medicinal Herb plants and cotton) member countries: Within each country the following institutions will participate:

- Government institutions (GO): Harmonized rules and food control measures.
- Non-Governmental Organizations (NGOs): Training, Information dissemination and sustainable agriculture development.
- Farmers Organizations (FOs): Training, Information dissemination and sustainable agriculture development.
- Research centers / National Agriculture Research Centers (NARs): Research and training.
- Associations and rural communities (CSOs): Sustainable agriculture development and information dissemination.
- Organic Agriculture movements and projects: Training and capacity building.
- Existing certified bodies or organizations (CB): Certification, communications and exchange of experiences.

Institutions from outside the region that could participate:

- Food and Agriculture Organization of the United Nations (FAO);
- Arab Organization for Agricultural Investment and Development (AAID);
- Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ).
- Successful extension agencies such as USDA.
- International federation of Organic Agriculture Movements – IFOAM.
- German Technical Cooperation Agency (GTZ): Division 45-Rural Development.
- World Health Organization (WHO).
- The International Trade Center UNCTAD/WTO (ITC).
- The Technical Center for Agricultural and Rural Cooperation (CTA).
- The World Conservation Union (IUCN)-WESCANA Regional Office / Amman – Jordan.

Project Team & Convener

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Potential Donors

There is a need to contact all international donor agencies and bodies that have interest in poverty alleviation, agriculture development and national capacity building. (The following list is not an exhaustive one and additions are welcomed).

- United Nations Development Program (UNDP);
- World Bank;
- United States Agency for International Development (USAID);
- European Community;
- Arab Fund for Social and Economic Development (AFSED);
- International Fund for Agricultural Development (IFAD);
- Islamic Development Bank (IDB);
- Arab Authority for Agricultural Investment and Development (AAAID);
- and
- Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ).

Resources required to undertake the identified activities.