

Producer organisations and the food crisis

International Federation of Agricultural Producers

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The International Federation of Agricultural Producers (IFAP) represents over 600 million farm families. Former IFAP president Jack Wilkinson talks to Capacity.org about the role of producer organisations in addressing the food crisis.

Mr Wilkinson, IFAP's goal is a world free from hunger, in which farmers and their families can earn a decent living. Achieving this vision is getting more difficult as the global food shortages and rising prices are pushing millions below the poverty line. One might think that rising food prices present an opportunity for farmers. Yet the millions of smallholders in developing countries have not responded by increasing their output. Why not, and can producer organisations help?

In many countries, not only in the developing world, producers and processors are locked into long-term contracts, and processors are reluctant to increase what they pay farmers. So even if the price of wheat rises to US\$5000 a tonne, not every wheat farmer benefits.

In many developing countries, governments control the domestic market. The primary aim is to ensure low food prices for urban consumers who often have limited means with which to purchase food. Often farmers are paid a domestic price that is much lower than the world market price. In India, wheat prices for producers increased by 18% a few months ago, while the price of imported wheat more than doubled. Countries like Zambia, Argentina, Ukraine and Indonesia have banned exports in order to keep prices down. This will result in a surplus of grain in the domestic market.

I am not a 'free trader', but I am also not against trade. If you have a shortage worldwide and you don't pay the individual producer adequately, they are not going to increase their output. Fuel prices have gone up dramatically, and some fertiliser prices have more than tripled in the last two years. Transportation costs have increased by about 300% in the last 10 years, which limits the movement of bulk grain from areas of surplus to areas with shortages. Meanwhile, there is a huge demand for cargo ships because of the explosion of economic activities in India and China. All of these factors impact food prices.



Governments should work with the producers. Many countries are not at their maximum capacity for food production. Many would be able to increase their production significantly if they could establish long-term agricultural strategies that address land and water rights or poor infrastructures. If farmers could get a fairer price, there would be more incentive for them to move from subsistence farming to small-scale commercial farming. It would also be helpful to build road networks so that grain and livestock could be transported to where they are needed, or to establish credit programmes for farmers so they could borrow what they need to increase production.

Some countries have already taken such measures. There is no reason why it would not work, for example, in the 50 or so countries in Africa with the support of international donors on the basis of a strategic plan. In Malawi the government sat down with producers and their agricultural production has increased substantially in the last three or four years. But then we have countries like Zambia, where agriculture had been growing, but where they

have now put an export ban on agricultural produce that will send a very negative signal to producers. They could have supported neighbouring countries with their surplus, but that is not going to be possible. Mali is doing some good work, as is Senegal. Guinea has brought together its producer groups and its researchers to work on a strategy. Some regions of South Africa have been in a surplus position for a while.

So there are cases where it is working, but there are many more opportunities for increasing production. Funding is increasing. The World Bank lending for poverty reduction strategies, which was about US\$1.5 billion 3?4 years ago, has increased to around US\$8 billion. However, many countries don't have rural development strategies in which agriculture is the key. Without that, it is difficult to have a comprehensive donor support programme. Every donor has its own view of what should be done. We often see countries where many different projects are taking place, many of them constructive, but they are not part of an overall strategy. So, in many cases, when the project funding stops, the project activity also stops.

Too often national governments lack the commitment to develop and implement a strategy with farmer organisations as key partners. Often donors will start a small group of farm organisations themselves, and it becomes their client group, and is not connected to any national or international organisations. What often frustrates me is that every country began as an agricultural society. Not long ago in the developed world, agriculture was very basic, very small scale, with hardly any infrastructure. This changed when farmer organisations began to build marketing systems, cooperatives and credit unions. I am not saying that is the model to use, but there are many success stories of strategies that could work with some cultural and regional adaptation.

Do you believe that producer organisations are the key to solving the food shortage problem?

Absolutely! In many countries they are the only organisations committed to the development of the agricultural sector. Obviously, there are producer organisations that function very well, and there are others whose performance can be improved. But I am sure producer organisations are our best choice. In some countries, government views them as enemies because they advocate change, or they get involved in political parties. I believe that producer groups should stay out of politics and work on issues for their members, regardless of which political parties they belong to.

Producer organisations are, in my view, the most effective producer group, because rural areas are neglected in many countries. Investments in development are focused on urban areas, including infrastructure, health facilities, sanitation and schools. You need strong civil society organisations to change that. Imagine being a farmer in an area where there is no road and no credit system, and yet you are hearing about a global food shortage. It wouldn't mean anything to you, because you would be so removed from the whole system. Farmers in that situation don't have any capacity to respond to the food shortage. Instead, they respond to the needs of their families and villages, which is good. What the government should do for these marginalised farmers is to say, 'We will help you with credit, with seed and with marketing systems. For any surplus that this village produces, we will guarantee you a good price through your producer organisation. We will collect it, clean it and sell it, and you will get the money back'. These are very basic things that have to happen in every corner of every country on every hectare of land.

A recent letter from the IFAP to the UN Commission for Sustainable Development called for capacity building support to develop solid farmer organisations, particularly in Africa. What types of capacity are most needed?

First, producer organisations need to develop the capacity to respond to a host of initiatives by organisations that run programmes for Africa, including the Gates, Clinton, Rockefeller and Ford foundations, the Food and Agriculture Organization (FAO), the United Nations Development Programme (UNDP) and the New Partnership for Africa's Development (NEPAD). Producer organisations need to have plans in place for responding to these foundations in a meaningful way. If you are a member of a farmer organisation, the demands on your time just to attend meetings are huge. In most cases farmers are not represented at any meetings.

Second, producer organisations need the capacity to build a plan with their national governments. It takes a lot of expertise and resources to work with researchers, develop marketing strategies for commodities and to build up the extension services that many countries now no longer provide. To build the capacities of producer organisations, we have worked with many organisations, such as AgriCord and Agriterra, because they are sensitive to the farmers' needs. They run capacity building programmes that enable farmer organisations to become what they truly represent, with their own vision, strategic plan and the resources to implement the plan. They help to build marketing and cooperative systems so they have a much better marketing strategy. Marketing is everything if you want to expand, and a producer organisation is best positioned to do that marketing. Agribusiness tends to maximise its return on investment by buying cheap. You need producer organisations to be strong enough to negotiate fair prices, to push the national government to address the real priorities such as electricity, water, schools, healthcare, roads – the things that are required to maximise agricultural productivity and provide employment for rural people.

What are the most important do's and don'ts in building the capacity of farmer's organisations?

Often, development agencies or donors start new organisations without connecting them with other organisations. Lessons learned, if any, are not shared. Donors should make producer organisations partners, empower them, listen to them and then build what is really required to grow and develop. Producer organisations should be linked with other people, other practitioners, other farmer organisations in the region, including to the national farmer organisations. That would make them stronger. It is often said that national farmer organisations are weak, or that they don't reach out to their members. My response is, "What is your programme doing to improve that situation? Are you supporting a group because it shares your political ideals or makes your work look good in that country?" The problem is that many development agencies, rather than building strong organisations, keep them small, segregated and often ineffective for long-term strategy development.

Development agencies need to listen to what producer organisations think needs to be done. To solve an individual's problems, stand in that individual's shoes and look at what they are facing. It is also important to develop financing mechanisms that enable producer organisations to become self-sufficient, grow and multiply and expand to the next village, and the next village. The strategy should start at the local level and expand gradually as it starts to make a difference in the region in which you are working.

Since this interview took place, Ajay Vashee has replaced Jack Wilkinson as president of IFAP.

Link

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