

Learnings from the
farmer-to-farmer and
NGO knowledge sharing
on
Agroecological Markets
and **Food Sovereignty**

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Introduction

- Dialogue between farmers and staff from local NGOs
- Sustainable contract farming, participatory guarantee systems (PGS), direct marketing of agroecological products and participatory governance for food sovereignty.
- 12-13th of July 2022, Battambang.
- 62 participants
 - 22 farmers from PGs, ACs, PGS and Union of Acs (i.e: Battambang)
 - 7 + 2 DCA local partners
 - 1 NGO-University



Methodology

- Farmers' testimonies presentations (i.e; Ly Tuot from the Union of Acs of Battambang, Sinouvet from PGS..)
- More directed-training sessions by DCA/SSLA (i.e; marketing skills)
- NGOs and vegetables collectors presentations
- Group work: brainstorming, SWOT analyse, Action plan...
- Open-discussion



Learnings

- Contract farming shouldn't be applied systematically.
- Setting up contract farming is complicated. Three different positions:
 - Simplify the terms is the best approach.
 - Simplify the terms put farmers in a vulnerable position.
 - Do not need contract farming in most cases, it is actually contra-productive.

Learnings

- Setting the price.

Common issue: Price is volatile in the market. If the company and farmers set a fixed price, when the price of the market is higher, the farmers will sell the product to another buyer. When the market price is lower, the farmers sell the product to the contracting company. However, the contracting company may not be able to sell the product at the price that was fixed, and could have loss. Ofte, farmers and/or buyers break the contract.

- Three different positions to change that situation:

- Advocate to the government to set a minimum price for each agricultural product and/or a guarantee the economic coverage of crop loss.
- Ensure that the contract covers at least farmers' costs of production, no matter the market price for products. For this to happen, farmers need to have an updated record keeping.
- Support farmers to increase sales in local markets in the community and province where prices are more stable. Diversification of buyers is also key. If farmers have informal arrangements with multiple local sellers, retailers, and/or marketplaces, they are able to guarantee that the production is going to be sold at a decent price
- With or without contract, local partners' experiences on PGS show that this mechanism improves the relationship and trust between farmers and consumers, buyers, collectors and retailers. Besides, PGS empowers farmer to set the price since they have to use a specific record keeping method that help farmers to identify, be more aware and articulate better the added value of their products as well as the cost of production. Not only that, but also PGS requires regular farmers' updates of the farm records and, consequently, prices – sometimes every two weeks. Every time farmers update prices, they communicate it to buyers. Sometimes, there is some negotiation, but most of the times PGS products are sold at a slightly higher prices than conventional products. Often 500-1000 rhiels higher than the market prices, without the need of a formal contract.

Learnings

- **PGS farmers usually accept to sell products at different prices** – depending on the length of the value chain and the consumers' household income level of the area. However, often farmers selling GAP are often reluctant to segregate the price. However, **most farmers that grow GAP do not accept selling at the local market, and prefer to sell it at Phnom Penh when the price is higher. When the price is high in Phnom Penh, farmers sell at local level and therefore, the balance can be a little bit less than another farmer that sell all the production to Phnom Penh.** They will sell at least 30-40% to local market, 60% to Phnom Penh. **At the end farmers who have their products with different prices have better profit margin.**
- **In general, all agreed that CAMGAP certification does not help to increase farmers' income.** The collector buy the vegetables at the same price that normal vegetables. However, the government would help more farmers if they have CAMGAP. For example by providing more agricultural inputs, technical advise..
- In general, **most of the partners agreed that they wanted to try again with PGS but with a different approach than in the past.** Meaning that they don't want to use it with big companies but with collector and retailers at local market. For example, staff from LC.

Learnings

Farmers need to learn marketing techniques and stand for their products. If they don't do marketing efforts and do not communicate it clearly to buyers they cannot get a better price. Some examples of good marketing experiences were:

Place: Place the selling point in a location where there are potential customers passing by. Customize the selling point so it is attractive to potential customers. Put a sign to sell your products in your market stall where you highlight the characteristics of your products (i.e: organic). Use a megaphone, speaker...to promote the products.

Promotion: some strategies: give something for free (i.e: lemongrass), 'buy 1 get 1 free', if you buy high amount of vegetables offer discount, fidelization of regular customers with vouchers, use brochures that highlight the quality of the products, post in social media,

Product: focus on achieving a good quality of product. Organic product would help on this: chickens that are fed with local ingredients and in free range are often more healthy. It is also important that the product looks like it has good quality. So it includes an appropriate packaging, and also the preparation of the products before harvest or slaughtering. For example, one week before slaughtering chickens it is advisable to feed them as much as possible. With vegetables, you can provide more EM and water so they are bigger and greener, and are more attractive to buyers.

Price: observe the competitors (farmers) and sellers. Besides, identify the price that vegetables have in each season. Slightly drop the price to make it more attractive without losing too much money (i.e: 39.9 instead 40).

How do we communicate with our consumers? Using our phone/smartphone you can call them, send text message or through Facebook. It is important to understand how to communicate with them, what are the messages... What do consumers need/want?

How to give added value to our products? If we do not use chemicals, the products are going to be healthier and environmentally friendly, so we should communicate that to the consumers. The packaging represents the value of the product

Learnings

To better market your products, farmers should:

- Proactively search for several buyers
- Go to the market and observe

You spend one day or one morning in the market and approach the buyers. Observe: What do they sell? When they are free, where did you buy your chicken? How much did it cost? We check on each of them over time to see the changes in price and goods. How can you raise chicken without feeding them? Do you buy feed from the market, no they are purely khmer chicken. How many chicken? What type of chicken? Male and female? What is the price difference? Male chicken and female chicken have different prices. When do you need the chicken? Then I go back to the farmers I work with and tell them to prepare the chicken so they are ready to be sold. This is how to do marketing, don't let buyers to come to you. Go to the markets first! (Tara, Adovir)

- Stand for your rights, if private sector do not follow the agreement you can take them to court.
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Learnings

Community-PGS joint crop plan and price analyse/season is necessary to avoid local competence and price drop

Type of vegetables	Examples	Q1	Q2	Q3	Q4
Leaves	lettuce	1000R	1,500-3,000R	↗	↗↘ (Oct, Nov↗)(Dec↘)
Fruits	Khmer chilli	1500R	3,000-7,000R	↗	↗↘
Tubers	radish	500R	800-2000R	↗	↗↘

THANKS!