Session 3: Agro-industrial Value Chains and Integration of Smallholders
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Agricultural Value Chains in Helping Improve Efficiency and Equity of Farm Economies and Smallholder Farmers

Dr. Nerlita M. Manalili
Managing Director, Nexus Agribusiness Solutions
UN FAO Consultant On Market & Value Chain Analysis
Value Chain Approach Helped Nations to Specifically Focus Interventions

**Vietnam**

- Has advantages in production of fishery products, & an increasingly important position in world market, (fish, brackish water shrimp, tuna, octopus squid, and mollusks)
- Seafood has exposed serious gaps in production lines, processing technologies and preservation of post-harvest products, ensure quality and food safety. Along with the impact of international economic integration (joining WTO, TTP, FTA) its fisheries is under pressure of increasingly fierce competition due to its engagement in low value-added stages.
- Value-added approach through the construction and development of the fisheries value chain is becoming a critical requirement, contributing to successful restructuring of the fisheries sector towards higher value incremental and sustainable development.
- From that enhance participation and competitiveness of the country into the global value chain, achieve the objective of industrialization and modernization of rural agriculture (Nguyen Thi Bach Tuyet, 2016)

**Myanmar**

**Fishery Sector**

- Rapid proliferation and development of SMEs in the off-farm segments of the supply chain linked to intensification of fish farming (e.g. pond digging services, hatcheries and nurseries, and feed mills and feed traders) has enabled it identify the foci of specific segments if fishery development is to be pursued, the feed and seed segments.

**Rice Industry**

- Focused on addressing the seed sector and the milling facilities if to boost production
- To consider moving into premium rice exportation
Value Chain Approach Helped Nations To Specifically Focus Interventions ……..Philippines

Focuses on Regulatory Impact Assessment: Doing away with unnecessary regulatory burdens

In recent study of fishery regulations, policy issues by nodes in the value chain, it was noted

- the production node is beset with low productivity, high input costs, poor technology transfer and delivery of services by mandated lack of postharvest (storage, common services, etc.) as well as farm to market roads. Land conversion from agricultural to fisheries utilization is likewise a delimiting factor in terms of rigid requirements and length of approval;

- the marketing and trade sector has for a long time left to fend on its own, given the low government support, add to this the stringent requirement of establishing fishery related enterprises, marketing and trade, included (Manalili 2016)

Addressing Governance in the Agribusiness Sector

- Developed a framework that underscores the elements of good governance, such as effective institutions, mechanisms and processes. That is, whatever the program focus is, the necessary conditions and the adopted strategies,

- should embody the presence of these elements. The dimensions that these elements should thrive lies on a sound decision making process that takes into account political, economic and administrative considerations. (Manalili & Digal 2018)
To What extent have value chain analyses ultimately helped smallholder farmers?

➢ Most Small holder producers are still groping their way to inclusion into sustainable value chains

➢ Some farmers have benefited while others have seen their incomes fall (differential competitiveness across commodities).

➢ Provided Lots of Learnings
Most Farmers Learned that it Pays to:

✓ be Organized Producer Organizations & Act as Vehicles of Change

✓ Build Capacities

✓ Enhance Networking Capability

Effective organizations are embedded in dynamic multi agent networks that link their members to ideas, resources, technologies, incentives and opportunities

✓ Understand System of Rules and Incentives (from traditional market orientation)

be familiar with contracts, their purpose and how best to make them work towards empowered stakeholders in the value chain

For allocation of costs and benefits

✓ To Strengthen Position in the Food Supply Chain
Enhancing Position & Integration In The Chain

**Vertical integration**

Assuming other roles & position in the chain

*Integration of post farm activities*

Assume added roles and move to other chain segment

*Specialization (production)*

Improve on current segment as chain participant (if within their competencies)

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**Horizontal Integration**

Participation in coordination & management of the chain

*Observer* active participant

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Enhancing Position & Integration In The Chain
Pathways to Strengthening Positions in Agricultural Value Chain
Within the Four forms of Inclusive Chain Development

1. **CHAIN Participant**
   - Specialization in farm production

2. **CHAIN Activity integrator**
   - Integration of post-farm activities

3. **CHAIN Partner**

4. **CHAIN (CO-) OWNER**
   - With participation in chain management

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Integration of post-farm activities
Specialization in farm production

Source: Regoverning Market (with enhancements by Manalili)

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Four Forms of Inclusive Value Chain Development

Integration of post-farm activities

Chain activity integrator
- Enhance quality
- Add value and process products
- No participation in chain management

Chain participant
- Know more about improving farming systems and quality of product (to have better chance at the market and get better prices)

Chain co-owner
- Cooperatrive business
- Product development branding, marketing
- Participating in chain management

Chain partner
- Farmer study groups
- Specialized activity/knowledge & negotiation skills get to influence chain decisions

Specialization in farm production

Source: Regoverning Market (with enhancements by Manalili)
To Sustain Gains_ Everybody Has a Role

• Roles of Farmers
  *Strengthening Positions in the Food Supply Chain*

• Roles of the Private Sector
  *Facilitating Business Models*

• Role of Government
  *Providing Enabled Environments*

• Combined Roles: Farmers, Private Sector and Government