7th Regional Forum on Sustainable Agricultural Mechanization in Asia and the Pacific
Financing for Sustainable Agricultural Mechanization
27-29 November 2019, Jeonju, Republic of Korea

Presented by Jose Romeo B. Ebron, AFA
Asian Farmers’ Association for Sustainable Rural Development (AFA)

at a glance…

- **2002** the year we were established
- **13 million** Member-Farmers
- **20** National Farmers’ Organizations
- **180,000** farmers’ organizations, cooperatives & cooperative groups
- **16** countries
OUR AGENDA

1. PROMOTE • SECURED LAND RIGHTS

2. PRODUCE • DIVERSE & NUTRITIOUS FOOD THROUGH SUSTAINABLE AGRO-ECOLOGY

3. BUILD • FARMERS’ COOPERATIVES & THEIR ENTERPRISES

4. PROMOTE • EQUITABLE RIGHTS & OPPORTUNITIES AMONG WOMEN & MEN FARMERS

5. PROMOTE • YOUNG FARMERS
BUILD AND STRENGTHEN INSTITUTIONS

- Invest Agriculture Mechanization thru Agriculture Cooperatives
Smallholders are
The main investors in the rural sector
The largest food producers in the world

But they are
Dispersed and fragmented
Facing numerous barriers

WHY AGRICOOPS AN OPTION?

Cost sharing
Markets linkages
Voice

High transaction costs
Imperfect markets
Lack of government support
HOW WE WORK

Pillar 1: Business Capacity Development

Pillar 2: Competitiveness

Pillar 3: COOP-TO-COOP Cooperation

Pillar 4: Enabling Environment
Agricultural Mechanization in Cooperatives

- Increase Farmer’s Productivity and Quality
- More outreach and end-users
- Increase business capacity and competitiveness of farmers’ cooperatives
- Shared maintenance
- Opportunity to acquire more machines
Pillar 1: Business Capacity Development

Small-Scale Farming: A Business Proposition

1. Producing healthy, Nutritious Food
2. Producing Climate Resilient Products (Flood, Drought, Storm)
3. Producing Commercial Products
4. Self-Growing Seeds (Farm HH Seed Library)
5. Sharing Best Practices to Others (Farm HH Tourism)

SIX ACTIVITIES IN THE FARM

- PROFILING
- CLUSTERING
- FARMING PRODUCTIVITY
- FINANCIAL EDUCATION
Pillar 2: COMPETITIVENESS

FINANCING TO SUPPORT MECHANIZATION in FARMERS’ ORGANIZATIONS AND COOPERATIVES
Pillar 3: Coop-to-Coop Cooperation

Potential for MARKET POWER

MARKET

PROCESSING

AGGREGATION

PRODUCTION

ASIAN CONFEDERATION OF AGRI-COOPS

INTEGRATED NATIONAL NETWORK OF AGRI-COOPS

COMMODITY-SPECIFIC FEDERATION

COOP-TO-COOP TRADE
Pillar 4: Enabling Environment

Policy Engagement For Cooperative Growth & Viability

Legal Framework

Delivered of government services

Public Private Partnership

Separate law for agricoops
Responsible agri-investments

Transitioning of collectives, FOs, pre-coops, etc.

Production credit, Investment, procurement, insurance, etc.

Multi-stakeholder partnership approaches in Value Chain development
Multi-stakeholder Partnerships

- **ACDI-VOCA** – USDA funded project to support production and processing of coffee cooperatives in the Philippines
- **Rural Agro-Industrial Partnership for Inclusive Development and Growth (RAPID)** – Php2.3B IFAD financed project on value chain
- **Missing Middle Initiative (MMI)** – Funded by the Global Action for Food Security Program (GAFSP) in Bangladesh and Bhutan
SIDC’s Value Chain

**CORN PROCESSING**
- Coop taps existing high capacity corn processing centers

**MEMBER CORN FARMING ENTERPRISE**
- Coop Provides Financing
- Coop Buys back the corn from farmers

**FEEDMILLING**
- Coop utilizes the corn produced by its members

**ORGANIC FERTILIZER PRODUCTION/ INPUT CONSOLIDATION**
- Coop Consolidates Purchase of Inputs
- Coop Produces its own Organic Fertilizer from Chicken Manure

**MEMBER/ COOP LIVESTOCK ENTERPRISE**
- Members utilize feeds in its livestock production
Gaps & Challenges

- No after sales support
- Low quality or incomplete machineries due to corruption
- Lack of specialized trainings for end-users
- High cost of maintenance
- Projects that does not match farmers needs
- Big ticket agri-mechanization projects (Too BIG to HANDLE)
We have the knowledge and the skills to make our world more equal, more safe and more sustainable.