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News

IFAP 37th World Congress and 60th Anniversary Celebrations in Seoul on " 60 years of empowering farmers" May13-20,2006 Seoul, Republic of Korea: http://www.ifap.org

International Meat Secretariat World Congress "2020: Meat the Road Ahead", 26-29 April 2006, Brisbane, Australia www.2006worldmeatcongress.com.au

Report of the IFAP 4th World Dairy Producers Round Table in New Delhi, October 2005
http://www.ifap.org/en/commodities/dairy.html

Latest IFAP Newsletters
http://www.ifap.org/en/publications/newsletters.html

In this issue

EDITORIAL,
Avian influenza: farmers must be involved for a global solution

By Isabelle Mamaty, IFAP Commodities Analyst

The poultry industry is in crisis due to the recent spread of Avian influenza (AI). This extension of AI cases makes this crisis clearly a global concern… global concern because it has human causalities, but also because it has a negative impact on farmers' livelihoods and food security in particular in developing countries where the majority of governments do not have sufficient financial and technical capacity to control the AI. That is why there is an urgent need for a global response.

Much effort has been made by the international community. Indeed over 20 meetings and international conferences were organized jointly by FAO and the OIE, in collaboration with the WHO, since the beginning of the crisis in 2004. On 7-9 November 2005, an FAO/OIE/WHO Meeting on *Partners for Avian Influenza and Human Pandemic Influenza*, was organised in Geneva, to discuss integrated national plans, focusing on affected countries and countries at risk. This meeting came to the conclusion that collective action is critical: development finance partners must work together to meet the needs of these countries through integrated country programs that meet international standards and cover all necessary sectors and activities, with strong interministerial cooperation and country-led donor coordination.

The latest international meeting took place in Beijing on 17-18 January 2006 *on the Avian and Human Pandemic Influenza* and resulted in a declaration (*) where the participants undertook the commitments to (1) ensure effective development and implementation of integrated, national action plans within the framework of WHO/FAO/OIE; (2) ensure that new world health regulations will reflect the real threats to international public health, including a possible influenza-related pandemic; (3) subscribe to a long-term strategic partnership between the international community and the countries currently affected or at risk; (4) share information and biological material related to AI; (5) increase cooperation on global research and development of safe and effective animal and human vaccines and antiviral medicines for humans and access to all of them; (6) evaluate the result and impact of national pandemic influenza preparedness and action plans periodically.

All these initiatives are most welcome. However, we would like to call for the involvement of farmers in all these processes.

(*) Beijing Declaration at the International Pledging Conference on Avian and Human Pandemic Influenza (17-18 January 2006, Beijing) can be downloaded at: http://www.fao.org/ag/againfo/subjects/documents/ai/beijingdeclaration.pdf

Dairy Products

Dairy Products

IFAP 4TH WORLD DAIRY PRODUCERS ROUND TABLE NEW DELHI, OCTOBER 25-28, 2005 RECOMMENDATIONS

The IFAP Group on Dairy Products organised the fourth Dairy Round Table 25-28 October, 2005 in New -Delhi with the support of the International Dairy Federation (IDF), the National Institute of Agriculture of India (NIA) and the National Dairy Development Board (NDDB) in India. The theme of the round table was "**Hong-Kong and the Agriculture Question – A Dairy Perspective**" and discussions focused on the ongoing negotiations in agriculture at the World Trade Organization and strengthening the place of the dairy farmers in the food chain. The main recommendations that came from the round table were as follows:

1. WTO

- WTO rules are needed for managing world trade, but these rules must give space for public policies in developing countries to allow small-scale dairy industries to develop, and balance market concerns with societal concerns.
- It is vital that national governments prepare their local agricultures to benefit from the results of the WTO negotiations by putting in place domestic infrastructures such as roads, electricity for milk cooling, a regulatory framework to meet international standards, and a policy framework to promote the organisation of farmers in dairy cooperatives and associations.

2. Market instruments

- It is critical to empower producers in the market place so they are able to receive a fair return for their work. Dairy farmers are facing low prices as one consequence of the growing power of supermarkets and concentration in the processing sector. International organizations should explore experiences from different countries on how producers organise themselves in the market and also what regulatory frameworks are most appropriate to facilitate this organisation. If farmers are not organized in the market, then it is the multinational companies that will benefit most from increased market opportunities.
- Competition policy is needed, but it should not be applied in a way that prevents farmers from working collectively e.g. exchanging price information

3. Quality

- An international regulatory authority on milk quality should be set up. This body would facilitate the mutual recognition of different, but equivalent, national quality systems for milk and dairy products

4. Local markets

- Developing country governments should support the development of local dairy industries at prices that can be sustained, rather than to favouring imports of cheap food. Dairy development creates jobs among the poorest sectors of the population and reduces rural poverty.
- Markets should be created near production centres so that more food is consumed locally. This would also decrease transaction costs.

5. Food aid

- Food aid should favour purchases within the affected region

6. Productive resources

- Improving access of dairy farmers to appropriate technology and credit that they can afford in order to modernise agriculture and increase competitiveness
- Women farmers in particular should be empowered through support for self-help groups, training and education, access to interest-free loans and to hybrid cattle. Women's work should be given its true value.

7. IFAP Secretariat follow-up

- IFAP Secretariat should address the particular challenges and problems faced by developing countries in more detail.

CANADA

Supply Management, an Empowering Tool

The dairy industry in Canada is composed of over 16,000 farms that sell 70% of their milk to three large processors and hundreds of smaller cheese makers. Five main retail chains control 90% of the food distribution process in Canada. On the input side, manufacturers of fertilizers, seeds, tractors and farm equipment are also few in number, but large in size. In such conditions, it is essential that farmers are empowered to deal as equals with industry stakeholders.

The Canadian approach of supply management ensures dairy farmers can act together to sell their milk to processors, negotiating a price that allows them to cover costs of production.

Supply management matches the production of milk on Canada's 16,000 farms to Canadian demand for milk and dairy products. To be able to match supply to demand, it is necessary to be able to control imports. Under the rules of the World Trade Organization, the way to do this is by having tariff-rate quotas for dairy products. These tariff-rate quotas allow Canadian companies to import a negotiated amount of butter, cheese, skim milk powder and other dairy products. After this amount is reached, a higher tariff will apply to discourage further imports and achieve the predictability the system needs.

As production is stabilized to match demand, farm prices for milk are also more predictable. Farmers have the opportunity to get a fair share of what consumers spend on their food. It has been observed that, in countries that have deregulated their dairy industries, like Australia or the United Kingdom, farmers' incomes have come down while consumer prices did not follow, in time or in magnitude.

A similar situation with beef prices has recently been seen in Canada where retail prices stayed about the same as they were before the BSE crisis, despite farmers receiving much less from the sales of their animals for over two years.

While the majority of Canadians live in urban areas, farmers are essential to the fabric of rural Canada, and dairy, egg and poultry farmers, who operate in a supply management system, support the rural economy, without subsidies. Stable prices and supply at the farm level mean that efficiency is built in the operating cost of processors and retailers. As a result, consumers generally see stable and reasonable prices in Canadian grocery stores, while contributing to the agricultural economy in Canada.

With mergers and consolidation of food industry groups, it is as essential as ever that farmers have the tools to balance the power in the marketplace.

As Parliamentary Secretary Wayne Easter says in his July 2005 report *Empowering Canadian farmers in the marketplace*:
"Farmers do not have a problem with efficiency. They have a problem with prices and costs because they control neither. They are unable to capture the profits available in the food chain because those profits are going elsewhere. Farmers' gross revenues are increasing but not nearly as rapidly as their costs, so their realised net income continues to suffer."

ZIMBABWE

The Dairy Industry

National Association of Dairy Farmers

In the late 90's the milk industry in Zimbabwe had a processing capacity of 450-500 million litres per year with the establishment of many processors including Dairibord Zimbabwe Limited (D.Z.L) and Nestle Zimbabwe Limited. This multiplicity of processors has widened market opportunities and given producers a choice as to whom they should supply their milk. In addition, the combined effort of all the processors offers a comprehensive range of high quality products for both domestic and the regional markets.

In 1995, there were 437 commercial producers and this level has dropped to 277 in 2005. Milk production during the same period has dropped from 222.6 million Kgs in 1995 to 96 million Kgs in 2004. This downward trend was largely due to poor producer viability, coupled with a number of droughts, which resulted in destocking in certain areas and more recently the impact of the fast track resettlement programme.

Agricultural Outlook OECD-FAO
2005-2014- Chapter 5 – dairy
In the latest Agricultural Outlook produced by OECD and FAO, Chapter 5 is dedicated to the dairy sector. The report says that in the long run, world prices in real terms would decline. The world milk production would increase by 1.9% over the course of the next decade due mainly to increases in India and China. Whole milk powder is expected to remain the most important dairy product in international trade. New-Zealand and EU would maintain their domination in the export markets, while the largest importers would be Saudi Arabia, Malaysia and North Africa.

As far as consumption is concerned, even in the non-OECD countries, consumers would demand safer, more functional and convenient foods due mainly to income growth and changes in the lifestyles. All these trends are however conditioned by the development of domestic dairy policies, the globalisation process and the informal markets of dairy products in the developing countries. Finally, meeting quality and safety standards will probably become one of the key requirements for producers in the future, the report concludes.
This chapter can be downloaded at:
http://www.fao.org/es/esc/en/20953/20999/21489/highlight_25251en.html

News….News….News…News…News…

The Dairy Outlook List is a network to facilitate the exchange of information on developments in the world's dairy industry among list members.
This service is free but members should commit themselves to supply the network with information. More information is available at:

http://www.fao.org/es/esc/en/20953/20999/highlight_48894en.html

Grains and Oilseeds

MALI

Marketing of cereals: The case of Faso Jigi, a Farmers' Organisation in Mali

UPA-DI (Quebec farmers Union – International Development Branch).

Thanks to the liberalisation of the cereals' market in the 90s, Mali was able to transform its cereal deficiency into cereal self-sufficiency. However, the farmers who were subsequently responsible for selling their own cereals faced several obstacles like distorted market prices, impediments to loans and poor leverage with buyers. In 1995 about 15 villages joined forces in Ségou, Niono and Bla to meet these challenges. Two years later they founded Faso Jigi, *Hope of the people.*

Once the organisation was established, Faso Jigi implemented a system of advance payments for farmers. This program meant that each agricultural producer received a loan at the beginning of the season corresponding to 60% of the value of the cereals s/he pledged to deliver to the organisation. The remaining 40% would be paid upon receipt of the aforesaid crops. The organisation acted as guarantor for the farmers' loans with financial institutions. By negotiating on behalf of its members, Faso Jigi succeeded in obtaining more favourable interest rates than those available on the market. This cooperative ultimately facilitates market access for farmers. It centralises the cereals farmers deliver and sells them during favourable periods. If the real price ends up being higher than the projected price, the farmers are paid the difference.

Those Faso Jigi members who fall victim to natural disasters are granted a period of grace in which to reimburse the advance without incurring any additional interest. This reprieve is made possible by an insurance fund which is credited with a percentage of the organisation's gross income on an annual basis. This fund also serves to protect farmers against the effects of a drop in prices.

UPA-DI supported the establishment of Faso Jigi and took the opportunity of sharing the experience of Canadian farmers with this evolving organisation. Now Faso Jigi is considered one of the most important farmers' groups in Mali. Its members total 3500 from 110 cooperatives and its ranks will soon be filled with a dozen women's shallot-farming associations. Its annual turnover is 1.2 billion Fcfa and the organisation is 65% self-sufficient, thanks to member contributions. At this rate, it is estimated that within two years, Faso Jigi will be completely autonomous. This is a truly remarkable example of solidarity. Farmer members increased their net revenue by approximately 25% over 5 years without this increase impacting negatively on the end consumer price.

GERMANY

Biodiesel Production and Marketing in Germany 2005

Report from Union for the Promotion of Oil and Protein Plants (UFOP), Germany

During the last ten years, production and consumption of biodiesel have rapidly increased in Germany. In 2004, due to the introduction of the statutory tax exemption (that will be in place until 2009), investments have increased within the biodiesel markets and as a consequence, the production has increased by 45% in comparison to 2003. Indeed the production of biodiesel reached 1.18 million tonnes in 2004 and 1.5 million tonnes in 2005 and it is expected to reach 2 million tonnes in 2006. This increase is mainly due to the promotion campaigns made towards consumers and politicians. In January 2005, an information campaign was launched by UFOP on the use of biodiesel or rapeseed oil fuel in agriculture.

In 2004, 476 million litres of biodiesel were sold in Germany which represents a 32% of increase compared to 2003 and satisfies the demand of around 300,000 cars, yearly. However, some petroleum companies Shell, ARAL/BP, OMV, Total and Orlen, "blend" their diesel (with 5% biodiesel). This blending if legally prescribed may in future undermine the effort of the 100% biodiesel industry, according to the UFOP report.

What about using Biodiesel in agriculture? The use of biodiesel in agriculture has started to be explored in Germany and discussed intensively. On the UFOP website, farmers can find recommendations on the use of biodiesel as well as the means to work out cost effectiveness of converting to biodiesel. In addition, UFOP provides information about the status of approvals issued by the tractor manufacturers for the use of biodiesel as well as about the development status of rapeseed oil as a fuel.

The price differences between diesel and biodiesel could be up to 19 cents/litres to the advantage of the biodiesel. However, UFOP advises to check first the origin of fuel prior to any conversion in order to ensure the traceability. In addition to the traceability, the price of biodiesel may vary whether it is at the filling station, where the price depends upon the diesel

prices, or at the biodiesel producers, where the price is largely subject to agricultural market factors. However, the slow demand of biodiesel compared with the continued expansion and creation of biodiesel plants does not favour the increase of its price.
The sales boom in the fuel sector has so far also had a positive effect on demand for rapeseed. Indeed, rapeseed has become a more attractive raw material for the oil mills. Thus, 4.5 million tonnes of rapeseed have been processed in 2004. Consequently, the strong growth in rapeseed processing is ensuring continuously high levels of rapeseed oil production. However the demand for rapeseed oil is weak compared with the production and as a result, the prices for raw rapeseed oil 'fob oil mill' in Rotterdam were around 480 EUR/tonne in April 2005 that is 50EUR/tonne less than at the beginning of the year and 95 EUR/tonne less than a year ago.
As a result of the EU and national policy developments in the biofuels sector as well as high competition within the biodiesel market while demand is still weak, investments in the biodiesel in Germany would probably be stabilised, or even diminished in the near future, the report concludes.
Full report can be downloaded at:
http://www.ufop.de/downloads/Biodieselstatus_engl_230605.pdf

CANADA

Bread-making wheat in Quebec

Federation of Commercial commodity producers from Quebec

From the 2005 season onwards, producers of bread-making wheat in Quebec will exercise the rights outlined in their joint agreement in virtue of the law on the market sale of farm products in Quebec. These rights make it compulsory for farmers to sell their bread-making wheat in a joint manner. By grouping wheat lots together, they can thus be presented in a more uniform manner in accordance with the needs of the Quebec flour-milling industry. More than two thirds of farmers affected by this regulation have expressed their support for it. The Quebec Federation of producers of commercial crops will be the authority responsible for monitoring the application of this regulation on the market. Accordingly, it will negotiate agreements on packaging and warehousing with local farmers and conditions and terms of sale with the flour-milling industry. Farmers will receive one or several advance payments during the season depending on the volume of sales.

The production of bread-making wheat only represents a small percentage of the total grain sold on the Quebec market (75000 tonnes out of a total 3 million tonnes). However, by the 2006 harvest, the Federation has a mandate to implement a centralised system of negotiation and exchange of information for all grain on the market. The main grains are the following: corn, soybeans, barley, wheat, oats and canola.

Recent information on World grain markets

	2003/04	2004/05	2005/06	Change: 2005/06 over 2004/05 (%)
PRODUCTION	**1 890.7**	**2 054.9**	**2 005.2**	**-2.4**
Wheat	559.5	626.9	618.8	-1.3
Coarse grains	939.8	1 022.6	970.6	-5.1
Rice, (milled)	391.4	405.5	415.8	2.6
Developing countries	**1 050.0**	**1 071.7**	**1 088.7**	**1.6**
Developed countries	**840.6**	**983.1**	**916.5**	**-6.8**
SUPPLY [2]	**2 378.3**	**2 471.2**	**2 470.4**	**0.0**
Wheat	763.7	788.5	792.0	0.4
Coarse grains	1 102.7	1 172.6	1 164.1	-0.7
Rice, (milled)	511.9	510.1	514.3	0.8
Developing countries	**1 392.9**	**1 364.1**	**1 367.3**	**0.2**
Developed countries	**985.4**	**1 107.1**	**1 103.1**	**-0.4**
TRADE [3]	**237.5**	**243.7**	**238.7**	**-2.1**
Wheat	104.3	111.0	107.5	-3.2
Coarse grains	106.4	105.1	105.0	-0.1
Rice, (milled)	26.7	27.6	26.1	-5.2
Developing countries	**76.2**	**69.6**	**59.4**	**-14.7**
Developed countries	**161.2**	**174.1**	**179.3**	**3.0**
STOCKS [4]	**416.3**	**465.2**	**444.4**	**-4.5**
Wheat	161.7	173.2	165.9	-4.2
Coarse grains	150.0	193.5	181.3	-6.3
Rice, (milled)	104.6	98.4	97.2	-1.3
Developing countries	**292.3**	**278.6**	**263.6**	**-5.4**
Developed countries	**124.0**	**186.6**	**180.7**	**-3.1**

[1]Data refer to calendar year of the first year shown. [2]Production plus opening stocks.
[3]For wheat and coarse grains, trade refers to exports based on July/June marketing season. For rice, trade refers to exports based on the calendar year of the second year shown. Up to 2003/04 includes EU15, 2004/05 includes EU25.
[4]May not equal the difference between supply and utilization because of differences in individual country marketing years.
Source: table extracted from FAO Food outlook number 4 December 2005
The full report is available at:
http://www.fao.org/documents/show_cdr.asp?url_file=/docrep/008/J6801e/J6801e00.htm

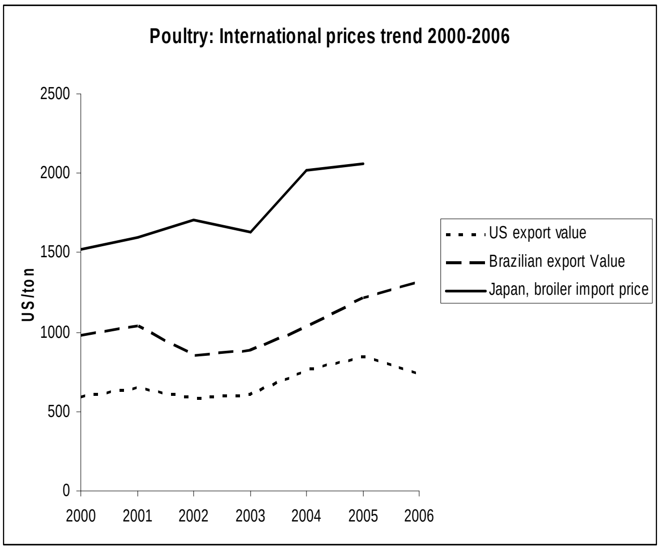
Meats and Feeds

The Avian Influenza outbreaks and its consequences in the poultry industry

The pathogenic avian influenza was first reported in Vietnam in December 2003, since then it has been identified in several countries in the region e.g. PR China, Thailand, Vietnam and Indonesia and spread world wide with migrating wild birds. Indeed, after several provinces of PR China, and in Russia, Kazakhstan, Mongolia, Croatia, Turkey and Romania, new cases have been identified in early 2006 in more than 12 countries in Africa, the Near- East and Europe. In addition to the spread related to the migration of the wild birds, the legal or illegal movement of poultry or poultry products is also a factor of spread.

The avian influenza outbreaks have caused important fluctuations in poultry consumption and price declines, and have increased trade bans, according to FAO. Unlike in 2004 and most of 2005 when the AI consumption effect was largely restricted to the Asian region, new AI cases discovered in February have resulted in immediate and pronounced consumption declines in countries in Europe, the Middle East and Central Asia. Thus in mid February, the decline in consumption in Europe was from 70 % in Italy to 20 % in France and 10% in Northern Europe. In Africa, although there are no statistics, it seems that consumers are moving away from poultry and egg products e.g. Egypt, Nigeria. FAO reported also that in India, consumption drops of 25 percent have caused a 12-13 percent fall in domestic prices, depressing production prospects.

In 2004 the decline in international trade reached 8 percent mainly due to the loss of export markets for regional supplies in Asia while prices rose by 30 percent in international markets due to declining exportable supplies. In 2006, the market environment is characterised by a decrease in global import demand for broiler parts. Therefore, as supplies are maintained, this is "translated" into a decrease in price (see graph below). FAO's global poultry consumption projection for 2006 has been revised down to 3 million tonnes from the previous estimate of 84.6 million metric tonnes. Indeed, "*A steady erosion of previously expected gains in per caput poultry consumption will likely push global poultry consumption in 2006, currently estimated at 81.8 million tonnes, nearly 3 million tonnes lower than the previous 2006 estimate of 84.6 million tonnes*" said FAO commodity specialist Nancy Morgan. The main losers are US and Brazil, the largest poultry producers and exporters which account for around 70 percent of world poultry trade.



As a consequence, FAO has revised down 500 000 tonnes from the previous estimate of 8.6 million tonnes for exports (see table 1).

Table 1: World imports and exports of Poultry (1000 metric tonnes)

Year	2003	2004	2005	2006p	2006r	Change from 2006p	% change
Imports	8225	7224	8086	8598	8029	-596	-7%
Exports	8163	7480	8054	8626	8128	-498	-6%
P: previous projection; revised projection; source : FAO statistics							

These decreases in consumption and prices of poultry products may have a tremendous impact on farmers' revenues in particular in developing countries where backyard poultry activity is an important source of income. Indeed, in East Asia for example, poultry acts as an important source of protein and constitutes an investment, which yields extremely high returns. From a presentation on backyard poultry produced by FAO[1], it is reported that in Vietnam, one of the countries most severely affected by HPAI, approximately half of all households, rural and urban, keep chickens. In rural areas, typically three out of four households, that is around 10 million households, own chickens. Thus

[1] FAO power point presentation on : "backyard poultry : Chicken economy available at http://www.fao.org/ag/againfo/subjects/en/health/diseases-cards/special_avian.html

one hen represents a 700% annual return of capital invested for 8 million family smallholders'. Indeed, one hen that cost 2.50US$ produced 35 eggs consumed or sold by the family (for a total of 3.06 US$) and 6 chicken that cost 15US$ in total. Thus, one hen that costs 2.50US$ may have a return of 18,06 US$.

In addition to the loss of revenues, employees on the farms are also losing their jobs. Finally, although it is quite difficult to predict the duration of the crisis, FAO stresses the media to emphasize the safety of eating poultry products when properly cooked.

Article derived from FAO report available at: http://www.fao.org/es/esc/common/ecg/108877_en_Poultry_trade_jeorpardized_by_AI.pdf

Electronic Forum discussion on livestock and meat products at FAO

The Meat and Livestock Market Network (MLMN) is an electronic forum for discussion with two main objectives, namely:

- Promoting direct exchange of information on livestock and meat markets between List members via the FAO mail server;

- Facilitating the circulation of FAO's reports dealing with current developments in the world market for livestock and meat products.

The network is open, free of charge, to all the persons or firms that want to subscribe. Members are encouraged to post questions and answers on topics of interest related to livestock and meat markets. Contributions are welcome in English, French or Spanish.

More information available at: http://www.fao.org/es/esc/en/20953/21014/highlight_89291en_p.html

GHANA

Empowering farmers in the production and consumption of small animals

Development Action Association (DAA) Experience

Development Action Association (DAA) originated from an FAO programme under the Freedom from Hunger Campaign/Action for Development FFHC/AD in the Greater Accra Region of Ghana. This programme aimed at supporting 13 village groups in reducing poverty levels in their communities and empowering them to be self-reliant and to participate fully in their own development. Later on the 13 village groups decided to form a loose federation of grassroot farmer associations called the Development Action Association (DAA) or *Noyaa Kpee* in the Ga language. It is being operated in three regions of Ghana (Central, Greater Accra and Eastern Regions) with small-scale farmers and 98% being rural farm-women. DAA is also a member of Farmers 'Organisation Network in Ghana (FONG).

DAA's overall goal is to facilitate socio-economic processes which will ensure the establishment of a viable grassroot women's association, and to address issues of food security, diversification of incomes, environmental degradation and reproductive health with HIV/AID on sustainable basis.

One of the main activities of DAA is to assist farmers in raising small animals for meat production e.g. rabbits, snails, pigs, sheep and goats. In Ghana the annual growth rate in meat production is 1,14% between 1993-2001. The main objective of this activity is to promote the production and the consumption of small animal meat among the population as a source of protein. The snail contains 12-16% protein while the percentage of protein content for rabbit is about 20%.

As a consequence, after promotion and training campaigns, DAA met its objective. Indeed, in Akotoshie No.11 near Medie in the Greater Accra region, whole village members in Akotoshie No.11 are now eating snails. This consumption has also helps in solving the low protein intake among children .

News….News….News…News…News…

IMS WORLD MEAT CONGRESS, BRISBANE, AUSTRALIA 26-29 APRIL 2006

The key theme of the congress is "2020: Meat the Road Ahead". The sessions will focus on the consumer, the community, the supply and trade policy. This congress will bring together the policy makers, producers, researchers, meat companies, national meat offices and professional associations representing all stages of the food chain and coming from all over the world. More information is available at: www.2006worldmeatcongress.com.au

Tropical products

Tropical products

UGANDA

Empowering small coffee producers

NUCAFE, National Union of Coffee Agribusinesses and Enterprises

Before the liberalization of the Uganda coffee sub sector in 1991, coffee marketing was controlled by Government. The main players were the Uganda Coffee Marketing Board and the Cooperative Movement and farmers produced coffee with predictable prices although their earnings were only 20% of the international prices.

Due to unnecessary competition for coffee with no attention to Good Agricultural Practices and the imbalance in trade which created lack of ownership by farmers, the coffee quality and price drastically declined at farm gate level. This situation led NUCAFE (National Union of Coffee Agribusinesses and Farm Enterprises) to identify the needs, challenges and opportunities of smallholder coffee farmers through a survey which revealed that smallholder coffee farmers could better be positioned and become competitive only when organized into meaningful farmer groups at farm level.

Following that result, NUCAFE has organized farmers into farmer groups and Marketing Associations of between 25 to 35 farmers and adopted a farmer-driven approach in order to build confidence and ownership among farmers themselves with an aim to adopt Good Agricultural Practices, access training and produce coffee of uniform quality which meets the needs of the markets.

These groups then form themselves into Associations with the purpose of bulking the coffee for processing, access market and price information, and sell their coffee to a buyer at negotiated price. The sale proceeds are paid directly to each group at its local village bank account. The Associations which are at sub county level also coordinate farmers' access to inputs, appropriate technologies, training, information and credit and NUCAFE serves as a facilitator in creating linkages for input supply to farmers and marketing to exporters.

Three of the main achievements of this initiative are as follows: 1) Organisation of 500 farmer groups (including 30 farmers each) registered as coffee quality producer business groups -2) farmers sell their coffee directly to exporters without involving middlemen at good negotiated prices over 200% added revenue and 3) NUCAFE is recognised at ICO, European Coffee Federation, Common Code for Community (CCCC). In addition, NUCAFE call for strategic smart partnership along the entire coffee commodity chain to ensure a win -win for all; more support from the coffee industry towards the initiative started by ICO in this endeavour; and the removal of trade barriers and restrictions to enable producers to add as much value as possible to their coffee.

IFAP participation in the UNCTAD 10th session of the Commission on Trade in Goods and Services, and Commodities

Geneva from 6 to 10th February 2006.

Isabelle Mamaty, IFAP Commodity Analyst participated on 7th - 8th of February in the UNCTAD 10th session of the Commission on Trade in Goods and Services, and Commodities that was held in Geneva from 6 to 10 February 2006. The main purpose of that meeting was for UNCTAD to get guidance from members' countries, as well as civil society, on the follow up of its work on Trade and Commodities issues. More than 100 persons attended the meeting from member countries missions based in Geneva, as well as international and non-governmental organisations. During the two day event, discussions focused on commodities problems and Trade and Environment issues.

As far as trade and commodities issues are concerned, UNCTAD is working on innovative safety net mechanisms and will be contributing to all discussions and actions for new facilities with all organisations involved in this work e.g. EU, World Bank …

The follow up actions of the UNCTAD International Task Force on Commodities was also discussed and it was suggested that this task force should i) re-examine North-South agreements between producers and consumers and ii) bridge the gap between WTO and UNCTAD by using the knowledge and experience of UNCTAD on trade and development to respond to the challenges of the WTO negotiations outcomes.

UNCTAD is also providing support to developing countries in the area of trade and environment including market access, agriculture, traditional knowledge, transfer of environmentally sound technology environment goods and services.... The main message was that developing countries should adopt a more proactive approach in this domain.

Finally, one activity of interest to IFAP work is UNCTAD's Biofuels Initiative with the initial funding of the UN foundation that was launched in June 2005.

The main objective of this initiative is to widen the use and the production of the biofuels in developing counties. In future, this initiative will seek to address the main challenges faced by developing countries in this sector.

Interest for IFAP and follow up

UNCTAD is involved in many areas of Trade and Development that are relevant to the work of IFAP. The main objectives of the participation of IFAP in that meeting were to:
- get a better understanding and knowledge of UNCTAD work
- explore ways for IFAP to be involved in UNCTAD ongoing activities in particular UNCTAD International Task Force on Commodities and the UNCTAD's Biofuels Initiative
- be able to circulate UNCTAD research findings among IFAP members

All the documents related to that meeting are available and can be downloaded from: http://www.unctad.org/Templates/meeting.asp?intItemID=1942&lang=1&m=11147

Cotton at WTO: follow -up

The cotton initiative was launched in May 2003 by four African least-developed countries (LDC)–Benin, Burkina Faso, Chad and Mali where they demanded a rapid elimination of all export subsidies, tariffs, and trade-distorting domestic support for cotton and compensation for LDC's trade losses until the phase-out was complete. A WTO Cotton Sub -committee was set up in November 2004 in order to follow specifically the case of cotton in the agriculture negotiations.

The Hong-Kong Ministerial declaration contains the following specific elements for the cotton case:

- On export competition, the declaration states that all forms of developed country export subsidies for cotton will be eliminated by 2006.
- On Market access, developed countries will give duty-and quota-free market access to LDCs 'cotton exports. This measure will not benefit African countries since they do not export cotton to the US and in addition, they have to compete against subsidised US exports in Asian markets, in particular.
- On Domestic support, ministers agreed to "*the objective that [...] trade-distorting domestic subsidies for cotton production be reduced more ambitiously than under whatever general formula is agreed and that it should be implemented over a shorter period of time than generally applicable*". This delays the decision on the depth and speed for domestic cotton subsidy cuts until the overall domestic support reductions in agriculture and their implementation schedules are agreed.
- On compensation, the declaration urges the WTO Director-General to explore – together with bilateral donors, and regional and multilateral institutions, the possibility of establishing a "mechanism to deal with income declines in the cotton sector until the end of subsidies"

New proposal on Cotton after Hong-Kong

After the Hong-Kong Ministerial, the "Cotton four" countries put on the table a proposal on modalities for cotton during the WTO Cotton Sub-Committee on 2nd March. This proposal called for the reduction in trade-distorting domestic support to be three times higher than the cut agreed for domestic support in general, and the implementation period to be one third as long. March 31 is put forward as a deadline for a decision on the proposed formula for cutting cotton subsidies. There is also a proposal for a time frame for the creation of a safety net mechanism starting in April 2006 and to be finalised by the end of 2006 as part of the single undertaking of the Doha Round negotiations.
The proposal can be downloaded at:
http://docsonline.wto.org/DDFDocuments/t/tn/ag/SCCGEN4.doc

News….News….News…News…News…

Small Cocoa producers in Cote d'Ivoire

The price of cocoa is related to the political situation in Cote d'Ivoire. Indeed, with 40% of the world production, Cote d'Ivoire is the key player within the international market of cocoa beans. An estimation of a loss of 100,000 tons for the 2005-2006 campaign worries the short term speculators. However, what is certain is that prices have followed to the political waves. Indeed in December when the President decided to quit the peace process, the price of cocoa beans was up to 1600 dollar /ton and then down to 1535 dollar/ton in January when the situation calmed down. Cocoa is a strategic commodity and the privatisation of the sector asked by the World Bank and other donors has lead to the creation of private organisms with low transparency. One main consequence of the situation is that the regulation fund that was aimed to support the cocoa price and to assist producers does not fulfil its role. Therefore, small cocoa producers are marginalised and there is an important reduction in the number of cocoa exporters.
Source: from article "Noir cacao" in "le Monde", Sunday 22-Monday 23 January 2006

In Brief

Sub-regional workshop on collective marketing of agricultural products: what is the role of farmers? Bobo-Dioulasso, 25-27 January 2006, Burkina-Faso - A sub-regional workshop was organised by FEPA-B (Burkina-Faso), and three agri-agencies-AFDI (France), UPA-DI (Canada) and Agriterra (Netherlands) in Bobo-Dioulasso, Burkina-Faso on sharing experiences of empowering farmers in the markets in the West-Africa region.

Seventeen farmers' organisations from Benin, Burkina-Faso, Cote d'Ivoire, Guinea, Niger, Mali, and Senegal were present. The difficulty of mobilising resources at local, national and international levels was part of the main conclusions of the workshop as it is linked to the sustainability of whatever system is put in place e.g. market information system, collective marketing (with the establishment of security or guarantee funds…etc). The limited access to credit at national level was also one of the main conclusions and some alternatives were raised such as lobbying national governments in order to have access to national budgets and lobbying international organisations to create a fund for small farmers e.g. World-Bank, IMF. There was a strong need from farmers' organisations present to maintain contact among themselves in order to create a network on the issues discussed as a follow up to this workshop. Finally the participants have raised the point to have more specific workshops on e.g. funding, communication, etc. in the future. The IFAP Secretariat was represented by Isabelle Mamaty, IFAP Commodity Analyst.

The State of Food and Agriculture (SOFA): can trade work for the Poor?

The answer to that question is not a yes or no …but on a country by country basis depending on its specific characteristics. The SOFA 2005 analyses the effects of trade liberalization and agricultural trade on the poor and food-insecure populations but also how trade and poverty linkages can be best used to enhance food security, address inequality and improve overall economic growth. The report recognises that 1) trade affects agriculture and the livelihoods and food security of the most vulnerable people and 2) there is still a high level of distortion within many temperate products and basic food commodities markets due to government subsidies and protection in OECD countries in particular.

The full report can be downloaded at:
http://www.fao.org/es/esa/en/pubs_sofa.htm

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This Newsletter is available in English, French and Spanish and can be seen on IFAP's Website: www.ifap.org
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Selected commodities: Monthly Prices **January-March 2006**

	US$/ton									US cents/lb		
Products	Dairy Butter Oceania, indicative export prices, fob)	Dairy Skim Milk Powder (Oceania, indicative export prices, fob)	Dairy Whole Milk Powder (Oceania, indicative export prices, fob)	Maize (US N°2, Yellow, fob U.U Gulf ports, Friday)	Maize (Argentina, Up River, fob. (Tuesday)	Wheat (USN°2, Hard Red Winter Delivered US Gulf ports ord. Prot (Tuesday)	Wheat (USN°2, Soft Red Winter, Delivered US Gulf ports ord. Prot (Tuesday)	Wheat (Argentina, Up River, fob. (Tuesday)	Beef (Australian, cow beef, boneless, cif, USA)	Cotton (COTLOOK, index 'A' 1-3/32, Friday)	Coffee (ICO-Daily price, Average of week)	Cacao (ICCO, Daily price, Average of week)
January	1941.00	2172.50	2181.50	102.71	101.25	169.50	142.98	132.25	2505.00	58.55	-	-
February	-	-	-	107.85	106.25	180.50	147.64	137.25	2530.00	-	-	-
March	-	-	-	106.16	100.50	181.00	146.30	135.50	-	-	-	-

Source: http://www.fao.org/es/esc/prices/PricesServlet.jsp?lang=en