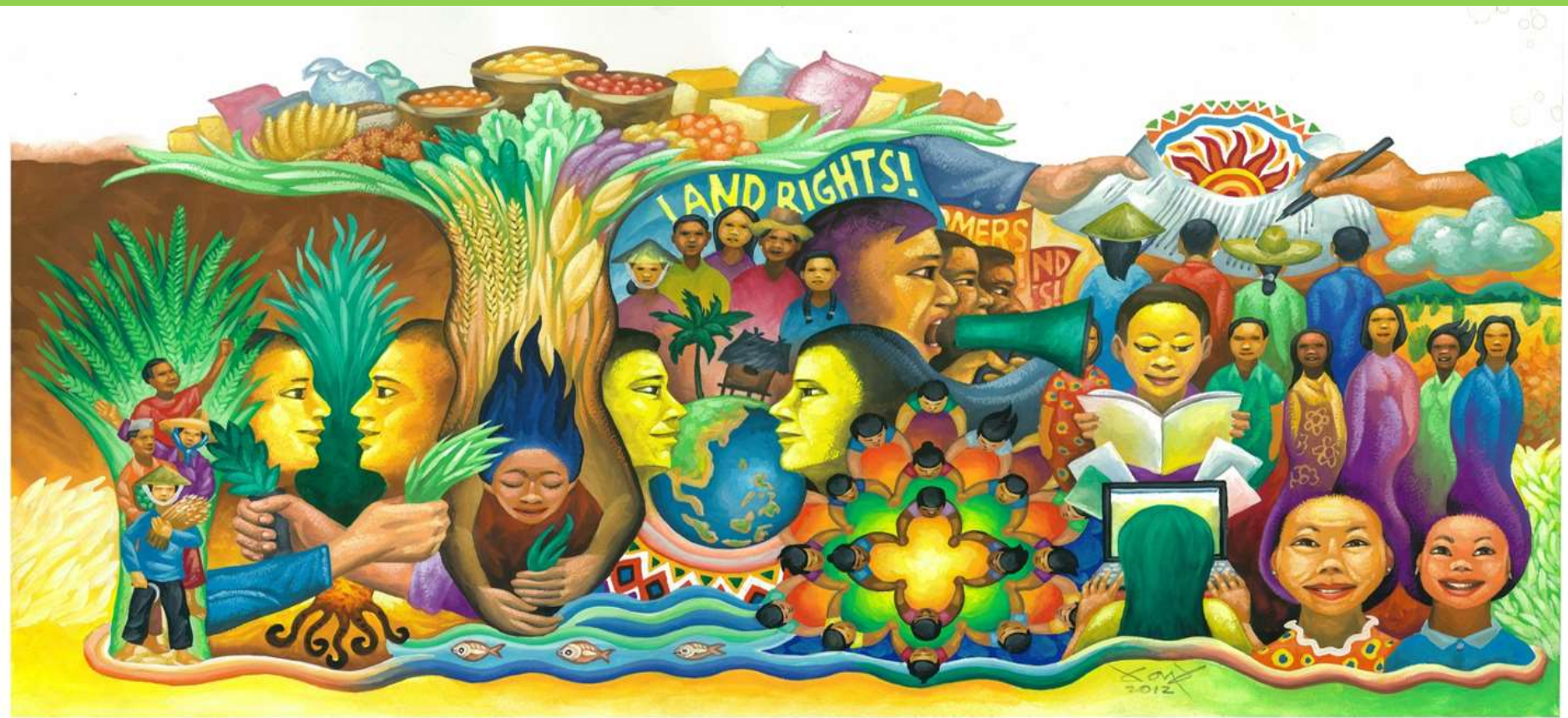




# Articulating the Demand for Finance of Smallholder Family Farmers

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*(presented via skype)*





## AFA Members + GAFSP + MTCP



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# Our Agenda :

## what brings us together

- Secured rights to natural resources (lands, waters, fisheries, forests see
- Sustainable, integrated, diversified, organic climate resilient agri-fisheries-forestry
- Increased market power of farmers
- Empowerment of women farmers
- Attracting the youth to agriculture



# Pecuaria video





# The FO role in Pecuarria

- Local level : organizing HH into production clusters ( organic rice, muscovado), organizing into a primary cooperative
- National level – **linking** with partner institutions ( research, government , private company) ; **advocacy** for farmer friendly policies (e.g. National Organic Act and positioning key leaders in these decision making bodies) , **financing** through soft loans and small grants ( in the case of national cooperatives) ; organizing into national agri coop federation ; TA/extension service provider
- Regional level : documentation, knowledge exchange among countries, advocacy at regional/international levels , solidarity building networking for regional level concerns (e.g. organic rice commodity forum for southeast asia farmers ) ; organizing into regional level agri coop federation.



# In general, Demands on Financing/Investing

- Secured rights to land /natural resources
- Common goods ( irrigation)
- Capital or loans for production : seeds, farm implement and tools, technology training
- Crop insurance /climate insurance
- Providential loans (e.g. health insurance, education, life)
- Start up capital for small businesses ( storage, processing facilities, quality control , office equipments, human resources)



# On financial inclusion

- Main problem : **Financial exclusion** or very limited financial inclusion ; largely dependent on informal lenders /money sharks  
• **Why?**

----- no collateral

-----requirements are tedious or big ; farmers  
are able to comply

-----lack of knowledge

-----sheer poverty : cannot pay



# Our tools

- Organizing according to geographic and commodities ; starting with commodity clustering leading to becoming primary cooperatives, then aggregating to cooperative federation at geographic or commodity level.coops into savings and credit, micro insurance, with technical assistance.
- Farm planning at household level and farmer registry systems at household and FO level
- Education and capacity building : business planning, business management, accounting and bookkeeping, organizational management
- Advocacy strategies and tools
- Networking tools





# Other examples : Initiative for better financial inclusion

- National tier organization as guarantor
  - VNFU : guarantee for individual farmers, loan from Vietnam Rural Bank
  - CTCF : lobby for govt and financial institution to provide soft loan to coops



# Initiative for better inclusion- Tajikistan

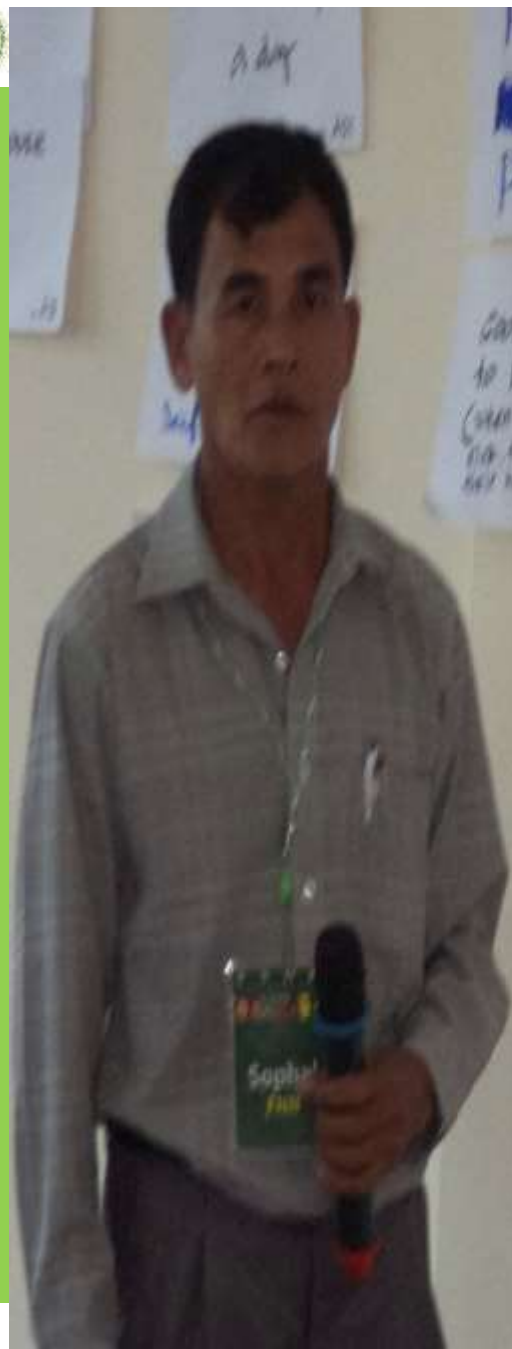




# Initiative for better inclusion- Taiwan

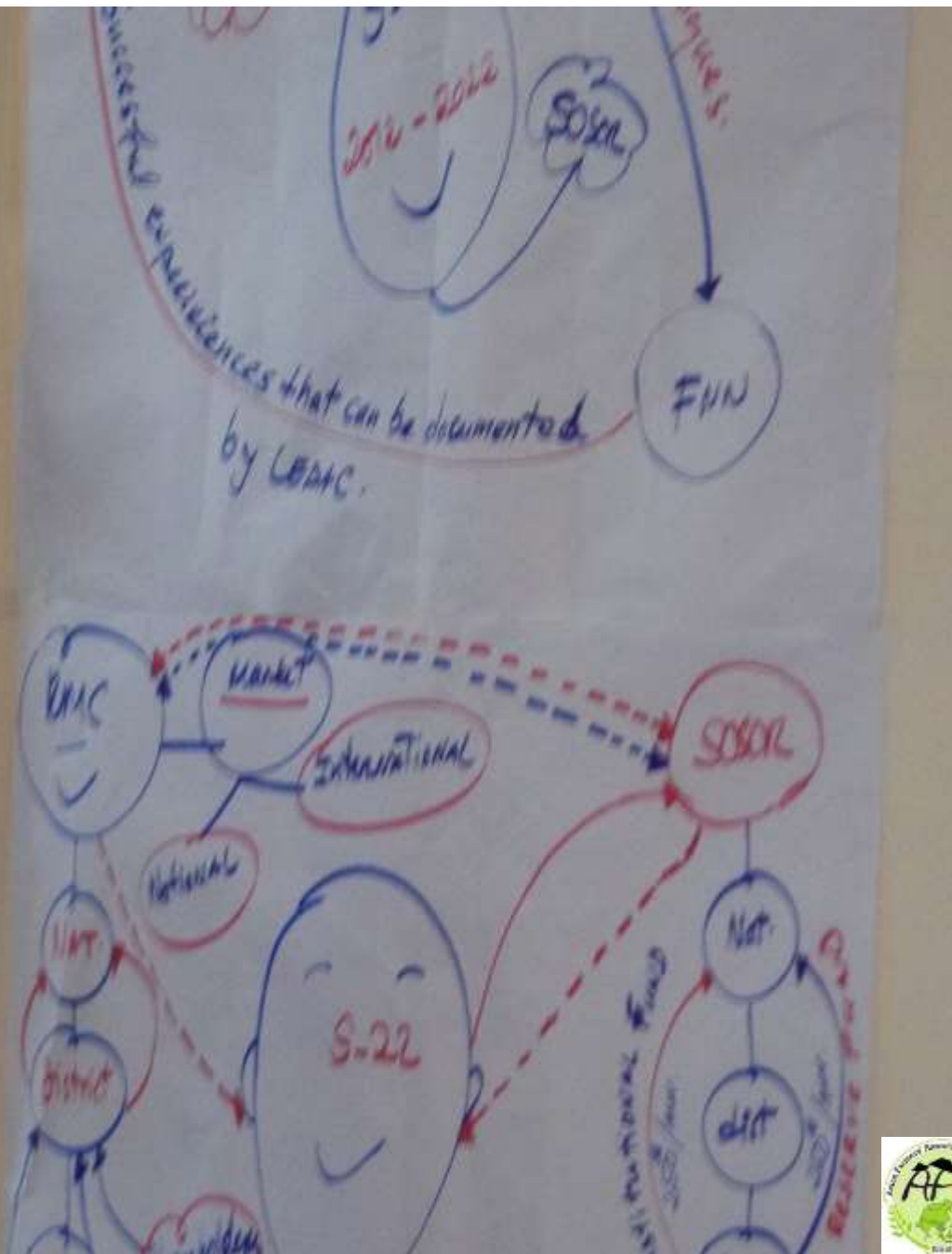






PARTNERS  
have no  
Pain/disease

Good access  
to health  
(even farmers on illness  
can pay for the care  
and health) - AD





# Challenges

- Paradigm shifting ( failures in past cooperative endeavors, apathy and dependence on politicians)
- Heterogeneity of family farmers : continuous interaction, dialogues, action reflection action sessions
- Resources : info on where they are, some apprehension for direct to Fos
- Capacity building for FO leaders and staff : how to upscale successful initiatives ;finance management



# How best to support FOs

- Favorable policies
- Development Financing Direct to Fos (e.g. gafsp missing middle initiative, IFAD's mtcp2)
- Strengthen agricultural cooperatives
- Financial institutions and government work with organized groups at national and regional levels – pilot-testing models with them : AFA / MTCP2





The dream of one person  
will surely die.

But the dream of many persons  
will someday come true.

We hope we have the same dreams  
for small scale women and men farmers in Asia.



😊 Thank you for your attention 😊