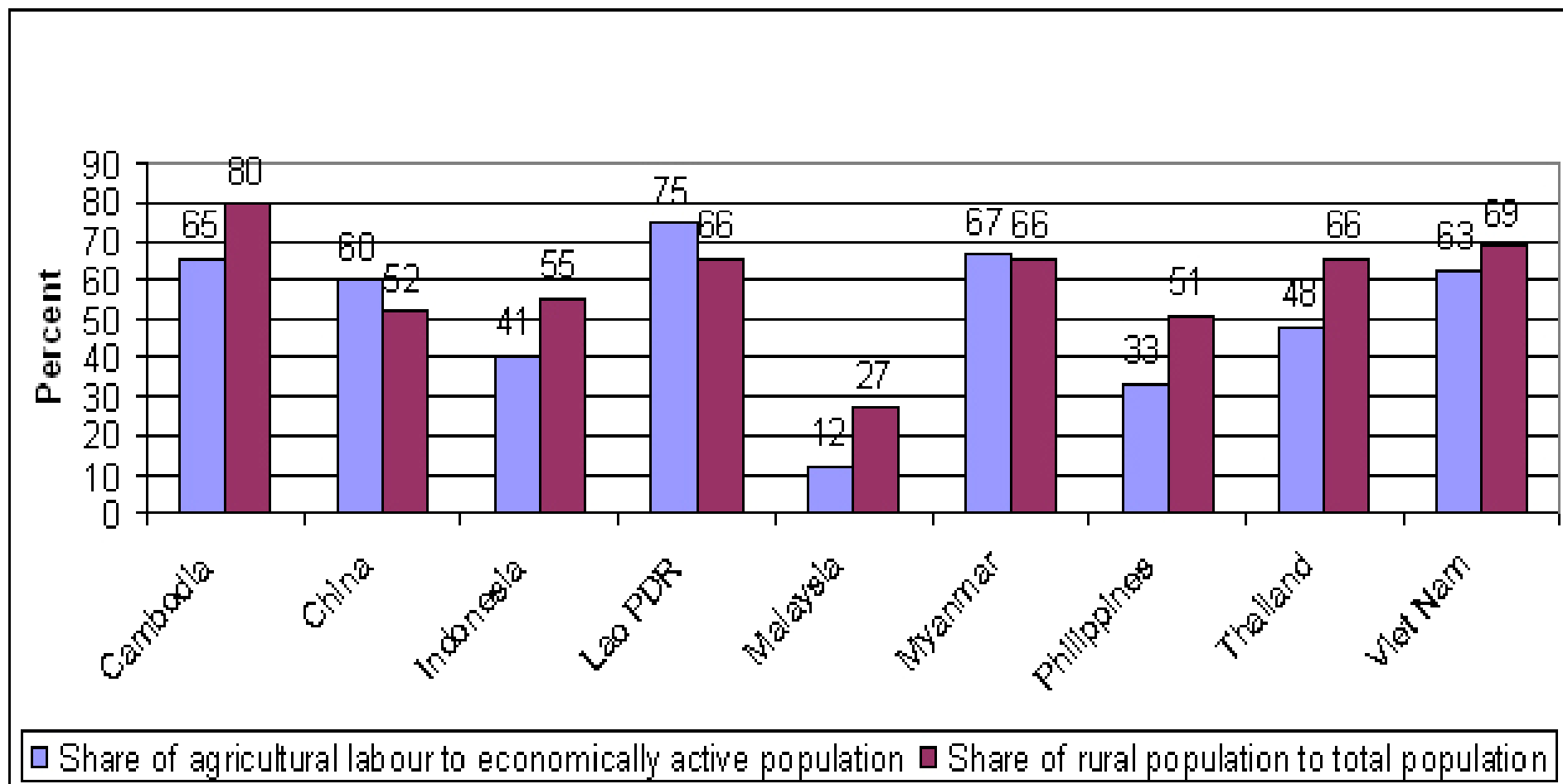


**Food Security and Trade  
in the Asian-Pacific Region:  
A Perspective from Small Farmers**

**Raul Montemayor  
Federation of Free Farmers  
Cooperatives, Inc. (Philippines)**

# SHARE OF AGRICULTURE TO EMPLOYMENT AND TOTAL POPULATION IN SELECTED ASIAN COUNTRIES (2011)



**Source: FAOSTAT**

# SITUATION OF SMALL FARMERS IN ASIA

- Landlessness, small farm sizes and tenurial insecurity
- Low yields and high production costs
- Low savings and capital base
- Limited access to, and/or high cost of, credit
- Susceptibility to natural and other risks
- Farm incomes insufficient to support family needs
- Unorganized and/or fragmented
- Weak government support for infrastructure and basic services

# MARKET SITUATION IN ASIA

- Emergence of “modern” markets and value chains
  - Shortening of value chains
  - Backward and forward integration
  - Linkages with foreign markets
- But most small farmers continue to deal with traditional markets
  - Multi-layered with farmers as price takers
  - High cost of moving products due to weak market infrastructure
  - Lack of clear product standards
  - Poor market information systems
- Government deregulation and trade liberalization



# The Market Divide



**Traditional Market - Traders**

## Fastfood chains



## Processors



## Hotels & Restaurants



## Supermarkets



## Consolidators



**Modern, dynamic market chains**

# INTERNATIONAL TRADE AND SMALL FARMERS

- Trade can induce efficiency, product quality and variety in domestic markets
- Trade can contribute to local food security

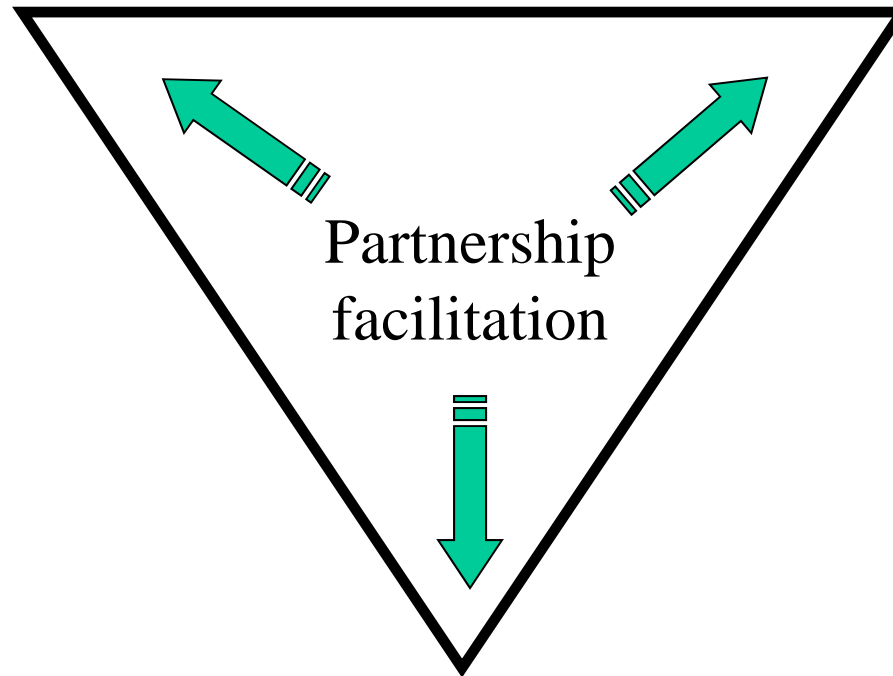
**But,**

- Small producers remain vulnerable to competition from imported products
- Most of the benefits of freer trade are captured by middlemen, processors and exporters, not small producers

# The Challenge: Empowering Small Producers in the Market

Trained, empowered  
and organized  
farmers

Receptive  
business sector



Facilitative public sector



# CONCLUSIONS AND RECOMMENDATIONS

- Solutions to food insecurity and poverty must start at home:
  - With small farmers towards more efficient production
  - With traditional markets towards more efficient and transparent “modern” markets and value chains
- These solutions will not occur naturally and will require conscious and sustained interventions
- Trade will help, but only if