



Producer Organizations - *some WorldFish experiences*

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Producer Organization workshop
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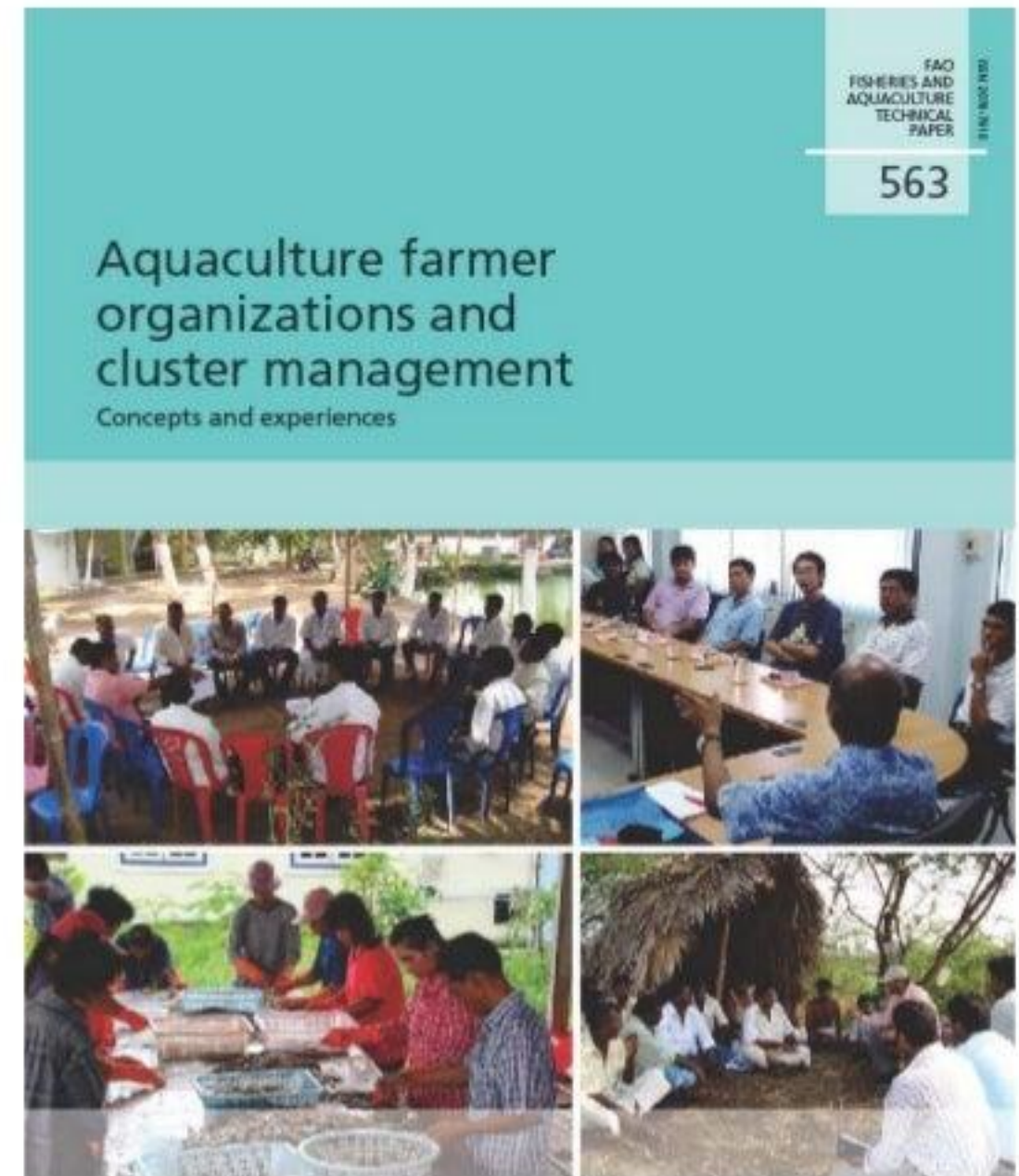


Overview

- Background
- Case studies
- Lessons
- *The presentation is based largely on Asian experiences*

Definitions and characteristics

- Several definitions of producer organizations, but key characteristics
 - Membership based organizations
 - Provide services to members
 - Access to these services is a key reason to become a member
- These characteristics distinguish producer organizations from NGOs and “traditional” organizations



.. organizations may operate at different levels

- Local level
 - farmers clubs, self-help groups
- “Mid” level
 - farmers associations, federations of farmer clubs
- “Higher” level
 - National or regional federations, unions, associations



FEDERATION OF
EUROPEAN
AQUACULTURE
PRODUCERS

.. the case for producer organizations



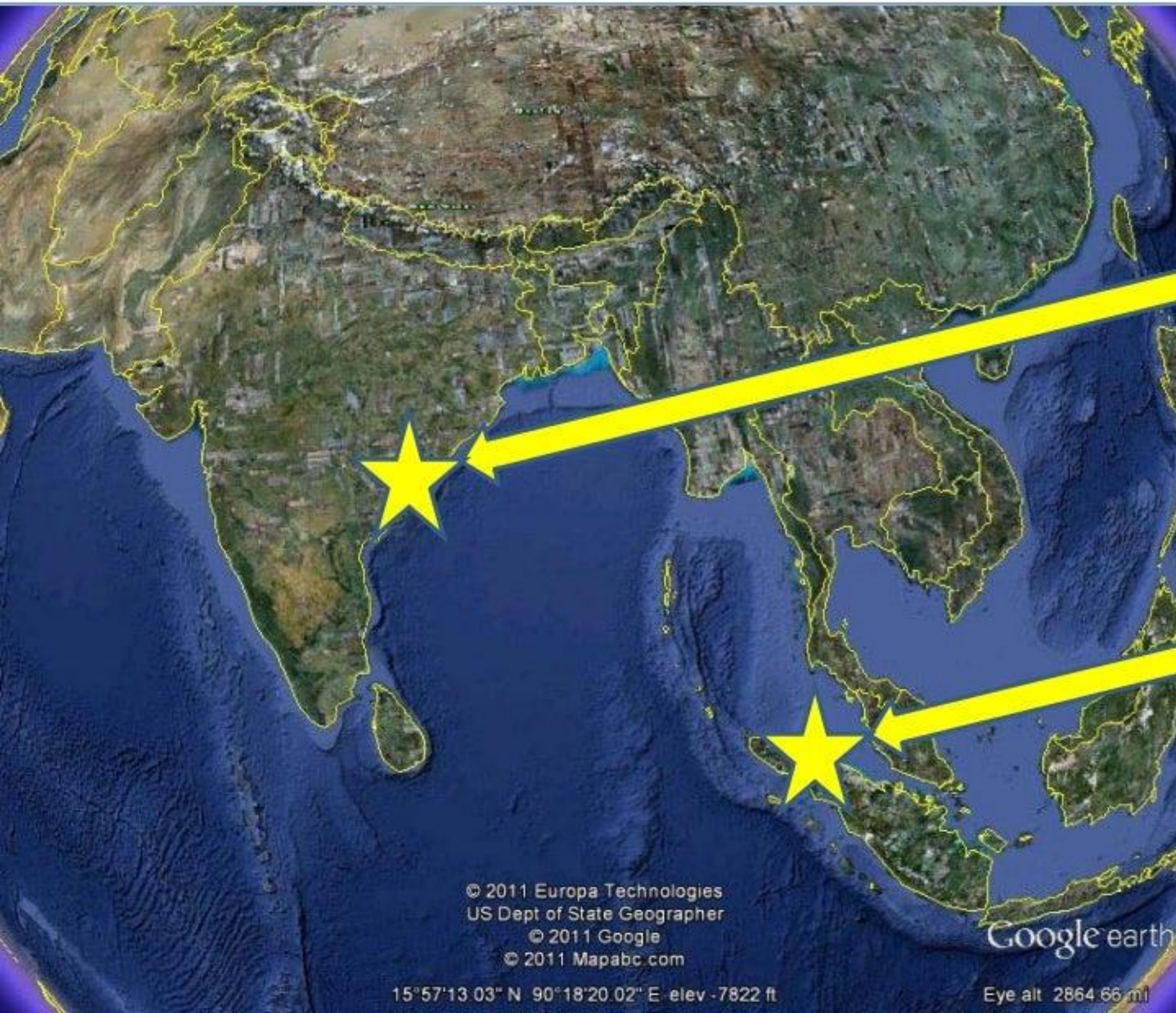
- collective/scale efficiencies for farmers an industry
- increased bargaining power
- lower production costs
- improved access to input and services
 - *e.g* technical, credit, bulk purchase/discounts;
- empowerment of farmers, particularly smaller producers
- increased voice and influence

.. but they also have costs and challenges

- takes time
- needs trust
- needs investment
- transaction costs can be high
- participation and benefit sharing
- free riders
- sustainability (beyond projects)



Some experiences



India – crowded coastal aquaculture



Background

- India is a significant producer of aquaculture products
 - produces \$10b of shrimp and fish
 - 70-80 % small-scale farms < 2 hectares
- Underperforming in early 2000
- Response from 2000 – onwards
 - project investment in better farm management and society development
 - govt invested “umbrella” society - NaCSA in 2007



Investments in small-scale farmers

- Better Management Practices (BMP):
 - pilot of 10 farms in 2002
 - extensive roll out post 2002
- Organizational improvements
 - societies and clusters in common waterways

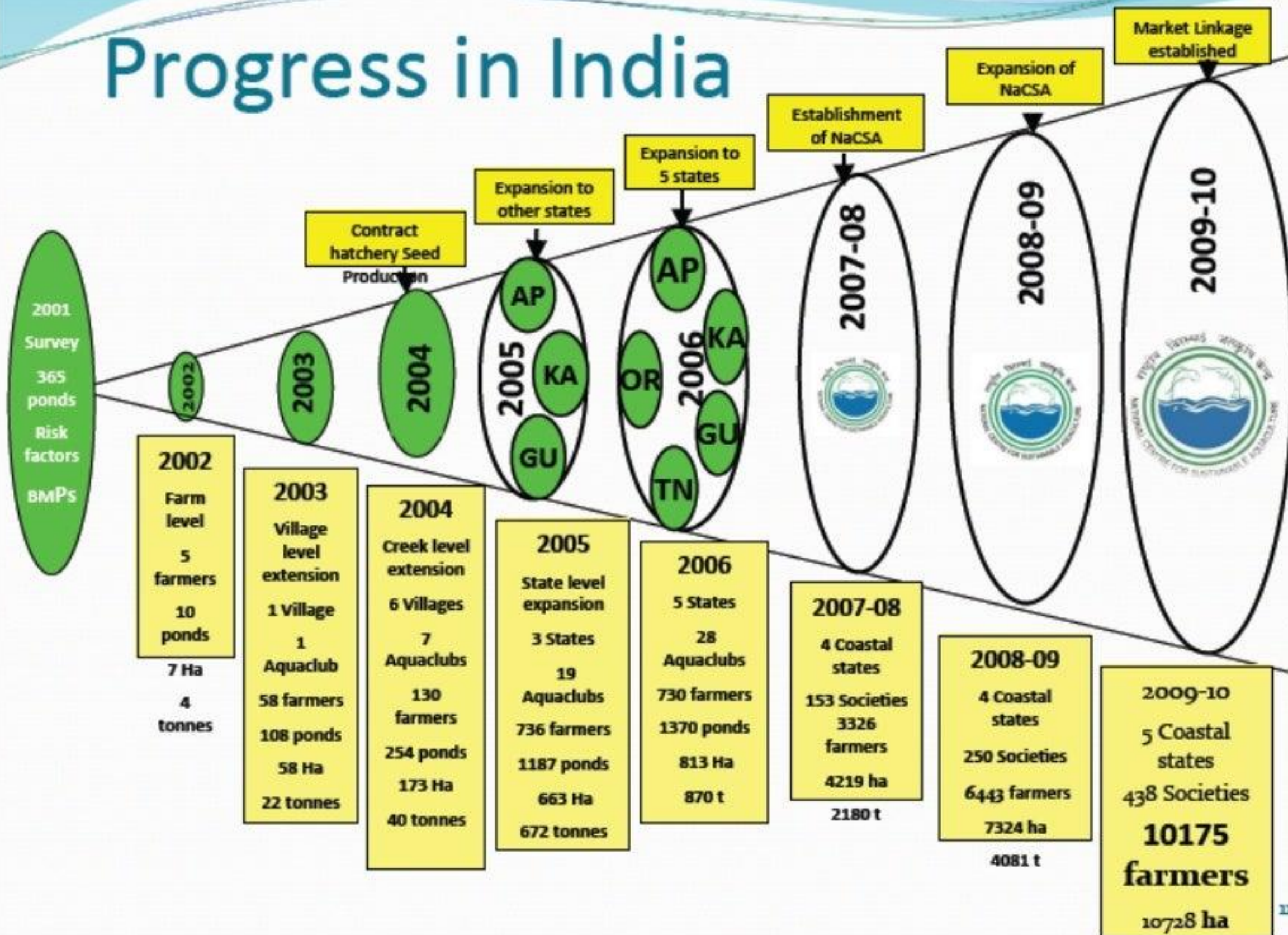


.. more activities

- improving field extension services
 - village based, with close contact with farmers
 - communication and education campaign
- improving connections to value chain players
 - hatchery operators, feed manufacturers, lastly markets



Progress in India



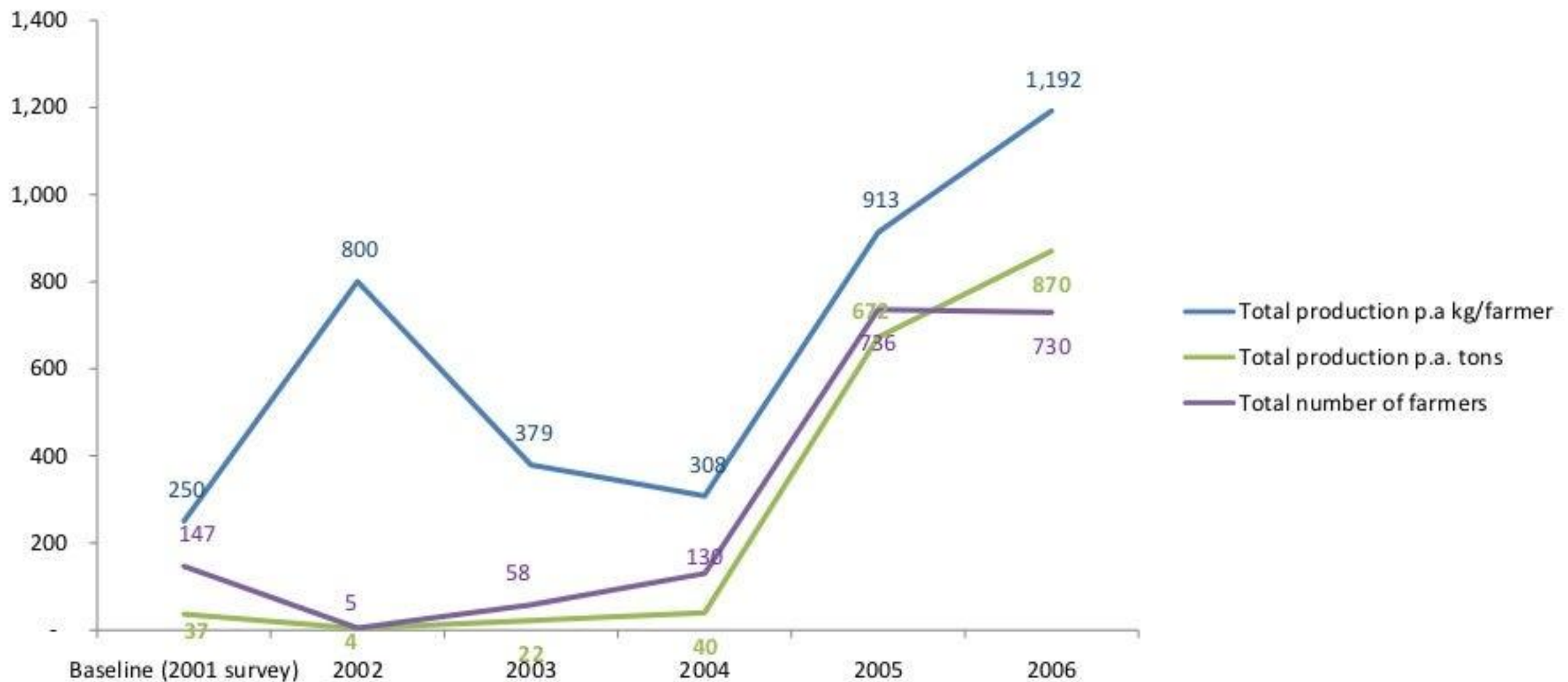
Success relied on local farmer societies

- 20-30 people
 - common water supply management
 - access to technical services
 - credit (Bank)
 - bulk purchase of seed and feed
 - synchronized shrimp stocking



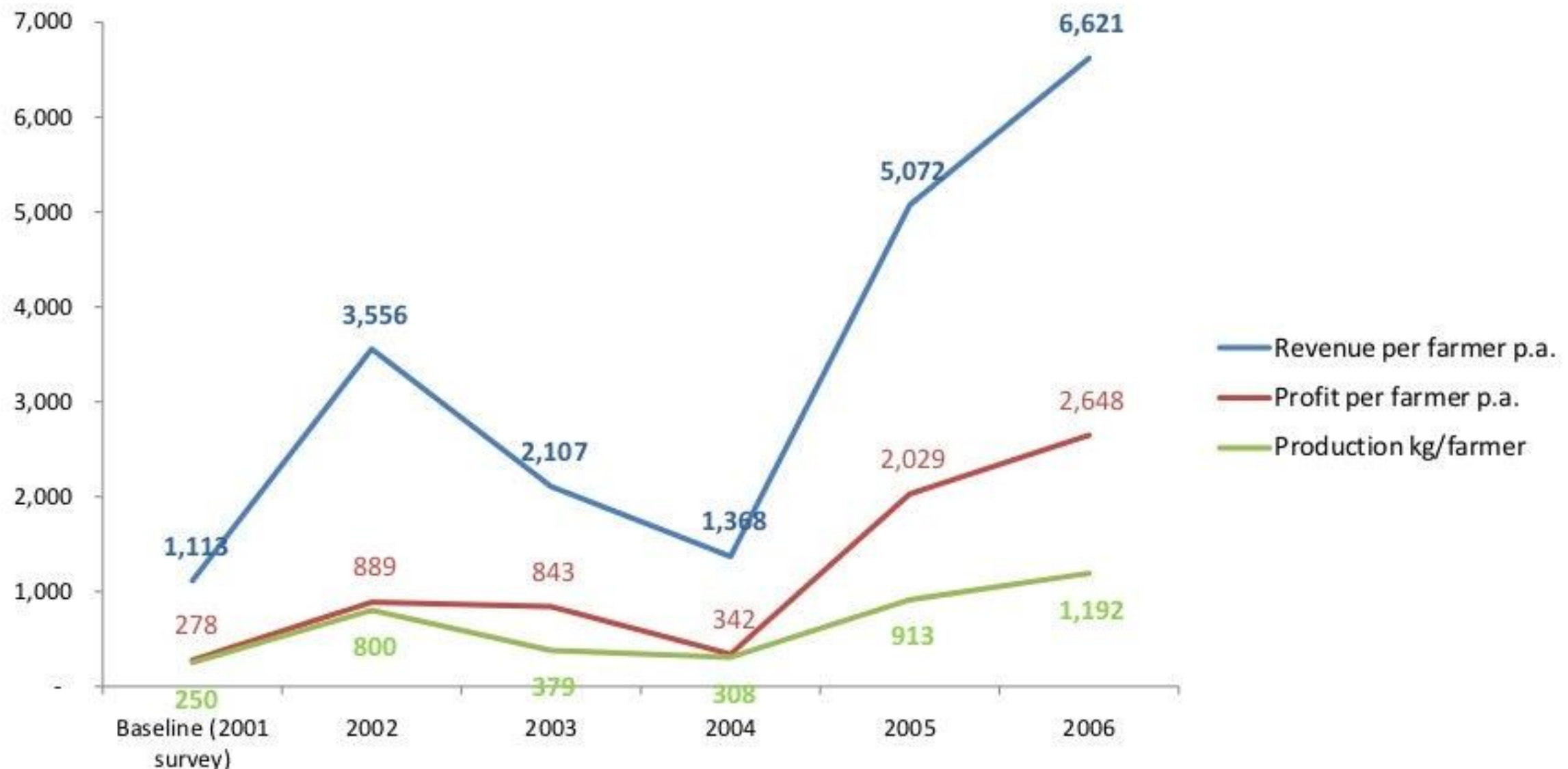
Outcomes – improved pond yields

- Kg/farmer increased by 376%
- Total production increased from 37 tons p.a. to 870 tons p.a.



Outcomes – improved farmer incomes

- Increase in net profit per farmer from \$278 p.a. to \$2,648 p.a.
- Profit margins increased from 25% to 40%



Outcomes – excellent project returns

- Strong returns - \$272k investment generated net profits of \$3.52m



Indian societies - lessons learned

- There can be significant impacts for small-scale farmers, but:
 - it takes time for solid results
 - slow change in knowledge, attitude and practice among farmers
 - good and reliable services at grass-root brings the real change
 - “lead farmers” important
 - engage with stakeholders along value chain
 - *direct financial/in-kind support to farmers brought negative results.*



Farmer cooperative in Aceh, Indonesia



Recent history

- Internal conflict – mid 90s till 2004
- Earthquake and tsunami in December 2004
- Responses
 - Humanitarian
 - Infrastructure rehabilitation
 - Improved management and rebuilding farmer organizations



Investments in management and farmer organizations

- “Better management practices”
- Organization re-building
 - Farmer groups
 - Clusters
 - Local services
 - Moving towards a formal membership-based cooperative
- Communications

