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# Agricultural Extensionists met in Bangkok to discuss issues on Market-Oriented Agricultural Extension

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# Newsletter

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## Agricultural Extensionists met in Bangkok to discuss issues on Market-Oriented Agricultural Extension



Group pictures of delegates attending the workshop on 11-13 May 2010, Bangkok, Thailand hosted by Mr. Hiroyuki Konuma, Assistant Director-General and FAO Regional Representative for Asia and the Pacific (center).

In order to be more competitive farmers have to become more business orientated. As a result, extension services also have to change to become more market-oriented in the advice they give to farmers. The Workshop on Market-Oriented Agricultural Extension has been organized by AFMA in association with FAO to raise awareness among policy makers and senior staff of

agricultural or marketing extension agencies, as well as officers responsible for agribusiness development. It also showed materials and works that FAO has been doing on these topics. It advised and guided participants on how to develop a project proposal and find possible collaborators.

See News and Events on page 3



## In this Issue

Editor's Desk .....	2
News and Events .....	3
Feature Articles .....	4
Upcoming Activities .....	6
Members' News .....	7
Publication Review .....	8

# Editor's Desk

A Workshop on Market-Oriented Agricultural Extension took place in May with support and collaboration by FAO's Regional Office for Asia and the Pacific and FAO's Head Office in Rome. The workshop was very successful. It was a great relief for us that all guests left before the confrontation between the Red Shirts group and military forces. I was informed by the hotel that it experienced no incidents or damage despite some reports that it had suffered a fire, although it was close to some of the violence. From the above meeting, I was impressed by the illustration used in the Marketing Extension Guide Series published by FAO. The message that each cartoon sends out is amusing but contains good advice which sometimes could be forgotten. AFMA Newsletter will be picking up one illustration each time from this series for you starting from this issue.

In the next issue, we will report on the study tour that we are now preparing for a group of Vietnamese extension officers with support by FAO Vietnam. Also there will be an announcement about the AFMA General Assembly. I hope you are continuously supporting us and hope you enjoy reading this newsletter.

Best wishes,  
Juejan

Extension workers should advise farmers of their different options, but they should never tell them what to do.



Source: Reproduced from Marketing Extension Guide (5): Horticultural Marketing © FAO 2005.

## AFMA Newsletter

The AFMA newsletter is published quarterly and distributed to members, FAO representatives, embassies, universities and marketing institutes throughout Asia and the Pacific. The purpose is to provide information of AFMA's events and information and ideas on international and regional agricultural food policy, trading and marketing. To submit news items or to advertise with us, please visit [www.afmaasia.org](http://www.afmaasia.org).

Juejan Tangtermthong  
(Executive Director, AFMA)

Editor

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#### AFMA

39 Maliwan Mansion  
Phra Atit Road  
Bangkok 10200, THAILAND

Tel: +66 2 6974350-2  
Fax: +66 2 6974406  
E-mail: [info@afmaasia.org](mailto:info@afmaasia.org)

Office hour: 07.30-15.45 hrs. (GMT+7)

## Agricultural Extensionists met in Bangkok to discuss issues on Market-Oriented Agricultural Extension

Reported by Juejan Tangtermthong and K.M. Singh



*Presentations of country paper on the first day*



*Panel discussion on the second day*

On 11-13 May 2010, a Workshop on Market-Oriented Agricultural Extension was held in Bangkok by FAO and AFMA. This gathered almost all agricultural extension officers in Asia together. It built up a good relationship between organizers and delegates from 15 countries; Bangladesh, Bhutan, China, India, Indonesia, Lao PDR, Malaysia, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, Vietnam and Thailand.

This workshop gave an understanding of the structure of agricultural extension in different countries. It is known that many governments in Asia are changing their perspective from one of food security to one of livelihoods. Market-oriented extension has been starting in many countries. However, the services available have not yet reached a satisfactory level. The workshop was a success in raising awareness of the work that FAO has done in market-oriented extension and introducing many training and extension materials which can support national extension agencies. Each country identified issues and priority needs. The meeting was also introduced to some extension materials that Government of Nepal and FAO had recently developed together in the Nepali language. In the last sessions of the workshop, participants were briefed on project formulation and were asked to prepare outline proposals for projects, covering the broad topic of market-oriented extension. With the exception



*Dr. K.M. Singh,  
Principal Scientist  
and Head of division  
of Socio Economic,  
Extension & Training  
(SEET); MOAS  
resource person*

of Thailand, Lao PDR and Myanmar, who prepared a sub-regional project to address cross-border supply-chain issues related to bio-fuel development, all countries prepared national projects.

Several of the projects stressed Information and Communication Technology (ICT) issues. Although many participants were enthusiastic about the potential offered by ICT, it was noted that the track record of several of these countries using more traditional dissemination methods in the field of, for example, market information provision, had not been good, with the quality of information provided often being poor or irrelevant. There was thus a danger that ICTs would just enable farmers to get bad information more quickly.

The proceedings of the workshop are in preparation and will be published and distributed soon. It will comprise of summary of all country papers, project profiles, findings and conclusions from the workshop. For a list of participants and the program, please visit [www.afmaasia.org/MOAS](http://www.afmaasia.org/MOAS)

*Market Oriented Agricultural Extension is a term organizers of the workshop used to describe the need for extension services to help farmers better meet market demand. The market oriented agricultural service (MOAS) or market-oriented agricultural advisory services (MOAAS) is an advisory service covering market oriented subject areas such as postharvest handling, product quality certification, farm business management, contracting, market and financial linkages, farmer organization and market and business information aiming to enable farmers to respond adequately to market changes.*

## Agricultural Market Development and Risk Management in China<sup>1</sup>

By Mr. Shuai Ma, Ministry of Agriculture, China and Prof. Qiao Zhang Chinese Academic of Agriculture Sciences



Wholesale Markets in China

Since the mid-1980s, China has undertaken market-oriented reforms concerning the distribution mechanism of agricultural products. Distribution modes that feature “Producers→Supermarkets→Consumers” have gradually been developed in China. Meanwhile the government continues to help improve agricultural production and increase supply by transforming functions and strengthening distribution service in accordance with the requirements of a market-oriented economy. Major services and management projects were mainly carried through market building, business organization, and by enhancing skills of players in the agricultural market and controlling quality and safety of agricultural products.

In market building, priorities were set on the construction of agricultural product wholesale markets, supermarkets and futures markets. With Chinese government efforts, 70% of fresh agricultural products are distributed through wholesale markets. By the end of 2009, there were 3,600 agricultural wholesale markets in China with a total trade volume of 1.45 trillion RMB. 25% of retail sales in the urban areas take place in supermarkets. Around thirty largest retail enterprises in the world among fifty have entered into the Chinese market. Intermediaries have been reduced, bringing the producers much closer to retailers. As for agricultural futures markets, 13 products (rice, wheat, corn, soybean, soybean meal, cotton, sugar, crude rubber, etc.) were traded in China as agricultural future products (AFP). The total trade volume of agricultural product futures markets had reached 62.2 trillion RMB by the end of 2009.

In business organization, developing professional cooperatives for farmers and promoting the industrialization of agriculture are the priorities. The cooperatives have played

increasingly important roles in the transportation and distribution of agricultural products. Currently more than 80,000 leading enterprises directly interact with 100 million farmers. As agricultural enterprises continue to develop, they have established a win-win solution to serve both their interests and those of farmers.

While the restructuring of agricultural production has resulted in the development of large-scale agricultural production areas, to some extent the emergence of such areas has caused a possible threat to the income of farmers. The main issues in Chinese Agricultural Products Market are:

- Mismatch between seasonal supply and demand of agricultural production
- Weak infrastructure and service functions
- Business capability of players in Chinese agricultural market need to be improved
- Stable pricing system for agricultural productions has not been established

To stabilize the income of farmers and to promote modernization of agriculture, the establishment of a risk-management system for the agricultural products market needs to be pursued. The circulation of facilities has to be strengthened and the risk during market transactions should be reduced. New tools or mechanisms for market risk-management and to alleviate price risk should be introduced, such as insurance programs and contract farming. While insurance programs have been carried out, types of policies and measures that enhance the effectiveness of market risk management should be implemented at the same time. To further prevent possible risks from occurring, vigorous studies focus on agricultural market risks analysis and systematic training plans for management risk in the agricultural products market should be made.

<sup>1</sup> Presentation of the Consultation Workshop on Market-Oriented Agricultural Extension, 11-13 May 2010, Bangkok, Thailand

# Market-Oriented Agricultural Extension in India<sup>2</sup>

By Shri Sanjeev Gupta I.A.S, Joint Secretary, Ministry of Agriculture, Government of India; Dr. V.P. Sharma, Director of National Institute of Agricultural Extension Management and Dr. C. Gowda, Additional Commissioner, Government of India.

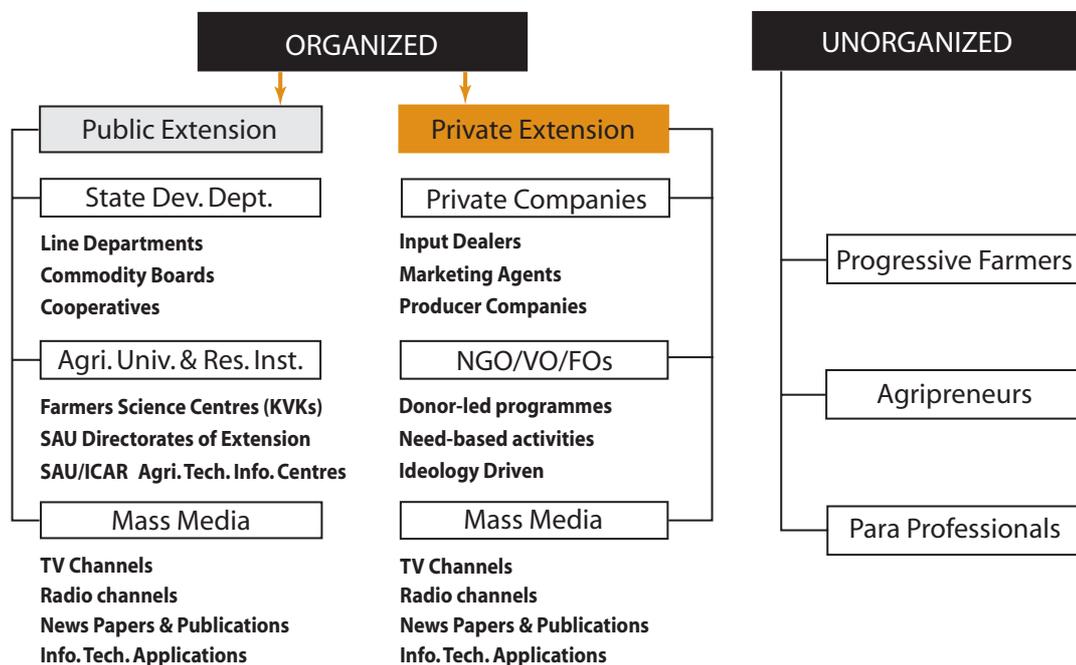
Agriculture is the major industry of the Indian economy because of its high share in employment and livelihood creation. More than half a billion people or 58.2% of the workforce in India is supported by agricultural employment. Meanwhile, Market-Oriented Agricultural System is at a very early stage in India. Recently agricultural extension has shifted the focus from production oriented extension to market-oriented extension work in which farmers are assisted to pick signals from the market as to what products and quality of products are demanded in the market places. Several significant initiatives have been taken in recent years by the Government of India.

The focus of Extension and Marketing systems is changing rapidly in the light of globalization and market integration. One of the greatest impediments of shifting from production to market-oriented extension services is the prevalence of distorted markets due to poor market infrastructure and management. With the increase in education, income and urbanization, demand for high value commodities has also increased. Farmers produce commodities in abundance creating extreme seasonal excesses as a result of lack of clear knowledge about market demand, market infrastructure and logistics facilities. Every sector is aware of the situation and has been trying to address this issue.

Agricultural development continues to remain the most important objective of Indian planning and policy. The experience of agricultural development in India has shown that the existing systems of delivery of agricultural inputs and marketing of agricultural output have not been efficient in reaching the benefits of technology to all sections of farmers. Considering that the public extension system alone will not be able to deliver the required services for farmers, the private sector has to also be effectively utilized. At present, the private sector has diversified and now undertakes a range of functions including value-addition, agriculture trade, and extension. Many private sector companies are involved in providing multiple services as a part of their business strategy.

Extension reforms in India focus on reforming public sector extension while encouraging decentralized decision

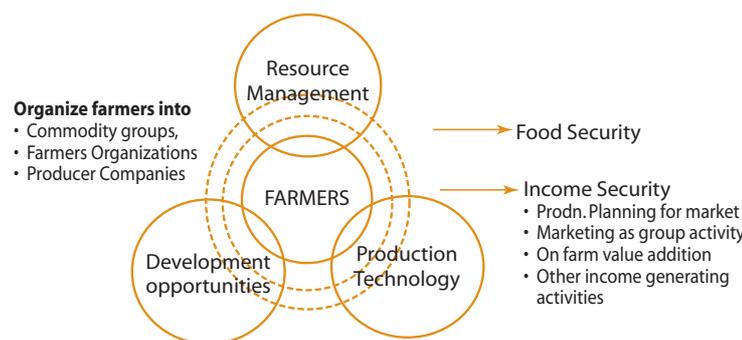
## Extension Service Providers in India



making by providing opportunities for farmers and commodity groups to be involved in planning and execution of extension activities to have better market-led extension. Farmers Help lines, Mobile phone-based services and Community Radio Stations are some of the services supported by the government to have access to the farmers.

At the moment the major challenges facing the Agricultural Marketing System in India include enhancing efficiency of agricultural marketing infrastructure, institutional mandate development creating synergy among key stakeholders and capacity building of national institutions and state departments of agriculture and marketing. A simultaneous effort is needed to educate farmers and to reform agricultural markets and market management.

## Relevance of Extension in Agricultural Development



Role of Extension is to relate relevant external knowledge and options to farmers to expand their horizon to face the emerging problems

<sup>2</sup> Presentation of the Consultation Workshop on Market-Oriented Agricultural Extension, 11-13 May 2010, Bangkok, Thailand

# Upcoming Activities

## ASSOCHAM 2<sup>nd</sup> International Summit cum Exhibition on Processed food, Agribusiness and Beverages

15-16 September 2010, Hotel Oberoi, New Delhi

ASSOCHAM, in partnership with Ministry of Food Processing Industries and Ministry of Commerce & Industry, Government of India as well as with other partners from public and private sector companies, is organizing the 2<sup>nd</sup> International Summit cum Exhibition on Processed food, Agribusiness and Beverages, on 15-16 September 2010 at Hotel Oberoi, New Delhi. This will provide an excellent opportunity for business-to-business interaction among industries, technology providers, States and Countries as well as providing a platform to expose their

strengths for exploring investment opportunities.

The Summit will focus on processed food, beverages and agribusiness, with a view to increase business opportunities and investments. National and International exhibitors, delegates, speakers, senior Industry representatives, International buyers, exporters and experts from all over the world will also be present on the two-day event. The details of the Summit can be accessed through:

<http://www.assochem.org/events/showevent.php?id=44>



## 8<sup>th</sup> China Agricultural Trade Fair

18-22 October 2010, Henan, China

The 8<sup>th</sup> China Agricultural Trade Fair (CATF 2010), which is directly organized by the Ministry of Agriculture, will be held in Zhengzhou International Convention & Exhibition Center, Henan Province, China, during 18-22 October 2010. It targets companies and people in the sector of agriculture industry, food industry, and agricultural machinery industry. It provides an efficient site for communicating and trading between suppliers and purchasers, traders, importers and wholesalers. CATF 2010 includes numerous Chinese province-level pavilions, an agricultural machinery zone, an agricultural products sale zone and an international show zone. In CATF 2009, over 20,000 trade visitors from 40 countries visited 37 pavilions and over 3,000 exhibits were shown at CATF 2009.

A special offer at CATF 2010 for professional visitors is the International Buyer Program (IBP), which is designed to help international buyer groups make purchases at the fair. As a member of the international buyer group, you will receive many valuable free benefits such as free purchase news release, meeting with qualified Chinese distributors selected by Chinese Agricultural trade specialists, and free entry of buyer's product information on the fair's official website for one year. Some of the exhibits will be present in the event include agro-products, food & beverages, animal husbandry & aquatic products, agro-inputs and agro technology and machinery. AFMA members please contact secretariat office for benefits. For more information visit: [www.regalland.com/chinaagtradefair](http://www.regalland.com/chinaagtradefair)

## Asian Small Farmers Animation Competition

June-August 2010, Thailand



In 2007, ten successful cases of small farmers in high-value markets located in Asia were identified and studied by AFMA and its consultants with support from FAO. This year, we are planning to put these successful stories into a CD-ROM to expose farmers in the region to opportunities and inspirations by learning from other fellow farmers. Within this framework, AFMA, with support from FAO is opening an 'Asian Small Farmers Animation Competition' to tell the stories of these successful cases. The competition is opened for university students to form a team to create animation from a provided story and materials. The winning team will receive a prize, certificate and opportunity to sign a contract agreement with AFMA to prepare further the CD-ROM multimedia of the nine cases studies worth US 2,800 (THB 90,000) where all materials and stories will be provided. Eventually their CD-ROMs will be reproduced and distributed to farmers and many other associations as educational resources within the region. The competition is limited to entrants in Bangkok.

*Continued on page 7*

## Representative from UMFCCI, Myanmar visiting Bangkok to Audit AFMA accounts



As the 14<sup>th</sup> General Assembly appointed Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) to audit AFMA's account for 2008-2009, Mr. Sein Win Hlaing the auditor, life time member of UMFCCI and currently Vice President of Myanmar Rice Industry Association, Chairman of Myanmar Paddy Producers Association came to visit AFMA Secretariat with his team for four days between 24-27 May 2010. The accounting report and related documents have been reviewed. The auditor not only looked at the correctness of the transaction, but also checked at the agreements and activities AFMA made to see whether expenditures were reasonable for a non-profit organization. The report has minor correction and should be approved soon then it can be distributed to members in the General Assembly and Executive Committee meeting of AFMA this year.

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**Upcoming Activities** from page 6

## Study tour on “Key Functions of the Government Extension System in Strengthening Thailand’s Fruit Industry” for Vietnam Officials

20-29 July 2010, Thailand

AFMA is organizing a study tour on key functions of the government extension system in strengthening Thailand's fruit industry from 20 to 29 July 2010 for commune officials, district and provincial Department of Agriculture and Rural Development officials from Quang Nam province, Vietnam. The study tour is aimed to offer participants insights into how the government agricultural extension system has contributed to the development of Thailand's fruit and high

value plantation crop industries. It will also help participants to understand the role of players in the supply chain such as small processors, sellers and collectors who have the most direct relationship with growers. The visit will allow the visitors to see agricultural extension systems in Thailand and take their learning home to adapt and promote development of sustainable, market-oriented systems in their country.

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## Agricultural Association Directories

Open for contributions until September 2010

Currently AFMA is collecting a list of agricultural associations in Asia and the Pacific to develop a directory which will later be distributed to members and put up as a free-access resource on AFMA's website. AFMA is planning to first publish and distribute the Directory of Agricultural Associations in Asia and the Pacific at its General Assembly Meeting as a souvenir. The preparation for the General Assembly is in process and the confirmed date will be announced soon.

The directory will include all parties and associations

involved in chains, and linkages between chain actors including farmers, crop buyers, processors, distributors, exporters and suppliers of support services and inputs. To develop an inclusive directory, AFMA is still searching for more associations and would like to ask our members and non-members to provide us with information about available associations within their countries. The directory will certainly be a useful resource for all marketers and producers. Kindly submit the list to [info@afmaasia.org](mailto:info@afmaasia.org). Information providers will receive full acknowledgement in the publication.

**3rd Africa Rice Outlook**  
26 – 29 July 2010  
Cape Town, South Africa  
[www.agra-net.com/riceafrica](http://www.agra-net.com/riceafrica)  
**Register Now!**

# Publication Review

## FAO Marketing Extension Video on Horticultural Marketing



In order to promote agricultural development extension, officers should be able to provide business and marketing advice. This video introduces the topics of horticultural market research and marketing extension. It is now being made available on-line under the name Horticultural Marketing Extension Techniques to give wide access for extension workers in developing countries. There are 7 clips in total with duration of three to five minutes for each clip. The first part of the film starts by taking extension officers to stages of planning and preparing the right questions so they can help farmers in their projects. The second part covers the vital role of information gathering such as finding out about the companies providing the packaging, transportation, and storage. The third part

mentions how the production marketing chain works and the final section reviews the marketing activities of extension officers as well as marketing extension techniques. The video is now available on the FAO of the UN YouTube Channel: <http://www.youtube.com/user/FAOoftheUN#g/c/0A1EE0DC2F3A3E3A>.

FAO's marketing extension guide on Horticultural Marketing can also be found at: <ftp://ftp.fao.org/docrep/fao/008/a0185e/a0185e00.pdf>



Organized by the Ministry of Agriculture P. R. China

# 8TH CATF 2010

## CHINA AGRICULTURAL TRADE FAIR

October 18-22 Zhengzhou, China

*Agricultural Products, Food and Agricultural Machine*

Agricultural and Food Marketing Association  
for Asia and the Pacific (AFMA)

39 Maliwan Mansion, Phra Atit Road, Bangkok 10200, THAILAND

Phone: +66 2 6974350-2 Fax: +66 2 6974406

E-mail: [info@afmaasia.org](mailto:info@afmaasia.org) [www.afmaasia.org](http://www.afmaasia.org)

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