

# Some observations to arise from discussions (1)

- Need for local support; “multi-stakeholder” approach involving and working in parallel with local officials; consensus building. Importance of local infrastructure.
- NGOs should aim to leave behind more than just a few successful groups. Curriculum and training material development is also important.
- Availability of Business Development Services (BDS) is important.
- But do such services exist and can farmers afford or are they willing to pay for commercial services?
- If BDS are essential to sustainability, should NGO’s make sure that such services are part of their intervention methods?

# Some observations to arise from discussions (2)

- Fairly business-friendly environment in the region. But Government support services, such as research and training, need development.
- Farmer expansion generally constrained by lack of finance. How can this be addressed on a sustainable basis?
- Should finance issues always be part of market interventions, i.e., find new ways of providing rural finances and micro-finance linkage and not use subsidies for farmer support?

# Some observations to arise from discussions (3)

- It is not just about the market. We need to balance market development with:
  - Food security considerations
  - Social resilience issues (health, gender, planning)
  - Production practices and technology improvement
  - Marketing therefore being part of a broader development approach?
- *(but if marketing is just one small component of a project will it then be done well?)*

# Some observations to arise from discussions (4)

- There are no hard and fast answers and we must recognise that we are in a learning process and still experimenting.
- Different models and tools have to be tried out and suitable models identified for different types of market chain, locations and NGO skills.
- What is the best mechanism for exchange of information between NGOs?
- Donors need to better understand the reality of project implementation and the time it takes to build a business (*should they spend more time with farmer groups, should we have invited them?*)

# Some observations to arise from discussions (5)

- Should market support be given to the most competitive farmers so that they can exploit market opportunities.
- However, NGOs are usually asked to provide services to the least capable, most marginalised, is this a problem?
- Interventions have to be consistent with cultural constraints faced, with location and market access considerations and with capacity of local government and organizations to support the activities.
- Can we assume that if an agro-enterprise is not profitable, it is not sustainable, and not worth doing!
- Do we build transaction or opportunity costs into our calculations of profitability of farmer group activities under projects?

# Some observations to arise from discussions (6)

- NGOs almost always work with farmer groups, but are farmer groups always necessary for market access?
- If not, what factors determine a need for groups? (*Crops, transaction methods, complexity, etc.*)
- There appears to be no agreed approach to forming and working with groups. Is this necessary?
- How important are personalities?
- If groups are not necessary, how could NGOs intervene without forming groups?
- Can community groups make the transition to business groups?

# Some observations to arise from discussions (7)

- Developments are often constrained by inadequate marketing facilities. Can we develop traders to work with farmers?
- Should NGOs always aim to intervene at level of farmer? Chain wide thinking.
- Is working with traders and their associations a legitimate role, without having particular groups of farmer beneficiaries in mind?
- How can our staff (NGOs and FAO!) better understand the way the private sector functions and the problems it faces?

# Some observations to arise from discussions (8)

- There appeared to be no agreed definition of “direct” and “indirect” subsidies. What types of support to farmers should always be avoided (*free inputs; transport of outputs?*);
- What could sometimes be provided (*small-scale value adding equipment?*); and what can be regarded as legitimate developmental support for NGOs to provide (*training; market research?*)?

# Outline of the Meeting Report

- **Introduction** (why is marketing important?, define market chains, channels, biz models types, policy options opps and constraints)
- **Marketing methods in Vietnam** (FAO, CRS, SADU, VEDCO, etc)
- **Business Models in Vietnam** (your presentations in categories of Biz models)
- **Key issues** (biz models, market linkages, farmer groups, BDS, scale, sustainability, policy issues)
- **Conclusion**