

# Time to connect forest and agricultural producer organizations



More than a billion of the world's poorest people rely on forests and trees on farms to provide food, energy and cash income (FAO, 2012). Forests are also vital renewable resources for industry, and they provide globally important environmental services. For long-term sustainability, balancing the needs of large and small producers is not easy, but there is growing evidence that giving people well-defined forest-user rights enables them to improve their livelihoods and manage forests sustainably (IIED, 2012).

By forming producer groups and cooperatives, forest farmers can take collective action and enjoy economies of scale. Forest products – timber, building materials, fuel, fruit, medicinal plants, fungi and more – are used in various forest enterprises. Some, such as producing tree seedlings in forest nurseries and collecting fruit, leaves or mushrooms, give women the chance to earn cash income. However, individuals often harvest produce in remote areas far from markets. They may depend on traders who offer low prices, knowing that the producer has few other potential buyers. Without the strength in numbers conferred by group membership, small producers often struggle to subsist.

Improving market access, negotiating better prices, procuring cheaper inputs and enhancing access to appropriate technology are all ways in which producer organizations can support business development for their members. Such organizations can also articulate the challenges faced by small producers operating in the presence of powerful actors. Organizations can give small producers a voice

at the negotiating table, ensuring that their concerns are noted and incorporated in rural development policies. Producer organizations can also support members while their trees are growing. Even fast-growing species in optimum conditions take years to mature, so producers need interim sources of income. Non-wood forest products and agricultural production represent viable solutions to overcome this challenge, especially when the products are sold collectively.

## Recommendation: Support existing producer organizations in including forestry services

There are already many producer organizations and cooperatives in existence. It therefore makes sense to *build on their cohesion and local credibility* – rather than starting new organizations – and encourage them to provide forestry as well as farming services. Although cooperatives bring strong environmental and social benefits, smallholders' main reason for joining them is to improve their own financial well-being. *Groups must therefore function well enough to offer services that improve their members' livelihoods*, which may mean seeking external support, at least in the early stages.

### CASE STUDIES



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## Using trees as collateral for loans in China

Forest farmers near Yongan City faced the twin problems of insufficient working capital and high risks when managing individual woodlands. Cash-strapped forest owners are often forced to fell part-grown trees, even though these trees are worth far less than mature timber. However, China has a system that allows farmers to borrow against the potential value of young trees, so the farmers near Yongan City pooled their resources in a shared-stock forest farm. They were then able to use their growing trees to guarantee loans from a local credit cooperative. They used the money to buy more woodland, creating a unit large enough to support a processing factory and add value to the timber crop (FAO/AgriCord, 2012).

## Women's cooperative sells to international buyers

Fruit from the marula tree has long been collected and processed by women in Namibia's rural areas, where the nutritious marula oil is valued for both cooking and skin care. Thanks to the Eudafano Women's Cooperative and links to international trade networks, marula oil is now sold to global cosmetic brands for good prices. The cooperative has a processing

factory that produces marula oil to international standards, and is piloting the mechanical extraction of kernels from the hard marula nut, as this is very time-consuming when done by hand. The 5 000 cooperative members have an assured outlet for their marula, and many women can now afford to pay education and medical fees for their families.<sup>1</sup>

<sup>1</sup> marula.net and  
www.thebodyshop.com

*Capacity-building support* is clearly of prime importance. *Embedding the principles of accountability, inclusivity and cooperation* – both within and outside the group – is a fundamental goal for all development partners. More specific aims are dictated by the particular challenges posed by the great potential wealth of forests. Trees and forests are significant assets that represent insurance against crop failure and the possibility of income in retirement for smallholders. They are also attractive to bigger players, whose actions may directly oppose the interests of small family foresters. *Supporting the forest protection measures* that producer groups undertake, and helping to *bring small producers into international climate change mitigation and environmental service markets, via their organizations*, are of particular value.

The success of cooperative ventures is facilitated by powerful external and other factors, including security of tenure and resource rights, favourable economic conditions, an enabling legal framework, and long-term support from government and other partners. *Decision-makers* must therefore provide an enabling policy environment that recognizes forest producer organizations as legal entities. Simplifying essential bureaucracy, providing forest extension services and ensuring that groups are formally included in policy dialogue are essential in enabling cooperatives' representatives to contribute to policy development and to lobby for a supportive environment.



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## Cooperatives help farmers manage acacia woodland

Although Viet Nam is one of the world's top producers of wood products, it imports 80 percent of the timber it needs to supply this industry. To reduce the need for imported timber and provide income for small family farms, the government is distributing State-managed land – much of it deforested or degraded – to individuals on 50-year leases. New forest owners need training and support to grow quality timber, mainly *Acacia mangium*, which can be certified as sustainable. Agricultural cooperatives are starting to provide these services, and a twinning project will help the cooperatives and farmers to learn about



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forestry as a business. The project will work with the Programme for the Endorsement of Forest Certification Schemes (PEFC) to train farmers so they can increase their incomes through certification. PEFC staff are visiting Viet Nam in early November 2012 to run a workshop and plan next year's activities.

## Village groups benefit from forest ownership rights

In the Gambia, in the 1990s the government responded to forest degradation and increasing rural poverty by transferring forest ownership to villagers. Supported by the forestry department and non-governmental organizations (NGOs), community groups learned how to protect and enrich their forests, and set up small businesses based on forest products. Branch fuelwood, honey, handicrafts and ecotourism proved to be particularly effective money-spinners. Women

are especially involved in small enterprises based on fruit and herbs, and some have important roles in forest committees. Profit is either reinvested in the forest or spent on village development – local transport, electricity, clean water, better schools, livestock vaccination and road maintenance. Villagers protect their natural resources carefully, as they see clear benefits from maintaining a productive forest environment (FAO and IFAD, 2012).

*Cooperatives and producer organizations* need to develop their internal capacities and broaden their networks so they can provide specialized services that are relevant to forestry and non-wood forest production. They must also cooperate with other players, encourage women to take leadership and administrative positions within organizations, and make sure that groups are run fairly and transparently.

*Development partners* should focus on helping producer organizations to broaden the scope of their activities and include services for forest producers. Support should be directed to expanding internal capacity and developing forestry stakeholder networks, and to forestry-based lobbying, advocacy and entrepreneurial activities carried out by producer organizations.

## References

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