

SRP for Rice Market Linkage

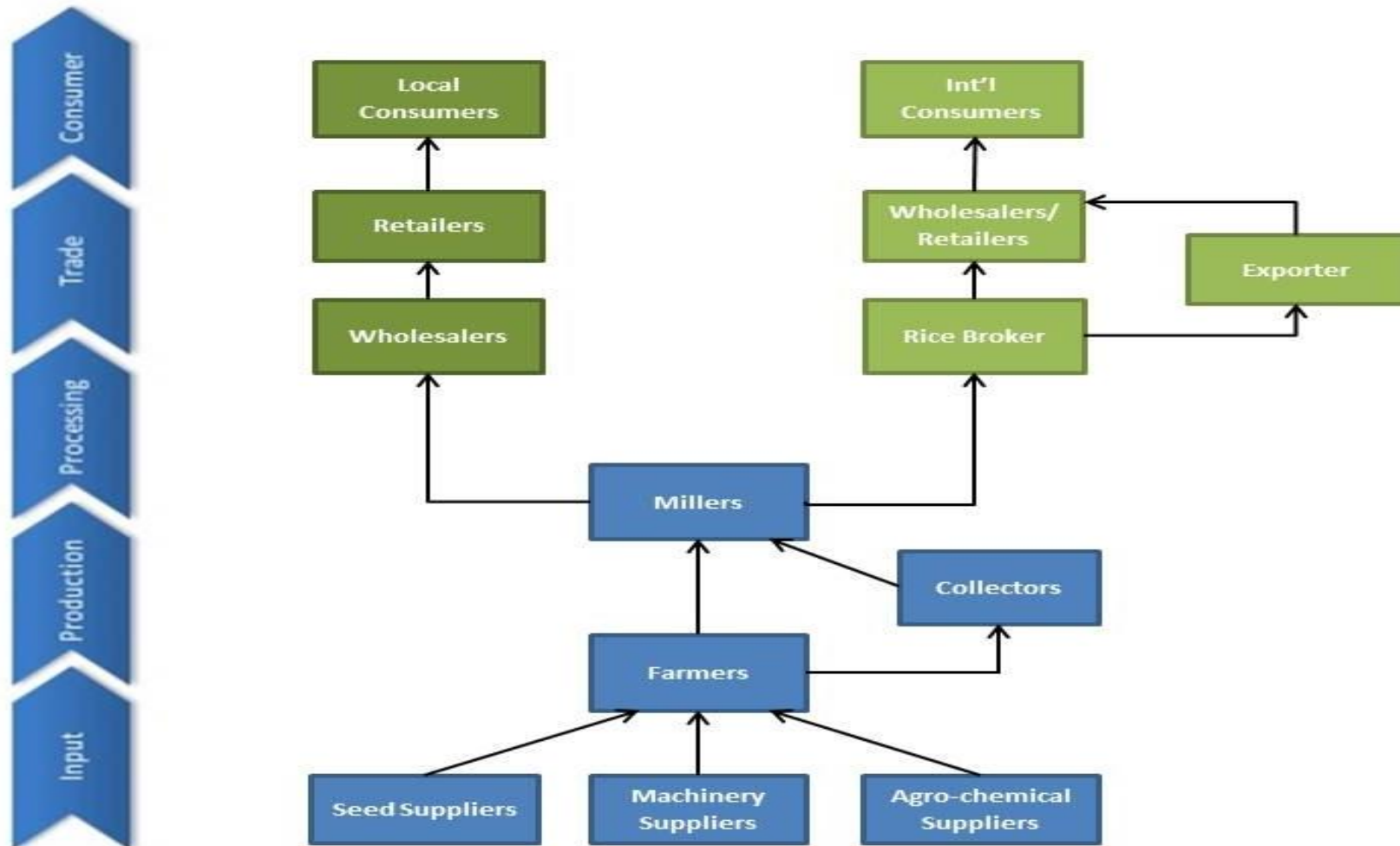
Regional Knowledge Sharing Consultation

**Sustainable Agrifood Systems for Food Security and Sustainable Development in ASEAN
Region**

1 May 2017 at Eastin Grand hotel, Bangkok



Current Conventional Rice Value Chain in Thailand



Key Issue and Challenges



- No existing value chain for sustainably produced rice
- A traceability system is not in place yet in the existing VC

Farmers

- Farmers lack knowledge of sustainable rice production, and especially individual small-scale farmers have less opportunity to receive the respective training
- Farmers are willing to achieve a better quality rice and produce sustainable rice, but they have limited access to high-quality markets

Key Issue and Challenge



Miller

- The existing millers have no processing standard or any segregation process between certified rice and non-certified rice.
- The segregation process is a constraint to the millers due to low volume of certified rice so far

Public Private Partnership



Public

Private

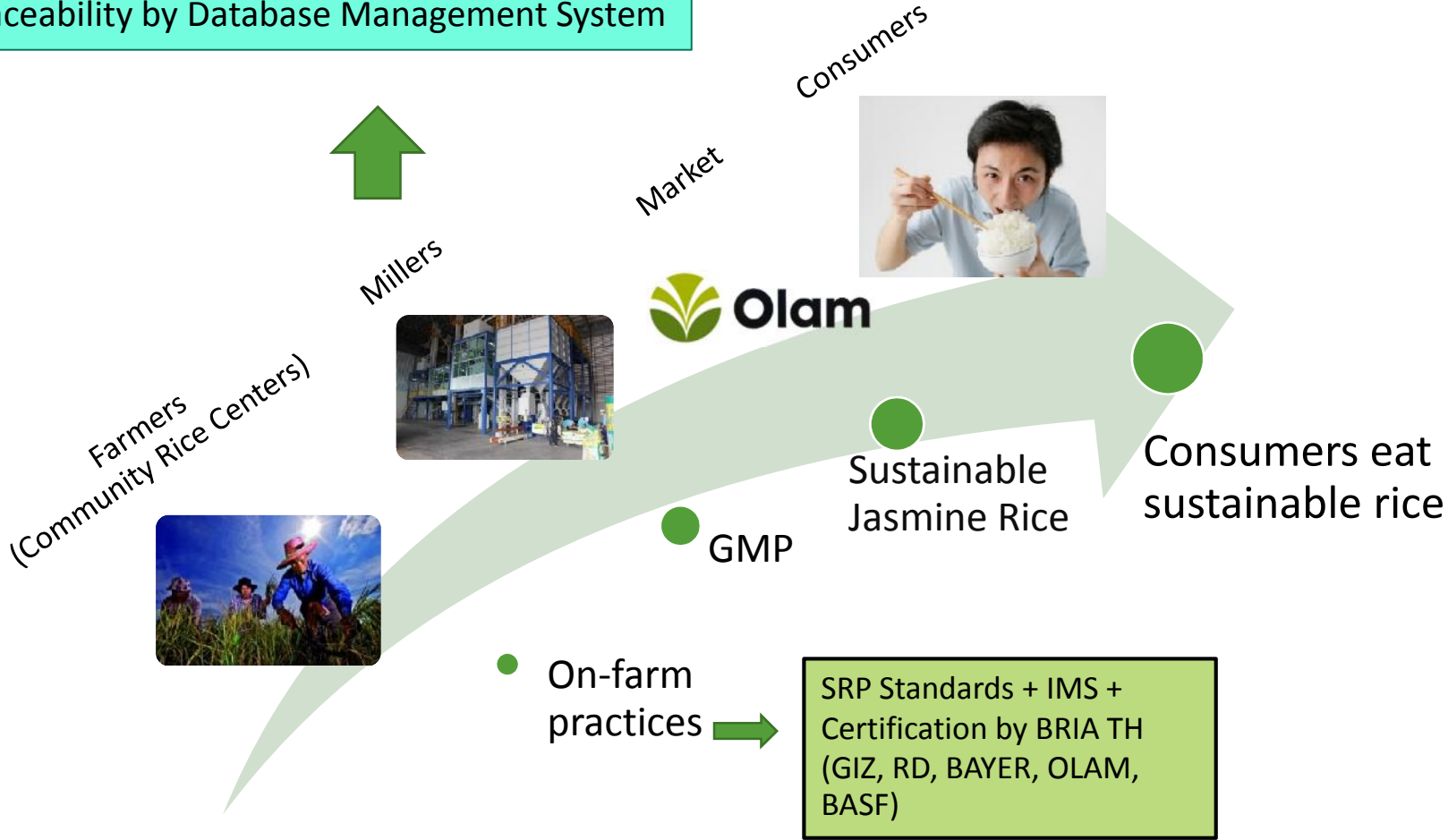


To Build a SRP Rice Value Chain in Thailand

New SRP Rice Value Chain Market Linkages



Traceability by Database Management System



SRP Pilot Testing in Ubon Ratchathani

Total 2 CRCs

- No of farmers participating in SRP trainings = 77 farmers
- Farm Area = 1,395 rai
- Expected yield for this crop season = 557.9 tonnes

Bua Ngam CRC

Farmer	= 32
Farm Area	= 849 rai
Expected rice production	= 339.5 tonnes
Expected yield (kg./rai)	= 400 kg/ rai
Average Production/ farmer	= 10.6 tonnes



Klang CRC

Farmer	= 45
Farm Area	= 546
Expected Rice Production	= 218.4 tonnes
Expected yield (kg/rai)	= 400 kg/ rai
Average Production/ farmer	= 4.8 tonnes



Amount of SRPs Rice Sold in 2016



No	CRC	District	No. of Farmers who participate in Rice Sales	Production (kgs)	Actual sold (kgs)	%	Income received from Miller	Additional income from project
1	Bua Ngam	Detudom	27	158,000	130,330	82.49	1,1001,161	32,584
2	Klang	Detudom	29	140,000	102,222	73.02	776,095	25,555.50
<u>Total</u>			56	298,000	232,552	78.04	1,777,256	58,139.50

28 farmers from Bua Ngam CRC and 43 farmers from Klang CRC were certified by 3rd Party



The 1st certified SRP Rice globally

Comparing Rice Sales with Agriculture Cooperatives



To Agriculture Cooperative

1. Moisture at 23%
2. Pay at 7.42 THB/ Kg
3. Deduct 12.5 kgs from 100 kgs
4. Total receive = 649.25 THB

To SRP Project

1. Moisture at 23%
2. Pay at 7.64 THB/ kg
3. Total receive = 764 THB

1 ton of paddy = 1,147.5 THB difference

Received additional 250 THB/ 1 Ton from Olam

Income Increased
from better quality
of rice

Quality Incentive: farmers
practices following our
interventions. Competitive
market price

Lesson Learned



SRP Practices:

- Farmers' average score against the SRP Standard: 84 %
- There was no such issue at farmer level. Only one issue was no Land Levelling.
- No herbicides been used in the field. This results in High weed problem and leads to the decrease in the crop yield.
- Most of SRP farmers do not burn their straws and stubbles leading to reduce GHG emission.
- Child labor and labor right is not an issue in Thailand.
- Farmer's diary workshop to teach farmers how to do it step-by-step is a key success factor that in the future, farmers can write down by themselves.
- Before our intervention, Farmers applied incorrect inorganic fertilizer formula. ex. some farmers apply 15-15-15 formula, and farmers can save their input cost by using the proper formula.

Lesson Learned (cont.)



Market Linkage:

- To have a segregation, the matching between millers' capacity (drying and storage) and wet paddy from SRP farmers must be well-organized. The drying capacity of miller is quite high, so number of farmers and the planting area size must be high enough to match its capacity.
- The farmers group which is implementing Organic Certification, have more possibility to have more side selling.

Recommendation



- Good Collaboration between partners along the value chain (up-stream to down-stream) and clear responsibilities and tasks are key success factor.

- Farmers and miller sites should be selected carefully. Some

Criteria should be taken in:

- Current knowledge of Farmers
- Willingness of farmers and promptness to adopt an new technology.
- Distance between Farmers sites and Miller should not be grater than 20-30 km.
- Miller's drying capacity and SRP rice harvesting plan must be matched.

Recommendation



- Incentive mechanism must be communicated clearly to farmers.
 - Knowledge of farmers is improved.
 - Farmers can reduce production cost and improve yield.
 - Better quality rice has more potential to receive better price.
- Guaranteed buying can motivate farmers to participate the project very well. The selling and buying record system must be traceable.
- Competitive market price is a good starting point for every actor in a new value chain.
 - It can good enough to persuade farmers to join and
 - Prevent mixing uncertified rice into the system.
 - Do not distort the market.



Thank you!

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