Why does conventional agribusiness fail at poverty reduction and environmental protection?

It lacks an integrated, landscape-level approach that links smallholders to markets. Symptoms include:

- Narrow focus on typical farm products, poor market and opportunity assessments, insufficient emphasis on smallholders/women, and segmented technical interventions that do not address the whole market chain
- Few strategic alliances with industry and buyers, resulting in product-driven, rather than market-driven, projects
- Failure to address policy and business climate issues; typically, agricultural enterprise development targets larger businesses and neglects small rural enterprises
- Chatter Theory-based approaches proven unrealistic—too many products with widely varied needs, too short a time frame, environmental management issues ignored
- Failure to integrate agriculture, private sector development, and environmental goals

What is an integrated landscape-level approach, and why is it better?

This approach targets the whole market chain and takes into account its myriad influences. By developing effective partnerships, everyone benefits—even small rural enterprises.

Partnerships grow from mutual need and mutual benefit. Conventional agricultural and private sector programs have good production and marketing skills but often ignore biodiversity, water, and other aspects of the ecosystem. Conservation groups often lack business savvy and ignore market forces. Smallholders desperately need support and skills, and end buyers would benefit from greater knowledge of the people and conditions at the raw material sources on which they depend.

What connects them all is the market chain. A landscape approach leverages their valuable inputs; develops effective partnerships; and uses technology, tools, and expertise to create win-win solutions. By applying the right tools and approach, agribusiness and rural enterprise development can further environmental and social goals.
A SOLID FOUNDATION—
BAMBOO FLOORING

In Cambodia, bamboo is easily harvested in a sustainable manner; a high degree of local technical knowledge and infrastructure exists.

Project targets: the whole market chain and smallholder farmers/collectors

The right partners involved from the beginning

Enabling government policies and business climate

Bottlenecks identified and resolved: better market linkages, updated technology, and environmentally sustainable production methods using quick-growing native species, managed and restored natural stands, sustainable harvesting practices, resolution of tenure conflicts.

More information: www.mpfd.org

SWEET “SUCCESS”
SUSTAINABLE COCOA EXTENSION SERVICES
FOR SMALLHOLDERS

The SUCCESS Alliance grew out of mutual need and mutual benefit. To address pest problems that threatened the global supply of cacao, industry worked with USDA and USAID to reach thousands of smallholder farmers in Southeast Asia. In Vietnam, innovations in cocoa production now allow the crop to help reclaim environmentally degraded areas and ensure the sustainability of the industry as a whole. As smallholders migrate to forest areas, cocoa production offers exciting new opportunities, but not at the expense of the environment.

Cornerstones of Success

Industry-driven: USDA/USAID support accelerated previous industry activity and fostered environmentally friendly and socially sound production

Product choice: Cocoa is well-suited to smallholders and easy on the environment—grows well in small agroforests that enhance biodiversity and watershed protection

The right partners, trust, and communication

Long-term regional scope involves Vietnam, Indonesia, and The Philippines

Targets the whole market chain: environmentally sound growing and processing; local “cocoa clubs” formed and empowered; state research and extension services strengthened; domestic, regional, and global linkages fortified; policies mainstreamed and institutions developed for long-term production and marketing assistance

More information: www.success@sclivoca.org.vn

Tools and Resources

- Trade Shows: Natural Products Expo (USA, Asia, Europe); Supply Side (USA); Botan (USA, Germany); Health Ingredients Europe (Paris); Fancy Foods Strategies
- Trade Associations: American Herbal Products Association (www.ahpa.org); Biofach (USA, Germany); Health Ingredients Europe (Paris), Fancy Foods Strategies
- More information: www.success@sclivoca.org.vn

PROMISING PARTNERSHIPS
FROM FIELD AND FOREST

UNTAPPED POTENTIAL—
TREE RESINS

Industrial harvesting of Cambodian dipterocarps was initiated under the French and all but destroyed under the Khmer Rouge. It is slowly rebounding today, and provides income and employment for 100,000 forest-dependent people. The resins are used for a variety of purposes including caulks, candles, paint, varnish and aromatic oils. Both domestic and regional demand is high; annual export income is an estimated US $6 million.

With a strong tradition of customary ownership of individual trees, extraction is done on a sustainable basis. Laws protect resin trees and customary rights but are not enforced. The main constraints to development are the high informal fees paid to officials and the lack of enforcement of existing laws.

Project Cornerstones

Due diligence: conduct background research on market chains, export markets, processing requirement, competition, prices, key players, policy and regulatory issues, resource management practices and needs (see Wildlife Conservation Society www.wcs.org and Cambodian Development Research Council www.cdri.org.kh for more information)

Good governance: enforce laws that protect resin trees from logging, provide a legal basis for customary ownership, and protect harvesters and small enterprises from the numerous and exorbitant informal fees that impede development

The right partners: involve conservation groups, reputable local businesses and harvester associations, regional and international buyers and end-users

Transboundary approach: foster legitimate transboundary relations between businesses and communities to increase market share/volume, develop a regional brand identity, and foster sustainable harvest and processing practices at the landscape level