



منظمة الأغذية  
والزراعة  
للأمم المتحدة

联合国  
粮食及  
农业组织

Food  
and  
Agriculture  
Organization  
of  
the  
United  
Nations

Organisation  
des  
Nations  
Unies  
pour  
l'alimentation  
et  
l'agriculture

Продовольственная и  
сельскохозяйственная  
организация  
Объединенных  
Наций

Organización  
de las  
Naciones  
Unidas  
para la  
Agricultura  
y la  
Alimentación

## COMMITTEE ON COMMODITY PROBLEMS

### Sixty-eighth Session

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## REPORT ON PRODUCT AND MARKET DEVELOPMENT ACTIVITIES INCLUDING THOSE IN COLLABORATION WITH THE COMMON FUND FOR COMMODITIES

### I. INTRODUCTION

1. This document reports on commodity development activities undertaken by FAO since the Sixty-seventh Session. These activities include those for the Common Fund for Commodities (CFC) (details on CFC projects are provided in Annex I) as well as FAO activities undertaken together with other international organizations (IOs) on the *All ACP Agricultural Commodities Programme (AAACP)*, sponsored and financed by the European Union.

### II. RECENT DEVELOPMENTS REGARDING COOPERATION BETWEEN FAO AND CFC IN PROJECT FORMULATION, IMPLEMENTATION AND SUPERVISION

2. As the only financing institution with a strict commodity focus, CFC supports product-specific development projects in production, processing and marketing. CFC works through International Commodity Bodies (ICBs), including FAO's Intergovernmental Groups (IGGs) and its Committee on Fisheries, to generate and develop project proposals and, once approved by the CFC Executive Board, to supervise their implementation. An agreement between CFC and FAO allows FAO to also act as project executing agency.

3. Between April 2009 and April 2010, 44 projects under the aegis of FAO-ICBs and valued at over USD111 million have been operational with five reaching completion during this period. A further five projects, valued at over USD15 million, have received initial approval from CFC and are waiting to become operational. Seven more projects, worth USD16 million, are currently in the pipeline for future consideration by CFC.

4. For those projects which are currently under implementation or which have been completed since April 2009, 22 have been in sub-Saharan Africa and are valued at USD59.2 million; a further twelve in Latin America and the Caribbean, valued at USD38.4 million; five projects in Asia, valued at USD12 million; and two cross-regional projects, worth USD1.5 million.
5. The review and development of project proposals, as well as the supervision of over 40 on-going projects including input at their inception and termination, represents a considerable workload on FAO staff. The per diem contributions CFC provides since 2007 for staff time spent on project missions and in the project reporting process has led to full recognition of FAO's input. However, the Organization's staff resources remain inadequate to expand the number of projects and increasingly external consultants are being hired to cover supervisory responsibilities. Furthermore, the future roles of the IGGs are under review and this has potential implications for the ICBs at FAO which are competent to approve and support CFC projects.
6. In line with the recommendations contained in FAO's Immediate Plan of Action, the Secretariat has renewed its efforts to enhance existing collaboration with the CFC and other ICBs. These efforts, which aim at placing the IGGs/CCP and its partners at the centre of an international commodity development agenda, include regular informal exchanges as well as participation in or joint organization of formal meetings where market development strategies, related policy issues and inter-agency cooperation matters are at the centre of discussion.

### **III. ALL ACP AGRICULTURAL COMMODITIES PROGRAMME (AAACP)**

7. The AAACP was launched in September 2007 and is funded by the European Union (EUR 45 million). The aim of the four-year programme, which is implemented in collaboration with UNCTAD, the International Trade Centre (ITC), the World Bank and the CFC, is to strengthen capacities of ACP stakeholders to develop and implement sustainable commodity strategies in ACP economies.
8. FAO has made considerable progress in all four result areas. Some of the main activities that have taken place include:
- Under result area 1 – *Development of effective commodity strategies and implementation plans*, FAO, in collaboration with its programme partner ITC, has contributed to the development of strategies for the cassava sector in Guyana and Zambia; coffee in Cameroon; and fruits and vegetables in Samoa. To support this process, FAO has commissioned a number of papers published under the AAACP paper series, and contributed to the capacity building of government ministry staff through policy workshops and roundtables.
  - Under result area 2 – *Access to and use of markets, production factors and services*, FAO has provided capacity building in agribusiness skills and management to a number of cooperatives in selected countries in each ACP region. The objective of this training is to ensure that the programme's core stakeholder, smallholders, can engage effectively in developing and implementing value chain strategies. Countries involved in the training include: in West Africa: Burkina Faso, Senegal and Sierra Leone; in central Africa: Cameroon; in East and Southern Africa: Kenya and Zambia; in the Caribbean: Guyana, Jamaica, Saint Vincent and the Grenadines; in the Pacific: Fiji, Samoa and Vanuatu. On the production side, FAO has trained 4 220 farmer field school facilitators and 66 320 farmers in good agricultural practices and integrated pest management in the cotton-cereal farming systems of Benin, Burkina Faso and Mali.
  - Under result area 3 – *Market-based instruments to reduce producers' income vulnerability*, FAO has convened a number of round tables to diagnose current and alternative finance and risk management needs for cereals input markets in West Africa (Burkina Faso, Mali and Senegal). In East and Southern Africa, supply chain finance and

risk management analyses of the cassava sector in Malawi and Zambia were initiated. Regional consultations have also taken place with a view to identifying solutions to high risks associated with agricultural credit for value chain stakeholders. A similar activity also took place in the Caribbean, as well as an assessment of existing formal and informal risk management mechanisms with a view to identifying alternative risk management tools. In the Pacific, a needs appraisal took place to identify ideas and mechanisms that can improve the provision of credit and risk management services to fruit and vegetable producers.

- Under result area 4 – *Complementarities and synergies between IOs, EU and ACP actors*, FAO, under all of the result areas, has been in continuous collaboration with all of the technical agencies involved in the AAACP.

9. The Programme has been extended from 40 to 52 months and is now due to finish in December 2011. Funding allocated to FAO has also increased from EUR 6.5 million to almost EUR 9.2 million. More detailed information about the AAACP and its activities will be made available in due course under the FAO-EU Partnership website.

#### IV. CONCLUSIONS

10. Delegates may wish to comment on the commodity development activities of the Secretariat. In particular, the Committee may wish to reflect on resource limitations faced in meeting obligations to the CFC and on the focus and modalities for enhanced cooperation with partner organizations in the field of commodity development.

## ANNEX

Title	Total Budget	of which CFC Grant	Location of Projects Activities	PEA	Project Status (implementation start/end date or stage of formulation)
1. Projects under implementation or completed since the last CCP (April 2009)					
IGG on Bananas and Tropical Fruits: Increased production of vegetables and herbs through the use of protracted agriculture in the Caribbean	2 645 000	2 010 000	Haiti, Jamaica, Trinidad and Tobago	Caribbean Agricultural Research and Development Institute (CARDI)	Mar-10  Feb-13
IGG on Bananas and Tropical Fruits: Extension of the Ponsomtenga Delicio Fruit and Vegetable Processing Unit	1 322 000	1 322 000	Burkina Faso	BERCI International	Mar-08  Feb-11
IGG on Bananas and Tropical Fruits: Development and Piloting of Horticultural Outgrower Schemes for the Export Market in Eastern and Southern Africa	5 600 000	1 740 000	Zimbabwe, Tanzania	Rift Valley Juice Limited (RVJL)	Aug-07  Jul-11
IGG on Bananas and Tropical Fruits: Promotion of Export of Organic Bananas from Ethiopia and Sudan	2 500 000	2 000 000	Ethiopia, Sudan	Bioversity International	Mar-07  Aug-10
IGG on Bananas and Tropical Fruits: Diversification Programme for Vegetable Export Development in Ethiopia and Sudan	2 500 000	2 000 000	Ethiopia, Sudan	Ethiopian Horticultural Producers and Exporters Association (EHPEA)	Jul-06  May-10
IGG on Bananas and Tropical Fruits: Medicinal Plants and Herbal Products in Eastern Himalayas	2 000 000	1 681 515	Bangladesh, Bhutan, Nepal	International Centre for Integrated Mountain Development (ICIMOD)	Apr-06  May-11
IGG on Bananas and Tropical Fruits: Regional Cashew Improvements Network for Eastern and Southern Africa	3 194 344	2 794 344	Ethiopia, Kenya, Madagascar, Malawi, Mozambique, Tanzania	Naliendele Agricultural Research Institute (NARI)	Jun-06  May-10

IGG on Bananas and Tropical Fruits: Diversification of Agriculture through the Production of Export Fruits	3 731 212	1 729 956	Guatemala and Mexico	Instituto para el Desarrollo Economico Regional (IDEAR)	Jun-04	Oct-10
IGG on Tea: Development, Production and Trade of Organic Tea	3 518 101	1 766 100	China, India	International Federation of Organic Agriculture Movements (IFOAM)	Jun-06	Sep-11
IGG on Tea: Capacity Building And Re-Juvenation Of Tea Smallholdings	1 994 630	1 843 030	Bangladesh, Indonesia	Indonesian Tea Board	Feb-10	Feb-13
IGG on Citrus: Improving Production of Citrus Planting Material in the Caribbean Basin	6 611 820	1 523 849	Cuba, Caribbean Region	Inter American Citrus Network (IACNET)	Jan-08	Dic-10
IGG on Hides and Skins: (FAST TRACK) Leather Products Design Workshop "Seizing Comparative Advantages in Leather Products Market Penetration Mechanism"	82 041	75 772	Ethiopia	The Common Market for Eastern and Southern Africa/Leather and Leather Products Institute (COMESA/LLPI)	Jul-09	May-10
IGG on Hard Fibres: (FAST TRACK) Preliminary Feasibility Evaluation for Utilization of Sisal Liquid Waste (juice) for the Production of Pesticides and Veterinary Drugs	168 200	112 100	Brazil	Natural Fibres Association of the State of Bahia (SINDIFIBRAS) and Secretariat of Science, Technology and Innovation of the State of Bahia (SECTI), Brazil.	Sep-09	Sep-10
COFI:FT: Production and Marketing of Value-Added Fishery Products in Eastern and Southern Africa	544 005	378 525	Kenya, Tanzania, Uganda	COMESA and Lake Victoria Fisheries Organization	Feb-02	Jul-10
COFI:FT: Improving Marketing Efficiency of Artisanal Fishermen in Central America and Southern Mexico	1 621 310	1 020 160	Cuba, Honduras, Mexico	Infopesca	Jun-06	Jan-10
COFI:FT: Diversification and Marketing of Value-Added Fishery Products in Guinea and Mauritania	1 117 800	621 300	Guinea, Mauritania	Infopeche	Nov-07	Dec-10

COFI:FT: Improved Market Access for Organic Aquaculture Products from Asia	1 522 000	1 015 607	Thailand, Malaysia, Myanmar	Infofish	Oct-07	May-10
COFI:FT: Improving Marketing Efficiency of the Small-Scale Fisheries Sector in Mozambique and Angola	1 157 200	694 705	Angola, Mozambique	Infosa	Sep-07	Dec-10
COFI:FT: Technical Assistance for the Upgrading of Small-Scale Fisheries and their Integration in International Trade	1 483 158	860 000	Djibouti, Morocco, Yemen	Infosamak	Jun-08	Dec-11
COFI:FT: Enhancing Amazonian Seafood Products on the World Market	4 153 620	1 960 620	Brazil, Colombia, Peru	Infopesca	Sep-09	Dec-11
IGG on Oilseeds, Oils and Fats: Improving Product Quality and Market Access for Shea Butter Originating from Sub-Saharan Africa	3 225 312	1 696 196	Mali, Niger, Burkina Faso, Senegal	World Agroforestry Centre (ICRAF)	Apr-04	Apr-10
IGG on Oilseeds, Oils and Fats: Control of Coconut Lethal Yellowing Disease	4 773 000	2 457 000	Jamaica, Mexico, Honduras	Coconut Industry Board, Jamaica	Oct-05	Dec-11
IGG on Oilseeds, Oils and Fats: Production of Oleaginous Plants and Commercialization of Natural Vegetable Oils as Substitutes for Diesel Fuel for Public transport in Peru and Honduras	3 343 800	865 900	Peru, Honduras	Deutscher Entwicklungsdienst (DED)	Apr-07	Mar-10
IGG on Oilseeds, Oils and Fats: Creation of a Pilot Demonstration Plant and Training to Improve Olive Oil Quality in Latin America	2 137 078	1 653 950	Argentina	BERCI International	May-09	Apr-12
IGG on Oilseeds, Oils and Fats: Improving the Income Generating Potential of the Oil Palm in the West and Central African region	4 656 040	2 886 040	Cameroon, Nigeria	UNIDO	Mar-10	Feb-14

IGG on Oilseeds, Oils and Fats: Improving the Competitiveness of Small Scale Oil Palm Farmers and Production in Latin America and the Caribbean: Bridging the Yield Gap	3 847 314	1 840 794	Colombia, Ecuador, Venezuela	International Center for Tropical Agriculture/Latin American Fund for Oil Palm Innovation (CIAT-FLIPA)	Apr-10	Mar-14
IGG on Oilseeds, Oils and Fats: Development of Export-oriented Sesame Production & Processing in Burkina Faso and Mali	2 963 582	1 271 920	Burkina Faso, Mali	Royal Tropical Institute (KIT), The Netherlands	Apr-10	Mar-13
IGG on Oilseeds, Oils and Fats: (FAST TRACK) Feasibility study and business plan preparation for sesame processing in Mali and Burkina Faso	135 400	115 000	Burkina Faso, Mali	Royal Tropical Institute (KIT), The Netherlands	Apr-10	Feb-11
IGG on Rice: Sustainable Productivity Improvement for Rice in Inland Valleys in West Africa (SPIRIVWA) – Phase 2	607 953	168 090	Burkina Faso, Côte d'Ivoire, Nigeria	Africa Rice Centre (WARDA)	Jan-07	Jun-09
IGG on Rice: Improving the Competitiveness of Rice in Central Africa	4 672 571	2 500 961	Cameroon, Chad, Central African Republic	Africa Rice Centre (WARDA)	Apr-08	Apr-12
IGG on Rice: Transformation of Upland to Irrigated Rice through Use of Water Harvesting in Costa Rica, Mexico and Nicaragua	2 405 300	1 409 700	Costa Rica, Mexico, Nicaragua	International Center for Tropical Agriculture (CIAT)	Sep-08	Sep-11
IGG on Grains: West African Sorghum Value Chain Development	2 897 000	1 527 000	Sierra Leone, Ghana	European Development Co- operative	Jun-06	Jun-11
IGG on Grains: Grain Farmers' Access to Warehouse Inventory Credit in Ethiopia and Tanzania	4 282 086	2 014 530	Ethiopia, Tanzania	AMIS International Ag. Consulting Inc.	Mar-08	Dec-10
IGG on Grains: (FAST TRACK) African Drylands Commodity Atlas	41 750	41 750	All Africa	United Nations Convention to Combat Desertification - UNCCD	Sep-06	Apr-09

IGG on Grains: Potato Value Chain Development in West Africa (Guinea and Senegal)	3 854 026	1 794 476	Guinea, Senegal	European Cooperative for Rural Development (EUCORD)	Jan-08	Jan-13
IGG on Grains: Cassava value chain development by supporting processing and value addition by small and medium enterprises in West Africa	2 091 556	1 600 000	Benin, Nigeria, Sierra Leone	International Institute of Tropical Agriculture (IITA)	Apr-08	Apr-11
IGG on Grains: Small Scale Cassava Processing and Vertical Integration of the Cassava Subsector in Southern and Eastern Africa – Phase II	4 561 153	2 298 370	Madagascar, Tanzania, Zambia	International Institute of Tropical Agriculture (IITA)	Feb-10	Feb-14
IGG on Grains: Increased production of root and tuber crops in the Caribbean through the introduction of improved production and marketing technologies	2 992 365	1 992 365	Barbados, Haiti, Jamaica, St. Vincent and Grenadines, Trinidad and Tobago	Caribbean Agricultural Research and Development Institute (CARDI)	Mar-10	Mar-13
IGG on Grains: Enhancing Livelihood of Smallholders in Asia: Linking Smallholders Sweet Sorghum Farmers with the Bio-Ethanol Industry	3 013 610	1 997 579	India, Thailand, China	The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)	Mar-10	Mar-14
IGG on Grains: Wealth Creation through Integrated Development of the Potato Production and Marketing Sector in Kenya, Uganda and Ethiopia	3 857 018	2 051 123	Kenya, Uganda, Ethiopia	International Potato Centre (CIP)	Apr-09	Apr-12
IGG on Meat and Dairy Products: Strengthening the Productivity and Competitiveness of the Smallholder Dairy Sector in Lesotho and Zambia	3 335 758	1 999 303	Lesotho, Zambia	Golden Valley Agricultural Research Trust	Apr-07	Apr-11
<b>SUB-TOTAL</b>	<b>111 160 113</b>	<b>61 331 630</b>				



## 2. Projects approved by CFC and / or its Consultative Committee (CC), not started yet

IGG on Bananas and Tropical Fruits: Proposal for Pilot Project on Processing Fruit and Vegetable Chips Using Vacuum Oil-bath Dehydration Technology	1 608 000	868 600	China, Tanzania	Nanjing Institute of Comprehensive Utilization for Wild Plants (NJCUIP)	May-10	Apr-13
IGG on Hard Fibres: (FAST TRACK) Growing Together: Future Forum 2020 (A Supply Chain Collaboration Of The Hard Fibres Group)	148 350	97 350	To be determined		International Natural Fibres Organisation (INFO)	To be determined; duration 12 months
IGG on Oilseeds, Oils and Fats: Soybean Development in Southern and Eastern Africa	2 790 562	1 756 830	Malawi, Mozambique	International Institute of Tropical Agriculture (IITA)	Dec-10	Nov-13
IGG on Meat and Dairy Products: Smallholder Dairy Development in Bangladesh, Myanmar and Thailand: Improving the bargaining power and sustainable livelihood of smallholder dairy farmers, through the enhancement of productivity and market access in dairy	8 832 956	2 000 000	Bangladesh, Myanmar, Thailand	FAO	2010	2015
IGG on Meat and Dairy Products: Improving the Productivity and Market Access of Smallholder Cattle Farmers in Mozambique and Zambia	1 800 000	1 000 000	Mozambique, Zambia	Golden Valley Research Trust	2010	2014
<b>SUB-TOTAL</b>	<b>15 179 868</b>	<b>5 722 780</b>				

### 3. Projects under consideration

<b>IGG on Hides and Skins: (PPF)</b> Hides and Skins Pre-Slaughter Defects Analysis and Regional Project Formulation in Selected Eastern African Countries	30 000	30 000	to be determined (Kenya, Rwanda, Sudan)	The Common Market for Eastern and Southern Africa/Leather and Leather Products Institute (COMESA/LLPI)	Under formulation
<b>COFI:FT:</b> Promotion of Processing and Marketing of Freshwater Fish Products	1 460 000	725 000	Bangladesh, India, Indonesia, Sri Lanka	Infofish	To be considered by the CFC Consultative Committee in July 2010
<b>COFI:FT:</b> Improving Access to Markets for Latin American Farmed Seafood	3 200 000	1 880 000	Argentina, Brazil and Colombia	Infopesca	To be considered by FAO Sub-Committee on Fish Trade in April 2010
<b>COFI:FT:</b> Reduction of Post Harvest Losses and Market Diversification for Fish and Fish Products from Lake Malawi/Nyassa	2 283 965	1 798 055	Malawi, Mozambique, Tanzania	Infosa	To be considered by FAO Sub-Committee on Fish Trade in April 2011
<b>IGG on Oilseeds, Oils and Fats:</b> Development of Integrated Coconut Processing Centres for Livelihood Enhancement in Asia and the Pacific	4 000 000	1 800 000	to be determined	to be determined	Under formulation
<b>IGG on Rice:</b> Rice Quality Improvement in West Africa	5 000 000	2 500 000	Mali, Nigeria	International Centre for Soil Fertility and Agricultural Development (IFDC)	Under consideration by CFC Secretariat
<b>IGG on Rice:</b> Market-driven Rice Intensification Through Mechanization	to be determined		Sub-Saharan Africa	International Rice Research Institute (IRRI) and Africa Rice Centre (WARDA)	Under formulation
SUB-TOTAL	15 973 965	8 733 055			
<b>GRAND TOTAL</b>	<b>142 313 946</b>	<b>75 787 465</b>			