



# National Farmers Meeting 2 0 0 2

**ERA**  
CONSUMER  
MALAYSIA

*A Publication by*

Education and Research  
Association For Consumers,  
Malaysia

# National Farmers' Meeting

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## PROGRAMME

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### March 8, 2002

5.00pm - 7.00pm	Registration of Participants
7.00pm - 8.30pm	Dinner
8.30pm	Introduction / participants' expectations

### March 9, 2002

8.00am - 9.00am	Breakfast
9.00am - 9.30am	Summary report of the 24 villages project
9.30am - 10.00am	<b>Impact of the WTO Agreement on Agriculture (AOA) on the livelihood of farmers and the dangers of Pesticides</b> <i>Indrani Thuraisingham</i> <i>Executive Director,</i> <i>SEACON - Food Security and Fair Trade</i>
10.00am - 10.20am	Question and Answer session
10.20am - 10.40am	Tea Break
10.40am - 1230pm	<b>Workshop - Farmers problems from the aspect of social, financial, planting methods, marketing and quality of the product.</b> Expectations of the farmers from: <ul style="list-style-type: none"><li>- Government</li><li>- Agriculture agencies such as the national farmers associations (LPP, NAFAS, etc)</li><li>- ERA Consumer Malaysia</li><li>- The farmer themselves</li></ul>
12.30pm - 2.00pm	Lunch
2.00pm - 3.00pm	Workshop report
3.00pm - 3.45pm	<b>Sharing of Experiences</b> - by participants in the previous AsiaDHRRA Farmers Exchange visits

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3.45pm - 4.00pm	Tea break
4.00pm - 5.30pm	Response to the workshop report - <i>ERA Consumer Malaysia</i> <b>Workshop - Challenges and Solutions - the six pilot sites</b>
5.30pm - 6.30pm	Workshop reports and summarising of issues arising from the workshop
7.30pm - 8.30pm	Dinner

### **March 10, 2002**

7.30am - 8.30am	Breakfast
8.30am - 9.30am	Briefing on the " <b>Farmers Exchange Visit in Malaysia</b> " and the role of the local farmers - <i>ERA Consumer Malaysia</i>
9.30am - 10.30am	Launching of the DHRRA Network Malaysia <i>Mr Marimuthu Nadason</i> ERA Consumer Malaysia
10.30am - 10.50am	Tea break
10.50am - 12.30pm	<b>Training on Farm Management</b> <i>Bishan Singh</i> MINSOC
12.30pm - 2.00pm	Lunch
2.00pm - 3.30pm	<b>Networking, understanding the cooperative system and solidarity building among the farmers</b> <i>Prof Mohd Salleh Mohammad</i> ANGKASA
3.30pm - 3.45pm	Tea break and end of programme

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## INTRODUCTION

The objective of this workshop was to enlighten local farmers on how globalisation, in particular the Agreement on Agriculture (AOA), an agreement under the World Trade Organisation (WTO) will affect them, as well as to discuss with them how the adverse effects of globalisation can be tackled or reduced, to share experiences and ideas from all the participants and to build solidarity among the farmers.

Malaysia needs to seriously look into the various issues arising out of globalisation. The general impact of international agreements under the WTO that have been put into place or are scheduled for implementation are by and large in favour of the industrialised rich nations.

A workshop of this nature therefore gave the generally uninformed farmers relevant information about how global developments will affect them and what is going on in their own country in the area of agricultural policy and planning. They were also given an opportunity to understand and discuss these issues.

### **Day One (Evening)**

After dinner, the session began with the registration and an orientation programme for the participants, to get to know each other through ice-breaking games. A form of 14 farmers from five states - Perak, Kelantan, Pahang, Negeri Sembilan and Selangor - took part in the workshop.

### **Day Two**

*Presentation I*: The day started with a presentation to the participants on the assessment of the food security situation in Malaysia, which was done by ERA Consumer Malaysia through a micro-study carried out in 24 villages across the country, including the East Malaysian state of Sarawak.

The study, titled "Assessing Food Security - A micro-study of 24 villages in Malaysia" has since been published by ERA Consumer. The Malaysian study which began in the year 1991, was part of a wider 200-village study

across 10 Asian countries to generate solid, community-based information on the food security for the people.<sup>1</sup>

The aim of the study was to work out sustainable community projects and make policy recommendations to national governments on making safe, nutritious and culturally acceptable food available to the masses at reasonable prices.

One of the key objectives of the project was to enable grassroots communities to participate more effectively in identifying food related problems, plan actions to solve these problems and to monitor progress in the achievement of food security at the community level through Participatory Rural Appraisal techniques.

Malaysia joined the 200-village Project in September 2000 and with the help of ERA Consumer's partner organisations, identified the 24 villages in Malaysia for the study.

A total of 632 households from four villages, each in the states of Perak, Kelantan, Pahang and Selangor, three villages in Negeri Sembilan and five villages in Sarawak were covered in the study.

### ***Findings of the study:***

#### General characteristics of household respondents

- The average family size in each of the 632 households were five to six people. A number of households with higher number of members, of up to eight people, were found in Kelantan.
- Households consisted of 30% adults (above 18 years of age), 40% youth (below 18 and above 10 years) and 30% infants (below 10 years of age).
- In terms of education, around 80% of the farm households were literate in either one of these languages, Malay, English, Chinese or Tamil. Of the 80% literate households, 60% attained primary and secondary school education and 40% only primary education. The illiterate group generally comprised the older generation.

- An average of 25% of the farm households, including the women, were involved in full-time farming while another 50% were part-time farmers. These included housewives, odd-job labourers, retirees, and those working in nearby factories and mills. The remaining 25% were housewives and those employed in factories or elsewhere who planted food or cash crops in home gardens.
- Sources of cash income for the people came from employment (60%) and selling of vegetables and cash crops (40%).
- 50% of the household expenditure went to food, approximately 48% to clothing, housing, amenities, education, health and recreation and about 2% was kept as savings.
- The major crops planted by these farmers are rice, vegetables, pepper, flowers and palm oil. Some also bred livestock such as chicken, ducks, cattle and quite a few also practised pond fish farming.
- Credit sources for those farmers in need of financial aid were usually rural banks, cooperatives, relatives, friends, retailers and dealers.
- None of the household or community were found to be highly food insecure. At least 65% of the households were found to be food secured, 25% moderately secured and 10% insecure.
- Up to 50% of the farmers in the villages surveyed cultivated their own land; 25% farm on tenure arrangements; 20% on government reserve land and a mere 5% is share-cropping land.
- Support for the farmers comes largely from within their communities, ie, from cooperatives, farmers' organisations and community-based organisations.
- Rice is the staple diet and farming communities have access to sufficient quantities of vegetables, seafood, poultry and meat.

## **Food security indicators**

- Purchasing power is adequate, but with prices on the increase, the poor are finding it difficult to make ends meet.
- The quality of the food produced in the villages are good, however

we need to raise awareness and educate the farmers on the consumption of more local and indigenous food against the growing homogenization of eating patterns.

- The farmers' participation in decision-making, marketing and policy consultation are weak, if not non-existent.
- Agricultural practices carried out are dependent on heavy chemical inputs and support. Organic and sustainable agricultural practices are still in their infancy, even if the awareness of organic farming and demands for sustainable agricultural practices are rising.

## **Household perceptions on food availability**

- Food was found to be available in sufficient quantities in the 24 villages. There would be better food accessibility if there are adequate purchasing power by the villagers.
- Expensive and unstable food prices are seen as the main factors that can bring about food insecurity. A perceived solution to the high prices of food is to increase supplies at the local level by home gardening and community farming.
- One positive way to ensure food security for all, as suggested by the farmers, is through cooperative ventures in food production and marketing.

## **The problems farming communities face**

- Many farming communities in the 24 villages surveyed believe that they are victims of political games for power.
- One negative impact of this "power game" is growth of the "seeking assistance" syndrome. Farm households and rural communities have come to depend on the government and others for support and assistance. The situation has become so pervasive that in every development planning, government assistance takes a focal point.
- The farmers themselves have said that this situation is the very reason for destruction of the spirit of self-reliance, community cooperation, creative thinking and innovative action.

- Another problem they face is finance. Small-scale farmers face difficulties in getting loans, even from Bank Pertanian (Agricultural Bank), because they have nothing of value to mortgage. They struggle very hard to manage their farms but earn just a pittance.
- The survey showed that the average net profit a small farmer can make at the end of a month of hard work is RM138 - which means that he can never aspire to buy his own farmland or even rent a larger plot to grow more crops, improve farming techniques and subsequently, get out of the poverty cycle.
- Farmers who spend all their working hours planting and tending to their crops have little or no knowledge about marketing their produce. This is where the middlemen step in to help the farmers sell their produce - and end up earning more from the produce than those who planted them.



## PRESENTATION II

# The Impact of the Agreement on Agriculture (AOA) on farmers and the Dangers of Pesticides

*By Indrani Thuraisingham,  
Southern Asian Council For Food Security and Fair Trade (SEACON)*

The so-called "trade liberalisation" carried out under the aegis of the World Trade Organisation (WTO) has affected the agrarian systems of the Third World tremendously since 1995. Yet we should not make WTO the scapegoat for all the woes of poor farmers. For all the havoc WTO has wreaked, the Agreement on Agriculture (AOA) is only the last in a series of blatant attacks on Third World agriculture.

Since the time of colonisation, Third World countries have been the source of cheap labour and raw materials for the imperialist powers, providing a captive market for the surplus goods exported by these powers.



In agriculture, feudal exploitation was carefully complemented with more modern methods wherever these were more advantageous for the colonisers. The plantation system, for example, proved to be very convenient in providing the markets in the North with cheap sugar, tea, coffee, rubber, "exotic" fruits and other export crops.

For the imperialist powers, agriculture has always played an important role, not only for their economy but also for their geopolitical agenda. The importance of food for any human being makes it a very effective tool in political domination. This realisation made a US Senator exclaim ecstatically: *"If you are looking for a way to get people to lean on you and to be dependent*

*on you in terms of their cooperation with you, it seems to me that, food dependence would be terrific."*

Since the colonies were prohibited from developing significant national industries, their economies became overly dependent on agriculture. In some of the poorest countries, agriculture generates as much as 30 to 50 percent of the gross domestic output, employs 70 to 80 percent of the labor force and contributes 40 to 70 percent to the export earnings.

Never, even after direct colonial rule has given way to indirect domination, has there been any attempt by the imperialist powers to bring genuine modernisation to the Third World countryside. Modern technology was introduced, for instance, to increase production. However, it was done in such a way that the class relations were not disturbed and the profits flowed back to the imperialist powers. Therefore, up to this day the agriculture of poor countries is predominantly backward, relying on obsolete methods of production while feudal and semi-feudal exploitation as well as landlessness are still prevalent.

The agribusiness transnational corporations (TNCs) of the rich countries easily strengthened their foothold in these economies after formal independence was granted. Taking advantage of the backward characteristics of local agriculture, they linked up with local landlords and the bourgeoisie to dominate the agricultural sector. Monopolising the markets of farm implements, tools and machines as well as the whole food chains, they built their business empires at the expense of the poor peasants.

## **The WTO Agreement on Agriculture**

It is in this context that the impact of the Agreement on Agriculture can be understood. Third World agrarian economies are backward and still bear the imprints of feudalism. They are invariably facing unfair and exploitative trade relations with the rich countries while their own entrepreneurs are forced out of the market by the monopoly position of the TNCs.

The Agreement on Agriculture prohibits any border protection, except for fixed tariffs that have to be reduced over time. It also sets rules on internal

support and the reduction of export subsidies. In addition, the agreement requires all countries to allow a certain minimum market access for each individual agricultural product.

At the same time, other agreements also came into force. The agreement on Trade Related Intellectual Property Rights (TRIPs) requires countries to issue patents on biotechnological products, including plants and microorganisms. A related agreement on Sanitary and Phytosanitary (SPS) measures regulates the health standards that internationally traded products have to comply with.

The WTO agreements came about not because the poor countries had asked for them but because they had become a necessity for the United States and the European Union. These economic powerhouses had mustered an ever-increasing overproduction of agricultural products through excessive subsidies and trade barriers to defend their domestic agricultural sectors. Consequently, they became overly dependent on export, and started dumping their goods on the poor countries in order to get rid of excess supplies.

The Structural Adjustment Programs (SAPS) that were advocated by the International Monetary Fund and the World Bank since the early 1980s were already successful in forcing privatisation, liberalisation and deregulation upon the poor countries. However, plunging world prices of agricultural products and the high cost of their farm subsidies forced the US and the EU to forge a tactical alliance in the Uruguay Round negotiations to force a more systematic and comprehensive liberalisation upon the agricultural markets of the South.

The US and the EU therefore agreed to include agriculture in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) that started in 1986. Temporarily, they set their differences aside in a bid to force open the markets of the Third World for their surplus products and maintain most of their own protectionist barriers intact. At the same time, the negotiations were to consolidate and strengthen the monopoly control of their TNCs on the food and agricultural sectors.

## **Monopolisation, not liberalisation**

As expected, the Agreement on Agriculture led to increasing monopolisation of the world markets as it favoured the strongest trading partners. Moreover as 97 percent of all patents are currently being held by TNCs, the TRIPs Agreement reinforces their dominant positions. The agreement on SPS measures also had the same effect, as it enables rich countries to impose their standards - justified or not - on the products of the Third World.

The industrialised countries were able to increase their agricultural exports considerably in the years after the WTO agreements came into force, effectively getting rid of their over-supply by dumping it on the Third World. They hardly lowered their tariffs and quotas. For example, Japan's duties on most grains average 63% but a tariff on rice installed last winter was closer to 1,000%.

Even when their tariffs have been reduced, rich countries have developed an even more complex non-tariff barriers (NTBs) and domestic farm subsidies in order to frustrate imports and thwart any competition from the Third World. That was possible through the special provisions they were able to insert in the Agreement on Agriculture (e.g. the "Green Box"). In 1998 for example, the rich countries paid out US\$ 360 billion in agricultural support taking advantage of the many loopholes in the agreements that were supposed to achieve the "liberalisation of the market".

Still, the WTO agreements brought only a temporary relief to the agricultural sector of the rich countries. By 1998, the commodity prices in the world market collapsed again, because of the continuing crisis of overproduction. In a knee-jerk reaction, the US and the EU jacked up their domestic farm support again to unprecedented levels and started a new offensive to increase their export dumping on the Third World.

In the past two years direct government payments to farmers in America rose 86 percent reaching US \$22.7 billion. America's so-called emergency assistance, designed to shield farmers from unexpected market fluctuations, rose from \$1.8 billion in 1998 to \$7.6 billion in 2000. In 2001, the average net income for a commercial soybean grower in the United States was US \$ 47,000 a hectare. The federal government paid US \$ 37,000 of this amount.

Still, President George Bush promised an even higher farm support. Direct payments were expected to reach US\$32.3 billion in the year 2001 and an additional US \$79 billion has been set aside for 2001-2011, to compensate farmers in the form of emergency assistance, conservation or export promotion programmes.

Within the OECD, annual state payments to the agricultural sector exceed Africa's entire GDP. Domestic support in America, Europe and Japan accounts for 80% of the world's total. It has been estimated that if rich countries were to remove the subsidies that create these price differences, poor countries would benefit by more than three times the amount of all the overseas development assistance they receive each year.

### **Poor countries at the losing end**

These skewed trade relations affect the agrarian economies of the Third World in various ways. At the macro level, their competitiveness is largely eroded, while they are forced to submit to increasing TNC control over their whole food chain. At the grassroots level, however, the very lives of millions of farmers are put in the balance. For example, an assessment of the impact of the Agreement on Agriculture by the Food and Agriculture Organisation (FAO) concluded that there was a general trend toward the concentration of land, marginalising small farmers and increasing landlessness, unemployment and poverty.

### **Drowning in cheap imports**

Cheap imports flood the markets of poor countries as soon as they liberalise trade rules, putting their own farmers out of business. For example, all of a sudden poor corn farmers had to "compete" with mechanised farms in the US that are receiving yearly subsidies that amount to hundreds of times the income of poor farmers.

### **More production for export**

As poor countries are faced with a deluge of imported products, they often give priority to the production of export crops in a bid to offset the increasing

trade deficit. Many studies show that trade liberalisation has led to more land and resources being devoted to export crops and less to domestic food production.

## **Intensifying monopoly control**

Landlords and agribusiness TNCs are in the best position to profit immensely from increased imports and export crop production. They can now import cheap agricultural products and are able to expand their market share by aggressive trading practices. They also have the capital to venture into the production of cash crops for export. Consequently, there is not only a tendency toward consolidation of the markets but also the re-concentration of land into the hands of the landed elite as well. In Mexico, for example, there is a dramatic increase in large scale fruit and vegetable farming, with large farms or firms leasing land.

## **Eroding food sovereignty**

The dependence on imported food, emphasis on export production and monopoly control by TNCs and landlords is putting the food security and food sovereignty of the people in peril of what to produce and how much to produce.

## **Increasing landlessness**

Those already resourceful, including landlords and TNCs, are reaping most of the benefits at the expense of the poor farmers. They are able to expand the land they own or control because they have the resources to invest in export crop production. Poor farmers, on the other hand, are confronted with low ex-farm prices and high cost of farm inputs because of the monopoly position of traders and TNCs, as well as low prices in the world markets.

Moreover, land reform programmes have been aligned to the recommendations of the World Bank, which is advocating land lease and sale instead of a redistribution reform. Poor farmers are therefore left with the option to sell the land they own - if any. As a consequence, landlessness is on the rise and farmers have to sell their labour power as farm workers, pursue odd jobs in the cities or simply remain unemployed.

## Rising unemployment

The disastrous effects of increasing liberalisation and imperialist globalisation have caused the percentage of unemployment to increase dramatically as observed in other countries. In India, for example, the jobs of three million edible oil processors were lost and in Sri Lanka 300,000 jobs were lost following the drop in the production of onions and potatoes. In Mexico, between 700,000 and 800,000 livelihoods will be lost as maize prices fall. Worldwide, it would not be unreasonable to estimate a figure of at least 30 million jobs lost in Third World countries because of trade liberalisation and related factors. It is not difficult to imagine how all these factors are resulting in the rising rural poverty.

## Fierce battles ahead

In short, trade distortion brought about by the Agreement on Agriculture and other WTO agreements has affected the agricultural economies of the Third World immensely. It has intensified their already unjust and exploited relations with the industrialised countries. Besides that, it has also accentuated their fundamental weaknesses: Oriented on export crops, the Third World countries today, are even more dependent on imported food and are being exposed to increasing foreign domination.

Still, the rich countries are preparing for even more brutal attacks to force their rising overproduction down the throats of the poor, while destroying their livelihoods. The importance of increasing exports for the US and the EU can hardly be underestimated. In the run-up to the 1999 WTO ministerial meeting in Seattle, US Trade Representative Charlene Barshefsky summarised what is at stake:

*"We produce far more than we can ever eat: and we therefore must have the ability to export to the 96% of humanity that lives beyond our borders if farm families are to prosper. That is already clear today, as one in three American farm acres now produces for foreign markets."*

Although the US was hell-bent on rushing through with another round of liberalisation in agriculture at the Seattle meeting, the resistance from many poor countries that feared the ire of their citizens thwarted this plan. Besides,

the massive street protests in Seattle further proved that resistance to imperialist globalisation is mounting, even in the belly of the beast.

Nevertheless, pressure for another round of devastating liberalisation under the aegis of the WTO remains unabated. In March 2001, the WTO members agreed to a "phase II" work plan that will guide the coming year of agriculture negotiations. US trade officials observed jubilantly that with the new work plan, the discussions have shifted from mere technicalities to the modalities of a new round and they are confident that a new agriculture agreement could be concluded by the end of 2003.

If we want to save the agricultural economies of the Third World and the livelihoods of more than one billion farmers, we will have to put up unwavering resistance. It is of utmost importance that we continue organising the farmers, workers and other concerned sectors in our own countries. We are convinced that their militant struggle will eventually bring about a just and democratic society where genuine land reform, national industrialisation and the other anti-imperialist and democratic demands of the people will be satisfied.

At the international level, we will have to intensify our campaign against imperialist globalisation. As the WTO has clearly been exposed as an instrument of increasing exploitation and impoverishment, our calls should not only include that WTO should be taken out of food and agriculture but that it should be junked altogether.



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## **Pesticides are Dangerous to your Health!**

Pesticides affect everyone - your health, your family's health and your community's health. For farmers and families throughout the world who use (or live close to others who use) pesticides, their number one concern is how these might affect their health.

It's not just the farmer or labourer spraying pesticides who needs to be concerned. Where families and neighbours live close to where pesticides are used, pregnant women should be concerned about their unborn children. It is also livestock, fish and birds including the whole communities whose water or food that are at risk of being contaminated!

Pesticide companies often talk about the "safe use of pesticides" or advertise "environmentally friendly" pesticides. Both of these statements are false. Pesticides are poisons - they can never be safe to use. Pesticides kill living organisms and remain to contaminate land and water - they can never be friendly to the environment.

Many symptoms of pesticide poisoning are similar to other health problems - for example, skin rashes and dizziness. Very often people don't realize they are already being poisoned because many problems don't show up immediately, such as nervous disorders or cancer. People don't realize that these illnesses may be caused by pesticides.

Many doctors are not trained to recognise pesticide-related illnesses, or might even be discouraged by farm managements from diagnosing them. If you don't feel well after being exposed to pesticides, it is possible you have been poisoned. If you continue to be exposed, you could become seriously ill. Don't let anyone - a farm manager, a husband or a health worker to tell you that there's nothing wrong, that it's only the sun or bad food or something commonplace. Learn to trust the message from your body.

## How do pesticides poison people?

- **Through the skin**

This can happen through spills on clothing or directly on the skin, when a farmer touches crops which have just been sprayed, when a spray of pesticide settles on the skin or soaks clothing, when a farmer mixes pesticides with bare hands, or when a family member washes pesticide-contaminated clothes. For farmers or workers in the field, most of the time they are exposed to pesticides through the skin.

- **Through breathing**

This is most common for farmers who spray pesticides, or for people who are nearby when spraying is done. It is important to remember that some poisonous pesticides have no smell.

- **Through swallowing**

This occurs when someone drinks pesticides accidentally or on purpose, when people eat food or drink water polluted by pesticides, or when people eat with their hands without carefully washing off the pesticides they had just handled.

## Chronic effects of pesticides on

- **The nervous system:**

Many pesticides used in agriculture are very harmful to the brain and nerves. Chemicals that harm the nervous system are called neurotoxins. Some of the symptoms of organic brain disease caused by pesticides are severe memory loss, difficulty in concentrating, changes in personality, paralysis, seizures, unconsciousness and coma.

- **The liver:**

Because the body uses the liver to break toxic chemicals down into less harmful substances, the liver itself is often harmed by pesticides. This can lead to toxic hepatitis.

- **The stomach:**  
Vomiting, stomach aches and diarrhea are common symptoms of pesticide poisoning. Chronic exposure can also lead to more serious stomach problems. Many people who have worked with pesticides for years have a difficult time eating even regular foods. For people who swallow pesticides either accidentally or on purpose, the damage to the stomach is severe, for pesticides eat right through the walls of the stomach.
- **The immune system:**  
Allergic reactions are disturbances in the body's immune system. It is the body's reaction to a foreign substance. Pesticides vary in their capacity to produce allergic reactions, and different people react in different degrees to pesticides. Some pesticides have been found to disturb the body's immune system in a more dangerous way. Some pesticides can weaken the body's capacity to resist and fight infections. This means that it is easier to get infections. Or, if there is an infection already present, the illness becomes more complicated and would be difficult to cure.
- **The balance of hormones in the body:**  
Studies on animals have shown that pesticides affect the body's hormone production. Hormones are chemicals produced by organs such as the brain, thyroid, parathyroid, kidneys, adrenals, testes and ovaries to control important bodily functions. Some pesticides affect the reproductive hormones, causing decreased sperm production in the male or abnormal egg development in the female. Some pesticides can cause thyroid enlargement, which can lead to thyroid cancer.

## **Community-based pesticides monitoring**

This means the involvement of ordinary people in the process of collecting information on how pesticides are used and the problems they cause. To do this, the people should work together to observe and record data about pesticides, the dangers they cause to people and the environment as well as collect data on alternatives to pesticides.

*What can community-based pesticides monitoring do?*

- If people understand the harm that pesticides are doing to their health, their land and their community, they will seek to eliminate or reduce the use of pesticides. If communities help gather information about the damages caused by pesticides use, it will be possible to persuade governments to change policies which encourage the use of pesticides and to regulate the industry more effectively.

*What can communities monitor?*

- When pesticide users fall sick and there are symptoms of being poisoned
- How the pesticides industry promotes and sells its products
- What pesticides are doing to the land and the environment
- Successful alternatives to the use of pesticides
- What concerns you and your community about pesticide use



# WORKSHOP I

## Discussion Question

The participants were divided into groups and the topics for the group discussions were:

- The problems faced by the farmers from the aspect of social, financial, marketing and production quality of farm produce
- Their expectations from:
  - > The government
  - > Agriculture agencies, such as NAFAS and LPP
  - > ERA Consumer Malaysia
  - > The farmers themselves

## REPORT OF WORKSHOP 1

*Problems:*

- Small-scale farmers face difficulties in obtaining loans, even from Bank Pertanian (Agricultural Bank), to enable them to develop their farms. The reason is that they “do not have anything valuable to mortgage”. Farmers’ struggle very hard to manage their farms but the reward in the end is just not promising because of their meagre incomes.
- The incident of low income suffered by farmers is caused by unstable prices of food commodities during harvest. Consequently, there is a dumping of food crops or large-scale destruction of the crops as a desperate measure to protect or shore up the prices at the farm.
- Farmers who spend all their working hours planting and tending to their crops have little or no knowledge about marketing their produce. This is where the middleman steps in to take advantage of the farmers. They will help the farmers to sell the produce and they end up earning more from the produce than the ones who planted the crops. It is common knowledge in Malaysia that the prices the middleman offers

the farmer are considerably lower than the prices in the market.

- The situation of poor infrastructures also affects the farmers' production, such as water supply, electricity supply and irrigation.



### *Farmers' hopes:*

- They believe that better planning on the ground level is needed. Farmers and fisherman want government officers from the district office, agriculture department, drainage and irrigation department and veterinary services department to work with them in planning or building infrastructure or when extending services to them.
- They see a future in cooperative farming, such as merging small, uneconomical farms and using machinery and modern practices to improve output and hopefully their standard of living.
- They want better health facilities so that the villagers in general can be educated on healthy and balanced diets.
- They also want more attention to be paid to organic fertilisers. The government should embark on projects to provide organic fertilisers to farmers, instead of chemical fertilisers. In the meantime, they want proper information on the safe use of chemical fertilisers and pesticides.
- They hope that the agriculture department can work with ERA Consumer Malaysia to provide training on the current trade-related issues and also organise farmers exchange programmes within Malaysia.
- They want to have their own seed bank to conserve the biodiversity in their localities. They also want to try to get more of the younger generation to be involved in the farming activities.

## **Launch of report on Women and the AOA (WTO Agreement on Agriculture) “Empty Promises, Empty Stomachs: Impact of the AOA and Trade Liberalisation on Food Security”**

The last two decades have witnessed a much greater internationalisation of the production and sale of commodities, services as well as much greater flow of capital across borders than at any other time in world history. The Asian economic crisis has further increased poverty in Southeast Asia, as it affected production, the availability and accessibility of basic food products. There has been a further deregulation of the agricultural sector and a lowering of tariffs on agricultural products, leading to food import dependency in the Third World countries.

Six years after implementation of the Agreement on Agriculture (AOA), along with other WTO agreements on trade, how has the agreement affected the food security of the large number of the poor, i.e. the small-scale and subsistence farmers, landless workers, indigenous people and urban workers in developing countries, especially the women?

Malaysia, all along an agricultural nation, had to foot an exorbitant food import bill of (Ringgit Malaysia) RM11 million (US\$1 = 3.8 ringgit) in 1997 and RM13 billion in 1998.

Within this context, we need to look specifically at the status of women. Under the new wave of globalisation, liberalisation of agriculture and the so-called large-scale “efficient” farming, land and agriculture are being taken away from the small and family-unit farmers, affecting their access to food. In fact, the concentration of wealth in developing countries is inextricably linked to the concentration of the ownership of land in the hands of a few elite families. Poor rural women have been further excluded and marginalised in their rights to land thereby causing food insecurity.

## Why this study on AOA?

Food security can only be achieved at the household, community, national and international levels if gender issues, for example, the multiple roles of women in food production and the need to empower women are well recognised. This is because women play crucial and often dominant roles in the production of food, in providing and obtaining access to food and in assuring the nutritional security of their families. Hence, this study focuses on the changing role of women in the wake of globalisation and liberalisation.

Also, security of food in any particular country depends on what happens once trade is liberalised. The Southeast Asian region is locked into a pattern of food imports at rising world market prices over which it has no control. All food-dependent countries are under obligation to earn enough hard currency to meet payments for food imports, since food is a basic necessity.

Where Malaysia is concerned, in 1995, it was self-sufficient only in some food products, for example in fruits, poultry, meat, eggs and vegetable oils and was almost self-sufficient in pork. For other major food items, it had to rely on imports. Malaysia produced 75 percent of its rice requirements, 81 percent of fish, 57 percent of vegetables and only 19 percent of its beef requirements.

Cheap imports lead to economic pressure on small farmers, since traders will not buy the local produce. Worse still, it will lead to bankruptcy if the price of the local produce is so low that the farmers are unable to cover their cost. And thus, this will lead to the destruction of farming communities, whereby farmers lose their land, become wage labourers, or even displaced.

In addition, there is a shift to high-value cash crops. This was clearly shown in ERA Consumer's research conducted in Kelantan, a predominantly paddy-growing state in the north-eastern part of the peninsula, bordering Thailand. Farmers and consumers there are buying cheap rice from Thailand. Evidently, trade liberalisation has a damaging impact on the social, economic and ecological state of the country.

## **Conclusion from the study:**

Women have always produced their own food and have always made sure that their children and communities are well taken care of in terms of their food needs. However, in patriarchal societies, this work has been devalued and today this particular role of women is being further undermined. All societies have survived historically because they provided food security for their people. This policy has been subverted by globalisation and trade liberalisation. Food will now be produced where labour is the cheapest and environmental protection is the weakest. Poor communities will be forced to produce luxury products for export to rich countries.

These trends are in fact already occurring. There is a large-scale disappearance of small farmers and food self-sufficiency. The rural people who are displaced move on to become urban squatters and the cycle continues. Those who were once producers of food are now forced to purchase their food in the markets. The most vulnerable to these policies are the poor women and children. By all accounts, it is visibly clear that AOA has harmed small farmers and made the poor even more food insecure.



## **Sharing of experiences: By participants in the Farmers Exchange Visits**

### **a. Philippines - Ms Marakatham**

The programme for the Farmers Exchange Visit to the Philippines focused on community-organising experiences and lessons in the building of farmers' network. A total of 20 farmer-leaders and 14 NGO staff members from 10 Asian countries participated in this exchange visit.

The Philippines visit gave the participants an opportunity to spend a night with farming households in Mindanao. They were able to discuss with both the local farmer-leaders and community organisers, the processes and lessons in community-based development models and community-initiated advocacy efforts. The Philippines leg enabled the participants to learn the lesson that it is up to the agriculture sector to protect and advocate its rights and interests.

### **b. Indonesia - Ms Aminah Omar**

The Farmers Exchange Visit in Indonesia focused on the response to the challenges of international solidarity, dialogue, advocacy and cooperation among Asian rural communities and farmers' organisations. The visit gave the participants the opportunity to engage in dialogues with community members on their struggle for agrarian reform and to talk about the reality and the challenges of cooperation and solidarity at the local and international levels. Participants were able to identify concrete programmes of action towards greater advocacy by the rural communities, and then to translate these ideas into local plans for agreement at the regional level.

### **c. Japan - Mr Silveraju**

The visit to Japan offered a productive learning environment, given its history of successful agrarian/agriculture development and a strong farmers' cooperative movement. For many years now, Japan's farmers' organisations have been developing steadily, with communities actively participating in and contributing to further spur national development. Though it is a powerful player in the global economy, with annual trade surplus exceeding \$100 billion and massive overseas investments, Japan has been hit by a series of economics crises. However, the country remains as a force to be reckoned with in the region. Its small agricultural sector has been growing in terms of knowledge and skills acquired and has developed through the assistance of academicians, researchers and agriculture practitioners.

## Evaluation of Workshop 1 Report

After the workshop reports were presented, resource person Mr Bishan Singh made the following observations and comments:

- The groups are to be congratulated for their insight, analyses and reports. The most important aspect of management and bringing about change for improved development is problem identification. The better we are at identifying problems, the more accurate our analyses and action plans will be.
- In problem identification we must be careful to distinguish between “symptoms” of the problem and the “causes.” Most of the problems identified by the workshop groups on agriculture and farmers livelihood, if reassessed carefully, will show that most of the “causes” identified are actually “symptoms.”
- We all agree that agriculture and farmers face severe problems. For example, if we build a house without a strong foundation, according to the building rules and requirements, we will not get a strong and durable house. The agriculture and the livelihood of the farmers, are in crises because we have laid the wrong foundation and are following the wrong development approach.
- We are confronted with soil erosion and degradation because of the wrong usage of land. Fertile land and land suitable for agriculture are being used for roads and buildings. Agriculture is pushed to poor, desolated and marginalised lands that are not suitable for this activity.
- Less suitable land for agriculture means that in order for quality crops to be grown or produced, more chemical fertilisers, pesticides and herbicides will be used. Most fertilisers, pesticides and herbicides are not only expensive but will also pollute the soil, water and food that is produced, causing harm to human health, raising the cost of food production and therefore, bringing down the earning capacity of the farmers.
- In addition, the colonial concept of growing crops in huge plantations continues to dominate, especially in the developing countries. Such a practice destroys the ecological and genetic biodiversity of the land. This again impinges upon the practice of organic and sustainable agriculture.

- Globalisation is encouraging more and more investment in agriculture that is of the "industrial" type, capable of mass production and that involves the use of questionable technology. The motive for this is for more profit, rather than taking into consideration the ecology or the livelihood of the small farmers.
- The root cause of these problems is the pursuit of a development approach that is capital-centred and not life-centred. There is no respect for the people, the ecology and the life support systems. Financial gains and returns are the principles for both decision-making and for organising any enterprise. It is not people or the Earth, it is money.

Bishan then went on to provide some ideas on how the adverse consequences of an unsustainable approach to agriculture can be reversed and mitigated to becoming a more sustainable one. He proposed three main ideas.

- First, globalisation has both positive as well as negative impacts. To counter the negative impacts of globalisation, one can adopt localized policies and practices. What this means is that we recognise and make diversity central to development and to community life. Globalisation means the practice of the principle of "unity in diversity", and not "unity in homogeneity" where we try to make the whole world adopt a monoculture.
- For localisation to be practised effectively at the farming community level, we need to create "Sustainable Village Action Groups" as an organisational mechanism to mobilise, create awareness, educate and advocate for localisation policies and practices. This group should include women and institutionalise the gender partnership and equity concept from the beginning. The main work of the group will be to work towards localising consumption patterns, lifestyle, economics, livelihood, agriculture, flora and fauna - where the unique natural resource features of the community as part of the life support system is in balance.
- To start the localisation and sustainable development process and to gain experience, a pilot project can be initiated, either in one village or

a number of selected villages. The pilot initiative could start with a "Sustainable Agriculture Action Group". Through the practice of sustainable agriculture, we can slowly move to consumption patterns, lifestyle, livelihood, economics and so on. The group can meet and work on the way the farmer's field school operates. To ensure success in sustainable agricultural practices, it is important that training in management, credit, financing, marketing and other support services are provided.

### **Day Three**

The day began with the explanation about the upcoming Farmers Exchange Visit in Malaysia, which will be held from April 27 to May 2, 2002 in Shah Alam. The president of ERA Consumer Malaysia, Mr Marimuthu Nadason, gave the briefing.

The theme for the Malaysian leg is "Asian Farmers' Responses to the Effects of Globalisation Amidst the Global Debate on Food Security Concerns vis-à-vis Trade Liberalisation". This farmers exchange visit hopes to provide the participating farmer-leaders and civil society members the opportunity to learn about the salient points in the debate on trade liberalisation and on how food security and agriculture figures in the discussions and consequential agreements under the WTO and ASEAN.

As for the specific objectives, at the end of the exchange visit, the farmer-leaders should be able to discuss the role food plays in the current world trade liberalisation debate, discussions and agreements (in context of WTO and AFTA), share their concerns and propose advocacy agenda vis-à-vis AOA and AFTA. They should be able to engage in discussions with local Malaysian farming households on their understanding of the current government policies in agriculture and the impact it will make in their everyday lives. They should also be able to outline specific policy agenda points that can be shared and presented to both national governments and regional bodies for policy formulation.

After that Marimuthu officially launched DHRRA Network Malaysia and went on to explain its establishment and role in the society. DHRRA Network Malaysia evolved from what was known as MasDHRRA, which was

established in 1974. It ceased to exist in 1998 after the death of its founder-president.

MasDHRRA was successful in bringing together communities driven by the spirit of dialogue and cooperation among rural people. DHRRA Network Malaysia's mission is to continue organising a strong self-reliant community through people's empowerment initiatives in order to work for poverty alleviation, based on the same spirit of dialogue, cooperation and capacity building of human resource.

Since 1999, DHRRA Network Malaysia, which was only registered in 2001, has been organising various community-based health, hygiene and educational programmes in the rural areas. Reborn with a new image, DHRRA Network Malaysia worked to facilitate the processes that allow the most vulnerable sectors to be informed about developments taking place, determine their options and courses of action and subsequently respond collectively. DHRRA Network saw the need to link circles of farmers' groups and rural communities through various initiatives at the village levels. More recently, DHRRA Network Malaysia conducted a baseline survey of about 632 farming households around the country to monitor the household and community levels of food security, as well as to assess whether the farmers' livelihoods are sustainable in light of economic and financial globalisation.

DHRRA Network Malaysia is concerned about:

- the apathy of the government towards the promotion and implementation of genuine agrarian and aquatic farming reforms;
- limited and sometimes the lack of support from the government for local farmers, especially in the areas of credit programmes and facilities, access to market and marketing support mechanisms, infrastructure such as pre- and post harvest facilities and extension services for technology to promote sustainable agriculture;
- the effect of trade liberalisation on rural community culture, indigenous knowledge systems and farmers' production systems;
- the limited recognition given to the important role of rural women in agricultural development, along with the unequal opportunities provided.

Membership of DHRRA Network Malaysia is drawn predominantly from the rural poor, the peasantry and indigenous people, i.e. mostly those who participated in the 24-village micro study on food security.

Members of DHRRA include:

- The farmer-leaders from the 24 villages as affiliates members;
- Expert organisations such as
  - > APSCARE (Asia Pacific Secretariat for Consumer Advocacy, Research and Education);
  - > ERA Consumer, Malaysia (Education and Research Association for Consumers, Malaysia);
  - > PAN-AP (Pesticide Action Network for the Asia and the Pacific);
  - > SUSDEN (Sustainable Development Network Malaysia);
  - > SEACON (Southeast Asian Council for Food Security and Fair Trade) and
  - > CUPC (Credit Union Promotion Clubs).

### **Board of Directors**

A chairperson, a secretary-general, a treasurer and

- 6 affiliate members
- 6 Expert Organisations and the above nine officials constitute the network's General Assembly.



# Farm Management Training

## Conducted by Bishan Singh, MINSOC

To increase farm productivity and increase farm household income, the farmers not only need the technology but they need also management capacity. This is Bishan Singh's personal experience from working with many farm communities in more than 10 countries within the Asian region with the Food and Agriculture Organisation (FAO) and other UN and donor agencies. He shared two simple management tools that can help small farmers improve their decision-making and management skills.

### 1. Farm Household Resource Assessment Tool

This is a tool that can guide the farm household to record all the resources at its disposal, which can provide the household with source of income for livelihood. The guide tool is as follows:

#### *Tool 1: Farm Household Production Resource Inventory Tool*

##### I. Land

- Size: How many sao? (1 sao is 360sq-metres)
- Type: Flat land/hill slope/ upland/irrigated/rain-fed/swamp/sandy, etc
- Rent: Either paying or if owned, the estimated rental worth of the land
- Special features: Existence of a pond, lake or river, and access to the commons

##### II. On-farm Labour

- Household: (accounting per year)
  - number of people involved full time: Estimated Value<sup>2</sup> :
  - number of people involved part time: Estimated Value:
- Hired: (accounting per year)
  - number of people involved full time: Estimated Value:
  - number of people involved part time: Estimated Value:

III. **Off-farm Labour**

- Work provided for wages (accounting per year)
  - number of people:      Estimated Value:
- Income derived from labour expertise
  - Type of expertise = Number of people x Estimated value

IV. **Capital Available:**

- Household Savings                      Estimated Amount:
- Access to possible credit              Estimated Amount:
- Outside gifts and contributions      Estimated Amount:

V. **Agriculture and crops:**

Types	Quantity	Yearly output	Estimated Value
<i>Rice</i>			
<i>Vegetables</i>			
<i>Fruits, etc</i>			
<i>Wild crops</i>			

VI. **Livestock and poultry**

Types	Quantity	Yearly output	Estimated Value
<i>Pigs</i>			
<i>Buffaloes</i>			
<i>Ducks, etc</i>			
<i>Chickens</i>			

VII. **Aquaculture**

<i>Pond/lake/river</i>	<i>Fish species</i>	<i>Output</i>	<i>Estimated value</i>
		<i>per cycle</i>	
Pond			
Rice field			
River (Cage culture)			

**VIII. Income from Investment**

Type of Investment

Contribution to household production: Estimated value

Income generation from services: Estimated value

Cash By-product : Rice milling

**IX. Support services and subsidy received**

Types of services/subsidy Estimated value of services received

Estimated value of subsidy received

*Agriculture**Livestock**Aquaculture**Marketing<sup>3</sup>**Transportation**Others***3. Tool to Assess and Analyse Household Production Resources.**

- 3.1. This is another guide to help the farmer and his or her household to assess the potential of their household resources for development. Such assessment is not done once. It is an on-going exercise: assessing action-assessing process.

**Tool 2: Guide to assess the potential of the resources**

Questions to guide a farm household to assess the productive potential of resources

**I. Land:** Review and assess:

- Is the land resource sustainably managed? Is there any environmental degradation, resource pollution, loss of fertility, etc?
- If so, why is this happening? How can the situation be remedied and improved?

- Is the land resource optimally utilised?
- If not, how can the situation be improved? If yes, how can the resources be better utilised?

**II. On-farm Labour:** Review and assess:

- Household labour:
  - Is it optimally used? If not, how can the situation be improved?
  - Is the labour adequately skilful? If not what kind of skills training is needed? How to obtain such training and how much it will cost?
- Hired labour:
  - Is it optimally used? If not, how can the situation be improved?
  - Is the labour adequately skilful? If not, what kind of skills training is needed?
  - How to obtain such training and how much will it cost?
  - Is it worthwhile making such investment?

**III. Off-farm Labour**

- Work provided for wages
  - How does the off-farm income assist in increasing the household income?
  - Assess whether the income from off-farm activity is more profitable than the on-farm income.

**IV. Capital**

- Are you using the existing capital well and to the full potential? How can you use the capital to improve your production capacity?
- In your assessment, do you require more investment? If so, how much credit would you require? Will this additional investment bring you more profit than the interest you will be paying?

## V. **Agriculture and crops:** Review and assess

- Are the crops grown the most suitable for the local conditions - soil, climate and other conditions?
- Do the crops contribute to the household income, food security and nutrition and good health?
- Are they high value crops with good market prospects?
- How can I improve the cropping patterns and crops - seed selection, proper planting techniques, adequate crop care, etc.
- How can I improve my post-harvest storage, delivery, sales, etc.

## VI. **Livestock and poultry**

- Are the livestock and poultry kept the most suitable for the local conditions?
- Do the livestock and poultry contribute to the household income, food security, nutrition and good health?
- Do the livestock and poultry have good market prospects and provide increased income opportunity?
- How can I improve the livestock and poultry breeding techniques for better and improved quality?
- How can I improve my storage, delivery, sales, etc, related to the livestock and poultry enterprise?

## VII. **Aquaculture**

- Is the aquaculture enterprise undertaken and the species bred most suitable for the local conditions?
- Does aquaculture contribute to the household income, food security, nutrition and good health?
- Does the aquaculture produce have good market prospects and provide increased income opportunity?
- How can I improve the aquaculture and fish breeding techniques for better and improved quality?
- How can I improve my storage, delivery, sales, etc, related to aquaculture enterprise?

### VIII. **Income from investment**

- Is the investment providing you the opportunity for more work and extra income?
- Assess whether you are using the present investment to the optimum benefit: What other opportunities are there to increase income from this investment?

### IX. **Support services and subsidy use**

- Am I utilising the support services and subsidies provided optimally and effectively? How can I further optimise and use more effectively such services and subsidies to improve my productivity and income?
- What new support services do I require to improve my production and income? Where can I get such services, and at what options and costs?<sup>4</sup>

An analysis of the answers to the questions will bring about information for better decision-making and help farmers improve their management capacity.

The use of this tool will help the farm household understand more in detail the resources they have and help the household to make decisions that will enable them to improve the situation, increase output and income. This tool should ideally be used every six months, or at least once a year, as part of the farm management practices.

## **2. Household Expenditure and Income Planning**

This is the second most important tool that can build the knowledge and skills of the farm household to make better decisions and to manage income and expenditure. A guide tool provided is as follows:

### **Tool 3. Farm Household Budget: Expenditure and Income Planning**

To strengthen the management capacity of a farm household, it has to first of all, make an estimate of its income and expenditure. In other words, it should develop a household budget. Very few farm households undertake a household income and expenditure budgeting. This is because of the difficulty involved in planning and recording, and also because of the lack of knowledge and motivation. Such budgeting is absolutely essential in order to strengthen the household management capacity.

The income and expenditure budgeting is so important that every country, local government, departments, business companies and organisations undertake this budgeting exercise. It forms one of their major areas of work. The income and expenditure budgeting of these institutions however, are much more difficult and complex.

The information on household income and expenditure is necessary to help the farm household understand where its income comes from, its necessities and the level of consumption. The information is also useful in helping the farm household in planning its production and consumption needs in order to support its livelihood and improve the quality of life. The final output from the training is an accounting guide.

#### **A. Accounting guide for household expenditure recording.**

- This accounting guide helps the farm household to estimate the total household expenditure. It helps in the planning and gives the household a good estimate of the expenses. The estimate can also be used to monitor expenses. The data will give them detailed information and will show them where and how their expenses are incurred.
- It was decided that household budgeting should start with expenditure first. This is because knowing such needs will motivate adequate earning capacity of the household to meet their needs of their expenditure. Savings is included in the expenditure column to motivate compulsory savings to cover risks, emergencies and for investments.

## Expenditure Guide

<b>Area</b>	<b>Details</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Yearly</b>
<b>Food</b>				
	<i>Rice and other items like noodles, etc</i>			
	<i>Meat, poultry, fish, eggs, etc</i>			
	<i>Vegetable and other similar items</i>			
	<i>Other food items</i>			
<b>Housing, furniture and fitting</b>				
	<i>Rent (if owned, estimate rental)</i>			
	<i>Repairs and maintenance</i>			
	<i>New items and other expenses</i>			
<b>Utilities Electricity</b>				
	<i>Water</i>			
	<i>Telephone and postage</i>			
<b>Clothing and cosmetics</b>				
	<i>Husband</i>			
	<i>Wife</i>			
	<i>Child - 1</i>			
	<i>Child - 2</i>			
	<i>Other dependants</i>			
<b>Medical fees and insurance</b>				
	<i>Purchase of medicine</i>			
	<i>Purchase of other health products</i>			
<b>Education</b>				
	<i>Child - 1</i>			
	<i>Child - 2</i>			
	<i>Newspapers, Books and Periodicals</i>			
<b>Transport</b>				
	<i>Fuel</i>			
	<i>Maintenance and repair</i>			
	<i>Fares - bus, taxi, train, plane, etc.</i>			

<i>Area</i>	<i>Details</i>	<i>Weekly</i>	<i>Monthly</i>	<i>Yearly</i>
<b>Insurance</b> , road tax, etc.				
<b>Recreation</b> <i>Radio &amp; TV - fees, repairs, etc</i> <i>Movies and others</i> <i>Holiday and travel</i>				
<b>Festivals</b> <i>New year</i> <i>Annual festivals</i> <i>Other festivities</i>				
<b>Savings</b> <i>minimum 10% of total income</i>				

## **B. Accounting guide for household income recording**

- Let us see how we can estimate and monitor our income. The following is the income-recording guide.

### **Income Guide**

<i>Area</i>	<i>Details</i>	<i>Per season</i>	<i>Per year</i>
<b>Agriculture</b> <i>Main crop - rice</i> <i>Sub-crop 1 - fruits</i> <i>Sub-crop 2 - vegetables</i>			
<b>Livestock</b> <i>Pigs</i> <i>Cattle</i>			
<b>Poultry</b> <i>Chickens</i> <i>Ducks</i>			

**Aquaculture**

*Fish*

**Labour**

*Work done for others*

**Remittance**

*Support from children  
and other family members*

**Other sources**

*Rental, investment, etc.*

## **C. Guide Questions for Analysis**

- Is expenditure more than income? If so, what can we do to balance the situation? If not, how much is the surplus and what are our plans to utilise it?
- How much is spent on household goods? If there is a need to purchase these items, what would the total cost be? How does this contribute to the quality of life?
- Are we over-spending? What areas of spending can we manage in a more cost-effective manner?
- Is there a potential to increase our income? What can be done to optimise the income level?
- What is our level of savings and capital formation? What can be done to improve the situation?

## **Tool 4. Household Production Resource Inventory Tool**

After knowing how much a household requires for expenses and how much income it gets, it is now important that the household understands production resources available to it. This is necessary to strengthen the household management capacity. The household production resource inventory tool

is one of the outputs of the training.

The aim of this guide is to enable farm households to make inventories of farm household production resources. It is not limited to aquaculture only. The reason is to enable the farm household to see the overall picture of the productive resources and to help the household assess the situation for improved decision-making.

This is a simple and introductory guide. Many farmers, especially those who are illiterate,<sup>5</sup> are averse to making and keeping records. They can start with a simple approach and as the farmers mature in the process, the recording can become more detailed and complete. As the saying goes, "Nothing succeeds like success". This is an important principle of training in capacity building.

It is important to note that expenditure should be calculated first - not income. Experience has shown that when income is computed first, the farm household involved in the exercise tends to balance the expenditure with the income. There is no harm if expenditure is higher than income. What is important is capturing the true situation.

If expenditure is higher than income, decisions can be made to increase the income. There are three ways a household can increase income. The first is by reducing expenditure through more careful ways of spending. The second is by increasing productivity, that is, the household can produce more to earn more. Thirdly, it can increase value of output by adding value or by marketing directly, by the members themselves.

Included in the item of expenditure is savings. Savings are important to meet future emergency needs and also investment needs. The more carefully savings are planned, the better the household management situation will be.

# **Integrated development approach to organising farmers through cooperatives**

## **Sharing of experiences by Paul Sinnappan of the Credit Union Promotion Club**

### **1) Introduction**

For the past few years, the Credit Union Promotion Club has been actively involved with farmers from the Indian community and the *Orang Asli* community in Malaysia . In this paper I would like to share my experiences in helping the indigenous farmers.

- 1.1 In the year 1997, the Credit Union Promotion Club conducted a workshop on how to reach out to the poorest of the poor. We discussed the plight of the Indian poor, the Malay poor, the *Orang Asli* poor and the poor in Sabah and Sarawak. We also came up with an action plan on how to reach out to each group. A major decision was to work with NGOs that have already been working with these target groups.
- 1.2 The National Office for Human Development (NOHD), with which I work, also began working on sustainable agriculture, putting the focus on the *Orang Asli* communities.
- 1.3 In order to be able to work better with the *Orang Asli* in Peninsular Malaysia, the following NGOs, which were working with various communities were identified as partner organisations:
  - 1) Kampar Orang Asli Development NGO - Perak
  - 2) Foundation for Community Studies - Pahang
  - 3) Bidor Asli Development NGO - Lower Perak
  - 4) Terbai NGO (A contact of KOMAS in Sarawak)

## 2) Sustainable Development Approach

Two consultations were held for the indigenous involved in grassroots economic agricultural activities and from the consultations, objectives for the promotion of sustainable agriculture were drawn up

- to coordinate and consolidate *Orang Asli* groups involved in farming related activities;
- to introduce new farm technologies to improve agriculture production;
- to organise a cooperative for the *Orang Asli* farmers in order to help meet their financial needs;
- to organise a marketing system for the farmers and
- to create a platform in which farmers can learn from one another, .i.e. through exposure, discussion sessions and so on.

## 3) Agricultural activities carried out

The following agricultural activities were carried out as income generation activities in the indigenous villages:

- goat rearing
- chicken growing
- fish rearing
- vegetable growing
- fruit growing
- collection and sale of non-timber forest products

Selected farmers underwent training at government agencies, to learn new farming techniques, besides integrated farming and organic farming. Some were even sent abroad to learn new farming technologies such as the SALT method. Experimental farms were established at Kampar in Perak and at Tasik Chini in Pahang to train the farmers in these farming methods and to encourage individual farming and collective farming.

#### 4. Organising cooperatives for the farmers

The Credit Union Promotion Club undertook the responsibility of organising the *Orang Asli* farmers into credit unions (for savings and loan activities). Some of the indigenous communities organised so far are at:

Community	Adult members	Savings (RM)	Children members	Savings (RM)
Kpg Bota Kanan, Perak	17	1,972.90	21	224.00
Kpg.Ulu Rasauh, Perak	22	1,291.90	13	274.00
Kpg.Ulu Bekau, Perak	17	914.30	12	218.00
Kpg.Sungai Genting	12	1,080.00	-	-
Kpg.Pos Slim, Perak	30	1,526.00	-	-
Kpg.Batu 3 Pekan, Pahang	17	309.00	-	-
Kg.Rompin, Pahang	14	107.00	-	-
KpgTanjung Keruing, Pahang	24	2,159.50	32	1,642.65
Kpg.Tanjung Kelapa, Pahang	43	3,434.20	32	1,685.18
Kpg.Soi, Pahang	25	2,022.00	32	1,219.66
Kpg.Batu 3, Chini, Pahang	17	309.00	20	288.50
<b>11 villages</b>	<b>238 adults</b>	<b>RM 15,125.80</b>	<b>162</b>	<b>RM3,909.81</b>

The Kampung Cham community near Bidor has a community fund of RM7,000.00 out of its agricultural and non-agricultural activities. KOMAS, an NGO, is actively involved in Bidor. Also through KOMAS, we helped to conduct sessions for six NGOs in Sarawak and they have started savings groups at their longhouses. All these groups have been involved in agriculture-based income generation activities. An organic farm was set up near Bintulu for farmers to visit and learn the techniques.

The Credit Union Promotion Club also conducts sessions on book-keeping and administration of a credit union, and runs special pre-membership courses specially designed for the indigenous communities.

#### 5. Marketing

Marketing of the products that are produced by the indigenous farmers is quite a daunting task. In fact, the problems that exist or arise are very difficult to solve. It is not possible to organise a pan-Malaysia

level marketing for the produce of the indigenous farmers at this time because of the distance between the various communities and the quantity of production. Therefore, local level marketing techniques are employed.

The Kampar group and the Tasik Chini group each have a vehicle and are able to transport the farm produce to the neighbouring towns for sale. A consumer-producer group has been established in Kampar, with church members buying the produce from the native farmers.

## Conclusion

The integrated method of introduction of new farm technologies, introduction of cooperatives and developing a marketing system for the farm produce of the *Orang Asli* communities have proven that these can work if we are going to push for food security and sustainable agriculture.

The strengths and weaknesses of these experiments are continuously being evaluated for the campaign to move forward. Other *Orang Asli* villagers can learn from these experiences. The experiences in Sabah and Sarawak call for further evaluation of the existing projects and for the reduction of weaknesses in the implementation of the projects.

I would like to thank Yong Soon (Kampar group) , Kon Onn (Tasik Chini group), Tijah (Bidor group) and Jo Han (Bidor and Sarawak groups) for helping me build contacts with these native villages in their areas to organise the credit unions.

I would like to also thank Koperasi Kredit Rakyat for coordinating community credit unions in Perak, the Koperasi Kredit Pekerja 2 for coordinating those in Pahang and the NOHD for providing financial assistance for the network building.

# **The Malaysia Agriculture Sector: Problems and Hopes**

## **By Prof Madya Salleh Mohamed**

### **Federation of National Farmers' Cooperatives (PENAKOP)**

## **Introduction**

Before Independence in 1957 and to this day, the agriculture sector has always been an important component of the national economy. Malaysia is well known as the main producer for palm oil, rubber and (before), tin. These three products have also contributed a lot towards the nation in terms of income generation, usage of land and employment. The agriculture sector continues to make a significant contribution to the national economy.

For example, in the year 2000, the value of the Gross Domestic Product was about RM 18.5 billion, the export value from agriculture was RM 18.6 billion and the total labour force involved was 1.2 million.

The government has provided a lot of financial allocations and infrastructure and there were several ministries, departments and agencies directly involved in helping to increase the economic and social status of the farmers in the country. For example, in 2000 the government allocated RM 5.4 billion to agriculture.

Therefore, the question that arises here is, why are the farming community still being neglected in the development of the national economy despite the fact that they are the ones who contribute the most towards national income? In 2000, it was calculated that most of the residents of the rural areas were farmers and that the mean monthly income of a household was below RM1,300 a month.

So, what are the core problems that they face?



## Problems

The agriculture sector in this country can be divided into two areas. The first would be the commercial agriculture on a plantation scale, ran by transnational companies such as Dunlop, Guthrie and Golden Hope. The second would be the small-scaled agriculture, that is, the activity of the smallholders or individual farmers and even those who joined the agriculture development plans under the Federal Land Development Authority (FELDA) and the Federal Land Consolidation and Rehabilitation Authority (FELCRA).

In the commercial agriculture sector, the obvious economic problem is not anything faced by the owners but the plight of the workers who are lowly paid and live a miserable life.

The problems faced by the smallholders and other farmers are even more obvious. Among the main problems that have been identified are:

- Capital and credit facilities
- Marketing
- Education and training
- Research and development

## Hopes

The future of the farming community, especially that of the small-scale farmers, is not impossible to be improved. If so far they were extremely dependent on assistance from the authorities, through top-down policies, the time has now come for a paradigm shift with a bottom-up policy approach that will need the support of the farmers themselves.

There are thousands of agricultural cooperatives in Malaysia today, with a membership that exceeds one million people. The government can tackle the problems of the neglected people in the agriculture sector by working through the cooperative movement. For this to work, first of all the perceptions and level of understanding of the value and principles of the cooperatives among the members and among farmers in general must be raised.

The philosophy of a cooperative is to work together as a team for the well-

being of all. This should be the basic guide in working for a better future of the farmers. The fourth principle of a cooperative is the autonomy and freedom of being organised, so a member does not just always hope for assistance from others but also learns to become self-reliant. This principle actually encourages the members (especially the farmers) to move away from the subsidy mentality that is so entrenched in the country. Similarly, this principle also encourage the members to change their attitude from asking what the government can do for them to what they themselves can do to solve the problem they face.

The sixth principle of the cooperative movement is cooperation among the cooperatives. This is by far the best formula, to assist farmers through the cooperative movement to tackle and resolve their problems. This principle, if implemented, can help generate the financial resources, energy and expertise that farmers would need. Cooperation among agricultural cooperatives all over the country will bring economic benefits that can help reduce the cost of production and marketing, expand the market and strengthen the position of farmers in bargaining the prices of agricultural inputs and outputs.

In efforts to increase the practice of the sixth principle of the cooperative movement, the National Cooperative Organisation of Malaysia (ANGKASA) initiated and sponsored the establishment of the Federation of National Farmers' Cooperatives or PENAKOP.

PENAKOP is now an affiliate of ANGKASA. It is a secondary organisation, comprising cooperatives of people involved in farming, livestock breeding and freshwater fish breeding. The fishermen's cooperatives however, are not included in this. PENAKOP's philosophy is that the future of farmers should be determined from the hard work of the farmers themselves. This is in line with the declaration of Allah swt in Surah Ar-Radayat 11, which means:

*"Actually, Allah doesn't change whatever there is until they themselves change what there is."*

PENAKOP is an organisation that aims to brighten the lot of the farmers through a "bottom-up" movement, unlike the "top-down" system which causes farmers to just wait and hope to get help. Based on this philosophy, the system, function and structure of PENAKOP will be completely managed by the farmers themselves.

## **The focus of PENAKOP**

Resulting from the outcome of an agricultural co-operatives seminar organised by ANGKASA from Feb 13-16, 2000 at the ITM Resort and Convention Centre in Shah Alam, Selangor as well as several studies and discussion that has since followed, six critical issues faced by agricultural-based cooperatives in the country were identified, they were:

1. Leadership
2. Marketing
3. Capital and financial resources
4. Overlapping of the functions of government agencies
5. Education and training
6. Research and development

## **Strategies**

To ensure that the objectives of PENAKOP are achieved, the focus will be on a strategy to build-up the system, function and structure of the organisation, especially in efforts to stabilise the administration, to improve leadership and for members to understand their role in the organisation.

In the early stages, it was decided that the level of understanding of the role and function of a cooperative must be well understood by its members, so that they can continuously give their cooperation and support to realise the objectives and vision of PENAKOP as an organisation that can uplift the lot of the farmers through resources generated by the farmers themselves.

PENAKOP on its part began to tackle two critical problems that farmers face: capital and credit facilities. It was decided that a PENAKOP Bank should be established to provide capital and credit facilities that do not burden the farmer - as is being done by several agricultural cooperative banks in some foreign countries.

The marketing of produce is also a critical issue that determines a farmer's success, especially in respect of his ability to have the necessary cash flow for his activities. Without a channel and system of marketing that is

effective and coordinated, the lot of farmers are not going to improve. The next task of PENAKOP therefore is to organise the marketing system for the produce of farmers' cooperatives, and that of individual farmers as well.

## **Conclusion**

Farmers cooperatives and their members should be thankful for the efforts the government is putting in to improve their livelihood and social status.

What they must do today is to think of creative and innovative measures that they can take to bring about positive changes to their lives - as outlined in the fourth principle of the cooperative movement - autonomy and freedom - instead of just waiting or hoping for more handouts from the government, and to build on the sixth principle, that is betterment through cooperation among the cooperatives.

# List of Participants

	<b>Name</b>	<b>Organisation/ Occupation</b>	<b>Contact Details</b>
1.	M. Balasundram	Farmer	Taiping, Perak
2.	Ahmad bin Nayan	Farmer	Semanggol, Perak
3.	Abd Aziz bin Nayan	Farmer	Semanggol, Perak
4.	Tang Lye Hock	Farmer	Taiping, Perak
5.	Maragatham	Farmer	Taiping, Perak
6.	Malawati Zainal	Farmer	Pahang
7.	Kamaliah Abd Rahman	Farmer	Pahang
8.	Siti Meriam binti Mamat	Farmer	Peringat, Kelantan
9.	Aminah Omar	Farmer	Peringat, Kelantan
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14.	Mohd Edrus	Farmer	No 217, Jalan Datuk, Mudd Unggul, Seremban
15.	Salma Fikry	MINSOC	MINSOC
16.	Kalvinderjit Kaur	MINSOC	MINSOC
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22.	Aizawati	FOMCA	
23.	Bishan Singh	MINSOC	MINSOC
24.	Paul Sinnappan	KKP (CUPC)	KKP
25.	Rachel Samuel	Lecturer	UiTM, Malacca
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29.	Prof Madya Mohd Salleh	Lecturer	Faculty of Management and Human Development, Univ. of Tech. Malaysia (UTM)
30.	Kumar	KKP (CUPC)	KKP

## Notes

- 1 This 200 Village Project represented a response to the solemn commitment of 186 global leaders gathered in Rome at the World Food Summit of 1996 that the number of hungry people in the world should be halved by 2015. The seriousness of this initiative was underscored by the fact that two-thirds of the world's hungry, or 800 million people, live in Asia.
- 2 All values are estimated.
- 3 It covers both input for production and output of products.
- 4 Cost here does not mean money alone. It includes time and effort to obtain such support.
- 5 Illiterate farmers need to be assisted in this process, either by getting one literate member of the household, a neighbour or someone literate in the community to help.

## About ERA Consumer

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The Education and Research Association for Consumers, Malaysia (ERA Consumer, Malaysia) is a voluntary, non-profit and non-political organisation that was founded in Ipoh, Perak in 1985. ERA Consumer is a registered membership organisation under the Malaysian Societies Act of 1966. It was set-up to undertake and promote the task of developing critical consciousness on public-related issues out of the larger socio-economic issues.

ERA Consumer is a dynamic institution that is constantly responding to and developing its services according to the needs and demands of the people. It aims to create awareness among the public on issues that are effecting their lives, through research and educational programmes by undertaking independent, authoritative, balanced research on public issues; carrying out public education projects; making policy recommendations to the government & international institutions; building solidarity and understanding among NGOs in Malaysia and society at large, and to increase South-South relations and North-South understanding. ERA Consumer's components and main programmes are consumer issues; human rights education; food, trade and economics.

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