



Trade liberalisation can benefit smallholders

Trade liberalisation presents opportunities for many countries to enter new markets. Developing countries and global economic powerhouses are working within the World Trade Organization (WTO) to capture benefits, but do these reach smallholders and the rural poor? The WTO acknowledges the link between trade and development. Many developing countries are WTO members.

For the poor smallholders in these countries, accessing the benefits and opportunities of trade liberalisation relies on increasing production to meet growing demand.

Many of these smallholders, from Indonesia to South Africa, are confronting the same types of issues; risk management, sustainability and access to credit.

ACIAR is funding a range of projects that assist smallholders to address these issues in positive ways.

In Indonesia, projects on animal health and production, sustainable fish

catches and aquaculture, forestry utilisation and crop protection are helping smallholders to increase production.

Equitable contract farming and microfinance systems, common in parts of Indonesia as a means to helping smallholders improve their livelihoods, are being developed.

In several countries there is much work needed to rebuild agriculture following disaster, conflict and civil breakdown. Many smallholders in countries such as Indonesia, East Timor and Afghanistan can only access markets once substantial rehabilitation has taken place.

ACIAR is engaged in research in these and other countries to help in rehabilitation.

Helping smallholders achieve the shift from subsistence cropping and livestock keeping to producing surpluses for sale, is vital to ensure the benefits of trade liberalisation reach the rural poor as well as those already benefiting from development.

PARTNERS IN RESEARCH FOR DEVELOPMENT

Partners in Research for Development presents articles that summarise results from ACIAR-sponsored research projects, and puts ACIAR research initiatives into perspective.

Technical enquiries will be passed on to the appropriate researchers for reply. Reprinting of articles, either whole or in part, is welcomed provided that the source is acknowledged.

This publication is freely available from ACIAR'S website at www.aciar.gov.au. It is also freely available on request from ACIAR.

The use of a trade name does not constitute any endorsement of, or discrimination against, any product by ACIAR.

Executive Editor: Warren Page, ACIAR,
+61 2 6217 0500

Managing Editor: Brad Collis, Coretext Pty Ltd,
+61 3 9670 1168

coretext

Design and Production: Coretext Pty Ltd,
www.coretext.com.au

ISSN 1031-1009

Letters from readers are welcome,
and should be addressed to:

The Editor
Partners in Research for Development
ACIAR
GPO Box 1571
Canberra ACT 2601
Australia

email: comms@aciar.gov.au

Photos: All photos ACIAR unless credited
Cover: Building a backyard industry: tending chickens
Back cover: A thriving fresh produce market in Bali



Bali cattle: a pathway out of poverty for Indonesian villagers 4



Aquaculture: marine research develops a high-value new industry in Bali 10



Recovering from disaster: agricultural research rebuilds devastated countries 19

Indonesia 3

Bali cattle: increased cattle productivity is 'money in the bank' and a pathway out of poverty for villagers in eastern Indonesia 4

Animal health: for more than two decades ACIAR has sponsored research to advance knowledge about livestock diseases in Indonesia 6

Crop protection: booby-trapped farms are just one of the unusual hazards faced by a project team in North Sulawesi 8

Plant breeding: cloning techniques have enabled Indonesia to improve its tea industry 9

Aquaculture: marine researchers are turning groupers into a high-value new industry 10

Fisheries: capturing data to make tuna catches more sustainable 12

Net benefits: technology brings research partners together 13

Tsunami response: amid the many heartbreaking stories is one that is still unfolding – the loss of agricultural productivity 14

Pest control: farmers are being encouraged to use local biodiversity, not pesticides 17

Forestry: finding a balance between the positive and negative impacts of fire is important for people in rural Indonesia 18

Other features 20

South African cattle: helping smallholder farmers lift their herds to a commercial standard 20

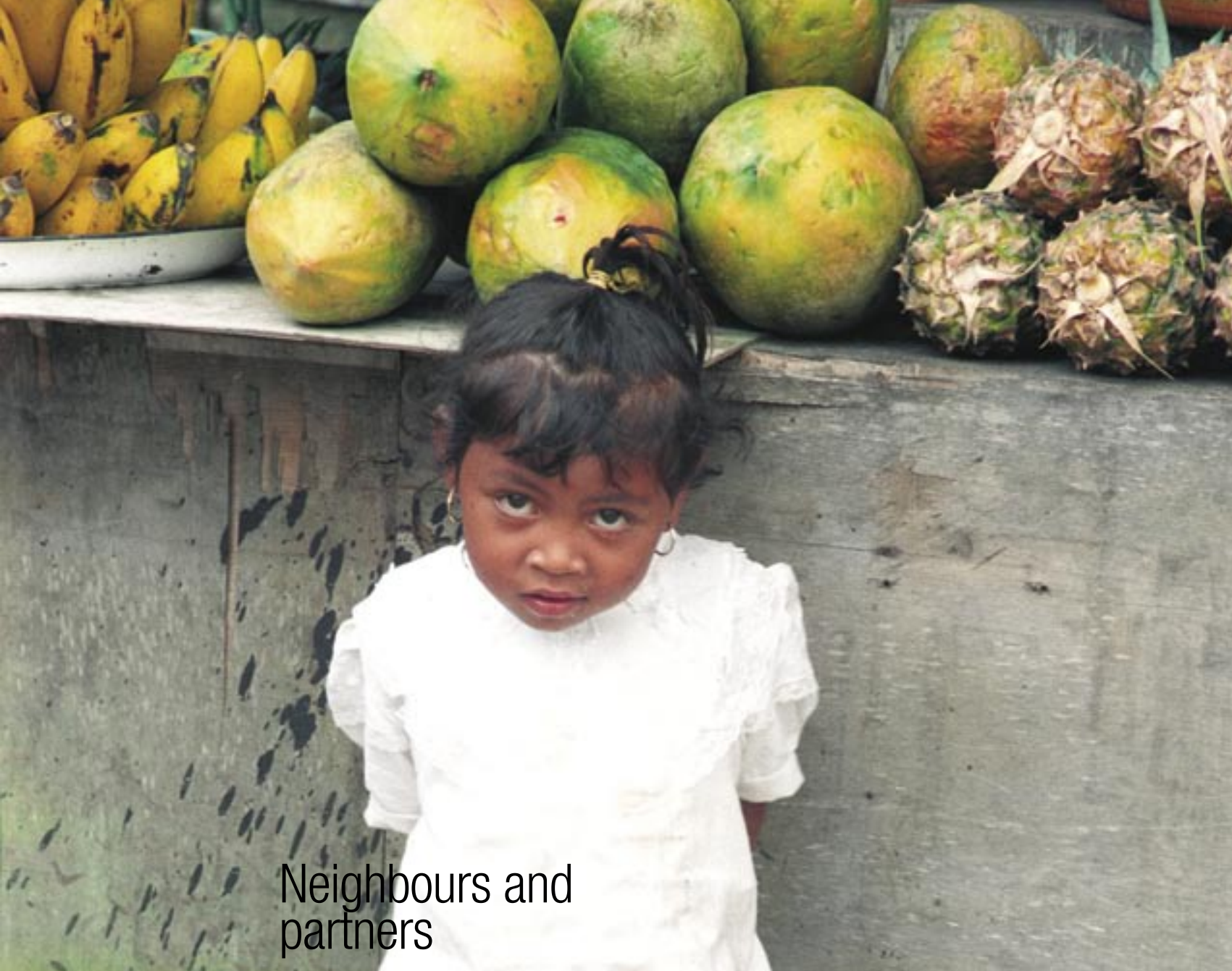
Microfinance: the benefits of contract farming, and who receives them 23

Recovering from disaster: international agricultural research has demonstrated its vital role in rebuilding devastated countries 24

IARC overview: ACIAR's relations with its international partners 27

Agricultural science: towards a better dialogue between science and the community 28

Around ACIAR 29



Neighbours and partners

Changing menus: Indonesian consumers are moving from traditional basic foods to higher protein intake.

Indonesia and Australia are important trade partners and have common interests from regional security to shared marine resources. With similar climates and soils in many regions, Australia has a significant comparative advantage that is helping Indonesia's continued agricultural development. The emergence of democratic government, the increased importance of new markets and trade liberalisation offer hope of a better life to many smallholder farmers. Helping these people increase agricultural productivity is important to continued development in rural areas.

ACIAR's program in Indonesia aims to increase the incomes of farmers and fisher people. Research projects are focusing on enhancing production to meet growing internal and external demand.

A feature of growing economies in many developing countries, including Indonesia, is changing demand patterns for food. Rising incomes lead to greater purchasing power and encourage consumers to move from basic and staple foods to higher protein intake.

Demand for meat and animal protein is a typical example. The average level of consumption in Indonesia is only a few kilograms per year, but this is rising. As demand rises, opportunities are created for smallholders to supply more meat to growing markets.

ACIAR's suite of projects relating to Bali cattle (see page 4) are designed to allow smallholder farmers to make the most of such opportunities. Simple changes to animal husbandry are increasing the speed at which cattle are fattened and increasing the numbers.

These projects, like most of ACIAR's program in Indonesia, are focused on poor farmers in eastern Indonesia. The poorer regions

of the country's east have lower research capacity to help deliver benefits to large rural populations.

Improving production systems for horticulture, livestock, fisheries and forestry and adding value to agricultural products, particularly those important to trade markets, are focal points of ACIAR research and development activities.

Sustainable resource management, especially since the Government's decentralisation of management agencies, is also an important aspect of the program. In particular fisheries, crop and livestock sustainability and biosecurity are important.

The second half of 2005 will also see ACIAR continue to develop and implement a program to assist agricultural rehabilitation post-tsunami. Northern Sumatra and Aceh require long-term investment in research and development and associated capacity building.

Last December's tsunami significantly altered the farming and fishing landscapes in large areas of both provinces. Assessing the impact of these changes, to determine appropriate and suitable research applications, has been undertaken.

Training of research scientists is underway and projects are being developed that target issues such as how to manage cropping in areas where tsunami-deposited sediments now cover cropping lands.

ACIAR's investment, both to facilitate development in rural areas of the country's east and to rehabilitate and rebuild agriculture in the tsunami-affected western provinces, will continue to strengthen ties in agricultural research and economic development between Indonesia and Australia.