COMMERCIALIZATION STRATEGIES

that facilitate market access for agricultural producers

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Competitiveness and sustainability of **agricultural chains** for food security and economic development

Productivity and sustainability of **family agriculture** for food security and the rural economy

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Foreword

The document "Commercialization strategies that facilitate market access for agricultural producers" is a public good that the Inter-American Institute for Cooperation on Agriculture (IICA), through its flagship projects "Competitiveness and Sustainability of Agricultural Chains for Food Security and Economic Development" and ''Productivity and Sustainability of Family Farming for Food Security and the Rural Economy,'' places at the disposal of agents of development and technical staff of institutions charged with and interested in supporting farmers' efforts to enter the market and sustainably manage their commercial operations.

This document seeks to foster institutional and commercial innovation in order to create more linkages and increase producers' participation in markets with commercialization strategies that enable them to identify, understand, and internalize consumers' demands so they can develop processes that add value to and earn higher incomes for their products. It discusses and recognizes the diversity of agricultural chains and the people who participate in them, as well as the challenges and opportunities that emerge in those contexts. Short supply chains, supply chain linkages, and commercial linkages for differentiated products have been identified as the strategies best suited to supporting efforts to enter and remain in the market. For each of these, the document presents determinants and success factors that contribute to their effective functioning, with the recommendation that they be taken into consideration in efforts to promote and implement the different strategies.

In order to strengthen other forms of cooperation offered by the Institute through its flagship projects, for example, the sharing of experiences among peers, capacity building, and technical assistance for formulating and implementing plans, programs, and projects that could benefit from this type of strategy, we have included in outline form almost 50 such cases in the Americas and the Caribbean that can serve as a reference for those interested in models of institutional support, as well as in implementing them in regions, chains, sectors, and with the different actors.

This document also includes a self-evaluation guide that can be used by technical personnel working in supporting agencies, individual producers, or leaders of producer organizations to evaluate initiatives with short supply chains, supply chain linkages, and commercial linkages for differentiated products, with a view to implementing, reviewing or strengthening them.

It is hoped that the institutional and commercial innovation encouraged through this document will contribute to increase agricultural productivity and competitiveness, the production of high-quality and healthy food, and rural development and well-being in the territories, and help achieve IICA's strategic objectives as defined in its 2014-2018 Medium Term Plan.

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I. Background and rationale

The commercialization of agricultural products is one of the most complex aspects of the agricultural production system because it converges all the strengths and constraints of supply to serve the diverse, changing, and increasingly stringent demand of different global, regional, national, and local markets. This section provides an overview of the main features and most relevant challenges faced by small- and medium-scale producers, as well as micro, small, and medium-scale rural enterprises (MSMEs), as they strive to commercialize their goods and services. It points to aspects that often appear in efforts carried out by IICA at different times, the diverse studies and analyses that have been reviewed, as well as the outcomes of consultations with specialists.

Intense market competition

Market competition and concentration are steadily increasing, and must be taken into account when assessing and defining commercialization strategies. This phenomenon is attributed, among other things, to:[1 2 3]

- the expansion of global food supply chains
- the permanent access of new stakeholders
- more stringent and diverse quality requirements
- the concentration of information and chain governance in the hands of stakeholders including large supermarkets, agribusinesses, and international commercialization agents

1 Joint Research Centre, 2013.
2 Devissher and Argandoña, 2014.
3 IICA and PADEMER, 2009.

- unequal conditions in negotiation processes involving small-scale farmers, including family farmers, their organizations, and MSMEs involved in production and commercialization.

Weak capacities and support services

The challenge of entering and remaining in these increasingly competitive and exacting markets is further complicated by the fact that it is difficult for producers and their organizations to access the factors of production and support services, including:

- information
- technical assistance
- financial services
- water
- inputs
- storage
- transportation
- cold storage facilities
- energy
- internet
- machinery and equipment maintenance

With regard to commercialization, the public and civil society institutions that provide support in this area are not always knowledgeable about the reality of markets and how they operate,[4] and have limited capacities to interpret and plan for them.

It is difficult for small- and medium-scale producers and rural MSMEs to offer competitive prices in some markets because of the cost of supplies and transportation, geographical dispersion, and the distance to major processing and/or consumption centers. In most cases they also lack economies of scale, and do not know their cost structure, which includes the value of their labor, among other things. Another drawback is the informal manner in which they normally operate despite the changes that have taken place in most of the countries in recent years.

Weak producer organization

With these market challenges, most agricultural producers, especially those who face many obstacles to access the factors of production, are unorganized or belong to new and weak organizations. This further hinders their access to support services.[5] [6]

Narrow vision of the market and strong emphasis on production

As the Food and Agriculture Organization (FAO)pointed out in a study on the topic, small farmers' decisions regarding what they produce, commercialize, and consume are shaped by the combination of limited options, imperfect information, and a high-risk environment.[7] Thus, their supply is likely to be the outcome of the resources available to them, the knowledge and practices they have acquired over time, and opportunities they discern, more than something specifically geared to meet market needs.

Little value added, product differentiation, and diversity of supply

The supply from small-scale farms and rural micro-, small-, and medium-scale enterprises (MSMEs) has little value added and most is sold as a generic product, without differentiation. In

4 Devissher and Argandoña, 2014.
5 Coordination SUD y Agrónomos y Veterinarios sin Fronteras, 2014.
6 IICA, 2016.
7 Arias *et al*, 2013.

many cases, it has been subjected to little or no post-harvest treatment. In addition, in seeking to sell to supermarkets, the lack of a diversified supply is an obstacle that must be overcome.[8]

Limited infrastructure and communications in rural areas

Inadequate infrastructure and the large amounts of financial resources needed to build proper storage facilities, cover transportation costs, and have working capital to create stocks, also severely constrain efforts to reach markets in competitive conditions. This is especially important when the intention is to send perishable products to markets that are distant from the production areas.[9]

A good number of the possible responses to these challenges can include taking advantage of the special characteristics of family and small-scale agriculture, traditional knowledge, and the sustainable use of biodiversity, and developing producers' capacities. Other more specific elements inherent to the commercialization process are also worth mentioning, including:

Consumer changes and valorization of attributes of quality of products and services from small-scale producers and family farms, and rural MSMEs

Consumers are showing a growing interest in healthy products and a greater sensitivity to aspects such as climate change, sustainability, and inclusion, among other things. This is reflected in the gradual growth of value attributed to products that are local, artisanal and traditional, the sustainable use of biodiversity and the use of traditional knowledge, and the recognition of seals or trademarks that ensure that the stated characteristics have been fulfilled. Some examples of these characteristics are environmentally friendly management of natural resources, equitable distribution of the final price of a product, food safety, and the relationship between origin and the product or service, all of which constitute important opportunities for commercializing the products of family and small-scale farms.

The potential of organization

A solid organization with a business approach and competitive vision is both a requirement and the result of processes that begin with creating and consolidating groups, to developing simple associations, business partnerships or partnerships in the collective economy (*solidario*) model, within which cooperatives play an important role. When organizations are weak, it is difficult to obtain attractive offers in terms of volume, quality, timeliness, and price; it is also unlikely that they will be able to remain or grow in the market they were able to access for some reason.

This notwithstanding, there are cases that demonstrate that, by undertaking organizational development, MSMEs and rural agribusinesses have been able to make significant achievements and progress. One documented reference on small-scale rural producers in Colombia, among many others, demonstrated the following:[10]

- An increase in diversification, supply with added value, and linkages with more dynamic markets.
- Individual and collective actions to reduce production costs, for example, through the joint procurement of inputs, the installation

8 Riveros, 2014.
9 Arias *et al*, 2013.
10 IICA and PADEMER, 2009.

of community workshops for the collective use of machinery and inputs, and upstream integration in the production chain, for example: the breeding of queen bees by beekeepers, the production of young fish in fish farming, and the production and use of organic fertilizers for fruit crops.

- Strategies and actions that are strengthened by organization can position products in the markets by means such as labels, pamphlets, portfolios, or product catalogs, calling cards, as well as participation in fairs, business circles, farmers markets, as well as local, regional, national, and even international festivals.

Factors that stimulate and strengthen these processes include: the existence of and role played by recognized leaders, the degree to which producers feel that they "own" their association, and the possibility of obtaining technical, commercial, and financial assistance from governmental agencies, national or subnational agencies, civil society organizations, universities, consultants, and local talent.

II. The diversity of conditions and the need for a typology of commercialization strategies and arrangements

This section presents a general and integrating overview of agricultural commercialization based on the different types of products traded (supply) and the characteristics of demand. It examines the subsystems of commodities, processed foods, specialty products, and family farm products, wholesale markets, and other traditional commercialization chains.

Based on the overview, we propose criteria for analyzing and characterizing different commercialization strategies, including: producer organizations, product differentiation, distance between producers and end-consumers, quality of relationship in terms of social proximity among actors, and the features and level of formality of the agreements established among them.

2.1 A global look at the different subsystems and actors in agro-production chains and circuits

For purposes of characterization, the global agrifood production, commercialization, and consumption system can be divided into four major subsystems: (a) the commodities subsystem, commercialized at the international level, (b) the processed foods subsystem, and their international and national distribution, (c) the specialty products subsystem,

which targets primarily international markets, and (d) family farming, wholesale markets, and short production and consumption chains, which have a strong presence at the national and subnational levels.[11]

The commodities subsystem, commercialized at the international level

In general, the subsystem of commodities commercialized at the international level is characterized by high concentration in different components. For example, ten commodities represent almost 60% of the total global value of production,[12] represents the bulk of which is supplied by one or two countries. Moreover, around 2010, the United States and Brazil accounted for 84.2% of the value of global soybean exports; Indonesia and Malaysia 84% of palm oil exports; the United States, 45.6% of corn, and Argentina 36.6% of soybean cake. Private participants in the market segment for the international commercialization of grains has traditionally been concentrated in four major companies: Archer Daniels Midland, Bunge, Cargill, and Louis Dreyfus (which in 2010-2011 accounted for 75% of the grain trade). These companies obtain supplies worldwide and sell locally through partnerships.[13]

The processed food subsystem and its international and domestic distribution

The large stakeholders in this subsystem are international processing companies and large supermarket chains, which also show a significant level of concentration. A 2008 study by ETC[14] indicates that the 100 largest processing companies account for 74% of sales profits, and the ten largest account for 26% of the total. With regard to distribution, the 100 largest distribution chains earned 35% of global revenues for this activity, while the three largest food distributors (Wal-Mart, Carrefour, Tesco) accounted for 50% of the earnings of the ten with the greatest sales volumes.[15]

Similarly, it has been demonstrated that when there is equitable access to the means of production and to markets, small farms can create linkages with some of these stakeholders. Estimates from Prowse[16] indicate that contract farming makes up 39% of the value of U.S. agricultural output; 38% of dairy products, sugar, and poultry in Germany; and 75% of agricultural output in Japan. In the Eastern European countries, the percentage of firms that use contract farming rose from 25% in 1997 to 75% in 2003. In Brazil, contract farming provides 70% of chicken and 30% of soybean output; in Vietnam, 90% of fresh milk and 40% of rice and tea. Moreover, it has been reported that Nestle has signed contracts with 500,000 smallholders in 80 developing countries or countries in transition; Olam Singapore has signed contracts with 200,000 smallholders in 50 countries; and Carrefour has done so with smallholders in 18 countries, among others.

This type of relationship, often considered within the contract farming strategy, has both supporters and detractors. Supporters argue that contract farming increases the safety of products purchased and offers the possibility of technical assistance and financial services, which are normally included in the instruments that formalize the agreements. Detractors argue that producers lose the freedom to choose their activity, that in practice producers become day laborers at the service of the company and have inequitable access to information and

11 Riveros and Gámez, 2014.
12 Paddy rice, cow milk, beef, pork meat, chicken meat, wheat, soy, tomatoes, sugar cane, corn.
13 Riveros and Gámez, 2014 (with FAOSTAT data, 2010 and Murphy, Burch & Clapp, 2010).
14 ETC, 2008.
15 Riveros & Gámez, 2014.
16 Prowse, 2012.

power in negotiations. In any event, this strategy does not solve all commercialization challenges faced by small farmers.[17]

In both the commodities and processed foods subsystems, lower tariff barriers, lower transportation costs, the emergence of global logistics services, advances in information and communication technologies, and the protection of intellectual property rights have facilitated and reduced the cost of the trade of raw materials and inputs. This, in turn, has fostered the creation of business networks around the world that select their suppliers according to their dynamic advantages, which has relegated geographical location to a secondary role.[18]

The specialty products subsystem

This subsystem primarily targets developed international markets, and includes at least four categories according to type of quality attribute: i) origin and traditions, ii) production practices and their relationship to health and sustainability, iii) ethical considerations, and iv) environmental considerations, most of which have seals that identify their voluntary fulfillment of guidelines established in a participatory manner by their promoters. The last three categories mentioned above are included in the recent concept of voluntary sustainability standards (VSS).

Geographical indications (GI), appellations of origin, and collective marks are used for market segments that attribute value to product origin. They guarantee to consumers that the product has the special properties announced, and also protect producers from copies and fraud. There are currently some 10,000 protected geographical indications around the world:90% are registered in 30 member countries of the Organization for Economic Cooperation and Development (OECD).The European Union (EU) heads the list of regions that make use of these attributes, with wines and spirits representing almost 85% of protected GIs in that area.[19]

VSS categories include the following areas of certification: organic (IFOAM-Organics International), fair trade (Fairtrade International), environmental and comprehensive (Rainforest Alliance, 4C, UTZ, Global GAP), and others that specialize in products or groups of products (cotton, cocoa, coffee, soybeans, forest products, sugarcane). There has been substantial growth worldwide in terms of the areas certified, the number of participating producers, and sales; Latin America has a particularly strong showing in this area. It is noteworthy that product-specific certifications, which are of more recent development, have been experiencing greater growth than general certifications, and now represent more than half the areas certified in 2013.Some of these signs of differentiation no longer exclusively target market niches; their growth in the last decade has been faster than that for conventional products and continued growth is expected.

Nonetheless, several aspects are in need of improvement, in particular the concentration of growth in developed countries, the confusion generated by the proliferation of seals, oversupply in some markets due to the presence of both differentiated and conventional products, scant evidence of the real impact for smaller-scale producers, the costly certification process, and, in general, the fact that seals can become a factor of exclusion for the poorest farmers.[20] [21]

17 Minot, 2007.
18 Paredes 2013, cited by Chavarria, s. f.
19 Riveros and Gámez, 2014.
20 Lernoud *et al.*, 2015.
21 Potts *et al.*, 2014

The subsystem of family farms, wholesale markets, and short supply chains for production and consumption

This subsystem has an important presence at the national, regional or subnational levels. It is generally accepted that their linkage with markets reflect at least three conditions: predominance of self-consumption, limited supply for commerce and dependence on public support, and a marketable supply linked with various markets.

According to information published byte United Nations Economic Commission for Latin America and the Caribbean (ECLAC), FAO, and IICA,[22] around 16.5 million family farms in the Latin American and Caribbean (LAC) region, representing a total population of approximately 60 million people, are in this category. About 56% of these holdings are in South America and 35% in the countries of Central America and Mexico. Many gain competitive access to new markets by tapping the advantages offered by their size and use of family labor, combining these with efficiencies of scale achieved through collective action. Small farms that have been significantly reduced in size and whose market linkages and organization have worsened are no longer economically viable.[23]

Traditionally, supply from these sources has been linked to the market by a long chain of intermediaries who perform various functions and have been an important point of confluence and redistribution in wholesale markets. Market access is also limited by the dispersion of production, low volumes, irregular quality, high production costs, and inaccurate calculation of costs, among other things.

This subsystem involves family farms and rural agribusinesses, as well as powerful stakeholders such as distribution chains, large agribusinesses and exporters, whose demands are stringent, not only in terms of quality but also in terms of logistics and payment methods. This forces many family farmers to sell to intermediaries who sometimes consolidate supply for those same stakeholders. These long chains create distance between producers and consumers with two marked effects: farmers have little access to information about consumers and have less to say in the final price of their products.[24] While family farmers must pay a percentage of their profits to these agents, they are freed from the costs and risks associated with direct participation in the market,[25] although the risk of price volatility is not completely eliminated.

A study conducted in Colombia[26] on rural agricultural and agroindustrial microenterprises has shown that the most significant destinations for small farm output are local markets, fairs and sometimes stores, small businesses, supermarkets, and institutional markets (including government agencies, schools and business organizations); this does not means, however, that intermediaries are not involved.

2. 2 Commercialization strategies that reflect this diversity

Criteria and categories of differentiation

In the understanding that there is a great diversity of commercialization strategies and ways to characterize them, and without attempting to be exhaustive, Table below defines criteria that can be used to identify common elements for purposes of classification:

22 ECLAC, FAO and IICA, 2013.
23 ECLAC, FAO and IICA, 2013.
24 Proaño and Lacroix, 2013.
25 ECLAC, FAO and IICA, 2013.
26 Jaramillo and Riveros, 2013.

Table 1: Criteria for the classification and characterization of commercialization

Criteria	Level
Producer organization	• Not organized • Informally organized • Organized and formally established
Differentiation of products being commercialized	• Not differentiated, with no added value • Differentiated but not certified • Differentiated, with certification
Distance between producer and end-consumer	• Short (maximum 1 intermediary) • Long (2 or more intermediaries)
Social proximity	• Distant • Close
Type of agreement and degree of formality	• Informal, with informal agreements • Formal, with informal agreements • Formal, with formal agreements

Producer organization. Level of organization makes it possible to classify producers as unorganized or organized, either informally or formally.

Product differentiation. Level of differentiation makes it possible to classify products according to their value added, as: undifferentiated; fresh or processed with little value added (generic); and differentiated by special attributes valued by consumers and for which they are willing to pay a "premium" relative to generic products. There are two categories within this group: those that do not have third-party certification and those that do.[27]

Distance between producer and end-consumer (number of intermediaries involved in commercialization). This criterion distinguishes two degrees of distance: short, with no more than one intermediary; and long, with two or more intermediaries.

Social proximity (trust built between producers and end-consumers). Relations are classified as close, when contact, trust, affinity, and sensitivity are experienced; or distant, when no relationship exists between the producer and the end-consumer.

Type of agreement and level of formality in the relationship between producers and buyers (are agreements resulting from negotiations made between the parties before transactions take place?). Relations can be classified as: no prior agreement and with prior agreement, and are further distinguished as informal agreements, which are not legally binding, and formal agreements, which are.

27 Womach, 2005 and Ernst & Woods, 2011, cited by Lu &Dudensing, 2015.

III. Typology of commercialization strategies that facilitate market access for small- and medium-scale producers, including family farmers

Given the diversity of existing commercialization subsystems and channels, the number of actors, and the enormous difference in capacities and resources available to each, the following commercialization strategies were chosen for this report because they highlight conditions and characteristics that foster linkages and consolidation of small- and medium-scale agriculture, as well as rural MSMEs, including agro-industries. They were characterized on the basis of the criteria mentioned above.

In proposing this classification, it is acknowledged that:

- The three commercialization strategies proposed (short supply chains, supply chain linkages, commercial linkages for differentiated products) require a certain level of organization –although some cases of individual producers do exist–; must meet quality requirements and formalize supply; and in some ways they correspond to niche markets. Accordingly, these options cannot be considered a solution for all small- and medium-scale producers and family farmers, nor can they always be used as the sole channel for marketing a producer's entire supply.
- As mentioned earlier, niche markets are experiencing a general growth trend and have a stronger presence in developed countries. As the name suggests, they correspond to specific

segments of consumers who select the product because of its special quality attributes, which are guaranteed and recognized, including the price.

- Despite the growing strength and influence of this type of market, traditional markets, which tend to be very informal, continue to be the main commercializing channel for most of the products supplied by small- and medium-scale producers and family farmers.

- Many of the problems that must be addressed by small- and medium-scale producers and family farmers, if they wish to enter and remain in the market, have to do with their supply. For any commercialization strategy to be successful, it is necessary to have a competitive supply of products. This challenge is surmountable if there is an institutional structure of support and policy instruments that create an enabling business environment.

Table 2 summarizes the three major commercialization strategies, which are described in detail below, as well as the more traditional or conventional strategy, according to the five criteria mentioned previously.

Table 2: Typology of commercialization strategies by criteria of classification

Strategy Criterion	Traditional	Short supply chain	Supply chain linkages	Commercial linkages
Producer organization	Not organized	Individuals and informal organizations	Informally or formally organized	Formally organized (mainly)
Product differentiation	Generic	Differentiated but not certified	Generic	Differentiated and certified
Distance between producer and end-consumer	Long	Short	Long	Short or long
Social proximity	Distant	Close	Distant	Close
Type of agreement and level of formality	No prior agreement	No prior agreement	Prior informal or formal agreements	With or without prior formal agreements

It is our hope that this document will facilitate and support efforts to formulate and implement initiatives, both public and private, at the national or subnational levels. Each strategy includes specific examples and a discussion of determining and success factors drawn from the analysis of several cases and an extensive bibliographic analysis. In this context, the following definitions are used:

Determinants: Elements that are necessary and essential for implementing a commercialization strategy and ensuring that it functions correctly.

Success factors: Good practices that facilitate the effective and efficient functioning of a commercialization strategy.

3.1 Short supply chain

Definition and main characteristics

An articulation of individual or informally organized producers of fresh or processed products, differentiated but without certification, with intermediate or final consumers, involving a maximum of one intermediary, in most cases production agreements are not defined prior to sale, and that includes the development of proximity relationships.

Short supply chains can include unorganized producers, or producers with a certain degree of organization, who supply products that are differentiated by local attributes, even though such differentiation is not explicitly indicated by a trademark, seal, or certification. When the prices of products purchased in short supply chains are lower than those in long or traditional circuits, they can be perceived by consumers as an attractive differentiating attribute.

In any case, the economic distance between supply and demand is short and predominantly close, in geographical terms, involving a maximum of one local intermediary, without the existence of prior agreements among the parties, or if such agreements do exist they are informal.

For the most part, consumers are usually the main drivers of this type of strategy, and local authorities are also important actors. Proximity to consumers affords advantages by creating the possibility of generating empathy and facilitating a better understanding of consumer preferences and expectations; however, even though third-party certification is not expected, proximity also poses challenges because quality requirements are higher than in a traditional commercialization channel.

When there is potential for growth, for improving supply, and for consolidating forms of organization, the short supply chain can serve as a first step in a process that helps producers understand the market and identify constraints and opportunities that, once overcome and evaluated, enable them to continue tackling challenges and projecting developments.

Determinants and success factors

Table 3 below shows determinants and success factors that are important to consider when promoting and participating in short supply chains.

Table 3: Determinants and success factors of short supply chains

Determinant:	Success factor:
Demand	
• Economic, social, and cultural conditions in the region foster market development of products from small- and medium-scale farms and rural MSMEs. • Potential buyers recognize, value, or are sensitive to local attributes and the territory in which the chain or actors operate.	• Organizations or consumer groups are interested in promoting and spearheading efforts to promote articulation with producers. • Consumers are willing to help disseminate the different modalities among their social networks.

Determinant:	Success factor:
Supply	
• The quality of the product and its safety (if it is food) is guaranteed, causing customer affinity for this type of product to develop into loyalty. • Supply is consolidated and diverse and adapts to consumer expectations, changes, and preferences identified during the sales process.	• Take charge of and understand the relationship with buyers, not only to improve the likelihood of commercial transactions but in order to listen to them and better understand their interests, to inform them, improve their understanding, clarify doubts, and sell, not just a specific product but a category of products. • Create and strengthen consumers' habits of returning to the places set up for commercialization by ensuring a steady supply at regular intervals.
Producers and their organizations	
• Willingness and capacity to take on the increased amount of time and higher costs associated with the commercialization process.	• Improve and adapt processes for logistics, supply consolidation, transportation, packaging, means for weighing, and distribution. • Develop and implement strategies that facilitate and promote better customer service, adaptation of products to client tastes and preferences, and management of product quality and safety.
Interactions among actors in the chain	
	• Establish partnerships and networks to improve the quantity, quality, continuity, and dependability of supply; strengthen commercialization and sales capacities; improve access to technical and financial support. • Bring influence to bear on opinion leaders and elicit their support to help generate a positive image of the initiatives.
Supporting institutional framework	
• Provide a minimum of information and training services on customer service, product adaptation, quality management, and product safety. • In the case of fairs, primarily offer support and facilitate access to space and a minimum of infrastructure from national or local governments, or nongovernmental development organizations.	

Institutional models and cases

To facilitate an understanding of existing types of short supply chains, and without attempting to be exhaustive, below you will find some examples of institutional support models as well as examples of specific cases.

Farmers' markets/fairs

Farmers' markets are opportunities for commercialization and cultural exchange that can meet regularly or sporadically, and where producers enter into direct contact with their customers, which encourages social proximity. Normally, products sold have identity, quality, and fair prices. Markets and fairs can be of national, regional, departmental, provincial, district, or local scope, and administered by a third party or by the producers themselves. These venues can be developed at the initiative of a group of producers, consumers, or public or private agencies.[28]

28 INDAP, 2015.

Table 4: Models of institutional support and specific cases: farmers markets and fairs

Model of institutional support	Case
Programa de Ferias del Productor *(Farmers' Market Program)*, Panama The Agricultural Marketing Institute (IMA) in Panama has been implementing the Farmers' Market Program since 1960 in order to "support farmers to self-manage the sales of their products while benefitting consumers by offering good quality products at moderate prices and with few or no intermediaries." To this end, IMA helps open points of sale and improve equipment at existing markets. Currently there are more than 100 permanent points of sale in Panama City and other parts of the country. These actions are supplemented by mini campaigns to encourage and increase consumption of national farm products; they also promote the Mega Farmer Fairs which, since 2007, bring together on payday a large number of producers and vendors offering a wider range of products.[29] **Confederación Gremial Nacional de Organizaciones de Ferias Libres *(National Guild Confederation of Free Fair Organizations)* (ASOF C.G.), Chile** ASOF C.G. was created to "consolidate strategies and generate conditions to strengthen and develop free fairs as the main channel that supplies households in each region of Chile. "It has forged partnerships with different ministries (agriculture, health, economy, labor) and agencies attached to them, several universities, NGOs, and rural organizations, as well as private enterprises. Currently, more than 930 free fairs are in operation throughout the country, with a total of 86,000 merchants. The fairs supply 70% of fruits and vegetables, 50% of fish and shellfish, and 50% of eggs in the country, and generate sales of an estimated US$3 million per year.[30] **Farmers' Market Promotion Program, United States** The objective of this program implemented by the U.S. Department of Agriculture (USDA) is to increase domestic consumption of, and access to, locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets by developing, improving, and expanding outreach, training, and technical assistance to local farmers markets, roadside stands, community-supported agriculture programs (CSA, see below), agritourism activities and other direct producer-to-consumer market opportunities.[31]	**Mercado de Productores de Huancaro *(Huancaro Farmers' Market)*, Cusco, Peru** This market, where all types of products are sold, has been held weekly on Saturdays since 2004 in Cusco, Peru. It began with 360 vendors and currently has nearly 2,000 small- and medium-scale producers from different parts of the province. It is also attended by merchants, who are previously evaluated, to increase the diversity of the market, as well as producers from nearby regions (Arequipa) and Lima (selling seafood).The market is organized by a committee of delegates of producers' grassroots organizations, and the space is provided through a renewable annual agreement with the regional government of Cusco.[32] **Feria Agro shopping *(Agroshopping Fair)*, Paraguay** The "Agroshopping" fair is held every Tuesday on the ground floor of the Mariscal Shopping Center in Asunción. Its aim is to bring farmers and consumers closer together. The fair began in 1998 with 12 producers; with the support of the Ministry of Agriculture and the Taiwan Technical Mission, the initiative grew rapidly to 68 producers and sales totaling 884 million guaranis in 2011.The fair offers consumers fresh fruits and vegetables, as well as a variety of other food products. In addition to benefiting small producers and boosting their earnings, Agroshopping motivates farmers to improve the quality of their products and use good agricultural practices.[33] [34] [35]

29 FNS Platform SAN, 2016a.
30 ASOF C.G., s. f.
31 USDA, 2016.
32 Ramos Bautista *et al.*, 2013.
33 Hoy, 2014.
34 Martínez Verdún, 2011.
35 ABC, 2015.

Direct on-farm or roadside sales

These are direct sales by producers to end-consumers on their properties or on the side of roads near their production sites, which meet minimum quality and safety requirements.

Table 5: Models of institutional support and specific cases –direct on-farm or roadside sales

Model of institutional support	Case
Certified Roadside Farm Market, United States. The Department of Agriculture and Consumer Services of North Carolina developed the Certified Roadside Farm Market program, the objective of which is to increase direct sales to consumers of fruits, vegetables, ornamental plants, and other locally produced farm products. It works to strengthen producers' capacities in the areas of marketing, quality, and safety, as well as fair and honest business practices. To participate in the program, producers must sell at least 51% of their output directly to consumers. Once the business submits written proof that it meets federal, state and local laws, standards, and regulations, including all licenses and necessary permits, it receives a sign that identifies it as a certified roadside farm market.[36]	**Homestead Farm, Maryland United States** Homestead Farm is a 93-hectare farm that has been in the Allnutt family since 1763. Depending on the season, it produces strawberries, peaches, cherries, blueberries, blackberries, apples and pumpkins, which are sold in stores that sell local products, at the farm itself, and to visitors on school field trips. On-farm sales use a self-service strategy where consumers pay a US$3.00 entry fee and then harvest as much of the product as they want, paying for it by weight after discounting the initial entry payment. Crops are harvested between late May and early November.[37]

36 North Carolina Department of Agriculture and Consumer Services s. f.
37 Homestead Farm 2016.

Agritourism

Agritourism is a form of tourism in rural areas that highlights the agricultural resources found in a given territory (gastronomy, crafts, agricultural plants, agroindustrial products, related activities), in addition to other attractions the area has to offer, making them an added attraction for tourists[38]. Agritourism creates many opportunities for direct sales of local agricultural products to visitors.

Table 6: Models of institutional support and specific cases – agritourism

Model of institutional support	Case
Red Argentina de Turismo Rural Comunitario *(Argentinian Network of Community Rural Tourism)* The Argentinian Network of Community Rural Tourism (RATURC) is an initiative promoted since 2006 by the Ministry of Tourism of Argentina. It promotes the tourism opportunities offered by native communities and campesinos in rural areas, including agritourism. Some of its objectives are to strengthen participatory development of community tourism; consolidate the national network of technical standards; establish a specific commercial strategy and facilitate an effective regulatory framework for community rural tourism; encourage and support the management of regional networks; and promote the sharing of local experiences. RATURC forms part of the country's Strategic Federal Sustainable Tourism Plan and targets the four major regions: Northern, Coast, Cuyo, and Patagonia.[39]	**Belmont Estate agritourism initiative, Grenada** Belmont Estate is an agritourism company with Fairtrade certification situated on more than 160 hectares about an hour from St. Georges, capital of Grenada. Since 2002, a sustainability approach was adopted to spur the farm's growth and development, including the use of environmentally friendly organic production practices and inclusion of tourism activities. With cocoa production and processing its main business, Belmont Estate offers the following activities for its visitors, among others: plantation tours that include the gardens, the organic farm, the heritage museum, and handcrafts; the cocoa circuit; traditional handcraft preparation; and the goat dairy project. The latter has been operating since 2008 with a local NGO, and produces a variety of goat products including cheese, yogurt, and ice cream for the local market, and supports capacity building for goat dairy producers. "Chèvre," a smooth cheese, is one of its most popular products, and is used in restaurants and food distribution chains including Foodland, Royal Value, and Food Fair.[40] **The Cheese and Wine Route, Mexico** The cheese and wine route, in the vicinity of Tequisquiapan, Querétaro State, includes nine cheese estates and eight vineyards and wineries. Visitors have a choice of different guided tours, which have a duration of four to seven hours, during which they visit the farms and processing plants where they can taste the products and buy cheeses, wine, and other locally produced preserves directly from the producers. If they prefer, tourists can plan their own route and visit the establishments at their own pace. Tourist attractions in the area include traditional fiestas such as the grape harvest and an important array of gastronomy experiences.[41]

38 Adapted from: Morán *et al*, 2014.
39 Gobierno Local 2014.
40 CTA & IICA, 2015.
41 Cheese and Wine Route, s. f.

Direct sales to restaurants and hotels

In these cases, producers sell directly to restaurants and hotels.

Table 7: Models of institutional support and specific cases – direct sales to restaurants and hotels

Model of institutional support	Case
Alianza Cocinero-Campesino *(Cook-Campesino Partnership)***, Peru** The Cook-Campesino Partnership, managed since 2009 by the Gastronomy Society of Peru (APEGA), is a civil society movement that has been developing around initiatives to reduce intermediaries in the food production/food consumption chain, valorize native products along with the boom in Peruvian gastronomy, promote food security and food sovereignty, and help improve the small-farm economy. The process has included the development of fairs (the most important being Mistura), forums, technical and commercial meetings, and projects such as one to articulate small-scale producers and merchants with gastronomic markets, in partnership with the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB).[42]	**Alianza de Cocineros Slow Food** *(Slow Food Cooks Alliance)***, Mexico** The Slow Food Cooks Alliance was conceived in Mexico in late 2014 to bring together chefs and cooks throughout the country in active defense of small farmers, to promote the use of local biodiversity and safeguard rapidly disappearing culinary traditions. The project began in the city of Tlaxcala and was soon strengthened through support from local government programs that promote family farming, and its connection to Slow Food and Slow Food Youth Network. Thanks to the network, the Alliance later spread to other cities including Mexico City, Morelia, Playa del Carmen, and Puebla.[43] **Woodford Market Garden, Jamaica** Woodford Market Garden is a small organic farm of approximately 1.2 hectares located in the Blue Mountains of Jamaica. Since 1994, the Noble family, owners of the farm, have grown their own vegetables, which they pack and market as salads and sell to hotels, restaurants, and some supermarkets around Kingston. The company has 10 to 12 full-time or part-time employees, 80% of whom are from Woodford itself. The farm has a greenhouse, several nurseries, and its own vehicle for distributing the products. The owners of Woodford Market Garden create direct connections with their clients to ensure that they know how to use each product; they also offer recommendations on storage and preparation, and ensure high quality standards in packaging. The company cooperates with Jamaica's Organic Agriculture Movement, offering training on organic production practices for farmers throughout the country.[44]

42 Ginocchio Balcázar 2012.
43 Tomado de Slowfood 2015.
44 Rhiney *et al.*, 2015.

Food baskets /home delivery

This refers to farm sales delivered to consumers' homes through a delivery service, either by the farmers themselves or with the support of an organization or distribution company.

Table 8: Model of institutional support and specific cases – food baskets /home delivery

Model of institutional support	Case
Networks of Community Supported Agriculture (CSA) Community supported agriculture aims to reestablish ties between consumers and producers. Although CSA projects vary from country to country and particular approach, almost all are characterized by organic farming, high-quality products, cultivation of a wide range of products, and inclusion of livestock in multifunctional farms. CSA strategies involve the establishment of agreements between producers and consumers, defining consumers' participation (monetary and in decision-making) in planning and in agricultural production, for at least one year. This ensures the sale of farmers' products and support in the event that they lose their harvest. In return, consumers receive baskets or boxes of products harvested and prepared on the farm that meet previously defined quality criteria. CSA began in 1960 in Japan, Germany, and Switzerland, and can be found today throughout the world. A great diversity of names and networks support it; one of the largest is Urgenci, an international network that coordinates CSA movements, networks, and projects, and promotes all kinds of partnerships and cooperation among local producers and consumers, as well as CSA initiatives, as a solution to problems associated with global intensive agricultural production.[45] [46]	**La Canasta** *(The Basket)***, Colombia** La Canasta is a "network of trust that promotes aware, responsible, and solidary consumption and offers a market of fresh and local campesino-grown foods." The founders consider themselves facilitators of a balanced and transparent relationship between farmers and end-consumers (diners), and have developed a model based on the principles of agroecology, social and solidary economy, and conscious and responsible consumption. Interested consumers register with La Canasta and order different baskets of products (vegetable basket, fruit basket, lettuce basket, etc.), which are delivered to their homes. Prices are considered fair both for consumers and for producers; approximately 80% goes to the farmers and 20% covers logistics. An Assembly of Diners and Producers is held each year, providing an opportunity to meet, discuss, hear presentations, and make decisions regarding the practices and actions of the initiative.[47]

45 Schlicht *et al.* 2011.
46 Urgenci 2016.
47 La Canasta s. f.

Specialty stores

These are points of sale owned by producers or their organizations where they sell their own products. These stores may also sell products from other producers or products that help attract customers to the business.

Table 9: Models of institutional support and specific cases – specialty stores

Model of institutional support	Case
Tiendas Mundo Rural *(Rural World Stores),* **INDAP–Chile** In Chile, the Agricultural Development Institute (INDAP) promotes the Tiendas Mundo Rural network in order to "valorize the work of rural family farms and make campesino products and rural services available to urban dwellers." This strategy uses a short supply chain model where stores are administered by rural organizations that provide a wide range of fresh and processed forestry and agricultural products. INDAP provides support for setting up the stores in the form of architectural and graphic norms, technical assistance for launching the operation, and incentives for equipping and operating it during the first year.[48]	**Salinerito points of sale, Ecuador** The Salinas Group promotes cooperative principles and collective *(solidario)* economy in Salinas, north of Bolivar province in Ecuador. Its products are sold under the Salinerito brand name and it has a network of points of sale –Delicatessen– which makes its trademark visible and its products available throughout the country. These establishments are used as a means to spread the Salinas philosophy and to market its entire range of products: cheeses, chocolates, sausages, dried mushrooms and fruits, alpaca and sheep wool, textiles and essential oils; it also has a network of pizza shops that use its own products.[49] **Mercado de Economía Solidaria Bonpland** *(Bonpland Collective (Solidario) Economy Market),* **Argentina** After the Argentine crisis of 2001, several cooperative members decided to create a place where family farmers could sell their products directly to consumers. The market emphasizes in organic products and self-management. Organic products include vegetables and cheeses, sushi, carob flour, and carrot mayonnaise, to name a few. It also sells artisanal clothing as well as kitchen ornaments and articles made by small producers. Eight organizations participate in the collective market, including CECOPAF, CEDEPO, SONCKO ARGENTINO, and RED DEL CAMPO.[50] [51]

48 INDAP 2016.
49 Jácome s. f.
50 Consumo Solidario s. f.
51 Cooperativa La Asamblearia s. f.

Provisioning rural agribusinesses

In this model, family farm products are sold directly to rural agribusinesses.

Table 10: Models of institutional support and specific cases – provisioning rural agribusinesses

Model of institutional support	Case
No model of institutional support has been identified for this strategy.	**Comarca Andina del Paralelo 42** *(Andean region of the 42nd parallel)*, **Argentina** This region of approximately 3000km^2 is located in southwestern Rio Negro Province and northwestern Chubut Province in what is called the Lake District of Andean Patagonia; altitudes range between 1800 and 2400 meters above sea level. The activities of its family farms and small rural agribusinesses not only characterize the area but are also an integral aspect of the lifestyle of its inhabitants. The main crops are cherries, raspberries, currants, blueberries, elderberries, quince, plum and other fruits, as well as hops. Berries and other fruits are used by local agribusinesses to make marmalades, preserves, liqueurs, and sauces; hops are used to make beer. Livestock activity in the area is also important, producing meat, dairy products, and yarn. Combined with the forest, mountain, and lake scenery, farming and the preparation of locally processed products contribute significantly to making that region an attractive tourist destination.[52]

3.2 Supply chain linkages

Definitions and main characteristics

An articulation of formally or informally organized producers who supply raw materials, fresh products, or products with little value added, that are marketed as generics to meet demand from agroindustrial firms, agroexporters, national or subnational government entities, and distribution chains (public or private), involving two or more intermediaries before reaching the end-consumer, and usually involving prior purchase and sales agreements (formal or informal).

These strategies are driven by public initiative, in the case of state procurements, and by private enterprise, including agroindustrial firms or agroexporters, distribution chains, supermarkets, and even large hotel and restaurant chains, or associations of same, arising at their own initiative in response to different interests (to ensure a timely supply of raw materials in the required amounts and quality; to minimize or distribute risk; to implement social responsibility practices); or to implement public policy instruments that promote and facilitate these articulations.

Social proximity is not a determinant in this type of strategy and distance between producer and end-consumer is usually distant.

Supply chain linkages are a way to commercialize large volumes for organizations that have

52 Dankelmaier *et al.* 2012.

achieved a certain degree of development; they cannot be regarded as an alternative for all producers. Examples of this commercialization strategy are public food procurements, especially for school meal programs; production partnerships, supplier development or contract farming; provisioning of cooperatives by their members; inclusive businesses or businesses at the base of the pyramid; and social responsibility programs.

Determinants and success factors

Table 11 shows the success factors of supply chain linkages.

Table 11: Determinants and success factors of supply chain linkages

Determinants	Success factors
Demand	
• Companies reliably fulfill their commitments with regard to purchase volumes, prices and payment methods, provision of inputs, technical assistance, and any others agreed to.	• Agroindustrial firms, distribution companies, exporters or importers are interested in implementing social responsibility principles and in leading processes to facilitate linkages with small-scale producers, including family farmers and their organizations.
Supply	
• Fulfill sanitary and safety requirements, in the case of foodstuffs. • A demand-focused approach is used to identify the products to be commercialized. • Working capital exists that enables producers to withstand the waiting periods between payments.	
Producers and their organizations	
• When demands for volume and logistics are strict, the organization must be well consolidated, organized, and its members committed so it can supply an attractive supply in terms of volume, quality, timeliness, and price through lower production, transformation, distribution, and transaction costs among the different components of the chain, and it should have good negotiating power. • Suppliers have a formal organization that empowers them to negotiate and sign contracts when this type of instrument is needed for signing an agreement. • Loyalty ensures that members sell their products to the organizations to which they belong. • Producers and/or their organizations have access to technological and financial support services.	• Own skills and strengths in the areas of business management, quality, and projects, including financial aspects, product development, commercialization, and risk management are developed or acquired through a third party. • Members' skills are developed in the areas of associativity, leadership, communication, fulfillment of commitments, and values.

Determinants	Success factors
Commercial agreements	
• Economic benefits for the parties are greater or more stable than the situation without an agreement. • The parties fulfill the commitments agreed to or taken on. • When negotiated, formal agreements include information and terms on the volumes, quality requirements, type of presentation, place and form of delivery, prices, and payment methods.	• In addition to the terms of the business transaction, the processes to negotiate and sign contracts include principles of equity and transparency in defining the commitments and rights of the parties. • In order to create conditions that enable the establishment of a relationship, set aside prejudices and overcome cultural differences that separate the parties; build trust. • Develop and implement agreements that explicitly indicate and promote aspects such as participation, quality, and compliance, among other things. • Contracts include shared risk, especially with regard to the appropriation and incorporation of new inputs and/or practices into the production phase; activities targeting highly competitive products and markets that can result in a relocation of buyers or change the direction of the activity; replacement in the production unit of a diverse and complementary production system with a production system that focuses on a single product line and market. • When establishing and implementing agreements, take into account the issues of gender and age in order to encourage the participation of women and young people in product provision and services.
Supporting institutional framework	
• Adequate information, technical assistance, and financial services are available for developing the supply. • Public policies that promote and facilitate linkages are generated and implemented. • Economic, social, and cultural conditions in the regions foster market development for the products of small- and medium-scale farms and rural MSMEs.	• Provide a minimum of technological and financial support services, aligned with the characteristics of the organizations of small-scale producers and family farmers. Various financial lines or products are very attractive to producers: advances, machinery and equipment purchases, input purchases, portfolio as a loan guarantees, among other things.

Institutional models and cases

This section discusses the different types of supply chain linkages, models of institutional support, as well as some specific examples.

Food procurement and distribution programs (School meal programs)

Public procurement programs are instruments that generate work and earnings in rural areas,

make it possible to guarantee the diversity and quality of supply, and meet government food needs, while at the same time serving populations in a state of food insecurity.[53] The best known and most widespread of these are school meal programs where students receive one or more meals to combat malnutrition, help boost their school performance, and reduce the dropout rate. This type of demand represents a potential for family farms and local markets.[54]

Table 12: Models of institutional support and specific cases – food procurement and distribution programs

Model of institutional support	Case
Food procurement programs: **Estrategia Hambre Cero** *(Zero Hunger Strategy)***, Food Procurement Program, Brazil** The Food Procurement Program (PAA) that is part of the Zero Hunger Strategy purchases food from family farms and distributes it in the form of donations to people living in food insecurity through social institutions and public agencies as well as schools in remote areas. Its coverage is substantial; it began in 2003 with a budget of around US$72 million, by 2012 the budget was estimated at US$414 million.[55] **Programa de Provisión de Alimentos** *(Food Provision Program)* **(PPA), Ecuador** This model of institutional support was created in 2008 explicitly for the purpose of including small farmers as suppliers for the State's social food and nutrition programs. Of these programs, the School Meal Program (PAE) stands out. Created in 1989 and initially sustained by donations, it has been consolidating over time. Its approach was adjusted to link food assistance policies with family farming policies within the framework of the Food Sovereignty Law, and as a reflection of the country's constitution, the objectives of which include to generate solidary and fair food distribution systems and impede the practices of food monopoly and speculation. The Food Provision Program, implemented by the Ministry of Agriculture, Livestock, Aquiculture, and Fisheries (MAGAP), makes the procurements for the School Meals Program (PAE) and other state food programs.[56]	**Asociación de Productores Agropecuarios de Oriente (APAO) y Proyecto Compraspara el Progreso** *(Association of Agricultural and Livestock Producers of the East (APAO),* and *Purchases for Progress Project (P4P)]***, Honduras** APAO was created in 2002 by a group of farmers affected by Hurricane Mitch; it is comprised of 150 partners who grow corn, beans, and vegetables. Within the framework of the P4P, in 2009 a pilot project was implemented in Honduras involving around 1100 small farmers belonging to five organizations, one of them APAO. The organizations and producers received technical and financial assistance, and purchase-sale contracts were established for corn and beans. In that context, the then 36 producers of APAO that participated in the P4P sold 53 tons of beans to the project, and were able to establish a US$27,000 fund to support the members with 18% loans for production activities. In addition, APAO adopted the concepts of quality and controls for producing and processing their grain, and included product packing into its activities.

53 Brazil-FAO cooperation, 2015.
54 Brazil-FAO cooperation, 2013.
55 MDA s. f.
56 FNS Platform, 2016b.

Model of institutional support	Case
Supplying school meal programs: **Programa de Alimentación Complementaria** (*Supplementary School Meals Program*)**, Bolivia** The Supplementary School Meals Program has been in operation since 1994 for the purpose of "helping satisfy the right to food and education, improve educational performance and the nutritional status of children by providing appropriate, healthy, and culturally appropriate food, and promoting local economic development in Bolivia." The Ministry of Education is responsible for the program, which is executed by the municipal governments. For its food procurements, the program encourages and prioritizes the procurement of locally produced food within the framework of the comprehensive development of the *Vivir Bien* (Live Well) program, by linking school meals with local small-scale agriculture. In 2012, the program's budget was approximately US$69.2 million.[57] [58] **National School Meals Program, Brazil** The National School Meals Program (PNAE) was launched in 1955 and is implemented by the states, the Federal District, and the municipal governments of Brazil. It delivers school lunches to all basic education students through direct purchases from family farms and the establishment of school vegetable gardens. In 2015, the PNAE benefited 42.6 million students and its budget was approximately US$980,124,000.[59] **Others:** **Compras para el Progreso** *(Purchase for Progress, P4P)* **– World Food Program (WFP)** The purpose of this international program is to use the purchasing power of WFP, which generally procures large volumes of food for food assistance, to provide smallholders the opportunity to access formal agricultural markets, making them competitive stakeholders in the markets and, as a result, bringing about improvements in their lives.[60]	Also, participation in the P4P enabled APAO to finish building a collection center, increase the number of its members, and consolidate itself at the local, regional, and national levels. It also strengthened the association's image by positioning itself as a supplier of high-quality beans. This strengthened its credibility and increased the possibilities for future investments.[61]

57 FNS Platform, 2016c.
58 Sidaner and Torres, 2014.
59 FNS Platform, 2016d.
60 WFP, s. f.
61 Villeda, Silva & Tulio Fortín, 2011.

Productive partnerships, supplier development, and contract farming

Productive partnerships

This development instrument is designed to link initiatives, usually between a formal buyer and the suppliers of products and services (mostly small- and medium-scale producers and family famers).[62]

Supplier development and similar programs

Supplier development programs are used by businesses to strengthen their relationships with suppliers and upgrade their performance by providing the opportunity to acquire the skills and capabilities they need, and helping them reduce costs.[63]

Contract farming for agricultural production

These are agreements under which a producer or group of producers agrees to produce and deliver agricultural products, usually commodities, in accordance with the contractor's specifications. For their part, contractors agree to purchase the product at a given price and is usually involved to some degree in production activities, for example, by providing inputs or technical assistance.[64]

Table 13: Models of institutional support and specific cases – productive partnerships, supplier development, and contract farming

Model of institutional support	Case
Programa Alianzas Productivas *(Productive Partnerships Program)***, Chile** In 2007, the National Agricultural Development Institute (INDAP) created the Productive Partnerships Program to supplement its other market development tools. The program was reoriented in 2010 to "generate a relationship of trust between smallholders and agricultural enterprises, helping producers address current shortcomings in the areas of production technologies, management, logistics and cost management that prevent their production activities from being profitable." Through the program, INDAP provides technical assistance to producers, promotes the establishment of direct commercialization channels, and cofinances partnerships between companies and farmers.[65] **Programa Encadenamientos Empresariales** *(Business Linkages Program)* **AGEXPORT, Guatemala** The Business Linkages Program, implemented by AGEXPORT, promotes a work model geared to market demand, the particular region's potential, innovation, and knowledge management. It supports market access for	**Access to the gourmet market for the producers of** *cabrito* **meat in Illapel, Chile** Through INDAP's Productive Partnerships Program, ranchers in the Tres Quebradas sector, from the Illapel commune, have been able to supply the gourmet market (important hotels and restaurants) with *cabrito* (young goat meat). The Chau Enterprise is the counterpart in this productive partnership, and is in charge of distributing the product throughout the country. In the first experience (March 2015), 490 animals were slaughtered and distributed, channeling a normally informal product into the formal market. For the producers, the partnership has made it possible to obtain a fair price for their product and a more stable market, as well as INDAP support for production, management, and commercialization.[66]

62 Adapted from: Resolución Exenta N° 002441, INDAP -Chile.
63 UNIDO, 2002.
64 UNIDROIT, FAO & IFAD, 2015.
65 INDAP s. f.
66 Riffo, 2015

Model of institutional support	Case
organized groups of small- and medium-scale producers (men and women) by linking them with other stakeholders in the chain and providing information, technical assistance, and skills for coordinating production and commercialization with export companies. It includes a competitive fund tailored specifically for small- and medium-scale producers. It has an environmental component as a priority topic which involves a fund of eco-business linkages. The program has been in existence for more than 15 years, and has worked with 153 rural organizations that produce coffee, onions, beans, cardamom, potatoes, fruit trees, handcrafts, and more.[67] By around 2010, the program had financed more than 250 small- and medium-scaled enterprises (SMEs) involving more than 25,000 at-risk producers.[68] **Peru Cocoa Alliance** The PCA is an initiative of The United States Agency for International Development (USAID) associated with "Comisión Nacional para el Desarrollo y Vida sin Drogas" (DEVIDA), Carana Co., Armajaro Trading, Exportadora Romex, "Asociación Perú Desarrollo Financiero" (APDF), Geotraceability, Inka Crops, and the Acopagro, Naranjillo, Oro Verde, San Alejandro, and Nuevo Progreso cooperatives. Since 2012, this partnership has been managing competitive funds with private sector cofinancing for promoting projects that help position Peru as a world leader in the production of fine aroma cocoa; it benefits producers in the departments of San Martín, Huánuco, and Ucayali through an alternative development model based on a lawful economy. It also helps develop a supply of financial services in areas where there were none before.[69] **Programa de Desarrollo de Proveedores** *(Supplier Development Program)* **(PDP), Peru** The Supplier Development Program (PDP) is implemented within the framework of the Innóvate Peru (*Innovate! Peru*) Program by the Ministry of Production (PRODUCE). It is "a production development policy instrument designed to forge stronger ties between producers and enterprises by strengthening the technical and administrative capabilities of suppliers and their relationship with the driving companies, contributing in this way to boosting the companies' productivity and competitiveness." The program makes it possible to finance up to 80% of the cost of assessments and improvement plans (maximum amount S/. 50,000), with the requesting entity covering 20% of the cofinancing. Up to 70% of the cost of implementing the improvement plan can be financed (maximum up to S/.600,000) with the requesting entity covering 30% of the cofinancing.[70]	**Backus – Hard yellow corn, Peru** Backus is the largest brewery in Peru, producing 12 different brands of beer in addition to non-alcoholic beverages. As part of its sustainable development strategy, it is linked to the hard yellow corn production chain, first in Jequetepeque (since 2008) and later in Barranca (2010). Within this framework, Backus committed to purchasing 16,000 tons of yellow corn from these producers "in a direct trade relationship and at market price." As a result of this partnership, participating producers obtained higher productivity (+12%) and lower costs (-5%).Moreover, the company states that the quality of corn purchased from the two production chains yields approximately 10% more in the germination process than imported corn.[71] **Chocolats Halba and APROCACAHO, Honduras** Since 2008, the Swiss company Chocolats Halba has been working in collaboration with approximately 500 organic cocoa producers in Honduras. For several years now, the linkage with producers has been in the form of contracts that support farmers in the areas of production and certification, as well as access to credit and fair prices. The initiative is carried out jointly by Helvetas, the National Association of Honduran Cocoa Producers (APROCACAHO) and other local counterparts. The partnership offers technical assistance to cocoa farmers, in particular with regard to strengthening quality, infrastructure, and export procedures, as well as organizational capacities and skill building. The contract, signed by the growers, APROCACAHO, and Chocolats Halba, spells out the criteria and requirements that the product should meet; should they fall short, the company may still purchase the product but at a lower price. This encourages farmers to strive to meet high quality standards. In response to the high demand from Chocolats Halba, APROCACAHO has built two processing and packaging plants for export purposes. The stability of the commercial relationship and the higher prices paid for cocoa have helped increase families' earnings.[72]

67 Chacón, 2015.
68 AGEXPORT s. f.
69 Morales *et al.* 2015.
70 PRODUCE e Innóvate Perú 2015.
71 Backus 2015.
72 Fromm 2013.

Supplying cooperatives where producers are also members

In this model, cooperative members agree to sell part or all of their output to the cooperative, in accordance with the mechanisms established for production and supplying.

Table 14: Models of institutional support and specific cases – Supplying cooperatives where producers are also members

Model of institutional support	Case
No institutional support model has been identified for this strategy.	**Cooperativa de Productores de Leche Dos Pinos** *(Dos Pinos Milk Producers Cooperative)***, Costa Rica** This cooperative was established in 1948 by 25 dairy farmers in order to "sell milk to a company that will pay them a fair price because it is their own company; purchase the necessary inputs for their farms; and promote industrial and social development in Costa Rica." Today, the firm has more than 1,400 producer members and 4,500 employees. In addition to dairy products (whole, low-fat, skim, delactose, calcium fortified, and vitamin and mineral fortified milk, yogurt, various cheeses, cream, and other products), it has diversified to include fruit-based beverages and ice cream. The cooperative offers its members technical assistance, inputs, financing, better prices, assured sales, storage, and administration of production, in exchange for meeting the quality requirements and volumes of milk agreed to. The cooperative collects some 1.3 million liters of milk every day and contributes 1.7% of Costa Rica's GDP.[73]

Inclusive businesses/Businesses at the base of the pyramid

Inclusive businesses are economically profitable businesses that are environmentally and socially responsible and that, framed by the rationale of mutual benefit, include low-income communities in their value chains and improve their quality of life. Inclusive businesses help enable companies to develop sustainably and expand their market segments to include sectors of the low-income population; they also encourage families living in poverty to take advantage of market opportunities and the dynamics of the business sector.[74]

73 Romero Murillo 2015.
74 SNV & WBCSD, 2010.

Table 15: Models of institutional support and specific cases – Inclusive businesses /businesses at the base of the pyramid

Model of institutional support	Case
Circuitos Productivos *(Production Circuits)*, **Ecuador** Within the framework of the Economía Popular y Solidaria *(Solidary Economy for the People)*, the Institute of the same name (IEPS) promotes initiatives that enable actors to improve their living conditions. The initiatives selected are developed and financed as part of regional production chains–where groups of production, distribution, and consumption units interact within a given geographical area. The linkages have three "phases": raw material production, processing into manufactured goods, and commercialization of the output. According to IEPS, "most of the linkages created in the country are set up by providing infrastructure for a collection center for the agricultural output," makes it possible to generate value added for the products and commercialize them.[75]	**Small-scale family ranchers supply milk to Delizia Ltd., Bolivia** Delizia Compañía de Alimentos Ltda. was created in 1988 in the city of El Alto, Bolivia. Its main products are ice cream and yogurt and it has a daily output of 30,000 kilograms. The company's suppliers are small-scale family farmers who produce very low volumes of milk (average 9 liters per day) and have an average of five cows each. The project was developed after initial contacts between Delizia with SNV and CEDES (Consejo Empresarialpara el Desarrollo Sostenible (*Business Council for Sustainable Development*), who explained to producers' the advantages of working directly with the company in a mutually beneficial initiative. The progress achieved encouraged producers to improve their herd by purchasing better stock. As a result, their incomes rose by nearly 40%, milk productivity rose by 30%, and their dairy herd expanded by 18%.They were able to obtain credits averaging US$1,080 per producer for 29-month terms.[76] **Creating Shared Value–Nestle** As part of its corporate social responsibility strategy and its activities as a whole, the Nestle company seeks to create shared value. More than fulfillment of standards and being sustainable, its aim is to create long-term value for society and for its shareholders. This means helping improve the economic and social conditions of the producers who supply raw materials, as well as the communities where their factories, suppliers, and market partners are located. Some examples of projects being promoted by Nestle in Latin America are: - Global Program for the Development of Nestle Milk Suppliers: In Chile, 900 of the 1,200 producers that work with the company participate in this program, which seeks to ensure the supply of high-quality milk and promotes increased milk output by making advisory services, training, technical assistance, and other benefits available to participants. - NESCAFÉ Plan: Through this initiative, Nestle supports coffee growers by providing technical assistance and microfinance programs, among other things. In Colombia, some nine million coffee plants were distributed in 2012 and 1,445 hectares of coffee farms in the Cauca Valley were renewed. In addition, almost 2,500 coffee farmers received training in 4C sustainability practices.[77] [78]

75 IEPS 2014.
76 SNV y WBCSD 2010.
77 Nestlé s. f.
78 Nestlé 2012.

Social responsibility programs

Corporate Social Responsibility (CSR) is a business approach that aims to manage the impact of its activities on its clients, employees, shareholders, local communities, environment, and society as a whole.[79] The social responsibility programs of companies that focus on the raw materials link make it possible to better articulate the actors in the chain, strengthen producers' skills, and increase product quality, among other things.

Table 16: Models of institutional support and specific cases – social responsibility programs

Model of institutional support	Case
Recursos para mi Tierra *(Resources for my Land)*, **Honduras** Through this program, which was launched in 2008, La Colonia supermarket chain, as part of its CSR policy, together with FICOHSA Bank and the Rural Business Development Foundation (FUNDER), provides financial and technical assistance, as well as a reliable market to more than **2700 small-scale producers** in different parts of the country, who supply some 35 vegetables that meet high quality standards. The company ensures that its purchases consistently meet fair conditions, at market prices. As of 2015, some 1,200 loans had been granted for a total of around US$300,000, generating more than 1,500 jobs and reducing La Colonia's vegetable imports by up to 70%.[80]	**Consorcio Agrocomercial** *(Agro-commercial Consortium)*, **Honduras** Consorcio Agrocomercial is comprised of eight associations that produce fruits and vegetables and sell them to supermarkets (including La Colonia); it has 437 producer members. It was created at the initiative of FUNDER to help solve some common problems faced by companies in their dealings with supermarkets. Since early 2014, the Consorcio has been implementing a pilot project with the support of VECO MA, the goal of which is to strengthen production capacity (volume and quality), strengthen collection capacities and postharvest management practices, improve collective commercialization in formal markets, and strengthen socio-organizational and business skills.[81] "**Tierra Fértil" and "Una mano para crecer" – Wal-Mart Central America** In the Central American countries, the Walmart supermarket chain is implementing various corporate social responsibility initiatives, several for small farmers who are its suppliers: Through the "Tierra Fértil" *(Fertile Land)* project, more than 150 Honduran farmers receive training so they can become formal and responsible entrepreneurs. The project works to certify GAP and GMP use, improve postharvest management of products, and raise farmers' awareness about soil care and conservation, use of agricultural chemicals, etc. With the program "Una mano para crecer" *(A hand for growing)*, Walmart supports approximately 500 small- and medium-scale manufacturing enterprises for certifying production processes that ensure food safety for their products.[82]

79 Observatorio de Responsabilidad Social Corporativa (Corporate Social Responsibility Observatory), s. f.
80 La Colonia s. f.
81 Cruz 2015.
82 Castro 2014.

3.3 Commercial linkages for differentiated products

Definition and main characteristics

An articulation of formally established organizations of producers of raw materials, fresh or processed products, that are differentiated, have third-party certification, have segments and niches sensitive to their attributes, long or short distance between producers and end-consumers, connected in many cases by specialized channels, be they local, regional, national, or international, with close relationships, and with or without prior agreements.

The main agents that drive these chains are informed consumers who are sensitive to certain special attributes of quality, who generate market niches that become increasingly specialized, and that correspond both to lifestyle and to income level. The public sector is involved through its work as a regulatory body (departments that deal with intellectual property, trademarks, records), and in some cases as an operator (country brand, appellation of origin, geographical identity, family agriculture seals in the Southern Common Market - MERCOSUR). Certifying entities are other relevant actors because they endorse the special attributes of a given product or the use of processes that the supplier promotes to consumers; these entities gain importance to the degree that commercialization chains are longer and mobilize and trade more international products.

This is a means for commercializing substantial volumes of differentiated products for organizations that have a certain degree of development and financial capability; therefore, it cannot be considered an alternative for all producers. Some of the forms seen in this strategy are processes that guarantee quality and safety, as well as good management of resources and inputs; differentiation by attributes of product origin; specific distinctive seals of actors involved in the processes; differentiation by sustainable environmental and ecosystem management; or ethical considerations.

Determinants and success factors

Table 17 presents the determinants or success factors of commercial linkages for differentiated products.

Table 17: Determinants and success factors of commercial linkages for differentiated products

Determinants	Success factors
Demand	
• Consumers recognize and value the differentiating characteristics of the product. • It is understood that differentiated products normally target specific consumer niches.	• Detailed knowledge and monitoring of the preferences of consumers who are sensitive to this type of product and value their special attributes, such as origin and cultural value, stewardship of natural resources, environmental conservation, climate change mitigation, treatment of animals, and sustainable use of biodiversity in production, transformation, distribution, and consumption, equity among actors, and inclusion of vulnerable populations in the relationships established in the linkages.

Determinants	Success factors
Supply	
• The market (demand) approach guides production and commercialization activities. • Food that is being supplied meets sanitary and safety requirements. • The products offered exactly fulfill the quality attributes offered to consumers. • Specific products are developed and adapted that have special attributes recognized and valorized by market niches. • The guarantee systems and types of certification accepted by destination markets, and the requirement of these markets, are known.	• Build consensus among producers regarding the differentiating factors of the products or services to be offered, specifically in the case of collective mark names, geographical indications, appellations of origin, and similar attributes. • In some in cases, producers and supporting institutions use supply to develop products with novel and innovative differentiations that can create preferences or needs that previously did not exist in the market, taking into account macro trends, for example, health concerns. • Strive to ensure that most producers can meet the requirements of the differentiating factors or attributes. • Maintain a balance between: - natural resources, normally fragile and limited vs. market growth; - the specific raw materials of a territory that are directly related to the quality of the product, which are often seasonal in nature vs. steady demand from consumers; - adaptation of new technologies to increase efficiencies and/or guarantee safety vs. maintaining processes and practices associated with the differentiated characteristics of the product. • Develop a basket of goods and services that tap the advantages of the resources in the territories associated with products typically produced in the area, and that generate agrotourism activities for learning about the production areas, the producers, the processes, and the history of the goods.
Producers and their organizations	
• There is a good level of organization among small- and medium-scale producers that makes it possible to consolidate a competitive supply in terms of cost, timeliness, periodicity, and volume, in line with market demands. • A formal level of organization exists that makes it possible to establish relationships with clients, mainly for transactions that require prior agreement. • Member loyalty ensures that their products are sold to the organizations to which they belong. • It is understood that the development of differentiated products can be relatively costly given the need to adapt processes and products, and certification costs; it is also understood that it may take longer to recover the investment than in the case of conventional products. • Producers and/or their organizations have the means to access information services, as well as technical and financial assistance.	• Organizations have their own skills, or can access specialists in business and financial management, market research, commercial management, product development, quality and safety management. • Organizations are characterized by recognized and respected leadership, empowered and loyal associates, whose members have a high degree of confidence resulting from transparency, fluid communication, and accountability practices, and who hold fulfillment of commitments as a key value. • Systems exist that make it possible to monitor and ensure that certification requirements are met by the members of the organization.

Determinants	Success factors
Commercial agreements	
• Development and use of commercial contracts or agreements (i.e., purchase orders) and similar instruments that explicitly indicate and promote aspects such as participation, quality, and compliance, among other things, mainly in the case of transactions that require prior agreements. • Formal agreements (when applicable) include information and terms on volumes, quality requirements, type of presentation, place and form of delivery, prices, and payment methods. • Fulfillment of commitments made or agreed upon.	• Principles of equity and transparency are applied in negotiation processes.
Supporting institutional framework	
• A regulatory and institutional framework exists that promotes and facilitates the development of differentiated products based on special quality attributes. • Technical and financial support services are available and accessible for the development of products that meet niche market requirements.	• Services are available that facilitate product development and promotion, including participation in fairs and trade missions, preparation of prior studies, and the documentation required for obtaining seals, in accordance with the requirements of each, as well as for certification processes.

Institutional models and cases

The forms of commercial linkages for differentiated products, as well as institutional support models and specific cases, follow.

Processes that ensure quality, safety, and good resource and input management

Agricultural and agroindustrial products differentiated by quality and safety, and by good resource and input management, show that they have met certain standards by their certifications, according to the type of product and process and the requirements of the target market.

The best known standards and certifications are the **good practices**, including: Good Agricultural Practices (GAP), Good Livestock Production Practices (GLPP), Good Manufacturing Practices (GMP), and Global GAP, among others. Those related to the **safety** of food products include the Hazard Analysis Critical Control Point system (HACCP), Global Food Safety Initiative (GFSI), International Food Standard, and others; and a wide range of certifications for **organic production**, including: USDA organic (United States) EU Organic (European Union), JAS (Japan), Agriculture Biologique (France), Bio (Germany), among many others.

Table 18: Institutional support models and specific cases – processes that guarantee quality, safety, and good resource and input management

Model of institutional support	Case
Sello "Alimentos Argentinos" *(Argentinian Foods Seal)* Argentina's Ministry of Agriculture, Livestock, and Fisheries (MAGyP), through its Department of Value Added and New Technologies, manages this initiative, which was designed as a national brand and registered since 2005 by the MAGyP with the National Intellectual Property Institute (INPI). It is used to identify Argentinian food products and helps position and market products in the domestic market. The seal can be requested by any individual or legal entity that produces food or is a company that produces/prepares food in Argentina. Basic requirements include fulfilling good agricultural practices and/or good manufacturing practices, or having a hazard analysis critical control point (HACCP) system.[83]	**Organic agriculture: El Ceibo, Bolivia** El Ceibo, established in 1977, is a "second tier cooperative," made up of several small cooperatives in the Alto Beni region. It has more than 1,200 members, small-scale cocoa farmers, and generates work for more than 100 people. They produce and sell a wide range of products, from cocoa beans, to gourmet and natural bars, chocolate covered sweets, energy bars, cocoa, cocoa butter, pure cocoa paste and liqueur, among other things, with organic and Fairtrade certification. They have sold their products on the domestic market and exported them since the early 1980s. They are differentiated in the market by special attributes related to cocoa quality, location of production, processes, quality, inclusion and equity. According to its by-laws, all members of the board of directors, managers, and employees must be active members of the cooperative, or the sons and daughters of members.[84]

Differentiation by attributes of origin

This form includes appellations of origin, geographical indications, collective marks, and country brands.

Appellation of origin

Used when quality or other characteristics are essentially or exclusively due to a particular geographic environment that includes both natural and human factors.[85]

Geographical indications

A geographical indication identifies a product as having originated in the territory of a member or a region or location in the given territory, when a given quality, reputation, or other characteristic of the product is essentially due to its geographical origin.[86]

Collective mark

A distinguishing mark that has the purpose of guaranteeing the origin and/or quality of given products or services; it helps SMEs market products together and improve recognition of their products, and can be placed alongside the trademark.[87]

83 Jaramillo & Riveros, 2013.
84 El Ceibo s. f.
85 Blanco *et al.*, 2014.
86 Montesi, 2011, from WTO, 1994.
87 Montesi 2011.

Table 19: Models of institutional support and specific cases – differentiation by attributes of origin

Model of institutional support	Case
Geographical indications and appellations of origin, Argentina Argentina's Ministry of Agriculture, Livestock, and Fisheries (MAGyP), through its Under secretariat for Value Added and New Technologies, is in charge of an initiative dealing with geographical indications and appellations of origin. Given the country's extensive geography and different cultural and traditional elements, it offers a wide range of typical, regional and/or natural agricultural and food products with origin. Accordingly, it promotes certification by geographical indication (GI) and appellation of origin (AO), in this way creating an enabling institutional framework that promotes sustainable development and economic growth in rural areas.[88] **Uruguay Marca Natural** *(Uruguay Natural Mark)* This mark was established under the Country Mark concept, which is an umbrella indicator of quality not only of products and services offered in Uruguay, but also of its tourism and investment destinations. It helps create a feeling of national pride, and combines both public and private activity to transmit strengths and advantages, adding value to the country as a whole. Uruguay Marca Natural transmits values including: respect for nature, identity, valorization of human talent, stability, safety, harmony. The Uruguay Marca Natural of today is the outcome of a series of processes begun in 2001 with the creation of a strictly tourism seal; this process continues to be enriched by both public and private interest in developing a differentiating element with the support of international cooperation. Use of the mark is authorized through a license contract signed by the interested party and the Ministry of Tourism; by 2015, some 200 companies had signed this agreement.[89]	**Appellation of origin: Colombian Coffee** In the late 1950s, the Colombian Coffee Growers Federation (FNC) observed that, even though 77% of the coffee produced in Colombia was exported to the United States, consumers did not recognize the country as an important coffee producer. Therefore, the FNC launched a publicity campaign in the 1960s to build recognition of its product, creating the character of Juan Valdez who, to this day, represents the typical Colombian coffee grower. This campaign generated a positive image of the product and consumer preference. In 2000, Colombian coffee was clearly associated with quality and the image of Juan Valdez. However, this also led to an irregular use of the name "Colombian coffee" and the mixing of the product with coffee from other sources. To ensure that consumers could trust that a coffee was 100% Colombian, FNC fulfilled the relevant procedures with the Superintendence of Industry and Commerce, meeting all of its requirements. Once this was achieved, the FNC proceeded to the European registration of appellation of origin and protected geographical indication, which was granted after several years of presenting studies sustaining the relationship between the origin and the quality of the coffee.[90] **Collective marks**: **Specialty coffees of CECOVASA, Peru** The Central de Cooperativas Agrarias de los Valles de Sandía (*Agrarian Coffee Cooperatives of the Sandia Valleys*) (CECOVASA) (Region Puno) was founded in 1970 by five cooperatives that joined together to export directly. It now comprises eight cooperatives and a total membership of more than 4500 producers. They have received the following certifications: organic: USDA, JAS (Japanese), and Biolatina: nature friendly (Rainforest Alliance); fair trade (Fair Trade and Starbucks).They have differentiated their products by production area and producer origin, through six brand names: Tunki, Quechua, Aymara, Sallpa, Bahuaja, and Tambopata.In 2010, Tunki coffee won the award for the best specialty coffee of the world by the Specialty Coffee Association of America and for six consecutive years it won the award for best quality coffee at Peru's Expocafe fair.[91] Another example of a collective mark is **Comunidades Unidas de Molinos** *(United Communities of Molinos)* (Argentina) which is described in Table 9.

88 Jaramillo and Riveros 2013.
89 Uruguay Natural, s. f.
90 Gallego Gómez, 2008.
91 CECOVASA, 2016.

Distinctive signs referring to the actors involved in the processes

These products and services are differentiated by the involvement of specific actors in the processes; for example: family farms, women's groups, indigenous communities, ethnic groups.

Table 20: Institutional support models and specific cases – distinctive signs referring to the actors involved in the processes

Institutional support model	Case
Sello Agricultura Familiar *(Family Farm seal)*, **Argentina** This was established in 2015 by the Ministry of Agriculture, Livestock, and Fisheries to highlight, inform, and raise awareness regarding the contribution of family farms to food security and food sovereignty. The Family Farm seal distinguishes products that stand out for their quality, innovation through the use of appropriate technologies, promotion of social, cultural, organizational values, and the sustainable use of the natural resources used in their production processes. Complying with the seal's requirements is the responsibility of the requesting organization, and a two-year grace period is allowed so they can create the conditions necessary to fulfill the standard.[92]	**Craft cheese production in Minas Gerais, Brazil** One of the production activities registered and protected by Brazil's National Institute of Historic and Artistic Heritage (IPHAN), is the artisanal cheese production operations in Serro and Sierra de la Canasta and Salistre, Minas Gerais, which was registered in the Book of Knowledge in 2008.Cheese production is considered an important element of the region's cultural identity and represents an excellent option for taking advantage of and conserving milk in these areas. The way the milk, rennet, and masses are handled, how cheese is pressed, and ripening times are based on ancestral knowledge associated with the cultural identity of the inhabitants of these areas.[93] [94] **Marca Colectiva Comunidades Unidas de Molinos** *(United Communities of Molinos Collective Mark)*, **Argentina** Comunidades Unidas de Molinos is a cooperative of artisans, spinners and weavers in Molinos, Salta province. It brings together 16 rural communities that produce suits, vests, outdoor jackets, and coats. In 2009, and with the support of the National Institute of Agricultural Technology, the producers and artisans began to organize the production and commercialization of their handcrafts, and in 2011 they created the collective mark Comunidades Unidas de Molinos (CUM). In 2013, the cooperative established CUM as a collective mark that differentiates its products, which range from handcrafts to food products grown in the area. The trademark highlights the shared identity of the products sold and indicates that they were made in campesino communities.[95]

Differentiated by sustainable environmental and ecosystems management

This type of differentiated product is identified by a wide range of certifications and seals that are used according to the natural resource being protected by different processes, and by the expectations of consumers that the producers seek to satisfy.

Seals that certify **animal friendly** production practices include, among others: Bird Friendly (developed by The Smithsonian Migratory Bird Center, specifically

92 Ministry of Agroindustry, 2015.
93 Blanco *et al.*, 2014.
94 IPHAN, s. f.
95 INTA informa (bulletin), 2013.

for coffee); Cage Free (for uncaged chickens and hens), Dolphin Friendly (for fish products), among others. Other seals refer to **sustainable forest management**, for example Rainforest Alliance (various forest products) and Forest Stewardship Council (FSC) (timber-yielding forest products). Some seals refer to the **use of natural resources**, such as water and energy, including: water footprint, carbon footprint, carbon neutral, etc. Producers and producer organizations that seek this type of seal often have obtained other certifications, such as fair trade and organic agriculture.

Table 21: Models of institutional support and specific cases – differentiated by sustainable environmental and ecosystems management

Model of institutional support	Case
Sustainable Agriculture Network of Rainforest Alliance The Rainforest Alliance is an NGO that was founded in 1986 to "conserve biodiversity and ensure sustainable livelihoods by transforming land-use practices, business practices, and consumer behavior." Today, one million companies have obtained this certification. In 1997, efforts began to develop the Sustainable Agriculture Network (SAN), an international group of nonprofit organizations that work to conserve biodiversity and foster sustainable rural development. SAN drew up the standards and criteria for Rainforest Alliance certification, which not only accredits the sustainable nature of the production process but also adds value to the products and helps reduce production costs. Through its members, SAN provides technical assistance to farmers who wish to obtain certification by offering training, field demonstrations, videos and other materials, using appropriate teaching techniques for each type of crop, environment, local culture, and the learning capacity of participants.[96] [97]	**Coopetarrazú and Rainforest Alliance, Costa Rica** The Tarrazú Coffee Growers and Multiple Services Cooperative (Coopetarrazú) obtained sustainable practices certification from Rainforest Alliance in 2014 for its 3,500 member coffee farms. The seal confirms fulfillment of standards for the protection of wildlife, soil, and water resources, as well as workers, families, and the community. Approximately 75% of Coopetarrazú coffee is exported to the U.S., which is also the main buyer of Rainforest Alliance certified coffee. In an interview, the director of the Cooperative stated that certification had made it possible for the cooperative to access clients who would otherwise not have been interested in its product.[98]

Differentiation by ethical considerations

Products that stand out because of their ethical attributes meet standards that satisfy consumer needs that are based on moral or religious values, among others. Some examples are considerations of justice, reflected in Fair Trade, or to meet consumers' religious standards (for example, kosher in the case of Jewish dietary law and halal, for Muslim dietary law).

96 SAN, s. f.
97 Ortega, 2013.
98 La Nación, 2016.

Table 22: Models of institutional support and specific cases – differentiation by ethical considerations

Institutional support models	Case
Fairtrade Fairtrade is an alternative to conventional trade that is based on cooperation among producers and consumers. For farmers, producing and commercializing their products under Fairtrade arrangements and standards creates better business and commercialization opportunities and helps improve living conditions because they are assured a minimum price and paid an added premium. For consumers, purchasing products with the Fairtrade seal is a way to help reduce poverty. The first product that received the Fairtrade seal was a Mexican coffee sold in Dutch supermarkets in 1988.The initiative expanded rapidly to other European and North American countries, and in 1997 the NGO Fairtrade International was created (then still called Fairtrade Labelling Organizations International–FLO).[99] At present, products certified with the Fairtrade seal are produced in 74 countries by more than 1200 producer organizations (approximately half of them in Latin America and the Caribbean), and commercialized in 125 countries.[100]	**Confederación Nacional de Cacaoteros Dominicanos** (*National Confederation of Dominican Cocoa Producers*) **CONACADO cocoa with the Fairtrade seal, Dominican Republic** CONACADO, established in 1988, is a cooperative of 9,500 small-scale growers whose objective is to minimize dependency on intermediaries by exporting directly to consumer markets. Cocoa accounts for 90% of CONACADO's earnings and it has obtained various certifications, including organic production and Fairtrade seals. Under the Fairtrade arrangement, producers not only earn a premium above market price but CONACADO has also been able to establish a nursery so it can provide low-cost plants to farmers so they can grow their own food. In addition, five fermentation centers, eight drying plants, and two warehouses were built a short time ago. The cooperative offers its members financial services (soft loans), invests in local infrastructure such as road and bridge maintenance, and supports the community center and the construction of a rural clinic, among other things.[101]

99 Fairtrade International, s. f.
100 Fairtrade International, 2015.
101 Fairtrade Ibérica, s. f.

IV. A guide for self-evaluation of potential and for identifying what needs to be done to implement the proposed strategies

The purpose of this chapter is to support institutions, (public and private) and producers (individuals, or producer groups or organizations) interested in implementing or supporting the implementation of the commercialization strategies proposed in this document. It facilitates self-evaluation and identification of the commercialization strategy best suited to the capacities of the producers or their organizations. This exercise is keyed to the elements identified in the section above (determinants and success factors of short supply chains, supply chain linkages, and commercial linkages for differentiated products).

It will also be of interest to technical personnel, individual producers, producer groups or organizations that are already engaged in any of the commercialization activities described in these strategies and who may want to identify alternatives for consolidating or improving their position, or diversifying their participation in them.

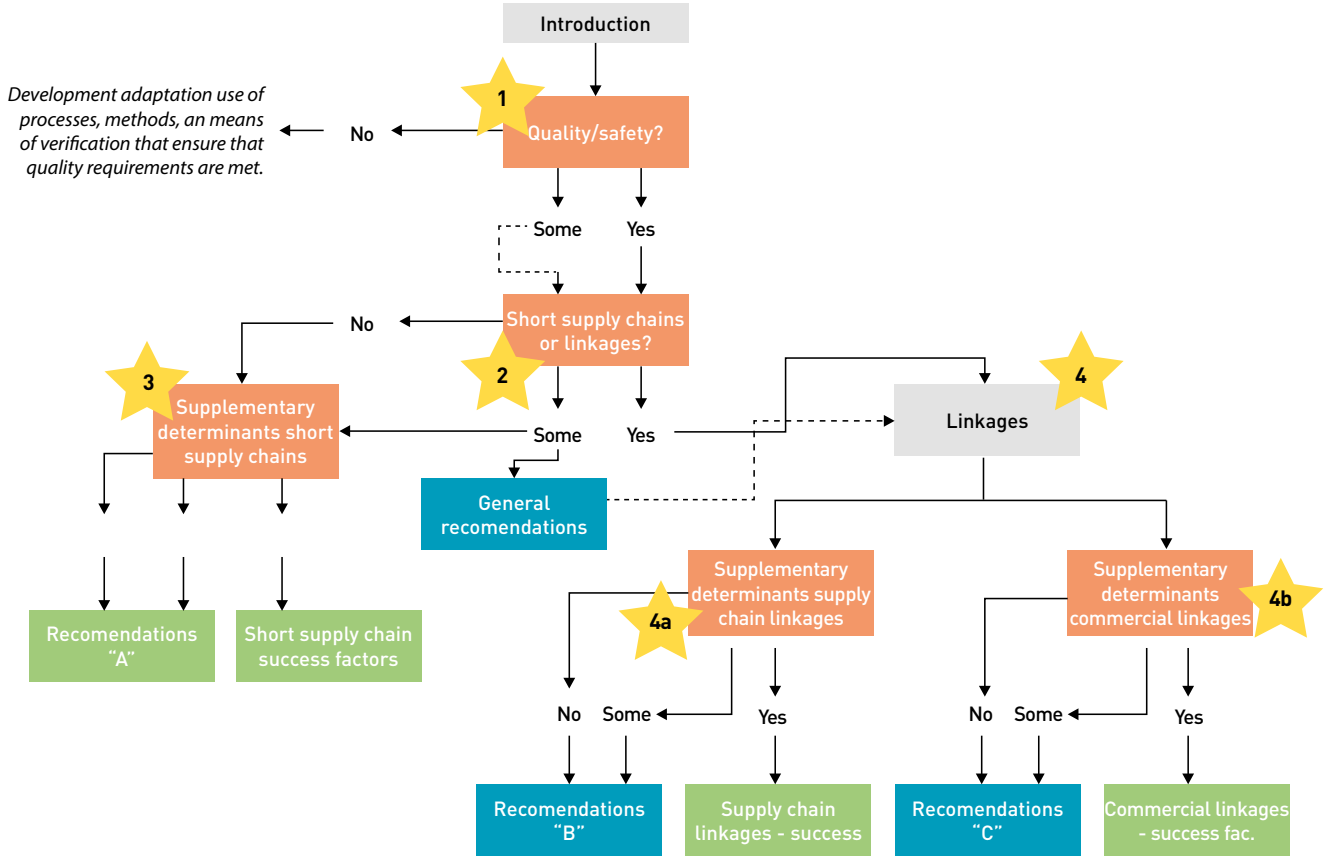
The example used for this self-evaluation is the first purpose, shown in diagrammatic form in Figure 1. To use it with the second case, follow the same sequence, introducing your own conditions, needs, and expectations.

As a reminder, we repeat below the definitions used throughout this document in discussing the determinants and success factors of each commercialization strategy:

Determinants: Elements that are necessary and essential for implementing a commercialization strategy and ensuring that it functions correctly.

Success factors: Good practices that facilitate the effective and efficient functioning of a commercialization strategy.

Figure 1: Diagram of the method for appraising potential and identifying what needs to be done to implement short supply chains, supply chain linkages, and commercial linkages for differentiated products.



Step 1: Determine if quality standards and requirements have been met

Public quality and safety requirements must be met before implementing any of the commercialization strategies described in this document. Therefore, the first step is to identify those basic requirements in order to be able to answer the following questions by selecting one of the three options.

Do the products to be commercialized meet the market's quality requirements and, in the case of food, safety requirements, as well as public standards?

- Yes, these requirements have already been met.
- These requirements can be met.
- These requirements have not been met and cannot be met soon.

Step 1 evaluation:

If you answered "Yes, these requirements have already been met," continue on to Step 2.

If you answered "These requirements can be met," an action plan will need to be designed for making the adaptations required to meet the quality and safety requirements that were identified; once they have been met, continue on to Step 2.

If your response is "These requirements have not been met and cannot be met soon," it will be necessary, first and foremost, to develop, adapt, and implement processes, methods, and means of verification that make it possible to meet the quality requirements. At that point, you can begin again at Step 1.

Step 2: Short supply chain or supply chain linkages?

For step 2, evaluate the degree to which the following determinants have been met.

Table 23: Degree to which determinants have been met

	Yes, already met	Can be met	Not met and cannot be met soon
a. Determinants of demand			
Products to be offered on the market can satisfy the needs or expectations of potential consumers.			
b. Determinants for the supporting institutional framework			
Sufficient information, technical, and financial assistance services exist to develop the supply.			
c. Determinants for the organization[102]			
The level of organizational development makes it capable of consolidating a competitive supply in terms of cost, timeliness, periodicity, and volume, in line with market demand.			
Producers have a good degree of loyalty to their organization, which ensures that they will meet their supply commitments.			
The legal standing of the producers' organization enables it to establish relations with clients, primarily when transactions require prior agreements.			
Producers and/or their organizations have the means to obtain information, technical and financial assistance services.			
d. Determinants for commercial agreements			
Formal agreements with buyers specifically indicate volumes, quality requirements, type of presentation, locations, time and form of delivery, price, and payment method.			

102 For individual producers, continue on to Section d of this table.

Step 2 evaluation:

Add up how often each option was answered:

- Yes, already met: _____
- Can be met: _____
- Not met and cannot be met soon: _____

If most of the answers are "Yes, already met," and the rest are "Can be met," continue on to Step 4.

If most of the answers are "Can be met" and only some of the determinants have already been met, there are two options. One, you can select an alternative offered by short supply chains[103] as the commercialization option; in this case continue on to the evaluation in Step 3.If you have sufficient competitive supply or the potential to develop a competitive supply, after addressing or developing action plans to fulfill the points marked in the "Can be met" category, evaluate the options of supply chain linkages and/or commercial linkages for differentiated products. In this case, first review the General Recommendations discussed below.

If one or more responses were "Not met and cannot be met soon," it is recommended that you consider the commercialization options offered by short supply chains, and continue on to Step 3.

General Recommendations:

The following recommendations are for producers or organizations that, on the basis of the self-evaluation above, have the capacity to develop short commercialization circuits and who would also like to assess the possibility of engaging in more complex commercialization strategies. The recommendations are keyed to the characteristics described in the previous section of this document:

- Demand:

  To improve understanding of the market, it is suggested that you take advantage of sources of information, including:

  - potential buyers of your products (hotels and restaurants, specialty stores, intermediaries, agribusiness, exporters, etc.), in order to identify requirements and unmet needs;
  - fairs and trade missions, in order to get to know the competition and familiarize yourself with market trends;
  - points of sale, in order to identify commercial innovations (processes or products);
  - public procurement invitations, in order to familiarize yourself with their terms and the possibility of meeting them.

  In addition, engage in market intelligence activities, including conducting market studies; these services are normally out of reach for small producers but can sometimes be conducted by students (preferably graduate students) or supporting agencies.

- Producers and organizations:

  To strengthen producer organizations, the following is recommended:

  - facilitate technical assistance and training to producers to ensure product quantity and quality, and upgrade management and administration capacities in order to ensure that demand can be met;

103 Fairs and famers markets, on-farm or roadside sales, sales to hotels and/or restaurants, baskets of products, direct sales to local agroindustries, specialty stores.

- strengthen ties with members and sensitize them to the benefits of belonging to the organization, and the responsibilities, in order to increase producers' loyalty with the organization;
- take all the steps necessary to legally establish the organization, and ensure that accounting is performed diligently;
- establish agreements and partnerships with institutions that offer information services, technical assistance and training, to facilitate access for producers who belong to the organization.

- Commercial agreements:

  If agreements are not suitably formal, sufficiently detailed, legally appropriate, or are characterized by any other shortcoming, the organization's management should seek support and advisory services to be able to ensure that the agreements and contracts signed by the parties are fair. Most countries have public institutions that can provide guidance in these areas: for example, in Peru the Comisión de Promoción del Peru para la Exportación y el Turismo (*Export and Tourism Development Commission of Peru*) (PROMPERU), which is attached to the Ministry of Foreign Trade and Tourism. Some private sector organizations also offer this type of support, such as the Chambers of Commerce, exporters' associations, and others.

Step 3: Evaluation of additional determinants for short supply chains

In this step, the self-evaluation focuses on a series of additional determinants that have an impact on successful participation in short supply chains.

Table 24: Additional determinants for successful participation in short supply chains

	Yes, already met.	Can be met.	Not met and cannot be met soon.
a. Determinants of demand			
Economic, social and cultural conditions in the areas are conducive to market development for products from small and medium-scale farms and rural MSMEs.			
Potential buyers recognize, value, or are sensitive to the local attributes and area where the chain or producers carry out their activities.			
b. Determinants of supply			
Consolidate a diverse supply that adapts to consumer expectations and changes (applies to supporting institutions interested in promoting fairs and farmers markets or organizations interested in selling food baskets, setting up points of sale, and selling to hotels and restaurants).[104]			

104 Does not apply to producers or organizations that produce a single product and whose interest lies in participating in existing fairs and markets, supplying agroindustries, or developing agritourism activities.

	Yes, already met.	Can be met.	Not met and cannot be met soon.
c. Determinants for producers and/or organizations			
Be willing and able to take on more time and cost commitments stemming from the commercialization process.			
d. Determinants for the supporting institutional framework			
Have access to support and facilitation, mainly for getting access to space and a minimum of infrastructure from national or local government, or nongovernmental organizations that support development (applies to supporting institutions or groups of producers interested in promoting fairs and markets).			

Step 3 evaluation:

Count how often each option was answered:

- Yes, already met: _____
- Can be met: _____
- Not met and cannot be met soon: _____

If most of the answers are "Yes, already met" and the rest are "Can be met," you may continue on to success factors for short supply chains.

If most of the answers are "Can be met" or if one or more are "Not met and cannot be met soon," please review Recommendations "A" below.

Recommendations "A"

An essential condition for being able to develop short supply chain initiatives is that producers and their organizations are willing and able to take on more time and cost commitments; this condition should be assessed and accepted with full awareness by the interested parties.

Given changes in consumption trends, it is also important to recognize that consumers prefer to make their purchases where there is a relative diversity of products.

In order to be able to increase potential buyers' recognition and valorization of local attributes and the area from which they come, it is important, among other things, to forge partnerships with consumer groups that are sensitive to these types of criteria. Specific examples are offered by the Alianza de Cocineros Slow Food de México and the La Canasta and Agrosolidaria initiatives in Colombia.

In the case of fairs and markets, partnerships or agreements can be established with local governments to facilitate access to appropriate spaces and infrastructure where small- and medium-scale producers can sell their products. Some examples are the farmers' market programs in Panama and the Confederación Gremial Nacional de Organizaciones de Ferias Libres (ASOF) in Chile.

In addition to the above, determinants for short supply chains include factors that producers or their organizations are unlikely to be able to affect. For example, it exceeds the capabilities of small and medium-scale producers and family farmers to ensure that economic, social, and cultural conditions in their areas are conducive to the development of local markets; here, they would be limited to participating in, and in some cases leading, collective actions to stimulate growth in their areas. IICA has developed some instruments that can be helpful in this regard, for example, the Unleashing Local Energies training program and the Localized Agrifood Systems Approach (SIAL).

When most of the determinants have been satisfied, the business idea being evaluated would seem to be suitable for implementing in a short supply chain strategy. The success factors set out in Table 3 and the types of short supply chains shown in Table 4 to Table 10 can serve as a reference and a checklist; they include examples of models of institutional support and specific cases where these short supply chains have been applied by producers or producer organizations.

Step 4: Supply chain linkages, or commercial linkages for differentiated products?

If you have arrived at this point of the evaluation, it is because Step2 showed that, in addition to being able to work in short supply chains, the producers and/or their organizations also have the potential of participating in the type of commercial strategies known as supply chain linkages or commercial linkages for differentiated products.

Taking into account the proposed strategies, their definitions, determinants, success factors and different forms, the next step is to decide if the interest is to focus on supply chain linkages (Step 4a) or on commercial linkages for differentiated products (Step 4b).

The following sequence will help assess the possibilities of your case in either, or both, of the two alternatives.

Step 4a: Evaluation of additional determinants for supply chain linkages

In this step, the self-evaluation focuses on determining the degree to which a series of determinants additional to those considered in Step 2 have been met and that have implications for successful participation in supply chain linkages.

Table 25: Additional determinants for supply chain linkages

	Yes, already met.	Can be met.	Not met and cannot be met soon.
a. Determinants of demand			
Companies fulfill their commitments regarding purchase volumes, prices, and payment methods, supplying inputs, technical assistance, and others as established.			
b. Determinants of supply			
Have working capital that enables producers to manage the periods between payments.			
c. Determinants for commercial agreements			
Economic benefits for the parties are greater or more stable than the situation without an agreement.			
d. Determinants for the supporting institutional framework			
Public policies promote and facilitate linkages, or the possibility exists to have an influence on the formulation and implementation of such policies.			
Economic, social and cultural conditions in the territories are conducive to market development for products from small- and medium-scale farms and rural MSMEs.			

Step 4a evaluation:

Indicate how often each option was checked.

- Yes, already met: _____
- Can be met: _____
- Not met and cannot be met soon: _____

If most of the answers are "Yes, already met" and the rest are "Can be met," review the success factors set out in Table 11 and the types of supply chain linkages shown in Table 12 to Table 16, which include examples of models of institutional support and specific cases where supply chain linkages have been used by producers or producer organizations.

If most of your answers are "Can be met" or if one or more responses are "Not met and cannot be met soon," proceed to Recommendations "B" below.

Recommendations "B"

It is important to bear in mind that this type of commercialization strategy not only involves meeting the aforementioned quality and food safety requirements, but also significant changes in payment conditions and payment methods when compared with conventional practices. In most cases, payments under this type of agreement take between 30 and 45 days, so producers and their organizations must have working capital that will enable them to manage during those times. Thus, the organizations will need to find financial services that adjust to the circumstances of small and medium-scale producers.

Moreover, the characteristics of this type of agreement generally require more resources, in terms of time and transaction costs for both parties, than do short supply chains. Therefore, before moving forward, it is necessary to ensure that the economic benefits outweigh or are more stable that the benefits currently received. For this reason, it is recommended that a business plan or at least one prefeasibility assessment be carried out to determine the costs and benefits of such an initiative.

This cost-benefit exercise should include a risk analysis of the buyer's fulfillment of commitments. It should also consider preventive actions to reduce that risk and its potential impact, even when a certain level of trust has usually been developed between the parties by the time they get to the point of a supply chain linkage agreement.

Finally, the success of such agreements is supported by enabling conditions including macroeconomic policies, the availability of specific support services for this type of venture, and transportation and communication infrastructure, all of which are the result of medium- and long-term processes of political advocacy and territorial development. IICA has developed some instruments that can be helpful in this regard, for example the Unleashing Local Energies training program and the Localized Agrifood Systems Approach (SIAL).

Step 4b: Additional determinants of commercial linkages for differentiated products

To evaluate the possibility of developing a commercial linkage for differentiated products for gaining market access, please complete the following table.

Table 26: Additional determinants of commercial linkages for differentiated products:

	Yes, already met	Can be met.	Not met and cannot be met soon.
a. Determinants of demand			
The differentiating characteristics of the product are recognized and valued by consumers.			
Consideration has been given to the fact that differentiated products usually target specific niches of consumers.			
b. Determinants of supply			
Specific products have been developed and adapted to fulfill special, recognized attributes valued by market niches that are sensitive to those attributes.			
The guarantee systems and type of certification accepted by target markets, and the requirements of same, are known.			
c. Determinants for producers and/or organizations			
There is a clear understanding that the development of differentiated products can be relatively costly due to the need to adapt processes and products, and the costs of certification; it is also understood that investment recovery can be slower than for conventional products.			
d. Determinants for the supporting institutional framework			
A regulatory and institutional framework exists that promotes and facilitates the development of differentiated products based on special quality attributes.			

Step 4b evaluation:

Indicate how often each option was selected:

- Yes, already met: _____
- Can be met: _____
- Not met and cannot be met soon: _____

If most of the answers were "Yes, already met," and the rest were "Can be met," continue on to review the success factors listed in Table 17. Table 18 to Table 22 can be consulted for forms of commercial linkages for differentiated products, examples of models of institutional support, and specific cases where they have been applied by producers or producer organizations.

If most of the answers were "Can be met" or if one or more answers were "Not met and cannot be met soon," please review Recommendations "C" below.

Recommendations "C"

Before taking any step, we recommend that parties interested in implementing this type

of commercialization strategy be aware that niche markets are less demanding in terms of volume but more demanding with regard to the fulfillment of special quality attributes; this makes it easier for producers and organizations that have more resources and possibilities to connect with them. Any expectation created around these opportunities must take into account the specific conditions of these markets.

As was suggested above for supply chain linkages, a business plan should be prepared, or at least a prefeasibility study that shows a positive balance between the costs and benefits of the initiative. Costs should include the cost of services provided and the cost of obtaining distinctive seals and certifications, if needed, as well as the cost of adapting production processes.

It is also important to identify and characterize the market niches to be targeted; this should include identifying the market's requirements and standards of quality. In most countries, this type of information can be found on the websites of the trade development offices of the Ministries of Trade and the trade offices of the Ministries of Agriculture, or similar agencies. Specialized NGOs and international cooperation agencies are also a good source of information, while participation in trade missions and specialty fairs is an efficient way to learn more specifically about the characteristics of the markets.

Consumer recognition and valorization of the product's differentiating characteristics are also important considerations. Distinctive seals, their widespread use, and positioning contribute positively to achieving this, as do mass publicity campaigns of both the distinctive seals and attributes. Some models of institutional support and specific examples of producers that use these strategies are the Argentinian Foods seal, the country trademark Uruguay Marca Natural, and fair trade certification with Fairtrade.

As in the case of supply chain linkages, the success of commercial linkages for differentiated products is supported by enabling conditions that include differentiated public policies, the availability of specific support services for this type of initiative, and transportation and communication infrastructure, all of which are the result of medium- and long-term processes of political advocacy and territorial development. Examples of models of institutional support that support the implementation of differentiating seals are Argentina's geographical indications and appellations of origin, and Brazil's National Program of Intangible Heritage, promoted by the Instituto do Patrimônio Histórico e Artistico Nacional.

V. Conclusions

It has been asserted, and shown by means of different observations, studies, and evaluations, that small- and medium-scale producers, including family farmers, face many challenges in their efforts to access and remain in markets; these challenges stem from the convergence of various factors. The analysis carried out in preparing this document demonstrated that the most relevant factors are: producer organization, differentiation of the products, distance between producers and end-consumers, and quality of relationship between buyers and sellers, including the level of formality of agreements established.

Shortcomings, gaps, and constraints in those areas explain most of the problems associated with the commercialization of products and services from small- and medium-scale farm operations; at the same time, quite a few responses to these problems are keyed to taking advantage of the special characteristics of family and small scale farms, and developing and strengthening the capabilities of producers and their organizations.

Important strides can be made in commercialization by taking advantage of the strengths and opportunities of the setting, as well as by addressing weaknesses and being prepared for threats, by implementing the strategies identified in this document, that is: short supply chains, supply chain linkages, and commercial linkages for differentiated products. Although there are cases of individual producers, they require a certain level of organization, must meet quality requirements, and formalize their supply. Therefore, the options suggested cannot be regarded as a solution for all small- and medium-scale producers and family farmers, nor can they be considered the only channel for commercializing the entire supply.

Despite efforts to promote and implement the strategies described in the document, traditional markets, which are characterized by high levels of informality, continue to be the channel by which most of this supply is commercialized.

The short supply chain can be considered the first step in a process that helps producers become familiar with markets, enabling them to identify constraints and opportunities which, once overcome and evaluated, will make it possible for them to take on greater challenges and plan for

further development. This type of chain includes fairs or farmers' markets, on-farm sales, roadside sales, sales linked to agritourism activities, sales to hotels and restaurants, food baskets for home delivery, and provisioning stores and rural agribusinesses. The most important determinant for the success of short supply chains is consumer recognition and valorization of local, artisanal, cultural attributes and of the type of farmer that produces the products commercialized through this arrangement.

Supply chain linkages are considered an interesting way to commercialize the products of organizations that have a certain degree of development, although they cannot be regarded as an alternative for all producers. This commercialization strategy includes public food procurement (especially for school meal programs); productive partnerships, supplier development or contract farming; producer members who sell to their cooperatives; inclusive businesses, businesses at the base of the pyramid, and social responsibility programs. In order for these strategies to be sustainable, fulfillment of the commitments agreed to by the parties regarding volumes, prices and payment methods, provision of inputs, technical assistance, and others, is of key importance.

Commercial linkages for differentiated products is an alternative that offers good potential for producer groups or organizations that have a certain level of development and financial capacity. This commercialization strategy uses processes that guarantee quality and safety as well as good resource and input management; differentiation by attributes of product origin; specific distinctive seals granted by stakeholders involved the processes; differentiation by sustainable environmental and ecosystem management; and ethical considerations. A basic determinant for the success of this strategy is the existence of a regulatory and institutional framework that promotes and facilitates the development of differentiated products.

A general review of the determinants and success factors that characterize the models of institutional support and the specific examples of the commercialization strategies covered in this document shows that the following essential elements are needed for implementing a commercialization strategy and supporting its proper functioning: a supporting institutional framework and policy instruments that create an enabling business environment, and the use of good practices that facilitate effective and efficient functioning of a commercialization strategy.

Finally, we would like to point out that in the Americas, there are various models of institutional support, as well as noteworthy examples of short supply chains, and supply chain linkages for differentiated and undifferentiated products, that include innovations within the framework of private-private partnerships, public-private partnerships, inclusive businesses, shared value, pro-consumer development, all of which offer an opportunity for building a rich agenda of cooperation and learning among peers.

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Annex

Table 27: Institutional support models presented in this document

SSC	SCL	DLDP	Type	Name	Country	Table
x			Fairs and farmers markets	Programa Ferias del Productor *(Producer fairs program)*	Panama	Table 4
x			Fairs and farmers markets	Confederación Gremial Nacional de Organizaciones de Ferias Libres *(National Guild Confederation of Free Fair Organizations)* (ASOF C.G.)	Chile	Table 4
x			Fairs and farmers markets	Farmers Market Promotion Program	United States	Table 4
x			Direct on-farm or roadside sales	Certified Roadside Farm Market	United States	Table 5
x			Agritourism	Red Argentina de Turismo Rural Comunitario (Argentinian Network of Community Rural Tourism)	Argentina	Table 6
x			Direct sales to restaurants and hotels	Alianza Cocinero-Campesino *(Cook-Campesino Partnership)*	Peru	Table 7
x			Food baskets /home delivery	Community Supported Agriculture (CSA)	Europe;United States;Japan	Table 8
x			Specialty stores	Tiendas Mundo Rural (*Rural World Stores*), INDAP	Chile	Table 9
	x		Food procurement and distribution programs (school meal programs)	Estrategia Hambre Cero, Programa de Adquisición de Alimentos (*Zero Hunger Strategy, Food Procurement Program*) (PAA)	Brazil	Table 12
	x		Food procurement and distribution programs (school meal programs)	Programa de Provisión de Alimentos (*Food Provision Program*) (PPP)	Ecuador	Table 12
	x		Food procurement and distribution programs (school meal programs)	Programa de Alimentación Complementaria Escolar (*Supplementary School Meal Program*)	Bolivia	Table 12
	x		Food procurement and distribution programs (school meal programs)	Programa Nacional de Alimentación Escolar (*National School Meals Program*)	Brazil	Table 12
	x		Food procurement and distribution programs (school meal programs)	Purchase for Progress (P4P) -World Food Program	(several countries)	Table 12
	x		Productive partnerships, supplier development, and contract farming	Programa Alianzas Productivas*(Productive Partnerships Program)*	Chile	Table 13
	x		Productive partnerships, supplier development, and contract farming	Programa Encadenamientos Empresariales (*Business Linkages Program*) AGEXPORT	Guatemala	Table 13
	x		Productive partnerships, supplier development, and contract farming	Alianza Cacao (*Cocoa Partnership*)	Peru	Table 13
	x		Productive partnerships, supplier development, and contract farming	Programa de desarrollo de proveedores (*Suppliers development program*) (PDP)	Peru	Table 13
	x		Inclusive businesses/Businesses at the base of the pyramid	CircuitosProductivos (*Productive Circuits*)	Ecuador	Table 15
	x		Social responsibility programs	Recursos para mi Tierra (*Resources for myLand*)	Honduras	Table 16
		x	Processes that guarantee quality and safety	Sello "Alimentos Argentinos" (*"Argentinian Food" seal*)	Argentina	Table 18
		x	Differentiated by attributes of origin	Geographical indications and appellations of origin	Argentina	Table 19
		x	Differentiated by attributes of origin	Uruguay Marca Natural (*Uruguay Natural Country Trademark*)	Uruguay	Table 19
		x	Specific distinctive seals issued by stakeholders in the process	Sello Agricultura Familiar (*Family Farming seal*)	Argentina	Table 20
		x	Differentiated by sustainable environmental and ecosystem management	Sustainable Agriculture Network (Rainforest Alliance)	(various countries)	Table 21
		x	Differentiation by ethical considerations	Fairtrade	(various countries)	Table 22

Table 28: Specific cases of the types that appear in this document

SSC	SCL	CLDP	Form	Name	Country	Product	Table
x			Fairs and farmers markets	Huancaro farmers market, Cusco	Peru	All kinds of family farm products	Table4
x			Fairs and farmers markets	Agroshopping Fair	Paraguay	Fruits, vegetables, and other foods	Table4
x			Direct on-farm or roadside sales	Homestead Farm, Maryland	United States	Strawberries, cherries, blueberries, blackberries, peaches, apples, pumpkins	Table5
x			Agritourism	Belmont Estate	Grenada	Cocoa (main) and others	Table6
x			Agritourism	Cheese and wine route	Mexico	Cheese and wine	Table6
x			Direct sales to restaurants and hotels	Slow Food Cooks Partnership	Mexico	(several products)	Table7
x			Direct sales to restaurants and hotels	Woodford Market Garden	Jamaica	Vegetables	Table7
x			Food baskets / home delivery	La Canasta	Colombia	Vegetables and fruits	Table8
x			Specialty stores	Salinerito points of sale	Ecuador	Cheese, chocolate, sausages, dried mushrooms and fruits, alpaca and sheep yarn, textiles, essential oils	Table9
x			Specialty stores	Mercado de Economía Solidaria Bonpland	Argentina	Vegetables, cheese, processed products, handcrafts	Table9
x			Provisioning rural agribusinesses	Comarca Andina del Paralelo 42	Argentina	Berries, marmalade, jelly, others;hops, craft beer	Table10
	x		Food procurement and distribution programs (school meals programs)	Asociación de Productores Agropecuarios de Oriente (Association of Farmers in Oriente) (APAO) and Purchase for Progress project (P4P)	Honduras	Corn, beans	Table12
	x		Productive partnerships, supplier development, and contract farming	Access to the gourmet market for young goat meat (cabrito) from Illapel	Chile	Young goat meat	Table13
	x		Productive partnerships, supplier development, and contract farming	Backus – Hard yellow corn	Peru	Hard yellow corn	Table13
	x		Productive partnerships, supplier development, and contract farming	Chocolats Halba and APROCACAHO	Honduras	Cocoa	Table13
	x		Provisioning cooperatives where producers are also members	Dos Pinos Milk Producers' Cooperative	Costa Rica	Milk	Table14
	x		Inclusive businesses / businesses at the base of the pyramid	Small family livestock producers supply milk to Delizia Ltda.	Bolivia	Milk	Table15
	x		Inclusive businesses / businesses at the base of the pyramid	Creating Shared Value – Nestle	Chile and Colombia	Coffee, milk	Table15
	x		Social responsibility programs	Consorcio Agrocomercial	Honduras	Fruits and vegetables	Table16
	x		Social responsibility programs	"Fertile Land" and "A Hand to Grow"–Wal-Mart	Central America	(various products)	Table16
		x	Processes that guarantee quality and safety	El Ceibo	Bolivia	Cocoa	Table18
		x	Differentiated by attributes of origin	Appellation of origin: Colombian Coffee	Colombia	Coffee	Table19
		x	Differentiated by attributes of origin	Collective marks: Specialty coffees of CECOVASA	Peru	Coffee	Table19
		x	Specific distinctive seals issued by stakeholders in the process	Artisanal cheese production in Minas Gerais	Brazil	Cheese	Table20
		x	Specific distinctive seals issued by stakeholders in the process	Comunidades Unidas de Molinos collective mark	Argentina	Handcrafts, including clothes and woven fabrics, agricultural products	Table 20
		x	Differentiated by sustainable management of environment and ecosystems	Coopetarrazú and Rainforest Alliance	Costa Rica	Coffee	Table 21
		x	Differentiated by ethical considerations/ attributes	CONACADO cocoa with fairtrade seal	Dominican Republic	Cocoa	Table 22

Competitiveness
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