



Setting directions, taking actions

AFA ANNUAL REPORT 2006



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SETTING DIRECTIONS, TAKING ACTIONS



AFA 2006



DIRECTIONS, ACTIONS, MILESTONES



Chairperson's Message

All over Asia, farmers continue to suffer from poverty and injustice. While the rich and powerful sectors of society reap the benefits of globalization, farmers are hardest hit by its ill effects. This is the situation that we want to end.

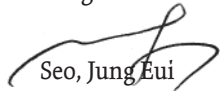
The year 2006 marks another important milestone in AFA's journey with the Asian farmers that started in 2002, when it was established by farmers who realized that they need to unite in order to have a strong and powerful voice. It is the year when we pushed for our advocacy, exchanged knowledge, resources, and experiences, strengthened ourselves as an organization, worked for our eventual autonomous secretariat operation, and nurtured our unity and solidarity.

This annual report tries to capture these important gains. It looks at our main accomplishments and the lessons and challenges that remain. It celebrates our small victories and marks the excitement of being together as a force.

Let us thank our partners and supporters like AsiaDHRRA, Agriterra, and many others for standing beside us in our struggle for a more just and prosperous world for farmers.

Let us continue to work together in the years to come. Without great effort and sacrifice on our part, the farmers of Asia and the world will continue to suffer and get left behind. Let us not be afraid to shed our sweat, tears, and blood for our dreams. By uniting and working together, we will definitely achieve them.

Long liVe the farmers! Long live AFA!



Seo, Jung Eui
Chairperson 2006-2008



We have **set** our directions and strategies.

We **strengthened** our participation in relevant regional and international events.

We have **consolidated** our membership, enhanced organizational management and further developed solidarity and friendship.

2006 at a Glance

The year 2006 is a significant one for AFA. We have set our directions. We developed our first five year strategic plan, charting our directions, objectives, foci and performance indicators for the years 2006-2010. We wrote our perspectives and calls on mainstreaming sustainable agriculture in national and regional governments' policies and programs; as well as on pro-small farmer marketing and trading.

We strengthened our participation in relevant regional and international events. In these gatherings, we shared concerns, points of views, experiences and lessons, with other farmers' organizations, regional advocacy groups, and intergovernmental bodies such as ASEAN, WTO and IFAD.

We have consolidated our membership, strengthened organizational management and further developed solidarity and friendship. We elected a new set of AFA officers under

the leadership of Mr. Seo, Jung Eui. We obtained legal status, installed basic financial management systems, and developed an Operations Manual. The quarterly ExeCom meetings were opportunities to assess and improve our planning and decision-making processes. The six regional events we conducted were moments not only to build further capacities but more so, to also renew old friendships and build new ones, to understand the situation of farmers, right at the household level, and show solidarity with each other's plight.

We regard these achievements as further building blocks to achieve our common dream for AFA: to be the core of all Asian farmers fighting for survival, for better quality of lives. In 2007, we will work to strengthen AFA in terms of membership reach, capacities, visibility, concrete on-ground activities, member-to-member cooperation and secretariat operations.





our

ties

activities

8 Regional events we organized

Directions, Actions, and Milestones: 2006-2010, AFA Strategic Planning and Second General Assembly. Juliana Hotel, Phnom Penh, Cambodia. April 6-12, 2006. Hosted by FNN. Attended by twenty-eight (28) delegates from ten (10) member and partner organizations in nine (9) countries, as well as by guests from nine (9) international organizations.

Seminar-Workshop on Developing AFA's Concept on Pro-Small Farmer Marketing and Trading. Aichi and Mie, Japan. July 3-10, 2006. Hosted by Ainokai. Attended by twenty-six (26) representatives, staff, and interpreters from eight (8) farmer organizations in eight (8) countries.

Seminar-Workshop on Developing AFA's Advocacy on Sustainable Agriculture and 15th AFA Execom Meeting. Kusuma Agrowisata Hotel, Batu City, Malang, Indonesia. September 11-17, 2006. Hosted by API. Attended by thirty-five (35) participants.

Seminar-Workshop on Organizational Management: Developing AFA Leaders' Capacities to Manage AFA Operations and 16th AFA Execom Meeting. November 10-14, 2006. Hanoi, Vietnam. Hosted by VNFU, Attended by thirty three (33) persons (23 male, 10 female) from 6 AFA member organizations.

Panel on "ASEAN Regional Integration" during Second Asean Civil Society Conference (ACSC2) and 17th AFA Execom Meeting. December 10-12, 2006. Cebu City, Philippines, Attended by about 50 individuals from various organizations.

International conferences we participated in

Global Farmers' Forum (GFF). 13-14 February 2006. Rome. Organized by IFAD. Represented by the AFA Chairperson and Secretary General, with PAKISAMA and VNFU. AFA was co-presenter of the GFF statement to the IFAD Governing Council.

Sub-Regional Seminar on Enhancing Capacities of NGOs and Farmers' Groups to Link Farmers to Markets. May 9-12, 2006. Bali, Indonesia. Organized by Belgian-based VECO's country office in Indonesia, with the support of FAO. Represented by FNN, who presented AFA's marketing experiences.

28th FAO Regional Conference for Asia and the Pacific. 15-19 May 2006. Jakarta, Indonesia. Represented by AFA Treasurer.

Meeting with East Africa Farmers' Federation (EAFF) and Kenya National Federation of Agricultural Producers (KENFAP), a national farmers' organization in Kenya. May 2006. Nairobi, Kenya. Represented by AFA Secretary General .

Fora on Roles of NGOs and POs in Sustainable Rural Development: Models of NGO-PO Partnership and Developments and Action Points on WTO and US FTA. Conducted on the occasion of the AsiaDHRRRA General Assembly. June 20-23 2006. Taiping, Malaysia. Attended by AFA ExeCom members.

International People's Forum against the World Bank. September 2006. Batam, Indonesia. Represented by API.

Third World Rural Congress. October 19-21, 2006. Basque, Spain. Represented by former AFA Chairperson, who gave a presentation on AFA, with Sor Kor Por and Ainokai.

Exploratory Talks to Strengthen Asian-EU Links, October 23-27, 2006, Brussels, Belgium. Represented by AFA ex-Chairperson, Sor Kor Por, Ainokai.

Seminar Workshop: Rural Producers' Organizations for Pro-Poor Sustainable Agriculture Development. October 30-31, 2006. Paris, France. Represented by AFA Treasurer.

The Fifth ASEAN Peoples' Assembly: "The Role of the People in Building an ASEAN Community of Caring and Sharing Societies". 8-10 December 2006. Manila, Philippines. Organized by the ASEAN Institutes of Strategic and International Studies (ISIS). Represented by AFA Secretary General.

10 Publications we produced

An issue paper entitled **WTO Kills Farmers: Beyond the Hong Kong Ministerial Meeting**, published jointly with AsiaDHRRA in February 2006. The issue paper discussed the results of the Hong Kong Ministerial Meeting and the challenges posed to small farmers.

A book entitled **Initiatives on Pro-Small Farmer Trade**, published jointly with AsiaDHRRA in December 2006. The book presented four case studies on alternative trading schemes (Seikatsu Club Consumers' Cooperative in Japan, PDAP's Organic Rice Marketing in Philippines, Green Net's Organic Marketing in Thailand and Oxfam's Fair Trade System). It also featured the case study of ASEAN's Emergency Rice Reserve Board.

Technical assistance we provided to members

AFA provided small grants to four AFA members for them to be able to conduct seminar- workshops related to issue advocacy, marketing and organizational management.

FNN held a training on cooperatives last December 13-15, 2006, attended by 48 participants (7 women, 41 men) from 10 provinces.

Sor Kor Por held a project development training last November 28-29, 2006, attended by 25 ExeCom members, representing 19 base organizations from 10 regions in Thailand.

PAKISAMA conducted organizational planning, data gathering and mapping of organic products in all PAKISAMA areas.

VNFU conducted the "Workshop on Renovation Programme of VNFU International Activities in Integration

Period” last September 26, 2006 in Hanoi. The workshop aimed to provide comments to draft renovation programme of VNFU international activities in the integration period, and put forth new ideas, resolutions and breakthrough in order to promote further international activities in the near future.

AFA provided small grants to three members and one NGO partner to conduct national consultations on WTO.

Forum on Agriculture. May 17, 2006. Department of Agriculture, Quezon City, Philippines, organized by PAKISAMA.

Dialogue on Opinion Mobilizing on Agriculture Policy on the New Round of Negotiation of WTO Post-HK. May 25, 2006. SorKorPor Office, Jatujak, Bangkok.

Seminar on Vietnam joining process to WTO and Hongkong WTO Information Sharing. VNFU, Hanoi, Vietnam. May 30, 2006.

National Workshop on WTO, DHRRA Malaysia, May 29, 2006. Pearl International Hotel, Kuala Lumpur, Malaysia. The secretariat assisted API in its documentation of transgenic seeds and facilitated initial strategy meeting with Indonesian-based staff of Third World Network who has interest on this issue.

Profiling activities we conducted

We profiled three AFA members: API (August 2006), PAKISAMA (October 2006), VNFU (October 2006). These profiling activities gave AFA members compelling reasons to organize their data bases, as well as consult each other on their strengths, weaknesses and recommendations for organizational strengthening. Also, AFA was profiled in December 2006, as part of AFA’s internal evaluation processes.

12 Our member-to-member cooperation

KAFF sponsored a study visit on Korean agriculture for five delegates of VNFU last December.

VNFU sponsored two participants of Sor Kor Por to AFA's regional event in Vietnam last November.

AFA members gave monetary contributions and solidarity statements to the Indonesian farmers who became victims of the recent 2006 earthquake.

These initiatives allowed the members to share technologies and resources, while increasing their sense of solidarity. They are also signs of the increasing maturity of AFA as an organization, where members find a venue to cooperate based on their felt needs.

Our efforts at more effective governance

The second General Assembly was held in April 2006. A new set of ExeCom officers and members were elected. The new officers also held an orientation meeting in May, 2006 in the Philippines.

The AFA ExeCom held four meetings in 2006, dovetailed with AFA regional events. In all of these meetings, important organizational matters were decided.

AFA developed its strategic plan for 2006-2010, as well as an operations plan for 2006-2008.

AFA was registered with the Philippines' Securities and Exchange Commission last February 2006, thus granting AFA a legal personality. AFA's financial management system was installed right after the legal registration, including the opening of its own bank account. A start-up Capital Build-up fund was also set up for AFA's long-term sustainability plan. The

Operations Manual of AFA was approved last December 2006. A monthly e-bulletin came out 8 times beginning May 2006, with around 1,000 e-mail recipients, while articles were regularly uploaded in the website. Questions, comments, and show of support from readers were also noted in the website.

AFA acquired the services of an external evaluator, in the person of Ms. Dinky Juliano-Soliman, to assess AFA's preparedness for eventual secretariat autonomy. Ms. Soliman conducted interviews among AFA and AsiaDHRRA ExeCom members and secretariat in November and December 2006. Two dialogues were conducted with the AsiaDHRRA ExeCom on the autonomy process. Both committed to a smooth transition towards eventual secretariat autonomy of AFA.

AsiaDHRRA continued to perform secretariat services for AFA. It dedicated another full-time staff for AFA in 2006, bringing the number to two full-time staff for AFA concerns. The whole AsiaDHRRA secretariat team provided various support, while

the management provided oversight functions on operations. The DHRRA members in some countries continue to provide strategic partnership and support to AFA members, including the preparation and hosting of regional and in-country events.

Developments and Action Points in the WTO Doha Round and US FTA in Asia

Taiping Resort Hotel, Taiping, Malaysia
23 June 2006, 8:00 AM - 12:00 NN

Sponsored by

Asian Partnership for the Development of Human Resources
Program for Sustainable Rural Livelihoods



NATURAL FARMING SEEDS BANJARNEGARA CENTRAL JAVA



豐年



上世界舞台的蓮霧

東麟洛鄉果樹產銷班第3班 (23-27頁)

民心中最稱職的點燈人

訪田尾鄉農會總幹事楊春枝 (28-32頁)

21世紀農業
生活·生態

芒果專輯 (44-62頁)

新品種—黑糯玉米 (63-64頁)

鄉農獎系列報導 (33-38頁)

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suits



16 Policy advocacy

influence key national and intergovernmental and international decision making bodies on common agricultural issues affecting our members

AFA continued engaging WTO and started to engage ASEAN and IFAD on issues of farmers' rights and development, agrarian reform, sustainable agriculture and just and fair global agricultural trade. Moreover, AFA sustained its presence in regional advocacy work through active participation in various regional and international gatherings. AFA worked with major issue-based, multi-sectoral coalitions and formations of civil society groups.

In mid-2006, there were talks that the DOHA round was being revived. AFA sent a petition letter to G33 members, admonishing each member country to strongly push its SP/SSM agenda.

When ASEAN mandated an Eminent Persons' Group (EPG) to make recommendations for the framework of the long-overdue ASEAN Charter, AFA worked with the Solidarity for Asian People's Advocacy (SAPA) in formulating recommendations and forwarding these to the EPG during consultations last April and June 2006. AFA contributed a statement on regional integration in agriculture to the final statement of the ASEAN Civil Society Conference 2 (ACSC2), which was later presented to the ASEAN secretariat and its country level offices.

Also, two declarations were approved during the AFA General Assembly: one on WTO and another on the ASEAN Charter. The declarations were circulated through e-mail.

The publications helped AFA and its members gain additional knowledge better projection, and a venue to share its perspectives and experiences to the larger public.

Capacity building

build strong, capable, credible, far-reaching national farmers' organizations

Our capacity for organizational development and advocacy increased. There was deeper awareness on (1) WTO and liberalization issues, (2) ASEAN processes and dynamics, (3) campaign management, and (4) organizational management, making our leaders more confident in articulating regional concerns and proposals.

The increased awareness was brought about by the various fora, consultations, and workshops conducted by AFA on these issues, as well as the technical assistance provided. The visits to farmers' areas, which are always a part of AFA regional events, increased understanding of the socio-economic-political realities in farming communities as well as good practices in agriculture and governance.

AFA governance

strengthen AFA's organizational systems and structures

The Execom has effectively performed its role, meeting regularly, deciding on crucial organizational issues, and helping set direction to AFA's activities. As leaders, the Execom members have grown in leadership ability and confidence, as they learned the basic processes and tools of governing an organization.

Basic organizational systems of AFA have been developed. AFA made several steps forward to its envisioned full secretariat autonomy. To a large degree, it has met the indicators for autonomy as agreed upon last March 2005 by both AFA and AsiaDHRRA ExeCom.

AFA effectively managed its events, meetings and daily secretariat operations, maintaining communications between and among the members and the public.





the technical
challenges

20 **International policies such as GATT-WTO-AoA, and the more recent bilateral Free Trade Agreements (FTAs) between Asian governments and developed countries, notably USA, EU and China, have continued to seriously affect and threaten our livelihoods.** We need to strengthen our engagement with our national governments as well as strengthen our role in international advocacy together with other like-minded key advocacy groups in Asia.

The ASEAN is fast tracking its regional integration processes and is bent on forging bilateral arrangements with countries such as Korea, China, Japan and the European Union. We should be involved in the analysis and in the formulation of proposals and measures to ensure that we, small men and women farmers, also benefit from these agreements. Also, ASEAN is in the process of formulating a Charter. We should continue to ensure that pro-small farmer provisions are enshrined in the Charter.

AFA should continue to search, study, and support the building of alternative models on sustainable agricultural technologies and pro-small farmer marketing and trading. AFA should aim to translate its work at the regional level into very concrete economic gains at the farmer and community level. Policy work should be equally balanced with work on the ground through its members. This will make AFA more relevant as a platform for empowering small farming communities.

AFA is still a young organization. Moreover, our members are in varying levels of organizational development, advocacy work in their own countries, and enterprise development and management. Realizing that a regional organization will only be as strong as its members, AFA is expected to respond to the needs of our members in these areas.

Balance of men and women participation in AFA activities

is currently low. We have to exert more effort to increase the participation of women in our activities, to produce more gender-sensitive analysis of farmers' issues and gender-responsive policy and program proposals.

Language has been one of the serious challenges in AFA

governance. The inability of some AFA members to hire full-time translators, or at least keep constant translators, negatively affects the efficiency and effectiveness of AFA meetings. We have to find ways to respond to this essential function to ensure that AFA and its members and leaders grow in their interaction with each other. We need professional support and communication tools and technology to overcome the language issue.

AFA sees the relevance of being part of international platforms for advocating farmers' rights and welfare, such as the Global Farmers' Forum organized by IFAD. As a new comer in both regional and global fronts, AFA needs the support

and recognition of fellow Farmers Organizations e.g. La Via Campesina and IFAP, who have been there for a long time, so that it could effectively contribute to the building of broad-based solidarity and action on shared agenda for small farmers in Asia. It will also strive to build relations with other regional FOs from other continents for learning exchange, solidarity and global actions.

To ensure a comprehensive response to its 5-year plan, AFA needs to broaden its resource and funding base. It has to increase significantly its membership contributions, develop long-term partnerships with donors and other CSO stakeholders and should start to explore non-traditional fund raising approaches. We will start our education, consciousness-raising, and skills-building among our leaders and secretariat for this important task in AFA.



members'
activities
in 2006

24 Ainokai

Education. Ainokai held its bi-annual 10-day farming course in March and in August, practical farming course in April to November (every Saturday), and forest management seminar in October and in December.

JAS Japanese Organic Certification Program. A JAS-related law was revised and a new system has taken into effect since March 2006. To respond to this change, Ainokai held workshops in June for its JAS staff (judges and examiners) to learn the new system. So far, 49 enterprises and farmers have been certified under Ainokai. Ainokai has also been holding screening committees every Tuesday to examine papers submitted by certified enterprises or farmers.

International Department

1. From May to June 2006, Ainokai hosted Indian NGO worker Samir Topno as trainee, working in the vegetable farms of Ainou High School. At the end of his training, Samir said: “This learning made me decide to work in the field and with

the soil for the rest of my life and for our people in rural India. We think this change was made by the education based on the Ainou Spirit of Loving God, Loving People, loving Soil.”

2. Ainokai also sent its Board member Ms. Okuda Miwako to Allahabad, India in February and Ainou High School Vice-Principal Mr. Okuda Nobuo in October. Ms. Okuda conducted workshops on Miso and Koji making for rural women in an Indian village. Mr. Okuda, on the other hand, gave lectures on organic farming methods in a special course for rural farmers. Both programs were under the Allahabad Agricultural Institute, College of Continuing & Non Formal Education.
3. Ainokai also had a regular exchange program for peace-building with Korean organic farmers association “Seinoukai” in October.

Publications. Ainokai also issued its monthly newsletter regularly and published several books. One of them was a booklet about the diet for fighting cancer, which is already in its third edition (total 3,000 copies). Another one was the “Ainou Kyu-jinrui no Sho (Book of the Salvation of Human Kind)”

written by Ainokai founder Mr. Junichi Kotani, which was reprinted after more than 30 years.

Advocacy. Recently, the “Law on the Promotion of Organic Farming” was passed in Congress. To respond to the establishment of this new law, organic farmers who had been neglected by the government in its agricultural policy for the last several decades are starting to get together to bring its voice to the law making process. Ainou as organic farming organization, along with the movement, also joined a coalition of organic farming organizations which is trying to bring farmers’ voice to make the law more realistic, in line with the reality of organic farming in the fields, and not to miss the heart of organic farming.

Aliansi Petani Indonesia (Alliance of Peasants in Indonesia)

Organizational Strengthening. API conducted the consolidation of API East Java region in July. It also held meetings of the Peasant Council.

Education. API East Java region conducted the “Business Development Education” as well as the “Sustainable Agricultural Education” last September.

Advocacy. API worked for the resolution of six agrarian conflict cases through mediation and lobby with concerned government agencies such as the Judicial Commission II of the Indonesian House of Representatives, National Land Bureau National Commission on Human Rights, Indonesian Police Headquarters, and the Ombudsman Commission.

API advocated for farmers’ rights to breed corn seeds. It provided legal assistance and representation to farmers who were charged by PT Bisi, a national seed company, of illegally breeding and stealing its seeds. As a result, a farmer was acquitted of the charge. Because of these cases, API conducted a Comprehensive Assessment on National Law No. 29 (Plant Variety Protection) in cooperation with InDHERRA (Bina Desa) and the Institute of Global Justice (IGJ). It also submitted a report to the National Commission on Human Rights about PT BISI’s curtailment of farmers’ right to breed their own seeds.

26 API also organized “Earth Charity”, where its members placed in line a five-kilometers-long wrapped rice, symbolizing the benefits of the earth to society.

This cultural event, which set a national record, was conducted by the farmers to consolidate their members against the Military Cooperative that encroached on their lands.

API also joined a rally against IMF and WB organized by national peasant organizations and women groups. The rallies were conducted in Jakarta last September 18, in time for the World Bank Meeting in Singapore. During a parallel forum by international civil society groups, API presented the development of Jati Gede Dam in Sumedang district, funded by World Bank. The dam will displace thousands of farmers in the area.

Linkaging. API hosted the exposure trip of Ms. Miren Larrea of WRF for two weeks in Indonesia in July.

Support to Victims of Calamities. API facilitated the collection from AFA and AsiaDHRR members and eventual submission

of a solidarity fund for the tsunami and earthquake victims in Indonesia. It also conducted emergency actions and managed the donation to support the victims in Aceh, Yogyakarta and Klaten (Central Java) through medicines, doctors, food, clothes, daily support, etc.

Farmer and Nature Net (FNN)

The primary goal of FNN is to ensure that it develops into an official farmer organization and a network which represents the interests of small farmers and has the capacity to promote the sustainable development of family agriculture in Cambodia. To date, it has a membership of 1,017 village-based farmer associations from 11 different provinces, representing around 27,500 households.

This year, FNN obtained official registration and established its own office. It conducted its fourth annual general assembly, graced by the presence of His Excellency Chan Sarun, Minister of Agriculture, Fisheries and Forestry. It held a National

Seminar-Workshop on
Organizational Management:
Developing AFA Leaders' Capacities
to Manage AFA Operations

November 9-15, 2009 | Hanoi, Vietnam

Asian Partnership for Air Traffic Management (APATM)
and Asia-Pacific Air Traffic Management Centre (APATMC)



28 Workshop on Promoting Local Innovation, with participants from NGOs, students and government as well. It conducted training activities for its members in the areas of organizational development, leadership, management of farmers' associations, and cooperative management. FNN also facilitated the establishment of district and local networks or clusters of farmers' associations, and developed regular collections and updates of information from these members.

Korean Advanced Farmers' Federation (KAFF)

IN 2006, KAFF focused on the activities of revitalizing the sluggish agricultural sector by searching for international solutions, reforming agricultural policies, enhancing farmers' rights, and strengthening the organization through harmony and unity.

KAFF Members Elected in May 31st Local Polls. KAFF encouraged its members to occupy seats in the local councils. As a result, the total 228 members-the largest number among the

NGOs-from KAFF were elected in the last local elections held in May 31st.

The National Advanced Farmers' Meeting. The National Advanced Farmers' Meeting, 11th of its kind so far, and held every two years, was participated by all 120,000 KAFF members. The event, a family-oriented festival, offers a venue to improve the roles of advanced farmers in Korean agriculture by consolidating harmony and solidarity of its big membership.

Monitoring Activities on National Assembly Inspection.

In October, the KAFF established a delegation to monitor the inspection of the National Assembly as well as the inspection of the lawmakers on Agriculture, Forestry, Maritime Affairs and Fisheries Committee.

Seoul International Health Food Fair. KAFF also hosted the "2006 Seoul International Health Food Fair" in order to cope with the opening of agricultural product market. By doing so, it is boosting agro-products and foods in the domestic market,

laying the basis to challenge globalization and serving as a bridge in connecting metropolitan citizens and farmers.

Dealing with Korea-US FTA negotiations. KAFF is pushing for the suspension of the Korea-US FTA negotiations, in order to protect the domestic agricultural sector which is faced with a future catastrophe in the wake of the opening-up of domestic market. Particularly, KAFF delivered its firm willingness to protest the negotiations by staging farmer demonstrations and rallies both in USA and Korea.

The Nationwide Exhibition Contest for Top Quality Agro-Product. KAFF hosted the “Nationwide Exhibition Contest for Top Quality Agro-Product”, which served as a market for advanced farmers who can sell their best quality agricultural products during the event.

Demanding to Spin off Credit Business & Economic Business of the NACF. The KAFF pushed for reforms in the National Agricultural Cooperative Federation (NACF), which is currently

riddled with corruption. Through lobbying and rallies, KAFF has urged government for a change in its leadership and for a spin-off of its credit and economic businesses.

Inauguration of ATV. Meanwhile, KAFF established the Evergreen Agricultural Broadcasting Company (ATV) in order to raise awareness on agriculture, rural areas, farmers, and to support the campaign “Living Together in Society”. By doing so, KAFF became the sole agricultural organization who owns an agricultural newspaper and an agricultural broadcasting company. Therefore, it will actively represent the rights of farmers and the current situation of agriculture by using them.

PAKISAMA (National Confederation of Peasant Organizations in the Philippines)

Unity Congress and Strategic Planning. PAKISAMA held a Unity Congress last July, ending an organizational leadership crisis that split the organization for the past three years. It elected

ASEAN REGIONAL INTEGRATION IN AGRICULTURE:
What It Is, How It Should Be

Panel Discussion and Book Launching

Hosted by ATA and AGACHREA
11 December 2006, 11:30 PM - 1:30 PM | Marikina City, Philippines



AsiaDHL

Agri Integration
in the ASEAN

Rene E. Ofreneo, Ph.D.
ED, Fair Trade Alliance

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(not with school?)

Rene E. Ofreneo
(The True World Price)

a new set of national leaders both at council and executive levels. A strategic planning workshop followed two months later, resulting in the formulation of a five year-strategic plan. The strategic plan has four major components: (a) Sustainable Aquatic and Agriculture Development (SAAD), (b) Resource Building and Livelihood Development (RBLD), (c) Legal Policy and Advocacy Development (LPAD), and (d) Membership and Gender Development.

Advocacy. PAKISAMA continued its advocacy for genuine agrarian reform, recovery of the coconut levy funds, good governance and just global agricultural trade rules. PAKISAMA fishers' leaders attended the fluvial parade, a protest activity organized by a national fisherfolk coalition, held during the WTO meeting in Geneva, Switzerland. It joined other farmers' organization in lobbying with Congress for an extension of the Comprehensive Agrarian Reform Law, due to end in 2008. Some of its leaders also joined a nationwide pilgrimage against changing the Philippine constitution/charter through the constituent assembly (i.e. incumbent Congresspersons to amend the constitution).

Sor Kor Por (Farmers' Federations Association for Development)

Women and Youth Farmers. This year, Sor Kor Por organized its women and youth members. The National Assemblies of Sor Kor Por's Women Farmers and Youth Farmers were held one after the other in March.

Advocacy. During its Third General Assembly last October, attended by no less than the new Thai Prime Minister General Surayut Julanon, Sor Kor Por presented to the Prime Minister its seven major recommendations to farmers' problems. As a result, Sor Kor Por met with the Ministry of Agriculture to further discuss these recommendations. It later hosted a meeting of farmers' organizations and social leaders aimed at pushing a Law on National Farmers' Council.

Farmers' Exchange Visits. A delegation from Sor Kor Por visited last June the ZLTO, a farmers' organization in the Netherlands. The visit focused on principles and ways of

32 strengthening a farmers' organization. Then in October, representatives from ZLTO and Agriterra, who also came for the General Assembly, visited Sor Kor Por members in the northern provinces of Uttaradit and Chang Mai .

Education. Sor Kor Por hosted a follow-up workshop of FinBase (Strengthening of Financial Base of Farmers' Organizations), sponsored by Agriterra and Thailand-based ACCU, which representatives of FNN, another AFA member, also attended. It also organized a seminar on the health of farmers in 4 central regions, in cooperation with the National Health Security Office.

Solidarity with Disaster Victims. Sor Kor Por assisted in the relief and rehabilitation work for victims of the floods and landslides at Uttaradit province. It also took part in a meeting which discussed the status and progress of rehabilitation work with the tsunami victims last 2004.

Taiwan Wax Apple Development Association (TWADA)

Participation in Workshops. TWADA members participated in the following workshops, consultations, summits, and trainings, namely:

1. "Packaging for export of superior quality products", organized by the Council of Agriculture (COA);
2. "Taiwan agricultural development Elite Summit", held in Tainan University and hosted by the Taiwan Advocates;
3. "Joint meeting between the agricultural product and the producer (production and marketing team)" organized by COA and held at the National Pingtung University for Science and Technology (NPUST);
4. "Strengthening modernism for grassroots ambassadors", sponsored by the National IFYE Association;
5. "CAS Fruits and Vegetables Market Promotion and Counseling Seminar", organized by the Pingtung Country Government; and,

6. “Southern sub-regional education and training for food traceability system and electronic record keeping “, held by the Kaohsiung District Agricultural Research & Extension Station, COA.

Education. The former TWADA chairman Mr. Chen led the waxapple producers to a field trip to the biggest wholesale market in Taipei operated by the Taipei Agricultural Company last February. TWADA Chairman Mr. Tsai gave a talk on the current situation of wax apple product export while Mr. Chen talked about “Taiwan farmers’ participation in Asia Farmers’ organization” during a forum on globalization in agriculture. Furthermore, the Pingtung County Farmers’ Association hosted a management training program on fruit trees. TWADA members also received a delegation of professors from Chiang Mai University for dialogue and interaction organized by NPUST.

Advocacy. TWADA members participated in the “Panel Discussion on Agriculture Issues” held monthly in different Farmers’ Associations by the Kaohsiung District Agriculture Research and Extension Station. The panel discussion gave

opportunities for TWADA members to voice their concerns directly.

Awards. Five TWADA members have been recognized by government as outstanding farmers and as such became members of the “Outstanding Farmers’ Association of R.O.C.”

Agri Fairs. The Linluo Township Farmers’ Association held the 2006 Hakka rice product promotion and tasting activities.

Research. TWADA partnered with the Integrated Agricultural Development Foundation who took soil and the agricultural water samples for testing.

Vietnam farmers Union (VNFU)

Organizational Development and Staff Training. VNFU increased further its membership. It enrolled 620,826 new members, thus increasing total members of VNFU up to

34 9,890,826 (equally 80% total farmer families, 36% total agricultural labour force).

Furthermore, it established 4 more units under VNFU central management: Vocational Training and Job Promotion Center for Farmers; Farmer Supporting Center; Department of Planning and Finance; Promoted VNFU Staff Training Center to VNFU Staff Training School. Also, it organized 9.954 professional training courses for 111, 300 staff.

Providing Services for Members

1. VNFU Support Fund provided 52,800 farmer households with preferential interest rate loans of 273,579 billion VND (or 17 million USD).
2. VNFU established 53,300 Trust Groups to help about 1.6 million members to borrow 13.2 billion VND (or 800 million USD) from Vietnam Bank for Agriculture and Rural Development without any mortgage.
3. VNFU established 105,713 Saving Groups to help over 1.6 million farmer households to borrow over 8,000 billion VND (or 500 million USD) from Social Policy Bank.

4. From National Program for Job Creation, VNFU approved 62 revolving projects with a total budget of 11,716 billion VND (or 732,000 USD) for 1.222 households to borrow and created jobs for 1.409 laborers.

5. Strengthened the linkages among 4 Partners (the State, Farmers, Entrepreneurs and Scientists) to help members to buy fertilizers, pesticides, household utensils, agricultural machinery, on installment basis.

Technical and Vocational Training for Members. VNFU organized technical training for 4.8 million participants in cultivating techniques, husbandry techniques, and aquatic farming techniques as well as vocational training for 159,455 participants as well as helped 3,500 members to have jobs in industrial zones as laborers.

Legal Advice and Assistance for Members. VNFU organized 69,190 sessions to introduce and educate members on relevant laws as well as 3.297 Legal Assistance Sessions for over 824,000 members.

Technical and Scientific Studies and Application. VNFU Conducted 11 ministerial level research projects; organized the competition “2nd Farmers’ Technical Inventions” ;launched a bulletin “Sciences with Farmers” and Website “Science for Farmers” ; and established Internet Access Posts in 10 pilot communes.

International Cooperation. This year, VNFU became an official member of International Federation of Agricultural Producers (IFAP). It also signed and carried out four (4) foreign funded projects with a total budget of 5.5 million USD; organized 28 in-delegations and 31 out-delegations for staff and members and sent 4.900 farmers to work abroad.

Basic Construction and Rural Infrastructure Development. VNFU built a new headquarter office in Hanoi and VNFU representative office in the South as well as a Vocational Training School for Northern Ethnic Minorities and a VNFU Staff Training School in Quang Nam province. It also motivated members to contribute over 900 billion VND (or 56 million

USD) and dozen millions of working days to maintain 3,690 km rural roads, upgraded 62,000 km water channel, 11,000 bridges, 14,000 class rooms and health stations.

Communication, Sports and Culture. VNFU organized competitions among farmers such as “Rural Agricultural Trade Fair 2006”; “Farmers’ Talents” , “New Countryside Wrestling Cup” and the first “Middle Age Farmers Singers”. Also, it selected and offered entrepreneurs with the title “Vietnam Golden Buffalo”.Many workshops, training courses, materials sharing, broadcast on T.V and Radio about clean water and environmental protection, labor safety, fire and explosive prevention, population and family planning were also conducted.



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANT

The **Board of Trustees and Members**

ASIAN FARMERS' ASSOCIATION FOR SUSTAINABLE RURAL DEVELOPMENT (AFA) INC.

A Non-stock, Non-profit Organization

Rm. 201 Partnership Center, 59 C Salvador St. Loyola Heights 1108 Quezon City

We have audited the accompanying statement of assets, liabilities and fund balances of **Asian Farmers' Association for Sustainable Rural Development (AFA) Inc., A Non-stock, Non-profit Organization**, as of December 31, 2006, and the related statement of receipts, expenses and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Philippine Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts of disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audits provide reasonable basis for our opinion.

As stated in Note 1 to the financial statements, the Organization was registered with the Securities and Exchange Commission (SEC) on February 15, 2006, for the primary purpose of strengthening solidarity among farmers in member Asian countries.

In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of **Asian Farmers' Association for Sustainable Rural Development (AFA) Inc., A Non-stock, Non-profit Organization**, as of December 31, 2006, and its receipts, expenses and fund balances and cash flows for the year then ended in conformity with Philippine Financial Reporting Standards.


C. R. MARCELO & ASSOCIATES, CPA's

CE\$AR R. MARCELO

CPA No. 12158

BIR AN: 07-003439-1-2006(Sept. 21, 2006)

BOA AN: 2664 (Jan. 31, 2007)

PTR No. 8274640M (Jan. 22, 2007, Parañaque City)

Tax Identification Number 135-061-426

ASIAN FARMERS' ASSOCIATION FOR SUSTAINABLE RURAL DEVELOPMENT (AFA), INC.
 (A Non-Stock, Non-Profit Organization)
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 December 31, 2006
 In US \$

A S S E T S	
Cash and Cash Equivalents	\$ 21,635
Advances and Receivables	32,523
TOTAL ASSETS	\$54,158
LIABILITIES AND FUND BALANCES	
ACCOUNTS PAYABLE	\$31,959
FUND BALANCES	22,199
TOTAL LIABILITIES AND FUND BALANCES	\$ 54,158

See accompanying Notes to Financial Statements

ASIAN FARMERS' ASSOCIATION FOR SUSTAINABLE RURAL DEVELOPMENT (AFA), INC.

(A Non-Stock, Non-Profit Organization)

STATEMENT OF RECEIPTS, EXPENSES AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2006

In US \$

RECEIPTS	
Grants - Agriterra	\$ 336,017
Donations and Other Receipts (Note 4)	21,511
Membership Fees and Annual Dues (Note 5)	1,250
Interest Income	1,004
Total Receipts	359,783
EXPENSES	
Consultations/Fora	89,874
Farmers' Exchange Visit	35,450
Members Strengthening	13,000
Research and Documentation	23,813
Capacity Building Workshop	17,641
Linkaging/Networking and Representation	17,156
Dialogues	27,256
Organizational Program Coordination	113,394
Total Expenses	337,584
EXCESS/(DEFICIENCY) OF RECEIPTS OVER EXPENSES	22,199
FUND BALANCES - BEGINNING	-
FUND BALANCES - ENDING	\$ 22,199

See accompanying Notes to Financial Statements

ASIAN FARMERS' ASSOCIATION FOR SUSTAINABLE RURAL DEVELOPMENT (AFA), INC.

(A Non-Stock, Non-Profit Organization)

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2006

In US\$

CASH FLOWS FROM OPERATION ACTIVITIES	\$ 22,199
Excess/(Deficiency) of receipts over expenses	
Adjustments to reconcile excess/(deficiency) of receipts over expenses to net cash provided by operation activities	
Depreciation	
(Increase) Decrease in operating assets	
Advances and receivables	(32,523)
Increase (Decrease) in operating liabilities	
Accounts payable	31,959
Net cash provided by/(used for) operating activities	21,635
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,635
CASH AND CASH EQUIVALENTS - BEGINNING	-
CASH ON HAND AND IN BANKS - ENDING	\$ 21,635

See accompanying Notes to Financial Statements

ASIAN FARMERS' ASSOCIATION FOR SUSTAINABLE RURAL DEVELOPMENT (AFA) INC.

(A Non-stock, Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

1. GENERAL

The Asian Farmers' Association for Sustainable Rural Development (AFA) Inc. is a regional alliance of farmer federations and organizations in nine (9) Asian countries established in May 2002. The formation of AFA was a fruit of three-year, five farmers' exchange visits organized by its strategic NGO partner, Asian Partnership for the Development of Human Resources in Rural Asia (AsiaDHRRA).

On February 15, 2006, AFA was registered with the Security and Exchange Commission, as a non-stock, non-profit corporation. It's general objective is to strengthen the solidarity among farmers through the advancement of their sectoral causes and protection of their rights; to build a strong and dynamic regional lobby for genuine agrarian reform and sustainable rural development, while facilitating the exchange of creative local grassroots initiatives that attempts to address the roots of rural poverty. AFA's goal is to promote and advocate for the rights of Asian farmers, to uphold cooperation and solidarity among Asian farmers and to support capacity building among farmers' organization.

The Organization's principal address is located at Rm 201 Partnership Center, 59 C. Salvador St., Loyola Heights, Quezon City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES**Basis of Presentation**

The financial statements have been prepared on the historical cost basis, in accordance with the applicable Statements of Financial Accounting Standards/

International Accounting Standards (SFAS/IAS) issued by the Accounting Standards Council of the Philippines.

Adoption of New Accounting Standards

The Accounting Standards Council (ASC) approved the issuance of new and revised accounting standards which are based on revised International Accounting Standards (IAS) and new International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The new standards are effective for annual periods beginning on or after January 1, 2005. The ASC has renamed the standards that it issues to correspond better with the issuance of the IASB. Philippine Accounting Standard (PAS) correspond to adopted IAS while Philippine Financial Reporting Standards (PFRS) correspond to Adopted IFRS. Previously, standards issued by the ASC were designated as SFAS.

The new standards effective January 1, 2005, which were applicable to the Organization are:

PFRS 1, "First Time Adoption of International Financial Reporting Standards", sets out the procedure that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general-purpose financial statements.

PAS 21, "The Effects of Changes in Foreign Exchange Rates", will result in the elimination of the capitalization of foreign exchange losses. The standard further requires an entity to determine the functional currency of an entity and measure its results and financial position in that currency. Translation procedures are

specified when the presentation currency used for reporting differs from the organization's functional currency.

The following principal accounting policies have been applied:

Provisions

Provisions are recognized when the Organization has a present obligation (legal or constructive) as a result of a past event, it is probable (more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions, if any, are reviewed at each balance sheet date and adjusted to reflect the best estimate.

Receipts Recognition

Receipts are stated at amounts received from funders, donors and other third parties for the implementation of projects/activities.

These represent the value of fixed consideration that have been received or are receivable from approved grant, and other funding agreements. Revenues are recognized where there is evidence of an arrangement, collectibility is reasonably assured and the delivery of the services has occurred.

Foreign currency transactions and translations

Transactions denominated in foreign currencies are recorded using the prevailing exchange rates at the time of the transaction. Outstanding foreign currency-denominated monetary assets and liabilities at year-end are translated to US \$ at prevailing exchange rates as of balance sheet date. Foreign exchange gains or losses arising from foreign currency transactions are credited or charged to current operations.

Items included in the financial statements of the Organization are measured using the currency of the primary economic environment in which it operates, this is defined as the 'functional currency' of an entity.

Contingencies

Contingent assets are not recognized in the financial statements. These are disclosed when an inflow of economic benefits is probable. Likewise, contingent liabilities are not recognized and these are not disclosed when the possibility of an outflow of resources embodying economic benefits are remote.

Subsequent Events

Any post year-end events up to the date of the auditor's report that provide additional information about the company's position as of balance sheet date (adjusting events) are reflected in the financial statements. Any post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3. MANAGEMENT'S USE OF JUDGMENTS AND ESTIMATES

The preparation of the accompanying financial statements in conformity with Philippine generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

PAS 1, “Presentation of Financial Statements”, which was adopted by the Organization requires disclosures about key sources of estimates used, uncertainty and judgment made by management in the process of applying accounting principles.

4. DONATIONS AND OTHER RECEIPTS

This account represents donations received from individuals and NGO's and corporations and as well as foreign exchange gains incurred from foreign currency transactions.

5. MEMBERSHIP FEES AND ANNUAL DUES

This account represents fees and annual dues contributed to the Organization by its members.

6. FINANCIAL RISK MANAGEMENT

The Organization's principal financial instruments comprise of cash and short-term bank deposits.

Exposure to liquidity and currency risks arise in the normal course of the Organization's operations. The main objectives of the Organization's financial risk management are as follows:

- a) To identify and monitor such risks on an ongoing basis;
- b) To minimize and mitigate such risks; and,
- c) To provide a degree of certainty about costs.

The Organization's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yields and cost-efficient operations.

Foreign currency risk

The Organization is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Organization's functional currency. The Organization has certain investments in foreign currency which are exposed to foreign currency translation risk.

Liquidity risk

Liquidity risk arises from the possibility that the Organization may encounter difficulties in raising funds to meet commitments from financial instruments. It aims to manage its liquidity profile by:

- a) Ensuring that adequate funding is available at all times;
- b) Meeting commitments as they arise without incurring unnecessary costs;
- c) Being able to access funding when needed at the least possible cost; and,
- d) Maintaining an adequate time spread of financing maturities.

2006 AFA Annual Report Team

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With support from Agriterro



The Asian Farmers' Association for Sustainable Rural Development (AFA) is a regional alliance of peasant federations and organizations in ten Asian countries. Established in May 2002, its formation was a fruit of a three-year, five Farmers' Exchange Visits held in South Korea, the Philippines, Indonesia, Japan and Malaysia. AFA endeavors to build a strong and dynamic regional lobby for genuine agrarian reform and sustainable rural development, while facilitating the exchange of creative local grassroots initiatives that attempt to address the roots of rural poverty. It aims to promote and advocate for the rights of Asian farmers, promote cooperation and solidarity and support capacity building among them. Currently, AFA includes the Aliansi Petani Indonesia, Pambansang Kilusan ng mga Samahang Magsasaka (PAKISAMA) in the Philippines, Sor Kor Por in Thailand, Korean Advanced Farmers' Federation and Jeonkuk Sae-nongminhoe in South Korea, Taiwan Wax Apple Development Association, Vietnam Farmers' Union, Farmers and Nature Net in Cambodia and Aino-Kai in Japan.

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