Family Farming in the Pacific Islands Countries

Challenges and opportunities

Agriculture in the Pacific Island Countries (PICs) is largely dependent on family based small-scaled farms. Smallholder family farmers often have access to less than two hectares (ha) of land and depend on labour supplied by household members, and few other inputs.

Despite their small size and limited input resources, family based small-scaled farmers play a vital role in producing food products for family and commercial consumption, employment creation, community development, improving food systems and, protecting the local tradition and rural landscape.

Smallholder family farmers production strategies typically utilize a mixture of root crop, vegetable, fruit and livestock varieties for domestic consumption, sale and gifts. These mixed crops supplement extra income from cash crops such as copra, cocoa, coffee and vanilla.

The challenges of poor economic geography (including small market size and large distances between internal and export markets); unfavorable policies; costly marketing infrastructures; lack of access to a market, asset, credit, and technology reduce the competitive power of PICs smallholders in domestic and niche export markets. These challenges decrease smallholders’ capacity to consistently supply as well as meet the quality and food safety standards required by modern retail outlets.

Smallholder family farmers are vulnerable to natural disasters such as climate change, drought, cyclones, flood as well as rapid globalization, privatization, trade liberalization, and exclusive food systems.

Box 1: Definition of Family Farming

The International Steering Committee for the International Year of Family Farming (celebrated in 2014) prepared below conceptual definition for family farming:

*Family Farming (which includes all family-based agricultural activities) is a means of organizing agricultural, forestry, fisheries, pastoral and aquaculture production which is managed and operated by a family and predominantly reliant on family labour, including both women's and men's. The family and the farm are linked, co-evolve and combine economic, environmental, social and cultural functions.*

Source: FAO, 2014 (The state of food and agriculture – innovation in family farming)
Including family based small farmers in the value chains will not only help them to increase their income and reduce poverty, but assist PICs to produce healthy food products and reduce food related Non Communicable Diseases (NCDs) in the region.

Challenges of Family Farmers:

1- Production challenges:

Production challenges of small family-based farmers included:
(i) small size of farmland; (ii) lack of access to suitable inputs resources such as improved planting varieties, quality fertilizer and agro-chemicals; (iii) limited access to the production equipment and technology; (iv) limited improved husbandry knowledge; (v) urban drift of labor from agriculture sector; (vi) and low foreign investment in production and the list goes on.

Production challenges limit consistent supply to meet the market demands and diminish family farmers’ competition power as it pits them against imported cheaper products.

2- Limited access to capital and financial resources:

Financial constraints are more pervasive in agricultural production, which forms the basis for agribusinesses and agro-industries. Access to credit and financial resources is always challenging in the agriculture sector.

There are some development and commercial banks and micro-finance schemes that provide loans and financial services to smallholders farmers. However, financial institutions’ limited knowledge of the agriculture sector, the lack of access of banks in rural areas and high collateral requirements result high interest rates (given their risk perception of the industry) make it challenging for small-scale farmers. Family-based small farmers need capital and financial resources to buy inputs, and invest in equipment, machinery, storage facilities, animal stock and necessary services for intensification of crop production.

Short terms loans prevent small farmers from investing in the agriculture sector, particularly investing in machinery, and trees that do not pay off immediately.

Box 2: Vanuatu: Ms. Rose Vira family farming

Ms. Rose Vira’s farm is situated in 30 km distance from Luganville in Naunetas, South Santo. Farm access is mainly along a dusty gravel road. This is a mixed crops farm, producing root crops and fruits for family consumption, but the focus is on pineapple production for commercial purposes. This farmer sells pineapple produces in Luganville and local village market.

The farm has approx. 3,000 pineapple plants, planted at wide spacing (local production method). Under the FAO Technical Cooperation Programme-TCP (2015-2017), Ms. Vira accepted new pineapple husbandry practices such as closer spacing, crop nutrition and off-season forcing techniques. In addition, over 1,000 pineapple plants were planted in a new plot at close spacing with maize and peanuts intercropping.

Ms. Vira’s son and daughter help their mother as a labor force in their farm. Inputs such as planting materials are prepared internally in the farm. Money generated from the crops sale are used for purchasing daily base needed goods as well as for other cultural and religious obligations.

Source: Shukrullah Sherzad (FAO SAP - Agribusiness value chain consultant). Interview with farm owner (Ms. Rose Vira), December 2016.

1 FAO-Enabling environments for agribusiness and agro-industries development - Regional and country perspectives
Lack of land tenure security and formal property titles make it more difficult for smallholders to use their land as collateral when attempting to access loan capital.

3- Constraints to market integration

Small family-based farmers face a number of difficulties when competing with big commercial farms and imported products in both export and domestic markets. Some of the challenges that impede family-based farmers are: poor economic geography (remote location from markets, small land, small population mass, large internal distance between islands), inadequate supporting policies, weak institutional support, unreliable infrastructures and services.

The inconsistent supply to meet market demands is the leading cause of losses of small farmer’s market share to big commercial farms and importers. Inconsistency in supply also shifts supermarkets and tourism industry demands toward imported products.

It is challenging for family farmers to meet International Sanitary and Phytosanitary (SPS) legislation and private quality certification standards which are required to access markets particularly by modern retailing system. Meeting some basic quality standards such as grading, sorting, and packing limit family farmers’ access to domestic markets and tourism industry.

Smallholders and large companies in many cases find it difficult to enter in a productive business relationship. Trust and access are basic requirements for success in any business relationship.

Middlemen in some cases play important role in access to market. As in some cases small farmers have limited access to market, where they could easily sell to middlemen.

4- Diversification constraints

Switching from staple and bulk produces to high value agricultural produces and cash crops have some constraints such as their perishability, prices volatility, and market risks.

Remote rural locations; poorly developed roads and transportation systems; and limited business facilities cause high production costs and prevent family farmers to invest in previously mentioned produces.

Production of high value agriculture produces for niche export markets have some limitations and require quality certifications (such as organic and GAP-Good Agricultural Practices) which are costly and difficult to implement, particularly in small family based farming.

Opportunities for the Family Farmers:

* Production for domestic and tourism markets: Family based small farmers can produce quality and healthy food products (fresh and value added) for domestic and tourism markets. Small farmers could target the domestic and tourism market demands for fresh fruits, vegetable, value added and traditional products.

* Production high value produces for the niche export markets: Small family farmers could produce origin based, certified and traditional premium quality products for niche export markets. Small family farmers could compete with low quality bulk products in niche markets in the presence of private sector investment support and business friendly policies.

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3 Sherzad.S. 2015 – A technical brief- Challenges and opportunities to improve the livelihoods of smallholder farmers in the Pacific Island Countries. FAO

3 GIZ-Growing business with smallholders – A guide to inclusive agribusiness
Enabling business environment: Pacific Islands could develop an enabling business environment through focusing on market driven strategy and business friendly policies. Access to financial resources, introduce crops insurance schemes, increase Public Private Sectors Partnerships, increase investment in agriculture sector, and promote inclusive agricultural strategies could include small holders in the food supply chains. In addition, these mechanisms provide small farmers with better livelihoods’ opportunities.

Supply chain coordination: Domestic food supply chains are small and in some cases, only producers and buyers are involved in the chain. Establishing farmers groups, promoting collective marketing and promoting Contract-Farming agreements could better coordinate inclusive supply chains and provide more income opportunities for small-scale family farmers.

Further Readings:
* Towards stronger family farms.FAO (2014)

*Challenges and opportunities to improve the livelihoods of smallholder farmers in the Pacific Island Countries. FAO (2014).


Box 3: Samoa: Mr. Iosefa Ah Fook Family Farming

Iosefa Ah Fook is a family farmer who hails from the urban village of Faatoia, less than 20 minute from Apia town center. Farming in Samoa remains largely subsistence.

The Ah Fook family possesses a modest plot of land with a mixed crop plantation. The harvest from their root and fruit crop is used for immediate and extended family consumption with surplus crop sold at the family stall. Cash crop staples such as Chinese cabbage, coconut, papaya, banana and taro are sold at the Ah Fook stall along with a variety of other seasonal produce. In addition other value added products such as coco paste, coconut oil, coconut sennit scrub (kauauga) and other goods are sold at the stall. The family stall is also used to sell other goods (woven fans i.e, firewood, coconut shells and other products) on behalf of other extended family members and family friends.

Iosefa and his family participate in all levels of production, harvest and post-harvest of crops to generate their household income. Iosefa as the head of his immediate family tends and maintains the crops with the help of his sons and occasionally some of his nephews. As the norm in Samoan society, men tend to engage in physical intense agriculture laborious tasks such as planting and harvesting root and fruit crops. Men also dominate in value adding process of goods such as making coco paste which Iosefa and his sons produce.

Iosefa’s wife, Jessica, and their youngest daughter, like most Samoan women, are usually involved in the marketing and packaging of harvested produce. The income generated from the family farm is used for purchasing daily expenses (such as meat groceries, school fees and, utility costs) and meeting ad-hoc religious and family monetary obligations. Family farming even for the Ah Fooks is still subsistent within an urban setting.