

What are farmer income levels now and what should they be in 25 years?

China:

Average 500USD/yr, some provinces 1000USD/yr per capita

Want to double everybody's income in 10 years

Income gap to remain? Off-farm income

25 years: double again?

Many will give up their land and lease to big operators using modern irrigation technology

Options under discussion: housing in urban areas for exiting farmers as incentive?

Small farms not efficient.

In some areas there are no big guys and agriculture will decline.

Land tenure: sales and leases difficult in many countries. Farmers have long-term use rights and can leave to somebody else.

Many farmers leave their land and leave it fallow as fall-back position: risk management.

Incentive for farmers to keep land:

- no tax, subsidies for keeping land (500 yuan/mu)
- rental fee
- can work for the big guy. ¼ to 1/3 farmers will

Should not hinder consolidation trend.

Indonesia:

Now: same as china, 500USD/yr.

Gross.

It is not interesting for farmers to farm. Only old people stay.

What should an income level be to make it interesting for farmers to farm? How to retain a new generation?

Increase rural income and business opportunities, subsidies and incentives (land tax).

Trying to double incomes.

Future: intensification in Java and extensification elsewhere: cropping index, diversification, WUE, post-harvest technology.

500/ha/yr

Farm size Java: ¼ ha.

6 percent economic growth /year = average per capita 7000/yr, for farming 1000/yr in 20 years

Thailand:

Irrigated areas, average incomes:

Net 800 baht/rai (1ha/6.25): 160 USD/ha wet season

1100 b/rai dry season:

Farms: 16 rai, 3-4 people

300 USD/capita/year for irrigated

Non-irrigated:

500/rai wet

1000/rai dry

Most farmers below the official poverty line.

Other crops such as rubber: much higher incomes

These do not include non-farm incomes, such as OTOP etc.

National average income:

150000 baht/capita!

Conclusion: on average, now, not a feasible proposition.

11th EDP: expand irrigated areas, but no income targets. Rice mortgage schemes.

Farm sizes are decreasing

Farming income depends on government support policies.

Cash crops, etc.

Malaysia:

MADA: 1300 USD/household/year, 90 percent from paddy.

Farm average 2 ha

7 in household: 5 children

2020: 15000 USD/household in general target National Economic Transformation including from farmers = 2100 USD/capita

Gvt is providing a lot of subsidies to support incomes, but don't know what will happen to that.

Gvt has exit strategies.

Track Agricultural rents vs household incomes: have been declining in Europe.

Who will be buying your services in 20 years time? Consortia, big guys?

Forms of agglomeration not just land consolidation: marketing. Mechanization.

Drivers:

- food security
- land security
- water security
- economic water productivity
- higher value/m³ in agriculture? Water productivity. Other inputs: Total factor productivity.
- political stability
- poverty alleviation: poorest in rural or urban areas?
 - Income security vs other sectors
 - risk vs stability
- Reliance on imports? “grabbing” as a component of NFS?