There is no unified definition of smallholder in Kyrgyz law; Decree of the Government of KR #78 (1998) define it by number of workers and by annual turnover; 98.1%* of the agricultural production are produced by smallholders and/or family farms; 98–99% of livestock and 96% of arable land belongs to smallholders; 314 thousand peasant farms and 104 thousand individual entrepreneurs (2017) – increase on 10% in last four years.

*Here and further data from National Statistical Committee (NSC)
Weight and role of smallholders and family farms in Kyrgyzstan

- Average farm size ~ 3 ha;
- Farm size smaller in South and bigger at North;
- 82% of farmers are males;
- Cattle concentrated in more populated areas, sheep and horses in mountains;
- Smallholders are main constraint for value chain development – no economy of scale;
- Declining role of agriculture in economy, low growth rates.

Conclusions

- **Income and employment:**
  - Small land plots, low mechanization, weak access to services and capital lead to low income and productivity;
  - Self-employment is the main source of employment in the rural areas in all regions; alternative - labour migration;
  - Uneven and limited opportunities for women labour.

- **Access to:**
  - Inputs and services - complicated to quality proven seeds, fertilizers, services, clan-based group decisions support (case study);
  - Finance - interest rates are high, subsidized credits hardly accessible, clan-based group decisions support (case study);
  - Knowledge - lower education level in agricultural labor, high migration - low incentive to study; R&D in agriculture underfinanced.
Conclusions (2)

- **Land tenure:**
  - Land reform reframe 500 collective farms to 300 thousand small-scale family farms;
  - Land market development process is slow;
  - Restrictions in land law hinder private investment;
  - Land inheritance is an issue in gender equality.

- **Value chain organization:**
  - 300 thousands smallholder farmers creates almost perfect competition situation;
  - Private market agents build domestic and export-oriented VCs;
  - Some products on internal and external markets brings high market margin for farmers (60%) – cases of sheep meat and kidney beans.

Conclusions (3)

- **Rural economy and related issues:**
  - Low rate of the growth in agriculture 2% vs 4% national;
  - Weak infrastructure – access to drinking water (89% in 2015);
  - Poverty declining (49.8% in 2005, 17.5% in 2014–3.1$/day), but predominantly rural (66%);
  - Open pastures destroyed by growing livestock herds (42% growth in 2005–2015);
  - Climate change is a growing problem for smallholders: unstable precipitation, temperatures, winds, snowfalls, insufficient irrigation.
Conclusions (4)

• **Policy priorities:**
  - Programs oriented on the development of:
    - Cooperatives, regional clusters, irrigation infrastructure;
    - Sustainable environment and green ecology, organic agriculture;
    - Smallholder farmers declared as a constraint to agricultural development;
    - No linkage to the SDG Goals yet.

Recommendations

• **Access to finance:**
  - Financial literacy;
  - Transparency of subsidized credits for farmers.

• **Access to services and inputs:**
  - Support local authorities to develop access to services and input supply on community level: subsidize service centers, improve monitoring and quality control of the input supply, provide necessary training.

• **Strengthening agricultural extension services:**
  - Trainings for: small farmers, private sector, public officials;
  - Support the academic sector.
**Recommendations (2)**

- **Land Market Development:**
  - Support development of agricultural land market and implementing VGGT (Voluntary Guidelines on the Governance of Tenure of Land, Water and Forests)

- **Market and Standards improves Food Security:**
  - Laboratories, Certification centers and Capacity Building;
  - Institutional capacity and monitoring role of state bodies need to be improved;
  - Knowledge base – manuals, online resources, technical expertise and support, platforms, forums, websites;
  - Local trade brands for selected products might be a good strategy for the export promotion.

13-14 March 2018, Budapest, Hungary

**Recommendations (3)**

- **Environment Protection:**
  - Pasture degradation need policy solution;
  - New climate resistant hybrids needed, new soil protection techniques, water saving technologies need support

- **Social Policy:** social mobilization and focus on poorest farmers.

- **Gender as cross-cutting approach for state programs**

- **Tax incentives:**
  - Low taxes for agro processing sector & cooperatives, zero tax on import of technologies

- **Statistics:**
  - Need definition for smallholder, need smallholder specific indicators (size of the land plots, livestock distribution)

13-14 March 2018, Budapest, Hungary
Thanks for attention!