

SUMMARY OF THE FSN FORUM DISCUSSION TOPIC: THE WAY FORWARD FOR SMALL HOLDER FARMERS FROM 15TH JAN TO 22TH FEB 2008

I. ISSUES

Small holder farmers represent a major part of the world population. According to recent studies, about 80% farmers in developing world have small farm holdings (< 2 ha of land) (O. Rupela & S. Mehta). Up to now, agriculture remains the most common option, if not the best, for the livelihoods of small holder farmers around the world (E. Mwashu). Small-scaled farmers have been facing numerous problems, including:

- Small farmers have **little bargaining power**. They are price takers, not price makers and therefore cannot benefit from increase of productivity or lower costs. Having low bargaining power, they remain marginalized by the dominant social, economic, and political forces (G. Kent).
- **Unfavourable policies** towards small-scaled farmers:
 - Policy-makers world-over are spin-doctoring that small farm holders are not sustainable (O. Rupela).
 - “Agriculture **illiteracy**” of politicians in many countries has been hampering the development of sustainable agriculture (E. Mwashu, B. Rajbhandari)
 - Policy-maker misconduct toward global issues (e.g. food systems; sustainable agriculture ect.) in favour of economic/political forces, scarifying benefits of farmers (E. F. Ismail, G. Kent, open letter to Hillary Clinton- see References)
- Professionals have no political platform to advocate for sustainable agriculture (E. Mwashu)
- Most assistance programmes, schemes, funds, etc. by Governments and development agencies failed to improve small farmers’ situation, because of the delivery system. (O. Rupela)
- **Agro-chemical-based agriculture** (which is commonly in practice) **is not sustainable** and can worsen farmers’ situation in the long run. Besides damaging the soil, sub-soil water and environment it adds to the risks of farmers who must invest in seeds, increased quantities of fertiliser and water each year; being mono crops also attracts pests, needing high doses of chemical pesticides et. (O.Rupela, S. Mehta)
- **Gender issue**: majority of small holder farmers are women, of which only 5% has access to extension services, even less have land ownership and access to other resources (C. Kayira)
- **In research**: Farm household models have limitations as **risk analysis is always deliberately overlooked when modelling smallholder agriculture**, sometimes because of lack of appreciations, but in most case due to the difficulty of incorporating risk and probability factors in the farm household models (E. Elamin)

However **small holder farmers have also comparative advantages** over larger commercial growers in certain circumstances (A. Puntsagdavaa):

- Suffer less effect on overall supply in the event of crop failure of one or few farmers (idiosyncratic risk)
- More flexible production portfolio (due to limited fixed assets and more family labour) of smallholders, which would help in quickly responding to consumers’ changing preferences;
- Can ensure better quality as they strictly comply with the production practices advised by the firm mainly due to more family labour and lower bargaining power
- Low marketable surplus of smallholders increases their dependency on the firm for profit maximization

- A geographically dispersed base of small producers offers an effective risk-spreading strategy for supermarket suppliers and/or can afford greater flexibility in the procurement of relatively small quantities of product that meet specific and exacting standards.

II. SUGGESTIONS FOR THE WAY FORWARD

- **Mainstreaming farmers' interests into policy making by:**
 - Organizing special **educational workshops and mass meetings at the grassroots levels** where the farmers and/or professionals share the positive outcomes of sustainable agriculture initiatives (B. Rajbhandari)
 - **Sharing the negative impacts of chemical farming** (green revolution initiatives) in India and USA. Quite a big acreage of land in those countries have now been converted into deserts; and in parts water levels have gone too low (B. Rajbhandari)
 - **Effectively link research and programme/project activities to policy making** (excerpt from the summary of the Forum's first discussion http://km.fao.org/fileadmin/user_upload/fsn/docs/Final_summary_16Oct-16Nov_drawing_lessons_FSN_info.doc)
 - **Inform planning with farmers' viewpoint on their malnutrition/food security situation.** This is done through 2 methods: (1) problem trees which help community people identify the varied interlinked issues and how many different actions contribute to food and nutrition, (2) compare the varying stakeholder views from various administrative levels using UNICEF framework, giving equal weight to the voices of the different stakeholders (E. J. Levitt)
 - **Enable small farmers' participation throughout the policy cycle** i.e. not only formulation but also implementation. A **rights-based approach** can contribute to this, by (1) making those involved in policy formulation understand that they have the **obligation to include all stakeholders in the process** since participation is a fundamental principle of human rights, (2) **constituents can demand** change, action, their rights, **their "space" in policy processes.** (M. Knowles)
- It's not always true that all forms of improvement, especially yield improvement, in small-scale farming will result in better food security and nutrition for poor farm families. **In order to obtain better FSN situation, the following should be done:**
 - **Engage farmers**, especially subsistence and sub-subsistence producers, **in finding and applying location-specific and affordable ways of improving their family FSN**, based on an understanding of local food consumption patterns, of deficiencies and the options for remedying them. **Farmers should be engaged in examining options through a FSN lens**, rather than only from the more conventional agronomic and economic perspectives (A. MacMillan)
 - **Look at solutions that lie beyond farming system improvement** (e.g. broaden access of poor families to land, protect widows' and children's land rights). (A. MacMillan). It's also needed to sensitise stake-holders, particularly agricultural staff, on what is needed to positively impact on household food security and nutrition, and the need to have a broader livelihoods approach. (C. Dufour)
 - When people don't have enough food to meet their need, the best option for improving food security and nutrition is to **ensure that they have access to a regular and predictable cash transfer. Well-targeted and managed social security programmes** offer poor families the opportunity to start to climb out of deep poverty. They also translate need into effective demand and hence stimulate local markets and need to be seen as economically sound investments, not as "welfare" (A. MacMillan)
 - **Prioritise interventions and outcomes** which can have most impact on FSN based on the understanding of the causal process that can lead from improved agricultural production to improved nutrition and food security(C. Dufour)

- Offer a **wide range of alternatives on and off the farm for small farmers**. Farmers and the governments that want to support them should consider possibilities for diversifying within farming, and also possibilities for productive work outside of farming (G. Kent, A. Zezza).
- Prepare a strategic road map for a farmer-empowering research and development program that fosters agricultural production based on good agricultural practices (O. Rupela, S.Mehta)
- **Promote agriculture based on on-farm generation of inputs and on-farm technologies**, which is more sustainable than conventional agriculture based on external and/or industrial inputs (O. Rupela, S.Mehta):
 - Organic farming should be understood as organic agriculture is holistic food production management system, which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles and soil biological activity. The “Science-based Organic Farming Technology (SOFT)’ should be promoted and mainstreamed into development stream by scientists and policy-makers.
 - Funds should be diverted to programs for development promoting on-farm generation of inputs and ensuring food security locally, focussing on local farming system
 - Human Resource Development – the whole agricultural research, extension and education system and its linkages with agricultural communities should have a major focus on (a) GAP as relevant to small-farm holdings, (b) low-cost and locally available natural resources and their recycling to generate farmer-empowering agro-technologies, (c) articulate science to traditional knowledge of farmers.
- **Empower farmers**
 - Set-up a mechanism of fullest support to the intervention using the Producer Company (PC) concept (see the Good practices below) . Make seed available to farmers at affordable costs. Good practice: Rural seed-bank concept (O. Rupela & S. Mehta).
- **Learn from success stories of small farmers** (A. Zezza, O. Rupela, S. Mehta, C. Lagu)
- Organize small holder farmers into groups, associations and cooperatives with or without assistance from the state, NGOs or private sector in order to improve their low economies of scale, their inability to meet market requirements (quantity, standards, quality, good agricultural practices etc.). (A. Puntsagdavaa). E.g. Action Cooperative Associations and financed by the donor or Action Union particular small farmers working to address all agricultural issues (F.M Ali)
- Legitimate act under the heading schools where farmers develop outreach programmes working to solve the problems of farmers as well as educational programs and a comprehensive training (F.M Ali)
- Make the best of credits to farmers by organizing them into small cooperative societies where proper monitoring can be carried out. E.g. credits extended to farmers had greatly improved farm yield and productivity in Nigeria (I. Onimawo)
- Small farming may be made fast, time-saving and profitable through custom-hiring, contract labour and contract farming. It’s unadvisable to use small implements, which are costly. The spare time utilisation can be used to make second earnings, such as primary processing of food grains, oil seeds or cottage level preparation of fast and daily use food items (P. K. Das & Y. Ali)
- Make emphasis on the need for an improved global governance, and the need for discussion of values, especially as related to food and nutrition issues. (E. F. Ismail, G. Kent).
- A good understanding of hunger is needed to address hunger issues. The key to understanding hunger in the world is that those who have the power are not the ones who have the problem, and do not care enough about those who have the problem (G. Kent)

III. GOOD PRACTICES, SUCCESS STORIES AND COUNTRY CASE STUDIES

- Producer Company (PC) concept which has been used by some farmer groups in India and as small and medium enterprises (SME) in some other countries. The concept consists in organizing small farmers as business group- of, for and by farmers but staffed by professionals, facilitated by interested government agencies. The PC should take over the risks and responsibilities of the company and let farmer stay with on-farm activities (their expert area), to ensure a positive 'cash to cash cycle', where members (farmers and the professionals) are stakeholders to the end (O. Rupela & S. Mehta).
- Use of a graph which 'unpacks' the causal process that can lead from improved agricultural production to improved nutrition and food security (C. Dufour)
http://km.fao.org/fsn/resources/fsn_viewresdet.html?r=354
- Inform planning with farmers' viewpoint on their malnutrition/food security situation. This is done through 2 methods: (1) problem trees which help community people identify the varied interlinked issues and how many different actions contribute to food and nutrition, (2) compare the varying stakeholder views from various administrative levels using UNICEF framework, giving equal weight to the voices of the different stakeholders (E. J. Levitt)
- In Nepal, **bio-intensive farming system**, have shown positive impacts on food security and household income of the concerned farmers (B. Rajbhandari)
- In Andhra Pradesh, India, women through self-help groups are leading a revolution in the farmer suicide heartland of Andhra Pradesh. Once notorious for highest pesticide use, some 50 villages have declared themselves pesticide-free and seven fully organic villages have emerged. Consequently, not only productivity and soil quality but also the quality of inhabitants' life have improved tremendously (O.Rupela)
- In Bangladesh, **rice-duck farming**, particularly in the project "**Integrated Rice-Duck Farming for Resource-Poor Farm Households**" showed numerous benefits:
 - Reduce cost on fertilizers and agro-chemicals: The cost on chemicals like fertilizers, insecticides and herbicides etc has minimized due to the positive benefits of ducks. The products obtained through organic farming have carried more value in the market.
 - Reduce cost of labour: By releasing crossbred ducks in the paddy fields the development of weeds has controlled and then there are reduced need for labour for this purpose.
 - Increase the yield of paddy: farmers are able to get 20-30% more yield of paddy.
 - Conservation of natural environment: The production system conserves the natural environment.
 - Promote duck farming: the youths are finding it to be good enterprise to set up farms for ducks and this has provide additional source for solving the problem of protein deficiency.
 - Generate more income: farmers are able to earn more money from the reduced cost of rice production and benefit from duck production. (S. T. Hossain)

Countries cases: Uganda versus China (C. Lagu, K. Gallagher, J. Opio-Odongo)

Uganda

Uganda has decentralized and centralized political system (Central Government, District, Sub-county, Village). All these are planning centres where small holder farmers participate. The policy Governing modernisation of Agriculture is the plan for modernisation of Agriculture (PMA). PMA has **7 pillars**, namely; Research and technology development, National agricultural advisory services, rural finance, agro-processing and marketing, physical infrastructure, agricultural education and regulatory services.

PMA strength's are: research and extension, education networks in place.

Constraints:

- Problems of transparency, corruption, bad governance, poor implementation and refusal to put in place good practices adopted from other countries like China, US and Britain etc.
- Policy' implementation is problematic
- Public policy making and investment decisions have often marginalized the small holders: small holder farmers' knowledge and techniques are assumed to be invariably backward, thereby strengthening agricultural professionals/technocrats and politicians in dominating the development and implementation of strategies for agricultural modernization. On the other hand, the agricultural professionals have generally longed for the abolition of small holder agriculture in the country.
- Lack of public funding, professionals poorly facilitated with logistics and implementation is always compromised to other sectors
- The credit lending institutions have very high interest rates (24-36% per annum)
- There are no irrigation facilities for small holder farmers.
- Agro-processing and marketing are not well organized yet domestic markets are not yet saturated.

Suggestions for Uganda:

- Undertake a careful examination of how the policy and institutional frameworks can be reformed to better serve small holder agriculture.
- Empower small holders: supports to genuine small holder organizations in order to ensure that there is sufficient countervailing power to ward off the other vested interests that have undermined small holder development in the country, equip the country with sufficiently empowered cadres of small holder farmers
- Greater investment in equitable development of infrastructure, improvement of market access and strengthened market intelligence for the small holder farmers
- Be more open to learn from success stories of other countries.

China

The Government creates favourable conditions for farmers:

- The agriculture system is well organised
- Numerous favourable policies, laws, and regulations for smallholder farmers: incentives to farmers in terms of agricultural inputs, Government highly supports agriculture education, Research, science and technology.
- Strong and well facilitated agricultural extension services and well developed infrastructure in most of the provinces, municipals, counties and townships.
- Farmers easily access financial services, markets and appropriate technologies for agro-processing.
- The agricultural lands are irrigated and there is a satellite system that aids information flow in terms of drought, floods etc.

On the other hand, **farmers in China have much more opportunities than those in Uganda:**

- China has a much bigger urban (domestic) market than Uganda
- China has a much greater value addition (e.g. packaging, processing) for products in their rural cities which provides jobs including the making of the machines themselves - while Uganda adds little value and produces few equipment.
- China has a vertically integrated system of production with massive government support and subsidies (e.g. from roads to loans)
- China has a stronger export capacity due to massive volumes

- China reinvests profits at a higher rate in China than Ugandans reinvest in Uganda
- China's urban population is employed in industry and services making both better markets for products and remitters of cash back home
- China has social protection (education, health) that keeps its population healthy and long living
- China research investment is much greater but costs much less per capita

IV. POINTS THAT SHOULD BE DISCUSSED FURTHER

Reduce & then eliminate financial support (direct or indirect) to the input-based crop production and protection system, such as subsidy to agro-inputs or credits for input-based farming (O. Rupela and S. Mehta). This point needs to be discussed, since stories, such as the one about the success of fertilizer subsidies in Malawi (A. Snider) or that credits extended to farmers had greatly improved farm yield and productivity in Nigeria (I. Onimawo).

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• **Drawing lessons from food security and nutrition research, analysis and information for improved decision making and response.**

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