

## Vulnerabilities of smallholder plantings

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A significant portion of planted forests (including forest plantations and the planted component of semi-natural forests) are owned by smallholders. Of the 272 million hectares of planted forests globally (excluding trees outside forests), smallholders having between 0.5 and 100 ha own 26 percent, the corporate private sector 15 percent and government 59 percent (FAO, 2006). Moreover, of the 205 million hectares of planted forests managed for productive functions, smallholders own 32 percent, the corporate private sector 18 percent and governments 50 percent.

Smallholder planted forests are characterized by diverse sites, mechanisms, species, silvicultural practices, rotations and uses tailored to suit smallholders' own livelihood needs and support sustainable land use. In developing countries, smallholder plantings can contribute positively to achieving food security and alleviating poverty, and this gives governments and the corporate private sector reason to establish policies and incentives that encourage smallholders to invest in planted forests. However, many smallholders, particularly in developing countries, are uniquely vulnerable to commercial, technical, policy, legal, regulatory and institutional difficulties that need to be recognized and overcome. These may include:

- lack of clear enabling policies and procedures regarding land tenure, crop ownership and rights to manage, harvest, transport and market forest products;
- complex incentives and insufficient access to development funds to invest in planted forests, exacerbated by high interest rates

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**Smallholder forestry nursery and plantings, near Luanda, Angola**

- and the stringent requirements for collateral against funds borrowed;
- weak technical knowledge and poor access to information on germplasm and reproductive materials, nursery practices, site preparation, planting, tending, silviculture, protection (against insects, diseases, other pests, fire), harvesting and the measurement of volume and value of harvested forest products;
- weak commercial and business knowledge and weak bargaining power in contracts and agreements (harvesting, transport, sales).
- limited access to market information on products, specifications, market prices, harvesting and transporting contract rates and the implications for investment and management decision-making;
- fragmentation and isolation of small production units, and attendant problems of basic communications and networking;
- insufficient resources of government technical and extension services to support smallholder investment in planted forests;
- disadvantages that management tools for sustainable forest management (e.g. codes of best practice, certification) can represent for smallholder investment.

These vulnerabilities can increase risk and result in suboptimal technical and commercial performance of smallholder investments in planted forests – poor quality of planted forests and forest products, low yields, high contract prices, low market prices and inequitable sharing of benefits.

Smallholder associations, in addition to governments and non-governmental organizations, therefore have an increasingly important role in representing their members in policy dialogue, providing technical support and extension and assisting marketing and business decision-making to improve the smallholder returns on investment in planted forests.



### Bibliography

- FAO.** 2006. *Global planted forests thematic study, results and analysis*. Planted Forests and Trees Working Paper FP38E. Rome.