

Background document to the FAO e-mail conference on “Tailoring rural advisory services to family farms”

## 1. Background to the e-mail conference

At its 66<sup>th</sup> Session, the UN General Assembly declared 2014 to be the International Year of Family Farming (IYFF) and invited FAO to facilitate implementation of the IYFF, in collaboration with Governments, the United Nations Development Programme (UNDP), the International Fund for Agricultural Development (IFAD), the Consultative Group on International Agricultural Research (CGIAR) and other relevant organizations of the UN system, as well as relevant non-governmental organizations (UN, 2012). As can be seen from the IYFF website (<http://www.fao.org/family-farming-2014/>), a veritable plethora of activities has taken place worldwide to celebrate family farming in 2014, organized by FAO and/or its many partners.

Among its initiatives for the IYFF, FAO published a report on "Innovation in Family Farming" within its major annual flagship publication series, the State of Food and Agriculture (SOFA). It was launched by the FAO Director-General during a press conference on 16 October (webcast available at <http://www.fao.org/webcast/>). The report highlights that the world's food security and environmental sustainability depend on family farms that form the backbone of agriculture in most countries (FAO, 2014). It also emphasizes that family farms are an extremely diverse group, and actors within the innovation systems must take this diversity into account.

Key messages from its chapter dedicated to agricultural extension and advisory services for family farms are that:

- Agricultural extension and advisory services are essential for closing the gap between actual and potential productivity and ensuring widespread adoption of more sustainable agricultural practices that preserve natural resources and provide crucial environmental services.
- Agricultural extension and advisory services can provide family farmers with information that allows them to make better and more informed choices about product mix, appropriate technologies and practices, and farm management.
- Different kinds of extension and advisory services, delivered by various service providers, are more likely to meet the diverse needs of different farmers: there is no standard fit.
- In spite of the growth of private advisory services, there is still a clear role for governments in the actual provision of extension services.
- Producer organizations, cooperatives and other community-based organizations can play a central role in providing services to smallholders and helping them voice their requirements.
- There is need for more evidence on which advisory service models work best and for improved national and international information in this regard.

Among its initiatives for the IYFF, FAO has also worked with the Global Forum for Rural Advisory Services (GFRAS) in setting the spotlight on rural advisory services for family farms. In September 2014, they jointly organized a half-day side event at the 5th GFRAS Annual Meeting, in Buenos Aires, Argentina, on “Rural advisory services for family farms” (FAO-GFRAS, 2014a). The following month, they organized a side event to the Global Dialogue on Family Farming on the same topic at FAO Headquarters in Rome (FAO-GFRAS, 2014b)

To continue the dialogue and to expand it to a global audience, FAO is now hosting this e-mail conference on “Tailoring rural advisory services to family farms” which will allow participants to share their knowledge, ideas and experiences on this topic. The conference runs from 1 to 18 December 2014. Results of the two side events and this e-mail conference will feed into a document on policies or strategies to enhance rural advisory services for family farms that FAO and GFRAS are planning to publish in 2015.

This short Background Document aims to provide information that participants will find useful for the e-mail conference. It provides a brief overview of rural advisory services (Section 2) and family farms

(Section 3) while Section 4 presents some specific guidance about the topics to be discussed in the conference. Section 5 provides references of articles mentioned in the document, abbreviations and acknowledgements.

## 2. Rural advisory services

Rural advisory services comprise the different actors that facilitate the access of farmers, their organizations and other innovation actors to knowledge, information and technologies; facilitate their interaction with partners in research, education, agri-business, and other relevant institutions; and assist them to develop their own technical, organizational and management skills and practices.

Over the last 25 years, national extension and advisory services have been in considerable transition worldwide. There has been a movement from single main public systems to pluralistic systems, i.e. where services are provided by different actors, including the private sector, non-governmental organizations, producer organizations and the public sector; from centralized top-down systems to those where decision-making is delegated to the local level; and from systems that are entirely publicly funded to those in which an increasing amount of the financial support comes from the farmers themselves and where specific advisory activities/services are effectively privatized (Swanson, 2008).

Increasingly, rural advisory services are also requested to offer a much broader range of services than before. As noted by FAO (2014), there are numerous reasons for this, including that farmers are increasingly part of value chains that extend from input suppliers to consumers; consumers now demand more information on the quality and safety of foods and private-sector standards for food quality and safety are becoming more stringent; farmers may need to adapt their farming systems to environmental threats and constraints; and farm incomes may come from several different sources.

The wide range of rural advisory services available to farmers may therefore encompass the following areas (adapted from Christoplos, 2010):

- Dissemination of information about technologies, new research, markets, input and financial services, and climate and weather.
- Providing training and advice for individual farmers, groups of farmers, farmer organizations, cooperatives and other agribusinesses along the market chain.
- Testing and practical adaptation of new technologies and practices on-farm.
- Development of business management skills among smallholder farmers and other local entrepreneurs.
- Provision of information about new opportunities for certification of integrated and organic production methods, geographical origin, social accountability and fair trade.
- Provision of legal and fiscal advice.
- Facilitation of linkages among market actors (including those involved in financial and non-financial inputs, processing, trading, etc.) including brokering collaboration and promoting social learning among them.
- Facilitation of linkages between farmers, their organizations and the public sector.
- Facilitating access to government support (such as weather-related insurance, phytosanitary and certification services) and subsidy programmes, including payment for environmental services and other schemes related to carbon credits.
- Facilitating access to credit from rural finance institutions for farmers and local entrepreneurs.
- Contributing to the development of more appropriate policies and programmes by facilitating feedback from farmers and local entrepreneurs.
- Mediating in conflicts over natural resources.
- Linking smallholder farmers, rural entrepreneurs and other members of the agricultural community with institutions offering training and education in fields relevant to the agricultural sector.
- Supporting institutional development processes and social, institutional and organizational innovations.

- Development of informal and formal farmer organizations, and rural youth organizations, and helping them to articulate their demands.

For the purposes of this e-mail conference, and following Christoplos (2010) and FAO (2014), the terms rural advisory services and extension are considered to be interchangeable, based on the understanding that they encompass the kinds of services listed above.

FAO (2014) points out that there is little data available at the international level on outreach of extension to farmers. However, analysis of the limited data available from agricultural censuses in some low- and middle-income countries suggest that only a small share of farms may interact with government extension agents. In a study of four countries from Asia and three each from Africa and Latin America and the Caribbean (LAC), this share ranged from just over 5% in India to 25% in the United Republic of Tanzania. There is also evidence to show that small farms have less access to extension than large farms and that women farmers have less access to extension than men farmers (FAO, 2014).

### 3. Family farms

FAO (2014) dedicates a chapter to analysing the characteristics of family farms, building on the results and analysis in FAO (2013) and Lowder, Skoet and Singh (2014) using national agricultural census data. Based on data from 167 countries and territories, representing 96% of the world's population and 90% of the agricultural land, FAO (2014) estimates that there are at least 570 million farms in the world.

Where the world's farms located? FAO (2013) shows that roughly three-quarters of these 570 million farms are in Asia. An estimated 35% are in China, 10% in the rest of East Asia and the Pacific, 24% in India and 6% in the rest of South Asia. An estimated 9% of farms are located in Sub-Saharan Africa; 9% in Europe and Central Asia; 4% in Latin America and the Caribbean; 3% in the Middle East and North Africa; and 0.5% in North America.

How many of these 570 million farms are family farms? As FAO (2014) and Garner and de la O Campos (2014) note, there is no universal agreement regarding what constitutes a family farm and a wide range of definitions are therefore available. However, most definitions of family farms refer to two key characteristics - ownership and/or management of the farm by a family and that the family supplies most of the labour on the farm.

Considering the first key characteristic, FAO (2014) reports that there are 52 countries with data from their agricultural censuses on the legal status of the agricultural holder, defined as "the civil or juridical person who makes the major decisions regarding resource use and exercises management control over the agricultural holding operation". In almost all of the 52 countries, over 90% (and often close to 100%) of the agricultural holders were 'civic persons', defined as an individual; a household; two or more individuals of different households; or two or more households, while less than 10% were 'juridical persons', such as companies, cooperatives, governmental or religious institutions.

Considering the second key characteristic, FAO (2014) reports that relatively few agricultural censuses provide information on labour supply. Those that do, indicate that on average about half the household members are engaged in part- or full-time labour on the holding. Thirty one countries have census data on both numbers of household members engaged in agriculture and numbers of hired permanent workers. In these countries, analysis shows there are about 20 household workers for each hired worker.

In summary, the evidence available from agricultural censuses suggests that most farms in most countries are managed by an individual, a group of individuals or a household and that they use mostly household labour. Thus, FAO (2014) estimates that over 90% of the world's farms are family farms. Given that there are at least 570 million farms in the world, the total number of family farms

consequently is estimated to exceed 500 million. Family farming is thus by far the prevalent form of farming in most places in the world and family farms are therefore crucial for sustainable development and food security and poverty reduction.

FAO (2014) also emphasizes that family farms are very diverse. For example, a small proportion of farms are very large. Thus, about 1% are greater than 50 hectares and they occupy roughly 2/3 of all farmland. Large farms dominate in high-income countries and upper middle-income countries and in countries where extensive livestock grazing is important. Many of these farms are family farms.

However, the vast majority of family farms are small. Globally, 72% of farms are less than one hectare in size (covering only 8% of farmland); 12% are between one and two hectares in size (covering 4% of farmland) and 10% are between two and five hectares in size (covering 7% of farmland). Thus, about 94% of farms worldwide have less than 5 hectares, and they occupy only 19% of farmland.

In low-income and lower-middle-income countries, small family farms are particularly important. Farms smaller than five hectares occupy about 70% of all farmland in the low-income countries and about 60% in the lower middle-income group. Thus, not only are the majority of farms smaller than five hectares but they also cover the majority of agricultural land and produce the greater part of national food output in low-income and lower-middle-income countries.

FAO (2014) shows that family farms are very diverse not only with respect to size but also to a number of other features, such as their output, patterns of production, use of inputs and modern farming technologies and use of labour. This is illustrated in the report using household survey data from eight low income and lower-middle income countries. The surveys also indicate that, within a country, smaller farms have higher land productivity (i.e. the value of agricultural production per hectare of agricultural land) but lower labour productivity (i.e. the value of agricultural production per worker day) than larger farms. Increased labour productivity is a precondition for sustained income growth, so FAO (2014) argues that enabling farming families in low- and middle-income countries to raise their labour productivity is essential for boosting farm incomes and making inroads into reducing rural poverty.

In terms of their capacity for commercial production and innovation, FAO (2014) suggests that three broad categories of family farms can be described:

- Large family farms, which are essentially large business ventures although they are managed by a family and use mostly family labour;
- Small or medium-sized family farms that are already market-oriented and commercial, generating a surplus for the market (local, national or international), or that have the potential to become market-oriented and commercial given the right incentives and access to markets;
- Subsistence or near-subsistence smallholders who produce essentially for their own consumption and have little or no potential to generate a surplus for the market.

The main focus of this e-mail conference is family farms in the second and third categories.

#### 4. Main questions to be discussed by participants in the conference

This e-mail conference enables participants from around the world to share and discuss their experiences, lessons learned and perspectives regarding rural advisory services for family farms.

The main kinds of topics to be discussed by participants in the conference are described below:

##### 4.1 What are the unique characteristics or features of rural advisory services for different types of family farms?

As described above, three broad categories of family farms can be described i.e.

- large family farms which are essentially large business ventures;
- small or medium-sized family farms which are, or may become, market-oriented and commercial;
- subsistence or near-subsistence smallholders.

Given that the focus of this e-mail conference is on the second and third categories of family farms, what are the unique characteristics or features of rural advisory services for each of these two categories of family farms? Also, how do the characteristics differ between the two categories? Furthermore, how do they differ from the characteristics of rural advisory services needed by family farms in the first category?

#### 4.2 What are the current gaps in rural advisory services for smallholder family farms?

Based on your experiences, what are the kinds of rural advisory services that different types of family farms require but which are currently missing? If possible, provide specific examples of these kinds of gaps in your country or region.

#### 4.3 What role can producer organizations play in tailoring rural advisory services for family farms?

Both FAO (2014) and GFRAS (2013) recognize the importance of effective and inclusive producer organizations in strengthening both the demand and the supply side of rural advisory services. Are there concrete examples from your country or region where producers' organizations are playing or have played a central role in providing rural advisory services to family farms and are helping or have helped them voice their requirements? If so, how are they doing this?

#### 4.4 Are there regional specificities regarding rural advisory services for family farms?

When considering the above questions (regarding the unique characteristics, current gaps and role of producer organizations concerning rural advisory services for family farms), are there any region-specific characteristics, conditions, problems or issues that need to be considered? If so describe them?

#### 4.5 How to improve the outreach and impact of rural advisory services?

As described in Section 2, evidence from low- and middle-income countries suggests that only a small share of family farms may access rural advisory services and that access is lower for smaller family farms and for women farmers. What different approaches may be used to improve outreach of rural advisory services to family farms? Also, what particular approaches may be used to improve outreach for smaller family farms and for women farmers? In addition, how can the quality of rural advisory services be improved so that their impact can be increased?

#### 4.6 What strategies are needed at the national/state level to enhance rural advisory services for family farms?

As described in Section 1, results of the e-mail conference will feed into a document for policy-makers that FAO and GFRAS are planning to publish in 2015 on strategies to enhance rural advisory services for family farms. What kind of state or national level strategies would you recommend to include in this document? Are some of these recommendations region-specific? Also, do good examples of such state or national level strategies already exist?

#### 4.7 How can family farmers be best involved in formulating policies relevant to rural advisory services for family farms?

As seen in Section 3, the vast majority of family farms are small, mostly under one hectare. In rural areas of developing countries, the possibility of family farmers to participate in many decision-making processes may be limited. For example, their access to information and communication technologies (ICTs), such as the telephone, radio, video and Internet, can be low (and is lower for women than

men). When developing strategies to tailor rural advisory services relevant to their needs, how do we ensure that the voices of small men and women farmers, particularly in lower-income developing countries, are heard and considered? How important can producer organizations and other institutions be in this regard, how can they best intervene for this purpose and what support do they need in this respect?

#### 4.8 Instructions for sending a message

Before submitting a message to the e-mail conference, participants are requested to:

- a) Ensure that it addresses the topics mentioned in Section 4 above.
- b) Limit its length to a maximum of 600 words.
- c) Follow the 'Guidelines for Sending Messages' contained at the end of the Welcome Text that participants receive when they subscribe to the conference. Among other things, the Guidelines note that participants: are assumed to be speaking on their own behalf and not on behalf of their employers (unless they indicate otherwise); should introduce themselves briefly in their first posting to the conference, providing also their full work address at the end of the message; and may not post libellous, insulting or defamatory messages or materials, or links to such materials and should exercise tolerance and respect toward other participants whose views may differ from your own.

#### 5. References

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ABBREVIATIONS: FAO = UN Food and Agriculture Organization; GFRAS = Global Forum for Rural Advisory Services; IYFF = International Year of Family Farming.

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