



Advancing rural advisory services to promote market orientation in Egypt

Making rural services work for small-scale farmers

Policy brief

Executive summary

Rural advisory services play a crucial role in improving smallholders' livelihoods and reducing rural poverty by equipping farmers with the information, knowledge, and skills needed to increase their productivity and profitability, to manage risks, and to engage effectively with markets. This entails diverse services that empower farmers to make informed decisions, manage their farms as sustainable businesses, and act collectively to improve economic operations. This wide range of rural advisory services that address agricultural productivity, as well as producers' organizational, management and marketing capacities, are recognized as market-oriented services. Such diverse services are often provided by multiple service providers from public, private, and civil society organizations who engage in the delivery of services

in different forms and capacities. Recognizing and leveraging this plurality of service providers has the potential to enhance the quality of services and inclusivity of the service system, ensuring that effective services are accessible to small-scale farmers and responsive to their diverse needs.

This policy brief highlights key considerations and recommendations for strengthening rural advisory services in Egypt from a pluralistic and market-oriented system perspective. The brief draws on the insights garnered from an assessment carried out by FAO in 2021, in synergy with the Ministry of Agriculture and Land Reclamation of Egypt, as part of a broader regional study on advancing rural advisory services in Arab countries. The study contributes to regional processes aiming to leverage the role of extension and rural advisory services to better respond to the livelihood needs of small-scale producers and family farmers.

Background

Egypt is the most populous country in North Africa and the Arab world, and ranks 14th in the world in population size (UNFA, 2022). Egypt has an estimated population of about 103 million, with a rural population of about 57 percent (CAPMAS, 2022). The total poverty rate is 29.7 percent, with higher concentrations in rural areas reaching up to 42.8 percent in Upper Egypt (CAPMAS, 2019/2020). Poverty in Upper Egypt is accompanied by higher rates of illiteracy and infant mortality, poor access to safe water and sanitation, and a growing number of underweight children (IFAD, 2019). Poverty, unemployment and food security are severely affecting Egypt. As observed by Ramadan (2015), the share of the food insecure population has increased from 14 percent in 2009 to 17 percent in 2011. Although the food subsidy system has played a vital role in providing poor households with their basic nutritional needs, especially in times of crisis, sustainability of the system is of concern given its increasing budget and inefficiency.

Egypt has a total cultivated land area of about 3.6 million ha, representing around 4 percent of the total land area (FAO, 2016). Agriculture is a key pillar of the Egyptian economy, sustaining the livelihood of 57 percent of the population and directly employing about 26 percent of the labour force (IFAD, 2021). The agricultural sector, including forestry and fishery contributes about 11.6 percent of the gross domestic product (GDP) (World Bank, 2021). Notably, the sector accounts for 20 percent of export revenue, while agricultural industries, such as processing, marketing and input supply activities related to the agriculture sector, contribute to a further 20 percent of GDP (IFAD, 2018).

Small-Scale Family Farming (SSFF) represents one of the most prominent features of the Egyptian agricultural and rural development realities. The number of farms of less than five *feddans*,¹ has more than quadrupled, from 877 thousands in 1950 to 4.1 million in 2010. Approximately 51.1 percent of

individual landholdings are of less than five *feddans*, while 38.1 percent are less than three *feddans* (about 1.25 hectares). The latter are deemed among the most vulnerable of farmers in Egypt, considering that the income generated from farms of this size falls below the United Nations poverty line set at USD1.25 per day per capita (Aboulnaga *et al.*, 2017). As noted by Aboulnaga *et al.* (2017), in Egypt the smallholder farming families, mainly derive their livelihoods from the farm, the land and other productive assets. As such, small-scale producers and family farmers experience more acutely some of the critical challenges facing the agricultural sector in general. The most pressing ones include the extreme fragmentation of agricultural holdings; poor marketing infrastructure, post-harvest facilities and agro-processing; inadequate production technologies and practices; increasing water scarcity; and the near absence of risk mitigation and coping mechanisms, including those for adaptation to climate change and other shocks. These challenges are further compounded by the weakened coverage of extension and rural advisory services, and relevant information systems; the limited organization of small-scale producers; and the low capacity of agricultural producer organizations to meet the needs of small-scale farmers (Ghonem, 2019).

While the extension system in Egypt is best described as public-centred, it is also accompanied by a large variety of advisory service providers, reflecting a growing phenomenon of pluralism. The wide range of rural advisory services that address agricultural productivity, producers' organizational and management capacity, and links to input and output markets, are recognized as market-oriented services (FAO, 2017). Given the broad scope of services and the heterogeneity of farmers they cater for, multiple service providers from public, private and civil society organizations do deliver services according to varied modalities. Recognizing and leveraging this plurality of service providers hold potential for enhancing the quality of services and inclusivity of the service system, ensuring that effective services are accessible to small-scale farmers and responsive to their diverse needs.

¹ Feddan: "an Egyptian unit of area equal to 1.038 acres" (Merriam-Webster, 2022)

This policy brief highlights key considerations and recommendations for strengthening rural advisory services in Egypt from a pluralistic and market-oriented system perspective.² The brief draws on the insights garnered from an assessment carried out by FAO, in synergy with the Ministry of Agriculture and Land Reclamation (MALR) of Egypt, as part of a broader regional study on advancing rural advisory services in Arab countries. The study contributes to regional processes aiming to leverage the role of extension and rural advisory services in better responding to the livelihood needs of small-scale producers and family farmers.

The study was conducted in line with FAO's framework for pluralistic and market-oriented service systems (FAO, 2017) and related guidelines for analysis and programming (FAO, forthcoming). The study reviewed the main policies and broader contextual factors affecting the access to and provision of rural advisory services; it explored the main challenges affecting small-scale family farmers engaged in the horticulture sector, focusing on four governorates of Egypt, namely Kafr El Sheikh and Beheira (Lower Egypt), Fayoum and Beni Suef (Upper Egypt). It probed the complexity of the service system looking at the experience of a number of service providers from the public sector, the private sector, civil society, and producer organizations and cooperatives, considering aspects related to inclusive outreach, service relevance, coordination, funding, and capacities. Two stakeholder consultations were organized to engage with key actors and seek their insights and feedback at various stages of the study (FAO, Internal document).



² A pluralistic service system is one where services are provided by different actors (public, private, NGOs, POs and cooperatives, including informal providers) and funded from different sources.

Rural advisory services in Egypt

Rural advisory services in both Upper and Lower Egypt are provided by a variety of actors, with a dominant role in service provision played by the public sector. These include non-governmental organizations (NGOs) and international cooperation projects, as well as the private sector and cooperatives. The range of advisory services provided are mainly focused on farming techniques and pest management as well as agricultural mechanization, input supply (quality, sources, and prices), marketing information, farmer group organization, climate change adaptation, weather forecast, and post-harvest handling.

The public sector, represented by MALR, is assumably responsible for the overall coordination and regulation of the extension system. However, the level of coordination, liaison, and collaboration between the various service providers remains weak, and so is the level and quality of interaction between farmers and service providers. Egypt lacks a dedicated policy on extension and rural advisory services, clearly defining the roles of the multiple actors operating in the service system at central and decentralized levels, outlining coordination mechanisms or means for collaboration, and guiding service provision in a way that is responsive to farmers' needs, especially smallholders and more vulnerable farmers.

On the other hand, the role of cooperatives and other forms of farmers' collectives is markedly untapped in their potential to articulate farmers' voices and to provide relevant services and support market orientation. While cooperatives are the dominant type of organization in rural areas, they are mostly oriented to the supply of agricultural inputs for traditional crop production activities, mechanization, and marketing services. Notably, agricultural cooperatives have experienced a series of constraints, as well as knowledge and capacity gaps resulting in a decline in their image and performance over the years. In addition to agricultural cooperatives, some forms of civil society organizations – such as associations and

youth centres – can be found in rural areas. Yet, the participation of small-scale farmers in these organizations and their boards is limited.

The absence of a clear policy for extension and rural advisory services further constrains the effective mobilization of institutional and financial resources to ensure adequate provision of services by the public sector and to strengthen the overall performance and sustainability of the system. Furthermore, the technical affiliation of the public extension system to the research system created dual lines of command, overlapping roles, and operational bottlenecks (Diab, M., Yacoub, M., Abdelaal, H.M., 2020). The lack of a clear mechanism regulating the interaction between extension and research coupled with depleting human resources, negatively affected the performance of public service delivery.

Capacities and resources represent another key challenge, particularly in relation to public sector extension. Earlier studies revealed an extremely low extension agent to farmer ratio for a functional system – '0.7:1000' (MALR, 2020). Extension staff performance is challenged by limited mobility, poor transport and communication infrastructure, low salaries, weak incentives, and limited operational funds. Whereas technical qualifications may be adequate, the level of soft skills is insufficient especially in areas such as organization and operation of self-help activities, farmer group formation and ICT application. Importantly, the lack of skills and capacities in market-oriented farming, linking farmers to markets, farm and business management, and diversification, emerged as an urgent concern as well as skills in ensuring the access of women and youth to relevant services. There is a clear mismatch between the accounts of farmers and service providers on the quality, availability, frequency, accessibility, and accountability of services. On one hand farmers lamented limited opportunities to express their needs and demands and to influence the design and delivery of services, on the other service providers confirmed their use of different mechanisms for ensuring downward accountability. This contradiction suggests inadequate exchange of information, feedback channels and monitoring and evaluation systems to assess the performance and responsiveness of service provision. While NGOs'



initiatives offer targeted support to smallholders, particularly women and vulnerable producers, fragmentation and discontinuity emerged as factors heavily affecting service provision in the NGO sector and international cooperation projects. In the absence of sustainable and broad-based services, farmers extensively resort to their own farming knowledge which is based on traditional practices and peer support. The delivery modality used for advising farmers is quite diverse. Service providers tend to use traditional methods such as one-to-one interaction, with limited reach and consideration of the specific needs of women farmers. Simultaneously, there is a growing trend towards more participatory approaches, which are more responsive to farmers' needs such as Farmer Field Schools, and towards the use of ICTs in addition to television and radio. Different resources for digital extension are currently available and the use of mobile-based applications is emerging. Despite their high potential, wide-scale access and timely adoption of these technologies is still constrained by factors such as limited digital literacy. The service system, in its current configuration,

inadequately addresses some of the top challenges faced by smallholders, in relation to low productivity and profitability of agricultural crops; low prices of agricultural produce; lack of market information; limited access to markets and fair prices; availability of high-quality agricultural inputs (quality, sources, and prices); knowledge of new farming techniques and good agricultural practices; and water shortage. In this context, broadening the scope to address market orientation in service delivery is called for, while leveraging the role of the plurality of service providers to overcome the limitations and constraints of the current system in addressing the livelihood challenges of smallholders. At the same time, clear policy directions on extension and rural advisory services, targeted investments and increased capacities would go a long way towards enhancing the effective provision of services and responsiveness of the system to smallholders' needs and demands. By facilitating small-scale farmers' transition to "farming as a business" and enabling their access to profitable markets, extension and rural advisory services can contribute to enhancing rural livelihoods and pro-poor agricultural growth.

Going forward

Extension and rural advisory services play a central role in empowering farmers with the knowledge and skills to overcome various production, management and marketing constraints that affect their productivity, profitability, and livelihood. Addressing challenges facing the agricultural sector and achieving inclusive growth in rural areas therefore calls for ensuring effective rural services that are responsive to the needs of all men and women farmers, especially the small-scale and most vulnerable ones. To this effect, the following recommendations are proposed for advancing rural advisory services in Egypt to play its role in agrifood system and rural transformation:

- 1. Revisit the extension system in Egypt from a pluralistic and market-oriented perspective.** This entails the design of a dedicated national policy to inform the structure, governance, funding, and coordination of the service system and of a strategy to ensure sufficient institutional capacities and resources for policy implementation at all levels. The policy shall be informed by evidence-based policy dialogue with all relevant stakeholders and service providers, including representatives and organizations of small-scale farmers, women, youth, and civil society.
- 2. Define clear regulatory and accountability measures** governing the relationship between the different actors within a pluralistic service system that leverage complementarities, linkages, and partnerships among service providers from the NGOs, POs, and private sector to align with the existing organizational and human capacities in the public sector.
- 3. Develop a National Rural Advisory Services Forum** connecting the plurality of service providers from different sectors to debate issues of common interest, share knowledge and experiences, better coordinate, and advocate for modernizing extension and rural advisory services towards improved responsiveness, inclusivity, and market orientation. Such a forum could eventually become part of a wider network to be formed at regional level.
- 4. Strengthen the role of small-scale farmers' associations** as providers of market-oriented services to members and communities by enhancing their managerial, technical, and marketing skills, as well as their networking and linkages with other actors and service providers to leverage partnerships and complementarities.
- 5. Restore the image and advance the profile of the agricultural cooperatives and producer organizations,** highlighting their role as key actors in supporting smallholder farmers and the inclusive development of the rural sector. The role of agricultural cooperatives in the provision of services to their constituency members entails enhancing their capacities to promote collective economic action, support farmers in accessing markets and interacting with other actors in value chains and agri-food systems.
- 6. Revisit human resources policies and recruitment of new extension staff in the public sector to address the erosion of extension workforce,** due to retirement of staff. In this regard, encourage more women extension agents through flexible and diversified educational and work environments, and promote tools, capacities and incentives for service providers to extend their services to smallholders, women farmers, youth, and other producers in vulnerable situations.

7. Develop a long-term extension capacity development and management plan aimed at reforming pre-service extension education and in-service training through reviews and updates of the higher and vocational education curricula and teaching-training methodologies, and the development of continuing education and learning materials to bring extension education in line with worldwide extension reforms. The plan shall include advancing the image of extension with a clear career development path covering salaries, promotion, and training opportunities for extension professionals on par with specialists in other agricultural disciplines and in research and education.

8. Reinforce the capacity of extension and rural advisory service providers in utilizing the full potential of ICTs for knowledge sharing, delivering services, for monitoring performance and improving accountability, providing feedback mechanisms and tools for both providers and users to interact, identify/express demand, seek/provide feedback and assess the quality of services.



References

- Aboulnaga, A., I. Siddik, W. Megahed, E. Salah, S. Ahmed, R. Nageeb, D. Yassin, and M. Abdelzaher.** 2017. *Study on small-scale family farming in the Near East and North Africa region. Focus country: Egypt.* Cairo. FAO, CIRAD, CIHEAM-IAMM <https://www.fao.org/3/i6497e/i6497e.pdf>
- CAPMAS.** 2019/2020. Poverty Rate in Egypt's Regions 2019/2020. Egypt in Figures- Income, Expenditure 2022. In CAPMAS, Cited 15 July 2022. https://www.capmas.gov.eg/Pages/Publications.aspx?page_id=5104&YearID=23599
- CAPMAS.** 2022. Population Estimates by Sex and Governorate 1/1/2022. Egypt in figures 2022. In CAPMAS, cited 19 July 2022. https://www.capmas.gov.eg/Pages/Publications.aspx?page_id=5104&YearID=23602
- Diab, A.M., Yacoub, M. & AbdelAal. M.H.** 2020. An Overview of the agricultural extension system in Egypt: The history, structure, modes of operation and the future directions. *Sustainable Agriculture Research*, 9(4): 30-42. <https://doi.org/10.5539/sar.v9n4p30>
- FAO.** 2016. AQUASTAT Country Profile – Egypt. Food and Agriculture Organization of the United Nations (FAO). Rome, Italy. <https://www.fao.org/3/i9729en/i9729en.pdf>
- FAO.** 2017. *Pluralistic Service Systems: Market-oriented services for reducing rural poverty – conceptual framework.* Rome, FAO. <https://www.fao.org/3/i7249e/i7249e.pdf>
- FAO,** forthcoming. *Pluralistic and market-oriented services- conceptual and methodological guidelines for analysis and programming.* Rome, FAO.
- FAO,** Internal document. *Assessment of market-oriented rural advisory services: the case of Egypt.* Rome, FAO.
- Ghonem, M.** 2019. *Egypt: Review of the agrifood cooperative sector. Country highlights* FAO Investment Centre. Rome, FAO.
- Kassim, Y., Mahmoud, M., Kurdi, S., & Breisinger, C.** 2018. *An agricultural policy review of Egypt: first steps towards a new strategy.* IFPRI Middle East and North Africa Regional Program Working Paper 11. Washington D.C. and Cairo, IFPRI.
- IFAD.** 2018. *Arab Republic of Egypt: Country Strategic Opportunities program 2019- 2024.* Rome, IFAD.
- IFAD.** 2019. *Investing in rural people in Egypt.* Rome, IFAD.
- Merriam-Webster.** 2022. Feddan. In *Merriam-Webster.com dictionary.* Springfield. Cited 10 August 2022. <https://www.merriam-webster.com/dictionary/feddan>
- Ministry of Agriculture and Land Reclamation (MALR).** 2020. *Updated strategy for sustainable agricultural development towards 2030.* Cairo, MALR.
- Ramadan, R.** 2015. *Food security and its measurement Egypt.* CIHEAM Watch Letter 32. Bari, CIHEAM.
- UNFA. 2022.** *World Population Dashboard Egypt.* In: *United Nations Population Fund.* New York. Cited 10 August 2022. <https://www.unfpa.org/data/world-population/EG>
- World Bank.** 2019. *Understanding poverty and inequality in Egypt.* Background papers. Washington DC, World Bank.
- World Bank.** 2021. *Agriculture, forestry, and fishing, value added (% of GDP) – Egypt, Arab Rep.* Databank. In: *The World Bank.* Washington DC. Cited 22 June 2022. <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=EG>

ACKNOWLEDGEMENTS

This brief was prepared by Valentina Sommacal, May Hani and Cécile Berranger (FAO), based on a study conducted in 2021 by Mohamed Abdel Mageed Rezk and Hebatullah Hassan as part of a FAO regional study on advancing rural advisory services in Arab countries, carried out in Egypt, Jordan, and Lebanon. Amal Shawish edited the document and Angham Abdelmageed elaborated the design. FAO Regional Office for the Near East funded the study and provided overall guidance under the leadership of Jean-Marc Faurès.

FAO Regional Office for the Near East and North Africa

FAO-RNE@fao.org

<https://www.fao.org/neareast/about/en/>

Food and Agriculture Organization of the United Nations

Cairo, Egypt

