



Promoting the development of family farming in Peru

Family farming profiles

In the context of the United Nations Decade of Family Farming (UNDF), the Food and Agriculture Organization of the United Nations (FAO) provides methodologies and quantitative tools to increase and improve the evidence on family farming (FF) at the global level. One of these tools is FF profiles constructed using existing nationally representative data.

In 2023, the FAO Agrifood Economics Division (ESA) launched a report that investigates the characteristics of small and medium-sized agricultural holdings in Peru. The analysis documents various trends that account for the heterogeneous realities within the large group that comprises the FF in this country. The main source of information used was the Peru National Agricultural Survey along with the National Household Survey data.

Family farming in Peru

The definition and FF typology used in the study classify agricultural holdings based on their per capita net agricultural income and the official monetary (moderate and extreme) poverty lines of Peru. The net agricultural income corresponds to the total monetary value of the holding's agricultural production (including by-products production) minus the operating costs (fixed and variable). Based on the different net agricultural income levels, holdings are classified into three types: subsistence, transition or consolidated farms.

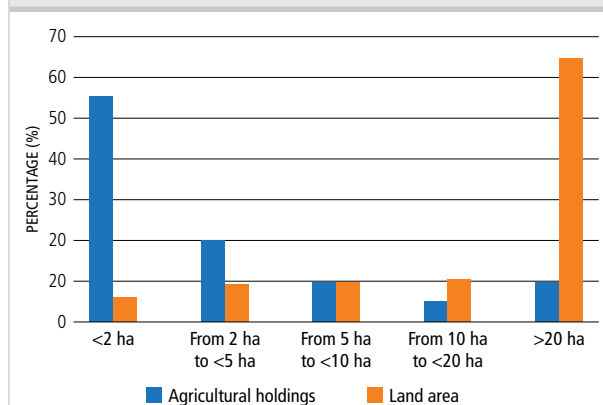
The analysis shows the importance of family farming in the country. Nearly all of the holdings (99.8 percent) belong to the small and medium FF. In addition, two-thirds of them are deemed to be subsistence FF, whose net income from agricultural activities is not enough to cover the cost of the basic food basket at the prices of the region they are located. However, slightly less than one-third of this group is employed exclusively in agricultural activities. That is, the vast majority of subsistence FF diversify their income sources, precisely to complement them. They tend to be employed (in addition to their agricultural activities) more frequently in sectors outside the agricultural sector as wage employees.

KEY MESSAGES

- ▶ The agricultural sector in Peru is constituted primarily of family farms, of which two-thirds are subsistence farms.
- ▶ Most managers of the agricultural holding are men. However, women provide most of the unpaid family labour.
- ▶ Investing in the agricultural sector in the Sierra region is strategic to generate a higher impact on agricultural efficiency and poverty reduction.

More than 50 percent of the family farming holdings' are smaller or equal to two hectares. This group represents approximately 6 percent of the total agricultural land. On the other hand, approximately 10 percent of the family farming' holdings whose land size is 20 hectares or more, operate around 65 percent of the total agricultural land (Figure 1).

FIGURE 1. Family farms distribution by farm size groups in Peru



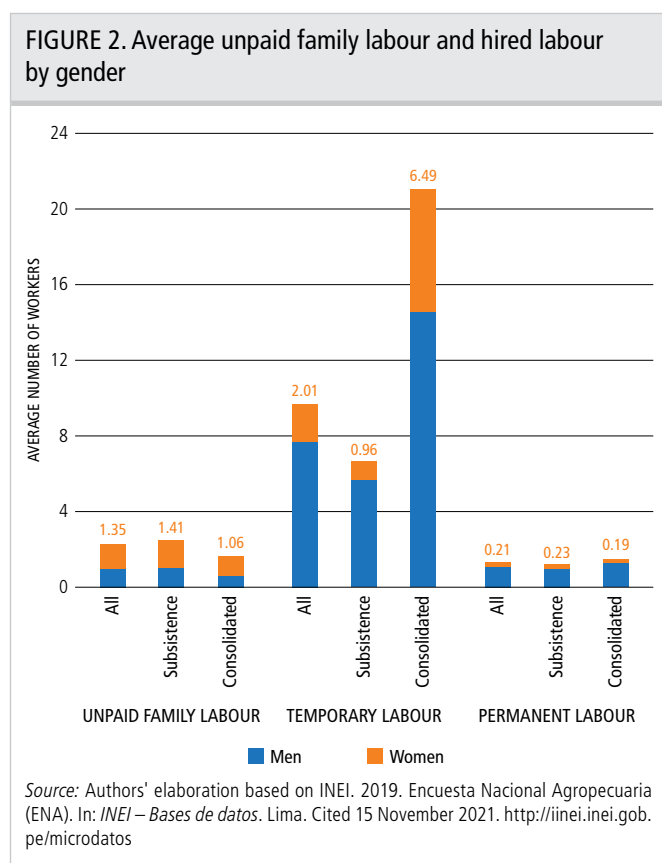
Source: Authors' elaboration based on INEI. 2019. Encuesta Nacional Agropecuaria (ENA). In: *INEI – Bases de datos*. Lima. Cited 15 November 2021. <http://inei.inei.gov.pe/microdatos>

Even though on average, around 70 percent of the land operated by family farmers has been declared as owned, only 23 percent of it has a title deed. Access to formal documentation is higher for the consolidated FF.

Women in family farming

Most of the managers of the agricultural holding are men, with an average age of 50 years, who mostly received schooling until primary education. Nevertheless, the holdings led by a woman present greater vulnerability based on their characteristics. There is a higher incidence of subsistence FF among the holdings led by women, and gender differences concerning access to extension services and core production factors, such as certified seeds.

From the labour market perspective, women working in the FF are at a disadvantage compared to men. Most of the unpaid family labour is done by women, while the share of the hired workforce (permanent or occasional) is mainly comprised of men (Figure 2). For every ten occasional workers hired by the FF, two are women and eight are men.



Where to invest to benefit family farming?

FAO has developed a methodology for targeting agricultural investments, based on the identification of micro-regions with agricultural potential, low efficiency, and high poverty. In this way, the areas to prioritize investments are those where their impacts at the sector level (increase in productivity) can be maximized while generating a positive social impact (poverty reduction). In Peru, around 40 percent of FF holdings, more than 50 percent of the land operated area, and around 30 percent of the gross value of production (GVP) are located in the high and medium-priority micro-regions. The report further shows that investing in the Sierra region would generate a higher impact on agricultural efficiency and poverty reduction, given that two-thirds of the FF holdings are located in the region and 75 percent are being utilised for subsistence FF.

Crop producers located in high-priority micro-regions tend to produce staple crops such as grains, tubers, and legumes, which, in proportion, are mainly destined for their own consumption, and not for sale. On the other hand, livestock producers located in the same micro-regions tend to specialize in raising livestock and commercialize its production, to a greater extent in comparison to the production share intended for consumption. They also report to have less access to production factors and inputs compared to their counterparts in other micro-regions. This confirms the need to invest in these areas to increase agricultural productivity.

Policies for boosting the development of family farming

The study shows the importance of identifying policy issues and promoting the redesigning and relaunching of existing and new programs. As shown by the report, most of the land operated by FF holdings is not legally documented. Therefore, improving land registries and rural titling programs is a priority in Peru. Furthermore, policies that promote producer association are key. The report shows belonging to a farmer association is a determining factor for better access to most production factors. Besides, it is also important to promote the adoption of more efficient irrigation systems, including those holdings located in the Sierra region. Most of the FF holdings inform themselves about production topics through other producers (relatives, friends, or neighbours). Therefore, there is a gap between access to extension services and technical information needs. This represents an entry point for the redesign of these services.

Finally, these programs must integrate the gender dimension and not relegate it to areas such as social protection, health and childcare. Specifically, women's use of time needs to be addressed.