



***HLPE consultation on the V0 draft of the Report:
Investing in smallholder agriculture for food and
nutrition security***

Collection of contributions received

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Introduction to the topic

In October 2011 the UN Committee on World Food Security (CFS) requested its High Level Panel of Experts on Food Security and Nutrition (HLPE) to conduct a study on smallholder investments, and in particular, to assess: *“a comparative study of constraints to smallholder investment in agriculture in different contexts with policy options for addressing these constraints, taking into consideration the work done on this topic by IFAD, and by FAO in the context of COAG, and the work of other key partners. This should include a comparative assessment of strategies for linking smallholders to food value chains in national and regional markets and what can be learned from different experiences, as well as an assessment of the impacts on smallholders of public-private as well as farmer cooperative-private and private-private partnerships.”*

Final findings are to be presented at the CFS Plenary session in October 2013.

The High Level Panel of Experts for Food Security and Nutrition (HLPE) now seeks input on the following [VO draft](#) of its report to address this mandate. The current draft has been elaborated by the Project Team, under guidance and oversight of the Steering Committee, based also on the feedback received through the [scoping e-consultation](#).

The present e-consultation will be used by the HLPE Project Team to further elaborate the report, which will then be submitted to external expert review, before finalization by the Project Team under Steering Committee guidance and oversight.

The current draft is work-in-progress towards a comprehensive yet accessible and succinct presentation, highlighting priority topics and areas that are useful for action to the diverse range of stakeholders which form the CFS.

To be useful in the next steps of the report write-up, the HLPE proposes to open a dialogue on the following topics and seeks feedback and input according to the following lines:

- 1) Definition and significance of Smallholder agriculture: is the approach in the report adequate?
- 2) Framework for Smallholder agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?
- 3) Constraints to smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

The current VO draft contains a short summary and, intentionally, very first tentative recommendations : these are to be seen NOT as the final recommendations of the HLPE, but as a work-in-progress, part of the process of their elaboration: it is therefore to be seen as a *scientific and evidence-based invitation* for their enrichment, for being screened against evidence, as well as for further suggestions on their operationalization and targeting.

Are the main areas for recommendations and the priority domains for action adequate? Does the draft include sufficient information at the adequate level to support the policy messages?

The current VO draft, at this stage of the writing, could be further enriched by more concrete examples to support the reasoning. As the HLPE seeks to formulate practical, actionable recommendations for implementation, we would therefore seek, through this consultation, concrete examples and references [cases, facts and figures] to feed into the report, in particular into a section on Implementation and to sustain the vision that is presented.

The issues that this report needs to cover may comprise some controversial points. Do you think these are well highlighted in the report in order to feed the debate? Are those presented with sufficient facts and figures to elicit their rationale? Did the current draft miss any of those?

We thank in advance all the contributors for being kind enough to spend time in reading and commenting on this early version of our report. Supplementary information, references and evidence-based examples would be very much welcomed in such a format that could be quickly manageable by

the team (for instance, if you suggest a reference, a book etc, please highlight a/the key point(s) in 5 to 10 lines).

Contributions are welcomed in English, French and Spanish. The [V0 draft](#) is available in English. We look forward to a rich and fruitful consultation.

The HLPE Project Team and Steering Committee

Contributions received

1. Jacques Loyat, CIRAD, France

[Original contribution in French]

Bonjour,

Suite à votre appel à contribution, je me permets de vous adresser quelques remarques.

Tout d'abord, mes félicitations pour le travail réalisé. Je souscris très largement aux analyses et recommandations de ce rapport.

Vous trouverez, dans le [fichier joint](#), quelques annotations (aux § 1, 2, 3, 9, 13, 20, 29 ainsi qu'à la page 59 sur l'agro-écologie).

Deux commentaires complémentaires:

1 - Le schéma de la figure 1 pourrait être mieux présenté en clarifiant notamment les notions de "typologie", de trois piliers (deux fois trois piliers !), de trois domaines (voir commentaires dans le texte).

2 - Le passage relatif à l'agro-écologie (p 59) donne l'impression qu'elle n'est pas à la portée des smallholders, l'agriculture conventionnelle étant finalement mieux adaptée à répondre à leurs besoins.

Selon le rapport d'Olivier de Schutter (Agroécologie et droit à l'alimentation, rapport de décembre 2010, présenté à la seizième session du Conseil des droits de l'homme de l'ONU, le 8 mars 2011) : l'agroécologie est à la fois une science et un ensemble de pratiques ; elle utilise une forte intensité de connaissances et elle repose sur des techniques qui ne sont pas fournies du sommet à la base mais mises au point à partir des connaissances et de l'expérience des agriculteurs. Le rapport met l'accent sur la dimension verticale du développement de l'agroécologie, à savoir la mise en place d'un cadre propice. Les gouvernements ont un rôle déterminant à jouer à cet égard, qui va au-delà de celui qui consiste à favoriser l'accès des petits exploitants à la terre, à l'eau et aux semences.

Sur le plan écologique, l'agriculture industrielle à fort usage d'intrants a une responsabilité première dans la pollution des eaux, des sols, et la disparition accélérée de la biodiversité animale et végétale. Elle peut présenter des risques sur la santé humaine. Elle contribue à la disparition des exploitations paysannes et à leurs savoir-faire ancestraux. L'agroécologie est une voie possible car elle protège la vie des sols et la biodiversité et elle s'appuie sur des savoirs traditionnels. Elle associe différentes espèces cultivées dans un même champ et utilise des engrais naturels pour fertiliser la terre. Par des circuits d'échange plus courts, elle rapproche les consommateurs des paysans.

Pour autant, des voix se font entendre pour relativiser quelque peu les bienfaits attendus de ces techniques de l'agroécologie. Dans un article de 2009 (voir réf ci-dessous) consacré à la mise en pratique de l'agriculture de conservation dans les petites exploitations africaines, des chercheurs mettent en garde contre une vision par trop optimiste sur les résultats attendus. Ils insistent sur le fait que ces technologies doivent être adaptées à chaque situation et dépendent des environnements biophysiques et socio-économiques spécifiques. Tout va dépendre notamment des ressources à disposition des agriculteurs, en termes de terres, de main d'œuvre et de capitaux. Avec des ressources limitées, comment peuvent-ils adopter des pratiques qui certes pourraient accroître la production à long terme, mais qui à court terme ne leur procurent pas les bénéfices attendus ?

Tel est bien l'enjeu de la mise en place de services adaptés de formation et de développement agricoles pour accompagner les agriculteurs dans leurs décisions, notamment les petits agriculteurs.

Réf citée : Ken E. Giller,, Ernst Witter, Marc Corbeels,, Pablo Tittonell, Conservation agriculture and smallholder farming in Africa: The heretics' view. Elsevier , Field Crop Research 2009.

Bien cordialement et tous mes vœux pour la nouvelle année 2013

Jacques Loyat

[*English translation*]

Good Day,

Following your call for contributions, I am making herewith some comments.

To start with, I congratulate you for the work done. I am very much in support of the analyses and recommendations of this report.

In the [attached file](#), you will find some notes (on paragraphs § 1, 2, 3, 9, 13, 20, 29 as well as on page 59 related to agro-ecology).

Two additional commentaries:

1 - The diagram of Figure 1 could be better presented particularly by clarifying the concepts of "typology," of three supports (twice three supports!), of three domaines (see commentaries on the text).

2 - The passage related to agro-ecology (p. 59) gives the impression that it is not within the reach of smallholders, conventional agriculture being ultimately better adapted to answer their needs.

According to Olivier de Schutter's Report (Agro-ecology and the right to food, Report dated December 2010, presented to the Sixteenth Session of the ONU Human Rights Council, the 8th March 2011): agro-ecology is both a science and a set of practices; it is highly knowledge-intensive, based on techniques that are not delivered top-down but developed on the basis of farmers' knowledge and experimentation. The report emphasizes the vertical dimension of the development of agro-ecology, that is to say, the setting up of a favorable framework. In this respect, governments have a defining role to play, which goes further than improving access of small farmers to land, water and seeds.

From the ecological perspective, industrial agriculture with strong reliance on inputs has a principal responsibility for the pollution of water, soils and the accelerated disappearance of animal and plant biodiversity. It can represent a risk to human health. It contributes to the disappearance of cultivation by small farmers and their ancestral know-how. Agro-ecology is a possible way forward because it protects the life of soils and biodiversity and it relies on traditional knowledge. It brings together different cultivated species in one field and uses natural fertilizers to feed the soil. Through shorter trading links, it brings the consumer closer to the farmer.

Even so, some suggest to put in proportion the expected benefits of these agro-ecology techniques. In a 2009 article (see reference below) dedicated to the setting up of conservation agriculture on small African farms, the researchers warn against a too optimistic vision of the expected results. They emphasize the fact that technologies must be adapted to each situation and are dependent on specific biophysical and socio-economic environments. All will depend particularly on the resources available to farmers, in terms of land, labor force and capital. With limited resources, how can they adopt practices which will surely increase long term production, but which in the short term do not give them the expected benefits?

That is really what is at stake when establishing services for training and agricultural development to guide the farmers in their decisions, above all the small farmers.

References quoted:

Ken E. Giller, Ernst Witter, Marc Corbeels, Pablo Tittonell, Conservation agriculture and smallholder farming in Africa: The heretics' view. Elsevier, Field Crop Research 2009.

Sincerely and with all my best wishes for the New Year 2013

Jacques Loyat

2. Abdul Razak Ayazi, Permanent Representation of Afghanistan to FAO

First I wish to make some general observations on the zero draft of the study and then address the three topics on which comments are requested by the HLPE Team, as well as reflecting on section 5 of the study (Recommendations).

General Comments

The study is wide-ranging and contains useful material on principal issues relevant to the investment needs of sustainable smallholder agriculture. The search conducted by the HLPE Team on this study is indeed extensive and praiseworthy.

However, as a policy-oriented document the structure of the study needs improvements. In its present form, the text reads like an academic paper, which is obviously not the intention. The membership of CFS wish to be advised on key policy recommendations that are most suitable for improving the production and productivity of sustainable smallholder agriculture for different ecological systems.

With this purpose in mind, the balance between broader and circumstantial issues and those germane to the development of sustainable smallholder agriculture needs a fresh look, with the aim of increasing the weight of the latter in the study.

The section on Conclusions (which has not yet been written) should come before section 5 and should focus on substantive issues, thereby leading the way to a few key recommendations.

Section 5 (Recommendation) should be made shorter and more focused. The essence of each of the 9 recommendations proposed needs to be expressed in a straight forward manner and in simple language, so the reader would know exactly what each recommendation entails.

The Three topics

1. Definition and significance of smallholder agriculture: is the approach in the report adequate?

For a policy-oriented study, the definition of “smallholder agriculture”, which also includes small fishers and indigenous forest dwellers, should be crisp and concise. The three paragraphs of sub-section 1.1, when taken together, reflect a definition that is somewhat diffused. Recognizing that the definition of smallholder varies from region to region, from country to country and from location to location within a country, the symptoms are nevertheless commonly shared.

On the global scale, smallholders, who practice intensive and diversified agriculture, are large in numbers, asset-poor, prone to exploitation, least beneficiaries of public services, most vulnerable to shocks, facing a wide range of socio-economic and technical constraints and struggling to survive in a global economy from which they hardly benefit.

Given the policy nature of the study, sub-section 1.2 (How small is small) can be shortened and perhaps limited to the salient features of Figure 2 and Figure 3. This reduction will in no way diminish the importance of the valuable conclusion shown in bold letters on page 22 of the study.

To provide a geographically balanced oversight on policy for smallholder agriculture, it may be advisable to also include in sub-section 1.3.2 (Policy concerns) one or two initiatives taken from Asia and the Pacific Region, where 87% of the world’s smallholder farmers live. Similarly, an example from Latin America and the Caribbean would be most appropriate because in that continent the profile of smallholder is different than in the land-scare continent of Asia.

Sub-section 1.4, which represents historical trends in the average size per holding for 3 countries (India, France and Brazil), may not be that representative of the global picture. It would be advisable to show a single chart based on the last three or four censuses showing the evolution in the size of

holdings for at least 10 small, medium and large countries in different regions and then attempt to make some comparisons, if feasible. Consideration could also be given to placing sub-section 2.5 after sub-section 1.4 because the two sections are to a large extent complementary.

The significance of smallholder agriculture is fairly well substantiated in Section 2. That said, it may be advisable to also mention milling in sub-section 2.1.2 due to its importance in rural areas and open a new sub-section on the contribution of smallholder agriculture to rural employment, as this aspect is highly significant and needs a separate treatment. In Box 4 on pages 34-35, mention should also be made to the third category of family farms that hire some labour on permanent basis. While this category accounts for only 6% of the 15 million family farms in LAC, it cultivates 25% of the most productive land of the 400 million hectares of family farms.

2. Framework for smallholder agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?

Section 3 should present the investment framework most appropriate to smallholder agriculture. The existing text is not well focused on this issue and what is presented is somewhat academic. Generally speaking, the five types of capital/assets listed on pages 37-38 (Human, Social, Natural, Physical, Financial) equally applies to medium and large size holdings, though the mixture may differ between the three types of landholdings according to their specific characteristics and requirements.

For investment in smallholder agriculture, three ways of asset creation are crucial, namely:

(i) family labour for on-farm development (basically soil improvement; better use of family labour in improving animal productivity through crop/livestock integration; creation of home-based gardens; on-farm improvements that would increase water efficiency for crops, trees and livestock; and preservation of genetic resources);

(ii) community labour used in creating physical and human assets beneficial to smallholders as a group (erosion control, terracing, drainage, water harvesting, improved range management, construction of community owned wells, storage, on-farm roads, centres for cooperative and farmer organization, facilities to enable the group employment of women and the development of skills for young boys and girls);

(iii) Public goods that gives an upward shift to the technological frontier most suitable for smallholder (roads connecting smallholders to nearby markets, small and medium irrigation schemes, electricity, public education, sanitation, health services, affordable financial services and communication, more or less on the model practiced in China and some other developing countries). Public-private partnership in research and extension and building on traditional knowledge are also considered as important public goods.

Corporate investment has a role to play in the development of smallholder agriculture, provided the benefit sharing arrangements are carefully worked out for the benefit of both parties, a subject matter that presumably will be addressed in the study on rai.

3. Constraints on smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

Generally speaking, section 4 (A Framework for Smallholder Agriculture and Investment) contains relevant conceptual material. However, the section attempts to simultaneously cover context, constraints and potential solutions in mitigating the negative impact of the constraints on production by smallholders and improving household income. It may be advisable to keep the focus of section 4 on constraints to investment and their typology and placing context and potential solutions to other sections of the study.

Nevertheless, the good features of section 4 are:

- Underscoring the complete absence or severe limitation of legal protection for smallholders and their political and economic underweight within their respective social environments. The writings of

Mr. Olivier de Schutter, the United Nations Special Rapporteur on the Right to Food, could be used to substantiate legal protection for smallholders;

- A very good assessment of the three types of risks facing smallholder agriculture and their interaction (sub-section 4.3);
- A good exposé of the policy disincentives (sub-section 4.4);
- An excellent presentation of typology of smallholder according to the interplay of 3 essential factors: assets, markets and institution, especially Box 9 on page 54.

The assessment is comprehensive, issue-oriented and with focus on policy issues. I cannot think of any important thing to add.

Section 5 (Recommendations)

Section 5 is too lengthy and the recommendations are somewhat lost within the expansive text. For example, what exactly is being recommended under 5.2.1? Is it that smallholder should have full access to all public services as listed in lines 4-9 of the first paragraph on page 58? If so, it needs to be concise and precise.

That said, the 9 recommendations (4 addressing the constraints facing smallholders, 3 focusing on specific priority domains and 2 related to implementation strategy) are undoubtedly pertinent and strategic in nature. Avoiding a plethora of recommendations is also commendable. The question is the presentation of the recommendations in short and unambiguous language. It would be very helpful if each of the 9 recommendation can be supplemented with one or two country-based experience, like Box 10 on yields, page 59, and Box 11 on Rabobank, page 51.

3. JS (Pat) Heslop-Harrison, University of Leicester, United Kingdom

I welcome the opportunity to comment on the V0 draft, which certainly covers a wide range of important issues. I would like to highlight very briefly three areas that I feel are insufficiently addressed in the V0 draft.

Firstly, I felt that the whole report underplays the critical role of education in investment and food or nutrition security. It rightly points out that crop yield potentials are not achieved, the complexity of achieving smallholder nutritional sufficiency, and even poor investment decisions by smallholders, but I would suggest that education at all levels is critical to alleviating these problems. As well as primary and high-school education, one can argue that the emphasis on training BSc level and MSc level extension workers and larger family or other farmers, has had a major impact across many parts of Asia in ensuring food sufficiency, safety and sustainability.

Secondly, I was happy to see the attempt to reference research underpinning many of the conclusions. However, throughout the report, much of this cited research is weak, often written in vague terms, and inadequately reviewed. I think it would be valuable for the report to highlight areas where better knowledge of the issues is essential. National and international organizations will then be able to encourage research in these areas - as the report notes (recommendation 14), the contribution of smallholders is "too frequently neglected in policy and public investment" but V0 does not detail all the ways this might be mitigated.

Thirdly, I was sorry to note the limited comments about genetic improvement of crops and animals, and potential of new species. The rapidity of agricultural change is alluded to several times, but I am not sure that consequences and rapidity of adoption of new genetic stocks and improved agronomy is fully considered. Of course the changes is best exemplified by the Green Revolution wheats over very few years in the 1970s, but it is important to scan the nature of future revolutionary improvements.

I hope that the final report will build momentum to the political support for smallholders and the key contribution that they make to the well-being of so many billions on the planet today and in future generations.

4. David Michael, Wondu Business & Technology Services, Australia

Well done. It's a useful report. In terms of constraints to smallholder investment, however, I suggest the report would benefit from more recognition of and examination of economies of scale in agricultural production. There are significant economies of scale in almost all agricultural production enterprises across grains, horticulture and livestock, not just industrial crops. Economies of scale enable lower production costs and facilitate quality control, market access, financial access, skills access, risk management expertise, access to contracts and access to new technology. The reports cites examples of higher yields in smallholder farms compared to large farms but productivity and growth in productivity is not just about yields. While yields is important total productivity is the main game and comes from superior capital and labour performance. That's why economies of scale are important.

Another area that could be examined in more detail is the retail and wholesale market. We can expect these markets to develop and grow in just about all countries especially those in developing and LDCs. They will be private sector owned and driven. The investment climate will play an important role in their incentive to invest. In the circumstances contestable markets take on added importance. Once again, economies of scale will play an important role. As these retail markets grow they will play an ever increasing role in food security.

5. Robin Bourgeois, Executive Secretariat of the Global Forum on Agricultural Research, Italy

Merci pour le partage de ce document. Vous trouverez mes commentaires directement [dans le fichier attaché](#). Dans la mesure où ces commentaires sont à un niveau plutôt fondamental, je les ai concentrés sur la partie du résumé exécutif.

Envisagez-vous de publier par la suite des versions en différentes langues afin de pouvoir recueillir les commentaires des lecteurs non anglophones?

6. Fofiri Nzossie Eric Joel, Université de Ngaoundéré, Cameroun

[Original contribution in French]

Faisant suite à votre courriel relatif à la consultation électronique sur la version V0 du rapport cité en objet, je vous prie de trouver ci-joint, mes observations à la suite de la lecture dudit rapport.

Compte-rendu de lecture du Rapport V0

Suite à la lecture de la version (V0) du Rapport, et conformément aux axes indiqués par l'équipe du HLPE et le Comité directeur, je formule les observations suivantes.

- D'un point de vue général

Le Rapport est bien structuré, écrit dans un style accessible au grand public. Il articule dans une parfaite cohérence, idées développées et exemples tirés de plusieurs réalités socio-économiques et politiques du monde.

Sur le plan du fond : les aspects présentés sont à mon avis suffisamment mis en valeur pour alimenter le débat sur l'investissement dans la petite agriculture. Les faits et chiffres présentés sont suffisants pour aider à la compréhension des problèmes abordés.

Sur le plan de la forme : quelques remarques (interrogations) peuvent être faites.

La légende de la figure 3 (page 20) est-elle en français ou en anglais ? (**Nbre de holding** et **Superficie**). Cette présentation est différente de celle de la figure 5, qui a le même titre et la même structure ?

Les figures 6 et 8 (page 24), 10 (page 25) ne me semblent pas aisément compréhensibles (peut-être du fait d'un problème de construction de la légende ? Aux auteurs d'apprécier).

Pour les figures 7, 9 et 11, je proposerais de préciser l'unité (ha ?), soit dans le titre, soit sur la courbe d'évolution).

- **Du point de vue des axes indiqués par l'équipe du HLPE et le Comité directeur**

a. Définition et importance de la petite agriculture : l'approche présentée par le rapport est-elle adéquate ?

L'approche présentée par le Rapport est adéquate.

- Elle relève clairement des nuances entre les groupes de pays (pays développés et en développement). Les caractéristiques de la petite agriculture sont clairement présentées selon ces groupes de pays avec une mise en exergue des disparités observées (cas de l'approche définitionnelle de la petite agriculture aux Etats-Unis et l'exemple y afférent donné à la figure 4 de la page 21 ; et cas du Brésil et de la Chine).
- Elle souligne également quelques insuffisances (ou manquements) institutionnels permettant d'apprécier pour certains pays, l'imprécision dans la caractérisation de la petite agriculture [l'exemple du Japon ; ou du continent africain dont l'absence des données touche en général plusieurs domaines de la vie socio-économique (figure 5)].

Le Rapport fait par ailleurs ressortir toute l'importance de la petite agriculture tant du point de vue économique (création d'emplois dans la production et la transformation agricoles, contribution à la réduction des prix des denrées sur les marchés, amélioration du revenu des paysans) que social (disponibilité alimentaire, diversification de l'offre). L'exemple du Brésil illustre assez bien la contribution à la diversification de l'offre alimentaire tant sur les produits vivriers (manioc, maïs...) que sur les produits à forte valeur ajoutée (le lait).

b. Cadre proposé pour la petite agriculture et les investissements dans ce domaine : la typologie est-elle utile, adéquate et accessible pour le problème à aborder ?

La typologie proposée est utile et peut orienter des actions publiques et privées pour l'accroissement de l'investissement dans la petite agriculture.

c. Contraintes pesant sur l'investissement dans la petite agriculture : les principales contraintes sont-elles exposées dans ce projet ? Certains éléments importants ont-ils été omis ?

Au-delà des 4 principales contraintes identifiées dans le Rapport, il me semble important de mentionner explicitement « **l'insécurité foncière** » ou « **la question foncière** » comme une contrainte majeure à l'investissement dans la petite agriculture. Cette réalité touche notamment les petits agriculteurs en Afrique subsaharienne dont-on peut homogénéiser les pratiques rurales.

L'insécurité foncière peut impacter sur l'investissement dans la petite agriculture sur le capital physique et financier ; et sur le capital naturel (en fonction de la typologie établie concernant les différents types de capital (page 37) :

- **Impact sur le capital physique et financier**

La dualité entre **loi foncière moderne** définie par le cadre réglementaire institutionnel et **loi coutumière** dans de nombreux pays africains, génère des tensions entre populations dites autochtones et allogènes d'une part, et entre autochtones détenteurs des titres de propriété et ceux jouissant du droit d'usufruit d'autre part. Ces tensions sont renforcées dans des zones de forte migration qu'il s'agisse des migrations organisées ou spontanées (le cas de la vallée de la Bénoué dans le Nord-Cameroun). Ce contexte polarise de milliers de petits agriculteurs migrants (originaires des localités de forte tradition agricole) dans un climat d'insécurité foncière qui tend à réduire leurs efforts d'investissement tant physique que financier, par crainte d'être exproprié (encadré ci-dessous).

Encadré : La mobilité humaine, source de tensions et d'insécurité foncières dans la vallée

de la Bénoué (Cameroun)

(Extrait de Fofiri Nzossé E.J., 2012. *Les déterminants de l'offre alimentaire vivrière dans les villes du Nord-Cameroun*, Thèse de Doctorat de géographie économique, Université de Ngaoundéré, Cameroun, 441 p.)

Le Nord-Cameroun qui s'étend environ sur 160 000 km² (1/3 de la superficie du pays) connaît une accélération de sa dynamique foncière en rapport avec la croissance démographique. La saturation de la région administrative de l'Extrême-Nord s'est intensifiée avec le doublement de sa population en une trentaine d'années (1976-2010). La densité théorique est passée de 41 hbts/km² à 100 hbts/km², soit 3,5 fois celle des régions du Nord et 6 fois celle de l'Adamaoua. Cette saturation a été à la base de l'une des plus importantes politiques migratoires élaborées et mises en œuvre par les pouvoirs publics au Cameroun¹. Elle visait à transférer les populations vers la vallée de la Bénoué considérée comme espace « vide » (Roupsard, 1997 ; Beauvilain, 1989 ; MINPAT/PNUD, 2000 ; Njomaha, 2004).

Le « Programme de migration et de services de soutien agricole » élaboré à cet effet a permis d'installer plus de 200 000 migrants de l'Extrême-Nord dans la vallée de la Bénoué de 1974 à 1997. Depuis 1998, les migrations spontanées et individuelles qui se poursuivent participent à la densification des zones d'accueil (figure 1). L'arrivée de ces migrants génère des conflits fonciers qui trouvent tant bien que mal des solutions dans un arbitrage coutumier peu crédible notamment aux yeux des migrants.

Le foncier demeure en effet une question délicate à aborder dans le Nord-Cameroun en raison des mécanismes de gestion de la terre qui ont toujours placé l'autorité coutumière au centre du dispositif. En 1974 l'Etat Camerounais marque sa volonté de contrôler le foncier à travers la loi foncière de la même année, qui en fait le principal gestionnaire de la ressource. Dans la pratique cependant, les autorités coutumières, auxiliaires de l'administration sont régulièrement associées à sa gestion avec des limites de pouvoir assez imprécises. Pour Teyssier (2003), la reconnaissance du pouvoir coutumier comme gérant exclusif du foncier parmi les prérogatives accordées aux chefferies du Nord en contrepartie d'une alliance avec le gouvernement sur l'échiquier politique national, a entraîné de graves dérives dont les conséquences sont perceptibles au plan socio-économique. La gestion foncière est vite devenue la principale source de revenus pour les chefferies, à travers l'octroi notamment aux étrangers des droits d'usage sur le sol qui s'accompagne de la *zakkat* (impôt en nature), l'arbitrage des conflits soumis à diverses taxations, la réglementation et la répression de diverses formes de violations. L'utilisation des réseaux de chefferies par l'Etat a renforcé le pouvoir de contrôle des autorités traditionnelles sur la ressource, quelquefois au détriment des actions concertées, comme ce fut le cas dans le Mayo-Rey (Seignobos, 2006). En 2004 le pouvoir traditionnel arrête le processus d'un projet de marquage foncier sur les limites litigieuses dans une zone de cohabitation entre migrants et autochtones inauguré après 1996 alors que les négociations étaient en cours. Cet acte mettait ainsi fin à huit années de bornage, entamé par le projet Développement Paysannal et Gestion de Terroirs (DPGT) et poursuivi par un bureau d'étude [Territoires et Développement local (Terdel)] ; en même temps qu'il permettait au pouvoir traditionnel d'affirmer sa primauté sur la terre, sous le regard impuissant de l'administration centrale et de l'ensemble des parties prenantes.

L'insécurité foncière apparaît ainsi comme une contrainte majeure au développement de l'activité agricole, tant elle plonge les petits agriculteurs, et particulièrement ceux dits allochtones dans un climat d'incertitude quant à l'accès à la terre.

¹ L'Etat Camerounais a élaboré et mis en œuvre plusieurs programmes de peuplement du territoire à partir de 1974, parmi lesquels l'opération Yabassi-Bafang [sur la question lire : Barbier J.C. (1977). *A propos de l'opération Yabassi-Bafang (Cameroun)*, Paris, ORSTOM, Travaux et Documents de l'ORSTOM, Sujet de recherche n°5322 inclus dans les accords de coopération scientifique entre l'ORSTOM et l'ONAREST, 141 p.

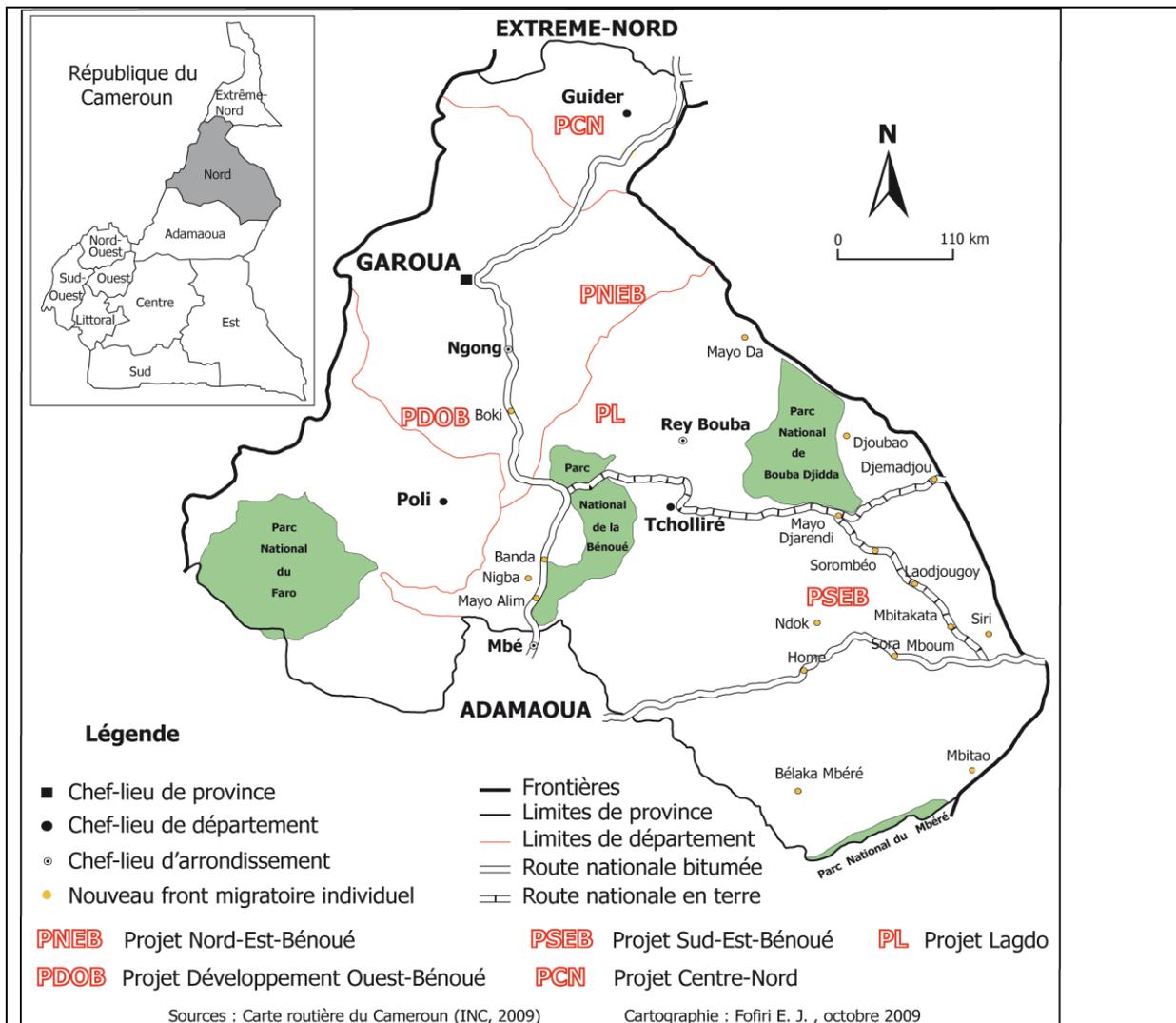


Figure 1 : Zones de migration organisée dans la vallée de la Bénoué à travers des projets étatiques

Références bibliographiques citées :

Beauvilain A., (1989). *Nord-Cameroun : Crises et peuplement*, Thèse de Doctorat de Géographie, Université de Rouen, 2 vol, 625 p.

Njomaha C., 2004. *Agricultural change, food production and sustainability in the Far North of Cameroun*, Leiden, Institute of Environmental Sciences, 245 P.

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Seignobos C. (2006). 'Colloque international SFER "Les frontières de la question foncière"', Montpellier, France, 2006, 21 p.

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Ministère des Investissements Publics et de l'Aménagement du Territoire; Programme des Nations Unies pour le Développement (2000). *Etudes socio-économiques régionales au Cameroun : éradication de la pauvreté – amélioration des données sociales (province du Nord)*.

- **Impact sur le capital naturel**

Dans ce deuxième cas, l'insécurité foncière est davantage liée au contrôle des terres agricoles par les autorités traditionnelles et certains membres de l'élite politique et économique. La précarité des petits agriculteurs s'apprécie à travers la prolifération des contrats annuels de location des terres (05-1 ha). Dans ce contexte, les projets de restauration de la fertilité et de protection des sols contre l'action de l'érosion, introduits dans plusieurs régions à écologie fragile, connaissent une faible adhésion des populations (c'est le cas de l'opération *Faidherbia albida* introduite dans la zone soudano-sahélienne du Cameroun en 1996). La plantation d'arbres, forme de marquage de l'espace, ou l'aménagement des

cordons pierreux antiérosifs étant considérés comme une forme d'appropriation du territoire par l'exploitant, conduisent assez souvent à une rupture unilatérale du contrat de location.

En définitive, la mise en exergue de l'insécurité foncière comme une contrainte majeure viendrait renforcer le développement qui est fait sur la question foncière en général (page 52), de même qu'elle justifie de façon pertinente la recommandation sur la question (figure 19 de la page 69).

d. Recommendations

A mon sens, le projet inclut dans l'ensemble suffisamment d'information à un niveau adéquat pour appuyer les messages politiques.

FOFIRI NZOSSIE Eric Joël, Ph.D.

*Université de Ngaoundéré, FALSH-Département de géographie
BP. 454 Ngaoundéré (Cameroun)*

[English translation]

After reading the VO version of the Report, and according to the guidelines indicated by the HLPE team and the Steering Committee, I have the following observations.

- From the general point of view

The Report is well structured, written in a style accessible to the general public. It articulates, with perfect coherence, ideas developed and examples taken from various worldwide socio-economic and political realities.

The substance: the aspects presented are in my opinion sufficiently set forth to contribute to the debate about investment in smallholding agriculture. The facts and figures presented are sufficient to help our understanding of the problems addressed.

In relation to the form: some comments (questions) can be made.

The legend on Figure 3 (page 20) is it in French or English? (**Nbre de holding** and **Superficie**). Is this presentation different from that of Figure 5, which has the same title and the same structure?

Figures 6 and 8 (page 24), and 10 (page 25), do not seem to me easily understandable (maybe because of a problem in the wording of the legend? For the authors to consider).

For Figures 7, 9 and 11, I would propose to specify the unit (ha?) either in the title or on the evolution curve.

- From the point of view of the guidelines indicated by the HLPE team and the Steering Committee

e. Definition and significance of Smallholder agriculture: is the approach in the report adequate?

The approach presented in the Report is adequate.

- It clearly describes the slight differences between the groups of countries (developed and developing countries). The characteristics of smallholder agriculture are clearly presented according to these groups of countries, highlighting the disparities observed (case of definition-

based approach of smallholder agriculture in the United States and the pertinent example given in Figure 4 (page 21); and the case of Brazil and China).

- It equally underlines some institutional deficiencies (or shortfalls), illustrating for certain countries, the imprecision of the characterization of smallholder agriculture [the example of Japan, or of the African continent where the absence of data affects in general several spheres of socio-economic life (Figure 5)].

Furthermore, the Report highlights the importance of smallholder agriculture as much from the economic (creation of employment in agricultural production and transformation, contribution to reduction of food prices in the market, improvement of income for farmers) as the social (food availability, diversification of the offer) points of view. The example of Brazil illustrates very well the contribution of the diversification of the food offer both to basic foodstuffs (cassava, maize, ...) as to the products with high added value (milk).

f. Framework for Smallholder agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?

The proposed typology is useful and can give orientation to public and private actions to increase investment in smallholder agriculture.

- g. Constraints to smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

Beyond the 4 main constraints identified in the Report, it seems to me important to mention explicitly « **land title insecurity** » or « **the question of land ownership** » as a major constraint for investment in smallholder agriculture. This reality greatly affects the small farmers in Sub-Saharan Africa for which it is possible to homogenize rural practices.

Land insecurity can have an impact on investment in small farmer agriculture in respect of both the physical and financial capital; and the natural capital (using the established typology for the different types of capital (page 37) :

- ***Impact on physical and financial capital***

In many African countries the duality between **modern land legislation** defined by the institutional regulatory framework and **customary law** generates tensions, between the indigenous and non-native population on the one hand, and on the other, between indigenous holders of property rights and those that have the right to exploit. These tensions are reinforced in areas of mass migration whether they are organized or spontaneous migrations (the case of the Valley of the River Benue in the North of Cameroon). This context polarizes the thousands of small migrant farmers (natives of districts with a strong agricultural tradition) in a climate of land insecurity which tends to reduce their efforts to invest both physically and financially, for fear of expropriation. (See box below).

Encadré : La mobilité humaine, source de tensions et d'insécurité foncières dans la vallée de la Bénoué (Cameroun)

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Le foncier demeure en effet une question délicate à aborder dans le Nord-Cameroun en raison des mécanismes de gestion de la terre qui ont toujours placé l'autorité coutumière au centre du dispositif. En 1974 l'Etat Camerounais marque sa volonté de contrôler le foncier à travers la loi foncière de la même année, qui en fait le principal gestionnaire de la ressource. Dans la pratique cependant, les autorités coutumières, auxiliaires de l'administration sont régulièrement associées à sa gestion avec des limites de pouvoir assez imprécises. Pour Teyssier (2003), la reconnaissance du pouvoir coutumier comme gérant exclusif du foncier parmi les prérogatives accordées aux chefferies du Nord en contrepartie d'une alliance avec le gouvernement sur l'échiquier politique national, a entraîné de graves dérives dont les conséquences sont perceptibles au plan socio-économique. La gestion foncière est vite devenue la principale source de revenus pour les chefferies, à travers l'octroi notamment aux étrangers des droits d'usage sur le sol qui s'accompagne de la *zakkat* (impôt en nature), l'arbitrage des conflits soumis à diverses taxations, la réglementation et la répression de diverses formes de violations. L'utilisation des réseaux de chefferies par l'Etat a renforcé le pouvoir de contrôle des autorités traditionnelles sur la ressource, quelquefois au détriment des actions concertées, comme ce fut le cas dans le Mayo-Rey (Seignobos, 2006). En 2004 le pouvoir traditionnel arrête le processus d'un projet de marquage foncier sur les limites litigieuses dans une zone de cohabitation entre migrants et autochtones inauguré après 1996 alors que les négociations étaient en cours. Cet acte mettait ainsi fin à huit années de bornage, entamé par le projet Développement Paysannal et Gestion de Terroirs (DPGT) et poursuivi par un bureau d'étude [Territoires et Développement local (Terdel)] ; en même temps qu'il permettait au pouvoir traditionnel d'affirmer sa primauté sur la terre, sous le regard impuissant de l'administration centrale et de l'ensemble des parties prenantes.

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² L'Etat Camerounais a élaboré et mis en œuvre plusieurs programmes de peuplement du territoire à partir de 1974, parmi lesquels l'opération Yabassi-Bafang [sur la question lire : Barbier J.C. (1977). *A propos de l'opération Yabassi-Bafang (Cameroun)*, Paris, ORSTOM, Travaux et Documents de l'ORSTOM, Sujet de recherche n°5322 inclus dans les accords de coopération scientifique entre l'ORSTOM et l'ONAREST, 141 p.

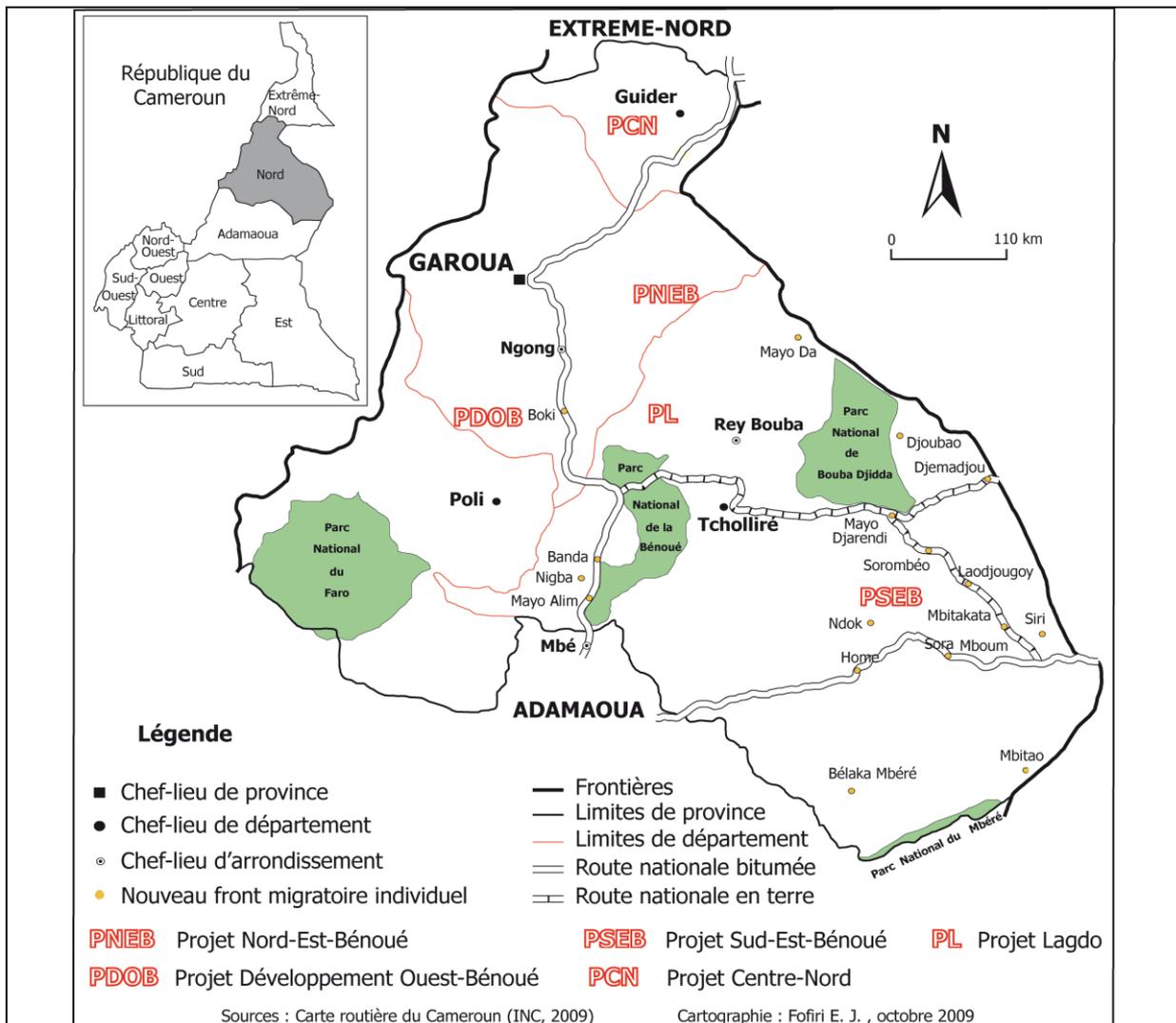


Figure 2 : Zones de migration organisée dans la vallée de la Bénoué à travers des projets étatiques

Références bibliographiques citées :

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Njomaha C., 2004. *Agricultural change, food production and sustainability in the Far North of Cameroun*, Leiden, Institute of Environmental Sciences, 245 P.

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7. Calvin Miller, FAO, Italy

I agree the document is a useful report. There could be some more on the issue of small farmer overall competitiveness which goes beyond their lack of natural and financial resources, the less developed

and often less reliable farmer groups and organizations and lack of economies of scale for both better market access and feasibility of investing in better technologies. It is then combination of factors that collectively pull them down.

I thought that in the point 3 and to some extent point 5 of the Summary and in the corresponding document text there is an over-appreciation of the status of farmer organizations. They have many problems of governance, of internal and external politics, etc. that seriously weaken many of them. It is not just that the world is "stacked" against them, which can be but is often not the case. I do agree with the point in 5 about inclusion.

I am not sure about the 2 hectare definition since it is not valid for some many places and does not address herders, mountain communities, etc.

Overall the other messages of the document are consistent with the information.

I look forward to further work in moving this from document into action.

Calvin Miller, Senior Officer Agribusiness and Finance, FAO

8. Mike Donovan, Practical Farm Ideas, UK

Dear authors,

My interest is The dissemination of improved methods for farmers and smallholders, and I search the report for an analysis of current knowledge transfer and recommendations for its improvement.

My involvement is the creation of Practical Farm Ideas www.farmideas.co.uk in 1992, and the subsequent development of the service, which has the potential for the principles to be transferred to the developing world. Even some content is suitable for adoption in farming systems based on smallholding.

Knowledge transfer is as important to the sector as marketing and banking / finance systems. Knowledge transfer, independent of those companies and organisations marketing products and services, allows the poor performer to move higher, the median smallholder to achieve production and efficiency through the use of methods and ideas passed to them by the best performers. This happens in the developed farming of the UK and is equally relevant in Africa, Asia and South America.

Yours

Mike Donovan
editor, Practical Farm Ideas
11 St Mary's St, Whitland,

9. Lizzy Nneka Igbine, Nigerian Women Farmers Association, Nigeria

Welcome and happy new year to all.

The small holder farmer is the food producers of my country Nigeria. The account for 90% of the farming population and the provide about 95% of the food consumed every year in my country Nigeria. their contributions is so intense that if there is additional funding for this sector , they will produce more.

Types of produce of this group of farmers ranges from maize crop to legumes , cassava and grains. There had not being any significant change in investments over the years and farming have not changed from ancient practices to modern and improved farming. Though this area has huge potentials. Investing in small holder farming should be focused on changing the manual forms of cultivation with investment on mechanization.

Clustering of farmers into cooperatives so that there can be a pool of resources that can qualify for funding and easy accessibility and arrangements to off take farmers harvest. also inputs like fertilizers

and improved seeds should be distributed. These are basic necessities for a good start in improving the lot of the small scale farmers.

Small scale farmers harvest will grow with an astronomical percentage and this will take care of the food needs of the Country as well as provide raw materials for our industries.

While taking care of the food needs, Cassava produce of farmers could be used in the production of Bio fuels like ethanol.

This will come cheap due to high volumes of expenditure being expected in the Agriculture business.

Hunger will be a thing of the past and poverty will disappear while unemployment will give way to job security and economic growth

10. Chenchu Norbu, Department of Agriculture, Bhutan

Components where I feel we need to focus:

1. Exposure of small farmers through education and awareness: Small farmers are usually slow to respond to new types of technologies. This is because they have strong belief in their norms and customs. It is important for small farmers know more about other types of farming or culture beyond their local areas. This is particularly true where physical boundaries like mountainous, hills, valleys and rivers separate settlements from one another.
2. Communication and connectivity: Small farmers become more aware of investments when they are connected to markets. Connectivity could be through motorable road networks or information communication technologies, like mobile phones and information sharing through TV and radio.
3. Incentives to produce more: A mechanism should be in place to buy farm surplus or when prices of farm produce are below the cost of production. This would encourage small farmers to produce more. Investments could be in form postharvest storage facilities establishment, provision of minimum support price systems, crop insurance schemes for loss from pest/disease or natural disasters etc.
4. Food/Nutrition and hygiene/sanitation: small farmers should produce beyond their traditional crops to enrich their dietary habits. Supplements through vitamins and mineral tablets are not a solution. Farmers should know nutrition value of their crops. In addition, clean drinking water supply is necessary to keep them away from water born diseases and maintain good hygiene/sanitation. It is important to see small farmers and their children strong and healthy to keep local economy moving.
5. Investments in Sustainable Land Management (SLM)- It is important to keep small farms productive for the current and in years to come. Although substantive gain from SLM is a long term, it is good to invest in it to increase farm productivity and reduce risks of farmland degradations. There are good lessons where SLM has proven to be successful for those households headed by a woman doing a mixed farming.
6. Good coordination among agencies supporting small farmers is necessary- Small farmers usually practice mixed farming to reduce risks of crop failures. Farm labors are contributed either by family members or rotational basis among the households. Farm labors are becoming scarce because of migration to urban areas. It is important for various agencies (donors or local authorities) to connect and coordinate so that the farmers are not called for meetings time and again. In the name of participatory planning or engagement of local in decision making, the farmers are asked to attend numerous meetings when there is a lot to be done on farms.

11. Nora Mckeon, Italy

Congratulations on this gargantuan task. My comments, obviously, concentrate on points that I think could be improved but there is much that is excellent.

I think it would be good to be clearer up front about the fact that this particular study is situated within the mandate of the CFS: that of promoting food security and guaranteeing the right to food. This would authorize you to state some points and recommendations more unequivocally. Examinations of the relation between investments and small-scale producers undertaken in other contexts and with other

mandates could produce different results and recommendations, but that is not the objective of this study.

The CFS request to the HLPE included undertaking a *comparative assessment* of strategies for linking smallholders to food value chains in national and regional markets and an *assessment of the impacts* on smallholders of public-private etc. partnerships. The civil society/social movement participants fought hard to get the words I have italicized included in the wording of the decision box. It seems to me that, although the draft zero report does touch on the various strategies it does not really conduct a comparative assessment of them, nor does it discuss the impact of PPPs. I realize that the HLPE team is inevitably composed of people with different views. However, I wonder if it wouldn't be better to recognize this and clearly present a range of options/readings where these exist. As it is, on some of the most contentious points the zero draft report presents these different views as though they were complimentary, which they most often are not, and the result is confusing (e.g. the para. following box 3 on pg. 32, or para 2 on pg 41).

In this line, it might be good to state clearly at the outset that (simplifying, of course) there are two different narratives that confront each other: one that maintains that smallholder agriculture is essentially archaic and that the only solution for enhancing food security is to "modernize" it by incorporating those farmers who can make it into corporate-led value chains and giving the rest social protection treatment VS one that maintains that smallholder agriculture is the basis for food security and a host of other benefits and should be supported in line with its own logic, not by trying to incorporate it into some other logic. This would give you a clearer framework for comparative assessment of strategies. It would also provide a stronger basis for arguing in favour of support for smallholders – not just for the sake of it but because (at least according to one of the two narratives) they are the major pillar of food security and sustainable food systems for many developing countries.

I think it would be good for you to clarify the terminology up front. The CFS request talks about smallholders, but there are several other terms such as "small-scale producers" and "family farmers". You do this to some degree in paras 3-5, but it should be in the Exec Summary as well. The fact that behind the term "smallholder" one is talking about a model of agriculture that contrasts in many ways with that of industrial agriculture and that provides a host of benefits beyond production could be clearer. The "sustainability" part of the equation could be strengthened. You risk having the agroecologists rise up in arms (p 59)!

Regarding markets, there is a clear statement on this in the last para. of section 2.3.1 but elsewhere in the report the discourse is a bit less clear. The discussion about different types of markets does not adequately address the issue of how they score (differentially) in terms of "the conditions that govern smallholders' participation in the market economy". The report doesn't illuminate the "value chain" buzz word sufficiently (box 8 is tendentious) and doesn't come to grips with the issue of somehow reconciling the financial benefits generated through sale of commodities with the overall, diversified logic of the "exploitation familiale".

You might want to consider introducing a dimension of future-oriented scenarios. With climate change and an intensified energy crisis the policy arguments for promoting sustainable smallholder production will also be intensified.

You don't seem to have given enough weight to conflicts of interest between the corporate private sector and public goods. The issue of the impacts of profit-oriented corporate concentration along the food chain on food security and the right to food cannot be ignored.

The justification for a National Smallholder Vision and Strategic Framework isn't strong enough yet. How would it relate to a food security/right to food strategy, and to an agricultural policy (in which presumably one would want smallholders to be at the center, as in ECOWAP)? And of course implementation is the big problem. I'm sure you are planning to work on this for the final version.

The report is a bit weak on women in food production and on human rights. Opportunistically, you might try to get more mileage from the International Year of Family Farming.

On a more cosmetic tone, once you have finalized the content it would be great if the HLPE secretariat could arrange for a top quality English mother tongue editing.

12. David Neven, Italy

I'd also like to congratulate the authors on having been able to handle such a broad topic and deliver a well-structured paper. In order to challenge the authors a bit though, I'd like to offer the following comments, which are mainly based on the draft summary and recommendations:

1. Flawed premise: The paper assumes that, long term, investment in smallholder agriculture is the solution to food and nutrition security, mainly because so many households are critically dependent on it. This is a flawed reasoning, as most of these smallholders (all of them if you follow the definition of the authors) are subsistence farmers. Most of these farmers are in agriculture for survival, because it is the only option left to them. They invest in the farm (if they do), because there is nothing else to invest in. A sub-group of smallholders (more broadly defined) is market-oriented (perhaps a third?), and supporting those farmers (promoting investment in/by them) makes sense, but even in that case, the objective is that these farms grow, that they create jobs and cheaper, healthier food, and that they eventually are able to drop their smallholder label. The solution to broad-based food and nutrition security lays in creating an efficient food system and creating jobs in agriculture, in the downstream part of the food chain, and in non-food chains. By promoting marginal change at the smallholder farmer level, smallholders are made marginally better off, but kept in relative poverty in rural areas, still very exposed to external shocks, and thus with food and nutrition security obstructed rather than aided. In addition, if all stay in agriculture there is no land available to more efficient smallholder farmers to grow through expansion (i.e., they will remain small). Furthermore, the effectiveness, sustainability, and cost-efficiency of measures that directly support the poorest farmers is likely low (impact data are very rare to proof this either way), and are more of a social support than an economic development nature. The paper blends these two objectives thus undermining its ability to provide effective policy guidance (e.g., handing out free fertilizer to the poorest households undermines the ability to simultaneously establish commercial fertilizer markets for other smallholder farmers).

2. Omission of the meso-level context: the paper takes a micro-level (farm-level) perspective in which the smallholder farmer is not placed in a value chain context (or sub-sector or business model context). This means that there is no identification of root causes or of leverage points where a maximum impact of facilitation efforts can be achieved. Solutions to the identified dimensions of investment growth, i.e., secure access to resources, favorable market conditions, and good policy design, are largely found at the meso level. The importance to find PPP type solutions (e.g., for extension) is largely ignored, while heavy government involvement is promoted. The importance of starting from clear market opportunities is ignored. The development thinking of the last 10 years is largely ignored.

3. Collective action from singular perspective: collective action is presented as springing from social networks (rightly so), and to then extend from there to effective collective action for advocacy and commercial intent. However, links based on social networks can at times be more detriment than facilitation for commercial collective action as they imply different objectives (social security vs. increased sales). This angle is overlooked in the report but needs to be fully recognized in any capacity building effort.

4. Net buyer status not recognized: smallholders are correctly described as being in the market, but without discussing that they are very much linked to food markets as buyers of the very same products they produce. Many are net buyers of staples such as maize they produce, which stresses the importance of near-farm storage. While the paper recognizes the heterogeneity amongst smallholder farms, it does not incorporate this in the formulation of recommendations (it just mentions that this heterogeneity needs to be considered).

5. No discussion of formalization: ultimately the social safety nets and public investments (schools, extension) have to be funded from somewhere, with taxation being a key part. Formalization of economic activity (in some practical form) has to come into play at some point so that government has both the knowledge and funds to support food system growth in the long term. This aspect is not discussed.

13. Timothy Wise, Tufts University, USA

Comments from Timothy A. Wise, Research and Policy Director, Global Development and Environment Institute, Tufts University, Medford, MA 02155

The V0 draft of the HLPE report on smallholder investment is an excellent first draft on a large and complicated topic. These comments are intended to deepen and broaden the research and presentation to include more of the relevant literature on the subject, to build the evidence base, and to answer more directly the specific research questions posed about PPPs in general and corporate investment in particular.

I would refer the authors to a very recent publication I co-authored with Mexican researcher Antonio Turrent Fernandez, [Achieving Mexico's Maize Potential](http://www.ase.tufts.edu/gdae/policy_research/MexMaize.html), linked here and available at: http://www.ase.tufts.edu/gdae/policy_research/MexMaize.html

This extensive paper included an extensive literature review on the evidence base that investments in small-scale maize farming in Mexico could close yield gaps estimated at more than 50% through available technologies, focusing on sustainable methods and without the use of controversial genetically modified maize seeds. We concluded that there was enormous potential for Mexico to close that yield gap and regain some or all of its lost self-reliance in maize production. We further concluded that with significant public investment in irrigation and infrastructure, underutilized land could be productively brought into production, dramatically increasing Mexico's maize output and making the country a net exporter.

This is relevant to the HLPE draft because I believe the authors have still not consulted a wide enough literature to sustain their analysis. I would point out that the G20 interagency paper commissioned by Mexico for the June G20 meetings, "Sustainable Agricultural Productivity Growth and Bridging the Gap for Small Family Farms: Interagency Report to the Mexican G20 Presidency," offers an extensive review of the relevant literature, and while that report has many weaknesses it identifies much of the important literature.

It is also relevant because it seems the explicit question about PPPs and value chains may have diverted attention from the more fundamental question the paper is to address: "a comparative study of constraints to smallholder investment in agriculture in different contexts with policy options for addressing these constraints." Key to that larger question is public investment, a topic that does not get adequate attention in the current draft. Nor does the issue of gender, which the majority of smallholders (women) would probably say is one of the biggest constraints to smallholder investment. Again, there is a wide and deep literature on this topic, and it should be consulted and represented here. Following are a few specific comments on the literature followed by more on the draft itself.

The need to consult a wider literature: It is unclear from the presentation what methodology was used in the literature review, specifically, whether the scope included only peer-reviewed literature. If so, I would urge that a broader range of publications be reviewed and that the peer reviewed literature be consulted more deeply. The paper referenced above includes a very up-to-date literature review on the topic, with references that go well beyond Mexico, maize, and Latin America. So too does a comprehensive report from early 2012: [Resolving the Food Crisis: Assessing Global Policy Reforms Since 2007](#), by Timothy A. Wise and Sophia Murphy, GDAE-IATP Policy Report, January 2012.

I include at the end of these comments some important references from a variety of sources, including institutions such as the World Bank and IFPRI, academic researchers, and researchers working with NGOs. All seem relevant to the topic at hand. In addition, I would suggest inclusion of two authors who have contributed a great deal on these subjects:

1. Michael Lipton – one of the seminal thinkers on smallholders and poverty. I do not cite any one book or article, but urge that the authors review his important work, with firmly established the importance of investment in smallholder agriculture as necessary to broad-based economic development in societies in which smallholders still predominate.

2. Olivier de Schutter, the UN Special Rapporteur on the Right to Food, who has taken up not only the broad question of the smallholder investment but the specific question of smallholder links to agribusiness and contracting arrangements. I would note in particular:

De Schutter, Olivier (2009). Seed policies and the right to food: enhancing agrobiodiversity and encouraging innovation: Report presented to the UN General Assembly (64th session). Geneva, Switzerland, UN Special Rapporteur on the Right to Food.

De Schutter, Olivier (2010a). Agribusiness and the right to food: Report presented to the Human Rights Council. Geneva, Switzerland, UN Special Rapporteur on the Right to Food.

De Schutter, Olivier (2010c). Large-scale land acquisitions and leases: a set of minimum principles and measures to address the human rights challenge: Report presented to the Human Rights Council. Geneva, Switzerland, UN Special Rapporteur on the Right to Food.

De Schutter, Olivier (2011a). Agroecology and the Right to Food: Report presented at the 16th Session of the United Nations Human Rights Council. Geneva, Switzerland, United Nations Human Rights Council.

De Schutter, Olivier (2011d). "The Green Rush: The Global Race for Farmland and the Rights of Land Users." *Harvard International Law Journal* 52(2).

A few observations on the content of the draft:

1. The definition of smallholder agriculture is not as clear as it should be. On the one hand, it should be clear whether smallholder agriculture includes those renting land. (I would assume it does.) On the other, it should be clear that many smallholders are operating at a level that goes beyond subsistence, and the goal, in fact, is to bring a larger segment of smallholders to the point of producing surpluses for the market. The typology of the smallholder farmer should be expanded.
2. The definition of investment is not as clear as it should be. Specifically:
 - a. Public investment is critical to smallholder agriculture given the wide range of market failures prevalent in the sector. The use of the term "public goods" is confusing in this regard, because public investment in smallholder agriculture goes well beyond the provision of public goods. It can (and often must) include credit, storage and other marketing infrastructure, research and development, extension services, irrigation, etc.
 - b. Private investment is too often equated with corporate investment, via PPPs or other means.
 - c. Private investment includes smallholders' own investments in their productive assets. This is acknowledged in the draft but is then treated more as a matter of furthering subsistence through safety net programs than in equipping smallholders with the capital and economic security to innovate in their farming practices.
 - d. The paper is largely silent on international aid for ARD. This is an important topic, all the more so because of the G8's embrace of PPPs as an explicit substitute for public donor investment in ARD, as part of its corporate-led New Alliance initiative. This approach needs to be challenged, and the important role of international public investment needs to be emphasized.
3. The paper is unclear on the role of the market, in a number of different ways:
 - a. Market failures are not well-documented or well-understood. These include a broad range of weaknesses that plague smallholder agriculture, hamper investment, and require public sector investment.
 - b. Market regulation is referred to often but is not presented as a critical function of government in relation to smallholders and in relation to larger corporate interests. The authors note the asymmetries in economic and political power between agribusinesses

- b.** There is too great an emphasis on expanding access to improved seeds, which is a counterproductive and inappropriate technology for many smallholders. (Only 30% of Mexican maize farmers have adopted hybrid seeds, for example.)
- c.** Precision application of inputs, through extension services, is more important and sustainable than simply expanding fertilizer use. (See our Mexico maize study for a good example of the results one can achieve.)
- d.** The emphasis on smallholder organization is excellent. Our Mexico maize example, noted above, is an excellent case study of how good extension with appropriate technology with organized smallholders can produce dramatic productivity gains and also improvements in resource management.

Below are some references the authors may find particularly relevant to this paper. I thank the authors for taking on this daunting and important topic and look forward to their further development of the HLPE paper.

Sources from Turrent, Wise, Garvey, [Achieving Mexico's Maize Potential](#):

Altieri, Miguel A. (1999). "Applying Agroecology to Enhance the Productivity of Peasant Farming Systems in Latin America." *Environment, Development and Sustainability* 1(3-4): 197.

Fan, S., Ed. (2008). *Public expenditures, growth, and poverty: Lessons from developing countries.* Baltimore, MD, John Hopkins University Press.

FAO, OECD, Bioversity, CGIAR Consortium, IFAD, IFPRI, IICA, UNCTAD, HLTF, WFP, World Bank and WTO (2012). Sustainable Agricultural Productivity Growth and Bridging the Gap for Small Family Farms: Interagency Report to the Mexican G20 Presidency. Rome, Food and Agriculture Organization (FAO), Organization for Economic Co-operation and Development (OECD).

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World Bank (2005). Agriculture Investment Sourcebook. Washington, D.C., World Bank.

World Bank (2012). Agricultural Innovation Systems: An Investment Sourcebook. Washington, D.C., World Bank.

Sources from [Resolving the Food Crisis: Assessing Global Policy Reforms Since 2007](#), by Timothy A. Wise and Sophia Murphy, GDAE-IATP Policy Report, January 2012:

Fan, Shengenn and Mark Rosegrant (2008). Investing in Agriculture to Overcome the World Food Crisis and Reduce Poverty and Hunger. Washington, IFPRI.

Gates, Bill (2011). Innovation with Impact: Financing 21st Century Development. Cannes, France.

Murphy, Sophia (2006). Concentrated Market Power and Agricultural Trade. Eco-Fair Trade Dialogue, Heinrich Böll Stiftung and Misereor.

Donor Platform (2011). Aid to ARD and food security: The United Kingdom. Platform Knowledge Piece. Bonn, Germany, Global Donor Platform for Rural Development.

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14. Subhash Mehta, Devarao Shivaram Trust, India

How Farmers Can Protect Water Quality, Replenish Aquifers and Save the Soil - a subject of great importance to for meeting the needs of the poor smallholder producers and for this consultation process, as trailed below:

Scientists work with farmers to find ways to reduce surface runoff and soil erosion, thereby also reducing water pollution. Dr. Mae-Wan Ho

A team of scientists and local farmers used a computer simulation programme to help identify the best ways to reduce surface runoffs and soil erosion on farms [1].

The study was done in collaboration with the local authorities in an area of south-western France that suffers badly from surface runoffs and soil erosion after rainfall.

To support the work, they used a geographic information system (GIS) computer simulation model of water flow and soil erosion, STREAM, to assess the impacts of a spring stormy event under different management scenarios at two sites chosen by the farmers. The results were jointly analysed and evaluated by the farmers and scientists, and the farmers discussed the technical and economic feasibility of each management scenario.

The STREAM simulations showed that a 40 mm spring rainfall with current cropping patterns led to 3 116 m³ total water runoff and 335 tonnes of sediment at site A, and 3 249 m³ water runoff and 241 tonnes of sediment at site B. Growing grass strips at strategic places could reduce runoff by about 40 % and sediment by about 50 % at site A. At site B, grass strips could reduce runoff and sediment by more 50 %, but changing the cropping system could eliminate both runoff and sediment almost entirely.

Agriculture & water

Agriculture is a major user and polluter of water, and this needs urgent attention in view of the global depletion of fresh water resources (see [2, 3] World Water Supply in Jeopardy, SiS 56; Using Water Sustainably, SiS 57).

The problem started from the 1960s when intensive agriculture was introduced in Europe to increase crops yields (see [1]). This required mechanisation and the application of fertilizers and pesticides, which soon favoured big farms at the expense of small farmers. And the now well-known environmental problems of runoff, soil erosion and pollution of water resources started to emerge.

Over the past 20 years, groundwater and surface water monitoring in Europe revealed significant nitrate and pesticide contamination, especially in France, where surface water samples often exceed the drinking water limit of 0.1 mg pesticides/L. For example, 96 % of surface water in the Department Tarn and Garonne in south-western France was contaminated by nitrates, phosphorus and pesticides, partly because of erosive runoff in cultivated fields.

In 2000, the European Community introduced the Water Framework Directive (WFD) to restore and preserve the quality of all water resources. It set targets of water quality to be achieved by 2015. The

common agricultural policy (CAP) reform of 2003 introduced the 'cross-compliance principle' that linked the full payment of CAP aids to farms to compliance with agri-environmental standards called "good agricultural and environment condition", which include a part of the annual cropped area to have permanent plant cover to prevent soil erosion and buffer strips (no-cultivated or grass planted) along water courses to prevent surface water pollution.

According to French decree, the total surface area of permanent plant cover (PPC) in each farm must be at least 3 % of the annual cropped area. PPC or grass strips must be planted within fields, most importantly, those bordering rivers, and the strips must be between 5 and 10 m wide and must cover at least 500 m². Designing these agri-environmental measures (AEM) is not a trivial matter, and will differ for farms at catchment level as opposed to river level. Therefore modelling could help find the best design. And working with farmers in real farms would also put the model to proper test.

Farmers chose the sites

The study was done in the French Department Tarn et Garonne in collaboration with Lomagne district agricultural committee. Soil erosion is prevalent in these catchments and sediment loads in streams and rivers impact negatively on water quality.

The region has a humid temperate climate, with annual rainfall between 700 and 760 mm, and average daily temperatures 10 to 35 °C. Rainfall is low to moderate in winter, and the most intense rainfall events are in spring. The soils in the region are very susceptible to surface sealing. The water table is very deep (> 10 m). The risk of erosive events is very high in April-May, when intense rainfalls occur (20-40 mm in 2 to 3 hours) and many fields have just been sown.

Figure 1 Sites selected for study in southern France

In collaboration with the local farmers, two sites were selected (see Figure 1). The first is a 41 ha hillside farm with slopes ranging from 0 to 15 %, comprising five large fields cultivated by two farmers. In 2009, 36 ha were planted with spring crops (maize and sunflower) and 5 ha with winter wheat. Spring storm causes mud flows in the fields with spring crops that cover the downhill road nearly every year. The second site is a 107 ha catchment that supplies the Serre River and comprises 40 fields cultivated by 5 farmers. This site is characterized by a steep-sided upstream valley with strong slopes (> 15 %), followed by a relatively flat valley (slope between 0 and 5 %). In 2009, five main crops were cultivated: winter crops (wheat, barley and rape) on 43 % of the area, spring crops (maize, sunflower and sorghum) on 41 %. Grasslands account for 12 % of the area mainly in the upper basin, while forest and set-aside account for less than 4 % of the area.

Site A was chosen because erosive runoff is severe and occurs almost every year in spring. Site B was chosen because it is small and different crops are grown there. Another important factor was that most of the farmers (5 of 6) in the two sites selected agreed to spend time with the scientists.

The hydrological model and geographic information simulation software

Read the rest of this report at:

http://www.i-sis.org.uk/How_Farmers_Can_Protect_Water_Quality.php

15. Samuel Hauenstein, Swan ACF, United Kingdom

Dear HLPE,

Whilst the agricultural sector cannot create all preconditions for a healthy start in life – this is the joint task by the health, education, social protection sectors among others – smallholder investment must play a central foundation to enable the rural environment where by smallholders can strive to build the nutrition security for under-fives, mothers and their households.

At ACF International we would like to see more specific proposition in respect to the specific nutritional requirements of under-fives, pregnant and lactating mothers within the small holder development discussion.

Four areas we see need for improvement in the next drafts:

The role of smallholder agriculture in nutrition security needs to be more analytical and precise defined, draft 0 largely considers nutrition as an add-on to food security.

Often when the terms food and nutrition security are used in the text, there is little following mention of nutrition and it invariably refers only to food security- (for example in the summary, in the section on Smallholder Agriculture: the Way Ahead- past the initial assertion in paragraph 12 there are no further mentions in the section on nutrition, but only food security.) Food security and nutrition security should be two separate terms rather than merged as in current draft. By referring only to food security, there is the risk of the assumption that increased production for smallholders will automatically lead to better nutrition, which may lead to agricultural development programs that do not program adequately for improved nutrition as an outcome. Increased agricultural production can even cause possible harm to nutrition status (for instance where smallholder investment shift towards cash crop and thus reduce dietary diversity, women workload, diseases related to use of agro-chemicals).

We will where available cross reference to some ACF examples and research that outline way how to program for nutrition impact.

Programming for nutrition impact means including it as an explicit objective of nutrition-related programs...

Little mention of the significance of smallholder agriculture on nutrition at the individual and household level

There appears to be no section on the significance that smallholders can have for improvements to nutrition. It would seem to be relevant to include some information on this in section 2, in particular considering that there is a section included on smallholders significance for food security etc. but no thoughts given to the role of nutrition - more specifically the role in growing complementary food for children of 6 to 24 months. The report could highlight the available evidence that smallholder agricultural development leads to more effective food utilisation and dietary diversity. (We do however acknowledge that there needs to be further scientific research on the link between smallholder agriculture and nutrition, as clearly acknowledged in the last systematic review on the subject Masset et al, 2011).

Smallholder agriculture can increase food production, raise rural incomes, and push down food prices; all of which should improve the access of poor and vulnerable people to food and thereby contribute considerably to improving their food security. Smallholder agricultural interventions can be made more sensitive to nutrition in two key ways; by reducing female disadvantages in farming, for example poor access to inputs, seasonal credit and technical assistance, thereby increasing women's returns from their farming, and through this giving them more opportunity to spend on the nutrition and care of their children — and themselves. The other is either to promote home gardens and small livestock keeping to encourage more diverse diets at the household level and especially under the control of the women, or to fortify staples with added minerals and vitamins such as Vitamin A through plant-breeding, or a combination of these two.

ACF International has their own program evidence of the impact of small scale agriculture and complementary nutrition activities on nutrition and dietary diversity:

- Health Gardens project in Mali (2010 evaluation): project which comprises the improvement of availability and access to high quality food through vegetable gardens, the increase of households' incomes and the good use of food and incomes generated by the gardens for the improvement of the family and children's health. Our evaluation found participants had more production from gardens; more income; were eating a more diverse diet; and that child malnutrition had fallen in participating villages

- Low Input Gardens (LIG) project in Zimbabwe: The project evaluation found that participants in the project had better dietary diversity (higher HDDS scores than control groups) following the conclusion of the project as well as social impacts (greater acceptance of HIV/AIDS patients).

Seasonality

Following on from the above point, it seems important to include some discussion in the report on the effects of seasonal hunger and food availability, which is the reality for many smallholder farmers in low income countries. (Relevant to mention seasonality in section 4.2. Persistent poverty and lack of access to resources (as a constraint to smallholder investment). It is well known that the poorest households – even those relying predominantly on small scale agriculture for their livelihoods – are reliant on the market to purchase food once their harvest runs out. It would be encouraging to read more in this HLPE report on interventions that aim to reduce the hunger gap by ways of food and seed storage, or how to reduce dependency on markets, especially during the hunger gap with interventions such as Inventory Guaranteed Credit Schemes (Warrantage), building storage solutions, affordable food processing on village level and the like to increase food and nutrition security during seasonal deprivation.

The gains made during the prosperous times of year are often negated by forced sales of assets and other coping mechanisms families are forced to undertake to survive during the hunger season. Seasonal changes in the local market can push vulnerable households closer to a threshold beyond which they cannot afford to cover their basic (qualitative and quantitative) dietary needs, eroding their resilience and preventing investment in their livelihoods. Many programmes fail to address seasonality of hunger and undernutrition... This could also be mentioned in 5.2.1., as methods to tackle seasonal hunger amongst smallholders could be a major way of improving their well-being and hence improving investment (for example pre-positioning of health and nutrition resources before the hunger season, employment guarantee schemes and cash transfers during the hunger season). The care giver should increasingly be educated on the dietary needs of growing children so that they can make the best choice for planting, selling, saving and purchasing food commodities throughout the annual cycle.

Recent ACF research emphasised the importance of designing food and nutrition security interventions around rural-urban linkages (migration during the hungry season to cities, and cash sent back from families in the city to rural relatives during this time) to help increase the impact of these interventions. These linkages are most important during seasonal periods of hunger and poverty. These linkages often represent efforts by the households to create their own safety nets, reflecting their own priorities and capacities. This report should point to ways and needs how to strengthen these self-generated safety nets linking rural smallholder with urban relatives and food markets to progress nutrition security.

Acknowledgement of the importance of nutrition interventions in under-fives and mothers.

As clearly reported in the paper, the health and well-being of individuals involved in smallholder agriculture clearly affects agriculture itself- an unhealthy agricultural population constrains resources and labour for investment. In section 5.2.1: 'Access to rights: smallholders' family needs for well-being.' The first paragraph mentions the importance of strengthening the well-being of women and children for investment in smallholder agriculture. While the draft discusses action for school age girls and boys, its proposition in respect to under-fives within the small holder development discussion is unclear. Pregnant and lactating women, babies and children have heightened nutritional requirements, particularly between conception, complementary feeding phase and age two. Smallholder investment must therefore be planned and monitored in how far it is addressing these nutrition needs for children under five during 'the window of opportunities' to prevent impaired child growth, create healthy conditions for the women during pregnancy and that put the growing child at a lower risk of suffering from chronic diseases in adulthood. In addition, interventions that target maternal health can help to prevent low birth weights and stalling progress in later child development, and the smallholder agenda can take specific care to create healthier environments, lower workloads and production focus to raise availability and utilization of adequate diets.

There are a range of proven direct and indirect nutrition interventions that could be included in the report for this 'the window of opportunity'. These include the promotion of breast feeding and optimal complementary feeding, the increase of micronutrient interventions and strategies to improve family and community nutrition and reduction of disease burden (e.g. promotion of hand washing and strategies to reduce the burden of malaria in pregnancy). (For further information, see ACF International Manual, Maximising the Nutritional Impact of Food Security and Livelihoods Interventions, 2011).

Samuel Hauenstein Swan - Senior Policy Advisor
Jennifer Stevenson - Policy Resercher
Action Against Hunger - ACF International

16. Federal Government of Germany

1) Introductory Comments

Germany highly welcomes the opportunity to comment on the HLPE V0-Draft on constraints to smallholder investment in agriculture. Overall, the paper provides a good as well as balanced assessment of the challenges faced while attempting to facilitate smallholder based agricultural development.

However, the report should **take more into account the overall challenges of agricultural development** in the context of ensuring food and nutrition security. Agriculture has to feed approximately nine billion people in 2050. Climate Change, declining soil fertility and the consequences of the negligence of the agricultural sector in the past are constraints for increased sustainable agricultural production which is in its own required to implement the human right to adequate food worldwide. FAO estimates that investments of 83 million USD are needed every year to achieve that. **The role and the potential of small scale farmers to contribute to increased agricultural production and to benefit by enhancing their own means of production and productivity should be elaborated more detailed in the report.**

Since the CFS requested the HLPE to compile a report on constraints to smallholder investment in agriculture, the headline of the V0-Draft is creating the false impression of dealing with investments in smallholder agriculture in general. Yet, the content really covered by the report and requested by the CFS deals with challenges and opportunities to facilitate smallholder based agricultural development by smallholders themselves. As a consequence, Germany recommends **changing the headline into "Facilitating smallholder agriculture for food and nutrition security"**.

2) Definition and significance of Smallholder agriculture: is the approach in the report adequate?

Assuming that the above mentioned improved embedding of the topic into overall agricultural challenges will be included, the report is adequate to define smallholder agriculture and their significance.

3) Framework for Smallholder agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?

The used typology is adequate to access the problem. The charts and boxes within the report further simplify the readability of the document.

4) Constraints to smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

All in all the constraints are addressed in a proper way. However, the **following aspects should be included** as well:

- One of the basic conditions for successful investment and sustainable development, particularly in the small scale farming sector, is education, especially vocational education and training. While education in general is referred to, the document does not address the area of vocational education and training. The report should give reference to the importance of **vocational education and training** appropriate consideration.
- The report repeatedly refers to climate change. However, only the relationship between the sector of small scale farmers and the mitigation of climate change is mentioned. Given the already apparent impacts of climate change on agriculture in many regions, it will be essential to enable the small scale farmers to **adapt their production to the changing climatic**

conditions. Therefore investment in adaptation strategies for small scale farmers should be taken into account appropriately in the report.

- The report mentions in its summary the dimension of institutional and policy design. More detailed insights in the **importance of good governance** are nevertheless lacking in the main document. Germany recommends therefore evaluating the inclusion of an additional chapter dealing with political frameworks and underlying governance structures.
- 5) Are the main areas for recommendations and the priority domains for action adequate? Does the draft include sufficient information at the adequate level to support the policy messages?

While referring to the agricultural dimension of economic growth, the **macroeconomic parameters for overall development** need to be taken into account as well or at least be kept in mind. In some countries investing in smallholder farming might contradict the optimum of macroeconomic development policies.

While referring to the enforcement of rights regarding existing rights on land the reference to the **Voluntary Guidelines of Tenure of Land, Fisheries and Forests** in the context of national food security and the self-commitment by the states for its implementation has to be included and clearly pointed out.

In general, it is appropriate to focus on small scale farmers because they represent the majority of agricultural producers. Nevertheless, the focus should be on a **dynamic development** taking small scale farmers as a starting point for further development. A mere conservation of small scale farming structures in the long run should not be the leading idea of this study.

Further, the study recommends states to develop a **“National Smallholder Vision and Strategic Framework”**. Such an instrument can be regarded as useful in order to better address the smallholder issue within the national agricultural policy planning. However, given the need for synergies and an effective and efficient use of capacities it might be **more appropriate to recommend including that kind of framework in already existing international or national frameworks** like CAADP or other national agricultural strategies.

17. Sibiri Jean Zoundi SWAC/OECD, France

1). La notion de ‘Smallholder agriculture / Smallholder’ : de quoi parle t-on ?

Cette question est capitale et mériterait encore plus de clarification dans le document. Cela permettrait d’éviter toute la confusion entre ‘Smallholder agriculture’ et ‘Agriculture familiale’.

Suggestions :

(a). Il faudrait voir la possibilité d’intégrer une petite note de cadrage conceptuel

Dans la compréhension donnée au concept de ‘smallholder agriculture’ dans le cadre de ce travail (en plus de la force de travail essentiellement familiale : ‘... a holding run by a family...’, la notion de ‘small’ est surtout reliée à la base des ressources (‘...and it is considered to be ‘small’ : it is, as yet, not or barely able to render and acceptable livelihood...’). Cette définition exclue naturellement certaines catégories d’exploitation familiale agricole, notamment les plus grandes disposant d’une base suffisante en ressources. Dans la partie 1.3.2 (Policy concerns), il est mentionné que ‘...small farms, smallholder agriculture, family agriculture’ which are similar, partially overlapping but not equivalent...’ Est-ce que cela n’ajoute pas de la confusion au niveau de la définition donnée ? Rien ne montre que ‘agriculture familiale’ est synonyme de ‘smallholder agriculture’.

Le cadrage conceptuel devrait permettre d’éclaircir certaines préoccupations :

- Peut-on déduire que ‘all smallholders are family farmers’ but ‘all smallholders aren’t smallholders’? ou en d’autres termes, peut-on conclure que les ‘smallholders’ ne sont qu’une catégorie de la grande diversité des exploitations familiales agricoles ?
- Est-ce que les producteurs agricoles (voir encadré 9) en situation de: ‘Assets (+)’ ; ‘Market (+)’ ; ‘Institutions (+)’ peuvent réellement être considérés comme des ‘Smallholders’ selon la

définition donnée ? En plus de l'exemple des producteurs de cacao au Nigeria, on peut aussi donner le cas des grands exploitants de coton en Afrique de l'Ouest

- La nécessité de dissocier la compréhension de 'smallholder agriculture' de la caractéristique 'taille physique (superficie de terre) ou financière (chiffre d'affaire annuel)'.

(b). La notion de '*acceptable livelihood*' mérite également que l'on dise un mot sur l'échelle ou la grille d'appréciation des moyens d'existence. C'est quel niveau qui est jugé 'acceptable' ?

(c). Comme le CFS a fait pour la terminologie '**Sécurité alimentaire et nutritionnelle**', il y a du sens que la même réflexion puisse être engagée au sein du CFS pour une précision des terminologies ('small farm', 'smallholders', 'agriculture familiale', etc.). Le présent travail montre que chaque pays a sa propre compréhension de 'smallholder'. Cette clarification a du sens car il est très important d'avoir une compréhension commune de quoi on parle. Si cette réflexion a déjà été conduite, mon commentaire est sans objet.

2). Au niveau des contraintes

Tout ce qui est dit est très pertinent. L'exemple de la 'Révolution blanche' en Inde est vraiment illustratif de l'importance des politiques publiques nationales. On a d'autres cas similaires comme celui de la filière laitière au Kenya, entièrement bâtie autour des petites exploitations familiales.

Suggestion : Il est nécessaire d'élargir la discussion sur 'l'environnement politique' pour inclure la question de la cohérence des politiques. Il s'agit souvent d'une question échappant au contrôle des décideurs politiques nationaux, mais ayant un impact direct sur l'incitation à l'investissement des 'smallholders', notamment dans les pays du Sud. Doit-on par exemple promouvoir des politiques rigoureuses de libre-échange commercial, sans se soucier des mesures/dispositions adéquates à prendre pour assurer un minimum de protection des 'smallholders' ? Il est évident que certaines politiques favorisent beaucoup plus l'exclusion et n'offrent pas un environnement du tout incitateur pour l'investissement des 'smallholders', de même que le renforcement de leur lien avec le marché.

3). Priorités d'action (Priorities for action) / Recommandations

Les recommandations formulées sont toutes pertinentes. Comme cela ressort de l'analyse, les premiers investisseurs sont avant tous les 'smallholders' eux-mêmes. L'orientation principale de l'action serait de faire en sorte que ceux-ci bénéficient d'un environnement sécurisant et le plus incitateur possible pour un tel investissement.

Suggestion :

(a). Un schéma illustratif des 'Priorities for action' pourrait certainement permettre une meilleure compréhension des inter-relations (liens) entre les facteurs/conditions requises pour un investissement plus soutenu. Juste une illustration si cela est possible.

(b). On pourrait aussi dire un mot sur la question relative à la 'cohérence des politiques'

4). Question de forme

On peut suggérer un titre pour du 4.5. (Proposal typology). La suggestion serait '*Smallholders and Investment : A tentative of differentiation / typology*'

18. Samuel Gebreselassie, Future Agricultures Consortium, Ethiopia

Dear Moderator,

This is a short contribution on your zero draft report of the High Level Panel of Experts on Food Security and Nutrition on 'Investing in Smallholder Agriculture for Food and Nutrition Security' which is open to comments from experts and researchers working on small farmers.

In addition to low productivity which is largely technical problem, a fast and sustained growth of small farmers especially in potential areas (of Ethiopia) could also be a non-technical problem, i.e. narrow aspiration and fatalism which is largely psychological problem but might restrict the aspiration and desire for change of small, largely poor farmers. A study by Bernard et al (2012), for instance, suggests that fatalism lowers the demand for long-term loans and loans for future-oriented productive purposes (Bernard et al (2012)). This problem might be complicated by government policy that considers small farmers as homogenous group of farmers.

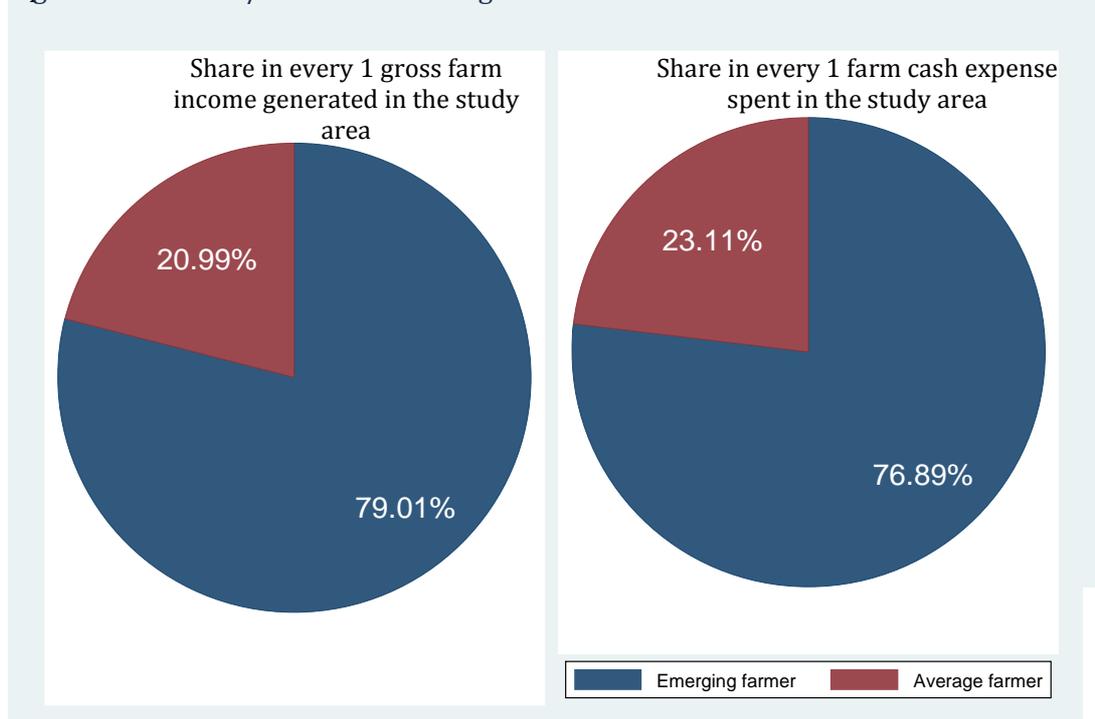
Currently I am conducting an exploratory study aiming to describe the emerging market-led agriculture in Ethiopia in general and the emerging small-investor farmers in particular. The core research question this study investigates revolves around enabling environments and future aspiration and goals of such emerging small-investor farmers. It also assesses alternative policy and institutional options or supports that might help such farmers fulfill their dreams, which will have pull effect on other 'average' farmers.

Though no statistics is available on the number of small-investor farmers currently exist in Ethiopia; their number is expected to grow overtime especially in high potential areas like Lume district in central Ethiopia where the study is conducted.

The major thesis of the study is that such farmers need different type of support and to convince Ethiopian policy makers to outline separate policy and technical package for such farmers.

The major purpose of my writing to you is, however, to share you the following two pie charts from my ongoing analysis.

Fig. 1. Relative size/scale of the average small-investor farmer vis-à-vis other farmer*



The survey of aspiration and dreams of the study farmers also reveal diverse difference in their future aspiration, dreams and 'perceived' goals.

Despite some weakness in the method that include lack of sampling frame that forced the sample not to be representative (to the true population) and its consequent impact on having no knowledge on the number or the percentage share of such emerging farmers in the farming population of the study area, the study clearly indicate the need for special support for such kind of emerging farmers.

After an in-depth revision of Ethiopia's five year development plan, IMF also provides similar kind of recommendation for Ethiopian government.

“Excluding domestic or foreign private commercial large farmers, the broader agricultural policy of the country overlooked this emerging group of small-investor farmers. Most government policy and strategy documents consider silently the rest of small farmers as homogeneous or near-homogenous group. Critics, however, recommends the government to rethink otherwise. The IMF, for instance, in its evaluation of the government five-year (2010/11-2014/15) development plan commonly known as the GTP, advise the government the importance of private investments for smallholder agriculture and broaden its narrowly defined private sector agriculture to include both commercial large investors as well as emerging small farmers (IMF, 2011).”

To summarize, my points are two. First, any support to smallholder farmers should not be limited to technical or market support but should also focused on building their psychological makeup that is essential to broaden their aspiration and desire for change. Second, any technical or policy support for small farmers should not be uniform and should not be standardised as small farmers could not be homogenous or near-homogenous group.

Finally, the above two pie charts as well as the points discussed were drawn from my on going research work financed and conducted by Future Agricultures Consortium or FAC (www.future-agricultures.com)

Finally, my contribution might not be relevant if your open electronic consultation strictly based on the points raised on your V0 Draft as I will read it after this comment or at time in the near future. My apology for this.

Regards

Samuel Gebreselassie,
Research Fellow,
Future Agricultures Consortium.

19. Government of Australia

The Australian Government acknowledges the importance smallholder agriculture plays in global food security. Smallholders are not only important contributors to food security and agricultural productivity within many countries but also drivers of/ contributors to economic development and enterprise in rural areas. Throughout the developing world smallholder agriculture faces many access constraints. These include access to:

- secure tenure of land;
- knowledge and technology transfer;
- markets and market information;
- financial services; and
- social safety nets to protect them during times of crisis.

Like other businesses, smallholders (whether formal or informal) benefit from reforms and improvements in the domestic enabling environment and liberalisation of trade.

In responding to these challenges Australian aid currently supports:

- lifting agricultural productivity by increasing investment in agricultural research and development, through Australian and international organisations working on food policy and agricultural innovation;
- improving rural livelihoods by strengthening markets in developing countries and improving market access to increase incomes and employment, and reduce risks for the poor – through enterprise development, better policies and access to financial services; and

- building community resilience by supporting the establishment and improvement of social protection programs that reduce the vulnerability of the poor to shocks and stresses.

As well Australia is supporting adaptive capacity and resilience through climate change adaptation and disaster risk reduction programs.

Australia recognises the importance of trade liberalisation and trade facilitation in underpinning food security, and pursues these through multilateral, regional and bilateral channels. The Australian Government has been a strong advocate for a successful conclusion to the World Trade Organization Doha Round of trade negotiations. From Australia's perspective a multilateral trade deal offers opportunities to improve global food security. Australia also works to reduce trade barriers through other forums such as the Group of Twenty (G20), Asia-Pacific Economic Cooperation (APEC) forum, and the Association of Southeast Asian Nations (ASEAN). Australia seeks to negotiate and implement comprehensive bilateral free trade agreements that can deliver real benefits for the relevant parties.

Australia recognises the important contribution that investment in agriculture, whether from domestic or overseas sources, can make towards achieving food security. Foreign investment in agriculture can bring benefits to the sector and create opportunities for farmers. It can help to generate higher employment and incomes, investment in infrastructure and improvements to food production capabilities.

Further liberalisation of global agriculture and food markets will improve the efficiency and effectiveness of these markets and ultimately access and availability of food. Liberalisation of markets and improving access to markets and information is also likely to lower the likelihood of information asymmetry, rent seeking, and other market distorting behaviour. This in turn will benefit poor farmers and the food security of the poor by reducing transactions costs, increasing return on investment and providing income and employment opportunities. Food security will be determined by not only how communities and individuals feed themselves, but by their own ability to purchase and consume food at the lowest cost.

1) Definition and significance of smallholder agriculture and related investments is the approach in the report adequate?

Yes. The definitions and significance of smallholder agriculture and related investments are adequate and well defined in the paper. However, there probably should be some caveats put around expectations the document may generate of smallholder systems acting as a panacea for global food insecurity. The reality is that many systems of smallholder farming, while having the potential to significantly increase their local production capacity, will not alleviate global or even local food insecurity because of physical, cultural, social or economic constraints and disincentives. It would be helpful for the report to put smallholder systems in context by outlining the other key approaches that are fundamental in addressing global food security. These could be outlined in the report's executive summary section and should cover:

- Emergency assistance and longer term protection for the most vulnerable
- Increased investment in agricultural research, development and extension
- Increased focus on agricultural production and distribution and
- Appropriate economic and trade policies, leading to open and efficient markets to maximise food trade flows, locally and internationally.

2) Framework for Smallholder Agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?

The typology is useful, well thought out and accessible conceptually. The approach while acknowledging the heterogeneity of smallholder contexts provides an opportunity to clearly analyse what context best describes smallholders in a system, what the system itself looks like, and how changes can be generated to impact on the poor.

There is room for the analysis to be further enhanced by drilling down and further mapping the characteristics of smallholder agriculture with further sub classifications relating to specific areas (i.e. land tenure arrangements (assets) and farmer type (markets) see below).

Land Tenure Type	Customary			
	Government			
	Freehold			
		Subsistent	Semi-subsistent	Commercial
		Smallholder Characteristic		

This is simply an example and other sub-classifications could include prevalence of marketing boards (institutions), cost of doing business (markets, institutions), ease of access to finance and financial institutions (assets, markets, institutions) and other measures all of which could build a very useful typology for analysis and intervention if required.

A better and more nuanced understanding of smallholder agriculture and the constraints to investment and other opportunities they face, would certainly improve Australia and other international partners' capacities to respond effectively to need.

One issue for consideration in drafting the next version of the document is to ensure that the clarity of thinking is as apparent in the Executive Summary as it is in the body. In reading the Executive Summary the logic and clear thinking within the body of the document is lost by summarising and compressing the thinking - resulting in what looks like a series of headline statements with little of the interconnecting logic of the main text.

3) Constraints to the smallholder investment: are all main constraints represented in the draft?

No. The enabling environment constraints to smallholders and smallholder investment seem to be somewhat overlooked in the paper. Rather than tackling the hard questions of vested interest and the need to reform markets from within, the paper tends to take a broader brush focusing on how farmers operate at the end point of the system.

While flagging institutions in the typology analysis the focus seems to be placed more on the demand than supply side. Thus institutional reform as defined in the document tends to focus on governance at the local level and the empowerment of farmers and farming communities in rural areas rather than on the perverse incentives that some existing and centralised institutions may be exerting on the market. While potentially politically sensitive, the document should use every opportunity it can to highlight where smallholder investment and the opportunities for smallholders can be improved through both centralised macro-reform (of say commodity marketing boards and departments of agriculture) alongside micro-reforms to the farming sector. The domestic reform and market access activities are a necessary precursor to securing the potential gains for smallholder farmers from trade liberalisation. Farmers often lack access to domestic markets as a first step to achieving export potential.

There is also a slight bias towards protectionism in some of the analysis and prescribed solutions. Even with respect to new economic entrants – such as modern retail markets – there is a focus on protection of the smallholder and their existence. Institutional and policy reforms which have often been slow are being overtaken in some regions by private market developments, such as investment in modern retail chains, which open both opportunities and challenges to smallholders as urbanisation continues to grow across many countries. Traditional institutions/policies are either hampering or confusing these autonomous developments and constraining rather than facilitating farmer participation. Both protectionism and domestic subsidies are cases in point in many countries. Over the longer term, such

innovations and changes in the market place may lead to greater income and employment opportunities, improved access, availability and utilisation of food, and ultimately poverty alleviation. Protecting the cultural aspects of smallholder society seems a misplaced aspect of the paper given its focus on smallholder investment and opportunity.

While purporting to be market focused, the paper is in fact very public investment and public good oriented. This includes recommendations in support of public goods such as research, health services, extension and even asset transfers. Less focus is given to how sustainable markets can and will be developed over the longer term. Even financial services have a focus on cooperative rather than commercial services. While products like a 'National Smallholder Vision and Strategic Framework' are often seen as important outcomes from such analyses there should be an emphasis in this document around less planned approaches to smallholder investment and opportunity, and more on systemic reform that will result in long term change.

The report should give greater focus to the role of agriculture and trade reform and the importance of developing well-functioning markets at the local, regional and international levels.

On Food sovereignty (page 20 paragraph 7)

Australia notes the use of the term "food sovereignty" in the report and suggests that its use be avoided. Food security refers to the ability of a country to determine its own agriculture and food policies, however, some use food sovereignty to justify policies that perpetuate existing trade distortions or introduce new ones.

On Speculation (Page 65 paragraph 5.3.1.)

Australia suggests that the sentence "Speculation in agricultural commodity derivatives market exacerbates price volatility and prevents most vulnerable smallholders from investing." be excluded. A June 2011 report to the G20 (by expert organisations led by the OECD, FAO, and others) concluded that speculation was not a major influence on prices or volatility and that demand and supply remain the fundamental drivers of price formation for agricultural and food commodities

20. Norwegian Agriculture Cooperatives and Norwegian Farmer's Union

Federation of Norwegian Agriculture Cooperatives and Norwegian Farmer's Union congratulate the High Level Panel of Experts with the report, and welcome your invitation to consult the report. This work is of great, focusing on the significance of smallholder agriculture challenges and what framework is needed to improve the ability for production within smallholder agriculture.

The report recognizes the heterogeneous nature of smallholder sector, showing diverse support needs. The wording smallholder is a key notion in the report. We would however urge the Panel to include the heterogeneity to a greater extent, and to be more specific about which smallholders are addressed. All smallholder agriculture has challenges which need specific framework concerning for instance access to farmland and markets.

Ensuring access to a well functioning market for smallholder agriculture is important, as recognized in the report. The farmer must be ensured a fair share of the surplus. Farmer owned cooperatives have an important role to play. Protection of the national market is also crucial to many smallholdings.

We support the report on the necessity of providing secure access to land and natural resources. However, we miss an emphasize on the importance of farmer's ownership to the land.

We appreciate that the report mention cooperatives specifically, however, we would like the report to emphasize stronger the important role of agriculture cooperatives, for instance in empowering the farmer in the food chain.

We would also like the report to stronger underscore the role of family farming, and how this model of ownership has proven to be a very efficient model, securing continuity and efficiency.

A large part of agricultural production is carried out by smallholdings. This report reminds us of the importance of this work, and is a good platform for further elaborations on this issue.

Best regards,

21. International Institute of Refrigeration (IIR)

[Original contribution in French]

Bonjour à tous,

Merci au HLPE pour cet excellent document.

De son côté, l'Institut International du Froid (IIF) qui est une organisation intergouvernementale, travaille en partenariat avec la FAO pour le développement de la chaîne du froid intégré dans les stratégies de développement agricole et alimentaire. Entre autres actions, la FAO et l'IIF ont organisé conjointement un atelier régional en juin 2012 à Yaoundé, Cameroun, qui a réuni des professionnels venant des organisations internationales et des secteurs privés et publics nationaux dans les domaines de l'agriculture, de l'industrie et des services.

Cet atelier a permis de souligner l'intérêt d'approches coordonnées multi-acteurs et multisectorielles, le rôle de l'investissement public et privé, l'importance de la gouvernance, de la formation, des conditions de commercialisation, la nécessaire prise en compte de la diversité des territoires, etc. pour ne citer que quelques uns de nos points de convergence avec le rapport du HLPE.

Le développement de la chaîne du froid nous paraît particulièrement important pour les petits agriculteurs.

En effet, les productions à forte valeur ajoutée peuvent permettre d'obtenir un revenu satisfaisant sur de petites surfaces. Mais les productions à forte valeur ajoutée sont souvent des produits fragiles (fruits et légumes, lait, viande, poisson...) pour lesquelles, sans chaîne du froid, les pertes sont élevées voire dissuasives, et les conditions de mise en marché médiocres, ce qui est démotivant pour ceux qui voudraient améliorer leur production en qualité et en quantité.

Dans ce cadre, disposer d'énergie électrique régulière à un prix raisonnable est tout autant un outil de production qu'un facteur de bien-être ; on peut pallier le manque de réseau électrique ou l'irrégularité de la fourniture d'électricité (groupe électrogène, froid solaire...) mais le coût de ces solutions alternatives est élevé et réduit leur utilisation.

Les approches intégrées sont fortement recommandées par les auteurs, elles doivent l'être tout particulièrement si l'on souhaite intégrer la chaîne du froid, sous peine de tomber dans des cercles vicieux, par exemple : production insuffisante en quantité et en qualité pour rentabiliser une chaîne du froid fiable, sans laquelle la production ne peut se développer, ou encore : l'absence de main-d'œuvre qualifiée pour la maintenance freine l'équipement frigorifique, d'où une absence de débouchés qui dissuade la mise en place de cycles de formation dans ce domaine.

Sans perdre de vue les autres exploitants, une bonne « trajectoire » de développement peut, dans certains cas, passer par une première étape où l'on travaille surtout avec des exploitants « moyens » (ou les moins petits des petits) qui constitueront le « noyau » auquel se joindront les petits exploitants. Par exemple, les contrôles de qualité du lait, les tanks à lait, la collecte, ont un coût qui devient très élevé (rapporté à la quantité de produit) lorsque la quantité est trop faible ; il peut être difficile pour une coopérative de faire face à de tels coûts en phase de démarrage. Bien entendu, la situation doit être appréciée au cas par cas.

Le rapport préconise aussi de définir des stratégies nationales et territoriales. Comme indiqué plus haut, les participants à l'atelier évoqué en préambule ont abouti aux mêmes conclusions. Le constat a également été fait que la diversité existe aussi entre les filières de produits, ce qui peut conduire à différencier les stratégies pour un territoire donné.

Les participants de l'atelier ont souligné également le rôle des Etats, dont on attend la définition et l'application de politiques lisibles en ce qui concerne notamment les investissements publics, l'aide aux investissements privés, un cadre institutionnel stable et en particulier des contrôles efficaces

(nécessaires à la santé publique mais aussi à la confiance des consommateurs et des acteurs de la chaîne alimentaire).

Des notes d'informations et des communiqués de l'IIF sur ces sujets sont accessibles sur le site de l'IIF (www.iifiir.org) à la rubrique « publications », sous-rubriques « notes d'informations » et « communiqués ».

Avec mes meilleures salutations.

Xavier MEIGNIEN

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[*English translation*]

Dear all!

Thanks to HLPE for this excellent document.

For its part, the International Institute of Refrigeration (IIR), which is an intergovernmental organization, works in partnership with FAO in order to develop the cold chain in such a manner as to integrate the cold chain in strategies for the development of the agricultural and food sectors.

Among the actions conducted, FAO and the IIR held a joint workshop in Yaoundé, Cameroon, in June 2012; this event brought together professional stakeholders from international organizations and national private and public sectors in the agricultural, industrial and service sectors. This workshop provided an opportunity to highlight the value of multi-stakeholder and multi-sectoral approaches, the role of public and private investment, the importance of governance, of training, of marketing conditions, the need to take into account territorial diversity, etc. to cite but a few of our areas of convergence with the HLPE report.

We consider that the development of the cold chain is of great importance for small farmers. Indeed, production sectors with high added value can enable farmers with small properties to obtain satisfactory income. However, production sectors with high added value often involve production of perishable products (fruit and vegetables, milk, meat, fish....) for which, if a cold chain is lacking, losses are high or dissuasive, and marketing conditions are poor, and this is demotivating for those who would like to improve the quality and quantity of their production.

Within this context, access to reliable, reasonably priced electric power is both a production tool and a well-being factor; where the power supply is non-existent or irregular, solutions can be found (generator, solar cooling...) but the cost is high and tends to reduce the use of such solutions.

The authors strongly recommend integrated approaches, and this is vital when the objective is to integrate cold chains in food chains embodying no vicious circles, for instance: production that is lacking in quantity and quality and is thus unable to ensure that a reliable cold chain is profitable, and conversely without a cold chain, production cannot expand; or a lack of qualified staff handling maintenance hampers the expansion of the use of refrigeration equipment, and leads to a lack of job opportunities, which in turn exerts a negative impact on the setting up of training courses in this field. Without neglecting other farmers, a good development path can in some cases involve an initial phase during which the focus is on farmers with medium-size farms (or the larger small farmers) who form a core group which small farmers can then join. For instance, milk quality control, milk tanks and milk collection involve costs that are becoming very high with respect to the quantity of product where the quantity is too low; even cooperatives can find it difficult to meet such costs during the initial phase. Of course, the situation should be analysed on a case-by-case basis.

The report recommends the definition of national and territorial strategies. As mentioned above, the attendees of the workshop described in the introduction reached the same conclusions. It was also

noted that diversity of product sectors does exist, and can lead to differentiated strategy for a given territory.

The attendees of the workshop also highlighted the role of states, that are expected to define and apply clear policies to public investments, support of private-sector investments, a stable institutional framework, and above all effective controls (for public-health and consumer and food-chain stakeholder confidence).

The IIR's Informatory Notes and statements on these themes are available via the IIR's Web site (www.iifir.org) in the "Publications", section and "Informatory Notes" and "Statements" sub-sections.

Yours sincerely,

Xavier MEIGNIEN

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22. Jean-Paul Pradère, World Organisation for Animal Health, France

[Original contribution in French]

Les auteurs du rapport méritent d'être félicités pour la qualité et la clarté de leur travail sur un sujet aussi complexe. L'importance des rôles économiques et sociaux que les petites exploitations jouent, pratiquement partout dans le monde, est très bien montrée et très bien analysée.

En complément des recommandations déjà proposées dans le rapport, il me semble nécessaire d'ajouter le renforcement de la productivité de l'élevage et, en conséquence, le besoin de renforcer le contrôle de la santé animale. En effet, l'élevage représente une part croissante du PIB agricole dans le monde (actuellement plus de 40%) et le rapport montre bien les rôles multiples et importants qu'il joue dans les petites exploitations. Des études (Ludena 2010) ont montré que c'est dans les petits élevages (volaille, porcs) que les transferts de technologie étaient les plus faciles à réaliser et que des gains de productivité pouvaient être les plus rapides. Bien entendu, pour réaliser ces gains de productivité et améliorer la qualité de leurs produits, les petits producteurs doivent pouvoir compter sur des services vétérinaires performants. En outre, un meilleur contrôle de la santé animale réduit l'aversion au risque des producteurs et des banquiers et donc facilite l'accès des petits producteurs aux innovations. L'amélioration de la santé animale et de la qualité des produits animaux est également une des conditions à l'intégration des petits éleveurs dans les filières de production et dans les circuits modernes de distribution (intégration largement recommandée dans le rapport).

Les remarques sont présentées en réponse aux grandes questions qui sont posées par les auteurs du rapport :

1) Definition and significance of Smallholder agriculture: is the approach in the report adequate?

Cette question est déjà bien traitée dans le rapport. En outre elle a déjà bénéficié de nombreuses contributions.

2) Constraints to smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

Le rapport montre bien les liens étroits qui existent entre les composantes économiques et domestiques dans les ménages de petits producteurs agricoles. On comprend que pour ces ménages fragiles, la réalisation d'un risque (par exemple la baisse de production ou la mort d'un animal) a immédiatement des effets très graves.

- **Aversion au risque**

Le paragraphe 4 du rapport, pourrait développer la notion d'aversion au risque et son impact d'une part sur les choix d'investissement du producteur lui-même (lorsqu'il investit avec ses ressources propres) et, d'autre part, sur les décisions d'investissement (relations producteurs/ banques)

Les études sur le sujet montrent, qu'en raison de leur aversion au risque, les producteurs (surtout les plus modestes) préfèrent des options qui offrent moins de profit mais avec un risque faible, au détriment des options qui pourraient générer un grand profit, mais avec un risque élevé.

Jesús Antón et Wyatt Thompson (Risk Aversion and Competitiveness, 2008) montrent que, toutes choses égales par ailleurs, l'aversion au risque conduit les investisseurs à choisir des options qui réduisent le niveau de leurs revenus. Au fil du temps ils se marginalisent eux-mêmes et s'écartent des circuits économiques les plus rentables.

On comprend dans ces conditions, que l'aversion pour les risques liées aux maladies animales constitue une contrainte forte, qui empêche les petits producteurs de bénéficier des profits élevés (mais risqués) de l'élevage et notamment de l'élevage d'espèces à cycle court (volailles, porcs) pour lesquels les transferts de technologie sont relativement faciles et les ratios de profit généralement très élevés. On comprend également l'intérêt d'un meilleur contrôle de la santé animale pour réduire la force de l'aversion aux risques dans les choix d'investissement en élevage.

3) Are the main areas for recommendations and the priority domains for action adequate?

- **Importance croissante de l'élevage au niveau mondial et dans l'économie des petites exploitations.**

Le rapport en objet montre bien le rôle de l'élevage dans la constitution, la gestion et la préservation du patrimoine des ménages ruraux. Toutefois, l'importance des rôles de l'élevage dans les petites exploitations pourrait être soulignée.

En effet, l'élevage est partout en croissance. Le volume des productions animales augmente vite. Il représente déjà plus de 40% du PIB agricole mondial et cette proportion augmente vite.

L'élevage est une source de revenus pour 70% des ruraux pauvres dans le monde. Outre des revenus directs et une réserve en capital, l'élevage offre une force de travail et de transport pour la moitié des exploitations agricoles du monde, une source de fertilisation organique pour la plus grande partie des cultures et un moyen de convertir des sous-produits grossiers en produits animaux à forte valeur ajoutée. Sans être un passage obligé, l'élevage constitue une opportunité pour réduire la pauvreté (Banque mondiale, « Minding the Stock: Bringing Public Policy to Bear on Livestock Sector Development, 2009 »).

- **Forte élasticité de la demande de produits animaux.**

La demande de produits animaux est en forte croissance, partout dans le monde. En Afrique, où le déficit en produits animaux va continuer à augmenter (OECD/FAO Outlook -2012), l'élasticité de cette demande a été estimée à 0,8 (Seale, Regmi, & Bernstein 2003, Muhammed et al 2011). Les élevages à cycle court, qui valorisent vite et biens les investissements lorsqu'ils sont sécurisés, permettraient à de petits éleveurs de profiter de la croissance de la demande.

- **Productivité de l'élevage (et des autres productions agricoles)**

De investissements en faveur de la productivité globale de la production agricole figurent – à juste titre - parmi les recommandations prioritaires du rapport. Le rapport contient également différents environnements économiques de la production agricole. Il est en effet important de distinguer clairement plusieurs catégories de pays. On pourrait distinguer notamment :

- les pays (généralement développés) où les producteurs ont plus d'opportunités de diversification des revenus, où ils bénéficient de bonnes infrastructures, de services éducatifs et sociaux de bons niveaux et surtout de soutiens importants aux productions agricoles ;

- et à l'autre extrême, les pays les plus pauvres où les nombreux petits producteurs sont le plus souvent mal représentés au niveau politique, où les infrastructures et les appuis techniques sont insuffisants et où le contexte institutionnel ne favorise pas les petits investissements.

Les analyses de l'OCDE (Agricultural Policy Monitoring and Evaluation -2012) montrent par exemple, qu'au Japon, en Norvège et en Suisse, les soutiens des pays aux producteurs agricoles (les PSE) dépassent 50% de la valeur des productions (ces soutiens ont été récemment réduits mais, en 2011, ils représentaient encore 19% de la valeur moyenne des productions agricoles).

Bien entendu il existe un lien entre le volume et la nature des soutiens à l'agriculture et le niveau de la productivité agricole. Dans un excellent rapport Ludena et al. (2007) montre bien l'intérêt des actions de recherche et de recherche-développement et de l'accès aux intrants pour le renforcement de la productivité = le rapport en objet souligne bien ces exigences =. Les gains moyens annuels de productivité calculés par Ludena pour la période 1961-2007 reflètent bien le niveau de soutien à l'agriculture (Pays développés 2,2% ; Amérique latine et Caraïbes 1,8%, Asie du Sud-Est 1,6% ; Afrique sub-saharienne 0,2%).

Dans les pays qui bénéficient de services vétérinaires performants et où la santé animale est bien contrôlée, les gains de productivité les plus élevés sont observés dans les élevages de volailles et de porcs, où les transferts de technologie sont plus faciles.

Il serait important de citer le besoin d'un meilleur contrôle de la santé animale (et donc d'une meilleure sécurisation) pour le renforcement de la productivité de l'élevage. Benett (2003) montre bien l'intérêt économique des investissements pour l'amélioration de la santé animale. A niveau d'input égal, la rentabilité des élevages sains est plus forte.

Un élevage sain est aussi une condition essentielle à l'accès aux circuits de commercialisation intégrés et au développement de partenariats entre petits producteurs et industriels qui sont recommandés dans le rapport.

- **Recommandations - Processus PVS de l'OIE**

Outre les actions transversales, déjà citées dans le rapport (formation agricole, recherche-développement, etc.) et la promotion générale de formes d'élevages adaptées aux petits producteurs, une amélioration de la santé animale est indispensable à la sécurisation et à la bonne valorisation des productions des petits éleveurs.

L'amélioration de la santé animale est elle-même directement liée à la qualité des Services vétérinaires nationaux (qui outre leur mission de santé publique vétérinaire accompagnent l'accès des animaux et produits d'origine animale aux marchés régionaux et internationaux), à la qualité de formation initiale des vétérinaires et à la qualité des partenariats publics privés organisés dans le domaine vétérinaire (y compris pour la mise en oeuvre de stratégies de vaccination avec des vaccins de qualité).

Parmi les recommandations concrètes, il serait important de citer l'« **Outil pour l'évaluation des performances des Services Vétérinaires** » (Outil PVS de l'OIE). Cet outil qui est mis en oeuvre à la demande des pays, vise à évaluer la conformité des Services Vétérinaires nationaux avec les normes de qualité de l'OIE. En résumé, une première évaluation PVS peut être suivie d'une analyse des écarts par rapport aux normes internationales qui aide à l'identification des priorités et à la préparation et au calcul des programmes d'investissement, avec l'appui des gouvernements, des partenaires de l'OIE et, si nécessaire, des bailleurs de fonds. Ces outils sont les leviers principaux de l'OIE pour pouvoir concrètement aider les Services Vétérinaires de tous les pays du monde à mettre en place une bonne gouvernance de leur structure et de leur mode de fonctionnement.

- Des « Banque de vaccins » contribuent à la sécurisation des revenus des producteurs.

Avec l'appui financier de divers partenaires l'OIE poursuit le développement d'un nouveau concept de « banque de vaccins » dotée de stocks de roulement virtuels. En cas d'apparition d'une maladie contagieuse, ce concept permet une fourniture rapide de vaccins aux pays infectés. Entre autres résultats, plus de 62 millions de doses de vaccins H5N2 ont été livrées aux pays suivants : Mauritanie, Sénégal, Égypte, Maurice, Ghana, Togo et Vietnam.

La création de nouvelles banques de vaccins pour tout un ensemble de maladies permettra de mieux contrer la propagation des maladies animales transfrontalières dans le monde. Ce qui contribuera à la sécurisation des revenus et du patrimoine des éleveurs.

Des informations détaillées sur l'outil PVS de l'OIE et les résultats de son application dans de nombreux pays sont disponibles sur le site Internet de l'OIE <http://www.oie.int/> (Menu « Appui aux Membres de l'OIE » / « Support to OIE members »)

4) Does the draft include sufficient information at the adequate level to support the policy messages?

Le rapport montre clairement l'importance économique et sociale des petites exploitations agricoles mais aussi le rôle clé de ces exploitations dans la production alimentaire mondiale. Le plaidoyer en faveur des petites exploitations agricoles pourrait insister davantage sur deux arguments :

- **L'insuffisance des soutiens aux politiques agricoles (politiques de l'élevage en particulier) dans les pays les moins avancés.**

Dans les pays les moins avancés il y a un net déséquilibre entre l'importance économique et sociale de l'agriculture et le volume de l'aide qui est affecté à ce secteur. Dans un rapport de 2009 (déjà cité), la banque mondiale estimait le pourcentage de l'aide affectée à l'agriculture à environ 2,5 % du total de l'aide au développement. Une consultation des bases de données du Comité d'Aide au Développement de l'OCDE montre que le pourcentage de cette aide a légèrement augmenté ces dernières années mais reste à un niveau très bas (4 à 5% du total de l'aide).

En outre, l'élevage reste, de loin, le traditionnel parent pauvre de l'aide et des politiques publiques dans les pays les moins avancés. Parmi les raisons évoquées pour expliquer le désintérêt des décideurs et des agences d'aide figurent, entre autres, la complexité des systèmes d'élevage et le niveau élevé des risques (dus aux maladies). Pourtant, les petits élevages se prêtent bien à des actions de promotion au bénéfice des petites exploitations familiales, les transferts de technologie sont faciles à organiser. Beaucoup d'exemples en Asie et Amérique latine montrent qu'une amélioration de la couverture vétérinaire contribue à des gains de productivité très rapides.

Dans un contexte de croissance de la demande et de manque de soutien des politiques publiques dans les pays les moins avancés, la croissance de l'élevage ne profite pas suffisamment aux petits éleveurs, car cette croissance est « tirée par la demande » et ne bénéficie pas suffisamment de politiques publiques qui, outre des objectifs économiques, pourraient avoir aussi des objectifs sociaux et environnementaux

- **La participation des petites exploitations au bien-être et à la croissance économique.**

Dans le rapport cité en référence, Ludena rappelle que l'intensification de l'agriculture a été la base de l'industrialisation réussie dans les économies aujourd'hui développées. Des auteurs : Adelman et Morris (1988), Krueger, Schiff et Valdes (1991), Stern (1989), ont montré que l'amélioration de la productivité agricole joue un rôle clé dans le processus d'industrialisation et de développement.

Parallèlement, les pays qui n'ont pas suffisamment (ou ont mal) soutenu leur agriculture ont eu de faibles taux de croissance. Les petites exploitations sont des éléments importants des économies nationales. Les investissements en leur faveur génèrent des gains en termes de croissance économique et de bien-être des populations.

Références :

1. Jesús Antón (OECD), Wyatt Thompson (University of Missouri), *Risk Aversion and Competitiveness*. 2008.
2. Carlos E. Ludena. *Agricultural Productivity Growth, Efficiency Change and Technical Progress in Latin America and the Caribbean*. 2010. Inter-American Development Bank
3. Banque mondiale. *Minding the Stock: Bringing Public Policy to Bear on Livestock Sector Development*. 2009
4. OECD (2012). *Agricultural Policy Monitoring and Evaluation 2012* ; OECD countries, OECD Publishing.

5. Benett, R (2003). *The direct cost of livestock diseases. The development of a system of models for the analysis of 30 endemic livestock diseases in Great Britain*. Journal of Agricultural Economics 54 (1), 55-71

[English translation]

The authors of the report deserve to be congratulated for the quality and clarity of their work on such a complex subject. The importance of the economic and social roles that the smallholder farmers play, practically all over the world, is well demonstrated and analyzed.

To complement the recommendations already proposed in the report, it seems to me necessary to add the improvement of the productivity of livestock farming and therefore, the need to reinforce controls on animal health. Indeed, livestock rearing is a growing part of the world agricultural GDP (today more than 40%) and the report shows well the multiple and important roles played by that in smallholder farming. Some studies (Ludena 2010) have shown that it is in small livestock rearing (poultry, pigs) that technology transfer is the most easy to carry out and that the productivity gains could be quickest. Naturally, to realize these productivity gains and improve the quality of their products, the smallholders must have veterinary services. Furthermore, better animal health control reduces producers' and bankers' risk aversion and therefore, facilitates the producers' access to innovations. The improvement of animal health and the quality of animal products is equally one of the conditions for the integration of smallholders in the production sectors and in the modern distribution chains (an integration that is comprehensively recommended in the report).

The following remarks are presented in response to the important questions raised by the authors of the report:

1) Definition and significance of Smallholder agriculture: is the approach in the report adequate?

This question is already well treated in the report. Also, it has already received several contributions.

2) Constraints to smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

The report shows well the direct links that exist between the economic and domestic components in the homes of small agricultural producers. One understands that for these fragile homes, if a risk becomes reality (for example, decreased production or the death of an animal) this immediately has very serious consequences.

- **Risk aversion**

Paragraph 4 of the report, could expand the notion of risk aversion and its impact, on one hand, on producers' investment choices (when the producer invests his own resources) and, on the other hand, on investment decisions (relations between producers and the banks).

Studies on the subject show that due to their risk aversion, producers (especially the smallest) prefer options which offer less profit but low risk, at the expense of options that could generate a big profit, but with a high risk.

Jesús Antón and Wyatt Thompson (Risk Aversion and Competitiveness, 2008) show that, everything being otherwise equal, risk aversion leads investors to choose options that reduce the level of their income. Over time, they marginalize themselves and are excluded from the most profitable economic circuits.

It is understood that in these conditions, aversion to risks linked to animal diseases represents a strong constraint, which prevents small producers from gaining the high profits (but with risks) of livestock rearing and specially of breeding short cycle species (poultry, pigs) for which the technology transfers are relatively easy and profit ratios are often very high. One can well understand the interest of a better control of animal health to reduce the strong aversion to the risks of choosing to invest in livestock rearing.

3) Are the main areas for recommendations and the priority domains for action adequate?

- **Growing importance of animal husbandry at world level and in the economy of the small producers.**

The report in question shows well the role of livestock rearing in the constitution, management and preservation of assets in rural homes. However, the importance of the roles of livestock rearing in small holdings could be highlighted.

Indeed, livestock rearing is growing everywhere. The volume of animal production is growing quickly. It represents already, more than 40% of the world agricultural GDP and this rate is growing quickly. Livestock rearing is a source of revenue for 70% of the rural poor in the world. As well as direct revenue and capital reserve, animal husbandry offers a source of work and transport for half of the world's agricultural producers, a source of organic fertilization for most cultures and a form of converting the coarse by-products into animal products of strong added value. Without being an obligatory route, livestock rearing represents an opportunity to reduce poverty (World Bank, «Minding the Stock: Bringing Public Policy to Bear on Livestock Sector Development, 2009»).

- **Strong demand elasticity in animal products.**

Animal products demand is growing strongly everywhere in the world. In Africa, where the deficit of animal products will continue to increase (OECD/FAO Outlook - 2012), this demand elasticity has been estimated at 0.8 (Seale, Regmi, & Bernstein, 2003; Muhammed et al, 2011). Short cycle livestock rearing, which quickly gives value to the goods and investments when they are secured, would allow the small producers to profit from the growing demand.

- **Productivity of livestock farming (and of other agricultural productions)**

Investments in favor of world productivity in agricultural production appear – justifiably - among the report's priority recommendations. The report equally covers different economic environments of agricultural production. It is indeed important to distinguish clearly several categories of countries. It is possible to define in particular:

- the countries (in general, developed) where the producers have more opportunities to diversify earnings, where there are good infrastructures, good levels of educational and social services and above all significant support for agricultural production;
- and at the other extreme, the poorest countries where the numerous small producers are very often badly represented at the political level, where infrastructures and technical support are insufficient and where the institutional context does not encourage small investments.

The OECD analysis (Agricultural Policy Monitoring and Evaluation -2012) shows for example, that in Japan, Norway and Switzerland these countries' support for agricultural producers (the PSE, producer support estimate) exceeds 50% of the value of production (this support has been recently reduced, but in 2011, they still represented 19% of the average value of agricultural production).

Naturally, there is a link between the volume and the nature of agricultural support and the level of agricultural productivity. In an excellent report, Ludena et al. (2007) show well the effect of research and development- research initiatives and of access to inputs for reinforcement of productivity = = the report being discussed underlines well these requirements = =. The average annual increase in productivity calculated by Ludena for the period 1961-2007 shows clearly the level of support for agriculture (Developed countries 2.2% ; Latin America and Caribbean 1.8%, Asia and South East 1.6% ; Sub-Saharan Africa 0.2%).

In the countries benefiting from functioning veterinary services or where animal health is well controlled, the highest gains in productivity are observed in the breeding of poultry and pigs, where the technology transfers are easier.

It would be well worth noting the need for better animal health control (and therefore, better security) for the strengthening of the productivity of livestock breeding. Benett (2003) illustrates the economic benefits of investments to improve animal health. In respect of inputs also, the profitability of rearing healthy livestock is much greater.

Healthy livestock rearing is also an essential condition for access to integrated commercialization networks and to the development of partnerships between small producers and industrialists, which are recommended by the report.

- **Recommendations - OIE [World organization for animal health] PVS [performance for Veterinary Services] Process**

Apart from the cross-cutting actions, already mentioned in the report (agricultural training, research-development, etc.) and the general promotion of ways of livestock rearing adapted to small producers, an improvement in animal health is indispensable for the security and good value of production by small livestock farmers.

The improvement of animal health is directly linked to the quality of national veterinary services (which besides their mission of public veterinary health support the access of animals and their products to regional and international markets), to the quality of initial training of veterinarians and to the quality of public-private partnerships organized around the veterinary domain (including for putting into practice vaccination strategies with quality vaccines).

Among the concrete recommendations, it is important to mention « **The tool for the improvement of the governance of veterinary services** » (PVS tool of the OIE). This tool was introduced as requested by countries, with the object of assessing the compliance of national veterinary services with OIE quality norms. In summary, the PVS first assessment can be followed by an analysis of shortfalls compared with international norms which helps identify priorities and the preparation and calculation of investment programs, with the support of governments, OIE partners and, if necessary, donors. These tools are the main OIE levers really to help veterinary services in all countries of the world to establish a good governance of their structure and their mode of functioning.

- The «Vaccine banks» contribute to secure the producers earnings.

With the financial support of several partners, the OIE continues to develop a new concept of «vaccine bank» provided with virtual rotation of stocks. In case of the appearance of a contagious disease, this concept enables a quick supply of vaccines to the infected countries. Among other results, more than 62 million doses of H5N2 vaccines were delivered to the following countries: Mauritania, Senegal, Egypt, Mauritius, Ghana, Togo and Vietnam.

The creation of new vaccine banks for a comprehensive range of diseases will enable better resistance to cross-border propagation of animal diseases in the world. This will contribute to secure breeders earnings and assets.

Detailed information on the PVS tools of the OIE and the results of its application in several countries is available in the OIE web site <http://www.oie.int/> (Menu «Support to OIE members»)

4) Does the draft include sufficient information at the adequate level to support the policy messages?

The report clearly illustrates the economic and social importance of small agricultural farms, but also the key role of these farmers in world food production. Those arguing in favor of small agricultural farmers could preferably emphasize two arguments:

- **The insufficient support for agricultural policies (especially for policies on livestock rearing) in the less advanced countries.**

In the less advanced countries there is a clear imbalance between the economic and social importance of agriculture and the volume of aid assigned to this sector. In a 2009 report (already mentioned), the World Bank estimated that the percentage of aid assigned to agriculture was around 2.5% of the total aid for development. A database consultation of the Development Assistance Committee for the OECD shows that the percentage of this aid has increased slightly in the past few years but it stays at a very low level (4 to 5% of the total aid).

Furthermore, livestock rearing stays, by far, the traditional poor relation of aid and public policies in the less advanced countries. Among the reasons given to explain the lack of interest of decision-makers and aid agencies there are, among others, the complexity of breeding systems and the high level of risks (due to diseases). Notwithstanding, small livestock rearing is appropriate for supportive actions to the benefit of small family farms, and the technology transfers are easy to organize. Many examples in Asia and Latin America illustrate that an improvement of veterinary coverage contributes to quick gains in productivity.

In the context of growing demand and lack of public policies support in the less advanced countries, the increase in livestock does not sufficiently benefit the small livestock producers, because this growth is «driven by demand» and does not benefit sufficiently from public policies which, apart from economic objectives, could also have social and environmental objectives.

- **The sharing of small farmers in wellbeing and economic growth.**

In the report referred to, Ludena recalls that intensification of agriculture has been the base of the industrialization achieved in today's developed economies. Some authors like: Adelman and Morris (1988), Krueger, Schiff and Valdes (1991), Stern (1989), have shown that the improvement in agricultural productivity plays a key role in the industrialization and development process.

At the same time, countries that have not sufficiently supported their agriculture (or have done it badly) have had weak rates of growth. The small farms are important elements in national economies. Investments in their support generate improvements in terms of economic growth and the wellbeing of the population.

References:

1. Jesús Antón (OECD), Wyatt Thompson (University of Missouri), *Risk Aversion and Competitiveness*. 2008.
2. Carlos E. Ludena. *Agricultural Productivity Growth, Efficiency Change and Technical Progress in Latin America and the Caribbean*. 2010. Inter-American Development Bank
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5. Benett, R (2003). *The direct cost of livestock diseases. The development of a system of models for the analysis of 30 endemic livestock diseases in Great Britain*. Journal of Agricultural Economics 54 (1), 55-71

23. Centre for World Food Studies, the Netherlands

Comments on 'Investing in smallholder agriculture for food and nutrition security, V0 draft', version of 20 December 2012, submitted by the HLPE to open electronic consultation.

The present version of the report *Investing in smallholder agriculture for food and nutrition security* has five chapters: (1) introduction, (2) significance of smallholder agriculture, (3) a framework for smallholder agriculture and investments, (4) constraints to smallholder investments and (5) recommendations. Insertion of the concluding section is pending.

While Chapters 1 and 2 describe the present situation, Chapter 3 starts with the important observation that investments in smallholder agriculture are currently made from households' own savings, as opposed to being financed from external sources. In view of the limited availability of financial savings, they are predominantly effectuated in kind as labor investments during the off season say, in construction and land management. However, since labor investments have only limited impact on labor productivity, smallholder farmers are unlikely to escape poverty in this way. Next, the chapter discusses policies to improve smallholder wellbeing. These include public investments in education, health and infrastructure in rural areas, but also investments made by processing industries. Chapter 4 focuses on constraints, and identifies first and foremost the lack of institutional power of the group. In addition, poverty and lack of access to input and output markets are mentioned. A typology of smallholders is presented, in the three dimensions "assets", "markets", and "institutions". Chapter 5 lists recommendations that directly follow from the identification of constraints. These are more of the nature of a wish list that each of the constraints should be alleviated than of actual recommendations.

Fortunately, the discussion on specific priority domains that follow seems more thorough, as it touches upon some of the issues related to financing the agricultural sector from external sources and to enhancing institutions that provide access to markets.

Overall, the report gives a broad survey of the present situation in smallholder agriculture, with a typology of smallholders following from the three dimensions of characteristics (assets, markets and institutions) introduced in Chapter 4. Various constraints and recommendations are presented, with a brief discussion of the rationale and some examples.

We would like to mention the following limitations.

First, the report focuses on smallholder agriculture *per se*, and is not - as its title and introduction would suggest - a study that considers smallholder agriculture in the context of food and nutrition security. In the introduction, both food insecurity of smallholders themselves and their potential contribution to future food security for the world at large are covered, but the remainder of the study hardly addresses the issue of smallholders' contribution to world food production.

Second, the report implicitly assumes that smallholder farms are there to stay irrespective of whether they are successful in achieving substantial productivity increases. Given their large numbers, it is indeed certain that many of them will continue to exist, and do so in dire circumstances. These will need safety nets and supporting measures for humanitarian reasons and to prepare them and their children for a better future outside agriculture, thereby also creating room for neighbors to expand their holdings. Alternatively, those who remain can engage in higher value chains such as animal husbandry and horticulture, so as to become large farmers on small holdings. Both are forms of business expansion without which the smallholders' families will never be able to escape from poverty.

Of course, infrastructural works and irrigation may help raising yields, and so can improved provision of seeds, fertilizers and plant protection products, but unless these measures are embedded in a process of deeper integration of the rural sector in the national economy, and the purchasing power of cities itself is rising, measures that primarily target production run the danger of leading to price falls that worsen smallholders' condition rather than improving it.

It is at this juncture that the report's emphasis on power relations in the chain could be put in a clearer perspective. Whereas the report extensively points to the weak position of smallholders preventing them from reaping benefits of investments, and transaction costs preventing banks and investors from overseeing needs and opportunities of every individual farmer, it insufficiently points to a way out of this situation say, by enlargement of farms or by organizing better cooperation among smallholders to form units that jointly decide on input use, share transport and storage facilities and mechanical equipment, and jointly negotiate with processors and financing institutions.

In short, *Investing in smallholder agriculture for food and nutrition security* amounts to triggering rural transformation, and raises a host of questions including design of appropriate financing options (bank loans, FDI, domestic private investment); formulation guidelines for creation of the mode of organization that may achieve the required productivity gains, accounting for the impact this may have on the social fabric in rural areas; effects of new production techniques such as GMOs on biodiversity and animal welfare.

It may well be that many of these questions fall beyond the Terms of Reference of this report, but the report definitely needs a better embedding within the overall process of economic growth and development, and link better to the question how smallholder agriculture may contribute to food and nutrition security. This would more effectively set the stage for a motivated selection of topics.

We already wrote in our reaction to the Terms of Reference that in our view the CFS, because of its limited political mandate, should, to be effective, focus on the aspects that raise most controversy in public debate, with the aim to make this debate more balanced and better informed. While the report touches upon some of these controversies, it fails to highlight the tensions and dilemmas. For example, with respect to finance, section 3.3.1. mentions the problem of "developed agriculture overinvestment" (p. 38), presumably referring to the current situation in many European countries where farmers have become highly indebted, while box 11 mentions the advantages of the Rabobank's financing of the agricultural sector. The recommendations on the finance and banking system (p. 65-67) include new

elements that have not been discussed before, such as informal arrangements and also emphasize the possibility for partners in the chain to invest in agriculture, while this option had been criticized in Chapter 3, emphasizing the danger of unfair treatment of the farmers because of the lack of clout.

Concluding

The report stresses the hardship that characterizes the lives of nearly half a billion of smallholder farmers, caught in a vicious cycle of poverty, lack of means to invest, low yields and low revenues, leaving them with hardly any opportunity to provide for a better future for themselves or their children. By accepting and implicitly even endorsing the fact that they will remain smallholders for the foreseeable future, the report arrives at recommendations that do not fundamentally change the prospects of these farmers.

Particularly in the light of the UN RIO+20 report's reaffirmation of the importance of the CFS in designing national policies for sustainable food production and food security, this report, and with it the HLPE and CFS should show more ambition in alleviating the plight of the poor and enact changes that will strengthen the social and economic status of smallholders.

Alex Halsema, Lia van Wesenbeeck and Michiel Keyzer, SOW-VU, Amsterdam, the Netherlands

24. Sara J. Scherr, EcoAgriculture Partner, USA

Dear CFS-HLPE of the Smallholder Agriculture Paper,

Congratulations on putting together a very strong overview of the current conditions, constraints and opportunities for smallholder agriculture in food and nutrition security. I support the sections on defining smallholder agriculture and their significance, and the elements on investment, constraints and recommendations that have been put forward.

However, I believe there is a very substantial gap in the analysis related to the role of natural resource conditions and flows of ecosystem services in smallholder constraints, opportunities and recommendations for action. This element is almost entirely missing from the report, yet are consistent with and would support the main recommendations. I encourage the HLPE to look at the recent reports by UNEP (Avoiding Future Famines: Strengthening the Ecological Basis of Food Security through Sustainable Food Systems) and UNDESA (http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2054838) that elaborate these issues from diverse perspectives and with a strong focus on smallholder farmers.

Here are my specific suggestions:

p.9: Add Land Degradation as a major challenge for smallholders, both at farm level (soil erosion, fertility decline and water-holding capacity) and landscape level (devegetation of watersheds with resulting reduction in water flow and storage, threats to irrigation, loss of pollinators, pest problems, et al). The lack of mechanisms for collective action by smallholders and their communities to manage such issues and for financing of investments that provide returns only in medium and longer terms.

p. 22: Smallholders need to have a much stronger voice in territorial (and other spatially defined models for integrated landscape management) initiatives, and to strengthen their voices in defining development strategies at district, landscape, watershed and sub-regional levels (including agricultural development, water resources development, forest development, et al).

p. 27: I suggesting adding a short sub-section 2.1.3 on the important role of smallholder farmers, in many parts of the world, in producing ecosystem services for other groups in society through their stewardship of farm and non-farmed lands, controlling erosion, protecting watersheds, sustaining wild plant and animal species, maintaining culturally important resources and germplasm, and sequestering carbon in ways that mitigate climate change.

p. 29: Figure 1, add ecosystem services and natural resource management as key components.

3.2: “Natural capital” is defined here much too narrowly, and should include types of natural capital at farm, community, and landscape scales upon which smallholder farmers depend (agricultural soils, natural pastures, woodlands and community forests, riparian vegetation, sources of raw materials used in agricultural production or agro-processing, woodfuel, medicines, fodder for livestock, and particularly the management of micro- and sub-watersheds and the diverse vegetative cover, rainwater harvesting structures at farm and landscape scale, biodiversity for pest and disease control, etc..

3.3 Add a new sub-section on collective action by smallholder farmers to improve ecosystem health and ecosystem services upon which they depend.

4.1.2 Smallholders have a particularly weak voice in decision-making about landscape strategies for agricultural development, water resource development, forest development, which are too often decided at district, provincial or national levels without consultation or engagement of smallholders.

4.2 This section should also highlight the lack of access by smallholders to natural resources that are located off their farms but are critical as inputs for agricultural production or agro-processing, such as forest resources needed for woodfuel, raw materials, ‘natural’ pesticides and fertilizers, water for irrigation, etc.

4.3 I suggest creating a separate category for ‘natural resource and environmental risks’, separate from ‘technical risks’, to highlight the high threats from soil loss, fertility decline, damage from flooding, pollution of water supplies for people and animals, and the host of climate change-related risks such as rise of new pests and diseases, increased drought risk, increased severity of storms, et al.

4. I encourage you to include at least one example of the many documented case studies showing how smallholder investment in natural resource management, at farm and local landscape scales, improves ecosystem health in ways that directly increase agricultural productivity, stability and resilience. I would be happy to suggest some examples and refer you to the experts.

Figure 15: Another challenge for smallholders’ well-being is their access to natural resources and ecosystem services critical for their livelihoods, as described above. For example, access to cropland alone is not sufficient in most smallholder farming systems—their access to forest, water and grazing resources is also critical, and in many places, to cropland parcels located in different agroecological zones to enable different types of crops to be grown under varying weather conditions.

5.4.2 The definition of territorial developments should be broadened and enhanced to incorporate diverse area-based approaches that can aggregate smallholder activities to improve stewardship of critical natural resources and ecosystem services (e.g., Landcare) or that will enable smallholder farmers to negotiate directly with other stakeholders in planning that affects their access and quality of land, water and other resources, and strategies of investment that will affect their ability to use them productively.

Thanks very much for the opportunity to comment on this very important report.

Sincerely,

Sara J. Scherr, President

EcoAgriculture Partners (www.ecoagriculture.org)

Facilitator, Landscapes for People, Food and Nature Initiative (www.landscapes.ecoagriculture.org)

25. Ilaria Firmian, IFAD, Italy

The paper provides a very good overview of constraints to smallholder investment in agriculture in different contexts and put forward solid recommendations. While I appreciate that the focus is on market linkages, as requested by CFS, I found that the analysis of constraints overlooks important issues related to climate change and natural resources management. These aspects could be strengthened both in the sections dedicated to resilience and risk identification - in particular by

separating natural /climate change risks from technical risks in section 4.3 - (i.e. climate change as a risk multiplier, adding pressure to the already stressed ecosystems for smallholder farming, and making the development of smallholder agriculture more expensive; agriculture is also a source of GHG emissions; etc.) and in the analysis of smallholders' role in food security and as a social, cultural and economic sector (highlighting the role smallholders play on sustainable natural resources management, ecosystem services; importance of local knowledge in adaptation to climate change; etc.).

Some specific suggestions include:

p.26: animal production should not only be considered in terms of "efficiency" but also in terms of sustainability and impacts on the environment (i.e. extensive grazing systems/pastoralism may represent a successful mechanisms of adaptation to maintain an ecological balance among pastures, livestock and people).

2.3.2: the growing integration of local and international value chains may represent a driver for scaling up environmentally sound practices and promoting inclusive green growth (an example is the IFAD Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme in Sao Tome and Principe, where public-private partnerships have been set up with overseas buyers of organic, fair trade cocoa of high quality).

2.4: the energy efficiency section should integrate climate change consideration as well as refer to technological innovations suitable for smallholders, such as biogas, that provide social, environmental and economic benefits.

3.3.6: Rewards for Environmental Services is an approach that may be associated to provision of public goods.

p.55: related to first dimension, among interventions that might help to enlarge and improve the available resource base, include multiple-benefit approaches that have impact on natural resource base, yields, GHG emissions, biodiversity. In addition, there are approaches to natural resources management such as Rewards for Environmental Services or organic/fair trade production, that have an impact also on the market dimension.

p.57: The importance of a coordinated strategy across sectors, time, and space should be further strengthened.

p.58-59: diversification of the production system should also be highlighted as a strategy for adapting to climate change and increasing resilience.

Thank you for the opportunity to comment on this extremely interesting report.

Ilaria Firmian

26. Phani Mohan K, Anagha Datta Trade, India

To maximise productivity small farmer has to be trained in BMP(Better management practices) and also with timely inputs. There is no doubt that developing nations and LDP countries have these in majority and are more sustainable reducing environmental impacts of large scale cultivation. am sharing my inputs on sugarcane studied for India which could be useful as its generic:

Sugarcane Production and manufacturing is a multi stakeholder process involving Farmer at the initial end, Scientists, Agronomists, Labor, farm equipment manufacturers, Logistic men, Agro Chemical manufacturers, Sugar Technologists and Mill managements at the bottom. The Role of everyone in the link plays critical role in enhancing Industry's bottom line.

The Article tries to understand gaps and suggest possibilities to this Crop which sweetens world populace but inherently driven by National policies.

Indian Sugarcane can reinvent itself following Sustainable practices by involving all stakeholders to collectively enhance its reputation.

Deficit can only be addressed by collective representation and redressal practices, which can be learned from multiple models in Brazil, Australia, Thailand, Caribbean and Cuban examples.

27. French Council of the Notarial Profession

Food insecurity created by the increase in the price of foodstuffs has led to a new phenomenon in Africa : the acquisition or leasing by governments or firms from certain countries of vast stretches of agricultural land in order to meet their own food needs. According to the FAO, between 20 and 30 million hectares have been taken over in recent years.

Causes of the land grabs

In order to feed the 9 billion people who will inhabit the earth in 2050, it will be necessary to double agricultural production: land—and the water that comes with it—has now become a means of exerting power and ensuring economic security, alongside oil. States aim to secure their sources of water and agricultural supplies for the long term, either directly or indirectly, through public companies or sovereign funds.

50% of potentially cultivable land is currently underused, as the people who live on it do not have the necessary resources to develop it, nor do they have secure legal access to the land. Land of this type is the first target of these new investors.

The question that now arises is which production model will best enhance the value of this land.

The right to food and land security

Access to natural resources, without which the right to food cannot become a reality, is closely linked to secure access to land. It is particularly difficult to determine the real-property rights of rural populations in developing and emerging countries as laws are imprecise or overlap, customary rights are not codified and land registries are either non-existent or obsolete.

It is for this reason that the issue of land governance must be central to our thoughts about food security: economic security cannot exist without legal certainty, particularly land security. In consequence, the legal system [that guarantees the real-property rights] must come into existence before the economic system.

If Africans are provided with secure title deeds they can be helped to fight poverty themselves, because secure title deeds make it easier to get credit. With this end in mind, the French High Council of the Notarial Profession set up a working group on real-estate titling, or real-property registration. Its aim is to provide support for countries that wish to introduce a secure system of land registration.

How can countries affected by land grabs be protected?

In order to ensure that the countries concerned derive a benefit from these massive investments, firstly, the rights of the rural populations must be made secure, and secondly, the contracts made by the governments of these countries with the investors (whether companies or states) must be regulated.

1 - SECURING THE RIGHTS OF RURAL POPULATIONS

The inhabitants of the areas transferred to investors are powerless in the face of these newcomers, as their real-property rights are recognized neither by the players involved in these operations nor by the governments of the countries concerned.

While the issue of *why* to protect these rights is political and economic, the issue of *how* to protect them is mainly legal.

French *notaires* can make a real contribution in this latter area. The practical implementation of such protection requires a conceptual framework and also a *modus operandi*.

The task of securing the rights of rural populations over the land divides into three stages :

- identification
- recognition
- protection

a) The identification and definition of land rights

Ascertaining and recognising a number of rights, whether individual or collective, over land, begins with an investigation into the land and involves listening to the people concerned. This is followed by a legal analysis of the rights as they are understood by their holders.

It is imperative to recognise the great diversity of systems of real-property rights and to relate them to public-interest issues, such as the careful stewardship of land and of natural resources.

b) The recognition of land rights

The next stage is the recognition of rights (whether ownership rights, customary rights, surface rights³, concessionary rights, rights conferred by a lease or *sui generis* rights) which, in order to be effective, must be registered—usually as a result of registration or titling campaigns. This enables the people concerned to have their rights in the land, which were defined at the previous stage, formally recognised (see for example the land registration offices in Madagascar).

The possession of an effective, indisputable title deed enables the owner's rights to be recognised. It is the deed that gives the holder ***access to the law***. Apart from the security that it brings, the recognition of real-property rights has a number of positive consequences, such as the recognition of the dignity of the person, particularly the rights of women, the improvement of assets and therefore agricultural production, and access to microcredit.

The most important thing is to ***recognise the land right***, as it is understood by the holder of the right.

c) Protection of land rights

The protection of land rights is guaranteed by the registration of those rights in a public register. In the interests of good land governance, the rights recognition process, which is the work of a field legal officer, should be distinct from the process of registration, which is a job for a state official or the authority responsible for keeping the register up to date.

An efficient land registration system must therefore include not only access to the right but also its later protection, placing emphasis on the prevention of disputes.

2 - MANAGEMENT AND REGULATION OF CONTRACTS ALLOWING FOR THE ACQUISITION OF LAND ON A MASSIVE SCALE

As the acquisition of land on a massive scale is usually achieved by signing a contract, it is important to set up a ***quality charter*** for each country concerned, which will lay down precisely all the rights and obligations of the beneficiaries.

Such contracts must be regulated insofar as they may harm the territory as a whole, the country's natural resources and the rights of the local population. For this reason, the World Bank has expressed the wish that henceforth reference will be made to the ***voluntary guidelines*** deriving from the

³ Or right to buildings or plantations on the land of another.

consultation procedure that was set up by the FAO on responsible governance and the right to access land and adopted in 2012 by the United Nations thanks to the work of the CSA and the FAO.

Good governance should therefore include **regulation**, which means that contracts must be fair : it is normal for an investor to derive a profit from its investment, but only insofar as it undertakes to acknowledge a certain number obligations.

The obligations to be borne by investors may be :

- Respect for the rights of local populations
- Obligation to pay a land tax
- Requirement to participate financially in the setting-up of agricultural cooperatives
- Training of the local people
- The choice of crops
- The determination of a "fair price"
- Obligation to choose agricultural workers from the local population
- Respect for a minimum wage
- Etc...

The introduction of such a policy would be totally consistent with three of the eight **Millennium Development Goals (MDG)** which the United Nations Member States hope to achieve by 2015 :

- To eradicate extreme poverty and hunger
- To ensure environmental sustainability
- To develop a global partnership for development

Willy Giacchino

Expert Land Tenure Security for the French High Council of the Notarial Profession
January 2013

28. Denis Requier-Desjardins, Institut d'Etudes Politiques de Toulouse/LEREPS, France

Je félicite les auteurs du rapport pour la qualité du travail effectué qui fait un bilan extrêmement complet du rôle de l'agriculture familiale dans la sécurité alimentaire et des contraintes qui pèsent sur elles. Je souhaiterais cependant souligner qu'il me paraît important de prendre en compte la question de la diversification des revenus et des activités au sein des ménages ruraux (plus de la moitié des revenus ruraux au Sud ne seraient plus des revenus d'exploitation).

Même si on peut considérer que dans la majorité des cas cette diversification est un moyen de diluer les risques inhérents à la production agricole de l'agriculture familiale et qu'un renforcement des investissements en sécurisant les conditions de production pourrait rendre cette stratégie moins nécessaire, il reste que dans certains cas on est en présence d'une marginalisation de l'activité agricole dans les systèmes de moyens d'existence, qui peut d'ailleurs aller jusqu'au retrait total.

Dans certains contextes cela peut diminuer les incitations à investir des agriculteurs familiaux, même si celles-ci sont portées par des politiques spécifiques, compte tenu justement du caractère résiduel de l'activité agricole dans leur portefeuille d'activités et leurs stratégies familiales.

29. Eric Sabourin, CIRAD and University of Brasilia, Brazil

[Original contribution in French]

Bonjour

Toutes mes félicitations aux auteurs de ce document qui sont parvenus à synthétiser et illustrer une somme de données et d'analyses sur l'agriculture familiale dans le monde.

Je ferai deux commentaires qui soulèvent deux recommandations qu'il me semble utile d'ajouter au rapport.

Le rapport reconnaît la diversité des contributions de l'agriculture aux différents marchés (des biens, du travail, de la terre, etc p 29)), mais relève surtout la contribution de l'agriculture familiale aux filières structurées (à l'alimentation des villes via les marchés nationaux, à certaines filières d'exportations de commodities ou de nested markets).

Il est même déploré la faible contractualisation des transactions marchandes de l'agriculture familiale, sans que soient relevés les dangers et dérives de l'agriculture de contrat (ou agriculture intégrée) qui a depuis les années 60 en Europe, en Amérique Latine comme en Asie, contribué à grossir le rang des sans-terre en faisant des petits producteurs familiaux de simples travailleurs des agro-industries qui souvent en cas d'échec (maladies, ravageurs) ou de faible production se sont emparées via les banques du peu de terres et capitaux de ces familles qui ont été expropriées. Les abus des firmes dans le cadre de la production familiale intégrée de soja au sud du Brésil (Parana, Santa Catarina, Rio Grande do Sul) dans les années 1970 sont une des principales causes de l'apparition de sans terre dans cette région de la constitution du Mouvement des Travailleurs Sans Terre dans les années 1980. Un exemple récent dans la même région concerne la faillite des entreprises nationales (Perdigao) et internationale (Doux, France) d'industrie de la volaille via la production intégrée. Les agriculteurs familiaux brésiliens en contrat avec Doux n'ont bien sûr pas bénéficié des mêmes appuis et protections que ceux de Bretagne en France.

De fait le rapport semble ne traiter que de l'agriculture familiale intégrées aux filières et marchés capitalistes, celle qui apparaît dans les statistiques commerciales. Il est noté à juste titre pour bien des situations, le cas de petits producteurs ruraux qui vivent également d'autres revenus et activités que ceux de la production agricole (travail en dehors de l'exploitation notamment, aides et transferts sociaux). Si ces situations existent et peuvent être recensées par les statistiques des politiques publiques, il existe de par le monde et surtout dans les pays en développement la situation inverse (beaucoup plus difficile à admettre donc à recenser) de familles paysannes qualifiées d'agriculture de subsistance, qui en plus de leur subsistance (l'autoconsommation n'est en règle générale pas mesurée par les statistiques), contribuent à l'alimentation des populations locales et des petites villes ou bourgades rurales, via les marchés de proximité et des formes de redistributions "non marchandes" (au sens de non capitalistes) qui échappent à toute statistique ou pour lesquelles il n'existe pas d'effort d'identification et de qualification statistique.

Dans ce cadre là, le rapport ne mentionne pas explicitement la contribution des agricultures familiales et paysannes (le mot n'apparaît jamais) à la sécurité et souveraineté alimentaire des pays et surtout à celles des populations rurales (et des petites villes rurales qui augmentent).

Un dernier commentaire concerne les recommandations en termes de politiques publiques d'appui à l'agriculture familiale: pour compléter les deux pertinentes recommandations du rapport en termes de renforcement des capacités institutionnelles des agriculteurs et d'appui à l'action collective.

Il convient de recommander la reconnaissance publique des dispositifs collectifs des agriculteurs familiaux, y compris des dispositifs non formels (sans statut juridique officiel) dans la mesure où ceux-ci assurent des fonctions de production de biens communs ou de biens publics locaux (éducation, information, innovation, références technique, via les Maisons et Ecoles familiales rurales, les groupes de paysans -expérimentateurs, les groupements de vente en commun, etc) ou de gestion de ressources naturelles communes (terres, forêt, eaux, biodiversité, etc).

Cette reconnaissance publique peut passer par

- a) leur reconnaissance juridique (leur proposer des statuts collectifs adaptés comme les GDPL Kanak en Nouvelle Calédonie, les Fonds de pasto des pâturages communs au Brésil ou les Banques de Semences Communautaires en Inde et divers pays d'Amérique Latine),
- b) leur inclusion dans des politiques publiques plus larges : accès au statut de terres de réforme agraire ou de réserve indigène, au crédit bonifié, etc par exemple
- c) appuis techniques et financiers directement aux collectifs au lieu des dérives et gaspillages des financements individuels des agriculteurs au titre de la PAC, de la multifonctionnalité, de la rémunération des services environnementaux et écosystémique et autres instruments du même type qui relèvent plus du clientélisme politique que de la gestion de politiques agricoles.

Sur ces deux sujet voir Sabourin Eric, 2012 Sociétés et organisations paysannes, une lecture para la réciprocité, Versailles , Ed. Quae, col. Synthèses + éditions en portugais Editora UFRGS Poro Alegre, 2011 et Fundo Editorial UARM, Lima, Peru, 2012

Bien cordialement

Eric Sabourin,
Cirad et Université de Brasilia
Animateur du Réseau Politiques Publiques et inégalités en Amérique Latine.

[*English translation*]

Good Day!

Congratulations to the authors of this document who have managed to synthesize and illustrate an amount of data and analysis on smallholder agriculture worldwide.

I will make two comments which give rise to two recommendations which seem to me useful to add to the report.

The report recognizes the diversity of the contributions by agriculture to the different markets (goods, work, land, etc. page 29), but highlights above all the contribution of smallholder agriculture to the structured sectors (to food for cities through national markets, to certain sectors of commodities exports or to nested markets).

The weak format of contracts in smallholders' market transactions is even deplored, without signaling the dangers and problems of contract agriculture (or integrated agriculture) which has contributed, since the 1960s in Europe and Latin America, as well as in Asia, to swell the ranks of the landless by turning the smallholder producers into no more than workers in agro-industries which often, in the case of setbacks (diseases, pests) or low production have taken possession through the banks of these families' meager land and capital which have been expropriated. The abuses by companies in the context of integrated family production of soya, in the South of Brazil (Parana, Santa Catarina, Rio Grande do Sul) in the 1970s are one of the main causes of the emergence of landless people in this region, and of the formation of the Landless Workers Movement in the 1980s. A recent example in the same region concerns the bankruptcy of national (Perdigao, Brazil) and international (Doux, France) integrated production based poultry industry enterprises. The Brazilian smallholders contracted with Doux did not have the benefit of the same support and protection as those in Brittany, in France.

In fact, the report seems only to discuss the smallholder farmers integrated into the capitalist sectors and markets, which is evident in the commercial statistics. It is correctly noted that in many cases the small rural producers live equally on other income and activities than agricultural production (work notably quite distinct from farming, on aid and social transfers). If these situations exist and can be quantified in the statistics of public policies, the reverse situation is found worldwide and especially in the developing countries (much more difficult to admit and therefore to quantify) of families of farmers classed as subsistence farmers, who as well as their own subsistence (auto-consumption is not as a general rule included in statistical measurements), contribute to feeding local populations and small towns or rural neighborhoods through local markets and some non-market forms of redistribution (in the sense of non-capitalist) which escape all statistics or for which no effort is made to identify and qualify them statistically.

In this same context, the report does not mention explicitly the contribution of smallholder farmers and peasants (this word never appears) to the countries' security and sovereignty of food, and especially to that of the rural populations (and small rural towns, which are increasing).

A final commentary concerns the recommendations in terms of public policies to support smallholders' agriculture, in order to complete the two pertinent recommendations in the report in terms of the strengthening of the institutional capabilities of the farmers and support for collective action. It is appropriate to recommend public recognition of smallholder farmers collective arrangements, including informal arrangements (without official legal status) to the extent that these fulfill the role of

producing common benefits or local public benefits(education, information, innovation, technical references, through the rural family Institutes and Schools, the groups of farmers - experimenters, groups for selling in common, etc.) or for managing common natural resources (land, forest, water, bio-diversity, etc.).

This public recognition can go through

- a) their legal recognition (to offer them collective status adapted like the GDPL (Groupement de droit particulier local,[Group with local special rights]) Kanak in New Caledonia, the grass funds of common grasslands in Brazil or the community seed banks in India and several Latin American countries),
- b) their inclusion in broader public policies, for example, access to agricultural reform land status or of indigenous reserve, to subsidized credit, etc.
- c) technical and financial support directly to the community rather than the diversion and waste of financing individual farmers in the name of the CAP, of multi-functionality, of remunerations for environmental and ecosystem services and other instruments of the same kind which smack more of political clientelism than the management of agricultural policies.

On this subject, see Sabourin Eric, 2012 *Sociétés et organisations paysannes, une lecture para la réciprocité* [Farmers societies and organizations a reading on reciprocity], Versailles , Ed. Quae, col. Summary and Portuguese editions: Editora da UFRGS Porto Alegre, 2011 and Fondo Editorial UARM, Lima, Peru, 2012

With good wishes!

Eric Sabourin,
CIRAD and Universidade de Brasília
Facilitator for Public Policies and Inequalities Network in Latin America.

30. C. Palanivelayutham Chokkalingam, India

Investing in Small Holder Agriculture for Food and Nutrition Security

Small holder agriculture is presently occupied mostly by farm families, the members of which are directly involved in farm activities to ensure their bread winning. The two types of small holder agriculture are :

- 1.Small holders in rain-fed areas
2. Small holders in irrigated areas

As far as rain-fed agriculture is concerned, the small holders (farmers) face considerable risk as they depend largely on the monsoonal rains. During normal monsoon period, the cultivable land, labour and other inputs are fully utilized so as to make the farming practice successful. On the other hand, failure of monsoon and associated nil farming activities lead the farmers to a very pathetic condition besides affecting national economy.

Under such extreme conditions, the small holders get involved in alternative jobs like rearing of goats and birds by utilizing available resources, industrial labour ,etc in order to manage their livelihoods during off seasons.

The other type of small holders in agriculture in irrigated lands is invariably risk- free unlike rain-fed small holders Agriculture. In this type of farming, the investment practices include the following:

- 1.Use of hybrid/improved varieties
- 2.Use of drip irrigation with fertigation
- 3.Use of other agronomic devices to suit modern technologies
- 4.Use of cheap and cost- effective devices such as sowing/harvesting machines
- 5.Cultivation of crops according to market needs.

6. Learning modern agriculture technologies and participation in agri-related training programmes,

By adopting the above, the farmers concerned would generate considerable income besides ensuring food and nutritional security.

In the State of Tamilnadu in India, a pilot project titled ' Precision farming ' was launched during 2004-05 to ensure food and nutritional security in a 100 ha of land area with the following objectives:

1. Promotion of market- led Horticulture
2. Empowerment of farmers and Farmers' Forums.
3. Training the farmers in latest state-of-art cultivation technologies
4. Promoting hi-tech horticulture
5. Exploitation of genetic potentials to the maximum extent possible

The above project which involved about 30% of small farmers not only helped in achieving 88% production but also helped the farmers in the following:

1. Maximum utilization of available labour force.
2. Adoption /Expansion of drip irrigation system
3. Rational use of pesticides and their impacts
4. Market -led crop production & Marketing experience
5. Resolving farmers indebtedness
6. Improvement in life style and socio-economic status
7. Formation of Farmers 'Associations

Strategies to invest in small holder agriculture for food and nutritional security

1. Maximisation of the use of available water with Micro irrigation techniques
2. Identification and use of improved varieties/hybrids suitable to regions
3. Cluster approach-to face the marketing problems and efficient utilization of available resources.
4. Establishment of green house, shade net [etc. to](#) ensure maximum production per unit area.

PRODUCTION ECONOMICS OF ONE HECTARE OF TOMATO HYBRID CULTIVATION.

- SL.NO	- DETAILS OF EXPENDITURE	- COST IN RUPEES	-
- 1	- COST OF SEEDS	- 1200.00	-
- 2	- COST OF NURSERY PREP. AND SOWING	- 4000.00	-
- 3	- COST OF PLOUGHING AND LAND PREPARATION	- 4900.00	-
- 4	- PLANTING	- 1500.00	-
- 5	- PLANT PROTECTION	- 13000.00	-
- 6	- STAKING	- 6000.00	-
- 7	- WATER SOLUBLE FERTILIZERS	- 7500.00	-
- 8	- ORGANIC MANURING	- 7500.00	-
- 9	- IRRIGATION	- 8000.00	-
- 10	- HARVESTING	- 8000.00	-
- 11	- MAINTANANCE AND ETC.	- 4400.00	-
-	- TOTAL EXPENDITURE	- 66000,00	-

-
- -
 - **YIELD OBTAINED 63 TONNES/HA**
 - **GROSS INCOME OF 3.90 LAKHS /HA**
 - **EXPENDITURE COST 0.66 LAKHS/HA**
 - **NET PROFIT 3.24 LAKHS./HA.**
 -

CONCLUSION

THE CONCEPT OF" INVESTMENT IN SMALL HOLDER AGRICULTURE" SECTOR WOULD GAIN MOMENTUM IN THE YEARS TO COME OWING TO ITS LARGE SCALE BENEFITS TO NATIONAL ECONOMY IN GENERAL AND SMALL FARMERS IN PARTICULAR. DEVELOPING COUNTRIES LIKE INDIA NEED TO PAY GREATER ATTENTION TO THIS ASPECT IN ORDER TO SAFEGUARD THE SMALL FARMERS FROM VAGARIES OF MONSOON AND ASSOCIATED LIVELIHOOD PROBLEMS.

31. Government of the United States of America

This study promises to be a worthwhile update on what could and should still be done to address constraints to smallholder investment in agriculture, a topic continually revisited by the development community over many decades.

1. Definition and significance of Smallholder agriculture: is the approach in the report adequate?

A tighter definition of smallholders is needed. The definition of smallholders offered in the initial section of the paper ("run by a family that derives a substantial and indispensable part, or all, of its income and/or food from agriculture" and with a small resource base) is in essence a description of a family subsistence farm. This definition is vague and lacks criteria that could easily be verified from available cross-country data. The definition of smallholders will help to determine the scope of the paper, and thus needs to be carefully considered in the context of the issues to be addressed in the paper.

The definition should take into account the focus on constraints to smallholder investments.

While it is very useful to consider smallholdings from the perspective of livelihood and family well-being, the size of the land holding from an agriculture perspective and from an investment perspective is one of the major characteristics that distinguish this subset of agriculture from others in terms of food security, livelihood and well-being. Even for livestock production the amount of land for forage or pasture is a critical factor. Other elements of the resource base, including access to water, roads, and infrastructure also could be important considerations for smallholder investments. The analysis of the constraints to investment in the paper should take into account the linkage between resource constraints, education, and poverty. It could consider, for example, whether there is a minimum threshold of natural resources, especially land and water, beyond which it is much more likely that a smallholding will provide an adequate livelihood or be a viable enterprise. An important consideration for investment decision-making is whether a smallholding has a base of essential natural and technical resources that will allow a reasonable return on investments made in other resources and assets.

The definition should incorporate a vision of what a smallholding could be/should be after investments. An insufficient resource base can limit a smallholder farm to subsistence. However, various smallholdings provide a decent living. The objective of more investments could be to move beyond subsistence and to a livelihood that produces more nutritious products, more purchasing power, and ultimately lifts the farmer above the poverty threshold..

2. Framework for smallholder agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?

Analysis of the constraints to investment should be the priority for the report. The typology could be useful, but should not lead to more effort being expended on categorizing smallholders than on analyzing the constraints to smallholder investment, especially since multiple method of categorization can overlap for one single farmer.

The typology does not incorporate a dependency ratio – the ratio of family members to labor units in the household. This has a bearing on the income or food necessary to meet basic needs and on how big “small” has to be in terms of providing adequate resources for a livelihood.

3. Constraints to smallholder investments: are the main constraints presented in the draft? Have important constraints been omitted?

The constraints section is distorted by the initial focus on legal recognition and political influence. Poverty, lack of access to resources, risks, and policy disincentives are important constraints to analyze. There are many reasons these constraints exist. Lack of legal recognition and political influence are not necessarily among the most important reasons nor are they universally applicable.

Recommendations should be addressed separately from the constraints analysis. Section 4.5 on the typology also includes a list of interventions to address the constraints. Potential interventions should be analyzed and discussed in this section without presuming that certain actions must be taken.

The comprehensiveness of this document would be greatly improved by including a section devoted to this long-run solution to poverty among smallholder farmers and to national food and nutrition security. The study should identify the parameters of potential income increases from smallholding versus other options.

The paper plays down good governance and rule of law issues. An environment that encourages investment in smallholder farmers is an important contribution that is essentially ignored in the paper. With regards to what the paper terms the “political dimension” the focus is mainly on state intervention to “emancipate neglected groups” rather than to creating a political and economic environment conducive to investment and to active participation of farmer cooperatives and civil society groups.

Smallholder farming has been shown in many circumstances to be as or more productive than large, capital intensive farms in the conditions faced by many poor countries. Studies from the early 1960s (initiated by Nobel laureate Amartya Sen in India) to the present (based on rigorous micro studies in Africa) demonstrate that in many or most conditions faced in poor countries, small farmers’ productivity is as high and often higher than large holdings. The implications and limitations of this productivity bonus for smallholder should be more thoroughly assessed in the paper.

Recommendations and Policy Messages

The recommendations need to be more concisely presented and linked to the analysis.

Recommending a process approach detracts from a needed focus on tackling the real constraints to smallholder investment. Countries should decide for themselves how to prioritize constraints to smallholder investment within their own planning and investment frameworks. A national smallholder strategic framework is not necessarily the best approach for each country. **The recommendations should recognize the changing role of smallholder farming during different stages of the development cycle.**

In the short- and medium-term, smallholder farming in poor countries is an essential source of linkages, demand, and employment in sectors relying on agriculture – for example, processing, input supply, demand by small farmers for non-tradable services. In such circumstances, large capital intensive farms will not generate many of these linkages and will therefore fail to generate employment and economic linkages with the non-agricultural jobs and services in rural areas and small towns that are crucial to development and growth. The very high elasticities of employment with respect to agricultural growth occur only in smallholder based agricultural growth because of these linkages.

In the longer-term, the solution to smallholder poverty is to create conditions that allow labor to move out of agricultural production. Following the normal course of successful economic development, as future generations leave farming, small farms will be consolidated into larger holdings from which remaining persons can earn larger incomes. As the rural labor supply moves into more productive and remunerative employment in off-farm rural and urban activities, this process will in turn increase demand for the products of those remaining behind on small farms. Future generations need to be better educated and trained to increase productivity to meet growing demand on the remaining farms and to be able to find better jobs off the small farms (due to faster non-farm employment generation).

The focus on rights in the recommendations is unbalanced. Some of the rights asserted, such as the “inalienable right to farm,” have neither an established foundation nor widespread acceptance.

Many of the recommendations are too general and open to different interpretations. The recommendation that “price stabilization is needed” is questionable. Price changes are an important market signal in well-functioning markets. Advocating land redistribution without discussing compensation is unacceptable. Advocating national and international market regulation is too vague. Markets are regulated; how they are regulated is critically important.

Presentation of Issues

The paper should not assume that smallholder farming is a preferred model of agricultural production. The paper adequately demonstrates the prevalence and importance of smallholder farms. However, the purpose of the paper is to analyze the constraints to smallholder investment, not to advocate for the preservation of smallholder farms as a preferred model.

The paper has an unacceptable bias against globalized markets, multinational firms, large farms and “the industrialized food system”. Many unsubstantiated claims are made that detract from the credibility of the analysis. The paper advocates for state intervention in land tenure, markets and/or with corporations in cases where none is needed.

More thorough analysis is needed of public intervention in markets. The paper does address markets created by public procurement (e.g. Brazil’s national food purchase program PAA on page 55)—it would be good to know the “standards” for selling into such markets and more on their sustainability. In many other places the paper suggests public guarantees or public investment. Here it would be good to look carefully at whether these are helping small farmers to deal with/link to markets and opportunities or creating potentially expensive programs to support smallholders that are too inefficient to survive outside of this protected environment.

More focus is needed on comparative strategies for linking smallholders to food value chains in national and regional markets. The document in places appears to evaluate markets in terms of their ability to support smallholders and to suggest that large-scale investments in infrastructure and organization are needed to create the “right” kind of markets for smallholders to link to. This is an impractical approach. It would be more fruitful to develop ways to work more effectively with existing markets—as some of the later section of the paper does. It might also be helpful to look at the differences in requirements for standardization, quality and phytosanitary characteristics across different kinds of markets—e.g. the higher demands to sell to WFP or into regional or global markets. The paper should also look carefully at the assumption that smallholders can simply market whatever they have in surplus over subsistence consumption. This might work in some markets, but can be inappropriate in others.

32. Felicity Proctor, ProctorConsult.org, United Kingdom

Thank you for the opportunity to comment on this important document

1 Although the body of the text (page 33 etc.) raises the issue of heterogeneity of the small-farm “sector” - this is not adequately highlighted in the summary. Understanding this heterogeneity and responding to it will be central to meeting the objectives of food security, nutrition and economic development

2 The report would benefit from more discussion on the need for and sequencing of differentiated policies and interventions to meet the needs of the different types (size, location, assets, farming system, hh profile, etc.) of small-scale farmers within a given country context. It would be useful to recognise that there will be winners and losers as the small-farm sector moves forward. Who benefits (i.e. which type of small-farm hhs) and why from specific interventions to support economic aspects of the small-farm sector, how to deal with trade-offs and how to manage effectively the interface between economic service and social protection interventions needs to be understood, monitored and managed. Given this heterogeneity, a 'one size fits all' for the smallholder farm sector in a given country (or even a subnational regional/territorial) context is not appropriate

May I suggest that the following may provide some additional insights on heterogeneity in the case of Africa?

Jayne, T. S., Mather, D., and E. Mghenyi (2010) Principal challenges confronting smallholder agriculture in sub-Saharan Africa. *World Development* 38 (10) pp1384–1398
Jayne, T. S., Yamano, T., Weber, M., Tschirley, D., Benfica, R., Chapoto, A., and B. Zulu (2003) Smallholder income and land distribution in Africa: Implications for poverty reduction strategies. *Food Policy* 28 (3) pp253–275

3 The smallholder debate needs to be set within a longer term framework which takes into account the population demographics in rural areas including the rural-urban dynamic and the current and anticipated rural and urban employment profiles. Smallholders matter not least because in some regions (e.g. SSA, parts of South Asia) there are simply not [enough] other livelihood/ employment opportunities that can absorb the expected population growth - inter-generationally. This is a case to revisit the smallholder debate in its own right - your section p23 only speaks to this in the context of changing farm size. The issue of population trends (as well as wider economic and social transformation) is too important to leave out of this debate and calls for the small-farm discussion of what next and why - at country level to be set within a longer term framework i.e. 30 plus years. The authors may like to look through Proctor, F.J. and V. Lucchesi (2012) *Small-scale farming and youth in an era of rapid rural change* <http://pubs.iied.org/14617IIED.html>

4 On smallholder livelihoods - yes all smallholder hh are engaged with 'the market' one way or another but not all market their produce from the farm - this needs to be noted. Whilst the paper talks of remittances (page 9... and savings) it does not talk [enough] about the balance of farm and non-farm incomes (note- employment in this context is both formal and informal) within the hh and the role that rural non-farm economy (RNFE) plays in enabling investment in agriculture and in managing hh income and risk. Arguably any strategy to support the small-farm sector needs not only to address the social sectors of health and education (you refer to this in the body of the report) but also how the RNFE (formal and informal) sector is supported i.e. the policy and institutional context in which the different categories of smallholders and their "agriculture plus" livelihoods are enabled. As an aside - see Fox and Pimhidzai 2011 for a recent commentary on the informal sector in the case of Uganda

5 Whilst there is quite a lot in the report on contract farming (as an option to support the small-farm sector) - there is very little on 'new business models' at the first stage procurement level including the importance of the role of intermediaries and how they should/could be better supported - for both the traditional and modern markets. Bienabe et al., 2011 - already referenced in the paper has some ideas but this reference was not used to illustrate some examples of different models

6 The role of PROs needs better disaggregation by function - advocacy, services, marketing - each call for different structures and capacities. In most of SSA and Asia these structures are weak (in particular for the latter function) and largely driven by development intervention - raising questions of both suitability and sustainability

7 Page 9 - "smallholder agriculture is the largest provider of food and raw material" - do we have the evidence of the production levels by farm size /commodity/ country/region/global. Given the theme of the paper - I think more information is need here and if we don't know we should say what exactly we do and don't know

8 Land access and land security debate in the context of smallholders could be given more focus

9 The paper whilst making reference to basic education is silent on vocational and technical education – not only for the small-scale farmer and their structures RPOs, cooperatives etc. but also for skills enhancement of the actors who service the smallholder’s input and outputs market chains

10 There is nothing on the next generation of small scale farmers –the specific barriers to entry – their aspirations – how to make small-scale farming more attractive and at what scale and in which context

11 Country level debate on smallholder sector - this was also one of our key recommendations - Proctor, F.J. and V. Lucchesi (2012). I can understand where the authors are coming from but in some ways each country needs an 'agriculture transformation debate' (i.e. 30-50 years foreword) and then the smallholder role within the wider agricultural [and arguably also structural] transformation framework ... not a smallholder debate first then contextualising it. This report could usefully elaborate how such debate at country level could be taken forward - what are the key elements etc. As noted by another contributor such debates could usefully be set within the framework of other related national processes.

33. Céline Bignebat, INRA, France

I really enjoyed reading the report and found many very interesting sections and proposals in it. Here are a few comments.

Sections 1 & 2 - smallholders:

1. General comment: I have the impression that the report largely overlooks the *family nature and structure of smallholder agriculture*. The internal heterogeneity is not mentioned much, but it could be determining to understand investment behaviours, as well as impact of investments in terms of productivity. Property rights over assets, use rights and control rights may be interesting to highlight, especially when considering men/women relationships and behaviour (I think about land issue in particular, and access to property); but we may think about resource pooling as well, and/or decision making in the household. For enlarged families, intergenerational issues may be at stake as well when trying to understand investment. In particular microcredit is often directed to women. This may lead to considerations about a gendered division of productive activities.
2. General comment: the approach you have at the beginning of the report, namely that smallholder investment mostly consists in labour, is interesting, even though not referred much to in the rest of the text. It raises a question: should not *human capital* be considered as one of the point where investment is crucial? Even though the literature does not find a clear relationship between educational level and productivity, literacy may help accessing credit or information so as to invest profitably.
3. Graphs are often representing the number of holdings, which may sometimes be misleading for the reader, especially when the text is referring to a concentration process. Perhaps proportions can sometimes be easier to read.
4. p. 25: they are numerous studies about the *relationship between farm size and productivity*, however, to my knowledge, with no clear-cut conclusions. The Brazil example (p. 25) seems relatively anecdotic and somewhat not convincing, because (i) the conclusions the report draws are categorical: “These data show that the inverse relationship between farm size and land productivity, is still omnipresent today” (ii) we don’t know much about the study: are that Net or gross revenues? Margins? When were the data collected? (iii) the observations about the size/productivity relationship may change across countries or years.
5. Smallholder in food processing is an interesting section, that perhaps could be developed (p. 27). We have some further details p. 39. It seems to me that it tackles in a way the question of the difference between non-agricultural and off-farm activities, and thus the question of the *boundaries of agricultural investment*. In programs like “progresas” in Mexico, a large part of the amount of the subsidies is dedicated to the development of small business in connection with sales of the household agricultural production. Peri-agriculture value-adding activities may as well be defined as “agricultural” investment: ie, transformation of cassava for urban consumers

in Ivory Coast. The question of the diversification of activities into non-agricultural sectors is as well not far away in the sense that it contributes to agricultural production.

6. I was wondering (p. 30) about the role of *intermediaries* other than producer organizations. This is perhaps to take into account, especially when considering interlinked contracts, like credit for production – this kind of contracts most of the time concern credit for variable costs (input purchase), but sometimes it can include for up-front investments as well, in particular in high-value global chains that require the upgrading of the production process.

Section 3 & 4 - investment:

1. *Public-Private partnerships* for investment in agriculture are studied by an emerging scientific literature that may be interesting. Partly it refers to large or risky investments, like R&D in new technologies (Spielman et al., 2010). However, it includes as well the role of NGOs in alleviating the credit/liquidity constraint faced by small producers (Narro et al., 2009; Poulton and Macartney, 2012).
2. Section 4.5. I can't understand why the typology is not in the section 1 or 2 of the report, or perhaps only the framework – assets, markets, institutions (I understood sections 1 and 2 as setting the definition of smallholder agriculture and the constraint/opportunities smallholders face) it could be useful to define the unit of analysis of the report, and analyze its diversity. This could enable clarifying more rapidly in the report that the category “small producers” is not homogenous and provide a key in understanding the diversity.
3. In the typology:
 - (i) The categorization: from the column “characterization.illustration”, I have difficulties to understand what type of difference you make between combination --+ and ---, especially in terms of investment.
 - (ii) As assets are endogenous (and the main point of the study – investment), it may be interesting to figure out different types of *transition patterns from one category to the other*. It may help for the recommendation part.

Minor comments:

Section 4.1.: Why beginning by constraint in terms of recognition? Perhaps financial constraints/missing markets are more important? (see figure 13)

Section 4.4.: Why policy, and not just environment?

The expression “ownership of policies” (P. 40) is not very clear to me.

Narro C., D. Roy, J. Okello, B. Avendaño, Rich and A. Thorat, 2009, “Public-private partnerships and collective action in high-value fruit and vegetable supply chain”, *Food Policy*, 34: 8-15

Poulton C. and J. Macartney, 2012, “Can public-private partnerships leverage private investment in agricultural value chains in Africa?”, *World Development*, 40(1): 96-109.

Spielman D., F. Hartwich and K. Greber, 2010, “Public-private partnerships and developing-country agriculture: Evidence from the international agricultural research system”, *Public Administration and Development*, 30(4): 261-276

34. Philip McMichael, Cornell University, USA

Here are some comments in the form of notes corresponding first to points in the Summary and Recommendations, and then page numbers. I hope they are useful

Philip

Comments on smallholder investment report

Summary

Pt 5: very important to note SH involvement in markets, but not always equally.

12: Political dimension could also include democratic control over agricultures in accordance with national food security, & SH viability, objectives

14. Neglect and ignorance of SH existence and potential should be brought forward as a framing issue. Instead of starting with a definition as in #1, why not begin with the observation that the condition of the SH is first and foremost a condition of neglect and misunderstanding. A social, cultural and ecological blindspot to be blunt!

15. Suggest adding: and concern with overcrowding slums, and an opportunity also for economic and social 'multipliers' in rural regions/territories.

20. and markets at local levels? (less susceptible to export strategies)

28. Introduce the idea of investment in the smallholder commons rather than simply distinguishing vulnerable and 'well off' – especially given advocacy of collective action in 29 and Fig 1.

Specific Recommendations

Pt 32. managing technical risks also requires particular farming *practices* over and above policies and tools.

33. involvement of banks and financial systems needs close regulation to avoid indebtedness.

35. important to emphasize new markets as new growth areas (especially in global North, attracting new SHs)

38. strengthening democratic SH organizations good – but why number 38? This issue of voice/representations needs to frame many of the other dimensions/recommendations.

Introduction

Page

16 – Future visioning of agriculture could be brought forward to organize/shape the introduction of SH as vital to food security, employment, energy efficiency, rural vitality and environmental stewardship

17 Multifunctionality a critical part of revisioning agriculture

26 Why not emphasize the ecological importance of mixed farming?

28, 2.2 – important point about SH potential to contribute to domestic food security and employment,

29 and about adequate conditions for market participation.

Also critical point regarding differentiating types of markets, to 'de-naturalize' the globalized agrifood markets often considered the only (viable) market, and underline the significance of differentiating necessary investments for SH to participate in different agr markets

34 Why wouldn't an agr-led development strategy consider reducing the export of family members and strengthen farming communities, rather than take for granted the 65% SH in LAmerica who increasingly depend on off-farm income?

3. Framework for SH Agr and Investments

36 An important point to argue that for SH capital formation is labor-driven, as it sets up the argument for paying attention to gender equity, health & social protections: this theme is critical and it speaks to the issue of *recognition* of the potential and rights of SHs.

39 emphasis on collective investment important – landscape management and SH organizations, eg. What about supporting seed exchanges, commons?

40 Important to emphasize social safety nets etc as a right for SH often neglected in urban-centered programs, and assumed to be failing (cf p 44)

41 emphasis on laws/regulations in corporate/SH relationship important – may be important to mention that private standards represent one way in which corporate processors or retailers create their own market ‘laws’ [just as, on p 43, land deals are confidential]

46- 4.2: Persistent poverty section is good, but reinforces a sense of stasis or decline of SH conditions – important to continually connect to lack of recognition in expectations of SH farming and SAPolicies that have set SH farming back

49 SH uniqueness (linkages between economic and socio-cultural risks, eg) means that there needs to be stronger voice concerning the specificity of SH practices that cannot be reduced to or understood purely from a market logic (as outlined on p 50 regarding the ‘white revolution’ in India).

54 the typology depicts types of smallholders according to assets, markets and institutional context. It is not clear that these dimensions can be so easily isolated. Markets are institutions. It means, for example, that (neoliberal) policies liberalizing markets resulting in ‘food dependency’ are separated from the impact on smallholders – the so-called ‘cheap food regime’ (hinted at on p 60).

55 identification of examples of positive interventions is useful

Recommendations

58 good to invest in human capital vs land and productivity focus only

63 important to emphasize research to improve knowledge base for producers

66 Importance of public financial institutions and partnerships with private, cooperative and community institutions

67 reorient value chain agriculture to local and national markets – not just a matter of saying ‘*despite the preference* of development agencies and even national governments to prioritize modern for-export value chains...’ the issue is surely epistemic – that is, it is more than a matter of preference – there is a WTO regime and a history of structural adjustment and exporting to pay debt: all ingredients of a global vision of corporate markets ruled by “comparative advantage”

70 National Smallholder Vision and Strategic Framework indispensable – to address and overcome constraints SH. Why not signal this right at the beginning of the report?

35. Royal Norwegian Society for Development (Norges Vel) and Development Fund (Utviklingsfondet), Norway

The document on *Investing in smallholder agriculture for food and nutrition security* is extremely timely and a precious contribution to the current approaches. It brings invaluable ideas, concepts and definitions which will greatly contribute to the work of those working in this field.

The paper should be improved: The document does not focus enough on **investing** *per se* and is too general in too many domains related to smallholder agriculture. Because of this the document loses

power. Most of the recommendations are not for investing but for everything related to SMALLHOLDER agriculture.

See the attachment (*text below*) for more comments and suggestions for improvements

Input to HLPE consultation on the V0 draft of the Report: Investing in smallholder agriculture for food and nutrition security

The document on *Investing in smallholder agriculture for food and nutrition security* is extremely timely and a precious contribution to the current approaches. It brings invaluable ideas, concepts and definitions which will greatly contribute to the work of those working in this field.

Below we first give some overall comments and then some more detailed comments and suggestions for improvement of the document.

Some overall comments

The subject is crucial and needs dedicated attention. It also needs additional work with special purpose platforms that can be geared towards bringing together the existing knowledge from different horizons and putting forward a range of possible alternative and innovative paths that could be proposed in different environments. It needs those primarily concerned to be at the heart of the debates. The paper is very good in that it opens a door in that direction.

Good and important points

It's very good that the draft report underlines and give facts about the importance of small scale agriculture; that about 85-90% of all farmers are smallholders, that they produce most of the food in the world, that they themselves by far are the biggest investors in agriculture and that they produce more per area than large scale farmers. The descriptions of the situation for small sale farmers and the main challenges they face are also basically good.

The document is good in its summary, with :

- an excellent definition up-front on what *a smallholding is* (point 1, 2 p.8), and highlight on the *collective* side (point 3 p.8);
- emphasis/rectification on wrong assumption: that smallholders *are outside markets*, and this is a very powerful part of the content of this paper.

and it is good in its recommendations:

- for a *typology* with Assets, Markets and Institutions
- the suggestion to undertake implementation at *territorial level*.

Para 3 which presents a very useful analysis of investments made by smallholder themselves. The issues in capital formation of *hope, security and remunerative price levels* are very relevant and well explained.

The paper should be improved:

The document does not focus enough on **investing per se** and is too general in too many domains related to smallholder agriculture. Because of this the document loses power. Most of the recommendations are not for investing but for everything related to SMALLHOLDER agriculture. By being too general, the recommendations lose impact on the reader. Fair to say that there is a need to have a *National Vision and Strategic Framework for Smallholder Agriculture* but this seems to go beyond investing *per se*, and while necessary, is too vague. Even if we agree that it is important to develop a *National Vision and Strategic Framework for Smallholder Agriculture*, we think it should be underlined that this is not a prerequisite for starting up or increase responsible investments benefitting small-scale farmers. It should also be mentioned that such development of such frameworks have been tried in the past decades without much success.

The paper would gain in being very specific in **what can really achieved in practice** and what is **new either in approach or content**, as well as what works and what doesn't in the realities of territories, and why. There is no real evaluation of what kind of investments and credit schemes which are functioning and not, and no concrete proposals for how credit schemes, private investments and governmental programs could be set up to benefit small scale farmers.

By saying for example that "Specific priority to be given at **Banking and financing system** to support smallholder agriculture" (para 26 p.12) does not bring much to the reader, because the question is how

and which type of financing systems, the current ones? Or new ones? And who is working on these, where is innovation in this field? What are the steps? And how to make it work? Which are the conflicts of interest? What are the approaches of the different banks? what are the drawbacks?

The paper is also missing a clear section on **who are the investors for SMALLHOLDERS** (in addition to the smallholder themselves and the governments) and **how do they operate**. It also misses a section on the *evolution in recent years* and how the focus has shifted radically, with a totally different financial landscape and new players on the ground who knew nothing about agriculture and even less about SMALLHOLDER ag.

The paper would also gain by dropping the generalities and the visions and frameworks that already invade the shelves of the ministries of agriculture around the world, and by being more focused on the way ahead for INVESTING, that can be useful for smallholders.

In the recommendation section there should be a heading of technology introduction, partnerships and use that benefits smallholders. One example is how many smallholders now use mobile phones for market information and banking. This element should be stronger emphasized in the report as a key infrastructure that is needed to keep farmers informed, organized, linked to market and with the banking services attached to mobile phone networks there is large savings in transaction costs that benefit small scale farmers very much.

Warehouse receipt systems that are linked with farmer associations should be explained and explored in the document. There are some very good experiences on how warehouse receipts systems can benefit small-scale farmers.

Soil management is not sufficiently discussed in the report. The most valuable asset of small-scale farmers is being depleted by production methodologies and lack of bio value return to the soil. Composting and the return of other bio values are not sufficiently underlined in the report. In production of all commodities there is a vast quantity of bio materials that should be brought back. Investments in composting and in using nutrients from sanitation should be looked into in the report. (In Uganda the nutrient value from sanitation that today is wasted or released as pollution represents 13 times the import of chemical fertilizers.)

The report underlines the need for peasants to have a strong organizations and a strong voice, but instead of giving the small scale farmers a voice and to give their views and proposals on how to strengthen the organizations, lessons learned by the World Bank on building capacity of rural producer organizations is quoted.

Some more comments

Below are some more comments, first some general comments and then in chronological order.

The structure and table of contents (page 3) of the report could be improved with less titles on general knowledge on SMALLHOLDER agriculture and more titles on information on the available knowledge on investments.

It would be good to have more sections and sub-sections on investing with presentations of different types of investments, different actors, and how they work and where, with criteria etc.

The report gives sometimes the impression of being a justification for the relevance of SMALLHOLDER agriculture. In this regard, the Chap 1 and in particular 1.2 how small is small, 1.3 diversity, 1.3.2 policy concerns, 1.4 time and demography, the Chap 2, significance of smallholder agriculture, with 2.1 role in food security etc. while being very interesting, seem a bit too detailed for a report on investing. Maybe some of this information could be in an annex.

Page 12, para 29:

Regarding the 3 coordinated pillars; these seem very general and go beyond investing (e.g. increase in productivity and resilience etc).

Page 13:

Figure 1 would benefit by being more on investment. Just looking at it, one cannot say for what is the graph. The question of the reader is : can there be investing in SMALLHOLDER agriculture outside a well functioning National Policy for smallholder Agriculture , National Vision and Strategic Framework, etc.? From the graph the answer could be no, in reality despite non-enabling environments, some do work, and the graph could give **tools, processes and ideas towards new forms of investing for SMALLHOLDER**.

It seems a bit strange to have SMALLHOLDER being reduced to triangles and circles.
The 3 columns wellbeing, productive and public goods are not clear or useful.

Page 28-35

The sections related to market are very relevant and perhaps their connection to the investing part could be strengthened. The boxes in p. 30,31, 32 etc. are very interesting but could be better connected to the implications of these findings to the creation of enabling investing environments. And the paper would very much benefit from bringing some answers to the questions raised at the end of para 2.3. *(i) how can the conditions for smallholders market integration be improved including technical issues? (ii) different agricultural markets will require different types of investments.*

Page 32:

Para 2.4 (energy efficiency, p.32) comes here without really being related to the rest and may not be necessary in the paper, or just as a justification for SMALLHOLDER ag, but not directly for investing and the *how to* for it.

Page 33-34:

The same as above; 2.5 *Smallholders are highly heterogeneous* does not seem to flow from the prior sections. It is interesting to read box 4 p.34 but the implications of heterogeneity on investments is not made and the text appears more as a personal belief (see last sentence “ we believe that they represent the best bet..”).

Page 36:

In para 3 it would be useful to define drudgery and utility.

Page 37:

Under 3.2 , SRL should be written in full.

Page 38:

An interesting point on the widespread mythology that investment is good (under 3.3.1). This could be more elaborated in the report to distinguish smallholder types of investments and their implications for SMALLHOLDER with clear cut separation when they are favorable or unfavorable. Physical capital and financial capital should be defined.

Page 45:

In Box 5 it would be good to have the voice of the communities rather than the voice of the World Bank.

Page 46-47:

Perhaps rather than a section of persistent poverty (section 4.2), it would be good to have a full section on Micro finance and not only a box (Box 6) and the pros and cons and how it has worked in different contexts.

Page 48-49:

Para 4.3: Rather than the risks of SMALLHOLDER agriculture, it would be interesting to have a chapter on the risks of different types of investments.

Page 51:

Box 8, needs some introductory line and not start with “this study.”

Page 54:

Box 9 is a useful table with the typology. Interesting opening of the range of aspects which require investment usually not being considered such as *improving organization of work, management of collective resources, reduction of drudgery, transport* etc. and the collective investments.

Page 57

The first recommendation (5.1 Smallholder agriculture: the way ahead) is a good illustration of the bias of the document which is that it puts more emphasis on the justification of SMALLHOLDER agriculture rather than on investments for SMALLHOLDER with **clear proposals on possible lines of work to move into investments that favor SMALLHOLDER.**

It would be good in page 57 after the last line to list briefly the five recommendations and the four strategic recommendations.

Page 58-61:

The title of Section 5.2.2.2 *increasing access to investments and capacity to invest* is very good and interesting. This issue could be much more developed and be at the center of this paper. It could become a whole chapter in itself. The example of Rabobank (box 11 p.61) is highly relevant and there could be many other such examples that can inform on how to go about investments on the basis of lessons learned. Unfortunately this section is just a few lines long and the last ones seem to come out of the blue.

It is the case of the sentence just under the box 11 (*Research and extension for development have to give the highest priority to smallholder agriculture*) which is out of context and it is a statement which could be better formulated. The following sentence also is out of context. The statement seems arbitrary, why to *increase access to improved seeds and fertilizer*, is this what the local community is asking for? Where are the negotiating platforms described for local consultation on what is most needed and adapted?

Page 63:

In 5.2.4 it is a list of "have to", "is needed", "should be" which sounds more like a wish list than something that can be applied with success. There are no proposals on how to proceed to reach these goals.

Page 63-64

Para 5.3 first sentence "...need access to resources under favorable conditions that make investment profitable.." Yes but what are these *favorable* conditions? And what makes it profitable? These sound like just statements. And "...today a very limited share of the smallholder population has access to financial and banking services" it would be interesting to know who has access to financial and banking services and under which circumstances.

In para starting Major players (p.63); "... smallholder often need to improve and upgrade their ways of farming..." One should be careful with using the word "improve". What is an improvement?

Page 65-67:

Section 5.3.1 is welcome and could come earlier in the report.

Oslo, Norway January 29th 2013

The Royal Norwegian Society for Development (Norges Vel), and The Development Fund (Utviklingsfondet), Norway

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International coordinator of the More and Better Network (www.moreandbetter.org)

36. Oxfam International

Oxfam inputs on the CFS HLPE Zero draft report 'Investing in smallholder agriculture for food and nutrition security', 29/1/13

The theme covered by this HLPE report is absolutely crucial to achieve food and nutrition security. In fact, small scale food producers are a key actor to ensure that everybody has enough to eat today and in the future. Adopting adequate policies and provide necessary public investments should be a top priority for both national governments and international organizations.

The report includes very useful analysis and recommendations. However, there are a number of very significant issues and gaps that need to be addressed in order to ensure that the final version of the report will provide comprehensive analysis and evidence-based recommendations to policy makers.

Positive aspects to the report

We welcome that the report covers some very important points in supporting sustainable, equitable, and resilient small-scale food production:

- Smallholders have been too frequently neglected in policy and public investment despite the opportunity to invest in them for poverty reduction, food security, and sustainability.
- Investment in smallholders requires development of a national program that is country specific, comprehensive, broadly owned, and backed up by political support.
- Smallholders' own investments dwarf other investments in agriculture and public investment is critical for leveraging them.
- Political voice of smallholders is often lacking yet absolutely critical to ensure that they are represented in decision-making processes at all levels that affect them.
- Producer organisations are incredibly important for reducing smallholder risks while increasing their power in markets and should therefore be supported by policy and investment.
- It is critical for public investments to help smallholders overcome constraints to accessing resources and services.
- The report highlights the importance of the complementarity of non-agricultural rural services (education, healthcare, water and sanitation, and social protection) for poverty reduction and improving productivity of smallholders.
- The need for support to informal markets is discussed as a priority for smallholders.
- The importance of diversification of production to improve nutritional status.
- Research and extension must prioritize smallholders.

Critical areas missing or inadequately represented

We are disappointed that the current version falls very far short in some incredibly critical areas for sustainable, equitable, and resilient smallholder development. The following elements should be addressed in the final version of the report.

- **Gender** – Women are literally mentioned only once on page 47 as bearing much of the workload. This is a very serious gap that risks undermining dramatically the value of the entire report. Women are often not seen as 'productive' farmers, and do not receive recognition for their unpaid farm work. This, among other factors (including unequal land rights), has led them to have less access to natural resources, extension services, information, markets, and financial services than men. For example, women account for only 10–20% of land owners. Women also bear a disproportionate burden of care and reproductive roles, and are disproportionately impacted by poverty and hunger. Empowering women means increasing their participation and leadership, for example in producer organisations. It also requires that more women benefit from access to productive resources – for example, through appropriate training methods and equal property rights. It also includes tailoring interventions to account for the multiple roles they play and specific barriers they face. Ring-fenced funding for women smallholders, collecting sex disaggregated data to track progress, and removing existing policies that unintentionally reinforce gender discrimination are also critical. Food security cannot be reached without addressing the specific constraints that women face.
- **Environmental sustainability/building resilience** – Although it is mentioned in passing a few times, it is not really addressed by the report, which is a huge failing considering the threats of soil degradation, water pollution, biodiversity loss, and climate change to smallholders. None of these issues are addressed, yet they represent absolutely critical investment needs, largely by the public sector, but increasingly by the private sector as well. Agroecology is only mentioned once on page 59, although support for agroecological approaches is widely seen as the most critical way to move forward on ensuring both increased production, environmental sustainability of production systems, and reduction of input costs for smallholders. The need for support of adaptation to climate change and practices/techniques that can be promoted to build resilience is completely

missing. While diversification is mentioned for nutrition, the report fails to recognize the critical role diversification plays in building resilience to climate and economic shocks and thereby reducing risk for smallholders. In the recommendation section, subsidies for fertilizer are supported yet there are no recommendations for support to sustainable approaches like agroecology. Rebuilding innovative extension services and reforming R&D to achieve wide-scale uptake of agroecological practices is a good place to start.

- **Governance** – There is not enough on regulation of investments that severely disadvantage or harm smallholders and the environment. For example, regulations on corporate concentration, environmental pollution, taxing corporate actors, etc. The policy environment can either drive negative or positive investment. Therefore, policymakers have a critical challenge: develop policy that supports small-scale producers and draws in private investors to inclusive and sustainable investments. This can be done in three ways: 1) Supporting smallholders' access to land/water/natural resources, infrastructure, services like finance/extension, and oversight of contracts; 2) Setting the rights climate for positive investment, for example regulations to protect the environment and incentives to encourage sustainable agriculture like reforming extension services and R&D; and 3) Once investments are made, markets must be governed so they work better for smallholders.
- **Power in markets** – The report seems to see producer organisations as largely useful in contract farming. This misses the point. Power imbalances mean that large investments in land, agriculture and food processing often marginalise or displace smallholders rather than work with them. However, even where smallholders are included, the reality is that the most powerful in the supply chain usually extract the majority of profits while pushing a disproportionate share of the risks onto the least powerful – the smallholders. Interventions that address power imbalances include supporting producer organisations, investing in training and access to resources, and supporting the development of local wholesale and wet markets, for example through investment in storage infrastructure and hygiene facilities. Evidence shows that smallholders are better able to access these markets, and that these markets act as effective intermediaries, in linking smallholders to more formal markets.
- **Access issues** – While financial services are important, they are overemphasised in the report to the detriment of other critical access issues for smallholders - natural resources, services like extension and R&D, information/knowledge on sustainable approaches, market information, targeting access of women, etc. These other access issues are scattered throughout the document, but are left out of the conclusions. .
- **Support for local markets, staple food crops and diversified cropping** – Although support for informal markets is discussed, the section falls short of including diversified markets for a variety of crops most important to poor people, particularly women. Dependence on international markets can be risky for small-scale farmers. At the same time, local and regional markets are growing, so small-scale producers can improve incomes by focusing on food crops. And, diversifying crops makes smallholders less vulnerable to economic and climatic shocks. For instance, in Ethiopia, studies have shown that focusing on improving productivity of food staples has a greater impact on poverty than increasing the production of high-value products.
- **Public investment** – Socially-oriented investments in the report are seen only as those of healthcare, education, and social safety nets. However, services such as innovative extension services and R&D focusing on crops most important to poor people/women/biodiversity and promoting agroecological practices are also providing incredibly important 'social goods'. Further, the 'public goods provision' section misses several key pieces: extension, R&D, storage, and market information. Massive public investment in agriculture is desperately needed to help fix the broken food system. The FAO estimates that \$42.7bn annual additional public investment in agriculture is needed to Zero Hunger by 2025.
- **Private investment** - Private sector investment in agriculture can play a positive role in delivering inclusive economic growth and poverty reduction if 1) 'do no harm' criteria is fulfilled by companies; and 2) a good regulatory environment is in place. 'Do no harm' criteria include ensuring workers' rights and respecting the rights of local communities. Focusing investment on small-scale farmers, particularly women, can have even greater outcomes for poverty reduction. However, in order to do so, it requires 1) business models that adhere to some key principles; 2) government regulation; and 3) government investment. Key principles include: focusing on staple food crops

and diversified cropping; investing in local and regional markets; working with producer organisations; investing in processing; investing in access to services and focusing R&D on what is appropriate for small-scale producers; investing in sustainable agriculture; and empowering women.

- **CFS rai** - There is no mention of the CFS principles of responsible agriculture investment process and how this paper links to that process. Yet, it is an incredibly important multi-stakeholder process to develop principles that can guide better investments in agriculture, including smallholder agriculture.
- **Country investment plans** - It is unclear how the 'National Smallholder Vision and Strategic Framework' links with many already-developed Country Agricultural Investment Plans (CIPs), including CAADP plans in Africa. Is the new framework meant to be a smallholder-focused addendum to those plans? Further, there is too much emphasis that these national plans should focus on all types of holdings including corporations and agro-industries. Government plans should focus policy and resources on supporting the poorest and most marginalized farmers – the poorest of women and men small-scale producers. It would be more desirable to build on already existing processes and propose what elements should be included in CIPs that are existing or under development.
- **Making the case for smallholders** – The first part of the paper appears to be making the case for the importance of smallholder production. Yet, it does not mention a critical argument for smallholders, which is the economic multiplier effect of investing in them. In fact, growth in small-scale agriculture has twice the effect on the poorest as growth in other sectors. It also fails to discuss the gender equity and resilience-building opportunities that smallholder agriculture can provide.
- **Land appropriation** – Land appropriation is mentioned in a small paragraph on page 51, but is an increasing and incredibly critical problem facing smallholders, particularly considering that the report *promotes* contract farming, which when done badly can be a tool used to push smallholders off of their land. There is no mention of the CFS Voluntary Guidelines on Tenure Governance and the need to invest in their implementation. Further, all investments must ensure the rights of workers and communities are supported, notably through the implementation of the principle of Free, Prior and Informed Consent for all communities.
- **Public Private Partnerships** are increasingly being implemented. It would be very useful for decision-makers if the report provide some analysis on this trend and provide recommendations on how to ensure that PPPs do not undermine and in fact support the progressive realization of the right to food.

37. J. Voegelé, World Bank, USA

Dear High Level Panel of Experts on Food Security and Nutrition,

Thanks very much for the opportunity to comment on the zero draft version of “Investing in smallholder agriculture for food and nutrition security.” This paper is an important step in addressing the constraints to food and nutrition insecurity for the increasing population. The paper is well structured with very relevant policy implications.

Please find below some comments from our team that could add more value to the already excellent report.

1) There is a need to include a section on the threats posed by climate change and the urgent need to build smallholders' resilience for lasting poverty reduction. Our recent “4 degree report” (http://climatechange.worldbank.org/sites/default/files/Turn_Down_the_heat_Why_a_4_degree_centri_grade_warmer_world_must_be_avoided.pdf) highlights the impacts of climate change on agriculture and other sectors, and the need to build adaptive capacity and design agricultural production systems that are more resilient to climate change.

2) The report needs a stronger emphasis on scaling up of climate-smart technologies, practices and policies. The 3 principal climate-smart agriculture investment areas include 1) Sustainable land and water management practices, 2) Climate risk management, and 3) Transformation of production systems. Global warming requires that adaptation strategies should cover a broad spectrum of change beginning with incremental adaptation (e.g. Varieties, change planting time, improved water management, etc) and extending through system adaptation (e.g. Climate-ready crops, climate-sensitive precision agriculture, adoption of no-tillage farming, agridiversification, etc) to more radical changes in land use and ecosystem services management (e.g. agroforestry for increased productivity and carbon sequestration).

3) There is a need to sharpen the discussions on land degradation for the following reasons: 1) Most smallholder agricultural practices are inherently based on traditional practices. 2) Traditional agricultural systems mostly rely on the carrying capacity of ecosystems, and are highly vulnerable to increased pressures such as population growth, economic cycles and climate change. 3) Poor land management under traditional farming systems (e.g. cultivating steep slopes, repetitive cropping leading to nutrient mining, overgrazing etc) accentuates land degradation and/or suboptimal yields. 4) It is estimated that 24% of world's total land area and 20% of its croplands are losing productivity (Bai et al. 2008).

4) Furthermore, the report needs to draw on the important findings of a recent UNEP report ([http://www.unep.org/publications/ebooks/avoidingfamines/portals/19/UNEP Food Security Report.pdf](http://www.unep.org/publications/ebooks/avoidingfamines/portals/19/UNEP_Food_Security_Report.pdf)) launched at Rio 20+ There is a need to discuss the following drivers of change (backed with empirical data if available) that are crucial to success of smallholder farming: 1) Pressure on water needed for agriculture, 2) Pressure on land available for agriculture, and 3) Pressure on key ecosystem services to agriculture (e.g. deforestation, habitat loss/reduction, etc).

5) The study team may also find it necessary to include specifically the role of science and innovations. New knowledge, technologies and practices are required to increase nutritional security, boost agricultural productivity, and conserve ecosystems. There are a number of areas that science can contribute to sustainable agricultural intensification and climate smart agriculture. These include the development of 1) improved breeds for higher nutritional quality that are also adapted to climate change, 2) Technologies that increase nutrient and water use efficiency in agricultural production systems, 3) Improved soil management techniques that preserve ecosystem functions and sequester carbon, 4) Agro-ecological approaches that complement the biological and ecosystem services that inherently support agriculture and that better manage risks; and 5) Better nutrition for livestock and aquaculture that increase productivity and reduce greenhouse gas emissions .

6) For science and innovation to better serve smallholder farmers, it is critical to 1) Better link public and private Research and Development (R & D) systems to ensure that high-priority science and technology gaps are filled 2) Develop governance mechanisms for effective public-private partnerships in R & D characterized by shared risk and return on investment, and clarity on open access, and 3) Ensure researchers work directly with smallholder farmers for effective transfer of technology adapted to local conditions.

7) Lastly, policy recommendations need to realize the role of demand and supply side interventions. An example of demand and supply policies to stimulate increased agricultural input use (World Bank, 2007) is presented in the Table below

Demand-Side Interventions	Supply-Side Interventions
<p>Strengthen soil-crop research and extension</p> <p>Support to public agencies</p> <p>Public-private partnership</p> <p>On-farm trials and demonstrations</p>	<p>Reduce input sourcing costs</p> <p>Lowering trade barriers to increase national and regional market size</p>
<p>Improve farmers' ability to purchase</p>	<p>Reduce distribution costs</p>

<p>inputs</p> <p>Improve access to credits</p> <p>Phased and incremental use (e.g., small bags for fertilizers)</p> <p>Implement laws that enables farmers to use risk-free collaterals for loans</p>	<p>Improve road and rail infrastructure to lower transport costs</p>
<p>Provide farmers with risk management tools</p> <p>Improved weather forecasting, weather-indexed crop insurance</p>	<p>Strengthen business finance and risk management</p> <p>Use credit guarantee and innovative insurance schemes</p>
<p>Improved quality and dissemination of market information</p> <p>Public and private sector information systems easily accessible to farmers</p>	<p>Improve supply chain coordination mechanisms</p> <p>Product grades and standards</p> <p>Market information systems to reduce information costs</p>
<p>Protecting farmers against low and volatile output prices</p> <p>Investment in measures to reduce production variability such as drought-tolerant crops, deep-rooted crops, irrigation, and storage systems</p>	
<p>Empowering farmers by supporting producer organizations</p> <p>Investment in rural education</p> <p>Training farmers in organizational management</p>	
<p>Improving the resource base so that input use is more profitable</p> <p>Investment in soil and water management and irrigation infrastructure</p>	

Thanks very much for the opportunity to comment on this report. If you have further questions, please do not hesitate to contact our Senior Natural Resources Management Specialist at **Ademola Braimoh** at abraimoh@worldbank.org

38. Crocevia, Italy [first contribution]

Specific recommendation in text

32 – more focus on resilient small farming systems based on knowledge exchange, networks and local systems

33 – risk sharing could be reach through a different model of production and consumption, community supported agriculture and consumption not only on the financial side

Box 1 : Low levels of contract farming even in favorable market dynamics 14 [Rural Struc program]

Contract farming with agro-business will create a greater dependency on few traders in international markets and dependency on foreign markets demand, allocating most of the contracting power to the international dealers operating along the value chains.

Pg 32 *“avoiding demonization (?) of the use of chemical fertilizers in situations where ~~access to such innovation~~ is strategic for increasing food security” – “This is assumed to have huge consequences for investments at different levels, from the provision of public goods to the smallholder level: (i) how can the conditions for smallholders market integration be improved including technical issues?”*

Chemical Fertilizer should not be considered a technical innovation to be provided to smallholders as public good or technical factor for market integration

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5 - Recommendations

Pg 58

“There are numerous ways of increasing agricultural productivity and the yields gap between already available genetic material and their performance at farm level indicates that progress is possible with targeted and accessible investments”.

The gap between laboratories and on farm performances should support participatory breeding and peasants' selection of “genetic material” in order to ensure productivity and resilience in the long term, almost considering also adaptation to climate change. Reducing biodiversity to adapt site specific on farm conditions to homogeneous laboratory conditions is a greater risk for resilience and long term productivity.

“house gardening types” production.....are we talking about seeds savers or agroecology?!? Quite picturesque...

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Box 10: Closing the yields gaps and challenging diversity of agro ecological condition

Reference to farmers seeds networks to improve productivity and resilience (for example maison de semences)

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Rabobank also refers to co-operatives is “key for smallholder inclusion into value chains”

Inclusion in a value chain is not desirable per se: it depends on how the value is shared by the different actors

For the most vulnerable households, access to improved seed and fertilizer should be increased through subsidy as well as combined with social protection through safety nets to reduce the pressure on domestic budgets

Improved seeds and fertilizer will destroy the economy of most vulnerable households making them dependent from “zero value chains”, where they will compete on each other on low costs of production, having no contracting power. While industry of fertilizer and improved seeds (hybrids or GMOs) will benefit of the subsidies, like in the case of Indonesia (see the case study of SPI - Indonesian Peasants Union)

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5.2.4 Reducing economic risks and improving the investment environment

Since all the real markets are imperfect by definition, the market failure approach could be risky if it's not clearly stated that the desirable solution is not the integration of small holders in global value chains as price taker (and not price setters), where the contracting power is in the hands of transnational corporation in a monopsony position. So the remedy to market failure is not a further liberalization and integration of the markets, but a deeper regulation and the possibility of segmentation and construction of different markets.

These markets very often suffer from serious limitations and imperfections that limit competition and transparency, resulting in very high transaction costs and barriers to smallholders. Developing and perfecting the traditional wholesale and retail markets, from the local to the national levels, is a top priority to create a favorable environment for greater investment in smallholder agriculture.

The improvement and investment in local markets is a priority for public goods and infrastructure, to be developed according to the productive and consumption needs of the local communities.

The integration of all markets in a frictionless, perfect national (or regional, or global) one (see the note above) is a theoretical neoclassical model which is suitable for commodities (low cost competition), not for local and differentiated productions (for instance according to local diets, etc).

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to improve and upgrade their ways of farming in order to cope with standards requirements

This is a retail driven approach almost valid for (capital intensive) agriculture in rich countries, which requires an high rate of investments (labelling, certification etc) and it's highly contradictory with the rest of this HLPE report.

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5.3.1 Finance and banking system

There is a focus on informal systems, but not enough attention on the first part of the report: the paragraph is focused only on investments in capital, while the smallholders models of productions are almost labour intensive and their resilience and productivity schemes are based on exchange of knowledge and experiences through networking (that should be facilitated).

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This includes investments in infrastructure (storage, cold storage, electricity, clean water, pavement, access, ~~bank branches, regulated weights and measures~~), ~~but also in the modern management of the markets themselves, and, last but not least, in rules such as quality grades and standards and weights and measures that are effectively enforced by public officials.~~ Upstream, at the farm level, training, market information, business advisory services and producers' organizations, are critical for traditional markets to function better.

5.3.2.2 Contract agriculture

No focus on orientation of production: risk dependency from final buyer and not orientation on local diet.

Useful Quotations

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the bulk of investment in smallholder agriculture is made and will have to be made by smallholder farmers themselves [FAO, 2012], which makes smallholders necessarily part of the solution of increasing the amount of investments in agriculture in general.

But the question of amount of investments needed in agriculture shall not hide the more important question of the kind, nature and direction of these investments. As an investment means using current resources to increase capacities in the future, the "vision" of the future of agriculture is central to the question of priority investments and of which related constraints to unlock in priority.

In the past three decades, after structural adjustment policies, the vision was often driven by the expectations of a development driven by agricultural export markets and a focus on investments for export value chains, with the consequence of leaving smallholders with very limited access to investments opportunities to develop their farming activities

First there is a close integration between productive assets and the patrimony of the family. This may induce de-capitalization in the event of urgent, unpredictable and costly expenditure (for health or social obligations such as for funerals). It also allows some of the patrimony to be sold in order to increase productive assets. The high level of risks and the modest means available imply that unpredictable expenditures can trigger an impoverishment circle. Secondly, when products are sold, there is pressure to first feed the family and repay loans or debts; thus the marketable surplus is reduced, cash incomes remain low and, consequently, investments through cash expenditures become difficult. Thirdly, smallholders often make investments by using their family labor. This implies that the

quality of life in terms of health, and access to basic domestic services is of primary importance. This is also true for education and training to improve family's skills.

Expressed in absolute terms: corporate agriculture produces, on average, 358 Reais / hectare per year while smallholder agriculture produces an average 677 Reais / ha per year. These data show that the inverse relationship between farm size and land productivity⁷, is still omnipresent today. This is reflected in the strategic contribution of small holder agriculture to food security. Carefully documented in the well-known CIDA studies of the 1960s for the continent as a whole

Yields are higher than those achieved in large entrepreneurial farms or in corporate farm enterprises. This partly associates with the type of crops. Many high value crops that require a labor-intensive way of farming perform far better in well-developed smallholder agriculture than in other types of farming. This was already clearly argued in a previous HLPE study (Report 2, July 2011: p 33), "Small farms may be more efficient in growing these crops [that require significant manual input]⁸ than large ones because of the favorable incentive structure in self-employed farming and the significant transaction and monitoring costs of hired labor" (see also de Janvry *et al.*, 2001).

It was argued that yield gaps may occur in small holder agriculture as a consequence of *limited or restricted access*⁹ to the factors of production and the non-factor inputs needed (which may be caused by a variety of reasons):

Important here is that of all food and agricultural products produced globally, only 16% physically crosses international borders. The remaining 84% circulates only in national, regional and local markets. This does not exclude, of course, that this latter flow becomes also increasingly subordinated to the parameters that reign in the global market.

As a general trend, however, recent analyses¹³ show the growing and in many countries already dominant position of modern, globalized agrifood markets controlled by multinational retail and agro-processing firms. The institutional, organizational and technological characteristics of these new markets have important distributive consequences given the exclusion of a large proportion of the resource-poor segments of the smallholders sector. These markets also affect

39. Crocevia, Italy [second contribution]

5 RECOMMENDATIONS

5.1 Smallholder agriculture: the way ahead

Il est de toute évidence que:

« Depending on national situations linked to history of development pathways, smallholder agriculture is not the only way of organizing agriculture and these different ways have to be considered. In reality, they occupy space together with other types of farming organizations [large scale farming, corporations, agro-industries...], "

Mais nous ne trouvons, tout au long du rapport aucun élément documenté que puisse justifier l'affirmation :

« they may develop positive linkages"

Bien au contraire nous avons assez de preuves que :

« they may, sometimes, compete for resources of all kinds (natural resources but also policies) "

Nous considérons que cette compétition doit être mise en évidence pour que les Gouvernements prennent les décisions de politique pour y faire face et, avec des investissements appropriés, la résoudre en faveur des petits producteurs. (voir VGLT)

5.2.2.1 Broad technical orientations

Nous avons une critique à caractère générale à faire à la formulation suivante:

“If increasing main crops’ productivity is to be one central objective, improving qualitatively and quantitatively the families’ nutrition and diets has to be equally important. Strengthening smallholders’ capacities to develop subsistence oriented productions²⁷, diversifying and enriching family’s consumptions should be part of coordinated strategies including improperly called “secondary crops”, short term cycles animals raising, milk and fruits production in “house gardening types” production units close to home. These products may also – if surplus is there – enter in local and regional markets. Diversification of the production systems to improve self-provision is needed to improve the quality of nutrition and strengthen the diversification of diets. Specific programs would be needed to enhance self provision as a primary goal and possible surplus. A small stock with short reproductive cycles, milk production, diversified gardens with legumes and fruit production around houses are seen as possible interventions combining social welfare objectives (food security and nutrition) and economic objectives. “

Il émerge, en toute évidence, que la production de petite échelle, dans cette vision « d’agriculture misérable » n’est que la production vivrière de subsistance, présentant ce type de système agraire et système alimentaire essentiellement comme un ensemble de cas sociaux. Il y aurait donc « la production agricole pour le marché » réalisé par les exploitations agricole de type « moderne » et une agriculture dont le destin est sa propre disparition.

Bien au contraire, la production de petite échelle fait appelle à un système agraire complexe qui prévoit, oui la consommation familiale, mais aussi un cycle plus sophistiqué de distribution et circulation de la production alimentaire et agricole, des inputs de production, des matériaux de résultats, donc une économie marchande avec des règles autres et une efficacité économique, sociale et environnementale. Comprendre à fond ces différences et leurs propres spécificités est fondamental pour identifier des stratégies d’investissement appropriées.

5.3.2 Markets

The following are top priorities in terms of market-related investments.

5.3.2.1 Developing traditional wholesale and retail food markets

“These markets are strategic from local level to national and regional level within economic integration frameworks, provided that the rules of the game are favoring smallholder agriculture.

*The vast majority of smallholders in the developing world sell the bulk of their surplus production on traditional food markets. These **traditional food markets** include a large array of actors from the small intermediary that buys food products from small farmers at the village level, to the wholesale markets, street vendors and informal retail markets in the urban centers of the developing world. Despite the preference of many multilateral and bilateral development agencies and even of national governments to prioritize modern for-export value chains, it is the case **that the development and modernization of these markets** offer the best opportunity to improve the participation in markets (opportunity and outcome, access and profits) of most smallholders in the developing world. “*

Si les affirmations faites en haut sont assez partageables, nous trouvons que la suite de la recommandation est en contradiction ou présente une vision que il nous est difficile à partager, selon notre expérience (voir *Commissione Europea - DCI-NSAED/2010/240-529.*) et suivant les affirmations faites par avant.

*“These markets **are very incomplete and imperfect**, meaning that they are quite opaque, competition in them is very limited and agreements are difficult to enforce for the smaller players. Smallholders frequently face very high transaction costs in these markets and enter into spot or systematic transactions from very weak positions and without any recourse to the protection of formal norms and institutions and authorities”*

Nous considérons que la théorie de « marchés imparfaits » et de la progression des marchés vers le « parfait » n’a pas jusqu’à présent reçu une solide base documentée. Au contraire les évidences empiriques et une masse importante des études sur la chaîne de la valeur dans les marchés agroalimentaires (voir : Carlo Russo : Agricultural policy and imperfect competition: why the CAP reform needs a competition

policy.) démontrent que le « pouvoir de marche » est une composante fondamentale du système de marché dominante.

De conséquence **nous ne partageons pas** cette affirmation :

« To improve the investment climate for smallholders, it is necessary to channel public and private investments in the development and modernization of traditional markets. »

Il faut reconnaître que existe une diversification de systèmes agraires et alimentaires, aussi existent une variété multiple de « modes de circulation » des biens alimentaires et agricoles. Certains suivent les normes et les règles du « marché globale dominante », d'autres ont des règles et des instruments propres ou sont en train de construire leur propre règles. Pour ce la fait référence toute la littérature sur les nouvelles « organisations de marché » construite au tour du rapport rapproché entre producteur agricole et consommateur finale. Il est important aussi de rappeler que ces autres forme d'organiser la distribution de bien agricoles et alimentaires ont aussi une chaine de la valeur propre et une définition propre du concept même de « la valeur ». Cela n'exclu pas que dans les « marchés dites traditionnels/locales » il y a exploitation et appropriation dem la valeur de la part de tiers intermédiaires. Nous voulons seulement mettre en évidence le fait qu'un approche conventionnel selon les catégories « marchés perfects/imperfect » n'aide nullement à comprendre les autres type de fonctionnement des marches « autres » que le model dominante (celui qui est copie calque du marché globale) et, pour autant l'énorme partie de l'alimentation qui garantie la sécurité alimentaire dans le PVD circula dans ces autres marchés.

Finalement la question qui se pose pour les producteurs de petite échelle est **COMMENT** accéder aux marches , à quel type de marché et **NON** tout simplement accéder **“au”** Marché. Et le « comment » a à voir aux investissements nécessaires pour la construction des marchés propres et appropriés pour cette type d'agriculture puisque nous considérons que c'est le MODE d'accès au marché qui conditionne le mode de production dans la ferme.

5.3.2.2 Contract agriculture

Nous considérons que cette paragraphe oublie totalement l'autre type d'agriculture *“contractuelle”*, celle qui lie le producteur agricole avec le consommateur finale (voir expériences en AL, Europe, USA, Canada, Asie et Afrique). Nous invitons le panel à réviser la littérature existante sur ce thème et présenter une recommandation spécifique.

Pour les affirmations faites dans le paragraphe :

« Contract agriculture offers important opportunities for a growing number of smallholders in dozens of developing countries. Contract agriculture typically involves a processing firm or a wholesaler (for domestic or the export markets), and a few hundred to a few thousand producers. There is plenty of evidence that smallholders that participate in contract agriculture gain different types of benefits (that may include lower risk through greater predictability and lower volatility of prices, training and technical assistance, finance, access to inputs and specialized machinery services, and sometimes investments in irrigation, greenhouses, storage facilities, and, sometimes, higher net profits per unit of product sold). At the same time, only a very small proportion of smallholders ever have the opportunity to participate in contract arrangements, because they lack resources that are seen as indispensable by the buyer (e.g., irrigation, ready access to a good road) or because the fixed and indirect costs of buying from small quantities from each of many smallholders are almost always much higher than buying larger quantities from a small number of medium or large producers.

Investments that can facilitate the access of a greater number of smallholders to this type of markets, include: (a) enhancing the resource base of smallholders with targeted investments in the types of access looked for by buyers (e.g. irrigation, good rural roads); (b) establishing third party technical assistance services and certification schemes; (c) supporting the development of efficient producers' organizations that can be seen by the buyers as trusted business partners that will deliver the agreed upon quantities and qualities of produce; (d) directly establishing subsidized public programs to promote contract agriculture by covering the direct costs of establishing a commercial relationship and getting it developed to a point where the private parties (producers and buyers) can alone assume all costs. “

Nous avons la conviction qu'il y a assez de matériel de recherche **qui démentie le bien fait de contract farming** (voir entre autre FAO ; <http://www.europarl.europa.eu/committees/it/agri/reports.html?action=0> ;) et autres .

5.3.2.3 Modern retail markets

Pour ce que nous avons exposé dans la partie 5.3.2.2., nous trouvons que l'affirmation:

« The way to improve the environment for smallholders in these modern retail markets is a combination of the types of investments highlighted in the previous two sections on traditional markets and on contract agriculture »

est **difficilement acceptable** puisque , finalement, **n'explore pas d'autres voies** possible et considère l'accès à ce type de marché sans alternatives. . Ne considère non plus le fait, très récent, que la Grande Distribution alimentaire même, vis-à-vis de la prolongation de la crise économique, est en train de profondément revoir ces stratégies de marché et de distribution s'orientant plus tôt sur un model plus dispersé de distribution (superettes et magasin de ville) qui, celui-ci, serait plus appropriée pour une production de petites échelle locale, proche de villes, dispersée et décentralisée.

40. Jean-Francois Bélières, CIRAD – UMR ART, France

[contribution in French]

Félicitations à l'équipe HLPE pour la production de cet excellent rapport. Je partage les analyses présentées et j'espère que ce rapport alimentera les débats sur le développement agricole et rural. Quelques commentaires cependant.

La définition donnée des smallholders met bien en évidence le peu de pertinence de cette notion de « small » et de « holder » pour discuter des options de politiques agricoles et d'investissement agricoles au niveau global. La définition se rabat sur celle de l'agriculture familiale, des exploitations agricoles qui appartiennent à la sphère des ménages par opposition à celles qui appartiennent à la sphère des entreprises. Il me semble que cela fait avancer le débat. Et pourquoi ne pas changer le titre du rapport ?

Il est clairement mis en évidence l'importance des investissements réalisés à partir du travail familial. Parmi ces investissements, en relation avec la productivité, il faudrait un peu plus insister sur l'aménagement foncier, qui va bien au-delà de l'aménagement pour l'irrigation. Dans les zones sèches ou de savanes d'Afrique, les aménagements fonciers pour les cultures pluviales avec les techniques de conservation des eaux et du sol devraient faire l'objet de vastes programmes avec des financements pour les exploitations agricoles. Il en est de même pour l'aménagement en utilisant les plantations (agro-foresterie, haies vives, parc, champs de case). Ainsi, en plus des aménagements pour l'irrigation (périmètres irrigués, aménagements de bas fonds), ce sont ces types d'aménagement (à réaliser en grande partie à partir de travail) qui peuvent amener des améliorations durables de la productivité agricole. Pour mener ces programmes, il existe de nombreuses contraintes qu'il faut lever, et parmi elles figurent souvent des règles traditionnelles de gestion des ressources naturelles (droit foncier, droit sur l'eau, droit sur les arbres, droit de pacage, etc.), ces programmes doivent donc intégrer des actions d'accompagnement pour faire évoluer ces règles sur la base de négociations entre les acteurs impliqués (communautés, chefferies traditionnelles, collectivités locales, etc.).

Le soutien à l'investissement direct par les smallholders (les exploitations agricoles familiales) a été le parent pauvre des programmes de développement en Afrique de l'Ouest au cours des deux dernières décennies. Dans certains pays (Mali, Sénégal, etc.) les bailleurs de fonds ont « monté » et financé de grands programmes de renforcement des capacités. Les organisations paysannes pouvaient avoir accès à ces financements pour des formations et/ou l'élaboration d'un « business plan » pour mener une activité productive. Mais il n'y avait pas de système de financement où ces organisations pouvaient emprunter sur moyen ou long terme à des taux corrects pour réaliser les investissements nécessaires pour mener les activités. Les bailleurs de fonds s'opposent à la bonification des taux d'intérêt et en final les taux d'intérêt pratiqués par les banques ou les organisations de micro finance sont **prohibitifs**. Et je n'évoque pas ici les problèmes de garanties qui en final limitent l'accès au crédit à quelques grandes exploitations et aux producteurs agricoles qui disposent de revenus conséquents hors de l'agriculture.

Rien pour le financement à moyen et long terme de l'agriculture que cela soit pour les exploitations ou pour les organisations paysannes. En conclusion il faudrait développer les points 5.2.2.2 *Increasing access to investments and capacity to invest* 5.2.4 *Reducing economic risks and improving the investment environment* et être plus innovant et provocateur, notamment en étant très clair sur la nécessité de mettre des financements pour le long et moyen terme à taux très bas.

Enfin, le document n'insiste pas assez sur la nécessité d'organisation des « petits producteurs » ces derniers doivent se regrouper pour s'approvisionner et/ou commercialiser, récupérer de la valeur ajouter, réduire ou partager les risques, etc.. L'action collective doit occuper une place plus importante dans les recommandations. « Petits » les producteurs ne peuvent pas peser sur le marché et les « signaux » du marché ne leur arrivent pas. L'appui aux investissements des smallholder passent aussi par le financement des coopératives ou autres formes d'organisation. Sans oublier les autres acteurs des filières qui ont tous leur rôle à jouer aux différents maillons et qui doivent eux aussi avoir accès à des financements pour investir sur le long terme, y compris pour que s'installe une saine concurrence entre coopératives et privés

Enfin, on peut regretter qu'il n'y ait pas une version V0 en français et/ou espagnol, ce qui faciliterait la participation aux discussions des représentants des « smallholders » de par le monde (responsables des organisations paysannes) tout en sachant que c'est insuffisant pour une véritable participation/contribution des principaux intéressés.

Jean-François Bélières le 30/01/2013

41. Food for the Cities multidisciplinary initiative, FAO, Italy

Contribution to the FSN Forum on:

HLPE consultation on the V0 draft of the Report: Investing in smallholder agriculture for food and nutrition security

from the "Food for the Cities" multidisciplinary initiative:

Matthias Radek (intern), Makiko Taguchi (co-secretary Food for the Cities/Growing Greener Cities), Julien Custot (facilitator Food for the Cities)
30.01.2013

We want to acknowledge the comprehensive and extensive work for the zero draft.

With the continuous growth of cities, urbanization challenges will affect smallholders' activities in urban and peri-urban areas and will have an impact on food, agriculture and management of natural resources in these spaces. Not surprisingly, urban issues are often mentioned in the document (for instance in the introduction chapter, in chapter 2.1.2, 3.4).

We would like to support this focus and bring in some short remarks and additions regarding the specific issue of smallholders, farmers and processors, in urban- and peri-urban areas as it could be better reflected in the publication. The zero-draft consultation paper "Investing in smallholder agriculture for food and nutrition security" could explicitly take into account the specificities and particular importance of urban and peri-urban smallholders, which differs from rural smallholders in many ways. Furthermore, smallholder farmers in urban and peri-urban contexts continue to be largely absent from urban policy tables. Their importance therefore needs to be highlighted.

By now, food produced from urban and peri-urban agriculture (UPA) is making a significant contribution to urban food consumption and supply. UPA is on the rise in many regions of the world. In the context of rapid urbanization, urban and peri-urban smallholder producers and processors will play an increasingly important role with regard to production, processing and delivery of sustainable, affordable and safe food for growing urban populations. Through the supply of fresh food, smallholders in urban and peri-urban areas directly contribute to better nutrition and sustainable diets. In this context, also the importance of rural-urban linkages for sustainable food and nutrition security in urbanizing spaces should be mentioned.

Further assets of UPA are, among others, the creation of jobs, especially for the youth. UPA also contributes to sustainable management of urban open spaces, which can impact urban micro-climate and which will be crucial for climate change adaptation measures in urban areas (e.g. landslide prevention through terracing, watershed management through urban forestry etc.). Smallholders

involved in UPA can thereby, contribute to reducing risks evolving from natural hazards, by, at the same time making cities more resilient to climate change.

Various interventions on how to strengthen urban smallholders are proposed in the “The urban producer’s resource book. A practical guide for working with Low Income Urban and Peri-Urban Producers Organizations” FAO, Rome (2007):. The document is available online: <http://www.fao.org/docrep/010/a1177e/a1177e00.htm>

Below are presenting some options for additional inclusions to the VO 0 Draft document:

Smallholder agriculture: the way ahead (page 10)

12. At global level, **rural and urban** smallholder agriculture contributes in a massive, indispensable and strategic way to food and nutrition security.

14. However, the actual and potential contributions of smallholders are generally poorly understood and they have been too frequently neglected in policy and public investment. Hence, there is an urgent **need** for greater attention to investment in **rural and urban** smallholder agriculture.

X. Political support has to consider the different specificities and dimensions of smallholders activities, bridging the gap between:

- rural and urban and peri-urban agriculture,
- food production and food processing

It should then be reflected at policy level and action reflect in their programs.

Recommendation framework (page 11)

18. At the national level, a **National Smallholder Vision and Strategic Framework** is to be elaborated that is country specific, comprehensive, and broadly owned. Smallholders and their organizations are to have an important role and voice in the elaboration of such a program. The program proposes how to tackle the specific **and diverse** constraints that smallholder agriculture is suffering.

19. The National Vision and Strategic Framework has to consider **the different ways agriculture is structured and the different types of holdings** ranging from smallholder agriculture to more structured and consolidated family farming structures up to corporations and agro-industries. This may result in bimodal structure like in countries like Brazil, or in unimodal type like Viet-Nam or Mali for instance. Even, in case of a unimodal structure type, **diversity is to be accounted for**, since smallholder agriculture present a high level of heterogeneity **taking into account the rural and peri-urban dimension of smallholder agriculture and food processing and vending.**

Specific recommendations (page 14)

32. The further improvement of **productivity and resilience** remains to be of utmost importance. Here it is strategic that agricultural research and technology development are far more oriented at the real situation (and the possibilities and limitations it entails) of smallholders **considering its diverse characteristics for rural and urban and peri-urban areas**. It also requires strengthened and adapted extension services. Access to inputs has to be facilitated when necessary while avoiding excessive external dependency. Policies and tools are needed to monitor, prevent and manage technical risks (climatic, plant pests and animal diseases). Far more attention is to be given to transport facilities that fit in the smallholder situation, as well as to processing technologies that might be connected to, or integrated in, smallholder agriculture.

42. ACTIONAID and the INTERNATIONAL FOOD SECURITY NETWORK

Overall remarks

The draft zero is an excellent start. The importance of agriculture and of smallholders is widely recognized, and building on the analysis of their constraints to develop policy options to foster investments for and by smallholders themselves is crucial to advance food security and ensure the realization of the right to food. ActionAid and IFSN particularly welcome some innovative thoughts that finally find a space in this paper. The issue of the political participation of smallholders with the logic need to get them politically recognized “*as a business and social sector of the society opening rights and duties, both for individuals and their organizations*” is a dramatic step ahead. The recognition of a variety of markets and food systems, although not adequately developed, at least challenges the unique

narrative of having one single global market that farmers need to access to improve their livelihoods. The information gap that is rightly recognized by the authors encourages further research in order to come up with better targeted solution to address the challenges of smallholders. However, there are some areas that need to be addressed with more emphasis such as the role of states, donors and international organizations in enhancing investment for smallholder sustainable agriculture. The responsibility of the states to invest for smallholders should go beyond the provision of public goods and directly target research and extension service to re-orient them in favor of smallholders. Furthermore, the paper doesn't sufficiently acknowledge the potential of agroecology and the conditions required for the smallholders practicing agroecology to fully express their potential. We also recommend to adopt a human rights based approach in building the analysis and to further expand on the specific needs and constraints that women farmers face in agriculture.

Aspects that need to be strengthened

Some contradictions about the description of the smallholders

First of all, we got the impression that the paper is a bit contradictory when describing the smallholders. In the first part of the paper they are described as productive, highly resilient, and part of the solution to the problem of hunger and poverty. They are clearly identified as the right way ahead. In the second part of the paper, they seem to become a marginalized category that is able to produce just for their subsistence and need urgent help and support to get out of poverty. This is also in contradiction with the purpose of the paper, which is to assess the constraints of smallholders investment in agriculture in different contexts with policy options for addressing these constraints. In this regard, taking into account the heterogeneity of the group, it would be good to better clarify under which conditions smallholders are able to gain more, and which conditions affect them mostly, reducing them to the subsistence level. Some smallholders are marginalized as a result of specific policies, market conditions, and disregard of their basic needs. Everything should not be treated as a social problem and a clear distinction between the social and the economic constraints should be made.

The human rights approach should be applied in the analysis

The assessment of the social and economic constraints should be made following a human rights approach. The situation of rural poverty, and the fact that majority of poor live in rural areas, is the result of the violation of their human rights as human being first, than as farmers in their right to farm. The paper points out that often smallholders lack access of basic services such as education and health, and this is pertinent to every human being. States have the obligation to provide these services in rural areas as they do in the urban areas. But smallholders suffer also from lack of secure access to natural resources, and this is in violation of their right to access food by their own means.

Secure access to land and natural resources

There is some tendency in the paper to describe some obvious things as happening to smallholders just because they are smallholders, while the same things would have probably the same effects to corporate or large firms with the only difference that the latter are by far much more protected by laws and policies while farmers are not. Secure property rights, access to resources, food prices stability, are the necessary conditions for all to be successful, but if smallholders cannot enjoy these conditions just because they are the weakest in the system, this should be addressed by ad hoc policy provisions which have to remove obstacles and create more favorable conditions. In this regard, secure access to land and water is absolutely overlooked in the paper, while it represents the first and foremost condition for smallholders to farm their land and gain livelihood from it. The access to resources should be also better addressed when dealing with contract farming, as this usually implies transfer of tenure rights and loss of farmers' control over production decision. Contract farming is often a second best for the smallholders, or the only possible choice in the absence of alternatives. Furthermore, land grabbing is another major constrain for smallholders as they are literally taken away from their land for the benefit of large companies or national elites. Being dispossessed, they lose their capacity to farm and invest in their land.

Stressing more the multifunctionality of agriculture and the positive role of agroecology

In the paper it would be good to stress more the multifunctionality of agriculture and the major contribution smallholders give to that. Food security, poverty reduction, job creation, care of natural resources are mentioned in the paper. But the issue of quality and nutritious food, social stability (less pressure on urban areas), maintenance of ecosystems are aspects that would need further attention. In

addition to that, it is completely missing in the paper the link between the smallholders and the agroecological practices, which adds further more to the positive and multiple roles agriculture can play. Smallholder sustainable agriculture contribute to empowerment of smallholders and especially of women farmers, it's better resilient to climate shocks events and mitigates climate change.

An holistic approach to the productivity concept

Also, the paper highlights very well how smallholders are very productive if certain conditions are in place, but doesn't mention the fact that when talking about productivity of large scale agriculture or larger firms, often externalities are not entered in the calculation. So even when large farms may appear more productive, this is just a partial calculation that needs to take into account negative externalities, while when it comes to smallholders, productivity should be complemented with the multiple positive externalities that are often not accounted in monetary terms.

An holistic approach to the investment concept

We also recommend a more holistic approach to the concept of investment. As stated in a contribution developed by civil society organized within the CSM to input into the CFS led discussion on responsible agriculture investments, *"When we speak about investment, it must be understood in a broader context than just capital investment. Other forms of investment include labor, knowledge and ecosystem regeneration and community development"*

(http://www.csm4cfs.org/files/SottoPagine/60/csm_contribution_to_oewg_on_rai.pdf) as well human capital and preservation of traditional knowledge. Also it would be important to address the destination of profits gained by investments, as *"Returns generated by farmers' own investment are most often re-invested by the farmer, while a large scale model is often accountable to shareholders first"*.

Linkages with global policies

The dramatic impact of food prices volatility induced by financial speculation, massive investments in biofuel and declining in stocks (as well as other well documented causes), are lightly touched upon in the paper but they represent some of the most triggering constraints for the smallholders to successful invest. The decline in global public investment in agriculture, the "verticalization" of the global retail system, the trade rules favoring export-oriented agriculture are other aspects that need to be addressed. It is important that the report connects agriculture related policies with other policies that influence smallholder investment and productivity. For instance trade policies, land policies and laws, investment policies, biofuel policies etc, if not sensitized in favor of smallholders can constrain them through multiple ways.

Domestic causes of food price volatility

We highly appreciate at least the mention to the domestic volatility (*Domestic volatility in developing countries is more troublesome for smallholders than international volatility, which is partially transferred to local prices and mainly affects urban consumers (HLPE, 2011), p. 49*). However there would be much more to say about it, and a better analysis would reveal further constraints that need to be addressed. Monetary policies, supply constraints, taxes, energy prices and unequal market power are some aspects that should find a space into the paper. (*for further reference please refer to Cobwebbed - International Food Price Crisis and National Food Prices. Some Experiences from Africa.* <http://ifsn.info/index.php/publications/recent-publications/file/173-cobwebbed-international-food-price-crisis-and-national-food-prices-some-experiences-from-africa%20>

Major emphasis to smallholders self organized alternative markets and food systems

There are plenty of examples on how smallholders have been able to organize themselves and build alternative food systems and local markets. These innovative experiences proved to save them from the overwhelming pressure of integration in the global value chain while offering them an alternative to sell their products and gain satisfactory returns. The paper should look at these good experiences that, whether successful or more challenging, may reveal several constraints that if adequately addresses, could lead to better performance and successful replication in others contexts.

Role of states, donors and international organisations

The papers need to focus separately on the roles of states, donors and international institutions in enhancing investment for smallholder sustainable agriculture. The states have the basic responsibility to invest for smallholder farmers who constitute – in most of the countries - majority of the population. Their investment should go beyond public goods (as discussed in the paper) to re-orient the research,

extension systems in favor of smallholder needs and in supporting farmers associations. The paper identifies pertinent risks faced by smallholder farmers however it should go beyond to identify how the state should support them to face those risks. Besides states, International institutions including UN bodies and CGIAR system needs to allocate a majority of their budget for the researches and programs that benefit smallholder farmers. The same applies to donor countries and foundations. In this regard, we expect that the HLPE goes beyond general recommendations for some specific recommendations. For instance how much should states' budget on agriculture should focus on smallholder farmers? There is a possibility to generate a proportion based on number of smallholder farmers, acreage of land they cultivate, level of poverty in the areas where they live etc. ActionAid and IFSN would be willing to work on this with the HLPE.

Post harvest losses

The report should explore more in depth the constraints of smallholders in reducing post harvest losses. This is linked to lack of infrastructure storage facility which should be one of the priorities of public investments in agriculture.

Aspects that are missing and need to be addressed by the paper

Food security strategies as a mean to achieve the right to food

The national smallholder Vision and Strategic framework should be absolutely anchored and embedded into the national food security strategy as recommended by the Voluntary Guidelines on the right to food. The obligation of the states to defend, protect and fulfill the right to food for peasants should represent the foundation of the national proposed framework.

The Women's farmers perspective

The fact that women represent the majority of farmers cannot be overlooked. This has strong implications for this study, as the constraints women farmers face are even greater and complicated compared to male farmers. Women suffer from multiple forms of discrimination, and their condition can be exacerbated by gender blind agricultural policies. Governments and other duty bearers should ensure policies and practices that facilitate women farmers for a better life and greater contribution in the fight against hunger and malnutrition. ActionAid experience (http://www.actionaid.org/sites/files/actionaid/policy_briefing_investing_in_women_smallholder_farmers.pdf) underscores the following measures be given adequate attention: women farmers' participation in gender specific policies on food, hunger and agriculture, access to and control over land, access to financial services including social transfers, gender appropriate farming inputs, access to clean water, appropriate extension services and trainings, appropriate research and technological development, appropriate marketing facilities. We highly recommend to make use of the wide documentation and literature that is available and accessible and allocate adequate space to the particular constraints faced by women in agriculture. Links to some ActionAid publications are provided below.

Agroecology and the constraints in traditional seed saving

As stated before, the issue of smallholders cannot be disconnected from agroecology. The paper does not sufficiently acknowledge the potential of agro-ecology in production, building resilience, climate change adaptation, greater food production, and income generation. A much wider literature needs to be consulted that highlight success of agro-ecological practices at wider scale. Some of the literature has been summarized in AA report and papers .

At the same time, specific constraints of smallholders in practicing agroecology should be part of this work. The difficulties smallholders encounter in exchanging traditional seeds with neighbours due to lack of infrastructure is an example (*on-farm seed saving and exchange with neighbours are very good sources of planting material, but have weaknesses when it comes to the introduction of new varieties. It is always useful to widen the genetic pool wherever possible. Informal distribution systems do extend beyond the boundaries of immediate neighbours, but access may sometimes be an issue as distance increases and there are distribution delays/Almekinders and Louwaars 2002, in Alliance for a Green Revolution in Africa/African Centre for Biosafety*). The support to community seed banks as well as the provision of adequate extension services, training and agricultural research for development should be part of the recommendations. Agricultural research should aim at improving low-input innovations by integrating high-technologies with indigenous knowledge.

Missing Trade Linkages

We suggest that the aspects of markets be categorized into two headings: a) national markets, with the emphasis outlined above about the potential of local and traditional markets, which include a number of national specific issues and b) the connection of national markets with global, regional and bilateral markets through trade rules and policies. A plethora of literature highlights how trade can impact the agricultural production by smallholder farmers.

We'd like to express our thanks to the authors and our best wishes for their further work on this valuable report.

Some references:

- De Schutter, Olivier (2010c). Large-scale land acquisitions and leases: a set of minimum principles and measures to address the human rights challenge: Report presented to the Human Rights Council. Geneva, Switzerland, UN Special Rapporteur on the Right to Food.
- De Schutter, Olivier (2011a). Agroecology and the Right to Food: Report presented at the 16th Session of the United Nations Human Rights Council. Geneva, Switzerland, United Nations Human Rights Council.
- FAO, The State of Food and Agriculture 2012
- FAO, 2012 Trends and impacts of foreign investment in developing country agriculture. Evidence from case studies, 2012
- ActionAid - From under their feet
<http://www.actionaid.org/sites/files/actionaid/actionaidfromundertheirfeet.pdf>
- ActionAid 2011, Investing in women smallholders farmers:
<http://www.actionaid.org/publications/investing-women-smallholder-farmers-actionaid-international-briefing>
- ActionAid 2011, Farming as Equals,
http://www.actionaid.org/sites/files/actionaid/aa_farming_as_equalslores.pdf
- ActionAid, Christian Aid, Oxfam, Save the Children, Care, Concern, Practical Action, Self Help Africa, Find your feet, 2012, What Works for Women: Proven approaches for empowering women smallholders and achieving food security.
<http://www.actionaid.org/publications/what-works-women-proven-approaches-empowering-women-smallholders-and-achieving-food-sec>
- International Food Security Network, 2012- FED UP. Now's the time to invest in agroecology
<http://www.ifsinfo.org/index.php/publications/recent-publications/file/172-fed-up-nows-the-time-to-invest-in-agro-ecology>
- ActionAid 2011, G20 briefing on sustainable agriculture
<http://www.mstest.dk/publications/smallholder-led-sustainable-agriculture-actionaid-international-briefing>
- ActionAid and International Food Security Network 2012, Cobwebbed - International Food Price Crisis and National Food Prices. Some Experiences from Africa.
<http://ifsinfo.org/index.php/publications/recent-publications/file/173-cobwebbed-international-food-price-crisis-and-national-food-prices-some-experiences-from-africa%20>

43. CIDSE (international alliance of Catholic development agencies), Belgium

**Comments on the Zero Draft of the HLPE Study
"Investing in smallholder agriculture for food security and nutrition"**

We thank you for the opportunity to feed into the development of this important report. The draft provides a concise and multidimensional overview to the often simplified issue of small scale food producer's investment realities. Clearly the issue of agricultural investments is a matter of high priority for the CFS this year and this report will bring valuable insights, in particular into the process of the development of *rai principles*. The report confirms the vital importance of smallholders and their production systems to food security, as well as employment, poverty reduction and stewardship of natural resources. Given the multiplier effect that small holder investment can have to the social, economic and ecological spheres, adequate support to their production systems should be a key message of the report.

In way of a general comment we would urge the HLPE to highlight the mandate of the reformed CFS towards the progressive **realization of the right to food** and frame the report in that light. For instance, when mentioning the rights of smallholders (e.g. at p.58), the draft should make clear that governments have the obligation to protect, respect and fulfill certain rights, such as the right to food, which are non-negotiable⁴. We also stress the need for the report to highlight the importance of **policy coherence** and their cross-sectoral implications on the right to food. Thereby further encouraging governments to align their trade, energy, investment and environmental policies to meet this end.

Besides our overall positive assessment of the Zero-Draft, there are several aspects we would like to highlight as **particularly important** contributions:

- The draft deals with the challenge of feeding a growing world population by 2050 exactly in the right way: It differentiates between development paths, agricultural realities and challenges among different regions, it underlines at several points that smallholder agriculture will have to play a central role in required increases in overall production. It points out one of the key insights of agricultural economics, the fact of the inverse farm size – productivity relationship, which is often ignored at policy fora. On a related note, the report stands to gain from reminding readers that production alone is not the panacea for the challenge of feeding a growing global population and that there are 4 pillars to food security, among them access which is a major issue not addressed by increases in consumption alone.
- The draft takes into account **power asymmetries within value chains** and within markets. It points out the multidimensional market dependence of smallholders and identifies key areas of public support and intervention for traditional wholesale markets. At the same time it could explore further the realities of smallholders as price takers and the implications that has for their investment options. Furthermore, there is little on middlemen and their role in favoring and hindering smallholders' position in value chains. Under what conditions can these favor smallholder investments or not?
- The draft correctly puts **farmer's rights, recognition and voice** at the center of the debate. In this context, we consider important that the Study of the Human Rights Council Advisory Committee on the Advancement of the Rights of Peasants and Other People Working in Rural Areas" be cited (p.44).
- We appreciate the recognition of the importance of **farmer's organizations**⁵. These, whether formal or informal, are the backbone of food security in many countries. Recognizing the importance of these organizations as economic actors in their own right and valuing and strengthening these will certainly facilitate better investments and increased food security.

1) Definition and significance of Smallholder agriculture: is the approach in the report adequate?

⁴ As laid down in key documents such as the international Covenant on economic, social and cultural rights (ICESCR) or the FAO Voluntary Guidelines on the Right to Food.

⁵ Here we also include small holder collectives in general whether farmer, pastoralists, fisherfolk or harvesters.

Generally yes. In fact providing definitions with which to base the debate is one of the major contributions of the report. For instance, the draft gains a lot from using a broad concept of “investment”, which we consider as key for an appropriate understanding of small scale food producers realities and contributions (p.38). The report stands to gain from providing early on its definition for investment and productivity.

Even though the document contain a reference to the resilient aspect of the smallholder agriculture and to its multidimensionality (including environmental implications such as biodiversity, climate change mitigation, water conservation etc.) little is said about the model which supports these characteristic, most notably, agroecology and low external input sustainable agriculture technologies (LEISA)⁶ The profitability and efficiency of agro-ecological and LEISA technologies has proven to provide the best solution for “weakly” endowed farmers in many regions of the world. A general exploration of the constraints to undertaking these proven approaches could be useful, as well as, some reference to investments which could be detrimental. These should then be integrated into the recommendations section to ensure they are avoided.

As far as significance, it would be useful for the report to outline the importance of small holder innovation and knowledge, what conditions support innovation and favor technology adaptation by small holders. There are numerous examples of how smallholders have been adapting and innovating in their production models. For instance, the case of the Zai technique in the Sahel or seed saving and selection, which through thousands of years has been invaluable in ensuring food security. This priceless human heritage is now at risk of loss (GMOs for instance) and the right investments are not being made to protect it. Also, on section 2.3 barter economies are completely omitted and these often have an important function for the poorest.

Finally, smallholders waste and pollute less and contribute to closing cycles in the production process. They contribute to positive externalities such as stewardship of the natural resources and the management of the commons. These factors should be noted in the significance section.

2) Framework for Smallholder agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?

Indeed the typology is very useful and provides evidence as to the importance of integrated and coherent policies. However, the National Smallholder Vision and Strategic Framework doesn't outline clear enough its objective. We urge the HLPE to clearly state that the aim of such politics is the realization of the right to food for the population of a particular country (national level). This is important because different countries have different realities and will need to tailor their responses accordingly.

The Framework, as well as the Code of Investment, should clearly exclude any type of investment that could offset or compete with this aim or have negative impacts on the smallholders investment conditions which would disadvantage their access to resources. This is especially important for countries facing severe hunger problems. The report should thus recall that the promotion of certain investments can undermine the capabilities of small scale farmers to invest in their own exploitation. Outlining these would be a great contribution to the debate.

3) Constraints to smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

Generally yes but the importance of access to the means of production, particularly secure land tenure could be further strengthened in the report.

Also, we urge the HLPE to explore beyond the problem of access to markets when discussing the (so-called) “modern” retail markets or globalized markets. Concentration and competition between corporate actors and smallholders represent a strong constraint. There's no recommendation (nor analysis) on the need to address the failure of the market in allowing cohabitation and development of

⁶ These models have been referenced time and again in various other works, such as the IAATD report, but also CFS documentation, such as the GSF.

different viable agricultural systems and model. In this regard, dumping, market concentration, deregulation and unfair prices could be seen as good examples. Mechanisms to bypass these should be explored, as well as the need for policy coherence at the different political levels.

Another constraint could be the general lack of understanding by policy makers about the role, value and constraints faced by smallholders. Also, the lack of coherence in policies and regulations, at local, national, regional and international level is a severe constraint to investment in smallholder agriculture. The varieties of political arenas where agriculture is being discussed (and where decisions are taken) represent a severe constraint to governance, implementation, and financing of strong coherent policies. In the field, this translates into the non-alignment of actions by various stakeholders such as philanthropic organizations, international donors, international and local NGOs and the State.

4) Are the main areas for recommendations and the priority domains for action adequate? Does the draft include sufficient information at the adequate level to support the policy messages?

The recommendations section could be improved. Contract farming should be discussed more in detail. Sometimes this can be done successfully, as noted "*there is plenty of evidence that smallholders that participate in contract agriculture gain different types of benefits*". But sometimes this is not the case and there is also plenty of evidence on how this can go wrong and result in the abuse of workers and misuse of local resources. It is important for the report to reflect the different sides of this kind of investment. See, for example, the work of the special rapporteur on the right to food, on this specific topic, stating that contract farming "rarely encourages farmers to climb up the value chain and move into the packaging, processing or marketing of their produce"[1]. Moreover, to be in line with the "resilient" and multidimensional aspect of the smallholder models, such investment/contract, must respect certain guidelines. Therefore, we feel contract farming should not be presented as a top priority in the recommendations.

At several places within the text, as well as within the recommendations, a reference to price volatility as major constraint to investment by smallholders is made. But neither regulatory stocks nor regulation of finance, as part of the solutions, are cited. This "gap" should be filled. For example, the recommendation 10.b, page 9 should include an explicit reference to those means of reducing price volatility.

We are concerned about the absence of discussion of the burden of debt among the recommendations on "innovative" financing. The trend of farmer suicide as a result of increasing debt has unfortunately become a common phenomenon, especially in countries like India which have pursued a green revolution "high external input" model. This is extremely serious and in no way should the discussion of investments in the CFS lead to further indebtedness of smallholders. The question of smallholder financing should be a subject of further study by the CFS.

Finally, the recommendations section could be further strengthened by providing more best practices from certain countries.

What is missing from the report?

Additionally we offer the following points for your consideration:

- Although we appreciate the point in section 2.2 on emancipation the report does not elaborate more on this. Here, the concept of Food Sovereignty can provide some important insights. This concept is most appropriate when trying to gain an understanding for small-scale food producers' needs and objectives. CSOs have time and again put forward this concept in the CFS and it is high time that this gets its due attention.
- The report lacks an analysis of the climate change / peak oil implications on small holder investment. In light of these what would support or hinder small holder investment?
- The importance of knowledge sharing and of participatory research is so far largely missing in the draft. As is the significance intergenerational knowledge to smallholder production systems.

[1] http://www.srfood.org/images/stories/pdf/officialreports/srtf_contractfarming_a-66-262.pdf

- An analysis of what is blocking states from pursuing more favorable policies towards smallholders and investments in their production systems is generally lacking. This could be an important contribution to the debate.
- The draft is generally weak on gender and the constraints specifically faced by women farmers.
- The wording of “access to rights” (p.58) is confusing, rights either exist or not, and can be violated or fulfilled, but not accessed.
- Surprising there is nothing on the role of animals as investments. For many smallholders a goat or a cow can be a huge asset with investment implications.
- The draft could provide more detail when it comes to domestic forms of trading and food processing (p.27 / 67). On the one hand, impressive success stories are presented on sugar, palm oil and cassava processing by farmers themselves. What however, about other subsectors? And between traditional wholesale, contract and “modern retail”: what about other domestic forms of processing by domestic SMEs? Are these markets relevant?
- There is a general lack of consideration for young farmers and some of the constraints that are facing them. Whilst we understand that the report cannot get into details on this issue, we believe that given the importance of this group to the future of food security, their current absence from the debate is worrying.

Handed in: January 30th 2013

44. Alexandre Meybeck, FAO, Italy

I would first like to thank the HLPE for calling for contributions at this stage of the process, while they can still be useful. It is especially welcome as this draft already contains a summary and first tentative recommendations.

At this stage, the draft provides broad and interesting elements on the topic, although still academic especially in some sections. The invitation to provide references and evidence based examples is thus particularly welcome.

1) The approach adopted in the report on the definition is adequate especially as it recognizes the diversity and heterogeneity of small holders agriculture. Keeping in mind the object and audience of the report, some points could deserve further consideration.

A clear, simple and operational definition of “small holder” by the HLPE would be particularly useful, not only for this report but, more generally, for the on going work of CFS and the HLPE. There is often a need to have a clear understanding of what small holder agriculture covers, or something akin to it, see for instance box 1 of the Climate Change and food security report “what is a small scale farm?” It could then be framed in various contexts and confronted to other notions such as “family farming” for instance. Such notions, after been defined, should then be used consistently all along the report. The significance of small holder agriculture and the importance of investment would be gain by framed in the broader perspectives of agricultural development and its role as a driver of economic development (World Bank, 2008). It is of particular relevance since a report dealing with investment has to be forward looking and account for the need for agriculture to answer a growing global demand, driven by population and income growth, and to feed a population which is increasingly urbanized. This creates opportunities for the agricultural sector with specific challenges for small holder agriculture. Among the questions to be addressed here, as raised by some contributions is how best to answer the growing demand for food and agricultural products, what role could small holders play and at what conditions? This is very linked to the very future envisaged for small holders agriculture, with very contrasting visions and evolutions, often regional or country specific. The report describes some examples of evolution of the size of the farms. May be it could go a bit further and attempt to delineate possible futures of farming, including small holders, as determined by broad trends, including population growth.

In that perspective, the significance of small holder farming as job provider is mentioned but could be further stressed. The role of agriculture development and especially of small holders as a driver of rural and economic development should also be recalled here. Especially as (see below) investments in small holder farms and for small holders are intrinsically linked: often small holders investments drive/are conditioned by, the development of small local enterprises providing them inputs and services and transforming, trading, their products.

2) These considerations could lead to reconsider the formulation of recommendation 18 of a National Smallholder Vision and Strategic Framework. This could not be isolated from a **broader vision of agriculture, rural and economic development**. As small holders are not isolated from the rest of agriculture, nor indeed from economy, a vision of small holder agriculture should be part, and in many countries the essential part, of a Vision for agriculture. Such a perspective is also supported by the fact that, often, the lack of investment for small holder agriculture was often only the result of a lack of interest for agriculture in general. The biggest players, whether big farmers, land owners or industry having their own capacities to invest or drive investment.

3) The report raises the extremely interesting and important question of **the legal status of “farming” and of small holders**. This would deserve more thorough analyzes as it is of considerable relevance to facilitate and secure investments. Examples are specific tax regime for farming activities in many developed countries, protection of agricultural land in Quebec, specific land tenure regime in France for instance.

4) **A framework for smallholder agriculture and related investments** could be very useful to help understand specific situations and design specific policies and actions. Such a framework should take into account the broader systems of which smallholders are part, territorial, particularly relevant for natural resources management and public investments but also food chains which are driving economic relationships. This last dimension is not very present and could gain in being explored. It could also benefit from a clearer typology of investments, distinguishing short term investments (for instance seeds and fertilizer for next season) and long term investments such as land restoration or trees for instance, distinguishing material investment from immaterial (education, knowledge sharing).

5) There is also a need to clearly identify **investments to be done by smallholders themselves, from those which are needed to support them or make them possible**, either by the public sector or by the private sector.

This last point would deserve more attention. Investments by small holders can trigger and be facilitated by the creation of small local enterprises, often providing jobs and income to women to provide inputs or transform output. Among other examples the adoption of metallic silos for crop and root storage, promoted by FAO, NGOs and other development agencies not only reduces post harvest losses and improves the capacity of farmers to interact with markets; it also provides new job opportunities for rural youngs, including often small holders and drives the creation of small enterprises (Mjia 2008, Tadele 2011). Another example is the creation of local seed enterprises which both trigger local production of seeds, adapted to the needs and demands of small holders, providing added value to local seed multipliers creates additional sources of income and increase efficiency and resilience of production (Van Mele et al 2011, FAO 2010).

Such a typology could help distinguish the investments which depend on other investments, whether by other small holders in the same territory, by other private actors, either as input providers or output buyers or transformers, or by public actors. This could identify where collective (as a group of farmers or a food chain/sector) or public action is a condition for small holder investment or could facilitate it.

6) The draft does appear to contain main constraints to smallholder investment. Some of these could deserve more consideration.

Among the first constraints for smallholders investments is probably **their exposure and vulnerability to numerous risks** which limits both their capacity and the willingness of other actors to invest. Agriculture is exposed to physical risks, weather, plant pests, animal diseases, economic risks, price volatility of both inputs (energy, fertilizers) and outputs (Eldin et al. 1989, OECD 2009). Small holders in developing countries are particularly vulnerable because they lack assets. Their land tenure is often insecure. Access to basic inputs such as seeds and fertilizers is often irregular. They often lack the public services (veterinary services, pest monitoring) which could manage risks (monitor, prevent, act early to prevent their spreading). These vulnerabilities often add themselves.

The importance of vulnerability of small holders has been underlined by the HLPE, both in its report on climate Change and food security and in its report on social protection. This last report give examples showing **how improving resilience of households can facilitate investment**. A workshop organized by FAO and OECD in 2012 discussed various risks to which agriculture is prone. It shows how public policies can reduce vulnerabilities, thus facilitating investment. These policies would deserve more consideration in 4.3 and 5.2.4 should not be restricted to “reducing economic risks”.

This initial remark could lead to consider slightly differently the three lines representing diversity (fig 14). What is important in “assets” is not only the quantity but the degree of protection against risk. Assets totally invested in livestock are at risk of drought or diseases. Security of land tenure could be, especially considered towards investment, as important as the land itself. In “markets”, the balance of power between actors, often determined by relative economic size, is crucial. In both cases “institutions” can play a regulating role, protecting assets, limiting risks (both natural and economic) and ensuring fair rules of the game.

Given its importance for investment, **land tenure** would deserve to be specifically considered. Not only does insecurity of land tenure limit the willingness to invest in land management (including land restoration, agroforestry,...), it often prevents it as a transformation of the land could be resented by the “owner” as a form of appropriation. The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security recently adopted by CFS would deserve to be mentioned here. The legal status of trees and their protection could also be a determining factor in the development of agroforestry for instance.

7) Finally, the report could be very useful for CFS if it could “make the case” for why, or under what conditions, investments in smallholder agriculture are part of “responsible agricultural investments”. The analysis and recommendations of the HLPE report could appropriately feed into the undergoing work of the CFS, which intends to lead to the adoption, in 2014, of “principles for responsible agricultural investments”.

8) The 2008 World Development Report of the World Bank was a milestone in reviving the proofs and the message that Agriculture was key to Development, but that this required a “productivity revolution in smallholder farming”, together with more sustainable practices and more competitiveness. Which many interpreted “smallholders have to grow”. This report could be the second milestone if it manages back-up the traditional “pro-smallholders” thinking, in **making the proof** that for economic, environmental or social reasons, **smallholder** agriculture is not going to vanish but has to be part of plan, if not a main part - and how- for the future of agriculture, and balanced economic development, in various regions, North and South. For this it needs to appropriately document (with credible references, economic, social and environmental evidence-base) justify and back-up the “pro-poor” and “small is beautiful” approaches (logical from a political/ethical point of view, but often challenged by economic rationales) used to discriminate between “good” versus “bad” investments, and the directions which smallholder agriculture, and as part of this agriculture in general, has to follow .

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45. International Fund for Agricultural Development (IFAD), Italy

Dear HLPE Secretariat

Please find below comments from the International Fund for Agricultural Development (IFAD) to the HLPE Consultation Document on Investing in Smallholder Agriculture for Food and Nutrition Security.

Ref: National Smallholder Vision and Strategic Framework is to be elaborated that is country specific, comprehensive, and broadly owned

The report indicates that “the National Vision and Strategic Framework has to consider the different ways agriculture is structured and the different types of holdings”- it emphasizes a vision and an implementation framework only smallholder agriculture. By doing so, there is a significant risk of dissociating smallholder agriculture from the rest of the agricultural sector. In other words, having different visions and strategic frameworks (e.g. one for smallholders and another one for commercial farming) would limit the opportunities for smallholders to be considered part of many agricultural value chains. As the linkages between the different types of agricultural systems or types of holdings in a given territory are crucial for the agricultural transformation, we would suggest to consider integrated agricultural strategies, where each type of holding (e.g. small/commercial/etc.) plays a particular role, their specific challenges / constraints are addressed, but also where the dynamics among them are considered and promoted / strengthened.

Additionally:

- The need for political support (and commitment) from national / regional / local governments could be reinforced. The report makes most of the emphasis on strengthening the political role of smallholder stakeholders themselves but not so much on the role of governments in creating the enabling environments for investing in smallholder agriculture and ways to do so.
- The document does not mention the existing tension between investments in food security, energy security and environmental sustainability.
- Regarding the typology, it is not clear how the political, governance and socio-economic conditions are considered (in other words, the “enabling environment”).
- In general terms, we find that the graphs add confusion to the already dense narrative. There are many, many issues addressed and the link among each other and the conclusions and recommendations could be further strengthened.

Ref: Recommendation 35 (pg 14): New Markets

The report rightly places smallholder farmers at the centre of future global discussion on food security and economic development. However more can be said about the process in which smallholder farmers will play a lead role in the future. Over and beyond the opportunities and constraints at the national level, which are well articulated in the report, are the pathways with which small farmers will gain access to ‘bigger and better markets’, both at the regional and global levels: For example;

- *New global trade structure*: Beyond the nationally focused ‘new markets’ mentioned in the report is another dimension related to the external markets i.e regional and global. Globalization is transforming prospects for development in developing countries, especially in the Africa region, which is projected to become the hub of economic activity in the future. In the face of a new and changing structure of global trade, the likely result is an increased openness in trade and the progressive re-distribution of world agricultural production according to countries’ comparative advantage. This may also result in certain industries in some countries

declining as a result of cheaper imports, with potential heavy negative impact for rural agricultural labourers and on smallholder farmers in Africa.⁷

- *Interconnectedness and linkages at the national, global and regional levels*: A framework for smallholder farmers should pay attention to both the national, regional and global dimensions of trade and how they will likely affect smallholder farmers. Attention should be focused on an enabling environment at all levels (regional and global), to complement the national efforts (as articulated in the National Frameworks) in broadening prospects for smallholder farmers. This will also enable countries to take advantage of diversity and complementarities. Encouraging national to link up with the regional will result in a harmonized approach.

Ref: Thematic – Youth and Gender dimensions of smallholder investments (See further elaboration in the annex)

- *Smallholder agriculture: the way ahead (pp.10)* - It may be useful to recognise the inter-relatedness of the different outlined dimensions (economic, social, environmental, political) of smallholder contributions to food security, in particular with explicit mention of the gender issue. For example: addressing gender inequality would increase global agricultural production by an estimated 4 per cent in developing countries, equivalent to sufficient additional food to reduce the number of hungry people by 100 – 150 million
- When discussing the way ahead, it may be appropriate to make mention of the youth agenda in agriculture, particularly in the context of the potential demographic dividend implied by an estimated 60 per cent of the population of developing countries being under 25 years of age, most of these living and working in rural areas.
- *3.3.4 Collective level: socially oriented investments (pp. 40)*: The acknowledgement of the potential benefits to the smallholder sector of socially oriented investments in the areas of health, education and social safety nets is welcome. However, rather than treating social investments as stand-alone interventions, the focus might be on mainstreaming social issues into all investment ie. promoting investments which are socially sensitive.
- *4.2 Persistent poverty and lack of access to resources (pp. 46)*: The argument that lack of access to resources is a key impediment to food security for smallholders is an important one. It could be deepened here by mentioning other mitigating factors influencing which groups of people have access to resources in a rural context, and therefore patterns of deprivation which influence food production and poverty levels. Gender and age patterns in land ownership which constrain women and youth farmers would be particularly relevant to mention here.
- *5.2.3 Strengthening the institutional capacity of smallholders (pp. 61)*: The importance of supporting smallholders' organizations is certainly an important recommendation. It might be explicitly mentioned that, in complement with building the capacity and collective voice of these organisations, specific initiatives are made to ensure that these organisations represent the interests of groups who are especially marginal to debates and decision-making processes (eg. women, youth, indigenous people).

Ref: Thematic - Climate Change and Natural Resources Management

The paper provides a very good overview of constraints to smallholder investment in agriculture in different contexts and puts forward solid recommendations. While we appreciate that the focus is on market linkages, as requested by CFS, we found that the analysis of constraints overlooks important issues related to climate change and natural resources management. These aspects could be strengthened both in the sections dedicated to resilience and risk identification - in particular by separating natural /climate change risks from technical risks in section 4.3 - (i.e. climate change as a risk multiplier, adding pressure to the already stressed ecosystems for smallholder farming, and making the development of smallholder agriculture more expensive; agriculture is also a source of GHG emissions; etc.) and in the analysis of smallholders' role in food security and as a social, cultural and economic sector (highlighting the role smallholders play on sustainable natural resources management, ecosystem services; importance of local knowledge in adaptation to climate change; etc.).

⁷ Proctor Felicity, 2005, The New Agenda for Agriculture

Some specific suggestions include:

- p.26: animal production should not only be considered in terms of “efficiency” but also in terms of sustainability and impacts on the environment (i.e. extensive grazing systems/pastoralism may represent a successful mechanisms of adaptation to maintain an ecological balance among pastures, livestock and people).
- 2.3.2: the growing integration of local and international value chains may represent a driver for scaling up environmentally sound practices and promoting inclusive green growth (an example is the IFAD Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme in Sao Tome and Principe, where public-private partnerships have been set up with overseas buyers of organic, fair trade cocoa of high quality).
- 2.4: the energy efficiency section should integrate climate change consideration as well as refer to technological innovations suitable for smallholders, such as biogas, that provide social, environmental and economic benefits.
- 3.3.6: Rewards for Environmental Services is an approach that may be associated to provision of public goods.
- p.55: related to first dimension, among interventions that might help to enlarge and improve the available resource base, include multiple-benefit approaches that have impact on natural resource base, yields, GHG emissions, biodiversity. In addition, there are approaches to natural resources management such as Rewards for Environmental Services or organic/fair trade production, that have an impact also on the market dimension.
- p.57: The importance of a coordinated strategy across sectors, time, and space should be further strengthened.
- p.58-59: diversification of the production system should also be highlighted as a strategy for adapting to climate change and increasing resilience.

General

- *Recommendations*: while all valid- the recommendations are probably too many and too general. It might be useful to have a set of very pointed specific priority recommendations with clarity on their implementation (who and how).

46. Laurent Levard, GRET, France

1) Definition and significance of Smallholder agriculture : is the approach in the report adequate ?

- Utile et pertinente définition des SHF (small-holder farmers), et notamment le fait qu’il s’agit d’agriculteurs familiaux (avec les différentes implications en termes de non séparation des sphères de la production et de la reproduction sociale de la famille).
- Sur le rôle de l’intérêt de l’AF (SHF) pour la sécurité alimentaire : l’argumentation se base sur les rendements (yields). Ils sont certes définis (« physical production per unit of land »). Mais il faut aller plus loin pour ne pas créer de confusion : préciser qu’il s’agit de la production i) totale par unité de surface (intégrant a) toutes les productions des cultures associées et b) les productions animales permises par la valorisation d’une partie de la production végétale et des sous-produits et ii) annuelle, c’est-à-dire tenant compte de la succession de différents cycles productifs dans l’année. En effet, la supériorité de l’AF par rapport aux autres types d’agriculture est souvent en partie liée à ces questions, elle ne peut être démontrée en se contentant de comparer deux niveaux de rendements de maïs, part exemple. Attention donc à l’utilisation du concept de « yield gap » p. 59).
- Sur l’intérêt de l’AF (point 2.2.) il manque une question centrale : la richesse produite par l’AF, mesurée en termes de valeur ajoutée annuelle par unité de surface. L’intensité en travail de l’AF et le recours à des intrants internes à l’exploitation (fourrages, fumiers) se traduit souvent non seulement par de meilleurs rendements à l’hectare (cf ci-dessus), mais aussi (et dans des proportions accrues) par une plus grande VA à l’hectare, en comparaison à d’autres types d’agriculture. Si l’on considère que la terre constitue souvent le facteur limitant (immédiatement ou potentiellement, car non extensible),

l'efficacité de la production par rapport à ce facteur de production (et donc la VA/ha/année) doit être considérée comme un critère central d'efficacité économique (et, indirectement d'impact sur la sécurité alimentaire SA)

- Il manque également dans cette partie 2. (2.2. bis, mais cela peut aussi être intégré dans le 2.1., car a un impact sur la SA) : le rôle de l'AF en termes de préservation et amélioration de la fertilité du milieu. Il faut mentionner l'intérêt fondamental des SHF à reproduire cette fertilité (à la différence d'autres types d'agriculture qui ne visent que le profit de court-terme) et donc de son impact sur le potentiel productif à venir. La question des impacts écologiques est abordée en 2.4. (« revisiting energy efficiency issue ») mais en abordant qu'un aspect partiel.
- La question de l'intérêt de l'AF du point de vue de l'emploi (partie 2.2. p. 28) mériterait d'être renforcée, en enlevant le « probably ». Et en soulignant que cet impact sur l'emploi va de paire avec un impact en termes de distribution plus équitable des revenus dans la société (dans une société ou tout le monde travaille, il y a plus de chance d'avoir une plus juste répartition des revenus et d'avoir moins de très pauvres), et donc aussi en termes de SA.

2) Framework for Smallholder agriculture and related investments : is the tipology useful, adequate and accessible for the problem at hand ?

- Utile et pertinent de mentionner les grandes catégories d'investissements pour la petite agriculture. Notamment le fait que le travail agricole lui-même, quand il permet d'accroître et d'améliorer les ressources productives (y compris la fertilité de l'écosystème), constitue un investissement (P. 36)
- Pertinent de souligner le rôle central donné aux investissements par les agriculteurs eux-mêmes
- A deux reprises (p. 31 et 32), il y a une posture « sur la défensive » sur les engrais chimiques et «conventional intensification» : cela demanderait une démonstration / explication plus en accord avec la tonalité du reste du document.
- Les investissements dans le savoir-faire devraient être davantage développés. Les concepts de « research and extension » utilisés à plusieurs reprises, devraient être accompagnés de la mention des échanges d'expériences entre agriculteurs. (mentionné également en réponse à la question 4).

3) Constraints to smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

- Utile et pertinente analyse des trois types de risques
- Utile et pertinente analyse des freins à l'investissement : faiblesse des ressources productives elle-même ; risques ; environnement économique, social ; environnement institutionnel
- Utile mention de la volatilité des prix agricoles et du niveau des prix eux-mêmes (mais ce dernier aspect devrait aussi être repris dans le résumé)
- Dans le résumé, réintégrer la question de la nécessité de prix rémunérateurs (ne pas parler que de volatilité) (bien présent dans le texte lui-même).
- P. 37., 3.2. paragraphe suivant « the different types of capital/assets », 1ere ligne : « labor force » et non « labor ».
- P. 38. (partie 3.3. « What type of investment ? », 3.3.1. «Investment and productivity») : il manque une véritable analyse de la façon dont les différents types de techniques / d'investissements influent sur la valeur ajoutée annuelle par unité de surface et sur la productivité du travail, en différenciant notamment :
 - i. Les investissements permettant un accroissement de la valeur ajoutée par unité de surface et par cycle de production, (via a) une augmentation des rendements, b) une meilleure valorisation de la production, ou encore c) une diminution de certains coûts)
 - ii. Les investissements permettant de multiplier les cycles de production sur une même surface au cours de l'année,

- iii. Les investissements permettant de remplacer du travail humain et ainsi a) d'accroître la surface cultivée par actif, b) de mieux réaliser le travail (=> impact de type i)) ou de c) réduire la pénibilité du travail (de dernier point est mentionné dans le texte, mais pas les autres)

Il s'agit en effet d'investissements de nature bien différente qui répondent à des situations particulières que peuvent mettre en évidence des typologies de producteurs. De plus, les investissements en i. et ii. Peuvent avoir un effet immédiat ou différé (accroissement de la fertilité des sols, amélioration génétique, etc.). Or ce type d'analyse du type d'investissement (at farm level, mais pas seulement, on peut aussi raisonner des investissements publics ou investissements privés en amont et en aval de la production sur cette base) répondant aux différentes réalités est bien souvent absent (ce qui amène à des recommandations techniques non adaptées).

A ce titre, les 2 paragraphes qui se suivent en 5.2.2.1. (de « For smallholder agriculture... » à « ... more labor intensive options ») et qui abordent la question de l'agroécologie mériteraient d'être mieux structurés et argumentés (et certaines conclusions discutées) à l'aide de ce type de distinction des différents types d'investissement.

D'une façon général, cette approche pourrait utilement aider à structurer et compléter la partie 5.2.2.1.

- Il est fait mention des acquisition de terres (p. 43), en les qualifiant d'investissements. Attention, il importe de bien préciser que, au niveau d'un individu, acquérir des terres représente bien un investissement, mais que, du point de vue social (de la société), il n'y a pas « investissement », c'est-à-dire accroissement du capital (qu'il soit économique, « naturel », « social » ou « humain »), mais simple transfert de propriété ou de droit d'usage.

4) Are the main areas for recommendations and the priority domains for action adequate? Does the draft include sufficient information at the adequate level to support the policy messages?

- Pertinence des recommandations.
- Utile mention du rôle donné à l'amélioration des conditions de vie elle-même des familles (et donc rôle des politiques sociales)
- Utile mention de l'importance de disposer de bonnes typologies de producteurs
- Utile mention des limites et risques de l'agriculture contractuelle (et non seulement son intérêt)
- Dans le résumé, réintégrer la nécessité de subventionner les investissements des SHF (via intérêts bonifiés ou autre) (mentionné dans le texte)
- Financement de l'agriculture (p. 51). Mentionner la nécessité dans de nombreuses situations de subventionner les investissements compte tenu des montants qu'ils impliquent et de leur effet différé. (mais, c'est bien mentionné p. 55)
- Les financements dans les infrastructures et services permettant de réguler les marchés agricoles (dispositifs de stockage, d'information sur les marchés, etc.) sont à peine effleurés. Ils sont pourtant très importants. La partie 5.2.4. doit donc être renforcée.
- Les investissements dans le savoir-faire devraient être davantage développés. Les concepts de « research and extension » utilisés à plusieurs reprises, devraient être accompagnés de la mention des échanges d'expériences entre agriculteurs (mentionné également en réponse à la question 2).

47. Concern Worldwide, UK

Introduction:

This submission was prepared by [Concern Worldwide](#) (Concern) to inform the **report on smallholder investments in agriculture**, prepared for the High Level Panel of Experts on Food Security and Nutrition (HLPE) of the UN Committee on World Food Security (CFS). Below is our response to the questions raised by the HLPE. Given our focus on the extreme poor and smallholders in low income countries, particularly sub Saharan Africa, this submission relates to the opportunities and challenges for investing in smallholder agriculture in low income countries.

About Concern:

Concern is leading the search for innovative solutions to break the cycle of poverty and hunger, by addressing their root causes. Our work helps create the conditions that are needed to build resilient communities and lift the poorest and most vulnerable out of hunger. Since our foundation in 1968, Concern has been widely regarded as one of the world's leading humanitarian organisations. Today, our work focuses on four sectors that are key to [tackling extreme poverty](#): improving livelihoods, education, and health and HIV and AIDS.

Concern's Approach:

Concern's mission is to help people living in extreme poverty achieve major improvements in their lives which last and spread without on-going support from Concern. Because extreme poverty is defined by the lack of basic assets and/or the low return to these assets, our work primarily focuses on the build-up, protection, and promotion of assets through targeted investments, livelihood strategies and mechanisms. From the perspective of the extreme poor, it is often only once deficiencies in the basic assets are remedied that there is opportunity to acknowledge that social and political assets need to be secured and strengthened in order to address the root causes of poverty.

For more information on this submission, please contact Policy Officers Ana Ramirez ana.ramirez@concern.net and Jennifer Thompson jennifer.thompson@concern.net

1. Definition and significance of smallholder agriculture: is the approach in the report adequate?

Poor and vulnerable farmers

Many of the countries Concern works in are experiencing or recovering from conflict; have weak, under-resourced systems of governance; and suffer from inappropriate and unsustainable policies. In addition, most of our target groups live in areas that are prone to recurrent floods, droughts, tropical storms, earthquakes, landslides and crop pests; are exposed to abusive behaviour and practices and are very vulnerable to diseases such as malaria. Smallholder agriculture holds great potential for reducing food and nutrition insecurity, as well as poverty, particularly when it comes to the poorest and most vulnerable.

However, the report is missing evidence on the poorest and most vulnerable smallholders around the world. The majority of the evidence cited in the report is from developed countries and Latin America. Smallholders in low income countries face greater challenges and are confronted with higher levels of food insecurity and hunger, than those living in middle income countries. The report would benefit from bringing together examples from emerging economies, high level income countries, and low income countries in order to draw out commonalities and differences between them. Across these different types of countries, it would be useful to highlight the links between productivity and consumption trends. This would better illustrate the links between investments in agriculture and food security. Although the author's definition includes pastoralism, aquaculture, fishing and gathering, there is no mention of such examples in the report. Finally, the report does not provide any insights into the opportunities and challenges faced by women smallholders. In summary, Concern recommends that the report should include:

- An analysis of the role of female smallholders, particularly the central role they play in food production;
- A consistent definition and treatment of smallholders that is either inclusive of all types of smallholders, or more precise and exclusive to people who cultivate;
- Examples from emerging economies, high level income countries, and low income countries in order to draw out commonalities and differences.

2. Framework for smallholder agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?

Based on Concern's approach to extreme poverty, smallholder agriculture investments goes beyond asset creation and protection – and focuses on targeting the root causes of poverty, which are linked to

inequality, vulnerability and risk. Although investments are key, targeted policies that are adapted to different types of smallholders are needed in order to bring to scale investments that have had positive impacts on smallholders' food security, incomes and environment. Agriculture is central to the challenges of food and nutrition security and poverty, but it cannot solve all of the deeply rooted challenges that perpetuate poverty on its own. A wide-range of interventions from the nutrition, health, micro-finance and social protection sectors can help achieve agriculture's full potential to reduce hunger.

a. Targeting the poorest and most vulnerable

In terms of the report's approach, the dimensions of inequality, vulnerability and risk constitute considerable barriers to smallholder agriculture and productive communities. Therefore, the report should include inequality, vulnerability and risk as key dimensions of smallholder agriculture.

Inequality needs to be considered as a dimension of extreme poverty which can both cause a lack of assets and poor return to assets, and which can prevent people accessing services and taking up opportunities for their own development. Without attempting to address the effects of inequality on the lives of the extreme poor, development interventions may only contribute to short term change. It is important to acknowledge the different support and resources that each person requires in order to achieve the same outcomes as someone who does not face the same degree of inequality. Amongst smallholders themselves it is important to consider the inequalities that exist on the basis of gender and ethnicity. Vulnerability describes people's level of susceptibility and exposure to the negative effects of hazards and their impacts. The level of vulnerability of an individual or group is determined by their ability to anticipate, cope with, respond to, and recover from hazards and their impacts. Risk is defined as the probability of a hazard happening in a given timeframe and the magnitude of its impact(s) when it does occur.

b. Leveraging community-level interventions

Levels of intervention or entry points for smallholder investments in agriculture should be addressed in a more systematic way in the report. From Concern's experience, the community level is the most effective entry point when targeting the poorest and most vulnerable food producers. In this sense, contextual analysing of the inequalities and risks faced by poor and vulnerable farmers can contribute to a better understanding of the different community-level entry points and obstacles to agricultural interventions.

Conservation agriculture

In the context of climate change and scarce natural resources, over-exploitation of land through intensive agriculture techniques has the potential to worsen the trend of land degradation and loss of bio-diversity – which represent high costs for smallholder farmers in terms of food, income and environmental security. However, there is considerable evidence that sustainable intensification of small farming systems, using low external inputs, agro-ecological methods and crop diversification can reduce risks and improve food security for smallholder farmers. It is particularly suited to smallholder farmers in ecologically fragile, risk prone areas. In Zimbabwe, poor small farmers who started practising Conservation Agriculture (CA) are achieving yields that are so much higher than farmers who use traditional cultivation techniques that they have gone from food deficits to surpluses. A study carried out by Concern on the impact of CA on food security and livelihoods of smallholder farmers in low potential areas of Zimbabwe in 2008⁸ found a dramatic improvement in food security amongst farmers who have successfully adopted CA techniques.^{9,10}

The farmers who adopted CA achieved much higher maize yields than traditional farmers. The extra maize yields contributed to over 60% of the food needs of the very poor and almost 70% of the food needs of the poor in the targeted area. The success of this programme largely hinged on intensive investment in extension services, and careful use of inputs, based on specific guidelines developed by

⁸ Concern Worldwide, Food Security and Livelihoods Recovery Programme: end of programme evaluation. Stephen Brown, FEG Consulting, November 2008.

⁹ P. Wagstaff and M. Harty, The Impact of Conservation Agriculture on Food Security in three low veldt districts of Zimbabwe, Trócaire Development Review 2010.

¹⁰ Note: due to data variability observed, data quality is being reviewed by Concern Worldwide.

the CA task force. A year on, these farmers went from being production-deficit households to production-surplus households. Each participating village produced on average a surplus equivalent to 179% of the village's annual food energy needs. This enabled farmers to provide food to surrounding food insecure villages by selling or offering grain as payment for work. Today, these farmers are selling their maize surpluses to aid agencies that distribute food aid, which is incredible evidence of the successes CA can achieve.

Strengthening women's voices

Despite their central role in agricultural labour, women continue to be marginalised as farmers, land owners and production managers. Women's marginalisation limits their ability to access to land, credit, financial services and agricultural support – and therefore to increase their asset base. This has wider consequences in limiting women's rights and power to shape community decisions and policy outcomes. Concern's work in Liberia and Rwanda has shown that women's groups can help promote savings and credit groups, access to finance and micro-credit services, and provide extra technical support to women farmers.¹¹ The benefits of this approach are that women are more likely to receive agricultural support services, they can also sell output collectively, and most importantly there is also a social improvement with facilitating feelings of confidence and solidarity.

Despite the fact that many women can improve their productivity and food security with support, not all women will be able to. The Consultative Group to Assist the Poor (CGAP) and the Ford Foundation have been exploring how a "graduation model" can create pathways out of extreme poverty, by gradually expanding poor people's access to financing, entrepreneurial and social protection services. The term "graduation" refers to participants moving out of safety net programs and "graduating" into income-earning activities that let them sustain themselves without external subsidies.¹² The graduation model is a successful approach to integrating both safety nets and agricultural support. Concern has been piloting the graduation model exclusively targeting women in Haiti, offering support services such as housing renovation, and agricultural inputs and training and links to business development training. A total of 95% of women graduated and should reach 5,000 women by 2015.

c. Multi-sector interventions

Agriculture is central to achieving food and nutrition security but it cannot solve all of the deeply rooted challenges that perpetuate inequality and vulnerability on its own. Interventions ranging from pre-cooperatives, to training packages, nutrition and social protection can help agriculture achieve its full potential to reduce hunger.

In Rwanda, Concern developed different sets of approaches to improve the productivity of resource-poor farmers including integrated intervention packages, one-to-one field demonstrations, participatory cattle distribution scheme, and pre-cooperative system set up. Findings illustrate that with targeted support; the poorest smallholder farmers can increase food security and productivity. Yet, research results indicates that poor coverage in some agricultural interventions such as extension, irrigation and access to inputs can limit the impact of national level strategies to invest in agriculture. Lack of capacity at the local and district level, a challenge in which development partners can play a role in addressing through capacity building.

In its latest work with farmers, Concern is combining agriculture, micro-finance, cash transfers and business development services together to support a five step pathway out of poverty towards economic development. Although this is still in its early stages in Burundi, research from leading development experts suggests that the graduation model increased standard of living, business income and food security.¹³ In this model cash transfers will provide a safety net during the adoption of new production techniques, microfinance will be used to encourage financial discipline and life planning and traditional livelihoods style interventions aimed at improving agricultural production, which have been proved to work, such as conservation agriculture.

Making agriculture work for nutrition

¹¹ Farming for Impact, a case study of smallholder agriculture in Rwanda, Concern Worldwide (UK), London 2011.

¹² Creating Pathways for the Poorest: Early Lessons on Implementing the Graduation Model, Consultative Group to Assist the Poor, Washington DC, 2009.

¹³ E. Dufo, Targeting the ultra-poor : impact assessment, preliminary results, Global Graduation Meeting, July 18th, 2012.

The report should emphasize the role smallholder agriculture can play in preventing undernutrition. The limitations of production-focused agriculture interventions to deliver improved nutrition have been well documented.¹⁴ The evidence is clear that while increased agricultural production and income are probably necessary, they are clearly not sufficient to reduce child under-nutrition. Far more substantial impacts were achieved when agricultural interventions incorporated non-agricultural components that addressed other determinants of child nutrition.¹⁵ Agricultural interventions aimed at improving nutrition have been undertaken for decades by governments. However, the studies that evaluated these actions presented multiple limitations, making it difficult to fully capture the linkages between nutrition and agriculture, including links with other interventions and activities that may have influenced nutrition outcomes.¹⁶ Uncovering agriculture's true potential to reach poor communities where malnutrition is chronic, to increase family incomes and to diversify their diets, requires investment in broad-ranging rigorous research.

Concern's Realigning Agriculture to Improve Nutrition (RAIN) project in Zambia is addressing this by integrating agriculture and nutrition/health interventions at all project levels to improve the nutritional status of children during the critical 1,000 days window of opportunity for preventing stunting (from conception until a child reaches its second birthday). The project goes beyond the traditional objectives of food security programmes by empowering women and fostering measureable improvements in nutrition security.

Develop resilient livelihoods

Concern's work in Haiti aims to move members up through a pathway by which they can continue a slow and steady ascent out of poverty. The first milestone on this pathway is Chemin Lavi Miyo (CLM), which is intended to help members develop resilient livelihoods, social networks, and the life skills necessary to have greater control of their destinies. The second milestone is to graduate to TiKredi, where they are introduced to the disciplines of microfinance, and encouraged to focus on commerce so they continue building a sustainable enterprise that can provide a reliable and regular source of income.

Whilst many development programmes succeed in creating short term physical or social gains, many fail to achieve changes that can be sustained. CLM has certainly succeeded in delivering the inputs that it identified as important in promoting and protecting extremely poor women's livelihoods in Haiti. It has also achieved significant positive outcomes over a 24-month period.¹⁷ The key question, however, is whether these improvements can be sustained and whether CLM members will continue on their pathway out of poverty.

3. Constraints to smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

Smallholders' ability to manage the market, income, climatic and human risks they are exposed to needs to be improved in order to overcome barriers to smallholder investments in agriculture. Disaster risk reduction (prevention, planning and managing) initiatives at the community level can help increase smallholders' resilience to shocks as well as their ability to plan for, and manage risks better.

a. Vulnerability and risks

The World Development Report 2011 highlights that external shocks, including from volatile commodity markets, migration, illicit transfers of drugs, arms and money and transnational ideological threats can all increase the likelihood of violent conflict breaking out.¹⁸ Fragile and conflict affected countries are at greater risk of both scenarios because they have less capacity to respond to unexpected events, or to prepare for slow onset changes. The populations of both are also, therefore, likely to suffer

¹⁴ World Bank, *From Agriculture to Nutrition: Pathways, Synergies and Outcomes*, Washington DC, 2008.

¹⁵ World Bank, *From Agriculture to Nutrition: Pathways, Synergies and Outcomes*, Washington DC, 2008.

¹⁶ Masset E, Haddad L, Cornelius A and Isaza-Castro J, *A systematic review of agricultural interventions that aim to improve nutritional status of children*. London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London, 2011.

¹⁷ Chemin Levi Miyo, 24 months evaluation, Concern Worldwide and Consultative Group to Assist the Poor, 2012

¹⁸ World Bank, *World Development Report 2011* (2011), p 217-240.

most from both eventualities. However, little has been done to integrate risk and resilience into agricultural investment planning and development.

In 2011, East Africa faced two consecutive seasons with below-average rainfall, resulting in one of the worst droughts in 60 years. Although the 2011 drought affected the whole region of the Horn of Africa, central and southern Somalia were most affected by the crisis¹⁹. This was due to a multiple set of factors including drought, conflict, high and volatile global food prices, the region's reliance on food imports, and the long-term deterioration of coping strategies in local communities.²⁰

The majority of the people affected by the food crisis face obstacles to escaping the cycle of poverty and hunger they are trapped in. For most, economic, social and political inequality and marginalisation are at the heart of this challenge. This means the little assets they have are insufficient to create and accumulate income, afford food, health care and education. This increases their vulnerability, but also dissuades them from taking risks that could actually help them escape this cycle.

Smallholder farmers face direct constraints at the farm level – that include rainfall, soil quality, land holdings, remoteness and ill-health. Lacking irrigation, many marginal farmers rely on rainfall to water their crops, making them highly vulnerable to weather pattern changes. Increasingly unpredictable rainfall is leading to reduced output for many marginal farmers. Flooding and droughts damage land and destroy harvests, change traditional planting seasons and lead to long-term loss of assets for many poor people. Marginal farmers often farm in fragile areas with poor soil quality, limiting the number of crops they can grow. Areas of particular concern include the Sahel and savannah areas of Africa, transitional ecosystems which are subject to long-term alternating cycles of desert expansion and contraction that are not well understood, but which are home to large, and growing, farming populations

Increased rural population densities in many areas have reduced the size of landholdings for farmers, meaning that plot sizes are sometimes so small they can no longer sustain a family. This reduction in the size of landholdings and resulting competition for land has pushed marginal farmers to cultivate unsuitable land on steep slopes, flood-prone land and arid areas. Many marginal farmers live in remote areas with poor infrastructure such as roads, electricity and storage facilities. Due to their location they face constraints over access to inputs such as seeds and fertilisers, credit and other services, and are often unable to take advantage of new market opportunities to sell their produce. Ill-health can also seriously undermine the efforts of the poorest farmers, especially those with limited labour. HIV & AIDS, malnutrition, malaria and anaemia can all reduce the productive potential of the rural poor, as well as increase the household caring tasks for women marginal farmers.

If measures are not taken to improve early response, to protect livelihoods and loss of assets, all other efforts to strengthen resilience and the gains of development will be wiped out, and the numbers of vulnerable households locked into chronic food insecurity will increase. In addition, early warning systems, including indicators of severe and moderate malnutrition levels, as well as malnutrition response action plans that set out precise triggers, processes, and responsible stakeholders must be put in place to improve people's ability to respond and bounce-back from extreme weather events, high food prices, and other risks.

b. Enhancing resilience

One-off shocks that have a short-term impact (e.g. illness, natural disaster), and shocks that have a more permanent, longer term effect upon a household (e.g. death, serious and recurring illnesses). By resilience, we refer mainly to a household's ability to cope with short-term shocks, as long-term shocks can debilitate even the strongest of households.

According to the United Nations (UN) resilience is “the ability of a system, community or society exposed to hazards to resist, absorb, accommodate and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions”.²¹ Addressing resilience as part of smallholder agriculture, particularly at

¹⁹ J. Mosley, Translating early warning into early action, East Africa Report, Chatham House, London 2012.

²⁰ D. Maxwell, M. Fitzpatrick, The 2011 Somalia famine: Context, causes, and complications, Global Food Security, 5–12, 2012.

²¹ United Nations Office for Disaster Risk Reduction, 2007.

community level, has the potential to unite the sectors of development, humanitarian and environment necessary to prevent disasters and deliver long-term sustainable solutions. It requires a holistic view or systemic approach to reducing vulnerability, mitigating risk and addressing inequality.

In Kenya recurrent droughts have eroded people's livelihoods, assets and coping strategies. However, a survey revealed that severe acute and global acute malnutrition (SAM and GAM respectively) in the district of Moyale were much lower than in neighbouring districts with similar conditions. As drought cycles have shortened, the need for a more flexible approach to planning, responding to, and recovering from droughts has become clearer.²² Concern's community-based approach to disaster and risks has helped reduce malnutrition and improve resilience in the long-term. Resilience practices include using drought-resistant crops and diversifying livestock, conflict resolution in management of natural resources particularly water, including potential to exploit public-private partnerships, as well as developing trigger indicators to inform health and nutrition interventions at times of crisis, and flexible planning and funding.

c. Protecting assets during shocks and emergencies

There has been a growing recognition that in situations of chronic food insecurity institutionalised social protection programmes are more efficient and effective than repeated annual emergency food aid.²³ Social protection programmes like cash transfers, can help smooth consumption and sustain spending on essentials in lean periods without families having to resort to selling their assets or other negative coping mechanisms. They have the potential to help poor households save, invest in productive assets and obtain better credit terms. Ethiopia has used its high growth rates to make significant progress in reducing poverty. A contributing factor has been Ethiopia's Productive Safety Net Programme (PSNP). Ethiopia recently added early warning and contingency planning functions for triggering a scaling up of PSNP interventions in response to emergencies. Resilience makes safety net/social protection programming both developmental and humanitarian.²⁴

48. UNSCN Secretariat Team, Switzerland

INVESTMENT IN LOCAL AGRICULTURE: Small-scale farmers have proven to be key players in meeting global food demand. Many of the development success stories of the past 20-40 years were based on smallholder production (smallholders were also typically more efficient than large-scale farmers) (FAO, 2012 SOFI). Yet, about 80% of the 868 million undernourished are farmers (<http://canwefeedtheworld.wordpress.com/tag/fao/>). Investing in agriculture is one of the most effective strategies for reducing poverty and hunger and promoting sustainability (<http://www.fao.org/publications/sofa/en/>); farmers themselves are by far the largest source of investment in agriculture and must be central to any strategy for increasing investment in the sector. Local knowledge and cultivation of local varieties must be rediscovered and food value chains must be shortened and made nutrition-sensitive.

Women farmers produce more than half of all food worldwide and currently account for 43 percent of the global agricultural labour force. (FAO). We encourage more emphasis on a gender differentiated approach and this should be addressed in various parts of the report. The resources and income flows that women control have repeatedly been shown to wield a positive influence on the household food and nutrition situation (World Bank/IFPRI, 2007). Closing the gender gap in smallholder farming could bring many rewards: increased crop productivity, improved food security and far-reaching social benefits as a result of an increase in women's income. Investments in smallholder agriculture need to address this.

²² W. Erasmus, L. Mpoke and Y. Yishak, Mitigating the impact of drought in Moyale District, Northern Kenya, Humanitarian Exchange Magazine, Issue 53, March 2012, Overseas Development Institute, London, 2012.

²³ DFID, Cash Transfers Evidence Paper', DFID, London, 2011.

²⁴ Intermon Oxfam, Définition du Cadre d'orientation stratégique de moyens d'existence (COSME) en Afrique de l'Ouest (Sahel), Avril 2010.

Role of smallholders in food and nutrition security: changes in investments, such as investments in technology, infrastructure etc should also address the potential values and impacts for good nutrition, leading to better and positive nutrition outcomes. Investments should contribute to the creation of environments and conditions in which better nutrition is achieved, for all family members. Creating and strengthening the linkages between the smallholders and their own nutrition security should be more addressed in the paper.

Regarding Definition and significance of smallholder agriculture: We miss the social and cultural aspects in the outlined definition of smallholder agriculture. The proposed criteria put emphasis on only one characteristic (small compared to medium- or big holder), we encourage a broader definition.

It would be important to compare smallholder activities within areas/regions with comparable agro-ecological and socio-cultural conditions including natural resources, social, economic and political conditions (for example a farmer in Namibia who owns 20.000 ha of land in a dry desert area can hardly be compared to a farmer in Europe who has just 50 hectares of land, and elaborate respectively differentiated recommendations. The regions where these ways of livelihood have developed, and the conditions under which they are put into practice, differ considerably so that the comparative study of constraints could be more relevant when looking into agro-ecological zones' rather than talking on a worldwide scale. In this sense the case studies and examples could be more systematic.

Concerning the question: "Are all the main constraints presented in the draft?" the element of 'stability' should be included in the report. Political instability is one of the most common and persistent challenges to food security. Conflict disrupts or prevents agricultural production, transportation and market access, and creates large populations of refugees and internally displaced persons who make heavy demands on local and national food supplies (UNSCN, 2010, 6th report on the world nutrition situation).

49. Juan Carlos Garcia y Cebolla and Frank Mischler, FAO, Italy

We wish to congratulate the HLPE for its paper on investment in smallholder agriculture, especially the analytical framework.

While most issues are included in the paper, we would suggest that the executive summary first section of the paper (first section of the paper: "The importance of smallholder agriculture") already points out that the prevalence of undernourishment among members of smallholder families is very high. Although they are food producers, very often they are net food buyers, especially shortly before the harvest.

The reason for their deprivation are lack of access to electricity, no safe drinking water, inadequate public health, education and sanitation services, lack of access to productive resources and dismal rural infrastructure. Investment that should benefit stallholder farmers should directly address the underlying causes of malnutrition mentioned above. As the report rightly points out: most investment in smallholder agriculture is realized by smallholders themselves. One could add, that the resources invested directly benefit the local community in two ways: 1. Most resources invested are derived from the local economy investment and 2. Many of the investment don't benefit only the farmers but the community as a whole. Improved infrastructure, like tertiary roads, or maintenance works of wells and water reservoirs may serve as examples.

The report talks about the main reasons why farmers can't increase their investment (para 9). Two constraints could be added to this list. First, investment by smallholders is a high-risk action. Smallholders often have no access to credit or suffer from inferior conditions. If return on investment is lower than expected, smallholders may face serious consequences. Second, smallholders operate in an inadequate environment as basic public services are lacking.

The report highlights social protection and other policies that reduce their exposure to risk, enabling them to invest and explore other opportunities. Many times they are characterized as risk adverse. The reality is that their exposure to risk is so high that taking more risk would be fatal for them. It also has consequences when designing and implementing extension and R&D programs that could be adequate to their needs and context, it is not only a question of low cost innovation, risk faced that could affect their livelihoods is critical.

From a human rights perspective this needs to be corrected. State parties to the International Covenant on Economic, Social and Cultural Rights have subscribed to the commitment to progressively realize the right to food. This includes the obligation to invest the maximum of available resources (Art. 2, ICESCR)

to this aim. In the 2004 Right to Food Guidelines (“Voluntary Guidelines on the Progressive realization of the Right to Adequate Food in the context of National food Security”), state parties to FAO further agreed to their obligation to create an enabling environment that allows all women, men and children to feed themselves in dignity. With respect to smallholders this includes policies, strategies and programmes that directly support them, as well as establishing and maintaining a governance system that offers basic public services and minimizes undue risks.

We applaud the authors of the paper for considering ‘access to social, economic, and political rights’ in addition to access to financial resources and access to markets and services. Too often development experts maintain a purely economic or technical perspective, forgetting that smallholders, first and foremost, are rights holders that need (i) their basic human rights met in order to have the necessary security to look ahead; (ii) economic fairness to build resilience and gain market access/share; and (iii) to participate in decision making processes that concern them and make their voice heard. One could add the dimension of cultural human rights that encompass rights related to themes such as language; participation in cultural life; cultural heritage; intellectual property rights, among others.

You also reflect the need of *recognition and enforcement of rights regarding existing rights on land and resources*, making an explicit mention to the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security would provide clearer guidance on this issue.

A saying goes that ‘a right is only a right if it can be claimed’. In reality however, poor rights holders, such as smallholder farmer, lack adequate access to justice. The national smallholder investment programme proposed by the HLPE, or existing programs should include grievance and redress mechanism that are accessible to poor individuals at a local level, do not require undue investment of human and financial resources and don’t put the claimant at risk. In addition to legal recourse mechanisms, administrative recourse mechanisms could be incorporated into program design as well as support for mediation of less serious offences.

About the typology presented: all the typologies have some trade offs. It is useful, addresses diversity provides elements that made it operative, and allows to look to the key elements needed for a Human Right based approach.

We are aware that useful reports need to be concise, but maybe you consider useful to include some considerations related to the regional (international level) regarding to two specific points: regional mechanism or initiatives like CAADP in Africa, or ECADERT in Central America, just to mention two examples, and the specificities of boundary territories.

With kind regards

Juan Carlos Garcia y Cebolla and Frank Mischler
(Right to Food Experts in FAO’s Agricultural Development Economics Division (ESA))

50. Transnational Institute (TNI), Netherlands

This report offers an extremely timely and valuable contribution to the critical issue of smallholder agriculture and investment. The following comments are presented with an eye towards strengthening those areas where improvements could be made:

1. Definition of smallholders and smallholder agriculture. Section 1.1 of the report offers a definition of smallholders and smallholder agriculture that is not entirely self-evident and somewhat problematic. Smallholders are defined in the report by a resource base that is small and is “... as yet, not or barely able to render an acceptable livelihood” (p.19). Tied to this definition, as stated in the report, is a constant endeavour by smallholders to expand their agricultural production in order to go “beyond precariousness”.

Yet this definition does not account for the high degree of heterogeneity among smallholders that the report correctly insists on. The varying levels of capitalisation, technology use, asset ownership, etc. which denote different classes of smallholders are rendered invisible by the current definition of smallholder livelihoods as inherently sub-marginal. Are we to assume that once smallholders go ‘beyond precariousness’ they have transitioned out of their smallholder status?

Most damagingly, the current definition risks constructing a narrative of smallholders as non-investors when in fact that, as the CFS 37 report on smallholder sensitive investment in agriculture concluded, smallholders and their organisations responsible for the bulk of the investment in agriculture and produce most of the food consumed in the developing world.

2. Markets and the terms of inclusion. There are many cogent remarks in the report on the different types of markets, their institutional arrangements, and their relevance to smallholders. Promisingly, the report comments that pro-poor outcomes are not simply guaranteed by providing for market 'access' without further specifying what kinds of markets one is referring to or the terms under which smallholders are to be included in these markets.

Yet all this appears to be forgotten in section 5.3.2.2 on contract farming; the further expansion of which the report appears to endorse. This is all the more surprising given that in other sections of the report (3.3.5, 3.4), it is rightly noted that global value chains are structurally biased against smallholders. It is also recognised that for the majority of smallholders, improving traditional wholesale and retail markets offers the best opportunities (section 5.3.2.1). Against this backdrop, the enthusiasm for contract farming can not be reconciled.

It is also a mystery as to why contract farming is equated in the report solely with integration into global agri-food chains when there are a host of other types of contracting arrangements that imply a different logic. A prominent example is community supported agriculture (CSA) in which producers and consumers sign forward contracts for the provision of agricultural produce. The diversity of contracting models and alternative arrangements deserves greater consideration in the report.

3. Smallholders' rights to land and natural resources. Securing smallholders' rights to land and other productive resources needs to be given greater attention in the report than it currently has, given that it is often a pre-requisite for smallholders' investment in agriculture.

The report is rather inconsistent in its discussion of smallholders' access to land, which is alternatively treated as a right (section 3.2, 4.5, 5.3.3) or, more worryingly, as part of a market transaction (2.3.1, 4.4). Especially in the current context concerning large-scale land appropriations, securing smallholders' rights to land and natural resources is a matter of urgent attention – an issue which is given only a cursory examination in a few paragraphs in section 3.4. It would be good here to build on the recommendations of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries, and Forests as well as link to the ongoing CFS consultations on responsible agricultural investment (rai).

4. Public investment in agriculture beyond public goods provision. The report's recognition of the important role of public investment in agriculture is welcomed. The emphasis in the report is however on public goods provision, which, while undoubtedly important, should not be the only focus of public investment in agriculture. It would be more opportune in this regard to speak of targeted public investment in agriculture that explicitly prioritises smallholders through for example price supports, food reserves, credit policies, extension services, etc.

5. Natural resource management, environmental stewardship, and agro-ecology. It is a shame to see the ecological question receiving so little attention in the report when this is one of the main cases to support smallholder agriculture and mixed farming systems. The singular reference to agro-ecology in the report under section 5.2.2.1 is alarming in this regard, given that it is one of the key strategies, practised widely and successfully by smallholders all around the world, to improve their resource base in an ecologically sustainable fashion.

6. Farming futures and rural youth. Investment should be about ensuring the conditions for social reproduction. Against the backdrop of massive rural flight and endemic poverty, securing livelihoods and farming futures for the next generation of rural youth must be considered as matters of utmost importance. This is an imperative that deserves greater attention in this report.

51. Switzerland

HLPE Draft V0 on Smallholder Investments

We thank the HLPE team for a rich and enlightening document as well as for giving the possibility to development practitioners to bring inputs into V0 draft of the HLPE-Report "Investing in smallholder agriculture for food and nutrition security".

From SDC's perspective, we would be interested to know whether the available literature can figure out how many smallholder farmers live in fragile contexts, respectively in conflict areas. Evidence of how such smallholder farmers/pastoralists/small-scale fisher communities can be best supported would also be an additional value added of the expected report.

As requested, please find below some SDC-supported project data, which could be taken in the preparation of the final report.

1. For the section 5.3.2.2 Contract agriculture of the HLPE Draft V0

[Rural Livelihood Development Company - Annual Report 2011](#)

The company Rural Livelihood Development Company (RLDC) is the implementer of SDC's programme *Rural Livelihood Development Programme* RLDP in Tanzania. The project's annual report 2011 provides information and figures on contract agriculture: "The number of producers having established farming contracts / agreements with buyers and producers in different sectors is 18,700 (target 15,000) producers in cumulative terms, Out of these 13,600 male and 5,100 female. Sunflower sector has 65% of all producers in contract farming. The producers in contract farming benefits from various services ranging from access to inputs such as seeds, fertilizers, pesticides, tractor services, canvases for post harvest management, they also benefit on advisory and extension services."

More information on contract farming related to different crops can be found in the report on the following pages:

- Contract farming system in cotton (page 16)
- Contract farming system in rice (page 23ff)
- Contract farming system in sunflower (page 26).

2. For the section 5.3.1 Finance and banking system of the HLPE Draft V0

Please consider also the following figures extracted from a SDC-supported microfinance project in Bolivia. There is no official data published on this project for the time being, but do not hesitate to contact SDC Head Office in a couple of months' time, if you need further information.

Servicios financieros y no financieros rurales

Entre 2008 y 2012, aproximadamente 72'000 clientes (de una clientela potencial de casi 700'000 personas que viven en áreas rurales del país) accedieron a microfinanzas rurales con el apoyo de la cooperación suiza a través de diferentes instrumentos y alianzas:

Alianza con el BID / FOMIN beneficiando a 70'000 nuevos clientes, fomentando novedosas alianzas entre entidades reguladas y no reguladas. De esta manera se logró colocar una cartera de aprox. CHF 90 millones. 2.000 nuevos clientes accedieron a servicios innovativos de financiamiento desarrollados por PRO-FIN (Ej: **garantía de animales para acceso a crédito, fondos de garantía**).

Aproximadamente 3'000 productores rurales accedieron a servicios no financieros (capacitación, asistencia técnica y articulación comercial) a través de plataformas para la identificación de oferentes y demandantes.

3. For the section 5.2.2 Improving productivity and resilience of the HLPE Draft V0

In Bolivia, SDC has been supporting the registration of agricultural products.

Innovación agropecuaria

Hasta el 2012, con el apoyo de la cooperación suiza se han registrado los siguientes productos:

- 12 nuevas variedades de cereales y frutas.
- 3 bancos de semilla con 86 variedades de frutas en proceso de validación.
- 2 tubérculos andinos han sido transformados para añadir valor y se ha transferido la tecnología a los productores.
- 32 nuevas tecnologías de producción se validaron y utilizaron bioinsumos.

This example on providing technical trainings in Bolivia can also be used for 5.2.2 Improving productivity and resilience of the HLPE Draft V0.

Formación técnica

En los últimos 3 años, se ha implementado un proceso de formación de formadores para carreras técnicas, con capa-citación permanente en áreas técnicas y temas transversales (género, ciudadanía, planes de negocios, emprendedurismo). Hasta junio 2012, se cuenta con aproximadamente 200 hombres y mujeres docentes que han accedido a la capacitación ofrecida por el programa.

70 centros públicos de educación en 50 municipios del país han sido equipados con recursos pedagógicos para implementar la formación técnica y capacitación laboral. Cuentan con infraestructura adecuada que depende del municipio.

Se contribuyó a crear condiciones óptimas de equipamiento en 178 especialidades técnicas de formación (materiales e infraestructura).

52. World Rural Forum (WRF), Spain

[Spanish original]

Nuestro más sincero agradecimiento por este primer documento Borrador sobre las Inversiones en Pequeña Agricultura para la Alimentación y la Seguridad Alimentaria. El documento está muy bien estructurado en su reflexión sobre la situación de los pequeños agricultores y los principales obstáculos que enfrentan en materia de inversiones. Por nuestra parte no tenemos más que agradecer el gran trabajo del equipo responsable.

No obstante y dada esta oportunidad quisiéramos remarcar la importancia que tiene fomentar la producción local de alimentos, cercana a los puntos de consumo, para erradicar el hambre y la malnutrición, para desarrollar un tejido socio-económico sólido y para reducir los impactos derivados del transporte. Unido a esto nos gustaría recalcar una serie de puntos que consideramos clave a desarrollar en profundidad en informes posteriores.

Introducción

Como ya sabemos, casi media humanidad vive en zonas rurales. De esta población rural, aproximadamente 2.500 millones pertenecen a hogares que desarrollan actividades agrícolas y 1.500 millones, a hogares de pequeños agricultores. Diferentes mensajes apuntan de forma clara el vínculo directo que existe entre desarrollo agrícola y desarrollo general. El informe del Banco Mundial 2008 establece que el crecimiento del PIB originado en la agricultura es al menos el doble de eficaz en reducir la pobreza que el crecimiento del PIB generado en otros sectores. Dado que los hogares de pequeños agricultores familiares superan en número los 1500 millones, la inversión en este modelo de producción parece más que necesaria si en verdad se quiere erradicar el hambre y la pobreza en el mundo.

En este sentido el Documento V0 establece las que a priori son las líneas clave en las que favorecer la inversión de los pequeños agricultores a fin de mejorar su potencial productivo, mejorar su capacidad negociadora y así mejorar el bienestar de los hombres y mujeres que se dedican a la actividad.

Analizando el documento

Desde nuestro punto de vista y de acuerdo a las demandas identificadas por las organizaciones agrarias, de desarrollo, centros de investigación, y otras organizaciones presentes en la Conferencia Mundial de Agricultura Familiar “Alimentar al Mundo, Cuidar el Planeta” (Bilbao, España 2011) nos gustaría que el documento recogiera en mayor profundidad una serie de puntos clave.

- Acceso a mercados. El documento recoge que el problema no es tanto su exclusión de los mercados sino su situación vulnerable o poco ventajosa en los mismos. En nuestra opinión los agricultores familiares han de contar con un apoyo social suficiente que garantice un nivel suficiente de seguridad para acceder a los mercados con garantía. Este acceso es crucial para mejorar y avanzar en la consecución de la seguridad alimentaria. También es clave que los alimentos se produzcan próximos a las zonas donde se van a consumir. En este sentido nos gustaría que el documento reflejara las ventajas de crear una red de mercados locales sustentados en las producciones locales vs mercados en los que las mercancías tienen orígenes remotos. (incluyendo estudios de caso).
- Mujer. El documento en nuestra opinión no recoge suficientemente el papel de la mujer. Si bien el informe dice que son la mayoría (*page 27: Women, who form a majority in smallholder agriculture*), y que se trata de un colectivo vulnerable al que hay que atender, no identifica acciones concretas. Por ejemplo, cómo favorecer su acceso al mercado; métodos formativos; etc. Consideramos clave desarrollar en el siguiente informe un capítulo específico sobre las mujeres agricultoras, que analice su papel productivo y su potencial aportación a la lucha contra el hambre y la pobreza. Indicando en lo posible acciones concretas en materia de inversión que fomenten su inclusión en las cadenas de valor, la toma de decisiones y sobre todo tiendan a mejorar su bienestar. (*page 14: improving the well-being of smallholders (especially women and children) is a crucial prerequisite for investments in smallholder agriculture.*)
- Jóvenes. Como destaca el informe (*page 63: Invest in forward thinking for tomorrow agriculture would help to shape new perspectives for youth to invest into this professional perspective*) la inversión y el apoyo a los jóvenes es clave para garantizar una agricultura sostenible a medio largo plazo. Pero tampoco vemos un desarrollo específico de la situación de los jóvenes en la agricultura y su especial dificultad para acceder a inputs clave como recurso tierra, crédito, formación, etc. En el caso de la inversión hay que tratar de poner especial énfasis en favorecer la incorporación de los jóvenes en la actividad agraria. No hay futuro posible de la pequeña actividad si no se prestan los medios adecuados para que los jóvenes vean en esta actividad una verdadera opción de futuro.
- Gestión y amortiguación de riesgos. Toda inversión tal y como apunta el informe requiere de un clima propicio, que garantice algo de certidumbre. Este tema es muy complicado, no suelen hacerse informes de fácil comprensión. Nos gustaría sugerir ahondar más en este tema y sobre todo, tratar de analizarlo con casos concretos a fin de facilitar la comprensión de las implicaciones de los riesgos sobre los pequeños productores.
- Fortalecimiento de organizaciones agrarias. No por mencionarlo el último es el menos importante. En efecto, si los agentes productores no están agrupados y si estas agrupaciones no cuentan con el reconocimiento necesario en los niveles de toma de decisiones cualquier acción que se pretenda para mejorar la situación de la agricultura de pequeña escala será incompleta. Como apunta el informe se precisa aumentar el nivel de reconocimiento de las organizaciones agrarias en los grupos de toma de decisión, implicándoles a todos los niveles. En caso contrario se correría el peligro de caer de nuevo en propuestas poco adaptadas a las realidades y capacidades de los grupos interesados.

Durante el 2014 se celebra el Año Internacional de la Agricultura Familiar, una gran oportunidad para proponer medidas y políticas concretas que redunden en mejoras sustanciales para ese multitudinario colectivo y, en definitiva, para el bienestar de toda la humanidad. En este sentido la estrecha colaboración entre los expertos agrarios, responsables políticos y los agricultores/as directamente es crucial si de verdad queremos cambios significativos y positivos. La Agricultura Familiar no es algo del pasado, es una apuesta de futuro, mejor dicho, una realidad incuestionable. El conocimiento de los

expertos, junto con el de las organizaciones agrarias, debe formar un tandem que pedalee en pro de una Agricultura Familiar competitiva, inclusiva y sostenible. Desde el FRM os animamos a continuar en este importante trabajo.

[English translation]

Our sincere thanks for this first draft of the report *Investing in smallholder agriculture for food and nutrition security*. The document is well structured in its reflection on the situation of smallholders and the main obstacles they face regarding investments. From our side, we just want to thank the Team for their great work.

However, given this opportunity we would like to stress the importance of promoting local food production, close to the points of consumption, in order to eradicate hunger and malnutrition, to develop a solid socio-economic fabric and to reduce impacts from transport. In addition, we would like to emphasize a number of key issues to be developed in depth in further reports.

Introduction

As we know, almost half of humankind lives in rural areas. Of this rural population, about 2,500 million are farming households and 1,500 million, smallholder households. Various reports indicate clearly the direct link between agricultural development and overall development. The 2008 World Bank report states that GDP growth originating in agriculture is at least twice as effective in reducing poverty than GDP growth generated in other sectors. Because small family farmers households outnumber 1.5 billion, investment in this production model seems more than necessary if we really want to eradicate hunger and poverty in the world.

In this sense, the V0 draft establishes priority key lines in which to encourage investment by smallholders to improve their production potential, their bargaining power and improving so the well-being of men and women engaged in farming activities.

Analyzing the document

From our point of view and according to the needs identified by agriculture and development organizations, research centers, and other organizations attending the World Conference of Family Farming "Feeding the World, Caring for the Earth" (Bilbao, Spain 2011) we would like the document to reflect in greater depth a number of key issues.

- Access to markets. The document reflects that the problem is not their exclusion from the markets, but their vulnerable or disadvantageous situation inside them. We believe that family farmers need to have sufficient social support to ensure an adequate level of security to access markets with guarantees. This access is crucial to improve and move forward in achieving food security. It is also key that food is produced close to the areas where it will be consumed. In this regard, we would like the paper to reflect the benefits of creating a network of local markets based on local production vs markets where goods have distant origins. (including case studies).
- Women. In our opinion, the document does not reflect enough the role of women. While the report says that they are the majority (*page 27: Women, who form a majority in smallholder agriculture*), and form a vulnerable group that needs attention, it does not identify specific actions. For example, how to promote market access, training methods, etc.. We consider crucial to develop in the next report a specific chapter on women farmers, analyzing their productive role and potential contribution to the fight against hunger and poverty. And indicating when possible concrete investment actions to promote their inclusion in value chains, decision making and above all, to improve their well-being. (*page 14: improving the well-being of smallholders (especially women and children) is a crucial prerequisite for investments in smallholder agriculture.*)
- Youth. As the report highlights (*page 63: Invest in forward thinking for tomorrow agriculture would help to shape new perspectives for youth to invest Into this professional perspective*) investment and support for young people is key to ensure sustainable agriculture in the medium to long term. But we do not see a specific development of the situation of young people in agriculture and their special difficulty in accessing key inputs such as land resources, credit,

training, etc.. In the case of investment we must try to put special emphasis on promoting the inclusion of youth in farming. There isn't a possible future for smallholder agriculture if we do not provide adequate means for young people to see in this activity a real option for the future.

- Risk management and mitigation. Any investment -as the report points out- requires an enabling environment, to ensure some degree of certainty. This is a very complicated issue, and reports are not usually easy to understand. We'd like to suggest to delve deeper into this topic and especially try to analyze individual cases in order to facilitate understanding of the implications of risks for smallholders.
- Strengthening agricultural organizations. Last but not least. Indeed, if producers are not grouped and if these groups do not have the necessary recognition at decision-making levels, any action intended to improve the situation of smallholder agriculture will be incomplete. As the report notes, we need to increase the level of recognition of farmers organizations in decision-making groups, involving them at all levels. Otherwise, we run the risk of falling back into proposals that are poorly adapted to the realities and capacities of stakeholders.

2014 marks the International Year of Family Farming, a great opportunity to propose concrete measures and policies that result in substantial improvements for this multitudinous group, and, ultimately, for the well-being of the whole humankind. In this sense, the close collaboration between agriculture experts, policymakers and farmers is crucial if we really want to achieve significant and positive changes. Family Farming is not something of the past, is a commitment to the future, indeed, an undeniable reality. The experts knowledge, along with agricultural organizations knowledge, should form a tandem advancing towards a competitive, inclusive and sustainable Family Farming. From the WRF we encourage you to continue with this important work.

53. Gilles Allaire, INRA Toulouse, France

1) Definition and significance of Smallholder agriculture: is the approach in the report adequate?

As it is said in the report the reality, the importance and social inclusion of SH is very diverse for historical reasons. This led to a complete definition, but which covers a large diversity of situations. Proposing typology is tricky issue for a typology makes sense according to a question.

Although the future of SH ag is depending on individual and local collective capacities, the social and economic dynamics which transform the situation in one or other direction (to strengthen or the reverse food security) are depending of the whole economic context at national and international level and of the macroeconomics trends. To cover this issue different criterions can be considered to distinguish different types of SH populations facing different economic structural issues:

- The degree of the livelihood dependency on monetary exchanges both considering earnings of member of the family (in large and including migrants) and the sale of food, wood or other products of the family activity
- The type of labor market the SH population is depending on (local, industrial more or less protected, international if migrants)
- The degree of commoditization of the agricultural activity (versus self-consumption)
- The type of market opportunities: local, regional, export
- The degree of inclusion/exclusion regarding local or regional society.

The report considers two political (development) issues: poverty and the development of a market integrated and efficient "small" agriculture. Providing and securing the conditions to invest to the SH is engaging processes of market integration of the small agriculture, in the extent of the rising of market opportunities. We know for sure that these processes are selective and that only a more or less small part of all the population which can be considered as SH will enter in the dance. Thus from this process can result more or less poverty, notably depending on the non ag opportunities.

Even if the growth ratio is high like in Brazil, the policies should address differently but in a complementary manner the two issues, because in general it cannot be expected that market development will rapidly suppress poverty. They both concern national food security; that in two ways:

the family agriculture producing for regional or national market and the poorest population getting means of subsistence. In both case it is the issue of “investment”, but not of the same type.

From these considerations, it results that the relations between local/regional economies and the whole economy, and the respective dynamics of export and domestic markets are major determinants of the economic opportunities for SH agriculture development and economic integration (productive investments).

Necessary in the report the analysis of the constraints the SH face is decomposed. But some considerations on the systemic economic aspects allowing or limiting development strategies could be added.

Even though macroeconomic modeling is generally not able to represent complex multi-scaled economies, there are institutionalist pieces of economic research which address the issue of the agriculture development in a macroeconomic perspective as, for example, the (old) induced innovation theory or the (French) regulation theory, with the notion of “model of development”...

2) Framework for Smallholder agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?

The typology proposed in the report (point 4.5, pp 51sp) is certainly useful. The idea of simplifying in considering two polar situations in three dimensions is exciting: assets; markets (I would say market structures) and institutions (including market institutions, as property rights, governance structures and various kind of rules applying to monetary exchanges).

I have two comments.

1. The 8 ideal-types cover contrasted situations. When there are two + the situations allow small ag development with more or less dynamism and insecurity. The other cases are illustrated with different situations: involution, self-consumption (isolation), extreme poverty or illegal production. All the illustrations seem relevant. The issue is to which strategic level this typology help for analysis? Certainly it is at the local/regional level (more than at the national level). At this level, the criterion to qualify positively or negatively the three dimensions (assets, markets, and institutions) could be different according to the context. The six criterions proposed upper can be used to document the context and identify dynamics.

In addition, in a region it is possible that different communities of SH face different types of situations, with some linkages.

2. Finally there are several described situations in which development dynamics of family productive ag. But in most of them the issue of poverty in link with development processes has also to be addressed. For example, even if markets are offering opportunities, the issue of self-consumption and the necessary collective (public) investments in this regard as generally to be considered as well.

3) Constraints to smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

As I said before, macroeconomics or political economy matter in agriculture dynamics. If the report analyses extensively the different types of constraints to smallholder investment including social and institutional dimension it is not totally clear which are the governance or geo-political levels where strategies can emerge and obtain political support.

If we can say that in any case the political and professional organization of SH communities play a key role in the emergence or the construction of development policies but there also and importantly coordination of class interest to allow development. According to the large diversity of situations it is not the same conflict and the coordination of interest which determinate the social dynamic.

For this reason I was asking myself on the proposition of elaboration of a “National Smallholder Vision and Strategic Framework.” Certainly calling the governments to elaborate such framework is way to promote the issue. But it cannot be a general set of dedicated policies or development tools. Indeed it is a class alliance.

I add an extract on a 2009 paper (presented at IAAE congress) on *Induced innovation theory*

The theory of “induced innovation” developed by Yujiko Hayami and Vernon Ruttan explains the orientation of innovation in agriculture and corresponding market creation as a global process for a region or a country by relative scarcity of the two factors of production: land (and water) and labour. Innovation here includes individual strategies to adapt productive frameworks to upstream and downstream market opportunities as public policies and institutional changes. Factor scarcity leads to reallocation of collective and public resources (including agronomics) for capacities and market building. The inductive effect is both systemic (convergence of knowledge, assets and action models) and institutional. The systemic effect result from the application of the principle of efficiency in economic action, while the institutional induction result of the selection of meta-rules or “reasonable values”. Scarcity reflected in the factors’ costs correspond with structural constraints to which responds innovation. The analysis corresponds with the dynamics of modernization of agriculture and industrialization. The first ideal-type formulated in the thesis (Hayami, Ruttan, 1971) corresponds with settlement agriculture in North America in which labor is rare and land structurally in extension (according to the historical conditions); factors structural disposition which as oriented innovation to mechanization and the rise of labor relative productivity. The second ideal-type formulated corresponds with Japan agriculture, with small holdings and high population density ratio and even increasing in rural areas, implying structural trend of reduction of available land by worker; factors structural disposition which as oriented innovation to resources rising the land relative productivity by provision, e.g., of water installation or selected seeds. From the principle of efficiency, confronted to different structural trends, economic actors follow different strategies and if convergent strategies solve the structural issues, efficient market arrangements can result. Market strategies can be unable to solve structural constraints. If in the second ideal-typical model the rising of the land productivity does not compensate the reduction of the quantity of land by workers in regions or periods where demographic pressure is high, due to family strategies keeping on land resources or to lack of wage labour opportunities or barriers to migration, the solution to the structural problem is still inefficient and markets are not likely to develop rapidly. On the same manner structural constraints limit the efficiency of the first ideal-typical model if the rising of the labour productivity does not compensate the reduction of available workers in certain regions or periods, the total production being falling. A point which made debates which the induced innovation thesis has to be stressed. It is not rare that a region or a national economy combines the two models; the persistent duality of the agricultural sector when coexist large and small farms which can historically be found in several countries is not a contradiction to the thesis of induced innovation by factors allocation, while the fact was opposed to it by critics: due to organizational forms labour costs can be higher on large than small farm, and the reverse for land. Different classes corresponding with different historically inherited productive factors distribution can be constituted in different groups of interest and that can be considered as a general case. The conflict of interests leads to more or less sustainable differentiation of agricultural systems of production at the sub-regional and sub-sectoral levels which is persistently reflected in institutional layers. The induced innovation thesis helps to understand the complex geography of agriculture and food resulting from a long period of market economy development.

The historical development of the industrialization of agriculture (which diffuses since the middle of the XIX^o century) exhibits a paradox stressed by Chandler (1977): while in general the vector of the industrialisation is the building of large firms and cartels, in agriculture it comes with the “triumph” of family agriculture and the regression of the latifundium mode of production inherited from the colonial past (but today new forms of agrarian capitalism can be observed). This issue has generated a huge literature. It was notably argued that the cost of monitoring subordinated work is higher than in a manufacture due to the spatial dispersion of agriculture activity (e.g., Hayami, 1996); it has to be added that, due to nature of the activity which rests on life processes, ordinary tasks include facing continuous repairable lapses in the functioning of a farm, which give unpredictability to the tasks organization. Beyond this structural dimension of agricultural work, there are institutional preconditions for agriculture modernization. Major market control stakes for modern agriculture (when markets are the main way for exchanges) are: access to land, to bank credit, to knowledge and intangible resources, and to public resources (subsidies and rights, laws regulating professional activities, public standards). In *modernisation crisis*, there is struggle within the rural social classes to access to these resources; but for stable markets to emerge agreed sharing of resources have to be made and maintained under governance structures such as a profession or a local productive institutional arrangement or a functioning type of value chain integration allowing variety of components. For example, a dominant conception of control in agriculture can limit either competition for land or either for the access to market at the level of the primary production when generic agricultural products are concerned, competition being therefore placed on the control of techniques of production; and in this example the

actors concerned by land control are not necessarily the same than for product control. This observation stresses the complex architecture and geography of markets, in which develop control projects for productive arrangements.

54. IBON International, Philippines

IBON International welcomes this opportunity to provide initial inputs to the zero draft on smallholder investments in agriculture. The report opens opportunities for greater policy and advocacy work discourse in support of smallholders. As a southern INGO providing capacity development for southern social movements, grassroots groups, and advocates for democracy and human rights, IBON stands for a development framework centered on human rights, including promotion of policies that support genuinely sustainable production systems that uphold the rights and welfare of marginalised sectors. IBON International is likewise a member and provides secretariat hosting to the People's Coalition on Food Sovereignty (PCFS), a global coalition of small-scale food producers including peasants, women, fisherfolk, indigenous peoples and their advocates working for food sovereignty as a campaign and advocacy platform in Asia, Africa and Latin America.

1. Food sovereignty as an overarching framework. Even as 500 smallholder farmers support over two billion people, they remain among the most poor and vulnerable at the global level. The zero draft recognises poverty as among the constraints faced by smallholders but does not cite structural causes engendering poverty especially in the south. Poverty is not caused by material scarcity, but by limited and unequal access to productive resources. The lack of control over basic resources such as land remain a fundamental concern especially in developing countries. Control and ownership of sustainable food production systems primarily benefitting communities and domestic populations is the essence of food sovereignty.

2. Enabling environment. Discussion on enabling environment should foremost include the inalienable right of small farmers to land and seeds, and not just the right to farm as cited in the report.

3. Role of Women. Greater attention should be given on the rights and welfare of small holder women who comprise a majority of the world's smallholder farmers. Rural women in particular take on burden of raising families and providing food on their table, as the report notes, but lacks clear discussions on how exactly smallholder women's issues including unpaid farm work can be addressed.

4. Participation in policy and other decision-making processes. Mechanisms starting from the community to national levels for genuine and meaningful representation especially in national processes of smallholders must be in place. Indeed smallholder organisations must be strengthened and they must own the policies that impact on their lives.

5. Private investments. The report cites contract agriculture as an opportunity for smallholders in developing countries but actual experiences have shown that these have served the interest of private corporations and not the smallholders themselves. Private investments in agricultural land and natural resources must be strictly regulated to ensure that they do not further increase monoculture-based and export-oriented agriculture. Private funding can only work for the benefit of poor farming communities if investors fit under "genuinely country-led food security plans that target the most marginal farmers". (*UNSR on Right to Food Olivier de Schutter, 2011*). In relation to this, promotion of Public-Private Partnerships (PPPs) need a closer examination in terms of who exactly benefits from these.

6. Protection against land and other resource grabbing. There is no reference to the phenomenon of large-scale land acquisitions or land grabs which are made possible through investment and other policies in agriculture. Investments in agriculture should not be used to justify land acquisitions that further deprive smallholder farmers of their right to land and seeds.

7. Development cooperation. Development cooperation and aid should promote equitable and mutually beneficial exchange of food and agriculture technologies and resources among communities and nations. It should not be used to facilitate corporate interests in agriculture which are destructive to local food systems, health and environment.

8. Public expenditures and investments. These must supplement rural self-financing, especially for major public works and industrial projects that primarily benefit local food production systems.

9. Evidence-based studies on smallholder agriculture. Research in agriculture and in relevant investment policies must be based on evidence-based studies that are hinged on how to strengthen domestic food production systems.

10. Agrarian reform and comprehensive rural development. National strategies for food security and food sovereignty must include genuine agrarian reform programs that provide support to masses of smallholder farmers. These should be mobilized through producers' cooperatives, growers' associations, local savings and credit associations, etc. to ensure financial needs of sustainable food systems. Smallholder investment policies should promote these.#

55. Private Sector Mechanism

The private sector mechanism welcomes the report on **investing in smallholder agriculture for food and nutrition security**. An important pathway to achieving food security is to enable smallholder farmers to break the subsistence cycle and become small scale entrepreneurs. The report has many strengths and we encourage the inclusion of some further points to close gaps in the recommendations. As well, we encourage the next draft be edited to encourage a more readable, accessible format.

In **defining smallholders**, it is not about size of the farm or the family structure, which can be highly variable by country, culture and landscape. It is about a farmer or a group of farmers (in a family relationship or not) not being able to provide for their own basic food needs and thus are not able to participate in the primary economic activity which is agriculture. This incapability blocks further improvement in wellbeing and welfare. We encourage the report to consider this fundamental definition.

To further strengthen the report we offer the following suggestions for additional recommendations:

1. A **farmer-centered approach** is needed, ensuring they have access to the things they need to produce a crop – such as the best-adapted seed technologies, land, water, knowledge, inputs and credit. Rural infrastructure needs to be in place to allow for market access and farmers to sell their products.
2. **Farmer organisations and cooperatives** have a vital contribution to make to the development of agriculture and rural communities. Unless small-scale farmers are organized, they will remain politically powerless and economically disadvantaged.
3. **Education is needed** to improve market-oriented education and entrepreneurship opportunities for youth originating from smallholder families that prepares the next generation of workers, farmers, and entrepreneurs across the food and agricultural industry. In the absence of a more developed set of recommendations in this area within the report and the primacy of their importance, the network offers additional details to further the creation of this section:

In many developing countries, especially in Africa, the higher agricultural education system is experiencing serious problems of low quality, irrelevancy, lack of funding, poor infrastructure, low faculty morale, and high graduate unemployment (Maguire and Atchoarena 2003, other related studies on the agricultural education question: M. Maredia May 2011, Michigan State Staff Paper and Wallace, Mulhall and Taylor 1996 cited by Taylor 1998).

Rivera (2006) contends that agricultural higher education institutions do not have a good understanding of the labor market for agriculturally oriented professions. The system has not kept pace with the labor market realities, have not tracked the changing human resource needs in the agricultural sector, to align the profile of human resource outputs with the agricultural development strategy, and to ensure that students are not prepared for jobs that do not exist. (This disconnect between agricultural education system and the changing human resource needs is illustrated by the example of

Indian agricultural universities that produce less than 100 graduates in food processing when the country has projected a need for about 200,000 professionals by the end of 2010 (Katyal 2006).

The “global drivers of curriculum change” identified from literature review (Mywish Maredia 2011) must be accommodated and include: 1) The changing profiles of students pursuing agricultural higher education; 2) Rapid scientific progress and technical change in an information-driven global economy, and challenges posed by global issues; 3) The changing labor market; 4) Emergence of information and communication technologies (ICTs); 5) Increased awareness of environmental issues; and 6) Increased awareness of gender issues.

4. **Knowledge sharing and extension** allows the agriculture to continually adapt to multiple demands. Whether it is better meeting nutritional needs, improving water use efficiency, reducing land use, or any of the other competing demands on smallholders services, they are best met through improved practices based on knowledge.

Knowledge helps farmers adopt practices that maximise the efficiency of the inputs they use and help protect the natural resources they depend on. Training programmes should specifically involve women farmers in developing countries as essential ‘gatekeepers’ for household nutrition and welfare.

Providing this education to rural communities in a systematic, participatory manner is essential to improving their production, income and quality of life, particularly for smallholders. Extension services disseminate practical information related to agriculture, including correct use of improved seeds, fertilisers, tools, tillage practices, water management, livestock management and welfare, marketing techniques, and basic business skills to address poverty such as literacy and numeracy. Extension is also an essential pillar for rural community progress including support for the organisational capacity of farmers’ groups and the formation of co-operatives.

Five areas to mobilise the potential of rural advisory services are (1) focusing on best-fit approaches, (2) embracing pluralism, (3) using participatory approaches, (4) developing capacity, and (5) ensuring long-term institutional support. (GFRAS,2012)

5. Improve smallholder farmers’ **access to markets** through investments in transport and storage infrastructure, refrigerated storage as well as information access.
6. Recognize the **diversity of private sector actors** in the report. Replace a tone of anxiety about corporations with an acknowledgement of the range of actors in scale, origin, and place in the value chain. Part of that diversity includes that farmers themselves are small enterprises that need to be fostered.
7. The clear need for investment in the value chain of agriculture needs to be stated. That investment should foster productivity and diversity of options.
8. Any recommendations for regulation should clarify by whom, for what purpose.
9. Throughout the discussion of smallholders, the unique needs of women smallholders should be considered, with specific programming to address that fact that rural women remain the most disadvantaged group in the realisation of the MDGs.

Tone and Structure

The draft requires a fresh editor. There are numerous grammatical and spelling mistakes, sentence construction is often laborious and many words are used for their French meaning instead of their English one. In general, it should be made more readable and less filled with jargon. Many authors are cited but not explained, with the assumption that the reader is familiar with their views or ideas. Sources are totally lacking in several places, and some date back to the 1920s. More modern work is essential. Data is referenced rather than cited. This topic is important and warrants a good investment in its “readability”.

Overall the language used is often vague, uses 'cliche' or broad words with no definitions, tends to assume de facto common understanding or agreement on what terms mean or imply. The use of the

word 'corporate' or 'corporation' is inconsistent; the meaning assigned to this word is not clearly stated or explained and it seems to clearly derive from the traditional socialist/marxist understanding of private firms but is also at times mixed with other meanings. There are several mentions of 'corporate farming' and of agro-industry farming which do not make sense and are ill-defined. Farming has and will involve a range of farm sizes. The report cannot suggest one size over another but needs to focus on the unique assistance needed to improve the lives of smallholders.

In the framework, it is good to read the recognition that the National Vision and Strategic Frameworks have and will adapt to the targeted area and situation e.g. in Brazil recognition of a bimodal structure. Some of our members question the need of a split between "Institutions and Markets" at national level and "Assets" at territorial level. In general, they note the need to identify roles of the different actors/institutions/market forces, all along the supply chain from farm to market. When these interactions are suboptimal they should be addressed.

56. Delegation of the European Union to the Holy See, to the Order of Malta and to the UN Organisations in Rome

The EU Delegation is pleased to transmit below the comments from the European Commission on the draft HLPE report (V0) on *Constraints to smallholder investment in agriculture*.

We welcome the HLPE report on this important topic and the opportunity to comment on the zero draft. The report covers a broad range of issues including agricultural policy, resilience, social safety nets, nutrition, and food security. It is clearly an attempt at moderation and compromise, with some messages clearer than others. There are nevertheless some issues absent or which merit more prominence:

(1) The report states that agriculture is to be understood as comprising forestry, fisheries, pastoral and aquaculture production. This may not be possible for fisheries, pastoral and aquaculture: some issues are common but some others, major ones, are very different. These other sectors require a specific analysis.

(2) The report does not define "Sustainable farming" leaving the reader free to interpret its meaning. Providing a definition would enhance the understanding of the report.

(3) The report provides some very interesting figures on energy efficiency (para. 2.4) but does not then develop further on possible responses.

(4) Women smallholders are mentioned throughout the text but one could expect the report to recommend specific attention from governments and others alike.

(5) The authors have openly avoided mentioning the role of the state. Nonetheless, it may still be useful to mention explicitly the importance of having a smallholder agriculture-friendly fiscal policy including a transparent subsidy policy. Fiscal policy is linked with trade policy and the need to have a proper and coherent regional policy (as in cross border, subregional, regional integration) in general (this would also include joint water management, environmental issues) and trade facilitation issues in particular (trade in inputs, trade in crops, regional reserves, regional commodity markets)

(6) Public and private research are recommended but it may be useful to emphasise that part of the research needs to be anchored in usable applications and that there should be a conduit to link Researchers and smallholders

(7) CAADP is not mentioned and should be since it is a driver at the African level for the strengthening of smallholders. The CAADP has been translated into national strategies in many countries and in some cases the recommendations of the study are already being implemented.

(8) A missing policy element in the recommendations is stressing the importance of giving/facilitating access by SH/associations to communication and information tools and networks, market information systems

(9) In the recommendations, capacity building, leadership and ownership could be emphasised more.

Thank you.

Kind regards,

**Delegation of the European Union to the Holy See,
to the Order of Malta and to the UN Organisations in Rome**

57. Philip McMichael Cornell University, United States of America

Thank you for this opportunity to comment on the HLPE draft.

I've tried to flag some issues that are important, need strengthening, and in some cases need 'front-loading' -- first and foremost the question of recognizing smallholder agriculture seems to me to be paramount. There is a lot of really good material in this draft along these lines, but often buried. While it's good to keep reminding readers of this, it's also important to signal these fundamental issues up front, as framing issues.

So here are my comments, in short-hand,

Summary

Pt 5: very important to note SH involvement in markets, but not always equally.

12: Political dimension could also include democratic control over agricultures in accordance with national food security, & SH viability, objectives

14. Neglect and ignorance of SH existence and potential should be brought forward as a framing issue. Instead of starting with a definition as in #1, why not begin with the observation that the condition of the SH is first and foremost a condition of neglect and misunderstanding. A social, cultural and ecological blindspot to be blunt!

15. Suggest adding: and concern with overcrowding slums, and an opportunity also for economic and social 'multipliers' in rural regions/territories.

20. and markets at local levels? (less susceptible to export strategies)

28. Introduce the idea of investment in the smallholder commons rather than simply distinguishing vulnerable and 'well off' – especially given advocacy of collective action in 29 and Fig 1.

Specific Recommendations

Pt 32. managing technical risks also requires particular farming practices over and above policies and tools.

33. involvement of banks and financial systems needs close regulation to avoid indebtedness.

35. important to emphasize new markets as new growth areas (especially in global North, attracting new SHs)

38. strengthening democratic SH organizations good – but why number 38? This issue of voice/representations needs to frame many of the other dimensions/recommendations.

Introduction

Page 16 – Future visioning of agriculture could be brought forward to organize/shape the introduction of SH as vital to food security, employment, energy efficiency, rural vitality and environmental stewardship

17 Multifunctionality a critical part of revisioning agriculture

26 Why not emphasize the ecological importance of mixed farming?

28, 2.2 – important point about SH potential to contribute to domestic food security and employment, 29 and about adequate conditions for market participation.

Also critical point regarding differentiating types of markets, to 'de-naturalize' the globalized agrifood markets often considered the only (viable) market, and underline the significance of differentiating necessary investments for SH to participate in different agr markets

34 Why wouldn't an agr-led development strategy consider reducing the export of family members and strengthen farming communities, rather than take for granted the 65% SH in LAmerica who increasingly depend on off-farm income?

3. Framework for SH Agr and Investments

36 An important point to argue that for SH capital formation is labor-driven, as it sets up the argument for paying attention to gender equity, health & social protections: this theme is critical and it speaks to the issue of recognition of the potential and rights of SHs.

39 emphasis on collective investment important – landscape management and SH organizations, eg. What about supporting seed exchanges, commons?

40 Important to emphasize social safety nets etc as a right for SH often neglected in urban-centered programs, and assumed to be failing (cf p 44)

41 emphasis on laws/regulations in corporate/SH relationship important – may be important to mention that private standards represent one way in which corporate processors or retailers create their own market ‘laws’ [just as, on p 43, land deals are confidential]

46- 4.2: Persistent poverty section is good, but reinforces a sense of stasis or decline of SH conditions – important to continually connect to lack of recognition in expectations of SH farming and SAPolicies that have set SH farming back

49 SH uniqueness (linkages between economic and socio-cultural risks, eg) means that there needs to be stronger voice concerning the specificity of SH practices that cannot be reduced to or understood purely from a market logic (as outlined on p 50 regarding the ‘white revolution’ in India).

54 the typology depicts types of smallholders according to assets, markets and institutional context. It is not clear that these dimensions can be so easily isolated. Markets are institutions. It means, for example, that (neoliberal) policies liberalizing markets resulting in ‘food dependency’ are separated from the impact on smallholders – the so-called ‘cheap food regime’ (hinted at on p 60).

55 identification of examples of positive interventions is useful

Recommendations

58 good to invest in human capital vs land and productivity focus only

63 important to emphasize research to improve knowledge base for producers

66 Importance of public financial institutions and partnerships with private, cooperative and community institutions

67 reorient value chain agriculture to local and national markets – not just a matter of saying ‘despite the preference of development agencies and even national governments to prioritize modern for-export value chains...’ the issue is surely epistemic – that is, it is more than a matter of preference – there is a WTO regime and a history of structural adjustment and exporting to pay debt: all ingredients of a global vision of corporate markets ruled by “comparative advantage”

70 National Smallholder Vision and Strategic Framework indispensable – to address and overcome constraints SH. Why not signal this right at the beginning of the report?

58. Institute for Agriculture and Trade Policy, Grassroots International and International Development Exchange (IDEX)

Thank you for giving us the opportunity to provide input into the zero draft. We congratulate the HLPE and the project team in undertaking this study at a critical time. High and volatile food prices, climate change and increasing financialization of agriculture and agricultural land make this a crucial endeavor.

We hope this report will build on the work the HLPE has already done on food price volatility, land tenure, international investments, and social protection for food security, as they are all relevant to constraints facing smallholder agriculture investment. The CFS’s [approved Voluntary Guidelines on Responsible Tenure](#), the [Voluntary Guidelines on the Right to Food](#) as well as the [IAASTD Recommendations](#) are existing and critical tools that can help provide the basis for addressing agriculture investment in smallholder agriculture.

Overall Framework of the Report

The report's starting points that small-scale producers are not only embedded in agriculture markets, but also central to providing food security are critical for understanding their investment needs. The authors are therefore right in presenting a Rights-based perspective. In addition, the authors can strengthen this framework by discussing the notion of food sovereignty and its relevance for small-scale producers. The principles of food sovereignty²⁵ and the acknowledgement that agriculture is "multifunctional", meaning that it is not only a commercial sector, but also provides social, cultural and environmental goods, is essential. A brief discussion of the meanings and values ascribed to agriculture and food sovereignty by smallholder communities would provide a good framework for chapter 1 and the analysis in chapters ahead.

The report needs a better articulated analysis of food security, however, and the role small-scale producers play in providing it. Investment is needed for all small producers, not just those who own land. In this regard, we strongly support the comments submitted by Mr. Timothy Wise (Tufts University) and encourage the authors to draw upon the literature referenced in his submission. Small-scale producers can "feed the world" because they produce locally for local consumption.²⁶ Most of what we eat to ensure food security does not come from international markets.²⁷ This needs to be clearly spelled out in the report.

It is critical to articulate that the challenges for national and global food security in light of climate change and high and volatile prices in international and domestic food are not fundamentally about the size of landholdings. They involve the governance of complex food and agriculture systems that marginalize those who are central to providing food security. Multilateral rules and government regulations, in most countries reinforced by domestic laws, promote an agriculture system and a vision of food security that is industrial and export-led. It has its own investment patterns, distribution channels, and consumers. This vision of food security is demonstrably unviable. It nonetheless drives investment towards powerful actors that shape the system and away from those who actually provide food on the table. It is essential to understand how this dominant model undermines small-scale producers. Governments need to accurately assess the contribution of small-scale producers to local, national, and global food security and propose how they can be supported amidst the challenges of the 21st century. This also means that special and specific attention should be given in the report to assess the resources needed to invest in small-scale producers' adaptation to climate change. The HLPE report on climate change does not adequately focus on this investment need of small-scale producers. Understanding the power structure of the global food and agriculture system and how small-scale producers contribute to food security also helps explain why they cannot simply be incorporated into a contract farming system or a corporate farm that supplies food globally. Corporate farming is not a simple solution for small-scale producers and its constraints and disadvantages should also be discussed in the report.

The report should focus on the importance of empowerment, agency and dignity for small-scale producers. In particular, the discussion of women small-scale producers is almost entirely lacking. Paragraph 31 of the summary refers to "women and children" in the context of wellbeing and social protection which is an inadequate and incomplete understanding of the role women play in small-scale agriculture and their investment needs. Women are a vital part of agricultural production, processing and distribution and an analysis of their contribution to the sector must be added to the report (see references listed at the end).

²⁵ "right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. It puts the aspirations and needs of those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations..." For full definition, see: <http://www.foodsovereignty.org/FOOTER/Highlights.aspx>

²⁶ Via Campesina 2010. Sustainable Peasant and Family Farm Agriculture Can Feed the World. <http://viacampesina.org/downloads/pdf/en/paper6-EN-FINAL.pdf>; ETC Group 2009. Who will feed us? Questions for the food and climate crisis. ETC Group Communiqué 102:1/34.

²⁷ World Bank 2008. World Development Report: Agriculture for Development. Chapter 1, pgs 31-32.

Agroecology as a Major Thrust of Report

Agroecology is a critical issue that the report neglects. The report can provide a valuable contribution to the small-scale producer investment debate by providing examples of policy frameworks that have enabled successful, peasant-led agroecology initiatives. (See the three Grassroots International case studies appended to these comments.) Numerous examples exist around the world that show how they not only improved the livelihoods and the environment of those growing food, but enabled these producers to become more resilient in the face of new threats. The report should help guide policy makers to learn how they can multiply these approaches and ensure that they are peasant-led.

The current draft first mentions this approach on page 55 (c). The issue deserves a special chapter; a framework for smallholder investment that promotes agroecology could be elaborated in chapter 3. On page 59, agroecology is mentioned but we agree with Mr. Jacques Loyat's comments (CIRAD) that the discussion is framed in a way that makes it an unviable option for most small-scale producers. Access to cheap inputs and time saving devices seem to be portrayed as key priorities for small-scale producers, rather than risk-reduction and stable incomes.

Here are some points about agroecology to consider and some constraints to small-scale producer investments:

- **Investing and the expansion in the use of agro-chemicals.** In the past, investment programs for small scale farmers favored agribusinesses companies (producers of agrochemicals and hybrid seeds). Lending programs often compelled farmers to purchase specific pesticides and chemical fertilizers, even against the borrowers' will. Bank managers made the use of certain inputs a condition of lending in order to "protect the investment." As result, many small scale farmers were forced to change their agricultural practices and became dependent on externally purchased agrochemicals.
- **Investing in agroecological practices:** The agroecological path to economically viable agriculture revives training and technical support in a very different manner to dependence on agro-chemicals, using low input, locally and ecologically appropriate practices that reduce risks for small-scale producers in the long term.

In the document, these two pieces are somewhat missing. Because of structural adjustment programs, technical assistance programs and research programs dedicated to small-scale farming and agroecology have been dismantled. Some governments tried to revive technical assistance through market-based solutions, e.g. debiting a percentage of the agriculture loan to pay for technical assistance. In the end, farmers paid with their own money for technical assistance that often did not meet their expressed needs. While much could be done to expand knowledge through farmer-to-farmer exchanges (as in the case of the [Cambodian experience with the System of Rice Intensification](#)), investments are also needed to provide training and technical assistance from specialized practitioners in agroecology (farmers and agronomists).

- **Long-term investing vs. market-based investing:** Small scale farmers are often skeptical of investment programs because too many of them focus only on the financing aspects or short-term, market-based gains. This view has created a deep lack of trust on those programs among peasant farmers. In the HLPE report, a distinction between and analysis of long-term investment in small scale agriculture versus short-term market-based solutions should be included. Investing in agroecology requires a long-term strategy coupled with the financing of appropriate technical assistance, training and basic infrastructure. Such a framework can be developed through analysis of the positive agroecological examples that are working for small-scale producers in different localities around the world.

In chapter 3, the definition of investment includes "human and ecological capital" but initially with narrow references to building soils, improved varieties or larger sizes of herds or creating "better cows." In reality, and as the authors acknowledge in different parts of the report, small holder systems are more complex in that they are not narrowly geared towards more production of one particular crop or animal, but instead invest in a varied set of interests in the hope of an overall improved quality of life and wellbeing. Small-scale producers must grapple with their own position of power, resource tenure, input costs, labor, income, exposure to various risks including climate change and the economic context in which they function to achieve their desired quality of life. This should come out more clearly. The writers could therefore improve their analysis of the multifunctionality of agriculture and how the

varied cultural, ecological, economic and social objectives of small-scale producers play into their investment decisions.

Also in chapter 3, the section on “natural capital” downplays the constraints associated with genetic material and its expropriation through increasingly stringent intellectual property rights regimes at the global, regional and national levels. These constraints have not only inhibited farmers’ own breeding efforts and seed sharing, but also pushed research and development into exploring an ever narrower spectrum of seed varieties and animal breeds to the detriment of biological diversity, food security, and to the interests of small-scale producers. These trends have not only increased input costs, but also left small-scale producers more exposed to climate change by reducing the tools available to them to allow them to adapt.

Similarly, a discussion of these assets deserves examination of the legal and regulatory steps needed to ensure tenure rights. Investment goes where money can be made—and that is determined by trade, investment and other rules. While the report puts a lot of emphasis on strengthening farmers’ voices and representation, the report must acknowledge the power of oligopolies in the global agriculture system, its excesses and how they prevent small-scale producers’ markets from flourishing and stop their voices from being heard. Real changes will only be made when other much more powerful interests are not given the best seats at the policy and governance decision-making table.

Small-scale producers’ assets also include their knowledge systems. Small-scale producers cannot easily access credit or grants because their knowledge about natural resource management, agronomic practices, local marketing channels, traditional seed breeding and so on are not appreciated by government lenders or intergovernmental agencies. Governments must affirm the value of small-scale producers’ knowledge of food and agricultural systems and invest in them.

As such, the discussion on markets should also include alternative markets and those created through government procurement in boosting investments (in addition to school feeding programs) into local food production. Dominant trade and investment policies pose genuine constraints to the existence of local and traditional markets. These challenges and solutions should be spelled out.

Finally, a reference to Payment for Ecosystem Services (PES) is made in the paper. Many controversial proposals are emerging under the general rubric of PES—it is essential the report not mention these ideas without an in depth analysis of these proposals and their pros and cons for small-scale producers.

Framework for Smallholder agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?

The description and framing of the typology in the summary and particularly in the main body is confusing and it is not entirely clear what the purpose of the typology is. It would be good if the authors could reframe it in a way that is easily accessible to policy makers and that would help to draw out 1) key investment constraints facing farmers and/or 2) key recommendations for promoting sound agroecological investment in small-scale agriculture. The term “territoriality” is used in the summary without defining it. There is a definition on the last page of the draft, but it is potentially problematic. The definition: “land occupied and appropriated by a social group” is not satisfactory. It is not clear in the presentation how this term helps to explain the constraints and solutions to investments in small-scale agriculture. This needs to be clarified.

A key recommendation of the report is the formation of a National Smallholder Vision and Strategic Framework. While this is a good proposal, it is important to go back to the report’s discussion about the power of small-scale producers’ voices in shaping such a framework. As a starting point, it would be important to ask countries to share their experiences with any such processes that are already underway or reports published. The US government initiated such a process through the [United States Department of Agriculture Commission on Small Farms which submitted its report](#) in 1998, but its recommendations have not been implemented. The Voluntary Guidelines on the Right to Food ask for nationally led inclusive processes to create national right to food strategies; the vision and strategic framework for small-scale producers should be a part of that implemented process.

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Appendix 1: Agroecology in Action — Case Studies by Grassroots International**Investing in Haiti's Rural Communities****Organization: Peasant Movement of Papaye (MPP)**

Haitian peasant movements and organizations provide practical demonstrations of sustainable agricultural methods and practices and act as an example of the way out of poverty. One of these groups, the Peasant Movement of Papaye (MPP) has been working in Haiti's Central Plateau for nearly 40 years. A partner of Grassroots International, the MPP is today one of Haiti's largest and most successful peasant movements with over 60,000 members, which includes 20,000 women and 10,000 youth.

Read more: <http://www.grassrootsonline.org/news/blog/investing-haiti%E2%80%99s-rural-community>

Nut Harvesters Are Changing the Local Economy**Organization: Association of Agrarian Reform Settlement Areas of the State of Maranhão, Brazil (ASSEMA)**

Maranhão is one of the poorest Brazilian states. Despite its wealth of natural resources, 62.3 percent of the population lives below the poverty index defined by the World Health Organization, with the poorest families living in rural areas. Landlessness is one of the root causes for the widespread poverty in Maranhão. Without land, many peasant families struggle to eke out a living through seasonal jobs on plantations or large farms and through the harvesting of wild fruits such as the nuts of the native Babaçu palm tree. Barely able to feed themselves, these families are subjected to backbreaking work conditions and are often forced to migrate to cities and other regions. For the hard work of collecting the Babaçu and then breaking the shells to expose the nuts, peasants, mostly women, are paid a pittance by intermediaries who resell the nuts for a larger profit to pharmaceutical or cosmetic companies. Collectively, however, the nut harvesters are winning rights and royalties that benefit the whole community.

Read more: <http://www.grassrootsonline.org/news/blog/nut-harvesters-are-changing-local-economy>

Seeds Help Communities Raise Hope, Independence**Organization: Popular Peasant Movement (MCP)**

This shift from locally controlled agriculture to large-scale industrial agricultural operations is affecting the capacity of rural communities to produce their own food, especially because it creates unfair competition between small-scale farmers and large agricultural corporations. With the expansion of agro-fuels plantations, and no control over their seeds, small-scale farmers end up having no option other than selling their land to large farmers and international investors. This shift in Brazilian agriculture is a result of and also exacerbates the growing influence of transnational corporations over the local food system. In Brazil, three companies – Cargill, Archer Daniels Midland, and Bunge – control 66 percent of the exported grains. Within this daunting context, the Popular Peasant Movement (MCP) and their Creole Seeds Program (supported by Grassroots International) are demonstrating viable alternatives to industrial agriculture.

Read more: <http://www.grassrootsonline.org/news/blog/seeds-help-communities-raise-hope-independence>

For more information about these case studies, contact:

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Appendix 2: Other Resources and References on Agroecology

De Schutter, Olivier. "Agroecology and the Right to Food." Report presented at the 16th Session of the United Nations Human Rights Council [A/HRC/16/49], March 8, 2011. Accessed January 23, 2013.

http://www.srfood.org/images/stories/pdf/officialreports/20110308_a-hrc-16-49_agroecology_en.pdf. Also available in [French](#), [Spanish](#), [Chinese](#) and [Russian](#).

Frehaut, Berenger and Seema Rupani. "Agro-Ecological Farming." Surplus People Project. Accessed January 23, 2013. <http://www.spp.org.za/agro-ecological-farming/>.

Hansen-Kuhn, Karen, Yang Saing Koma, Tony Santos, and Ika Krshnayanti. "Agroecology and Advocacy: Innovations in Asia." Institute for Agriculture and Trade Policy and Asian Farmers Association, October 14, 2011. Accessed January 23, 2013. <http://www.iatp.org/documents/agroecology-and-advocacy-innovations-in-asia>.

Pretty, J. et al. "Resource-conserving agriculture increases yields in developing countries." *Environmental Science and Technology* 40 (2006):1114–1119.

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59. CARE International, UK

CARE International (hereafter, CARE) welcomes the invitation to comment on this draft report by the HLPE and commends the Committee on Food Security for carrying out such an important and relevant consultation. CARE considers itself in a good position to be able to provide critical comment and evidence to this process given many decades of experience in food and nutrition security work, particularly among smallholder farmers. Our feedback is provided through the questions posed in the consultation though we have added points where we feel more detail is required.

1) Definition and significance of Smallholder agriculture: is the approach in the report adequate?

1.1 CARE believes that the case for the significance of smallholder agriculture is well made in the paper. The statistics and evidence used adequately captures the importance of smallholder agriculture in terms of livelihoods and economics. The definition *per se*, is not problematic and we agree that context and circumstance are always important variables but we feel that the paper does not adequately capture some social and cultural dynamics among smallholder communities. Of most concern to CARE is the inadequacy of attention paid to gender.

The 'smallholding' or smallholder unit is portrayed as a singular or family unit and while there is a need to generalise, it will be very important for the paper to explore the non-heterogeneity not just of smallholder agriculture in general, but of the household structures within smallholder communities. Gender inequalities and other socio-cultural and socio-economic differences below household level as well as dynamics of fragmentation of communities and households (e.g. seasonal or permanent migration of parts of a household) are not given due weight, or not addressed at all. While section 5.2.1 addresses rights and the need to consider social difference is mentioned, this is totally inadequate and far too late in the paper to be taken seriously. Some analysis of social exclusion and marginalisation of women in the initial problem statement would be an important addition to the paper.

Women and children are not explicitly referenced until page 14, and this is only in the context of a welfare-oriented element of the proposed framework i.e. the 'wellbeing' aspect (i.e. special attention to women and children in social protection and access to basic public goods). While CARE strongly supports policy and investment in such interventions, what is completely missing from the analysis is the role that gender inequalities play as part of the substantial barriers for smallholder agriculture, and the role that reducing gender inequalities must play as part of the solutions proposed - for example (but not only) in the context of these recommendations the paper makes:

- social, legal and political recognition of smallholders as a business and social sector opening rights and duties
- strengthening of collective capacities of representation of smallholders
- recognition and enforcement of land rights

1.2 Notwithstanding good analysis, point 2 on the importance of smallholder agriculture which identifies two sides of reality for smallholders 'economic' and 'domestic' is unconvincing. CARE's experience working with smallholders tells us that economics is very much a domestic issue and that differentiating them is not helpful. On point 6, we would add that other conditions (further to

favourable markets) are also necessary for positive smallholder response. We would also contest the assumption in point 7 that smallholder agriculture 'represents resilience when it comes to shocks of whatever type'. This point is not clear and appears to present resilience in a narrow humanitarian light. In point 12, it is worth noting that the economic dimension of smallholder contributions to food security is also associated with inequalities. Inequity and injustice is not exclusive to social dimensions of individual, household or community livelihoods.

2) Framework for Smallholder agriculture and related investments: is the typology useful, adequate and accessible for the problem at hand?

The typology is interesting and necessarily complex as this is difficult area. However, we feel that it is somewhat biased towards markets and production aspects – notwithstanding the convincing analysis on the importance of these areas. The paper succeeds in addressing the issues of investment of labour and labour productivity, credit, agricultural inputs etc. for increased productivity, and creating more favourable market conditions to market yields. But various access and nutrition issues are considered only in so far as they represent a barrier to or an enabler of smallholder investments in the form of labour/ and other forms of livelihood capital. CARE questions the appropriateness of the title 'investing in smallholder agriculture for food security and nutrition' – because nutrition is not at all part of the equation and is underestimated or ignored in areas of both the analysis and the typology.

CARE believes, as in many papers aimed at addressing the challenges faced by smallholders, that nutrition is thus again neglected as a critical lens through which to seek solutions. There is very little attention provided to actual nutrition-sensitive agricultural interventions and the typology narrative in section 4.5 does not include any direct or even indirect connection to nutrition – focusing instead on a somewhat tired nexus of assets/endowments, markets, productivity and relationships. While we agree these are important, our evidence from Bangladesh demonstrates that it is indirect interventions, in combination with direct traditional livelihoods interventions, that better nutrition outcomes are achieved.

Other gaps in the analysis – reflected to some degree in the typology, is the lack of attention to recent and alarming climate science. In this regard, the absence of attention to adaptation and specifically community-based adaptation, is a serious deficit in the paper. Recent evidence published by CARE from research in agro-pastoral communities in east Africa demonstrates for example that, even under the most severe climate scenarios, the return on investment in community based adaptation (for smallholder agriculture and pastoral livelihoods) is positive. Though the paper cites the climate threat, there is inadequate attention in the analysis and the typology to adaptation-based solutions or the need to invest in the adaptive capacity of smallholders.

3) Constraints to smallholder investment: are all main constraints presented in the draft? Have important constraints been omitted?

The problem definition is centred on imperfect market conditions, and the focus here is on volatility which is sound. However, the paper seems to neglect wider systemic/political economic issues constraining smallholders. There is no discussion, for example, of the transformative changes needed in the face of rapidly changing climate prospects and the political economy of climate finance and carbon markets. Climate change is an externality and the injustice it brings on smallholders is not discussed. As mentioned above, the more glaring omission is that of adaptation – particularly community based adaption – to climate change.

60. Birgit Müller, Laboratoire de l'anthropologie des institutions et organisations sociales, France

The first draft of the HLPE report lets transpire the profound differences of opinion about smallholder farming that exist in the group of experts without explicitly spelling them out.

The report is thus full of contradictory statements about the role of markets, credit, contracts, modern retail systems (value chain) for improving the situation of small holder farmers. Also there does not seem to be an agreement what a smallholder actually is and who should be included in the study (only farms of less than two ha, family farms of upto 50 ha?, farms earning less than 1000 US\$ a year, a different income limit and a different size for different countries)

Thus for a statement concerning Brazil: *“The smallholders units only dispose of 24.3% of the total area, whilst the large corporations control 75.7% of all land. Nonetheless, smallholders produce 38% of the total value of production.”* It remains unclear what a small holder unit is in Brazil.

Farming model and energy use:

While the report acknowledges that

p. 32 “smallholder agriculture of the ‘peasant type’ generates for each calorie consumed, 4 to 10 calories of food. For smallholder agriculture of the ‘Green Revolution type’ this is 2- 5 calories of food produced per calorie of energy consumed. Large-scale corporate agriculture of the high-tech type only produces 1/10th to 1/20th calorie per calorie consumed”

and that smallholder energy efficient agriculture that uses more man power per hectare is an alternative that has to be seriously considered in a world with finite fossil resources

this insight is brushed away stating that industrialized countries do not need to increase the number of people employed in agriculture

p. 28 “In industrialized countries and in countries in successful transition towards industrialization there is less need to enlarge rural employment. “

contracts:

The report acknowledges that smallholder producers generally do not profit from contracts; And if they are concerned by contracts then indirectly

p 30 “contractualization is not occurring at the producer-level segment of the value chain; rather, it is downstream, between the wholesaler or cooperative and the processing firm or procurement service. “ but then the report states suddenly:

p; 68 “Contract agriculture offers important opportunities for a growing number of smallholders in dozens of developing countries, without specifying what they are..”

Public Procurement

Hope for smallholder farmers is set in public procurement schemes (p. 31 new collective procurement schemes could emerge,)

without mentioning the limits put on public procurements through a number of bilateral and multilateral free trade and investment agreements

Investment:

While the report emphasizes the need for investments it also acknowledges that investments don’t have necessarily positive consequences for smallholder farmers without specifying this statement in contradiction with most of the rest. Quote:

p. 38 There is a widespread mythology that investment is good and the more investment the better.

p. 40 Role of corporations:

The reports equates uncritically the role of corporations with the role of state extension services

“Corporations can provide access to technology just as extension services did and still can - but they differentiate in a sense that they combine information with access to means of production under varying conditions according to contexts [loans, direct payment, credit based on harvest].”

What the report does not see is that the objective of the corporations differs from a public extension service. it is not to serve the farmer but to extract surplus from him.

However the report wants to “focus our discussion on those cases where the presence of corporations is needed and wanted as a matter of policy.” And then continues to enumerate the public investments needed so that the corporations become willing to interact with smallholder farmers because it becomes profitable for them.

Investment in Public Goods:

absence of critical evaluation of the impact of central electricity grids (versus solar panels), roads and land appropriation (see for instance Murray LI), the very problematic nature of many irrigation schemes in arid regions

p. 45 Rural Producer Organisations

extremely problematic to transform political rural producer organisations that defend on the political level the interests of farmers in land reform, access to seed, credit etc. into service

providers for undefined others (are they corporations?) parallel to the problematic nature of eco-system services

p. 48 Natural and technical risks

The report states :

« Policies and tools are needed to monitor, prevent and manage technical risks (climatic, plant pests and animal diseases). »

Technical risks seem to be different from the not the risk of the technology itself (agrochemicals, GMOs) which are not at all mentioned although they are very real in the investment programs involving GMOs in Africa

Credit:

p. 65

Very ambivalent and contradictory statements about credit

First the report states that farmers could be easily pushed out of farming by credits. Quote : “If they (farmers) could luckily have loans, high interest rate and heavy repayment can push them to get out of farming.”

“Too small loan size and prohibitively high interest rate are also imposed as barriers against smallholders’ investment”

And then it suggests that the solution would be the anticipated sale of the crop, so that at harvest time the smallholder farmers will already have to sell anymore, which supposedly improves food security

Quote: “Usually credit is guaranteed by the anticipated sale of the crop in the future. Value-chain approach which are well adopted for export crops and linked with governmental development banks, can be oriented to local food staples to improve food security conditions.”

Recommendation: there is an ideological controversies going on inside the HLPE report: between a position advocating global free market, corporations as providers of appropriate technology (p.40), smallholder organisations as service providers and not as political representations of smallholder interests (p. 45), contracts between smallholders and corporations versus public procurement schemes (without recognizing however that these are currently endangered by bilateral and multilateral trade and investment agreements), local and regional markets, energy efficiency of low input smallholder farming, resilience of diverse smallholder farming models I don't think it makes sense to harmonize these contraries into common recommendations. It would indeed be much more useful to elaborate the arguments of the contrary positions. It would be important to make the dissenting voices in the report visible and allow for dissenting recommendations clearly attributable to different experts,

In that way you could have recommendations that all experts agree on.

and then dissenting sets of recommendations that different groups of experts make. The reader of the report can then link back the type of recommendations made and the background of the authors of the recommendations.

There should be a clear distinction between expert opinions and stakeholder consultations. Experts should not act as stakeholders. Their role is to provide material for the stakeholders with the help of which **they** can make up their opinion

61. World Food Programme (P4P Unit)

The draft is strong in highlighting the need/demand for affordable and accessible financing for smallholders. It also presents well the difficulty in defining what constitutes a smallholder farmer and thus the difficulties in prescribing a 'one-size' fits all way forward. From the perspective of P4P these are the following areas that could be enhanced:

- Gender is an important area to consider when discussing the future of smallholder development, yet references to gender are not made until page 54 and subsequent references are rather adhoc in nature.
- The synergies between different levels of stakeholders and partners could be tightened in order to highlight the need for greater cross sectoral cooperation.

- The focus on corporations supporting smallholders in accessing markets is valuable, but there could be a stronger focus on the more accessible markets at country level such as local commodity exchanges.
- The geographical representation seems a little off balance at times. For example, section 1.3 'Diversity of situations' uses the USA, Japan, Africa, China and the European Union as examples of how it's difficult to define 'how small is small' but there is a noticeable absence of LAC from this section.

I. Remarques générales

- Ce rapport apporte une contribution importante concernant l'enjeu de l'appui aux petits producteurs tel qu'identifié par le CSA et les institutions internationales. Il confirme de manière argumentée l'importance du rôle des petits producteurs dans l'objectif de sécurité alimentaire (production, emploi, réduction de la pauvreté, utilisation des ressources naturelles).
- Pour investir efficacement dans l'agriculture, il est pertinent d'investir dans les petits producteurs, et dans ce sens, la priorité devrait être de créer les conditions favorables aux investissements par les petits producteurs eux-mêmes. L'ajout d'un sous titre pourrait permettre de mieux faire ressortir le mandat donné par le CSA au HLPE, qui est d'étudier les moyens de lever les obstacles aux investissements par les petits producteurs.
- Les diverses contraintes auxquelles sont confrontés les petits producteurs pour investir appellent à des politiques publiques intégrées, trans-sectorielles. Leur objectif premier devrait être de réduire le contexte d'insécurité auquel les petits producteurs sont confrontés et qui constitue le principal frein à l'investissement. Les apports du rapport dans ce domaine sont essentiels.
- Concernant la demande du CSA qui consistait notamment à faire une « évaluation comparative des stratégies qui permettraient de relier les petits producteurs aux chaînes de valeur [...] ainsi qu'une évaluation de l'impact, sur les petits exploitants, des partenariats dans le secteur public et le secteur privé [...]», même si plusieurs exemples sont cités au fil du texte, la comparaison de ces études de cas n'apparaît pas clairement dans ce premier projet. Il serait intéressant de présenter quelques exemples de stratégies en faveur de l'investissement en direction des petits producteurs sous forme de fiches en précisant le type de partenariat mis en place et en adoptant une approche coût/bénéfice, puis de tirer les enseignements sous forme de conclusions. Cela serait très parlant pour les décideurs politiques qui sont la principale cible de ce rapport.
- Concernant l'organisation du contenu, le rapport est très fourni mais un peu trop long pour des décideurs politiques. Le rapport mériterait d'être plus synthétique et restructuré de manière à mieux mettre en évidence les principaux messages. Afin d'en favoriser la lecture, il serait utile de mettre en avant les principaux points de conclusions ou d'attention à la fin de chaque chapitre, sous forme d'un encadré conclusion. Concernant l'organisation des chapitres, le chapitre 4 relatif aux contraintes dans l'investissement pourrait être placé directement après le chapitre 2 sur l'importance des petits producteurs, ce qui permettrait d'avoir la typologie avant le chapitre 3 relatif au cadre pour l'investissement des petits producteurs. Les parties 2 et 4 pourraient éventuellement être fusionnées. Spécifiquement dans le chapitre 3, un schéma sur les conditions de l'investissement, le type de capital et le

type d'investissement pourrait permettre une meilleure compréhension de cette partie. Par ailleurs le rapport gagnerait à être complété sur certains aspects (cf. partie II).

62. Save the Children, UK

Introduction

The Committee on World Food Security (CFS) is to be commended on a comprehensive and well informed report that will clearly contribute to the on-going debate on how smallholder agricultural production can contribute to the world's demand for food. However, save the children wishes to make a number of comments, which will further strengthen the paper's breath of coverage and quality.

Save the Children (UK) has prepared this submission to inform the report on Smallholder Investments on Agriculture which has been prepared by a High Level Panel of Experts on Food Security and Nutrition, for consideration by the Committee on Food Security (CFS). Outlined below are Save the Children's responses to the issues and questions raised, both at a technical level and at a political level.

Save the Children is focused on reducing child mortality and levels of child malnutrition, which are seen as a significant impediment to the future development progress in many developing countries. Save the Children sees cost effective investment in small scale agriculture as a cornerstone to the eradication of poverty and hunger; in addition towards building countries with equal access (both women and men) to resources.

About Save the Children

Save the Children works in more than 120 countries, saving children's lives, supporting the rights of children, helping children fulfil their potential. Save the Children has a vision of a world, in which every child attains their rights to survival, protection and development. Through our vision, we seek to inspire breakthroughs in the way the world treats children, making lasting changes to their lives.

For further information on this submission please contact Hugh Bagnall-Oakeley (H.Bagnall-Oakeley@savethechildren.org.uk or David McNair (D.McNair@savethechildren.org.uk).

Smallholder Business model:

The paper discusses at length the need to engage smallholders with the market for the sale of agricultural commodities. The importance and centrality of markets is recognised on page 63 and in the recommendations (page 12). The document appears to have taken the view that smallholders are "fully part of the market economy". The paper explains market types. At no time within the paper have the different smallholder business models been considered, nor how smallholders currently engage with the market; on an ad hoc basis or in a regular systematic way.

A number of business models have been discussed, such as the "Teikei" system in Japan or contract farming. Different business models have evolved, some smallholder farmers have engaged with large wholesale or retail organisations, haricot beans from Kenya, Zimbabwe frequently end up on supermarket shelves in UK and Europe. Nevertheless, for those smallholder farmers with limited access to resources and only partial engagement with the market, need to be mapped. A better understanding of the business model and how

smallholder's engage with this market will yield information on the infra-structural and institutional constraints. A more bottom up and investigative approach is advocated.

Save the Children strongly recommend that the different smallholder business models are researched; business models based on different gradations of access to resources, particularly access to labour be developed. The business models will identify the markets that smallholders are engaged with, the constraints to market access, providing insight into likely strategic interventions that may lead to increased market access (less regulation and blocks, thus greater smallholder engagement).

Quality Standards

Poor grain quality (frequently excess moisture content), is a significant constraint to trading grain, both regionally and internationally. Many trading blocs and world markets have set minimum quality standards. A frequent problem is that smallholders are offering commodities that fall outside these quality standards, representing a huge constraint to smallholder market engagement. A number of project and organisations are actively pursuing the attainment of quality standards Purchase for Progress (P4P) and many business oriented development projects/programmes. Save the Children suggest that any investment in the smallholder sector must include quality standard attainment as a significant programme design criteria.

The issue of agricultural quality standards (grain, livestock fat class and fish quality standards) goes unmentioned in the report, a serious lacuna. Attainment of quality standards will by definition make smallholder produce tradable on the world market, greatly facilitating the process of smallholder market engagement. Providing a strong incentive to the private sector to invest in a market infrastructure and supply chain, through which to bulk and sell quality proven products.

Land Market

Throughout the document, a fully functional land market appears to be assumed. In Africa, and in many Asian (including South East Asia) countries, the land markets are not functional or are only accessible to the wealthy and politically powerful. It has to be emphasised that no legal framework or land markets exist in the majority of these countries. The absence of a functional land market is a huge risk to smallholders and directly threatens many smallholders security of tenure on land that they technically own. The absence of a land market, to prove title and ownership is a significant investment constraint, not fully articulated in the report.

The report must recognise that a number of countries have recently developed a legal framework (Uganda Land act 2004 or the Kenya Land acts 2012). Within these legal frameworks, there are considerable hurdles to address; legislation may be in the process of being promulgated or the expertise to survey and demarcate land may be unavailable, slowing the whole process of ownership of land title.

As many African or Asian smallholders do not technically hold title to their land, which they may have farmed for century's poor security of tenure undermines livelihoods and is a constraint to obtaining credit and consequently a significant block to further investment.

Save the Children recommend that the report should emphasise the importance of land tenure for poverty reduction in the context of negotiations around the Principles for Responsible Agricultural Investment.

Nutrition and smallholder investment

The recommendations and summary outline the main constraints to smallholder agriculture, as well as articulating the types of situation where the investment climate may stimulate discourage or block investment.

The overwhelming emphasis of the paper is towards production and productivity, emphasising models and market engagement. The paper does not give sufficient prominence to the role of nutrition in the smallholder paradigm. Pages 46 & 47 give reference to persistent poverty and the lack of resource access. The paper acknowledges that agriculture plays a role in “increases of overall production”, while simultaneously “contributing to poverty alleviation”. Three coordinated pillars are emphasised; social protection, technical and organisational proposals and market infrastructure. At no place within the document is nutrition dealt with or advocated. This is an oversight.

The individual smallholders’ nutrition, and that of his/her family is critical; they will consume the food they cultivate, household food items that they purchase from the market will be funded by what agricultural commodities they sell. It is regrettable that no or very little mention of nutrition is made; it appears to be assumed, symptomatic of the current smallholder debate. Agricultural policy is strongly oriented towards cash crop production. Some cash crops can be sold as food, or processed into food products (posho, Maize oil).

A significant body of evidence shows that good nutrition during the period minus 9 months (conception) to + 24 months is critical for human physiological and the development of mental acuity.

Any development or further commercialisation of the smallholder sector should not omit nutrition for both the unborn, young children and juveniles. The cost to developing countries in lost potential is as much as 2-3% of GDP. Human capital needs to be conserved, as good and balanced human nutrition underpins it. Individual smallholder nutrition throughout their lives is important and must be considered to be an integral part of any investment plan for smallholders. Whilst peripheral in the report, it is central to their livelihoods and wellbeing. Good health is the best social capital to have. Save the Children strongly emphasises the importance of addressing nutrition within the report particularly in the context of smallholder investment plan/opportunities.

National Vision and Strategic Framework for Smallholders

It is uncertain why a national level document (the national vision and strategic framework) is being called for in an international document. It is contended that the national Vision and strategic framework for smallholders is outlined in the many country (National) economic development plans. Kenya has a vision 2020, Rwanda and Zimbabwe has a vision 2030, as does Malawi. In all these documents, Governments have outlined vision of what they want to achieve in the economic development of their country.

The vision is translated into the national economic policy and the different agricultural policies and strategies. In Kenya, Rwanda, Malawi and Zimbabwe the smallholder sector comprises 70 – 80% of the agriculture sector. Many National Economic Development strategies and the different National Agricultural Policies frequently articulate a vision and strategic framework for the development of their country’s smallholders. In many cases, a vision and strategic framework is already outlined; in the Kenya Vision 2020 document, the privatisation policy (Rwanda) and the Plan for the Modernisation of Agriculture, Uganda. These are all examples of individual African countries which have through different strategic plans articulated a vision and a strategic framework for the development of their smallholders

Thus the call for a national vision and strategic framework for smallholder agriculture is out of place. Its utility is questioned, as is its relevance across the different national contexts. Save the Children recommend that reference to a national vision and strategic framework for smallholder agriculture be dropped.

Typology

The paper, early on, acknowledges that the smallholder sector is “highly heterogeneous”. That being the case, the idea of running a typology on something that is described as “highly heterogeneous” appears to be inadvisable. A typology is a useful research tool that may in this case; arrive at a highly fragmented typology. The paper does not make clear, how the typology will be used. It is probable that on a country basis, that each smallholder will have varying access to resources and differing access to markets. Many civil society organisations, government departments, particularly the Extension service and donor sponsored projects (or programmes) may have undertaken a basic typology already. Consequently a typology may already be available at District and National levels.

Save the Children suggests, that if a typology is to be used, a stronger case needs to be made. The emphasis must be on how the typology will enhance the analysis already undertaken.

Smallholder Institutions

The paper proposes the support and further development of sustainable producer associations. Experience has shown that for such institutions to be sustainable, they need to overcome the basic problem, of what value addition do individual smallholders receive from such organisations. The European Union sponsored the Zimbabwe Farmers Unions; the project ran into difficulties as the fundamental problem was there was no tangible benefit to individual smallholder farmers. Consequently, many smallholder farmers were not renewing their membership. A similar situation has been found in Uganda.

Box 5 outlines a number of lessons learnt from the World Bank, none of these lessons outline how to deliver on the needs of smallholder farmers. A number of rural producer organisations sell inputs, in competition with the private sector outlets. Demand in a smallholder environment is notoriously difficult to predict. It is a risk to both producer and producer organisation. There are significant logistics issues to overcome.

The procurement of seeds, fertilisers and agro-chemicals, means the procurement plan must have a clear idea of seed varieties (those preferred by famers) and fertiliser brands (again those preferred by farmers). To have the aforementioned in stock, assumes the availability of operating capital (or credit), to procure and transport the goods to the point of sale. Experience has shown that Producer Organisations are uncompetitive with the private sector; inputs frequently arrive late and are more expensive than local private sector outlets.

Civil society has invested in producer organisations, as have individual governments and donor funded projects. A survey of producer organisations (or farmer groups), by a Hyderabad based NGO in India, showed that 90% of Producer Organisations on a project were inactive. The support required to launch a rural producer association is usually vastly under-estimated. Most Civil Society Organisations and donor funded projects provide support to rural producer associations for about a 2 year period. Experience has shown that support is required for an extended period often greater than 5 years. The paper seems to be working on a much shorter timescale. Whilst the paper clearly states that the changed institutional landscape has resulted, that is true. But the fact that the producer organisations can influence policy is a more dubious claim. Considerable support will be required before many producer organisations can make this claim.

Whilst there is huge potential, sustainability remains a significant challenge. Some farmer organisations have become highly politicised. The most successful producer organisations are those that bulk up agricultural commodities, apply a quality standard and sell into intermediary and terminal markets. For those Producer organisations that do achieve the required quality standard, there will be traders pay premium prices. But inherent suspicion between different members is a handicap.

Save the Children suggests that the paper focuses on producer organisations becoming sales outlets for bulked quality assured agricultural products, assuring the business base and the sustainability of the organisation. Political advocacy and social support will be organic developments and is part of the maturation process.

Prioritisation

The paper has an excellent analysis of the smallholder producer situation. There are a number of recommendations emerging from a recommendation framework. It is regrettable that no prioritisation process has been developed and implemented. There is a need to have some assessment of the recommendations made, that if implemented will have the greatest impact on smallholders. Save the Children recommends that the second and subsequent versions of the document, the recommendations made, require to have some assessment of impact and cost, thus a process of prioritisation.

Credit and banking systems

For many smallholders, taking credit is an unacceptable risk. Many smallholders are highly credit averse. Para 33, specific recommendations (P14) state that there is an “urgent need to reconnect financial and banking systems to smallholder agriculture”. We concur fully with this statement. However, experience with credit and banking systems in their support to smallholder agriculture has been chequered, notwithstanding that the smallholder producers themselves are averse to taking credit. The problems with credit in the rural environment have been well documented, and include problems with repayment system, repayment period, mitigation of risk (poor harvest) and high transaction costs.

Box 8 provides an excellent analysis of the risks and reasons why private finance institutions and banks do not provide credit facilities. Linking finance with the value chain is a way of introducing credit to the smallholders. High levels of delinquency make the provision of credit unattractive. Side selling is another unacceptable risk.

Furthermore in a number of countries, particularly African Countries, the legal framework does not provide a necessary legal context, from which credit and banking institutions can operate. The absence of land as collateral has already been cited as a handicap (see land market section). The introduction of a transparent and free land market would remove a significant constraint to the finance and credit markets. Over-riding, these consideration, the financial viability of providing small loans to many producers, a critical mass is required, something that is present in Asia, but may not be present in more sparsely populated countries. Nevertheless, the use of business models for the provision of credit that are viable and are likely to be unique to the country is to be encouraged and promoted. Save the children recommends that consideration needs to be given to the overall viability and sustainability of providing credit and banking facilities in more remote parts of the world. There are some very successful examples of agricultural credit, in areas of over-population, under-population and of extreme poverty (E.g. Grameen bank model).

63. Groupe Interministériel français sur la sécurité alimentaire, France

I. Remarques générales

- Ce rapport apporte une contribution importante concernant l'enjeu de l'appui aux petits producteurs tel qu'identifié par le CSA et les institutions internationales. Il confirme de manière argumentée l'importance du rôle des petits producteurs dans l'objectif de sécurité alimentaire (production, emploi, réduction de la pauvreté, utilisation des ressources naturelles).
- Pour investir efficacement dans l'agriculture, il est pertinent d'investir dans les petits producteurs, et dans ce sens, la priorité devrait être de créer les conditions favorables aux investissements par les petits producteurs eux-mêmes. L'ajout d'un sous titre pourrait permettre de mieux faire ressortir le mandat donné par le CSA au HLPE, qui est d'étudier les moyens de lever les obstacles aux investissements par les petits producteurs.
- Les diverses contraintes auxquelles sont confrontés les petits producteurs pour investir appellent à des **politiques publiques intégrées**, trans-sectorielles. Leur objectif premier devrait être de réduire le contexte d'insécurité auquel les petits producteurs sont confrontés et qui constitue le principal frein à l'investissement. Les apports du rapport dans ce domaine sont essentiels.
- Concernant la demande du CSA qui consistait notamment à faire une « *évaluation comparative des stratégies qui permettraient de relier les petits producteurs aux chaînes de valeur [...] ainsi qu'une évaluation de l'impact, sur les petits exploitants, des partenariats dans le secteur public et le secteur privé [...]* », même si plusieurs exemples sont cités au fil du texte, **la comparaison de ces études de cas n'apparaît pas clairement** dans ce premier projet. Il serait intéressant de présenter quelques exemples de stratégies en faveur de l'investissement en direction des petits producteurs sous forme de fiches en précisant le type de partenariat mis en place et en adoptant une **approche coût/bénéfice**, puis de tirer les enseignements sous forme de conclusions. Cela serait très parlant pour les décideurs politiques qui sont la principale cible de ce rapport.
- Concernant l'organisation du contenu, le rapport est très fourni mais un peu trop long pour des décideurs politiques. Le rapport mériterait d'être plus synthétique et restructuré de manière à mieux mettre en évidence les principaux messages. Afin d'en favoriser la lecture, il serait utile de mettre en avant les principaux points de conclusions ou d'attention à la fin de chaque chapitre, sous forme d'un **encadré conclusion**. Concernant l'organisation des chapitres, le chapitre 4 relatif aux contraintes dans l'investissement pourrait être placé directement après le chapitre 2 sur l'importance des petits producteurs, ce qui permettrait d'avoir la typologie avant le chapitre 3 relatif au cadre pour l'investissement des petits producteurs. Les parties 2 et 4 pourraient éventuellement être fusionnées. Spécifiquement dans le chapitre 3, un schéma sur les conditions de l'investissement, le type de capital et le type d'investissement pourrait permettre une meilleure compréhension de cette partie. Par ailleurs le rapport gagnerait à être complété sur certains aspects (cf. partie II).

II. Commentaires sur le contenu

1) Definition and significance of Smallholder agriculture : is the approach in the report adequate?

- Le rapport insiste avec raison sur la grande diversité des formes de petite agriculture, sur la nécessité de contextualiser la définition de « petits producteurs », sur les limites d'une définition qui serait uniquement basée sur la dimension de l'exploitation et sur le rôle majeur de la **main**

d'œuvre familiale. Sur ce dernier point, il conviendrait d'évoquer la notion d'efficacité et de flexibilité de la main d'œuvre familiale, par rapport à de la main d'œuvre salariée. Des références existent à la Banque Mondiale sur le sujet (cf. RuralStruc).

- La manière dont les petits producteurs s'insèrent dans divers marchés est ici bien décrite. Cependant, il serait utile de compléter avec la notion de « **vendeur net** ». Cela est particulièrement important vis à vis de la volatilité des prix, puisqu'une baisse des prix du produit pénalisera les producteurs qui sont vendeurs nets, mais favorisera les acheteurs nets (exemple du maïs en Amérique Centrale et de la soudure en Afrique de l'Ouest).
- La capacité d'**innovation** des petits producteurs et leur efficacité dans la **gestion des ressources naturelles** devraient être également abordés ici.
- De manière générale, si le rapport décrit bien l'importance des petits producteurs, **les raisons de les soutenir** mériteraient d'être davantage mises en évidence. On peut notamment citer : efficacité dans la lutte contre la pauvreté (premières victimes de l'insécurité alimentaire), levier de création d'emploi (perspectives réduites d'intégration de cette force de travail dans les secteurs industriels et de services²⁸), efficacité et flexibilité de la main d'œuvre familiale (lien de solidarité au sein de l'unité familiale, productivité moindre du travail salarié), capacité d'adaptation et de résilience, efficacité dans la gestion des ressources naturelles, etc...

1) Framework for Smallholder agriculture and related investments : is the typology useful, adequate and accessible for the problem at hand?

- La typologie proposée est utile, car elle présente l'avantage de mettre l'accent sur la nécessité d'une **approche intégrée de l'ensemble des politiques publiques** nécessaires pour favoriser l'investissement chez les petits producteurs.
- Il serait intéressant de **caractériser par un titre chacun des types identifiés**, cela faciliterait la compréhension de la typologie.

1) Constraints to smallholder investment : are all main constraints presented in the draft? Have important constraints been omitted?

- La contrainte de la **sécurisation de l'accès à la terre** mériterait d'être mieux éclairée dans ce rapport. En effet, l'accès à la terre conditionne l'accès aux autres ressources naturelles, et la sécurisation est donc un facteur majeur de l'investissement par les producteurs. En particulier, il est important de mentionner que la délivrance de titres de propriété n'entraîne pas mécaniquement des gains de productivité (P. Lavigne, 2010) car des systèmes plus informels peuvent tout aussi bien assurer la sécurisation des petits producteurs et donc lever un frein aux investissements notamment ceux qui contribuent à améliorer la fertilité des terres.

Lors de l'étude de plusieurs régions du Ghana, du Kenya et du Rwanda, Migot-Adholla et al. (1993: 269) ont constaté que, en général, la productivité agricole ne variait pas de manière systématique selon les régimes de droits fonciers (individuel vs. coutumiers) . Quel que soit le régime de droits fonciers, les résultats ont révélé que les populations étaient davantage disposées à améliorer leurs terres si leurs **droits d'exploitation** pouvaient être transmis à leurs enfants. (Migot-Adholla et al, 1993: 282).

28« Le nombre de jeunes arrivant chaque année sur le marché du travail en Afrique Sud Saharienne est estimé aujourd'hui à 17 millions [...] et 25 millions en 2025 », B. Losch et S. Fréguin-Gresh, Cah Agri, vol.22

=> Partie 4.4 deuxième tiret, la phrase «*markets for inputs, land, labor and credit ...* » laisse croire que la mise en place d'un marché de la terre notamment serait une condition pour un environnement favorable aux investissements des petits producteurs. Il conviendrait de mentionner de sécurisation foncière et de gouvernance foncière plutôt que de marché foncier.

=> Partie 4.5 p.55 placer le point (d) relatif au programme de réforme du régime foncier devrait être remonté en (a) car c'est l'intervention préalable à toutes les autres, notamment sur l'amélioration de la fertilité.

- Le besoin d'avoir une plus grande reconnaissance sociale et politique des petits producteurs via la structuration et la professionnalisation des organisations paysannes est bien souligné dans le rapport. Ce besoin de **reconnaissance est également valable sur le plan économique**. Le regroupement des petits producteurs a souvent pour motivation l'**accès au marché** et aux **moyens de production** (intrants, crédits), et la volonté de **peser dans les négociations commerciales**. Le rapport pourrait davantage insister sur la nécessaire reconnaissance des organisations paysannes comme acteurs économiques dans la chaîne de valeur.

=> Résumé p. 9 point 9d, il manque à notre avis l'absence de cadre juridique pour la reconnaissance en tant qu'entité économique des organisations de producteurs.

=> Résumé p. 15 point 38, ajouter "*and ensure a fairer dialogue is built with other stakeholders in the value chain* »

=> idem p44 "*This lack of professional recognition means there is little room for being part of the policy dialog or even being a recognized part of the citizenship.*" Ajouter "*nor as economic agents.*"

=> Partie 5.3.3 schéma p.69, ajouter « social, **economic** and political recognition », il est important que le rôle des petits producteurs et par conséquent des organisations paysannes soit aussi économique.

- Concernant les freins à l'émergence des organisations paysannes, l'insuffisance de volonté politique pourrait être ajoutée à la liste des freins.

- Le rapport cite l'importance de renforcer l'**éducation** en milieu rural, et plus spécifiquement d'accompagner la formation des agriculteurs et de leurs groupes, mais ce n'est pas vraiment repris dans le résumé, de même que l'importance du développement d'une recherche adaptée aux besoins spécifiques des petits producteurs.

- => p. 9, le faible niveau d'éducation n'est pas cité dans les contraintes ni dans le type de biens publics, respectivement p.9 et p.12/p.15 du résumé.

- Par ailleurs, il conviendrait d'ajouter une contrainte inhérente à l'activité agricole qui est la **saisonnalité** du revenu et par conséquent la saisonnalité de la disponibilité alimentaire et du risque de sous-nutrition (partie 4.2). Il conviendrait ainsi de développer davantage les différentes solutions locales qui permettent de réduire l'effet de la période de soudure d'un point de vue nutritionnelle pour la famille paysanne (grenier paysan, diversification des cultures, jardins potager ...).

Are the main areas for recommendations and the priority domains for action adequate? Does the draft include sufficient information at the adequate level to support the policy messages?

- La hausse de la productivité et du revenu tiré de l'exploitation sont des recommandations du rapport à juste titre. Cependant, le rapport pourrait davantage insister sur l'**élevage**. La petite agriculture présente un avantage comparatif indéniable en production animale, et pas seulement dans l'exploitation de zones marginales (p.26), et l'élevage est un facteur de résilience important. La sécurisation dans ce domaine passe notamment par l'amélioration des conditions de santé animale.
- La partie sur les orientations techniques (5.2.2.1) tend à **opposer les techniques agro-écologiques et les techniques conventionnelles** de manière un peu manichéenne, alors que pour assurer une performance satisfaisante, dans les deux cas, les mêmes contraintes existent et doivent être levées (vulgarisation et conseil technique adapté, accès aux moyens de production ...). Le choix des techniques agronomiques dépendra principalement des **facteurs limitants** de l'exploitation (main d'œuvre, trésorerie, foncier...) et de la **gestion du risque**. Par ailleurs, pour répondre au défi de l'amélioration de la durabilité des systèmes de production, il conviendrait d'aborder la question des **coûts de transition** inhérents à un changement des pratiques agronomiques et d'insister davantage sur les techniques à bas niveau d'intrant externe.
- L'importance des **systèmes de connaissance et d'innovation agricoles** dans les divers pays est très peu abordée. Or la recherche adaptée, la formation, et les divers dispositifs de conseil agricole et de partage des connaissances (via les champs écoles notamment) sont des leviers majeurs de l'accompagnement de l'agriculture.
- Les recommandations mettent l'accent sur les politiques publiques, ce qui est pertinent, mais il serait intéressant de développer davantage **les outils de ces politiques** qui favorisent l'investissement des petits producteurs en se basant sur des exemples concrets (crédits ou subvention de campagne, prêts à taux bonifiés, politique fiscale, loi foncière ...).
- La question posée dans l'introduction sur la nature et la direction des investissements (dernier paragraphe page 16) n'est que partiellement traitée dans le rapport :
 - **la nature de l'investissement** (privé, publique, type de partenariat ...) pourrait être développée davantage.
 - **Les partenariats public-privé**, qui ne sont pas réellement abordés ni analysés dans le rapport. Ces nouvelles formes d'investissement sont en développement, et leur pertinence, leur efficacité vis à vis des petits producteurs mériteraient d'être analysées.
 - **La complémentarité** entre les **différents types d'investissements dans la chaîne de valeur** mériterait d'être abordée : en particulier des investissements dans **l'amont de la production** pourrait améliorer l'accès aux outils de productions (et aux connaissances associées), et des investissements dans **l'aval (transformation...)** pourraient permettre une valorisation de la production, un meilleur accès au marché et une réduction des pertes.

1) The issues that this report needs to cover may comprise some controversial points. Do you think these are well highlighted in the report in order to feed the debate? Are those presented with sufficient facts and figures to elicit their rationale? Did the current draft miss any of those?

- La notion d'**économie d'échelle** n'apparaît pas dans le rapport. Or elle est la principale source de controverse en économie sur la pertinence d'un soutien aux petits producteurs. Divers auteurs ont montré les limites de l'application de la notion d'économie d'échelle à l'agriculture. Ce sujet mériterait d'être abordé dans le rapport.

64. Shalmali Guttal Focus on the Global South, Thailand

The draft is certainly moving in the right direction. But at several places, the language is ambiguous, with technical-administrative type jargon—as in some of the strategic the recommendations—which gives the impression that the writing team recognize the challenges but are nervous about clearly stating solutions to address these challenges.

The following issues should be emphasized (they have been mentioned in the draft but could do with more attention).

- The poverty situation is complex; many smallholders are in debt traps with their only real assets—land and cattle—mortgaged to local money lenders or banks; in such cases, family members often move away to find wage employment to repay debts and protect these assets; the issue is not only of low labour productivity, but the absence of adequate labour, inputs, etc. to do any kind of production at all.
- Majority of the world's smallholders do not have security of tenure over their farmlands and secure access to forests, water, woodlots, grazing lands, etc. The situation is even more precarious for upland swidden cultivators; investments become very costly propositions under such insecure conditions.
- Important to recognize the near absence of publicly provided financial risk mitigation measures for smallholders; medium sized producers and traders are able to hedge risks and avail of appropriate insurance schemes but not smallholders. The “environment” did not appear out of the blue; this is a policy environment and states/governments have either not enacted appropriate/adequate policies, or they have dismantled them...
- Continuing feudal/semi-feudal social –economic structures and racial-cultural factors in many parts of the world act as barriers to smallholders being able to organize themselves into effective advocacy groups; particularly vulnerable here are women producers who also have to face gender based strictures and prejudices.
- Economic planners tend to not understand the smallholder system of agriculture, and do not recognize the value and potential of smallholders' outputs (productive and non-productive); national agricultural development plans are generally oriented towards doing away with smallholder agriculture altogether, or transforming it into a production stage for market driven regional-global value chains. Agriculture development strategies by the World Bank, FAO and most governments entail capture of smallholder agricultural systems by large, powerful market actors, particularly agribusiness corporations.
- The particular constraints faced by women farmers must be brought out clearly and positive measures to address their constraints must be formulated.
- Also, particular constraints of smallholders in different contexts and situations must be elaborated and positive measures to address these constraints must be formulated.
- True, smallholders exist alongside other agricultural arrangements; but large-scale, corporate, agribusiness led agriculture get disproportionately more policy, institutional and financial support than smallholder agriculture. Smallholder agriculture on the contrary, gets negative incentives – the economic odds are stacked against it.
- I understand the importance of elaborating the role of markets. But the role of smallholder centred, smallholder driven public investment and investment regulations are far more important than market mechanisms. There is enough evidence to show that with regard to

market integration, smallholders overwhelmingly face adverse incorporation/inclusion. Past-current trends show that governments are not able to or willing to reign in finance and agribusiness corporations. But at least we can push governments to direct their resources and regulatory power towards meaningful support for smallholders...

- Meaningful public investment should include essential services such as education, health, water and sanitation, transportation, housing, legal protection, etc. etc.
- Agree that coordinated strategy very important, especially between positive actions and damage control. For example, there are proposed actions for increasing smallholder resilience to natural disasters and economic crises; but these should complement measures to protect smallholders from evictions, loss of lands because of debt, contaminations of water sources by industry and industrial agriculture, destruction of diverse landscapes for monocropping, etc.
- Support for smallholder agriculture has to be systemic; it is meaningless to create small pockets/islands of smallholder production amidst massive oceans of industrial monocrops; unfortunately, these are the trends we see, and these lead to adverse incorporation and smallholders abandoning agriculture altogether. This is not an issue of markets alone but of the entire production-distribution-consumption system.
- It is not possible for smallholder and industrial agriculture to be in symbiosis with each other in the same space and time. The central question here is what type of agriculture we want to promote-which must assess what type of agriculture the planet can absorb, given the climate and environmental crises we are facing.
- Regarding rights to land and resources, recognition and support should go beyond “existing rights”; many smallholders have already lost their lands and/or are compelled to survive on very marginal holdings, degraded environments, depleted water sources, etc. What are their “existing rights” in such conditions? In many countries, rights to natural assets are rarely formalized and smallholders do not have proof of the extent of land, forest, water, eco-system losses. Even if they have proof, states use eminent domain to claim assets at any time. Redistributive reforms are very important, but they need to be accompanied by meaningful, smallholder centred systems of resource governance.

Farmers and agricultural workers organisations have their own policy positions. The HLPE writing team should incorporate them as best as possible in this *report*. *I have pasted below a compilation of policy recommendations from the documents of different farmers organisations:*

Some Principles and “Bottom-lines” related to Agricultural Investments

1. Small-scale food production is the dominant and most important form of food production world-wide. 85% of the food that is grown is consumed on local- national domestic markets and most of it is grown beyond the reach of multinational food chains.
2. Small farmers have been struggling to maintain their autonomy, improving the soil, the water system, the seeds and the animal breeds. Peasants women and men play a central role in a model of food production that is based on local resources and that strengthens local economies.
3. Peasant based agriculture uses and develops sustainable and agro-ecological production methods and functions in harmony with the environment. It is based on the diversification of production to minimize risks. It creates sustainable employment on farms and in rural areas. A first priority is to produce food for the family and the larger community and only part of it is sold on formal local and national domestic markets.

4. By far the largest part of the investment in agriculture in terms of labour, knowledge and capital is done by small-scale food producers themselves.
5. Food and agricultural investment policies should be based on food sovereignty that will strengthen local, sustainable food systems, realise the right to food and increase food security.
6. Policies aiming at strengthening food production have primarily to support and facilitate investment by small-scale food producers themselves. This means:
 - Putting in place adequate price and market policies which will generate revenues for them that can be reinvested in agricultural production, processing and marketing.
 - Policies that enable small-scale food producers' access to land, water, grazing, rivers, lakes and coastal waters, seeds, livestock breeds, aquatic resources, agricultural biodiversity, among others - the productive resources they need to produce food.
7. Public investment and support for peasant based food production is crucial and has to be increased. This should include:
 - peasant led research and strengthen their existing that are essential for innovation,
 - strengthen training for peasants and small holders,
 - increase local capacity to conserve food producing, ecological and genetic resources on-farm, on the range and in water bodies;
 - strengthen basic services,
 - support local processing and storage facilities
 - improve access to local and national markets,
 - implement genuine agrarian reforms,
 - implement the results of the International Conference on Agrarian Reform and Rural Development,
 - Setting up credit facilities for small holders and support credit cooperatives, and assure that especially women have access to it,
8. The share of public investments in agriculture, pastoralism and artisan fisheries that goes to women should be increased. Public services (such as extension and training services) should be tailored to address the particular needs faced by women small-scale food producers.
9. Peasant based agriculture has to be protected against corporate investments and resource grabs.
10. Farmers organisations and other small food producers should be effectively involved in the formulation, implementation, review and evaluation of national and sub-national policies on agriculture, investments, governance of land, natural resources and territories, etc.
11. The primary responsibilities of national governments are to eradicate hunger, food insecurity, poverty and unemployment, and ensure the rights of its peoples, especially those who are vulnerable. They should implement effective policies and devote an adequate percentage of their budget to supporting sustainable, small-scale food production, processing and marketing instead of channelling all the support to the export of cash crops.
12. States should be accountable for ensuring that agricultural investments are useful and relevant to small scale food producers, and that they are coherent with the visions of peasant-friendly agricultural policies.
13. Agricultural investments should be directed towards family farms, and particularly towards women and young people and other marginalized groups.

14. In the UN Committee on World Food Security (CFS) effective criteria should be developed on how to effectively support peasant based and small holder food production. The CFS should coordinate any support from donor countries and make sure that these funds indeed contribute to a strengthening of peasant based, small holder food production and not to support corporate investment.

15. The World Bank is not an appropriate institution to channel these funds. An autonomous fund has to be set up under guidance of the CFS.

16. IFAD should focus its programs on its original mandate, search for effective ways to support peasants and small-scale food producers instead of supporting and facilitating private sector, corporate investment.

17. Farmers cooperatives and small rural enterprises are important actors of local economies and have important roles to play in strengthening local food systems.

18. The influence of the corporate sector (national and international) on agriculture, food production and food systems and social services must be reduced. The corporate sector should not be allowed to control key productive resources such as land, water, seeds and credit.

19. Governments, UN Agencies, IFIs, multilateral and inter-governmental bodies (including the CFS and GAFSP) must stop promoting Public/Private Partnerships which, as they are now conceived, are not suitable instruments to support family farms which are the very basis of food security and sovereignty in most countries.

20. Governments should speed up the proactive participation of small-scale producers and other members of civil society in the decision-making mechanisms of CAADP, as is the case in the CSF.

21. Agricultural research be financed by the public sector and take into account local knowledge, practices and capacities. Corporate control over agricultural knowledge must be dismantled.

22. FAO and governments provide Technical Cooperation Programme (TCP) resources to support capacity building and the establishment of multi-actor platforms in the context of consultations on principles of responsible agricultural investment and the implementation of the Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries and Forests.

65. Catherine Laurent, INRA SAD, France

This document presents a wide overview of current situation of smallholders' situation around the world. It was a difficult challenge to prepare such a draft in such a short time and it is a good basis for further discussions. Thanks you for all this work.

The followings points are just proposals to help improve the deliveries of the groups.

1. Don't you think that the overall objective of the report itself should be more focussed? If the aim is to provide a basis for evidence-based policies, then I feel that the document should provide an analysis of the available evidence regarding the feasibility and the effectiveness of various interventions aiming at improving investment situations for small-holders.

For the time being, the document is very much focussed on the context (the need for investments) rather than the possible solutions.

If the document wants to be a tool for evidence-based policy approaches, then it should provide governments and various stakeholders with adequate analysis to inform their policies (i.e. the tool box of EBP). At least for the sections dealing with the feasibility of the investments interventions. In particular, the analysis of the literature should use systematic procedures to select the different papers and documents used to support the analysis, the quality of the papers (and their limits) should be assessed with explicit criteria; the reference list should be presented in a more explicit way (table stating the reasons why the papers were integrated into the analysis).

It should make also clear the reasons why other papers were not considered in the analysis and/or rejected (with reference list of the papers considered but not kept for the analysis because of flaws considered as misleading). For instance, Banerjee, Duflo; or the many papers form J. Pretty, etc.

Of course it is a big work to be done. As long as the procedures and limits are explicit, it is acceptable that the analysis has limits and should be complemented and up-dated.

Maybe such a systematic procedure is not feasible in the time frame of this expertise. In that case, don't you think that it should aim at providing very precise recommendations regarding the specific questions that should be investigated with systematic reviews?

2. The topic of the document is sometimes very wide. I agree that, at the end, every aspect of the life of the household associated to a small farm can be considered as part of small-holders investments, but don't you feel that it might weaken the messages of the reports to have such a general approach? As a matter of fact, the two traditional items that are usually considered under this issues of 'investments', i.e. financial investments (and all the possible measures to reduce inequalities to access credit), and intangible investment (and measures to reduce inequalities to access agricultural technical knowledge) are diluted if all issues are considered. In particular, little specific attention is given to national extension systems.

3. The core entity of the report is unclear: smallholder? (= the farmer?) Household of the small holder? (the farmer and his/her family living on the farms? Small farm? (= the economic entity). There are not synonymous but there are considered as such in many parts of the reports and I feel that this may be deeply misleading.

For instance, I agree that the "exclusively subsistence farmER" is a fiction, but the "exclusively subsistence FARM" is not. There are million of farms that are kept by their holder to provide only subsistence, even in the developed countries (i.e. small farms of old people whose monetary income are covered by remittance, farms of poor households having other gainful activities...). They have been eliminated too fast from this report.

Example of misleading conclusion that could be generated this wrong appreciation: if all farms are integrated into the market, thus intangible investment could be provided to all of them through the economic operators of the supply chain (inputs sellers, contracts with retailers etc.). This is not true.

4. In the same line, the farm typology that is proposed is very interesting. But, here too, I feel that, "farm", "farmer" and "households" deserve to be better identified. I feel that the actual typology should be complemented with an additional criterion that gives information on the role assigned by the household to the farm (subsistence, medium term food/patrimony security for a whole family [the buffer role that was demonstrated before by FAO and is very important

today²⁹] as mentioned p.34, supplementary income in a complex system of activities and income, core economic activity to generate income for the whole household....).

To discuss the effectiveness of various modalities of interventions it is absolutely necessary to take account of these differences. For instance, some credit schemes are affordable only for people who have extra non-agricultural sources of monetary income (ex. Anseuw, Laurent 2005).

5. I feel that there is a danger to talk of “agriculture” in a broad way, without clearly identifying the national situations and the new issues.

51. First, according to the type of country the role devoted to agriculture differs. It is not possible to extrapolate learning from Japan to Africa, etc. The Japanese small scale agriculture is well known for its embedness in the Japanese welfare system (complementary income for people retired from the industry), with all the consequences it has on the policy positions of Japan in various settings (e.g. its position on the multifunctionality of agriculture). All agricultures are embedded. Of course we know it. But I feel that it is better to write it clearly. I feel that it would be wise also to always specify to which country it is referred to when a result is discussed. At least in a foot note. Even if the resulting text is less appealing from an aesthetical view point.

52. The situation of the small holders has dramatically changed over the last decade because of demographic evolution and resource scarcity. Some situations are totally new and should be considered as such (e.g. the pressure on land, on water, the impact of pesticides pollution on human health and the environment, the many market failures, etc) (see results of rural Struc). Many sentences of the report praise the qualities of small scale agriculture (e.g. “smallholder agriculture often shows an impressive productivity” p. 29, 1st par., they generate employment, “they represent an amazing capacity to adapt to the specificities of local-ecosystems and societal pattern, and to turn agriculture into a highly productive system that is essentially based on local resources” p28, etc.), without giving the limits of these statement (where? Which reference? Which reliability of these results? How can they be extrapolated so as to say that small scale farming is “often” like that? I feel that one should be very cautious with this type of formula that can be interpreted as a call for no support policy. Unless this level of generality is supported by robust evidence.

53. Several proposal are made regarding macroeconomic changes, e.g. to stabilize commodities prices. OK. But how? Don't you think that the current situation of economic competition is concerning also because of the level of the price offered to small holders? Would not it be necessary to have a first step to prove, with a systematic review, the limits of investment policies when prices are fluctuant *and* low for several commodities? And then to discuss the possibilities (or impossibility) to support small scale farming in such a context? Why should we assume that efficient investment is possible for all smallholders, in all situations? Which evidence are they supporting this assumption?

6. Regarding the types of interventions, it could be useful to provide more evidence on statements that are quite controversial. e.g. p.40 “it is obvious that the diversity of natural and socio-economic conditions makes it impossible to define from a national level the actual investments needs of local groups or individuals”. Is it so obvious?

61. It can be very necessary to have national coordination bodies. There is no autonomy of the demand for services (Labarthe, Laurent, in Press food policy on intangible investments for small scale farms). Farmers and various stakeholders have to be informed of existing technical possibilities to efficiently interact. Neither strict top down, nor strict bottom-up are sufficient.

29 Ref. The huge work on the roles of agriculture and the buffer role of agriculture coordinated by FAO in 2004. Country case around the world with analyses based on counterfactual hypotheses and demonstrating the buffer role of agriculture for households (All households, rural AND urban).

62. There is an urgent and extremely important need of good knowledge bases for informing the various stakeholders (statistics, data on production situations, technical knowledge, etc.) (e.g. IAASTD...). In most of the cases, it is necessary to joint efforts at national level to create this knowledge base. It makes sense to analyse the diversity of investments needs at national level and discuss it with various stakeholders at local level.

63. To build capacities of Rural producers organizations. Yes. But which evidence is it demonstrating that the lack of producers' organisations is the source of the problem? (And thus that's these organisations will be the solution?) Of which problem exactly? What is at stake? The technical aspects of interventions to support investments in the small holder sector? Or the political power of various social groups to reduce basic economic inequalities? Why should we assume that if a country cannot develop adequate measures to support investments in the small holder sector it is due to an organisational failure rather than a lack of assets resulting from more fundamental sources economic inequalities at international level?

6.4. The report states that "the economic and institutional environment may enable smallholder agricultural investments or act as a profound disincentive in smallholder decisions to invest in productive dynamics" (p.49). Which is the evidence supporting this statement of "profound disincentive"?

7. Regarding the references, I can provide a set of references; but to me the main issue is to clarify the type of references that is needed and way theses references will be used (which are the criteria to assess their quality, for instance we cannot consider results from a monograph on a limited number of farms the same way as results from a large observation framework (e.g. ruralstruc)). EB tool box gives some guidelines, but here again it all depends upon the objectives of the expertises.

Thank you again for this stimulating document.

I hope I have answered to the main questions that were asked.

66. World Vision International, USA

Summary and Recommendations

- P8, #2 – While we understand the desire to refrain from excessive use of technical language, it might be helpful to reference the concept of nonseparability – where production and consumption decisions are closely linked – a common feature of smallholder agriculture. Where decisions are not separable we see quite different behavioural responses than one might otherwise expect.
- P8, #5 – The discussion of smallholders and markets is helpful – all engage in market transactions in one way or another.
- P9, #9d – This is an important point, but it would also be important to mention another are of institutional weakness: the general institutional or cultural or governance context can sometimes impinge on the ability of smallholder farmers to act individually or collectively to effectively manage their resources
- P9, #10a – It is not only the productivity of resources that is impacted by secure access. We need to also recognize that the quality of the resources are as or more important as the quantity. The quality of those resources impact their productivity, sustainability and resilience – and each can be improved with the right decision-making context.
- P11, #s 19-25 – These points are difficult to follow.
- P12, section headed by "ensuring and enabling environment and adequate incentives". In addition to the 3 points mentioned (banking, policy investment code, market regulation mechanisms) it would seem appropriate to mention that the importance of an enabling environment for sustainable land use.

- P12, #29 under “technical and organization proposals”, not only is it “Strengthen the collective action processes to support smallholder technical innovation and increase market power”, but also to enable sustainable land management at the watershed or landscape scale.
- P14, #32 – We agree that productivity and resilience are very important, but most of the discussion has referred to things which target productivity directly. However, productivity has often been compromised in part by lack of attention to the health of the agro-ecosystem on which productivity depends. Putting resilience of the agro-ecosystem high on the agenda will do a lot for improving (restoring) its productivity. The reverse is not true. A narrow, short term focus in productivity will only see short term gains that compromise long term sustainability as well as resilience.
- P14, #36 – The discussion on contract farming is helpful. Elsewhere there is mention of the problem of market power – especially where there are few buyers and many sellers (smallholder farmers) – and the need for various forms of farmer organization to help counter this one-side market power. This is good. In addition to this, it would be helpful to mention the importance of prices which ensure adequate returns to household labour – this means, enough to live on when working full time. The alternative is to have families struggling to grow their own food on the side using unsustainable farming practices to the detriment of the local environment and the well-being of the population.

Chapters 1 and 2

- We actually know very little about smallholders. We don't really have definitions for how small 'small' is, we don't know that much about the complex ways in which they interact with various markets (upstream, downstream, labour, financial), and how they interact with other farming systems in different places. Consequently, the recommendation 'the sole issue of defining smallholders - just counting and giving an accurate picture of the structural characteristics of this heterogeneous sector - should receive the highest priority' is important.
- While talking about smallholders in aggregate may be useful for advocacy purposes but specific policy recommendations would need to be national or even sub national in order to really benefit smallholders. The idea raised in the paper of 'National Vision and Strategic Framework for Smallholder Agriculture' to be developed at national levels is obviously moving in this direction.
- The report acknowledges that the idea of an 'exclusive subsistence' farmer does not really exist; all smallholders require cash and therefore need to be more embedded in the local economy. However, the cash requirements, and the best source of that cash (and credit) is likely to differ across different types of smallholders.
- The statistic that worldwide, 73% of all farm units dispose of less than 1ha of land is something that is probably not widely appreciated.
- The commentary around demographic shifts over time was interesting - contrasting growing population and shrinking land holdings in the developing world with the increase in the size of farms and reduction in the number of people in the sector as it modernizes in the west. The trade-off between providing employment for people and having farms of optimally efficient size could be more clearly drawn out.
- The discussion of markets would be helped by further mention of the relative power of smallholders in the market place as well as the differences between those who are net buyers and net sellers and how those positions might vary seasonally. With respect to market power, there are important considerations for smallholders who face situations of few sellers in input markets and few buyers in output markets.
- There is a boxed text on low levels of contractualization (i.e. most farmers are not integrated into global supply chains), but this doesn't really develop into anything in terms of recommendations.

- Commentary around the idea of efficiency in smallholdings vs. larger farms is interesting. Smallholdings can be much more efficient in terms of calories produced for energy used, and also for labour-intensive crops, but they are also often not on an even playing field in terms of access to inputs etc so they can perform very badly when compared to larger farms. In short - it all depends on context.

Chapter 3

p.36 – last two dot points – the importance of hope and security is rarely recognized – the fact that the authors have included it is greatly appreciated.

p.37 first dot point. Relative stability in upstream (input) markets could also be important in some situations. While smallholders typically do not use a large amount of purchased inputs, strategies that encourage increased use of such inputs – e.g. commercial fertilizers or purchased higher quality seeds – risk failure if there is either considerable price volatility or sustained real price increases.

p.37 paragraph following the first dot point – there is mention of the importance of collective action and crafting appropriate governance rules. This is very important and more discussion of the subject would be very helpful.

p.37 section on Social Capital under 3.2 – where **customary ties** that influence access to natural resources are mentioned, it would be good to also include the management of those same natural resources. In addition to this, it would be good to mention the importance of understanding and influencing cultural norms and values that influence the management of natural resources and both the household and community levels.

p.38 first paragraph under 3.3.2 Farm level. This paragraph is rather confused. It mixes a few issues including productivity measurement, adoption of particular combinations of technology, and complementary investment to improve output per unit of inputs used by farmers. This paragraph and the following one also mix static and dynamic elements of productivity. It would help to consider each of these issues separately. So, for example

- Explain that value is used in productivity measurement because inputs are typically not homogeneous. If, for example, the only input was a small powered cultivator, and all were the same, then it would be reasonable to talk about output per cultivator. But with multiple inputs of varying types, value has to be used to combine them and adjust for quality differences.
- Investing in infrastructure and human capital as ways of improving productivity are somewhat different in that the human capital of the farmer is a direct input and will directly influence the farmer's output per hour worked. The main productivity measures of a smallholding – output per unit of land, hour worked, or unit of intermediate input – may not be affected much or at all in the short run by infrastructure investments, but these investments in turn may have a big impact on the willingness of small holder farmers to invest more of their own assets to either increase their production (e.g. by buying more land) or improving their productivity (e.g. by buying a piece of machinery). It would also be helpful to clearly mention that output per unit land area is not the only relevant measure of productivity – output per unit of labour may be more relevant to the resource-constrained household in some cases.
- Productivity also depends on the “health” of the agricultural ecosystem – for example, the level of soil carbon and its influence on infiltration of rainfall and soil water holding capacity and resilience to variations in precipitation.

p.38 last paragraph (extending to the top of p.39 – It would seem appropriate to also mention here the impact on productivity and resilience of improving the quality of land resources through the adoption of various soil and water conservation practices (SWC), forms of Conservation Agriculture and Agroforestry practices (including FMNR – Farmer-Managed Natural Regeneration) – see for example ICRAF’s work on Evergreen Agriculture.

p.39 first two paragraphs. Collective action is also a way of reducing risk.

second paragraph under 3.3.3. Collective action can also increase human capital through knowledge sharing.

p.39 last 4 paragraphs – these are excellent – it would also be worth noting that farmer organizations and collaborative networks also help to counter-balance power relationships in markets with few buyers – a not uncommon situation in rural areas in many developing countries

p.40 second paragraph under 3.3.4. While social safety nets can impact productivity through their impact on health and nutrition, there are other positive impacts as well. They can also stop productivity actually *falling* due to the farmers having to sell assets in extreme situations. In addition to this they can also contribute to increased productivity through other channels. Hoddinot et al (http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1661284) provide evidence that safety nets are growth/productivity supporting (i.e. they don’t just reduce asset reduction, both indirectly (by promoting visits to health centers thereby reducing disease, by increasing educational attainment) and directly (through helping poor families to purchase agricultural inputs after a drought). An evaluation of WVI safety nets programmes in Lesotho also showed that safety net programmes (particularly cash and/or cash-food mix) also promoted greater investments in agricultural productivity (<http://www.ids.ac.uk/files/cashtransfers-lesothoWVI-evaluation.pdf>).

p.42 line 7 ‘and in regions like Africa market access is far more expansive ...’ Is Africa in a meaningful sense a region, and should it be ‘expensive’?

Section 3.3.6 Not all of the areas of investment discussed in this section need necessarily be public. Indeed, the fiscal position of some developing countries may mean that provision of improved communications and other infrastructure will need to be done by the private sector. A key issue in this case will be transparency of arrangements between governments and private suppliers. Also, should there be some discussion of government agricultural extensions services in this section?

p.43 line 14 ‘disjoint’? Should this be ‘separate’?

In general, the categories of investment in Chapter Three need to be made clearer. Productivity improvement is the thread that runs through them, so a clearer statement at the start of the chapter about what productivity is and how it is measured would be useful. This would make clearer the range of variables that can influence productivity, which could then be discussed. There also should be consideration of the fact that increasing investment without increasing productivity may also be desirable, and many of the things that can influence productivity will also influence investment decisions more generally. For example, improving security of land tenure may encourage smallholders to make productivity enhancing investments in their existing holding, or increase the size of their holding, or some combination of the two.

Chapter 4

p.45 Box 5 The contents of this box is not particularly useful without further explanation.

Para 2. 'there is an obvious need to enlarge total agricultural production'. The report places a lot of emphasis on increased production and increased productivity, and both are extremely important. But there is little attention given to reducing waste at the farm gate or in the distribution chain. Given the recent report on global food waste (by the British Institution of Mechanical Engineers http://www.imeche.org/knowledge/themes/environment/global-food?WT.mc_id=HP_130007) reinforces the general view that 30-50% of all food is wasted, this issue deserves more attention as a response to current and medium-term food security pressures.

p.46, last paragraph – this discussion of the close forward and backward linkages between agriculture, poverty and nutrition (of both children as well as the household adult labour resources) is very important and greatly appreciated. A systems approach that recognizes these interconnections and feedback effects is very important as in many (if not most) cases there will be two or more necessary conditions that must be met in order to effect change in household well-being measures (especially in the area of household (and especially child) nutrition).

p.47 The discussion of microfinance does not consider savings groups as vehicles for mobilising funds. While savings groups are unlikely to provide sufficient loan funds for larger investments, there is a growing amount of evidence that they are very effective for facilitating small investments or income smoothing, and have the added advantage that they frequently are operated by women who play a major role in small holder agriculture.

p.48 The section on risk beginning on this page does not really discuss the area of micro-insurance (including crop and weather insurance). This is a developing area and while it remains to be seen how important it will ultimately be in reducing smallholder risk, it should be considered.

p.49, second paragraph – in other words household decisions about production and consumption are nonseparable. It might be useful to mention the household modelling literature that discusses this and the importance of recognizing it when trying to understand household decisions and the possible policy options that will have the desired impact on them.

p.51. The typology developed beginning p.51 is of use in identifying important categories of variables, but it still leaves us with the problem of determining the relative importance of different missing/weak components and the best sequence of actions to help remove the barriers they create to greater food security. The real risk is that the mix of strengths and weaknesses in each country or region will be sufficiently different as to make the program and policy response essentially unique to that place. As the report acknowledges 'It is specific forms of interaction and combination that produce the undesirable effects.' (p.52), and some examples of the numerous country specific responses are noted on p.55. The complexities of land tenure in many countries is an example. Even a relatively straightforward approach like farmer managed natural regeneration needs to be tailored to each situation it is used in.

Chapter 5

p.58, section 5.2.2 – the title of this section is "Improving productivity and resilience", but there is really very little mention of anything that would contribute to increasing the resilience of agricultural systems. As it stands now, this section is very weak for that reason. With respect to improving productivity, it is not only a matter of new technology but also of more widespread adoption of some very good existing practices. In many cases some of these practices are also very positive in terms of their impact on resilience (a very important dimension of sustainability) and productivity. When the primary focus is on improvements to productivity, the focus shifts to short term solutions that can actually negatively impact resilience (and sustainability) since they almost invariably neglect soil and water conservation practices and

agroforestry practices. When the focus shifts to an emphasis on building/restoring resilience of the agricultural system, then one has a longer term perspective – one that puts more emphasis on adopting practices which lead to major improvements in the natural capital on which productivity ultimately depends. With these sorts of practices more widely adopted, then the stage is set to make much better use of other options – such as purchased inputs (after all fertilizer use efficiency, for example, is much higher on high carbon soils).

p.58, section 5.2.2.1, first paragraph – in addition to “investments to enlarge the natural resource base of smallholders” consider revising to read “investments to enlarge or **improve** the natural resource base of smallholders”

p.69, section 5.3.2.2 , second paragraph, point (c) – not only do more efficient producer organizations help in this way, but they would hopefully counterbalance the market power in contract negotiations in situations where there are few buyers – provided that there is appropriate legislative and institutional support and that buyers negotiate in good faith.

Some other points

- More consideration of how behavioural change can be achieved would be useful. The fact that smallholders are often very conservative in their farming practices is well understood, and the logic of this conservatism is understandable. However, technical change and climate change among other pressures make adopting new practices increasingly important. Discussion of what evidence we have on effective incentives would be very useful.
- There is not much attention given to the role of traditional public sector approaches to smallholder agriculture through publicly funded agricultural R&D and extension services. How successful has their contribution to productivity growth in developing country agriculture been? What should their role be in the future? Are they attracting sufficient funding?
- The issue of income versus food security is rather blurred in the report. The conventional economic response of produce in line with comparative advantage, while not fatally flawed, was shown to have important weaknesses in 2008. Small scale producers focusing on a particular crop were very exposed because of the big difference in movements of prices of different crops. So, for example, specialising in coffee production and using the income earned to buy food staples did not necessarily prevent exposure to food security given the massive movements in, particularly rice, prices at that time. So specialisation probably needs to be tempered with some direct production of food crops to better diversify risk.
- The report probably attempts to consider too many issues. As it acknowledges, the smallholder sector is very heterogeneous, and the problems of, and responses to, the poorest and most food and nutritionally insecure will be different in some important ways responses to smallholders looking to supply to Wal-Mart or increase production for export. Also the range of possible responses contain a fair degree of complexity. A comprehensive report just focusing on the various dimensions of financing smallholder agriculture is not an insignificant undertaking.

67. Pierre-Marie Bosc HLPE Project Team Leader

Dear all

On behalf of the HLPE Project Team, we would like to thank all of you for your contributions in reviewing the V0 draft of the report. We are grateful to you for the time taken to review and make proposals.

Missing points or internal coherence have been pointed out, so we will adjust and integrate the comments and suggestions to move forward. In any case there is enough space to take all the comments on board, we will need to select according to the orientation we give to the report.

Thank you for your contribution to this important dialogue

Best regards

Pierre-Marie Bosc

HLPE Project Team Leader