

## **eDialogue: What future for small-scale farming?**

Inclusive transformation in challenging times

On July 16, 2020, the SDSN, Foresight4Food, IFAD, and APRA co-hosted the first of a series of eDialogues on the future of small-scale farming. The goal of the series is to present the latest thinking of experts working on the front lines to support small-scale agriculture, and this first session gave an overview of the challenges smallholders face and opportunities for improvement in yields and standards of living.

**Ken Giller**, Co-Chair of SDSN Sustainable Agriculture and Food Systems, opened the discussion with an overview of the series. He highlighted that small-scale farms and farmers are critical to our global food system, as well as local livelihoods, and that the topic is even more timely given the global pandemic and its impacts. Describing the series, Giller said we have created an interactive platform and strive to bring in as many voices and perspectives as possible, and that this fully-online eDialogue will feature on-line discussions, interviews, virtual workshops, blogs, vlogs, an e-discussion group, and additional side-events. A virtual wrap-up workshop will be held at the end of November, and findings will feed into the [4<sup>th</sup> International Conference on Global Food Security](#) in December, the IFAD Rural Development Report 2021, and the 2021 Food Systems Summit.

The first speaker was IFAD President **Gilbert Hounbo**, who opened by saying that the role of small-scale food producers has always been key to food security, but especially so in this time of COVID-19. Food scarcity has been on the increase in recent years, and the pandemic is worsening this situation. He also noted 3 billion people around the world cannot afford healthy diets, and this is an issue of income and access inequality as well as production. Hounbo warned that most vulnerable will continue to be left behind, unless we can transform small-scale production to increase yields of healthy food, which would have the additional benefits of lowering food prices through increased supply, and increasing farmers' incomes for higher yields. The pandemic calls us to consider how we can invest in a more sustainable future, that addresses climate change and builds resilience. Historically, crises have caused the greatest harm to the poorest people, and this is not different. Hounbo encouraged participants to think creatively at all levels (local, national, and global) on how to develop equitable and sustainable food systems. He expressed hope that the dialogue will bring together knowledge from across the world, feature the latest research and analysis, and that it contributes to the [2021 Food Systems Summit](#).

**Milu Muyanga**, Assistant Professor at Michigan State University and Research Director, MwAPATA Institute, Malawi, noted that a smallholder-led growth strategy has been touted as solution for reducing poverty in the sub-Saharan Africa. Growth starting among smallholders is likely to be inclusive and to have far higher multiplier effects than growth in any other sector. Muyanga said there is broad acceptance of the need for improved smallholder agricultural productivity to kick start the smallholder-led transformation. Smallholder need to intensify use of productivity-enhancing technologies on their farms, achieve greater output per unit of land

and labor expended, produce greater farm surpluses, expand their participation in markets, and ultimately raise their incomes and living standards.

Milu questioned if smallholder-led growth is still a feasible strategy for Africa, given the yet to be tackled pre-existing problems that have continued to bedevil African smallholders and emerging new ones whose impacts are yet to be clearly understood. We have always known that African agriculture is rainfed, with one growing season, limited irrigation, and is characterized by low productivity. Besides these known problems, the continent must prepare to deal with emerging 'mega trends' that are affecting the continent in an unprecedented way. These include the mounting population densities resulting in shrinking farms sizes and degraded soils, the "youth bulge" – which could be a 'blessing' or a 'curse' depending on it is handled, uncertain market environment forcing smallholders to shy away from "high yielding" and "high input intensive" farming to systems that require few purchased inputs and that offer quick and regular returns, and uncertain weather conditions associated climate change..

Muyanga noted that while smallholders constitute the majority of farm households in Africa, smallholders are not a homogenous group across and within countries. In some countries like Malawi, smallholder farming is dominated by near landless farmers operating less than one-hectare. In some countries, most of the land is in the hands of small-scale farms (0-5 ha), while in others farmland is controlled by medium-scale farms operating 5 to 50 hectares. Consequently, as stakeholders continue to deliberate on strategies to accelerate smallholder-led growth, it must be noted that there is no a "one-size-fits all" policy package for Africa.

The risk Muyanga sees is that smallholder farms may have become too small (or becoming small) in Africa to be productive and to generate marketable surpluses to trigger the much-awaited smallholder-led growth. He proposed greater investment in soft (ex. policy, governance) and hard (ex. irrigation, roads, storage) infrastructure. He warned against non-inclusive policy making process in most countries that exclude the voices of the private sector and civil society. Agricultural sector in most of the African countries is characterized by an unpredictable policy environment featuring frequent ad hoc decision-making, and lack of coordination between public and private investment decisions. He also warned that the situation of the African smallholder is likely to get even worse if a 'business as usual' strategy is going to continue being followed.

**Jemimah Njuki**, Senior Program Specialist at Canada's International Development Research Centre (IDRC), warned that researchers and policymakers tend to generalize small-scale farmers and think of them as homogenous, or facing similar constraints. She suggested that we need more nuance in policymaking and research to succeed. Smallholder farms are not all equal; for example, as Muyanga noted, they hold different amounts of land. Some are commercial farmers with good access to markets, and these farmers just need good policy to thrive. Other farmers struggle with low levels of productivity on small, rainfed plots, but they have great potential to commercialize and earn a living wage. What is needed in this case is better access to technology and markets. A third category is farmers who farm to live, to eat. Njuki said the

whole approach for them needs to be social protection, and that on the whole we need different approaches for different kinds of smallholders.

Njuki also noted that while people still think the average age of African farmers is 60, demographics are changing rapidly and more young people are getting into agriculture. Njuki said there are more young people who are farming or want to, but support structures are not there for this demographic, and they are also missed by some data collection processes. She also warned of the many perverse incentives that work against farmers. Giving an example from Kenya, whenever there is a food shortage there is a call for large government investments in commercial agriculture and greater imports, rather than looking at how to grow local production on small farms. Njuki also called for greater attention to be paid on reducing post-harvest losses, which could save 50 million tons of food.

In closing, Njuki shared some thoughts on gender and women in agriculture. She warned that too often this group is left at the end of a statement or policy, i.e. that people add as an afterthought “vulnerable groups, including women.” Women are critical in this sector, as farmers, as processors, and as retailers. Njuki recommended women play a larger role in transforming the smallholder space. She warned that some people make it seem that women are the problem themselves, focusing on their need for training, or they are not organized, etc. Instead, she suggested looking at how investments and transformations of the sector can empower women, give them leadership positions, get them access to resources, and build a “gender transformative food system.” She also cautioned that we also need to get rid of the many myths about women in agriculture so that we can define policies and programs that work for women.

**Julio Berdegué**, FAO’s Assistant Director-General and Regional Representative for Latin America and the Caribbean, opened with a historical perspective and a Diego Rivera painting from just after the end of WWII. At this time, around 1950, farmers in Mexico were mostly poor, and agriculture was the dominant sector in the economy. Today, just 70 years later, our system is completely different, with a more diversified economy, a food system that spans the whole world, and many more large corporations. Do smallholders have a future in this new world? Berdegué shared a case study from Chile, where we can see family farmers have done well in recent decades. The number of family farmers is declining more slowly than the number of commercial farmers, and their income is increasing more than that of commercial farmers.

Berdegué posed the question, do we build bridges or walls to protect smallholders, and bridges to where? He warned we often build bridges to the wrong place, such as putting a lot of attention on linking smallholders to niche markets (ex. fair trade and organic markets), but these only serve a very small number of farmers. 98% of farmers operate in traditional markets, but they get relatively little attention.

Berdegué warned that we also focus efforts on building the capacities of smallholder farmers, but not as much on the environments within which they operate. He suggested four priorities to improve environments, (i) advance digitalization, (ii) improve rural roads, (iii) improve the

real (traditional) markets in which the vast majority of smallholders operate, and (iv) improve agency and smallholders' capacity to change their own environments, through building coalitions, involving them in good governance and policymaking, etc.

Berdegú responded briefly to a few questions. He noted that, globally, the share of smallholder household income coming from non-farm activities is increasing, and that in most places this accounts for more than half of their household income. Berdegú said this is a major reason why family farms in places like Chile are still doing well, and that he sees no contradiction between continued investment in smallholder farms, and supporting non-farm income.

**Avinash Kishore**, a Research Fellow at IFPRI, saw many similarities between the challenges he sees in South Asia, and those presented for Latin America and Africa. Kishore highlighted four key trends he is seeing. The first is the rising gap between agricultural and non-agricultural income and resulting inequality. He warned that in South Asia they cannot move enough people out of agriculture, and their incomes cannot rise because the government does not want food prices to rise. As the gap between farm and non-farm income increases, no one wants their kids to stay in agriculture, and everyone focuses on diversification instead of investing in farm improvements. Kishore does see one opportunity this creates, which is that there is growing class of urban, non-farmers that are consuming more specialized foods, and so some farmers can exploit and cater to this niche. Kishore asked how to get a larger share of off-farm value back to farmers, noting that Amul dairy is a good example of this in India.

The second trend Kishore noted is the persistence of ultra-small smallholdings (farms of 0.1 or 0.2 ha). He warned these farmers have insignificant surpluses and cannot earn any cash income, which is more and more critical as the economy changes and diversifies. The challenge is particularly great as there are no 'low-hanging fruit' solutions, and consolidation is not the South Asian model. The solution is innovation to reduce the gap between smallholder and commercial prices. In response to Julio's comments on markets, Kishore said that in South Asia informal and semi-formal markets are much maligned, but that in reality they do a good job and he does not see a lot of room to improve them.

The third trend is depletion of all natural resources (including soil, water, air, and biodiversity). If you follow the money, every country has environmental programs (to reduce erosion, to improve water quality), but these are counteracted by other programs, like energy subsidies, of massive scale. He shared some experiments with the offering of direct cash payments to farmers instead of subsidies, which seems a more effective strategy.

Kishore's fourth trend relates to the pandemic; there is now greater concern and demand for safer food processing. Kishore worries that, while policymakers believe money is the scarcest resource, rather it is the government regulators capacity. There are too many individuals (producers and processors) and not enough enforcers. He suggested a more effective alternative to be campaigns to raise awareness on safer food, which are easier to implement than a bureaucratic and heavy-handed regulatory system.

**Irene Annor Frempong**, Director of Research and Innovation at FARA, shared some reflections. She noted that Njuki's point that smallholders are not homogeneous is a crucial point, and that characterisation of farmers should underpin any serious initiative to include small scale farmers in the agricultural transformation agenda. She called for programs that go beyond social protection that directly help farmers move up the ladder to become commercial. The second point she highlighted was Berdegué's point to look at the food system in more general terms, saying that Africa's food system is primarily farming (62%) and little on non-farm aspects of processing, aggregation, logistics, retail etc. there is need to increase these non-farm components. Such a shift in the agri-food system will mean greater involvement of women and youth, not just as farmers. The third point raised was around ensuring that small-scale farmers are linked to programs to improve the linkage of agriculture with nutrition, which also involves engagement of women. Frempong also called on science-led approaches in addressing the vulnerability of small-scale farmers around climate change and threat of pests and diseases. That this will require exploring and planning in advance for different scenarios (i.e. risks and threats). One challenge highlighted was the need foster cooperation among farmers and scientists in Multi-stakeholder partnerships to build co-ownership of science-led solutions to obtain the required impact. This includes establishing robust processes for ensuring that the voice of small scale farmers ratchet up to inform national level priorities. Frempong's last point was on data, and that too often, when we create incentives for small-scale farmers these policies are not based on good and robust data systems that in the end lead to ineffective incentive systems that fail to target the intended beneficiaries.

In the discussion, **Muyanga** made several additional points, noting that access to land is becoming a serious constraint in Africa. In Kenya, for farms to successfully implement sustainable intensification, they must be more than 1 ha, and where population pressure is too great, farm sizes and in turn yields fall. He offered the example of Malawi, where more than 60% of households are "nearly landless," operating on 0.6 ha or less. Muyanga warned these farms need different solutions, and that when they sell to the market, they are usually not selling a surplus but their 'food'.

In the discussion, **Kishore** shared progress in India on getting every person a unique personal identifier and mobile bank account. During the pandemic the government issued additional cash transfers to people, which were critical in the short-term but unsustainable in the long-term, as it puts more strain on budgets. Kishore said governments need to balance new payment schemes by reducing or removing older, out-of-date subsidies, but he is unaware of any examples where this has actually happened. He also noted that in the 70s and 80s there was a lot of work done on giving agency to farmers and helping them be more politically active. This has fallen out of fashion, and today too often we ignore politics. Politics are messy, but it is how farmers get agency and control, and we should pay more attention to political organizing.

**Jim Woodhill**, of the Foresight4Food Initiative, summarized the discussion with three key points: (i) all smallholders are not the same, and we need different opportunities for different groups of farmers, (ii) we should pay better attention to which markets we look at, and semi-

formal markets are critical, and (iii) we need to think more creatively about policy, especially on the technological front.

The questions posed during the online dialogue are available [online](#). Thanks to everyone for their interest and active participation.

We will be organizing an online discussion around emerging themes in the coming days – so watch this space!