

# HIGHLIGHTS



## Smallholder agriculture: key to food security/nutrition and sustainable food systems

### Brussels Development Briefing No. 57

Brussels, 11th September 2019

On 11th September 2019, CTA, the European Commission/EuropeAid, the ACP Secretariat and Concord organised the 57th Brussels Development Briefing – part of a series of bi-monthly Development Briefings on ACP-EU rural and agricultural issues. Around 220 participants gathered in Brussels to discuss the Smallholder agriculture: key to food security/nutrition and sustainable food systems.

Discussions centered around the frameworks and processes needed to promote inclusive smallholder agricultural production that contributes to sustainable food systems. The challenges of productivity, profitability, equity and sustainability of smallholder agriculture need to be addressed. Examples of successes from smallholders in various sectors and value chains were used to make the case for further support to smallholder-driven agriculture, with an evaluation of the factors for success, their replicability, and potential for upscaling of best practices.

#### Partners in the Briefing:

- CTA
- European Commission (DG Europeaid)
- ACP Secretariat

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Isolina Boto

**Isolina Boto**, Manager of the CTA Brussels Office and Coordinator of the Brussels Briefings, welcomed all participants and online followers and panellists and thanked the co-organisers and the ACP Secretariat for hosting the meeting. The Briefings launched in 2007 are regular dialogues on key issues related to agriculture and rural development among key partners. In introducing the Briefing, she stressed the importance of smallholder agriculture for food security, nutrition and food systems. She also acknowledged the presence of twenty African farmer's organisations being in Brussels as part of a capitalisation workshop to document successes and impact of farmer's led businesses across various value chains. There are many definitions of smallholders. We will use the one given by FAO. *Smallholders are small-scale farmers, pastoralists, forest keepers, fishers who manage areas varying from less than one hectare to 10 hectares. Smallholders are characterized by family-focused motives such as favouring the stability of the farm household*



*system, using mainly family labour for production and using part of the produce for family consumption.*

She reminded that smallholder agriculture is one of the principal economic occupations in the world and is the main source of income and employment for the 70 per cent of the world's poor who live in rural areas. Smallholder households account for 60 per cent of global agriculture and the provide most of the world's food production and are the first investors in agriculture. Smallholders provide up to 80 per cent of the food supply in Asia and sub-Saharan Africa.

It is critical to look at trends, achievements and how the future looks like for smallholders and how to better connect them to markets, including to new opportunities such as urban markets. Without challenging the different systems of agriculture and markets, she advocated for the resilience of small-scale farmers and the key role they play in employment, productivity, selling and their role in

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Olusola Ojo



Leonard Mizzi

the multifunctionality of agriculture, providing different services. Therefore, adapted investment, finance and partnerships are key.

**Olusola Ojo**, Expert, Rural Development, Food Security and the Environment at the ACP Secretariat welcomed the participants. As we hold the 57th Briefing, Ojo acknowledged the success of these policy dialogues and their impact and supported also regional briefings. He highlighted the importance of agriculture, basis of the economy in ACP countries, and food security.

Feeding the current population is not an easy task and strong policies are needed. Food consumed in ACP countries is produced by smallholder farmers, yet most policies neglect these farmers and they are unable to impact policy decisions on land, markets.... Smallholder farmers play a significant role from the production to the marketing stage. Climate change is a factor that impact smallholder farming and there is a need for climate smart agriculture, an area where the ACP and CTA are very active.

Ojo alerted on the need to look into the role of middlemen and how to strengthen the position of smallholders in accessing markets. He shared some examples of programmes supported by the ACP and the EU support for smallholders. Those cover agricultural policy programmes such as the one implemented by CTA in the Caribbean and the Pacific,

the support to CAADP in building capacity of smallholders and support organisations.

He encouraged the audience to look into issues such as soil fertility, fresh water, pest control, inputs and machineries and the resources needed by smallholders to access them as linking smallholders to sources of funding is still challenging.

He also pointed out the importance of the environment where smallholders operate, the biodiversity and ecosystem which have an impact on the level of productivity.

Intra-ACP programmes support farmers such as the biodiversity and protected area management programme which includes sustainable agricultural practices and climate-smart agriculture.

In concluding, Ojo stressed the need to look at the economics of sustainable intensification, lowering transaction costs and facilitating investment for smallholders. Collective experiences transferred from generation to generation need to be used and take into account local conditions when modernising the sector.

**Leonard Mizzi**, Head of Unit, Rural Development, Food Security, Nutrition at Europeaid, European Commission, welcomed the participants and the farmers present. With the new Commission just nominated for the period 2019-2024, the focus will be on climate issues,

the digital agenda and trade, all critical for the smallholders.

To be a game changer in value chains, we need to look at the EU model of the last 15 years and we will see that where farmer's organisations and cooperatives were strong, farmers become more powerful in the value chain. The right conditions need to be in place as we know the solutions. If they are not in place, there is no derisking, no funding and shocks happen.

We need to create a governance model at local, regional and global level where we empower small farmers organisations in the decision-making process. We know this sector is complex, so we need to look if our instruments are sufficient and adopt the food-systems approach in policy-making and look at the territorial dimension, rural-urban linkages, embrace technology, improve dietary patterns. In that sense, the contribution of smallholders to more nutritional diets and diversification of diets is key.

It is not easy to derisk value chains because there are issues related to land, climate, fragmentation, power struggles. The gap between what smallholders want and what the transformation requires is enormous. Mizzi mentioned the work of ABC Fund with IFAD, Uruma Fund with the Spanish Cooperation to be launched soon, and AgriFI as positive examples. The EC also provides budget support to Governments for this purpose but a more holistic approach on policy

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Michael Hailu



Ishmael Sunga



Jan Douwe Van Der Ploeg

change is required for input policies, distortions, fiscal policies, markets...

More work is needed on specific value chains towards a fairer price for smallholders which also reflects what consumers want in terms of elimination of child labour or deforestation.

On climate change resilience, the EC has a big portfolio, one example being the Development Smart Innovation through Research in Agriculture (DeSIRA) which results will be discussed with smallholders.

Mizzi insisted on the need for smart, fast and agile policymaking processes which empower smallholders and for stronger local and regional markets. The African Continental Free Trade Area (AfCFTA) will provide opportunities for smallholders.

In the context of the G7 to be hosted by Italy in 2021, a World Food Summit will be organised. It will discuss if the current governance model is working. According to Mizzi, the current governance needs a shake up and scalability to happen. In concluding, Mizzi called for strengthening CAADP delivery on SDG2, stronger work on food systems and resilience and on price transparency of the value chain and agri-food processing.

**Michael Hailu**, Director of CTA, welcomed the participants. He recalled that the vision of CTA is around transformation of smallholder

agriculture into models that are vibrant, modern and sustainable, most importantly with the involvement of women and youth.

There is still clear indication that poverty level in Africa is high and Africa has not yet met targets such as the Malabo declaration and SDG goals. There is a need for transforming African agriculture (i.e. value chains, policies investment) and addressing its complexity. It is in this vein that CTA work looks at how digitalization can be positioned in the transformation agenda as an enabler to change agriculture and attract youth.

Hailu referred at digitalisation as a game changer in value chain in Africa. CTA produced an important study showing how much the sector takes advantage of digitalisation and looking at concrete solutions (extension and advisory services, market access, supply chain management, financial services...). It found 400 solutions providing services to 33 million farmers that have been registered for these different services. He recorded a tremendous growth of these innovations in the last 6-7 years at a rate of 40% per year but the issue is scalability. There are around 20 solutions reaching significant scale (up to a million users) but there is a gap ensuring sustainable use of these services. There is not yet much revenue (\$130 million) but there is significant potential (\$2,4 billion). He recommended to work on the enabling conditions, required

investments, improved connectivity and digital infrastructure. The 7 country cases analysed demonstrate that combining services such as extension, market access and finance increase productivity by 168% and income by 40%. Although it is limited data, improvements through digital interventions are significant and Governments should develop conducive policies.

**The first panel**, chaired by **Ishmael Sunga**, CEO, Southern African Confederation of Agricultural Unions (SACA), discussed how smallholder agriculture contributes to sustainable food systems and the strengths and challenges they face. Its shared views on the framework, challenges and opportunities for a more smallholder supportive approach.

**Jan Douwe Van Der Ploeg**, Professor, Department of Social Sciences, Wageningen University, the Netherlands, spoke about the recent trends of smallholder agriculture. 500 million smallholdings are not only located in Asia, Africa, Latin America and the Pacific but also in Europe and the US. In Europe, there are 12 million family farms of which 80% are small holdings. The same applies to the US where 60-70 % are small holdings. Small doesn't mean irrelevant, smallholder agriculture is a cornerstone of the US agriculture and rural economy.

Smallholdings are grounded on independent units of production, that dispose autonomous self-controlled resource-base (land, building, water

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Nora McKeon



resources, animals, labour force, genetic material...). All or most of these resources belong to the smallholder family who decides on the use and combination of these resources, illustrating a democratic organisation of the rural economy. The smallholder family develops this resource base through labour and financial investments. Therefore, with the right conditions, smallholder agriculture is dynamic, vibrant and resilient.

Governing the resource base requires choices and balance between income, investment, food, use of labour... Smallholdings are complex systems that can react to different conditions. They are in territorial markets which are crucial for feeding the populations.

There is a misconception that only the big producers contribute largely to the agricultural sector. Smallholder farmer's contributes to food security, employment, income, sustainability, biodiversity, cultural heritage and landscape.

The modernization script as developed in Europe was done in a specific context. In the 50's there was scarcity of labour needed for industrialisation that came from the countryside, agriculture had to provide cheap food to urban centres, the war industry was turned to production of tractors, fertilisers...

A specific type of farm was needed, large, technology driven, expanding continuously.

This is very different in the global south. Employment is to be created in the countryside, adequate incomes to be generated by agriculture, new techniques to be used and the sector to support nutrition and food security. Therefore, a new type of farm, dynamic, sustainable, resilient, based on agroecological practices is needed.

The standard wisdom that small farms will disappear, have no future or will become large farms doesn't stand empirical scrutiny. Large farms are growing but small farms grew far more than larger ones. Regression occurs in all types. Small farms grow into medium and large farms. As there are far more smallholdings, their modest contribution is much more important than the growth of bigger farms.

The model applied in Europe and the US is not the right pathway. We must go for a different type of farm and change agricultural policies which only support large farms. If we want to help small farmers, we must improve access to markets and allow for market protection temporary (as Senegal did in reducing imports of Dutch onions), improve local irrigation schemes, support reforestation and local agroecological practices beneficial to smallholder organisations.

**Nora McKeon**, Professor, Rome 3 University, Italy, shared her views on the small farmers and the global food governance. For her, smallholders without voice paid the price of

structural adjustments that turn Africa from a net food exporter to a net food importer in the space of a decade.

Past policies contributed to the crisis. The structural adjustment dismantled the system of public agencies that provided farmers with access to land, credit, insurance, and inputs. It was expected that removing the state would free the market for private actors to take over these functions. Too often, that didn't happen. Even where the private sector emerged, it mainly served commercial farmers, leaving smallholders exposed.

While this failure was recognised, the farmers had started to organise themselves at national, regional and continental levels, including providing input to the CAADP agenda in 2004.

Before the food crisis, the discourse was more around the number of smallholders and how vulnerable they were instead of speaking about their contribution to food production.

McKeon paid tribute to the EU for having designed in 2010 the best public policy to come out of the food price crisis, the EU policy framework to assist developing countries in addressing food security challenges.

The food price crisis obliged the international community to react and three options were on the table: (i) better coordination at the High Level Task Force on the Global Food Security Crisis (HLTF); (ii) more investment at G8 "Global Partnership

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Elizabeth Nsimadala



on Agriculture, Food Security and Nutrition” (GPAFSN); (iii) Reform of the Committee on World Food Security (CFS) towards more inclusively determined policies.

She underlined key features of the CFS: the foremost inclusive global forum promoting policy convergence and coherence; the human rights-based - defending the right to food and the fact that civil society actors - small-scale food producers especially - and private sector are full participants. It is also a year-round process: deciding agenda and rules of the game, framing draft decisions and discussion documents... and it is inclusive and transparent decision-making by governments. The High-Level Panel of Experts provides evidence base for policies and acknowledges expertise of farmers and practitioners. It aspires to promote links between multistakeholder policy spaces at global, regional, national levels.

The CFS recommendations to government are to inclusively develop explicit country own visions of the future of smallholder agriculture and a range of relevant policies and budgets prioritising public policies that support smallholder investments in agroecological production models and the markets that benefit them.

On the type of markets, the CFS in 2015 to 2016 which recognized that most of the food consumed in the world reaches consumers not through formal value chains

in supermarkets but through a multitude of territorial markets rooted in local national and regional food systems. Those are more inclusive, provide nutritious diets, more control of prices, more opportunities for women, and retain and redistribute value-added within the territorial economy. The CFS also acknowledge the contribution that livestock and pastoralism make to the sustainable use of ecosystems and to FSN and urges governments to protect and support pastoral systems and enable pastoralists' mobility.

The reformed of CFS recognizes the role of smallholders who are an active player in the process. Review of the progress of CFS is taking place and will be discussed at the session of October 2019.

Policy coherence is key and needs to be improved by involving farmers and civil society in the policy debates impacting smallholders.

**Elizabeth Nsimadala**, President of the Panafrican Farmers Organisation (PAFO) and the Eastern African Farmers Federation (EAFF)

addressed the issue of creating livelihoods for rural youth in rural economies. Advocating for a vibrant African agriculture, she presented the PAFO, a continental platform that brings together 5 regional farmers organisations, 70 national farmers organisations and over 80 million of smallholders in 49 countries.

She thanked CTA for associating farmers to the Brussels Briefings. Farmers attended more than 50 Briefings where they had their voice heard in the Brussels policy-making centre. She also thanked the ACP and the EU for strengthening farmer's organisation and for their financial support.

Nsimadala reminded the audience that Africa will feed a big part of the world population and summarised some features of agriculture in Africa which is the backbone of the economy and at the core of Africa's future. It employs more than 70% of people, is highly labour intensive -low levels of mechanization - has poor production techniques hence low productivity, limited use of fertilizer and certified seed. It is dependent on nature, subject to climate change effects, and with limited research and extension services. It has also low levels of value addition, poor post-harvest management and storage, unstructured markets thus highly volatile prices and weak regulatory environment.

Currently, African's agriculture battles with low mechanization, rely on rain fed production, postharvest losses, limited access to extension agents with an average of 1 agent per 1800 households and others.

Aside these general challenges, some factors limit the youth involvement in agriculture such as access to land. Moreover, inadequate credit facilities to lend to rural youth, lack

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Roberto Ridolfi



of mentors to serve as role models and low support from governments that neglect the potentials of the agricultural sector are also barriers to development.

With this background, she called for measures to increase youth involvement in agriculture, such as formal and non-formal skills development through capacity building in agribusinesses, value addition, decentralised incubation services, hands-on skills trainings, scaling-up agri-techs into sustainable business models benefiting youth. Another key issue is the organisation of youth into structured groups (producer organizations and cooperatives) that will allow them to have a stronger voice in influencing policies.

She summarised some of the activities of PAFO and its regional members (ROPPA, PROPAC, SACAU, EAFF and UNMAGRI). PAFO provides to young farmers **leadership** positions in farmer organizations and supports **employment creation**. RFOs have youth secretariats which interact and prepare farmer leaders to engage in **policy, advocacy, investment, partnerships** among others which serve as means of transferring a lot of **knowledge** and experience to the young generation. Farmer's organisations promote the establishment of **regional platforms for young entrepreneurs** to facilitate business to business, interaction and advocacy. In terms of providing skills to young farmers through developing various value chains,

ROPPA has successful cases in Mali in fisheries and Benin on cashew nuts for example.

On digitalisation, in initiatives like **E-granary in Eastern Africa**, the farmers have built an ecosystem of partners providing supply contracts, affordable credit and insurance, mechanization services and extension. The platform aggregates farmers to markets and offers bundled services. This has reached 40% youth out of over 200,000 farmers and provides direct business training, mentorship and partnerships. EAFF has mobilized more than 8000 youth profiled and linked them to potential investors in Kenya, Uganda, Rwanda and Tanzania.

In concluding, she stressed the need to invest in young people for sustainable food systems and called for actions to match the transformation of the sector.

**Roberto Ridolfi**, Assistant Director-General, Support & Technical Cooperation at FAO, touched on the UN Decade of Family Farming (UNDF) 2019-2028 and the prospects of small family farming. The world has witnessed decades of family farming and smallholders are guardians of the biodiversity and sustainability. More than 90% of the 600+million farms in the world are run by individuals or a family and rely primarily on family labour. Family farming occupy about 70-80% of farmland and produce more than 80% of the world's food in value terms.

This illustrates that family farming is indispensable for sustainability and for reaching the SDGs. Nonetheless, technology and innovation are fundamental to attract the youth into farming and to mitigate migrations to the urban centres.

The UNDF is a framework for countries to develop public policies and investments to support family farming from a holistic perspective, to realize sustainable and inclusive food systems. The UNDF contributes to the 2030 Agenda for Sustainable Development and focuses on enabling small-scale family farming as a key driver to fully achieve the SDGs. It mobilizes global commitment and actions towards economic, social and environmental dimensions, focusing on innovation, knowledge sharing, capacity building, tailored technology and access to markets as the basis to formulate impactful actions and strategies.

The UNDF has 7 pillars of global action plan: (i) develop a policy environment that enables strengthening family farming- through access to finance ; (ii) support youth and ensure the generational sustainability of family farming- by making the sector more attractive to the youth; (iii) promote gender equity in family farming and the leadership role of rural women; (iv) strengthen family farmers' capacities to generate knowledge, represent farmers and provide inclusive services in the urban rural continuum; (v) improve socio-economic inclusion,

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Fatma Ben Rejeb



Marco Dekker

resilience and well-being of family farmers, rural households and communities- resilience is the key word; (vi) promote sustainability of family farming for climate-resilient food systems; (vii) strengthen the multi-dimensionality of family farming to promote social innovations that contribute to territorial development and food systems that safeguard biodiversity, environment and culture.

At country level there is an NPFF (National Plan for Family Farming). There have been CFS recommendations on women's empowerment, connecting smallholders to markets, protracted crisis, investing in smallholder agriculture, etc. All are recognized by the UNDF as key instruments to support and reinforce family farming; The UNDF will also support the implementation and benefit from activities related to agreed international frameworks, among others: there are Voluntary Guidelines to support the Progressive Realization of the Right to Adequate Food in the Context of National Food Security; Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT) , the Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries in the Context of Food Security and Poverty Eradication; and the UN Declaration of the Rights of Peasants and Other People Working in Rural Areas (UNDROP).

Family farmers play a key role in improving the dietary patterns of their communities and of

urban populations. It is therefore indispensable to improve family farmers' capacities and autonomy in accessing domestic and local markets. There is a need for the creation and promotion of (new) markets tailored to family farmers' needs, which guarantee fair price, continuous and structured demand for their products and promote direct linkages to consumers; to strengthen the capacity of family farmers organizations (including cooperatives, social businesses, SME's) to benefit from and develop economic opportunities; to promote dialogue with different private sector entities is essential, as well as establishing policy and institutional arrangements, including innovative partnerships related to value chains.

It is crucial to empower family farmers, particularly women, youth and their organizations, to have an effective and equitable role in the design and implementation of contractual arrangements. SMEs can play a very relevant role in this sense, specially at local markets and promoting urban-rural linkages.

Since the SDGs are broad and its indicators numerous, there is a need to find adequate tools and right compliance evaluators that farmers can follow in view to produce sustainably.

The **Questions and Answers** of the first panel raised attention to pastoralists who are often forgotten and considered as inefficient systems. It is proven that pastoralists

are very suitable to some types of ecosystems and should be supported by governments. A pastoralist regional dialogue requires cross-border structures.

The fact that a majority of African countries are not investing in agriculture, so do not have in place the right conditions to attract youth in efficient systems was discussed. The importance of policy dialogue was recognised at local and regional level. Empowering farmers organisations to participate in policy dialogue is key. Hard and soft infrastructure are needed at national and regional level since they are critical for intra-African trade.

Measures to support poor family farmers were recommended such as education and training, innovative inputs, access to the right finance and access to markets. The chair concluded by stating that **the future of smallholders will be largely an outcome of political changes made now.**

**The second panel** chaired by **Fatma Ben Rejeb**, CEO PAFO, presented some successes from smallholder agriculture across ACP regions, the drivers of success and lessons learned from some sustainable models. The chair also emphasized that the Briefings provide a platform for farmers to share their perspectives.

**Marco Dekker**, MERL Manager, Strengthening African Rural Smallholders (STARS) Program,

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Mamadou Goïta



ICCO, presented his perspective on successes in funding mechanisms to support smallholders farming.

The STARS programme is a 5-year programme running in four countries with a budget of \$17 million currently supporting 210,000 smallholder farmers through access to Finance and value Chain Development. The solutions used are based in the local market system to address the fact that often financial products are not always aligned to the smallholders needs and do not consider the diversity of the group.

The program focuses on two important pillars: **Access to finance** (possible finance) and the **value chain development** (market and a functional value chain). The programme is a market-based program and focuses on existing market systems. It seeks to connect farmers to actors and tools to sustainable production in view to increase food security.

With Agricultural micro loans, repayment is paid at the time where the cash flow is available to pay (after harvest). However, it is essential to consider the agriculture cycle, input needed, required loan size, crop specific repayment capacity and repayment scheme. Farmers who struggle to get a collateral for a loan get support from groups solidarity lending which are the collateral for the loan. For farmers on top of the poverty line, support is provided on value chain development, aggregation of the

crop and marketing. The programme developed the warehouse receipt mechanism. It is worth noting that, the access to finance will not create any difference in the farmer's life if there is not access to market or inputs. As such, the programme also focuses on that. Moreover, it provides specific farmers with different inputs such as capacity building and agronomic extension services. The combination of these two pillars helps to raise yields, sell to market, increase crop revenue and improve food security. The programme works with micro finance institutions, investors, buyers etc.

Dekker gave some examples. In Burkina Faso farmers who improved their farming techniques and accessed credit gained increased yields from 80 to 300kg. In Senegal, farmers accessing warehouse receipts loans had less postharvest losses thus increased food security in the lean season. In Rwanda, after doing a credit risk assessment, agri-loan sizes increased, and non-performing loans dropped to almost zero. Finally, in Ethiopia a group of potato farmers that were linked to a big buyer (a Dutch potato chip manufacturer) sold 244 MT in the first year, generating interest of MFIs to offer credit.

The key drivers of success start with a good understanding of the market constraints and client needs. It is then important to demonstrate flexibility to adapt to changing market conditions. There is then a need for an approach that goes beyond a single

solution and a focus on systemic change (scale up) by MFIs to develop products to other crops and other branches. In this way smallholders become more serviced and market oriented and receive credit from banks. The project has demonstrated that farmers have shown a willingness to pay for services like training which improves the value chain.

To achieve this has not been without challenges such as Government control of input supply systems, market prices, and producer organizations. There has been market distortion by donors providing subsidized products and free services. It has also been difficult to collaborate with big market actors as it is a relatively small programme with no co-investment.

The programme has put an emphasis in the last year on climate-resilient agriculture, youth and gender, digital innovation and fair and transparent pricing.

**Mamadou Goïta**, Executive Director, IRPAD presented the prospects for territorial markets and the ability of family farming to meet food demand.

Markets linked to local, national or regional food systems, or 'territorial markets', are defined as "highly diverse markets in which most of the food consumed in the world transits, [which] can range from local to transboundary to regional and may be located in rural, peri-urban or urban contexts or span these contexts, and are directly linked to



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Kola Masha



local, national, and/or regional food systems. This means that the food concerned is produced, processed, and traded within these systems.”

Goïta gave some characteristics of territorial markets. They are more deeply embedded in the territory than other types of markets (the great majority of goods, the vast majority of producers, most consumers and most traders are from the territory concerned); They are more characterised than other markets by the many horizontal relationships between independent producers, processors, traders and consumers; They are inclusive and diversified in terms of the actors and products involved; They have multiple economic, social, cultural and ecological functions on their territory and are not limited to food supply alone; They are the most profitable for family producers, who have greater bargaining power over prices; They contribute to structuring the territorial economy by allowing the creation of wealth and its redistribution within the territory; They are described as ‘formal’ or ‘informal’ or are somewhere between the two; They can be located at different levels of the territory (local, national, and transboundary).

The primary purpose of agriculture as promoted by Family Farming (FF) is to feed people, it respects the principles of sustainability and agro-ecological means of production. Family farming is a provider of sustainable employment for both farm members and communities.

It systematically promotes the diversification of production by initially minimising risks rather than maximising profits. Family farming contributes to organise local food markets according to a scale approach that goes from the household to an international level, via the village or hamlet, the commune (where it exists), the region, the country, the sub-region, the region etc. It contributes to a social economy with a better redistribution of generated resources. There is the possibility that it promotes participatory research in the production sector and ensures continuous professional training that is adapted to the way of life. The means of production are controlled by the members of the farm and so family farming aims towards the achievement of food sovereignty, with respect, dignity and the principles of human security.

In West African, many countries took action after the food crisis and invested in family farms resulting in 11% increase in rice production and 10% increase in maize.

There is a pilot project for mapping of territorial markets. This is an ongoing process, initiated and supported by the FAO, Via Campesina, ROPPA, Terra Nova, IRPAD and other stakeholders to give greater visibility to territorial markets. The ongoing trial in Africa is implemented by ROPPA, the methodology is to be tested and validated in South America from November 2019, promoted by Via Campesina.

Goïta concluded by stressing that the current financing tools for agriculture are not adapted to family farms and do not take into account of the way they work. Public financing with appropriate governance is the best channel to ensure sovereign financing of agriculture. The public-Private Partnership (PPP) approach that excludes producers is a major problem in agricultural financing. It is important to change the paradigm in order to promote a better integration of agricultural financing systems.

**Kola Masha**, Managing Partner of Babban Gona, Nigeria, presented his views on supporting innovations and promoting funding opportunities for smallholders.

Baban Gona is a successful enterprise that has built financing partnerships with a range of partners including KfW, Bill and Melinda Gates Foundation, the global innovation fund, Nigeria sovereign investment authority and Nestle. They are the largest maize producer in Nigeria having doubled the yield of their members and increased their net income 2.5 times.

The issues are that 20 million youth entered workforce from 1990 – 2010 and there is more than 60% youth unemployment. There have been three insurgencies in Nigeria. With 80 million youth entering the workforce between 2010 – 2030 there is a solution: Africa’s job creation engine is smallholder agriculture.

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Annick Sezibera



But why would youth want to be smallholders? There are low economies of scale, youth smallholders have the additional burdens of small farm size, increased labour costs and limited savings. But a cooperative can bring economies of scale.

Baban Gona uses a rigorous process to identify leaders and works side by side to form mini cooperatives with more than 6,000 in the enterprise today. It provides four services: guidance, credit, inputs and access to markets.

New credit services are designed for an environment with limited collateral. The loans are designed to optimize yields and includes labour saving products.

Climate change mitigation has been possible by reduced food losses, improved supply chain efficiencies and a shift to poultry from beef production resulting in 50% GHG. Better climate change resilience has been achieved by providing finance for access to irrigation, drought tolerant seeds, innovative insurance, improved soils and enabling smallholder resilience. The impact targets are to “enable 1 Million Dreams by 2025” recaching farmers through the cooperative and impacting 5 million across the communities.

Masha strongly believes that smallholder agriculture is the solution and the engine for job creation on the continent.

**Annick Sezibera**, Executive Secretary, CAPAD, Burundi, presented successes by organized women smallholders. She introduced

CAPAD, a national farmers’ organisation that brings together 135,814 smallholder family farm households organised in 123 agricultural cooperatives (Cereals, Coffee, Fruit, Vegetables, Food crops, Patchouli), in 72 municipalities, 17 provinces (all over the country) and has 73 full-time employees.

The 2017-2021 Strategic Plan focuses on improving and promoting agricultural production in favour of family farmers and their cooperatives.

Women farmers face many challenges in Burundi such as limited production capacity, illiteracy; limited access to factors of production (land, inputs, financing, markets); limited involvement in decision-making; multi-functional and multi-tasking with hard work and inefficient agricultural tools; constraints in transport; competition of household activities; and stereotypes coming from traditions and cultures.

CAPAD has developed activities to improve the participation and empowerment of women farmers. She mentioned a few such as training in income-generating activities, creation of women clusters and cooperatives, supporting their participation in governing bodies, providing assistance for increasing production and activities to enhance

the value of the support framework, facilitating access to factors of production and finance and facilitating access to markets.

It is critical that women take responsibility and ownership of the cooperative and become leaders to support the family and the community and increase production and improve their standard of living.

The empowerment of women is the empowerment of the whole family.

The **Questions and Answers** of the second panel were raised on finance. Marco Dekker responded that the interest rates applied are commercial (15-20% annual interest rate) as they support of sustainability of MFIS. He reminded the audience that loans in informal markets reach 200 à 300% interest rates. For Kola Masha, the solution is not reducing the interest rates but to make benefits on inputs and commodity sales. By offering pay to use equipment and storage facilities, profit is made which compensates low margins in loans to farmers. He advocated for specialised agriculture lending networks which know the sector referring to their success in the US. Individual loans must look at the multiple cycles of harvest.

For Marco Dekker, another important area on repayment, is to work with MFIs to improve loan assessment and make them understand the agricultural risk (land size, crop, market price, price of labour, inputs...), the loan required and the

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repayment capacity. The financial institutions develop a portfolio level where agriculture is only a part and therefore minimise the risk. In case of shocks the loan is restructured.

For Goïta, tools for funding proposed are not adapted to smallholders. 80% the cost of loans goes often to buying chemical inputs which is not sustainable.

Another area briefly discussed was the commodity price fluctuation in world markets with the recent example of Ghana and Côte d'Ivoire which imposed market prices. It was recognised that this was possible because the two countries make 50% of the world cocoa production but it was not considered as a solution. Industrialisation and processing in country needs to happen to increase the revenues of the smallholders.

**Michael Hailu** closed the Briefing by thanking the moderators, speakers and audience for the valuable insights and different perspectives shared. The audience agreed that there is a need to develop an enabling policy environment to strengthen family farming, support youth and ensure the generational sustainability of family farming; that gender equity in family farming and the leadership role of rural women is key; that strengthening family farmers' organizations allows for a greater voice of smallholders priorities. Finally, strengthening the multi- dimensionality of family farming to promote social innovations for territorial development and food systems that safeguard biodiversity, environment and culture will benefit smallholders.

### Further information available online:

- Brussels Briefings: [www.brusselsbriefings.net](http://www.brusselsbriefings.net)
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