



## **Roundtable Discussion on The Future of Small holder Agriculture**

**Commonwealth Club, 14 March 2007**

### **Report of Proceedings**

#### **Panel Presentations**

##### **Jim Sumberg – New Economics Foundation**

The presentation began by examining the question as to whether there is a future for small holder farming. The short answer to this is ‘Yes, certainly; for some people in some situations.’ We should rather ask ourselves, however, whether we expect small scale agriculture to play a major role in addressing the needs and aspirations of millions in rural Africa. This requires asking whether agriculture itself has a future. We should agree that we are interested in increasing well-being, social justice and environmental sustainability. It is thus a strategic question as to how best can this be done. Instead of starting with a focus on ‘small holder agriculture’ – which seems to presuppose that priority should or must be given to a particular sector (agriculture), to a particular scale (small) and a particular way of organising production (small holders) – we might better ask: What role for the rural economy, and, what role for agriculture within it?

Over many decades rural people throughout Sub-Saharan Africa have been downing their hoes, *dabas* and cutlasses to seek a better future outside farming. That this abandonment of farming continues, despite the fact that the opportunities they find in towns and cities are often limited, and the living conditions poor, can be read as an indication of the bleak future that rural people, and particularly the young, see in farming. This will be exacerbated with increasing investment in education, resulting in rising expectations.

Their view of the future could be altered, to some degree, through better government policy, through investment in infrastructure, research and extension. It could also be altered, to some degree, if the international trade regime and other international agreements and institutions provided more room for manoeuvre for states to fashion appropriate national food, agriculture and trade policies. For some groups in some situations, part of the answer to increasing well-being, social justice and environmental sustainability will likely revolve around the rural economy, and for some of these people in some of these situations, it will certainly involve agriculture. However, it seems that it is not necessarily obvious what form this agriculture will or should take. A focus on ‘small holder agriculture’ is a strategy characterised by a scale and a form element. This strategy could result in a wide range of outcomes –

social justice or increasing inequality; sustainability or environmental degradation – depending on which agenda is advanced as a result of this strategy, how this agenda is implemented, who it empowers and so on. One could, for example, advance an agenda of input-dependent intensification under the guise of a small holder strategy. Similarly one could advance an agenda of biologically-based agriculture. The outcomes, in terms of well-being etc, associated with these different agenda will likely be very different. The question then in relation to the various possible agenda within a focus on small holder agriculture is who is likely to gain, and in what ways are these gains associated with particular circumstances (e.g. access of markets and quality of resources)? And most importantly, how does this group relate to those who one might want to target in terms of well being, social justice and so on.

This kind of analysis – which unfortunately is site and situation specific – must underpin any attempts to promote development through agriculture, or through specific forms of agriculture. The implication is that there will be some groups of people, in every situation, for whom different agenda around small holder agriculture will yield few benefits; and there will be some situations where few people will be able to benefit from any efforts to promote small holder agriculture.

Efforts to promote small holder agriculture must confront a number of challenges which include high levels of diversity (of people and places); the limited capacity of agricultural research; changing access to even domestic markets associated with the ‘supermarket take off’; increasing energy prices; climate change; and finally, the globalising expectations of young people and their views of farming’s ability to satisfy these expectations. There are obviously real challenges here.

How can agricultural producers be supported? Besides the big issues – peace, stability, and good governance – support must be selective, highly targeted and based on robust analysis as opposed to a romantic or ideological vision. One absolutely critical step is to know much more about the interests and aspirations of different groups of rural people in different situations – for ultimately only they can decide if small holder agriculture has a future.

**Chair:** An observation to add to the list of challenges is that, for the first time, in 2005, more people lived in urban than rural areas throughout the world.

### **Colin Poulton – Imperial College London**

These remarks are based on a summary of a 2005 workshop on the future of small holder farming, organised by IFPRI, ODI and Imperial College London, held in Wye. Small farms are not about to disappear. The question we need to address is whether small farms lead to growth and poverty reduction or simply become repositories of poverty. In much of Africa there is still a case for having a strategy for small holder agriculture.

The historic role of agriculture in early stages of development shows that there are few cases of economic development without transformation in agriculture (productivity rise). However some points are important to note;

1. As development proceeds, structural change leads to decreased numbers of small farms. Driven by rising wages elsewhere in the economy, farmers cannot earn comparable income on small holdings. This has been the UK experience but history suggests that development has to be well advanced for “market-driven” farm consolidation to begin.

2. Michael Lipton presented data that suggest the number of small farms and the proportion of total farmland that they occupy are both rising. Small holder farming is thus not about to disappear as it is an increasingly valued part of rural livelihoods.
3. Amongst developing countries, the only “market-driven” consolidation so far has been in East Asia.
4. The future role of small farms depends very much on the context (stage of development). In the fastest growing developing countries, the future of small farms will be through production of high value products and part-time farming; in slower growing, more agrarian economies, there is likely to be more of a classic role in catalysing wider economic growth.
5. China is at one end of the “spectrum of scenarios”. The reform of agricultural policy from 1979 combined with rapid wider economic growth has resulted in a proportion of the population still in small scale agriculture that is much higher than would be expected for current GDP per capita. The number of agricultural workers has peaked, but we can expect greater exodus out of farming. The critical question is whether cities can cope. Social stresses of inter-regional migration will be complex. We can expect increased policy support for small farmers and rural non-farm economy in the coming years.
6. India is a variant of the above. Demand for high value products is growing within the domestic market and non-farm jobs are being created. But this is more slowly than in China; hence the number of agricultural workers is still growing.
7. Sub-Saharan Africa is at the other end of the spectrum. There are still few other credible engines of growth, so this role for agriculture remains important. The question is which commodities/markets can African small farms succeed in?
  - Horticultural exports: rapid global growth, but real difficulties meeting supermarket requirements (volumes, standards, traceability).
  - Low value exports (e.g. grains, soybeans, cassava) or areas of rapid global growth (Asian livestock, bio fuels). There are tight margins here, hence there is a need for greater economies of scale, higher productivity, better infrastructure before much chance of competing successfully here (Nigerian cassava case is one to watch)
  - Traditional export crops. These will remain important but there is a mixed picture on cotton, coffee etc. due to issues of pricing, demand etc
  - Domestic markets and, particularly, staple crops. The value of these markets is much higher than sub-Saharan Africa agricultural export markets. Expect modest growth (due to population growth and urbanisation) and few standards problems. Continent is increasingly food deficit so there are thus real wage benefits to reversing this situation.
9. Policy priorities:
  - Public goods (roads, ports, railways; agricultural R&D). All this is critical but there is limited political momentum to support it.
  - Input markets. The subsidy debate will continue. International policy advice has been unhelpful and there is a need to work with current and growing domestic political momentum for intervention.
10. Who will (not) benefit? Benefit of households and areas capture majority of benefits from most small farm projects. Institutional arrangements require improvement.

## **Patrick Mulvany – Practical Action / UK Food Group**

The future is not only about small farms and pastoralism and fisheries in Africa but it is about the future of food. The context is that we currently have a very perverse food system, outcomes of which are on the one hand extreme hunger and at the same time rapidly rising obesity. We all have to eat every day but preferably we want to eat food produced by people who know how to produce good food locally. The question that should be ‘how is it that we can wrest control of the food system from Trans-national Corporations and agribusinesses which are capturing livelihoods, markets and ecosystems, and destroying them?’.

‘Growth’, the mantra of business and industrialised economies, is being pushed in Africa, through many programmes and policies, such as the green or gene (crop), blue (aquaculture) and white (milk) revolutions supported by the likes of the Gates and Rockefeller Foundations, ISAAA, NEPAD, in the name eradicating of hunger and poverty. But actually these programmes are opening up markets for agribusinesses. They are not designed to build better food systems for people. This, however, is the focus of Food Sovereignty, which was launched by Via Campesina in 1996 at the World Food Summit and further developed in the 2002 forum for food sovereignty. It focuses not simply on the provision of food but also on livelihoods, living landscapes and ecosystem functions, ensuring that are in the best health. The Food Sovereignty policy framework was debated at Nyéléni 2007, Forum for Food Sovereignty organised last month by social movements in Mali. (A report of this will be available soon on [www.nyeleni2007.org](http://www.nyeleni2007.org)). One of the outcomes was a deepening of understanding about food sovereignty, summarised in the 6 pillars outlined here Food Sovereignty:

*1. Focuses on Food for People:* Food sovereignty puts the provision of sufficient, healthy and culturally appropriate food for all peoples and communities, including those who are hungry, under occupation, in conflict zones and marginalised, at the centre of food, agriculture, and livestock and fisheries policies; and rejects the proposition that food is just another commodity or component for international agri-business.

*2. Values Food Providers:* Food sovereignty values and supports the contributions that women and men, peasants and small-scale family farmers, pastoralists, artisanal fisher folk, forest dwellers, indigenous peoples and agricultural and fisheries workers, including migrants, who cultivate, grow, harvest and process food; and rejects those policies, actions and programmes that undervalue them, threaten their livelihoods and eliminate them.

*3. Localises Food Systems:* Food sovereignty brings food providers and consumers closer together; puts providers and consumers at the centre of decision-making on food issues; protects food providers from the dumping of food and food aid in local markets; protects consumers from poor quality and unhealthy food, inappropriate food aid and food tainted with GMOs; and resists governance structures, agreements and practices that depend on and promote unsustainable and inequitable international trade and give power to remote and unaccountable corporations.

*4. Puts Control Locally:* Food sovereignty places control over territory, land, grazing, water, seeds, livestock and fish populations on local food providers who can use and share them in socially and environmentally sustainable ways which conserve diversity; it recognizes that local territories often cross geopolitical borders and ensures the right of local communities to inhabit and use their territories; it promotes

positive interaction between food providers in different regions and territories and from different sectors that helps resolve internal conflicts or conflicts with local and national authorities; and rejects the privatisation of natural resources through laws, commercial contracts and intellectual property rights regimes.

5. *Builds Knowledge and Skills*: Food sovereignty builds on the skills and local knowledge of food providers who conserve, develop and manage localised food production and harvesting systems, developing appropriate research systems to support this and passing on this wisdom to future generations; and rejects technologies that undermine, threaten or contaminate these, e.g. genetic engineering.

6. *Works with Nature*: Food sovereignty uses the contributions of nature in diverse, low external input production and harvesting methods that maximise the contribution of ecosystems and improve resilience and adaptation, especially in the face of climate change; it seeks to heal the planet so that the planet may heal us; and rejects methods that harm beneficial ecosystem functions, that depend on energy intensive monocultures and livestock factories, destructive fishing practices and other industrialised production methods, which damage the environment and contribute to global warming.

Using the lens of food sovereignty really sharpens the focus on key issues in the current debate on food.

### **Michael Hart - Farmer**

For me, farming is about survival today and tomorrow. As a grassroots farmer, not just here but around the world sees farms disappearing and the importance of food becoming less and less. We need to get on and decide in what way we are going to support small farmers.

In 1996 there were 42 families farming 43 farms around my land. In 2007, there are 13 families farming the same land. Mono-cropping has increased while diversity and local knowledge is decreasing and there is cause for anxiety.

- There is a growing belief in Britain and other European countries and the US, that we are in a 'post agriculture' era and that we will get food from India, Africa or elsewhere. I had a meeting in the House of Commons recently where an MP said that British Agriculture was about the environment and not about food production.
- Another key problem is that food is not deemed important except when you are hungry. We are told that agriculture represents only 2% of GDP. But those people behind this 2% produce the food that feeds the other 98%. Agriculture is 100% of GDP, and without it none of the rest of the economy would work.
- Another major concern is what people are going to do when they leave the land? There is talk of a billion people leaving farms all over the world. But we already have 2.5 billion people unemployed. How will we create jobs for this amount of people? Moreover, urbanisation is set to accelerate.

We often ignore the fact that agriculture is unique to every country and is even unique within countries. To compare agricultural policy around the world and try and put it into a straightjacket is impossible. Farmers have started to take their own initiative with food sovereignty, and internationally are fed up waiting for something to happen.

## **Plenary discussion (bullet points represent individual contributions)**

- Observers would be confused with the discussion as there are such differing opinions. The simple truth is that there are a lot of Africans who will be dependant for a long time on agriculture. There is a here and now, and as a farmer there are practical things to be done. There is no blueprint and responses obviously thus require selective and targeted strategies. There is a need for clarity on whether we feel there is a need for agriculture in Africa.
- The food sovereignty framework is very interesting. But without food security being achieved at household level, livelihood diversity will not be achieved. There are various ways for food security to be achieved. At the moment there is a lack of donor consensus around how best countries should achieve food security and conflicting advice is being given. There is confusion about the food sovereignty concept and its link to food security.
- This discussion has highlighted two different visions of the future. The more extreme is that agriculture does not matter and that environmental destruction and degradation can be dealt with. The alternative idea is that we live in a biosphere where ecology, agriculture and farming still matter. If the latter is the case, then we must acknowledge that the people with most knowledge live in developing countries and are still engaged in farming. That knowledge has been accumulated over a long period of time and it is not knowledge western scientists place value on. Farmers want to go back to seed survival and development programmes instead of free inputs because they are getting into debt. They are discovering that composting is giving higher yields than fertilisers, for example. But perhaps the fundamental question is whether people matter? How are wealth and power distributed between rural and urban? These come about through macroeconomic policies and my sense and background suggests that we should take biological, ecological and biosphere route to survival.

**Chair:** The organic niche may be a future for smallholder agriculture in this regard.

- There is a conventional view that farming is simply a business and that development is about ameliorating the disordered faults of capitalism. There is general disregard by states for the importance of agriculture. But farmers take pride in farming and there are diverse strategies that farmers take to make a living from farming. We seem to relegate poor farmers to a social category and this is not helping.
- We need to discuss in more detail what needs to be done to support smallholder agriculture. In the African context if you take out farming the survival of large numbers of people would be seriously undermined. Need to look at how that sector of population can be supported. Food production and feeding of populations should be about localised systems. This sits well with the environmental lobby. There is lower carbon footprint by sourcing locally.
- There is a need to support smallholder agriculture because of its importance to the economy. What policies do we need to bring into that area? We need to have a policy for food security and also a policy for business oriented agriculture. In

Malawi each farmer gets two bags of fertiliser. But why not get a subsidy for the livestock sector?

- There are two types of models to support small holder agriculture; the food sovereignty model and the market based/green revolution, scientific, more industrialised agriculture. In the past support that has been provided did not help small farmers. The majority of farmers in Asia are small farmers. At the beginning of the green revolution there was a small decline in poverty and then an increase in poverty in the 80's when subsidies were removed. Small farmers were not better off. Every year 100,000 farmers are displaced from agriculture in Pakistan. There is no other sector that can absorb that number of people. If India is referred to as a success story, then why are there so many farmers committing suicide? If we look at small farmers and their strategies, it is mostly the food first or safety first strategy that they follow. They like to produce food first for the family and if we look at that strategy it is closer to food sovereignty framework. Small farmer food systems in Asia depend more on biodiversity. They used to grow many types of food before the green revolution compelled them to mono-cropping. In pockets there is still some biodiverse small farming. When compared with mono-cropping, these biodiversity systems have better quality outputs at lower cost. Among farmers in south Asia, knowledge of different types of composting is disappearing. Now it is important to look at how to help small farmers produce more food and how to support processing of food surpluses to create more jobs for people who cannot continue farming.

- But consider these three scenarios;
  1. One view is that there is no future for smallholder farming
  2. Another is the importance of smallholder farming for growth and poverty reduction. We need to ask the question; what kind of small holder farming and production will be viable? Those that have linkages to markets? This week DFID is in Zambia with the Bank trying to see how to get farmers linked to local markets.
  3. But the third group is subsistence small holder farmers. They do not produce enough to support their own families. What kinds of support and policy prescriptions can be made to support these people? In Zambia these people are not even recognised as farmers. They have no support and have lost a lot of their indigenous knowledge. What do you do with this group of farmers who are not linked in with food sovereignty, who have lost their knowledge?

- But is this the real question? One of the characteristics of small holder agriculture is diversity. The difficulty is how to think of one set of policies that will address all farmers. An interesting area to explore is organic production. Most countries do not have policy for small holders and they remain outside the market as producers and consumers. The real challenge is to address this issue. There is a risk in developing a policy for small holder farmers only. We should consider the example of Brazilian ethanol production, where a massive scale up of agriculture has had a huge impact on small scale production. We need a new vision that includes small scale and organic. Need to think longer term for poverty alleviation. New paradigm needed.

- What about aid dependent countries. There is a mismatch between the narrative on agricultural development and the way aid is being delivered. The narrative emphasises diversity of ecosystems, heterogeneity, perception and expectations. However the aid system is increasingly concentrated and harmonised. The rhetoric of harmonisation and alignment is built around macro level policy processes towards meeting the MDGs. The global initiative in agriculture and other sectors is not designed to address local needs. China and India might change this but currently increasing concentration in aid systems makes me question whether donors and governments can address this issue.

**Chair;** True but policy is increasingly being set by governments rather than donor countries.

- There has been neglect of small holder agriculture over recent years. Aid flows over the last decade halved the share of aid to agriculture while being doubled to social sectors. Policy makers in the region now think the MDGs will be achieved by concentrating on productive agriculture sectors. So now agriculture is back on agenda. Most people have a vision of more diversity and high value crops. For that to take place we will need a well functioning market system. A critical policy issue is the role of the state and market during that process. Government interventions to support small holder farming that do not undermine the market are needed. There is tension between the main donors and Ministries of Agriculture in countries involved and this is a tricky problem.
- We should address policies to empower women and the control of agriculture. Furthermore, how will small holders adapt to HIV/Aids and finally what is the role of subsidies in all of this?
- If you look at various initiatives of Gates and Rockefeller, they are not too different from before. Focus providing resources to small farmers, high yield seeds, extension and increased production. These are still on the table; if we invest a lot in farmers with resources we will have increases. But markets are not ready for surplus. Farmers respond to price signals and take action accordingly. Very clear that interventions that would improve market efficiency should be high on the agenda. Delivering fertilizer is a vote winner and governments will not look at alternative methods or improvements in market systems. Need to look at linking up with other stakeholders to place high on agenda the idea of improving market systems. If small holder groups are to benefit, they need to be better organised to survive within the market through cooperatives. In Africa, each NGO seems to have its own farmers' group and the voices of farmers are not being articulated efficiently.
- It is hard to get funding for farmers' groups who want to advocate on small holder agriculture. Need to focus on where to get funding for this.
- There is a danger in Africa if you come in with a philosophical bent. Small holder farming depends on local needs, issues and ownership. We should not come in with overarching views. Need an open mind on finding local solutions. Sierra Leone is an example where we are working with local institutions to work out needs and solutions.



- It is important to identify at different levels what needs to be addressed. International regimes are being created that prevent local initiative. Competing interests within governments are also an issue. Look at policy issues for north and south and also domestic policy issues. Long term change is needed from colonial production systems. That will change because of new powers coming together. But poor people are not at centre of these new policies. The concept of the right to food can link into ideas used by aid agencies.
- Do we have the right kind of institutions to deliver the agenda we are talking about? Donors, ministries of finance etc have other agendas. Socialisation agenda – do they promote the responses we are talking about. Is there a donor appetite for the institutions needed?
- Targeted support for small holders is needed. The private sector is ignoring small holders due to diminishing returns. It is proportionally more expensive for small holders to take part in markets as they are developing. What does pro-poor procurement really mean? We are moving into new era of high quantity prices of food. Bio fuels and China have both had an impact. Questions of share of value and profits needs to be looked at and how pro-poor procurement can be adapted. Look at fair-trade regimes and not just a fair trade niche. Attention to payment terms, equity and standards and long-term relationships is required. There needs to be a business contribution to small holder development.
- A Malawian case is trying to create support for both rural and urban poor through a microfinance programme whereby urban women gather waste for compost. Rural women then buy and use it to produce maize and have access to a market in urban areas. This successful project links several NGOs and is looking for donor to support it more widely.
- Can we make the markets function for small farmers within the food sovereignty framework? Within the present structure it does not function for them.
- We are all interested in agriculture and share is one of the biggest questions. How do we ensure equitable share? CAADP commits to 10% of GDP to agriculture. But most support in Zambia is going to fertilizer and food imports and so a wider debate needs to take place on what form support takes. How do farmers have a voice to say what they need?

### **Closing remarks;**

- Agriculture can be the engine of broad based poverty reduction. In sub Saharan Africa, it is seen as a default occupation. It might be the best bet but is it a good bet? It is important but we need to be realistic about whether small holder agriculture can provide poverty reduction in Africa. Agriculture by whom and where are the critical questions.  
Within food sovereignty, the real issue is sovereignty. Food is one element of national sovereignty. National policy has become less relevant in globalization. Sovereignty has been reduced. Do you attack this via food or higher up? Food Sovereignty looks at it at a much lower level. Where are we seeing sovereignty – locally or nationally?

On the subsistence issue, I do not think it is unreasonable to suggest that not everyone with a hoe is a farmer. If we lump them into a group and try to think of a policy to suit them all – we've lost the game already. There will be people who undertake some agricultural work on a limited scale but may not be addressed by policy on small holder agriculture.

- In response to Ruchi's question, public investment should go where there are greater returns. In Africa, there has been no investment in high potential areas. If you are to buck the trend and go for investment in neglected areas, what do you do? Diversity is critical and different technologies will thus apply. Livestock will remain important everywhere. Knowledge intensive investments, agricultural support systems and extension resources are unquestionably needed. Farming organisations, improved service delivery and advocacy for decentralisation are also important. Service provision for farmers must be carried out at local level but the practice of decentralisation is not delivering this at the moment.
- Only biodiverse methods will sustain food production and the biosphere in the face of threats such as climate change (issues elegantly summarised by Tewolde Egziabher, Darwin Initiative lecture 2002). Food sovereignty is not scale dependent, neither is it a north-south, nor a subsistence-market debate. It is a policy framework which enables control to be exercised by both producers and consumers.

The importance of knowledge moving from one generation to the next is also crucial. With the HIV/AIDS pandemic, it is critical that people who remain on the land still have knowledge (increasing numbers tend to be women and children). There are important differences concerning 'control' between Food Security and Food Sovereignty. Food security can be achieved from the top down without the involvement of consumers and to the detriment of producers. Food Sovereignty, however, focuses on ensuring that those involved in production and requiring food play a decisive role in policy formation. Food sovereignty does not exclude trade but gives priority to local markets. As highlighted by West African farmers (ROPPA), fairness in trading is needed particularly in trade agreements with Europe.

The question remains, though, how do you scale down industrial agriculture, remove perverse subsidies and the power of institutions that sustain a food system that is, in effect, on the point of collapse? Concern should look into how to use the food sovereignty policy framework to re-examine existing policies and programmes to see how they can be changed or if they need to be rejected; and, at the same time, support those [undervalued food providers] who know how to produce good quality food. We must remember that "*Agriculture is not a business like any other; it beats to the drum of biology.*" (see 'So shall we reap' Colin Tudge and online speech to the UK Food Group)

- We need to talk more to farmers. There remains a very 'top down' approach and we ignore their knowledge. In Britain there is a perception that farmers are stupid or unintelligent. But they know the answers and we need to listen to their suggestions. I have a concern over high value markets. It is certainly not the farmer who captures this high value. We need to be sure that high value markets actually help farmers producing. As to farmers themselves, the prices they receive is still the discussion. We must address the issues of prices paid to farmers and how much we pay as consumers to supermarkets. If we are going to have a future that includes small holder agriculture, we have to address

transnational corporations, WTO and supermarkets as they do not have any interests in small holder producers. We have a major problem in that the world has forgotten how important food is for survival.

### **Roundup**

- Agriculture is more on international agenda than before but we need to approach the issue with evidence rather than ideology.
- We need to focus on food producers.
- We need to position ourselves with regard to food business, well-being, justice, gender justice and sustainability.
- Small holder agriculture is still important in food production
- We must recognise diversity of contexts, scientific, economic, social, cultural and human.
- Policy challenge suggests that there is capacity for support at the various levels – infrastructure, research etc.
- Consideration of local, regional and international markets (including rural/urban connections) is critical.
- It is not just trade rules that are an issue. WTO rules influence national and local policy decision and the market place
- Sustainability and the use of energy will become increasingly important.
- The challenge of changing expectations on quality, source etc. is important
- Also the changing expectations of producers must be considered
- Policy support must be selected, targeted and evidence based and not just centered on small holder producers. Who wins and who loses needs to be considered.
- For Concern, local solutions to local problems but with access to international experience and knowledge will be a priority. Accountability to local people on policy development and getting extremely poor farmers involved. We will be looking at the issue of food security and HIV/AIDS with IFPRI in the future.
- It will be important to link local advocacy to international policies

Chair – Thanks and close.

*End – Karl Deering – 23 03 07*