**THE WORLD DEBATE**
**Failing the farmer?**

Presenter: Nik Gowing

Guests: Dr Makanjuola Olaseinde Arigbede; Andrew Bennett; Kevin Cleaver; Crawford Falconer; Professor Louise Fresco; Anthony Gooch; Duncan Green; Simeon Greene; The Honourable Kate Kainja Kaluluma; Paul Nicholson; Esther Penunia; Professor Norah Olembo; Peter Robbins; Dr Pedro Sanchez

**NIK GOWING**: Small farmers produce the majority of all the food we consume wherever we are in this world But in the rich countries and the poorer countries, in the developed world and the developing world, in the north and the south smallholder farmers are leaving the land. Our food is increasingly being produced by big business. As long as there is food for you and me to buy does it matter? A growing body of expert opinions says yes it does.

Studies show that in poorer countries the tens of millions of small farms are a win win for economic growth and poverty reduction. They are more efficient than large farms. They keep large numbers of people in paid productive work and they ensure secure supplies of food. So if small farms are so important why is their very existence under threat? Why should we care about failing the farmer?

Well we've brought together an international panel of farmers representatives, from government, from trade bodies, scientists, business, non governmental organisations and donor agencies to discuss whether we are failing the farmer. Let's hear from three smallholder farmers for whom farming is their way of life that's under threat. Paul Nicholson, you're a farmer from the Basque region in Northern Spain, you speak for the international peasant movement which is La Via Campesina. Why should we be caring about the small farmer?

**PAUL NICHOLSON**: First of all more than half of the world's population are farmers, peasants or fisher folk. And we are the mainstay of local economy. We maintain not only local economy but the local cultures, the bio diversity. We are the stewards of nature in that sense, we maintain er a clear water.

And the crisis of family farmers all over the world north and south means that there is not only a big impoverishment of rural areas but also er it drives an immigration from rural areas to urban areas and er it is generating a huge hunger for the first time in history hunger's basically rural.

**NIK GOWING**: Well let's move to Africa, to Nigeria, er Doctor Olaseinde Arigbede. You're from Nigeria, you're both a medical doctor and a farmer. You've got 25 hectares for maize, for yams, er for cassava and other vegetables. Er you represent the union of small and medium scale farmers there. What is the condition, what is the state of health of smallholder farming in Nigeria?

**DR MAKANJUOLA OLASEINDE ARIGBEDE**: Well I'm glad you called it state of health and not just thinking about sustainability which has been abused so far, but state of health is very important. Now a nation, a nation requires people to work to feed it. It is the small-scale farmers who have fed our nations for ages. And these small-scale farmers have so many obstacles placed on their heads, on their shoulders, on their backs. Governments disappoint them, they're unfaithful to them, they neglect them, they deny their rights for support, because those who produce for a nation have a right to state support, they're denied this right.

At the international level good lord, all global bodies are ganged up against the small farmers. Why the hell are we fighting WTO, why are we fighting IMAF and all that? They are putting pressure on this farmer and claiming that this farmer is an anachronism which must disappear.

**NIK GOWING**: Well let's hear from Asia, from Esther Penunia. You're from the Philippines. How important is the small farmer right across Asia?

**ESTHER PENUNIA**: Yeah in Asia many of the er population there are small farmers, from 30% to about 80% of the population live in the rural areas and much of them depend on agriculture. Their farms are like small from point 5 hectares to about 2 hectares, but they feed also the people and they are now they – their very survival as farmers are being threatened. Why? Because first of the international trade agreements and second because of lack of government support, yeah.

**NIK GOWING**: Right let's move on. That's the predicament of small farmers. But why have institutions and the system turned their backs on farmers? What's gone wrong? Why is the system failing the farmer? Well the statistics confirm how difficult things have now become. Look at how the prices of some core farming produce has fallen in the last 27 years.

Coffee traded at 181 cents per pound weight in 1980. The current price is just 122 cents a pound. Cocoa traded at 2,832 dollars a ton in 1980, the current price is 1,685 dollars a ton. Palm oil traded at 617 dollars a ton, 27 years later now it's at 587 dollars. And this big drop in price doesn't account for inflation or changes in currency values. So in real terms these prices are only a small fraction of their value to small farmers 27 years ago.

But it's not only lower prices that have pushed down incomes. The system has been turning it's back on the small farmers, especially in the developing world. Let's go to Kenya, to Professor Norah Olembo. You're from the University of Nairobi there.

**NORAH OLEMBO**: Yes.

**NIK GOWING**: What happened in the 90's which made it so difficult for farmers in Kenya?

**NORAH OLEMBO**: Subsidies were removed and this was because as I understood it then and I think it was – it's er – it's er – it's er correct, that the world bank insisted that er they would not fund countries who gave farmers subsidies. And er so that was a very er critical moment for governments you know who depend on – on – on the world bank. The inputs have rocketed, the prices of the inputs have rocketed and the farmers are really hard put to grow any sizeable amount of er produce from their farm.

**NIK GOWING**: Well let's pick up on the justification for that and the explanation er for that. Kevin Cleavier – Cleaver from the International Fund for Agriculture Development, previously with the World Bank. Did this happen and why? Er you were working in Kenya er for some time for the World Bank?

**KEVIN CLEAVER**: It is true that donor assistance for agriculture in not only Afri... not only Kenya but in Africa and the rest of the world has declined dramatically from the 80's er for all purposes not just for subsidies for inputs. Um and today frankly donor assistance to agriculture er worldwide is probably at 10% of it was, er of what it was in the 80's. But there was a disenchantment by the donors with many of their programmes. Many didn't work and quite frankly many of the subsidy programmes for fertilisers and seeds in Kenya did not work, er nor did they work in much of Africa.

**NIK GOWING**: Was it the right decision to take at that time which has left its legacy?

**KEVIN CLEAVER**: You know my – I now work for the – the United Nations not for the World Bank, so I cannot speak for them. But I do think ...

**NIK GOWING**: But you can give us an assessment?

**KEVIN CLEAVER**: Yes. My assessment was that many of these programmes did not work well and they should have been redesigned more quickly in a fashion that was more affective in assisting small farmers.

**NIK GOWING**: Duncan Green, Head of Research for Oxfam, you used to work for the British government's Department for International Development. Um what's your er impression and analysis now of the legacy that's been left for farmers like those gathered here, er and so many of them, tens of millions around the world?

**DUNCAN GREEN**: I there's – we're in a state of criminal neglect of agriculture. As – as Kevin said people er took the conclusion that er people working in agriculture are poor, therefore the best thing to do is to try and get rid of agriculture and people will cease to be poor. There's a kind of fashion issue here I think amongst the aid agencies.

**NIK GOWING**: Are you serious about that?

**DUNCAN GREEN**: I think there's an underlying feeling that being in agriculture is being old fashioned and I think this is in governments as well as aid agencies. And modern is mobile phones, modern is service industries and that's – that's affected the general tone of the debate on agriculture.

**NIK GOWING**: Or are you still using that phrase criminal neglect about what's happening now?

**DUNCAN GREEN**: I think in some cases yes.

**NIK GOWING**: All right, that's the Oxfam view. Louise Fresco. Um you're Professor of Sustainable Development at the University of Amsterdam. Er you were at the U.N. Food and Agricultural Organisation known as the FAO. What's your analysis now you're in academia er about the institutions that should be supporting farmers at the moment which are not?

**LOUISE FRESCO**: I think we're all doing too little too late, er and when I say all I mean that right across the board, from governments to NGO's, to even farmer organisation. I think we've all forgotten that farming is the mainstay of civilisation. It's that that has kept us as a race alive.

What we see now is I think the – the combination of a number of important factors. One is that as of the middle 1990's we've had a change in the way of philosophy of parodyne to words a liberalisation of the market, markets should be free, there should be no more subsidies. And indeed I think we should recognise it has brought a lot of good to a lot of people in general.

However the market is not able to deal with a specific nature of agriculture. The specific nature being small farmers and it being about the thing that is the single most important thing for everybody which we need every day, that is food. As of the 1990's also, more and more people have moved into urban areas. Politicians are urban based, they've forgotten their rural roots.

**NIK GOWING**: Louise, thank you for that for the moment. We're trying to build a picture, a landscape out there of how problematic it is for er small farmers. Why are trading and institutional realities stacked against them? What do they need to enjoy the fruits of what some analysts are now beginning to formulate as what they call the new agriculture? The issues are really complex, technical, but vital to understand. So let's try and unbundled them here in this debate.

For 6 years the World Trade Organisation has been trying to broker a deal to create greater fairness for farmers in the developing world. Negotiations failed at the end of last year and barely have any life in them at this moment. The main obstacle remains the reluctance of the United States in particular and the European Union too to stop paying massive subsidies to its farmers. It is those subsidies and that protectionism that destroys markets and opportunities for farmers in the developing world.

Look at the figures here. The total agricultural subsidies paid to farmers in the developed world in 2005 was 280 billion US dollars. Compare that to the total of aid for all purposes to all developing countries, it was in the region of just 100 billion US dollars. And here's a stark illustration of what that means. The average European cow receives 2 dollars 50 a day in subsidies from the European Union, while three quarters of African people earn and live on less than 2 dollars a day. Well Olaseinde Arigbede, er what has been the impact of these continuing massive subsidies in the US and EU on small farmers in Nigeria?

**ARIGBEDE**: I think the modern day, the present understanding of subsidies is that it is not precisely the subsidies in the developed, so called developed world that pushes down prices. It's in fact when prices go down the subsidies come in. Even in the developed world it is the failure of supply management and the failure of price support. If those two are removed, if you removed all the subsidies tomorrow it still would not change things dramatically.

**NIK GOWING**: For you and your farmers?

**ARIGBEDE**: It would not change things dramatically. You have to in... institute price support and supply management. Over-production depresses the market, causes dumping and destroys our er er our earning.

**NIK GOWING**: We will talk about that on this programme, but just to be clear er you have said very clearly that this is, the subsidies are essentially bribes by the northern countries to their farmers. Why do you say that?

**ARIGBEDE**: That's right, paid for by the tax payers.

**NIK GOWING**: Why do you say they're a bribe?

**ARIGBEDE**: They're bribes to keep the political situation quiet. If you remove them, even small-scale farmers who receive not much, it is the large-scale companies that receive most of the subsidies mind you, the subsidies that do any damage, even in the developed countries. 12:50

**NIK GOWING**: Right let's move on if we can to Simeon Greene. Er you're from St. Vincent in the Caribbean. Er you're a director of the Windward Island's Banana Development and Exporting Company. What is the impact of subsidies in the developed world on the farmers you represent in the Caribbean?

**SIMEON GREENE**: Well let us look – let us look at impact not only ... subsidies is just one way of intervening in the market. But what we have had is an intervention in the market on behalf of the powerful and not on behalf of the small farmers. So what we are seeing, because of trade liberalisation and the in... intensification of um competition, what is happening to the – in the (NAME) region that the access to traditional markets have been chiselled away. Well I mean let – let's get the figures.

In 1992 we saw 274,000 tons of bananas, that's the Windward Islands to this – to the UK, and that was 45% of the market. Last year we sold 61,000 tons of bananas and that was just 9% of the market.

**NIK GOWING**: So it has decimated your business?

**SIMEON GREENE**: Decimated the business of – of – of the small producers, the banana producers in the Caribbean.

**NIK GOWING**: Right let's move on with the implications of that. Er Crawford Falconer from New Zealand. Er you are Agriculture Chairman of the World er Trade Organisation. No agreement yet on that fundamental shift which has been sought after by what's technically called the Doha Round. But is the principle of the damage to these vital smaller farmers in the developing world now accepted by rich nations?

**CRAWFORD FALCONER**: The answer is yes. Er but what's really important is that you get past yes and you do something about it. I mean the last thing that should happen now is that people should be casual about this round and just say oh another trade negotiation running into the sand. From some of the situations you've heard here today that's why you need to get this negotiation done.

The only way in which you will multi-laterally change big country big spending which depresses prices on world markets, is if you have a multi-lateral negotiation outcome. It's not a panacea, it's not gonna solve the problems of small farmers all round the world.

But if you get a reduction in the weapons of mass destruction for trade, and that's what they are, export subsidies are the weapons of mass destruction for trade, and they exist, I can tell you, because small farmers know the consequences of them, the place it will happen is in a negotiation.

**NIK GOWING**: But is there an acceptance of the principle?

**CRAWFORD FALCONER**: Oh!

**NIK GOWING**: Even by the big countries like the United States?

**CRAWFORD FALCONER**: Well because er there's an acceptance of the principle for sure. But there's even an acceptance in practice okay? Europe has changed the way it's done it's farm policies. It's changing them, it's still got to go further. The US still has to go further. They have to, and they are doing this, but they have to support farming through income support, through infrastructure support and stop spending on production which increases production.

**NIK GOWING**: Well let's go to the European Commission to Anthony Gooch. Er is that right er from your position, that really Europe does understand the predicament of the small farmers and realises it – it cannot live the kind of life it's been living up to now?

**ANTHONY GOOCH**: Certainly. And what we've been doing progressively since the early 1990's is slashing our export subsidies. You will remember Nik the talk of er wine lakes, butter mountains, this sort of thing. That's out. We don't subsidise production, we're not subsidising exports in the way that we were either. We've now put on the table something the people said we would never do and that is to eliminate export subsidies completely. There's – there are issues for us though and they're issues for example that relate to our colleague from the Windward Islands.

**ANTHONY CONT**: He knows that he had preferential access into the European market that others didn't enjoy. Others got jealous, they took us to court, Central America, America and other countries, because they didn't want that preferential access that impacted theirs. So this is a – a – a – an issue which is quite multi er faceted.

But we also have Paul who's within the European Union and knows that in order for him to survive he needs help as well. He applies and his organisation's obviously also apply political pressure internally on the European Union. A European Union that er now has 500 million members and has just imported one million poor farmers from Poland. So we're caught between a rock and a hard place.

**NIK GOWING**: Well let me ask you if this kind of language from the WTO andn the European Commission impresses you. Arigbede from Nigeria, are you convinced by this that things are moving in the right direction?

**ARIGBEDE**: No ... No I have called it mutual er ambush, what is called trade negotiations. The north is busy trying to ambush the south. The south is struggling to escape this ambush.

**NIK GOWING**:All right, well you've ...

**ARIGBEDE**: This ...

**NIK GOWING**: ... you've used those – that language. Let me go er and ask you. Do you think the World Trade Organisation is really actually about ambushing ...

**ARIGBEDE**: Yes.

**NIK GOWING**: ... the southern countries. Crawford?

**CRAWFORD FALCONER**: Oh no. Oh no, it has been er and ...

**NIK GOWING**: But now?

**CRAWFORD FALCONER**: ... that – that has to change and is changing. Believe it or not it's changing. And I would say put your weight behind the process of making that change. Don't let – don't let that process slip through your fingers.

**NIK GOWING**: Anthony Gooch?

**ANTHONY GOOCH**: I would agree with Crawford that probably things were skewed er in favour of er developed countries and on the European side we've recognised that. We also are very responsive to public opinion in Europe and public opinion in Europe wants that to happen and we want to deliver on it.

**NIK GOWING**: Louise, can I ask you, you're the academic now rather than the practitioner. When you hear this rift really between the World Trade Organisation and the European Commission and their view saying things are changing very fast. The view from the farmers is we don't see it?

**LOUISE FRESCO**: Well I think the – the mistake in this debate is that yes we should try and make access to markets everywhere as feasible as possible. However there are many countries that have only their farm products as a – an export product. These countries suffer terribly with the falling prices that we see now.

And just as the US or the European have had a chance to support their farm sectors for a while, why cannot countries that depend so heavily on their agriculture export give some period of respite, some period where they can support not production, but support the rural areas and the functions that farms have there in terms of livelihood, in terms of culture, in terms indeed of sustainable management of natural resources?

**NIK GOWING**: Can I get two quick words from you Crawford Falconer? Do you accept that this is bad for the image of the developed world in the developing world?

**CRAWFORD FALCONER**: Absolutely and so it should be. I mean that's what the game is about, absolutely changing that.

**NIK GOWING**: And ... And Anthony Gooch, the European Commission does it accept that the – the damage being done to the image of the developed world because of this?

**ANTHONY GOOCH**: Yes, but I – I think Nik you want to er characterise this as a great rift between say the European Commission, the WTO. The WTO is Nigeria, the WTO is the Caribbean, the WTO is all the people who – who are represented in – in ...

**NIK GOWING**: Well we're getting shaking heads here.

**ANTHONY GOOCH**: Well because people are represented in that organisation in a way that they are not represented anywhere else. Now it so happens that the World Trade Organisation is the global entity where you can come with your concerns, with your grievances, with your positions, express them and hope for a – for a good outcome and I – I think ...

**NIK GOWING**: Right.

**ANTHONY GOOCH**: ... it is the only show in town in that respect.

**NIK GOWING**: Right, you quibble with my use of the word rift, but there were four very er violently shaking heads from the farming community in Asia, in Africa, in Europe and the Caribbean. But we're trying to build a picture of how difficult it is. Because no governing party in rich nations up for re-election will ever make concessions that might lose them votes in rural areas, it's hard to see any progress on reducing subsidies and protectionism in the next couple of years.

Are there other ideas being tossed around that could give small farmers new opportunities to thrive in global markets? One idea is commodity price controls which we heard about earlier. Peter Robbins, you used to be a commodity trader. You wrote the book Stolen Fruits er which analyses what you call the “tropical commodities disaster”. Er you have some new ideas for er commodity price controls, what are they?

**PETER ROBBINS**: Yes I do. I mean I think what the farmers are trying to tell us here is that it's a question of market power. Farmers are price takers they're not price makers. And perhaps I could illustrate that a bit. If I go to my local supermarket and I buy things like coffee or cocoa, or er a bananas, the farmer, the person who actually produced those things gets one half of one percent typically of what I pay the retail price. Where does the other 99.5% go to?

It goes to the major er trading companies, it goes to the supermarkets. We can see what astronomical profits the supermarkets have made. And this I believe has been made worse by the very policies that we're talking about. There's three major things that have been done.

Number one, the marketing boards have been dismantled in these countries which once were, stood between the farmer and the trader. There were problems with them, but nevertheless that was their role. Secondly, that er they got rid of or we have got rid of what were called international commodity agreements which protected farmers from really low prices.

Thirdly what we did is to increase the er cash crop er production as opposed to as we heard from the Caribbean, as opposed sometimes to food production. Er this er these er policies has led to over production that you talked about falling prices. Falling prices are a consequence of over production er and er now that as you said they're a fraction of the 1980 prices. Er in fact if er farmers received the same prices that they did in 1980 that would amount to farmers receiving something like three times the total world aid budget. So it's terribly serious, the policies have failed. Yes we need a new approach, we need farmers and producing countries to get together to do something about controlling this insanity in these markets.

**NIK GOWING**: All right, commodity price controls. Er Kevin Cleaver from the International Fund for Agricultural Development, do you like the idea, will it work?

**KEVIN CLEAVER**: I don't think that agreements of er – these kinds of agreements are feasible. I would love it if they were feasible because we're in favour of higher prices to farmers. I think that this is missing the point. The point here is to provide investments in small farming, particularly in Africa. But incidentally it's not bad to do it in India or China either because there are very hungry farmers there as well.

Those investments need to come from governments, donors and the private sector. The truth is that in each of these cases, in Africa in particular, investments have fallen. As we said before, the donor agencies have cut their assistance to agriculture to a fraction of what it was.

**NIK GOWING**: All right. Duncan Green from Oxfam, do you like that idea of commodity price controls?

**DUNCAN GREEN**: Er not on the same line as Kevin. There is a problem that if you keep prices high more people get into the market and you – you get increased competition and then they tend to self-destruct.

**NIK GOWING**: All right, let's move on as we try and build this matrix, understanding all the variables that are on offer here and are really problematic. A trading model that's already shown great business and public attraction is 'Fair Trade' – farmers and producers receive a minimum price to cover production cost plus an extra premium for investment in social and economic development projects.

Globally Fair Trade sales topped nearly 1.5 billion dollars in 2005. One leading supermarket chain in Britain now only sells Fair Trade bananas. Well let er Simeon Greene from the Windward Islands, what's been the impact on your Windward Island banana production of a Fair Trade deal, particularly like this recent supermarket deal?

**SIMEON GREENE**: It has prevented us from coming out of business, put it short, er you know shortly. If you notice the figures I – I presented earlier. From 274,000 tons in '92 to 61,000 tons last year we were coming out of business. But because of Fair Trade we now sell all our production as Fair Trade we are able to stay in business. And apart from the fair price, it is the additional social premium for community projects.

What I want to see as we argue 840 million people go to bed hungry tonight and a – and a billion people are without clean drinking water. It is not only a moral imperative that we do something, it is also an investment in our own security. We've got people who are near hungry, people without any reason for living, without any hope in life. It could cause problem to us.

**NIK GOWING**: Paul Nicholson, the issue of Fair Trade. Here are you, you are farming in the north of a leading member of the European Union. Is Fair Trade a way of overcoming er those very severe difficulties you outlined right at the beginning of this programme?

**PAUL NICHOLSON**: Fair Trade has been positive in the sense that it has shown that trade is unfair..... There's fair trade and there's unfair trade. But I think we have to be careful too with the content with what Fair Trade can do to small farmers. Fair Trade cannot be a tool for major distributors or shops or coffee houses to clean their faces. And they cannot use the livelihoods of small farmers er to clean their image.

**NIK GOWING**: Commodity price controls, Fair Trade, a lot of issues here. Both models could give smaller farmers a fairer and more balanced return for their produce, but it's unlikely price controls will return immediately. So far Fair Trade er does only apply to a tiny fraction of global production. What else could help guarantee the small farmer realise a decent income? What about an increase in investment?

As we've heard, aid funding was slashed in the 1990's. Overall investment in agriculture by donors and national governments was halved. At the same time the number of people needing food aid doubled. Developing countries still invest between 5 to 10% of their annual budgets in agricultural development. This is despite the fact that between 60 to 80% of their populations live in rural areas and depend on farming for a living.

Kate Kainja Kaluluma, er you're Minister for Women and Child Development for Malawi. Er does an African government like yours accept it does have a poor record when it comes to supporting er the vital rural populations and particularly the small farmers?

**HON. KATE KAINJA KALULUMA**: Er as a matter of fact er what you have just said is not correct. Because er since two zero zero four there was change of government and the new state president has agriculture as priority number one. And what I mean by that, over 80% of er farmers er are women. So he has created a Minister of Women in order to make sure that these women farmers get support, direct support from national budgets. And um we have over 15 activities that er my ministry and other ministries are cutting out to make sure that farmers get support.

**NIK GOWING**: Nevertheless you – you said I haven't quite represented it correct. What we're talking about is a – a legacy.

**KATE KAINJA**: Yes.

**NIK GOWING**: Which your government is trying to overcome in the last three years.

**KATE KAINJA**: That's right.

**NIK GOWING**: So the legacy is still very severe and that's what I'm trying to point to, this overhang from er previous administrations.

**DUNCAN GREEN**: But Nik, investment in agriculture isn't the same as investment in small farmers. So if investment in agriculture goes up it's the nature of the investment that matters. In Latin America often investment in agriculture actually squeezes small farmers off the land.

**KATE KAINJA**: Yes.

**DUNCAN GREEN**: It goes to big agro-export companies, many of them international.

**NIK GOWING**: There's a lot of nodding agreement er here among all of you. Esther Penunia you were nodding your head in agreement?

**ESTHER PENUNIA**: Yes I agree with what you said, that investments in agriculture for example in many countries, in Asia, have gone to big business. Like in the Philippines we have this agriculture fund and you know 60 million of this fund went to hydrophonic er hydrophonic agri... agricultural ... That's not the work of the small farmers in the Philippines, but they got
60 million pesos. Investments in agriculture should directly benefit the small farmers – irrigation, farm to market roads, education even health no? Extension work is very important.

**DR. MAKANJUOLA OLASEINDE ARIGBEDE**: So you mustn't minimise the – a level of irresponsibility of governments in this matter. Governments cannot abdicate their responsibility to er trans-national corporations or to donors. They owe their people that responsibility. 10% at least of the budget, of national budget must go into agricultures.

None of them is putting in 2% now, yet they signed and said we will do this and they repeat this every time, this – this – there's this deception. So we're saying that governments have the primary responsibility to support agriculture. It is the right of producers and governments that go out to toy with the foods of people in their domain are irresponsible governments.

**NIK GOWING**: Right but do you think ...

**ARIGBEDE**: They should refuse to do this at WTO level.

**NIK GOWING**: Right would you ...

**ARIGBEDE**: Take agriculture out of it.

**NIK GOWING**: We're using the words aid and investment quite liberally here. Let's look at some specific examples of how there is aid and there is investment which can work. There are exciting new experiments that could be producing new ideas that work both for the donors and small farmers.

There's a project in the Mchinji region of Malawi, it involves 55,000 people out of the 835,000 who qualify for free food because of crop failures caused by drought and flood. Instead of maize villagers receive cash to spend as they see fit. Well Minister, what impact do you think this experiment is having on the – the potential for small farmers in your country?

**KATE KAINJA**: What we have noticed is that er the ultra poor farmers who never thought they would own a goat now are owning a goat ...

**NIK GOWING**: How is that happening?

**KAE KAINJA**: They er each household, according to the number of er children in the home, are given financial support. And they use ...

**NIK GOWING**: They get cash?

**KATE KAINJA**: Cash. They use it for education of their children. They use it to buy the basics and some of them save a little bit to buy things they have never owned before like a goat. Most of our rural poor farmers they have less than a hectare of land. If they are supported either by cash or by um fertiliser subsidy which we have, they can produce more bags of er maize. For example if they're not supported they produce less than 10 bags of maize. But if they're supposit... supported the same land can give them more than 30 bags.

**NIK GOWING**: Right we're trying to again paint a picture of what kind of experiments there are. We're not gonna cover every experiment, but er there are other interesting er tests of new principles. In 79 villages across sub-Sahara in Africa the Millennium Villages Project provides 110 dollars per person per year for 5 years. The hope is to help each village move from subsistence farming to self sustaining commercial farming.

Well Doctor Pedro Sanchez, you're of Cuban descent, you're a soil scientist, er you're winner of the World Food Prize 5 years ago and director of the Millennium Villages Project. Er what are the early signs, particularly from the first two villages in Ethiopia and Kenya?

**DR. PEDRO SANCHEZ**: When you empower the communities to make decisions the way they want to and fund it from the donor site, er we're putting 50 dollars per capita per year, production has anywhere from tripled to up to 60 times increased up to 60 times in the case of Rwanda.

**NIK GOWING**: But what does 110 dollars a year over 5 years do? You're now into I think your third year of this project. It's very controversial, some think it's a bit of a gimmick, but are you seeing something which you believe is sustainable and could be multiplied many-fold across tens of thousands of villages for the benefit of small farmers?

**PEDRO SANCHEZ**: Absolutely. Absolutely.

**NIK GOWING**: Why do you say that?

**PEDRO SANCHEZ**: Because you can see the difference in the farmers. When farmers now have – have tripled or quintuple yields and expanded their land area er not only they have enough food for themselves, but they're also putting food er in the school meals programmes for the children and – and they have for the first time a surplus to er to sell and get into the market.

With cereal banking and other techniques the price they get for that surplus is about twice what they could've – could've gotten at the farm gates. And that begins to generate er a cash economy. Er they're gonna be er – they're gonna be er sustainable when they make the transition for what they used to be sub-subsistence into small-scale entrepreneurs with diversified high value crops and all the (NOT CLEAR) business when investment – investment is – is put in at scale.

**NIK GOWING**: What do you mean at scale?

**PEDRO SANCHEZ**: At scale I mean a significant amount like what we're talking about 110 dollars, everybody, the government, the – the farmers, er the donors. When it's put at scale and – and done for a long time and done integrally not only agriculture but health and education and roads and infrastructure and so on, then this changes everything. This changes everything. People look to you and they loo... er they look differently. Er they are empowered. They say we're not going back, this is er – this – this is er the way out.

**NIK GOWING**: Duncan Green, Oxfam. Are you thinking the old model? Are you and the NGO community or certainly you from Oxfam we've heard the er what's moving forward on Malawi, we've heard these 79 villages in 10 countries. Now there are many other experiments, are you – is your mind set changing on this?

**DUNCAN GREEN**: I think what Pedro Sanchez has described is actually the old model. If you look, there's an organisation that puts together health education and investment in agriculture, it's called the state. If you actually look at how countries have taken off in the past, moved from agriculture into industry, the first stage was massive state investment in agriculture.

You then need to get the state out – out of agriculture later on, which the European Union isn't so good at, but in the initial stage who puts in hospitals? Who puts in schools to the scale necessary? It's the state. So I think actually they're rediscovering something which is crucial, which is – unless we have an effective state everything else is not gonna work.

**NIK GOWING**: Well Minister, what about the role of er genetically modified er seeds and maize here?

**KATE KAINJA**: That has helped in Malawi. Our scientists have said yes let's try this and we are trying it and if you go in Malawi the whole M1 road is full of er samples of what a GM seed can do to the agricultural sector.

**NIK GOWING**: Andrew Bennett of Monsanto, er you spent 14 years in Africa promoting GM seeds. Now obviously you've got a commercial interest in – in promoting it, but do you see something moving here even if it's only an optional er choice to – to go for GM given what we've just heard from the minister?

**ANDREW BENNETT**: I think um GMs provide certainly part of the answer to improving production efficiency, which is what Louise referred to a bit earlier. We can improve production efficiencies, we do not need to fix prices of commodities, we do it from the other way around. GM certainly can offer this. They improve yields, they improve um land use and what we really need to be looking at is producing food in the areas where it's needed. We have 800 odd million people that are hungry. These are not the exporters of food in the world, they need to produce food in their own areas. And then er ...

**LOUISE FRESCO**: Most er research on GM crops is not directed towards what you are describing. Er by far the largest work is in things like herbicide resistance and other qualities that are not qualities that are relevant to small farmers. I would like to argue that you can increase production without GM crops and as we should me... make sure that there is an option, there's a choice for farmers and for consumers to choose what they want.

Now at the same time I'm in agreement with you that there is potential on specific characteristics, such as for example the shelf life of fruits and vegetables which can make all the difference to small farmers. Er let's be very precise in this debate that we don't get general statements on GM crops.

**ANDREW BENNETT**: I'd like to, sorry I need to come in there quickly. In – to produce crops efficiently they need to be weed free. One way of doing that is using herbicide resistant crops. There are other ways of keeping a – a plot weed free – you can hoe it, you can spend two weeks hoeing it, or you can spray a herbicide which takes 20 minutes on your hectare and you have the same result.

**NIK GOWING**: Professor ...

**ANDREW BENNETT**: Those kind of efficiencies are what we need.

**NIK GOWING**: Arigbede you – you've been nodding your head very er very violently there?

**ARIGBEDE**: Yes, yes. I mean the whole GM whole thing is a hoax. It really is a hoax. Let's call a spade a spade. The problem of low productivity is the problem of neglect of the farmers by state.

The problem of hunger is a – is a political problem, is a problem of distribution, is a failure of states to support research. It's important to let the GMO devotees know that we now know the problems that GMO's carry. Don't give us that thing about no problems.

**NIK GOWING**: All right well let – can we get some other responses? Professor Olembo from Kenya?

**NORAH OLEMBO**: Yes, I think there is a lot of um myth about GM. But what I can say as a scientist and also about technologies myself, is that we need to absorb and accept new technologies in order to move. Where old technologies fail we have to be inventive enough to see what can work.

In Africa for maize for instance you get a lot of loss from insect pest. Now many methods have been used to address this, it doesn't work, because this insects are so clever they burrow and they do all sorts of harm to crops, especially maize er and ground nuts and most of this type of foods that we have do get affected by insects. I'm just using insect as an example.

**NIK GOWING**: Right, we're – we're not ...

**NORAH OLEMBO**: And the genetic modification is one of those technologies, I'm saying it's one of those technologies that should be tried.

**NIK GOWING**: We're not going to resolve the GM discussion here. What we have done is we have aired many differences, because fundamentally we're talking about the survival of the small farmer. As I asked at the start of this programme, does it matter, should we all care? Is there a will for radical thinking bearing in mind the crucial proven value of farming to economic development and ending poverty? Pedro Sanchez, a critical area here?

**PEDRO SANCHEZ**: We've been discussing er about all sorts of aspects er but they're somewhat tangential to the core, which is a low productivity of African smallholder family. And the reason that is the depletion of the fertility of the soil and erratic water management. Soils and water become very very important.

Um tackling those first as er the 400,000 people in the Millennium Villages are doing, tackling the soil and water er problems first, then using the best er the best crops, in this case hybrid maize, no GMO's, um farmers suddenly get out of hunger. They become efficient and – and er – and we find that technologies are certainly there and er and – and I would say there's a bright future for the smallholder farmer.

**NIK GOWING**: Esther Penunia, you've heard about Africa predominantly there from Pedro Sanchez. Do you relate to what he's just said when you're representing the Asian farmers?

**ESTHER PENUNIA**: Yes I think there is a future, although at first glance there is not because we are really threatened.

**NIK GOWING**: But haven't we raised some optimism here ...

**ESTHER PENUNIA**: Yes.

**NIK GOWING**: ... with some of the issues we've raised?

**ESTHER PENUNIA**: Yes, but in Asia there is also a problem of a la... er land ownership, because in many countries in South East Asia farmers do not own the lands they dig. So I think one of their requirements is to have security of tenure in land. Because if they – if they have this then they are able to think about long term about what they're gonna do with their lands. And then, yes productivity. Increase production through various technologies, but the technologies should be environment friendly, because if not in the long run farmers will go hungry again, farmers will not be able to produce if – if the soil is not healthy any more. So use production technologies that are friendly to the environment, okay for the health of the people.

**NIK GOWING**: Paul Nicholson, the view from er your farm in the Basque country. Um half the world's population involved in farming, will any of them be heartened by the kind of discussion we've had and the kind of examples we've been raising?

**PAUL NICHOLSON**: I think not, because what's been placed on the table here is that technology is going to solve the problem and it's not a technological problem. We can produce more but if we get an import...

**NIK GOWING**: A lot of shaking heads there.

**PAUL NICHOLSON**: If we get an importation of cheap food what we produce is worthless, we cannot even eat it, we have to eat the imported food. And that is happening all over the world. Today the prices are below the cost of production, of all the raw materials all over the world. The farmers are getting under priced.

**NIK GOWING**: So what is the action you want?

**PAUL NICHOLSON**: The right for each country to regulate import of food. That would be a first measure. A second measure ...

**NIK GOWING**: A lot of agreement here.

**PAUL NICHOLSON**: Access ... access to water, to food and to seeds. And thirdly, a more democratic understanding of the role of food as a right – as a right to eat and as a right to produce food.

**NIK GOWING**: Kevin Cleaver, representing the United Nations er IFAD. Does this resonate among those you have to deal with as part of the United Nations?

**KEVIN CLEAVER**: No. I ...

**NIK GOWING**: Is that because they're blind to it? Don't want to hear it?

**KEVIN CLEAVER**: No, we do want to hear it if it would work, but I don't believe that it's import barriers largely keeping developing country products out of industrial countries that is going to help developing countries. I agree it may help the Basque farmer and I'm sympathetic to that. What we need is to dramatically expand investments in smallholder farming, not in big farming, not subsidising the Nestlé's, they can do quite well by themselves. Dramatic increase by developing country governments and industrial country governments through their aid programmes. It works as Pedro says. If they – there are things ... If you invest in rural roads, in water supply, in animal health, in agricultural extension and research we know it works.

**NIK GOWING**: Louise Fresco?

**LOUISE FRESCO**: Let me make a plea for not just looking at small farmers as passive victims. I've been heartened throughout 30 years of working with small farmers, by the great sense of innovation and productivity and a desire to move ahead. That means that some small farmers do not want to be small farmers any more, they want to move out of small farming, they might even want to move out of agriculture and I think we should give them their chance, we should give them an option to be innovated.

And if you see for example how the Vietnamese farmers or the Columbian farmers or the Kenyan farmers have taken on new – new products, flowers, perhaps not only food, er new medi... er pharmaceutical products. I think there is a fantastic future and I would hate us to – to close this programme by saying er we should go back in the old fashion of er supporting the old systems of productivity.

**NIK GOWING**: Final thought Simeon. Do you think the banana farmers who are right at the bottom of the income scale in St. Lucia, in the Windward Islands, from St. Vincent where you come from. Do you think they will see anything positive from the kind of discussion we've had, given their concerns about their future?

**SIMEON GREENE**: Well they would be heartened by the discussions but whether or not they're going to see something positive I don't know. I mean we have succeeded in sustaining the market so far, but remember 2008 we – we have had um like a ... it – it's like an opt out for – for the tariff for us, but it comes to an end in 2007. So there's a new position that has to be negotiated for 2008. Would we still be able to come into the European Union free – free of a tariff? If we don't I'm afraid we are doomed.

**NIK GOWING**: Doomed?

**SIMEON GREENE**: Doomed.

**NIK GOWING**: And there's a lot of nodding around those gathered here who've flown long distances for this world debate. And of course we can't make policy here, we can't force governments and international organisations to change direction on the issue of failing the farmer. What we have done though is highlighted a predicament for those small farmers that all of us in one way or another depend on for what we eat. We've heard agreement and disagreement, we've heard optimism and pessimism, but we've heard that this is a vital issue particularly when it comes to poverty reduction. For me Nik Gowing and this BBC World Debate, thanks for joining us. Bye bye.