



INSTITUTE FOR AGRICULTURE AND TRADE POLICY

Comments by the Institute for Agriculture and Trade Policy, Grassroots International and International Development Exchange (IDEX) for the HLPE consultation on the V0 draft of the Report: Investing in smallholder agriculture for food and nutrition security

Thank you for giving us the opportunity to provide input into the zero draft. We congratulate the HLPE and the project team in undertaking this study at a critical time. High and volatile food prices, climate change and increasing financialization of agriculture and agricultural land make this a crucial endeavor.

We hope this report will build on the work the HLPE has already done on food price volatility, land tenure, international investments, and social protection for food security, as they are all relevant to constraints facing smallholder agriculture investment. The CFS's [approved Voluntary Guidelines on Responsible Tenure](#), the [Voluntary Guidelines on the Right to Food](#) as well as the [IAASTD Recommendations](#) are existing and critical tools that can help provide the basis for addressing agriculture investment in smallholder agriculture.

Overall Framework of the Report

The report's starting points that small-scale producers are not only embedded in agriculture markets, but also central to providing food security are critical for understanding their investment needs. The authors are therefore right in presenting a Rights-based perspective. In addition, the authors can strengthen this framework by discussing the notion of food sovereignty and its relevance for small-scale producers. The principles of food sovereignty¹ and the acknowledgement that agriculture is "multifunctional", meaning that it is not only a commercial sector, but also provides social, cultural and environmental goods, is essential. A brief discussion of the meanings and values ascribed to agriculture and food sovereignty by smallholder communities would provide a good framework for chapter 1 and the analysis in chapters ahead.

The report needs a better articulated analysis of food security, however, and the role small-scale producers play in providing it. Investment is needed for all small producers, not just those who own land. In this regard, we strongly support the comments submitted by Mr. Timothy Wise (Tufts University) and encourage the authors to draw upon the literature referenced in his submission. Small-scale producers can "feed the world" because they produce locally for local consumption.² Most of what we eat to ensure food security does not come from international markets.³ This needs to be clearly spelled out in the report.

It is critical to articulate that the challenges for national and global food security in light of climate change and high and volatile prices in international and domestic food are not fundamentally about the size of landholdings. They involve the governance of complex food and agriculture systems that marginalize those who are central to

¹ "right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. It puts the aspirations and needs of those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations..." For full definition, see: <http://www.foodsovereignty.org/FOOTER/Highlights.aspx>

² Via Campesina 2010. Sustainable Peasant and Family Farm Agriculture Can Feed the World. <http://viacampesina.org/downloads/pdf/en/paper6-EN-FINAL.pdf>; ETC Group 2009. Who will feed us? Questions for the food and climate crisis. ETC Group Communiqué102:1/34.

³ World Bank 2008. World Development Report: Agriculture for Development. Chapter 1, pgs 31-32.

providing food security. Multilateral rules and government regulations, in most countries reinforced by domestic laws, promote an agriculture system and a vision of food security that is industrial and export-led. It has its own investment patterns, distribution channels, and consumers. This vision of food security is demonstrably unviable. It nonetheless drives investment towards powerful actors that shape the system and away from those who actually provide food on the table. It is essential to understand how this dominant model undermines small-scale producers. Governments need to accurately assess the contribution of small-scale producers to local, national, and global food security and propose how they can be supported amidst the challenges of the 21st century. This also means that special and specific attention should be given in the report to assess the resources needed to invest in small-scale producers' adaptation to climate change. The HLPE report on climate change does not adequately focus on this investment need of small-scale producers.

Understanding the power structure of the global food and agriculture system and how small-scale producers contribute to food security also helps explain why they cannot simply be incorporated into a contract farming system or a corporate farm that supplies food globally. Corporate farming is not a simple solution for small-scale producers and its constraints and disadvantages should also be discussed in the report.

The report should focus on the importance of empowerment, agency and dignity for small-scale producers. In particular, the discussion of women small-scale producers is almost entirely lacking. Paragraph 31 of the summary refers to "women and children" in the context of wellbeing and social protection which is an inadequate and incomplete understanding of the role women play in small-scale agriculture and their investment needs. Women are a vital part of agricultural production, processing and distribution and an analysis of their contribution to the sector must be added to the report (see references listed at the end).

Agroecology as a Major Thrust of Report

Agroecology is a critical issue that the report neglects. The report can provide a valuable contribution to the small-scale producer investment debate by providing examples of policy frameworks that have enabled successful, peasant-led agroecology initiatives. (See the three Grassroots International case studies appended to these comments.) Numerous examples exist around the world that show how they not only improved the livelihoods and the environment of those growing food, but enabled these producers to become more resilient in the face of new threats. The report should help guide policy makers to learn how they can multiply these approaches and ensure that they are peasant-led.

The current draft first mentions this approach on page 55 (c). The issue deserves a special chapter; a framework for smallholder investment that promotes agroecology could be elaborated in chapter 3. On page 59, agroecology is mentioned but we agree with Mr. Jacques Loyat's comments (CIRAD) that the discussion is framed in a way that makes it an unviable option for most small-scale producers. Access to cheap inputs and time saving devices seem to be portrayed as key priorities for small-scale producers, rather than risk-reduction and stable incomes. Here are some points about agroecology to consider and some constraints to small-scale producer investments:

- **Investing and the expansion in the use of agro-chemicals.** In the past, investment programs for small scale farmers favored agribusinesses companies (producers of agrochemicals and hybrid seeds). Lending programs often compelled farmers to purchase specific pesticides and chemical fertilizers, even against the borrowers' will. Bank managers made the use of certain inputs a condition of lending in order to "protect the investment." As result, many small scale farmers were forced to change their agricultural practices and became dependent on externally purchased agrochemicals.
- **Investing in agroecological practices:** The agroecological path to economically viable agriculture revives training and technical support in a very different manner to dependence on agro-chemicals, using low input, locally and ecologically appropriate practices that reduce risks for small-scale producers in the long term.

In the document, these two pieces are somewhat missing. Because of structural adjustment programs, technical assistance programs and research programs dedicated to small-scale farming and agroecology have been

dismantled. Some governments tried to revive technical assistance through market-based solutions, e.g. debiting a percentage of the agriculture loan to pay for technical assistance. In the end, farmers paid with their own money for technical assistance that often did not meet their expressed needs. While much could be done to expand knowledge through farmer-to-farmer exchanges (as in the case of the [Cambodian experience with the System of Rice Intensification](#)), investments are also needed to provide training and technical assistance from specialized practitioners in agroecology (farmers and agronomists).

- **Long-term investing vs. market-based investing:** Small scale farmers are often skeptical of investment programs because too many of them focus only on the financing aspects or short-term, market-based gains. This view has created a deep lack of trust on those programs among peasant farmers. In the HLPE report, a distinction between and analysis of long-term investment in small scale agriculture versus short-term market-based solutions should be included. Investing in agroecology requires a long-term strategy coupled with the financing of appropriate technical assistance, training and basic infrastructure. Such a framework can be developed through analysis of the positive agroecological examples that are working for small-scale producers in different localities around the world.

In chapter 3, the definition of investment includes “human and ecological capital” but initially with narrow references to building soils, improved varieties or larger sizes of herds or creating “better cows.” In reality, and as the authors acknowledge in different parts of the report, small holder systems are more complex in that they are not narrowly geared towards more production of one particular crop or animal, but instead invest in a varied set of interests in the hope of an overall improved quality of life and wellbeing. Small-scale producers must grapple with their own position of power, resource tenure, input costs, labor, income, exposure to various risks including climate change and the economic context in which they function to achieve their desired quality of life. This should come out more clearly. The writers could therefore improve their analysis of the multifunctionality of agriculture and how the varied cultural, ecological, economic and social objectives of small-scale producers play into their investment decisions.

Also in chapter 3, the section on “natural capital” downplays the constraints associated with genetic material and its expropriation through increasingly stringent intellectual property rights regimes at the global, regional and national levels. These constraints have not only inhibited farmers’ own breeding efforts and seed sharing, but also pushed research and development into exploring an ever narrower spectrum of seed varieties and animal breeds to the detriment of biological diversity, food security, and to the interests of small-scale producers. These trends have not only increased input costs, but also left small-scale producers more exposed to climate change by reducing the tools available to them to allow them to adapt.

Similarly, a discussion of these assets deserves examination of the legal and regulatory steps needed to ensure tenure rights. Investment goes where money can be made—and that is determined by trade, investment and other rules. While the report puts a lot of emphasis on strengthening farmers’ voices and representation, the report must acknowledge the power of oligopolies in the global agriculture system, its excesses and how they prevent small-scale producers’ markets from flourishing and stop their voices from being heard. Real changes will only be made when other much more powerful interests are not given the best seats at the policy and governance decision-making table.

Small-scale producers’ assets also include their knowledge systems. Small-scale producers cannot easily access credit or grants because their knowledge about natural resource management, agronomic practices, local marketing channels, traditional seed breeding and so on are not appreciated by government lenders or intergovernmental agencies. Governments must affirm the value of small-scale producers’ knowledge of food and agricultural systems and invest in them.

As such, the discussion on markets should also include alternative markets and those created through government procurement in boosting investments (in addition to school feeding programs) into local food

production. Dominant trade and investment policies pose genuine constraints to the existence of local and traditional markets. These challenges and solutions should be spelled out.

Finally, a reference to Payment for Ecosystem Services (PES) is made in the paper. Many controversial proposals are emerging under the general rubric of PES—it is essential the report not mention these ideas without an in depth analysis of these proposals and their pros and cons for small-scale producers.

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

The description and framing of the typology in the summary and particularly in the main body is confusing and it is not entirely clear what the purpose of the typology is. It would be good if the authors could reframe it in a way that is easily accessible to policy makers and that would help to draw out 1) key investment constraints facing farmers and/or 2) key recommendations for promoting sound agroecological investment in small-scale agriculture. The term “territoriality” is used in the summary without defining it. There is a definition on the last page of the draft, but it is potentially problematic. The definition: “land occupied and appropriated by a social group” is not satisfactory. It is not clear in the presentation how this term helps to explain the constraints and solutions to investments in small-scale agriculture. This needs to be clarified.

A key recommendation of the report is the formation of a National Smallholder Vision and Strategic Framework. While this is a good proposal, it is important to go back to the report’s discussion about the power of small-scale producers’ voices in shaping such a framework. As a starting point, it would be important to ask countries to share their experiences with any such processes that are already underway or reports published. The US government initiated such a process through the [United States Department of Agriculture Commission on Small Farms which submitted its report](#) in 1998, , but its recommendations have not been implemented. The Voluntary Guidelines on the Right to Food ask for nationally led inclusive processes to create national right to food strategies; the vision and strategic framework for small-scale producers should be a part of that implemented process.

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Appendix 1: Agroecology in Action — Case Studies by Grassroots International

Investing in Haiti's Rural Communities

Organization: Peasant Movement of Papaye (MPP)

Haitian peasant movements and organizations provide practical demonstrations of sustainable agricultural methods and practices and act as an example of the way out of poverty. One of these groups, the Peasant Movement of Papaye (MPP) has been working in Haiti's Central Plateau for nearly 40 years. A partner of Grassroots International, the MPP is today one of Haiti's largest and most successful peasant movements with over 60,000 members, which includes 20,000 women and 10,000 youth.

Read more: <http://www.grassrootsonline.org/news/blog/investing-haiti%E2%80%99s-rural-community>

Nut Harvesters Are Changing the Local Economy

Organization: Association of Agrarian Reform Settlement Areas of the State of Maranhão, Brazil (ASSEMA)

Maranhão is one of the poorest Brazilian states. Despite its wealth of natural resources, 62.3 percent of the population lives below the poverty index defined by the World Health Organization, with the poorest families living in rural areas. Landlessness is one of the root causes for the widespread poverty in Maranhão. Without land, many peasant families struggle to eke out a living through seasonal jobs on plantations or large farms and through the harvesting of wild fruits such as the nuts of the native Babaçu palm tree. Barely able to feed themselves, these families are subjected to backbreaking work conditions and are often forced to migrate to cities and other regions. For the hard work of collecting the Babaçu and then breaking the shells to expose the nuts, peasants, mostly women, are paid a pittance by intermediaries who resell the nuts for a larger profit to pharmaceutical or cosmetic companies. Collectively, however, the nut harvesters are winning rights and royalties that benefit the whole community.

Read more: <http://www.grassrootsonline.org/news/blog/nut-harvesters-are-changing-local-economy>

Seeds Help Communities Raise Hope, Independence

Organization: Popular Peasant Movement (MCP)

This shift from locally controlled agriculture to large-scale industrial agricultural operations is affecting the capacity of rural communities to produce their own food, especially because it creates unfair competition between small-scale farmers and large agricultural corporations. With the expansion of agro-fuels plantations, and no control over their seeds, small-scale farmers end up having no option other than selling their land to large farmers and international investors. This shift in Brazilian agriculture is a result of and also exacerbates the growing influence of transnational corporations over the local food system. In Brazil, three companies – Cargill, Archer Daniels Midland, and Bunge – control 66 percent of the exported grains. Within this daunting context, the Popular Peasant Movement (MCP) and their Creole Seeds Program (supported by Grassroots International) are demonstrating viable alternatives to industrial agriculture.

Read more: <http://www.grassrootsonline.org/news/blog/seeds-help-communities-raise-hope-independence>

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Appendix 2: Other Resources and References on Agroecology

De Schutter, Olivier. "Agroecology and the Right to Food." Report presented at the 16th Session of the United Nations Human Rights Council [A/HRC/16/49], March 8, 2011. Accessed January 23, 2013. http://www.srfood.org/images/stories/pdf/officialreports/20110308_a-hrc-16-49_agroecology_en.pdf. Also available in [French](#), [Spanish](#), [Chinese](#) and [Russian](#).

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FAO, IFAD and the ILO. *Gender dimensions of agricultural and rural employment: Differentiated pathways out of poverty. Status, trends and gaps*. Rome: Food and Agricultural Organization of the United Nations, the International Fund for Agricultural Development and the International Labour Office, 2010. Accessed January 23, 2013. <http://www.fao.org/docrep/013/i1638e/i1638e.pdf>.

Spieldoch, Alexandra. "Reference Document: Women Farmers, Change and Development Agents." Document presented at the Family Farming World Conference, October 5-7, 2011. Accessed January 23, 2013.
http://es.scribd.com/fullscreen/73353429?access_key=key-17pgzqunmhi2iuq9t5m6.

Varghese, Shiney. "Women at the Center of Climate Friendly Approaches to Agriculture and Water Use." Institute for Agriculture and Trade Policy, February 2011. Accessed January 23, 2013.
http://www.iatp.org/files/451_2_107914.pdf.

Report on a National Process:

USDA National Commission on Small Farms. *A Time to Act*. Washington, D.C.: United States Department of Agriculture National Commission on Small Farms, 1998. Accessed January 23, 2013.
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