



salsa
small farms
small food businesses and
sustainable food security

28.06.2019

Deliverable 5.3

PRACTICE BRIEF: FORMS OF SMALL FARMS AND SMALL FOOD BUSINESSES CONTRIBUTING TO FOOD AVAILABILITY, ACCESS, UTILISATION, AND STABILITY

WORK PACKAGE 5 ANALYSIS OF THE GOVERNANCE OF SMALL FARMS AND FOOD CHAINS



This project has received funding from the European Union's
Horizon 2020 research and innovation programme under
grant agreement No 677363

Prepared under contract from the European Commission
Project number: 677363
Collaborative project
Horizon2020

Project acronym SALSA
Project full title Small Farms, Small Food Businesses and Sustainable Food Security

Duration April 2016 – March 2020
Coordinating organisation Universidade de Évora (UEvora)
Project coordinator Teresa Pinto-Correia
Project website: www.salsa.uevora.pt

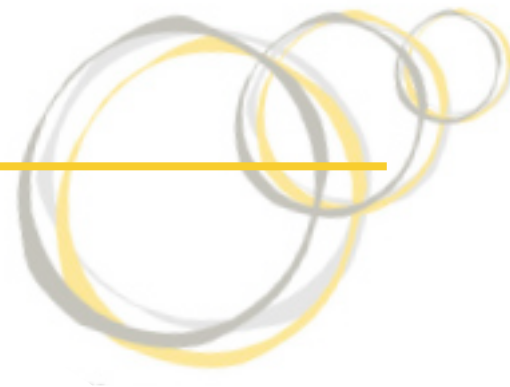
Deliverable title THE ROLE OF GOVERNANCE IN ENABLING DIFFERENT TYPES OF SMALL FARMS AND RELATED FOOD BUSINESSES: LESSONS FROM EUROPE AND AFRICA

Deliverable number 5.3
Responsible work package 5
Authors Vanessa Burns, Lee-Ann Sutherland, Rowan Ellis, Pedro Cerrada Serra, Laura Arnalte Mur, Dioni Ortiz Miranda



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 677363

Introduction to the Deliverable



Deliverable 5.3 is based on an internal report produced under Task 5.3 'Enabling governance frameworks' (UPV team), and Task 5.4 'Governance Framework analysis'. Task 5.3 provided further analysis of 3 governance forms that were identified in Deliverable 5.1. (The Governance of Small Farms and Small Food Businesses to support food and nutritional security) as most enabling small farms and small food business to contribute to food and nutrition security. These were: 1. Cooperative arrangements and associations; 2. State subsidies and financial assistance; and, 3. Climate adaptation frameworks.

As part of the analysis carried out in T5.3, researchers investigated evidence of these three governance forms in the Regional Reports on Foresight Analysis produced in Work Package 4., which had not been produced at the time of the D.5.1. delivery. They also revisited the Regional Workshop Reports produced in Work Package 3. to conduct further analysis of the three governance forms to identify a) additional information, and b) actions, practices, and models already evident in the three domains of governance.

Given the research findings of D.5.1., and the focus of T5.3 on '(a) collective action and availability (technological change, sustainable intensification and natural resources sustainable management); (b) collective action and access (self-provisioning and mutual food support, particularly in remote rural' areas) it made sense that T5.4 and D5.3 would follow from these findings to produce a practice brief that gave an overview of: 1. The 3 most enabling governance forms identified in D.5.1 and further analysed in T5.3 and 5.4; 2. Specific practices that were identified as successful under the three domains of governance; and, 3. Specific actions identified as needed to support the 3 domains of governance. This minor deviation from the relevant Tasks and Deliverable, as outlined in the Grant Agreement, was agreed with the project leader ahead of time.

The Practice Brief below is written for an audience of practitioners, it offers insights into policy gaps, the ways these impact practitioners, and issues within the three governance domains that might inform the lobbying activities of individual or cooperated practitioners.



The Role Of Governance In Enabling Different Types Of Small Farms And Related Food Businesses: Lessons From Europe And Africa



Authors: Vanessa Burns, Lee-Ann Sutherland, Rowan Ellis, Pedro Cerrada Serra, Laura Arnalte Mur, Dioni Ortiz Miranda

Overview

Most of the world's farms are classified as small (<2 hectares). Yet, small farm production is not well accounted for in future projections of global food production. The SALSA project investigates to what degree small farms (SF) and small food businesses (SFB) contribute to food and nutritional security (FNS), to better account for their role in the global food system.

SF and SFB are critical to food and nutrition security in developing economies, or where they make a significant contribution to household and community food consumption. Because of this, it is important to research what forms of governance or institutional support SF and SFB need. This practice brief gives an overview of the forms of governance that have been identified by practitioners in 30 reference regions across Europe and Africa as offering the best support for SF and SFB.

Why Are These Forms of Governance Important?

Reasons why these forms of governance are important vary across the regions studied. In the case of cooperatives, analysis shows that in regions where membership is high (>70%) small-holders benefit in a number of ways, such as collective bargaining. Analysis suggests that in areas where membership is less high (<70%) many small-holders would benefit if the means to establish and access cooperatives were supported. Subsidies and financial support are a widely supportive governance form and analysis shows that small-holders would benefit from higher levels of uptake. Adaptation to environmental change was of high concern to stakeholders. This governance form is highlighted due to the lack of governance to support adaptation, and the urgency to establish frameworks that address the needs of SF and SFB.

What Forms of Governance were Identified?

Data collected from stakeholders shows that there are 3 forms of governance that stand out as particularly important for SF and SFB. These were identified via analysis of all data relating to governance or institutional support either current or needed.

3 Governance Forms

- Cooperative arrangements
- State subsidies and financial support
- Climate change adaptation frameworks

Key Messages

- Cooperative participation should be cultivated through knowledge sharing programs
- Administrative processes should be simplified to support subsidy uptake
- National climate adaptation frameworks should account for the needs of SF and SFB at the local and regional level
- Practitioners should learn from practices developed in response to environmental change to inform their own strategies



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 677363

Cooperative Arrangements

Data shows that cooperative (formal) and collective (unformal) arrangements are of central importance to SF and SFB. These arrangements aid SF and SFB in production, market access, and in some cases the processing of agricultural products. Research found that where cooperative participation was low, this was largely attributed to lack of access to cooperatives. Yet, low participation in some regions was also attributed to the associating of formal cooperatives with communist and fascist regimes (e.g. Poland and Latvia). Researchers also found in the majority of cases that where SF and SFB have successfully applied for subsidies or financial support, cooperative participation was lower in those regions.

Low participation in Coops is attributed to:

- Lack of access to Coops
- Use of subsidies and other financial support

Table 1. highlights the key factors identified as contributing to successful cooperative ventures. These factors better enabled access to cooperatives, innovation, and the stability and longevity of cooperative arrangements. The success of cooperatives may also rest on factors such as the presence of historically continuous markets and high levels of succession (where younger family members inherit and continue the farm or business). The presence of these factors should be considered in future assessments of cooperatives and their likely success.

Table 1: Factors contributing to successful cooperative models

Type	Regions
Investment in direct sales	Portugal
Good management	Spain
Stable purchase prices	Spain
Trust building	Spain
Shared challenges	Romania
Large cooperative processing enterprises	Greece
Land reclamation	Spain, Kenya
Common lamb grazing	Portugal
Access to market and common assets	Romania
Research participation	Romania
Market access and education	Italy
Multi-actor networks	Spain
Historically continuous food markets	Spain, Italy, Portugal
High succession rates	n/a

Regions in Spain had particularly successful cooperative models, with high levels of participation. For this reason, 3 cooperatives from Spain are highlighted to demonstrate why they are successful, and to show different ways in which the factors identified in Table 1. contribute to their success.

Successful Coop Examples

- The Cooperative of Viver
- COVAP Córdoba
- The Cooperative of Benaguacil



Cooperative of Viver: Agro-Food

Originally established in 1990 as an olive coop. Viver later diversified at three levels: (i) cultivation of additional products (ii) improved quality of products through a private scheme and (iii) new services including insurance, advisory services, and small food outlets. The key to the success of the business model has been good management, including a growing technical body made up of members and the elected board.



COVAP Córdoba: Resilience to Shock

COVAP offers stability of purchase prices for dairy farmers. The cooperative designed a price system for members that offers a fixed base-price and quality premiums. In the milk quota crisis, this price system ensured a minimum level of income for members and ensured many SF's survival.

Cooperative of Benaguacil: Common Land Management

In recent decades, land abandonment has risen amongst citrus farmers in Castellon as a result of poor market and regulatory conditions. Several bottom-up initiatives have recently emerged with the aim of responding to this challenge. The concept is based on collective land management of abandoned plots, asking landowners for a long-term transfer of land use rights to the cooperative. These newly cultivated plots take advantage of economies of scale, often introducing new citrus varieties in line with market demand. Recently, a new land consolidation act gave legal coverage to these initiatives. Community awareness and trust building processes are crucial to the successful implementation of these type of initiatives.

Summary

Based on research results, researchers highlight four principles from Spanish examples that underpin the success of formal cooperatives in the above regions. Researchers suggest these could be used to develop and improve/inform cooperative and collective arrangements among SF and SFB. Researchers also suggest that practitioners consider the success of land abandonment initiatives (e.g. land matching services for new entrants). Lastly, researchers recommend knowledge sharing between regions of high participation in cooperative arrangements, such as Spain, and regions of low participation such as Portugal, Latvia, Romania and Poland.

Four Key Principles

- Ensure stability of purchase prices
- Diversify products
- Ensure good management
- Build trust with members



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 677363

State Subsidies and Financial Support

Research found that state subsidies and financial support better enabled SF and SFB to contribute to the food system in their regions. This was true across the full range of subsidies evidenced in the data, and across all regions that participated in the research. Data also showed that when SF and SFB have access to, and make use of, state subsidies and financial support they are less reliant on other forms of assistance. This suggests that successful forms of state subsidies and financial support are a central factor influencing the ability of SF and SFB to contribute to FNS. It also suggests that other forms of support are more likely to be needed where there is a lack of access to state subsidies and financial support. Researchers have highlighted the subsidies or forms of assistance that were particularly successful in supporting SF and SFB in Table 3.

Table 3. Successful examples of Subsidy and Assistance

Type	Regions
Regional development	Romania
Direct payments	Poland, Norway
State subsidy	Norway
CAP, especially Pillar II investment aids	Greece
Subsidy for heritage breeds/niche products	Norway
Planting for Food and Jobs	Ghana
Seeds, fertilizers, tractors	Kenya

Table 4. shows the areas of support in need of state subsidies and financial assistance, and the regions where these were identified. A comparison of Table 3. and 4. shows areas of subsidy or support that have been successful in some regions are identified as needed in others. For example, Norway has a successful subsidy programme that supports the production of heritage breeds,

whereas Spain and Poland identify the need for financial assistance to produce native breeds and plant varieties. This example shows the potential value of knowledge sharing between regions. The demand for farm advisory services shown in Table 4. also indicates that subsidies and financial support exist, but that support in navigating the application processes is needed. This is consistent with data in Table 5. (Actions Needed) where all actions identified by SF and SFB are concerned with bureaucratic processes.

Table 4. Areas in need of financial support

Type	Regions
Farm Advisory Service	Ghana, Kenya, Malawi, Greece, Portugal
Training for SFB	Cabo Verde, Greece, Malawi, Portugal, United Kingdom
Technology	Ghana, Kenya
Native breeds and plant varieties	Poland, Spain
Infrastructure, services, and facilities	Kenya, United Kingdom, Latvia, Malawi, Romania
Development and continuity of markets	Ghana, United Kingdom, Spain, Latvia, Greece, Kenya, Poland, Portugal, Romania
Farm/non-farm start-ups	Romania
Access to credit	Latvia, Poland, Ghana, Malawi
Payment for Ecosystem services schemes	Poland, Portugal, Spain, United Kingdom, Latvia
Education	Poland, Portugal, Spain, Romania, United Kingdom



Table 5. Actions needed

Type	Regions
De-bureaucratisation of support for SF and SFB	Portugal, Spain
Expedition of subsidy processing	Italy, Spain, Ghana
Better payment control	Spain
Changes to criteria for Direct Payments	Poland, United Kingdom, Romania
Facilitation of access for SF and SFB	Kenya, United Kingdom

Summary

In summary, analysis shows some broad areas for policy action that could be supported by practitioners and cooperatives in their lobbying efforts. Many regions highlighted the burden of taxes on SF and SFB. Others pointed to the need for trade barriers to protect local and niche food products. There is also the need for more defined regulations effecting SF and SFB, including local food policies. Lastly, there was high concern over the lack of policy to address adaptation to environmental change, such as drought and flood. Of concern was the lack of farm advisory services, state subsidy, and financial assistance to assist in building adaptation strategies for SF and SFB. This is discussed further below.

Summary of Recommendations

- More favourable tax environment (Greece, Latvia, Romania, Portugal, Spain)
- Trade barriers to protect local food products (Poland, United Kingdom, Greece)
- A financially facilitated, defined, and sustainability-based local food policy (Italy)
- Formalised control of SFB's activities (Cabo Verde, Latvia, Portugal)
- Adapted control of regulations for SFB (Spain)
- Climate change adaptation frameworks



Climate Adaptation Frameworks



Research identified climate change adaptation as an important gap in governance of small farms across regions. This is largely because a) adaptation to climate change is poorly conceived and implemented in the agricultural sector in Europe, and b) national adaptation strategies in the European and African regions are not scaled down to address the needs of local SF and SFB. Results show that while SF and SFB show some levels of resilience to environmental change as a group, individual SF and SFB have very low levels of resilience to the impacts of climate change. Yet, research shows that SF and SFB do also adapt to environmental change in innovative ways and over relatively short periods of time. This suggests that governance frameworks to support local level adaptation would benefit from local consultation with practitioners to better understand local land-use. Table 6. Gives a number of examples showing successful adaptation strategies. These were concentrated in a small number of regions, which is symptomatic of the gap in governance. Table 7. gives an overview of the areas of support needed to enable SF and SFB to adapt to environmental change in particular regions.

Table 6. Successful Local Adaptation Practices

Type	Regions
Rapid diversification	United Kingdom
Some diversification	Poland
Introduction of climate change resilient crops	Kenya, Greece, Spain
Micro-irrigation projects	Kenya
Adaptive land use	Kenya
Exploitation of market shortages	Kenya

Table 7. Local Adaptation Needs

Type	Regions
Research and development into the adaptation needs of SF and SFB	Greece, Portugal, Spain, Malawi, Romania, United Kingdom, Ghana, Kenya, Norway
Farm advisory systems to advise SF and SFB on how to prepare for and adapt to environmental change	Kenya, Malawi, United Kingdom, Cabo Verde, Latvia, Portugal
Adaptation to changing market demands and opportunities	Poland, Spain, Romania, United Kingdom, Norway
Support adapting to new pests and diseases	Italy



Adaptation to environmental change was of high concern mainly in regions where farmers were already recognising rainfall and temperature anomalies (Ghana, Cabo Verde, Kenya, Greece, Spain, Italy). Research also showed that adaptation was a concern for a broader diversity of regions when considered as a future challenge (Table 7.). There are, however, only a small number of reference regions in which adaptive practices are evident (Table 6.). Water management was the overall greatest concern. Rainfall anomalies, including drought and flood events, are interrupting planting and harvesting practices. This is especially difficult for traditional subsistence type farms. Regions in low latitude and semi-arid regions are already experiencing more acute effects of climate change (Kenya, Ghana, Cabo Verde, Italy, Portugal, Spain). There are opportunities for knowledge sharing of successful adaptive strategies between these regions, and those regions where adaptation is still only evident as a future concern.

Summary

- Management of drought and flood events is the key concern for SFs
- National adaptation frameworks need to scale down to address the needs of SF and SFB
- All regions should be developing adaptive strategies as a matter of urgency
- Practitioners could learn from the adaptive strategies of SF in low/high latitude regions where the effects of climate change are more progressed



Contact for further information

[Vanessa Burns](#) +44 1224 395 287 Vanessa.Burns@hutton.ac.uk

[Lee-Ann Sutherland](#) +44 1224 395 285 Lee-Ann.Sutherland@hutton.ac.uk

Please reference this document as Burns and Sutherland et al. (2019).



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 677363