



CONFERENCIA GLOBAL
Agricultura familiar en
el centro de los sistemas
alimentarios sostenibles

CONFÉRENCE GLOBALE
L'agriculture familiale
au cœur des systèmes
alimentaires durables

GLOBAL CONFERENCE
Family farming at
the core of Sustainable
Food Systems

REFERENCE DOCUMENT

PANEL 2

**PROMOTING INCLUSIVE VALUE CHAINS
AND MARKET ACCESS FOR FAMILY FARMERS**

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PANEL 2 PRESENTATION



In the framework of the sustainable and resilience food systems, the Decade of Family Farming 2019–2028 offers the international community an extraordinary umbrella to achieve positive change in food systems: the UNDF Global Action Plan—built upon a wide consensus, provides a series of comprehensive actions, from the global to the local levels, to address the challenges and unleash the unique potential of family farming. The Global Conference on Family Farming and Food Systems will seek to scale up the implementation of the UNDF 2019–2028 towards more sustainable, resilient, inclusive, and viable food systems, and the achievement of the SDGs.

Various exchange sessions will be organised throughout the Conference, including three thematic panels. In this case, Panel 2 deals with promoting inclusive value-chains and market access for family farmers.

This panel aims to present and discuss how to create and distribute value among family farmers along food value chains that ensure the leadership of family farming in the shift towards sustainable, resilient, inclusive and viable food system. How to boost the access to different markets will be examined in terms of the opportunities to be enhanced.

The contents of the other two thematic panels (Panel 1: Enhancing sustainable production of diversified, safe, and nutritious food by family farmers and its contribution to sustainable livelihoods; and Panel 3: Public policies to increase the participation of family farming in the food systems), as well as the cross-cutting themes of the Conference (i) Gender equity and the leadership of rural women; ii) resilience and adaptation to climate change; iii) secure and improved family farmers' livelihoods; iv) inclusiveness, participation and strengthening of family farming organizations; and v) support youth and ensure generational sustainability) have been taken into account in the preparation of this reference document. This reference paper has been prepared by the Advisory Thematic Committee for Panel 2, made up of:

Facilitation:

- **Ms. Marlene D. Ramirez**, Secretary General. AsiaDHRRA

Members:

- **Ms. Marie Hur**, Mission Coordinator. Inter-réseaux. Burkina Fasso
- **Mr. Carlos Mermot**, Coordinator PDRT. FIDA Mercosur ClaeH Program. COPROFAM
- **Ms. Rose Pélagie Masso**, Deputy National Coordinator. REFACOF.
- **Mr. Gabriel Trenzado**, Technical Director. Cooperativas Agroalimentarias. Spain

And supported by **Ms. Laura Lorenzo** World Rural Forum Director

BRIEF ANALYSIS OF THE CURRENT SITUATION



Challenges that Family Farmers Face

As far as family farmers are diverse, the markets that they operate in are diverse, depending on the specific context: local markets, local fairs, wholesalers and wholesalers that distribute nationally, public and institutional procurement markets, among others.

Globally more than 80% of smallholders operate in local and domestic food markets. These highly diverse markets, in which most of the food consumed in the world transits, can range from local to transboundary to regional and may be located in rural, peri-urban or urban contexts or span these contexts, and are directly linked to local, national, and/or regional food systems. This means that the food concerned is produced, processed, and traded within these systems.

Most family farmers experience low productivity and profitability, poor access to markets and low incomes. Many family farmers do not own the land they cultivate, and even if they have ownership, they do not have the required capital, technological

know-how and access to agricultural services and to markets needed to make their lands productive and to earn decent incomes. Very often they have not the capacities and the resources to compete with imported products and their production is very linked with some crops and consequently they are very exposed to market price variability and climate change effects making family farmers vulnerable to economic and climate shocks.

One common challenge is the low generation of added value and the lack of participation in inclusive value chains. The value adding processes can help to create employment and contribute to local, social and economic development when the benefits of value addition circulate within the local, national and regional systems. Constraints for women family farmers in accessing markets emerge, amongst others, as a result of time constraints, the frequent concentration of women's labour on subsistence production, disproportionate responsibility for unpaid work, unequal access to and benefit from productive assets, technology, finance, education and relevant services.

Young family farmers can face constraints in accessing markets as a result of lack of financial resources, economic dimension, skills, and capacities. Investing in youth in family farming and their access to market infrastructure is key to providing successful and viable livelihoods for all future generations.





PROPOSALS FOR ADDRESSING THESE CHALLENGES

Addressing these Challenges

Over the years, various efforts have been initiated to address these challenges related to inclusive value chains and access to markets. Nevertheless there is a need to expand or extend different initiatives and to promote enabling and inclusive market environments that contribute to provide reliable access to markets for family farmers and to ensure family farmers are taking part in inclusive value chains, so their production is profitable and they are able to generate family incomes that offer a future in farming for their children. Different measures have been identified and should be strengthened to ensure family farmers are playing a protagonist role in resilient, viable and inclusive sustainable food system.

Promoting enabling market environment will allow family farmers to access and expand fair, inclusive, and equitable food markets from local to regional levels and improve the negotiation capacities and positions of family farmers across the markets. These include regulations, subsidies, and other trade and investment rules and norms.

Inclusive agricultural value chains means that equitable benefits for all actors in the value chain, especially for the family farmers, as well as mutually beneficial relationships among them, are ensured. By promoting quality schemes, adding value to agricultural products, access to local markets and short supply circuits, family farmers will be able to unleash their potential towards the addressing of SDG Agenda.

Eight Areas of Action have been identified and to be promoted:

1. Building partnerships between family farmers and consumers.

In order to contribute to the transformation of food systems with a protagonist role of family farmers it is important to enhance family farmers' capacities so their product offer (type, quantity, quality, presentation, authorisations, certifications, etc.) meets the consumers' needs. These needs will differ from one territory to another, and from one type of consumers to another, but building this dialogue and making this connection will be necessary to strengthen family farmers.

The consumers should be informed and recognize the social, health and environmental costs and benefits associated with different types of food production and marketing. Connecting precisely the local market with the value given by the consumer is key in the valorisation of the product. The different strategies include market information and linkages, trade fairs, certification, labelling and fair-trade mechanisms, and producer-consumer linkages. Along this, the differentiation of products of family farmers and outreaching the different attributes and additional qualities linked to family farmers is another important strategy to support.

Regulatory frameworks that improve market transparency and monitoring of contractual agreements will empower family farmers.

2. Promoting the access to different markets, including family farmers specialized market

Although family farmers potentially have access to different markets, local and regional markets should be promoted in order to ensure the sustainability of family farming and the resilience of local food systems.

Institutional procurement programmes offer key opportunities to address both the demand for nutritious, healthy, and culturally appropriate food and the supply

carried out by family farmers, and will ensure predictable income for family farmers and facilitate them to plan and diversify production.

With the travel restrictions brought about by the COVID-19 pandemic, farmers' capacity in and access to online marketing platforms and digital innovations have also become important.

3. Promoting the generation of added value in the family farmers productions

The value of a product or service can be increased at different stages of its production or delivery by the addition of features for which consumers are willing to pay more.

The activities that should be supported include basic processing such as drying, roasting and decorticating to more advanced processing such as preparing finished products (e.g., food, drinks and oil). Partnership could be around improving facilities for storage, processing, conditioning, and packaging.

The development of small-scale agri-food processing in rural and peri-urban areas is a major challenge for the empowerment of women in different contexts.

4. Promoting the organization of farmers into cooperatives

Promoting cooperatives and similar organizations, that allow family farmers to develop small agroindustry brings to family farmers the possibility to move up the value chain by processing their products, produce added value, contribute to market access, increase the profitability of production and contribute to local employment.

The organization of farmers into cooperatives and similar organizations, allow farmers to aggregate their outputs, reduce transaction costs, transform their production and commercialize it through different channels. Their negotiation position will be reinforced, the risks shared and the competitiveness improved. As they develop relationships and professionalize their agri-enterprises, farmers can better

negotiate with buyers, government entities and supply-chain service providers to achieve greater sustainability, including better conditions for them to scale up.

5. Ensuring access to infrastructures and services

The access to markets should be ensured by the development of adequate infrastructures (roads, markets, etc.). This includes support for local markets, even informal markets, where most food is produced, by providing financing mechanisms in collaboration with municipalities, local authorities, and the private sector to fund necessary infrastructure and services.

Ensuring the access of family farmers to post-harvest management, development of proximity storage infrastructures and other facilities and equipment are other important areas of intervention.

Support for affordable mechanisms for smallholders' access to useful, timely and transparent market and price information through Information and Communication Technologies and the improvement of the services provided by family farmers organizations and cooperatives in this sense is very important.

In order that all the family farmers can benefit from the opportunity of online marketing platforms, it is necessary to ensure their access to communication technologies and adequate energy supply.

6. Efficiency Enhancement, Farm Diversification and Sustainable Agriculture

Different policies and programs aimed at enhancing sustainable farm productivity and diversification should be promoted, ensuring that production addresses consumers' needs.

The different public policies and programs should promote the diversified production systems that mitigate family farmers' exposure to climate and market shocks (quantity requirements and/or low prices).

7. Agri-financing

Providing tax incentives, accessible and affordable credit and other financing for agricultural production, processing and marketing are also important. Government financial institutions, savings and credit co-operatives, micro-finance NGOs, self-help groups and savings mechanisms and private credit providers could respond to this requirement.

There is also need for innovative mechanisms that could be adapted to leverage sources from both public and private capital supportive of family farmers in times of disaster such as the Covid19 pandemic. Alternative investment/finance and linking of financial institutions with family farmers will significantly increase flow of capital to smallholder businesses incapacitated by the impacts of the pandemic.

8. Organizing and Partnership Building (Value-chain Governance)

An essential accompanying program to all of these is organizing and strengthening of farmers' organizations and the provision of outreach and advisory services of family farmers organizations aimed at strengthening technical, organizational and negotiation skills of family farmers.

Family farmers organizations, agri-cooperatives and other private sector, government, and development partners have key roles to play, but equally important is the building of effective partnerships among them to address problems in various localities/areas and for various cross-border, territorial, and/or thematic concerns (e.g. financing and ICT for inclusive value chains, strengthening family farmers organizations and agri-cooperatives). Experience has also shown that multi-sectoral partnerships to support family farmers are crucial. Partnerships throughout the value chain should result to fair and equitable business relationship among the all actors.