



SAFEGUARDING THE AFRICAN SMALLHOLDER

WHO IS THE SMALLHOLDER?

Ask twenty people and you will get twenty different answers to the questions 'Who is the African smallholder?' And more than likely all twenty answers will be correct.

The fact is that the African smallholder is as varied and complex as the British weather or EU farming subsidies. The smallholder, who exists not only in Africa but all over the world, is farming land of less than a half hectare and land of many hectares. The smallholder is sometimes farming his own land and sometimes land rented from others or owned communally by a clan or tribe. The smallholder is as likely to be a She as a He.

Smallholder production systems are as complicated as the societies within which they exist. But as a rule of thumb, smallholders use their own labour and that of their families, with hired labour only used during peak periods (e.g. planting and harvesting). Smallholder farms tend to be labour intensive with little mechanisation. Crops are grown sometimes for cash and sometimes for domestic consumption.

SMALLHOLDERS AND EXPORTS

Smallholders are active in all sectors of agriculture. Their only constraint is the agro-ecosystem; not the type of crop. In Africa, smallholders are responsible for the staple foods of most of the population, and are often market traders as well as farmers.

But these are not the only markets smallholders supply. Anyone in Britain who has eaten a chocolate bar in the last hundred years has tasted cocoa grown on smallholder farms in Ghana. Coffee is often a smallholder crop (e.g. Kenya and Tanzania). Smallholders have been competing with plantations in the rubber market since the last century (e.g. Nigeria). The bulk of Uganda's cotton comes from smallholder farms, and in Nigeria and Ghana smallholders have entered into the burgeoning oil palm market.

These non-perishable commodities favour smallholders who often live in areas with poor transport and other infrastructure facilities. At least 30% of Kenya's vegetable exports are produced by small and medium-sized growers, and there are also at least 4,000 smallholders producing cut flowers. Zimbabwe's booming export horticulture sector is increasingly expanding to include smallholders. Even in Ghana, where smallholders tend to concentrate on traditional exports such as cocoa, some small farmers are producing for the horticulture export market (e.g. pineapples, chilli pepper and Asian vegetables).

THE STRENGTHS OF SMALLHOLDERS

The greatest strength of smallholders is their sheer number. Smallholders make up the vast majority of African farmers, and account for the bulk of Africa's agricultural production. As new export opportunities for African agriculture open up, it would be strange if smallholders could not continue to take advantage.

Sustainability

Smallholder farming systems are complex, reflecting the ecological and cultural diversity of the African continent. That they have survived political upheaval, population growth and climatic change, and responded to market boom and bust is evidence of smallholder resilience and adaptability. Many claim that the smallholder production systems are friendlier to the environment than commercial farming, and the recent commitment by major confectionery companies to invest in smallholder cocoa because it is seen as more sustainable than plantation cocoa supports this.

Political expedience

In African countries where land reform is high on the agenda, support to smallholders is one way that commercial farmers can show that they are helping the country as a whole. This is probably one reason why large South African, Zimbabwean and Kenyan growers are increasingly working with smallholders.

Food security

There is a debate (unfortunately based on insufficient data) about whether smallholder participation in export trade benefits African countries. Smallholders earn more from exports than from comparable domestic opportunities, but if land is cultivated with export crops does this threaten local food availability? There is no hard evidence that farmers producing for export has been a direct cause of higher domestic prices or food shortages. However, there is some evidence that farmers, particularly men, plant export crops to the exclusion of food crops for their own consumption, and in some instances although incomes have increased, the welfare of family members, particularly women and children, has suffered.

Yet the strength of smallholders is that taken as a whole they continue to produce for both export and domestic markets, and because they often diversify their crops they continue to provide food for the domestic market even if a particular crop is damaged by disease or drought.

THE PROBLEM WITH SMALLHOLDERS

QUALITY

There is a common perception that smallholders cannot meet the stringent quality requirements of the export market. This is a perception that needs questioning. Smallholders have consistently over a long period of time produced as good if not better quality coffee and cocoa than plantations.

However, some smallholder horticultural producers have experienced difficulties in meeting the standards set by overseas' markets. In part this is because the crop is often alien or where it is indigenous the requirements of overseas markets are very different to local ones. Take, for instance, pineapples where the local consumer wants a large sweet pineapple to feed a large African family, but the European market wants a small pineapple that looks good rather than tastes good. In such cases it is not just that smallholders have to learn what European tastes are, but that the smallholder needs to consider what will sell on the local market if the man from Del Monte or wherever says No.

Smallholders also have poor access to extension services and therefore the knowledge necessary to improve their product. Time and again studies show that what extension services exist are geared up to serve commercial farms not small producers. Moreover, extension services in Africa are typically production rather than post-harvest oriented, with the result that smallholders often cannot obtain information about cosmetic requirements and how to meet them.

INFRASTRUCTURE

Smallholder quality in horticulture is further affected by bad roads, lack of cold storage and poor telecommunications. Buyers promise to turn up on a Tuesday, the farmer harvests her snow peas. Come Tuesday and the buyer fails to show - the wooden bridge between the town and the village has been washed away. There is no phone line to the village and no cold store to put the peas in. As a result, the peas sit by the roadside providing a free feast for goats and flies; the farmer curses the buyer and the buyer cannot make up enough palettes to get cargo space.

MARKETING AND CREDIT

The tensions between farmer and buyer are historical and strong. The fairtrade approach to trade is based on the premise that farmers are exploited by avaricious middle-men. This is not a universal truth, and there are many studies that show the real risks local traders take and their relatively low profit margins.

Nonetheless, marketing remains a problem for the smallholder. The quantities of any one smallholder are typically too low to be attractive to overseas buyers. Some local buyers bulk up using product from a large number of small producers. Some smallholders form themselves into co-operatives or other forms of farmer association which then take responsibility for marketing.

In Africa, many co-operatives were set up by government and have subsequently fallen victims to mismanagement and structural adjustment. Not only has the demise of such co-operatives affected smallholder access to markets, it has also cut them off from credit facilities. Now, fairtrade organisations are encouraging new co-operatives, and international development agencies are taking a fresh look at the potential of such associations. Credit for micro-enterprise using the type of model originating in Bangladesh is now being channelled through these associations, although the success record in Africa has not been consistent.

LAND TENURE

The most common smallholder complaints are access to markets, access to credit and access to land. Land tenure in Africa is complicated with traditional tenure systems continuing to thrive alongside the Western systems introduced during the colonial period. Many smallholders do not own land in the Western sense, but rather gain access to tribal land or rent from others. In neither case can they use land as collateral to obtain credit, and where rights are granted only for a limited number of harvests this restricts the types of crop that can be grown (e.g. annual crops such as ginger rather than perennial crops such as fruit).

In recent months, the Western press has highlighted the redistribution of large farms amongst smallholders in Zimbabwe. But it is more common to find smallholder land rights under threat, with commercial farm-owners for instance using their political

influence to have small farmers evicted. It is an irony that as ethical trade grows, existing ethical standards (including fairtrade) make no mention of the fair and just acquisition of land on which the ethically traded product is grown.

Men have the strongest claim to land in most African countries. But women often have rights to use the land, and historically have been the major growers of vegetables. However, in countries such as The Gambia, Ghana and Kenya there is strong evidence that once horticultural products become commercialised, it is men that take over control of production and the resultant incomes. For many years, international development programmes have sought to increase the income generating opportunities of women because that is more likely to lead to improvements in overall family welfare. As things stand, the male-dominated export sectors tend to hinder rather than strengthen women's position in the African household, although it is misleading to make generalised statements about this culturally diverse region.

ETHICAL TRADE - SAFEGUARD OR TROJAN HORSE?

Ethical trade is widely seen as being of benefit to smallholders. Fairtrade mostly targets the small producer and promises a better return to him or her from selling to overseas markets. The growth in organic produce might also benefit smallholders because many argue that organic production is more suited to small farms than large commercial operations. The mainstream importers, ripeners and retailers, after initial hesitance about smallholders because of quality, quantity and reliability reasons, are now giving more serious consideration to sourcing smallholder produce in line with the spirit of their commitment to ethical sourcing.

Yet ethical trade may not be the boon to the smallholder that many, including the public, expect. There are various reasons for this:

Inappropriate standards

The social and environmental standards used in ethical trade have to date paid little attention to the specific conditions of smallholder production. The International Labour Organisation conventions that form the base of social codes of practice were never intended to apply to smallholder farmers where family labour, casual hired labour and contract managers are the norm. The UN Convention on the Rights of the Child, if enforced to the letter, would be a disaster for many smallholders for whom their own children are an integral part of the workforce.

There is contradictory evidence about whether smallholders are able to meet environmental standards. Some argue that smallholder production is more sustainable than large-scale agriculture, and that smallholders cannot afford the level of chemical inputs that are considered threatening to the environment. Others point out that resettled smallholders in Zimbabwe have degraded agricultural land, and that in Ghana, for instance, small pineapple producers use more chemicals per hectare than large commercial farms.

What is clear is that with very few exceptions, smallholders have not been consulted in the process of developing ethical standards.

Traceability

Codes of practice and auditable standards are the main instrument for implementing ethical trade. Based on Western auditing techniques, they typically involve long paper chains and require that buyers be able to identify from where and under what conditions the product was produced. Consequently, for reasons of cost, time and security, buyers adhering to these standards prefer to deal with a small number of large growers. Where they continue to source from smallholders, farmers' literacy levels often mean the buyers have to tend to the administration themselves.

Cost

Monitoring and verifying standards is a cost that must be borne by somebody in the value chain. To date, this cost has largely been met by buyers or international donors, but as ethical trade grows there are increasing attempts to transfer this cost to growers. With figures of about £10,000 not being extraordinarily high for auditing, questions arise as to how smallholders can afford this. Collective auditing of co-operative members is one solution to this, but that in turn raises questions about reliability if several hundred farms are involved.

Big Smallholder, Small Smallholder

Some ethical trade initiatives are prepared to invest in working with smallholders despite the alleged extra costs, as witnessed by fairtrade products and some organic buyers. Yet even here it would be mistaken to assume that all smallholders are being treated equally. Some smallholders are larger than others, and fairtrade cocoa from Ghana, for instance, appears to be sourced from some of the wealthiest farmers in the country. Organic buyers source from any farm that has been certified according to organic standards, and to justify the cost of certification this often means dealing with relatively large smallholders.

THE KEY TO ETHICAL TRADE FOR SMALLHOLDERS

Safeguarding the smallholder implies that the smallholder in some way needs protecting, to receive dispensations, to be cosseted. This approach was sometimes used in the past when smallholders received subsidised inputs and prices. Today, smallholders do not need a cell to lock themselves away from the realities of the market. Rather, they need a key to enable them to find ways of competing in this market. Although they require assistance to learn how to compete, they do not need hand-holding, and they certainly do not need arm-twisting to become engaged.

Ethical trade in some ways offers smallholders the key they need, but in its present forms it will not deliver all that it promises. Some smallholders are being excluded because of the way ethical trade is implemented, and some will remain excluded no matter what changes are made. This is not necessarily a bad thing as export markets will only ever be an option for the minority. But in developing ethical trade we have a duty to understand how as many smallholders as possible can obtain the key, and take decisions based not on preconceptions of what smallholders can or cannot achieve, but on what they show they can do.