

Influencing Smallholders in Relation to Industrial Agriculture and Conservation

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Introduction

The past five to ten years have seen the massive growth of ethical and sustainable trade in European markets, greater regulation on food safety and the emergence of a mainstream market for organic produce. The latest figures show that demand for ethical consumer goods and services in the UK has reached £47.2 billion and small-scale green energy is booming, with sales of green home products reaching £8.4 billion (Cooperative Group, 2012).

Retailers place varying degrees of emphasis on the ethics behind their labels to differentiate their products and communicate their credentials to consumers. Sainsbury's, for example, sets itself apart through its 'So organic' range, while Tesco uses the Ethical Trading Initiative Base Code and its Nurture accreditation scheme to grade the social and environmental performance of horticultural supply chains and develop preferred supplier lists (ETI, n.d.; Sainsbury's, n.d.; Tesco, n.d.). Meanwhile, the markets continue to demand assurance of compliance through certification schemes such as the Rainforest Alliance, Fairtrade and GLOBAL G.A.P. to reduce the environmental and social risks associated with their brands.

The result is an increasing number of standards that smallholders have to meet in order to continue to trade. Given this growing trend towards certified produce, why does deforestation continue?

The Impact of Cooperatives and Industry on Smallholders

The main challenges facing farmers are the rise in input costs and concerns about the effects of farming on the environment—most notably biodiversity, specifically through the use of freshwater resources and emissions of greenhouse gases due to deforestation. As a result, retailers and manufacturers of brands are beginning to fine-tune their relationships with suppliers; in particular, they are measuring sustainable farming practices through performance indicators, thereby starting their journey towards mitigating the social and environmental impact of their supply chains. In the UK, some of this data is now gathered through the Supplier Ethical Data Exchange (Sedex), which brings together social and environmental information on global supply chains (Sedex, 2012, pp. 72–4).

Despite greater reported levels of ethical trading, however, many smallholders still lack the knowledge and capacity they need to realise the full value of what they grow and to secure greater value from the supply chain. Smallholders lack access to secure trading relationships as well as relevant, affordable and timely information on agribusiness issues, especially in relation to export markets. These limitations make it difficult for these producers to understand what is

expected in terms of quality, volumes, timelines for delivery, social and environmental standards, and even how the relationship with buyers will affect their business. Within commodities and horticultural export markets, farmers abandon their crops when the price is low and return to their cultivation when prices are high, resulting in erratic cultivation and ineffective farm management.

In addition, smallholder organisations face increasing social, economic and environmental challenges and remain ill-equipped to cope with them. Sub-division of land is a cultural artefact that has led to smaller and smaller land units, making it increasingly difficult for smallholders to earn a livelihood from growing cash crops.

Meanwhile, deforestation remains rampant. Accompanying dramatic population growth, livelihood insecurity and erratic supply chains is the clearing of new land for new crops. In this context, deforestation must be addressed in a dedicated fashion. There is no silver bullet to solve the problem, but it can be partly addressed through the following interventions in supply chains:

- First, by strengthening the dialogue between buyers and smallholders on environmental and social standards that need to be maintained, such as by sensitising and training smallholders on sustainable land management and the importance of forests and biodiversity.
- Second, by offering secure long-term trading relationships, marketing and supply chain training to smallholder organisations and establishing clear parameters on quality as well as environmental and social responsibilities.
- Third, by offering price incentives for conservation and reforestation measures.

Direct Dialogue: Shaping Smallholder Behaviour and Practice

In view of the challenges associated with climate change and food security—together with increased pressure on natural resources—buyers, exporters and certification schemes must urgently engage with hundreds of thousands of small farmers around the world on issues that affect their livelihoods. More than ever, retailers and brands need to enter into direct dialogue with the smallholders in their supply chains; the Food and Agriculture Organization of the United Nations estimates that these farmers account for 80% of agricultural activity in sub-Saharan Africa and Asia (FAO, 2012).

To facilitate this exchange, a small charity known as the Lorna Young Foundation (LYF) developed the Smallholder Support Network to address the training needs of smallholders on sustainable land management. The LYF focuses on encouraging exchange and facilitating access to information by establishing dialogue directly between buyers, conservation organisations, agricultural extension workers and smallholder communities through farmer field listening groups, radio broadcasting and text messages (aka SMS: short message service) (Agnew, 2013). In this way, they are delivering live, real-time updates on issues that affect smallholder crops and livelihoods. The LYF has established three programmes:

- Farmers' Gold Radio (*Dhahabu Ya Murimi*), which focuses on coffee, was set up in 2011 and reaches 4.5 million smallholders through radio broadcasting, text messages and multi-stakeholder groups in Kenya.
- Concentrating on cocoa, Money in the Farm (*Mali Shambani*) has been operating since 2013, reaching 1 million female smallholders through radio broadcasts, text messages and multi-stakeholder groups in North Kivu, in the Democratic Republic of Congo (DRC).

- The Ringtons tea company project aims to reach an audience of 500,000 in Rungwe, Tanzania, and specifically 16,000 smallholders belonging to the Rungwe Smallholders Tea Growers Association (LYF, n.d.).

The LYF uses a multi-pronged approach. Through the medium of African radio and text messaging, the charity reaches millions of poor smallholders with the information that they desperately need in order to manage their crops effectively, while ensuring that they are aware and sensitised to issues around deforestation. With certain crops, such as cocoa within the boundaries of Virunga National Park in North Kivu, the LYF has developed partnerships with local conservation bodies to set up tree nurseries in local communities where smallholders can access seedlings of indigenous trees and cocoa trees for replanting.

As a result of the programmes, an increasing number of women have been registering in cooperatives and greater support is being given to women who grow cash crops in small farming communities in North Kivu. There have also been changes in land management, through the planting of new coffee varieties, such as Batian in Kenya, and agroforestry crops and trees (cocoa and indigenous shade trees in the DRC) as well as improved agricultural practices supported by farmer field training (LYF, n.d.).

Enhancing Communications and Smallholder Practice

Healthy ecosystems provide services such as climate regulation, watershed protection and soil management. These services underpin agricultural supply chains and the livelihoods of agricultural smallholders and producer groups. Buyers can support smallholders to farm responsibly by offering a price incentive to support conservation and reforestation efforts. The emerging practice of payment for ecosystem services (PES) is a market-based approach to conservation, which can be quantified through carbon credits generated by reforestation projects. Such projects have been successful with reforestation and agroforestry models linked to cash crops (Plan Vivo, 2011). The approach is tailored to enable local farmers to move out of subsistence farming and into value-added crop production while generating carbon credits as a by-product.

This model is being implemented by Source Climate Change Coffee, an organic single-origin coffee that incentivizes small coffee farmers to protect primary forests. As today's only conservation-led coffee company, Source aims to protect the world's forests by helping customers to make direct payments for ecosystem services through reforestation carbon credits in ecological hotspots. It is the first coffee in the United Kingdom with its own carbon credit number and provides 100% traceability to the communities where the coffee is grown. The products are supported by the Plan Vivo Foundation, an independent standard that is specifically designed to incentivize smallholders and forest-user groups to provide ecosystem services. Source Climate Change Coffee was served at the Eye on Earth Summit in Abu Dhabi in December 2011 and at Rio +20 in 2012, as a practical example of how business can work through the supply chain to address climate change (Source Climate Change Coffee, n.d.).

Summary of Program Costs: LYF and Plan Vivo

Set-up costs for the **LYF radio extension program** were about £32,500; after the first year, the annual expenses for airtime and the radio presenter were £6,000. This budget covered a baseline assessment, the establishment of farmer field listening groups with cooperatives, training of presenters and agricultural extension and conservation staff, and programme management.

The set-up costs for individual **Plan Vivo programmes** are £35,000–£70,000, depending on the local infrastructure. Ideally, follow-up costs are covered by carbon finance, but this is work in progress under United Nations Reducing Emissions from Deforestation and Forest Degradation (REDD) schemes. Included in the expenses are the costs of scoping, project design, surveys, nursery support and seedlings, training materials, local trainers and coordination staff, technical development, qualification and support, assessment and monitoring, verification, and compliance certificates.

Abbreviations

DRC Democratic Republic of Congo
LYF Lorna Young Foundation

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