salsa
small farms
small food businesses and
sustainable food security

Policy Brief Overview

March 2020

The important role that small farms play in supporting rural livelihoods, conserving biodiversity and maintaining traditional landscapes, rural traditions and cultural heritage is widely accepted. Nevertheless, they are often under the radar of the agriculture policy mechanisms, which tend to focus on the very large farms and globally driven food chains.

The EU-funded SALSA project set out to examine a potentially important role of small farms – their contribution to food security. SALSA recognises the tremendous diversity of small farms and food systems in Europe and Africa, and pays particular attention to their vulnerability and resilience. Aiming to provide effective tools to guide decision-makers, SALSA uses a food systems perspective to go beyond production capacity and look at food security in terms food availability, access and control, utilisation, and stability.

Research was conducted in 30 regions (NUTS3 level) of 19 countries in Europe and Africa. The number of small farms varies from country to country, but in all the analysed regions, they were found to be strategic players in their regional food systems.

KEY POLICY MESSAGES

In the 30 regions studied by the SALSA project small farms are found to contribute to a large share of the overall regional production.

Policy interventions should be more territorially-based and take into account both the **characteristics of regional food systems** and the **different types of small farms** identified in the SALSA small farm typology.

Two over-riding policy recommendations of relevance to all regions/contexts studied are:

- Introduce appropriate combinations/ mixes of policy interventions to **help small farms add value to their produce** since they are more productive and profitable when they specialize in quality produce and processing. This may include support to some small farms that are mainly self-provisioning, but who have the **ambition to commercialise**. Small farms produce a great diversity of products and often produce different products for the market than for self-provisioning – both make important contributions to regional food security.
- Foster and facilitate **cooperation as the most enabling and empowering form of governance** for small farms and small food businesses. This includes the introduction of appropriate frameworks for value chain strategies/contracts that promote greater co-ordination and the more equitable distribution of power and financial benefit between small farmers and other supply chain actors.

SALSA is an EU Horizon 2020 project that set out to assess the current and future role of **small farms and related small food businesses** (suppliers, processors, distributors) in achieving sustainable Food and Nutrition Security (FNS). One important part of the project was identifying the necessary **enabling conditions** for small farms to help meet the growing demand for food in an increasingly populated and resource-constrained world.

SALSA studied small farms in **30 reference regions in 19 countries** - 25 regions (at the so-called NUTS3 level) in Europe and 5 regions in Africa.

The project focused on small farms with **up to 5 hectares of land** and an economic size of **up to 8 Economic Size Units** (equivalent to €9,600 of standard gross margin). The SALSA researchers also took account of the specific relationship between small farms and the associated farming family/ household, notably the importance of **self-provisioning**.

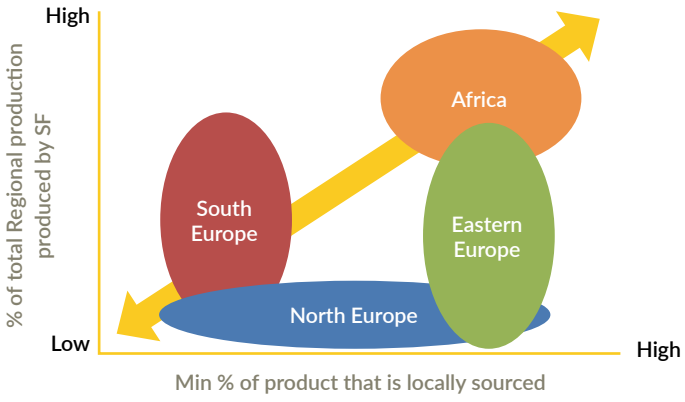
In each region investigated by SALSA a **food system study** of two to four selected products was conducted. By identifying the characteristics of each **regional food system** for a range of **selected key products** the SALSA project: a) highlighted the **different ways** that small farms and small food businesses can contribute to **food provision**, **food availability** and **food access** (the three key elements of FNS) in contrasting food regional systems, and; b) developed better understanding of the overall functioning of these food systems.

SALSA typology of small farms

1. Part-time farms	2. Conventional strugglers	3. Conventional entrepreneurs	4. Business specialised	5. Business multifunctional
Farming appears to be a **secondary activity** that supplements other sources of income, by generally **young farmers**, who started **farming as their own option**; a high proportion of **production stays in the household**	**Second poorest cluster**, and oldest; farming is rooted in **tradition**; **agriculture** accounts for a **high proportion of income; high household self-consumption**	**Relatively wealthy, relatively old** and established in farming; rely on **family labour**; access markets through **cooperatives**	**Wealthiest group**, relatively **old and established** in farming; **extensive use of hired labour**; access to markets through **cooperatives**, invest in **certification**	**Wealthy**, relatively **young** and **new to farming**; extensive use of **hired labour; diverse portfolio of buyers**

CAN SMALL FARMS AND SMALL FOOD BUSINESSES GUARANTEE SUSTAINABLE FOOD SECURITY IN THE EUROPEAN AND AFRICAN REGIONS STUDIED BY SALSA?

According to the SALSA findings, small farms and small food businesses **play a key role in filling the gaps** that exist in 'industrialized' food supply chains in terms of land use, local varieties and local market channels. It is clear they also contribute to the **alleviation of rural poverty** (through income provision for small farm households), whilst also delivering environmental and social benefits.

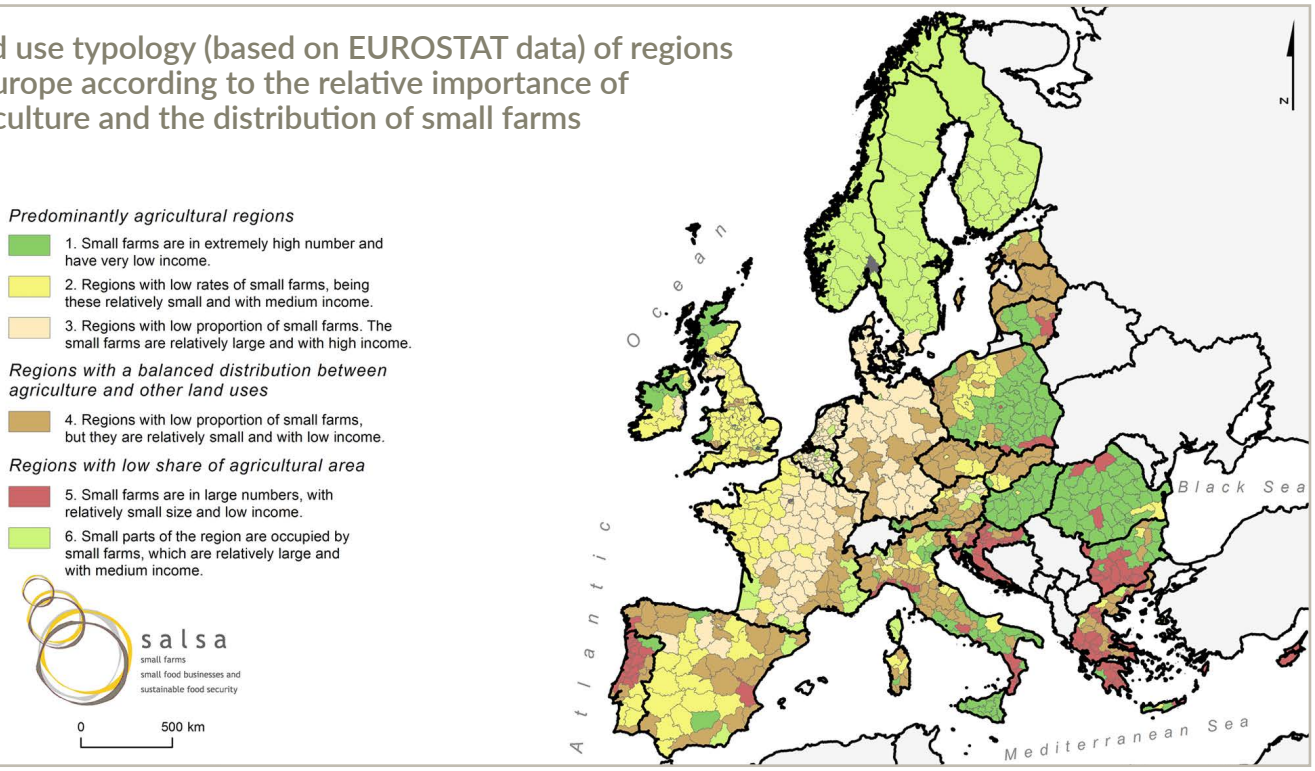


Small farms contribute to the three main dimensions of FNS (noted above) as follows:

- Firstly, they contribute to the **regional availability** of food. This is to varying extents depending on the regional food system's integration into global food trade patterns.
- Secondly, small farms contribute to **access to fresh nutritious food** for their households and communities. In doing so, they help safeguard food traditions thereby reproducing a food-based local social fabric through which the **stability, diversity and resilience** of food systems are enhanced.

The SALSA project estimates that in just under half (44%) of the food systems studied – notably in African, Southern and Eastern European regions - the production from small farms **could cover 100% of the regional food demand** and in some cases even generate surplus.

Land use typology (based on EUROSTAT data) of regions in Europe according to the relative importance of agriculture and the distribution of small farms



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The level of small farms' contribution to regional FNS is found to **depend on the nature of their connection with the regional food system**. Small farms in African (AFR) and Eastern European (EE) regions contribute more to regional food availability via **self-provisioning** and **local sales** (both formal and informal). In Northern (NE) and Southern Europe (SE), small farms do not contribute a significant amount to the total amount produced regionally either due to their **low numbers** (NE) or because they **export their produce outside of the region** without consuming much within the household (SE).

Despite these positive estimates, the continued contribution of small farms to regional FNS is **not assured**. The rural areas of Southern and Eastern Europe, for example, lost 1.4 million small farms between 2010-2016 alone and this trend is likely to continue in parallel to the **on-going risk of rural depopulation** in many countries.

WHO ARE THE SMALL FARMS IN SALSA'S REGIONS?

In order to address the great variety of contexts in which small farms were found in the regions studied, **SALSA produced a novel typology of small farms for Europe and Africa.** It is based on three main distinguishing characteristics:

(1) the degree of orientation to the market;

(2) the use of certification, and;

(3) the degree of reliance on cooperatives.

These variables can be **used to differentiate** between those small farms and associated households who seem to struggle and may be close to poverty from those who are wealthier, specialized, organized in cooperatives and/or integrated into the market in diverse ways.

When small farms' main connection to the market is **direct selling or self-consumption**, then the related regional food system is more likely to be oriented towards local markets and other local outlets. When the first connection that small farms

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THE GENDER ISSUE

In both Africa and Europe, small-scale farms are most commonly led by family units, comprising both men and women.

Female-led farms are quite common in some parts of Europe (e.g. 45% of Latvian farms and around 30% of Polish, Portuguese and Italian farms are led by women). Female-led farms are much less common than male-led farms in Africa.

Female-led farms are more likely to be located on marginal land and more likely to be focused on self-provisioning than male-led farms.

In Africa, women leading farms also tend to be less educated than male-leads. Here female-led farms are identified as less productive than male-led farms, owing to lower access to inputs, equipment and labour.

What can policy-makers do?

1. Support women-only organization or incentivizing women leadership of mainstream farming organization.
2. Enable access to key resources (capital and land) for both men and women.
3. Address the traditional cultural and legal barriers that prevent farm succession for daughters.
4. Enable access to childcare to allow women to work on farms.
5. Support direct marketing and value-added processing initiatives where women are more involved and recognized as contributing more to positive impact, especially in Africa.
6. Collect more gender-disaggregated data to increase the visibility of women in agriculture.

have to the market is **predominantly cooperatives or processors**, then the associated food systems tend to be **specialized and export oriented**. The more specialized and export oriented the food system is, then the less important is self-provisioning and consumption of home-produced food within the household.

WHAT ARE THE NEEDS OF SMALL FARMS IN SALSA'S EUROPEAN AND AFRICAN REGIONS?

If small farms are to continue making a contribution to the societal challenge of meeting the growing demand for food, they will need a favourable "enabling environment" (policies and other mechanisms) that addresses their specific needs.

The results of the analysis undertaken in the 25 European and 5 African regions studied by the SALSA project indicate that while macro-regional and regional variations exist (and must be taken into account) a **number of broad needs related to the enabling environment for small farms emerges**.

In order to continue delivering FNS and other public goods, small farmers need to be enabled with more **alternative, higher value added supply chains that directly involve consumers**. In the European context this can be achieved through policy support for short supply chains, niche products, local produce labels and other types of branding. In the African context support for **more structured supply chains** is also needed.

It is widely acknowledged that small farms in Europe have been **greatly disadvantaged** in recent years by the trend towards the privatisation of national/regional farm advisory services. A lack of advisory services is also a problem in a many regions of Africa. **Publically-funded farm advisory systems** – together with associated mechanisms for **facilitating knowledge exchange** and **fostering innovation** - are essential for building the capacity of small farms to enhance their productivity and profitability; to connect better with markets, and; to adapt to the challenges of climate change and other external risks. A key element of future advisory support for small farms will inevitably be the increasing availability of **digital tools**, but attention must be given to ensuring that these are both **accessible and affordable** for smaller scale producers.

Last but not least, all of the above cannot be achieved without small farmers being **enabled and encouraged to remain in rural areas**, including increased access to land and innovative social arrangements for new entrants and youth. For depopulating communities, investments in roads, rural services, utilities and internet infrastructures are especially needed.

Technological and leadership education is also key for ensuring that small farmers adapt and thrive in the **rapidly changing context** that the societal challenges of the next 20-30 years will inevitably create.

HOW CAN POLICY ENABLE SMALL FARMS IN SALSA'S EUROPEAN AND AFRICAN REGIONS?

For small farmers to thrive and contribute to FNS **three types of enabling conditions** need to be present – those to **Exist**, to **Produce** and to **Market**. The following policy recommendations outline relevant policy interventions for these categories of enabling conditions.

Enabling Conditions to Exist/Produce

Access to Land

An essential precondition for maintaining and enhancing the contribution of small farms to FNS is **improved access to land for new entrants** and greater **security of land tenure**.

National/regional authorities can address both issues by **intervening** on land regulations, taxation, inheritance laws or territorial planning. The **development and promotion of innovative approaches** is also encouraged, including:

- '**land banks**' that hold land in perpetuity specifically for providing new entrants with a stepping stone into viable small-scale production;
- '**succession partnerships**' that link older farmers without successors to new entrants, and;
- a range of other '**land mobility schemes**' designed to overcome specific factors limiting the supply of land for sale or rent at local/regional level. There are many successful examples of such schemes in Europe and Africa.

Access to Finance

Access to finance is a **perennial problem for small-scale producers**, but many examples of well-designed finance schemes exist – especially for attracting young farmers and facilitating business development in rural areas. It must be accepted, however, that the criteria for such funding is often **demanding**. In order to contribute to sustainable FNS small farm businesses must be able to demonstrate significant commercial orientation, high levels of potential viability, good environmental performance – plus in many cases, the ability to create new jobs. That said there is **significant scope for simplifying** eligibility criteria and application procedures which are excessively bureaucratic and create **unnecessary barriers** to the uptake of available funding.

Finance for small farms can also be phased and eligibility for grants or loans linked with **capacity building** such as training in business planning and management.

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Climate Adaptation

Small farms are **highly vulnerable to climate change** and need targeted support via **farm advisory providers and appropriate knowledge exchange activities** (e.g. demonstration farms and facilitated peer-to-peer learning) at **local level** to develop the necessary skills and capacities to endure and adapt to the risks and negative impacts arising from climate change. In many cases this will involve **major changes to existing production systems**, ranging from the diversification of crop rotations to transitioning towards organic agriculture and other forms of agro-ecology. All of which can be facilitated/accelerated by well-established policy interventions, such as certification.

Climate-change adaptation plans are a very useful tool at national and regional level and should include more specific actions for enhancing the role of small farms in reducing the vulnerability/increasing the resilience of regional food systems.

Enhanced Productivity (Africa)

In Africa specifically, there is a pressing need for **enhanced productivity**. Methods include early maturing crop varieties, developing infrastructures that can help bring regular year-long production for small farms, providing access to inputs, and enforcement of seed laws for non-counterfeit products. Although market integration matters are also important, solving the productivity issues at a farm level is seen in many regions as being an essential first step in order to be able to work towards that vision.

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Enabling Conditions to Market

Products, Markets and Marketing

Small farms and small food business can only contribute to regional food security if they have **reliable access to markets**. It is recommended that national and/or regional authorities take a **strategic approach** to facilitating this.

Local/regional food system strategies are a useful policy tool, especially when developed through **meaningful consultation** with all relevant stakeholders. This implies:

- **Engagement with the full diversity** of business models, networks and governance arrangements that are appropriate for enabling small farms to find their appropriate niche in local food systems;
- Exploring ways to **blend support** for more traditional markets with more innovative approaches, such as new virtual food networks or short supply chains, and;
- Ensuring the **involvement of consumers**, especially in countries/regions (notably in Europe) where there is **good awareness** of the role of small farms in supporting seasonal cuisine, maintaining traditional varieties, reducing food transportation ("zero kilometres") etc. In situations where consumer awareness of these issues is low then some form of **information/promotional campaign** may be needed.

The SALSA project findings indicate that **cooperation** (in the broader sense of the word) is an essential component for the future of both small farms and related food businesses.

Cooperation can take place in the form of cooperatives, but also in groups of producers, associations, federations, joint selling platforms, exchange networks of experiences and knowledge, and multi-actor projects. Public support should focus on **fostering new and innovative cooperation models**. In the African regions studied by SALSA this includes the need for new approaches to regulate the influence of 'middlemen' in the value chain.

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One of the most important priorities for small farms to increase their future viability is the need to **gain better prices through 'added value' products**. In some cases, small farms can upgrade by means of developing on-farm processing, processing, distribution or direct selling, so they would become a small food business. In others, the cooperation of independent small farms and small food businesses would be a way to generate synergies.

In all cases there is an urgent need for **tailored hygiene regulatory standards** for small farms and small food businesses for both African and European regions.

In most European regions, the future of small farms and small food businesses is regarded by SALSA stakeholders to be linked to the **recovery of traditional local food products and practices** based upon new knowledge and technological developments. This revalorization of traditions becomes a key contribution of both small farms and small food businesses to the preservation of regional identities and environmental conservation and can be supported by **better small farmer local brands** and **simplifying and promoting the use of EU Quality Schemes.**

Cross-Cutting Objective

Knowledge exchange and innovation support

In order to support small farms and ensure their viability in an ever more complex and challenging market and environment, small farms require **greater access to information and training** as well as **support for all forms of relevant innovation**. This means stronger and more integrated systems of knowledge exchange and innovation support with increased numbers of well-trained advisers/extension officers; education and training facilities for small farmers; facilitation of peer-to-peer mentoring; networking for knowledge exchange; developing 'size-appropriate' agricultural research agendas etc.

Small farms are as keen as any other farmers to **learn about new technologies and techniques** that help them align their businesses towards the increasing uncertainties of market prices or the weather. There is a need for **building softer skills** (e.g. leadership, business management and digital skills) among young and old farmers, whether as individuals or when working collectively. Much of this knowledge exchange could be facilitated via the **networking of old and young farmers**, especially in those rural areas with larger numbers of new entrants such as in the countries of Southern and Northern Europe.

CONCLUSIONS

In Europe the most important changes needed to facilitate the development of small farms are **adapting both the regulatory and direct support measures offered through the EU Common Agricultural Policy to the particular needs of small farms**, while in an SALSA's African regions recommendations have more to do with paying **greater attention to the process of policy implementation rather than policy formulation**.

For the European context, cooperation measures remain the most important form of direct support for small farms, both through short supply chain measures and through broader collaboration opportunities provided through community-led local development type programmes. Such programmes should pay attention to the role of consumers and seek to position small farms on the traditional niche products market. Other important measures are the Young Farmers measures (which should be extended towards supporting new entrants) and better implementation of climate adaptation plans at regional and sub-regional levels to the benefit of small farms.

EU-AFR STRATEGY FOR COOPERATION IN RESEARCH AND INNOVATION

Future research projects funded under Horizon Europe should include a more balanced representation of EU and AFR partners, develop language based or regional cooperation projects (Portuguese speaking countries, or Mediterranean based projects) and also offer more flexibility with regards to the conditions of grant agreements.

Considering that both European and African contexts face challenges in developing effective subsidy mechanisms for small farms, as well as tackle climate issues in arid areas, EU-AFR mechanisms and cooperation programs could help cross fertilize experiences on these topics.

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