

# Farmers' Organizations as Change Agents for the Transformation of Agricultural and Food Systems

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State of Research in BMZ partner countries



## Abstract

Farmers and their organizations are essential partners in driving transformation since they are at the heart of agricultural and food systems. This Policy Brief highlights the state of research literature on the contribution of farmers' organizations (FOs), both co-operatives and associations, to rural development and especially to their members on individual and organizational level. By providing marketing and extension services, skills development as well as financial services, they support their members' income and yield increase. As civil society actors, FOs promote democratic engagement and offer farmers the opportunity to participate in political processes. Thus, FOs contribute to the improvement of political and structural framework conditions as well as on-the-ground changes in food production. They are applying agroecological principles needed for the protection of the climate and natural resources. However, through internal organizational weaknesses, scarce financial resources, and policy failure the impact potential of FOs can be limited. To be effective, FOs need systemic organizational development, competent leadership, better inclusion and improved political participation of women and youth, sustainable internal financial resources, and inclusion in political-strategic decision-making at all levels. Strong FOs at local, national, regional, and global levels can not only contribute to the well-being of individual farmers in BMZ partner countries, but also drive the transformation of current agricultural and food systems. Governments and development cooperation can better leverage this potential by recognizing and supporting FOs in their role as mediators between people and politics.

### Position of BMZ

The special initiative Transformation of Agricultural and Food Systems of the German Federal Ministry for Economic Cooperation and Development (BMZ) states that it is possible to feed the world's population within our planetary boundaries. For this, agricultural and food systems must contribute to overcoming poverty while protecting the climate and natural resources. They need to balance the rights and needs of agricultural producers, small-scale farmers, processors, traders and consumers. This can be achieved by transforming our agricultural and food systems to be more sustainable as well as more effective and efficient.

# 1 / Opportunities for farmers' organizations and their members

Being a member of a FO provides a wide range of opportunities for members in terms of income improvement, access to services and key production factors, as well as strengthening of economic, social, and environmental resilience. Furthermore, FOs are a key partner for governments in framework and policy development and enable farmers to raise their voices at all political levels from local to global. As civil society actors, FOs promote democratic engagement and offer farmers the opportunity to participate in political processes<sup>1</sup>.

FO membership correlates positively with individual competitiveness and income, access to production factors (land, finance, innovation), to markets and value chain development. A scoping review of 239 studies on FOs' impact in Sub-Saharan Africa and India<sup>2</sup> and an analysis in Uganda<sup>3</sup> found a positive correlation between being a member in a FO and income improvement. One study of the Vietnamese tea sector reveals that the net profit of FO members is 1.67 times higher than of non-members<sup>4</sup>. Research on the Chadian sesame production also found that FOs have a positive impact on the structure and governance of this value chain<sup>5</sup>.

As facilitators, FOs are best positioned to foster the dissemination of innovations like agroecological principles, central for mitigating the impacts of climate change and protecting natural resources. FOs trigger improvement and embracement of environmentally friendly farming practices in agricultural and food systems<sup>6,7</sup>. Examples prove that they play a key role as intermediaries in carbon farming projects<sup>8</sup>, facilitate the adoption of conservation agriculture. Their members are more likely to adopt climate smart agriculture practices<sup>9</sup> and they play a primordial role in the management of landscapes and forests<sup>10</sup>.

Bizikova et al. showed that very few studies analyzed the relationship between FO membership and food security. This may be since marginalized groups are less likely to be organized while being the ones most vulnerable to food insecurity. Therefore, the information on FOs influence on food security is limited<sup>11</sup>. A significant positive impact on food security amongst cooperative members

was found in north Ethiopia and Cambodia<sup>12,13</sup>. Another study found that FOs contribute to healthy nutrition of children by triggering yield increase in critical value chains<sup>14</sup> and have a positive effect on poverty reduction<sup>15</sup>.

Membership in FOs empower women and have many benefits for them<sup>16</sup> if they are represented in the leadership and decision-making of their organization. Given that, FOs enable women to advocate for their rights and engage in discussions that shape political decisions and policies. Women then can raise their voices and actively participate in fostering transformation. These FOs reduce the effects of gender inequality by enforcing women's economic emancipation<sup>10</sup>.

FOs enhance the social protection of their members by facilitating access to governmental subsidies<sup>17</sup> and playing a decisive role in times of crises (e.g., during the COVID-19 pandemic).

As key promoter of digitalization, FOs pioneer the use of digital solutions in agriculture<sup>18</sup> and contribute to gather agricultural data that can be used by all stakeholders with agricultural value chains<sup>19</sup>.

# 2 / Constraints for farmer organizations

The impact of farmer organizations can be restricted due to internal organizational weaknesses and scarce financial resources. Missing managerial and leadership skills, inadequate infrastructure as well as low production volumes put a limit on the benefits FOs provide to their members. Cases from Ethiopia, Kenya, and South Africa show FOs' frequent dependence on financial support from their countries' governments or international donors<sup>2</sup> with only approx. five percent of their annual budget being generated from their members' contributions<sup>20</sup>.



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10 Bolin, A. (2019). How forest and farm producer organisations deliver social and cultural services. IIED Briefing. <http://pubs.iied.org/17704IIED>

11 Bizikova, L., Nkonya, E., Minah, M., Hanisch, M., Rao, T., Speranza, I., Karthikeyan, M., Tang, L., e Ghezzi-Kopel, K., Kelly, J., Celestin, A., Timmers, B. (2020). A scoping review of the contributions of farmers' organizations to smallholder agriculture. *Nature Food*, Volume 1, 620-630. <https://www.nature.com/articles/s43016-020-00164-x>, page 626

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At the same time, FOs can lack the capacities to help address their members' financial needs. Fewer than one-fifth of members get access to inputs and fewer than one-tenth get access to credit facilitated by their organization<sup>21</sup>.

Many FOs are not equally organized. Despite the significant advantages for women who engage in FOs, burdens to their inclusion remain. Male members are more likely to benefit from membership in a FO<sup>11,20</sup>. In Uganda for instance, most household activities are being undertaken by women. Female farmers often devote their time in the field until the sale of goods. They are likely to focus on food security rather than market gains. This considerably reduces their opportunities to expand interactions beyond their family network<sup>22</sup>. Further, patriarchal traditions may perpetuate the exclusion of women from FOs, preventing them from becoming a member<sup>23</sup>.

Policy failure limits the potential of farmer organizations' impact. FOs are not fully included in national decision-making and international negotiations when it comes to topics around agricultural and food systems. There is only little research on the role of lobbying and advocacy as a service of FOs, but there are many appeals to include FOs in processes of decision-making, for example by Kampmann and Kirui<sup>24</sup>, several international organizations (e.g., FAO or IFAD) as well as FOs themselves (e.g., World Farmers Organization – WFO, the Pan-African Farmers Organization – PAFO, and the Southern African Confederation of Agricultural Unions – SACAU).

### 3 / What do farmers' organizations need to play their role effectively?

FOs have an important role in shaping agricultural and food systems while at the same time often lacking the capacities to do so. The necessary efforts can be summarized into the following areas.

Politically and financially sustainable FOs need to be independent vis-à-vis political and external actors and their agenda should be members' driven. Therefore, FOs should enhance their internal income generation and reduce their reliance on external donors. At the same time, for an improved collaboration of governments and donors with FOs it is important to contribute to their growth by aligning efforts with their objectives and priorities based on the needs of their members.

Considering that the participation of women in agriculture is central and the population in many partner countries is predominantly young, FOs should strengthen the participation of women and youth in their decision-making structures<sup>25</sup>. Although development cooperation has boosted programs aimed at fostering gender issues, this effort still needs to be continued on lower governance levels as regional governments and farmer organizations<sup>26</sup>.

To remain relevant for their members, FOs need to improve their capacities to provide production, market, management, and income generating services to their members<sup>27</sup>. National governments can enhance FOs' service provision by granting preferential land and resource access to FOs, streamlining bureaucracy using targeted procurement, offering tax incentives and skills training<sup>10</sup>.

FOs' organizational structures have to be reinforced: Transparency in leaders' actions and accountability to members have to be ensured while maintaining a compelling vision and continuous engagement<sup>24</sup>.

FOs' lobby and advocacy work is crucial and needs to be improved to enable them to fulfill their role as intermediaries between farmers and other stakeholders. For this, FOs must participate actively in decision making processes at all levels. This includes global processes, like the UN Food System Summit (UNFSS), as well as processes on the local level. National governments are requested to include them in all decision-making processes related to agriculture, food, and rural development<sup>27,28,10</sup>. FOs' interactions with government agencies are crucial but they must maintain their independence and prioritize member interests<sup>29</sup>.

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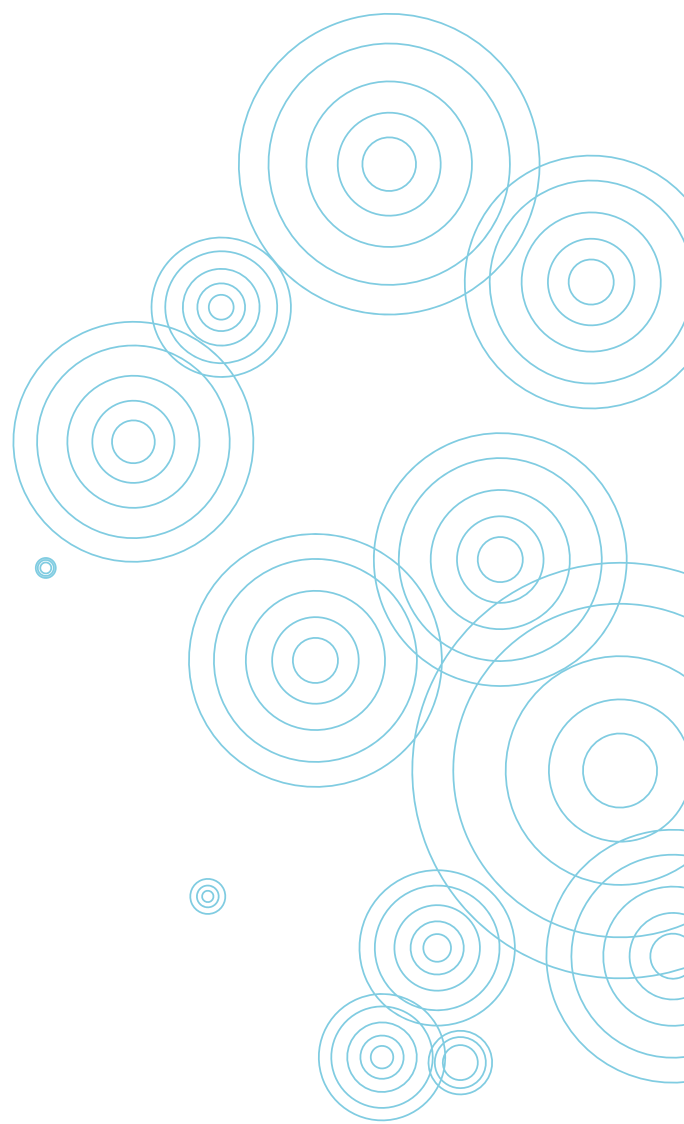
25 Baumüller et al. : From Potentials to reality: transforming Africa's food production, page 106

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