



Research Report

Cals Model United Nations 2017

“Creating pathways to new opportunities”



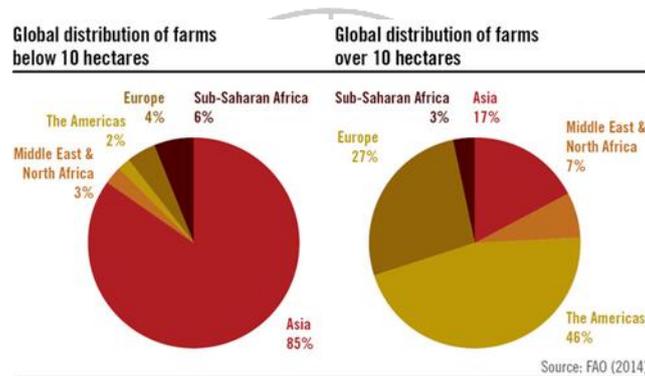
Forum: Economic and Social Council

Issue: Strengthening the economic position of small-scale farmers in developing countries

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Introduction

Agriculture is currently the world’s largest business and an incredibly important source of income. There are more than 570 million farms all over the world, ranging from small-scale family farms to massive industrial livestock productions. Even though the vast majority of the world’s farms are small, they control a relatively small percentage of all agricultural land.



Worldwide, farms of less than 1 hectare account for 72% of all farms, but control only 8% of all agricultural land. Farms between 1 and 2 hectares account for 12% of all farms and control 4% of the land. In contrast, only 1% of all farms in the world are larger than 50 hectares, but they control 65% of the world’s agricultural land. As seen on the image to the right, over 70% of the farms over 10 hectares are located in countries in Europe and in the Americas. Due to the massive cattle and crop production in these developed countries, a large amount of remainders may be left to deal with. The developed countries that over-produce these products have come up with the solution to sell the remainders for a cheap price in developing countries, leading to problems in said countries. One of these is the weakened economic position of local farmers. This is due to locals buying cheaper products from the intensive factory farms. Seeing as a lot of families heavily depend on their farms, it is important to strengthen their economic position and ensure they are treated fairly in regards to other farmers.

Definition of Key Terms

Small-scale farming:

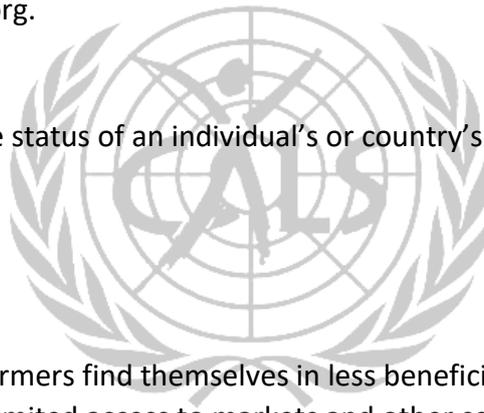
Small-scale farming is the production of crops and livestock on a small-piece of land without using advanced and expensive technologies. It is mainly practiced in developing countries. This type of agriculture is usually recognized by its use of intensive labour and in most cases, animal traction, limited use of agrochemicals and supply to the local markets. It is ecologically friendly due to the smaller amounts of land that are cleared for farming and there are less emissions due to the lack of heavy machinery.

Intensive farming:

Intensive farming is defined as a means of practicing intensified agriculture, by various ways such as the use of pesticides, chemical fertilizers and heavy machinery. It has grown to become “the biggest threat to the global environment through the loss of ecosystem services and global warming, has led to the emergence of new parasites and re-emergence of parasites previously considered to be 'under control' by creating the conditions for parasite growth and is responsible for 80% of tropical deforestation”, according to www.everythingconnects.org.

Economic position:

An economic position is the status of an individual's or country's financial situation at a specific period of time.



General Overview

Many smallholder family farmers find themselves in less beneficial economic positions. They are usually poor and have limited access to markets and other services. These farmers are usually left to fend for themselves while they supply a quite large part of the world's population's food. Alongside farming, they are forced to take on multiple other jobs in order to be able to maintain and support their families.

As stated in the introduction, the industrialization and export orientation of agriculture has not benefited small-scale farmers. In the globalised market, the small players have been marginalised. The large-scale farmers overproduce, leading them to sell basic products to third world countries for cheap prices, thus 'stealing' away costumers from the local small-scale farms. This is not always the case, but it does occur in several countries in the world, such as Senegal, where France has exported large amounts of bread to in the past.

Another factor which weakens small-scale farmers' economic positions is the involvement of 3rd party businesses. The best way for a small-scale farmer to earn the greatest profit is to sell directly to the consumer. That way, their total product value goes directly to the farmer. It is possible for farmers to be slightly oppressed into selling their goods to a wholesaler, which sells to a distributor, which sells to another party which sells the product to the

consumer. When the original small-scale agriculture business model is modified like this, about two thirds of the selling price could be lost to the other parties involved.

It is of great importance to strengthen small-scale farmers' economic positions in developing countries, due to the fact that these can heavily impact local economies. An American study has showed that farms with incomes of \$100,000 or less spend almost 95% of their expenses on products within the local area, thus supporting the economy. This was compared to farms with incomes greater than \$900,000, which spend less than 20% of their farm-related expenses in the local economy.

Major Parties Involved

Food and Agriculture Organization of the United Nations (FAO):

One of the main goals of The Food and Agriculture Organization of the United Nations (FAO) is to tackle the triple challenge of producing more food, creating more jobs and enhancing the natural resource base. In order to do so, there is need for competitive and sustainably productive farms, and according to them, small family farms lie at the heart of the solution. The FAO supports small family farmers overcome the many constraints they face and tackle today's challenges, and the FAO helps agricultural and rural development policy thinking through analysis and advocacy. Analysis provides evidence on the strengths and weaknesses of small family farms and advocacy forms policies that tackle crucial long run growth challenges both in agriculture, but also in the wider economy.

International Fund for Agricultural Development (IFAD):

The International Fund for Agricultural Development (IFAD) focusses exclusively on rural poverty reduction, working with poor rural populations in developing countries to eliminate poverty, hunger and malnutrition, raise their productivity and incomes and improve the quality of their lives. The IFAD has recognized that vulnerable groups can and do contribute to economic growth.

Fairtrade International:

Small-scale farmers in developing countries often face barriers to finance, and Fairtrade International tries to tackle this issue by providing relevant and reliable credit profiles and disseminating this to potential finance providers. They also support financial institutions in pioneering and developing financing services.

Timeline of Events

2012, March 28 - (A/RES/66/222) on the International Year of Family Farming is adopted by the General Assembly

2014 - The International Year of Family Farming, put into place in order to raise awareness and encourage member states to undertake activities within their national development programmes.

Previous attempts to solve the issue

Of course, there have been some previous attempts to resolve the issue. However, seeing this is a global issue and is spread across several continents it is difficult to find on specific solution that works everywhere. The most actions that have been taken have been taken by the organizations listed in the Major Parties involved. There have not been much clear resolutions on the topic, and previous solutions are still a bit vague due to the recognition of the issue, which is not very present.

A resolution which is applicable to the issue and has been adopted by the United Nations:

- International Year of Family Farming, 28 March 2012 (A/RES/66/222)

Possible Solutions

One way of solving this issue is by means of education. By educating individuals and businesses on the importance of this issue, it could possible become a more globally recognized problem, and some serious actions could be taken. By explaining how and why small-scale farmers in developing countries are the key to sustainable agriculture, businesses and organizations could be more keen to guiding and financing the development of these small-scale farms, thus strengthening their economic positions.

Furthermore, by placing heavier sanctions on developed countries and decreasing their access to local markets in developing countries one of the causes of the issue could be resolved. The local and small-scale farmers would gain the upper hand on the markets and would be able to support their family economically once again.

Lastly, encouraging small-scale farmers to develop themselves could also greatly benefit them. The farmers might be scared or unable to undertake big actions, such as expanding their land or using machinery. By supporting them in their own development, they could grow their business and strengthen their positions in the market, thus allowing them to develop and grow even further. This could be done many ways, such as workshops and counselling by businesses from developed countries or organizations affiliated with the issue.

Useful Documents

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