### Agricultural Policy that Delivers for People, Climate and Nature: Practical Perspectives from Farmers



# In brief

In the past, agricultural policy has focused largely on increasing yields, specifically for a small number of staple crops. In this limited scope, it has been successful – yields have risen two- to threefold since 1950 – but this success has come at a cost to climate stability and resilience, global biodiversity and even food security itself. Amid global conflicts, dramatic declines in biodiversity and the mounting impacts of climate change, it is clear that agricultural policy must be fundamentally reconceptualized. To meet these challenges, it must deliver better results for people, climate and nature – and fast.

To ensure that the just rural transition needed is inclusive and equitable, policymakers must meaningfully consult all key stakeholders. Farmers are the backbone of our food systems, and their insights into what it means to produce food in the face of multiple challenges are enormously valuable to policy design. It is critical that the practical perspectives of farmers weigh heavily in policy debates and investment decisions.

In 2021 and 2022, Just Rural Transition (JRT), in partnership with the World Farmers' Organisation, convened a series of virtual and in-person dialogues with farmers, farmers' organizations, researchers, civil servants and other key stakeholders in agricultural policy. We held exchanges with over 100 individuals representing 80 organizations and 39 countries. This policy brief distils the key insights and recommendations that emerged from those events.

- Design policy with farmers, not for farmers. Farmers should help frame policy problems, set policy agendas and allocate resources – not just provide comments once policy reforms are nearly final. To ensure farmer voices are meaningfully included in decision-making processes, farmer consultations should be frequent, transparent, accountable and adaptable.
- 2. Tailor the policy to the context. Policies must reflect and respond to the diversity of farms and farming across the globe. Farm size, income level, family size and structure, political context, water availability, crops and livestock are just a few factors that vary widely around the world. To ensure policies fit the context, governments must invest in robust data systems and analytical capacity.
- 3. Redesign input subsidies. Input subsidies, which have long been a cornerstone of rural development in the Global South, are often expensive, inefficient and can incentivize environmentally harmful practices. Redesigning input subsidies does not mean withdrawing support from farmers – it means expanding the crops that subsidies support, improving the timeliness of delivery and ensuring support reaches the households who need it most.

- 4. Strengthen regulations. A stronger regulatory environment is critical for ensuring that input products like fertilizers are of good quality. Too often, products branded as 'organic' or 'sustainable' are of inferior quality or even counterfeit. In these compromised markets, quality assurance systems can help rebuild demand.
- 5. Incentivize landscape stewardship. Farmers are uniquely positioned to act as frontline agents of environmental stewardship and climate action. Rewarding and supporting them to protect and enhance the ecosystem services that provide public goods, such as water quality, soil health, flood protection, carbon storage and wildlife habitats, can boost incomes and incentivize investment in sustainable practices.
- 6. Expand agricultural extension services. In many countries, farmer demand for agricultural extension services – such as technical advice and new knowledge regarding agricultural practices – far outstrips supply, pointing to a potential role for civil society and the private sector. In the digital age, supply-driven models of extension are ripe for disruption by more nimble, creative and demand-driven models.

- 7. Expand incentives for the private sector that drive socially responsible investment. Nurturing a vibrant agriculture sector is not the sole responsibility of the government. The role of the private sector should expand; however, investments should benefit small-scale producers and not just commercial interests.
- 8. Secure land tenure. Policies must not neglect fundamental issues such as land tenure security. Protecting access to, and ownership of, land and natural resources may take many forms, including empowering Indigenous Peoples and rural communities to own and lead conservation and restoration initiatives; prioritizing the formal recognition of community and customary rights to lands and natural resources; and including women meaningfully in land and resource governance, control and use.

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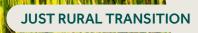
#### Background

The Just Rural Transition initiative (JRT) advocates for a people-centred approach to the transformation of food systems to deliver global and national goals related to climate, nature and sustainable development.

The principles of a just rural transition need to underpin transition planning processes. This means taking into careful consideration the needs of communities who will be most impacted, understanding the impacts and taking action to mitigate losses and distribute gains fairly. Consultative processes and inclusive decision-making can help alleviate legitimate concerns and potential resistance to reform. This can help ensure that policy reform and repurposed public support aimed at climate and environmental objectives can also improve social equity and inclusion, boost farmer incomes and provide tailored and targeted support where needed. The need for this transition has never been more urgent. Fully <u>one tenth</u> of the world's population is currently undernourished. A <u>million plant and animal species are</u> <u>threatened with extinction</u> – in large part due to agricultural expansion. And the food and agriculture sector accounts for <u>at</u> <u>least a quarter</u> of overall greenhouse gas emissions. New policies and a new approach are essential.

In 2021–2022, JRT held a series of Africafocused dialogues, known as the Practical Perspectives dialogues, with farmers' organizations, agribusinesses and civil servants. The aim was to amplify significantly the voices of these critical stakeholders in policymaking processes while demonstrating the utility of this inclusive approach to transition planning. This brief presents the key recommendations from these dialogues.





#### **Box 1: JRT Practical Perspectives dialogues**

In 2021–2022, JRT held six dialogues – three virtual and three in-person – that were attended by over 100 individuals representing 80 organizations and 39 countries, with a regional focus on Africa. The farmers' organizations included national alliances for specific commodities, broader national alliances, smaller cooperatives, youth and women farmer organizations, pastoralist regional organizations and broader regional alliances. Together they comprised the majority of attendees at the dialogues. Private sector participants included input suppliers and advisory system providers, from both smaller enterprises and multinational companies.



The JRT Practical Perspectives dialogues included participants from 39 countries.

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#### Recommendation 1: Design policy with farmers, not for farmers

When governments do not sufficiently consult farmers, they risk a rapid and severe backlash against any agricultural policies that pose a real or perceived threat to farmer livelihoods. In some scenarios, concern arises from economic constraints linked to environmental goals; in others, dissent emerges amid fears of the effects of liberalization.

Participants in the Practical Perspectives dialogues emphasized that policymakers need to understand the "pain points" for farmers: existing challenges, risks and vulnerabilities that government initiatives can exacerbate without sufficient input from farmers. Consultations that are superficial, tokenistic or sporadic are not legitimate and can serve to further alienate and infuriate farmers.

Designing policies with farmers and the organizations that represent them does not just mean asking for feedback. It also means sharing fundamental responsibilities, such as framing problems, setting agendas, and deciding how resources will be allocated. This is easier said than done, especially because, in some contexts, farmer organizations with stated democratic values in fact represent elite interests (such as those of large corporations or the ruling party of the state itself). To help mitigate these risks, designers of policies should hold frequent, transparent, accountable and adaptive deliberations with a range of farmer organizations (especially including traditionally marginalized groups such as smallholders, women and youth) and government policymakers.

### Recommendation 2: Tailor the policy to the context

The world has at least 570 million farms. These range in size, income level, type of crops grown, type of livestock raised, market access, topography, soil structure and health, water availability, biodiversity, cropping season(s), family size and structure, knowledge of the landscape, weather, political stability, tree coverage, land tenure security, debt level and seed storage capabilities, to name just a few factors. These interlinked characteristics, and the unbounded array of challenges associated with them (both individually and in various combinations), are part of the reason why agricultural policy does not have one size that fits all. Participants in the Practical Perspectives dialogues emphasized this point strongly.

To ensure policy is well-tailored to local contexts, good data systems and the analytical capacity to manage them are critical. Quantitative, qualitative and spatial forms of information pertaining to a country's agriculture sector are critical inputs to policy design. However, this information must be comprehensive, organized, accurate, regularly updated and easy to access. Data collection and management are expensive investments, but without them, decision-making often devolves into guesswork.

For example, input subsidies that make hybrid seed or synthetic fertilizer more affordable for smallholder farmers may be economically inefficient or environmentally harmful in areas where recipients do not receive proper agronomic training in how to use the inputs (see Recommendation 3). To be effective, policies must match the profiles of the farmers for which they are designed.

#### Recommendation 3: Redesign input subsidies

Many governments, especially those in the Global South, subsidize the cost of seeds or fertilizer, aiming to increase agricultural production, strengthen food security and raise farmer incomes. Throughout the dialogues, many participants said subsidies often do not reach the households who need them the most. Where overly simplistic approaches focus solely on basic inputs like seeds or fertilizer, governments could better spend the resources on other types of support, such as land tenure security, good rural infrastructure, effective advisory systems or access to the latest innovations. A further problem is that current programmes of input subsidies often contribute to adverse environmental and climate effects (UNEP 2020).

Even when basic input subsidies were relevant, farmers reported that logistical, administrative and quality-control problems are common. This can result in late deliveries, counterfeit products of inferior quality and incorrect or inefficient usage.

These challenges explain why participants in the Practical Perspectives dialogues are, by and large, frustrated with the current state of input subsidies. Rather than wishing to see these schemes abandoned, however, they see an opportunity to rethink fundamentally how governments design and deliver them. For example, shifting from simplicity to flexibility could help input subsidy schemes support a broader range of crops (not just maize, as is often the case), seed varieties (such as those that are nutrient-dense and stress-tolerant), and fertilizers (such as organic fertilizers).

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### Box 2: Input-based subsidies in Malawi are on the cusp of change

Malawi has a long history of input-based subsidies, and the most recent 2020 Affordable Inputs Programme (AIP) subsidizes 70 per cent of farm inputs for small-scale farmers. However, Malawi continues to struggle with nutrition and food security, and crop yields remain low. The limited success may be the result of several factors: underinvestment in other agricultural and rural services, such as infrastructure, marketing and information; administrative and logistical problems (for example, some farmers not receiving their fertilizer ahead of the peak January growing season); inequitable distribution, whereby areas with politically connected individuals receive more subsidized fertilizer than other areas; and a narrow focus on maize, which is more drought-sensitive than a number of other crops. This last factor frustrates resilience-building and climate change adaptation, especially as having a diversity of crops enhances resilience.

Despite the challenges, the scheme has had some success. One study showed that accessing subsidized inputs was strongly associated with a 15–29 percentage point increase in the probability of adopting conservation agriculture, soil and water conservation and organic fertilizers. Another found that including legume seed in the subsidy program was positively correlated with dietary diversity and micronutrient consumption. Although modest, this progress indicates that solving administrative, logistical and political problems could result in much better outcomes for people, nature and climate.

A speech by Malawi's President, Lazarus Chakwera, in October 2022 indicated that the changes needed may be imminent. The President spoke of better targeting of subsidy recipients; streamlining to ensure households get subsidies tailored to their needs; earlier procurement of fertilizer; and a more focused monitoring effort aimed at using subsidies to "graduate" farmers out of poverty.

"Malawians deserve results," said President Chakwera. "This new and reformed AIP, this AIP 2.0 ... is not the same kind of AIP we started with two years ago. But it is a better and improved AIP, an innovative AIP for the twenty-first century ... I believe we will all eventually be proud as a nation for leading the way in designing a programme that truly makes a difference, not just one that makes for popular politics."

#### Recommendation 4: Strengthen regulations

Reliable, effective regulations are a critical component of agricultural policy. According to an example from Zimbabwe shared during the dialogues, organic farm inputs (such as fertilizer) often fail to meet quality standards. This is because of a lax regulatory environment for input markets which does not prevent manufacturers from labelling their products as organic when they are not. As inferior or even counterfeit 'organic' brands and products develop a reputation for low quality, farmer uptake of them slows, arresting the development of organic agriculture. A publicly run or publicly supported quality assurance program for organic inputs would help clear this bottleneck by giving farmers confidence that organic brands and products are reliable.

#### Recommendation 5: Incentivize landscape stewardship

Farmers produce food, fibre and other products, but they are also landscape managers. How they work with the soil, plants, ground cover, animals and waterways on their land has direct and consequential impacts on biodiversity, water quality, soil quality, ecosystem health and climate change. With deep expertise in their particular environments, farmers are uniquely positioned to act as frontline agents of environmental stewardship and climate action (e.g. Bieling and Plieninger 2017, chapter 6). Costa Rica's Payments for Ecosystems Services schemes have long been held up as a prime example of what happens when farmers receive such incentives. The initiative, in which farmers receive money in exchange for conservation actions, has been credited with "reducing the rate of deforestation from one of the world's highest to net negative deforestation by the start of the 2000s" (JRT 2021a). Such incentives can connect agriculture to broader national and international agendas for the environment, potentially introducing new dynamics such as expanded funding opportunities, the need for cross-ministerial collaboration, and a more integrated approach to rural development. These dynamics may present as challenges or opportunities.

Because environmental protection, improvement and restoration is often a long game, as a participant from a leading Kenyan farmers' organization noted, it can take years for demonstrable results to manifest. Policymakers and donors should be clear-eyed about this and ensure farmers get support throughout the process.

## Box 3: Morocco's green strategies and holistic policy design

The Green Morocco Plan (2008–2020) set out a new vision for agriculture in the country, implementing new approaches and setting out 12 regional agricultural plans. As a result, agricultural gross domestic product doubled, agricultural exports more than doubled and a substantial amount of private investment flowed in. It was also a success environmentally, with irrigation water use reduced, the area covered by efficient drip irrigation expanded 370 per cent, and 450,000 hectares of land reforested.

As a follow-up to this plan, the Generation Green 2020–2030 strategy is rising to new challenges, including a focus on nutrition as well as poverty and social inclusion. Its multiple objectives include: boosting rural incomes and bringing 400,000 farmers into the middle class; supporting a new generation of 350,000 new farmers and entrepreneurs; catalysing a new generation of agricultural organizations, with 30 per cent of the public budget run by agricultural organizations; providing a new generation of support services, with 2 million farmers connected to e-services; and upgrading markets, slaughterhouses and sanitary control.

To help tackle the climate and nature crises, Morocco will promote solar energy and double water-use efficiency, and farmers will cultivate a total of 100,000 hectares of land organically. To boost resilience and sustainability goals, the strategy is also to increase the use of no-till systems that Moroccan research has shown can enhance soil fertility, improve moisture holding capacity, reduce fossil fuel use by 60 per cent and enhance yields by at least 30 per cent. No-till systems are also especially advantageous in years with poor rainfall. Cereal farmers will cultivate up to one million hectares under no-till agriculture by 2030 under the new Green Generation 2020–2030 strategy.

However, adoption of the strategy is not simple, given upfront costs and delayed impacts. As a result, the Moroccan government has sought to incentivize adoption through a package of measures, including modified advisory systems, reduced subsidies for conventional tillage by heavy machines and enhanced subsidies for acquiring the needed no-till planters, meaning that farmers pay only 50 per cent of the price of normal no-till seeders. In line with this initiative, the private bank most used by farmers supports the price of a no-till seeder by 10 per cent.

#### Recommendation 6: Expand agricultural extension services

Many participants of the Practical Perspectives dialogues felt that agricultural extension and advisory services are often ineffective and not adequately tailored to the context or to farmers' resources, a view that is also reflected in wider research (Somanje et al. 2021, Maake and Antwi 2022). Largely this stems from demand outstripping supply. In Zambia, for example, the ratio of extension workers to farmers is 1:1,200. In Malawi, it is 1:4,000. Noting these challenges, the participants debated whether civil society or the private sector might be better positioned to provide such services, and how an effective. demand-driven model of extension services might be designed. Agricultural cooperatives might be a more efficient mechanism of engagement between farmers and extension agents, for instance. The policy implications of these ideas serve as a critical reminder that agriculture is not the domain of the state alone, but rather a joint venture with market actors and civil society.

### Recommendation 7: Expand incentives for the private sector that drive socially responsible investment

Nurturing a vibrant agricultural sector is not the sole responsibility of the government, many participants of the Practical Perspectives dialogues felt. A range of participants felt the role of the private sector should expand. However, many noted that investments should be carefully designed to benefit small-scale producers.

Such incentives for social impact investment can take many forms. In Nepal, for example, grain mills have received subsidies to buy down the cost of doing business with smallscale grain producers (Man 2019). The subsidies help provide technical assistance to these producers and a guaranteed price for their product. In Ghana, the government has partnered with the multinational fertilizer firm OCP Group to provide farmers with support for every aspect of the agricultural value chain. This venture connects farmers to financing and insurance, provides local extension agents to train them on proper fertilizer use, and collaborates with other providers to ensure they have the right fertilizers and other inputs.

At the global level, there is the Partnership for Inclusive Agricultural Transformation in Africa, whose partners include the Alliance for a Green Revolution in Africa, the UK Government, the Bill & Melinda Gates Foundation, The Rockefeller Foundation and the United States Agency for International Development. This partnership has the aim of "transforming agricultural systems by driving integrated delivery within agroeconomic zones and across value chains, for enhancing in-country coordination and for deepening engagements with the private sector to transition African agriculture from subsistence to sustainable business occupations" (AGRA n.d.).

#### Recommendation 8: Secure land tenure

Although participants welcomed efforts to improve policy targeting, regulation, analytical capacity and robust data systems, some pointed out that focusing only on incremental changes might risk neglecting more fundamental issues, such as land tenure security. Land tenure security is an essential element of - and pathway to - a just rural transition. Principles for ensuring land tenure security are enshrined in a set of guidelines, the Voluntary Guidelines on the Responsible Governance of Tenure, that have been endorsed by the G20, the United Nations General Assembly and others (FAO 2022). JRT has outlined a range of ways land tenure can be secured, including the empowerment of Indigenous Peoples and rural communities to own and lead conservation and restoration initiatives; the prioritization of the formal recognition of community and customary rights to lands and natural resources; and the meaningful inclusion of women in land and resource governance, control and use (JRT 2021b).

### Conclusion

The perspectives presented in this brief underscore the practical value of consulting with farmers, and the organizations that represent them, in the design of agricultural policy. They can bring an expansive range of lived experience, insight and nuance to bear on decision-making processes. And they want to. That is the single most important takeaway from the Practical Perspectives dialogues, one stressed time and again by participants.

As such, these dialogues mark a point of departure for expanding farmer engagement in policy processes. Moving forward, two things are imperative. First, such engagement must progress at the country level, not just globally or regionally. Policies are politically and technically complex. Reconceptualizing them to deliver better results for people, nature and climate will require dialogue focused on the context for which they are designed. Global and regional dialogues are crucial for building momentum. But they will amount to little without subsequent action in national and subnational contexts. Second, if farmer organizations are going to engage in policymaking processes in a sustained, effective manner, capacity-strengthening efforts will enable them to deepen their networks and coalitions; better discern and prioritize strategic opportunities; and develop clearer, more impactful messaging.

The diversity and complexity of our agrifood systems mean there is bound to be no single pathway a just rural transition will follow. What is likely, however, is that where these transitions do occur, agricultural policy developed with farmers will have played a crucial role.

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