Draft CSM Comments on “Connecting Smallholders to Markets” Zero Draft

These comments are based on exchanges over the past four months within the CSM group on “Connecting Smallholders to Markets” coordinated by Nadjirou Sall (ROPPA) and Javier Sanchez (La Via Campesina). The group is composed of members from different regions and constituencies (small-scale farmers, artisanal fisherfolk, pastoralists, Indigenous Peoples, agricultural workers, consumers, urban poor, NGOs). These comments will be supplemented by verbal and written communications at the time of the Informal Consultation on 28 April, following a face-to-face meeting of the CSM delegation.

General

- The CSM appreciates the work of the secretariat and the Task Team (TT), in particular the efforts made to open the TT up to CSM participation and to ensure adequate conditions for consultation within civil society constituencies. We feel that the validity of an inclusive approach to building an “evidence-base” for policy discussions has been confirmed by this experience. Indeed, the most innovative aspect of the Zero Draft (and of the prior discussions during the High Level Forum) has been the “discovery” of the importance of informal markets linked to territories, which was initially proposed by the CSM and then recognized by others.

- The CSM feels that this set of recommendations should constitute a tight, coherent, internally consistent package focused on the connections between “smallholders”, “markets” and “food security and nutrition” and suited to application at national level. We agree with the approach of concentrating on a limited number of key issues that have not been adequately treated in the past and concur with the specific issues that have been selected. However, in order to make sense the recommendations need to be set in a more general public policy context. This is easily available to the CFS in the form of the excellent 2013 HLPE report on “Investing in smallholder agriculture for food security and nutrition” and the ensuing policy discussions and recommendations incorporated in the report of CFS40 (paras. 29-51). It was from these discussions that the proposal to focus in on the “markets” aspect of the smallholder-food security equation was born.

The outcome of the 8-9 June negotiations should not duplicate these recommendations but it must refer to them. The text should underline the fact that – as stated in the HLPE report and the CFS policy recommendations – the “markets” aspect needs to form part of a broader national policy orientation determined with the participation of smallholders’ organizations and other national actors. Otherwise it will appear to be a rather miscellaneous collection of disparate points. We will return to this point in commenting on the Introduction and the final section, “Smallholders in Transition”.

- The Zero Draft is too silent about who should do what to implement the recommendations. The future role of the CFS is not mentioned. Given the recognized fact that the data gap on markets linked to territories needs to be filled as a basis for sound policy decisions, it would seem reasonable to suggest that the CFS return to this subject, including in the context of its regular work on monitoring.

- The gender dimension and women’s rights of the issue needs to be strengthened. For instance as in our suggestion below under “Smallholders in Transition”.

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Markets cannot be separated from human rights. The way markets are structured and how rights and entitlements are allocated and protected is key to understanding their positive or negative impact on small-scale producers and consumers and their rights, in particular their right to adequate food.

**Introduction**

- Include reference to the 2013 HLPE report and policy recommendations on “Investing in smallholder agriculture for food security and nutrition” as the overall public policy framework for the recommendations contained in the document (see remark above).

**Local Food Systems and Markets linked to Territories (rather than Local Food Systems and Markets)**

- The title originally suggested by the CSM member of the TT for this section was “Territorial, internal and informal markets” in order to capture different dimensions and variants of this important and under-researched category of markets. The compromise reached in the TT was “Local Food Systems and Markets linked to Territories”. Now we note that the Zero Draft has changed the title to “Local food systems and markets”. This is not an appropriate title since it implies that the category of markets concerned is confined to a local, sub-national level whereas, as para. 5 states clearly, the spatial dimensions can vary from local to transboundary or regional. For the sake of clarity we propose returning to the title on which agreement was reached in the TT.

- The concept of “markets linked to territories” needs to be clearly presented so that it is easily understandable to all. The chapeau of this section omits some very important defining characteristics, which are well-documented in the literature. We suggest the inclusion of the following text in the chapeau following the present third sentence: “They are the dominant source of the food consumed in the world. They are the most remunerative for smallholders and most respectful of their rights since they provide them with greater control over conditions of access and prices. They enable a greater share of value added to be retained and returned to farm level and local economies and hence they constitute an important contribution to fighting rural poverty. These markets have structurally different characteristics than mainstream markets and require support from specific policies, with particular attention to market access by women and youth.”

- We also suggest the inclusion of a proposed normative indication, as the penultimate sentence, following logically from the chapeau: “Because of their fundamental role in ensuring food security and smallholder livelihoods as well as other important functions, public policies should be oriented towards strengthening existing territorial markets and supporting the creation of new ones.”

- Recommendation a) concerning the data gap is extremely important and, as presently worded, is far too vague. It should be clear that we are talking not (only) about a centralized data collection facility but about supporting governments to include this dimension in their national data systems. We propose the following wording: “Governments, regional institutions and specialized UN agencies, in collaboration with small-scale food producers’ organizations, should establish data collection systems on these markets adopting
specific appropriate methodologies. FAO should be requested to consider incorporating support for this task in the ongoing work of agricultural statistics revision which it coordinates.”

- Recommendation d) is important and should be kept. However, some words should be added to underline that collective action and self-organization is important also in terms of exercising their rights. In that sense the sentence could read:
  “Facilitating smallholders’ capacity to increase their economic influence and exercise their rights by acting collectively and forming cooperatives, associations and networks....”

- Recommendation f) misses the point about pricing policies, which is not only a question of transparency. We suggest the following wording:
  “Ensuring that pricing policies provide full remuneration of smallholders’ work and their own investments by such measures as establishing price observatories with the participation of smallholders; making available real-time ITC information on price levels at both territorial markets and supermarkets; and guarding against the abuse of buyer power, particularly in concentrated markets”.
  Preferably, this recommendation could be shifted to the final section on “Smallholders in Transition” as one of the key national public policies that need to be enacted.

- In recommendation g) reference should be made to the establishment of local food councils including all actors as an institutional mechanism for consultation, rather than simply leaving it to local authorities to take the initiative. This would be more in line with the multi-actor spirit of the CFS. Also the normative orientation of inclusive governance towards the promotion and protection of the right to adequate food should be stated here.

**Nutrition and Smallholder’s Access to Markets**

- Recommendation c) suggests that smallholders should build capacity to meet existing food standards; this is in contradiction with recommendation b) in the previous section, which states that “formal market requirements such as food safety regulations should not undermine smallholders’ capacity to participate”. In fact, the literature suggests that territorial markets are not as faulty in terms of food unsafety as is often assumed, and that the best way to improve food safety is by developing practices and regulations suited to the production and marketing conditions of small-scale producers rather than subjecting them to rules that have been developed for the very different universe of industrial foods and supermarkets.
  We suggest the following wording:
  “Develop specific public policies guaranteeing food safety appropriate for small-scale food producers, including hygienic and sanitary regulations, that should be applied to the production phase as well as to processing and distribution in territorial markets.”

**Institutional Procurement**

- We feel this section should be strengthened by two additions: a recognition of the role of local authorities in these programmes, which could be added to the chapeau, and an indication that institutional procurement programmes should take social and environmental objectives into account and should be anchored in public policies that promote the progressive realization of the right to adequate food.
Smallholders in transition

- This section gives the impression that the changes underway are inevitable “givens” to which smallholders must simply adapt. On the contrary, the 2013 HLPE report and work underway in another CFS workstream on urbanization and rural transformation highlight the fact that these transformations are affected by – or are sometimes the outcome of - the orientation of public policies and investment. These could well be directed towards what is now being termed “integrated territorial development” suggesting a new kind of space - small-medium cities and the rural areas around them – which is far more compatible with small-scale producers’ conditions than the current race towards megapolis. They could concentrate on strengthening and protecting markets linked to territories and building their capacity to meet urban food demand. We suggest that the section be re-entitled “Public policies to support smallholders in transition” to highlight the decisive role of public policies.

- This section would be an appropriate place to insert a strong recommendation regarding women, along the following lines:
  “In recognition of their fundamental role for improved food security and better quality of life for their communities, empower women by ensuring access to productive resources, including land and credit schemes, income opportunities and extension services and information; systematically institute positive discrimination measures for women and youth and their networks/organizations related to territorial markets, institutional procurement, and fiscal policies.”

- Regarding recommendation b) we suggest the following reformulation to make it clear that we are recommending measures which are based on the practices of small-scale producers – including the least well-resourced producers who are the most subject to food insecurity – and are accessible to them:
  “Promoting agroecological approaches to increase smallholder productivity and resilience and promote rural employment diversification that insures against food price volatility and mitigates the impact of risks and shocks in agricultural income”.

- Recommendation e) as currently worded is too vague. Since the point of this set of recommendations is to defend and strengthen smallholders, recognizing the existence of unequal power balances, we suggest the following wording:
  “Where PPPs and contract farming are operating, governments must ensure that farmers benefit from adequate protection and capacity to negotiate from positions of strength”.

- It would not be credible for this package of recommendations to make no reference whatsoever to the fact that international policies – particularly in the areas of trade and investment – have significant impacts on smallholders’ access to territorial markets and on government policy space. We recognize that the exact wording of such references will be subject to discussion but the CFS is mandated to recognize and address contentious issues rather than pretending they do not exist. To start the discussion off we propose the following wording:

  “Governments should be enabled to grant exemptions from, or apply moratoriums to, international regulations and agreements in areas such as food safety or public procurement where these rules impede smallholder access to territorial markets and are damaging to the attainment of food security and the right to food.

The CFS should undertake an assessment of the impacts of international trade and investment agreements on smallholder access to territorial markets and on the attainment of food security and the right to food in
line with its mandate of facilitating policy coherence. The HLPE could be asked to prepare a report in order to provide a sound analytic basis for discussion.”

- The text should end with a paragraph regarding implementation and monitoring of this set of recommendations. We will make a proposal in this sense at the 28 April Informal Consultation.

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