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## REGIONAL CONSULTATION WORKSHOP

Smallholders and family farms



# Regional Initiative: Empowering Smallholders and Family Farms for Improved Rural Livelihoods and Poverty Reduction - **country report of Kyrgyzstan**

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# Weight and role of smallholders and family farms in Kyrgyzstan

- There is no unified definition of smallholder in Kyrgyz law;
- Decree of the Government of KR# 78 (1998) define it by number of workers and by annual turnover;
- 98.1%\* of the agricultural production are produced by smallholders and/or family farms;
- 98-99% of livestock and 96% of arable land belongs to smallholders;
- 314 thousand peasant farms and 104 thousand individual entrepreneurs (2017) – increase on 10% in last four years.

\*here and further data from National Statistical Committee (NSC)

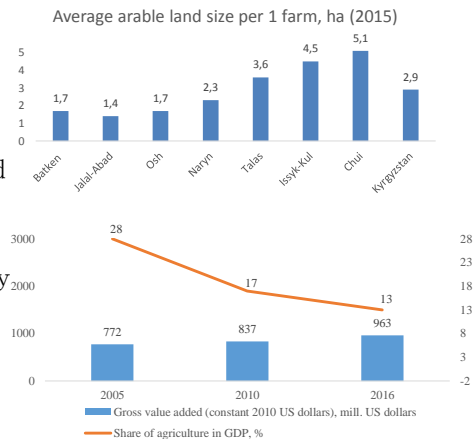
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## Weight and role of smallholders and family farms in Kyrgyzstan

- Average farm size ~ 3 ha;
- Farm size smaller in South and bigger at North;
- 82% of farmers are males;
- Cattle concentrated in more populated areas, sheep and horses in mountains;
- Smallholders are main constraint for value chain development - no economy of scale;
- Declining role of agriculture in economy, low growth rates.



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## Conclusions

- **Income and employment:**
  - Small land plots, low mechanization, weak access to services and capital lead to low income and productivity;
  - Self-employment is the main source of employment in the rural areas in all regions; alternative – labour migration;
  - Uneven and limited opportunities for women labour.
- **Access to:**
  - Inputs and services – complicated to quality proven seeds, fertilizers, services, clan-based group decisions support (case study);
  - Finance - interest rates are high, subsidized credits hardly accessible, clan-based group decisions support (case study);
  - Knowledge - lower education level in agricultural labor, high migration - low incentive to study; R&D in agriculture underfinanced.

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## Conclusions (2)

- **Land tenure:**
  - Land reform reframe 500 collective farms to 300 thousand small-scale family farms;
  - Land market development process is slow;
  - Restrictions in land law hinder private investment ;
  - Land inheritance is an issue in gender equality.
- **Value chain organization:**
  - 300 thousands smallholder farmers creates almost perfect competition situation;
  - Private market agents build domestic and export-oriented VCs;
  - Some products on internal and external markets brings high market margin for farmers (60%) – cases of sheep meat and kidney beans.

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## Conclusions (3)

- **Rural economy and related issues:**
  - Low rate of the growth in agriculture 2% vs 4% national;
  - Weak infrastructure – access to drinking water (89% in 2015);
  - Poverty declining (49.8% in 2005, 17.5% in 2014– 3.1\$/day), but predominantly rural (66%);
  - Open pastures destroyed by growing livestock herds (42% growth in 2005–2015);
  - Climate change is a growing problem for smallholders: unstable precipitation, temperatures, winds, snowfalls, insufficient irrigation.

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## Conclusions (4)

- **Policy priorities:**
- Country Strategic Programs formulated now (no operational frame yet): Mid-term Country Strategy announced in Aug. 2017 and draft of Long-term Strategy -Nov.2017
- Programs oriented on the development of:
  - Cooperatives, regional clusters, irrigation infrastructure;
  - Sustainable environment and green ecology, organic agriculture;
  - Smallholder farmers declared as a constraint to agricultural development;
  - No linkage to the SDG Goals yet.

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## Recommendations

- **Access to finance:**
  - Financial literacy;
  - Transparency of subsidized credits for farmers.
- **Access to services and inputs:**
  - Support local authorities to develop access to services and input supply on community level: subsidize service centers, improve monitoring and quality control of the input supply, provide necessary training.
- **Strengthening agricultural extension services:**
  - Trainings for: small farmers, private sector, public officials;
  - Support the academic sector.

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## Recommendations (2)

- **Land Market Development:**
  - Support development of agricultural land market and implementing VGGT (Voluntary Guidelines on the Governance of Tenure of Land, Water and Forests )
- **Market and Standards improves Food Security:**

*Kyrgyzstan in Eurasian Economic Union*

  - Laboratories, Certification centers and Capacity Building;
  - Institutional capacity and monitoring role of state bodies need to be improved;
  - Knowledge base - manuals, online resources, technical expertise and support, platforms, forums, websites;
  - Local trade brands for selected products might be a good strategy for the export promotion.

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## Recommendations (3)

- **Environment Protection:**
  - Pasture degradation need policy solution;
  - New climate resistant hybrids needed, new soil protection techniques, water saving technologies need support
- **Social Policy:** social mobilization and focus on poorest farmers.
- **Gender as cross-cutting approach for state programs**
- **Tax incentives:**
  - Low taxes for agro processing sector & cooperatives, zero tax on import of technologies
- **Statistics:**
  - Need definition for smallholder, need smallholder specific indicators (size of the land plots, livestock distribution)

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# Thanks for attention!

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