

## Family farming and agrifood supplies in Latin America and the Caribbean amidst the COVID-19 pandemic

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The Inter-American Institute for Cooperation on Agriculture (IICA), through its Territorial Development and Family Farming Program, conducted a survey (May 2020) on the status of Family Farming and agrifood supplies in Latin America and the Caribbean amidst the COVID-19 (SARS CoV-2) pandemic<sup>1</sup>, which was completed by 118 qualified individuals<sup>2</sup> from twenty-nine countries in the hemisphere<sup>3</sup>. The survey results provided a general overview of the food supply situation and the effect on family farmers. The main results are summarized below.

### *Effects of COVID-19 on the dynamics of Family Farming*

In recent years, Family Farming has proven itself to be a critical sector for our societies. However, it has not been spared the effects that the pandemic has wrought on the different sectors and dynamics of our countries, altering its relationship with the environment and most of all, its linkages with markets.

The effects of the pandemic are assessed from three perspectives: the factors that are constraining the ability of FF to continue production and trade; perceptions with respect to the volumes that FF will produce over the next six months; and the income and prices received for the sale of its products.

Three aspects were identified as the main difficulties faced (by more than 50% of those surveyed) in FF production and trade. i) First of all, there is a lack of protective gear and sanitary and biosecurity protocols that would allow producers to work under safe conditions. ii) Secondly, there are transportation and distribution challenges caused by various factors, such as internal and/ or external restrictions on travel and movement, which have constrained the commercial transportation of Family Farming products. There has also been a decline in available drivers and transport operators, arising from restrictions imposed as preventive measures or through fear of the risks associated with transmitting and contracting the virus. Moreover, not all countries have established adequate regulations regarding sanitary and biosecurity protocols to protect transport operators. iii) The third difficulty is limited access to financial resources for production and reproduction of the family unit. Although governments have established a series of financial measures and facilities to compensate for the contraction of economic activities, family farming has not always been the priority.

In addition to these aspects associated with the production supply and transportation to markets, there is a perception by those surveyed that in the next few months there will be a reduction in consumer demand for a number of reasons, most notably factors affecting producers ability to sell their food, such as elements affecting local market operations (43%) and a lower influx of customers to the markets, due to consumers' fear of contracting the disease (42%), coupled with the population's loss of purchasing power.

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<sup>1</sup> The IICA delegations provided support by identifying the persons who were surveyed in each country.

<sup>2</sup> A total of 43% of the persons surveyed were from public institutions. The others were representatives from production organizations or associations, academia, the private sector, research centers, non-governmental organizations, cooperatives and international organizations, accounting for between 11% and 5%.

<sup>3</sup> The persons surveyed came from the following regions, in decreasing order: the Andean Region (35), Central Region (30), Southern Region (25), Caribbean Region (24) and Northern Region (9).

In offering perspectives on the production supply from family farming, the majority of the individuals surveyed (93%) stated that the effects of the pandemic have already been felt and most of them (88%) believed that the categories that stand to be most affected are grains, cereals and vegetables, followed by fruits, roots and tubers and meat. The majority also felt that over the next six months, production will increase or remain the same for specific products such as corn (61%), beans (65%), Andean cereals (71%), sorghum (71%), Musaceae (80%), potato (79%) and cassava (68%), whereas there will be a decline in the production volumes of crops such as tomatoes (64%), onions (80%), cabbage (71%) and aquaculture products (80%).

Another purpose of the survey was to understand how the pandemic had affected FF income. Seventy percent (70%) of respondents thought that income had declined for two reasons. On the one hand, the contraction in the economy and reduced demand triggered a reduction in the prices that farmers had received and the volume of sales. On the other hand, they also emphasized various factors linked to mobility and access to markets, including transportation restrictions, higher intermediary costs and social distancing measures.

One key aspect of the food supply analysis was the change in the prices received by Family Farming products. More than three-quarter of participants (84%) advised that FF prices had remained stable or fallen. However, one prevalent perception was that intermediary agents had increased their earnings, as market instability had boosted their negotiating power. This relationship between producers and intermediaries was most affected in zones in which associative enterprises had been weakened the most, thereby limiting the negotiating power of family farmers. One of the lessons learned from this situation is that States have instituted just a few or no measures to regulate agricultural prices that guarantee family farmers a fair price for their products.

### *Repercussions on Family Farming in 2020*

The survey revealed diverse opinions on the pandemic's potential impact on family farming, although the respondents' main concerns focused on production and trade repercussions that would affect countries' food supply.

As far as production was concerned, the main issue was the risk of a potential reduction in the supply of products, due to two main factors. At the policy level, the focus was the lack of government incentives, in particular, credit facilities; as well as of virtual technical advisory and capacity building services; and of measures to regulate food prices. Risks on the market side centered around the reduction in prices from intermediaries; sanitary and biosecurity restrictions that affect production and trade logistics; reduced availability of agricultural inputs (seeds, fertilizers, manure, etc.), primarily in countries that must import them, followed by increases in prices and production costs.

The trade aspect was the greatest cause for concern, specifically, sanitary restrictions in the operation of markets and trade channels, as well as logistics and services to transport products to markets (post-harvest handling, collection, transportation, etc.).

Another important issue was the reduction in agricultural income in family farming, which could eventually impoverish a considerable share of rural families, which is a phenomenon that

is already on the rise, due to the limited number of programs involving support to production enterprises, social welfare and expanded access to social services.

The potentially most decisive factor emphasized by most persons who were consulted was the impact of the reduced income and purchasing power of the population, stemming from increased unemployment and informal working arrangements, coupled with reduced income in the public and private sectors, which are factors that tend to reduce the demand for food.

The persons consulted also pinpointed some positive aspects arising out of the current situation that could drive changes to ensure a more equitable society and sustainable development, including:

- The need to encourage deep reflection about the structure and organization of the global agrifood system, with a view to reshaping and diversifying it, while enhancing sustainability.
- Valuing and ensuring societal recognition of the pivotal role that family farming plays in ensuring the supply of food to domestic markets and the food security of the country.
- The importance of the food supply and the stability of supply chains in ensuring the proper functioning of societies.
- The importance of direct trade channels, particularly the incorporation of digital technologies into trade.

These repercussions and positive perspectives provide national and local governments with the opportunity to strengthen the design and coordinated implementation of innovative state policies that promote inclusive, sustainable, and resilient development of the agriculture sector, most notably by fostering trade mechanisms that effectively contribute to food and nutritional security.

#### *Public policy proposals in response to the pandemic*

In the context of this challenging scenario, the respondents presented a series of public policy proposals, for the regional and national levels. These have been grouped thematically, with a view to providing a more integrated perspective.

At the regional level, respondents identified the need to strengthen horizontal cooperation and regional ties, recognizing that no country will emerge from this crisis on its own. This will call for strengthening of discussion and integration forums, in order to coordinate a common strategy to respond to similar situations, and which is capable of fostering innovative agrifood systems.

It was proposed that, internally, countries should devise State Policies, in other words, permanent structural policies to address the needs of rural and agriculture sectors, with an emphasis on family farming, as the sector that produces most of the food in LAC. It was pointed out that for these policies to have an impact at the global level, they must be aligned with the Sustainable Development Objectives (Agenda 2030) and the United Nations Decade of Family Farming (2019-2028).

The respondents also indicated the need for countries to devise short-, medium- and long-term policies. In the short-term, they will need to formulate contingency and preventive plans to combat the negative effects of the pandemic. Actions should be based on inter-institutional and intersectoral cooperation and coordination mechanisms, which also incorporate civil society organizations.

In tandem with this, the respondents proposed that a series of differentiated public policies be designed and implemented for the medium- and long-term, which strengthen the contribution of family farming and the economic recovery of rural territories; enhance the functioning of agrifood systems; guarantee food and nutritional security, and improve rural well-being. Suggestions for differentiated family farming policies covered the following seven spheres of action:

1. Institutional structures. Prior to the formulation of these policy proposals, the legal and regulatory framework governing the concept of family farming would have to be defined, to clearly identify which producer groups fall within this category. On the other hand, respondents also proposed that a record or land registry for family farmers be established, serving as a basic tool to enable their identification and to allow them to access public policy instruments. The persons consulted also pinpointed the need for a planning and execution process for actions that require a greater level of regional and local government involvement, facilitating the decentralization of government entities.
2. Production. The respondents offered suggestions as to how to revive agricultural production processes, such as, the need to support the reactivation and planning of agricultural production through short-, medium- and long-term instruments that include incentives to FF; promote resilient production practices; enable diversification of the food supply, particularly the agroecological supply; strengthen agribusinesses and agroindustries; foster biosecurity and traceability in the chain and to ensure fair prices for the producer. They also felt that family farmers should be beneficiaries of agrifood reactivation policies to support them in transitioning towards an agricultural trade surplus.
3. Trade. Proposals in this area sought to strengthen the role of family farming in agrifood supplies; consolidate public purchasing programs and food assistance programs for the most vulnerable communities; incentivize associative trade and short circuit trade; promote the use of digital technologies to strengthen direct sales; and to ensure the efficient operation of road networks.
4. Support services. The respondents emphasized the need to support policies related to the following services: connectivity to reduce the digital divide, thereby facilitating communication; access to information and services, such as virtual training; measures to encourage the participation of rural youth, through the use of digital technology; increased access to financing and agricultural insurance under conditions that spur reactivation of the agrifood sector; and conditions that facilitate access to different types of certification.
5. Associative capacities. Public policies must also take into consideration the organizational capacities of rural communities and producer groups. For example, the creation and strengthening of associations, cooperatives, networks or other types of production or trade organizations are of vital importance to facilitate interaction among the various stakeholders in the value chains, enabling them to influence public policies.
6. Social protection. In this area, there is an urgent need to introduce measures to distribute food to the unemployed, informal workers or migrants who have returned to rural areas. Hand in hand with this is the need to expand public social services, such as health and education.



7. Communication. Finally, some of the persons consulted underscored the need to drive programs that accord greater value and visibility to FF, recognizing the current situation as an opportunity for society to appreciate the multiple attributes of this sector and its importance to the development of countries.