

“Investing in smallholder family farmers for the future we want”

Second Governors’ Round Table in context of the thirty-seventh session of the Governing Council of IFAD

It is becoming increasingly evident that if **inclusive and equitable development** is to be achieved, as envisioned in debates surrounding the post-2015 development agenda, **investing in family farmers will be indispensable**. These women and men represent the vast majority of farmers in the world. There are around 500 million smallholder family farms in the developing world, which provide livelihoods for about 2.5 billion people.

These farmers are also custodians of vital natural resources and biodiversity, and are central to climate change mitigation and adaptation. The **benefits of investing in smallholder family farmers** for poverty reduction, pro-poor growth, and food and nutrition security are undeniable and their vital role in safeguarding the environment, improving resilience to shocks and building close-knit communities and families is clear. However, they remain a largely untapped resource, and are disproportionately represented among the world’s poor and hungry. This is a paradox that cannot be allowed to continue in a world that seeks to eradicate hunger and extreme poverty.

The constraints faced by smallholders are manifold. Across countries and regions, limitations such as scant or non-existent infrastructure (roads, energy, storage facilities, water and irrigation) and inadequate access to finance and markets need to be addressed through an enabling policy environment - if the potential of smallholder family farmers is to be realized for the greater global good.

Today, the opportunities for investing in smallholder family farmers are better than ever before. Several emerging factors and trends point towards the potential realization of vibrant smallholder family farms and rural communities in the future. Consider that:

- **Higher food prices** increase the potential viability of smallholder family farming, and as food imports become more expensive, smallholders will be positioned to capture a larger share of domestic markets.
- Increasing **integration of rural and urban areas; consumer awareness** of the social, environmental and health benefits of consuming high quality, uncontaminated smallholder produce; **decentralization** and **the spread of information and communication technologies** are all creating new opportunities for smallholders to access markets.
- **Greater organization of small producers, participatory approaches to research and development**, and **more integrated value chains** are leading to new kinds of partnerships between smallholders and other private-sector actors, with potential win-win outcomes.
- The role that vibrant rural communities will have to play in **providing a range of goods and services to more urbanized societies** – for example, in relation to **energy** and the **environment** – and the potential **employment implications** of this.

Given these emerging realities, **IFAD would like to invite Governors to share their vision of the future they want for their countries, the role that smallholder family farmers play in this future, and how IFAD can continue to support them in realizing this vision.** Accordingly, a discussion at the Governors’ Round Table will be centred around the following questions:

1. What **role do smallholder family farmers play** in the future you want for your country?

2. What are the avenues for **mobilizing the funds to invest in smallholders** to enable them to contribute to realizing this future?
3. What **more** can **IFAD** do to enable **smallholder family farmers** to achieve the future we want?