

Findings 'smallholder definition' working group

Introduction

A working group was formed at the Organic World Congress in Canada to define a smallholder in the setting of Smallholder Group Certification.

Findings

At the workshops already some items that should be considered when defining a smallholder have been mentioned. These were:

- the farm units are mainly managed by family labour
- size of the cultivated land is relatively small
- production system (low external inputs)

The producers mentioned land size but this varies per region (in Mexico a smallholder has less than 20 acres while in Haiti less than 2,5 acres). Many people objected to using land size as a criteria (5 acres of carrots versus 5 acres of cashew trees).

The producers recommended that a definition should incorporate an upper limit of income and an upper limit of the capacity to earn that income.

Furthermore they felt that the value of the export crop should be considered.

They also argued that smallholders, because of their farming capacity, do not have the ability to establish her/his own marketing channels, bookkeeping, finance and training.

Other working group members added the value of good communication and processing.

It is interesting to note that ICS are developed to assist smallholders in marketing, record keeping, all kinds of paperwork, communication with the certifier and competent authorities etc.

Another approach towards setting a definition is looking at the cost of certification. A farmer could be considered a smallholder if the expenses (s)he has to make towards certifying the product exceeds a certain level. For a fair comparison we have to include the value of the commodity produced.

Take for example a level of 2% of the value of the commodity.

Say if an external inspection costs 500 US\$ a day and the inspector can inspect 4 holdings in a day the cost of inspection for one farmer would be 125 US\$. That would mean that the value of the commodity (s)he produces should be less than 6,250 US\$ to be considered a smallholder in this particular case.

Recommendation

We feel that all mentioned criteria should be part of the definition of a smallholder in a group certification exercise. Therefore we propose that a checklist is used with criteria for being a smallholder. The above mentioned items can be checked one by one to see if a farmer meets the criteria. Based on the findings of the working group the checklist looks like this:

Fairly simple production system	X
Uses mainly family labour	X
Limited capacity of marketing	X
Limited capacity of record keeping	X
Limited capacity of communication	X
Limited capacity of storage / processing	X
The average annual income from the certified product is below approximately 5,000 US\$	X
Spends over 2% of commodity value on external inspection	X

Proposed definition:

A farmer in a group certification scheme is considered a smallholder when her/his holding meets at least 6 of the 8 criteria from the checklist.