Agribusiness investment: small farmers’ strategies and women’s role to cope with changes

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Introduction
Context: Why the study?

Despite high controversies on the Daewoo’s case and the *malagasy* political crisis: large-scale investments continue and their promotion are still on the political agenda.

**National stake:** to engage debate on what business model to promote or prioritize

**Research questions:**

i) what strategies households do adopt in a socio-economic context transformed by an agribusiness company?

ii) what roles women do play in these strategies and adaptations?
Methodology

• The case-study:
  One company*
  Two business models: large-scale plantation and contract farming
  One crop*
  Two areas with similar context

  * Name have been changed to respect anonymity

=> qualitative study (August 2013, 30 days on field in team work, 80 interviews) to identify strategies and impacts

=> Forthcoming (end 2014), quantitative approach to assess the impacts
Large-scale farming model: key findings
The context

- MadCulture: lease contract on 650 ha on a private agricultural estate owned by a private company
  - At first sight: a legal status that should confer land tenure security to MadCulture

- Two major changes induced by MadCulture’ setting up:
  - **land access and governance:**
    - 270 farmers have lost access to their plots
    - Land dispute over an area of 240 ha
    - Change in local governance
  - **labor markets: new jobs**
    - 40 permanent staffs,
    - 80 to 500 workers per day depending on seasons
Households’ strategies

Households

**NO land losses**
- Previous activities + job with MadCulture

**With land losses**
- Agriculture + job mainly out of MadCulture
- Agriculture + livestock farming
- No reaction

Few ares to 2 ha (until 100% loss)

*Winners*

*Losers*
Women’s role in these changes

- Key role: contribute to household diversification strategies but focus on flexible activities consistent with household tasks =
  - Daily jobs in the neighborhood and notably with the company (where they are more frequently recruited than men)
  - Handcraft
  - Livestock breeding
  - Agriculture

- As men work out of the village, women manage the household, run its budget and implement the investment strategies
Contract farming model: key findings
Households’ strategies to contract or not

**Household**

**No contract**
- Large & medium farmers: preference for more profitable crops
- Small farmers: availability of land + family workforce
  - OR preference for crop that can cover short-term cash needs

**With Contract** (2 to 55 ares)
- All farms: Crop diversification + pest and disease control + optimization of means of production (family labor force, extra plot or lend land for free)
- Medium & Small farms: Overcome capital constraint and cash problem: inputs financing + payment in cash in once

- Households

- Contract or not
Women participation

- Inclusive model: all type of farmers (big, medium and small), both men and women (in 2012, women signed 1/3 of the total contracts)

Whatever the identity of the contracting, women:
- often take the initiative in establishing the contract
- are strongly involved in their implementation: looking for land and agricultural tasks (all, except plowing) and,
- usually manage income from the contract

Some women have used the opportunity to gather in an association: use the profit of the contract to create a rice bank and sell at low prices all year round for members.
Lessons learnt - Recommendations
Large plantation model

• Main difficulty = to get a secure land access, even in a situation where land access is entirely legal

Agribusiness companies that develop large-scale plantations should:

• conduct appropriate due diligence on the land uses and rights and above all, should respect these rights;

• include more the women in the negotiation process (by organizing if necessary common and separate consultations) to identify new options to solve the conflict;

• If expropriation cannot be avoided, support the affected households in their diverse income generating activities and with up and downstream interventions (supplying inputs, promoting market access, etc);

• offer good working conditions...and maintain daily jobs, accessible for women.
Contract farming

• Main advantages: the production costs are lesser than the one of the large plantation, faster in terms of expansion and, above all, there is no land conflict.

Agribusiness that develop contract farming should:

• support smallholders, within or outside a public-private partnership, in relation to access to inputs (from seeds to credit),

• promote access to expertise and training to improve the yields and the quality – profitable for all parties,

• implement transparent management and effective communication on terms and conditions determining the purchase prices and the costs charged to the producers,

State and donors should promote collective action to empower farmers and especially women (training, bargaining, etc.).
Thank you for your attention

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