FINANCING GRASSROOT WOMEN SMALLHOLDER FARMERS:
CHALLENGES/DIFFICULTIES AND THE WAY FORWARD

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INTRODUCTION

When the Nigerian government provided seeds, water pumps, fertilizer and loans to farmers as a part of a national agriculture program, only few women, especially in the rural grassroot, were among the many beneficiaries. But women generally have capacity to manage and increase farm produce to reduce food shortage and take care of homes and families. The following two short stories will buttress this fact.

Mama Segun, a widow, took over her husband’s cocoa farm in Ikare near Akure, Ondo State, after the death of her husband. Every year, she engages laborers to work on the farm and reap good harvest and money to take care of Segun and his siblings. Today, Segun is a graduate, with all his siblings.

Following the death of her husband, Ajuma Ajonye was farming her husband’s land in the Ugbugbu Akor, Orokom community in Benue State, where women do not usually inherit property or participate in decision making. She did not have access to weather information, but followed the advice of extension workers to practice crop rotation and secured critical resources from the agricultural program. Ajuma repaid her loan ahead of all the other farmers and doubled the amount of land she cultivated. As a result of the government’s services, Ajuma’s family’s nutrition improved significantly. In exchange for labour, she provided food to other women farmers who were not able to access land and government support.

These stories demonstrate how support directed to women farmers can lead to positive ripple effects across households, communities and countries. Farmers like Mama Segun and Ajuma play a central role in reversing poverty and food insecurity, and building resilience in the face of climate change.
Women smallholder producers are heavily engaged in domestic activities, which remain hidden economically. These dual roles in households and on farms mean that their empowerment can have a wider impact on communities and economies. Agriculture is more likely than any other sector to provide diverse opportunities for empowering women and reducing food shortage and climate vulnerability.

However, women do not receive the same support as men farmers, who have more access to farming inputs such as land, fertilizer and technology; financial services such as loans and subsidiaries; and technical support such as weather information and training through extension services. These barriers result in women producing 20-30 percent less than men. Supporting women farmers is not simply about securing identical inputs for women and men, but ensuring that resources are line with women’s needs. Social norms and institutional constraints are significant barriers to many resources being effective for women.

AFRICAN UNION RESPONSE TO WOMEN FARMERS

In response to the needs of women and small-scale farmers, and recognition of the central role they play in food security:

- At the 2003 African Union Summit in Maputo, governments committed to dedicating 10 percent of their national budgets to agricultural development and eliminating gender discrimination in access to economic resources such as credit, training, extension services, land, information and technology.
- Agenda 2063 of the African Union Commission, established in 2010, calls for women to access at least 30 percent of agricultural financing.
- Governments committed to achieving the Sustainable Development Goals (SDG) to achieve gender equality (SDG 5), end hunger (SDG 2), and combat the impacts of climate change (SDG 13).
- As part of the 2015 Paris Climate Accord, developed countries recommitted to mobilizing $100bn per year for adaption and mitigation action in developing countries and balancing adaptation.

CHALLENGES/ DIFFICULTIES WOMEN SMALL GRASSROOT FARMERS FACE IN ACCESS IN FINANCE/ INPUTS

Achieving the agriculture transformational change that Nigeria and of course Africa craves; one that can sustain the continent’s urgent food demands and the changing
agriculture landscape, will require clear understanding of the gender-gap blocking issues in the sector.
Below is an account of the most pressing issues:

a. Access to Productive Resources:
   It is widely known that grassroots smallholders women farmers tend to experience more constraints in accessing agricultural productive resources such as:

   I. **Access to Land:** in most parts of Nigeria and Africa, women do not have inheritance rights to land. Unequal rights to land borne out of diverse statutes, religious, customary and local norms put women at a disadvantage, perpetuate poverty, and entrench gender inequality in Africa. Women represent less than 15% of agricultural landholders, livestock or other agricultural resources (that is, those who exercise management control over an agricultural holding as owners or tenants, or through customary rights).

   II. **Access to Finance and Financial Services:** Agricultural finance is among the most difficult type of finance to secure. Smallholders grassroots women farmers experience greater constraints than their male counter parts based on the following:
   - Perceived risk – That Agricultural loans to women are difficult to recover and secondly, that there is usually no collateral security to fall back to, in case of default. And even if there are, the Forced Sales Value of such security will be worthless. Grassroot Smallholder women farmers operate in an environment particularly perceived as riskier than that found in other non-African developing countries.
   - Lack of Management capacities- African grassroots smallholder women farmers generally lack the necessary Managerial capacity as rural dwellers with limited education to manage farms. Africa’s large population of rural dwellers with limited education has little or no access to financial services and is effectively unbanked. This segment of the population has had neither the opportunity for interaction with financial
institutions nor exposure necessary to develop skills for accessing formal credit.

- **Access to Banking Services vis-à-vis Location of Farm** - The third adventitious explanation for prohibitive access to finance, is the physical location of farms and distance from credit source. The distance between the borrower and the leader ultimately has an impact on the resulting borrower-bank relationship. Banks are reluctant to embark on the rural banking program of the Federal Government of Nigeria, because it has been unprofitable, taking banking services closer to the rural dwellers.

- **Capacity of Financial Institutions** - Exacerbated by all of the above African Banks have weak capacities to develop profitable and broadened SME financial products.

### III. Access to Infrastructure: African rural grassroots producers, particularly women continue to face difficulties in accessing input and output markets due to insufficient and poor-quality of rural infrastructure. Agricultural infrastructure comprises a wide range of public services that facilitate production, procurement, processing, preservation and trade. It can be broadly categorized as follows:

- **Input Based Infrastructure** - Women farmers have limited access to seeds, fertilizers, pesticides, farm equipment, machinery that will enhance food productivity. For example, despite its potential to boost production and increase profits, levels of fertilizer use remain very low in Africa particularly among women. In many African countries, women apply even less fertilizers than men to their plots. It is important for rural people not to remain captive to outdated or less valuable technologies but to explore opportunities for change as newer technologies and inputs are made available.

- **Resources based Infrastructure** – Water/ Irrigation, Farm power/ energy. The lack of access to energy and water greatly increases the burden borne by women as well as their ability to optimize the use of modern technology. Without electricity, other household tasks such as food processing are far more
laborious. Collecting water is another heavy burden for women and girls across African shores.

- **Hard and Soft Infrastructure** - Women farmers have limited access to reliable road connectivity, transport, storage, processing, and preservation to counter post-harvest losses.

**IV. Institutional Infrastructure** - Strong institutions in Agricultural research, extension & education technology, information & communication services, financial services, and government ministries that impact agriculture are what is required to support the transformational agenda of rural women in Africa.

**V. Access to Training and Technology:** Developing women’s technical and entrepreneurial skills is key, given the increasing food demands, the changing context of agricultural trade, unpredictable long-term effects of climate change. This input emphasis on training and skills development for small scale women farmers and policy makers. This includes skills to improve productivity, increase adaptability to deal with change and crisis, and facilitate the diversification of livelihoods to manage risks are at a premium in rural areas.

**VI. Access to Information:** The gender gap in education, prevalent in previous decades, continues to affect women farmers today. Knowledge and training in farming methods and techniques are critical for both women and men. However, despite their important role in agriculture, women often are not considered as farmers, therefore women farmers tend to have less access to agricultural information and particularly information attuned to their needs. Women farmers tend to receive second-hand information from husbands and other male relatives if they are not the head of their household.

**RECOMMENDATIONS - WAY FORWARD**

Genuine support to women farmers could unleash the potential of hundreds of millions to effectively reduce poverty and hunger, while building countries’ resilience to climate change. Governments have been negligent in attaining their commitments. They must break down the barriers that are holding back grassroot women smallholder farmers.
The following recommendations are geared towards the developing and encouraging grassroot women farmers to increase their participation in farming and increase food production.

❖ Allocate resources specifically to women farmers: -
Rather than assuming that resources trickle down to women, government should reserve a proportion of capital budget for actions that put farming resources and support directly into the hands of women farmers.

❖ Disaggregate data by gender: -
Gender-disaggregated data should be collected throughout agriculture and climate change planning and implementation processes. They should also be integrated into national statistics databases and monitoring systems.

❖ Break down gender-specific barriers: -
Agriculture ministries should target gender-based barriers that restrict women’s access to key farm inputs. This includes identifying pathways for women to access credit and finance without legal land tenure, or to receive timely information about market access or irrigation. Governments should increase the number and reach of extension workers who are sensitized to the needs of women farmers.

❖ Support the participation of women farmers in local budget decision making: -
Women’s groups and farmer associations can be trained to monitor budgeting at the municipal and local levels, in order to better leverage funding. Given barriers to equal participation in farmers’ associations, local governments should explore avenues for increasing women’s participation and leadership in these bodies. Governments should take steps to redirect resources to small-scale grassroot women farmers.

❖ Balance support across small-scale farming and investment: -
Governments should redirect sufficient support to small-scale farmers, for example irrigation, seed and fertilizer, extension services, access to credit and mechanization. Governments should provide inputs that are environmentally sustainable and climate resilient, for example drought-tolerant seeds and organic
fertilizer, and invest in seed banks and other mechanisms that reduce the need for farmers to receive subsidies.

❖ **Align funding with high poverty incidence:** -
Spending should respond to geographic areas in which grassroots women small-scale farmers are facing extreme poverty, rather than leaning disproportionately toward more agriculturally productive or prosperous areas in a manner that can exacerbate inequality for farms in more prosperous areas. Local and regional agricultural budgets should be assigned based on rates of poverty, female-headed households, vulnerability to climate change and number of smallholders.

❖ **Improve coherence and reduce bureaucracy:** -
Government procurement and financial processes should be streamlined to ensure timely distribution of funding and better disbursement of allocations.

❖ **Provide resources to local governments:** -
Local governments need adequate resources to facilitate effective participation of grassroots women small-scale farmers in budgetary decision making, and should receive adequate support to set up dedicated budget lines for participatory processes. Federal and State governments should consider setting a target for local financing in their portfolio. Developed countries should take steps to target grassroots women smallholder farmers.

❖ **Direct funding to where it is most needed:** -
Developed country governments should have explicitly clear budget lines for small-scale grassroots women producers, direct aid to countries and regions where it is most needed, and provide long-term funding for climate change adaptation to help diversify farmers’ livelihoods.

❖ **Financial Inclusion:** -
‘Ensure that no one is left behind’. This is the slogan aim of the Cooperative society. Women can benefit substantially if women cooperative societies are formed in the rural areas to avail the opportunity of sustainable funding for their farming finance.

Thank you so much listening.