



This project is co-financed by the European Union
and the Republic of Turkey




Technical Assistance for the Study on Development of Collective Application Models for Small Farmers

Project Activities & Outputs



Agamemnon
Consulting Group



This booklet explains the
details of the project, its
activities and outputs

OVERVIEW OF THE PROJECT

Along with Turkey's intent to be included in the European Union began, development projects were implemented with the support of the European Union under the EU's Instrument for Pre-Accession Assistance (IPA) to make progress in various areas.

IPARD is the sub-component allocated to rural development related to this project.

The funds allocated to IPARD reaches its beneficiaries by the "Managing Authority for EU Structural Adjustment" and "Agriculture and Rural Development Support Institution (ARDSI)" through the Republic of Turkey Ministry of Agriculture and Forestry.

The main goals of IPARD are;

- to bring the EU approach, and best practices in rural development to Turkey, and
- to ensure that some activities carried out in the EU are implemented in Turkey.



OVERVIEW OF THE PROJECT

The National Rural Network (UKA) project, which its primary purpose is the transferring of information, exchange of experience, and cooperation between local rural development actors, and which has been implemented in all European Union countries since 2013, has also been implemented in Turkey since 28 November 2017 under the IPARD Fund.

Considering Turkey's rural development priorities, eight thematic working groups were established, and workshops were held under the NRN project.

The Thematic Working Group on Small Farmers' Support" has worked to identify agricultural enterprises that cannot benefit from existing rural development programs and to propose a support system that includes them.

In order to help small farmers, which are the target group of this study, to benefit more from rural development support, it became necessary to conduct field research, mobilize stakeholders, study the best practices in the EU, shed light on other farms by presenting the good models applied in Turkey and make proposals to improve support systems.

As a result, the project "Development of Common Application Models for Small Farmers" was conceived.

IPARD PROGRAM AND NATIONAL RURAL NETWORK ACTIVITIES

The National Rural Networks, which have been established in all EU countries and Turkey and have been implementing joint programs since 2008, work within the framework of the ENRD (European Network for Rural Development) and are a significant component of EU agricultural policy. The establishment of National Rural Network (NRN) in Turkey was announced on 28 November 2017 in a well-attended event organized by the Managing Authority.

Rural networking aims to implement rural development programs in a more effective and participatory way, develop better programs and ensure coordination between existing programs. In addition, it seeks to build close relationships with other networks, in particular, to establish and develop an exchange of experiences and cross-border cooperation, thus disseminating examples of good practice.

"The objectives of the national rural network in the field of agriculture and rural development are:

- Strengthen the participation of stakeholders in the implementation of rural development,
- Improve the quality of rural development program implementation,
- Informing the general public and potential buyers about rural development policy and funding opportunities,
- Support the monitoring and evaluation capacities of all small farmers,,
- Contribute to the dissemination of the results of the CAP strategic plans,
- Pursue studies on the development and implementation of innovations in agriculture, food production, forestry, and rural areas,
- To continue its work towards the fundamental objectives. The general understanding and basis of the network is the exchange of experiences through togetherness, trust, and cooperation.

The National Rural Network plays a key role in the development of rural areas.

IPARD PROGRAM AND NATIONAL RURAL NETWORK ACTIVITIES

One of its significant functions is transferring information, exchange of experience, and cooperation between local rural development actors. The rural development policy follows a bottom-up approach that encourages the participation of representatives of the sector and other actors in rural areas.

Participants in the studies on the national rural network: relevant public institutions, local governments, universities, research centers, producer organizations, regional development agencies, representatives of local governments, the private sector, farmers, non-governmental organizations, women's associations, and cooperatives, as well as local action groups established in 12 provinces under the "LEADER measure." YEG) are represented.

In addition to the Common Agricultural Policy (CAP) network for the networks of organizations and administrations, advisors, researchers, and other innovation actors in the field of agriculture and rural development, the Common Agricultural Policy network for organizing support to the CAP Strategic Plan was significant for the concept of the National Rural Development Network in the IPARD III period. It will be a resource. The national CAP networks will be part of the European network for CAP.

The objectives of this network, which vary according to the administrative structure chosen by EU members or individual countries/states, are: Networking of agricultural advisors and support activities for farmers Promoting innovation in agriculture, food production, forestry, and rural areas is the subject of national and EU programs.

IPARD PROGRAM AND NATIONAL RURAL NETWORK ACTIVITIES

NRN is necessary for testing new products and processes in agriculture, food, and forestry within a farm group organization that brings together LAGs farmers, researchers, and agricultural advisors.

The role of the NRN, which is technical support for implementing rural development programs, is not limited in this respect. Significant thematic studies have been carried out for farmers in the national rural network, continuing studies. According to the thematic studies, one of the NRN activities is the project "Technical assistance for the development of common application models for small farmers."

Among the NRN activities, the conduct of thematic studies to exchange knowledge and experiences on issues considered priorities for rural development occupies a significant place.



IPARD PROGRAM AND NATIONAL RURAL NETWORK ACTIVITIES

The NRN establishes thematic working groups based on rural development priorities. The thematic working groups were established to align the leading actors or institutional representatives on their themes and draw up a participatory approach and a strategy and action plan on the subject they are addressing.

The thematic working groups are primarily expected to contribute to the implementation of rural development programs. These groups provide the impetus for innovative approaches to improve knowledge on specific issues among relevant small farmers. The exchange of information gained through the themes in which these groups are active provides a better understanding of rural development principles and different practices.

The thematic working groups' activities also help generate ideas to raise awareness of significant issues at the policy level and design, implement, and improve rural development strategies that lead to solutions to these issues.

The thematic working groups established under the National Rural Network have conducted studies on eight themes. The Thematic Working Group on Small Farmer Support (TWG) is one of these eight working groups. The TWG aims to identify enterprises that are not covered by current rural development programs and propose a support system that includes them. Although the target group of the study is all small enterprises, the support measures proposed for them are linked to the IPARD program as much as possible.

STRUCTURE OF THE “SMALL FARMERS” PROJECT

The structure of the project allows this report to be prepared upon solid basis. In line with the requirements of the project, the Contractor have realised nine on-the-spot case studies to six pilot provinces (Amasya, Ankara, Balıkesir, Bursa, Hatay, Muş), meeting stakeholders who are active in rural development sector and beneficiaries of rural development supports such as small farmers, cooperatives, unions and associations. Moreover, three regional consultation meetings were organised, bringing many different actors together and forming an information-sharing platform. Three booklets were prepared to introduce the concepts and successful models on short supply chains, farm partnerships and collective applications to rural development supports.

Study visit to Italy was organised to experience the good practices in Europe and discuss models that may be applicable to Turkey. Main output of this project is a comprehensive report which reflects the efforts dedicated to completing the project activities, outputs produced, introduce useful applications and make recommendations to make rural development supports more accessible for the small farmers. Considering the best practices of Europe, evaluating the needs of sector and actors in Turkey, recommendations are provided in this report to support the improvement of next IPARD program and its accessibility by small-sized agricultural holdings.

ACTIVITIES AND OUTPUTS OF THE SMALL FARMERS PROJECT

Nine on-the-spot case studies were realised in six provinces under Activity 1:

In addition to the impressions and recommendations of the stakeholders in the provinces, the visits aim to collect and evaluate the experiences of farms and cooperatives that serve as examples of good practice. In Ankara, Amasya, Balıkesir, Bursa, Hatay, and Muş, which were selected as pilot provinces, small farms' difficulties and needs in applying for funding were discussed with actors working in the field of rural development. In addition to the stakeholder visits, surveys were conducted with farms or cooperatives that are considered examples of good practice and applying for rural development funds. The application process, the difficulties they faced, and the investments made with the funding were recorded. In addition, small-scale, subsistence or semi-subsistence farmers in the provinces of Amasya, Ankara, Bursa, and Muş were interviewed, and the problems and deterrent reasons they often encountered when applying for grants and subsidies were discussed.

The visits and interviews conducted as part of this activity are to reflect the experiences on the ground in this report realistically and provide suggestions on the points identified as critical.

In other words, the information gathered from the interviews will help to understand and assess the problems and present a solution-oriented proposal or model.



- In Amasya; 5 stakeholders, 1 Union, 1 woman's cooperative, 1 Local Action Group, 1 successful agricultural holding and 4 farmers were visited.
- In Ankara; 8 stakeholders, 6 Local Action Groups (LAG), 1 agricultural development cooperative and 1 successful agricultural holding and 25 farmers were visited.
- In Balıkesir; 2 stakeholders and 1 successful agricultural holding were visited.

ACTIVITIES AND OUTPUTS OF THE SMALL FARMERS PROJECT

- In Bursa; 8 stakeholders, 1 Association and 1 successful agricultural holding and 9 farmers were visited.
- In Hatay; 2 stakeholders and 1 successful agricultural holding were visited.
- In Muş; 2 stakeholders and 1 successful agricultural holding were visited.

Critical points maintained from the meetings in 6 pilot provinces can be summarized as the following:

Stakeholders mentioned that biggest problem small farmers face in applying to rural development and IPARD supports is understanding the application documents and opportunities or lacking the education and technical information to complete the necessary documents.

Another critical problem is lack of owner's capital which is necessary to allocate for the investment projects. Fear of not succeeding despite the capital spent also prevents the target group from taking risk and applying for bank loans.

When the stakeholders were asked about the reasons about not receiving any collective applications by small farmers to the rural development supports, their impression was that the target group had hardships in managing a business together.

ACTIVITIES AND OUTPUTS OF THE SMALL FARMERS PROJECT

A supporting secondary fact was lack of trust.

Successful agricultural holdings which applied and received investment supports answered some questions for us during the meetings. In the light of comments from the stakeholders, it was reasonable to evaluate the owner's capital and loan status of the successful implementations.

The average investment amount of the successful implementations was close to 1 million TL and bank loans were very limited. Considering the loan amounts received from the bank, it can be concluded that these enterprises had owner's capital to realise the investment.

This may be a supporting argument that agricultural holdings who have capital have higher intention to apply for rural development supports and invest in their business.

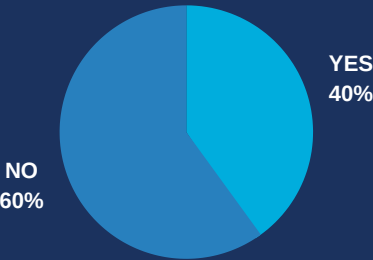
Furthermore, the Contractor applied farmer surveys to understand the general view of farmers and what obstacles they face in applications of rural development supports.

The Beneficiary's expectation was to receive 30 surveys from Amasya, 40 surveys from Ankara and Bursa each.

ACTIVITIES AND OUTPUTS OF THE SMALL FARMERS PROJECT

The Contractor contacted and followed up with the stakeholders in those provinces and received a total of 546 surveys from farmers. Ankara province provided 109, Bursa provided 148, Amasya provided 265 and Muş provided 26 completed surveys. The results below are evaluations of the 546 surveys in total and do not reflect all of Turkey.

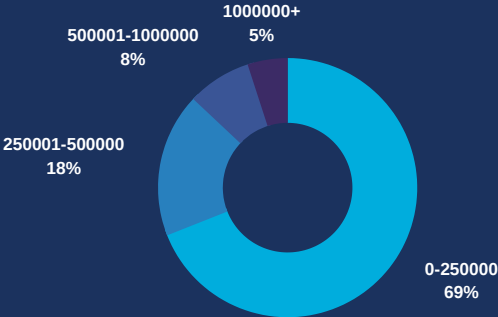
HAVE YOU APPLIED FOR AGRICULTURAL SUPPORT TO ESTABLISH AND MODERNIZE AN AGRICULTURAL ENTERPRISE OR DEVELOP CAPACITY BY SANCTIONING MACHINERY AND EQUIPMENT?



COMMENT

The project “Developing common models for Small Farmers” was born based on the argument that small-scale agricultural enterprises applied to rural development support, especially IPARD, in a small number as a starting point. The survey shows that 60% of the respondents did not seek the help of any institution to invest in their business.

ANNUAL AVERAGE TURNOVER (TL)



COMMENT

Since turnover includes farm expenses, the amount the farmer receives to live on can only be observed when these expenses are incurred. Considering the accounting habits of small farmers, the survey asked for the amount of turnover and not the annual profit.

It was found that 69% of the 546 farms that participated in the survey had an annual turnover of less than 250,000TL.

So, it can be said that the study reached the small farmers, the project's target group. At the same time, this statistic shows that "insufficient equity," one of the significant reasons for not applying for grants, can be a common challenge in discussions with stakeholders, cooperatives, and enterprises under Activity 1.

ACTIVITIES AND OUTPUTS OF THE SMALL FARMERS PROJECT

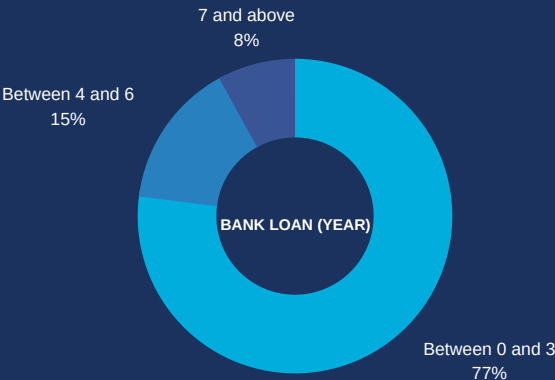
COMMENT

The fact that 77% of the participants have used loans in the last three years can be considered as a lack of livelihood or equity capital. On the right, statistics are presented in which it is observed that the beneficiaries of the IPARD grant are vital in terms of equity. 63% of the participants stated that those who benefited from the IPARD grant had their capital, and 21% indicated that they received family support.

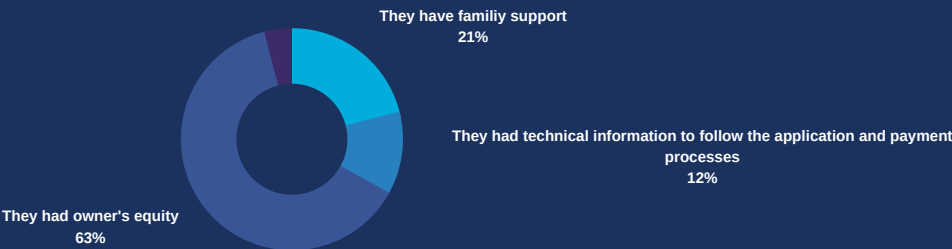
Accordingly, a total of 84% of the participants emphasized that, unlike themselves, the applicants had access to the necessary capital for investments.

These graphs support the argument that small-scale enterprises with high debt ratios and low equity capital apply to rural development supports in small numbers.

WHEN WAS THE LAST TIME YOU TOOK OUT A BANK LOAN?



WHAT FACTORS CONTRIBUTE TO THOSE WHO APPLY TO IPARD AND RECEIVE A GRANT COMPLETING THE PROJECT PROCESS?



ACTIVITIES AND OUTPUTS OF THE SMALL FARMERS PROJECT

Three Regional Consultation Meetings were realised under Activity 2:

Three online regional consultation meetings have been realised. It was mutually decided with the Beneficiary that the meetings will be for Amasya, Ankara and Bursa in the 22.03.2021 dated meeting.

- Amasya meeting took place on 27 and 28.04.2021 with participation of 116 people,
- Bursa meeting took place on 29 and 30.04.2021 with participation of 88 people,
- Ankara meeting took place on 03 and 04.05.2021 with participation of 164 people.

Each meeting was recorded, and three web news were prepared under this activity.

A study visit was made to Italy under Activity 3:

Study visit agenda was prepared and visit was realised between 03.10.2021 and 07.10.2021 together with the participation of 6 MoAF personnel and 2 experts on Contractors side.

A detailed study visit report considering all the important facts, comments and applications that can be useful for Turkey.

ACTIVITIES AND OUTPUTS OF THE SMALL FARMERS PROJECT

Three Booklets were prepared under Activity 4:

Three booklets; one on project activities and outputs, another on short supply chains, one on farm partnership and collective applications to rural development funds; were prepared and printed.

A comprehensive report was prepared under Activity 5:

A comprehensive report was prepared including an overview of success factors, obstacles and realistic potential of small farmers to apply for the measures identified in IPARD program, as well as recommendations on training topics for farmers and legal framework.

The Contractor also submitted a specially designed version of the report to enable international dissemination of the project.

KEY FINDINGS

If the project should be summarized; 27 stakeholders, 7 Local Action Groups, 38 farmers, 6 successful implementation which received supports for investment, 2 cooperatives, 2 Unions were visited face to face throughout the project. 546 farmers filled an agricultural survey and 368 people attended regional consultation meetings.

The study visit to Italy brought valuable information as all relevant entities were met and Italian procedures being critical for Turkey as the climate and agricultural volume are similar. Important concepts such as short supply chain, farm partnership and collective applications to rural development funds were introduced together with their advantages.

Main report was comprehensive enough to include terms, models and recommendations.

When the ratio of “capital” and “bank loan” were compared, it was evaluated that most successful beneficiaries of IPARD did not use or rely on bank loans as they applied for supports.

This is a key issue as small farmers met during the visits emphasized the lack of capital which would have allowed them to be braver in applying to rural development supports. Lack of capital is also stated as one of the most important obstacles preventing farmers to apply for supports.

KEY FINDINGS

Other key finding stated by some farmers is the exchange rate effecting the prices of equipment by the time it is bought compared to the initial cost at the time of application to an agricultural support. The last two IPARD calls considered an enhancement to even out the change of exchange rate. Considering this enhancement as a regular application could increase the number of applications from the target group.

It was also observed that general view on establishing joint working opportunities is negative as some farmers have problems of trust based on the previous negative experiences.

Lack of trust is partially personal, partially cultural. It takes time to change a vision. Stakeholders' collaboration to improve farmers' welfare is critical. The ability to manage businesses as a team is a matter of training and consultancy.

Once again, the importance of unions, associations, LAGs, and Chambers is under the spotlight. LAGs are especially critical for the fund-providing stakeholders as they are in contact with the field, knows the hardships, understands the needs and can prepare local strategies best suiting the area. They shall be entailed to develop relations with all stakeholders in the area and enable them to support the small farmers in collaboration.

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