Public Spending on Agroecology in Nepal and Cambodia – A Baseline Assessment

March 2023

Summary of Findings

The agricultural sector, particularly in low-income countries, is facing multiple challenges including climate change, soaring food, fuel and fertilizer prices, biodiversity loss, and lack of adequate investment in agricultural development. With world hunger levels on the rise,[1] an urgent move away from industrial agriculture and intensive farming practices is essential to avert catastrophic climate change[2]and the growing food crisis.

Agroecology is a way of farming and managing crops, livestock, forests, and fisheries that is viable, long-lasting, resilient to climate change, and offers various other environmental, social, and cultural benefits such as addressing food and water scarcity, and poverty. Agroecological approaches are the most effective means of adaptation to climate change.

In a landmark report, the High-Level Panel of Experts on Food Security and Nutrition (HLPE, 2019) defines **agroecology** as follows: *"Approaches that favour the use of natural processes, limit the use of purchased inputs, promote closed cycles with minimal negative externalities and stress the importance of local knowledge and participatory processes that develop knowledge and practice through experience, as well as more conventional scientific methods, and address social inequalities. Agroecological approaches recognize that agrifood systems are coupled with social–ecological systems from food production to consumption and involve science, practice and a social movement, as well as their holistic integration, to address food and nutritional security."*

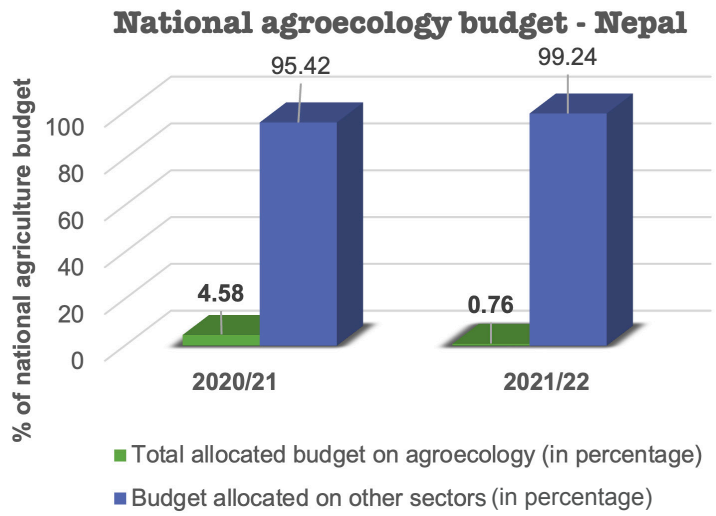
1 World is moving backwards on eliminating hunger and malnutrition, UN report reveals – June 2022
2 https://www.ipcc.ch/srccl/

Photo: Natasha Mulder/ActionAid.

However, despite being successfully practiced by millions of farmers across the world, agroecology is significantly underfunded and not supported in national policies and budgets. Countries are entrenched in farming models inspired by the 'Green Revolution' in the 1960s where high yield crop varieties, modern agricultural techniques, and chemicals were introduced to significantly increase food production, but which ultimately has led to major erosion of crop diversity, biodiversity, and farmers' livelihoods.

Supported by the TCC Foundation, ActionAid Nepal and ActionAid Cambodia undertook preliminary assessments to evaluate the extent of the national support to agroecology, analyzing the main national agricultural and climate policies, budgets, and programs. The findings were then integrated with the results of community consultations held in both countries to listen to 1,266 smallholder farmers' direct experiences of agroecology and their demands. **Despite the different country contexts, most of the policies and programs in both Nepal and Cambodia are designed based on intensive agriculture systems, focusing on a few crops, and using high levels of chemicals and pesticides. Meanwhile, farmers who successfully practice agroecology do so without any government support.**

In Nepal, the majority of the population relies on agriculture for their livelihood. Although the government seems to be politically committed to improving agriculture and food security through the transition towards organic farming, which advances many of the same principles of agroecology, there is a lack of understanding of the appropriate framework and policies to foster agroecology based on the conditions and the socio-economic context in Nepal. Most of the framework documents were prepared under international influence, including by donors, and fail to identify or address the priority issues raised by farmers. The majority of policies and strategies are not farmer-friendly or nutrition-sensitive and focus on commercial agriculture for export with high use of fertilizers and pesticides, rather than agroecology which prioritizes local communities' food and livelihoods priorities.



The national budget allocation in Nepal for organic farming, and more specifically for agroecology, is extremely low and has gradually decreased over recent years, at less than 5% of the national agriculture budget in 2020/21 and below 1% in 2021/22. The largest share of the agricultural production program budget went to fertilizer subsidies and other chemical intensive agriculture. Most of the agroecology programs introduced by the government have not been implemented effectively at field level.

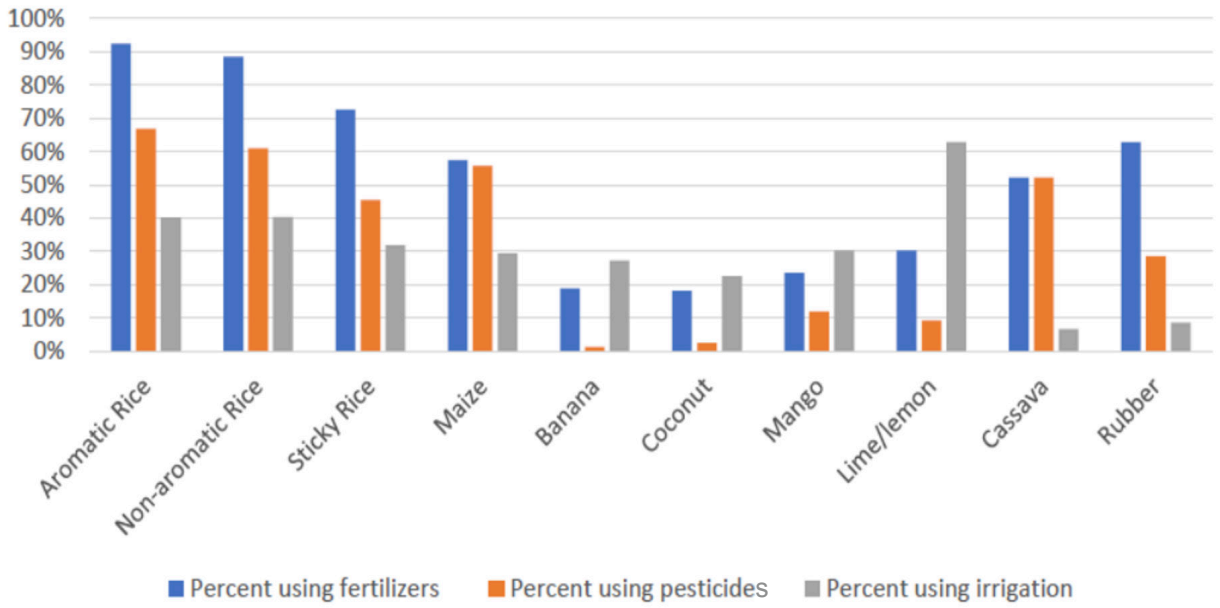
On the other hand, the study revealed rich experiences in the field, where, despite receiving almost no support from the government, smallholder farmers are choosing to practice agroecology to adapt to climate change after seeing positive impacts on their health, soil, income, and livelihoods.

"Our parents cultivated crops without any chemical fertilizers and pesticides. However, now we are destroying our land, environment and human health by spraying chemicals in our agricultural land." - Nabaraj Basnet, Chair of National Farmers Group Federation, Nepal

The key concerns raised by the farmers consulted included the increasing demand for food, rising food imports, and the impact of chemicals on their land, environment, and human health. Their common challenges whilst practicing agroecology include accessing local seeds, markets, and credit facilities, and price premiums for organic produce.

Smallholder farmers, including women, want the government to:

- **Protect farmers' rights;**
- **Enable farmers to secure fair market prices;**
- **Prioritze smallholder and other marginalised farmers for subsidies, credit, and insurance programs;**
- **And preserve indigenous seeds and knowledge**



Percentage of households in Cambodia using fertilizer, pesticides, and irrigation. Source: ADB 2021, Cambodia agriculture, natural resources, and rural development sector assessment, strategy, and roadmap.

In Cambodia, the Government's current agricultural development programs and budget are designed to promote agrochemicals and genetic engineering approaches, and support commercialization and industrialization of the agriculture systems to grow exports. No budget has been allocated to agroecology to date. This study revealed that policies in Cambodia incentivize the country's land concession system, whereby the Government leases land and allows the tenant to clear it for industrial agriculture. This system has particularly benefitted large scale investments and increased productivity, particularly of paddy rice and milled rice for export, known as 'rice white gold,' but has negatively impacted the livelihoods and human rights of rural communities who depend on the land.

The agricultural production model is organized through contract farming arrangements and the establishment of agriculture cooperatives, and its priority goal is to increase the purchasing, processing, and export capacity of agricultural products. In practice, this model has caused competition and division between farmers, biodiversity loss, and an increasing reliance on expensive external inputs, resulting in high levels of debt.
Smallholder farmers involved in the consultation shared that their major challenges were the rising costs of farming, poor soil quality due to chemical fertilizers and pesticides, climate change, loss of land, insecurity, and access to fair market prices for produce. **Farmers want the Cambodian government to transform the agriculture sector by promoting agroecology and ensuring the sustainability and rights of farmers.**

Smallholder farmers, including women, want the government to:

- Solving **land** conflicts and fair land distribution for landless and smallholder farmers;
- **Fair market prices** for produce that reflects the actual cost and labor involved;
- **Subsidies for agroecology** including cash, knowledge, and technical support for smallholder farmers to learn and scale up agroecological farming;
- **Access to water** or irrigation to enable smallholder farmers to use agroecological approaches;
- **Environmental protection** - ensuring the protection of natural resources and biodiversity.

In both Cambodia and Nepal, many farmers and indigenous peoples have become dependent on external inputs and resources such as chemical fertilizers, pesticides, and imported seeds, losing their rights and freedom to choose what to grow and to eat. Those who do practice agroecology are successfully adapting to climate change and producing nutritious food but receive little or no government support.

The smallholder farmers involved in the study want their governments to transform the agriculture systems and scale-up public financing for agroecology, including technical support and subsidies, to enable them to transition from harmful to sustainable farming practices. They want policies on agroecology to be realized and for their rights to be protected. Farmers want to have a greater say in what and how they farm, and to access fair market prices for their produce. They want the natural resources they depend on for survival to be protected, and for indigenous seeds and knowledge to be preserved.

Our food systems urgently need to change, but change at the speed, scale and scope needed can only happen with public financing. Unless governments provide the subsidies, funds for technical advice, and support from local government workers, as well as the policies and laws that promote sustainable local and organic approaches, this change will be difficult to achieve. Faced with skyrocketing prices for food, fuel and fertilizer, now is the ideal time to galvanize support from farmers and their networks in Nepal and Cambodia to advocate for an urgent shift in public funding from harmful agriculture to agroecology.