Vision

The current small-scale agriculture in the “old lands” of Egypt (Delta, Valley and The Fayoum) is quite marginal, 80% of the landholdings are smaller than 5 Fedan. The current or traditional agriculture in the old lands is however performing quite well under the existing limitations of: smallholdings, labor-intensive methods, traditional irrigation water application, etc. with three harvests a year of usually high value crops produced for the local markets. Modernization of the traditional agriculture in the old lands through up-scaling of land holdings could improve the yields and volume of output, but that would be at the expense of employment, bio-diversity and it would also imply a loss of social and cultural values in the old lands. This is not a feasible, viable or desirable option. With population at 72.5 Million of which 53% is rural and current population growth rates, expectations are that with continued land fragmentation, urbanization leading to loss of fertile agricultural land (especially in the Nile Delta) by the year 2025 80% of landholdings in the old lands will be smaller than 3 Fedan, putting small scalae agriculture under greater pressure than it is today.

Over the next decades as part of globalization processes, Egypt will be incorporated more and more into the international market. This offers both threats and opportunities to current production systems. Evidence from around the world with respect to globalization processes indicate that taking advantage of comparative advantages will lead to benefits at the macro-economic level. However there is ample evidence that the poorest segments of the rural population are hardest hit in globalization processes that imply more risk and uncertainty and require safety nets that are unavailable. Current estimates indicate that traditional agriculture even applying the best technical means within the constraints of the farming system will be able to produce only for the domestic market with only 10% of the area producing high grade products for the export market. Hence 90% will be engaged in providing food security for both rural and urban segments of the population. The agricultural systems of the old lands support the vast majority of people engaged in agriculture, many of whom belong to the poorest segments of the population. In addition these agricultural systems are vital for environmental values, bio-diversity, management of vital water resources. These vital services provided by the rural areas in the old lands are under pressure today due to urbanization, pollution and inefficient resource use. This pressure will only mount over time.

It is our feeling that under the present circumstances with the policies currently in place small scale agriculture will remain marginal and under increasing pressure with all the consequences for the environment, ecology and social fabric of the old lands. Traditional rural development orientations may alleviate some of the pressures at the margin, but will not provide a lasting solution. In this business as usual scenario we get the following picture. The Eqyptian population is growing fast and will reach 95 million inhabitants in 2025, an increase of 22 million in the coming 18 years. These people have to live and eat and that is where it clashes. Selling your land to project managers will be more profitable than to remain farming, even though the old lands currently contribute 85% of agriculture’s value added. So urbanization will continue and in 2025 more of the current agricultural lands will be urbanized even with a law against building on agricultural lands in place. With 22 million mouths to feed and less agricultural lands changes in food security will occur. The old lands provide food for the Egyptian population as very little is exported due to quality issues with the EU (water management, pest control and produce quality), with declining land availability and increased demand food will have to come from elsewhere.. Another thread to agricultural production of the “old lands” is farm size. In 2025 farm sizes will have shrunk even more and about 80% of the farmers will have a holding of less than 3 fedan. Modernisation measures to create bigger farm size will result in higher unemployment rates. At present 31% of the workforce is engaged primarily in agriculture.

Urbanization as well as increasing farm size will have a devastating effects on biodiversity and the social cultural values of the old lands, which have been in place for thousands of years. Than there is the major issue of water management. Agriculture is the biggest consumer of water, but it comes third after domestic and industrial water needs. So with growing domestic and industrial needs and additional new lands that need irrigation water, water pressure for the “old lands” will be inevitable.

So main problems for the old lands occurring in 2025 with business as usual:

- Urbanization
- Pressure on self sufficiency
- Pressure on water quantity and quality
- Reduction of biodiversity
- Unemployment of former farmers

For sustainable rural development we will need a different development model. This is our vision for what could be possible in the future. In agriculture general adoption of good agricultural practices (GAP) can aid in sustaining high value agricultural production. GAP entails wise use of agro-chemicals, water and other agricultural inputs. Application of technology that will keep productivity high while improving the quality of produce. If there is a viable agriculture in the old lands, resources can be freed for expansion into new agricultural areas that are predominantly export-oriented. GAP can help to ensure that environmental issues (water quality, biodiversity) do not deteriorate further or can even improve. Viable rural communities with households that can pursue sustainable livelihood strategies are less prone to urbanization allowing urbanization to occur in the backbone dessert.

This would in our vision lead to the following situation in the old lands

- Good production levels to supply the local market and possibly to a certain eextent the export market. This is possible by preventing current agricultural land from shrinking and improving productivity of that land. The result is sustainable marginal farming
- Social impacts. Maintain socio-cultural infrastructure. Part of this would be Efficient and safe land use (promoting clustering). Farming is a valued and attractive profession.
- Promote market oriented farming (sustainable local economy). This includes promoting agro-industries.
- Better water management.
- Ensure geographical & ecological structure in land use to conserve and support biodiversity.
- Human Development Indices (HDIs) Gap (rural/urban) are almost zero. Adequate access to basic services and infrastructure.

This requires a different model to rural development. One such model has been introduced over 30 years ago in what was then the European Economic Community to combat mounting problems in the marginal areas in the EEC. The marginal areas there faced massive rural exodus making rural community life unviable. The response was an income support programme for less favoured areas (LFA measure) to preserve the countryside and combat depopulation. Over time this and other programmes have evolved to capture numerous policy objectives related to sustainable land management, preservation of the countryside in addition to providing sustainable livelihoods to farmers in areas with natural handicaps. The success of the approach is by providing positive incentive in terms income support conditional on the compliance of farmers to certain policy criteria. Over time this system has evolved into what is commonly known as cross-compliance. Eligibility to support implies compliance to several different criteria related to GAP, environmental management as well as primary eligibility criteria related to the target group.

Since its introduction in 1975, the objectives of the LFA measure have evolved, reflecting a shifting constellation of social and environmental needs in less favoured areas, and a changing set of priorities. In general terms, the social need has lessened, and specifically, the measure is no longer seeking to address rural depopulation, although concern for the maintenance of a certain type of agricultural land use and environmental protection has increased. Furthermore, with successive amendments, Member States have been offered increased flexibility in the implementation of the measure. Member States are now responsible for fixing the levels of compensation, defining the types of production to be covered by the scheme, and modifying LFA boundaries. This has meant that in many countries an additional layer of national or regional objectives is pursued. A change and proliferation in the measure's objectives, along with a concomitant shift in the logic of intervention, suggests that the way in which the measure is implemented in different Member States through the classification criteria, the farm level eligibility criteria, and the modulation and structuring of payments, should be subject to review. Over time considerable disparities between Member States in terms of the area classified, the level of payment per beneficiary, and the effects of the measure on farm incomes with implications for its effectiveness and efficiency have emerged

The present project is to explore the use of such "income support" for the traditional farming community, in order to preserve the socio-cultural values, bio-diversity, and general character of the old lands in Egypt. Such income support can replace ineffective or inefficient support measures targeted at the rural population such as subsidies on inputs (water and agro-chemicals), price support, etc. It is important to take into consideration the institutional arrangements in place at present and how these can be used or transformed to accommodate "income support" for the traditional farm households.