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In Colombia, 56 percent of agricultural production units are small and rely primarily on household labor, qualifying as family farms.[1] As noted by the Mission for Rural Transformation, these family farms face significant obstacles to income generation, which at the national level translate into low levels of productive inclusion and large income gaps between rural and urban areas of the country.

Numerous experiences of support for communities and organizations of family farmers have existed in the country. A significant number of these experiences have been carried out by civil society organizations and international cooperation agencies. Although the experiences of these organizations have generated results and lessons relevant to the Colombian context, they have not been sufficiently studied or utilized for public policy formulation. This study seeks to fill this gap. We examine income-generation initiatives in family farming led by civil society and international cooperation to identify methodologies, lessons learned, enabling factors, and good practices that can inform scaling efforts and public policy design.

We collected information from secondary sources to build an inventory that includes 412 initiatives implemented in Colombia between 2006 and 2018. From this inventory, we selected 32 as case studies. Quantitative information on the impact of interventions of this type is scarce. To identify positive aspects in these interventions, we used a qualitative information analysis methodology. Based on a theoretical framework on decision-making by peasant households, we reviewed previous studies on Colombia and other countries and analyzed the empirical evidence for Colombia based on qualitative information obtained in field interviews.

Below, we present the most important results of this study.

Income Generation in Family Farming: Theoretical Considerations

By definition, family farming involves small-scale producers. As a result, factors that create economies of scale in agricultural production and marketing often place these units at a disadvantage. Such factors are frequently linked to market failures and transaction costs that lead to resource inefficiencies. In general, farmers in developing countries face high transaction costs when marketing their produce, purchasing inputs, and accessing credit, among others. These costs affect small farmers to a greater extent. Associativity can improve efficiency by reducing the transaction costs faced individually by smaller producers. However, associative processes themselves entail transaction costs and are unsustainable if their benefits do not exceed their costs.

The identification of causes, actions, and positive factors in supporting income generation in family farming that we carry out in this study, and which we summarize below, focuses especially on identifying elements that allow mitigating the transaction costs that affect small producers through associative processes or other coordination mechanisms among producers.

Income Generation in Family Farming in Colombia: Cause and Effect Analysis

Based on the theoretical framework and the analysis of information available for Colombia, we identified three main causes of deficient income generation in family farming in Colombia:

- **Low production volumes**, associated with inadequate technology, limited access to land, and suboptimal use of inputs and productive capital (machinery and seeds, among others).

- **Vulnerability to shocks**, related to high levels of risk due to climate shocks and the volatility of agricultural markets.

- **High transportation costs and other transaction costs**, due to poor road infrastructure, weak collective action stemming from management issues in associations or producer groups, complex marketing chains with multiple intermediaries, and information asymmetries .

Support to mitigate these problems involves strategies for expanding credit supply, delivering inputs and productive infrastructure, providing technical assistance and training to producers and associations, developing technologies appropriate to the territory, bringing producers closer to buyers, promoting associativity, and adding value according to demand.

Positive Factors, Lessons, and Recommendations in Support Experiences

Based on the literature review and qualitative evidence, we identified key enabling factors that consistently support efforts to address the three main causes of low income generation in family farming.:

- **Comprehensiveness of interventions**: we consider comprehensive interventions to be those that include support activities in the productive and commercial spheres and in the development of business, social, and emotional capabilities. Comprehensiveness translates into more effective interventions by taking advantage of interrelationships between the different obstacles to income generation. It also allows for production decisions with a commercial focus.

- **Direct long-term support**: comprehensive work requires long-term support to generate permanent changes in the income-generating capacity of households in family farming. In communities in early stages of development or starting projects with late-yielding crops, support should be for at least five years. In other contexts, where more advanced development processes exist, shorter periods of support can be considered.

- **Participatory design**: the participatory approach in the design phase of interventions facilitates the definition of goals and work plans appropriate to the conditions of the territory and the social appropriation of projects. In addition, it takes advantage of pre-existing social capital in the community and strengthens it.

- **Graduality and flexibility to make adjustments along the way**: the goals of interventions must take into account the reality of the territory, and the proposed activities must contemplate the heterogeneities in the needs of producers within each community. The economic and social complexities of the territories in which the initiatives are developed require flexible and dynamic designs that allow for continuous review of projects in their execution phase.

We also identified positive factors associated with the development of activities aimed at mitigating specific causes of deficient income generation in family farming. These specific factors are summarized in Table 1.

Table 1. Positive factors to mitigate the causes of insufficient income generation in family farming.

Cause	Activity	P
Low production volumes	**Expansion of financing supply**	• c • t • p l • s
	Provision of inputs and infrastructure	• p • • l
	Technical assistance and training	• • c •
	Research and technological development	• c t

Cause	Activity
Vulnerability to	Generation of commercial links with
High transportation and other transaction costs	Promotion of associativity
	Buyers outreach
	Value-added according to demand

The Role of the State and Civil Society

Potential actions to mitigate obstacles to income generation in family farming contemplate active intervention by the State when it comes to the provision of public goods, the development of activities that entail externalities, and the establishment of an institutional framework that seeks to correct market failures. In particular, the provision of roads and irrigation infrastructure, the formalization and protection of property rights, the generation of knowledge and information systems, the design of regulations that adjust to the realities of associative processes that emerge from the territory, the definition of territorial planning guidelines, and the development of actions for phytosanitary prevention and control stand out.

Conversely, civil society organizations can often manage the flow of goods, services, and liquidity along the value chain more efficiently and promptly than the State. These actions include support in contract development, generation of close links between producers and buyers, support for the generation of personal and social capacities of producers, technical assistance, and financing for productive investments.

[1] We refer to agricultural production units with a maximum extension of one average municipal Family Agricultural Unit (UAF) and a family labor participation of more than fifty percent of the total permanent workers on the farm.