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## EL FUTURO DE LA ALIMENTACIÓN Y RETOS DE LA AGRICULTURA PARA EL SIGLO XXI:

*Debates sobre quién, cómo y con qué implicaciones sociales, económicas y ecológicas alimentará el mundo.*

## THE FUTURE OF FOOD AND CHALLENGES FOR AGRICULTURE IN THE 21st CENTURY:

*Debates about who, how and with what social, economic and ecological implications we will feed the world.*

## ELIKADURAREN ETORKIZUNA ETA NEKAZARITZAREN ERRONKAK XXI. MENDERAKO:

*Mundua nork, nola eta zer-nolako inplikazio sozial, ekonomiko eta ekologikorekin elikatuko duen izango da eztabaidagaia*

### ***Peasant Patterning in Ghana's Oil Palm Sector: re-thinking choice and the role of multiple markets for greater food sovereignty***

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Paper # 8

*Apirila - Abril - April*

24, 25, 26

2017

  
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# Peasant Patterning in Ghana's Oil Palm Sector: rethinking choice and the role of multiple markets for greater food sovereignty

## Abstract

This paper contributes to the debate on the role of global markets in the food sovereignty discourse by examining the oil palm sector in Ghana's Eastern Region. We argue that smallholders farm in a peasant-like manner as an expression of agency vis-à-vis risks of marginalization in global value chains and respond to the plurality of market conditions. While there is a re-emergence of peasant practices, participation in global commodity markets remain integral to smallholders' efforts to maintain autonomy. An analysis of the diverse patterning of production and marketing by smallholders show how international markets are often preferred over regional and local markets. This indicates the need for marketing on multiple levels to be developed in food sovereignty theory and for choice to be given a more prominent position in the debate.

**Keywords:** peasant agriculture; food sovereignty; Ghana; oil palm

## Introduction

The process of agrarian modernization has been affecting peasants for over 50 years and is currently spearheaded by a growing tendency for 'market-based' solutions to poverty. Linking small-scale farmers to global markets through 'inclusive business' and value chain models is argued to present opportunities for increased productivity, income and innovation capacity (Swinnen et al. 2013; Burnett and Murphy 2014). The food sovereignty movement (FSM) rejects the pursuit of development through increased market integration due to the negative impacts on the right to self-determination and ability of local people to be autonomous in the food chain (Arthur 2012). The current crisis of the food regime – manifested in its inability to feed a growing world population – has exacerbated the conflict between projects of corporate agriculture intensification and the emerging alternative in the name of food sovereignty (McMichael 2014).

This paper explores Ghana's oil palm sector in the Kwaebibirem District in the Eastern Region. Complicated land tenure laws have made the establishment of plantations next to impossible, with the result that, nationally, smallholders cultivate approximately 87% of the land under oil palm cultivation (MOFA 2011). Private companies have resorted to value chain collaborations in the form of contract farming as a means of procuring raw materials. Alongside these predominantly export-oriented markets flourishes a local market where oil palm is processed using artisanal methods. Oil palm provides an interesting example of a crop which stands at the intersection of value chain models and the FSM. On the one hand, it is a monoculture crop favoured by multinational corporations due to its low production cost and high versatility and is used in both the food and

biofuel industries. On the other hand, the oil palm sector in Ghana is characterised by a vibrant, local artisanal processing industry. Oil palm is an important ingredient in local cuisine in West Africa and is therefore sold in local and regional markets (Osei-Amponsah 2013).

By examining the practice of peasant agriculture in the oil palm sector in Ghana, this article aims to contribute to the argument that farming is increasingly restructured in a peasant-like manner. We argue that farmers do so as an expression of agency vis-à-vis the risk of marginalization in global markets and as a response to the plurality of market conditions in the oil palm sector. We build on recent critiques of the empirical blind spots in much of the food sovereignty-inspired research and a near-theological tendency to confirm the contradiction between 'external' forces of corporate food systems and peasant farming as 'capital's other' (Bernstein 2016, 642; see also Agarwal 2014), and suggest to revisit 'the peasant' as an analytical category that is socially-differentiated and reproduces itself through partial engagements with commodity markets. Data was collected through a mix of qualitative and quantitative methods, including a detailed survey of 60 farmers, in-depth interviews, focus groups with farmers, and key informant interviews. The research was carried out in three villages (Damang, Asoum and Kwae) in the Kwaebibirem District situated in Ghana's Eastern Region in February and March of 2016. We have investigated different forms of contractual arrangements, including farmers that are 'independent' of contract farming schemes (hereafter referred to as independent farmers), contract farmers and a group of certified farmers.

In the proceeding section, the paper revisits the current peasant debate in the literature. The third section outlines the oil palm value chain, mapping out the opportunities and constraints faced by small-scale farmers in both local and global markets. Next, the paper examines how oil palm farmers pattern their production and marketing activities. The fifth section then discusses the different trajectories followed by farmers. The last section presents our conclusions.

### The Peasantization Debate Revisited: choice and market engagement

The literature in critical agrarian studies currently revisits the agrarian question of old as to whether the capitalist system would dismantle the peasantry and assume class relations. The (predominantly) unexpected survival of peasants after predictions amongst academics that they would disappear (see, for example, Chayanov et al. 1977) has engendered debates on the analytical and political utility of the category of the peasant (Kloppenborg 2010; Bernstein 2016). In response to an apparent global increase in peasant numbers, the phenomena of 'the return of the peasants' (Perez-Vitoria 2005), or 'repeasantization' (van der Ploeg 2008), has emerged and is viewed as a direct response to the neoliberal 'market-led agrarian reform' model (Borras 2008). Notably, the 'value-chain project', defined by the adverse inclusion of smallholders through contract farming and outgrower schemes, is opposed by the FSM. It is considered a tool designed to bind farmers into competitive global markets in return for inputs that 'extract new value from producers via their products and centralize agricultural

knowledge as “intellectual property,” with increased exposure to debt and dispossession for producers, and reduction of local food security’ (McMichael 2013, 12).

The FSM is not opposed to all forms of international trade, but it remains unclear as to what place it has in the food sovereignty vision, what it entails, and how to regulate it (Burnett and Murphy 2014). Overall, the FSM tends to view international trade in a negative light and place peasant production for local consumption at the forefront of its agenda (Soper 2016). This is problematized by scholars who claim that global markets, including contract farming arrangements, contribute considerably to the livelihoods of small-scale farmers and that the latter do not always want to exit such markets in favour of local markets (Vorley et al. 2012; Burnett and Murphy 2014; Soper 2016). Farmers often consider export markets ‘more fair’ than local or national markets as they offer a higher price and a more stable livelihood (Finan 2007; Soper 2016). This indicates that farmers are not always driven into relations with global markets by compulsion, but often choose to enter them after weighing the opportunities and risks involved and comparing to those of local markets (Masakare and Henson 2005; Finan 2007; Soper 2016). For example, farmers may choose to enter into contractual agreements as doing so allows them to take advantage of positive opportunities – such as additional income, guaranteed market, reliable supply of inputs and acquisition of knowledge – and mitigate against the adverse circumstances they face, particularly in local markets (Masakare and Henson 2005). Contrary to many food sovereignty advocates who denounce contract farming for the unequal power relations involved, Masakare and Henson (2005) demonstrate that contract farmers make an informed decision and willingly accepting the loss of autonomy and potential risks associated with contract farming in order to secure access to markets and production resources. This indicates that farmers are sometimes more concerned about their incomes than about inequalities in the global food system (Murphy in Burnett and Murphy 2014). Some scholars therefore argue that the FSM’s neglect of small-scale farmers’ preference for export-oriented global markets risks marginalizing millions of small-scale producers, or imposing upon them an ideological agenda that does not match their ambitions (Green in Vorley et al. 2012).

It follows that scholars are calling for an extension of the food sovereignty principle to include small-scale farmers’ choices to invest in the markets they value and hence reconsider their stance on international trade (Soper 2016; Ros-Tonen et al. 2015; Burnett and Murphy 2014). That is not to say, however, that all farmers prefer export markets. Masakare and Henson’s study results indicate that the decision to enter into a contract arrangement varied depending on characteristics such as size of the farm, amount of land devoted to export crop production, level of market access, proportion of income derived from export crops, and the gender of the respondent. Indeed, multiple social forces lead to significant variation in livelihood strategies pursued by farmers, with options, trajectories and choices playing an important role in processes of differentiation (Scoones et al. 2012). Detailed studies adopting the farming styles approach have similarly shown how ‘the structuring of labour, technology and market relations of peasant agriculture’ are not linear processes and call for including diverse market orientations and peasants’ adaptation of market-oriented crop improvement technologies as key determinants of peasant heterogeneity (Paredes 2010, 4-5).

Such patterns of differentiation among farmers challenge the populist tendency that merges together several class categories with different interests into the term 'peasant' (Scoones et al. 2012; Bernstein 2014; 2016). They raise Bernstein's (2014; 2016) concern that the FSM risks treating this diverse group as a homogenous 'political vanguard' category. Given that in agrarian political economy peasants are defined by their family unit of production and their ability to draw on non-commodity circuits of labour and natural capital for their reproduction, export-oriented peasants are still peasants and, despite the FSM's rhetoric, do not all reject international trade in defence of local consumption and national self-sufficiency (Soper 2016). The FSM's portrayal of peasants as a unitary, abstract group and its creation of a false binary between 'vicious' capitalist industrial and 'virtuous' peasant agriculture assumes that peasant farmers are agentic while entrepreneurial farmers are compelled into external corporate food systems. However, it is questioned whether virtues of peasant agriculture such as autonomy, diversity and cooperation, are the result of choice, and conventional or entrepreneurial farming is a result of lack of choice (Bernstein 2014). While both may be possible, knowing so requires an in-depth investigation of the structure of opportunity and constraint confronted by farmers, underlining the need for a contextualized and relational analysis of class formation tendencies (Scoones et al 2012, 519). Indeed, food sovereignty rhetoric is criticised for romanticizing peasant farming and lacking socioeconomic detail. This leads scholar to urge food sovereignty proponents to consider peasant trajectories of modernization and acknowledge the diverse livelihood interests of contemporary small-scale farmers rather than implying a homogenous group of 'capital's other' (Bernstein 2014, 1032).

In acknowledging diverse livelihood trajectories among farmers, we suggest revisiting the 'peasant' as an analytical category that is socially-differentiated and reproduces itself through partial commoditization. Friedmann (1980) describes two processes shaping the commoditization of small-scale farmers. The first is one whereby commodity relations within the cycle of production are intensified and the farm ultimately becomes an enterprise. A second and opposite process occurs when reproduction resists commoditization through renewing production and subsistence based on institutionally stable reciprocal ties to other households or classes. Commodity relations have a limited ability in penetrating cycles of reproduction when direct non-monetary ties to other households or classes mediate access to land, labour, credit and product markets and when institutionally stable reproductive mechanisms reproduce such ties (Friedmann 1980). Similarly, van der Ploeg (2008) describes processes of de-peasantization and re-peasantization. These processes occur within the 'interfaces' of three different modes of farming: peasant, entrepreneurial and capitalist. Within such interfaces, 'degrees of peasantness' emerge as analytical distinctions which signify various development trajectories and recognise the different ways of being integrated into markets and trade networks (Ros-Tonen et al. 2015, 529).

This view favours a more nuanced understanding of how peasants include various strategies of distancing and inclusion in global markets as part of their autonomy. By reshuffling the balance of commodity and non-commodity relations, farmers actively construct 'spaces of resistance' in the face of the new constraints and the new opportunities posed by the globalization of food markets (Schneider and Niederle 2010, 379). In the gaps generated by the imperfections of commodity

markets, room for manoeuvre is exploited through a range of multiple and coherent strategies that maximize peasants' autonomy and flexibility (van der Ploeg, 2008). Important strategies include the creation and reproduction of a self-controlled resource base that enables co-production between human beings and living nature; the internalization of assets to the production unit through, for example, diversifying income through pluriactivity and/or diversifying crops for use in commodity and non-commodity circuits (i.e. for self-provisioning); the capture of added-value through conversion of produce into more refined products; and the construction of alternative marketing networks (van der Ploeg 2008; 2010; Hebinck et al. 2015).

Patterning production and marketing in this way enables patterns of growth that are independent of main commodity markets for factors of production and non-factor inputs (van der Ploeg 2010). Cycles of production use resources that were produced and reproduced during previous cycles or through socially regulated exchange. This does not only refer to the physical production of resources on the farm, as in the case of self-provisioning, but also the conversion of one's own resources (such as savings) into the required ones, as in the case of pluriactivity. A sharp contrast to market-dependent reproduction is presented in this pattern as resources do not enter the production process as commodities (van der Ploeg 2008). They are created by farmers who therefore have the autonomy to do with them as they please. Such patterning of production activities strengthens the resilience and reduces the dependency of the farm on commodity markets. This autonomy allows peasants to retire or expand their relations with a particular market at any given time.

Such peasant strategies are used by farmers to mitigate the risks of the fragmented and incomplete global markets, thus avoiding entrapment in such markets while still enabling them access the opportunities they present. In the rural Andes, Walsh-Dilley (2013) found that small-scale farmers combine local, non-market and cooperative strategies with inclusion in international markets to create feasible, socially and ecologically appropriate livelihoods. Quinoa farmers in San Juan, Bolivia, use reciprocal labour exchange while also pursuing the opportunities presented by the remunerative global quinoa market. The use and reproduction of such practices are multi-functional strategies as they enable production and provide a form of social insurance against uncertainty. Such strategies enhance farmers' agency as, despite their deepening inclusion in market structures, farmers continue to pattern their production and marketing in a manner that 'both lies outside of capitalist rationalities and reproduces traditional and peasant practices' (Walsh-Dilley 2013, 662). Schneider and Niederle (2010) show how farmers find room to manoeuvre in global markets to pursue strategies of de-commodification and internalization of resources through combining integration in conventional commodities markets with new market relations (in the case of pluriactivity and the direct marketing of processed foods). These studies suggest that markets can be used as a tool by peasants to contest their very exclusion from the market. Peasant practices allow for the construction of new, hybrid spaces within which various reproductive strategies coexist with and overlap market-oriented strategies and allow farmers to negotiate their uneven inclusion in global markets (Schneider and Niederle 2010; Walsh-Dilley 2013; Hebinck et al. 2015).

In line with this view, we do not frame peasant agency as resistance to global markets as doing so suggests peasant strategies persist only through exclusion from the capitalist system, concealing possible complementarities between global systems and the reproduction of local communities (Walsh-Dilley 2013; Bebbington 1999). Rather, we consider peasant agency as ‘resistance of the third kind’ (Ploeg 2007, 1) whereby room for manoeuvre in commodity markets is exploited in order to construct and strengthen autonomy at the local level. We examine this form of resistance in Ghana’s oil palm markets.

### The Oil Palm Value Chain

In examining the ‘hostile environment’ (van der Ploeg 2008) and structure of opportunity presented by the transitioning political economy of Ghana’s oil palm sector, we find that market relations are not marked by a single set of conditions, but that they are laying out different terms of engagement to which farmers can respond. These terms of engagement depend on the different ways farmers are integrated in markets, notably through contract farming schemes, certification schemes or as independent farmers.

#### *A Transforming Sector*

Unlike the cocoa sector which is strictly regulated and only partially liberalized, the Ghanaian government has not created a monopoly on the oil palm sector. Several attempts at establishing large-scale plantations were made by the post-independence government, including the successful creation of three state-owned large industrial estates as part of a World Bank project in the 1970s. These estates were privatized during the structural adjustment policy era, and the state had divested its interests in most of its oil palm assets by 2000 (MASDAR, 2011). With the current increase in both domestic and international demand for palm oil, the government again turned to oil palm in the early 2000s, considering it a potential crop for creating jobs and reducing poverty. However, its attempt at establishing public-private partnerships in the early 2000s failed. The complicated land tenure arrangements developed in the colonial period have made the acquisition of land next to impossible, and the sector continues to be dominated by small-scale production.

The three large estates remain, ran by private companies, and have been accompanied by the growth of medium-scale private companies. In order to overcome constraints in the access to land and raw materials, these companies have established value chain collaborations with farmers through contract farming schemes. Generally, companies have a nucleus estate consisting of their own plantation and a smallholder farmers’ scheme on the plantation’s land (in the case of the large-scale companies), and outgrower schemes based on farmers’ owned or leased land. Smallholder and outgrower farmers are bound by contract to supply all their oil palm production to their employing company (Osei-Amponsah, 2013).

Oil palm is a native crop to West Africa and artisanal processing is a practice that dates back to the 16<sup>th</sup> century. The expansion of large- and medium-scale processing plants has therefore been accompanied by the growth of artisanal

processing mills and small-scale processing mills (the latter slightly more mechanised than the former), both of which are locally referred to as the 'Kramer' (Adjei-Nsiah et al. 2012). The Kramer accounts for 80 per cent of crude palm oil produced in Ghana, which is consumed in local and regional markets, and consists of a market segment which is embedded in the wider commodity markets of exported palm oil (MASDAR, 2011).

From this description, four main types of actors can be identified in the contemporary oil palm sector: (i) large industrial plantations with large-scale processing mills and a network of smallholder and outgrower farmers; (ii) medium-scale plantations with medium-scale mills and a network of outgrower farmers; (iii) small-scale processors with semi-mechanised mills; and (iv) small-scale independent farmers (Adjei-Nsiah et al, 2012). The Kwaebibirem District hosts one of Ghana's largest oil palm processors, Ghana Oil Palm Development Corporation Limited (GOPDC), as well as a number of medium-scale processing companies and approximately 250 small-scale processing mills (Osei-Amponsah and Visser, 2016). There are over 13,000 small-scale oil palm farmers in the district (Osei-Amponsah, 2013). Our study includes 37 independent farmers and 23 contract farmers. The contract farmers include smallholder and outgrower farmers with GOPDC, outgrower farmers with medium-scale companies, and outgrower farmers with the organic and fair trade certified company Serindipalm Group Ltd.

### *Hostile Environment*

Small-scale farmers operate within a hostile environment created by the risks of trading with the private companies and the small-scale processors. Most farmers cited the delay in payment after the sale of produce as the main risk in selling to the companies. This is experienced by both contract and independent farmers. Despite stipulation in the contract that payment shall not exceed one week, delivery of payment can take up to a month. Many farmers also believe the price their oil palm fruits are bought at is unfairly low and fluctuates too often.

Small-scale processors count, rather than weigh, the palm fruits. The small-scale processors count 60 to 70 fresh fruit bunches as one tonne, often treating two or three small bunches as one. Farmers feel this leads to a loss in the quantity of fruits bought, and a subsequent reduction in the price received. Other disadvantages associated with selling to the Kramer are receiving small amounts of money at a time and the latter's inability to buy in large quantities.

Another factor adding to the hostile environment in the oil palm sector is the constraints in accessing assets, especially for independent farmers who do not receive inputs from the companies. The majority of surveyed farmers purchase their seeds (55 per cent), agricultural implements (90 per cent), fertilisers (49.2 per cent) and insecticides and herbicides (79.7 per cent). Access to inputs constitutes one of farmers' biggest constraints in oil palm farming as respondents reported facing great difficulties in meeting the high costs of agricultural inputs. This helps explain why 37.3 per cent of surveyed farmers do not use fertilisers (n=22, N=59) and 13.6 per cent do not use insecticides and herbicides (n=8, N=59).



The opportunities presented by each market are often the contrary of the risks opposed by the other. Farmers cited the weighing of fruit as the main advantage of selling to the company. The companies are also capable of buying much larger quantities from the farmers and frequently offer a higher price per tonne. Moreover, payment is considered secure as transactions are documented and the companies always pay. In addition, farmers appreciate having the option of being paid through the bank as it helps them access loans. Contract farmers enjoy additional benefits in that the provision of seedlings, inputs and, in the case of smallholder contract farmers, land, gives farmers the necessary starting capital for oil palm farming. Certified Serindipalm farmers described access to constant certification trainings and the many developmental projects in the community of Asoum, as well as a certification premium, as additional benefits received.

The direct cash payment usually given by the Kramer is the most important opportunity they present. Even when small-scale processors buy on credit, some farmers reported they pay back as soon as possible and the arrangement is fair. Farmers are not included in this market through contracts, but often have kinship or other long-term relationships with the processors (Osei-Amponsah and Visser 2016). These markets often work on co-operative relationships whereby producers and processors come to each other's aid in times of need. Indeed, assistance in times of need and access to finance were mentioned by many farmers as opportunities of trading with the Kramer. Small-scale processors often pre-finance a farmer's harvest or give them small loans when they are in need. Repayment is arranged between them and is usually flexible due to the personal relationship that exists between the two parties. The availability of financial assistance affords farmers a sense of security as they know they have somewhere to turn if they fall upon hard times. Furthermore, the Kramer sometimes offers farmers a higher price for oil palm than the companies, especially during the lean season. In any case, their existence helps increase farmers' income even when they sell to the companies as they push up the latter's price, which farmers consider a major advantage. In addition, the presence of small-scale processing mills in the sector gives farmers the opportunity to process their fruits into palm oil themselves and thereby add value to their produce.

The Kramer also presents farmers with the opportunity to sell fruits that do not meet international quality standards. Crude palm oil produced at the Kramer often comes from oil palm of the *dura* variety, a local oil palm species, which is generally preferred in local markets because of its taste and deep red colour. Furthermore, the high content of moisture and free fatty acids which make it low quality by international standards are necessary to produce local soap, known as *alata samina* or *amonkyi*, and are therefore sought by local soap manufacturers from Ghana and neighbouring countries (MASDAR 2011). The quality standards are different to those of the large-scale industry as they are based on local, rather than international, demands, giving farmers the opportunity to sell fruits grown from local seeds.

Importantly, the opportunities of the Kramer are available only to independent farmers. As examined in the following section, this greatly affects differences in how farmers pattern their agriculture.

## Peasant Strategies: patterning production and marketing

We argue that oil palm farmers pattern their agriculture in a peasant like way as a response to the terms of engagement produced by the different oil palm markets as outlined above. Certain independent farmers included in our study manage to avoid entering contract farming schemes while also preventing marginalization in global markets. Theories of peasant patterning are useful in describing how they do so. Peasant strategies at the production and marketing level are combined with partial integration in global markets in order to create resilient livelihoods and maintain autonomy while still accessing the opportunities of these markets. It is this autonomy that differentiates independent farmers from contract farmers, who are more likely to follow a de-peasantization trajectory (van der Ploeg 2008).

### *Patterning Production*

Central to farmers' autonomy is their ability to create more resilient farms at the production level. Farmers increase their resilience to internal and external shocks by engaging in temporal combinations of production in different crop markets. This allows farmers to spread income and labour throughout the year(s) and subsequently become more efficient in the management of scarce resources. It is especially important during the oil palm lean season, or when oil palm crops are very young, as one farmer explained, 'I grow other foods since it serves as means of survival when the oil palm is not in its maturity stage'. While diversification is a major feature among oil palm farmers in the Eastern Region (Kolavalli and Vigneri 2011; Ros-Tonen and Ataa-Asantewaa 2015), our results showed differences regarding market-orientation of produce with independent farmers more likely to sell their food crops than contract farmers. For example, 69.6 percent of independent farmers who grow cassava sell a portion of it (n=16; N=23) compared to 40 percent of contract farmers (n=6, N=15). Similarly, 65.2 percent of independent farmers who grow plantain sell a portion (n=15; N=23) compared to 40 percent of contract farmers (n=6, N=15). Contract farmers are therefore slightly more financially dependent on oil palm than independent farmers. A weak but statistically significant relationship found between the proportion of income generated from oil palm and contract farming (Pearson's  $r = 0.408$ ,  $p < .00$ ) supports this finding, indicating that contract farmers are more specialized in oil palm production than independent farmers.

Certainly, this practice is sometimes 'survival diversification' for struggling farmers (Scoones et al. 2012, 517). However, some farmers purposely use diversification as a strategy to avoid specialization in oil palm and subsequently reduce their dependency on the cash crop. As one farmer described, 'I grow other crops like maize and cassava for consumption and also sell some to supplement the income raised from the oil palm. It is not advisable to depend on only one crop because it can fail you anytime'. This quote highlights another important objective of diversification for many farmers: self-provisioning for food consumption. Interviewed farmers often reported engaging in crop diversification as it reduces their monetary costs; it not only provides extra income to farmers through commoditization, but also enables them to save money through engaging in non-commodity circuits: 'If I don't grow these food crops the little amount of money I

get from the oil palm production would be used to buy food, [now] I can save more and am able to cater for my family’.

Farmers combine farming with off-farm activities – a strategy which can be referred to as pluriactivity or ‘non-farm diversification’ (Scoones et al. 2012, 519) – as another means of reducing dependency on farming and creating a more diversified livelihood. As one farmer explained, ‘Farming is good but it can fail you sometimes, since we depend on rain fed agriculture, so I have a second job to supplement the farming in times of financial difficulties’. Like diversification for commercialization, pluriactivity gives farmers other sources of income to draw on, which is especially important during the lean season. It can therefore be used for both survival and accumulation (ibid). Pluriactivity is a common practice among the contract farmers and the independent farmers included in the study as 56.7% of surveyed farmers combined farming with another occupation (n=34, N=60).

Farmers use both diversification and pluriactivity as means of internalizing factors of production, thus avoiding the dependency on external sources of inputs brought about by contract farming schemes. Pluriactivity is used by some farmers to create the necessary start-up capital for establishing a farm: ‘I was a licensed drug store keeper before I started growing the oil palm. It was out of the incomes raised that I managed to start the oil palm farming’. This indicates a sharp contrast to many contract farmers, who enter these schemes as a means of accessing the necessary inputs: ‘I didn’t have money to start the farm by myself; it was through the contract agreement that I got the seedlings and inputs’. Other farmers use it as a means of obtaining money which is re-invested in their cash crop: ‘I try to overcome the constraints mostly by using the money raised from my second job to buy seedlings, pesticides and others to support and overcome the problems faced in farming’. Farmers also use diversification for this purpose, as one farmer described, ‘I grow them [food crops]... [as] it provides me with some additional income to add up to the income derived from the oil palm production and I also in turn invest some of the money into the oil palm production. I depend on these food crops so I could work on my oil palm farm’.

Constraints to the access of assets are therefore overcome by mobilising the money to buy the required inputs for oil palm production. While the income from pluriactivity and diversification may be classed as an external source of finance as it comes from commodity relations, a strategic difference exists in that farmers own the inputs purchased and thus have full autonomy over their use (van der Ploeg 2008). This differs from contract farmers whose oil palm produce is bound to private companies. Furthermore, dependency on external sources of finance such as banking circuits and moneylenders can be avoided. Indeed, over three times as many surveyed contract farmers acquired their money for farming from external sources of credit as independent farmers: 19 per cent of the former compared to 5.9 per cent of the latter. It is important to note, however, that contract farmers have greater access to external sources of finance as they have a guaranteed source of income.

Engaging in value-adding activity is another way farmers internalize assets in the production unit as they generate independent production of income using their resources. 16.9 percent of surveyed farmers engage in palm oil processing at the household level (n=10, N=59), where the typical arrangement sees the head of the household harvest the oil palm and the spouse process it into the finished

product. 80 percent of farmers who did so were independent farmers (n=8, N=10). Indeed, contract farmers are impeded to doing so by their obligation to their contracting company (although some break their contracts by self-processing or side-selling). Palm oil processing gives them a higher profit than would be gained from selling the raw fruits and therefore presents a sharp contrast to contract farmers from who value-added is captured by the company. Furthermore, it allows farmers to incorporate family farming and artisanal processes into production. A final benefit cited by farmers was self-provisioning, as they retain some palm oil for personal use. Some households maximise the creation of value-added from their oil palm crops through engaging in palm wine processing and the distilling of a local alcohol known as *akpeteshi*.

### *Patterning Market Relations*

The strategies outlined above enable farmers to pattern their market relations in a way that mitigates the risks of both global and local oil palm markets while maximizing the opportunities of each.

Most independent farmers choose to sell to the companies. The main reasons for doing so are the higher price received, the use of weighing scales to measure the fruits, and the capacity of the companies to accept large quantities of oil palm. Some farmers sell exclusively to the companies. Most, however, are only partially engaged in relations with this market. Many of them sell the bulk of their oil palm fruits to the companies after each harvest (every three weeks) in order to capitalize on the high, stable price. To overcome the inconvenience of the companies' delay in payment, many also sell a portion of their fruits at each harvest to the Kramer. They take advantage of the direct payment, which usually sustains them until they are paid by the company. Other farmers sell all their oil palm to the companies after most harvests and turn to the small-scale processors in times of need, such as at the beginning of the school year or in the event of illness within the family. As one farmer described, 'I sell to the Kramer for financial assistance in times of need. For Obooma [medium-scale company], their price is higher and also fixed'. The different ways of engaging with these markets indicates that individual preferences and needs vis-à-vis the terms of engagement also play a role in how market relations are patterned.

Farmers also find different patterns of selling and processing. Some farmers process their fruits into palm oil during the peak season, and sell their raw material only in the lean season when the price is high. One farmer explained, 'I normally do the processing during the peak season and store the palm oil for market during the lean season. During the peak season the price of oil palm fruits are not encouraging and it's also difficult to get buyers as well that is why I process some of the palm fruits so that in lean season I will sell the palm oil at a higher price'. Here, oil palm marketing is spread throughout the year to avoid the vulnerability often experienced by oil palm farmers in the peak season, when competition between farmers drives down the price.

Other farmers combine oil palm marketing and palm oil processing according to the quality of their fruits, selling the good quality fruits to the company and the lesser quality fruits to the small-scale processors, or processing them into oil themselves: 'I process the loose fruits and the over-ripped fruits which my buying

company doesn't accept'. Thus, oil palm that is not accepted by the buyers is still used and valued by farmers. Another strategy found regarding timing was selling palm trees to palm wine tappers. One farmer explained that he does so as once the trees reach a certain height they produce a low yield of fruits and are difficult to harvest, making it more profitable to sell the crops to palm wine tappers. Finally, some farmers decide on their buyer after each harvest simply on the basis of the highest price offered at that time.

Again we see a sharp contrast to contract farmers who are unable to pattern their market relations in this way as they are fully incorporated into relations with the companies and therefore excluded from selling oil palm in local markets. Some contract farmers lament the fact that they have no autonomy in choosing oil palm markets. As one farmer explained, 'contract farming is not good because the farmer is controlled by the contract and has limited freedom to choose a buyer even if others are paying higher price than the company I have contract with'. Some were not happy with the fact that they could not access the financial assistance provided by the Kramer. Additionally, several certified Serindipalm farmers regret that they cannot use fertilisers, insecticides or herbicides as it leads to lower yields, of which, they feel, the organic premium received from the company is not enough to compensate. Many farmers feel cheated by changes to their contracts that were not expected: 'GOPDC gave me the land and the seedlings to plant. I was in need of it that's why I went into the contract. The price keeps on rising and reducing which wasn't part of the contract. They promised us of 2 acres of land for cultivation of food crops after felling of the oil palm tree but they never gave it to us'. This indicates that certain farmers felt the need to enter a contract to overcome their constraints in accessing resources but later felt constrained by this form of relation with the companies. As one farmer expressed, 'I only sell to GOPDC just because I have a contract with them. If I had the ability to sell to anyone of my choice I wouldn't have sold to GOPDC'. Such problems have made farmers wary of contracts, as another farmer described, 'I would like to understand the terms and conditions of any company who would like to sign contract with me well before I enter into such agreement with the company in order not to create any problem for myself'.

### Varying Trajectories Among Farmers

The above section indicates two main trajectories followed by oil palm farmers in the Kwaebibirem District: independent farmers who express agency through peasant strategies and selective engagement in markets and specialized contract farmers who feel constrained by their complete incorporation into global oil palm markets. However, our results show different trajectories among farmers within the respective categories of independent and contract farmers leading us to argue that attention must be paid not to class all contract farmers as 'coerced' and all independent farmers as 'agentic'.

Farmers were not homogenous on their views of contract farming. Alongside those who lament the loss of autonomy brought about by their contract is a group of farmers who view their contracts positively. They argue that it is worth giving up some freedom in order to enter a contract. As mentioned above, many farmers entered contracts as a means of accessing the necessary resources to establish an

oil palm farm. For others, however, the decision was based on calculated choice whereby they considered the benefits of the contract out-weighed the risks. Such farmers argue that selling to the companies is more advantageous than selling to the small-scale processors and therefore enter a contract to receive the maximum amount of benefits from their relations with them: 'I have a contract with GOPDC because, although payments are late, they can buy in large quantities and they are always willing to buy. Your money too is safe unlike the small-scale buyers where farmers have to chase them for their money'. Indeed, having a contract is sometimes considered a means of maximizing benefits from relations with the companies: 'A farmer can benefit from most of the services of the company only when he/she has a contract with the company such as extension services, provision of farm inputs and equipment'. This indicates that choice often informs the entry into contract agreements, representing a form of autonomy in itself. A distinction must therefore be made between contract farmers who choose to give up their autonomy in order to access benefits and those who entered into it by compulsion and feel constrained.

Importantly, as outlined in the previous section, peasant reproduction is based on partial integration in global markets. Not all independent farmers included in our study, however, were capable of selectively engaging in different oil palm markets. Some were excluded from global markets, often due to their lack of resources. This includes farmers who harvest in small amounts, cannot afford the transport costs involved in selling to the companies, and/or produce fruits that do not meet the quality standards set by the companies. As one farmer explained, 'I harvest in small quantities and I think it's not advisable to send it to the company. It is so because if I decide to trade with the company, I have to hire a vehicle for transport which is also expensive. If I should subtract the transport from the money I will get, I will be left with nothing. This is why I sell for ready cash and that is the reason why I depend solely on the small-scale processors'. As global markets help farmers manage risks and create resilience, the dependency of this group of farmers on local markets hindered their agency. These resource-poor farmers were found to struggle the most. It is therefore important to distinguish between independent farmers who choose to distance themselves (in varying degrees) from relations with the companies and those who are excluded from such relations. This underlines the need to avoid romanticizing peasants as a homogenous agentic group of farmers.

Four groups of farmers can be identified from our results: independent farmers who freely choose the markets they sell in, independent farmers who are marginalized in global markets, contract farmers who choose to enter a contract based on critical reasoning, and contract farmers who feel constrained by the loss in autonomy brought about by the contract. Only the first group fall into the category 'peasant' as defined by the FSM, notably agentic farmers who are able to pattern their agriculture in a resilient and autonomous way. This signifies a blind spot in the FSM's portrayal of peasants as they do not cover the realities for all farmers. It therefore underlines the need to view the peasant as an analytical category wherein options, trajectories and choices are given a more prominent position (Scoones et al. 2012).

## Conclusions

Following recent critiques generated by the disregard of international markets in much of the food sovereignty-inspired research, this paper has examined peasant farmers' interaction with multiple oil palm markets in the Kwaebibirem District. As the paper has shown, resistance to main commodity markets is not the primary feature of peasant farmers. In line with Vorley et al. (2012) and Soper (2016), we found that global markets provide opportunities that are not available in local markets and therefore contribute considerably to farmers' livelihoods. Farmers respond to the plurality of market conditions present in the oil palm sector by selectively engaging with both global and local markets, helping them manage risks and create resilience. They thus avoid both entrapment and marginalization in global markets.

Partial integration in multiple markets allows farmers to resist the full commoditization of their social world and thereby ensure their viability within the capitalist system (Walsh-Dilley 2013; van der Ploeg 2010; Friedmann 1980). Strategic use of markets is combined with multiple strategies at the production level, where commoditization (notably through contract farming schemes) is resisted by internalizing factors of production, engaging in self-provisioning, spreading income and labour through the year and/or years, and maximizing value-added. Patterning production and marketing in this way allows farmers to maintain their autonomy and avoid dependence on a particular market (through partial integration), oil palm (through the diversification of crops) and farming (through pluriactivity). Within this process of repeasantization, autonomy and resilience are maintained and agency is expressed. Our results therefore suggest a complementarity, as opposed to a contradiction, between global food systems and peasant reproduction, where farmers pattern production and marketing in order to strategically exploit 'room for manoeuvre' in markets. This indicates the need for a more dynamic understanding of peasant agency that includes how farmers use markets strategically to maintain autonomy.

Importantly, not all farmers included in the study engage in peasant patterning. The paper differentiates between independent and contract farmers, the latter constrained in their expression of agency. However, variations within these two categories emerge. There are a group of resource-poor independent farmers who are marginalized in global markets and lack agency. In addition, alongside constrained contract farmers were a group of farmers who choose to enter contracts based on critical reasoning, willingly giving up their autonomy in order to access the benefits of a contract. This indicates that choice can lead to de-peasantization as well as repeasantization, which can be an agentic action in itself. Farmers do not always choose to pursue peasant values such as autonomy and diversity, and entrepreneurial farming should not, therefore, be considered a result of lack of choice (Bernstein 2014). We argue that the binary between the 'vicious' capitalist farmer and 'virtuous' peasant hinders realistic evaluation of processes of reproduction, accumulation and peasant patterning (Scoones et al. 2012). Our results suggest that various 'degrees of peasantness' emerge showing different ways of engaging peasant, entrepreneurial and capitalist agriculture vis-à-vis a 'hostile environment', and different forms of agency within these. This paper therefore challenges the simple, idealized category of 'peasant' and suggests replacing it with an analytical category that is socially-differentiated and includes various forms of agency and compulsion.

In line with Bernstein (2009; 2014) and van der Ploeg (2008), this paper shows there is a need to open up class analyses to include a new and more dynamic understanding of various degrees of peasantness. Our results also provide empirical support for Ros-Tonen et al. (2015) and Burnett and Murphy's (2014) argument that small-scale farmers do not oppose international trade but rather want access to global markets. Food sovereignty-inspired research must therefore include an analysis of marketing on multiple levels and give choice a more prominent position in the debate.

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