



SIGNIFICANCE OF FAMILY FARMING IN THE ASIAN REGION GENERAL SITUATION OF FAMILY FARMING IN TAIWAN¹

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1. Introduction of Taiwan (Republic of China)

1.1 Basic topographical features

The Republic of China (ROC) is popularly known as “Taiwan” because the land over which the ROC government exercises sovereignty most importantly encompasses the large island of Taiwan, situated in the West Pacific between Japan and the Philippines. The territory of the nation comprises a number of smaller islands; most notably ones are the Penghu, Kinmen and Matsu island groups. Together, Taiwan and its associated islands have a combined area of approximately 36,200 sq km. Measuring about 400 km from north to south and around 145 km from east to west at its widest, the island of Taiwan constitutes 99 percent of the area under the nation’s jurisdiction. Taiwan Island can be divided into five major physiographical regions: mountain ranges, volcanic mountains, foothills, tablelands, and coastal plains and basins. The island lies along a West Pacific “rim of fire,” and the earthquakes accompanied the tectonic movement has created some of its most prominent geological characteristics. There are more than two hundred peaks rising higher than 3,000 meters above sea level. Steep mountains over 1,000 meters high constitute about 31 percent of the island’s total land area (GIO, 2009).

1.2 Basic economic features

The total Gross Domestic Product for Taiwan in 2008 is US\$402.6 billion, and the per capita GDP is US\$17,507 (PPP of US\$30,912 based on IMF estimates). At the end of 2009, the population of Taiwan is 23,119,772. The labor participation rate for male is 66.40% and female

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is 49.62% in 2009. The economic downturn in 2009 has created a record level of unemployment rate at 5.74% in the end of 2009, which is a sharp increase compared with the figure in 2008 (4.14%) and 2007 (3.91%). The income disparity computed by the dividing the household income of highest 20% to the lowest 20% has raised slightly from 5.98 times in 2007 to 6.05 times in 2008 (DGBAS, 2010).

1.3 Basic features of the agricultural sector

Agriculture accounted for more than 30% of GDP in the 1950s but has fallen to 1.69% in 2008. The total agricultural production valued at US\$ 13 billion (NT\$417,501,076,000). The contribution was 11% if the related primary, secondary and tertiary industries are included. This shows that agriculture remains an important sector in the Taiwan's economy as a whole (COA, 2009).

2. Significance of family farming in Taiwan

The agricultural sector is characterized by small holders/family farming; where family farming is the norm. Family farming is regarded as a way of life and it has not been abandoned from the value system of policy makers, since there are still 10% of the household is farm household. There were still more than 3 million people reside on the farm household at the end of 2008. The most important asset/input for the farm household is the farm land. According to the most recent census conducted at the end of 2005, the average arable farm land per farm household has decreased from 0.79 to 0.72 ha from 2000 to 2005. The farm household has a very small arable land area, where 78.33% of the farm households had arable land area which was below 1 ha. On the other hand, there were 771,579 farm households which jointly hold almost 93% of the arable land in 2005 (Table 1).

Table 1. Land Ownership Pattern by Farm Household in 2005

Ownership Type	Household (No)	%	Arable Land Ownership and Type*	by %
Total	771,579	100.00	Ownership Total	100.00
Own Land	767,554	99.48	Prod. on own land	84.94
100%	675,581	87.56	Prod. not on own land	15.26
Partial	52,806	6.84	Rent in/occupy	12.85
50%	26,485	3.43	Entrusted by others	2.41



ASIA CONTINENTAL MEETING. NEW DELHI 23-25 March, 2010

< 50%	26,316	3.41	Total (597,438 ha)	100.00
0 % Own land	39,172	5.08	Farm Household	92.72
No arable land	4,025	0.52	Registered Farms	7.28

Note : * Include the 775 registered commercial farms, the total area is 597,438 ha.

Source: DGBAS 2007, Agricultural Census, <http://www.stat.gov.tw/public/Attachment/7121210265271.pdf>

An ordinary farm household is described as a couple working together on the farm, but just as the English term “farmer” refers to the male member working on the farm while the “farm woman” refers to someone who marries into the farm household who helps out on the farm. The invisibility of the farm women from the perspective of policy makers but whose real contribution on the farm is appreciated in the farm household in need in deed (Huang 2008). At the end of 2008, there were 1,498,506 persons in the farm household working on their own farm either full time or part time (Table 2). It is apparent that there is a higher percentage of male working on own farm than female, but those who work only on the farm, the percentage from male and female are much closer (34% for male and 30% for female). The figure is consistent with the description of a typical workforce composition of the farm household. For female family members who engaged in own farm activities, they are less likely to work part-time. For those who work full-time on the farm, they fall into a higher age group than those working part-time on the farm.

As younger members of the family tend to find jobs in non-agricultural sectors, farm operating/ manager’s age is averaged at 62 (Council of Agriculture, 2008). Considering that the life expectancy at birth for the Taiwanese is 78.97 years (female: 82.46; male: 75.88), the figure is still alarmingly high.

Table 2. Age, Gender Structure, and On-farm Working Status for Farm Household in 2008

Unit: %

Farming Status	% of Total		Age (Year)					Total
			15-19	20-29	30-44	45-64	65+	
Total	100.0	100.0	1.0	5.8	19.4	39.6	34.2	100.0
Full-time	64.5	64.5	1.4	3.8	9.6	35.5	49.7	100.0
Part-time	35.5	35.5	0.1	9.4	37.4	47.1	6.1	100.0
Male (Sub-total)	60.9	100.0	0.9	6.4	21.6	38.6	32.4	100.0



Full-time	34.2	56.2	1.5	4.3	8.7	32.7	52.8	100.0
Part-time	26.7	43.8	0.1	9.1	38.2	46.2	6.4	100.0
Female (Sub-total)	39.1	100.0	1.1	4.8	16.0	41.2	37.0	100.0
Full-time	30.3	77.6	1.4	3.2	10.6	38.7	46.2	100.0
Part-time	8.8	22.4	0.0	10.3	34.7	49.8	5.3	100.0

Source: COA, 2009. Statistical Yearbook 2008

Note: There were 1,498,506 persons above 15 years old working on family farms at the end of 2008.

3. Problems of/threats to family farmers and their organizations

The farm household has to rely on non-agricultural income to sustain the household consumption level. The dependent rate of agricultural income for farm household² was only 20.6% in 2007, and the agricultural income sufficiency ratio as percentage of consumption expenditure was only 32.5% of farm household income³. However, it is not “news” at all. Ever since 1976, the sufficiency ratio has been dropping, but the agricultural income also increases steadily, the Engle’s coefficient dropped from 49% to 26%. Therefore, from the perspective of food and beverage as percentage of the consumption expenditure, agricultural income is more than enough to support the farm family.

People, the natural environment and the communities are the main supporting tiers for development of the rural areas. When we discuss about the development of the rural communities, it is hard to separate the issues involved with one of the tiers without being affected the others. However, what should be central to the issues rests on how to entice young generation to be the first liners to take up the challenge for achieving a new generation of agrarian reform. Hence, human resource development, especially for the young practitioners in agribusiness or agro-industry career remains major concerns for the future agricultural development in Taiwan (Huang and Chen, 2009).

In the earlier economic development process, the farming sector had been the supplier of the

² Agricultural Dependent Rate=(Agri. Income/Farm Family Income) ×100

³ Sufficient Ratio of Farm income to Consumption=(Agri. Income/Consumption Exp.)×100



ASIA CONTINENTAL MEETING. NEW DELHI 23-25 March, 2010

major inputs for industrial sectors. Relatively low returns in the farming sector shifted the allocation of capital, land and labor into the more productive sectors in the urban area. The intentionally shifting people away from farming practices to work in the factory and other sector in the early stages made the status of agriculture as an undesirable sector to economic development. And further misconception was presented that that farming as being a heavily compensated business (Huang and Chen, 2009).

Despite the civil law to protect the gender equitable inheritance in the household, the paternal society of the rural villages in Taiwan still follow the traditional social norm of the male string to inherit the farm land and farm household. And traditional agricultural practices pass from father-to-son that engagement of the daughters in farming practices would be more on the help-out status. The most likely case for women to take care of the daily operation of the farm would be for them to marry into the farm household. In either case, the farming practices were learnt through learning-by-doing, and by attending training sessions, workshop or meetings. The ability of the women in rural villages might not be limited to those directly linked with farming practices, but might a good addition to add in a much broader career opportunities as they were brought into the rural village (Huang, 2008).

4. Initiative to address these problems and threats

Being the sector that oversees the vast natural and productive resources in especially the rural and peri-urban area and people, the agricultural policy agenda for the new administration that took office ever since May of 2008 has been set to “Establish a Healthy, Efficient and Sustainable Agriculture for All the Citizens” (Council of Agriculture, 2008). From the perspective of food supply and sustainability of the environment, the grand agenda is to promote chemical residue free (non-poisonous) agriculture. To enlarge the scale of operation has been on the agenda for the past three decades, a typical example is to encourage the farmers to form into groups (the so called production and marketing teams). A recent initiative is to encourage youngsters or people who were employed in other sectors to move to the agricultural sector by land leasing program. The intention is to convert the set aside farmland owned by the aging farmers to be converted into a larger unit by leasing arrangement. It is called the “big lessee small landlord project.” The project is still on-going.



ASIA CONTINENTAL MEETING. NEW DELHI 23-25 March, 2010

For rural women: to improve the economic situation in the rural area and to enhance the rural development, to create income opportunities for women or in the rural area is very important. Establishment of rural women's enterprises is regarded as a way to make use of the talent and capability of the farm women as a "sideline" job to generate supplemental income for the household.

5. Conclusion: opportunities and challenges

The experience of "unhappy" "unpleasant" "failure" in the farming business pushed away the youngster out of rural farming household to the cities and other types of business. There are a lot more "attractive" opportunities outside of farming sector are the common impression. In order to making agriculture related businesses to be attractive, the negative image of agriculture sector should be improved. The concern includes that: agriculture is a low pay job; farming is a risky business; it requires hard work; it tends to be a hot working environment especially in the tropics and it is hard to keep clean; and that since the business depends heavily on the weather, one has to adapt to the highly flexible working routine (Huang and Chen, 2009). Hence, even though farming seems to be a career with very low entry barrier, but to prosper in the industry is not ease.

Even with the aging population in the agricultural sector, good infrastructure for accessing the market at all levels: such as paved road, cold storage, packaging facilities after harvesting; face to face communication and training for market requirement. Daily operated local markets are conveniently located in each township; efficient wholesale markets in major metropolitan area; information communication technology is well understood and adapted by majority of the population.

Agriculture has shifted its role as the supplier of food in the past to the current multi-function role in food security, rural village development and ecosystem conservation. The common requirement in the business world of asking for multi-disciplinary expertise for the new entrants to the job market has been always been the case for small farming business. For those who could engage in multiple tasking on a farm by provide value added to the farm product tends to be more successful than others. It has been evident from the agricultural census information which show that for those farms that take up the processing and services



ASIA CONTINENTAL MEETING. NEW DELHI 23-25 March, 2010

business as integral part of the operation is more profitable than the traditional farming which only focusing on the production of raw materials. The farmers, who have engaged in more industrialized operation or more capital intensive operations to overcome the influence of the nature, tend to outperform traditional farming practices.

With the economic development, there is a genuine desire for people to expect their living environment to be safe, pleasant, and enjoyable. Thus, there is an urgent need to improve agricultural sector in the quality, safety assurance not only for the food but also for the productive environment for creating other values in multiple facet dimensions which forms the foundation for to for the livelihood of human beings.

The stories of the new comers into the picture provide good model for others who want to follow. As the information on market, training opportunities are readily available on the tip of the fingers, it is promising to see to the younger generation already in the picture.

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