**Specific challenge:** The contribution of family farms and in particular smallholder farms to food and nutrition security (FNS) has been gaining global attention, both in Europe and in the context of less developed countries. While small farms, as well as other small and micro-sized food businesses, have an important role to play in supporting the local economy and food security in rural areas, this is often placed in contrast with the perceived benefits of large farm structures. This comparison, arguing for the benefits of economies of scale tends to downplay the efficiency of smallholdings, averts considerations for complementarities between agro-food systems, neglects the environmental and social aspects of sustainability such as the ability of small farms to maintain more diverse mixed production systems and the role of labour-inclusive family farms in maintaining an adequate rural/urban balance and enabling territorial development – a challenge for countries facing a strong rural population growth. It is therefore important to gain a better understanding of the contribution of small farms and food businesses to FNS and their resilience to shocks in an increasingly globalised and uncertain world. In particular, it must be understood whether small and family farms may contribute to a 'right balance' between technical, economic, environmental and social sustainability, taking into account the linkages with the up- and downstream sectors and in particular small and medium sized enterprises differentiating between the urban and rural dimensions of FNS, and identifying the requirements with regard to infrastructure (incl. labour, transport, energy, communication, food-safety, etc.), supply chain (local/regional markets), technical pathways (focus on production and transformation at farm level) and governance (local/global).

**Scope:** Proposals should thoroughly assess the role of family farms and other small food businesses and particularly those with small structures in achieving sustainable FNS, evaluating the means by which such entities could respond to the expected increase in demand for food, feed and fibre under ever scarcer resources, as well as providing evidence and developing tools to guide decision makers in the choice and combination of intensification pathways. Research should identify the optimal enabling environment for small and family farms and businesses to accomplish the aforementioned role on FNS and the multiple dimensions of sustainability with respect to infrastructure, supply chain and governance needs. Foresight activities should be carried out to project the potential weight and role of the aforementioned entities in a few decades' time, regarding the various dimensions of sustainability, including the challenges of less developed countries' growing rural densities. Research work should build upon existing knowledge and take into account activities related to the 2014 International Year of Family Farming and Smallholder Farming. In line with the objectives of the EU strategy for international cooperation in research and innovation and in particular with the implementation of the EU-Africa dialogue, proposals are encouraged to include third country participants, especially those established in Africa and Asia.

The Commission considers that proposals requesting a contribution from the EU in the range of EUR 4–5 million would allow this specific challenge to be addressed appropriately. Nonetheless, this does not preclude submission and selection of proposals requesting other amounts.
**Expected impact:**

- provide a better understanding of the role of small and family farms and small food businesses in meeting the sustainable FNS challenge (across its various dimensions) encompassing the implications on small and medium size businesses along the supply chain and within the context of demographic developments
- help better tailoring international cooperation and agricultural research for development to the agro-food sector
- contribute to policy making for the identification of new development models for the agro-food sector.

Type of action: Research and innovation actions