The study aimed at analyzing the challenges and prospects of farm and non-farm livelihood strategies of smallholder farmers taking Yayu Biosphere reserve in Ethiopia as a case study site. 

- 28 FGDs, 6 key informant interviews, and participant observation were employed to collect in depth gender disaggregated qualitative data from four sites, viz. Bondomegela, Wabo, Gaba and Wangegne in Illubabor zone, South-West Ethiopia.

**Introduction**

- **MAIN CHALLENGES**
  - Low price for commodities produced (particularly coffee)
  - Unaffordable & scarcity of agricultural inputs (particularly synthetic fertilizer)
  - Diseases and wild animals attack
  - Scarcity of capital, and labor particularly during harvesting
  - Fragmentation of land as a result of population pressure
  - Impact of Climate change (such as erratic precipitation and temperature)

**FARM LIVELIHOOD STRATEGIES**

- Low interest of the youth to take over farming as an occupation or considering as a last option
- Increasing interest of parents to involve their children in non-farm sectors and resistance against farming (due to its demanding nature)
- Increasing tendency for rural out-migration and increasing interest to work in urban areas
- Expansion of non-farm sectors and urbanization.

**PROSPECTS**

- Farmers lack other better livelihood alternatives, and they are losing hope in taking up farming as a main means of livelihood due to the challenges they are facing on farming.
- As a result, a gloomy feature has been created on the future prospects of farming and calls for the urgency of integrated development interventions, including interventions that focus on improving the resource management capacity of smallholder farmers & reducing pressure on land by designing capacity building programs to enable them fit to better paying non-farm jobs.

**CONCLUSION**

- Farmers lack other better livelihood alternatives, and they are losing hope in taking up farming as a main means of livelihood due to the challenges they are facing on farming.
- As a result, a gloomy feature has been created on the future prospects of farming and calls for the urgency of integrated development interventions, including interventions that focus on improving the resource management capacity of smallholder farmers & reducing pressure on land by designing capacity building programs to enable them fit to better paying non-farm jobs.

**MAIN CHALLENGES**

- Scarcity of capital to start up a non-farm business
- Farmers have limited time to be involved in this sector
- Requirement of additional land for certain non-farm businesses
- Unable to be involved in profitable non-farm businesses due to lack of skill and knowledge that fit to the demand of some non-farm businesses
- Wrong perception and attitude on some non-farm livelihood strategies

**PROSPECTS**

- Main livelihood strategy for the landless
- Among the main livelihood strategies for women headed households
- Not directly influenced by climate change
- Serving as coping mechanism and income diversification strategy during harsh conditions
- Contributing to the development of small scale enterprises