

TOWARDS A DECENT STANDARD OF LIVING FOR SMALLHOLDER FARMERS

STRATEGIES TO CLOSE THE INCOME GAP

14:00 – 15:30 BST/GMT +1 (90m)

LICOP Moderators



Stephanie Daniels
Sustainable Food Lab



Cheryl Pinto
Values Based Sourcing
Manager
Ben & Jerry's



Carla Veldhuyzen
Senior Advisor Sustainable
Livelihoods
Fairtrade International



Inge Jacobs
Senior Manager Human
Rights and Income – Cocoa
Mars Wrigley

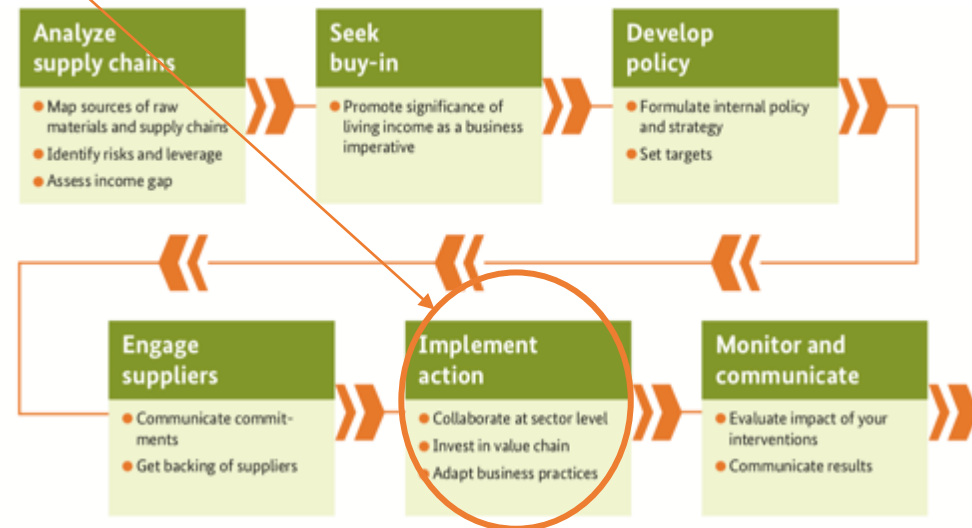


Christian Pennotti
Global Director, Savings
Groups
CARE

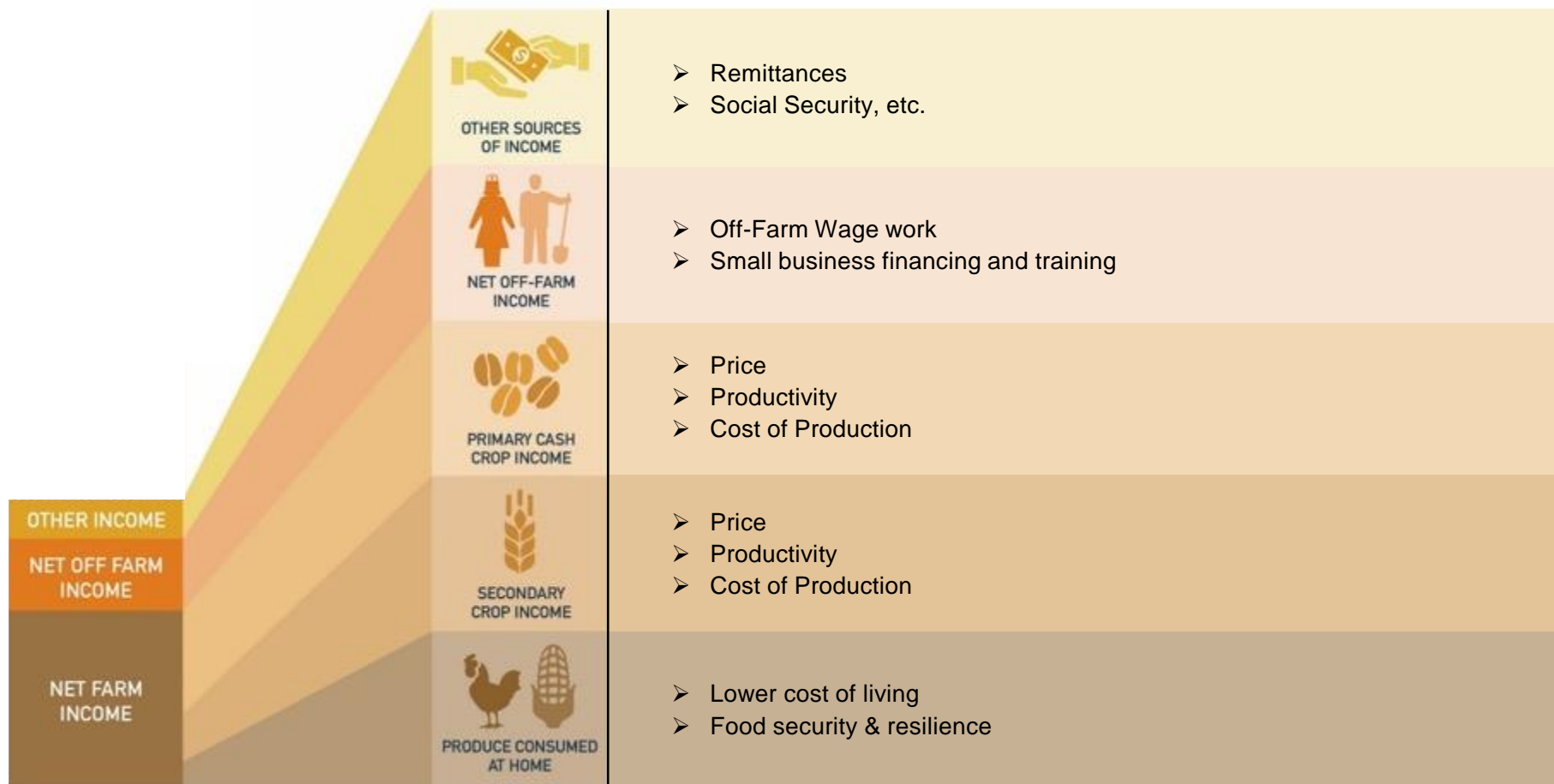


Don Seville
Sustainable Food Lab

Strategies to Close the Gap



Income Sources



Strategies to Improve Income

PRODUCTIVITY & COST OF PRODUCTION



- Professional producer orgs
- Farm service delivery
 - Inputs
 - Access to finance
 - Technical services
 - Market access
 - Risk mitigation tools
- Income diversification

PRICE & TRADING PRACTICES



BUYING

- Supplier management
- Pricing and transparency
- Certifications and premiums
- Minimum pricing

MARKETING

- Public reporting
- Consumer engagement
- New product development

LANDSCAPE & COMMUNITY DEVELOPMENT



- Watershed / forest protection
- Community based income projects
- Social protection
- Land tenure
- Women's economic empowerment

SECTOR STRATEGIES

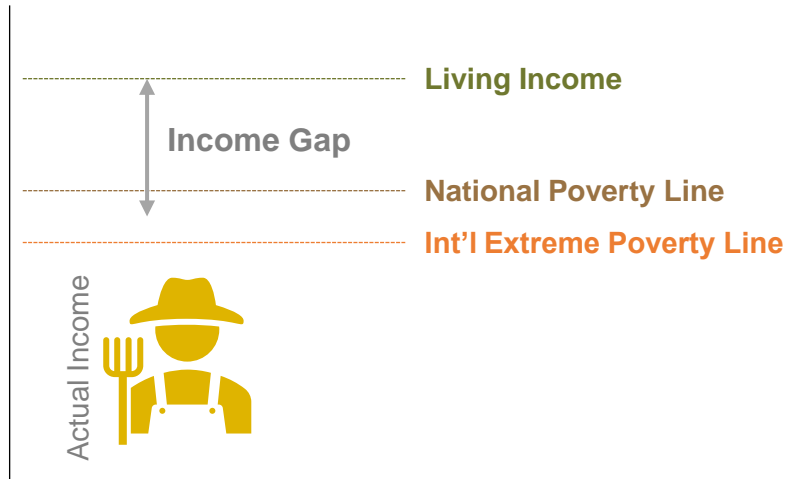


- Sector price mechanisms
- Supply management
- Rural economic development policy
- Due Diligence legislation

Farm and Value Chain Strategies

Community, Landscape, Sector Strategies

Pathways to Close the Gap



Farmers have several pathways to a living income, and are not all the same!



Specializing: Farming family invests in productivity, quality, market knowledge, and land allocation to cocoa



Diversification: Farming family increases productivity quality of main cash crop and increasingly invests in other crops with viable markets



Transition: Farming family not able to reach a living income from agriculture only because of external challenges (i.e., land size) and needs to include alternative strategies like off farm income

Holistic strategies are needed make it “all add up” for farmers



Training on good agricultural practices and access to financing and inputs



Understanding and promoting diversification in a responsible way with attention to market access



Develop business models that allow farmers to receive better return (stability, price, risk share, value addition)



Statement of Mission

Ben & Jerry's is founded on & dedicated to a sustainable corporate concept of linked prosperity.
Our mission consists of 3 interrelated parts:

PRODUCT

mission

To make, distribute & sell the finest quality all natural ice cream & euphoric concoctions with a continued commitment to incorporating wholesome, natural ingredients & promoting business practices that respect the Earth & the Environment.



ECONOMIC

mission

To operate the Company on a sustainable financial basis of profitable growth, increasing value for our stakeholders & expanding opportunities for development & career growth for our employees.



SOCIAL

mission

To operate the Company in a way that actively recognizes the central role that business plays in society by initiating innovative ways to improve the quality of life locally, nationally & internationally.



CENTRAL TO THE MISSION of Ben & Jerry's is the belief that all 3 parts must thrive equally in a manner that commands deep respect for individuals in & outside the Company & supports the communities of which they are a part.

PDI Strategy



Living Income



Climate Resilience



Cooperative
Strengthening

X



Farmer Support



Linked Prosperity
Trading Relationship



Industry Influence

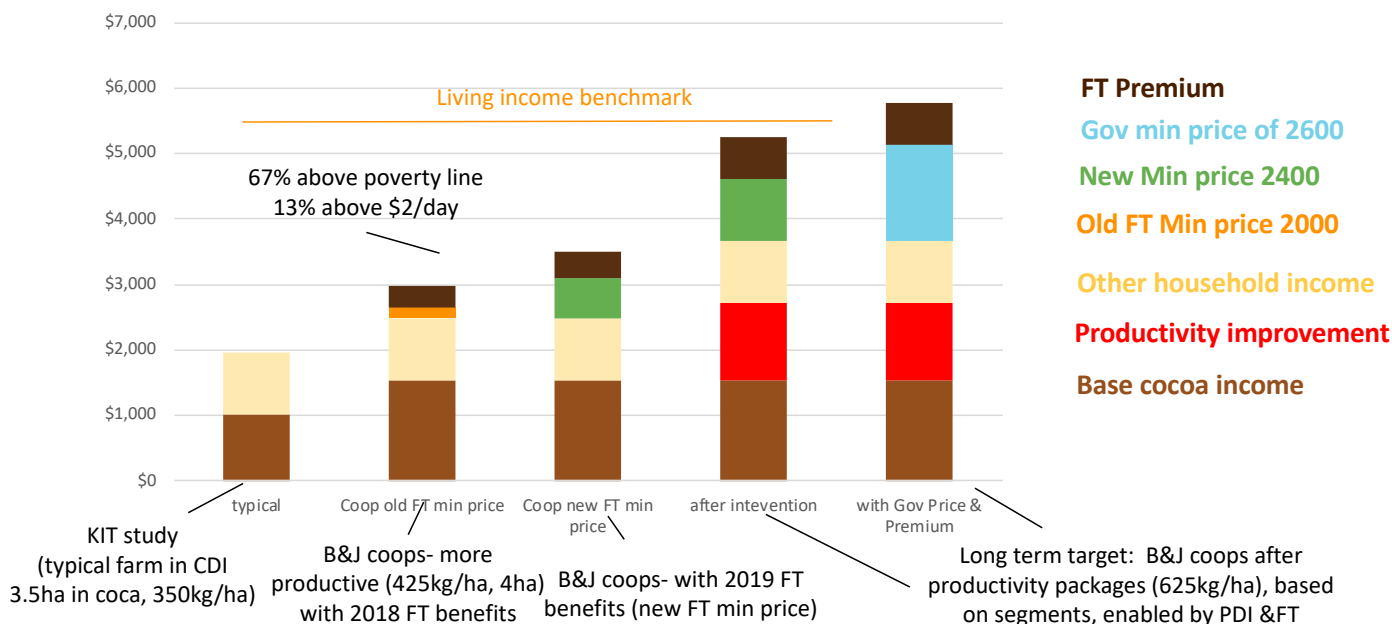
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Dignified
Life
for
Farmers

Our analysis shows suitable farmers who participate in the B&J program & invest in their farms **have the potential to earn a living income:**

Cocoa Producer Household Income per year
Market at 2018 farm gate price of 700CFA, USD1.26



*A typical B&J farmer already has about 50% better income than the typical Cdi Cocoa farmer. **With the new prices and potential productivity gains, farmers who invest in cocoa have the potential to reach a living income.***

Though paths for diversification and transition out of cocoa are also needed for supply / demand balance..

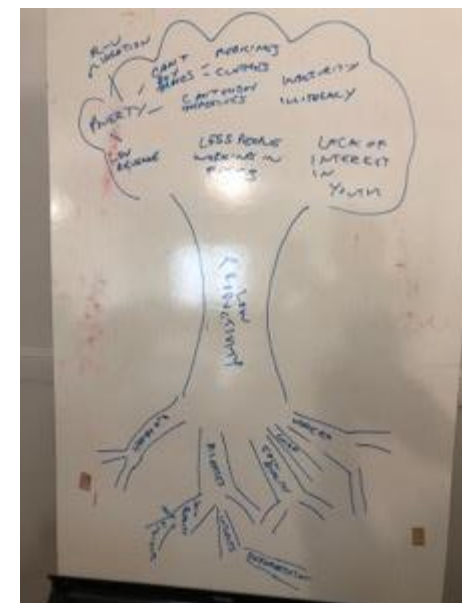


Our FT cocoa farmers' insight*...

The farmers valued the long-term Fairtrade sourcing commitments & PDI support programs. They also requested to sell more cocoa as Fairtrade.

The challenges faced by the co-operatives were numerous, but they prioritized:

- **low productivity** (ageing trees, lack of manpower, swollen shoot);
- **climate change** (and the resulting impact on weather patterns and delayed rain),
- **women's economic opportunity** (many business started but struggling for market and profits)
- **deforestation** and the need for support in this area;
- **youth engagement** (could be part of the workforce solution)



(*In August 2019, we met with representatives from our four Cote d'Ivoire cooperatives)

Ben & Jerry's Cocoa PDI:

Breaking The Low-Income Trap for Cocoa Farmers with Enabled Investment

How do we support farmers to break the poverty trap?

WHY?

- lack of contract commitments
- Low prices
- Climate change effects

TRAP: Low and uncertain incomes

TRAP: Farmer unable to make investments in farms

TRAP: Low productivity, declining yields and aging farms

WHY?

- Risk of investment too high due to insecurity of income
- Lack of quality services and support

By building an enabling environment for investment :

Co-ops scale services and support costs for members

PDI activities increase access to quality services that improve on-farm practices

SOLUTION: strengthen coops to improve members' investment (ROI)

SOLUTION: increase farmer opportunity to invest

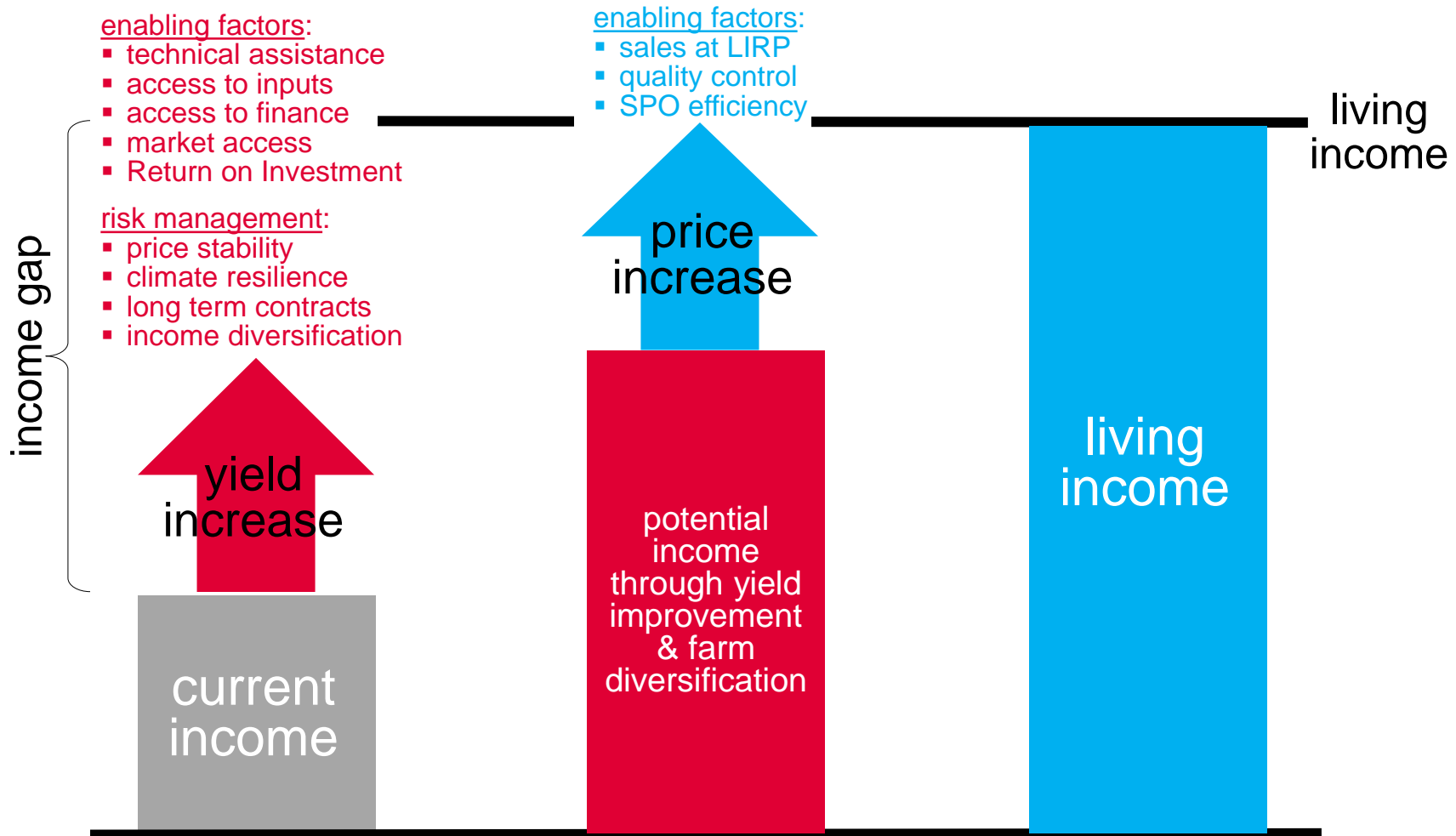
Long-term sourcing commitments and Fairtrade minimum price and premium (aiming for Living Income pricing)

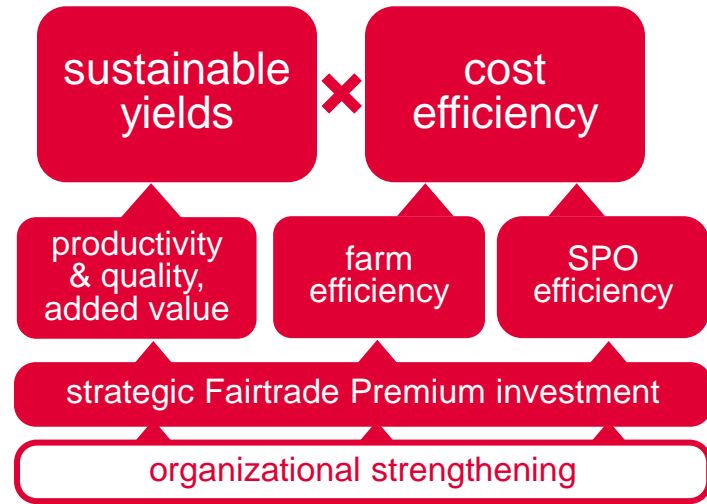
SOLUTION: increase farmer ability to invest



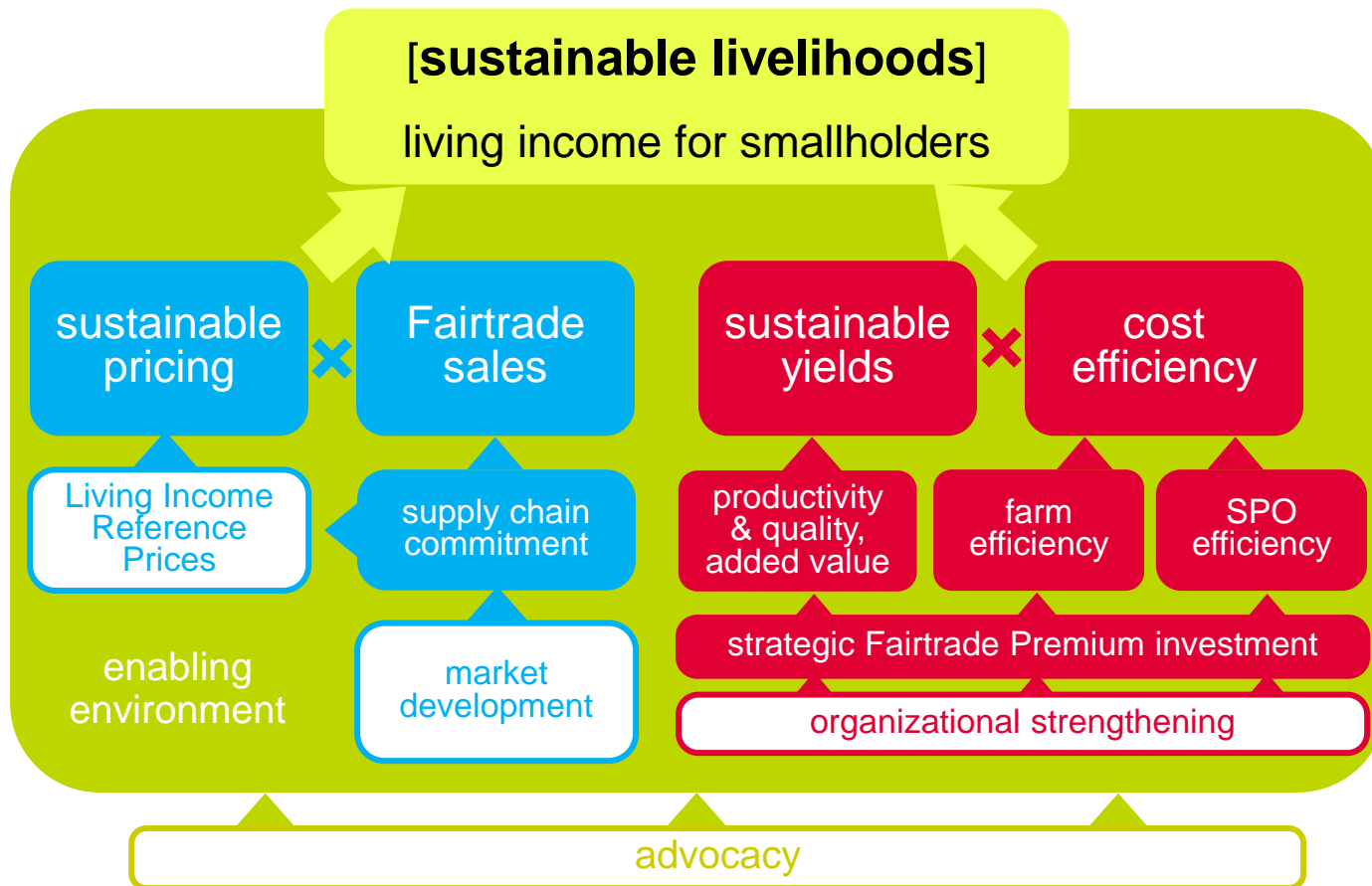
Fairtrade Living Income strategy

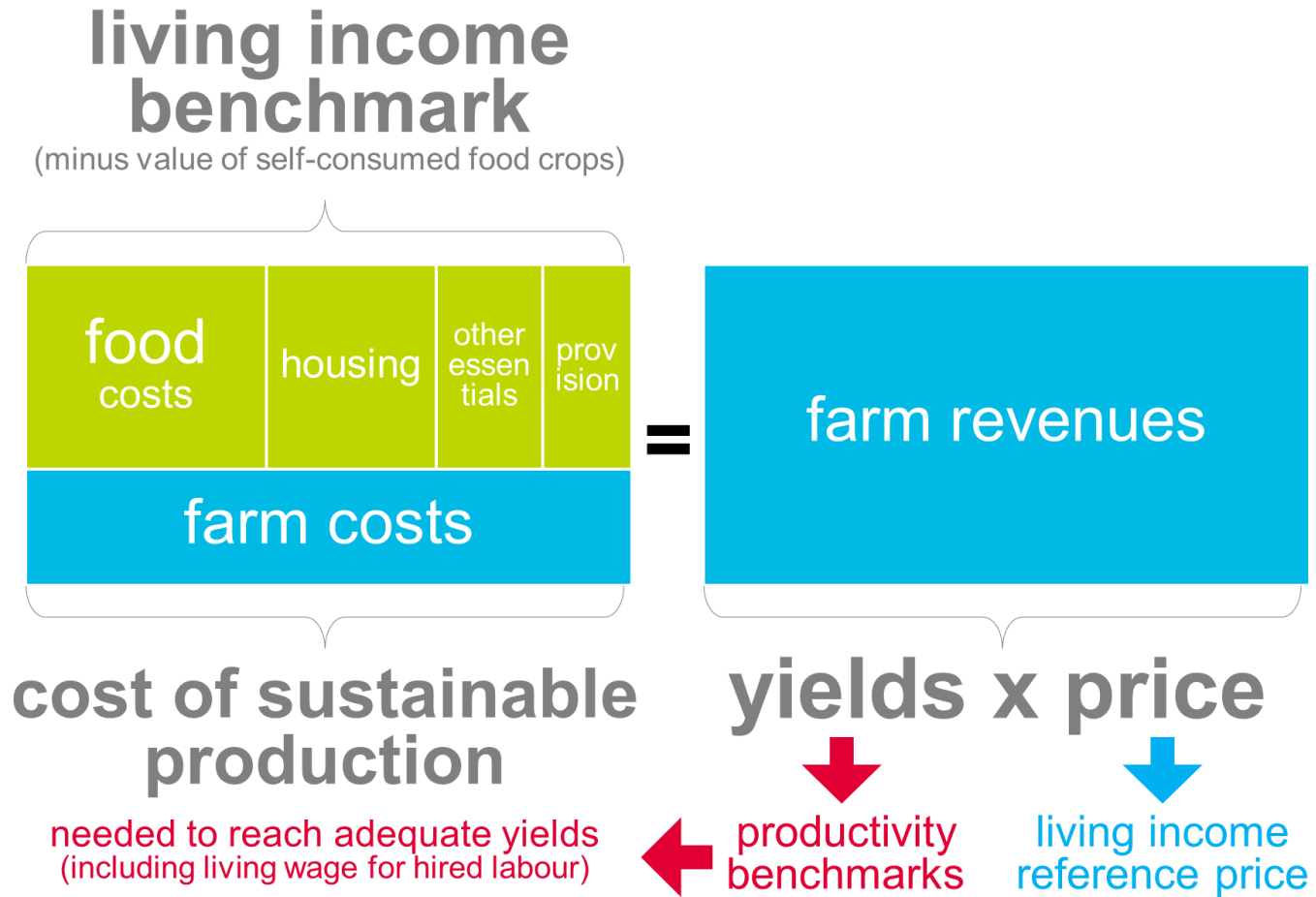
Carla Veldhuyzen van Zanten | Senior Advisor Sustainable Livelihoods











income monitoring, impact evaluation & learning based on farm records

living incomes for cocoa farmers

sustainable pricing

Fairtrade sales

sustainable yields

cost efficiency

Living Income Reference Price

supply chain commitment to source significant volumes at LIRP

cooperative's commitment to improve farm productivity & resilience through diversification

implementation of farm record keeping for enhanced farm decision making & efficiency

improved organizational efficiency to maximize value for members

strategic Fairtrade Premium investment

FTA support through intensified organizational strengthening (good governance, business mgt)

advocacy for enabling environment

MARS

Tomorrow starts today

Strategies to close the income gap

Living Income Community of Practice

Webinar April 7th, 2020

thriving
people

Working Toward our Income Ambition Through:

Supply Chain Transformation



Initially in cocoa,
mint, vanilla and rice

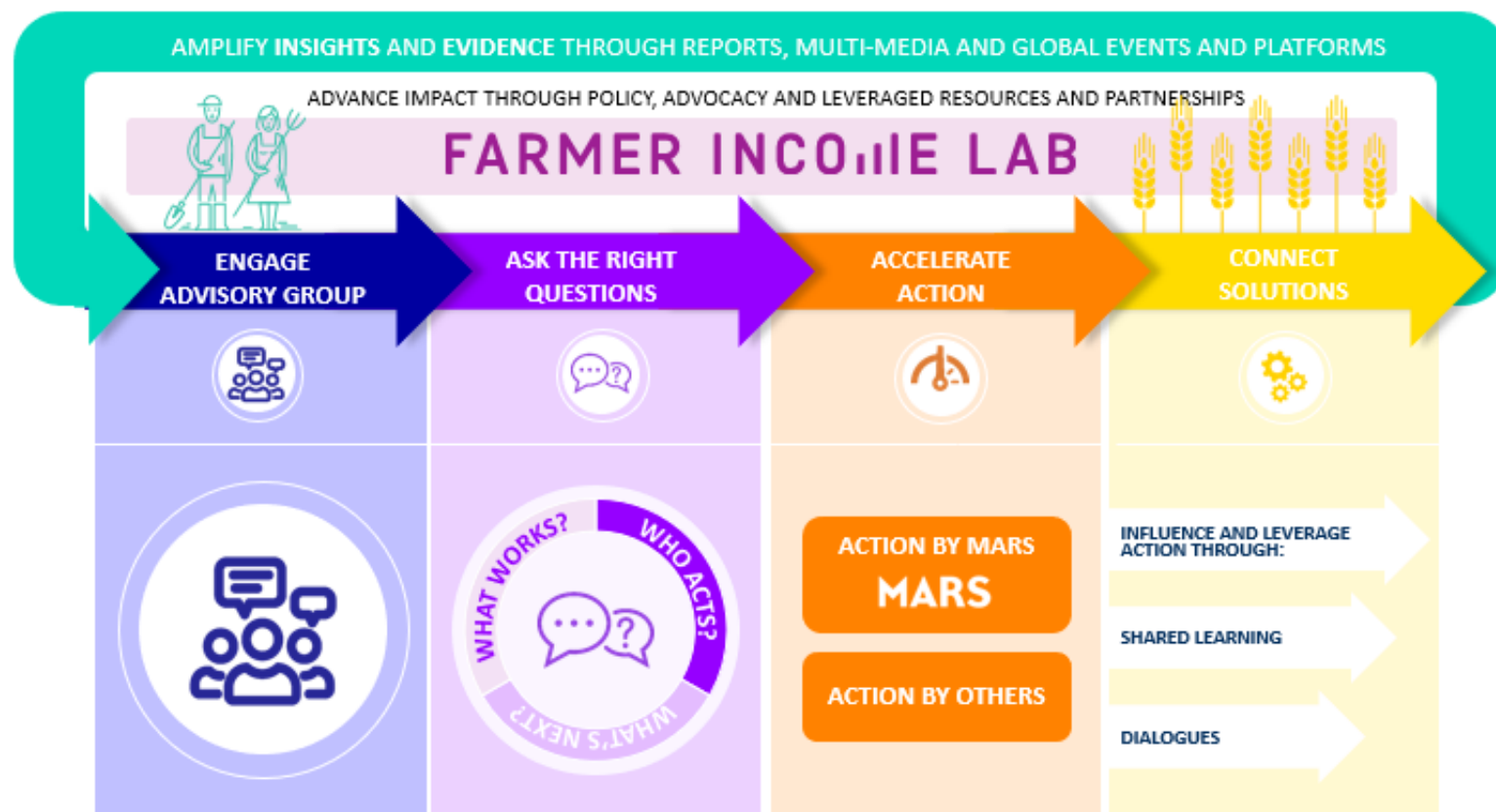
Farmer Income Lab



To convene, learn &
share knowledge



2020 – 2025 Strategic Framework



NEXT GENERATION SOURCING



**NEXT GENERATION
SUPPLIER**



**NEXT GENERATION
ORIGIN**

Mars VSLA program in Côte d'Ivoire



RESULTS TO DATE



RESULTS AFTER 3 YEARS



USE OF LOANS



VSLAs are a **platform** for progress on economic, social, political and health outcomes.



VSLA has enabled significant economic, social and political gains

Economic Impacts

+99% Repayment Rates¹ 

+34% Individual savings² 

 Business ownership³ **2x**

 Household income⁴ **+45%**

Social and Political Benefits

Political Participation

Women elected to public office tripled in CARE areas in Niger.⁵

Reduced Violence

Adding a couple's curriculum reduced violence against women by 55% in groups in Rwanda.⁶

Gender Equality

Women's control over household and agricultural assets **doubled** in Ghana, India, Malawi and Tanzania, **tripled** in Mali.⁷

Child Marriage

Adding health interventions prevented hundreds of child marriages in Ethiopia.⁸

1. VSLA 25th Anniversary Report. CARE, 2016.

2. The Impact of Savings Groups on the Lives of the Rural Poor in Ghana, Malawi and Uganda. Innovations for Poverty Action, 2012.

3. Final Impact Evaluation, Sustainable Access to Financial Services for Investment (SAFI) Project. CARE, 2012.

4. Banking on Change: Breaking the Barriers to Financial Inclusion. CARE International, 2013.

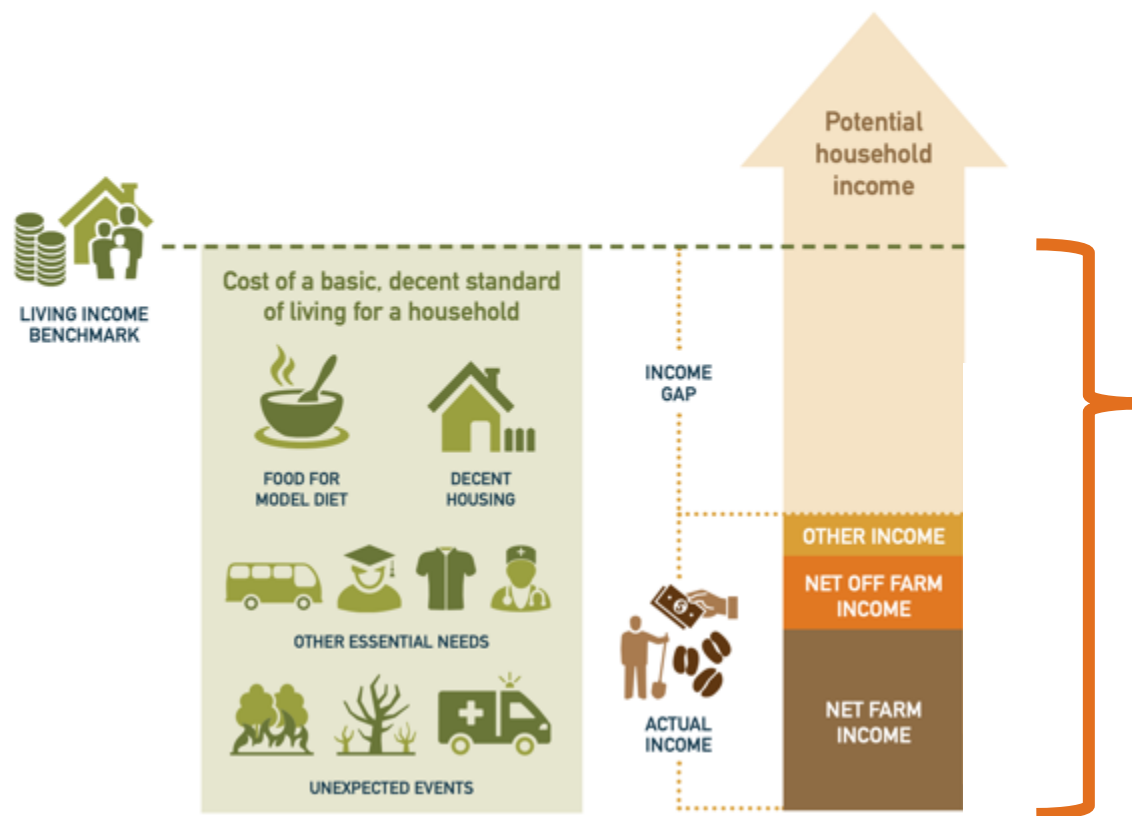
5. Political Consciousness, Leadership and Collective Action In The Mata Masu Dubara Structures in Niger. CARE, 2017.

6. Impact of Indashyikirwa. WhatWorks, 2019.

7. The Impact of Savings Groups on the Lives of the Rural Poor in Ghana, Malawi, and Uganda. Innovators for Poverty Action, 2015.

8. TESFA Project Ex-Post Evaluation Report. CARE & Addis Continental, 2017.

The Living Income Story

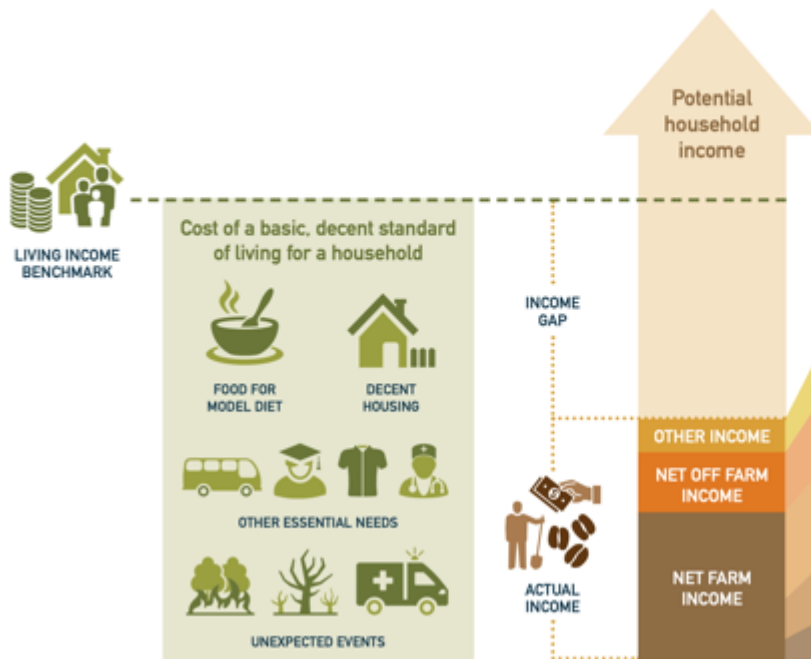


Closing the income gap is a function of growing 'actual income' buckets

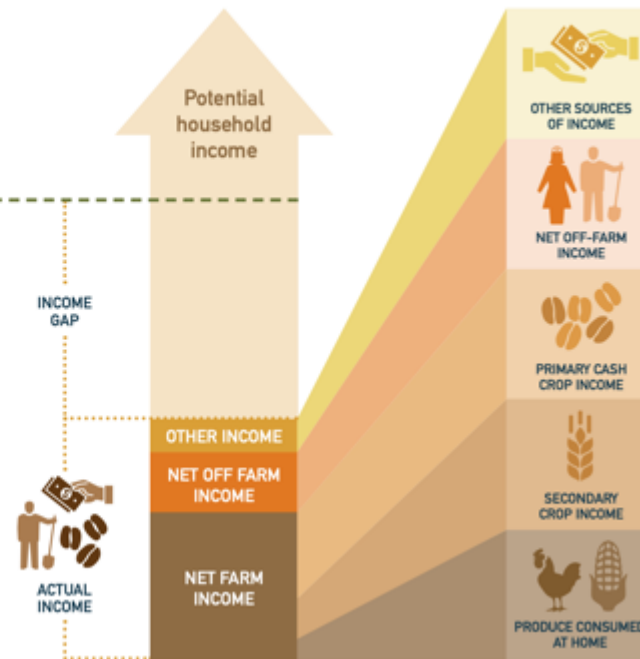
VSLAs contribute to this in a variety of ways

VSLA and Living Income

The Living Income Story



The Living Income Community of Practice

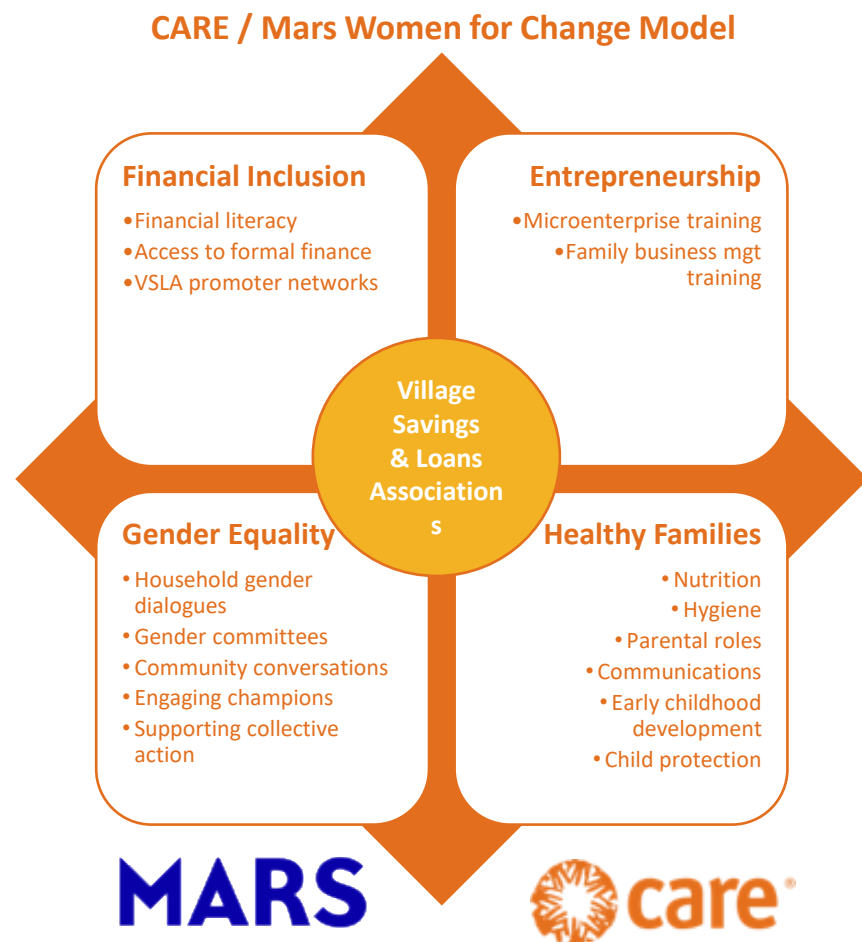


Potential VSLA Contributions:

- Potential to increase access to public-sector support / subsidy schemes (e.g. Rwanda micro-pension scheme, Kenya national health insurance scheme)
- Increase in petty-trade, small scale, off-farm business
- Up to 2x in women-owned enterprise
- 52-65% of VSLA loans invested here
- Increase in access to capital to invest in agriculture.
- 20-30% of VSLA loans invested in cocoa under Mars partnership.
- Increase in access to capital to invest in agriculture.
- Increase in family health and nutrition contributes increased labor capacity.
- Increased investment in HH gardens, small livestock, dietary diversity
- Potential for establishment of community-level food stores (e.g. Niger)

Complimentary investments

1. Women's Empowerment
 1. Household dialogues
 2. Male champions
 3. Community gender committees
 4. Behavior change communications
2. Access to and Security of Productive Resources
 1. Land
 2. Inputs
 3. Finance
 4. Water
 5. Storage
 6. Processing
 7. Technical support
3. Inclusive Markets
 1. Entrepreneurship skills
 2. Collective marketing / cooperatives
 3. Transportation
4. Household / Family Health and Nutrition
 1. Household gardens
 2. Dietary diversity
 3. Health services
 4. Early-childhood development





Discussion with participants

What questions are you left with?
What strategies are you testing to
improve farmer income?

BREAK #2 (15mins)

15:30-15:45 BST (GMT+1)



Remaining Minutes

15:00

Housekeeping Rules

INTRODUCE YOURSELF

- When you join, edit your name and add your organization in brackets. [Sheila \(ISEAL\)](#)
- To do this, simply left click on your name

HOW CAN I ASK A QUESTIONS/COMMENT?

You will be kept muted throughout and there is no video option for participants so,

1. Pop the question in the chat box

(there will be a follow workshop report that aims to address as many questions as possible)

WHAT HAPPENS IF THE NETWORK FAILS?

- Try to reconnect. If after 5mins it does not work, please refer to your emails for any updates from the organizer.

HOW CAN I VIEW THE AGENDA AND SLIDE DECK?

- In the Handout section of the GTW panel
- OR go to our website (<https://www.living-income.com/living-income-event-2020>)

HOW LONG IS THIS WORKSHOP? CAN I DROP OFF ANYTIME?

- This is 4.5 hrs long. You can drop off and re-join during any session. We SHALL keep to timing! Use the breaks to refresh.

HEARD SOMETHING NOTEWORTHY? Share in on twitter or LinkedIn using the hashtag #LICOP2020event

TECHNICAL DIFFICULTIES ? Reach out to anja@isealalliance.org or rita@isealalliance.org