

Living Income 101: Essential Concepts & Practical Insights

Key resources

Introduction to the concept of living income

- [Introduction to the living income concept video](#)
- [Introducción al concepto de ingreso digno video](#)
- [Démystifier le concept de revenu vital](#)
- [Pocket guide: Achieving Living Income](#)
- Get more information about the concept: <https://www.living-income.com/the-concept>

Living Income Story

- To get access to this graphic and other information please visit our tools and resources page: <https://www.living-income.com/tools-resources>

Living income benchmark

- [Global Living Wage Coalition](#)
- [ALIGN Tool](#)
- [Ghana Benchmark](#)
- [Ghana Benchmark Update](#)
- [Côte d'Ivoire Benchmark](#)
- [Cocoa Household Income Study Methodology](#)

Tools and applications

- [Living Income Reference Price Map and FAQ](#)
- [Global Living Wage Coalition](#)
- [Living Income Road Map – Idh](#)
- [Income Measurement Guidance Tool](#)
- [Income Driver Calculator](#)
- To get access to our guidance for companies and governments please visit <https://www.living-income.com/tools-resources>

Role of different actors in living income:

- [Living Income Company toolkit](#)
- [Living Income Government Guidance](#)

Upcoming Events

- [Measurement Approaches in Living Income](#) - Webinar - Monday 7 April
- [Living Income Across Sectors: Insights from cocoa, coffee, and palm](#) - Webinar - Wednesday 28 April
- [Pathways to Income Improvement in Asia: Addressing Barriers and Unlocking Opportunities](#) - Virtual workshop - Wednesday 11 June

Living Income Community of Practice

To keep engaged with the living Income Community of Practice subscribe to our newsletter, visit our website for upcoming events or join our LinkedIn group:

- <https://www.living-income.com/about-us/get-involved>
- [LICOP newsletter](#)
- [LICOP LinkedIn](#)

Q&A

How is a living income benchmark established for each commodity?

A living income benchmark is established based on the geographic area and local context, rather than the specific commodity. It represents the estimated income required for a farming household to afford a decent standard of living. To determine the appropriate benchmark, organizations can refer to resources like the Align Tool website or the Global Living Wage Coalition website. These platforms provide geographically relevant benchmarks that reflect the cost of living in the region of interest. It's essential to ensure the selected benchmark covers the specific area or a location with a comparable cost of living.

There are currently several methodologies for living income benchmarks. LICOP endorses the Anker Methodology as it is open source and robust

How do we measure actual income?

Most often, we use annual surveys (conducted after the harvest) to measure actual income. However, some programs/studies use farmer fieldbooks (farmer record details about their production costs through detailed notebooks). Some studies also use sale receipts from buyers and coops. The data sources depend on the study's use case.

Our upcoming living income measurement webinar on 7 April will explore this topic in more detail. [Register here.](#)

Cocoa and coffee prices are going up, is the gap closing? If not, why not?

Farmer income is rising with these higher cocoa and coffee prices. However, farmgate prices have risen different amounts in different countries, depending on the level of government management (much higher in Latin America as compared to West Africa). The prices are high due to shortages, so many farmers are experiencing lower yields alongside these higher prices.

Concerningly, high, volatile commodity prices are most often followed by periods of persistently low prices (due to planting surplus, ingredient switching, etc.) and many farmers are not currently saving the income surplus for this year of high prices. So the focus of living income during these high prices needs to also include financial literacy and saving capacity.

What is the difference between LICOP and ALICO?

ALICO is focused only on cocoa, while LICOP is not commodity specific. LICOP is also more public-facing, including our work on resource/guidance development, webinars, workshops, etc.

How can we successfully work with companies to advance living income efforts given current economic conditions and high coffee prices? What best practices can you share?

In some projects, we are focusing on non-price income levers that companies have (i.e., other purchasing practices), such as long-term contracts. We are also exploring how to build internal processes and capacity for when prices inevitably fall, as well as linking living income to public environmental goals, which often have earmarked budgets.

These are just a few examples, and this is an evolving conversation as we all learn together.

On the 28th May, we are hosting a webinar exploring insights from cocoa, coffee, and the palm sector. [Register here.](#)