



LEARNING BRIEF

Pathways for Income Improvement: *Unlocking Opportunity for Smallholders in Asia*

Indonesia | 3 -7 November, 2025

The Living Income
Community of Practice

PATHWAYS FOR INCOME IMPROVEMENT: *UNLOCKING OPPORTUNITIES FOR SMALLHOLDERS IN ASIA*

Contents

<u>2</u>	Introduction
<u>3</u>	Learning Journeys
<u>5</u>	• <i>Lampung Learning Journey</i>
<u>6</u>	• <i>West Java Learning Journey</i>
<u>7</u>	Pathways for Income Improvement: Unlocking Opportunities for Smallholders in Asia
<u>8</u>	• <i>Living Income in Asia</i>
<u>9</u>	• <i>High-level framing</i>
<u>11</u>	• <i>Practical Applications of Living Income in Coffee, Cocoa and Coconut</i>
<u>15</u>	• <i>Aligning Economic Resilience with Environmental Goals</i>
<u>18</u>	• <i>Scaling Income Improvement Through a Landscape Approach</i>
<u>22</u>	• <i>Living Income as a Foundation for Supply Chain Resilience</i>
<u>25</u>	• <i>Advancing Equity and Inclusion for Smallholder Producers</i>
<u>31</u>	• <i>Living Income Benchmarks in Indonesia</i>
<u>34</u>	• <i>Measurement, Challenges, and Innovations</i>
<u>37</u>	• <i>Key Takeaways From our Time Together</i>
<u>38</u>	Thank you

PATHWAYS FOR INCOME IMPROVEMENT: *UNLOCKING OPPORTUNITIES FOR SMALLHOLDERS IN ASIA*

Introduction

Between Monday 3 and Friday 7 November, the Living Income Community of Practice (LICOP), with the support from the **UK International Development from the UK government, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, and IDH**, brought together diverse voices from across Asia. Experts from governments, NGOs, research institutions, and business convened to exchange practical insights, strengthen collaboration, and accelerate action on living income.

The week began with learning journeys, allowing participants the opportunity to witness what was happening on the ground. Over two days, over 100 participants dug into new data, emerging innovations, and the complex realities facing smallholders across varied landscapes. Indonesia's rich agricultural diversity provided a powerful backdrop for exploring practical solutions and strengthening collective action toward fairer, more resilient rural livelihoods.



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SMALLER GROUP LEARNING JOURNEYS BEFORE THE WORKSHOP LET A DIVERSE SET OF PARTICIPANTS EXPERIENCE AND LEARN ABOUT COFFEE AND COCOA FARMING SYSTEMS TOGETHER

For more details, see the next three pages

LEARNING JOURNEYS

3 - 5 November

Learning and creation of systemic solutions requires active listening and an open mind.

Directly before the workshop in Jakarta, Sustainable Food Lab facilitated two 2.5-day learning journeys – one in Lampung and one in West Java. Each trip had approximately 15 attendees, representing diverse supply chain stakeholders, including brands, traders, implementing organisations, and government representatives.

Learning journeys differ from an ordinary “field trip” as they focus on recognising personal assumptions, reflecting and engaging in group debriefs. These two learning journeys offered workshop participants an opportunity to learn, reflect, and discuss with peers while connecting directly with producers and their communities.



The **Lampung learning journey** visited two living income programs:

- 📍 A cocoa project implemented by Rikolto, and
- 📍 A coffee project implemented by Nestle.

The **West Java learning journey** visited coffee projects implemented by ECOM/GIZ and Sucafina and visiting cooperatives with permits to produce coffee within public forests.

Reflections:

“We do so much on livelihoods, we should always make sure we know what they want, what do they mean by prosperity”

– Atika (Sinarmas Agri)

“It provided impactful learning for us, different commodity (palm) so learning from coffee farmers” – Diana (RSPO)

LAMPUNG LEARNING JOURNEY

3 - 5 November

On the first day, participants visited a cocoa project implemented by Rikolto, which focused on strengthening resiliency to climate change through agroforestry, good agricultural practices, and business coaching for farmer groups. We had the chance to meet an incredibly welcoming and cohesive farmer group, visit the program's demonstration plot, see grafting, and talk with individual farmers about their climate adaptation strategy.

On the second day, participants visited a youth group that managed a multi-specie nursery and offered paid agricultural services to other farmers in the community. Next, the group visited a farmer's goat pen and learned how these animals help cycle nutrients as part of a regenerative farming system.



Learning journey participant feeding a goat.

Following a visit to the program's demonstration plot, the group had lunch with a women's group that was producing and selling palm sugar and snacks. They learned how GIZ is working alongside Nestlé to develop markets for diversified crops and to equip the women groups with business skills. The journey ended with a visit to a coffee buying center where participants heard about challenges the buyer is facing in adapting to not only European regulation but also shifting national regulation.



Farmer shares grafting tips.

Voices from the Field

"I learned how to graft from YouTube."

*"Nestle gave us 2 goats. Now we have 8.
They multiplied."*

*"I am not a coffee farmer nor a chili farmer.
I am an intercropper."*

WEST JAVA LEARNING JOURNEY

3 - 5 November

This trip first visited a project implemented by ECOM and GIZ and an independent cooperative with coffee farmers who have permits to produce in the public forest. These farmers experience low coffee yields due to the dense shade from pine trees and the poor soil quality from pine sap. One farmer told us “it’s like farming in soil coated in oil”. They have received processing equipment from the government and are able to add value from processing coffee cherry. The group maintains a coffee and fruit tree nursery to provide seedlings to the coop members.

The following day, the group visited a project implemented by Sucafina focused on regenerative agriculture, followed by a discussion with a farmer group about market access and working capital to purchase coffee. The group grappled with the responsibility of different supply chain actors to enable a living income for farmers in this unique situation of social forests; the need and responsibility for income diversification and the importance of working with the local governments.



Participants learn on site.

Voices from the Field

“It’s like growing coffee in soil coated with oil.”
– Farmer trying to grow coffee in a government-controlled pine forest.

“We are here to take care of the soil, forests and water. Profits we leave to the God Almighty.”
– Farmer growing coffee under forest

THIS WORKSHOP WAS AN OPPORTUNITY FOR PARTICIPANTS TO SHARE THE RESULTS OF THEIR WORK RELATED TO LIVING INCOME IN ASIA

For more details on the work we have captured throughout the year, [visit our website workshop page.](#)

Living Income work in Asia



Strategies to close the income gap



Production &
Quality



Prices & Trading
Practices



Landscapes &
Community
Development



Sector &
Government
Policy



Organisations that shared their work on living income during the workshop include



A full map with all of the initiatives is available on our website and can be [downloaded here](#)

HIGH LEVEL FRAMING

The workshop was opened by Dr. Medrilzam, Director for Environmental Affairs at Indonesia's National Development Planning Agency (BAPPENAS). He highlighted the persistent cycles of rural poverty across Asia and noted that in Indonesia - where 63% of land is rainforest- over 900 villages located in and around forests remain low-income. **Addressing unsustainable forest use therefore requires policies that link deforestation reduction with income improvement.**

Dr. Medrilzam underscored the need to **align national industry and development priorities** and to engage Indonesia's highly diverse communities through inclusive, context-specific approaches. He outlined Indonesia's integrated efforts to strengthen rural resilience and called for partners to avoid working in silos by connecting agriculture with education, health, infrastructure, and ecosystem management.

Rajendra Aryal, FAO Country Director for Indonesia and Timor-Leste, reinforced the centrality of living income to achieving SDGs 1 and 2. He pointed to challenges such as an ageing farming population, rural-urban migration, and fragmented production systems – where even a single shock can destabilise livelihoods. FAO's programmes respond through social protection, improved data systems, digitalisation, youth engagement, and better market access.

He also shared examples from FAO's 21 living-income-related initiatives, including a GEF-funded programme in coffee, cocoa, and rice; projects empowering women and youth in customary communities; work with small-scale fisheries; and youth-focused value chain development supported by access to capital.



Dr. Medrilzam opens the workshop.



Rajendra Aryal, FAO, presents at the workshop.

THIS WORKSHOP EXPLORED THE FOLLOWING THEMES:



Aligning Efforts: *Multi-Stakeholder Action on Living Income*



Income and Environment: *Building Resilient Livelihoods through Integrated Approaches*



Empowering Smallholders: *Data-Driven and Equitable Pathways for Income Improvement*

This report provides a summary of the discussions and insights shared during the Pathways for Income Improvement: *Unlocking Opportunities for Smallholders in Asia*.



PRACTICAL APPLICATIONS OF LIVING INCOME IN COFFEE, COCOA AND COCONUT



Stephanie Daniel moderates the panel discussion.

Speakers:

1. Danang Ariawan, Cocoa Advisor, Mars Wrigley
2. Subanul Arif, Secretary, Koperasi Nira Kamukten
3. Ade Aryani, Executive Director, SCOPI Indonesia Sustainable Coffee Platform
4. Amith Verma, Sr Vice President — Regional Head for the ASEAN, China & Oceania, OFI

Moderator:

- Stephanie Daniels, Senior Program Director, Agriculture & Development, Sustainable Food Lab

This session aimed to get participants thinking how the living income framework can be applied across diverse crops and contexts by offering practical examples.

Across cocoa, coconut sugar, and coffee sectors, there are similar challenges to farmers' inability to secure a decent standard of living, driven largely by low productivity, aging farmer populations, and limited access to skills, information and markets. The panel discussed the approaches they are using to address these challenges and close the living income gap, diversify income streams, and strengthen rural communities.

PRACTICAL APPLICATIONS OF LIVING INCOME IN COFFEE, COCOA AND COCONUT

Plenary Panel

Mars: Modern, Inclusive, and Sustainable Cocoa Strategy

Cocoa farmers in Indonesia have been leaving the sector, and Mars is addressing this challenge by improving productivity through science-based, collaborative research. Partnerships and a new open-source research hub provide farmers and the sector evidence of profitable intercropping and agroforestry models with crops like coconut or durian. Despite the potential in these models, challenges remain in achieving scale and supporting farmers who grow multiple crops; Mars field staff struggle to cover non-cocoa agronomy comprehensively.

Mars invests in local training and capacity centers, co-financed with local governments. A focus on gender inclusion has increased women’s participation to 42%, and local engagement has helped reduce cultural barriers. The “Cocoa Doctor” program is being redesigned for 2025 as a “super SME” model to empower local entrepreneurs who provide agricultural services and knowledge.

Nira Kamukten Coconut Sugar Cooperative: Revitalising an Aging Sector

The cooperative was developed by young leaders looking to improve livelihoods of their families. With typical production of 5-8 kg/day of coconut palm sugar at 21,000 IDR/kg, income can be viable, but lack of awareness and pride in the profession discourages new entrants. Since its origin in 2012 with 20 farmers, the cooperative has helped members capture more value through product diversification (e.g., granulated sugar), reduced dependency on middlemen, and improved education, skills, and confidence. They’ve developed social funds, community insurance, and even a cooperative-run supermarket through Fairtrade premiums.

SCOPI: Strengthening Coffee Productivity & Skills

SCOPI highlighted low productivity, limited technical knowledge, and insufficient youth participation as major barriers. Through multi-stakeholder collaboration – including government, GCP, ARI, and LI Benchmark work in Lampung and Aceh – SCOPI aims to improve farmers’ incomes via better skills, agroforestry

expansion, and regenerative agriculture practices. Organising farmers into cooperatives is considered essential for financial management, market access, and policy engagement. Their work is part of the Global Coffee Platform’s 2030 commitment to transformational change for 1 million coffee farmers globally.

Ofi: Shared Responsibility & Digitalisation in Multi-Crop Supply Chains

Ofi emphasises living income as a response to shifting consumer expectations around health, sustainability, and environmental footprint. As a trader of multiple commodities, Ofi sees itself as a connector across the supply chain, sharing responsibility with buyers. Increasing farmer skills and adopting context-specific digital tools are key priorities, alongside fostering collaboration for better pricing, quality, and capacity development.

PRACTICAL APPLICATIONS OF LIVING INCOME IN COFFEE, COCOA AND COCONUT

Insights from Table Discussions

- Challenges in increasing farmers incomes are similar across agricultural sectors, with factors such as small land size, lack of land tenure, aging farmers and low investment leading to low productivity.
- Companies can provide **leadership** which benefits both farmers and the sector.
- **Agroforestry** is seen as an important approach for both environmental resilience and living income. Challenge is defining the responsibilities of the companies buying the target crop like cocoa, they cannot market and buy all the other intercropped products so partnership is fundamental.
- **Government-Private sector collaboration critical:** Koperasi Nira Kamukten was founded with government assistance for a processing center; Mars works with local governments to bring farmers into their training center.
- Critical to have programs that prioritise marginalised farmers (youth, women, and indigenous)
- Go beyond the farm level to the **landscape**:
 - To integrate all crops
 - To collaborate with the local government
 - To develop local SMEs that can aggregate products and deliver agricultural services
- Scale is a challenge - these programs are demanding in time and resources, **collaboration across sectors** seen as one possible scaling approach.



Workshop participants present on their table discussion.

PRACTICAL APPLICATIONS OF LIVING INCOME IN COFFEE, COCOA AND COCONUT

Insights from Table Discussions

Opportunities across sectors

- Income diversification through agroforestry and multi-crop approaches.
- Youth engagement via innovation (e.g., waste banks, new product forms).
- Strengthening cooperatives for finance, training, and market negotiation.
- Standardising living income measurement and context-specific benchmarks.
- Broader village-level and landscape-level planning.

Overall Reflection



Improving farmers' living income requires dismantling power imbalances, giving farmers stronger voice in shaping regulation, and developing mechanisms for savings, biodiversity valuation, and inclusive market channels. Collaborative, cross-sector strategies — anchored in science, skills, and shared responsibility — show the greatest promise for long-term resilience.



ALIGNING ECONOMIC RESILIENCE WITH ENVIRONMENTAL GOALS



Molly Leavens opened the session.

Speakers:

1. Molly Leavens, Program Manager, Sustainable Food Lab
2. Syahrudi Id, Regional Sustainability Director, Nestle

Molly Leavens opened the session and framed how farmer income and environmental outcomes reinforce each other, focusing specifically on the adoption of regenerative agriculture practices.

She showed how different on-farm practices offer a variety of income, resiliency, and environmental benefits over different time scales. For example, Agroforestry is more labour intensive and can reduce the yield of the primary crop, but it can offer diversified income from the sale of fruit, it improves the climate resiliency of the field, and it captures carbon, so there is potential for paid carbon credits.

ALIGNING ECONOMIC RESILIENCE WITH ENVIRONMENTAL GOALS

Table discussion questions:

- *In your own work, are you connecting environmental and income outcomes? If yes, how? What challenges have you encountered?*
- *How can integrating a living income framework further existing environmental programs? What synergies can we find?*

Participant Example: Vietnam Global Coffee Platform is focusing on responsible use of agrochemicals. Farmers have higher incomes through reduced costs of production while reducing chemical runoff into water and energy from irrigation.

Nestlé's RegenTa: Following Molly's introduction, Syahrudi introduced Nestlé's RegenTa program. This multifaceted program pays farmers a premium for the adoption of regenerative practices on their coffee farm. Syahrudi spoke about the program's farmer-centric approach, ensuring on-farm practices are affordable, profitable, feasible and farmers receive support beyond just training. Kealy Sloan presented some of RegenTa's data, showing how practice adoption, yield, and income have all risen over time for program farmers.

Business Case for Regenerative Agriculture: Molly introduced Technoserve's Business Case for Regenerative Coffee Production, a report that modelled a potential for 166% increase in farmer income and 52% decrease in carbon emissions from the adoption of regenerative practices. This framed discussion questions about how to encourage farmers to adopt practices and the role of diversified markets for agroforestry products.



Syahrudi Id presents.

ALIGNING ECONOMIC RESILIENCE WITH ENVIRONMENTAL GOALS

Table discussion questions:

- *What is the role of different supply chain actors in helping enable diversified value chains? Do you have examples of successful development of diversified value chains?*
- *How might the business case for regenerative agriculture look different for different smallholder crops (other than coffee) across Asia?*

Participant Example: Mars is supporting farm service units to be more professional and better equipped. Farmers will use service if 'certified' by Mars (or someone) to vouch for the reliability and quality of the service.

Participant Example: OFI cocoa has a pilot where farmers are selling secondary crops to local canteens. Public procurement could be a market for diversified crops.

Supporting the transition: While we know the income and environmental potential for regenerative agriculture, farmers often lack the initial capital to adopt new practices, and for renovation, to endure the period before plants begin producing. The final set of table discussions centered on how to support farmers through this initial adoption phase.

Table discussion questions:

- *How do you bridge the financing for practice adoption for farmers? What do companies need to make that business case internally?*
- *In addition to price, what are other ways companies/buyers can support adoption of regenerative practices (e.g., risk-sharing mechanisms, preferred sourcing models, volume guarantees, etc.)?*
- *What tools or resources do you need in your own work to better integrate social and environmental outcomes?*

Participant Example: Tobacco is rotated with rice so there is no 'vacant time' in the year for intercropping. So regenerative agriculture for this system does not focus on diversification and instead strengthening existing crops (e.g. reducing production costs).



Session takeaway

Farmer income and environmental outcomes are deeply linked. Key enablers include access to finance, payments for environmental outcomes, land tenure, trusted long-term relationships with field staff, and supportive market systems. Diversified value chains require coordinated roles across the supply chain.

SCALING INCOME IMPROVEMENT THROUGH A LANDSCAPE APPROACH



Yulia Hardini, Vaibhav Panpaliya, Ristika Putri Istanti, Stephanie Gallatova, and Carla Rodriguez.

Speakers:

1. Yulia Hardini, Senior Manager-Indonesia, Earthworm
2. Vaibhav Panpaliya, Senior Innovation Manager, Better Incomes, IDH
3. Ristika Putri Istanti, Head of Secretariat, Lingkar Temu Kabupaten Lestari (LTKL)
4. Stephanie Gallatova, Agribusiness Officer, FAO

Moderator:

- Carla Rodriguez, Senior Coordinator, ISEAL

This session explored how landscape approaches - integrating land use, governance, and value chains - can be leveraged to scale efforts that improve smallholder incomes and close the living income gap.

SCALING INCOME IMPROVEMENT THROUGH A LANDSCAPE APPROACH

Landscape and jurisdictional initiatives offer a promising way to improve smallholder incomes and close the living income gap. By addressing land use, governance, and value chains in an integrated way, these approaches can deliver tangible and measurable environmental and socioeconomic benefits for rural communities.

Carla Rodriguez opened the session by introducing the core principles of landscape and jurisdictional initiatives. Landscape initiatives bring multiple stakeholders together around a common goal in a particular landscape, taking collective action, and monitoring progress at the landscape scale. As engagement in landscapes increases, a common understanding of what constitutes a mature and effective landscape initiative becomes essential. In response to this growing need, leading landscape practitioners developed the Core Criteria for Mature Landscape Initiatives, a roadmap for developing initiatives and assessing landscape maturity.

Systemic challenges require integrated, holistic solutions. Originally conceptualised to address deforestation, landscape initiatives are now increasingly encompassing smallholder livelihoods, recognising that income insecurity is often a root cause of unsustainable land-use practices. By enabling collaboration and coordinated investment, landscapes can support both resilient ecosystems and thriving rural economies.



SCALING INCOME IMPROVEMENT THROUGH A LANDSCAPE APPROACH

Panel Highlights

Yulia Hardini (**Earthworm Foundation**) shared insights from Earthworm's work in Riau, Indonesia — where 57% of total forest cover has been lost since 2001. Covering 50 villages and 1.2 million hectares, the Riau landscape has identified drivers of low and unstable income — a key direct driver of forest loss in Riau — through village research. These drivers include: weak tenure systems; increasing fertilizer price; degrading soil quality and health; climate change; unstable prices.

“When they (farmers) cannot even earn a living from the existing land they have, they will extend into forest landscapes to increase yields.” - Yulia Hardini

Vaibhav Panpaliya (**IDH**) highlighted IDH's efforts across 22 landscapes, all of which have inclusion targets and many with living income targets. In their Aceh, Indonesia landscape, they are working on smallholder income improvement, but there is no structured measurement framework for living income. IDH is now formalising its approach by introducing a living income framework, conducting living income benchmarks and income assessments to help create a roadmap. Vaibhav emphasised the need for diversified crops, public-sector incentives, non-financial incentives, access to finance and services, and supportive government policies.

“Healthy and resilient landscapes need farmers to earn stable and equitable income.” - Vaibhav Panpaliya

Ristika Putri Istanti (**LTKL**) emphasised the central role of local governments in landscape initiatives. Government commitment must be embedded from the planning stage through to implementation, supported by clear targets and inclusive multi-stakeholder processes. The process of creating and convening a collaborative space for stakeholders takes time. When it comes to applying living income into landscapes, key challenges lie in gathering robust baseline data, which is resource intensive, and showcasing the importance of living income and its benefit to policymakers.

Stephanie Gallatova (**FAO**) highlighted the strength of landscape approaches in promoting collaboration, resilience, and evidence-based policy and investment decisions. FAO's dryland sustainable landscape in Southern Africa spans across six countries and aims to reduce land degradation and protect woodlands. Within the landscape, they have identified commodities that support both environmental goals and income generation. However, balancing these objectives requires substantial capacity building for producers, especially around finance and business skills and market engagement.

Panellists emphasised the need for strong governance structures, inclusive and realistic goal-setting, and alignment with responsible sourcing priorities from the private sector. As landscape initiatives mature, interdependencies become clearer and having a flexible approach becomes crucial, as goals may need to be adjusted accordingly.

SCALING INCOME IMPROVEMENT THROUGH A LANDSCAPE APPROACH

During table discussions, participants considered

- 1. How can landscape initiatives help scale living income efforts?*
- 2. How can integrating living income help bring structure to landscapes?*

Key reflections



Strategic alignment of landscapes and living income

- Landscape initiatives naturally align with living income objectives as they work across commodities, sectors, and actors.
- Living Income can serve as an important KPI for landscape initiatives, pushing them beyond poverty reduction towards decent and resilient livelihoods.
- More research is needed on how landscape initiatives can effectively close the income gap to inform better decision making.

Enabling Conditions and Governance

- Strong government collaboration is critical to strengthening the multi-stakeholder process and long-term commitment/impact.
- Adequate resources, strong facilitation, and clear exit strategies are essential to sustain impact.
- Engagement with Indigenous People and local communities is essential for inclusivity, and long-term ownership and success.

Building Producer Capacity and Economic Drivers

- Landscapes provide a strategic platform to systemic barriers such as infrastructure challenges affecting livelihoods.
- Greater investment is needed in smallholder financial literacy and capacity building. Landscapes can be an effective way of delivering this support.

LIVING INCOME AS A FOUNDATION FOR SUPPLY CHAIN RESILIENCE



Dr. Sacha Amaruzama, Michel Riemersma, Rob Nicholls, and Ashlee Tuttleman.

Speakers:

1. Dr. Sacha Amaruzaman, Indonesia Senior Program Manager, IDH
2. Michel Riemersma, Policy Advisor, Solidaridad Europe
3. Rob Nicholls, General Manager of Programs and Projects, Musim Mas

Moderator:

- Ashlee Tuttleman, Global Coffee Lead VOCAL Network

This session examined how fair incomes for producers can strengthen supply chain resilience amid climate, market, and demographic pressures in Asia. It explored different strategies -such as certification, long-term contracts, and stable pricing models- used to integrate living income into sourcing and procurement and codevelop ideas for more equitable, resilient supply chains.

SCALING INCOME IMPROVEMENT THROUGH A LANDSCAPE APPROACH

Panel Highlights

Dr. Sacha Amaruzaman (**IDH**) shared that IDH is actively promoting governance models to mitigate deforestation risks and advancing cocoa agroforestry initiatives. Achieving sustainable practices requires farmers to have sufficient income, which depends on baseline market access and enabling conditions. In Aceh — the last forest frontier in Sumatra and a critical sourcing region for palm oil and other commodities — current yields are approximately 70% of the national average. Farming alone is insufficient to secure a living income, underscoring the need for diversification and cross-sector partnerships. Smallholders face significant financing constraints due to the limited investment appetite of banks for small-scale operations. Addressing land legality and ensuring farm registration are essential steps to unlock access to financing and sustainable markets.

Michel Riemersma (**Solidaridad**) emphasised that while procurement practices are essential for achieving sustainability goals, they are not the sole factor. He outlined four dimensions of smallholder inclusivity — ownership, voice, risk, and reward — to address unequal value distribution, alongside four principles of procurement for prosperity: policy, pricing, partnerships, and programmes. He advocated for a regional investment approach that benefits all farmers in a sourcing area, rather than focusing exclusively on those within a company's supply chain. Riemersma highlighted a key challenge with RSPO certification, noting that not all certified products are sold as such, which

noting that not all certified products are sold as such, which undermines trust and leaves farmers' efforts unrewarded. He stressed that procurement strategies should extend beyond price premiums, as even a modest increase — such as 1% from retailers — can significantly improve smallholder livelihoods.

Rob Nicholls (**Musim Mas**) highlighted that living income, once a secondary consideration, has become a central focus for the company, which is the world's largest fully integrated palm oil producer. To scale impact, Musim Mas equips government extension officers with skills and concentrates on its core expertise in Good Agricultural Practices (GAPs). The company does not incentivise training attendance financially, aiming instead to instil intrinsic value in its services. While higher yields generally correlate with increased income, Nicholls stressed that this must be complemented by better pricing. Musim Mas invests in community trust through locally embedded staff and consistent delivery on commitments, countering negative perceptions of large corporations. Their approach seeks to empower smallholders as successful business operators rather than perpetuating dependency. The company ensures fair practices by paying promptly, supporting certification for higher returns, and providing free extension services to secure supply, while also facilitating connections between smallholders and end buyers such as Pepsi and Mars.

LIVING INCOME AS A FOUNDATION FOR SUPPLY CHAIN RESILIENCE

Following the presentations, participants discussed the role of different supply chain actors in:

- Pricing mechanisms and income stability
- Long-term contracts and procurement practices
- Risk-sharing and financial tools
- Transparency and data

Several additional points of convergence emerged during the discussion:

- Unlocking next steps requires strong government support, pre-competitive collaboration among end buyers, and a renewed focus on smallholder inclusion
- Market dynamics remain critical
- NGOs play a key role in enabling market access, showcasing success stories, and driving accountability through both pressure and recognition.
- Financial institutions are influential stakeholders, and fair pricing models such as LIRP and True Price offer pathways to integrate social and environmental costs.



ADVANCING EQUITY AND INCLUSION FOR SMALLHOLDER PRODUCERS



Sandra Pfluelb facilitated the session.

Speakers:

1. Ade Budi Kurniawan, Cocoa & Coffee Programme Director in Southeast Asia / Cocoa & Coffee Programme Manager in Indonesia, Rikolto
2. Sahar Haq, Social Impact Senior Coordinator at Better Cotton Initiative

Moderator:

- Sandra Pfluelb, Advisor, GIZ

This session explored how achieving a living income requires systemic, inclusive approaches that center farmers' voices and realities — addressing gender equity, youth engagement, and collective action and discussing how practices in designing programmes, regulation and policy, for example, as well as procurement must change to be more inclusive.

ADVANCING EQUITY AND INCLUSION FOR SMALLHOLDER PRODUCERS

Presentations

Both presentations underline that achieving living income requires integrated systems, equitable data, and business models that recognise women and youth as core value creators.



Ade Budi Kurniawan presents.

Ade Budi Kurniawan (**Rikolto**) highlighted Rikolto's work in making agricultural business models more inclusive for women and youth. The team explained how they bring farmers, buyers, and financial institutions together to design transparent, fair agreements where women and young people actively participate. They also work with companies to ensure women's roles in post-harvest work and quality control are recognised and compensated. Strengthening cooperatives through gender-responsive governance was emphasised, helping women and youth take on leadership roles.

The presentation showed how evidence — such as data on income gaps — is used to advocate for policies like improved access to credit for women. Examples from Indonesia illustrated how agriculture remains male-dominated, and how Rikolto is creating youth- and gender-inclusive business units, such as nurseries and honey enterprises, that build income and confidence. Finally, progress toward living incomes was shared: income gaps in cocoa and coffee have narrowed since 2022, especially due to gender-responsive training and improved market access, though women still earn less than men.

ADVANCING EQUITY AND INCLUSION FOR SMALLHOLDER PRODUCERS

Presentations



Sahar Haq presents.

Sahar Haq (**Better Cotton Initiative**) highlighted how fragmented systems, siloed data, and limited recognition of farmers as system actors undermine equity and sustainability — issues that mirror the structural barriers Rikolto addressed in its own work. It showed that extractive, non-participatory data practices overlook gendered labour, care work, and intra-household dynamics, reinforcing the inequities. Evidence from South Asia illustrated how women carry disproportionate workloads yet earn significantly less, underscoring the need for monitoring systems that capture value creation rather than mere participation.

The presentation then outlined practical shifts — co-design, participatory governance, and behaviour-focused training — similar to Rikolto's approach of embedding women and youth in decision-making structures. Finally, it proposed an impact-accelerator model where improved practices generate measurable social and environmental outcomes, linking inclusion to living income and sustainable market incentives.

ADVANCING EQUITY AND INCLUSION FOR SMALLHOLDER PRODUCERS

Discussion stations - Key reflections

- Across all topics, several cross-cutting solutions emerged. **Inclusion becomes real when power is shared, not merely when more people are invited to the table.**
- **Access to finance must be recognised as a foundational enabler:** without capital, smallholders, women, and youth cannot adopt innovations or take advantage of opportunities.
- **Procurement can be reshaped into a driver of inclusion** when it rewards socially responsible practices instead of prioritising efficiency alone.
- **Regulations must be designed with producers, not imposed upon them, and must offer incentives** rather than simply penalties.
- **Data systems should lighten farmers' reporting burden and return value** to them.
- And finally, every process —from meetings to policymaking— must be designed with attention to language, time, compensation, and cultural norms to ensure that inclusion is not only available in theory but attainable in practice.

Ultimately, improving equity and inclusion for smallholder farmers means redesigning the enabling environment around them: the markets they sell to, the policies they comply with, the data they generate, and the roles available to them in shaping decisions. **It requires moving from consultation to co-creation, from extractive procurement to shared-value partnerships, from burdensome regulation to enabling policy, and from counting participation to strengthening agency.**



ADVANCING EQUITY AND INCLUSION FOR SMALLHOLDER PRODUCERS

Outcomes

Improving equity and inclusion for smallholder farmers requires a fundamental shift in how agricultural systems are designed, governed, financed, and evaluated. Across all workshop discussions, participants made clear that smallholders —particularly women and youth— remain constrained by systems that were never built with them in mind. **Yet they also pointed to practical, actionable steps that can meaningfully rebalance power and unlock inclusion.**

A central theme was the need to move beyond symbolic participation and give farmers real influence over the decisions that affect them. Today, most ‘engagement’ happens too late, after decisions are largely set. **Practical solutions include involving producers from the very start of program design, giving them shared authority over pricing models and sustainability plans, and compensating them for the time required to participate.** Farmers must be represented by people who reflect their diversity —women, youth, tenant farmers, informal workers, and minority groups— not by a small number of vocal leaders. **Ensuring meetings are held in local languages, at accessible times, and with support for transport or childcare also makes participation genuinely possible rather than aspirational.**

Procurement and sourcing emerged as some of the most powerful levers for improving equity. Procurement systems often prioritise the lowest price, pushing risk and volatility onto smallholders. Participants emphasised that sourcing criteria must be redesigned to reward equity and sustainability. **This means adopting long-term purchasing agreements that share risk, guaranteeing minimum prices or transparent pricing models, and offering pre-contract support such as training and onboarding for new or marginalised suppliers.** Companies can also create incentives for sourcing from women- or youth-led enterprises, reduce dependence on expensive certifications, and build supplier-development programs that help farmers upgrade and grow. **A practical step for companies is simply to align procurement and sustainability teams so that both operate from the same vision and values.**

Policy and regulation require similar rethinking. Smallholders often face disproportionate compliance burdens due to costly certification requirements, unclear expectations, or inconsistent regulatory interpretations across authorities. **Solutions include creating stepwise or phased compliance pathways, aligning donor and buyer requirements, and ensuring land rights are secure and transparent.** Policymaking processes should involve real farmers —not only representatives of large cooperatives or industry associations— and include compensation for

ADVANCING EQUITY AND INCLUSION FOR SMALLHOLDER PRODUCERS

Outcomes

their participation. **European buyers and donors can help by supporting producer-country institutions with funding and technical assistance to implement traceability or due-diligence systems in ways that do not penalise small farmers.**

Youth inclusion also demands concrete pathways rather than awareness campaigns. Young people will not enter agriculture if the sector remains low status, low income, and poorly connected to modern technologies.

Practical steps include youth-focused financing schemes, apprenticeships, business incubators, and mentorship by successful young producers. Digital tools can be used to connect youth to markets, information, and peers. Programs should highlight youth champions who demonstrate that farming can be innovative, entrepreneurial, and financially viable. **Importantly, youth should be given decision-making roles in cooperatives, community governance, and program steering committees – not treated only as beneficiaries.**

Gender equity requires addressing both structural barriers and social norms. Participants emphasised the importance of reducing women's unpaid care burdens through time-saving technologies, improving access to finance, and ensuring that extension services, training programs, and

market platforms are designed with women's needs in mind. **Solutions include embedding gender targets in procurement, ensuring women hold leadership roles in farmer organisations, and tailoring financial products to women's realities.** Gender-responsive monitoring – tracking not only participation but also income, agency, and decision-making influence – helps ensure interventions are achieving meaningful change.

Data and measurement systems also need reform to support inclusion. Farmers frequently experience data collection as one-directional and extractive. **Practical improvements include designing indicators together with producers, sharing data back in formats farmers can use, and building interoperable systems that streamline rather than multiply reporting burdens.** Collecting gender- and age-disaggregated data, integrating qualitative insights, and emphasising outcomes such as agency or resilience rather than attendance numbers all contribute to more equitable monitoring.

LIVING INCOME BENCHMARKS IN INDONESIA



Azfar Khan and Syarifah Marlina Al Mazhir present on living income benchmarks in Indonesia.

Speakers:

1. Azfar Khan, Anker Research Institute
2. Syarifah Marlina Al Mazhir, Aceh Green Foundation

This session aimed to illustrate the approach and methodology behind Anker Research Institute's living income benchmarks and how they've been used to establish the cost of a basic, but decent, standard of living for several geographies in Indonesia

LIVING INCOME BENCHMARKS IN INDONESIA

This session aimed to illustrate the approach and methodology behind Anker Research Institute's living income benchmarks and how they've been used to establish the cost of a basic, but decent, standard of living for several geographies in Indonesia.

Azfar Khan spoke about the Anker Research Institute methodology, applied to both living income and living wage benchmarks, which rests on several key principles: study application to a specific location & time frame, transparent and publicly available data, incorporation of a normative concept of decency, rigorous measurement, international and national comparability, and studies that are carried out by local researchers.

The living income benchmark represents the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household (specifically for a reference family of a particular household size). This includes a nutritious diet, healthy housing, other essential needs, plus a margin for unexpected events. The approach consists of 10 main phases, including inception, desk research, focus group discussions, market and housing surveys, data analysis and presentation to stakeholders.



Azfar Khan presents.

LIVING INCOME BENCHMARKS IN INDONESIA

The Anker Research institute has also adapted this core methodology to obtain living income estimates at the sub-national, rural and urban levels. To do this, they apply the Anker Methodology® in exactly the same way as in an Anker Benchmark, but using secondary data from household surveys and other official sources, while ensuring consistency with existing Anker Benchmarks for the country and alignment with local conditions. This will help to provide more rapid geographical coverage by living income benchmarks at a cost savings.

Syarifah Marlina Al Mazhir, one of the researchers who worked to conduct living income benchmark research in Indonesia, walked the group through a comparison of the the results of the 7 benchmark studies in 6 provinces to date in Indonesia. We see the largest difference between urban and rural areas, which is common. We also see very similar results across rural areas in total, with the largest variation being within housing costs. She also underscored the importance of promoting common understanding and awareness to ensure adoption/ acceptance of study results.

You can find links to current living income benchmarks on the [Anker Research Institute site](#).



Syarifah Marlina Al Mazhir presents.

MEASUREMENT, CHALLENGES, AND INNOVATIONS



Deddy Heriyanto, Sholahuddin Akbar, Ima Puspita Sari and Kealy Sloan.

Speakers:

1. Kealy Sloan, Sustainable Food Lab
2. Deddy Heriyanto, Consultant for Livelihoods, Agriculture & Small Business Development, Circle Indonesia
3. Sholahuddin Akbar, Indonesia Coffee and Cocoa Research Institute (ICCRI)
4. Ima Puspita Sari, AKVO

The session aimed to illustrate the intricacies of measuring actual farming household income and key decisions made during data collection, analysis and illustration of results that affect budget and decision making.

We covered income measurement principles and key decisions made in the course of measuring income. Participants had a chance to work in small groups to move through typical decisions based on example scenarios and then we heard from three research experts as to how they made similar decisions while conducting living income studies in Indonesia.

MEASUREMENT, CHALLENGES, AND INNOVATIONS

We started with an overview of key measurement process points:

1. Determine the questions you want to answer
2. Establish key indicators to inform questions
3. Identify data needed to fulfil key indicators
4. Design report structure for strategic communication
5. Conduct data collection
6. Conduct analysis to fulfil report structure
7. Model results to understand context

Within these steps, there are a variety of decisions to be made, based on your use case (the purpose for income measurement or what you are trying to understand or achieve) and your starting point and capacity (what data you already have and your capacity, budget and timeline for collecting data). Stemming from this, you can adapt your research methods (i.e., farmer survey or secondary data) as well as the level of detail associated with each income component (i.e., collecting cost of production in detail for the focus crop or using a geography specific estimate).

Our three speakers spoke about how they approached research design, cost of production and contextualisation of results through three main studies in Indonesia.

Research Design

All of our speakers talked about the benefits of using both qualitative and quantitative data - with the quantitative data helping to understand the “what” and qualitative data elaborating on the “why”. Qualitative research can be used to triangulate findings and also is often helpful in bringing to the surface outside factors that aren’t addressed in quantitative research. It was well noted that qualitative research can be helpful before the quantitative tool is designed to better understand context, alongside the quantitative research to elaborate on specific questions, and/or after the draft report is established to triangulate and validate findings with the surveyed population.

Cost of production

Notoriously burdensome and difficult to collect accurately, our speakers talked about a range of use cases and options for collecting cost of production data. This included collecting cost of production for the whole farm (rather than crop specific) particularly in a multi-crop environment as well as using focus group discussions and visual representation to better understand costs from a community perspective.

MEASUREMENT, CHALLENGES, AND INNOVATIONS

Contextualisation of results

After research is conducted, analysing data and illustrating results is a critical part of communicating what the research has found in a way that is actionable for decision-making. This often means putting the results in context so that they are understandable for what they are. We heard several strategies from our speakers including modelling income results at different price points (particularly helpful in very high or very low price periods to be able to separate the results of the program from market impacts) and understanding what results look like for different types or segments of farmers (allowing for better understanding of the situation on the ground and more targeted strategy).

For more information, please see the

- [LICOP FAQ on Actual Income Measurement](#)
- [LICOP Aligned Inclusive Living Income Narrative and Indicators](#)



Table discussion on measurement

And a special thanks to our measurement expert table helpers: Molly Leavens–Sustainable Food Lab, Vaibhav Panpaliya–IDH, Ima Puspita Sari–AKVO, Deddy Heriyanto–Circle Indonesia, Sholahuddin Akbar–Indonesian Coffee and Cocoa Research Institute (ICCRI), Rodrigo Aviles–Fairtrade International.

KEY TAKEAWAYS FROM OUR TIME TOGETHER

The workshop highlighted the critical intersection between smallholder livelihoods, environmental sustainability, and multi-stakeholder collaboration. The following key takeaways emerged across the workshop's core themes:

Aligning Efforts: Multi-Stakeholder Action on Living Income

Achieving living incomes requires aligning national industry priorities with national development goals and tailoring approaches to local contexts, cultures, and economic realities. Integrated, landscape-level approaches help coordinate livelihoods, environmental management, and governance objectives.

Multistakeholder platforms remain vital for convening partners, building trust, and driving collective action. Impact is strengthened when interventions are combined and long-term relationships with communities are maintained. Engaging financial institutions and supporting collaboration at scale are essential to lasting progress.

Empowering Smallholders: Data-Driven and Equitable Pathways to Income Improvement

Smallholders must remain at the center of all strategies, supported through income diversification, access to markets, technical knowledge, and financing for multiple crops. Engaging youth and the next generation is critical, along with strengthening trust through dialogue among farmers, companies, governments, and civil society. Farmer voice, ownership, and participation in risk-and-reward mechanisms are essential for sustainable outcomes, supported by access to science, breeding, and training centers.

Procurement practices, including both price and non-price mechanisms, influence equitable value sharing. Combining qualitative and quantitative data improves decision-making, validates findings, and ensures context-specific interventions. Sharing value, data, and knowledge enhances empowerment and supports a regenerative economic loop where farmers reinvest in their livelihoods.

Income and Environment: Building Resilient Livelihoods Through Integrated Approaches

Integrated strategies can simultaneously improve incomes and reduce vulnerability when they combine government incentives, technical assistance, and accessible finance. A strong enabling environment is especially important for higher-risk, higher-reward practices, such as perennial crop renovation and regenerative agriculture.

Many landscape initiatives already support smallholders, but stronger alignment between living-income goals and landscape frameworks is needed. While living income targets help guide impact measurement, the size of current income gaps makes progress challenging.

Additionally, environmental and income-related interventions operate on different timelines, requiring coordination to stay aligned.

Data and Measurement Insights

Effective income assessments blend primary and secondary research, and methodological choices should reflect purpose, budget, and the intended use of findings. Because insights are relevant across government, companies, and civil society, everyone has a role in measurement. Combining qualitative and quantitative methods enriches understanding of farmer decisions and increases the reliability of results, creating stronger foundations for both policy and intervention design.

THANK YOU!



Thank you to the many speakers and our collaborators who helped make this event possible. We encourage you to join the Living Income Community of Practice [newsletter](#) and [LinkedIn Page](#) to stay up-to date on future in-person and virtual events, research papers, and more.

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