

Living Income Webinar Series

Smallholder data, insights and action

6th March 2018



SUSTAINABLE FOOD LAB



Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Today's webinar facilitators



Adam Romo
Coordinator Impacts and
Innovations
ISEAL Alliance



Stephanie Daniels
Senior Program Director
Sustainable Food Lab



Agenda

1. **Introduction** to the Living Income CoP, and guest speakers.
2. **CGAP**: Overview and insights from Cote D'Ivoire smallholder household survey.
3. **Olam**: Presentation on the collaboration around smallholder finance solutions motivated by CGAP's research.
4. **Open discussion/Q&A**
5. **Updates** for the Community of Practice

The Living Income Community of Practice

Foster collaboration and support organisations in their journey towards improving farmer incomes, and enabling farmers to achieve a decent standard of living.

Provide guidance on
metrics and
measurement

Understand the gap
between actual and
living income

Identify and discuss
strategies to close the
income gap

Facilitate learning across sectors
and helping organisations realise SDG commitments

Strengthen this open community of practice
Sharing information about the efforts of different actors in this space

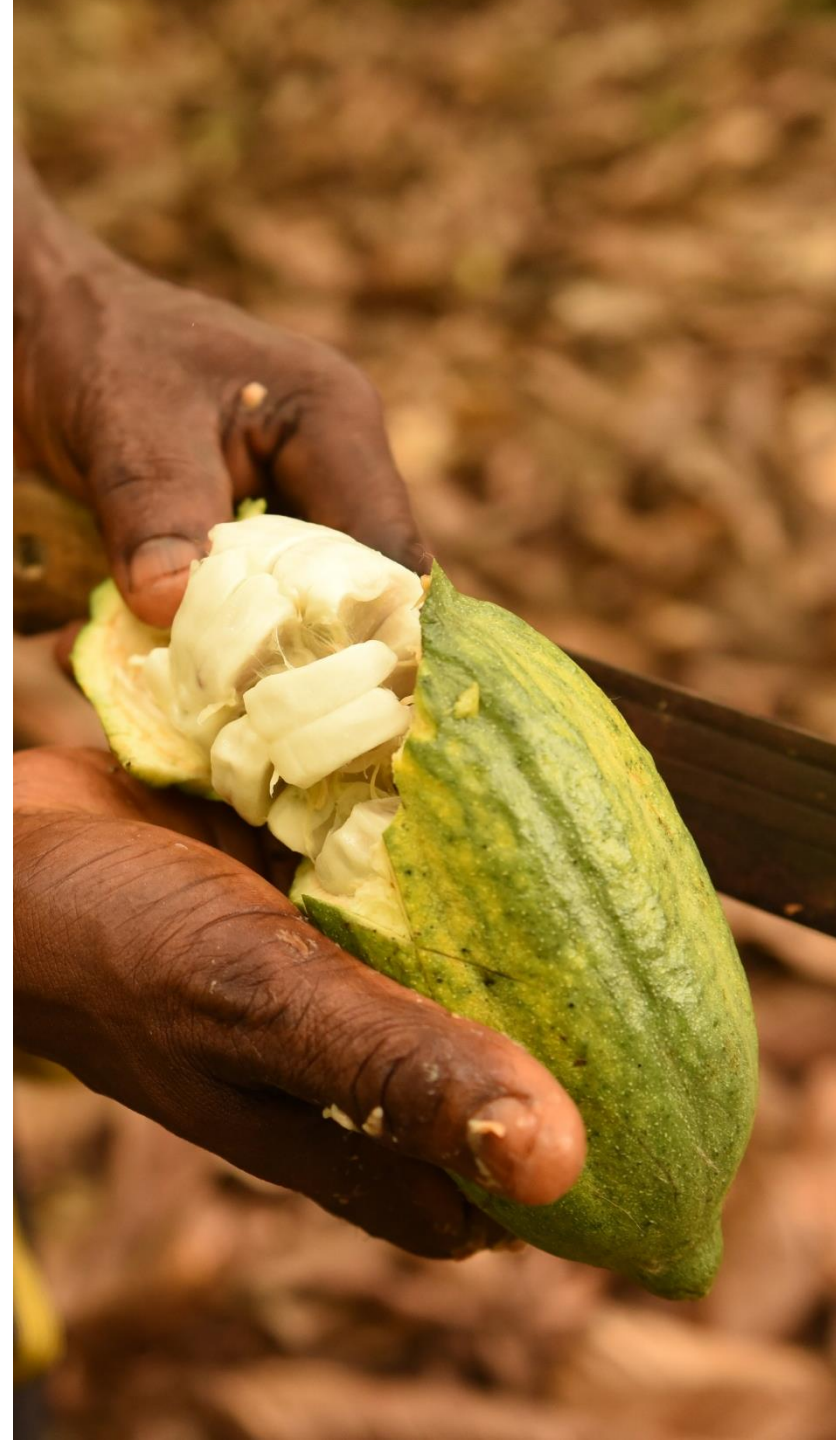
Today's guest speakers



Corinne Riquet
Consultant
CGAP (World Bank)



Julie Greene
Sustainability
Manager for Africa
Olam





Smallholder data, insights and action

Insights from CGAP Household Survey in Côte d'Ivoire

Photo de Michèle Cornu

Corinne Riquet

March 6, 2018



Smallholder households survey in Côte d'Ivoire.



Photo de C. Riquet

- Conducted in 2016
- Leading by InterMedia in coordination with the Côte d'Ivoire National Institute of Statistics and with IPSOS for the data collection
- A nationally-representative survey with a target sample size of 3,000 smallholder households
- Three questionnaires to capture the complexity of smallholder households
- Two criteria for identifying the target group

Smallholder agriculture in Côte d'Ivoire.

Agriculture in Côte d'Ivoire represents*:



Less than
10%
of smallholders have an account at a formal financial institution (bank or MFI).³

*Source: 1) www.cia.gov/library/publications/the-world-factbook/geos/iv.html

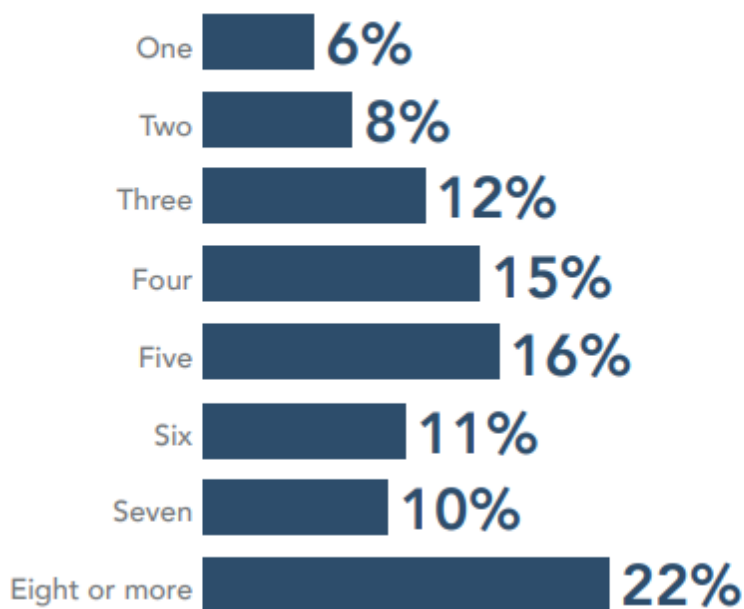
2. <http://agriculture.gouv.fr/cote-divoire>

3. National Survey of Smallholder Households in Côte d'Ivoire

Smallholder farming households live without much of a cushion to absorb additional expenses.

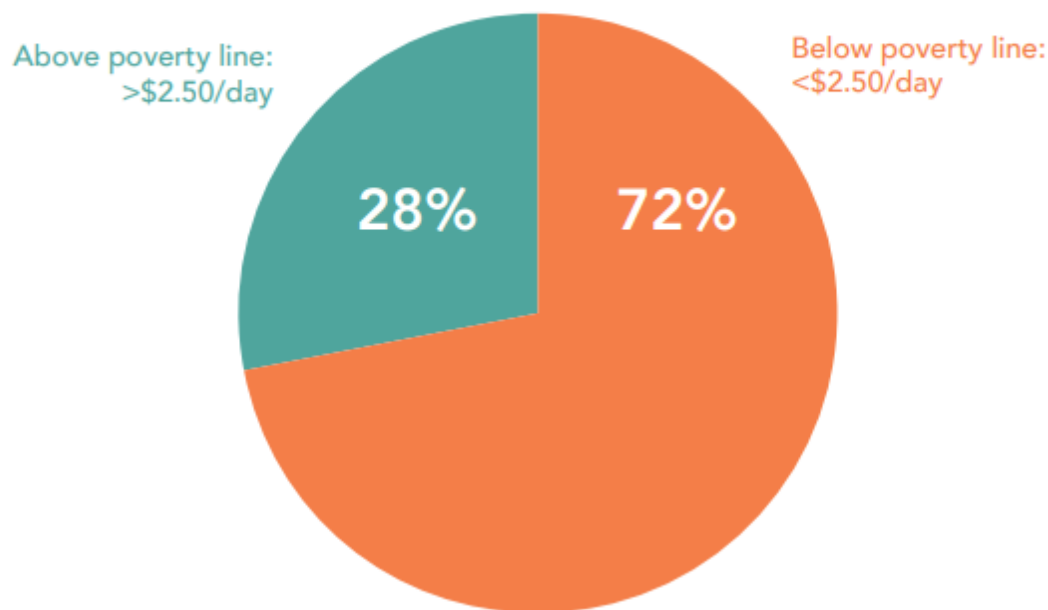
Number of people in household

Sample: Smallholder households, n=3,019.

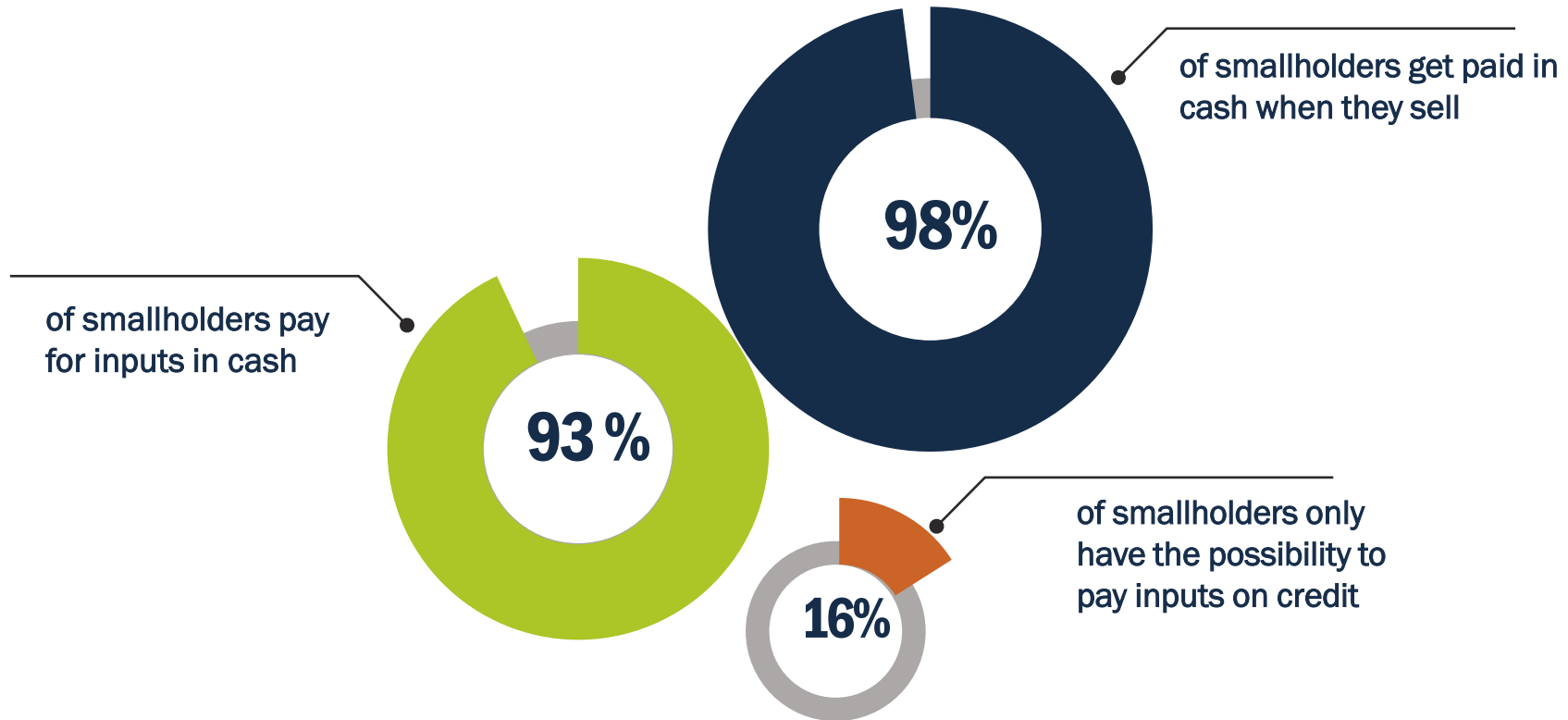


Poverty status of household

Sample: Smallholder households, n=3,019.



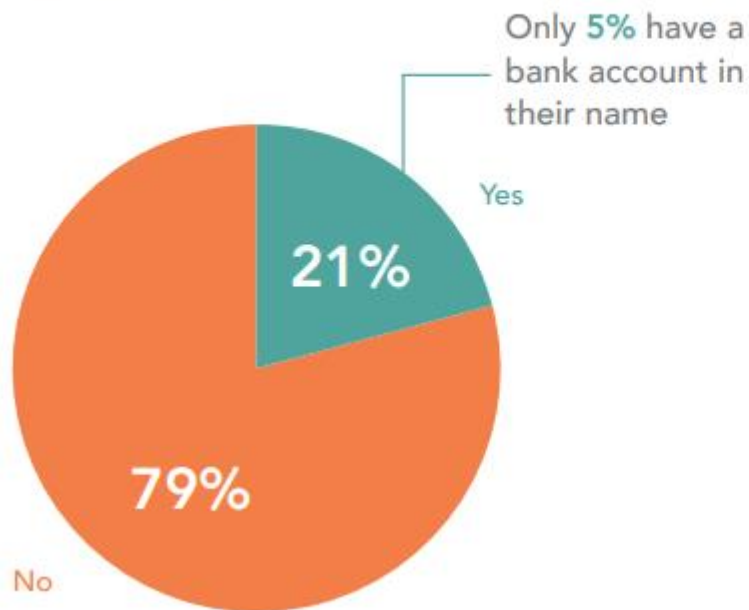
Informality is the rule in a cash-dominated economy.



Though most smallholders see a bank account as important for savings, 79% have never been inside a bank.

Have you ever been inside a bank?

Sample: Smallholder farmers, n=2,949.



Do you have an account/membership in your name with any of the following?

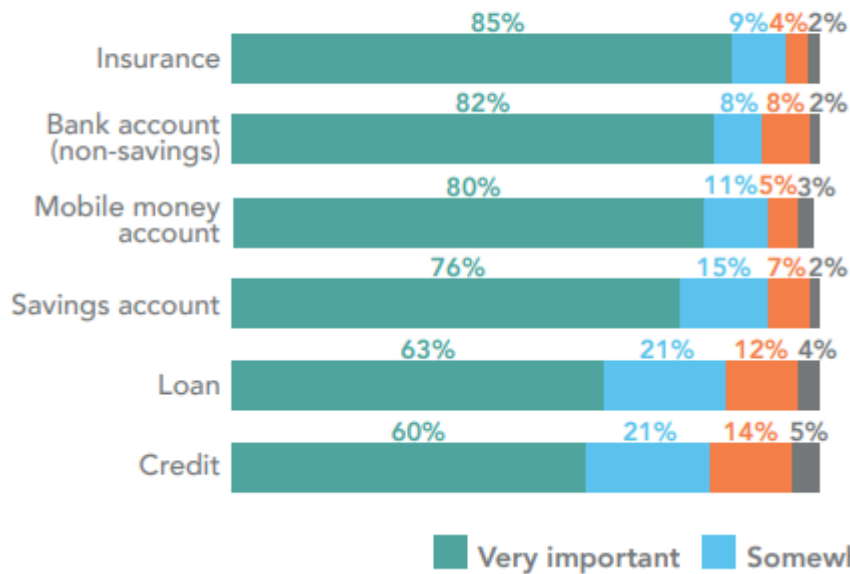
Sample: Smallholder farmers, n=2,949.



Although financially excluded, SHH perceive the importance of financial services.

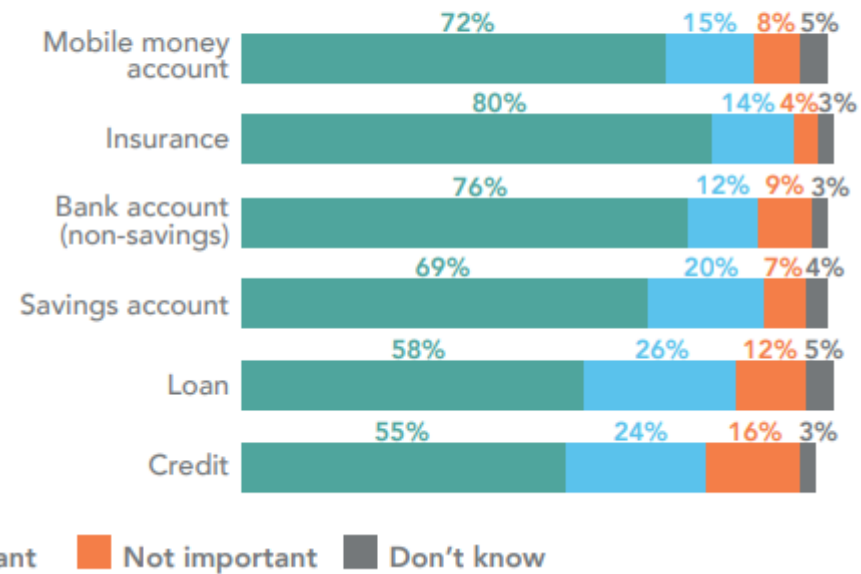
How important is it to your household to have the following?

Sample: Smallholder farmers, n=3,019.



How important is it to your agricultural activities to have the following?

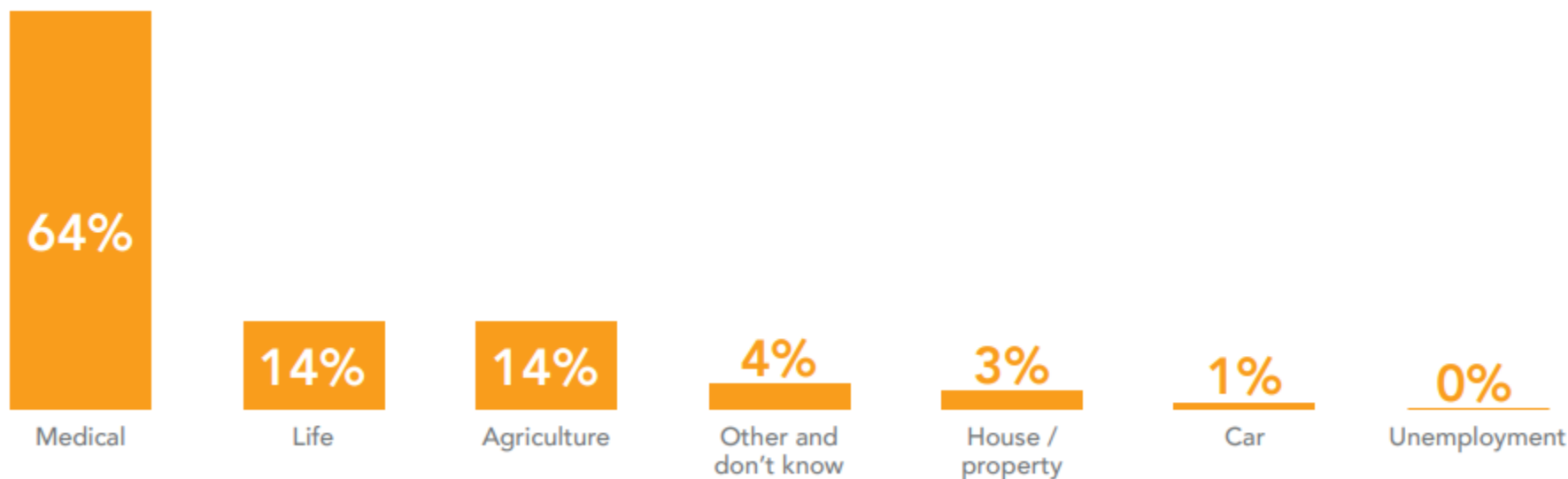
Sample: Smallholder farmers, n=2,949.



Only 3% of smallholders have insurance, though the majority believe their household needs it.

Which of the following types of insurance do you feel your household needs the most?

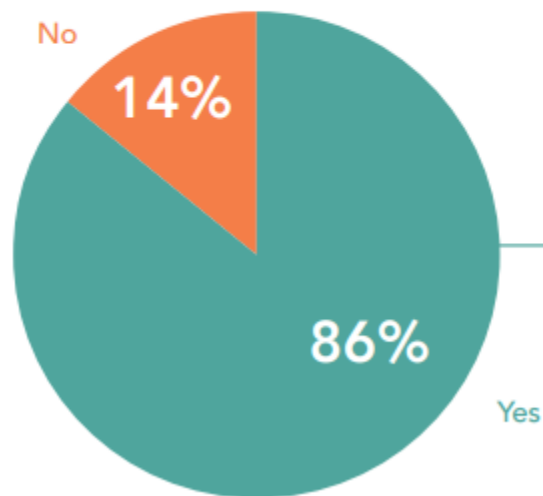
Smallholder farmers, n=2,949.



Most smallholder farmers in Côte d'Ivoire use a basic mobile phone.

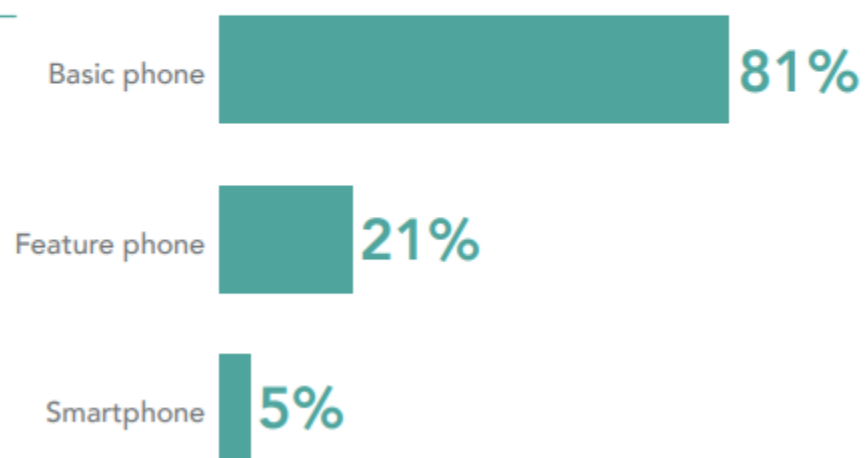
Have you ever used a mobile phone?

Sample: Smallholder farmers, n=2,949.



What type of phone have you used?

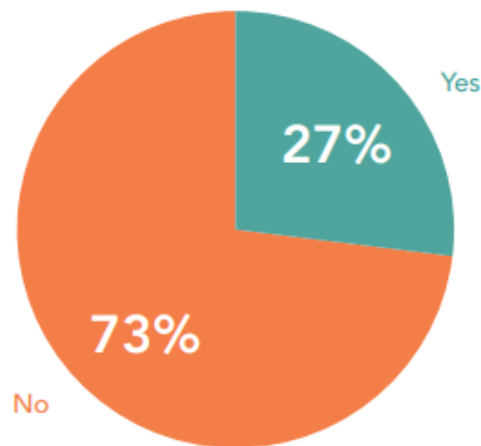
Sample: Smallholder farmers who have ever used a mobile phone, n=2,564.



Most of the 36% who have used mobile money ultimately get a registered account.

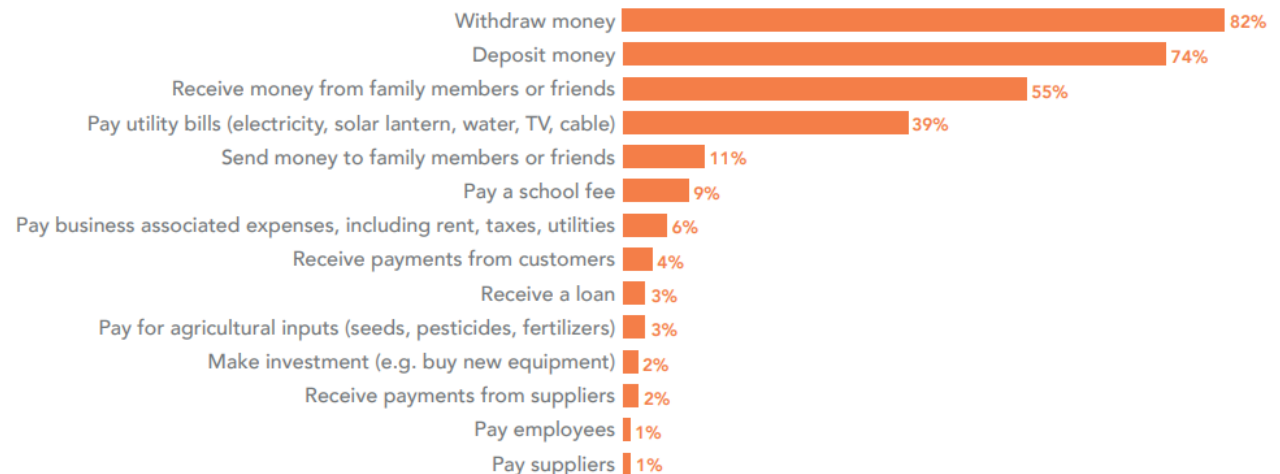
Do you have a registered account with a mobile money provider?

Sample: Smallholder farmers, n=2,949.



Have you ever used mobile money to...?

Sample: Smallholder farmers who have ever used mobile money, n=1,124. Multiple responses allowed.





What does this data tell us and what recommendations to draw from it?

Implications for Financial Service Providers – Banks, MFIs and MNOs

- ❑ Design and deploy the most desired products among smallholders: payment or credit plans for inputs and school fees. These two desires can be a catalyst to provide tailored financial services and act as a point of entry to increase levels of financial inclusion. Specific attention should be given to women.
- ❑ Explore the best options to deliver financial services through alternative delivery channels in order to provide proximity and a sustainable business model.
- ❑ Drive financial inclusion among smallholders through the use of mobile money, building on their high mobile phone ownership. The use of mobile money to deliver savings, credit and insurance products would require partnerships among different categories of providers.
- ❑ Cultivate strategic alliances with stakeholders in financial services, agricultural input sellers and commodity buyers, and government partners.

Implications for the Government

- ❑ Support the development of formal channels to communicate new and relevant information to smallholder farmers related to their agricultural activities and financial services.
- ❑ Implement appropriate and tailored financial education efforts to contribute to the growing use of financial services and an increase in the financial well-being of smallholder farmers.
- ❑ Build infrastructure to allow smallholder farmers better access to network services and other utilities, and address some of the fears constraining the use of mobile phones and mobile money. In addition, increased connectivity and high security will build trust and acceptance of financial services transactions among farmers.

Implications for Donors

- ❑ Support formal financial institutions to adopt alternative delivery channel like mobile channels or agency banking, and to develop sustainable business models to partner with MNOs.
- ❑ Support the digitization of agricultural value chains and help build the surrounding ecosystem that favors the adoption of mobile money.
- ❑ Support the design of financial services and products tailored to the diverse segments of smallholder households, with particular attention to the needs and barriers of women smallholders.
- ❑ Support the government to design and deploy awareness and financial education campaigns.

Resources

National Surveys and
Segmentations of
Smallholder Households:

Cote d'Ivoire: Paper [ENG](#) [FRE](#) |
[Data](#) | User guide [ENG](#) [FRE](#) |
Summary slide deck [ENG](#) [FRE](#)

Mozambique: Paper [ENG](#) [POR](#) |
[Data](#) | User guide [ENG](#) [POR](#) |
Summary slide deck [ENG](#) [POR](#)

Uganda: [Paper](#) | [Data and user
guide](#) | [Summary slide deck](#)

Tanzania: [Paper](#) | [Data and user
guide](#) | [Summary slide deck](#)

Bangladesh: [Paper](#) | [Data and user
guide](#) | [Summary slide deck](#)

Nigeria: [Paper](#) | [Data and user
guide](#) | [Summary slide deck](#)

Financial Diaries with
Smallholder Households:

[Full paper](#) and [Exec summary](#)
[Interactive data visualization](#)
Data: [MOZ](#) | [TAN](#) | [PAK](#)
[Video](#)

Other resources:

- [Smallholder Households: Understanding Demand, Driving Innovation](#)
- [Digitizing Value Chain Finance for Smallholder Farmers](#)
- [Designing Digital Financial Services for Smallholder Families: Lessons from Zimbabwe, Senegal, Rwanda, and Cambodia](#)
- [Segmentation of Smallholder Households: Meeting the Range of Financial Needs in Agricultural Families](#)





Olam: exploring mobile-based solutions for Ivorian farmers

iseal Living Income Webinar, 6 March 2018

Julie Greene
Corporate Responsibility & Sustainability, Africa
Olam International



We help farmers improve their productivity and livelihoods security



Olam International is a global agri-business operating from seed to shelf in **70 countries**, supplying food and industrial raw materials to over **23,000 customers** and leading in many products including **cocoa, coffee, cashew, rice** and **cotton**.

We are reimagining global agriculture in order to promote **prosperous farmers and farming systems, regenerate the living world**, and build **thriving communities**.

Through the 8 principles of the **Olam Livelihood Charter**, we help smallholder farmers improve their yields, access to finance, social well-being and environmental impact



We use mobile technology to better reach farmers with the services they need



Olam Farmer Information System (OFIS)

- Register farmers
- GPS map farm plots
- Monitor farming activities and productivity
- Provide farm management plans
- Conduct social surveys to help prioritise education & health investments

160,000 farmers registered worldwide



Call centre

Olam cotton, Cote d'Ivoire

- Ensure agri-inputs needs are met
- Provide weather warnings and advice
- Remind farmers of good production, harvest and post-harvest techniques
- Facilitate timely crop purchasing

***Representatives from 664 villages
(of ~1000) connected to the centre***

Mobile money could reduce risks, promote savings and facilitate access to financial services



Who bears cash risk?

The risk bearer varies according to the payment modalities for different products.

- **Olam staff:** when we pay farmers directly, in cash, in their villages
- **Cooperative leaders:** when they collect bulk payments from the bank and transport to villages to pay member farmers
- **Farmers:** when they withdraw from the bank, having received a bank transfer or a check from Olam or their cooperative

What inhibits digital payments?

- Transaction costs
- Mobile network coverage
- Agent coverage
- Lack of opportunities to spend money electronically (without withdrawing cash)

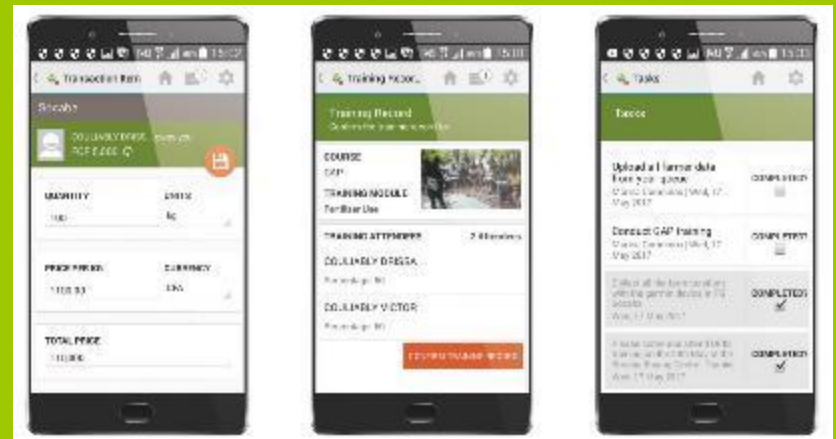


Why does Olam care about digital payments?

- Reduce risks of cash theft and of personal harm to our staff and partners
- Enable farmers to better manage their savings across the year, potentially improving resilience to shocks and reducing reliance on credit
- Facilitate access to financial services and enable individuals to begin to have financial records



For more on the Olam Livelihood Charter, visit:
<http://olamgroup.com/sustainability/olam-livelihood-charter/>



Thank you!

julie@olamnet.com
www.olamonline.com

Learn more about the Olam Farmer
Information System at:
<http://olamgroup.com/sustainability/ofis/>

Community of Practice Updates

- Launch workshop for a Living Income Benchmark in Ghana
- Webinar series released.
- Pricing mechanisms study released.
- Living Income and the SDG's



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aidenvironment

**Pricing mechanisms in the cocoa sector:
options to reduce price volatility and promote
farmer value capture**

February 2018



About the CoP

Living Income and the Sustainable Development Goals (SDG's)

The concept of living income clearly has implications for sustainable development and, as such, has direct linkages to a number of the UN's Sustainable Development Goals. In particular, clear links can be drawn to SDG's 1, 2, 8, 10 and 17. This is not to say that these are the only associated goals. In fact, Sustainable Food Lab and Business Fights Poverty identified levers for improving smallholder incomes that strongly associate with a number of the other SDG's. The main goals that can be associated with living income are deliberate below:



1 NO POVERTY

Despite remarkable gains in poverty alleviation over the last 25 years, millions of working people still lack sufficient income to ensure a decent life for themselves and families. Living income has obvious links with SDG 1: "No Poverty" and, in fact advances on ensuring basic subsistence, concerned with people having the choice to live comfortable lives. The concept envisions income earners living beyond the precipice of cyclic poverty, which can be easily entered by those living just above the poverty line. Living income in this sense particularly links with SDG 1's targets related to resiliency and development strategy.



2 ZERO HUNGER

As living income is concerned with the ability afford a decent standard of living, and because sustaining ones self is a fundamental component of a decent livelihood, "Zero Hunger" is key to living income regardless of the methodology used to calculate it. This is even more pertinent considering that this community of practice looks from the lens of smallholder farmers, many of



Joint effort between ISEAL, the Sustainable Food Lab and WWF.

- When uploading studies to SILP **please make this explicit in the study description including phrases such as:**

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Map



Report on the Shrimp Sector: Asian Farmed Shrimp Trade and Sustainability

Study completed, report finalized

Asia

Nicole.Pontlevy@sustainablefish.org

This briefing summarizes findings of a study focused upon Asian (Thailand, China, Indonesia, Vietnam, India, Bangladesh, Malaysia, Philippines, Myanmar, and Cambodia) shrimp market

Visit: <http://sustainabilityimpactslearningplatform.org/>

Thanks!



Stay informed!

Living income

www.living-income.com

Living wage

<http://www.isealalliance.org/our-work/improving-effectiveness/global-living-wage-coalition>

[SIGN UP FOR GLWC BENCHMARK RELEASES](#)

Questions? Email us at:

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And remember to add your upcoming, ongoing and finalised studies to the Sustainability Impacts Learning Platform

<http://www.sustainabilityimpactslearningplatform.org>