

# Living Income Webinar Series

Smallholder data, insights and action

6<sup>th</sup> March 2018



SUSTAINABLE FOOD LAB



# 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

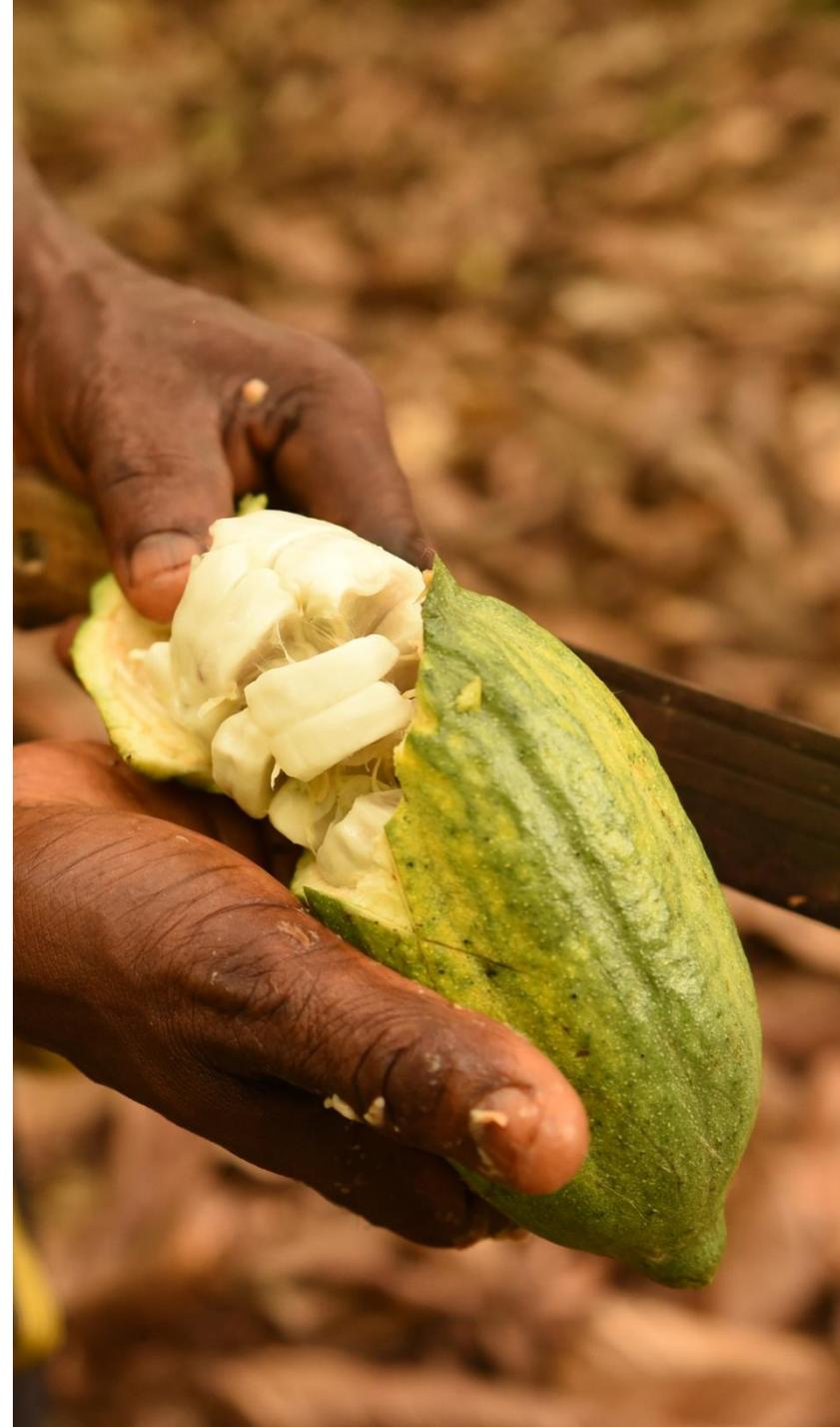
# Today's guest speakers



**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.

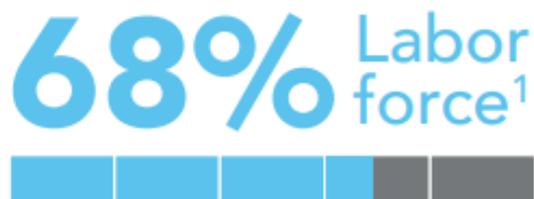


Photo de C. Riquet

- 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).<sup>3</sup>

\*Source: 1) [www.cia.gov/library/publications/the-world-factbook/geos/iv.html](http://www.cia.gov/library/publications/the-world-factbook/geos/iv.html)

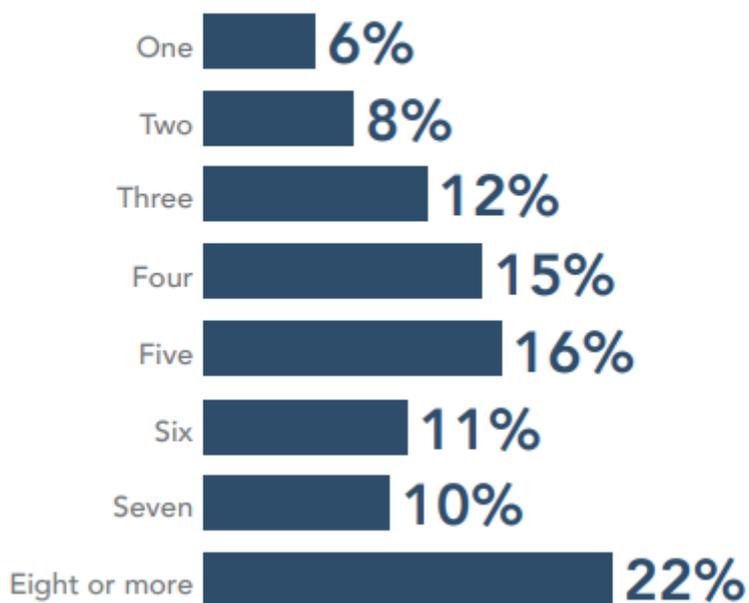
2. <http://agriculture.gouv.fr/cote-divoire>

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

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

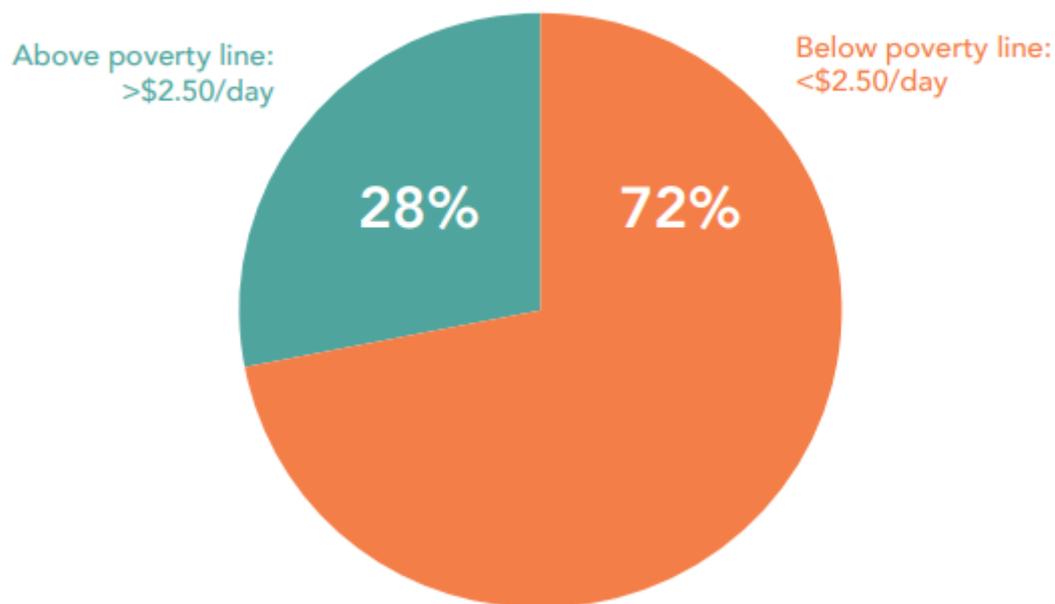
## Number of people in household

Sample: Smallholder households, n=3,019.

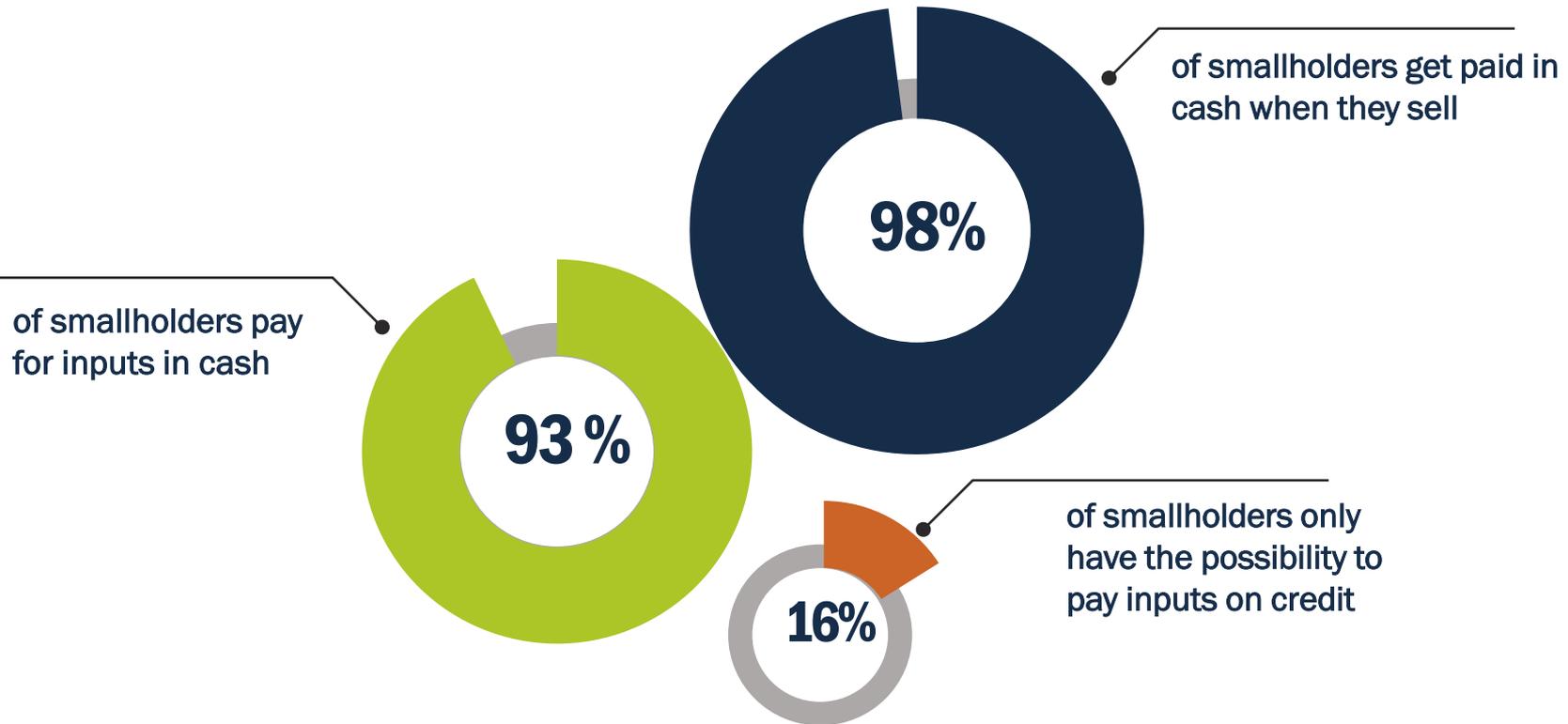


## Poverty status of household

Sample: Smallholder households, n=3,019.



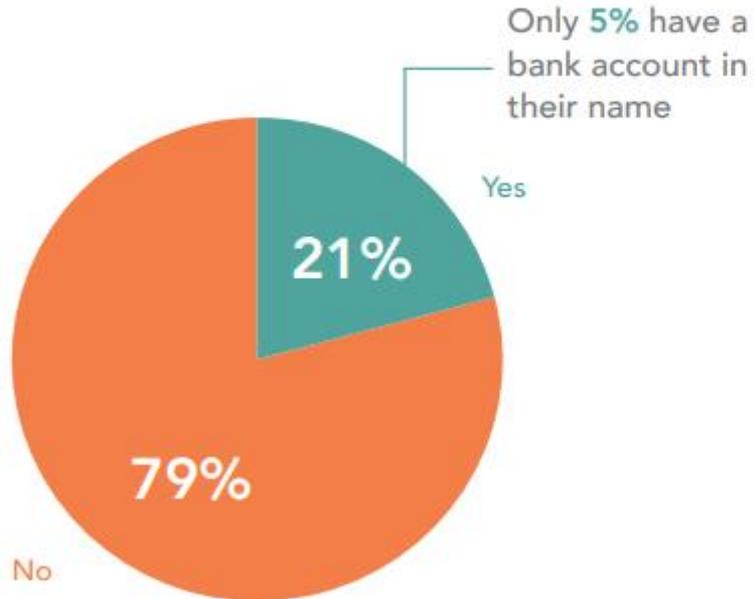
# Informality is the rule in a cash-dominated economy.



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?

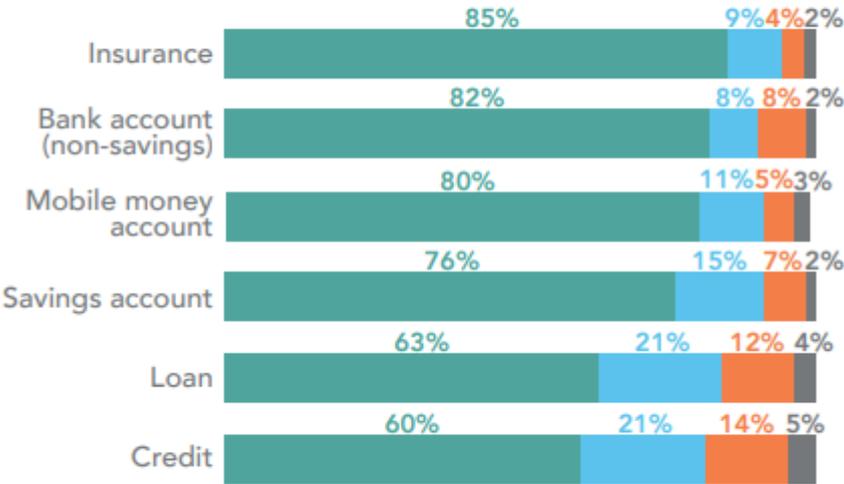
Sample: Smallholder farmers, n=2,949.



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

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

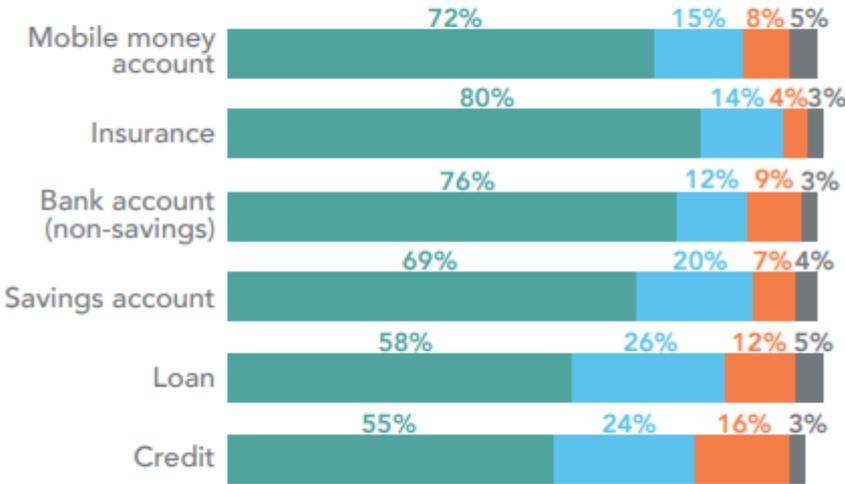
Sample: Smallholder farmers, n=3,019.



Very important   Somewhat important   Not important   Don't know

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

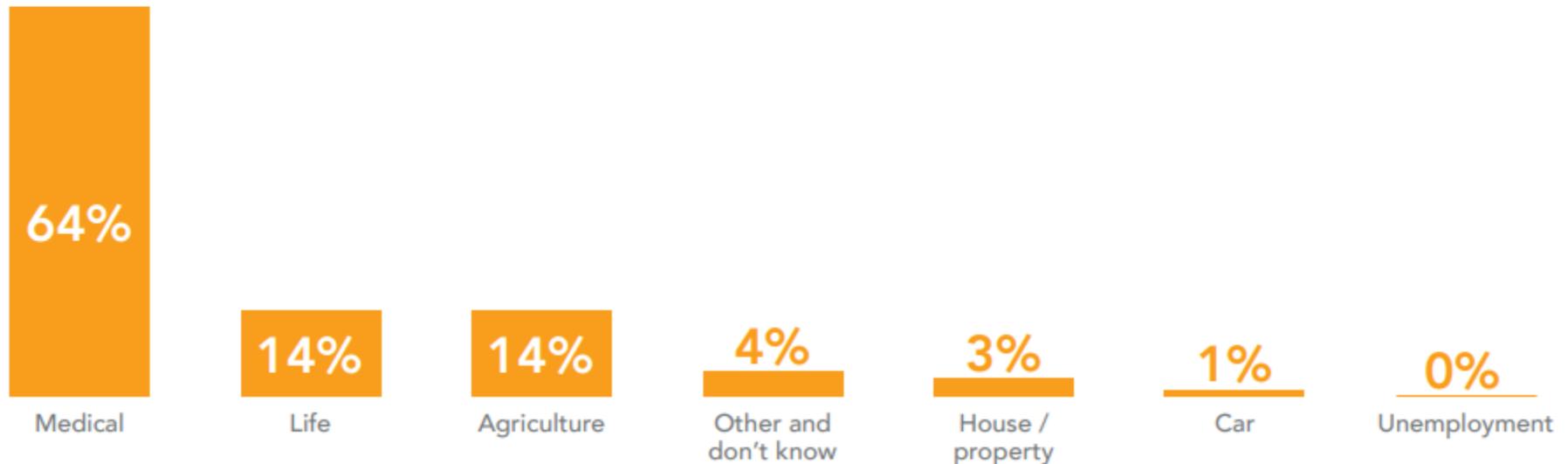
Sample: Smallholder farmers, n=2,949.



# 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?

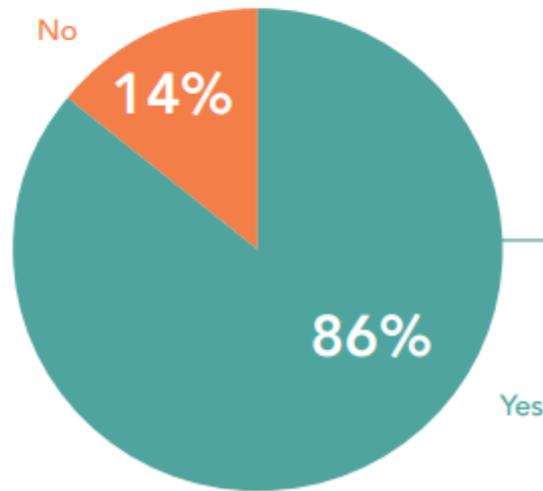
Smallholder farmers, n=2,949.



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

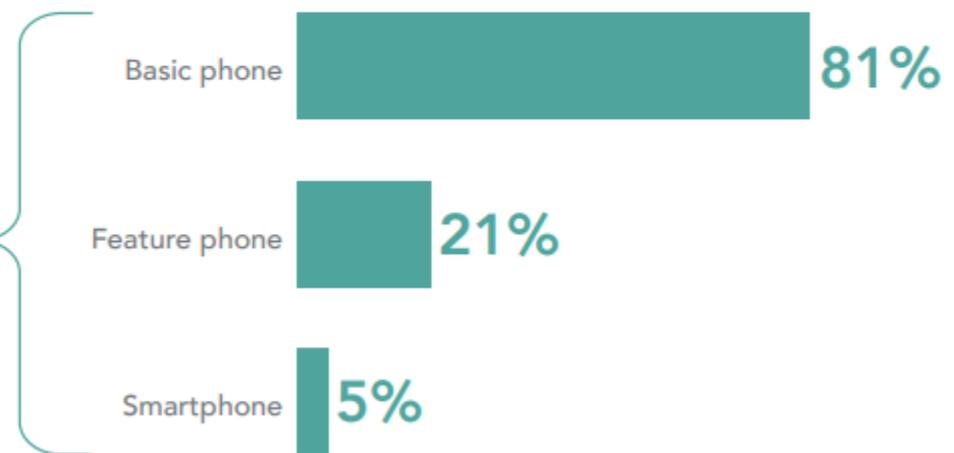
## Have you ever used a mobile phone?

Sample: Smallholder farmers, n=2,949.



## What type of phone have you used?

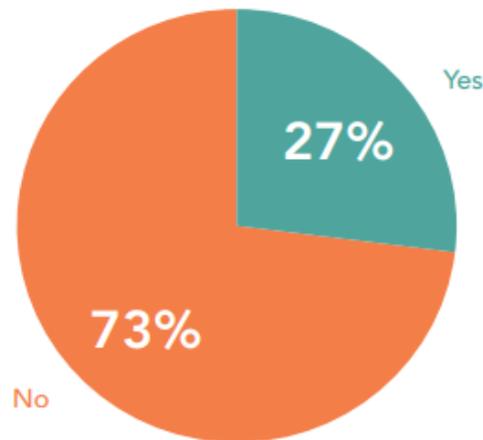
Sample: Smallholder farmers who have ever used a mobile phone, n=2,564.



# 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](#)



THE GOVERNMENT  
OF THE GRAND DUCHY OF LUXEMBOURG



mastercard  
foundation



Norad



European  
Investment  
Bank



platform for  
inclusive finance



Federal Ministry  
for Economic Cooperation  
and Development



UKaid  
from the British people



IFC International  
Finance Corporation



Michael & Susan Dell  
FOUNDATION



Microfinance • Capital Development



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC



BILL & MELINDA  
GATES foundation



USAID  
FROM THE AMERICAN PEOPLE



IFAD  
Investing in rural people



Sida



FORD FOUNDATION



IDB  
Inter-American  
Development Bank



MetLife Foundation



Ministry of Foreign Affairs of the  
Netherlands



UDENRIGSMINISTERIET  
MINISTRY OF FOREIGN AFFAIRS OF DENMARK



THE WORLD BANK  
IBRD • IDA | WORLD BANK GROUP



Global Affairs  
Canada



Fondo Multilateral de Inversiones  
Miembro del Grupo BID



Australian Government  
Department of Foreign Affairs and Trade



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## 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



Directly supporting **138,000 farmers** in Cote d'Ivoire (cocoa, coffee, cotton, cashew, rubber)



Training on **good agricultural practices** and **entrepreneurship**



Improving **food security** and **nutrition**

# 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)

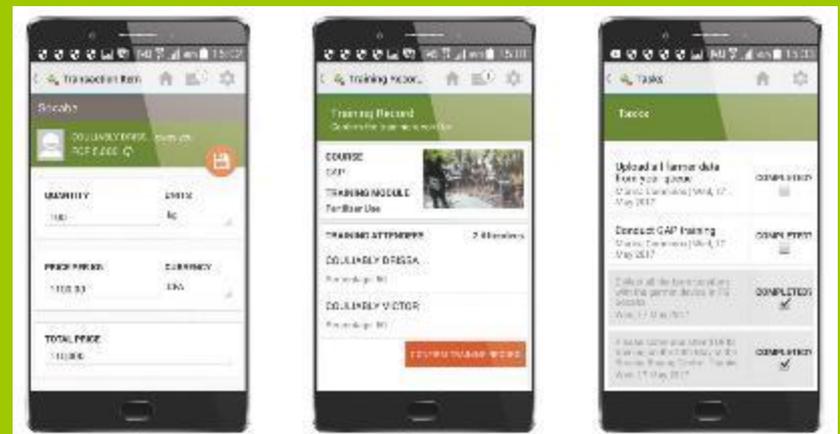


## Why does Olam care about digital payments?

- 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](http://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



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



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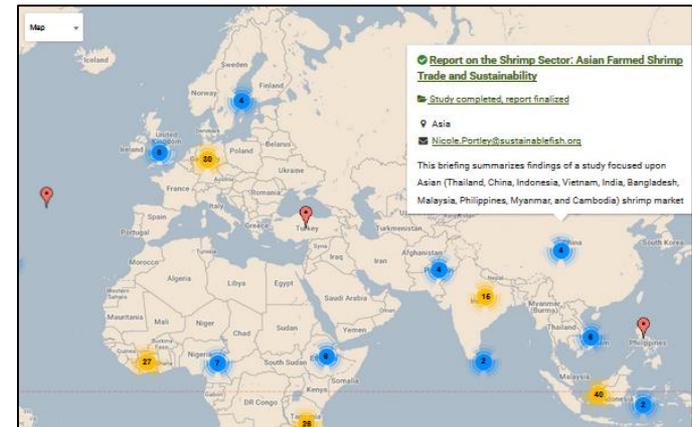
# Sustainability Impacts Learning Platform (SILP)

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

- › Facilitate improved knowledge-sharing
- › Collective learning
- › Collaboration towards increased sustainability in global supply chains

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

- 'living income'
- 'actual income'
- 'livelihoods'
- 'benchmarks'



If you are planning, in the process or have completed research on living income related topics add them to SILP

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

Thanks!



# Stay informed!

Living income

[www.living-income.com](http://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>



Tobago hillside © Jerry Rabinowitz, 2002,  
Rainforest Alliance