

Session 4

Developing a Systems Approach to Living income: What does a LI approach mean for different people in the food and ag system?

Moderator



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living incomes for farmers

responsibility of all

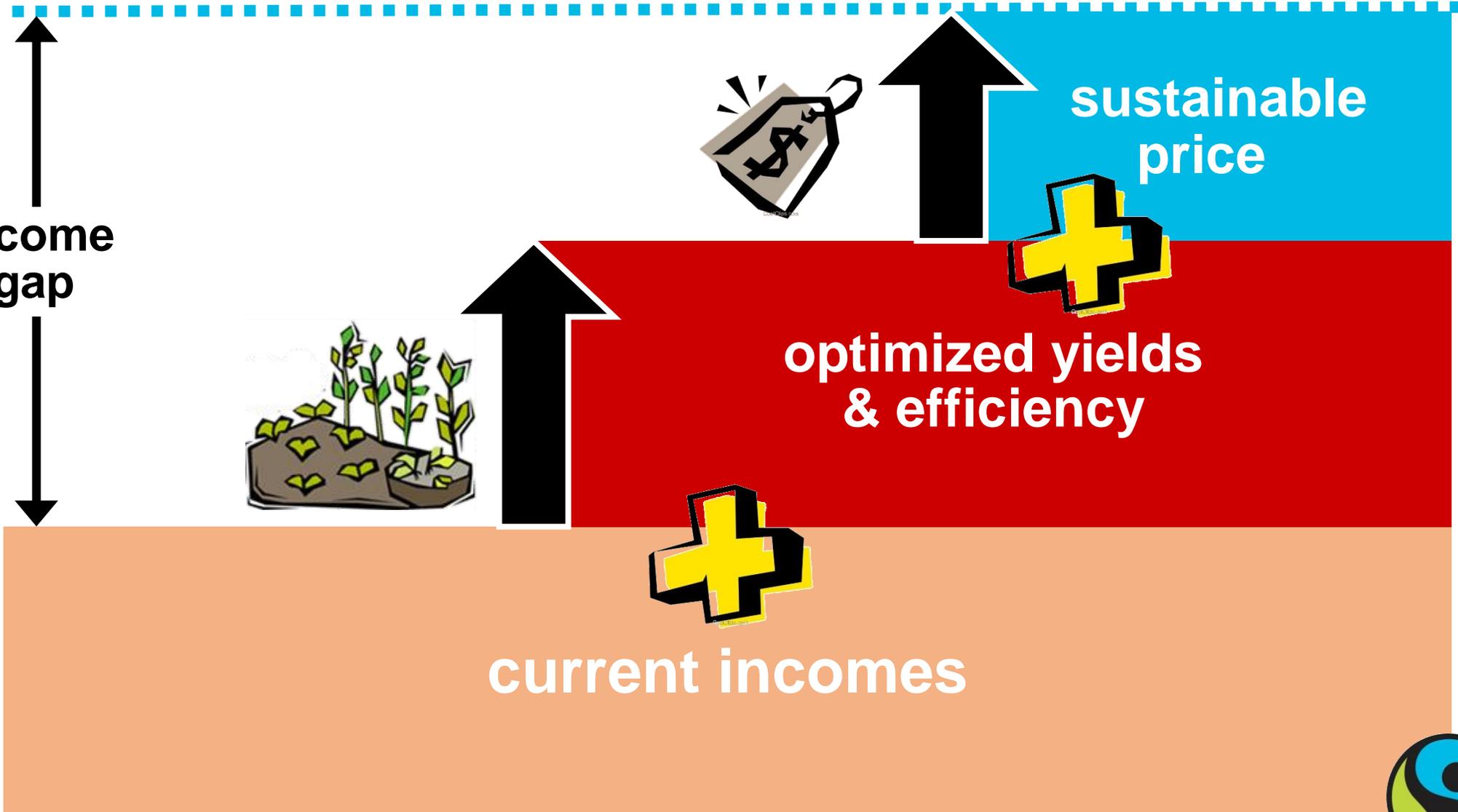


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living income

income gap



farmers are ultimately responsible to optimize their farm yields, once enabling conditions are in place



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buyers are
primarily
responsible for
paying a **price**
that allows
productive, full-time
farmers to earn
a living income



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governments are responsible for
creating an **enabling environment**



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Session 4 Breakout (20 min)

Group 1

Financial Services
viewpoint

Group 2

Civil Society viewpoint

Group 3

Retailer viewpoint

Plenary

Role of Farmer
Organisations
(Open Q&A)

Breakout Options

Group 1 Financial Services viewpoint	Group 2 Civil Society viewpoint	Group 3 Retailer viewpoint	Plenary Role of Farmer Organisations
<p>Discussant</p> <p>Sophie Falsini (CGAP)</p> 	<p>Discussant</p> <p>Sandra Sarwah (SEND)</p>  <p>Friedel Huetz Adams (Suedwind)</p> 	<p>Discussant</p> <p>Nina Kuppetz (GIZ)</p>  <p>Laura Kent (Tesco)</p> 	<p>Open Q&A</p> <p>Deborah Osei-Mensah Asunafo North Cooperative Cocoa Farmers And Marketing Union Ltd, (Ghana)</p> <p>Roland Waardenburg (Inclsve)</p> <p>Carla Veldhuyzen van Zanten (Fairtrade International)</p>

Join a breakout session (self-select)

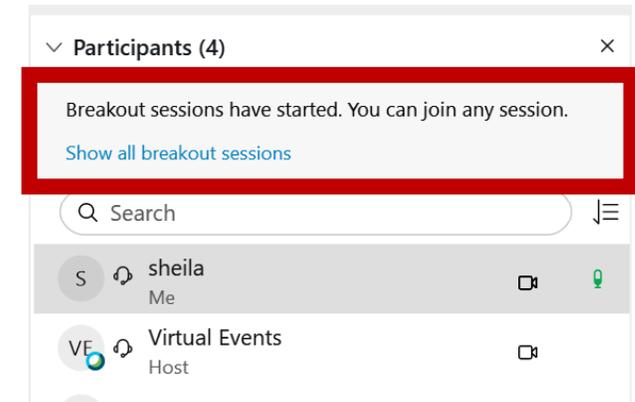
STEP 1

Click on the participants icon in the bottom right corner



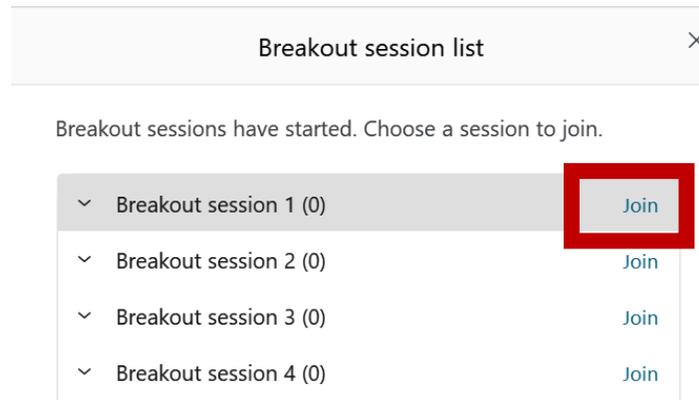
STEP 2

Click on the blue marked text 'Show all breakout sessions' at the top of the participants list



STEP 3

Click on 'Join' next to the breakout session you would like to join



Group 1

A financial services approach to living income

Insights from CGAP



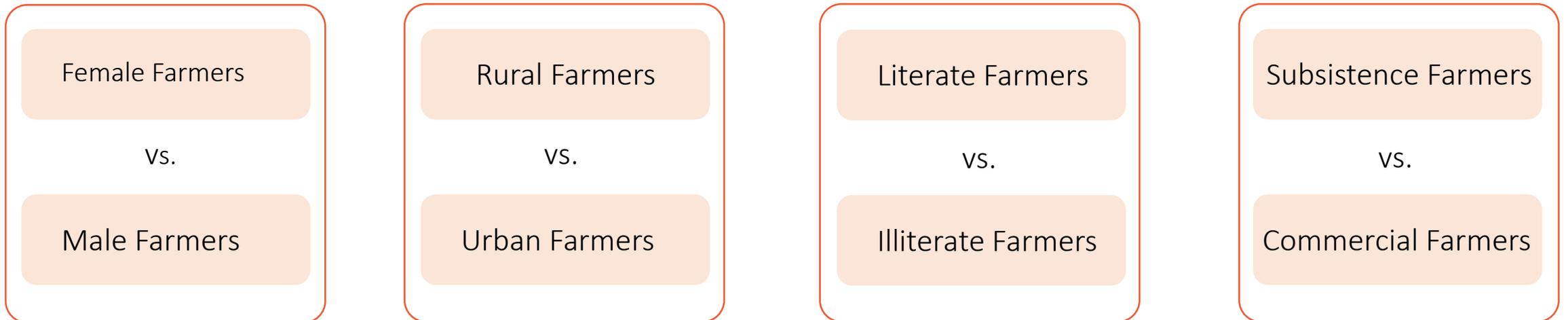
Sophie Falsini

19/05/2021



One financial service (FS) for all?

WE CANNOT SPEAK OF SMALLHOLDER FARMERS, BUT RATHER OF:



DIFFERENT TARGET GROUPS HAVE DIFFERENT NEEDS: saving, credit, insurance, bundled FS and non-FS...

What CAN financial services do for farmers?

01

SAVINGS

- Larger investments in agri inputs
- Increased resilience through climate-smart production

02

CREDIT

- Better access to agri-farm technologies
- More diversified income streams

03

INSURANCE

- Guarantee schemes for riskier and more profitable inputs (weather & crop-based insurance)

04

BUNDLED FS AND NON-FS

- One-stop shops

Snapshot on DFS:

- Reduced time and distance to reach bank branches through remote account opening
- Increased safety, affordability, efficiency of payments
- streamlined communication and increased business opportunities

Snapshot on female smallholder farmers: How can FS help?

Social norm barriers:



Restricted access to agricultural inputs



Restricted time



Restricted financial independency and financial/digital literacy



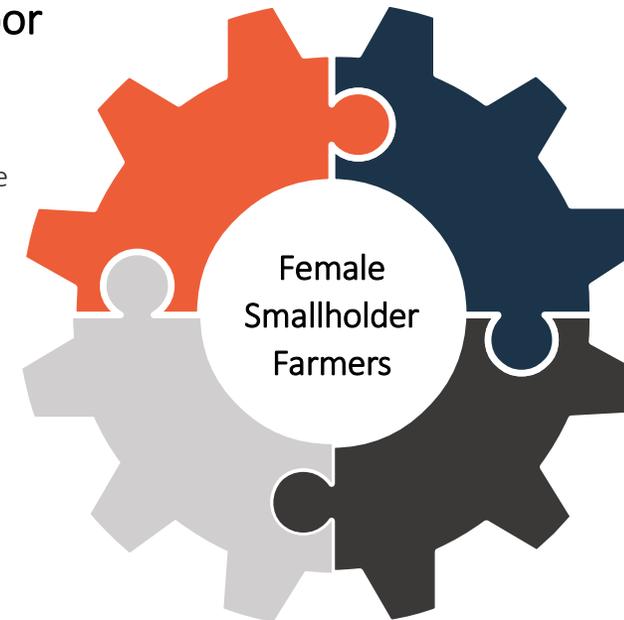
Restricted exposure and access to technology

Access hired labor

- Help women access cash, savings and credit in order to hire and pay workers and increase returns

Provide labor

- Digital wage



Save labor

- Gain access to time-saving assets
- Innovations in asset financing

Access to markets

- Local and digital agtech platforms

What is still missing? Some food for thought



More research, evidence and data

- Long-term sustainability (e.g. impact of agri finance products)
- Household cash flow management
- social norms barriers



Increment cooperation with different stakeholders

- Mobilise agri funds (privat sector)
- Develop targeted action plans (community and farmers)
- Policy-interventions (government)



More targeted investments and innovations

- Financial and digital literacy skills training
- Agent networks
- Customer-centric products for farmers and value chain actors
- Improve distribution network and infrastructure

And now... time for a group discussion!

Discussion questions:

1. What other **key enablers** can help male and female smallholder farmers increase productivity and income, and therefore opportunities and resilience?
2. **Share** what have your organizations done / been doing to add value?
3. **What increases smallholder farmers' chance to engage** in wage labor? (e.g. being integrated in the formal financial system, having already a mobile money account...)
4. **What has changed as a consequence of the COVID-19 pandemic?** Are we equipped to address the need for resilient and efficient agricultural value chains? How can we make sure that digital agriculture tools (e.g. digital agri-advisory, agri-DFS, agri e-commerce...) are accessible to smallholder farmers and agribusinesses?

Group 2
Civil Society viewpoint

The Living Income Community of Practice
Empowering Action Towards Improving LI for
smallholder farmers

PRESENTED BY SEND GHANA

May 19th, 2021



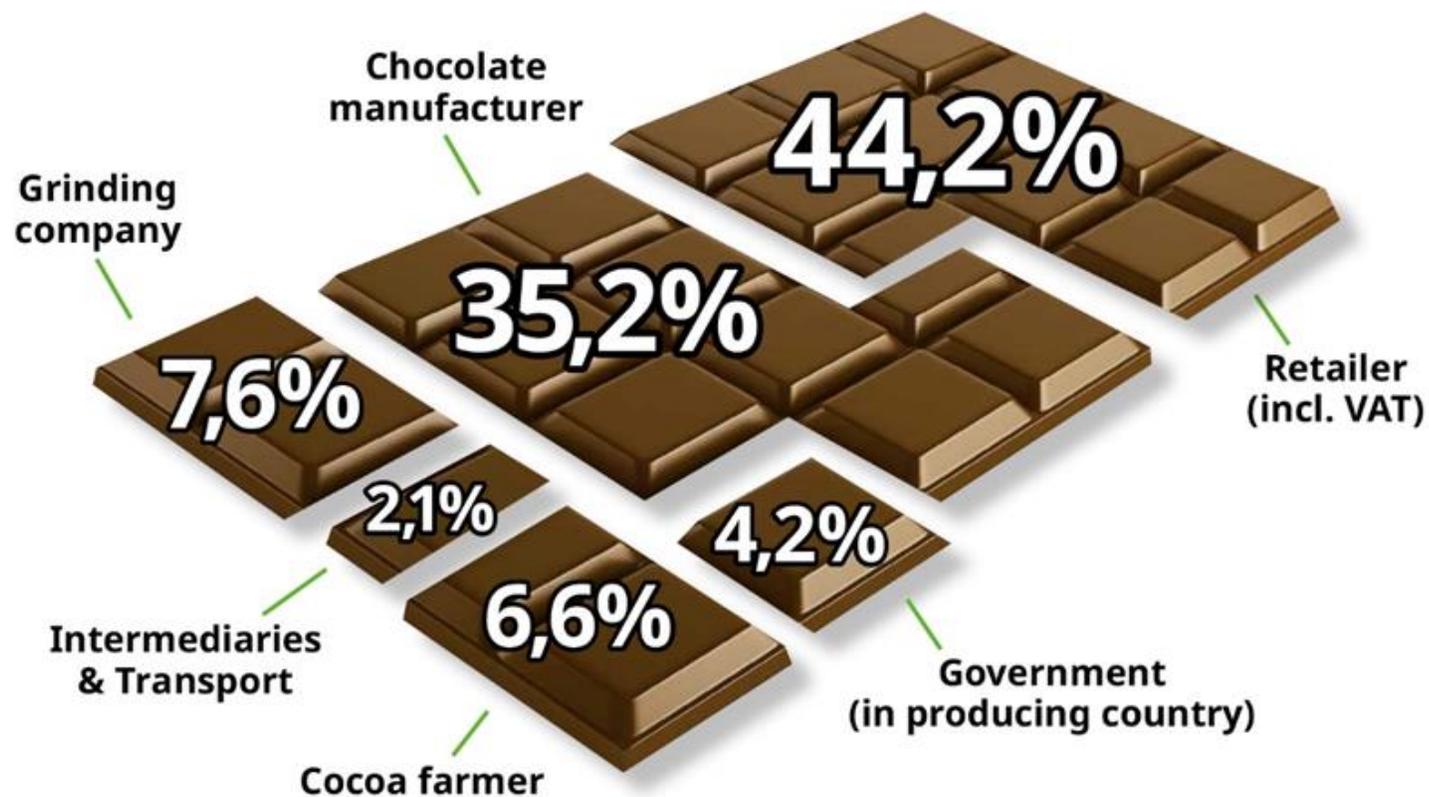
Why a living income for smallholder farmers? The case of the cocoa sector

The average income of most cocoa farmers and workers especially in West Africa is far below the level of absolute poverty which means living on 1.25 USD and less per day.

The revenue from cocoa does not provide a living income, even with income diversification/additional income sources.

YET OTHER SUPPLY CHAIN ACTORS ARE EARNING MORE

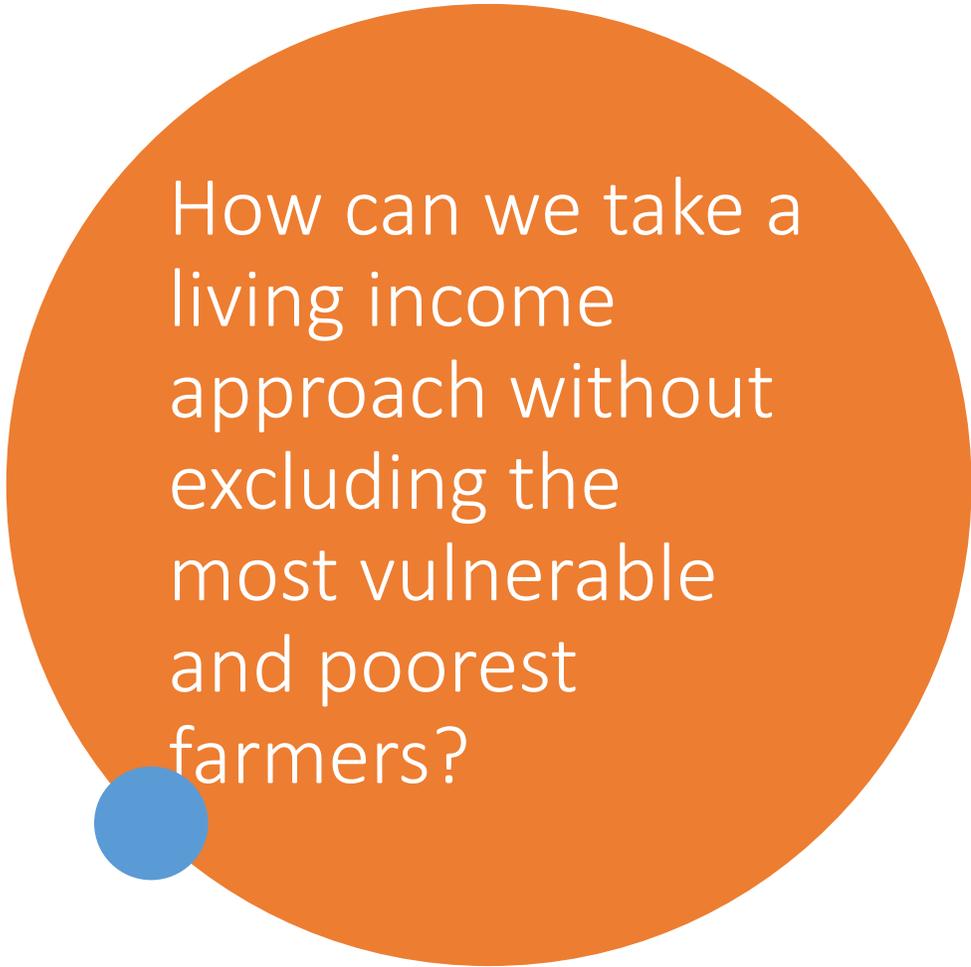
Shares in the retail price of a chocolate bar



Source: Cocoa Barometer 2015, p.39

Persisting gaps
that has not
allowed for
redress for an LI
for farmers

- Lack/limited involvement of farmers in decision making in the sector (international and national levels).
- Lack of transparency in the supply chain at national level
- Limited focus/support for alternative livelihood interventions for farmers
- International market trading practices



How can we take a living income approach without excluding the most vulnerable and poorest farmers?

- Setting the agenda! The establishment of an alliance involving multiple civil society actors in the sector.
 - Linkage of farmers to civil society actors for example is providing evidence-based information to farmers to engage with policy makers
 - Developing capacities of farmers, CSOs and media on topical issues (LI, child labour, environmental related topics etc)
 - Monitoring sector interventions and commitments by government, private sector and farmers.
 - Initiating multistakeholder dialogues on sector policies
 - Ensuring farmer representations in international and national level discussions including the EU.
- 

What the farmer earns and what must be earned

Higher prices are needed to close the LI gap



Recommendations by civil society actors

Higher prices are needed to close the Living Income gap. Implementation of the Living Income Differential (LID) is key.

Living income has direct bearing on other sector issues - child labour, deforestation and must be addressed by all actors

Transparency in farmgate pricing

Strong alliance to engender participation of farmers and CSOs in sector policy decision making

Sustainable support for alternative livelihood interventions

Continuous dialogues between stakeholders

Progress

- Increasing government responsiveness
- Increasing work with government as an ally
- Enhanced networking between farmer groups, CSOs and media



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Wrap Up

Keeping it interactive - Mentimeter



1. Use your phones/ computer



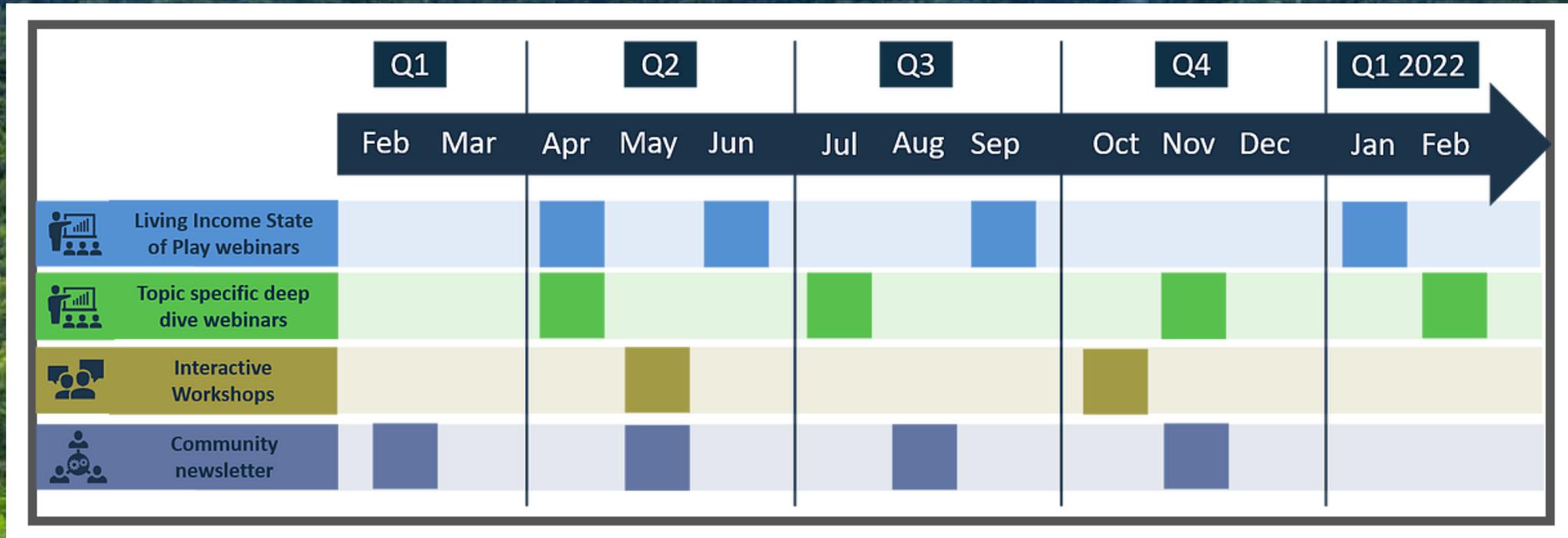
2. Go to www.menti.com



3. Enter the code 9351 9976

Recap of workshop & Feedback

Events calendar 2021



Thank you!