

FARMER INCOME LAB



In this second newsletter from the Farmer Income Lab, we reflect on the insights from our research and dialogue so far, and consider how they are shaping our next steps.



Progress since May

Since the last Farmer Income Lab update, we have reviewed evidence from hundreds of efforts to increase

smallholder farmer incomes in an effort to understand ‘what works’ and inform action.

Published in our discussion paper, [What works to increase smallholder farmers’ income?](#) the findings highlight that it is possible to increase incomes when interventions are multi-faceted, but that even the most successful approaches to date rarely drive the transformative income increases that farmers need to thrive.

This insight confirms the need to dig deeper into ‘what works’; to continue to ask provocative questions that can bridge the evidence gap, meaningfully improve incomes and contribute to transformed global supply chains. With this in mind, in July the Lab convened a group of experts to debate the report’s findings and inform its next steps. The experts’ combined views pinpoint five actions lead buyers can take:

1. **Focus on income** as a priority in its own right, not as one factor in a broader program.
2. **Target root causes** by building a deeper understanding of the factors that shape farmers’ ability to grow, sell, save and invest.
3. **Define roles and responsibilities** for different commodities and supply chains, so that actors can work together to solve the farmer income challenge.
4. **Align on targets** to create a systemic approach across supply chains for tackling the barriers identified.
5. **Enable success** by supporting policies and market conditions in which farmers can thrive.

The discussion paper and [What works: insights and reflections](#), a companion piece published following the convening, give more details of these actions, along with views on the business implications from the Lab’s partners. These new insights will help Mars deliver on its long-term ambition for all farmers in its supply chains to earn sufficient income to maintain a decent

standard of living. This work is already underway through Mars' [Sustainable in a Generation Plan](#), through which it is investing in sustainable business practices in its supply chains. One example is [Cocoa for Generations](#), a 10-year investment from Mars to develop an integrated approach for tackling the challenges smallholder cocoa farmers face.



Digging deeper

Realizing that there are years of existing work on how to increase smallholder farmer incomes, the Lab asked Joost Guijt, Senior Advisor Inclusive Agrimarkets at the University of Wageningen (WUR), which of its insights add most to the global dialogue, and where there is a need to dig deeper into ‘what works’.

“It was encouraging to see that farmer income can be raised if targeted; that low incomes are not inevitable. That shifts the conversation to ‘how?’. The evidence so far challenges some common assumptions about what improves farmer income. For example, our work revealed that income is often tackled indirectly within efforts to improve livelihoods, based on unproven assumptions about how better productivity or market access then increases income.

It also struck me that while agribusinesses may benefit from improved productivity and market access in terms of improved raw material supply, this might not hold true for farmers. It only makes sense for farmers to produce and sell more if this leads to a higher, more reliable income. This gap between what one party needs versus the other must be closed.

We need to understand for whom more commercial agriculture can improve income, and for whom it cannot. Alternative parallel work is needed for those who cannot connect to commercial markets. Apart from straightforward income jumps, we also need to consider the implications of making incomes stable and equitable. What structural shifts in business relationships are needed? How can disempowered actors such as women with few assets obtain real opportunity and voice?

The first and second Sustainable Development Goals need ambitious solutions on a massive scale, designed to meet the needs not of hundreds or thousands, but of millions. No single initiative or actor can achieve this. But wherever they sit in the supply chain, actors can question whether they are making a plausible contribution, and make sure the answer is based on evidence, not assumption. And by reviewing such actions and evidence, the Lab can identify which individual contributions can credibly form part of a strategic and scalable pathway towards zero poverty.”

As part of the Lab’s work, WUR has published a series of quick scans of different interventions on farmer income. Read more at: www.wur.eu/wcdi-publications



What next?

Drawing on these early insights, the Lab is working with its partners to shape its future agenda. Together with Oxfam,

and in dialogue with a wide range of other potential partners and advisors, the Lab is considering how best to activate its work as a ‘think-do’ tank.

‘Thinking’ means asking provocative, new questions that will deliver breakthrough insights. ‘Doing’ means accelerating action in Mars’ own supply chains based on what the Lab learns, and connecting solutions so that others can take action too. Marika McCauley-Sine, Mars’ Vice President for Global Human Rights, discusses this and other aspects of how to make global supply chains work for farmers in her recent [LinkedIn blog](#).

It will take the efforts and energy of us all to unlock the potential at the intersection of the interests of smallholder farmers and global businesses. Thank you for your interest in the Lab’s work so far. You can stay up to date at www.farmerincomelab.com and join the dialogue via info@farmerincomelab.com.

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