



Farmfit

OPTIMIZING FARM SYSTEMS THROUGH GENDER INCLUSION

Leveraging agricultural service delivery

WHY ENCOURAGE GENDER INCLUSION?

Women are key drivers for growth and sustainability, and play a critical role in many agricultural value chains. 80 percent of the world's food is produced by small-scale farming, and women make up on average between 40 and 50 percent of this labor in developing countries.¹ However, women have fewer economic opportunities and are more vulnerable to exploitation. If women had similar access to resources as men, yields of female farmers could increase by 20 to 30%, leading to exponential growth of the global GDP.² This growth can also empower women, strengthening households and fostering sustainability in value chains.

Companies can play a big role in realizing these business and social outcomes. By tailoring the delivery of goods and services to the needs of women, they can help overcome the educational, socio-cultural, and legal constraints that women face. At the same time, companies can benefit from reduced business risk, access to new market segments, increased productivity levels, improved revenues, and enhanced farmer loyalty.

However, many companies lack insights into how to provide or improve services to female smallholder farmers. They can also be unaware of, and unresponsive to, the gender dynamics of the ecosystem in which they operate.

IDH Farmfit is working to change this. Gender inclusivity in agricultural value chains is fundamental for improving farm yields and profitability, and this ultimately benefits the bottom-line for both farmers and service providers. By addressing the gender gaps inherent in agricultural value chains, companies can greatly strengthen business and social outcomes for themselves, the smallholder farmers they engage with, the communities those farmers live in, and the broader value chain in which they work.



Currently, women are **up to 50 percent less likely than men** to adopt improved inputs and practices, and have unequal access to productive assets and services, including land.

Female-operated farms face more gender-specific constraints that limit their productivity levels, such as:



Owning smaller plots and poorer quality land



Having less access to loans, as well as smaller loan sizes compared to men

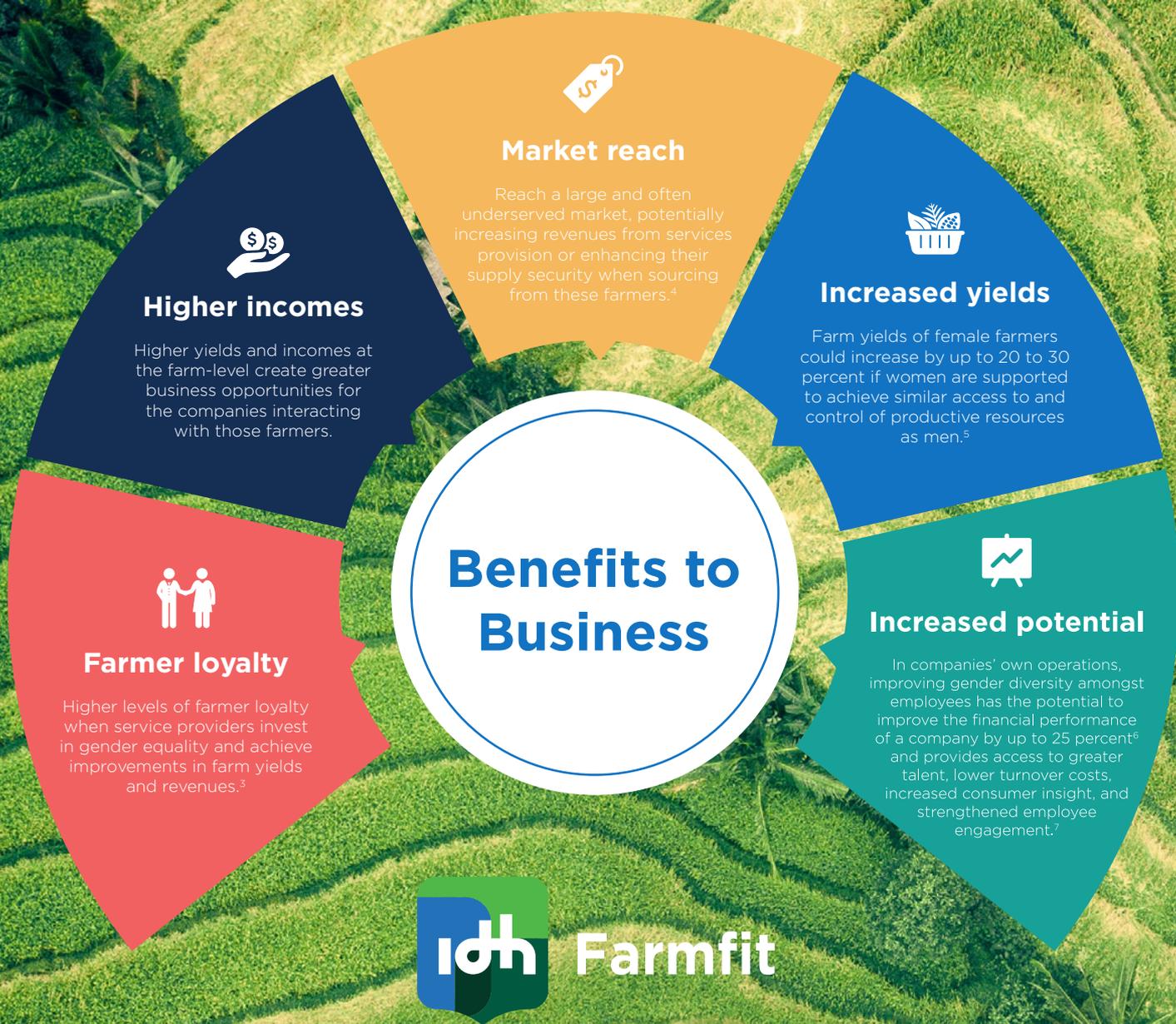


Generating lower incomes



Having less decision-making power and autonomy on financial and farming matters

1. Palacios-Lopez, Christiaensen, Kilic (2015) "How much of the labor in African agriculture is provided by women?" World Bank Policy Research Working Paper No. 7282
2. Preliminary framing of women's market inclusion, Bill and Melinda Gates Foundation 2018.



3. IFC 2016. Investing in Women along Service Provider Value Chains

4. ISF Advisors and the Mastercard Foundation Rural and Agricultural Finance Learning Lab. 2019. "Pathways to Prosperity: Gender Deep Dive". Washington, D.C.

5. FAO, 2011, The State of Food and Agriculture

6. McKinsey Quarterly Report., (2020). Diversity Still Matters

7. Ibid

THE GENDER APPROACH AT IDH FARMFIT

Over the past 10 years, IDH has introduced and refined a unique market-based approach to supporting smallholder value chain development. Gender inclusion has always been an important component of this work.

IDH Farmfit offers companies a data-driven methodology to analyze their service delivery models (SDM) across value chains, sectors, and geographies.

The methodology helps businesses understand how services for smallholder farmers (such as training, access to inputs, finance, and information) can be provided most efficiently and effectively, at scale, and with a sustainable return on investment.

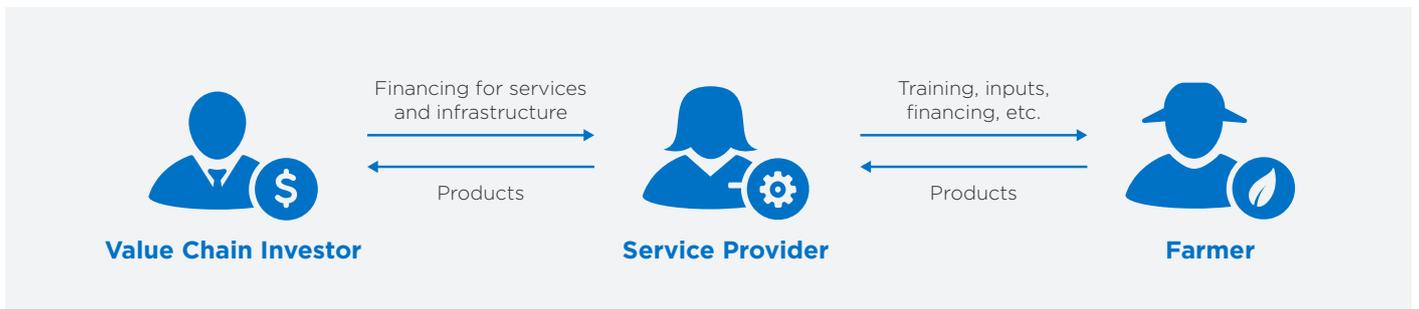
It also includes a tailored gender risk and opportunity analysis to help companies identify ways in which they can benefit from reduced business risk, access to new market segments and additional business and impact opportunities through more gender intentional approaches.



THE COVID-19 PANDEMIC

The COVID-19 pandemic has disrupted agricultural supply chains and put the livelihoods of smallholder farmers at risk.

At IDH Farmfit, we have updated our gender diagnostic to respond to the challenge that the COVID-19 pandemic poses. Our work now includes responses to gender-related challenges that arise in the business context as a result of external shocks and crises, like COVID-19. IDH Farmfit will also focus on the longer-term resilience of farmers and their households, as well as businesses, to such shocks.



Since 2018, IDH Farmfit has incorporated a dedicated gender module into the SDM methodology. This has allowed IDH to assess the degree to which SDMs incorporate gender into their service offering and decision-making; capture what the outcomes, and differences in outcomes, are for male and female farmers; and generate data that can be compared across models and aggregated to generate overarching insights and best practices.

GENDER-SPECIFIC CHALLENGES RELATED TO COVID-19:

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Women have faced increased barriers to accessing markets to sell their products or buy essential inputs
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Higher food prices, since women are mainly responsible for household food and nutrition.
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Decreased purchasing power, as a result of reduced income from less access to markets.
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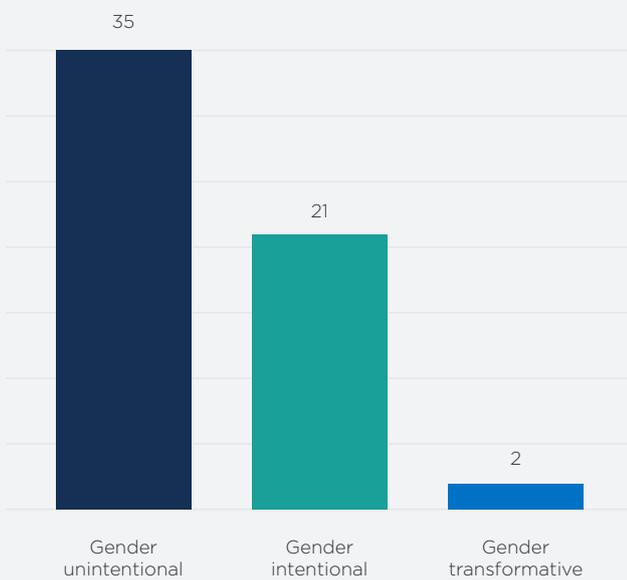
Restricted movement, which has had implications for how women participate in collective group savings, a crucial social support system for female smallholder farmers.

IDH FARMFIT'S LEARNING: WHAT WORKS

Since 2018, IDH Farmfit has included a gender analysis module as part of every SDM analysis that it has performed. The results of these analyses support businesses in addressing the gender gaps in agricultural value chains. The SDM analysis looks at constraints for women and men (specifically around women's market inclusion); risks of not including gender in the interventions; and opportunities within the existing structures

to address any gender-specific limitations. The outcome is a business case for companies to make their service provision to farmers more gender intentional or gender transformative. These classifications are part of the business case assessment, which puts companies into one of three categories depending on the degree of focus on and integration of a gender strategy.

QUICK GLANCE AT 58 BUSINESS MODELS ANALYZED BY IDH FARMFIT (NOV 2020)



Gender unintentional:

The service provider does **not take steps to understand or address the different needs and constraints of women and men** in its internal processes, strategy, or service design.

Gender intentional:

The service provider has taken steps to **at least understand the different needs and constraints of women and men** in its internal process, strategy, or service design, with the **goal of ensuring both women and men have access to resources.**

Gender transformative:

The service provider takes a **data-driven approach to understand the different needs and constraints of women and men**, tailoring services to **ensure that they both have equitable access to and control of resources, and the service provider encourages an inclusive workplace.**

From the data gathered so far, IDH Farmfit is already teasing out some aggregated insights and success factors that companies can apply to take a gender approach. For example:



Fostering women in leadership positions both in the management of the service provider itself and, where relevant, in the farmer groups with whom the service provider interacts.



Enhancing the skills of female farmers in a targeted manner, thereby expanding their livelihood options.



Strengthening women's self-help collectives, increasing their individual and collective agency.



PRELIMINARY FINDINGS FROM IDH FARMFIT DATA THAT EXPLORES THE IMPACT AND BUSINESS CASE FOR GENDER INTENTIONALITY

The data used to create these findings is survey data from semi-structured interviews with farmers. Surveys across 9 different SDMs are used for this analysis, a subset of the total SDMs that IDH has engaged with.

Gathering data on female farmers can be challenging given that most women in farming work within a household or farm production unit along with other individuals. IDH Farmfit refers here to female-operated farms and male-operated farms. Female-operated farms are those in which a woman is the principal operator, being the individual who is responsible for day-to-day management of the farm. This unit of observation differs from female- and male-headed households that are used in other studies that rely on household surveys. In fact, observations showed that female-operated farms do take place within the context of a male-headed household, wherein women are given primary responsibility over farming plots despite not being the head of the household.

FARM ECONOMICS

Data on farm economics demonstrates that male-operated farms earn higher revenues than female-operated farms. In part, this is because male-operated farms tend to be larger. However, female-operated farms also tend to have lower productivity rates.^{8,9}

To reduce differences in male-female revenues and productivity, service providers must design SDMs that encourage women's access to and control of productive resources (skills, land and farm inputs).



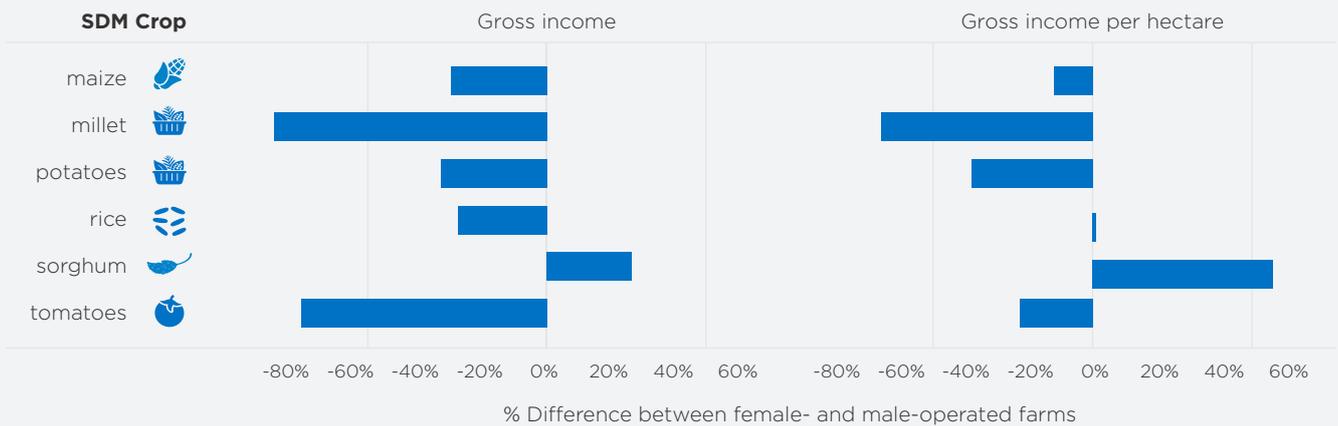
8. Gebre, G., G., et al (2019), Gender differences in the adoption of agricultural technology: The case of improved maize varieties in southern Ethiopia. Women's Studies
9. Croppenstedt, A., Goldstein, M.P., (2013), Rosas, N., Gender and Agriculture: Inefficiencies, Segregation, and Low Productivity Traps



SEX DISAGGREGATED INCOME

In the SDMs analyzed by IDH Farmfit, with the exception of sorghum, male-operated farms on average earn a higher gross income than their female-operated counterparts across a range of crops. This difference can only be partially explained by the larger land sizes of male-operated farms.

DIFFERENCE IN GROSS INCOME BETWEEN FEMALE- AND MALE-OPERATED FARMS BY MAIN CROP

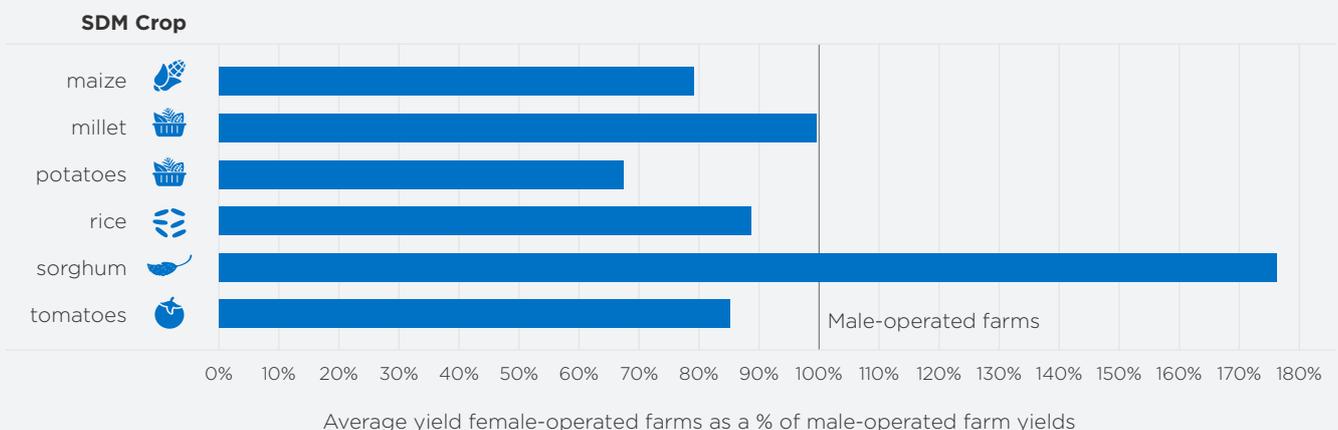


YIELDS

Sorghum presents itself again as the key outlier when it comes to yield, with female-operated farms significantly outperforming male-operated counterparts. Across observations in the other value chains, female-operated farms tended to yield less than male-operated farms, with the gap most pronounced in potatoes.

IDH Farmfit works with service providers to close this gender productivity and income gap. One of the proven ways of enhancing women's productivity and income is by fostering shared household decision-making and enhancing women's access to and control over household productive resources and income.¹⁰ Notably, women more frequently, and often more urgently, than men lack access to skills training, decision-making power, land, and farm inputs. The combined impact of all these factors influences farm yields.¹¹

YIELD KG/HA OF FEMALE-OPERATED FARMS AS A PERCENTAGE OF MALE-OPERATED FARMS BY MAIN CROP



10. Hudu Zakaria, 2017. The drivers of women farmers' participation in cash crop production: the case of women smallholder farmers in Northern Ghana. *The Journal of Agricultural Education and Extension*, 23:2, 141-158

11. Gebre, G., et al, 2019. Gender differences in the adoption of agricultural technology: The case of improved maize varieties in southern Ethiopia. *Women's Studies*



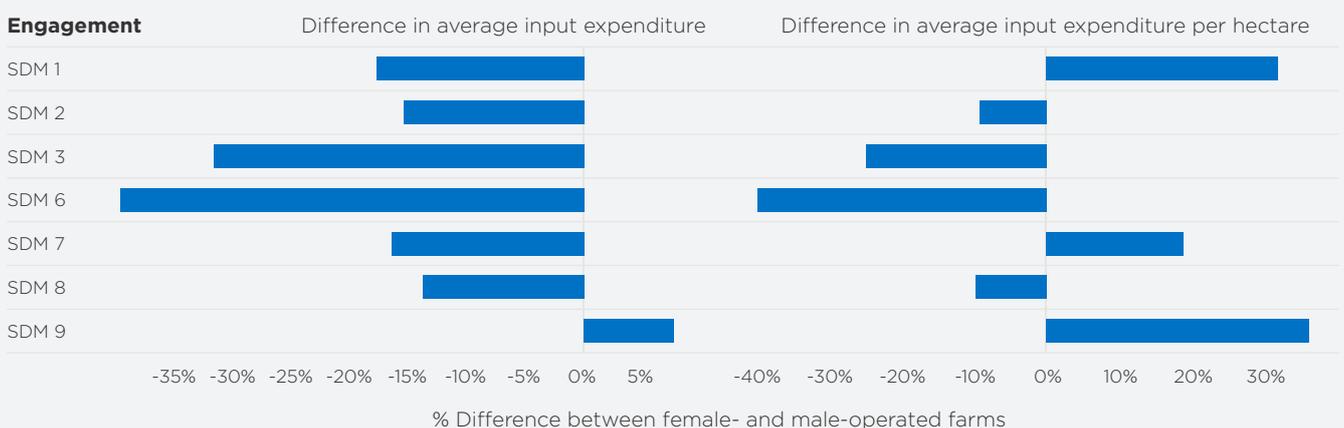
INPUT EXPENDITURE

On a per farm basis, the input expenditure of female-operated farms is lower than that of male-operated farms across most of the SDMs for which we collected data. However, when adjusting for land size, this differential is reduced or, in some SDMs, reversed on a per hectare basis. This indicates that while in absolute terms men spend more on inputs, much of this difference is driven by farm sizes, which are larger for male-operated farms. On a per hectare basis, no consistent pattern is seen.

To reduce the gender gap in farm yields and incomes, service providers must design SDMs that encourage women’s access to and control of productive resources, including skills, land, and farm inputs.

One of the proven ways in which IDH Farmfit works with service providers to close this gap is by fostering shared household decision-making and enhancing women’s access to and control over household productive resources and income.

PERCENTAGE DIFFERENCE IN GROSS INCOME BETWEEN FEMALE- AND MALE-OPERATED FARMS BY MAIN CROP



FINANCIAL ACCESS

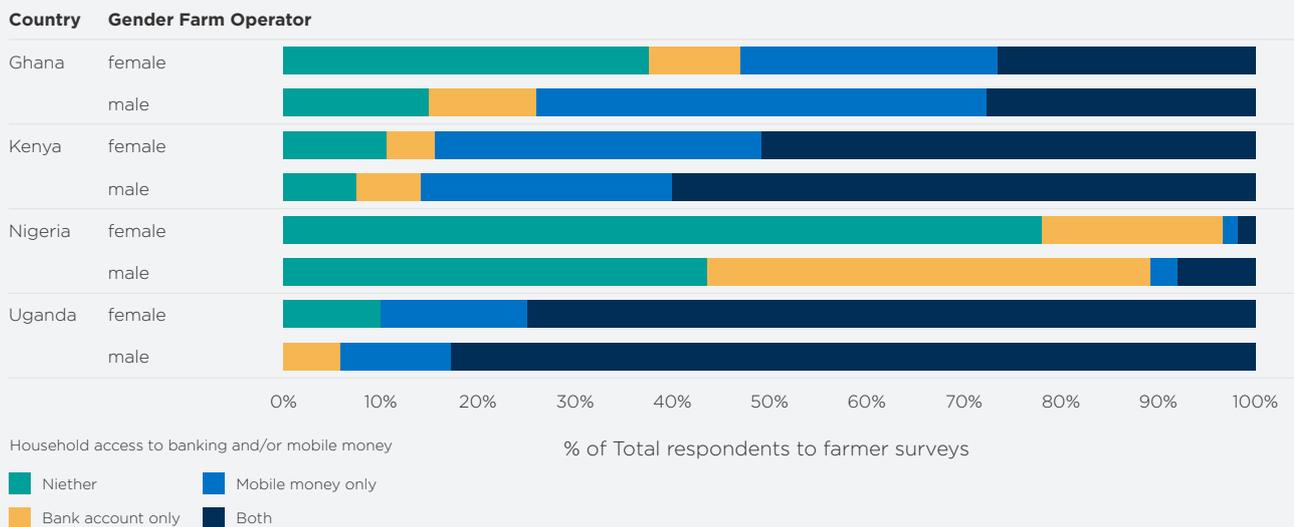
Mobile money is an important channel for expanding financial access to underserved populations, particularly women. Mobile money provides women with easier access to and control of finances. It also saves them the time they would have used to access traditional banks. This is an important factor, as women's mobility often tends to be restricted by social norms and expectations more frequently than men. For example, in some contexts, women are not allowed to make decisions about their own mobility. In others, women's mobility is restricted by social norms, such as household responsibilities, making it difficult for them to travel to physical banking locations.^{12,13} Access to mobile money can be linked to increased financial inclusion.¹⁴

Access to both mobile and traditional finance differs significantly by country, with certain markets having much higher penetration of mobile money for both men and women. In all cases, female-operated farms are less likely than those that are male-operated to have access to a bank account or mobile money. Lack of access to an account for females is particularly severe in Ghana and Nigeria, and in all case studies for which we collected data significantly lower than for males.

Financial access is a key productivity driver for agricultural value chains. When women are financially empowered and have control over their finances, they are more likely to re-invest their finances in their families, increasing the well-being of their families.¹⁵ Women play a critical role in “reproductive labor” in terms of nurturing future workers and taking care of the current work force in the household.¹⁶

IDH Farmfit works with service providers to co-create interventions that do not just enhance women's access to finance, but that allow them decision-making power and autonomy over their finances, with the long-term aim of fostering sustainable value chains. Addressing gender inequality in agricultural value chains offers the opportunity to secure sustainable development for the agricultural sector.¹⁷ IDH Farmfit promotes mobile finance because this not only allows women the access and control of their finances, but also frees up much-needed time to engage in productive farm activities.

ACCESS TO BANK AND/OR MOBILE MONEY ACCOUNTS BY FEMALE- AND MALE-OPERATED FARM BY COUNTRY



12. CGAP. 2017. Social Norms Change for Women's Financial Inclusion
 13. Julia Arnold & Sarah Gammage (2019), Gender and financial inclusion: the critical role for holistic programming, *Development in Practice*, 29:8, 965-973
 14. CGAP. 2015. Mobile Money: A Driver of Financial Inclusion in Pakistan
 15. Oxfam. 2015. Women's Rights in The Cocoa Sector Examples of emerging good practice
 16. Exploring Economics. 2016. Reproductive Labor and Care (<https://www.exploring-economics.org/en/discover/reproductive-labour-and-care/>)
 17. FAO. 2016. Developing gender-sensitive value chains



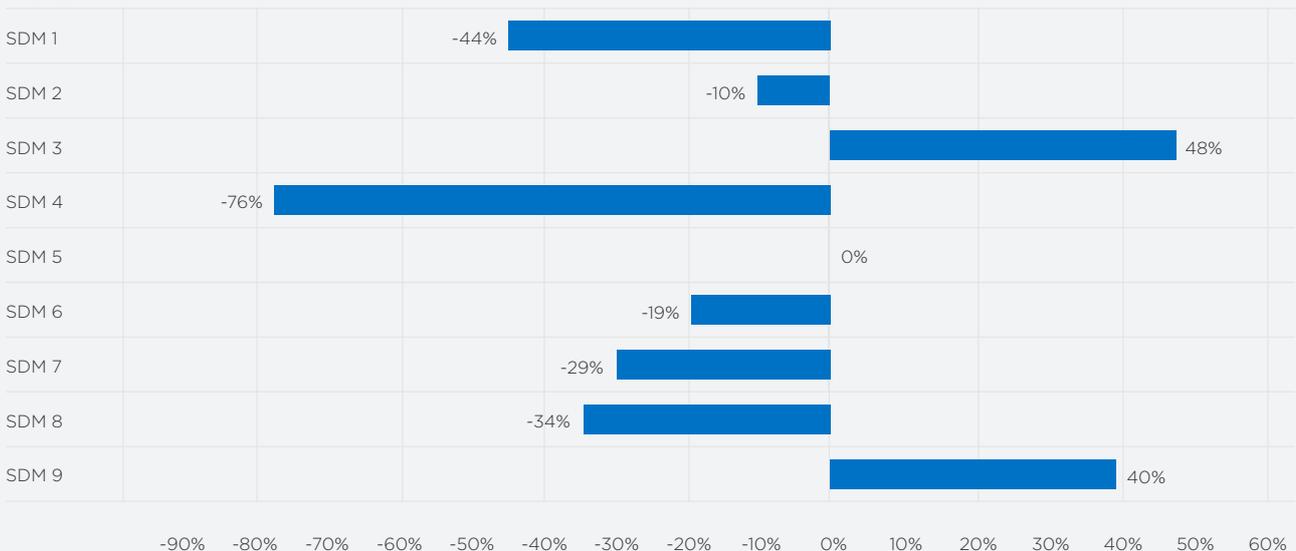
LOAN SIZE

In general, women are often seen as less bankable than men by financial services providers, even though evidence suggests the contrary.¹⁸ Women have less access to loans than men, and when they do have access, to smaller loan sizes. If they had equal access, they would have the opportunity to grow their farms and increase their productivity levels. Research demonstrates that when women have the same access to productive resources as men, they can increase yields on their farms by 20 to 30 percent. This could raise total agricultural output in developing countries by 2.5 to 4 percent.¹⁹

Investing in women often has greater returns for financial institutions. Examples in Tanzania demonstrate a clear business case for investing funds in women's collective groups. Here, financial service providers were able to make a higher profit from increased repayment rates as well as increased bank deposits.²⁰

DIFFERENCE IN LOAN SIZE BETWEEN FEMALE- AND MALE-OPERATED FARMS BY SDM

Engagement



% Difference between average household loan size for female versus male-operated farms

18. Davies, M. Baars, M., (2017), Link-up business case insights: Retrospective learnings from offering bank accounts to savings groups in Tanzania and Kenya.

19. FAO. 2010-2011. The State of Food and Agriculture

20. Ibid

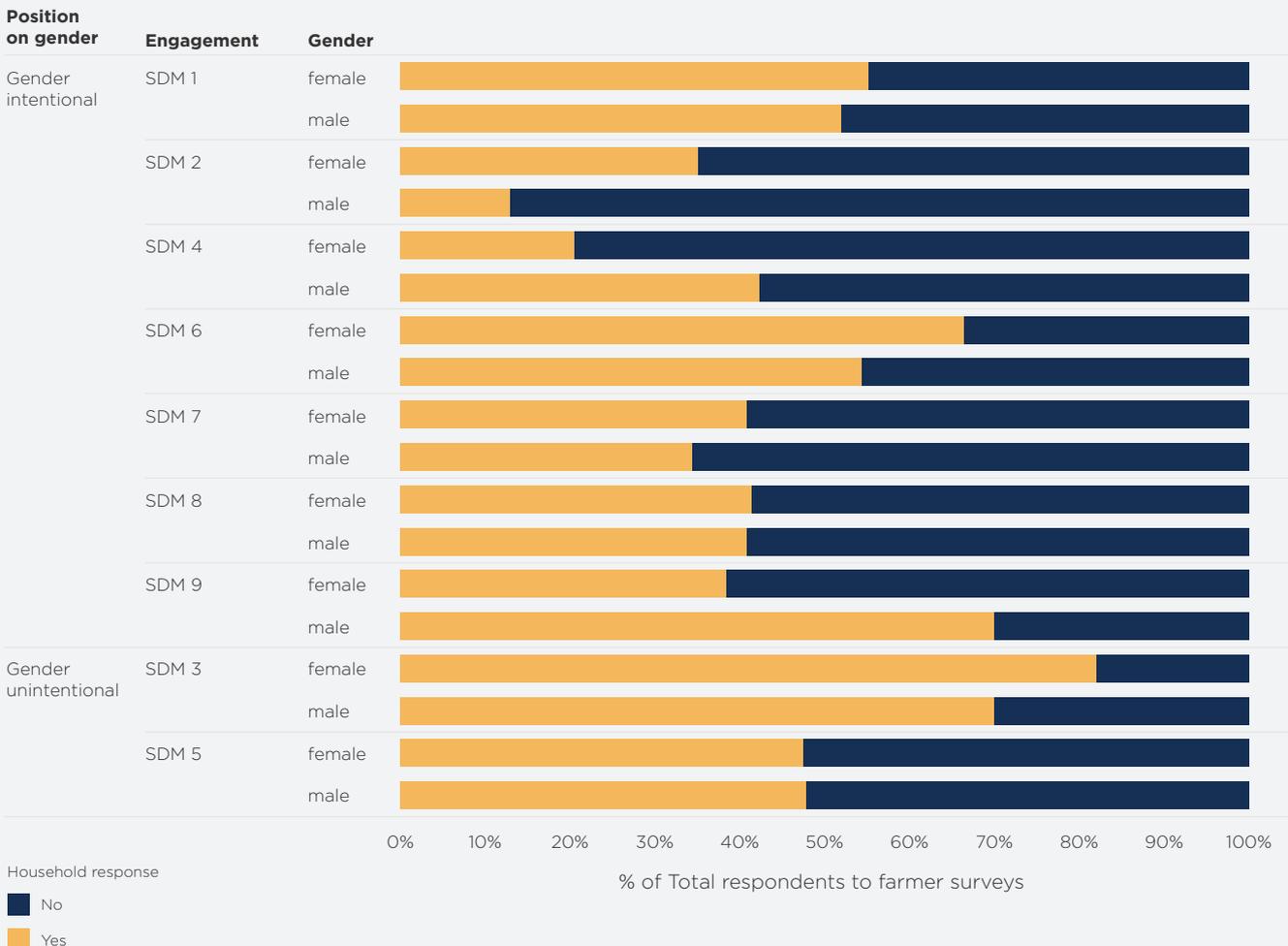
FOOD SECURITY

Women’s empowerment is important for food security, as well as for the resilience of households and communities. When women have access and control of income and are in a position to make decisions, they reinvest in their families, children, and communities, increasing the well-being and the sustainability of value chains.²¹ The interrelationship between these factors – lower yields, lower incomes, less nutritious foods, less ability to invest in the farm – can turn into a vicious cycle. Investing in the empowerment of women can break this cycle.

Our data shows that in 6 out of 9 cases, female-operated farms are more likely to report food shortages than male-operated farms. However, the difference is fairly small, and we also observed 2 cases with a strongly reversed situation, where male farmers were more likely to report having faced a food shortage.



PERCENTAGE REPORTING FOOD SHORTAGES IN LAST 12 MONTHS BY FEMALE- AND MALE-OPERATED FARMS, BY GENDER INTENTIONALITY



21. Oxfam. 2015. Women’s Rights in the Cocoa Sector Examples of emerging good practice



Case studies

COFFEE TRADER AND EXPORTER FOCUSED ON ORGANIC, FAIRTRADE AND/OR RAINFOREST ALLIANCE CERTIFIED SPECIALTY COFFEE

A core objective of this company is improving the livelihoods of the farmers it sources from.

The company functions as a cooperative and its membership includes smallholder farmers

The company works together with coffee collectors to buy the cherries from its members. It also employs extension staff to provide training, manage the nurseries, and make wet mill improvements.

THE GENDER CHALLENGE



- Women had more limited access to income generating activities.
- Women had less time to engage in farm activities, as most of them had young families and were responsible for taking care of their children.
- Women had little decision-making space.
- Low participation of women in the training programs that the company provided.

THE COMPANY'S GENDER APPROACH



- Identified women's and men's distinct needs and provided tailored service provision accordingly.
- Applied a training curriculum that was based on this assessment and made deliberate efforts to include household decision-making in the curriculum.
- Hired female extension officers to sensitize the community on gender equality.
- Offered women-only trainings to encourage female participation in training sessions.
- Set up afterschool daycare to reduce the disproportionate load of childcare responsibilities on women.

COST DRIVERS



- Teachers' salaries.
- Teaching materials.
- Initial costs of setting up the daycare centers.

EXPECTED IMPACT



- Improved farmer loyalty.
- Increased shared decision-making.
- Increased time for women to work on farms.

LEADING EXPORTER OF EXOTIC FRUITS AND VEGETABLES

This company's strategy is focused on delivering their products to consumers and improving the well-being of the farmers that grow, harvest, and pack their products. To achieve this, the company is committed to providing safe and high-quality conditions and livelihoods for their workers. The company is also committed to contributing to the development of its workers' communities and protecting their surrounding environment and natural resources. From a business perspective, it aims to scale its operations to be commercially viable.

THE GENDER CHALLENGE



- Gender inequality is a major obstacle to the general development of the community that its workers live in. The major gender equality challenge was unequal access to skill-building opportunities, specifically in financial literacy and good agricultural practices; there was a female-male participation gap in farming and management practices.
- Women used wood fuel for cooking, which was both time consuming (in terms of time spent collecting firewood) and hazardous to the environment.

THE COMPANY'S GENDER APPROACH



- Increased access to skill-building opportunities in financial literacy and technical knowledge of good agricultural practices to empower female farmers.
- Provided access to fuel-efficient stoves, which freed time for women to engage in productive economic activities.
- Supplied seed money to female farmers to invest in other income making activities.

COST DRIVERS



- Collecting and analyzing data to identify the distinct needs of men and women.
- Booking training venues.
- Hiring specific trainers to enhance women's capacity in financial management and good agricultural practices.
- Investing in fuel-efficient stoves that would in turn free up more time for women to engage in productive economic activities.

EXPECTED IMPACT



- Increased time available for productive activities.
- Improved yields.
- Greater financial literacy.
- Increased economic choices.
- Health benefits.

AGRI-BUSINESS IMPLEMENTING A COFFEE PROCESSING OPERATION AND FARMER SUPPORT SCHEME

This company believes that supporting farmers to improve coffee productivity and quality brings value both to farmers and to the company.

It sees itself as a ‘profit for purpose’ agricultural organization, working to improve the productivity and profitability of farmers through investment and education. It has committed to returning 60 percent of its profits to agriculture and community projects within the areas and communities in which it is active.

THE COMPANY’S GENDER APPROACH



- Applied a gender intentional program through participative workshops to create awareness of the value of shared decision-making in the household on financial and farming management.
- Set up a program to encourage children to go to school instead of working on their parents’ farm. To this end, the company liaised with school management to ensure retention of children at school and sensitized parents on child labor issues.
- Strengthened Village Savings and Loan Associations (VSLAs) by offering financial literacy workshops embedded in the local social structures in the community.
- Hired local field officers, recognized by the community as champions, and lead farmers of self-formed groups, as promoter farmers who were well-placed to disseminate knowledge to other farmers.

THE GENDER CHALLENGE



- Women in this value chain have little decision-making power and autonomy, and less access to disposable income than men.
- Households experience high drop-out rates of school-going children. Some children are kept out of school, partly as a source of labor, and partly due to a lack of money for tuition fees. Women bear a disproportionate load of unpaid care work, which includes taking care of children. When children are out of school, it means more care work for women and less time to engage in productive work.

COST DRIVERS



- Interventions specifically designed to advance women’s empowerment.
- Investment in child education programs.

EXPECTED IMPACT



- Improved female decision-making in financial and farming activities.
- Enhanced access to finance by women.
- Increased time for women to engage in productive activities.



THE WAY FORWARD

Our recommendations to companies in light of our learnings and COVID-19:



Prioritize resources to attend to the risks and differentiated needs of vulnerable groups. For example, while planning social protection mechanisms within the organizations' internal processes (e.g., health insurance), service providers could consider how women's limited access to health care^{22,23} renders them doubly vulnerable to external shocks.



Establish structures to support women during shocks, such as forging partnerships with savings institutions, Savings and Credit Cooperative Organizations, and national health insurance schemes. These structures could create appropriate products to cushion women against external shocks.



Companies should **explore flexible product and service provisions**, such as smaller quantities at lower price points or payment plans. They should also investigate new market linkages to ensure customer services access and income continuity.



Strengthen women's self-help groups, as these are often the first option that women resort to when faced with external shocks that destabilize their income streams. India is a good example of how companies can leverage women's self-help groups. Supported under the National Rural Livelihoods Mission and co-financed by the World Bank, women's self-help groups mobilized to meet shortages in masks and sanitizers and restored fresh food supplies for vulnerable and high-risk families.²⁴



Service providers should assess the capacity of female farmers to absorb and adapt to external shocks. They can do this by collecting data on women and men's resilience to shocks, and by supporting farmers in developing more livelihood options through diversifying farmer income streams



Leverage digital technologies to enhance the delivery of inputs, extension services, and market linkages, to enable farmers to overcome temporary COVID-19 related constraints.



Examining gender-specific COVID-19 impacts and integrating women's empowerment interventions remains essential to COVID-19 survival and recovery.

22. WHO. Gender and Health a Technical Paper (<https://www.who.int/docstore/gender-and-health/pages/WHO%20-%20Gender%20and%20Health%20Technical%20Paper.htm>)

23. ISGlobal (2016). Inequalities in women' and girls' health opportunities and outcomes: A report from sub-Saharan Africa

24. World Bank. 2020. In India, women's self-help groups combat the COVID-19 (Coronavirus) pandemic



If you are a company looking to improve your strategy and empower women in your operations, get in touch. IDH Farmfit can help you develop the business case for integrating a more gender intentional approach.

Get in touch!

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