

Executive Summary

Improving Opportunities for Women in Smallholder-based Supply Chains

Business case and practical guidance for international food companies



Prepared for the Bill & Melinda Gates Foundation

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Executive Summary

Recent research commissioned by the Bill & Melinda Gates Foundation shows that by increasing women’s participation in smallholder sourcing and support programs, many international food companies can improve crop productivity and quality, grow the smallholder supply base, and improve access to high-value markets. The guide *Improving Opportunities for Women in Smallholder-based Supply Chains: Business case and practical guidance for international food companies* presents the results of this research in a practical format. It sets out the business case arguments and evidence for increasing women’s participation, and provides practical guidance and case studies about what companies can do to realize these benefits. This summary distills the key business case arguments and recommendations for action, and points the reader to relevant sections of the full guide for further guidance.

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“Of the 193 wet mills we work with, Embu is the one I enjoy working with most. Why? 4 of the 6 committee members there are women—they do not play games, and Embu’s productivity is higher than many.”

KAMAU KURIA, DIRECTOR,
COFFEE MANAGEMENT
SYSTEMS (CMS), KENYA
.....



Women workers sorting coffee beans outside the Gumutindo Coffee Cooperative Enterprise factory in Mbale, Uganda. Gumutindo has adopted various measures to promote women’s participation, such as gender-sensitive recruitment policies.

The Research

Conducted between July 2009 and March 2010 by gender and supply-chain experts, the research included an extensive Internet and literature review; interviews with representatives from 11 multinational food companies and five key stakeholder organizations in the U.K. and the United States; and field visits to Kenya, Ghana, Uganda, and Tanzania. The field research focused on identifying the lessons and achievements from seven projects that have adopted innovative measures to support women farmers and included interviews with in-country field-level company representatives, staff from eight partner organizations, and over 80 women and 25 men in 20 smallholder communities in the focus countries. The information that was collected about each of these projects has been written up in seven in-depth case studies, which can be found in Appendix 1 of the guide.

The Problem

Women are less likely to benefit from companies' smallholder sourcing and support programs than men, as the following trends and statistics show:¹

- **Fewer women are members of company contract farming schemes than men.** For example, a study of the fresh fruit and vegetable sector in Kenya showed that fewer than 10 percent of smallholder contracts were with women farmers. A separate study of French bean contract farming schemes in Senegal showed that there were no female-headed households involved at all.
- **Many companies source from established producer groups, yet women are typically underrepresented in both the membership and governance of these groups.** For example, a study in Ethiopia showed that only 2 percent of women, as opposed to 13 percent of men, are members of agricultural cooperatives, and men are five times more likely than women to hold a leadership position within a cooperative.
- **On male-owned farms, female family members do much of the work, yet receive little of the income from crop sales, and have little say about how that income is spent.** For example, one study of sugar farming contracts in Africa found that women held less than half (43 percent) of the contracts yet provided the majority of the labor on 60 to 70 percent of the contracted plots.
- **Women are much less likely than men to benefit from technical training and extension programs.** For example, the Joint United Nations Programme on HIV/AIDS (UNAIDS) estimates that women receive only 5 percent of extension services worldwide.
- **Sustainability certification schemes are also less likely to benefit women than men.** Women are typically underrepresented even in Fairtrade² supply chains: for example, women's membership of the Gumutindo Coffee Cooperative Enterprise (Uganda) and Karagwe District Cooperative Union (Tanzania), two Fairtrade certified coffee cooperatives, currently stand at only 12 percent and 18 percent respectively.

The Business Case

Women's underrepresentation in company smallholder schemes is not only a social problem: it is also a lost commercial opportunity. Our research demonstrated that increasing women's participation in companies' smallholder sourcing and support programs can deliver a number of business benefits, as described in this section.

Maintaining and Improving Quality

The research found that women smallholders, as compared to men, typically pay greater attention to crop quality, and so deliver better-quality products.

► **EVIDENCE: Women smallholders often produce better-quality products.**

Field research findings: In five of the case studies, the researcher asked staff responsible for buying or collecting smallholder crops about what, if any, benefits they saw from having women members and outgrowers. In four out of these five case studies, respondents mentioned the quality of women's crops as a key benefit, reporting that in their experience women consistently deliver better-quality crops than men.

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"If you see the green leaf from the woman and the man, without doubt you will choose the woman's."

SAMWAL SANG, ASSISTANT
 OUTGROWER MANAGER,
 FINLAYS, KENYA

Increasing Productivity by Improving Women's Access to Technical Training

Ensuring that women as well as men receive technical training can be key to improving productivity, because women typically do a substantial proportion—often the majority—of the work on smallholder export farms in Africa. This includes farms that are owned by and registered in a man's name.

► **EVIDENCE: Training female family members of male outgrowers can increase productivity.**

Eastern Produce Kenya Limited: Eastern Produce (EPK) sources a third of its tea (green leaf) from 8,000 smallholder outgrowers, 90 percent of whom are men. However, recognizing that female family members do much of the work on the outgrower tea farms, EPK ensures that these women are invited to technical training sessions as well as the men. Women who were interviewed reported that, after receiving training on tea husbandry, they started picking their tea three times a month (they previously thought they could only pick once a month), which led to a significant increase in productivity (see Appendix 1, Case Study 3).

Growing the Supply Base

The study showed that women can be particularly effective at recruiting new members to outgrower schemes and producer groups. Successfully attracting female members can therefore help to establish new outgrower schemes, as well as expand existing operations.

► **EVIDENCE: Women are effective at recruiting new members to outgrower schemes and producer groups.**

Finlays, Kenya: David Kirui, Outgrower Manager for Finlays in Kenya, reported that when they first established their outgrower scheme it was the women who joined first. The women then persuaded the men to join, convincing them that it was worthwhile making the commitment to Finlays because it would benefit them in the long run, for example by securing a better price (see Appendix 1, Case Study 4).

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"Our women members have been more successful at recruiting new members than Kuapa Kokoo's formal membership campaigns."

REGINA CORLETEY, GENDER
 OFFICER, KUAPA KOKOO

Moreover, successfully bringing women smallholders into supply chains is likely to be even more important in the longer term, because men are increasingly leaving rural areas in search of alternative employment, leaving the women to take charge of smallholder farms.

► **EVIDENCE: Women are increasingly taking charge of rural households and family farms.**

- **In Ghana**, female-headed households now make up 35 percent of the total, with 53 percent of these being in rural areas.
- **Across the Southern Africa region**, women-headed households make up 42 percent of the total.³

Strengthening the Brand and Accessing Premium Markets

Supporting marginal women producers offers a new branding and marketing angle for companies that are aiming at premium markets, where a company or product's perceived ethical credentials have a significant impact on consumer purchasing decisions. Peets Coffee, a U.S. specialty coffee retailer, recognizes this potential and the commercial benefits to be gained.

► **EVIDENCE: There is positive branding potential from supporting poor women producers.**

Peets Coffee's sourcing relationship with the Nicaraguan women's cooperative Las Hermanas, which is featured prominently on the company's website, has generated positive media coverage as well as goodwill and positive feedback from customers. Positive stories have appeared in a wide range of media, from local San Francisco Bay Area magazines (such as *Diablo*, July 2008) to trade publications (for example, a feature article in *Coffee & Cocoa International*, May 2009). Moreover, as Shirin Moayyad, Director of Coffee Purchasing at Peets Coffee, explains, "What cannot be measured—the intangible benefit—is the goodwill it imparts. For a relatively small company, the recognition from both our customer base and staff that this coffee lends is very valuable."

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"The [Las Hermanas] coffee is excellent, and especially wonderful is that the purchase supports women in business. Good for you, Peets Coffee!"

PEETS COFFEE CUSTOMER,
 TORRANCE, CA (USA), 14 JULY
 2008

For further explanation and evidence of these arguments, see Section 2 (pages 17-24) of the guide.



Women and men cocoa farmers taking part in a Video Viewing Club (VVC) training session in Ghana. A study showed that female VVC participants increased their cocoa yields by an average of 59% after completing the training.

The Solutions

There are many practical steps that international food companies can take to improve opportunities for women in their smallholder programs. A summary of recommended actions, with concrete examples, is provided in this section. Note that the majority of the actions do not require investing in new smallholder programs or projects; rather, they focus on modifying existing programs to ensure that women and men have equal access to the opportunities already being provided.

Increase Women's Membership and Participation in Smallholder Sourcing Schemes

Which companies? The following recommendations are relevant to all companies that source one or more products directly from smallholders.

To address the typically low level of female membership in contract farming schemes and producer groups:

- Ensure that the membership criteria for your contract farming schemes and smallholder supplier groups offer equal opportunities for women and men (see Example A below).
- Proactively recruit for women members.
- Encourage men to give a share of their land or crops to their wives, so that women can join the group or scheme in their own right.

To address the underrepresentation of women in leadership or management positions within producer groups and contract farming schemes:

- Introduce quotas for women's representation on boards and committees of contract farming schemes and producer groups (see Example A below).
- Encourage and support women to stand for election to these committees.
- Explain the importance and benefits of women's representation to men, to help overcome likely cultural barriers and resistance to change.

Example A: Encouraging women's membership and participation in governance

Finlays, Kenya: The FRICH project is supporting Finlays' tea outgrowers in Kenya to set up five new cooperatives. To ensure that female as well as male outgrowers can join the cooperatives in their own name, the project has decided to base membership eligibility on having been assigned land *where one has control over the produce*: formal land title is not necessary (which is important because most African women do not own land). Moreover, to combat the tendency for women producers to be registered under their husbands' name even where the husband is not involved in farming, the project is insisting that in these cases it must be the woman who is registered as the member. If the husband or male relative doesn't agree to this principle, the cooperative will not accept the household into membership. Finally, to ensure that women (and youth) are represented in the cooperatives' governance structures, quotas have been established at the various management levels: for example, each buying center must elect one older man, one older woman, one young man, and one young woman to form their committee (see Appendix 1, Case Study 4).

For further guidance and examples, see Section 3 (pages 25-33) of the guide.

Ensure that More Women Benefit from Technical Training, Extension Services, and Production Inputs Provided by Your Company

Which companies? The following recommendations are relevant to all companies that support the provision of technical training, extension services, or production inputs for smallholders. This includes situations where the actual training is delivered by an external (partner) organization.

To help combat women's low participation rates in technical training and extension programs:

- Ensure that women farmers, including female family members of male contract farmers, are directly invited and encouraged to attend training and extension sessions, for example by setting quotas for women's participation in training sessions.
- Make sure that training and extension methods are appropriate for women (see Example B below).
- Recruit a mix of female as well as male company extension staff wherever possible, because experience shows that female trainers and extension workers are usually more effective than men at reaching and training women farmers.

To ensure that women don't lose out from credit and input provision schemes provided by your company:

- Ensure that entry and guarantee requirements for your credit schemes are women-friendly, for example by using group-guarantee mechanisms rather than requesting land as collateral.
- Improve women's access to pesticide application and personal protective equipment, for example by providing shared equipment for smallholder groups.
- Ensure that women receive information about pesticide application and health risks, for example by providing information in local languages.

Example B: Ensuring that training methods used are appropriate for women as well as men

Video Viewing Clubs (VVCs), Ghana: VVC is a training approach developed by the Sustainable Tree Crops Program (STCP) that was piloted with women cocoa smallholders in Ghana, the majority of whom are illiterate. STCP took the following steps to ensure that the VVC training in Ghana would be fully accessible to their target trainees: (a) in each target community, women trainees were fully involved in choosing the venue for the training sessions; (b) the length, timing, and frequency of VVC sessions have been adapted to suit women's needs in each target community; and (c) the three key training media used are fully accessible to illiterate farmers: (i) short films, (ii) facilitated discussions using a picture guide, and (iii) practical demonstrations and practice of the techniques on one of the trainee's farms (see Appendix 1, Case Study 1).

For further guidance and examples, see Section 4 (pages 34-42) of the guide.

Ensure that Women Benefit from Sustainability Certification Programs

Which companies? The following recommendations are relevant to all companies that support smallholders to meet sustainability certification standards such as Fairtrade, GLOBALG.A.P, Rainforest Alliance, UTZ CERTIFIED and organic standards.

To help ensure that women and men benefit equally from sustainability certification programs supported by your company:

- Where certification schemes are linked to smallholder producer groups or cooperatives, encourage women's membership and participation in the governance of these groups (see "Increase Women's Membership and Participation in Smallholder Sourcing Schemes" on page VII above).
- Make sure that women can benefit fully from any training that is provided under these schemes, such as training about record-keeping, management systems, and organic farming methods (see "Ensure that More Women Benefit from Technical Training, Extension Services, and Production Inputs Provided by Your Company" on page VIII above).
- Ensure that any extra labor demand on women (and men) that results from adoption of the certification standards will be assessed and managed (see Example C below).
- Where certification generates a premium paid to the group (such as Fairtrade certification), ensure that premiums are spent on projects that benefit women as well as men, for example by ensuring that women are represented on the committees that are responsible for allocating premium funds.

Example C: Assessing and managing extra labour demand resulting from certification

The Body Shop International, Ecuador: When the Body Shop assessed the suitability of a prospective supplier in Ecuador, a smallholder association that produces organic alcohol from sugar cane, the Body Shop found that some women were unable to join the smallholder group, or had become lapsed members. On investigation, the Body Shop found that this was because it was difficult for the women to meet the extra labor requirements of organic production methods. The Body Shop responded by working with the producer group to identify and cost the exact labor requirements, and adjusting the final price accordingly to reflect the real, full, and fair labor costs of organic production.

For further guidance and examples, see Section 5 (pages 43-47) of the guide.

Increase Opportunities for Women within Community Development Projects

Which companies? The following recommendations are relevant to all companies that support social or community development projects in smallholder communities, such as the Mars iMPACT project, the Cadbury Cocoa Partnership, and the ECHOES project.

Even where community development projects include components or activities that are specifically targeted at women, these activities often focus on meeting immediate social or welfare needs rather than on improving longer-term social and economic opportunities for women. Moreover, women's inclusion is often not systematically addressed across all project activities. To redress this imbalance, several steps can be taken.

- Ensure that women's needs and priorities are addressed across *all* project activities (see Example D below).
- Support the development of alternative income-generating opportunities for women.
- Provide business and marketing skills training for women and men (see Example D below).
- Provide basic services and infrastructure that help women save time, such as improved water provision, thus allowing them to spend more time on income-generating activities.

Example D: Delivering business and marketing skills training for women and men

Bettys & Taylors of Harrogate, Kenya: This U.K.–based company, which sources and retails quality teas, coffees, cake, and confectionery, is working with a U.K.–based nongovernmental organization (NGO) and a local training provider to design and deliver business skills training to coffee smallholders in Kenya. A key aim of the project is to ensure that women benefit as fully from the training as the men. To achieve this, the following steps are being taken: (a) “Empowerment and greater inclusion of women” has been written into the project concept note as one of the project’s strategic objectives; (b) quotas for the participation of women (and youth) in the initial training needs assessment will be enforced, to ensure that the training materials and curriculum being developed will fully address women’s needs, skills, and priorities; and (c) a quota has been established for women’s participation in the actual training program: more than 50 percent of the farmer trainees must be female (see Appendix 1, Case Study 7).

For further guidance and examples, see Section 6 (pages 48-53) of the guide.

Further Strategies for Improving Women’s Opportunities

Food companies that are interested in making a longer-term commitment to improving women’s opportunities might also consider the following strategies:

- Strengthening gender skills and capacity, by building the necessary skills and experience in house, by partnering with relevant expert organizations, or both (see Section 7 [pages 54-60] of the guide).
- Developing “double bottom line” business initiatives that explicitly seek to provide social and economic benefits to women smallholders, as well as generate a commercially viable revenue stream for the company (see Section 8.2 [page 62] of the guide).
- Developing women’s products for premium markets, capitalizing on likely consumer interest in buying products that specifically benefit poor women producers (see Section 8.3 [page 62] of the guide).
- Extending existing ethical sourcing commitments to address gender equality issues in smallholder producer groups, for example by lobbying Rainforest Alliance and UTZ CERTIFIED to incorporate gender principles into future amendments of their producer group standards (see Section 8.4 [page 63] of the guide).
- Engaging national governments to improve relevant regulations and policies, for example by insisting that national cooperative laws do not directly or indirectly restrict women’s membership in cooperatives (see Section 8.5 [page 63] of the guide).

¹ For full references for these statistics, see section 1.1.1 of the guide.

² In keeping with international use, the term “Fairtrade” is used in this guide to refer to products, producers, and producer organizations that are certified to comply with the international Fairtrade standards of the Fairtrade Labelling Organizations International (FLO). See www.fairtrade.net for further information about FLO’s certification system. In contrast, “fair trade” is used as a general term to describe all products (and associated supply chains and producers) that are traded under “fair” or ethical terms, including those products that are *not* certified under the FLO system.

³ For references for these statistics, see Section 2.5.2 of the guide.