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WEBINAR

Working with Smallholders: A Handbook for Firms Building Sustainable Supply Chains, Third Edition

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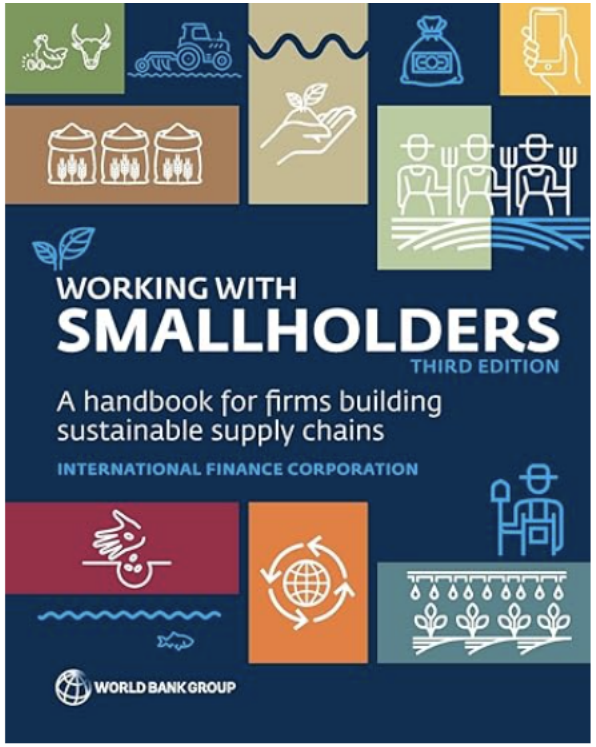

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Working with Smallholders: A Handbook for Firms Building Sustainable Supply Chains, Third Edition Paperback – Abridged, November 1, 2023

by International Finance Corporation (Author)

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Smallholder farmers are the stewards of more than 80 percent of the world's farms. These small family businesses produce about one-third of the world's food. In Africa and Asia, smallholders dominate the production of food crops, as well as export commodities such as cocoa, coffee, and cotton. However, smallholders and farm workers remain among the poorest segments of the population, and they are on the frontline of climate change. Smallholder farmers face constraints in accessing inputs, finance, knowledge, technology, labor, and markets.

Raising farm-level productivity in a sustainable way is a key development priority. Agribusinesses are increasingly working

Read more

Print length	Language	Publisher	Publication date	Dimensions
526 pages	**English**	**World Bank Publications**	**November 1, 2023**	**7.25 x 1.06 x 9.25 inches**

Why this handbook ?

- Smallholder farmers – cultivating less than 2 hectares – are the stewards of over 80% of the world’s farms.
- These small family businesses produce around a third of the world's food. In Africa and Asia, smallholders dominate production of both food crops as well as export commodities.
- But smallholders and farm workers remain amongst the poorest segments of the population
- Smallholder farmers face constraints in accessing inputs, finance, knowledge, technology, labor and markets.
- Raising farm-level productivity in a sustainable way is a key development priority.
- Smallholders will play a key role in achieving the 2030 global goals in relation to food security, climate change resilience, decent incomes and gender equity.
- More productive smallholders boost rural incomes and economic growth as well as reducing poverty.

Who is the report aimed at?

- The Primary Audience is Sustainability and Local Sourcing Managers in large agribusiness firms where smallholders are an integral part of their supply chains
- The Secondary Audience comprises: Government officials, Donor organizations and NGOs
- The focus is on the role of private enterprise and how agribusinesses can best engage with smallholder farmers.

What are the main questions the report addresses?

1. What are the most effective ways for private firms to engage smallholder producers to secure a sustainable supply of key raw materials? to help drive transformation in agricultural systems, create sustainable growth and alleviate rural poverty

2. How can smallholder supply chain risks be identified and mitigated?

3. What are the main multi-stakeholder partnerships and blended finance opportunities that are relevant? And what role should private firms play in those partnerships?

What is the main Content ?

1: The Imperative for Change

2: Yield Gaps in Smallholder Farming

3: Aggregation and Working Cost-Effectively at Scale

4: Agtech

5: Financing Needs and Solutions for an Agribusiness Supply Chain

6: Training and Communication

7: Managing Risk for Sustainability and Resilience

8: Measuring results

9: Nutrition

10: Youth

11: Women’s Participation

12: Partnership Strategies

13: Multistakeholder Roundtables and Voluntary Standards

14: Future Outlook

IFC and private sector perspective

- The transition to sustainable agriculture also presents business opportunities. And that is another reason for the book.
- The handbook is different because it looks at the smallholder agriculture from a private sector perspective. What can firms practically do to positively engage smallholder farmers ?
- This handbook is a **practical guide** for firms who wish to expand their supply chains in emerging markets by working with smallholder farmers.
- The book highlights opportunities and challenges to help agribusinesses modernize their supply chains and operations and work more effectively with smallholders in a profitable and sustainable way.

Ag Tech

Agriculture remains the least digitized productive sector. So, the potential for technology-driven change is greater.

Opportunities for disruptive change and for companies to “leapfrog “ to more productive and sustainable food production systems

Use Cases…..

- Introducing disruptive platforms and service bundling
- provide advisory to smallholders,
- enabling product verification and traceability and reporting on climate impacts of changed practices

And challenges

- Tech solutions are not necessarily scale neutral
- Lack of interoperability
- Affordability (for smallholders)
- The digital divide
- Data ownership and privacy

Managing Risks for Sustainability & Resilience

Multi-stakeholder roundtables and voluntary certification

Sustainability and Resilience: Risks and Impacts

smallholders

Risk & Impact ***on*** the smallholder

Risk & Impact ***of*** the smallholder

Key Risks and Impacts

Why manage E&S risks?

- Improving the productivity, efficiency, and security of supply
- Access to finance
- Protecting and enhancing shareholder and brand value
- Access to regulated markets and favorable trade tariffs
- Access to preferred markets that pay higher prices for sustainable production

A Step-Wise Roadmap

Prioritisation

Identifying E&S risks

- Complex supply chains: start with a high-level country and commodity risk analysis
- Geographically concentrated, single-product supply chains: focus on local risk factors e.g. proximity to forested areas and waterways, reports in the local media, and government data

Reference frameworks:
IFC Performance Standards
Sustainable Development Goals
Voluntary & Industry standards

Identifying E&S risks

Prioritisation

A Step-Wise Roadmap

Priorities:

Highest E&S risks

Number of suppliers and volumes associated with the highest risks

Number of suppliers and volumes associated with unknown risks

E&S requirements of buyers

- Use the initial risk and priority assessment to select which regions or smallholder groups to focus on: engagement and exclusion strategies.
- Firms should take care to not unintentionally exclude smallholders from the supply chain.

Identifying E&S risks

Prioritisation

A Step-Wise Roadmap

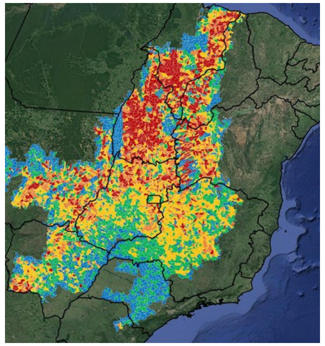
★ Set a policy that defines which risks, smallholder practices, and level of performance are targeted.

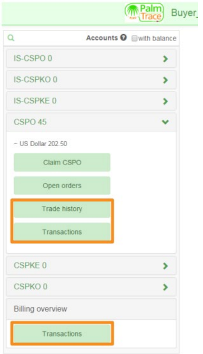
→

- Risk assessment
- Prioritization
- Baseline assessment
- Timebound roadmap
- Smallholder support
- Smallholder verification
- Interim targets and reporting
- End targets and reporting
- Review and update strategy

Digital Implementation Tools

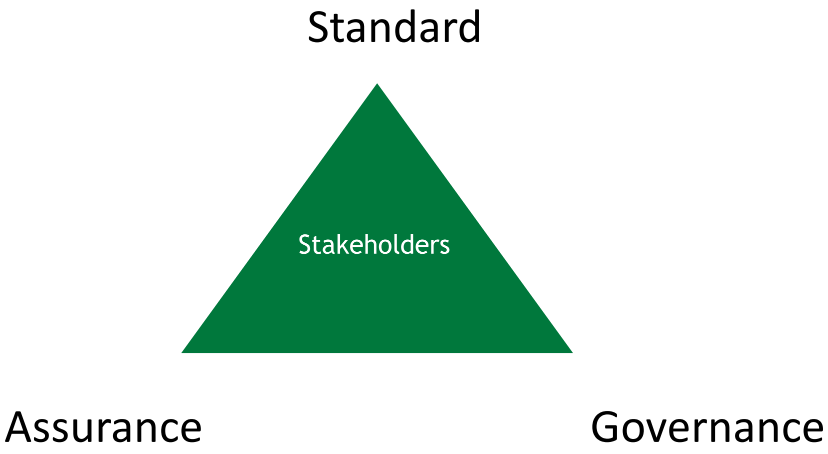
- Satellite mapping
- Risk rankings and databases
- Smallholder data management software
- Traceability and marketplace platforms
- Digital matching platforms





Multi-stakeholder roundtables and voluntary certification

Grouping of different types of stakeholders combined with a voluntary (as opposed to regulatory) sustainability standards system and focused on a specific crop, commodity, or product



Roundtables Adapted for Smallholders

- Smallholder specific version of standard
- Group verification (sampling)
- Chain of custody credit system
- Support programs and grants

Cost / Value Considerations

- Monitoring, verification and certification
- Supporting smallholder Compliance
- Cost of compliance for smallholders
- Avoidance or mitigation savings against climate impacts
- Value of carbon savings (KgCO2eq)

Future Outlook: 7 Trends

1. Smallholder participation in carbon projects increases as carbon markets mature.
2. Regenerative agriculture becomes more mainstream.
3. Global shocks highlight the need for flexibility and redundancy in agrifood supply chains.
4. Urbanization triggers expansion in city-based, peri-urban farming.
5. divergence in the adoption of AgTech.
6. Traceability emerges as a key requirement of firm-level competitiveness in agriculture.
7. Evolving technologies and preferences drive evolution in protein markets.

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WORKING WITH SMALLHOLDERS

THIRD EDITION

A handbook for firms building sustainable supply chains

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