SUCCESSFUL MODELS TO EMPOWER WOMEN IN OUTGROWER SCHEMES

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INTRODUCTION

Despite contributing substantially to agricultural production, female farmers in sub-Saharan Africa face numerous constraints that limit their productivity and their inclusion in smallholder schemes. It is crucial to ensure female farmers participate in and benefit from smallholder schemes. This not only contributes to the well-being of women and their families, but also brings commercial gains to agribusinesses.

AgDevCo, DFID and the Mastercard Foundation are committed to promoting gender equality in developing countries. AgDevCo increasingly integrates gender equality concerns in its engagement with investees as it aims to increase positive gender outcomes. DFID is committed to women and girls and has been encouraging AgDevCo in developing gender capacities. The Mastercard Foundation ensures that many of its partnerships in agriculture have a strong focus on gender equality1.

In 2015, AgDevCo, in collaboration with the Mastercard Foundation, established the Smallholder Development Unit (SDU), to work with rural agricultural enterprises, to increase farm productivity of 490,000 smallholder farmers (of which 50% women), to raise their income and improve their well-being. The five-year programme is implemented in seven African countries: Zambia, Mozambique, Malawi, Tanzania, Uganda, Ghana, and Senegal. The SDU-supported outgrower schemes are expected to take a gender- and youth-inclusive approach.

This study showcases best practices to promote women’s economic empowerment in outgrower schemes. It derives practical lessons from SDU-supported outgrower schemes and other successful outgrower schemes of AgDevCo’s investees, and links these to ten underlying principles of success.

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OBJECTIVES AND METHODS FOR THIS STUDY

This study aims to share best practices and practical lessons from SDU-supported outgrower schemes and other successful outgrower schemes of AgDevCo’s investees, summarised in ten underlying principles of success.

Evidence of best practices has been collected from five agribusinesses that operate in different value chains in three countries. Lessons have been extracted from gender study reports commissioned by AgDevCo in 2016/17 and further information was collected during field visits in Uganda, Zambia and Malawi. The visits included consultations with the company’s management and interviews with smallholder farmers and were done in the context of gender trainings and capacity building for AgDevCo staff in 2017.

This document also integrates lessons and experiences from others including the IFC, FAO, the Bill and Melinda Gates Foundation, and AgriProFocus.

WHY PROMOTE WOMEN’S ECONOMIC EMPOWERMENT?

Women comprise a substantial part of the agricultural labour force: on average 50% in sub-Saharan Africa. Yet, they are less likely to benefit from agribusinesses’ outgrower schemes than men. For reasons listed below, fewer women are members of contract farming schemes and women are much less likely to benefit from technical training and extension programmes, despite often being perceived as more reliable suppliers and as being more likely to apply what they learn in trainings and to adopt new farming techniques.

On smallholder farms, female family members do much of the work but receive little of the income from sales and often have little say in how that income is spent.

Therefore, it is fair to improve opportunities for women in outgrower schemes. Given that women are often the traditional managers of food production for household subsistence, it is crucial to ensure they are empowered and participate in and benefit from smallholder schemes. Closing the gender gap may lead to women’s economic empowerment (box 1) and strengthen their voice and control over resources. Women’s increased involvement in outgrower schemes is also in the best interest of agribusinesses, by potentially improving productivity, product quality and supply chain stability. Furthermore, a strong gender policy can be part of a company’s corporate social responsibility strategy and a product’s branding and advertising.

Effective involvement of women in outgrower schemes needs to take women’s specific constraints into consideration. These include:

- Limited access to resources and services including hired labour, equipment, technology, finance, and markets;
- Less exposure to education and training
- Limited control over productive resources, especially land
- Limited control and power to decide over income from production and other benefits
- Limited participation and leadership in farmers’ organisations and the community
- Workload due to multiple responsibilities
- Mobility constraints
- Sexual harassment and violence

BOX 1: WOMEN’S ECONOMIC EMPOWERMENT

The participation of women in economic activities does not necessarily lead to their (economic) empowerment. One commonly used definition is “a woman is economically empowered when she has both: a) access to resources: the options to advance economically; and b) agency: the power to make and act on economic decisions”.

Access to resources includes access to assets such as land and equipment, as well as to services such as training and financial services. Agency is the ability to make autonomous choices and transform those choices into desired outcomes. It includes control over resources and income, but also capabilities and self-confidence.
## SUCCESSFUL MODELS TO EMPOWER WOMEN IN OUTGROWER SCHEMES

### NEW ROTATIONS FARMING ZAMBIA (NRZ)

**LOCATION**
Lusaka, Zambia

**CROP**
Groundnuts

**TYPE OF SCHEME**
Commodity aggregation

**SDU INVOLVEMENT**
Direct support to CHC Commodities (shareholder of NRZ)

**FARMERS IN SCHEME**
3,078

**PERCENTAGE OF FEMALE FARMERS**
52%

**DESCRIPTION**
Procurement, processing, marketing and variety improvement. Farmers supplying to NRZ receive a price benefit of approximately $33. Most farmers supply directly to NRZ and receive extension services, participate in demo plots and training in good agricultural practices (GAP) and receive access to improved seeds.

### TROPHA ESTATES LIMITED (TROPHA)

**LOCATION**
Northern Region, Malawi

**CROP**
Chillies, paprika, and macadamias

**TYPE OF SCHEME**
Contract farming and commodity aggregation

**SDU INVOLVEMENT**
Direct support to Tropha

**FARMERS IN SCHEME**
4,216

**PERCENTAGE OF FEMALE FARMERS**
32%

**DESCRIPTION**
Purchase of dried chillies and paprika, provision of extension services. It has started the development of macadamia outgrower schemes. The annual uplift (2016) in income for smallholders selling to the company was $28 for chillies and paprika and $40 for macadamias.

### PHATA SUGAR COOPERATIVE (PHATA)

**LOCATION**
Lower Shire Valley, Malawi

**CROP**
Sugarcane

**TYPE OF SCHEME**
Cooperative

**SDU INVOLVEMENT**
n/a

**FARMERS IN SCHEME**
1,113

**PERCENTAGE OF FEMALE FARMERS**
40% for Phata 1, to 44% for Phata 2

**DESCRIPTION**
Members are guaranteed a minimum payment and the scheme allows for an annual distribution of dividends. Agricane manages the business and trains members on managing the cooperative. Income uplift for Phata 1 smallholders amounted to $234 per farmer in 2016.

### GULU AGRICULTURAL DEVELOPMENT COMPANY (GADC)

**LOCATION**
Gulu, Northern Uganda

**CROP**
Cotton, sesame and chillies

**TYPE OF SCHEME**
Contract farming

**SDU INVOLVEMENT**
Direct support to GADC

**FARMERS IN SCHEME**
15,000 under SDU support

**PERCENTAGE OF FEMALE FARMERS**
60%

**DESCRIPTION**
Aggregation and processing, providing inputs, training and marketing access for its farmers. Mostly cotton and sesame. The annual uplift in income is expected to be $251 per farmer.

### NWK GRAIN HANDLERS LIMITED (NGHL)

**LOCATION**
Copperbelt Province, Zambia

**CROP**
Maize, wheat, soya and sunflower

**TYPE OF SCHEME**
Commodity aggregation

**SDU INVOLVEMENT**
n/a

**FARMERS IN SCHEME**
3,496

**PERCENTAGE OF FEMALE FARMERS**
10%

**DESCRIPTION**
Market access, customer service, a transparent price and payment of cash-on-delivery. Income uplift for smallholder farmers selling to NGHL was $31 per farmer in 2016.

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6 Figures from 2016, AgDevCo’s website
7 Figures from 2016, AgDevCo M&E data
8 Estimated from GADC/SDU baseline survey, June 2017
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Based on the referenced literature research and analysis of the five cases, ten principles of success could be identified. Each principle is explained using one or more examples from SDU-supported outgrower schemes or other outgrower schemes supported by AgDevCo. Other possible interventions are suggested based on experiences from other key players in the agriculture and impact investment field.

PRINCIPLE 1: SCALE UP AND PROFESSIONALISE WOMEN’S CROPS

Businesses that invest in typical “female” value chains or crops automatically target many women. Women can be directly empowered if the yields or quality of crops managed by them improves, or if they receive a better price for their products.

Women often participate in value chains with lower economic returns than men and manage subsistence crops such as groundnuts or beans. Businesses can turn these challenges into opportunities by addressing constraints of women, such as limited access to inputs, technologies, and other productive resources.

When crops that are typically produced by women start becoming profitable, men become more interested in growing and marketing these crops and can potentially overtake women as the main suppliers. Therefore, agribusinesses need to be aware of this and ensure women do not lose ownership. Interventions can focus on strengthening women’s capacities, sourcing directly from women’s farming organisations, and engaging men as supporters and gender champions.

LESSON NRZ

NRZ buys groundnuts mostly from women, who traditionally are the managers of this crop. Most female suppliers are able to decide themselves about production and marketing. Women are also normally the ones spending the income from the sale of groundnuts. These are important indicators of economic empowerment: women are able to make autonomous choices and have access to the market. Since the company started buying groundnuts, and thus providing a reliable market, the women’s husbands have become interested and the company noticed an increase in the number of male suppliers.

The involvement of men could increase the production, as men generally can allocate more land and have access to additional labour resources. NRZ therefore intends to promote collaboration and sharing of benefits within households as well as sensitising the men to support their wives, so that women do not lose their decision-making power and income.

PRINCIPLE 2: ENGAGE WOMEN AS EQUAL ACTORS IN MALE-DOMINATED VALUE CHAINS

In more male-dominated value chains, women are often less visible although they do contribute significantly to production. Women tend to be underrepresented in farmers’ organisations and are less likely to participate in trainings due to domestic responsibilities. Therefore, women’s important roles risk being unacknowledged or undervalued. Companies can identify women’s and men’s roles in the value chain using tools like gender-sensitive value chain mapping and activities/resources profiles. This helps to understand how gender inequalities affect issues like productivity and efficiency, and consequently to develop targeted interventions to increase women’s participation and the benefits they receive from it.

LESSON NGHL

NGHL: The percentage of female suppliers to NGHL is low at 10%. This figure, however, underestimates the contribution women make, as women participate in all productive activities. Married women are, however, hardly involved when it comes to selling the produce to the company and hence do not appear in the company’s registration records. A gender study conducted in 2016 helped to bring visibility to women’s contribution to the production process and pointed out specific obstacles for women such as dependency on husbands for market access, information on sales, and bringing back cash.

The remaining eight principles contain specific suggestions to ensure women benefit more equally across all value chains.

Groundnut producer learning about post-harvest techniques, including identification of damaged pods.
PRINCIPLE 3: ENSURE WOMEN BENEFIT FROM TRAINING

There is evidence that women are fast learners and early adopters of new technologies, however, they face more limitations\textsuperscript{11}. There are several ways to ensure that women and men benefit equally from training, extension services, demo plots and technical information. If the attendance of women to trainings is not equal to that of men, it is recommended to find out why women are not attending and what could be done to improve this.

Possible interventions are to adapt the training to women’s capacities (literacy and skills), mobility (providing transport, organising trainings close to home and using demo plots with female and male farmers), schedules (women may be too busy in the mornings and not available for multiple days in a row), and needs (for example, ensuring childcare). It is important to invite both women and men to trainings and to communicate relevant information directly in local languages and potentially via mobile technologies (SMS, voice message, radio messages) that women can access. The content itself also needs to be non-stereotypical and inclusive of all farmers: male, female, young and old.

LESSON

Many of GADC’s organic cotton farmers are organised in Village Savings and Loan Associations (VSLAs). The VSLAs consist primarily of women and are in a better position to purchase in bulk and reduce the cost and time of collecting smaller quantities of produce from many farmers. It is easy to roll out training through VSLAs and thereby increase women’s access to information and knowledge. GADC also uses innovative Information Communication Technology (ICT) solutions that ensure both men and women are trained and informed, such as short videos that can be shared on smartphones within these groups.

NRZ engages mostly female, local farmers. These farmers are able to organise and inform other women in their community. Out of the 40 demo plots it organised, 19 were led by women\textsuperscript{12}.

PRINCIPLE 4: ENSURE WOMEN ACCESS PRODUCTIVE RESOURCES

According to the FAO, if women had the same access to those resources as men, they would produce 20-30% more food on their land\textsuperscript{13}. Productive resources such as land, technologies, inputs, (hired) labour, equipment, and finance are key to economic empowerment.

Agribusinesses that provide inputs, technologies and other resources to farmers, may notice that certain groups, such as young women, do not make equal use of their products. It is important to assess accessibility and relevance of the products to the different user groups as it helps in developing solutions. Interventions could include ensuring women are directly informed about such opportunities or bringing products closer to them.

Agribusinesses may opt to provide extra resources to women, for example by providing equipment directly to women’s groups (on credit). Some companies make products available that are specifically of interest to women, such as time- and labour-saving technologies that reduce women’s work and/or domestic time burden. For example, establishing water points closer to women’s homes or providing processing equipment can reduce women’s time burden and free up time to spend on farming activities.

A potential way to address women’s obstacles to land ownership is to collaborate with women’s cooperatives that pool small plots of land together and share other resources. Other ideas are to collaborate with other companies, such as financial institutions and encourage them to revise stringent collateral requirements that often exclude women from access to finance and to develop alternative loan programmes.

LESSON

NRZ: Although women decide themselves about producing groundnuts, they are limited in resources partly because of their relative lack of power in the household. It is difficult for female farmers to increase production as they cannot easily use hired labour or “command” labour from other family members. Also women can often not access more land or equipment (shellers). Therefore they grow small amounts and only a few women can sell shelled groundnuts. This obviously reduces productivity. NRZ therefore tries to ensure that women can access inputs (improved seed varieties) and products provided by the company by supplying shellers to women’s groups and setting targets to purchase from women.

GADC makes technologies (mechanisation) available that ease the work burden of men and women. An example of this is ox drawn rippers that are pulled by a pair of oxen with a wide yoke that can be used for weeding, a highly laborious job that is mainly done by women.

\textsuperscript{11} ACDI/VOCA 2014, The business case for women’s participation in agricultural cooperatives and MADE 2016: Providing input credit for women out-growers is a good return on investment case study.

\textsuperscript{12} AgDevCo, Annual Report 2016.

\textsuperscript{13} FAO 2011 The state of food and agriculture: women in agriculture, closing the gender gap for development.
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PRINCIPLE 5: IMPROVE MARKET ACCESS FOR WOMEN

Women are often limited in their access to the market because of mobility constraints, having multiple responsibilities at home, vulnerability to (sexual) harassment and violence. Moreover, marketing is often seen as a man’s job.

As a company, it makes sense to improve market access for women, for example by aggregating produce locally or providing transport. Companies can also source directly from women’s groups. These interventions may lead to an increased and more reliable supply. Having market access empowers women as they receive information first-hand and get more involved in decisions on spending income.

LESSON
NGHL has two buying points and farmers deliver their produce from up to 150 km away. In male-headed households, women participate in all activities necessary to produce grains. However, at the buying points they are hardly to be seen. Married women are hardly involved in the marketing aspects because this is seen as “men’s work”. Also, it is considered unsafe for women to travel long distances with cash on them. The dominant role for men in marketing contributes to women being invisible as producers. This may lead to women missing out on crop and market information as well as not benefiting from the income. The company has considered putting up local aggregation points, as this would also increase its supply. At the moment this is not possible, but NGHL has improved on ensuring safety at buying points for female and male suppliers by making payments to bank accounts (instead of cash payments).

GADC engages buying agents who aggregate the product locally. Together with other interventions by GADC, this has empowered female smallholders as it addresses women’s limited mobility as a constraint to market access (see principle 10).

PRINCIPLE 6: ENSURE THAT CONTRACT FARMING SCHEMES OFFER EQUAL OPPORTUNITIES FOR WOMEN AND MEN

It is common practice within contract farming schemes to register all farms under the name of the household head, typically a man. Such practices may, however, contribute to a lack of women’s agency: power to decide about the production and sales. Outgrower schemes can ensure more equal opportunities for women and men by adapting the contracting criteria. Agribusinesses may opt to base contracting eligibility on the principle of control: as long as a farmer has been assigned land where he/she has control over the produce, he/she can become a member, regardless of whether he/she has ownership rights over the land itself. This allows married women to sign contracts on their own. Other options include the registration of both spouses in a household and the registration of women’s groups.

LESSON
The Phata sugarcane cooperative consists of farmers that have contributed their land to the cooperative and, since land titles are in the names of men, this mostly benefits men. In the first phase, 40% of members were women. The percentage of women increased to 44% in the second phase. This was because membership was not limited to household heads but it was open to individuals within households. In some families, men gave a piece of land to their wives so that they could be members by themselves. This has enabled more women to get a voice in the cooperative and to directly receive benefits including the payment of dividends.

Women in Tropha’s chillies and paprika outgrower communities have made significant progress in terms of their empowerment. Within the outgrower households, women are more involved in decisions about producing cash crops, selling crops and animals, and the use of income. Tropha’s registration process has most likely contributed to shared decision-making. Each contracted farmer is provided with a unique registration number and women and men from the same family are registered as individuals. These registration details are verified when outgrowers simultaneously sell their product to Tropha and receive payments.

GADC contracts individual farmers in a household. Together with other interventions, this has empowered women (see principle 10).
PRINCIPLE 7: ENSURE WOMEN BENEFIT FROM INCOME

Commonly in farming households, women have little say in the management of the business and use of profit, although they take up much of the productive work. In some situations women may not benefit at all and money is spent without their knowledge and approval. This not only disempowers women, but it may also have negative effects on productivity as women may reduce their labour inputs or even decide to sell part of the produce by themselves to other buyers, at potentially less favourable prices. Ensuring women benefit from income also contributes to achieving qualitative development impacts as women typically spend a larger fraction of income on food for the household, childcare, education and health\textsuperscript{15}.

It is worthwhile to find out if women and men have different needs in terms of payment that can be met. Agribusinesses can adapt the payment system, for example by changing the frequency and timing of payment, paying suppliers via bank or mobile phone instead of cash, or ensuring that husbands and wives are both registered and collect payment together.

LESSON

Phata cooperative members have improved their socio-economic well-being due to their participation in the cooperative. However, in many male-headed households, women reported that their husbands spend the dividends by themselves and not necessarily on the family. Signing contracts with individuals within households has enabled some women to benefit directly from the payment of dividends. The problem of unequal sharing and decision-making within households, however, persists for many female farmers and Phata has therefore developed a gender policy that addresses these issues. Possible solutions are to pay dividends more often, payment to joint bank accounts, and payment at the start of the school period.

Tropha: women and men in the same family receive payment as individuals. Women reported substantial socio-economic improvements and increased household food security as they can use the profits from sales to improve the yield of food crops.

PRINCIPLE 8: PROMOTE EQUITABLE SHARING AND JOINT BUDGETING IN THE HOUSEHOLD

Household approaches focus on more equitable sharing of responsibilities and decisions at the household level. One component of such approaches is training of spouses in joint planning and sharing of workload, transparent information sharing on production, practices and marketing as well as joint decision-making on the use of benefits from production and on household expenditures. This is non-confrontational as it engages men and women and promotes harmony within families. Trainings are most effective in combination with the use of local change agents and broader gender awareness programmes in the community.

LESSON

Together with the NGO Mercy Corps, GADC was able to train farmers in household budgeting and decision making. Alongside other interventions, this has led to improved well-being and empowerment of women as families make more decisions together.
PRINCIPLE 9: PROMOTE WOMEN’S PARTICIPATION AND LEADERSHIP IN FARMERS’ ORGANISATIONS

Women’s participation in farmers’ groups and cooperatives tends to be limited. One of the reasons is that membership of such organisations is often based on land ownership. Since participation in farmers’ organisations is crucial for accessing inputs, equipment, training and markets, it is important to increase the percentage of female members to ensure they benefit from this.

At the level of leadership, women are even less represented. Several studies prove that organisations with women in leadership positions outperform those without female leaders, due in part to reducing groupthink\(^{16}\). Farmers’ organisations with more balanced leadership will better serve the needs of women and men. Furthermore, female leaders can be role models for other (young) women.

Agribusinesses can decide to source from farmers’ organisations with gender-balanced leadership. Women’s leadership can be stimulated for example by setting quotas for women’s representation on Boards and Committees, encouraging women to become candidates for elections and providing extra training or mentoring to women so they can succeed.

LESSON

Women’s participation at Phata’s cooperative leadership level is low for the board (8%)\(^{17}\). At the executive and subcommittee levels, women’s participation is significantly higher at 27%. The gender inequalities at the cooperative’s leadership level are mainly affected by factors that are cultural (men are seen as leaders, women don’t speak in public), structural (women have a lower level of education and command of English), and institutional (educational and language requirements for leaders). Therefore, the cooperative is currently investigating how it can take temporary measures that ensure that the number of women elected in leadership positions goes up, as well as longer term interventions that will sustain these efforts and also strengthen the quality of women’s participation (including mentoring women and raising awareness).

PRINCIPLE 10: SHARE SUCCESS STORIES OF GENDER-SENSITIVE BUSINESS PRACTICES AND MAKE THE BUSINESS CASE

A growing body of evidence confirms that gender-sensitive business practices can increase the sector’s productivity and profitability and strengthen value chains. Successful case studies are needed that motivate agribusinesses, investors, and other key players to empower female smallholders. There is still considerable room for improvement on reporting quantitative measures, such as Return On Investment (ROI) or Social Return On Investment (SROI) to measure financial, environmental and social impacts relative to resources invested and therefore it is crucial to highlight and share success stories and to improve the communication of the gender business case to agribusinesses in particular.

LESSON

GADC has implemented a number of gender-specific interventions. The interventions mentioned in this study - ensuring that women and men benefit from training, improving market access for women, contracting individual farmers in a household and training farmers in household budgeting and decision making - have all contributed to women’s economic empowerment at GADC. Almost half of the registered farmers are women. Domestic violence has reduced and families make more decisions together. Households are sending more children to school and are investing in improved housing and vehicles, and they spend less on alcohol. The interventions have also led to positive results for the company: increased yields, improved quality, and a loyal supply base. Therefore, these experiences make a good business case for gender and should be shared widely. GADC has been supported by the NGO Mercy Corps, which shows the value of collaborating with development partners.
CONCLUSION

This study showcases practices from SDU/AgDevCo-supported agribusinesses and how these affect women’s empowerment. As highlighted in this study, empowering female smallholders is not only fair, but it is also in the commercial interest of agribusinesses. The five agribusinesses in this study operate in different contexts and have various degrees of gender inclusion and hence different outcomes. In some of the outgrower schemes, gender inclusion has led to successes in terms of women’s economic empowerment and/or for the business itself; other companies are yet to start implementing gender actions.

It is not possible to come up with a “set menu” of gender interventions. Given the diversity in contexts and complexities of developing relevant and commercially interesting interventions, each company and business model may require different gender actions.

Therefore, the principles in this study are to be used as general guidelines, and the case descriptions for inspiration. Agribusinesses are encouraged to find out which gender-based constraints affect their business, pilot interventions, collect more information and consult with experts.

Although this study is about women’s empowerment and most interventions directly target women; men should be engaged as possible supporters and gender champions. Gender equality includes women and men and should benefit all.