

HOW MUCH IS BEING DONE FOR THE WORLD'S 450 MILLION SMALL HOLDER FARMERS?

Two billion people in low and middle income countries depend on agriculture for their livelihoods. We consider what is being done and what could be done differently.

SMALL Development

\$8.4B

Technical Assistance

8.4 billion of this 191 billion total was spent on Technical Assistance (TA), that more directly provides assistance to farmers.

\$191Billion

US dollars were spent in 2011 in low and middle income countries on developing the agricultural sector

BIG Development

- Infrastructure (e.g. roads, dams)
- Price & input subsidies
- Watershed management
- Public administration & agricultural research

\$7B

GOVERNMENTS

Fact: Most governments spend between 0.3-0.5% of agricultural GDP on extension services for farmers

\$1.1B

INTERNATIONAL DONORS

Fact: Six donors account for over 70% of spending on technical assistance, working through fewer than 100 international technical assistance providers

\$0.27B

CORPORATES

Fact: Major agricultural companies dealing in exported crops, such as cocoa and cashews, are increasingly investing in supporting the growth of rural communities through direct programming

$$\text{\$8.4 Billion} \div 450 \text{ Million} = \text{\$18.66}$$

US dollars in 2011 smallholder farmers Average TA / farmer

\$18.66 equates to:

1 day of training



or 2 bags of fertilizer



or 3 cocoa trees



or 1/4th of a cow



Technical assistance is a critical part of increasing incomes and growing resilience in rural farming families through:

Enabling access to finance

Fact: There is an estimated \$450B financing gap for SHFs around the world



Rudimentary small house or set of huts



4-5 people per household



Small vegetable garden

Promoting diversification
Fact: Most SHFs are not taking advantage of unused land or resources to diversify risk

Connecting SHFs to markets

Fact: Less than 10% of smallholder farmers are aggregated into producer or other organizations that connect them to markets

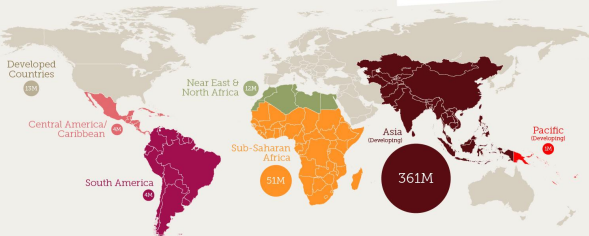
1.5 Hectares of staple crop

A few animals such as 1 goat and some chickens

2 Hectares of land in a rural area with dirt road entrance

Providing access to inputs and agronomic training
Fact: Most SHFs are achieving less than 40% of the yields of model farms due to poor use of inputs and outdated farming practices

With 450 million farmers close to the point of general subsistence, **is enough being done?**



Global number of smallholder farmers: 450 Million

We believe that **more** can be done.

Technical assistance providers

- Design programs that complement the growth opportunities of agriculture and food businesses
- Establish consortiums to define common standards, share knowledge and best practices, and improve quality of delivery
- Coordinate complementary programs in overlapping value chains and geographies

Donors and funders

- Support government extension systems to sharpen and improve the impact of their services
- Incentivize and support financial institutions to develop and deploy viable products for smallholders
- Coordinate financial tools and technical assistance to simultaneously address multiple constraints across markets

The Initiative for Smallholder Finance is a multi-donor initiative hosted by the Global Development Incubator to build research and development infrastructure in the smallholder finance industry and make progress toward filling the gap in financing through targeted product development, piloting, and partnerships

For more information on the findings from this research please see www.globaldevincubator.org/isf