BACKGROUND: THE CHALLENGE OF SMALL-SCALE FARMING

Throughout the developing world, millions of small-scale farmers struggle to find ways to increase their incomes and improve their livelihoods. A range of obstacles prevents small-scale farmers from maximizing the return on their production, including unsustainable land use; limited access to inputs due to lack of access to credit; lack of technical expertise in production, post-harvest handling and processing of crops; limited control over terms of trade due to lack of market information and marketing capacity; and limited collective action.

LWR’S APPROACH: THE AGRICULTURAL VALUE CHAIN

To address these challenges, LWR uses an agricultural value chain approach to improve the livelihoods of millions of people across sub-Saharan Africa, Asia and Latin America. This approach includes a set of interventions by chain actors and service providers to generate higher value-added for agricultural products and create win-win relationships among chain actors.

Promoting Sustainable Land Use and Natural Resource Management

LWR works with farmers to improve the quality of their farmland through soil conservation, water retention, crop diversification and promotion of agroforestry and silvopastoral land use models, thus creating sustainable farming conditions for generations to come.

LWR VALUE CHAIN INTERVENTIONS:

- Seed development
- Improved post-harvest handling
- Warehousing and transportation
- Enhanced processing and value addition
- Pre-harvest financing
- Increased market linkages
Increasing Access to Markets
LWR and its partners help farmers produce clean, labeled and export-grade products, targeted at regional and international markets. LWR works with farmer groups and associations to assist them in meeting the strict requirements of lucrative specialty agricultural product markets. This requires traceability of the product from seed selection, to cultivation, to post-harvest processing, to warehousing and to final sale. Often, farmers benefit from certifications achieved in this process, such as Fair Trade or organic, resulting in an increase in sale price and incomes.

Leveraging Community Assets
Together with local partners, LWR works to assess community assets and needs in a participatory manner, with a special focus on women farmers and leadership development. LWR works with community based organizations (CBOs), cooperatives and second level associations of small-scale producers to identify initiatives that will improve their livelihoods through strengthened relationships with chain actors.

Increasing Access to Inputs through Sustainable Financial Empowerment: LWR’s Tripartite Model
In Africa, LWR connects farmers’ associations with local lending institutions to increase access to credit for inputs and pre-harvest financing. This Tripartite Rural Financing Model is a formal three-way partnership, whereby LWR provides a partial loan guarantee, as well as capacity strengthening and management training for farmers, as a collateral guarantee to a lending institution, which then provides loans to association members. As a result, farmers develop a relationship with a lending institution previously beyond their reach and increase their capacity to manage and successfully repay loans, a key step to ensuring long-term access to credit.

Building Farmer Technical Capacity
LWR works with local farmer groups to access technical advisory services for a more effective use of inputs to reach optimum yields and improve the quality of outputs through enhanced post-harvest handling, processing, and marketing. This results in improved quality production and increased farm yields. Improving relationships along the value chain helps farmers’ associations achieve economies of scale to reduce unit costs of inputs and outputs; increase access to credit, technical assistance, transport, and price information; and manage viable enterprises and commercial relationships.

PROGRAM HIGHLIGHT – NICARAGUA
Quality Coffee for Export
In Nicaragua, LWR is improving the quality of small-scale coffee production through building technical capacity in post-harvest processing and increasing access to specialty coffee markets. Between 2007 and 2012, 1,762 coffee farmers sustainably farmed 3,731 acres of market crops; generated 5,605 full time jobs; produced 5,400 tons of coffee; and generated sales of $17.4 million. Twenty-six cooperatives are producing under environmental certification and the project has also equipped 19 cooperatives with coffee processing equipment, including wet mills and depulpers, and it has helped 18 cooperatives to achieve organic certification. USAID funded 56% (or $2,559,656) and LWR and other non-governmental sources supported 44% ($2,009,055) of the $4,608,711 total program cost.