A guide to developing inclusive outgrower schemes

Realising your full business potential through a well-designed smallholder outgrower scheme

2019
Do you currently have a smallholder outgrower scheme? Are you wondering how to improve your business performance? Or are you planning to develop a new outgrower scheme?

AgDevCo has found that more inclusive outgrower schemes benefit agribusinesses. This guide will help businesses like yours to realise greater business potential by developing a more inclusive outgrower scheme in three simple steps.
To develop an inclusive outgrower scheme and to realise your full business potential, follow these three simple steps:

**STEP 1** UNDERSTAND
The first step is to understand the current gender gaps that may affect your business.

**STEP 2** PLAN
The next step is to develop a plan that will turn the objective of developing an inclusive outgrower scheme into reality.

**STEP 3** IMPLEMENT, MONITOR, IMPROVE
Finally, you need to put your plan into action.

**WHAT IS AN “INCLUSIVE” OUTGROWER SCHEME?**
An inclusive outgrower scheme is a commercially viable scheme which aims to benefit your business whilst offering opportunities for both women and men outgrowers equally. This may entail (temporarily) providing more opportunities to women, but it does not mean discriminating against men or aiming for 100% women outgrowers. An inclusive outgrower scheme is designed to make money for your business at the same time as giving both women and men outgrowers the opportunity to be involved and to benefit.

**HOW CAN AN INCLUSIVE OUTGROWER SCHEME BENEFIT YOUR BUSINESS?**
Gender-inclusive outgrower schemes are in the best interest of your business. Potential benefits for your business include:

- **improved product quality and supply chain reliability** – women are known to learn new techniques quickly and to better adhere to instructions received during training;
- **more sustainable commercial relationships** – women typically have higher repayment rates in credit arrangements; and
- **improved customer loyalty and premium pricing** in some markets due to positive branding and reputation as a gender-inclusive business.
The next step is to develop a plan that will turn the objective of developing an inclusive outgrower scheme into reality. This plan is called a gender strategy. This will map out both the targets and how to achieve them through measurable activities. Specific individuals can then be assigned responsibility for implementing these activities.

The gender strategy should include the following.

> **Targets** – set targets based on what you want to achieve. For example, you want to decrease credit defaults, so you increase the proportion of female outgrowers to a target percentage.

> **Baseline** – establish a baseline using the information you gathered in Step 1. For example, use the information you gathered in Step 1 to establish the current credit defaults and proportion of female outgrowers.

> **Activities** – decide on a few key activities which will help you meet your targets. It is better to keep things simple and focus on a small number of achievable targets.

> **Don’t re-invent the wheel**, there is a lot of good guidance available, and you may be able to talk first-hand to other businesses doing something similar.

Here are some examples of activities that have worked for many companies:

> Increase women’s membership of outgrower schemes
> Target female-headed households
> Ensure women and men are trained
> Ensure women benefit from products and services

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**Step 1: Understand**

The first step is to understand the current gender gaps that may affect your business.

Gather information from your business records on the ratio of men to women who:

> have their name on the outgrower contracts;
> receive payments directly;
> have jobs as lead farmers; and
> attend trainings.

A tip to remember when gathering and interpreting this information: women and men have different needs depending on their age, marriage status, religion and ethnic group.

Collect feedback from outgrowers by organising discussions with groups of women (married women and female heads of households) and men outgrowers, in separate groups. Key questions to ask during these discussions include:

> How do women and men contribute differently to the production process?
> Do women and men have different access to land, finance, time, inputs, products and services when farming?
> To what extent do women and men take part in deciding about what to produce, how to use resources and how to spend income?

If you are just starting an outgrower scheme, you can conduct similar discussions with potential outgrowers, focusing more on identifying the different needs of women and men farmers.

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**Potential Risks!**

Sometimes women are inadvertently disadvantaged as a result of their participation in an outgrower scheme. When you gather information, look out for the following risks:

> increased time burden;
> spending time and land on cash crops instead of food crops for the family to eat;
> increased debts; and
> conflicts between household members.

For example, sustainability certification programmes that involve fair trade or organic production may increase women’s involvement in farm labour but may also increase their time burden and reduce their time available for other income-generating activities.

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**Step 2: Plan**

Feed the Future has a tool called the Gender Integration Framework which you can use to plan your gender strategy. It helps you to identify a specific gender-based constraint to address, define a desired outcome, specify required activities and set indicators to track progress. Here→
Ensure women benefit from income
Promote farming as a family business

Increase women’s membership of schemes
What typically happens is that outgrower contracts are signed by the head of the household, who is often a man, even if women contribute to more than half of the farm labour required. This is a problem because often only the person who signs the contract is explicitly invited to trainings, receives inputs on credit or gets paid.

To ensure that women are more visible and directly share in the benefits consider the following.

Train staff who recruit farmers into the outgrower scheme to convince farmers to break preconceived ideas about traditionally male or traditionally female crops and tasks.

Allow more members in a household to sign contracts individually or allow both husband and wife(s) to be signatories on the same contract so that both get access to trainings, products and services as well as income.

Change membership criteria from requiring ownership of land to requiring a right to use land. Do not include minimum land size as a criterion for membership.

Source from women’s cooperatives and farmer organisations with equitable leadership, or women’s groups within cooperatives. If farmer organisations are dominated by men, companies can encourage and support these groups to review their membership criteria and improve women’s access e.g. if women do not have the required formal educational and professional qualifications, women that have a particular community leadership role could be recruited.

Companies that form farmers’ groups can set gender targets for membership and leadership.

Pro-actively recruit women members using women staff and networks which women take part in, such as church groups. Where possible, work with the community (incl. men) to ensure that the community accepts and understands why you want to engage more women.

Example of a gender strategy
Objective: to develop a commercially viable scheme in which women and men smallholders are recognised as farmers and apply good agricultural practices.

Targets:
> Increase percentage of female contract holders from 33% to 40% in two years.
> Increase percentage of women attending training from 10% to 40% in one year.

Activities:
> Increase women’s membership of schemes by allowing husband and wife(s) to sign contracts on their own.
> Ensure women and men are trained by organising trainings when women can attend and invite the entire household to trainings.

Example: Using female lead farmers and extension staff to promote overall female participation
At Rungwe Avocado Company in Tanzania and Gulu Agricultural Development Company in Uganda, the presence of female lead farmers and extension staff has increased the number of women involved in outgrower schemes as it demonstrates that women can be farmers and it makes them more likely to attend training and ask questions.
Target female-headed households
Female-headed households are often constrained in time and resources and are less likely to join outgrower schemes. Yet these women farmers often have more decision-making power regarding their produce and the use of income (compared to women in male-headed households). It therefore makes sense to target female-headed households as participants in an outgrower scheme. These households often require more (good agricultural practices) training, access to (rental) land, financing, and access to tools and mechanisation.

Ensure that both women and men in households receive extension services
Providing technology and training to only the head of a household (often male) does not ensure that new knowledge is passed along to women, which means that a lot of people farming the crops you buy are not aware of the quality standards you require. One way to encourage outgrowers to recognise the role of all family members in growing a crop is to encourage smallholder farmers to keep records of their labour input, this also helps them to measure crop profitability. To ensure that both women and men are trained and can apply the learnings consider the following.

> Invite all adult household members, women and men, to trainings. It helps to explicitly mention that the women in the household are also invited. Record training attendance.

> At the trainings, encourage women to ask questions and express their views. Set aside specific times in meetings for women to talk and support women to form their own committees – allowing them to meet (separately from men) to form opinions on key topics before joining the main meetings.

> Use women and men trainers, lead farmers and demonstration farmers. Gender-balanced training teams are ideal.

> Adapt training so that it is easier for women to attend. Options on how to do this include: provide transport where possible, organise trainings and demos closer to homes (e.g. consider training via video screenings in the village), organise short trainings, schedule trainings according to women’s availability, develop short training modules on WhatsApp and allow women to bring children or provide a crèche at the training site.

> Adapt trainings to women’s literacy and educational level and use local languages.

> When designing training materials, like documents, pictures or videos, include farmers that are male, female, young and old.

Ensure women have meaningful access to products and services
Your procedures and practices may unintentionally exclude women. Use the information gathered in Step 1 to find out how this is happening. For example, by setting minimum crop volumes per farmer or distributing fertiliser on days or times when women are usually not available. Here are some activities that can help overcome this challenge.

> Ensure women and men are both directly informed about inputs, fertilisers, technologies, credit and other products and services. The easiest way to do this is to use female staff to communicate with outgrowers and use women’s groups in outgrower communities (e.g. a savings group) to share the information.

> Women often cannot travel very far from their communities. To help with this, bring your products and services closer to women, possibly via women’s associations or local lead farmers.

> Improve market access for women as well as men, for example by aggregating produce locally, providing transport or by engaging female buying agents.

> Make products available that are specifically of interest to women, such as time- and labour-saving technologies that reduce women’s time constraints and physical labour requirements.

Example: Registering Household Members as Individuals
The Phata Sugar Cooperative in Malawi understands the business case for gender and has a collective vision that strongly supports gender equality. It is initiating a system for farmers to register household members as individuals, as opposed to registering households as groups, often represented by a male head of household. This led to a reduction in the minimum plot size required to join the outgrower scheme.

As a result, women’s enrolment increased from 41% in 2016 to 46% in 2017 and more women are directly receiving benefits such as dividend payments.
Ensure that women receive payments directly
If your business only makes payments to the male head of household, it is possible that the income will not be used for the benefit of all household members. This can lead to side-selling or lower production and diversion of labour. This decreases the supply to your business. Options to overcome this challenge include the following.
> If you contract husband and wife(s) separately, then pay them individually and directly, using their own bank accounts or mobile phone accounts where applicable.
> If husband and wife(s) are both signatories on one contract, ensure that all signatories are present when payment is made, or payment is made into a bank/mobile money account that both husband and wife have access to.
> Set up the buying points in places that are safe and accessible for women. To find out which areas are safe and accessible for women, use the information gathered in Step 1.
> Increase the frequency of payments or introduce advance payments to female-headed households (who face particular constraints), so that families can cope with large expenditures and side-selling is reduced.

Promote farming as a family business
Gender inequality in households affects the management and business performance of the family farm. You can promote effective household decision-making through household budgeting training. These trainings are non-confrontational and train spouses in joint planning and sharing of workloads, information on production, practices and marketing. To include this type of training as part of your extension services, a member of staff will need to be trained to deliver the training. AgDevCo has access to experts that can help train your staff to take on this role, so if your business wants to do this, then get in touch with AgDevCo.

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**Step 3**

**Implement, Monitor, Improve**

Step three is to put your plan into action. You have your targets and your chosen activities. Now you test if those activities will help you reach your targets.

To do this, you will begin a cycle of implementing, monitoring, and improving.

**IMPLEMENT**

Start your planned activities on a small scale over a set period of time to test if they work.
Select a particular geography, crop, or service to test your new activity. Then pick a timeline for your test. For example, if your chosen activity is to sign joint contracts with husband and wife(s) within each household, train just one or two staff members to apply this approach to all the new outgrowers in one particular geography and during one season.

**MONITOR**

It is important to measure whether your tested activity is working.
Use your baseline, from Step 1 and 2, as a starting point. Then measure progress against your target at regular intervals and then again at the end of the set time period for the test. Include measurement of the target into staff members’ daily activities. Train these staff members to accurately record the changes and store the information in a safe place.

**IMPROVE**

When you have finished testing your activity, use the measurements against targets to see if the activity worked. For example, if your target was to increase the number of women attending training, and after testing the use of joint contracts the number of women attending training does not go up, you know the test did not work. Use discussions with separate groups of men and women (like in Step 1) to find out why it did not work. Use this information to improve or change your activities to reach your targets.

If your test was successful, start scaling it up!
ACKNOWLEDGEMENTS

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