

UNSUNG HEROES

HOW SMALL FARMERS COPE WITH COVID-19



International
Trade
Centre

ALLIANCES
FOR ACTION

TRADE IMPACT
FOR GOOD

Unsung Heroes

How Small Farmers
Cope with COVID-19

About the report

The global pandemic has hit small farmers with disruptions in health, food security, transport, finance and demand. It has also increased the cost of doing business. Smallholder farmers, already dealing with the effects of a climate and price crisis, are taking emergency measures for resilience. At the same time, they are preparing long-term strategies to regain competitiveness.

This report relays the message of smallholder farmers on COVID-19 impact and recovery. It provides insights on what support they need from all value chain actors.

It builds on 14 interviews with partners of the International Trade Centre's Alliances for Action programme.

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Digital image on the cover: Farmer in Jimma, Oromia, Ethiopia (Oromia Coffee Farmers Cooperative Union).
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Foreword

This report offers a glimpse into farming communities at the frontlines of the COVID-19 crisis, whose story largely has been in the shadows.

These farmers produce the food that sustains us and contribute to global food security. Meanwhile, they deal with challenges linked to a triple livelihood crisis triggered by climate change, volatile commodity prices and the COVID-19 global pandemic.

We share their stories through the testimonials of farmer organizations, as well as buyers and institutions that support them. Their insights highlight the critical need to set up emergency responses, while honing competitive growth strategies through alliances.

Our role as an institution is to help small firms in developing countries become more competitive, trade more profitably and improve their livelihoods and quality of life. We operate within a framework of inclusive and sustainable development, guided by the United Nations Sustainable Development Goals.

We have drawn these stories from our Alliances for Action programme and network, which we have developed and refined over time. Alliances for Action encourages collaboration among smallholder farmers, cooperatives, artisans, brands and consumers in order to build more sustainable, inclusive, collaborative and competitive value chains at every step.

This approach makes a tangible impact, by empowering producers and small companies and by promoting climate-smart practices, value addition and product-market diversification. The results are leading to better trade and growth, shock resilience and higher incomes.

The perceptions presented in this report come from longstanding partners who agreed to share candid accounts of a sensitive crisis situation because they have a relationship of trust with the International Trade Centre (ITC). Their openness enables us to learn about real hopes and concerns and to understand what practical, immediate and lasting solutions are needed.

Here is the key: Resilience for today and growth for tomorrow. ITC is fully committed to supporting smallholder farmers and small enterprises to ensure resilience and growth through adversity. Let's join forces to create a network of actors looking to sustainably transform their economies and elevate their quality of life.

To navigate this crisis successfully, we must reform our 'business as usual' scenario through collective action for global and local impact.



A handwritten signature in black ink, appearing to read 'Dorothy Tembo'.

Dorothy Tembo
Acting Executive Director
International Trade Centre

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Acronyms

Unless otherwise specified, all references to dollars (\$) are to United States dollars, and all references to tons are to metric tons.

CARDI	Caribbean Agricultural Research and Development Institute
CLAC	Latin American and Caribbean Network of Fair Trade Small Producers and Workers
FUN	Farmers Union Network
ITC	International Trade Centre

Executive summary

The COVID-19 pandemic highlights that the global food supply is built on the shoulders of farmers and agricultural workers. Without them, the world would struggle to overcome the pandemic.

Small producers, who must grapple with the triple shock of sanitary, environmental and economic challenges, are the most vulnerable. The global pandemic has not initiated a crisis for them – rather, it has simply deepened existing ones.

This report gathers insights into how farmers are dealing with the COVID-19 crisis. It is based on the International Trade Centre's Alliances for Action partners from food value chains in sub-Saharan Africa, the Caribbean, Central and Latin America, and Europe.

Governments across the globe have imposed lockdowns and regulatory measures and curbed travel to contain the spread of the virus. For small farmers in developing countries, this has meant threats to health and food security, rising transport and production costs, huge logistical bottlenecks, input ruptures, drops (and sometimes increases) in demand, and uncertain cash flow and access to finance.

This report shows that Alliances for Action producers have adopted a dual coping strategy:

- emergency responses to withstand and survive the crisis;
- urgent and strategic measures for long-term economic growth.

The current health crisis has deeply affected small producers in developing countries. Yet the years of experience they have had coping with a succession of other crises – from cyclones, floods and drought to the Ebola crisis and civil wars – have taught them, more than most, how to deal with a disaster.

Emergency responses for today

The report provides examples of how producers and agricultural cooperatives in the Dominican Republic, Latin America, Ghana and Liberia are prioritizing measures to keep farmers healthy. It shows how producers and institutions in Ethiopia, Jamaica and other Caribbean countries are building solidarity around social support and food supply.

Information sharing and clear communication channels that flow both ways across the value chain are helping policymakers form strategies and farmers obtain health and safety guidelines. Public-private partnerships to trigger emergency response measures for transport, health protection and logistics are also proving to be effective.

Strategy: Growth for tomorrow

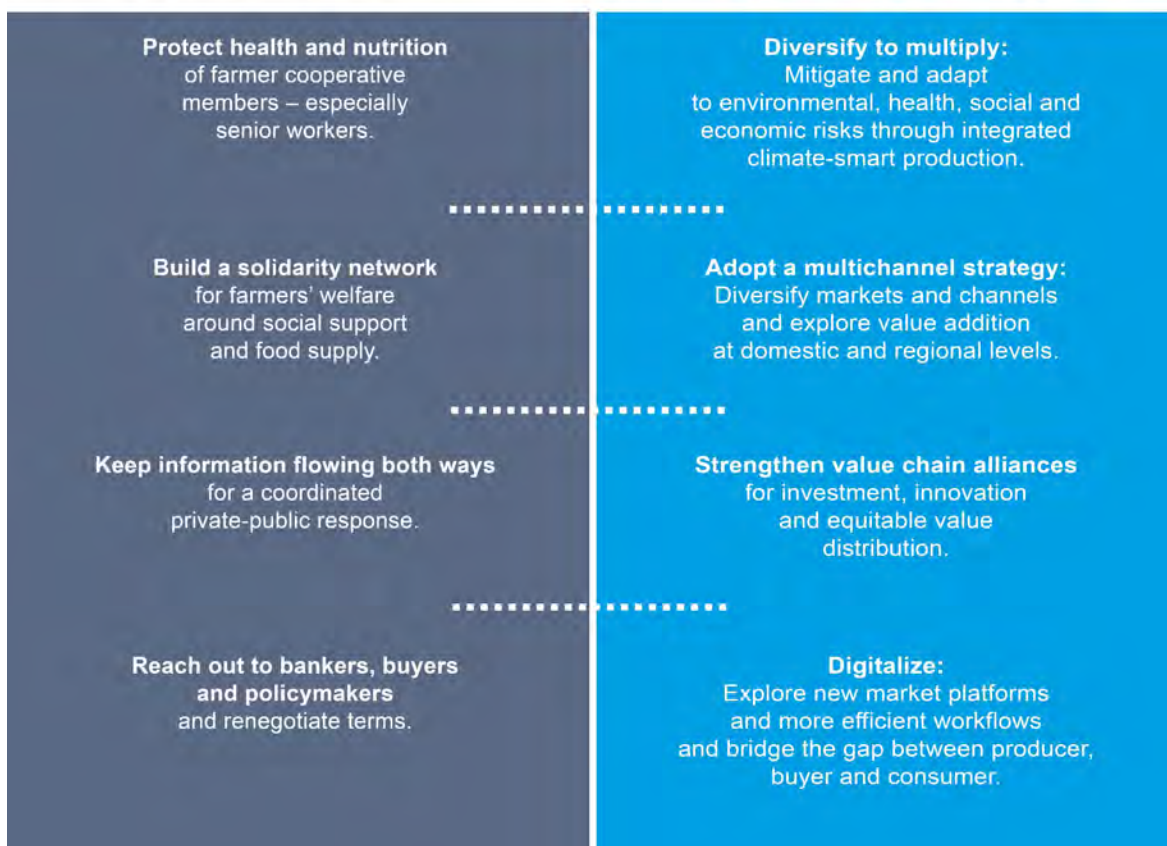
The insights collected in this report suggest that four broad strategies are the most effective to help small farmers go beyond surviving this crisis and also thrive in the long term. These are:

- **Establish integrated, climate-smart production systems** with food crops, cash crops and agroforestry. Diversification makes it easier to adapt to climate change and means better soil quality and productivity. Diversified crop production also improves livelihoods and the welfare of farmers by mitigating income risk, ensuring food security and improving household nutrition.
- **Explore new markets and value addition** to generate better returns, more income streams and new commercial channels. Targeting several market channels at the same time, focusing on local economies as well as export, and branching out into new products can bring in more customers while diversifying market and price risk.

Crisis response framework for smallholder farmers

Resilience: Emergency response

Overcoming adversity: Recovery response



- **Expand alliances for investment, innovation and equitable value distribution.** Investments by buyers, financiers and the public sector in adaptive technology could help farmers become more efficient, scale up productivity and increase their incomes. A relationship of trust and transparency between buyers, producers and value chain operators can also reduce the asymmetries in the distribution of profit.
- **Engage consumers and shift to digital tools and platforms.** Digitalization of working procedures and new online delivery platforms enable producers to get better organized. This means they can reach local, regional and international markets and win new customers. It also responds to the growing demand for responsible production and consumption and bridges the gap between producers, buyers and consumers.

In agribusiness, economic transformation must translate to sustainable returns for smallholder farmers and the micro, small and medium-sized enterprises that contribute to food production across the value chain. However, farmers and farmer organizations cannot do it alone, and their voices are often not represented or not heard. Collective action is key to inclusive, sustainable, productive and commercial alliances engaging individuals, as well as associations, institutions, businesses and policymakers.

Resilience strategies and strategic plans for growth abound within producer networks. These networks are hemmed in, however, by power asymmetries and processes dictated by the status quo.

A shift in consumer mindsets is increasingly challenging this status quo. The pandemic has accelerated this shift, as the world slows down and has time to reflect. Consumers value the people who produce their food and want to hear what they have to say.

Farmers are well equipped to steer the world towards a 'new normal' in the way it produces, trades and consumes. This new normal will have implications for all of us – consumers, industry, development partners and policymakers – in terms of how we can support the resilience and growth of agricultural producers.

CHAPTER 1 'BUSINESS AS USUAL' NO LONGER WORKS

The COVID-19 pandemic has captured the world's attention, as it poses a threat to all nations, sectors and social classes. As the virus sickens and kills people across the globe, countries have imposed restrictions and quarantines in an effort to contain its spread and 'flatten the curve'.

These measures have paralyzed economies and supply chains worldwide.

The crisis also has triggered a much-needed reality check. It has brought to the surface the issues and inequalities inherent in our 'business as usual' mode and magnified its interdependencies, risks, strengths and weaknesses. It is now clearer than ever that the way we produce, trade, organize our supply chains, work, travel, consume and generally operate must change if we want to mitigate the short-term impact and prepare a better future.

Media coverage has focused on 'essential workers' getting the world through this time of insecurity, such as health workers, police and supermarket staff.

But other unsung heroes are at the first step of the food value chain, ensuring that we have food on our tables: smallholder farmers.

It is time to ask how they have been affected. What are their coping strategies? What support do they need to keep going – and, eventually, to recover while improving their livelihoods and



Farmers from the Sidama Coffee Farmers Cooperative Union sort through coffee beans in Fero, Sidama, Ethiopia.
© Sarah Charles for ITC Alliances for Action

competitiveness? And finally, does the way they are adapting their activities mark the beginning of a paradigm shift in commodity-producing countries and regions?

To answer these questions, the International Trade Centre (ITC) gathered testimonials from its Alliances for Action partners from across the food value chains in sub-Saharan Africa, the Caribbean, Central and Latin America, and Europe – from producers, retailers and consumer-facing brands to traders, research and development institutions and policymakers.

ITC interviewed 14 representatives across 11 countries to get an accurate and comprehensive overview of the COVID-19 impact on the food value chain.

Their answers help us understand what small farmers are going through – and what is yet to come.



Swiss chocolate manufacturer Chocolats Halba uses a bean-to-bar process and supports its cocoa suppliers on sustainability issues. © Chocolats Halba

Reorganizing business

The firm representatives who were interviewed provide an industry perspective – a good indication of both what is happening at the consumer end and how it affects producers.

Sales, unsurprisingly, have declined, said representatives of Swiss chocolate manufacturer [Chocolats Halba](#) and German specialty coffee merchant [List & Beisler](#). While shops that sell food and beverages have remained open, consumers have limited access because of quarantine restrictions. In particular, restaurants, caterers and hotel suppliers are struggling.

But some businesses have shown that a little innovation and entrepreneurship can go a long way towards building resilience.

Philip von der Goltz, of List & Beisler, says coffee shops have reorganized themselves, focusing on new channels: grocery stores, web shops and online delivery services.

'Roasters which had standing relations with supermarkets and grocery stores and web shops were able to stabilize the negative effects of the lockdown – and some are even increasing their sales,' Von der Goltz explained. Companies must rely on themselves because 'governmental aid is helping to a certain degree, but it cannot be a long-term solution', he added.

Chocolats Halba has contended with unexpected supply issues, as harbours are partially closed. But the chocolate maker was prepared with a system of buffer stocks, said Petra Heid, the Head of Sustainability. 'It's not only coronavirus,' she noted. 'There are also other climate and civil war situations which we have to prepare for, so this is why we always have stock.'

Joxe Mari Aizega, General Manager of the [Basque Culinary Centre](#), said the world is 'going through a complex and unprecedented situation, where it's necessary to manage contexts that change daily. A global state of emergency of this scope is going to have a profound impact on the gastronomic sector. We need all agents of the value chain of gastronomy to support each other'.

CHAPTER 2 HOW THE CRISIS AFFECTS FARMERS

Developing countries produce most of the world’s agricultural exports, from coffee and cocoa to tropical fruits and vegetables. The core narrative across these countries, their regions and value chains is a shared one.

The story is one of small producers who are very vulnerable to economic and environmental shocks; low incomes and volatile commodity prices; and livelihoods with high labour and operating costs, and limited investment and profit.

Triple threat: Climate, prices, health

Family farmers are now looking at a triple livelihood crisis: climate, prices and global health.

Throughout the Global South, small producers bear the brunt of the climate crisis. Unpredictable weather patterns, rising temperatures, natural disasters and prolonged droughts have reduced agricultural yields considerably. Climate change, together with low access to adaptive technology, ageing populations, volatile markets, price crises (coffee, for instance) and little to no social protection, means that small farmers are always at risk.

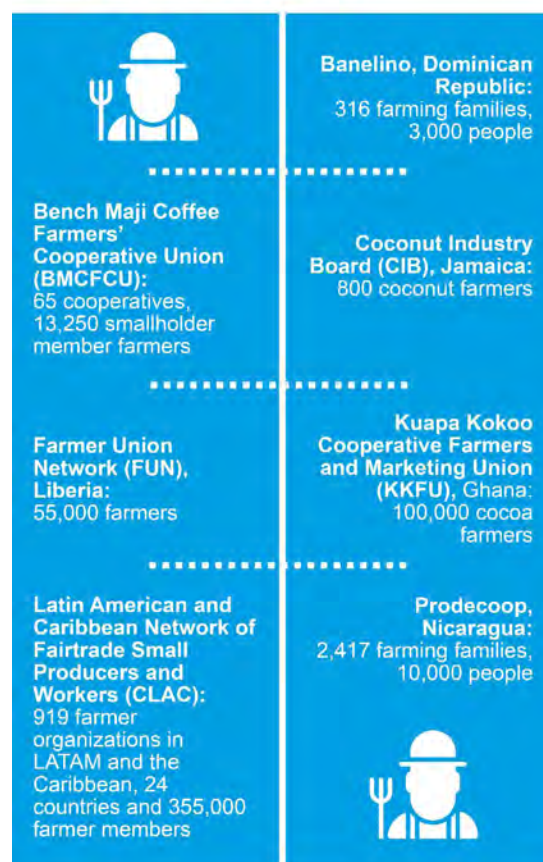
Add to this COVID-19, which has had severe economic and social impacts worldwide. The virus has wreaked havoc on supply chains and aggravated the economic and environmental hardships that producers already were facing.

Karen Mapusua, Manager of Operations, Programming, Performance and Systems of the [Land Resources Division at the Secretariat of the Pacific Community](#), says COVID-19 is ‘really a wakeup call. What we are doing needs to change, and it applies to most external shocks Pacific smallholders face. Due to the challenges faced by our national health systems across the Pacific, border closures and lockdowns have been taken very seriously’.

While about a third of the world’s population has been told to stay home to contain the spread of the virus, most farmers have no option but to go to their fields to keep global food supply chains running.

‘Governments have identified farmers as part of the essential services – similar to police or healthcare workers – so the farmers and team can continue to do what they do best, that is, to produce to support the countries at this stage,’ said Barton Clarke, Executive Director of the [Caribbean Agricultural Research and Development Institute \(CARDI\)](#).

The Producers: Quick Facts





Xiomara Paredes, Executive Director of the Latin American and Caribbean Network of Fair Trade Small Producers and Workers. © CLAC

ITC partners worldwide identified the biggest issues affecting small producers in the short term.

Transport: Higher costs, more restrictions

Getting produce from farms to buyers has become challenging, especially as transportation costs have climbed, say agricultural stakeholders.

‘Transportation has gotten very expensive. It is difficult for farmers to bring their goods to the market because the government has put restrictions on their movement,’ said Josephine Francis, President of the Farmers Union Network of Liberia (FUN) and owner of the organic producer, Arjay Farm.

Producers – especially of coffee – initially saw demand spike as global lockdowns fueled panic buying. But tightening restrictions on the movement of goods could lead to disruptions that ultimately affect the livelihoods and incomes of thousands of farmers, warned Terefe Godi, Export Manager of Bench Maji Coffee Farmers Cooperative Union in Ethiopia.

‘The only real problem we face now is shipping the coffee to our buyers,’ he said. ‘If our buyer cancels the contract because of the internal roadblocks, we lose the market.’

The crisis has affected Prodecoop’s exports to the European Union, said Merling Preza, General Manager of the Nicaraguan coffee cooperative. ‘We have shipments ready, but we are asked not to send all at once or to delay shipments due to reduced international port operational capacities,’ said Preza, who is also President of the Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC).

Countries that rely heavily on imports are also at risk of supply ruptures, said CLAC Executive Director Xiomara Paredes. ‘If stricter measures are applied, we anticipate that we will have issues with the import of food to our countries, as well as the export,’ she added.

Difficulty acquiring inputs – such as seeds, fertilizers and insecticides – also affects production. This is due both to logistics and reduced input production.

Francis fears a seed and input shortage very soon, because Liberia relies on seeds from Mali and Côte d'Ivoire. 'Most countries in West Africa have closed their borders,' she said. 'So it's going to be very challenging for us.'

Both the Economic Commission for West African States and the West African farmer network Réseau des Organisations Paysannes et de Producteurs de l'Afrique de l'Ouest have identified this issue as vital, according to Francis. They are working together so West African producers will be able to obtain good-quality seeds and inputs for the coming farming season, she added.

Health, food security: A two-stage emergency

Still, Francis is worried that COVID-19 will prevent Liberian farmers from continuing to cultivate their land – something they managed to do during the 2014–2016 Ebola crisis.

'During the Ebola time, we were staying in counties and rural areas that were isolated and were safe. We were able to harvest. But in this crisis, we are not too sure if we will be able to do so,' Francis explained.

Health risks and related disruptions to the activities and livelihoods of producers are a major concern. Farmers are particularly vulnerable to COVID-19, Paredes noted. Many producers are over age 60 'so they are very much exposed and at risk', she said.

Farmers who are too sick to work in their fields or sell their produce will earn less money, making it more difficult to buy inputs, cultivate, sell and pay their debts, said Prodecoop's Preza. There are also broader implications.

'This is an emergency in two stages,' she said. 'Health preservation and protection may lead to higher costs, reduced farming activity and lower output. In time, this may lead to lower income, and eventually food security issues.'

Although the pandemic is essentially a health crisis, it undoubtedly will affect the availability and affordability of food in Liberia, Francis said. 'I don't see us having enough rice, because most of our imports come from Asia, as we do not grow our staple food,' she said. 'Are we not worried about that? What will become of us in the next 90 days and even more?'

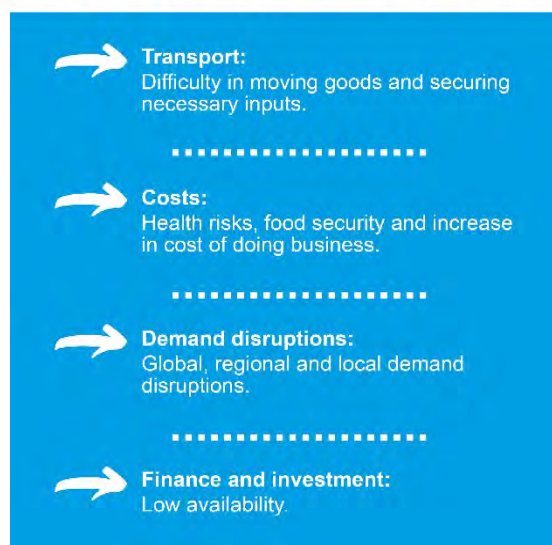
Business costs: On the rise

These factors create financial strains on producer networks, especially in the medium term. In the Dominican Republic, external help is essential to support small farmers and help them survive the crisis, says Marike de Peña, co-founder of [Banelino](#), a Dominican banana farmers' cooperative.

'It's very difficult to bear these extra costs and keep on farming,' she explained. 'Many small farmers probably will pull out if they don't get some extra value in production. This is something that needs to be pushed from the outside.'

Ghana is confronting similar challenges. Extra costs include increased healthcare spending to protect people who work on Ghanaian farms. Doctors estimate that [Kuapa Kokoo Cooperative Farmers and](#)

At a glance COVID-19 Impact on producers



[Marketing Union](#) would need to raise about \$50,000 for protective equipment alone to safeguard farm workers, said Managing Director Samuel Adimado. This is a steep cost for a relatively small family farmers' association that would overwhelm its members, he added.

This is the case in the Pacific, too. Government support is vital to withstand shocks, including COVID-19, according to Mapusua of the Pacific Community's Land Resources Division. In early April, a Category 5 cyclone swept through the Solomon Islands, Vanuatu, Fiji and Tonga, also highlighting the need for diverse cropping systems and supply chains to ensure resilient livelihoods in small island nations, she said.

'But we are also seeing innovations and opportunities to assist smallholders through strategic procurement by governments and the private sector,' Mapusua added.



A farmer from the Oromia Coffee Farmers' Cooperative Union Jimma, Oromia, Ethiopia, shows the effect of climate change on normally bright-red coffee cherries, now damaged and burned. © Meklit Mersha for ITC Alliances for Action

Disruptions in demand: Global, regional, local

Export commodity producers often depend solely on a single income stream associated with export markets – coffee or cocoa, for instance. Any shift in demand – especially a decline – has a trickle-down effect on producers.

With COVID-19, demand in both export and local markets is changing as unemployment rises, consumer incomes fall and economic recession takes over. The crisis is having a financial impact on buyers, processors, retailers and consumers at home and abroad.

Fairtrade sales could drop 15% this year because of the virus, predicts CLAC's Paredes.

Flower farmers in Latin America and East Africa are also suffering from declining demand. These producers rely on air transport – now drastically scaled back – and flowers are not essential items. Fabian Waldmeier of [Fairtrade Max Havelaar](#) described the situation for flower farmers:

Flower shops are closed in many countries and supermarkets in many European countries are no longer allowed to sell cut flowers. Farms can't sell and they now face a severe crisis; there is a risk of them going bankrupt. And with that comes the risk of tens of thousands of workers being laid off. Agricultural workers in Africa don't have good Social Security systems; it means families are going into a really difficult situation of poverty and potential starvation.

Yet there is robust demand for essential commodities such as coffee, cocoa and bananas. In some cases, it has even grown during the crisis. Increased coffee demand among supermarkets has partially offset the significant drop in demand from restaurants and coffee shops, said Banelino's De Peña. The pandemic has had a smaller impact on banana markets, she added.

'Bananas are not expensive and are mainly sold in supermarkets, so demand remains stable,' she explained. 'I don't see any immediate negative impact on producers beyond the increase in costs of production and logistic challenges to get the product on the market.'

Domino effects are yet another type of demand disruption. In early April, Preza said Prodecoop was experiencing a 'domino or wave effect'.

'We are currently having difficulties with EU demand – but not with the United States, which is buying as much as possible before restrictions become tighter. We anticipate that in the future, EU demand will increase and the United States will decrease,' she said.

The crisis also is affecting food imports and domestic consumption. Import-reliant countries, such as small island states, must figure out how local production can cover gaps for basic needs. In the Caribbean's small states, for example, 'there will be increased demand placed on the farming community to respond to this crisis', said CARDI's Clarke. 'Farmers already are being asked to ramp up production in all our member states.'

The huge impact of COVID-19 on the global hospitality industry also has had repercussions for farmers. 'There is a glut on the market for melons, tomatoes, carrots and coconut water, for example, because hotels, restaurants and catering services no longer take them,' said Wayne Myrie, a plant pathologist at the [Coconut Industry Board](#) in Jamaica.

Natural disasters are yet another factor affecting demand – and resilience. Mapusua said the Government of Vanuatu 'remains justifiably cautious in allowing in external assistance following the cyclone and is procuring local food, especially root crops and leafy vegetables, from islands unaffected by the cyclone to distribute to the islands suffering major damage. They are also looking at options for important cash crops that were damaged, such as kava, so they can be safely stored for later processing once the emergency response has passed'.

Slow business means less cash flow, investment

With operations – and profits – slowing down, and funds reallocated to emergency budget lines, producers will be hard-pressed to be paid on time and to secure adequate financing and cash flows for production, pre-harvest and post-harvest activities. In other words, the pressure on producers will intensify in the coming months, if the crisis continues.

Von der Goltz, of the German green coffee merchant List & Beisler, put it in a nutshell: 'In the short term, the name of the game for all business activities in this situation is financial liquidity.'

Liquidity will be the 'make or break' of businesses worldwide during this crisis – producers included.

To alleviate the pressure, producers need more financial support and a rethink of lending and repayment from buyers and financiers. There is little evidence of this happening, however.

Adimado says Chocolats Halba, a major customer of Kuapa Kokoo Cooperative Cocoa Farmers and Marketing Union, has inquired about the condition of the Ghanaian cooperative. But 'there hasn't

been strong commitment in terms of financial support to mitigate some of the challenging situations we are in', he said.

What's more, the crisis has undermined the ability of many small farmer associations to invest in productive capacities and to attract external investments for modernization.



Banelino in the Dominican Republic is intercropping bananas with other fruits such as coconuts and papayas to build resilience and diversify income streams. © ITC Alliances for Action

CHAPTER 3 FARMER RESILIENCE: AN EMERGENCY RESPONSE

The global pandemic underscores the link between farmers and consumers, more than ever. A healthy population starts with nutritious food. This requires healthy, productive farmers as well as enabling policies and sustainable, effective supply chains.

Producers who have not seen demand shrink during the pandemic may be better positioned to survive economically. But demand alone is not enough.

The road to recovery will be difficult. Little financial liquidity or support is available to farmers, who typically have low incomes and no possibility to telework. Many are vulnerable to the virus because of their age, and many are still recovering from other crises. Some governments continue to tighten restrictions to slow the spread of COVID-19, meaning farmers will face even more challenges accessing markets to sell their produce or buy necessary inputs. They might also struggle with high prices for the food they need, because of limited purchasing power.

Producers have turned to a range of tools and strategies to ensure their survival and mitigate the short-term effects of the pandemic. The top priority is ensuring that farmers remain safe.

Protect farmers' health

Quarantine is not an option in this line of work, so keeping farmers healthy is a challenge. Experience with Ebola has provided lessons for some producer countries that they are using to combat COVID-19.

In Liberia, for example, 'because of the Ebola crisis, people are not taking this disease for granted because they know the consequences', said FUN's Francis. 'We're continuing to go to the farms, but we are educating our farmers on prevention and applying social distancing in the best way possible.'

African countries have been swift and strict with prevention measures, as they seek to minimize the economic and health impacts of the virus.

'Immediately what we have done is to engage our medical doctors, where they have developed bullet Dos and Don'ts. The doctors are at the disposal of the farmer members at the district level,' said Adimado of Kuapa Kokoo Cooperative Cocoa Farmers and Marketing Union. 'At the head office, they have done training for all the staff and they have instituted all health precautionary measures.'

Recognizing that these measures will create economic hardships, the Ghanaian cooperative is topping up staff salaries and compensating workers.

Containing the virus is crucial in many producer countries, because they lack adequate healthcare capacity and infrastructure to deal with the pandemic. This is the case in numerous Latin American economies, according to CLAC's Paredes.

Keeping farmers healthy during the crisis will continue to be tricky, said Banelino's De Peña. 'On the supply side, everybody is struggling. Farmers and workers are taking risks that we are trying to mitigate, but if you take into consideration that many small farmers are over 60 years old, this is a major challenge. And their option to stop farming is not really feasible. It would be a high risk for local and global food consumption,' she explained.

Build a solidarity network for farmers' welfare

Although many producers are in isolated rural areas, they are on the frontlines of the global food supply chain. This means that safeguarding their welfare equates to safeguarding food security.

Paredes explained how CLAC is working to ensure its farmers and workers have reliable access to sufficient quantities of affordable, nutritious food:

Producers' first priority is to remain active and to make sure they have enough food. They are increasing their production of food crops. For food at home, at least 15 days stock is required per household. The Fairtrade premium is now being used to ensure that the producers can buy food and that basic emergency needs are covered. The farmer associations themselves are also providing additional support to producers so they can buy food.

In Jamaica, fresh produce left unsold to hotels or restaurants is redistributed to households to avoid waste and food shortages, says the Coconut Industry Board's Myrie. Bench Maji Coffee Farmers Cooperative Union has already paid its farmers in advance for coffee beans, to ensure they have enough money to make it through the season.

Farmers in some Caribbean states see the pandemic as an opportunity to boost domestic sales, as food imports may be restricted. There is also a sense of solidarity and pride about being able to feed their compatriots, said CARDI's Clarke.

Caribbean governments are working on production plans to address food supply issues in the medium to long term to cover the gap left by the sudden shortage of imported goods, he added.

Keep information flowing both ways

Up-to-date, accurate information about the pandemic, both national and regional, is central to formulate action plans and deliver solutions. This is also true of open communications.

CARDI, for example, is working with Caribbean governments and farmer organizations to tackle the crisis regionally, mobilizing its network for data collection and analysis. The institute monitors and reports on food supplies to identify gaps and keep the supply chain intact, Clarke said. Regional meetings with high-level business and government leaders use the data to develop emergency regional policies on food supply. Strategies under consideration include increasing local product supply streams; boosting interregional trade; strengthening export protection; developing private sector partnerships; and making public policy responses.

In many countries, restrictions on movement make it difficult for farmers to get their goods to local markets. This obstacle is compounded by a decrease in buyers, due to local lockdown measures.

The Ministry of Agriculture in Fiji has tried to address this by setting up purchase points at borders of lockdown areas to buy goods from farmers and transport them to the market, said the Pacific Community's Mapusua. The ministry also established decentralized markets across the capital so there would be safer and more sales points, she said.

Kuapa Kokoo Cooperative Cocoa Farmers and Marketing Union has 'activated all our medical lines to get in touch with our district managers and farmer leaderships, because there is so much panic', according to Adimado. 'They are explaining the processes to contain the panic and keep the information flowing.'

Effective emergency responses require coordination and interaction among farmers, as well as private-public dialogue to share information nationally, regionally and internationally. FUN's Francis stressed the importance of collective action:

This is a serious food-security emergency and we need to come to the table so that when all of this is over, we will hit the ground running; We need to bring together all the actors and hang heads with the minister of agriculture to give recommendations to our government during this time of crisis.

Many policymakers and organizations have embraced this spirit of community and joint action. Fairtrade International and the World Fair Trade Organization issued a joint statement in April 2020, ahead of the Group of 20 action plan to fight the COVID-19 outbreak, calling on leaders to ensure sustainable development by putting people first. The organizations will provide an emergency stimulus package to support a green and fair transition and back Fairtrade supply chains and businesses.

Reach out to bankers, buyers, policymakers

Producers must initiate contact with bankers to ensure financial liquidity that keeps businesses running and farmers paid. Bench Maji Coffee Farmers Cooperative Union borrowed money from a local bank so it could pay farmers upfront for their coffee, Godi said. 'So no matter how long selling the coffee takes, it is not a problem for the farmers,' he noted.

Anticipating that fewer funds will be available to farmers next year, Kuapa Kokoo Cooperative Cocoa Farmers and Marketing Union has already reached out to financiers. 'We need to discuss as early as possible how we can innovate and get funding for the local business come September/October,' Adimado explained.

Cash flow is critical. 'We have difficulties shipping to key non-EU countries and the EU. And if we do not ship, we cannot invoice and do not get paid,' Prodecoop's Preza said. 'But we are leveraging this by increasing sales to the US markets that are open and are taking as much coffee as possible.'

Reaching out to banks, buyers and investors is key to keep business moving. Engaging policymakers is another crucial step that will help build a more enabling business climate and facilitate access to finance for farmer organizations.



Adding value: Mary Dickson displays Niche Cocoa's range of bean-to-bar chocolate, grown and produced in Ghana. © Nana Acquah for ITC Alliances for Action.

CHAPTER 4 OVERCOMING ADVERSITY: ECONOMIC RECOVERY

For most producers and businesses, pulling through the COVID-19 crisis is a matter of survival. Banelino's De Peña fears that farmers will face a host of threats in the future:

Prices will decline even more, consumers will buy less ethical products, the producers will lose their plots because they cannot pay the banks, the small producers will disappear and the agricultural sector will fall in the hands of the big ones, with disastrous effects on the local economy, migration and employment.

Changes are brewing to forestall this gloomy prediction. Businesses and consumers alike are starting to think of long-term, 'out of the box' solutions to help producers make it through the crisis, recover and grow. These measures are important, strategic and urgent.

Interviews with farmer organizations show how they are coping and what strategies are the most effective. Their experiences can be summed up in four broad recommendations:

Diversify to multiply: Climate-smart production

Producers who have set up integrated cropping systems with food crops, cash crops and agroforestry appreciate their value now more than ever. For smallholders, monoculture is often a gamble – a case of all or nothing. Reliance on a single buyer or income channel, combined with high crop vulnerability to pests and diseases, often leaves farmers with no alternative means to make money, should things go wrong.

Crop diversification means that, apart from cash crops for export, different crops can be harvested throughout the year. These goods can be consumed by the household or sold on national and local markets. A more diversified cropping system including forestry can also make it easier to adapt to climate change and mean better soil quality and productivity. This can be a lifesaver for farmers.

'Crop diversification is one of the strategies that we need to scale up,' De Peña said. 'In the Dominican Republic, due to climate change and pressure on prices, farmers are in survival mode and crop diversification offers them some income alternatives.'

Liberian farmers are very concerned about food shortages, says FUN's Francis. Liberia is less vulnerable than some other countries because its women farmers' association has integrated agroforestry, food crops and trees in its cocoa and coffee production, she said.

Diversification is an important mitigation tactic, according to Waldmeier of Fairtrade Max Havelaar. 'If you produce some food crops as a diversification strategy, at least you have food in the house,' he pointed out. 'But if you're solely dependent on an export commodity, then you're in a tight spot.'

Chocolats Halba's Heid agrees. 'As long as they are able to go to their fields, they will be able to get some food. And so more and more, we are fighting for them to be able to get to their cocoa farms. They can work there, and they can harvest something for their family nutrition.'

For some farmers, cultivating different crops could be the difference between success and failure, Waldmeier said. 'For a cocoa producer in West Africa, it's certainly a good strategy to diversify into food crops, because first and foremost, you can eat it yourself. Secondly, you have your very local markets or your national markets,' he said. 'But if you're a worker in a highly specialized flower farm ... your existence is gone.'

Crop diversification also underpins national and individual self-sufficiency, according to Wayne of Jamaica's Coconut Industry Board. 'If the farmer maximizes the crops he can get out of his acreage, the country can be on a more food secure setting,' he said. 'The farmer will also benefit by becoming more economically independent and selling different products.'

Adding new crops can increase seed availability and reduce reliance on imports, noted Mapusua. 'Seed and input supply are always a challenge in the Pacific, and this has highlighted that the development of local seed systems, local input production and agroecological systems with low input requirements need to be prioritized,' she said.

Explore regional and domestic markets, too

Producers with options generate bigger returns, develop more income streams and find more commercial channels. 'Diversify to multiply' could be the new adage for producers' marketing channels as well – both in times of crisis and generally speaking.

Faced with today's curbs on movement, many farmers who export commodities are turning to the domestic market. They are selling excess produce locally to add value as they continue to export what they can.

In the Caribbean, producers are repositioning into short supply chains targeting local economies to fill gaps created by reduced imports. Mapusua says a similar situation has emerged in the Pacific.

The coronavirus and the continuous natural weather disasters have highlighted that past focus from both governments and development partners on developing export markets does not provide resilience. High-value, low-volume exports such as fresh produce depend on air freight, and with the complete shutdown of the tourism sector, air freight capacity has dropped significantly. If these are crops for which there is not high local-market demand, such as herbs, there are huge losses.

While Bench Maji Coffee Farmers Cooperative Union focuses on coffee, its members also produce honey and spices that are sold locally. 'That way, our farmers always have income from these other products,' Godi explained.

Respond to demand to enhance revenue

Branching out into certified products can also help farmers. Demand for organic and Fairtrade-certified Bench Maji coffee and Banelino bananas has grown and profit margins have widened since the pandemic began, the two cooperatives said.

Kuapa Kokoo Cooperative Cocoa Farmers and Marketing Union sells both Fairtrade and UTZ-Rainforest certified beans for export. But it also sells to Ghanaian cocoa processor and chocolate manufacturer Niche Cocoa for local value addition. Niche Cocoa managing director Edmund Poku says the commercial strategy of the company is 'Chocolate made in Ghana, for Ghanaians'.

Countries that produce export commodities tend to rely heavily on a single cash crop. This, combined with low market prices and vulnerability to climate change, threatens the livelihood of their farmers.

Finished products add value

Modernizing and adding value at the local level could help change this narrative by boosting the economy, raising incomes in the agricultural sector and creating employment. Cocoa-producing countries such as Ghana and coffee-producing countries like Ethiopia are starting to see the benefits of supplying finished goods – chocolate and roasted coffee for the domestic and regional markets.

Bench Maji Coffee Farmers Cooperative Union mainly exports green coffee, but is looking to add value by roasting specialty coffee beans as part of its five-year strategy. Nicaraguan farmer cooperative Prodecoop not only produces and sells green beans, but has its own value-added roasted brand 'La Segoviana', for domestic and regional consumption.

Coffee growers in many countries are increasingly looking to regional markets as a profitable outlet to add value. Governments are supporting their coffee farmers by developing enabling policies and investing in value addition and industrialization.

Kuapa Kokoo Cooperative Cocoa Farmers and Marketing Union has gone one step further by responding to the COVID-19 crisis. The organization is exploring investing in women farmer groups to produce soap and protective face masks for the local market. This investment supports the health and safety of its communities and helps diversify the income of cooperative members.

Seek alliances

Existing partnerships and new alliances can help producers tackle challenges and grow. Collaborating with other stakeholders is one way to alleviate some of the pressure of the costs of doing business.

Chocolats Halba's Heid says the Swiss chocolate maker is trying to ease some of the pressure on its suppliers by continuing to pay them 'even if certain projects do not meet compliance standards or do not fulfil certain objectives. This is what we can do to support' them.

Company buyers and governments could help by investing in technology. While there are plenty of tech solutions to increase productivity, smallholder farmers generally can't afford them, De Peña said.



Adding value, selling locally: A worker roasts coffee the traditional way at [Garden of Coffee](#) in Addis Ababa, Ethiopia. The specialty-grade coffee is packaged and sold to domestic and international markets. © Sarah Charles for ITC Alliances for Action

‘One of the characteristics of small farming is that because we have insufficient income, we have very low productivity, because we are not able to invest enough in our production,’ she explained. ‘This is like a circle of poverty.’

Adaptive technology investments could break that circle by enabling farmers to scale up their productivity – and incomes, De Peña says. ‘We need to explore more opportunities, and many of them will be focused on organic,’ she said. ‘And this is something we can do in partnership.’

Paredes said CLAC is ‘very much looking for strategic alliances with partners so we can manage the adversity and grow.’

In the short term, this means help securing sanitary, medical and health supplies, she explained. ‘Most of our members are working in the field, but have no thermometers, masks or equipment,’ she noted.

The network will also need help once the crisis ends. ‘We need support from our partners for the long term – food security and finance for member organizations to purchase harvest, for example, in coffee,’ Paredes said.

Digitalize

Many restaurants and coffee shops have turned to delivery platforms and online sales to reach customers and carry on during the crisis. Farmers could do the same. Online marketplaces offer many opportunities for producers, especially now.

Paredes is keen to explore new marketing channels. ‘Now with the COVID-19 outbreak, online channels such as Amazon are selling much more coffee which is consumed at household level,’ she said. ‘So demand for coffee in this segment today has grown.’

Godi says Bench Maji Coffee Farmers Cooperative Union also plans to start selling via the internet to reach customers across the globe.

‘We want to link to other international online marketing platforms like Alibaba and Amazon; that’s our future plan,’ he said. ‘Locally, there is not that much potential for online sales, but to reach international markets, it could be a crucial tool.’

Digitalization is not just a tool to boost sales. Although using digital technologies has the potential to create new revenue streams, it also affects how work gets done through more efficient platforms such as mobile banking and digital data management. Digitalization has the power to transform how customers and companies engage and interact – an undeniable asset as consumers and buyers increasingly seek a more direct relationship with producers.

#Knowyourfarmer: Responsible consumers respond

Producer associations can successfully close the gap with consumers and add value sustainably. [Pachamama Coffee Cooperative](#), a 100% farmer-owned roaster and distributor based in California, connects more than 240,000 families directly to end-consumers. Thousands of family farmers from Ethiopia, Peru, Nicaragua, Guatemala and Mexico own and govern the cooperative.

Social media increasingly highlights the relationship between consumers and producers, as part of a broader movement towards more ethical consumerism. Trending hashtags, such as #whomademyclothes and #knowyourfarmer, illustrate consumer demand for transparency and fair conditions including adequate incomes, decent jobs and rewards based on value addition along supply chains.

Social media slogans such as ‘food for change’ and ‘food for good’ reflect a shift towards sustainable food value chains that nurture the consumer-producer relationship. In other words, people want

assurances – and should get them – that the food they buy respects consumers, producers, the environment and society as a whole through high quality, care and ethics.

'We need to create more transparency in value distribution, make consumers aware and also make some businesses lower their profit margin as a first step towards getting a bit more value on the producer side,' De Peña said.

Sustainability is no longer just about protecting the environment. It concerns more than policymakers and big business buyers. It has become a rallying point for citizens interested in the welfare of one and all. Sustainability will be further refined in the coming decade as the Z generation and millennials enter into the active consumer space, and by the COVID-19 pandemic.



The face of resilience: John Nahr, a farmer from Alavanyo, Ghana, and member of Kuapa Kokoo Cooperative Cocoa Farmers and Marketing Union. © Nana Acquah for ITC Alliances for Action.

Time to take the initiative

The COVID-19 crisis has presented the world with an opportunity to grow through adversity. Now is the time for a reset, if ever there was one.

Producer organizations are increasingly trying to get things done on their own and reaching out for support in areas they are unable to address. They want to be heard, to kindle action and to change the farmer narrative.

Industry and government must respond to this call.

It's time to collectively engage in a more mindful and sustainable way of operating – from consumer behaviour to trade, and from policymaking to the long-term thinking of producers. Could this crisis herald the age of the 'new normal'?

The time for action is now. The testimonials in this report demonstrate that farmers are already moving. Others must follow suit.

Farmers will survive the COVID-19 pandemic because of their embedded resilience and a targeted emergency response. The strategy of safeguarding health, improving food security, sharing information and renegotiating finance is paying off.

To grow through adversity in the long term, however, producers need to engage actively in a strategic and urgent response, with some external support. The solutions include climate-smart, integrated production systems; diversified crops, markets and channels that explore domestic and regional value addition; stronger productive and commercial value chain alliances; and integration of adaptive technology and digitalization to increase sales and efficiency.



Dorcas Komsoo, a cocoa farmer from Alavanyo, Ghana, and a member of Kuapa Kokoo Cooperative Cocoa Farmers and Marketing Union. © Nana Acquah for ITC Alliances for Action.



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