



PROPOSING A NEW DEAL TO SMALLHOLDER PRODUCERS

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I'm very happy and honored to be with you this morning and to share my views on the importance of effective engagement with smallholder producers. The title of my speech is 'Proposing a new deal to smallholder producers'.

My name is Pierre Courtemanche. I'm French Canadian, the founder and CEO of GeoTraceability.

I started on a journey with smallholders 33 years ago, in North Cameroun as an Oxfam volunteer. I spent 3 years working with small-scale producers. Helping them to protect and use what was left of the natural forest in a sustainable way.

From that point, I never stopped working with smallholder farmers and have supported this large group of wonderful people in over 20 countries and sectors as diverse as food and cash crops, livestock, dairy, forestry and mining.

The map we now see, shows the global distribution of people living on less than 2 dollars per day, including smallholders.

Smallholders are a vital group in many local economies and at a global scale and this isn't going to change any time soon.

In some countries, they contribute up to 80% of the food production. They feed their family, their nation, and often also produce the raw materials needed in complex and global supply chains.

Smallholder farmers sustain the global economy and yet are mostly ignored.

Palm oil, cocoa, rice, cotton, spices, minerals, wood, nuts, coffee, sea food to name a few are major foreign exchange earners for emerging and developing countries. And in terms of employment: smallholder activities, like agriculture, provide most of the jobs in rural areas.

Bluntly, we can say that they are the backbone of many local economies and of the global trade of goods and products as well.

If we zoom in on Asia, we realise that this part of the World has the largest number of smallholders. Is this a problem?

Absolutely not, on the contrary. It's a great asset and a huge opportunity for human and economic growth.

Some might differ from my opinion, but as I guest here I can only bring good news and I truly believe in what I'm saying.

I'll give you one example, land productivity. For me enhancing productivity is the ultimate goal.

For some crop productions, smallholders cultivate most of the available land and, for the reasons we know (no / limited access to finance, small farm size, limited access to inputs, weak agricultural practices, limited bargaining power), their yields are low.

On the one hand, we've modern agriculture that requires huge investments to slightly increase yield; and on the other hand we've large acreage of lands that will strongly react to any measures aiming at improving productivity and quality.

Whilst there are many different options for what could be done with the land used by smallholder farmers, I am going to assume for the rest of this talk that smallholders should be supported to improve what they are doing.

So, how do we unleash the smallholders' potential?

Not the way we've tried so far.

Significant investments have been made over the last forty years to support smallholders across the planet. Local governments and development agencies were the first to support small-scale producers with programs focusing on training, accessing credit facilities, and building the capacities of producers' organisations. Private organisations joined the effort in the nineties with 'Public Private Partnership' facilitated by donors' money.

This model is attracting most of the available funding now as many see a perfect fit between sustainable pledges made by the Consumers Good Companies and the inclusion of smallholder producers in their supply chains.

Since my time in Cameroon, I've implemented many projects and programs worth hundreds of millions and aimed at improving the livelihoods of smallholders.

But I must confess that I have not been satisfied with the results, and that it was rare to actually see the smallholders' lives changing significantly in the long term as a result of the project.

Surprisingly the way we design and implement projects and programs has not really changed in the last 40 years. Training still plays a large role, little data is collected (let alone used), and we use the same methods to assess impacts.

Even if we agree that the 'one size fit all' approach is not the right one, we're still funding this type of program. Why? Because we don't know how to do differently and are quite conservative.

This situation has bothered me for years and led me to found GeoTraceability. I wanted to find a way to understand the needs of each producer and household and track their individual progress as they received support so that the support could be adjusted and tailored over time.

So, a project reaching 10,000 producers becomes 10,000 small individual projects, each tailored to the specific needs of the individual, rather than the generic needs of the whole group.

My suggestion, after 33 years of field experience and a \$12 million investment in GeoTraceability: We need to consider each producer as an individual business and propose to them a new deal in which each party wins something significant.

Each farmer is different and each field has its own characteristics. This means each farmer should receive tailored support and progress should be measured on an individual basis.

You'll say, wait a minute we could never afford this - there are over 700 million smallholder producers in the world. My reply is yes; we can deploy this approach at a large scale with the same level of investments that we presently pump into development programs. It's just a question of doing things differently and using the right technology.

Over the last five years GeoTraceability has worked with different types of organisations to engage large number of smallholders in capacity building programs. A few examples: 57,000 cocoa producers in Ghana, 13,000 coffee producers in Vietnam, 14,000 hazelnut producers in Turkey. Over 200,000 smallholders are now in the GeoT database. Since last year, we support traceability of palm FFB from smallholders to processing mills working in Asia with Wilmar, Golden Agri Resources and Cargill Tropical Palm.

The GeoT's System records for each individual farmer a range of critical and informative data, like socio-economic data, farm and farming data, production data, traceability data and project data. This information can be used to design tailored support plans and measure changes overtime.

But one tool was missing to efficiently process and use large quantities of data. Organisations could collect large scale data using paperless systems which were robust and efficient, but the data collected was not being used effectively. Too often it sat there providing interesting statistics but not having an impact or influencing how farmers were supported. But this is no longer needs to be the case.

We've cracked the issue of efficiently processing large quantities of data by developing what I call the 'Digital Agronomist'. It's a tool that crunches all the data collected on individual farmers and fields, whilst incorporating local agronomic and field knowledge. You can work with one agronomist to develop tailored individual business plans for thousands of farmers, and the cost is the same as if you were developing the plan for only one farmer.

The output is the production of large number of genuine individual farm business plans on a click of a button. But not only this, the tool also aggregates the individual plans to provide an investment plan at landscape level with the funds needed, the production expected, the labour and inputs required, and an analysis of the profitability on the investment.

We can now address the challenge 'too many farmers, too few agronomists' and implement a large-scale program delivering a different plan for each individual and the means to monitor the impact at household-level. We can finally change how we design and deliver programs.

Each hectare of farmland can now have tailored farming recommendations aiming at increasing productivity in a sustainable way.

Each producer can now have the opportunity to accept all or some recommendations and commit to execute the plan with support from a program. A deal can be sealed between individual farmers and program implementers.

Field extensionists can have all the information on the farmers, and their plans, on a smart-phone and monitor the execution of each plan. Producers can therefore receive more specific support and grow their business at their own pace.

With this disruptive approach, producers can have their own business plans to calculate their return on investment, and program implementers can do the same with their investment plan, each party having the information to assess the benefits for them of this new deal.

Let's have another look at the dots. Imagine, credit and farm inputs being distributed at scale, productivity increasing, job creations in rural area, what an economic boom it will be across Asia's economy.

Thanks to technology a new deal can be struck between smallholder producers and the rest of the world. One in which both benefit through increased productivity. Will you join us on this great adventure?

Thank you, Terima kasih

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