SMALLHOLDER DECISION MAKING

Change the cycle of farmer poverty by understanding how farmers make decisions about the kind of farming they do.

THE PROBLEM
Whether a farmer can make a profit depends on whether their total income exceeds their costs. There are different models for farming coffee. Some, like high-intensity monoculture farming, produce more coffee but also cost more because they require more inputs. Some cost very little but also produce very little. And many factors influence quality, which also affects the end price the farmer earns. Whether coffee farming is profitable is a question of how farmers decide to allocate their resources.

In order to develop strategies to make coffee farming more attractive and profitable, it’s first necessary to identify how and why farmers make the choices they do. What constraints do they face (e.g., land availability, access to capital, household health)? How is the kind of farming they do molded by those constraints?

THE SOLUTION
Identifying the key factors impacting why a farmer chooses a given coffee production approach will allow researchers, development organizations, and governments to plan better strategies for improving farmer livelihoods.

To do this, the Smallholder Farmer Decision Making Study will include a household survey of 422 families covering coffee farm management systems and socio-economic indicators. Statistical analysis of survey results will be based on multivariate and cluster analysis. The findings of the statistical analysis will be complemented by qualitative data gathered in focus groups with farmers, and semi-structured interviews with industry specialists and other stakeholders.

IMPACT
What policies are most likely to be effective when trying to raise farmer income? Where should NGOs, development agencies, and extension agents be aware of when doing a “coffee project”? What is the most comprehensive and efficient use of money when investing in coffee development projects? Understanding how and why farmers make decisions will give invaluable insights—based on solid data and rigorous analysis—to those working to improve smallholder profitability and improve farmer quality of life. It will also establish a comprehensive framework for analyzing production costs and provide useful insights to buyers and industry specialists who are interested in building a sustainable price structure for the farmer.