

Key findings from survey on the impact of COVID-19 on livelihoods and well-being.

Key findings

In March 2021, Olam surveyed 3,432 farmers across 19 countries and compared the results with our June 2020 survey across 10 countries in Africa, Southeast Asia and Latin America. The objective was to understand the extent to which farmers in Olam supply chains continue to see impacts related to the pandemic.

The key findings from the survey showed:

- **Farmers worldwide indicate that they earned less money during the past six months as compared to the same period before COVID-19.** In Africa, the proportion of farmers reporting lower income remained nearly unchanged from June 2020 at 68 percent. About half of respondents in Latin America and Southeast Asia reported reduced income in March 2021, an improvement as compared to June 2020 but still a high proportion.
- **The reduced income stemmed from a variety of likely factors (e.g., difficulty in reaching markets, reduced availability of farm inputs and labourers, etc.) and contributed to a multitude of adverse effects such as reduced food consumption and selling of productive assets.** Based on the survey results, reduced farm production was likely both a driver and outcome of reduced income.
- **Forty percent of surveyed farmers reported challenges in consuming an adequate diet.** African farmers were particularly impacted, with 60 percent eating less food, and 64 percent eating less diverse diets at some point in the prior 30 days. Meanwhile, nearly half of respondents in both Latin America and Africa and 35 percent in Southeast Asia reported that they had experienced a lack of food available in their local markets during the same period.
- **The impact of COVID-19 on children's rights is also worrying, with about 35 percent of respondents from Africa and 28 percent of respondents in both Latin America and Southeast Asia reporting that their children (aged 15 and under) are spending more time working.** This may be driven by a combination of schools remaining closed, and the lower availability or affordability of farm labour.

Our Conclusions

Farmers need support to help safeguard farming investments and prevent a downward spiral of economic uncertainty, low productivity and food insecurity. Actions to fill the immediate income gaps must be paired with broader and more sustained approaches that address the underlying vulnerabilities (e.g. over-reliance on single crops, low yields, climate change) that must be resolved for farmers to make a full and more prosperous recovery.

Survey sample and methodology

In March 2021, we surveyed 3,432 farmers supplying 31 Olam businesses across 19 countries in Latin America, Africa, and Southeast Asia, plus Turkey. Nine Olam crops were represented across Olam Food Ingredients and Olam Global Agri businesses: cashew, cocoa, coffee, cotton, hazelnuts, rice, sesame, spices, and superfoods.

Targeted businesses were selected based on several risk indexes related to food security, nutrition, gender equality, children’s rights, public health and economic status. The survey questionnaire was developed by Olam in English, and then was translated from English into seven local languages (Bahasa, French, Laotian, Portuguese, Spanish, Turkish and Vietnamese) and distributed to field staff who conducted the surveys either in-person or by phone. The quantitative and qualitative data were gathered in one database in Excel and centrally analysed.

Each business was asked to sample at least 100 farmers, aiming to include 30 women and 30 youths (age 25 and below) to capture a range of perceptions. Of the respondents, 36 percent were female. The average age across the sample was 44. The highest average age is found in Turkey (average 55), whereas the lowest average age was found in Chad (average 38). In total we surveyed 191 youth farmers.

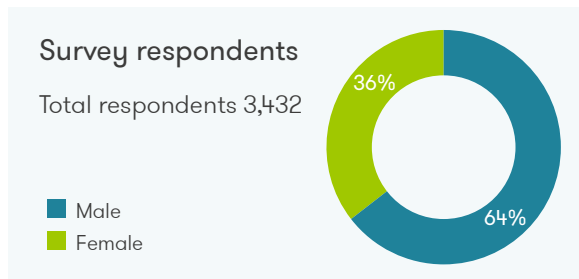
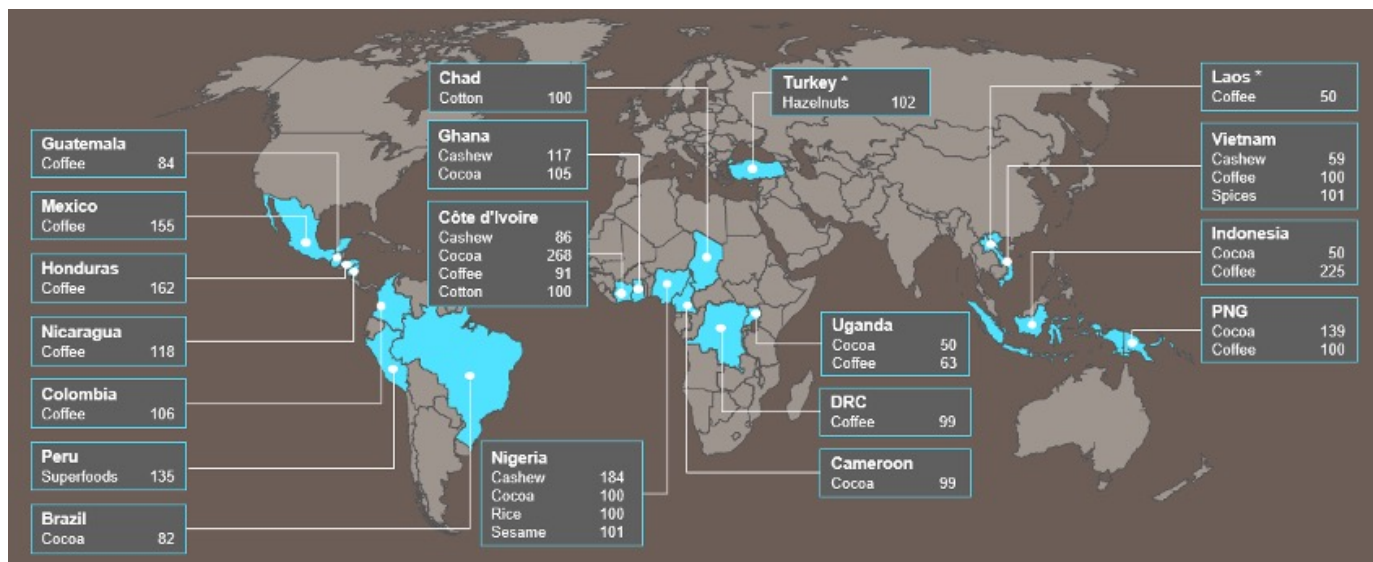


Figure 1. Survey reached 3,432 farmers across 19 countries surveyed in March 2021.



The findings are presented per region, with Laos (50 respondents) and Turkey (102 respondents) not included in the averages. The results are not statistically representative, but illustrative of the experiences and main challenges of those sampled.

Findings: Income & farm production

About half of surveyed farmers continued to report negative impacts on their income and farm production. Of the three regions, African farmers reported the most challenges, with seven out of ten farmers indicating their income has reduced.

The effects of COVID-19 continue to negatively impact the production and income of farmers. Forty-six percent of respondents indicated that during the last six months they produced less Olam crops as compared to pre-COVID. For non-Olam crops, the drop in production was similar at 47 percent.

During the same six-month period, most respondents (60%) indicated that their income has decreased as compared to before COVID. These impacts on income are felt more in supply chains surveyed in Africa, where almost seven out of ten of farmers indicated a decrease (53% in Southeast Asia, and 46% in Latin America).

Chart 1. Percentage of farmers reporting reduced production and income in recent months, compared to before COVID.

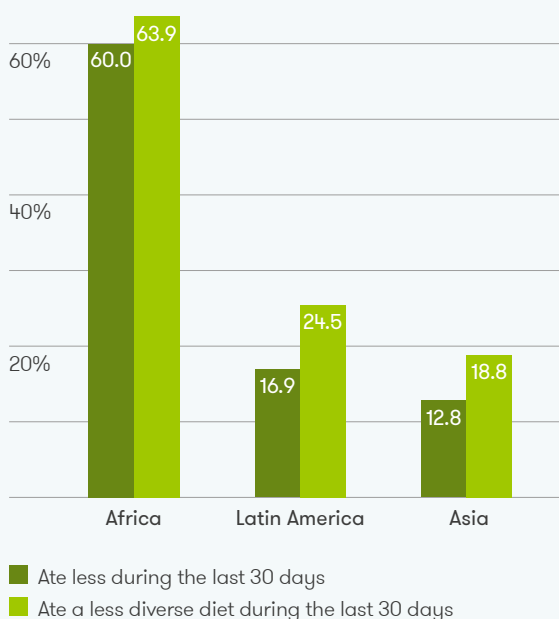
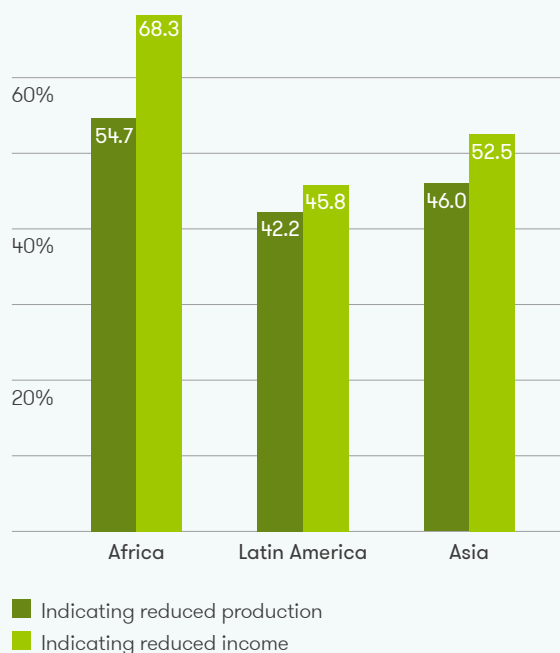


Chart 2. Percentage farmers experiencing challenges to income and production, by region.



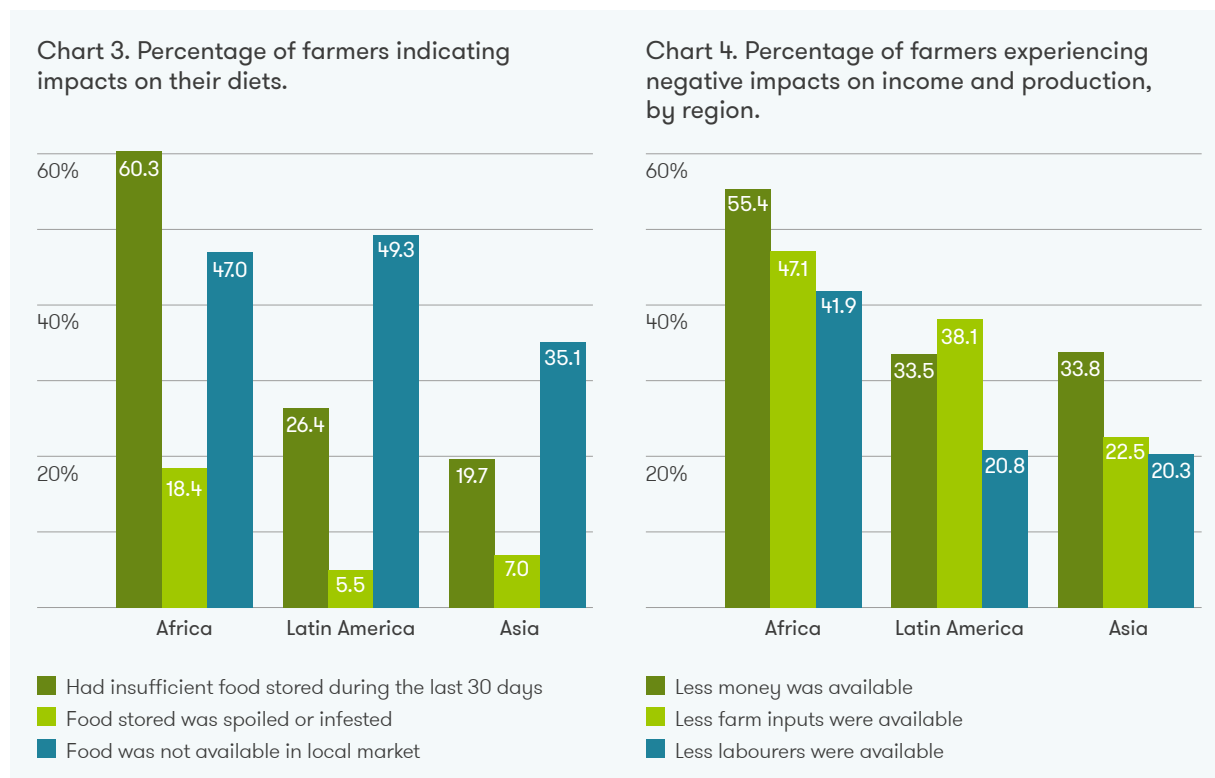
Note: the recall periods for the questions about income and food access varied between the June 2020 and March 2021 survey (e.g. 7-day recall period vs. 30-day recall period for food access and related challenges; 4-month recall period vs. 6-month recall period for income). The observed improvements and declines may also be affected by this difference.

Reasons for reduced income and lower production were varied and could be mutually reinforcing. For example, two out of five respondents overall said they had less money available now (both from savings and credit) to pay for farm inputs and labour needed for production compared to six months earlier. Farmers also struggled to access farm inputs and labour due to their unavailability (chart 3). At the same time, reduced demand for their produce (observed by 37%) due to movement restrictions and limited market access affected income.

Although these numbers are concerning for many in our supply chains, farmers' expectations were worse. When asked in June 2020, 86 percent of farmers in Southeast Asia indicated that they expected their income to decrease due to the anticipated continuing effects of the pandemic. Seventy-two percent and 66 percent predicted the same in Africa and Latin America, respectively. In all regions, fewer farmers actually experienced a decrease in income, indicating that a worst-case scenario was averted.

Findings: Income & farm production (continued)

No significant differences were observed when the responses to the questions on income and production were disaggregated by sex and by age.



Note: the recall periods for the questions about income and food access varied between the June 2020 and March 2021 survey (e.g. 7-day recall period vs. 30-day recall period for food access and related challenges; 4-month recall period vs. 6-month recall period for income). The observed improvements and declines may also be affected by this difference.

Findings: Nutrition & food security

Compared to June 2020, fewer surveyed farmers reported food security challenges. However, about 40 percent still report not consuming adequate diets in the last month as they lacked food in either quantity or diversity at some point during the 30 days prior to the survey. Africa was hit hardest with six out of ten farmers affected.

In terms of decreased access to food, the March 2021 survey data paints a slightly brighter picture. Back in June 2020, three out of four African farmers indicated they were experiencing challenges accessing enough food. By March 2021, this number was lower at 60 percent. In Southeast Asia, the respondents indicating this challenge also decreased (20% in March 2021 versus 34% in June 2020), while the responses from farmers in Latin America remained stable at around 26 percent.

Limited food available in storage and in local markets were the main barriers for households to eat or buy as much food as usual. As compared to June 2020, slightly fewer respondents in Africa reported unavailability of food in local markets, whereas slightly more respondents in both Southeast Asia and Latin America reported this challenge. Reduced income also restricted access to sufficient and diverse food, again affecting surveyed farmers in Africa more so than those in other regions.

When the data was analysed by sex, it showed vast differences between women and men's food consumption. As compared to men, 19 percent more women ate less than usual at some point during the last 30 days, and 16 percent more women ate a less diverse diet during the same period.

Findings: Children's rights

More than three out of ten surveyed farmers report that their children (age 15 and under) are spending more time working during the last six months to contribute to household income as compared to before the pandemic.

With about 40 percent of respondents reporting that their children are not attending school due to COVID-19, many farmers said that their children were spending more time working (either on the land or in another capacity) compared to pre-COVID. While Latin America respondents saw more children out-of-school (58 percent), those in Africa reported that children were working more now (35 percent) than in other regions.

We saw the highest concentrations of parents indicating their children were working more to contribute to the household income in Chad, Mexico, Nigeria and Uganda.

Olam supports food security & nutrition

Olam has several initiatives underway to increase food security and access to healthy diets which can be reinforced and scaled, such as:

- In Côte d'Ivoire, we have supplied nearly 18,000 cotton farmers with inputs for food crops, including high-yielding maize seeds. In addition, we have trained more than 1,000 cotton farmers on Good Agricultural Practices.
- In Indonesia we are supporting some 8,000 cocoa farmers on food loss reduction for fruits and vegetables.

Olam supports education of the next generation

Olam and its partners are investing in initiatives to keep children off farms, even if schools remain closed, by:

- In Guatemala, "coffee camps" serve as kindergartens looking after farmers' children during work hours.
- In Turkey, learning materials and books have been provided to migrant workers' children to keep them engaged while their parents are working on the farms.

Findings: Coping strategies

The additional stress brought on by COVID-19 has led farmers in all regions to take adverse measures to manage the challenges to their income and livelihoods. However, many are also adapting by finding new income sources.

To cope with the hardships caused by COVID-19, farmers have adopted several strategies during the past six months to increase their income:

- **Selling assets:** Farmers have had to sell assets in order to generate income. Across the three regions, a relatively similar proportion of farmers had to sell household assets (such as kitchen equipment or a television), ranging from 15 percent in Latin America to 25 percent in Africa. The sale of productive assets used for farming or transportation (such as motorbikes or tools) however was taken by considerably more farmers in Africa at 20 percent, as compared to Southeast Asia (3.5 percent) and Latin America (11 percent).
- **Expanding farms:** With farming as their primary source of income, farmers have sought to expand their land to increase their yields, and hence their income. Almost one out of four farmers indicated they have had to clear lands. Nigeria, Chad and Papua New Guinea are countries where relatively high proportions of respondents reported this strategy.
- **Borrowing money:** In Africa, 56 percent of respondents indicated they have had to borrow money or take credit to fill income gaps. This percentage was lower in Latin America and Southeast Asia at 32 percent and 23 percent, respectively.
- **Diversifying income:** Despite the reported drop in overall income, half of the surveyed farmers found new ways of generating income during the last six months: We saw farmers diversifying their crops, taking day-labour jobs, opening shops, or starting businesses in non-agriculture related fields. Laos, Indonesia and Guatemala are some of the countries where the largest portion of surveyed farmers found new ways to earn money.