



DIASCA

Digital Integration of Agricultural
Supply Chains Alliance



Interoperability of Farmer Income and Cost of Production Data

A Blueprint for Better Data

Objectives

- 1 Align as closely as possible around metric guidance, which includes both definitions and instructions on data collection and reporting.
- 2 Enable shared learning about producer incomes, cost of production, and other key economic themes across companies, projects and investments by having standardized reporting guidelines
- 3 To exchange best practices and shared resources for data collection and reporting and facilitate learning with public and private partners.

Semantics & Definitions

Fundamental Agreement

Aligned with Other Living Income Partners



Defining Scope

Scope includes Metrics and Guidance for **Actual Income & Costs of Production**

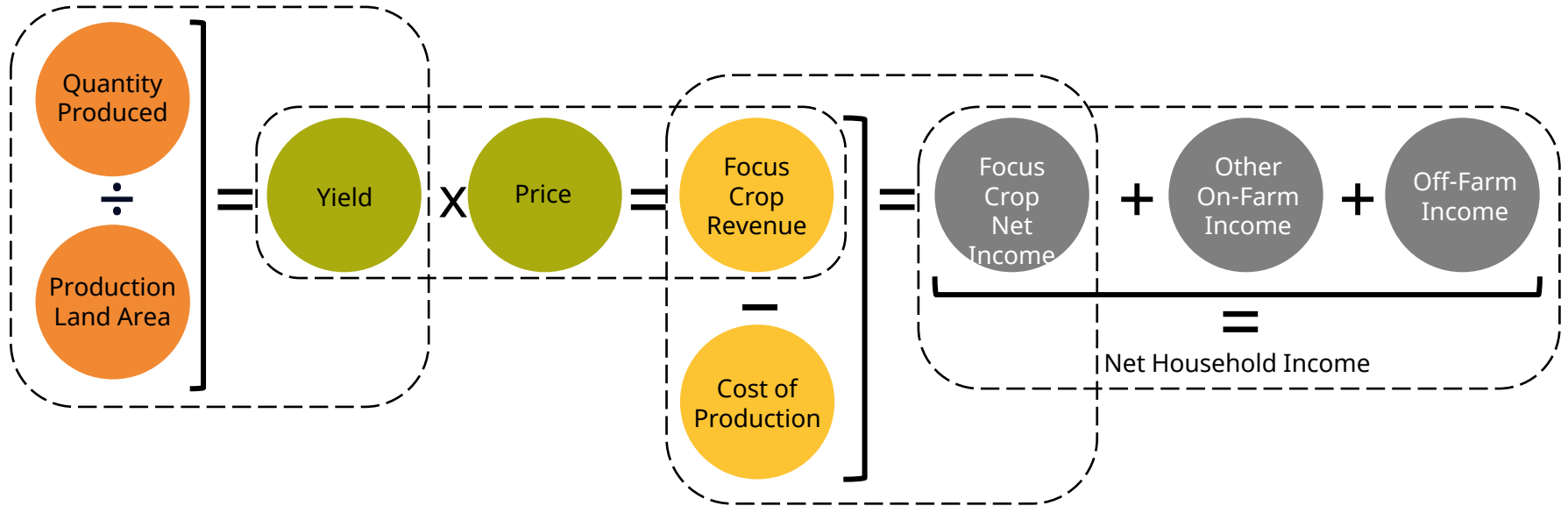
While this is not the same, it is related to:

Living Income - Living income is about households affording a decent standard of living. The net annual income of a household, which comes from a variety of sources, is sufficient to cover the cost of a decent standard of living for a typical household in a particular place. Elements of a basic decent standard of living include access to food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events.

Poverty Status- The poverty rate represented by a ratio of: **1)** farming households whose income falls below the established poverty benchmarks to **2)** the farming households meeting or above the poverty benchmarks. The poverty benchmarks are established for each context and can consist of an International Poverty Line (World Bank), National Poverty Line (if available), etc. for a given location. To identify the households below the poverty benchmark, this indicator measures the difference between a farming household's net income per person per day, and the net income per person per day determined by the poverty benchmark.

Livelihoods - Broader and more vague. A person's livelihood is considered **sustainable** when it can cope with and recover from shocks and grow their assets both now and in the future, while not undermining natural resource bases.

Farm Income Indicators & Economic Model



Components

- 1 Yield
- 2 Focus Crop Revenue
- 3 Focus Crop Net Income
- 4 Net Household Income

Example



Focus
Crop
Revenue

Indicator Name	Focus Crop Revenue
Description	Gross revenue from all sales of focus crop
Metric	USD/farm earned for all focus crop sales Can be disaggregated by land area
Unit	Best practice is to collect response in locally relevant currency and units, and then perform conversion to a standard international unit (USD; USD/land area)
General Guidance	The simple approach (which avoids the additional time and resources necessary for detailed accounting while still providing good results) is to ask for the total revenue from sales of focus crop as a whole during the last production year. This indicator can also be reported on a per hectare basis to allow comparability across projects and regions. More complex approaches will ask for the value of each sale and sum those for the production year. This indicator is a Sub-metric for Net Income from Focus Crop Production (or Profit).
Benchmarking	COSA, SFL, ISEAL Guidance on Reporting Farm Economic Metrics: https://thecosa.org/iseal-sustainable-food-lab-cosa/ SDG 2- Zero Hunger ISEAL Common Core: Business Resilience- Net revenue over last year from product produced according to standard GCP
Performance Standard	Can be benchmarked to crop and/or regional or national averages
Limitations	When looking at changes in revenues from year to year, it is important to consider the impacts from changes in prices, yields or land area devoted to the focus crop for additional context. Premiums?
Calculation	[Total Revenue]*(conversion to USD)/ farm or ha in focus production OR Price(s) per unit of focus crop (See "Price" Indicator) by the number of units sold during the last production year (See "Yield" Indicator).
Data Source	Estimated/ farmer recall Sales records or purchase records from buyer
Survey Questions	How much money did you receive (in total for the production year) from sales of focus crop? More advanced methodologies will ask for the total amount received per each sale and sum those for the production year.
Validations	Revenue= Specified currency (decimal format) Land area= Number (decimal format)

Syntactic & Process

Group Discussion & Decision

Open Issues to Resolve

1. Monitoring vs. Impact approaches (balancing cost and rigor)
2. Methods Details: Acceptable Data Sources, Frequency, Timing, Sampling, Disaggregation
3. Commodity Context and Conversion info

Thank You



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