

BUILDING RESILIENCE IN SMALLHOLDER COTTON FARMERS



At CottonConnect, our approach has always been to listen to the cotton farming communities we work with. To better understand the impact of the COVID-19 pandemic, and to find out how to build resilience in cotton farming communities, we asked the farmers enrolled in our cotton training programmes in India and Pakistan, and the local partners implementing these programmes, how they have been affected.

HOW COTTON FARMERS HAVE BEEN IMPACTED BY COVID-19 AND RECOMMENDATIONS FOR RESILIENCE

KEY HIGHLIGHTS

Farmers need support to build:

◆ FINANCIAL RESILIENCE

e.g. through income diversification, accessing government schemes, self-help groups or low-interest loans

◆ AGRICULTURAL RESILIENCE

e.g. through crop diversification and alternate livelihoods

◆ MARKET LINKAGES

e.g. assurance that farmers will be able to sell their cotton

The COVID-19 pandemic has had an immediate impact on some cotton farmers.

74% of farmers surveyed said their farming has been affected.

82% of local partners reported farmers in their region have been impacted by agricultural and financial difficulties.

Local partners also reported farmers being impacted by food scarcity and unavailable medical treatment. Others have not been severely affected but predict impacts on cotton farming and sales next season.



BUILD FINANCIAL RESILIENCE THROUGH INCOME DIVERSIFICATION AND ACCESS TO FINANCE

WHAT THE RESEARCH SHOWED

Reduced ability to save:

In the current situation, many farmers have used their savings to continue their farming activities.

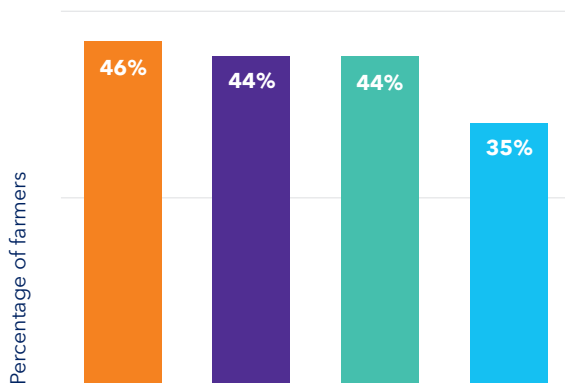
62% of farmers said they were not able to build enough savings to buy inputs for the sowing season.

59% of local partners predicted that farmers will not have enough savings to invest in farming, such as purchasing seeds or fertilizers or paying for farm labour, from 2021 onward.

Limited take up of government schemes:

Only 39% of farmers said they have benefitted from government schemes designed to help them, with 44% saying they did not know about the schemes or needed more information.

REASONS WHY FARMERS DON'T ALWAYS RECEIVE THE BENEFIT OF GOVERNMENT SCHEMES



- Lack of information about the scheme
- Not knowing how to access the scheme
- Not being able to manage the formalities involved
- Not feeling confident to approach officials

Half of local partners, and 67% of farmers, said access to finance is important to help farmers manage changes in market demand and climate.

KEY RECOMMENDATIONS

- ◆ Farmers need more information about government schemes and support to benefit from them, including building the confidence and skills needed to apply.
- ◆ Self-help groups (SHGs) and farmer groups provide financial resilience, teaching farming communities how to manage finances. Providing support in setting up SHGs, running SHGs, and making them sustainable so that the group can continue, can result in increased financial resilience and farmers investing in businesses together.
- ◆ Income diversification such as raising livestock, or learning other skills to set up small businesses, helps build financial resilience. CottonConnect has seen evidence of this working through its vocational skills programme.
- ◆ Low interest loans could be offered by SHGs, other programmes from brands, non-banking financial institutes, and governments.



BUILDING AGRICULTURAL RESILIENCE THROUGH CROP DIVERSIFICATION AND ALTERNATIVE LIVELIHOODS

WHAT THE RESEARCH SHOWED

Difficulty accessing inputs:

Physical restrictions meant that farmers had difficulty in getting agricultural inputs when the market was closed.

73% of farmers said that support in purchasing seeds and farm inputs was important in managing change in market demand and climate.

Reduced migrant labour:

58% of farmers said they were affected by labour migration.

55% of local farmers predict that harvesting costs will go up next season because of reduced migrant labour.

Research revealed that when patients in the project area are found to be COVID-19 positive, the village community is scared. As a result of COVID-19 related phobia, labourers and farmers are hesitant to leave home for farming work.

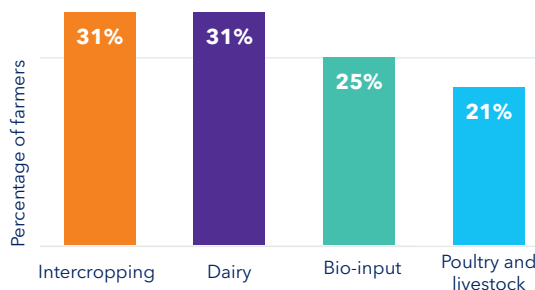


KEY RECOMMENDATIONS

The number one recommendation from farmers to building long term resilience was stronger and timely training in sustainable agricultural practices, as stated by 27% of farmers.

During 10 years of delivering farmer training on cotton programmes, CottonConnect has seen the benefit of a holistic approach beyond cotton growing to include alternative income and community wellbeing training. It is important to view farmers not solely as cotton farmers but as farmers. Those surveyed said they had received additional sources of income as a result of the programme.

ADDITIONAL SOURCES OF INCOME FOR FARMERS BECAUSE OF COTTONCONNECT'S TRAINING



- Local partners stated alternative livelihood training as a key intervention to recover from the immediate impact of COVID-19, recommended by 25% of local partners surveyed in Pakistan.
- Crop diversification is recommended to build resilience, with 68% of local partners saying it was important to manage changes in market demand and climate. Supporting farmers to grow different crops in the field or kitchen gardens means they are not solely reliant on cotton.
- Another key recommendation from local partners (24%) was teaching business management for agriculture, e.g. cost reduction, income increase, and premium pricing. CottonConnect's Farmer Business School has supported farmers in understanding their farm as a business.
- Increased focus on training in sustainable agricultural practices builds agricultural and also financial and climate resilience.

BUILDING RESILIENCE BY STRENGTHENING MARKET LINKAGES

WHAT THE RESEARCH SHOWED

Smallholder farmers in rural locations need connections to be able to buy farm inputs and sell their cotton. Likewise, throughout the supply chain, connections from farmers to ginners to spinners to textile manufacturers need to be strengthened to support cotton sales.

93% of farmers and 86% of local partners said market linkage support was needed to secure their income from cotton production.

63% of farmers said market linkages are important to manage changes in market demand and climate.

Farmers described the support they needed to buy agricultural inputs, for example increased access and linkage to procure better quality seeds, support in purchasing seeds, training on preparation on farm bio-inputs, and transport to procure equipment like farm machinery.

In June 2020 CottonConnect surveyed cotton farmers and local implementing partners in India and Pakistan. The 57 cotton farmers who participated in the survey included farmers from Gujarat, Maharashtra and Madhya Pradesh in India and from Sindh in Pakistan. 22 representatives, including CEOs, Directors, Production Unit Managers, Project Coordinators and Field Executives, were surveyed from seven local implementing partners who represent over 141,000 farmers.

KEY RECOMMENDATIONS

Increasing market linkage and cotton sale support was the second highest recommendation by farmers (stated by 24% of farmers).

- ◆ Financial partnerships between farmers, ginners and seed producing companies can enable farmers to buy seeds for sowing and pay for them when the cotton is purchased.
- ◆ Governments can ensure that they pick up their cotton orders as agreed.
- ◆ Receiving timely information on how the market is performing will support farmers in getting the right price at the right time for their cotton.

Building resilience for cotton farmers includes brands and supply chain actors working together to make sure that farmers have security that they can sell their cotton. This calls for reinventing the role of brands, not just as procurers of cotton, but with a responsibility for each stage of the supply chain, ultimately supporting smallholder farmers to thrive.

SUSTAINABLE LIVES: MISSION HOPE

For cotton farmers in India and Pakistan, the pandemic continues. 30% of farmers surveyed said that greater awareness of COVID-19 is needed, echoing a needs assessment conducted by CottonConnect at the start of the outbreak. To increase the adoption of practical measures to prevent transmission, for example through handwashing, CottonConnect drew on expertise from working with the communities to create a campaign – **Sustainable Lives: Mission Hope** – to support cotton farming communities in India and Pakistan. The campaign began in March 2020 and has now reached over 90,000 cotton farmers.





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CONNECT**

COTTONCONNECT IS AN ENTERPRISE WITH A SOCIAL MISSION PIONEERING A
TRANSPARENT AND SUSTAINABLE COTTON SUPPLY CHAIN FROM RETAILERS TO
FARMERS TO BUILD A SUSTAINABLE FUTURE FOR THE COTTON INDUSTRY.

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