



**DIASCA**

Digital Integration of Agricultural  
Supply Chains Alliance

# Interoperability of Farmer Income & Cost of Production Data

A Blueprint for Better Data

Summary of Phase 1 & 2 (Semantics and Syntax)

11 July 2024

# Workgroup Overview

Over the last 18 months, the Farmer Income Workgroup focused on **Semantics** (indicator content) and **Syntax** (methodological guidelines). The workgroup was comprised of:

- 235 overall participants in the workgroup
- ~20-40 expert attendees per workgroup session
- ~32 leading contributors representing NGOs, research institutions, UN agencies, inter-governmental organizations, certification bodies, traders, and technology companies directly involved with income and cost of production work.

# Sample of Workgroup Experts



Kealy Sloan	Koen Sneyers	Laurette Dube	Kristian Doolan	Meg Phillips	Guillermo Belloso
Janina Grabs	Vaishnavi Ranganathan	Edward Amankwah	Simone Ransijn	Christopher Wunderlich	Rodrigo Cárcamo-Díaz
Christophe Montagnon	Ruth Ann Church	Leslie Agyare	Alvin Rizki Ramadhani	Vaibhav Panpaliya	
Puvan J Selvanathan	Madhu Bopanna	Alexandre Rocos	Diany Faila Sophia Hartatri	Nicola Nuecken	
Michael Ekow Amoah	Brianna Dickey	Charlie Watkinson	Vera Espindola Rafael	Daniel Dubon	

# Aligned with Other Income Experts



SUSTAINABLE  
FOOD LAB



GLOBAL COFFEE  
PLATFORM

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

**GLOBAL<sup>7</sup>**  
LIVING WAGE  
COALITION



**KIT** Royal  
Tropical  
Institute



INTERNATIONAL  
COFFEE  
ORGANIZATION



**FARMER INCOME LAB**

The Living Income  
Community of Practice

# Defining Scope

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

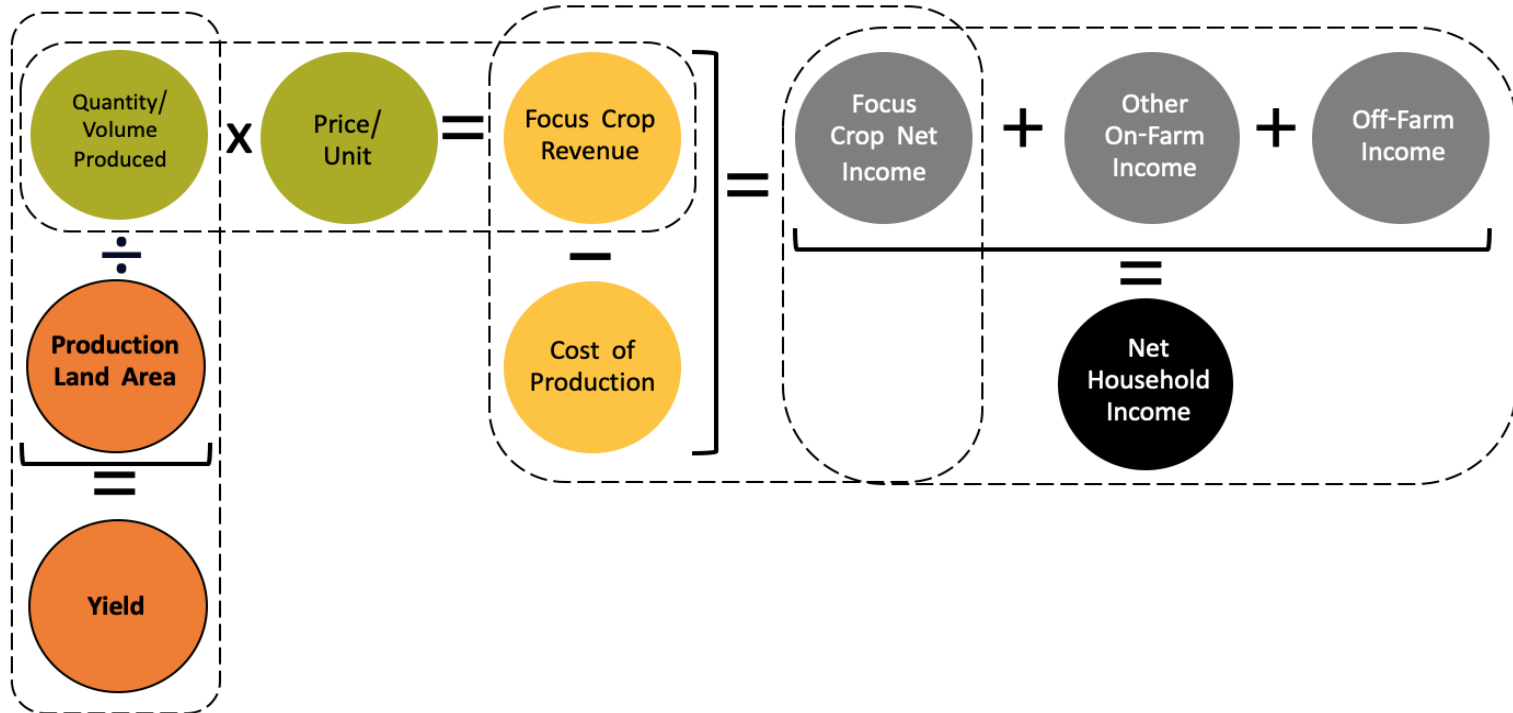
While this is **not** the same, it is related to:

**Living Income** - Living income is about households affording a decent standard of living. The net annual income of a household, which comes from various 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)** 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.

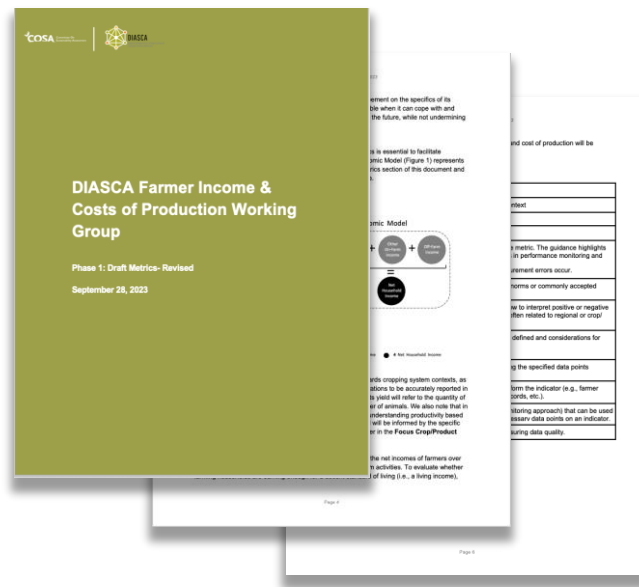
## Updated Farm Income Indicators & Economic Model



Components      ● 1 Yield      ● 2 Focus Crop Revenue      ● 3 Focus Crop Net Income      ● 4 Net Household Income

# Key Outcome – Farmer Income & Cost of Production Metrics & Methods Guidance

1. Income & Cost of Production Indicators & Metrics
2. Data Sources
3. Sampling & Field Data Collection
4. Data Quality
5. Context and Farmer Characteristic Data



# Example

## Focus Crop Revenue

Indicator Name	Focus Crop Revenue
<b>Description</b>	Gross revenue from all sales of focus crop
<b>Metric</b>	USD/farm earned for all focus crop/product sales (Can be reported by land area or other product specific units for comparability)
<b>Unit</b>	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)
<b>General Guidance</b>	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).
<b>Benchmarking</b>	COSA, SFL, ISEAL Guidance on Reporting Farm Economic Metrics SDG 2- Zero Hunger ISEAL Common Core: Business Resilience- Net revenue over last year from product produced according to standard GCP Common Indicators
<b>Performance Standard</b>	Can be benchmarked to crop and/or regional or national averages
<b>Limitations</b>	When looking at changes in revenues from year to year, it is important to consider the impacts from changes in prices, bonuses, premiums or deductions, quality, or in yields or land area devoted to the focus crop for additional context.
<b>Calculation</b>	$[Total\ Revenue] * (conversion\ factor\ to\ USD) / farm\ or\ ha\ under\ focus\ production$ OR $Price(s)\ per\ unit\ of\ focus\ crop\ (See\ "Price"\ Indicator) * the\ number\ of\ units\ sold\ during\ the\ last\ production\ year.$
<b>Data Source</b>	Document which of the following data sources were used: Estimated/ farmer recall Farm records Sales records or purchase records from buyer
<b>Survey Questions</b>	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.
<b>Validations</b>	Revenue= Specified currency (decimal format) Land area= Number (decimal format) Farmer recall estimates can be triangulated with purchase or sales quantities and/or price data.



# What's Next?

1. Complete Income & Cost of Production Work: Focus on **data model** and **governance**
2. **Incorporate Living Income** (in conjunction with LICOP and others)
3. Prepare for **CSDDD** and other forthcoming regulation