

Binatani Sejahtera (Foundation)

Business Context

The Binatani Sejahtera [Foundation](#) is the Corporate Social Responsibility arm of PT East West Seed Indonesia, a major seed company committed to farmers' wellbeing. Binatani operates in the social and humanitarian field, specifically to support small farmers' livelihood and aims to create shared prosperity. Through knowledge and technology transfer, Binatani seeks to improve producers' capacities and agricultural productivity. Specifically, the foundation targets vulnerable populations with limited access to technical assistance. In addition, Binatani pursues environmental stewardship by conveying sustainable natural resource management.

Where it operates, Binatani observes rising risks linked to natural capital. Farmers face significant water scarcity challenges, i.e. during the dry season, the lack of water limits irrigation. This has led to conflicts where landowners compete to use rivers, groundwater, and springs' water.

In contrast, farmers face rising levels of pests and crop disease during the rainy season along with extreme climate events like cyclones. Both situations of water shortage and water excess are negatively reflected in farms' productivity during sensitive periods. Production interruption is sometimes coupled with supply chain disruption, where unstable market demand enhances the vulnerability of some farmers.

Conscious of those challenges, the foundation committed to developing *The Agriculture Livelihood Project*, a two-year project starting in October 2021 funded by William and Lily Foundation. The project aims to improve decent agricultural livelihood for diverse farmers' groups. Established under an "integrated approach umbrella" the project partners with universities, financial institutions, NGO and local authorities among others. The core activities consist of training trainers, farmers, and students on best agricultural practices. Among other thematic, training revolves around the use and storage of seeds, creation of plant nurseries, preparation of balance and fertilizer organic fertilizer with composting, pest and disease control, harvest and post-harvest management, financial market access and farmers' safety.

Assessment

WHY? What was the objective of the assessment?

By enhancing farmers' skills, Binatani understood that they had created a positive impact relating to social and human capital, but didn't know how to estimate it. To gain insights and to better communicate the progress of *The Agricultural Livelihood*

project; Bina Tani decided to assess the impacts of knowledge transfer to farmers with the final aim of improving their livelihood. The underlying objectives are to:

- increase farmers' income, thus guarantying continuous and improved agricultural productivity throughout the year
- teach farmers skills to enable them to run successful small businesses
- ensure a stable supply chain to match market demand throughout the year

Envisioning virtuous cycles of positive impacts, Binatani expected that, with the capitals assessment, the project could be prolonged by the funders.

At the same time, they envision that smallholder farmers can better meet vegetable market demands thanks to the new skills and knowledge acquired. Therefore, family farmers can flourish, and this prosperity would be positively reflected in the sales of seeds from PT West Seed Indonesia.

WHAT? What was the scope of the assessment?

Binatani chose to scope their assessment around the horticulture sector in Southwest Sumba, East Nusa Tenggara region. As the application seeks to assess impacts on stakeholders, the foundation limited the study to 48 farmers' groups and beneficiaries of the project-approximately 350 farmers and their family members.

As a baseline, they opted to take reference to the situation at the beginning of the project in October 2021. As the first output of the assessment, Binatani produced the '*Baseline study report*' and a theory of change. They led focus group discussions and produced in-depth surveys in close collaboration with farmers, leaders of the associations, representatives from agrifood companies, representatives from financial institutions and extension agricultural officer (public support) involved in the supply chain. The study is to be conducted over a two-year period, corresponding to the project's closure in September 2023. An assessment took place halfway through the period, in September 2022, which enable the collection of some preliminary data.

After running a materiality assessment with close partners; the following five impacts have been selected to be measured and valued:

- Productivity
- Knowledge and skill of agriculture cultivation and entrepreneurship
- Financial access
- Supply chain security and market access
- Stakeholders supporting

HOW? What was measured and valued?

To carry out the measurement and valuation phase, Binatani elaborated on five impact pathways aligned with the TEEBAgriFood for Business Guidelines. They have used the following three-step approach:

- 1) Ensuring the **impact drivers** correspond to the activities proposed
- 2) To focus on **change in human, social, and produced capitals**
- 3) To estimate the consequences on **wellbeing, income, nutrition and trust levels** from a societal perspective

Impact driver	Change in Capital	Consequence
Training in good agricultural practice	Human and Produced Capitals <ul style="list-style-type: none"> - Enhanced farmers' and practitioners' knowledge and skills - Enhanced, diversified and continuous productivity throughout the year to ensure market supply 	Impact on Society Human and Produced Capitals <ul style="list-style-type: none"> - Increase in farmers' family wellbeing. - Increase in farmers' family daily intake of vegetables - Increase in farmers' family incomes.
Training on entrepreneurship	Human and Produced Capitals <ul style="list-style-type: none"> - Enhanced farmer's knowledge and skills - More stable household income 	Impact on Society Human and Produced Capitals <ul style="list-style-type: none"> - Increase in farmers' family wellbeing
Training on access to financial facilities	Produced Capital: <ul style="list-style-type: none"> - Better access to financial products 	Impact on Society Human and Produced Capitals <ul style="list-style-type: none"> - Increase in farmers' family wellbeing
Training on production planning and market access	Human and Produced Capitals <ul style="list-style-type: none"> - Better access to market for selling their product - More stable supply chain with less disruption 	Impact on Society Human Capital <ul style="list-style-type: none"> - Increase in farmers' family incomes - Increase in farmers' family wellbeing (avoided stress) - Better nutrition for consumers as their needs for high quality vegetables are met
Activities to strengthen partner's capacity to support farmers	Human and Social Capitals <ul style="list-style-type: none"> - Enhanced practitioner's knowledge and skills - Support facilities and infrastructure for agricultural business development - Better integration of different actors from the value-chain (bridging capital) 	Impact on Society Human and Social Capital <ul style="list-style-type: none"> - Increase in farmers' and practitioners' wellbeing - Increase in trust between stakeholders

Over the first year period, Binatani held numerous training sessions for farmers and extension agricultural officers, who act as free counselors to farmers. Binatani was able to gather qualitative, quantitative and monetary data through interviews, surveys, and market analysis.

They evaluated the knowledge transfer regarding fertilizers uses, disease management, seeds selections, production diversification, etc. They then mapped farmers' production, identified crops and crop prices, estimated productivity per 100 square meters, and finally determined monthly farmers' incomes.

Due to qualitative information collected from ten farmers and officers, Bina Tani are seeing farmers' satisfaction with the project's outcomes. They have observed higher crop diversity and a higher production level for highly demanded products such as tomatoes and chili. Due to better planning in production, income stability is also being enhanced through the year.

Binatani are able to measure a preliminary impact on the nutrition of consumers, farmer's children and the community they serve. In the past, malnutrition has been observed in the Sumba Island region as farmers have not been focused on recommended daily intakes and children's nutrition. By working closely with a voluntary health program, locally trained nutritionists from the public sector, Binatani observed that children's daily intakes have improved due to a more diversified production and a decrease in malnutrition rates where they operate.

WHAT NEXT? What were the results of the assessment?

Binatani will continue gathering data until September 2023, so they will be able to measure the change in capitals compared to the baseline report from September 2021. As immediate output, they plan to publish testimonies from farmers to disclose information and communicate findings to stakeholders.

Based on the final project results, the foundation expects to generate evidence of *The Agricultural Livelihood Project* positive outcomes for human, social, and produced capitals. They hope the assessments' findings will help communicate to donors the effectiveness of the project and possibly extend the project's scope.