

# The Living Income Community of Practice

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## An Introduction to Living Income

March 12th, 2024

14:00-15:30 GMT (UK time)





# Today's Facilitators



**Kaitlin Sampson Murphy**  
Program Manager  
**Sustainable Food Lab**



**Carla Rodriguez**  
Project Coordinator, Impacts  
and Innovations  
**ISEAL**



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Mentimeter

# Instructions

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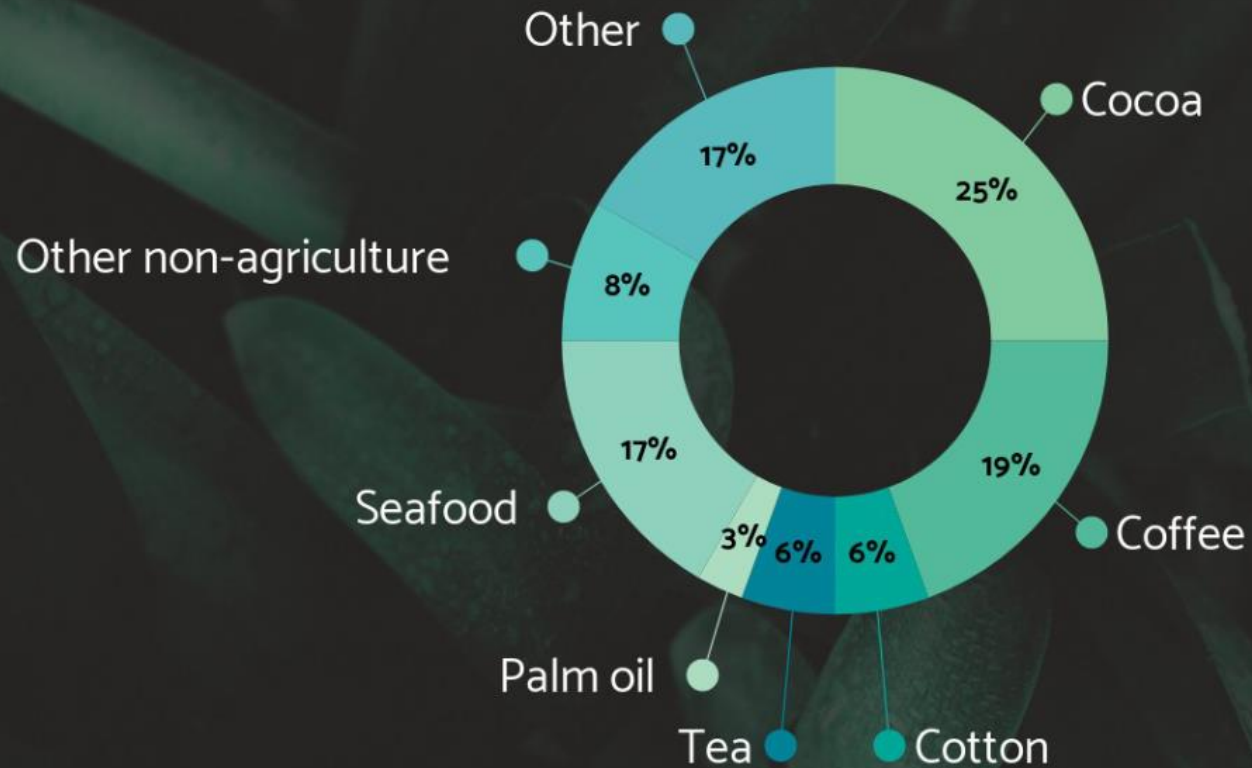
**3267 0417**



Or use QR code



# In which sector do you work?



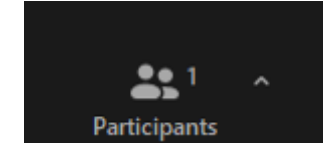
# Session Guidelines

## RECORDING

- This session is being recorded and this will be shared with all participants on the Living Income webpage within 2 weeks.

## INTRODUCE YOURSELF

- Edit your name and add your organisation in brackets; e.g., [Carla \(ISEAL\)](#)
- To do this, simply click on the “Participant button”
- Next, click on “Rename” next to your name in the Participant list



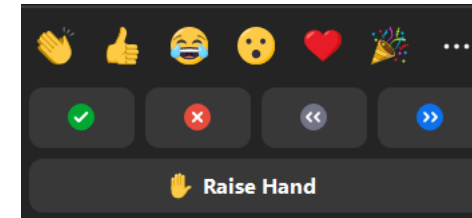
## HOW CAN I ASK A QUESTION/COMMENT?

- **Raise your virtual hand** (look for this at the bottom of the Participant list) and organisers will call on you and you can unmute yourself
- Or pop the question in the **chat box**
- Please keep yourself muted when not speaking



## TECHNICAL DIFFICULTIES?

Reach out to [Carla Rodriguez](#) in the chat box or to [livingincome@isealalliance.org](mailto:livingincome@isealalliance.org)



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# The Living Income Community of Practice

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**Living Income Community of Practice** is open to any entity committed to learning on the topic of Living Income and improving livelihoods of smallholder farmers

[www.living-income.com](http://www.living-income.com)

## The Living Income Community of Practice Objectives



Increase understanding of living income measurement and the income gap



Identify and discuss strategies for closing the income gap



Share learning and facilitate collaboration between actors

# Agenda

<b>Time</b>	<b>Topic</b>
10 min	<b>Welcome &amp; Agenda</b>
15 min	<b>Introduction to Living Income</b>
10 min	<b>Q&amp;A</b>
15 min	<b>Roles &amp; Responsibilities</b>
10 min	<b>Current Trends in Living Income</b>
5 min	<b>Tools for companies and governments</b>
10 min	<b>LICOP Website Tour</b>
10 min	<b>Q&amp;A</b>
5 min	<b>Closing</b>

social-science based target

economic viability

improved  
livelihoods

living income benchmark

living wage equivalent

human  
right

**What is a**

**Living Income?**

farming profit

poverty  
alleviation

household income

fair  
prices

equity

living income  
reference price

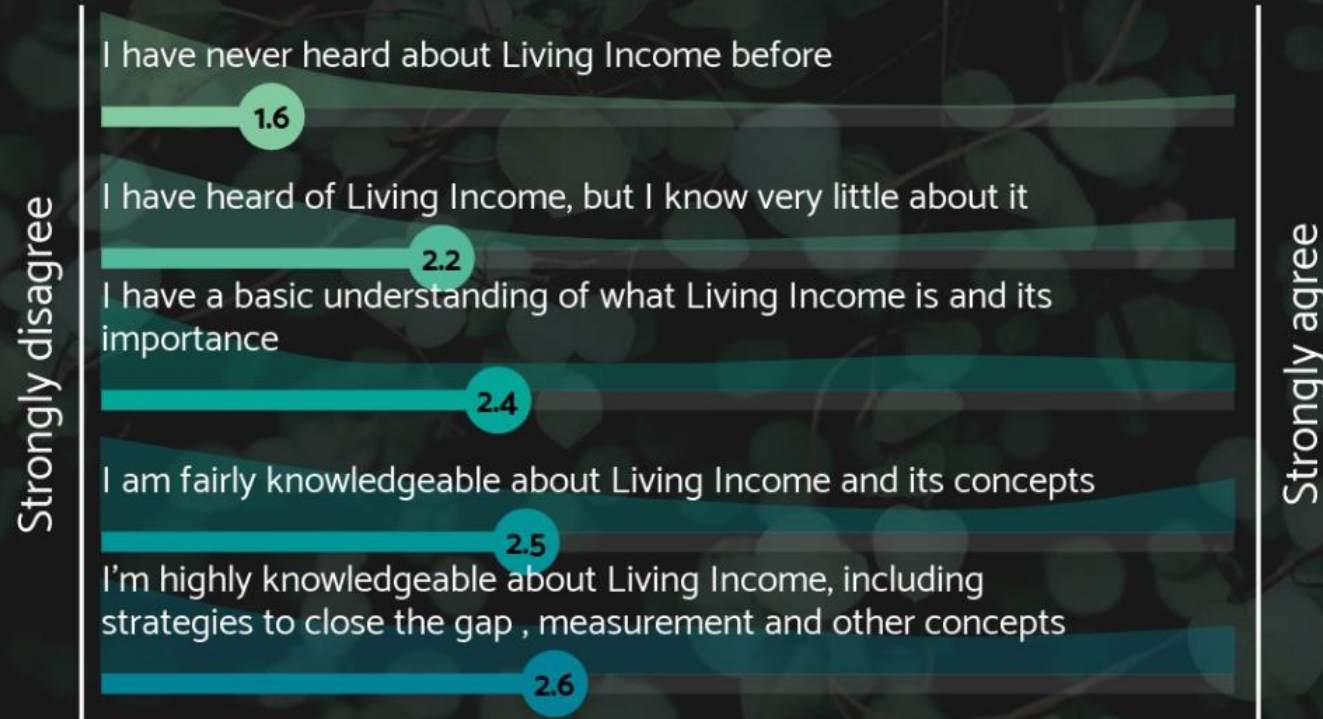
prosperity

resilience

cost of decent living

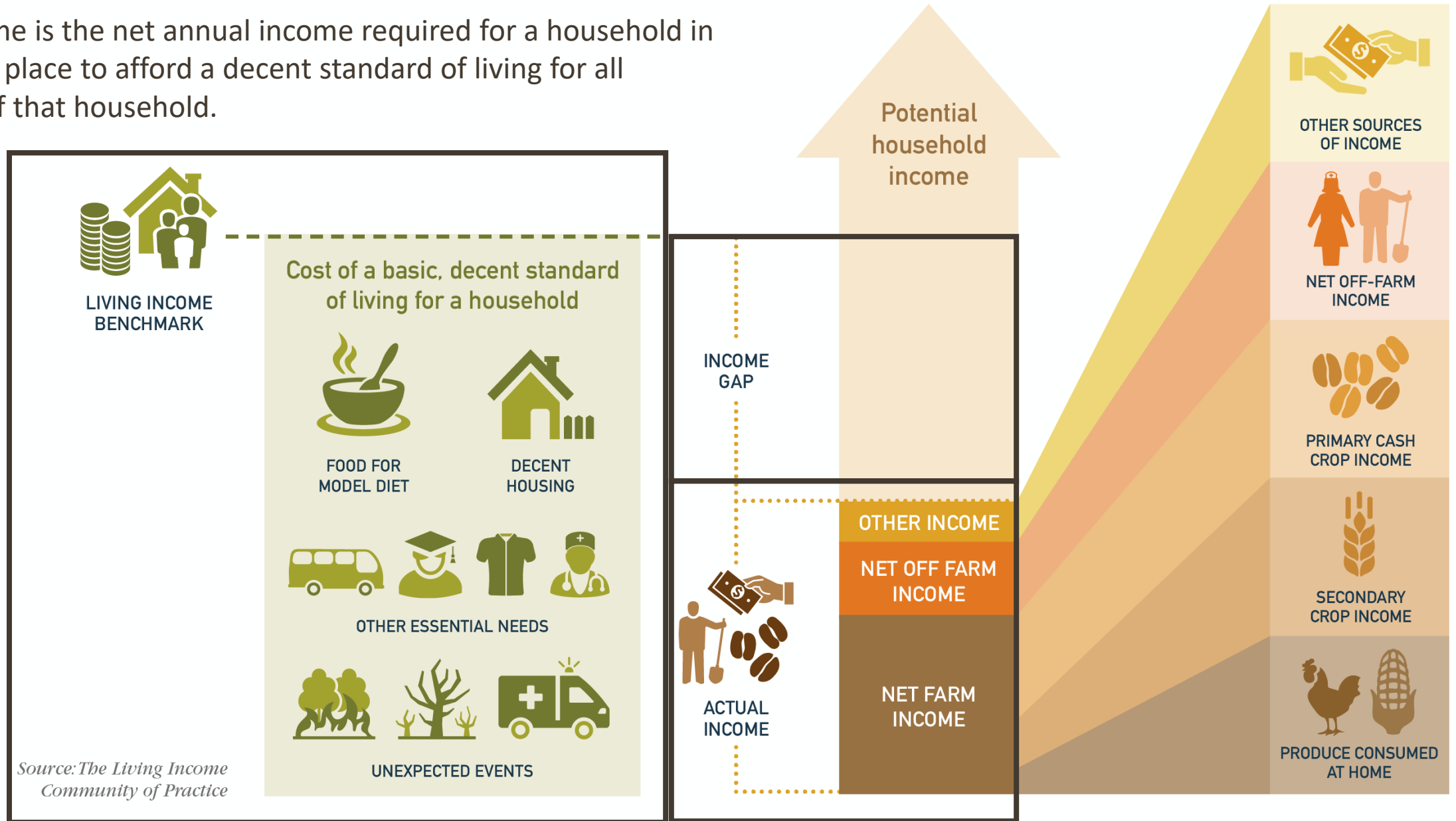


# Let us know how much do you know about Living Income?



# The Living Income Concept

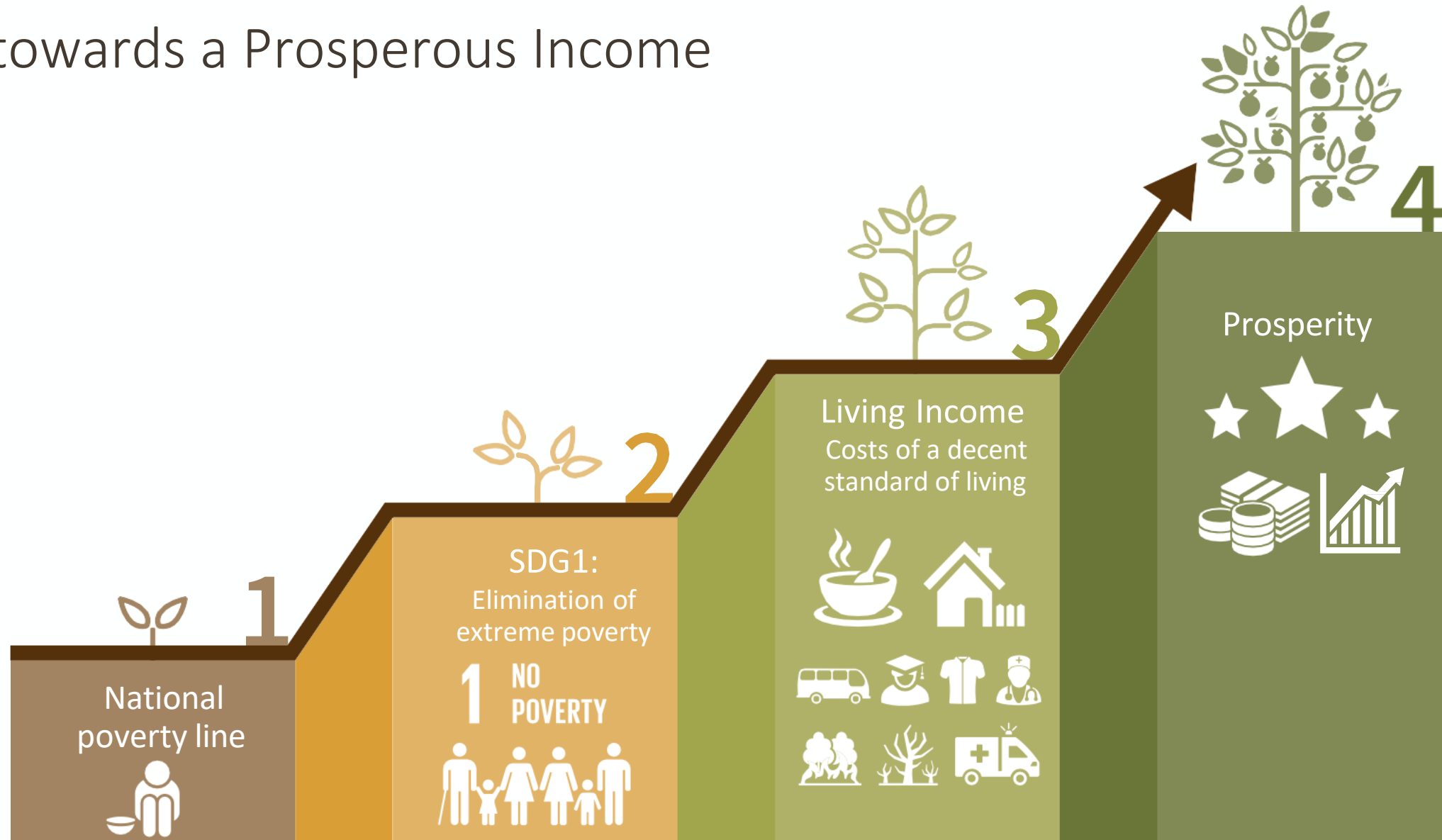
Living Income is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household.



Source: *The Living Income Community of Practice*

# Living Income

A milestone towards a Prosperous Income





# Living Income vs Living Wage

The concepts of living wage and living income are both about achieving a decent standard of living for households. While the concept is similar, living wage and living income serve different populations.



- Farmers within a supply chain
- Often used in the context of smallholder farmers who grow a single commodity crop that has dramatic price swings
- Often used in the context of the global majority (**Latin America, Africa & Asia**) where social security nets, access to information and the ability to organize is limited
- Decent standard of living is based on **annual income required for a household**, as smallholder farmers often only use family labor
- Direct employees or wage workers within a supply chain
- Often used in the context of cities and towns with formal currency
- Wage that provides a decent standard of living for a **standard workweek**
- Decent standard of living is based on **monthly income required for an individual**
- Wage workers often have more **access to alternative work and the ability to organize** for wage changes

# A Living Income Supports many other Goals!



SDGs

Living Income is at the core of realizing numerous SDGs. No Poverty, Decent Work and Economic Growth, Reduced Inequalities and Sustainable Production being some of the most interconnected goals.



Livelihoods

Goals on “livelihoods” may include access to clean drinking water, food security, education, women’s economic empowerment etc. Living income does not provide access but does provide a level of income required to afford these services and goods.



Food Security  
& Nutrition

A living income benchmark includes “food for a model diet”. Living income does not provide access but does provide a level of income required to afford a locally nutritious diet.

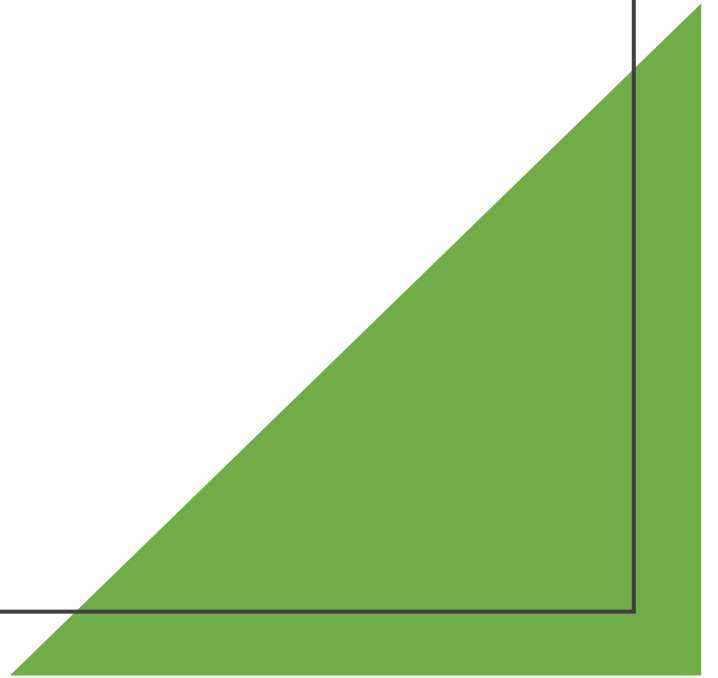


Climate Resiliency,  
Deforestation &  
Regenerative Ag

Farmers who earn a living income are better able to invest in their farms: preparing for climate change, making the transition to regenerative agriculture and more likely to protect trees from deforestation.

# Questions

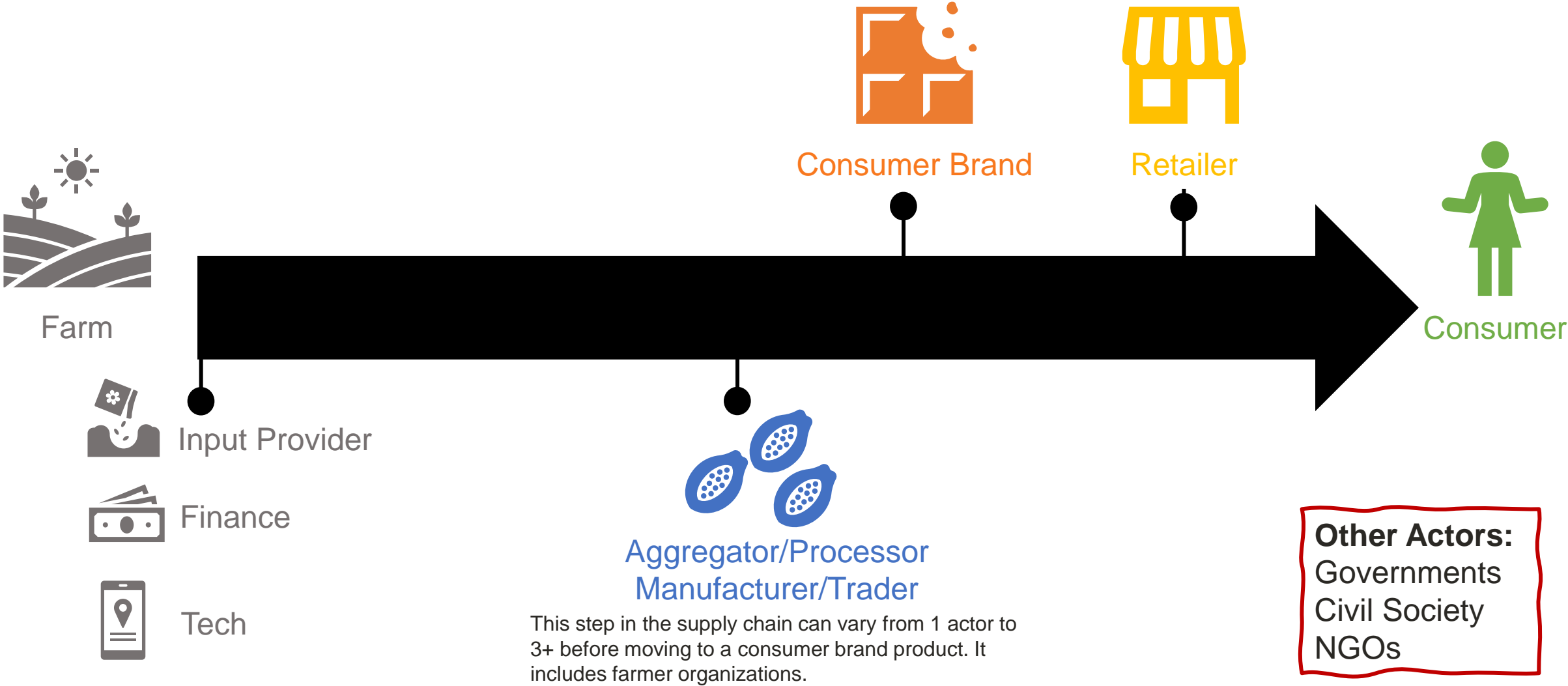
Clarity on the concept?





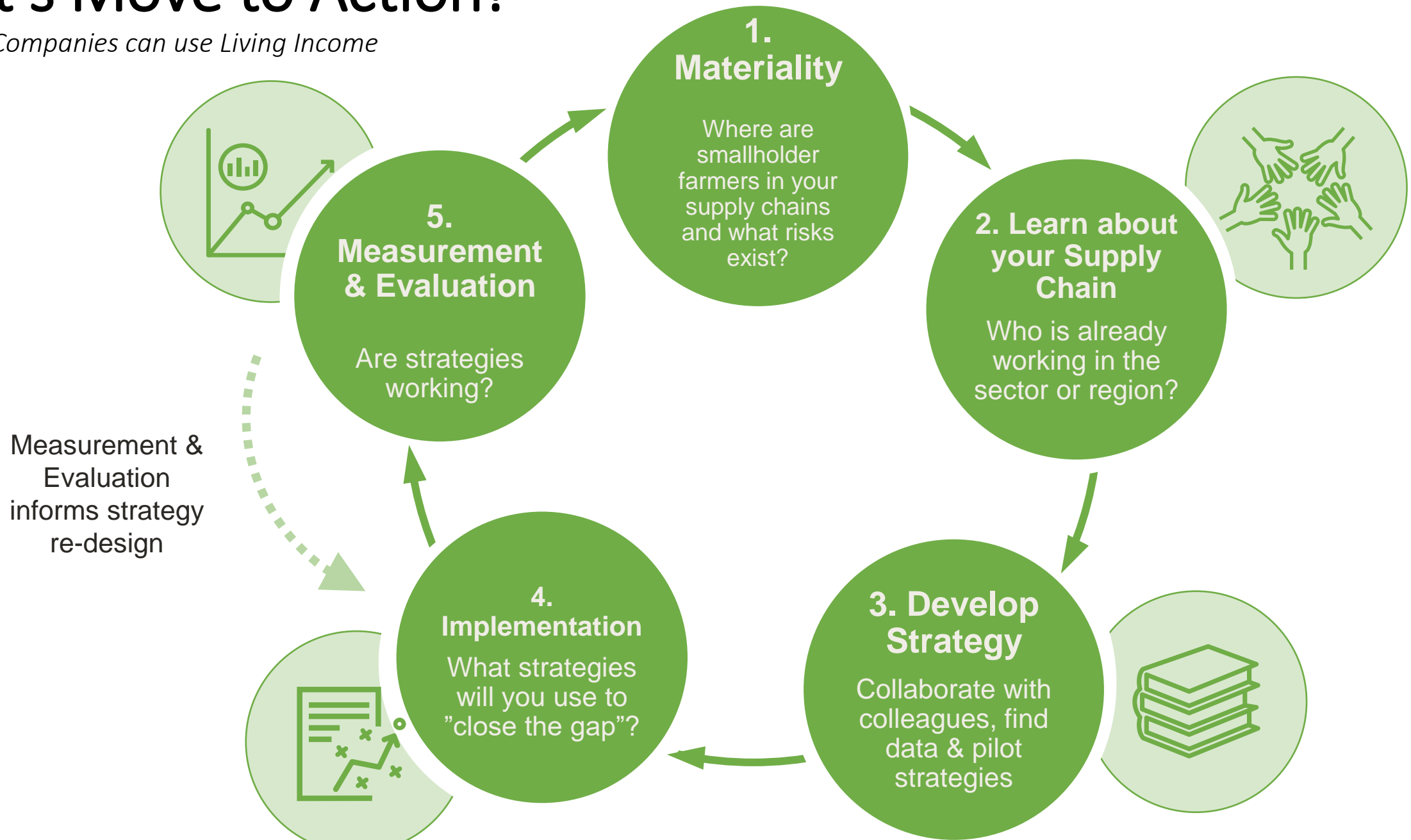
# Whose Responsibility is Living Income?

Agricultural supply chains can be complex with many actors involved from farm to consumer, but each actor plays a role.



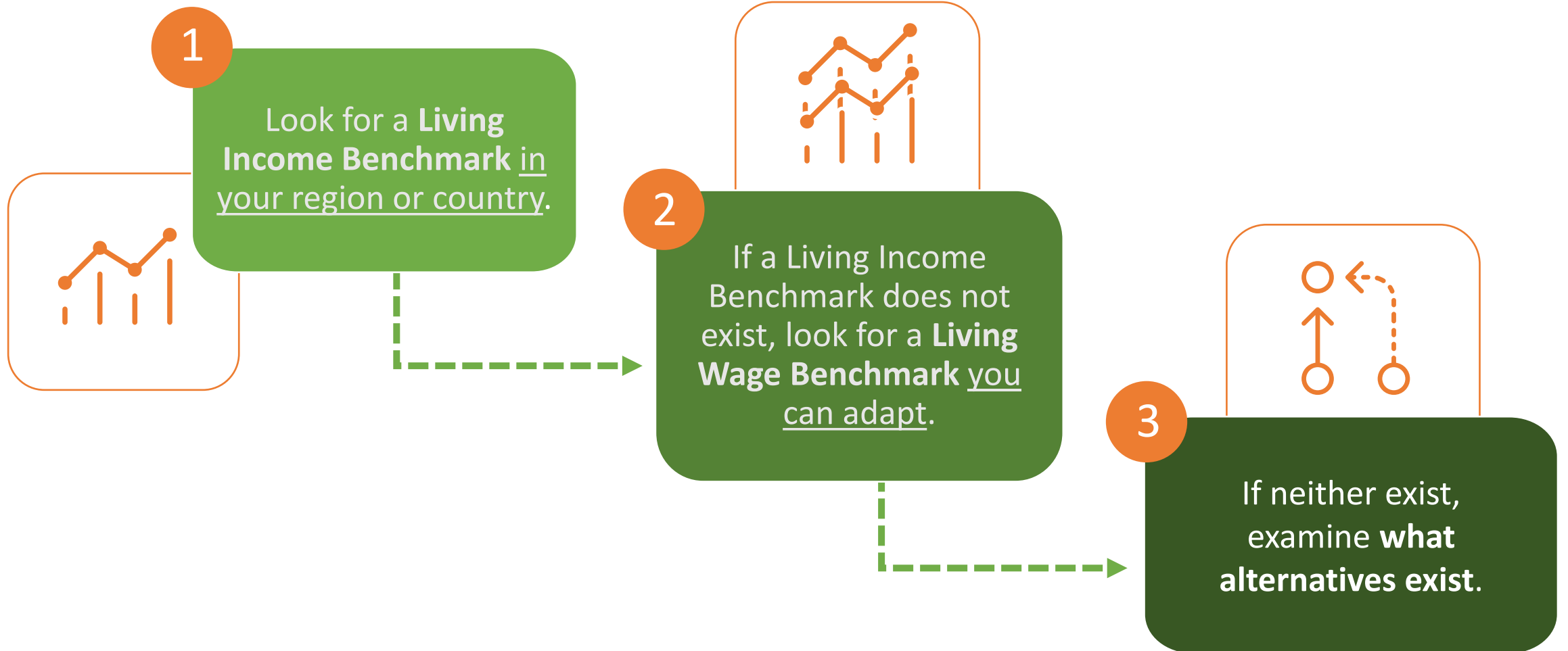
# Let's Move to Action!

*How Companies can use Living Income*



# 3. Develop Strategy, Find Data

*A **living income benchmark** is an estimate of the cost of a basic and decent standard of living for a household.*





# 3. Develop Strategy, Find Data

*Actual income is the total net household income of a farming family.*

## Basic Variables of Actual Income Analysis

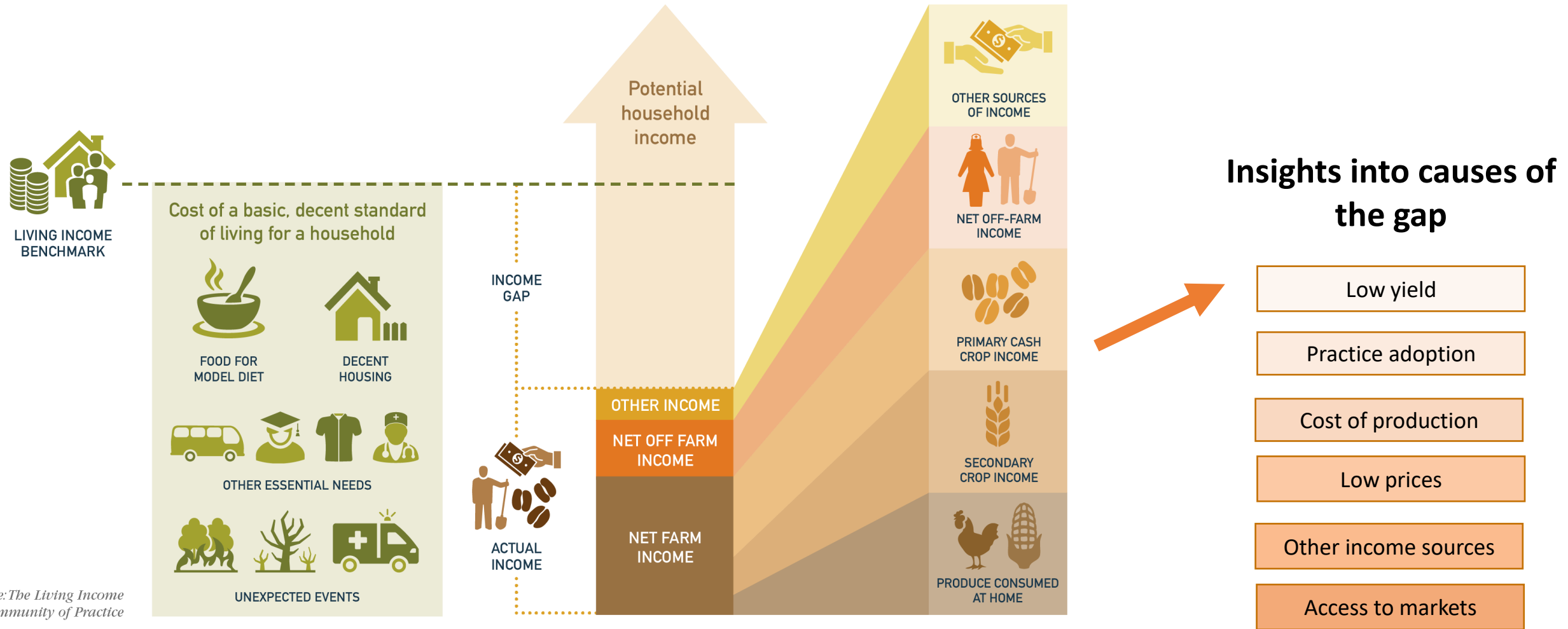
- Primary Cash Crop
  - Farmgate Price
  - Farm Size
  - Yield
  - Cost of Production
- Net Income from other sources or % of total income from primary cash crop
  - Other Farm Income
  - Off-farm Income
  - Food Produced at Home

## Finding Household Income Data

- Farmer self-reported income data
  - Farmer surveys
  - Farm records, passbooks etc.
- Cooperative or aggregator records from primary cash crop
- Research studies of typical incomes in a region
- Impact assessments done in your supply chains, competitor sustainability programme data etc.
- \*Note on data accuracy in notes section

# 3. Develop Strategy, Pilot Strategies

The Gap to a living income can provide many insights into your supply chain. By creating a farm economic model you can start to understand how critical variables might contribute to closing the gap.



# 4. Implementation

*Work with colleagues, sector groups and multi-stakeholder initiative to create a strategy and implement action*

You might already implement a number of these strategies with your partners. There are two important aspects to remember:

- 1. Inclusion first:** Leaving farmers who need to transition out of a strategy is not part of a living income strategy.
- 2. Multifaceted approach:** Different farming communities will require a variety of strategies that include all 4 buckets.



### PRODUCTION AND QUALITY



Professional producer orgs



Improved quality



Farm service delivery



Access to finance




Risk mitigation tools




Value Addition




Income diversification




### PRICE & TRADING PRACTICES




Supplier management




Pricing and transparency




Certifications and quality premiums




Minimum pricing




Public reporting




Consumer engagement



New product development



Access to new markets



Contracting



### LANDSCAPE & COMMUNITY DEVELOPMENT



Watershed / forest protection



Community based income projects



Social protection



Land tenure



Women's economic empowerment



### SECTOR & GOVERNMENT POLICY



National sector strategies



Sector price mechanisms



Supply management



Rural economic development policy



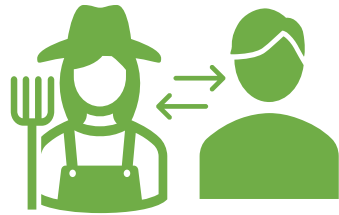
Due Diligence legislation

# Living Income Movement



## Multistakeholder Organizations

WBCSD, UNDP, FAO, ILO, OECD, IFC, World Benchmark Alliance



## NGOs

Fairtrade, Rikolto, IDH, TechnoServe, Heifer International, Rainforest Alliance, Solidaridad, Conservation International



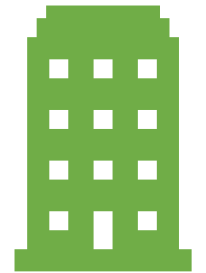
## Sector Groups

Sustainable Coffee Challenge, ICO living income workstream, Alliance for Living Income in Cocoa



## Governments

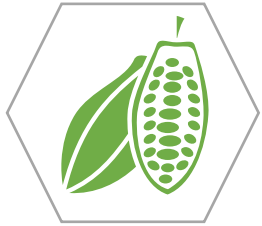
UN Decent Work Coalition, Cote d'Ivoire Ghana Cocoa Initiative, Mexico Private Public Task Force



## Companies

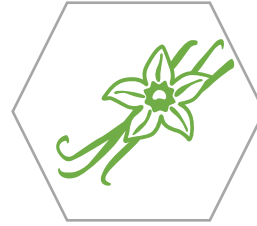
Sustainable Vanilla Initiative, IDH Living Income Roadmap, World Cocoa Foundation

# Sector Groups



## Cocoa

- World Cocoa Foundation
- International Cocoa Initiative
- German, Dutch, German, Belgian French Initiatives on Sustainable Cocoa
- VOICE Network
- Alliance for LI in Cocoa



## Vanilla

- Sustainable Vanilla Initiative



## Cotton

- Better Cotton Initiative



## Tea

- Ethical Tea Partnership
- Malawi 2020



## Coffee

- Task Force for Coffee Living Income
- ICO Public Private Task Force
- Sustainable Coffee Challenge



## Tobacco

- Sustainable Tobacco Partnership



# Changing Regulatory Landscape



## EU Corporate Sustainability Due Diligence Directive (EU CSDDD)

- **Directive on Corporate Sustainability Due Diligence**
- **Goal:** Define binding human rights and environmental due diligence obligations for companies active on the EU market in all sectors
- **Envisaged scope:** Companies with 500 or more employees and an annual turnover of at least €150 million on the EU market. Companies in risk sectors (agriculture, textiles, mining) with 250 or more employees and an annual turnover of at least €40 million on the EU market.
- **Current Status:** Vote is delayed until at least June and it is likely that the EU may attempt to further reduce sustainability requirements enacted within the past few years. While some version of the CSDDD may exist in the future, expect a significant reduction in corporate liability.

## National Due Diligence Regulation

- German Supply Chain Sourcing Obligations Act (LkSG)
- French Loi de Vigilance, etc.
- Dutch Child Labour Due Diligence Law, etc.

A recent LICOP webinar on EU DR is available here: <https://vimeo.com/841903329>

# Company Commitments



Programming and investments focused on measuring and improving incomes of farmers. Launched Income Accelerator in 2023. Strengthen our engagement in pre-competitive platforms and multi-stakeholder collaborations we feel are critical to enable an environment ultimately needed to promote a living income for cocoa farmers



One million farmers benefiting from the services of the Cargill Cocoa Promise by 2030. Participating in the Cargill Cocoa Promise will resulting farmers becoming empowered entrepreneurs who manage professional and responsible farms that generate a living income or beyond.



By 2025 Enhance livelihoods of 200,000 coffee households through access to higher value markets and technical assistance to build producers' knowledge and skills.



Help increase farmers' incomes with programs that combine good agricultural practices, access to inputs, the latest plant science and/or other ongoing engagement. Our ambition is that those working across our extended supply chains should earn sufficient income to maintain a decent standard of living.



Living income identified as one of 10 salient human rights issues and company has a global action plan. Cocoa, Coffee & Dairy supply chains interventions to address the social and economic challenges to reaching a living income by supporting farming households as they invest in maximizing farm efficiency, adopting regenerative agriculture practices and diversifying their sources of income.

An illustration depicting a man and a woman shaking hands. The man, on the left, is wearing a white cap and a light blue shirt. The woman, on the right, is wearing a blue top. In the background, there is a rural village with a thatched-roof hut and a woman holding a chicken, with children nearby. To the right, there is a cityscape with a large domed building and a shopping cart icon. The scene is set against a backdrop of green hills and palm trees.

# The Role of Governments in Enabling Living Income in Global Agriculture Value Chains

Guidance for public policy makers

# Why Governments use a living income methodology

A Living Income approach examines household incomes and income gaps.

This information helps identify economic development risks and evaluate and target policies and investments.

It provides a basis for collaborative, harmonized, complementary strategies to reduce income gaps.

Framework to understand current investments



Climate proofing agricultural value chains and protecting natural resources



Increased collaboration and alignment between inter-governmental agencies and ministries



Improved data for strategic planning & continuous improvement metrics



Increased collaboration between stakeholders (public and private partners)







# Guiding steps towards living income in the supply chain

How to mainstream living income in your company's activities



# Steps toward living income in a company supply chain



MAKE THE  
CASE



PREPARE FOR  
ACTION



TAKE ACTION



MONITOR  
RESULTS

# Learn more on our new website

**The Living Income**  
Community of Practice

The Concept

News & Events

Tools & Resources

About us



Measurement

Closing The  
Gap

Webinars  
& Events

Newsletter

News

Publications

Living Income  
Graphics

Company  
Toolkit

Government  
Guidance

Who We Are

Get Involved

Sector  
Collaborations



SIGN UP TO OUR MAILING LIST

GET IN CONTACT

# Introducing the new LICoP website



# What's new?

The Living Income Community of Practice

The Concept News & Events Tools & Resources About us

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GET IN CONTACT

**COLLECTIVELY BUILDING PATHWAYS TO LIVING INCOME THROUGH COMMON TOOLS AND GLOBAL EXCHANGE**

**ABOUT**

The Living Income Community of Practice is an alliance of partners dedicated to the vision of thriving, economically stable, rural communities linked to global food and agricultural supply chains. The goal of this community is to support activities focused on improving smallholder incomes towards living incomes, aiming to enable smallholder farmers to achieve a decent standard of living. This community is a result of a partnership between [Sustainable Food Hub, SIF and ISAL](#).

The objectives of this Community of Practice are to:

- Increase understanding of living income measurement and the income gap
- Identify and discuss strategies for closing the income gap
- Share learning and facilitate collaboration between actors

Why working together is the way to a living income, 2016

The Living Income Community of Practice

Search Site

1 NO POVERTY 2 ZERO HUNGER 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS

**ABOUT MEASUREMENT CLOSING THE GAP ENGAGEMENT OPPORTUNITIES RESOURCES CONTACT**

- About us
- The Concept
- Applications
- Living Income and the SDG's

- Living Income
- Actual Income
- Living Income Benchmarks
- Living Income Reference Values
- Living Income Proxy

- Cases and Collaborations
- Leveraging Improvement
- The Roles of Different Actors

- Upcoming opportunities
- Living Income Workshop 2023
- Newsletters
- Previous workshops
- Previous webinars

- Blog
- LiCop resources
- Living Income Graphics
- LI Toolkit for companies
- Relevant publications
- Podcasts

The Living Income Community of Practice

The Concept News & Events Tools & Resources About us

- Measurement
- Closing The Gap

- Webinars & Events
- Newsletter
- News

- Publications
- Living Income Graphics
- Company Toolkit
- Government Guidance

- Who We Are
- Get Involved
- Sector Collaborations

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# Events and Resources

## WEBINARS & EVENTS


The Living Income Community of Practice holds regular webinars and workshops covering topics from measuring actual and living incomes to closing income gaps, with speakers and examples from various disciplines and sectors. Below, you'll find **upcoming events highlighted in green**, along with recordings and links to resources associated with all past webinars from our series.

TYPE ▾	AVAILABILITY ▾	SECTOR ▾	RELATED TOPIC ▾
Virtual In-person Workshop	Upcoming Past	Cocoa Coffee Vanilla Tea Other	Strategies for closing the Income Gap Understanding Living Income Tools & Measurement Other

## PUBLICATIONS

TYPE ▾	SECTOR ▾	USE ▾
Report Guidance Document LICO Publication	Coffee Cocoa Vanilla Tea Other	Benchmarking Actual Incomes Strategies

### CURRENT EVENTS




Virtual |  
Understanding Living Income |  
Tools & Measurement

**Exploring Living Income: Understanding Living Income, Trends, and Tools**  
March 2024

[➤ To the Webinar](#)

### PUBLICATIONS




Report | Cocoa | Benchmarking

**Adjusting Living Income Benchmarks for Household Size in the Cocoa Sector: Methodological Note from the Ben & Jerry's Tony's Open Chain MEL Working Group**

The full report examines how an inter-organizational Monitoring, Evaluation and Learning Working Group – worked to align on ways of measuring and reporting progress towards living income within two cocoa co-operatives in Côte d'Ivoire.

### NEWS



**Navigating the Complex Path to Farmer Prosperity: Insights from the IDH Market Transformation Summit**

November 2023

By Mark Birch, Program Director-Sustainable Procurement IDH - IDH Market Transformation Summit in Geneva

[➤ read more](#)

### NEWSLETTER

2023

[March 2023 Newsletter](#)  
Evidence in Living Income

[July 2023 Newsletter](#)  
Collaboration towards a common goal: Living Income

[December 2023 Newsletter](#)  
The Living Income Community of Practice in 2023

2022

2021

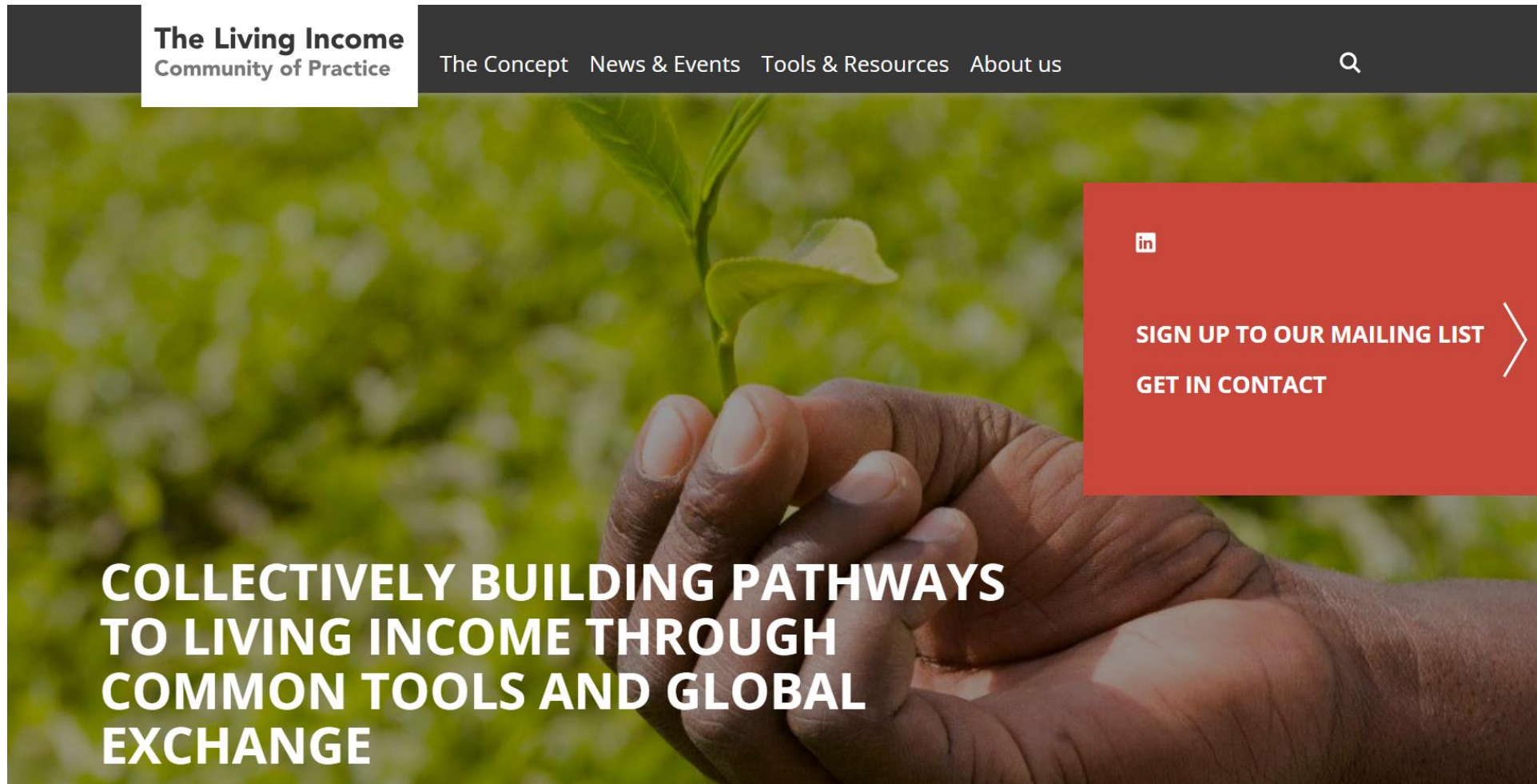
2020

2019

2018

# Let's explore together!

[www.living-income.com](http://www.living-income.com)



**The Living Income**  
Community of Practice

[The Concept](#) [News & Events](#) [Tools & Resources](#) [About us](#)



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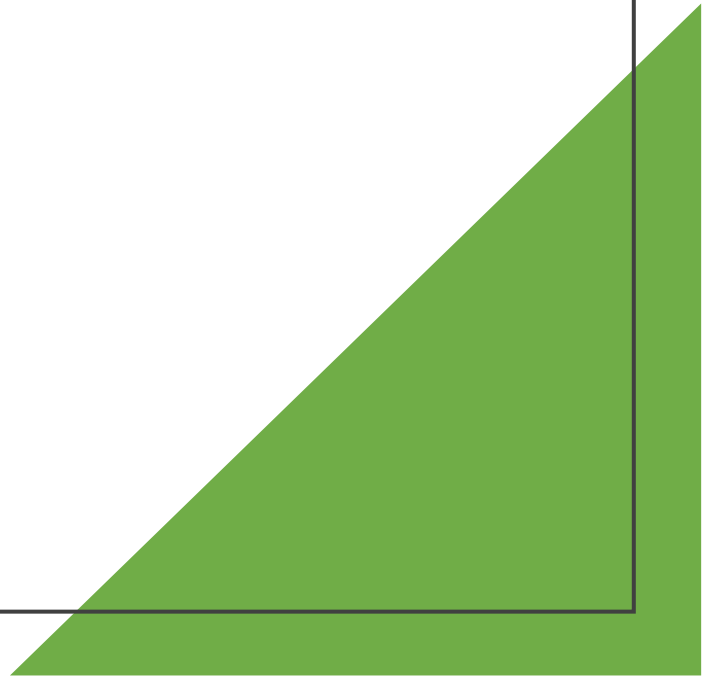


**COLLECTIVELY BUILDING PATHWAYS  
TO LIVING INCOME THROUGH  
COMMON TOOLS AND GLOBAL  
EXCHANGE**



# Questions

Clarity on the concept?



# Upcoming engagement opportunities

In 2024, the Living Income Community of Practice will hosts the following events:

- **April** (Webinar) Gender-focused Living Income Interventions
- **May** (Webinar) Responsible Purchasing Practices
- **June** (Virtual workshop) Ingreso Digno en Latinoamérica: Estrategias, impacto y desarrollo
- **July** (Webinar) Living Income benchmarks and the strategic way forward
- **Q4** (In-person workshop) LICoP in person workshop



Virtual | Other |

Strategies for closing the Income Gap |

Upcoming

**Gender-focused Living Income interventions**

**April 2024**

**> To the Webinar**

# Where can I find more information on Living Income or Living Wage?

The Living Income  
Community of Practice

[www.living-income.com/living-income-benchmarks](http://www.living-income.com/living-income-benchmarks)

LICOP has compiled an easy-to-read **data sheet** with living incomes and living wages according to available references.

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

[www.globallivingwage.org](http://www.globallivingwage.org)

**Thresholds of living income and reference values** available in **26 countries**, with application in **multiple industries**



<https://www.idhsustainabletrade.com/living-wage-identifier-tool/>

The **Roadmap on Living Wages**, offers solutions for measuring and closing living wage gaps. Analysis on [living income in coffee](#).

ALIGN

[www.align-tool.com](http://www.align-tool.com)

Website aiming to host information on all **living incomes and living wage benchmarks**

# Learn More About Living Income

The **Living Income Community of Practice** is an alliance of actors from various sectors (private sector, civil sector, academia). Its aim is to improve smallholders' income by combining the levers of the different actors. Within this collaboration, businesses can learn from the experiences of their alliance partners and make use of the methods and guidance offered by these in order to contribute to closing the income gap.

Join the conversation on [www.living-income.com](http://www.living-income.com)

## About

[The Concept](#)

[Tools for Practitioners](#)

## Measurement

[Measuring Living Income](#)

[Closing the Gap](#)

## About LICoP

[About us](#)

[Get Involved](#)

[Sector Collaborations](#)

## Resources

[Graphics](#)

[Newsletters](#)

[Papers & Reports](#)

[Recorded Webinars](#)

## Events

[Upcoming Events and](#)

[Previous Events](#)



# Living Income Resources

**Living Income Video:** [https://www.youtube.com/watch?v=f3pVHryU8t8&feature=emb\\_logo](https://www.youtube.com/watch?v=f3pVHryU8t8&feature=emb_logo)

*\*translation available on youtube*

**Closing the Income Gap: What Works to raise Farmer Incomes:** <https://vimeo.com/395226043>

The Living income Community of Practice and Mars Farmer Income Lab discuss their cutting edge research released on effective approaches to improving small farmers incomes.

**Stakeholder levers for addressing income gaps:** <https://vimeo.com/242544743>

Business Fights Poverty presents their exciting, recently published, collaborative paper on levers for stakeholders to pull in order to raise incomes to a decent level.

**How to build a Living Income Roadmap:** <https://vimeo.com/461408945>

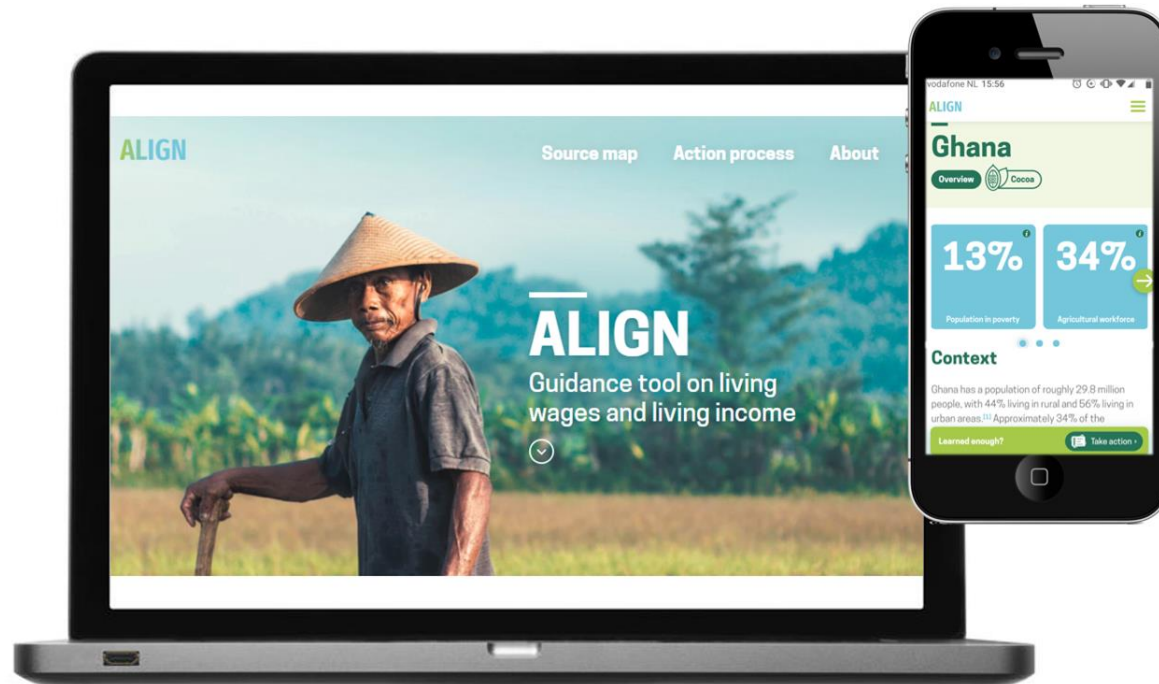
This webinar discusses economic viability of small producers in their supply chain through improving sourcing practices or implementing sustainability programmes. Andrew Brooks (Olam) and Laura Kent (TESCO) talk about the importance of integrating living income into company practices.



# Living Income Resources

- **Benchmarks**- What is available? Who develops them? How often is it updated? (Ref: [LICOP Benchmark FAQ](#))
- **Measurement of Actual Income**- Data collection challenges? How do I collect some of this data or what can I do when data is not available. What granularity of data is needed? (Ref: [LICOP Measurement FAQ](#))
- **Closing the income gap**-
  - What are company's responsibilities? What can they claim? How does certification or premiums help? (Ref: [LICOP Company Toolkit](#))
  - Some of these interventions are very resource intensive. Share examples of public-private partnerships (Ref: [LICOP Government toolkit](#))
  - Clarity on the LIRP – share case study example of how it is used. (Ref: [Tony's Chocology Sourcing Principles](#))

# ALIGN Tool: guiding your living wage & living income journey



**Join the ALIGN community today!**  
Subscribe to the ALIGN newsletter to receive bi-monthly updates packed with exclusive content, insights, and resources to empower your living wage and income journey.

[www.align-tool.com](http://www.align-tool.com)

**FAIRFOOD**



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The Living Income  
Community of Practice

**GLOBAL**  
LIVING WAGE  
COALITION

Anker  
Research  
Institute

**WageIndicator**



# Thank you!

## The Living Income Community of Practice



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SUSTAINABLE  
FOOD LAB

Photo © tea field Kenya Rainforest Alliance RA