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SELF-HELP GROUP LAND LEASING: OUTCOMES AND LESSONS LEARNED

The United States Agency for International Development (USAID) and PepsiCo are partnering to promote women's economic empowerment in the potato supply chain in West Bengal, India. The partnership aims to demonstrate the business case that empowering women makes good social and economic sense, leading to the adoption of sustainable farming practices, improved yields and income for farming families, and increased profitability for companies. The project uses multiple approaches to reach, benefit, and empower women in the potato supply chain, strengthening women's land tenure security, creating improved livelihood and entrepreneurial opportunities for women, and promoting increased social acceptance of women's role as farmers. This project is implemented under the Integrated Land and Resource Governance (ILRG) task order, led by Tetra Tech in collaboration with Landesa, with funding from the Women's Global Development and Prosperity (W-GDP) Fund at USAID. During the 2019 – 2020 potato season, ILRG supported two women's self-help groups (SHGs) to lease land and produce commercial potatoes as part of PepsiCo's supply chain in West Bengal, India.



Eid Mubarak group members checking on their plot
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Two SHGs – Subho Chandimata and Eid Mubarak – were selected to participate in group leasing in the first year of the activity. Subho Chandimata, established in 2005, is a group of general and Scheduled Caste Hindu women, and 10 of its 15 members chose to lease land to cultivate potatoes. Eid Mubarak, established in 2010, is a group of Muslim women and seven of its 10 members chose to lease land and cultivate potatoes. Both groups received the standard PepsiCo agronomic training adapted to better meet the women's needs both in terms of content and format. Both groups also received assistance negotiating land leases and input arrangements, and on-call support as needed.

About the Women's Global Development and Prosperity (W-GDP) Initiative

In February 2019, the White House established the Women's Global Development and Prosperity (W-GDP) Initiative, the first whole-of-government approach to women's economic empowerment. W-GDP seeks to reach 50 million women in the developing world by 2025 by focusing on three pillars – Women Prospering in the Workforce, Women Succeeding as Entrepreneurs and Women Enabled in the Economy. W-GDP leverages a new innovative fund, scaling private-public partnerships which address the three pillars. In its first year alone, W-GDP programs reached 12 million women across the globe.

As part of the activity’s gender-informed design, the groups had the ability and flexibility to come to their own lease terms and to make their own plans for cultivation and division of labor. As a result, the groups took slightly different approaches. While both groups leased land from farmers in their respective villages, Subho Chandimata signed fixed cost, cash-based leases with its landlords, while Eid Mubarak agreed to a lease based on providing the landlord with a fixed amount of local (non-PepsiCo) potatoes. These approaches followed prevailing customary lease practices and arrangements in each area. Another difference in approach between the groups was how to cultivate the fields: Subho Chandimata provided nearly all necessary field labor from its own group members, while Eid Mubarak hired laborers for many field tasks.

The groups successfully cultivated PepsiCo potatoes, and both made a small profit. While the women were somewhat disappointed in the financial outcome, they also recognized that they fared similarly or better than other PepsiCo farmers during the 2019 – 2020 potato season, which featured both unseasonable rain and an outbreak of potato blight infection. Despite a somewhat discouraging financial result, the women stated that they were proud of the knowledge, experience, and skills they gained over the course of the season and viewed these gains as investments in their future economic prospects. Both groups tentatively plan to cultivate PepsiCo potatoes again next year, when they hope this year’s lessons and experiences can help them achieve greater success.

OUTCOMES

Because of the unfavorable weather throughout the season, seed quality issues, and the incidence of late blight infection, both groups and their respective aggregators (PepsiCo’s local contract supplier of seeds and link to the village) felt that their production could be considered average or just above average.

Subho Chandimata cultivated potatoes on 1.06 acres and produced 206 50kg bags, for a gross yield of approximately 23.8 metric tons per hectare. The group had expenditures of INR 64,800 (USD 863) and income of INR 99,754 (USD 1,327),¹ resulting in a profit of INR 34,874 (USD 464). The group decided to divide the profit among the participating members equally with each member receiving INR 3,487 (USD 46.38). The group’s income came not only from the payment they received for the potatoes they produced, but also from additional income earned from their landlords by harvesting paddy from the field prior to potato cultivation, and from the aggregator for sorting and packing their potatoes.



Subho Chandimata members harvesting paddy for additional income
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Eid Mubarak leased one acre of land and produced 237 50kg bags of potatoes, plus 14 bags of smaller-sized potatoes. The group’s total income of INR 103,815 (USD 1,381) and total expenditures of INR 89,530 (USD 1,191) led to a profit of INR 14,285 (USD 190). The group decided to divide the profit among the participating members equally, such that each member received INR 2,040 (USD 27). Overall, Eid Mubarak’s profit was reduced by its higher land lease cost – the price of local potatoes shot up during the season resulting in a high ultimate lease cost for the group – and because they spent more hiring labor.

CONCLUDING THOUGHTS FROM THE WOMEN THEMSELVES

SUBHO CHANDIMATA. Overall, group members were satisfied with the season’s outcome and were pleased to receive their share of profit. Group members expressed their thoughts as follows:

“Our return is good compared to other male farmers. We never worked together as a group but, we have been successful in our first effort. We have been able to manage it collectively, that is more

¹ A breakdown of the expenditures and income for each group can be found in the full report: Landesa. (2020). *Self-help group leasing group final report: Outcomes and lessons learned*. Washington, DC: USAID Integrated Land and Resource Governance Task Order under the Strengthening Tenure and Resource Rights II (STARR II) IDIQ.

important than the amount of profit. We also feel more confident to manage farming. Apart from farming, we can also deal with landowners, vendor, tractor operator and so on.” – Rupa

“The amount of labor we invested erases the result in terms of profit earned. But we are more successful than male farmers. We are proud of this. Some other farmers have incurred substantial loss. They could not manage properly.” – Anjali

“Profit is not much. If I work as a daily wage laborer, I can earn this amount in less than six days. But, still I am satisfied because we could achieve something by collective effort.” – Aloka

EID MUBARAK. Overall, the group felt positive after cultivating PepsiCo potatoes. When asked, they concentrated on their successful entrepreneurship and increased farming skills. They shared:

“Cutting tubers, treatment of seeds, etc. was not new for us. Now we can identify good quality seeds, we can plant seeds better, manage watering very well. It gives us confidence that we’ll be able to manage farming better next year.” – Mafija

“We have been able to manage lessor’s payment and credit interest from our business. We were afraid whether we’d be able to repay the lessors, or would have to pay from our household savings. There was tension among us on spiraling price of Jyoti [local potato]. However, we did it finally. Production was good. Only the high price of Jyoti has taken away a substantial part of our profits.” – Anwara

“As we have earned very meagre amount of profit, it does not make me feel good. Otherwise, we have enjoyed working together, moving out of four walls and learning something new. Finally, we could make some profit, which could have been more. We hear this year several farmers in the locality have also faced similar fate of low yield. This was beyond our control. The weather god did not favor us this year. In spite of that, our production was good. We have not incurred loss yet. Maybe, we’ll be able to earn better next year.” – Samima

Was Farming Potatoes “Worth It” for the Women?

While the women’s first year profit may appear small, their own personal reflections point to the valuable knowledge and skills, new business perspective, cultural capital, and collective spirit and recognition all gained from this initial experience. These gains in Year 1 will lead to continued or new business opportunities for these women² - and other women in their communities influenced by the SHGs – in future years.

Additionally, it is worth noting that:

- The vagaries of weather and market prices hit women SHG farmers and other farmers alike, yet these newcomers coped well. They performed similarly or slightly better than other farmers.
- A day laborer today likely will have similarly lacking agency and economic prospects down the road, but an independent farming SHG has growing agency and prospects.
- The women gained confidence and entry into business spaces that will continue to serve them well as they continue to pursue economic opportunities.
- The women highly valued the collective nature of their effort which created a new space for women to be valued and to gain an independent means of economic empowerment.

LESSONS LEARNED

SELF-HELP GROUPS PROVIDE A VALUABLE FOUNDATION FOR GROUP FARMING AND LEASING.

SHGs exist throughout rural India and typically include 10 to 20 women. SHGs are often established by non-governmental organizations or government departments to help women access finance and generate income, and to empower women within their communities.

² For example, based on their developing business relationship with the local aggregator, members of Subho Chandimata earned additional income by grading and sorting PepsiCo potatoes. Similarly, based on their new relationships with landlords, both groups considered extending their leases to cultivate groundnut or sesame. This year, however, COVID-19 lockdowns, which fell immediately after the potato harvest, meant that neither group pursued this opportunity. That they considered the possibility highlights the opportunities that new business relationships can make possible for women.

Working with established SHGs provided a valuable foundation for group leasing and farming for several reasons. First, SHGs tend to have strong group dynamics, cohesion, and decision-making skills because of their years of experience working together and their similar socioeconomic backgrounds. Second, SHGs have connections to banks, lines of credit, and savings. Third, SHGs have previously received some level of training from the SHG Federation or government departments on topics relevant for managing farming activities such as financial literacy and record keeping. Fourth, because SHGs have strong networks throughout West Bengal and are supported by the government, they offer a viable path for scaling group leasing and farming within and beyond PepsiCo's potato supply chain.

SHG MEMBERS CHOSE TO LEASE LAND AND FARM AS GROUPS; ILRG SHOULD CONTINUE TO ENCOURAGE THEM TO MAKE ARRANGEMENTS THAT SUIT THEIR NEEDS.



Eid Mubarak members preparing their fields
LANDESA

Women in the areas of West Bengal where ILRG is working prefer to lease land as a group and also to farm leased land as a group. This has also been the experience of projects studied in Kerala, Telangana, and other areas of West Bengal (see Landesa, 2019a, for details³). Leasing and farming as a group is attractive to women for economic reasons (they can pool resources and skills and have an easier time leasing land), for safety (they are never isolated in their work), and because women's group action is a socially acceptable means for women to shift social norms. Once a woman develops her farming skills she may opt for more individualized farming. ILRG's flexibility allows women to choose the farming model that best suits their circumstances. It is much easier to find land to lease as a women's group as well,

because it is less risky for landlords to lease to women's groups.

FIXED COST, CASH-BASED LEASES PROVIDE GREATER CERTAINTY. Both groups negotiated lease terms in accordance with local practice. For Subho Chandimata this meant a cash-based lease of INR 10,800 (USD 144) for their total leased area of 1.06 acres. For Eid Mubarak this meant a lease to be paid in a fixed quantity of the local variety of potatoes (Jyoti), which ended up costing INR 30,000 (USD 399) for one acre of leased land. Because of weather and disease issues this year, the price of Jyoti potatoes was higher than normal. While in some years a lower local potato market price could result in lower rent amounts, the uncertainty was difficult for the group to manage based on this experience, they now strongly prefer a fixed cash lease.

CROP INSURANCE PROVIDED NEEDED FINANCIAL SECURITY FOR BOTH GROUPS. Due to current policies regarding lessees and group farming, the leasing and farming groups were unable to obtain crop insurance through either lending institutions or the government. This is true for other informal tenants as well. Consequently, PepsiCo worked with a private insurance company to trial crop insurance in the districts where the two groups are located. Both groups expressed satisfaction that the insurance was made available to them and that it provided them financial security in case their production was lower than average. This season both groups' production was above the predicted average.

GENDER SENSITIVITY AND SUPPORT FOR WOMEN FARMERS BY KEY PEPSICO STAFF IS IMPORTANT. The commitment of local PepsiCo staff was critical for the women groups' success. PepsiCo's local aggregators and agronomists, all male in this instance, are the key individuals on the ground that support and connect with all farmers, including the leasing groups. The aggregators distribute seeds and collect potatoes after harvesting, but they also play important roles helping to identify land and coordinate agronomic support, inputs, and advice. Aggregators were especially important in helping the groups address

³ Landesa. (2019a). *Full report on women's group leasing models*. Washington, DC: USAID Integrated Land and Resource Governance Task Order under the Strengthening Tenure and Resource Rights II (STARR II) IDIQ.

sudden, critical farming issues, such as unseasonable rain and blight. Furthermore, aggregators are members of the groups' communities, which helped groups obtain and maintain family and community support. As such, these key support providers are most effective if they have awareness of gender-related considerations and knowledge of key gender issues relevant to women farmers. Both groups' respective aggregators and agronomists were extremely supportive. Without their support, the approach would not be possible.

METICULOUS ATTENTION IN SELECTION OF SUITABLE LAND TO LEASE IS IMPORTANT FOR SUCCESS. Both of the SHGs considered several pieces of land before deciding which plots to lease. They both received support from their respective aggregators to connect them to landlords and help them determine land suitability for potatoes. Quality, size, and location of land were the key considerations for land selection. Land had to be suitable for potatoes, which ideally means not low-lying as this can lead to waterlogging during wet periods.

GROUP MEMBERS SHOULD HAVE FARMING EXPERIENCE, AND ALSO NEED CONSISTENT AGRONOMY TRAINING AND SUPPORT THROUGH THE SEASON. Subho Chandimata and Eid Mubarak were particularly well-suited to participate in land leasing for potato production because a majority of members had PepsiCo potato-growing experience due to their work on their own family farms. This requirement ensured that both groups were aware of the realities and risks associated with potato farming, such as weather uncertainty, time and resource commitments, and the labor and skills required.

Despite both groups' experience, it was still valuable for them to receive separate training on PepsiCo's package of practices, as none of the members had previously received or attended formal agronomy training. Such trainings helped to enhance their knowledge in potato farming and build their confidence as farmers. Furthermore, the PepsiCo and ILRG teams provided tailored and on-demand support for both groups throughout the season, which both groups valued.

THERE IS SIGNIFICANT DEMAND FOR GROUP LEASING AND FARMING FROM A DIVERSE RANGE OF SHGS. The first year of piloting SHG leasing and farming groups demonstrated that a wide range of women are interested in PepsiCo potato farming. Group members included Schedule Caste, general caste, and Muslim women. Despite belonging to different social groups, all were interested in pursuing this opportunity. It is important to note that one factor that may contribute to this shared interest is the fact that members of both land leasing groups are from lower socioeconomic groups, and therefore the women and their families and communities tend to be more open to economic opportunities, even if such opportunities require women to learn new skills, take on new roles, and challenge social norms and customs.

Although ILRG only supported two groups during the first year, it plans to expand the number of groups in the second year, and has already identified several groups who are interested and qualified to participate in group land leasing to supply PepsiCo potatoes.

FLEXIBILITY IN LABOR ARRANGEMENT ALLOWS A WIDER RANGE OF WOMEN TO COMMIT TO FARMING. While women can engage in the full range of farming activities, gender norms and time constraints may limit their ability to supply all of the labor necessary throughout the season. The two groups took different approaches to supplying labor according to social constraints within their own communities. Subho Chandimata performed nearly all of the farm labor themselves, while Eid Mubarak hired much more labor throughout the season. Both groups made decisions about labor that suited their own circumstances.

NEXT STEPS

Based on the largely positive outcomes of Year 1, ILRG plans to expand the number of SHG leasing groups being supported to up to an additional 10 groups in Year 2. The total number of groups selected will be based on demand from SHGs, PepsiCo staff capacity to support such groups, seed availability, and project budget availability.

The project aims to reduce the dependence on PepsiCo and ILRG project staff by empowering the groups through scalable training and experience sharing amongst themselves.

Learn more at <https://www.land-links.org/issue/gender-equality/>

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