More investments are needed to secure the livelihood situation of smallholders

Hanns R. Neumann Stiftung (HRNS) conducted a survey to find out how the COVID-19 crisis is impacting the livelihoods of smallholder families in the current HRNS project regions Indonesia, Ethiopia, Tanzania, Uganda, Brazil, Honduras and Guatemala. The Coronavirus pandemic contributes to existing problems, families are already facing, and poses a serious threat to household development plans, food security, business and income. Our survey results show that long-term impacts due to COVID-19 for coming crop-cycles and families’ cash flow must be expected and emphasizes the necessity of investing into the livelihood situation of smallholder farmers.

### Most relevant problems for smallholder families

Results show that COVID-19 is exacerbating existing economic and climate related problems, exaggerating their effects.

<table>
<thead>
<tr>
<th>Problem</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prices for coffee</td>
<td>68%</td>
</tr>
<tr>
<td>Bad weather &amp; climate</td>
<td>31%</td>
</tr>
<tr>
<td>High costs of living</td>
<td>31%</td>
</tr>
<tr>
<td>Poverty</td>
<td>30%</td>
</tr>
<tr>
<td>Lack of employment &amp; income</td>
<td>25%</td>
</tr>
<tr>
<td>COVID-19</td>
<td>21%</td>
</tr>
<tr>
<td>Prices of other crops</td>
<td>16%</td>
</tr>
</tbody>
</table>

### COVID-19 – Greatest concerns of smallholder families

The primary fears of farming families are effects on their economic situation and health.

- **Effect on prices**: 64%
- **Health of community**: 42%
- **Availability of labor**: 39%
- **Market access**: 38%
- **Availability of inputs**: 32%
- **Access to education**: 21%
- **Access to food**: 16%

### COVID-19 already has negative impacts on household income

- **YES**: 71%  
  - Income has increased
- **NO**: 28%  
  - Income is the same
- **NO**: 1%  
  - Income is the same
The situation triggered by the Coronavirus pandemic for smallholder families in coffee regions needs an urgent response. The survey shows that COVID-19 will have a long-term impact on the livelihood of smallholder families. Upcoming crop cycles will be affected as much as families’ cashflow and food security. The effects of climate change might be felt stronger as mitigation measures cannot be implemented due to higher input prices under COVID-19. Farmer families face higher production costs at a prospect of lower revenues.

HRNS reacted at an early stage to support farming families in remaining food secure and mitigating long-term effects of COVID-19. Agricultural trainings were adapted to short-term needs and long-term effects; for example, by training on alternative methods for mitigating climate risks that do not require the use of now more expensive agrochemicals. The use of digital training tools was increased as well.

However, more investments to secure the livelihood situation of smallholders are necessary now. Increased income diversification and building resilience against external shocks should be strengthened as core topics. Get in touch with us for questions, discussions and further results: covid19@hrnstiftung.org

The biggest impacts of COVID-19 on farm management reported are access to:

- Farm workers: 64%
- Credit: 46%
- Inputs: 38%
- Storage: 14%
- Savings: 62%

Highest impact on household income in Uganda, Indonesia and Ethiopia*

- Uganda: 98%
- Indonesia: 88%
- Ethiopia: 84%

*Percentage of respondents per country reporting decrease of income.