

From training to practice in tea farming in Malawi

Management response to the 2013 LEI
Wageningen UR mid-term evaluation report
“From Training to Practice” on the UTZ-
Solidaridad smallholder tea program in Malawi

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“From training to practice”

UTZ is pleased to publish the independent 2013 LEI Wageningen UR mid-term evaluation report of the UTZ-Solidaridad smallholder tea program in Malawi. The report gives valuable insights in the benefits training and certification brought to small-scale tea farmers in Malawi. It also presents valuable lessons to be learned. This management response provides background information and highlights the main findings of the evaluation. It also stipulates how UTZ Certified intends to incorporate the recommendations in its programs to meet its ambitions of scaling up sustainability in the tea sector with the ultimate goal to make sustainable farming the norm rather than the exception.

1. Background: why this evaluation?

UTZ Certified and Solidaridad, with the support of DE Foundation have commissioned this independent mid-term evaluation of the tea program in Malawi to gather insights in its effectiveness, appropriateness and relevance. From the start of this program in 2010, there was a shared commitment to evaluate and learn from our experience. For this purpose a baseline study was conducted by LEI Wageningen UR at the onset of the program in 2010, laying the foundations for this impact evaluation in 2012.

The program targeted 9,700 smallholder tea farmers affiliated to 3 smallholder producer associations, supplying to 3 tea estates. The program received funding from IDH (the Sustainable Trade Initiative) and DE Foundation. In 2011 programs of other standards were initiated in the same area, resulting in a partial overlap with the target population of the UTZ-Solidaridad program. As a result, this program was temporarily put on hold to ensure a more coordinated effort. This however caused a temporary slowdown of training activities, which reflected negatively on the number of farmers trained. By the time of release of this report, a joint project coordinator for UTZ and Rainforest Alliance has been appointed in Malawi, and DE Foundation and UTZ are preparing to relaunch a training program for smallscale tea-farmers, linking them to certified tea-estates.

The results and lessons from this program are the fruit of a joint endeavor with Solidaridad, with financial support from IDH and DE Foundation, as well as with the collaboration with three smallholder producer associations and three tea estates to train and certify smallholders.

Not only do the public-private character of the program and requirements for ISEAL members encourage disclosure of the results, UTZ Certified also wishes to publish such evaluation reports in the belief that sharing evaluation results enhances the credibility of



certification, and provides lessons for UTZ Certified and partners, as well as for other organizations dedicated to create a world where sustainable farming is the norm.

While the successes and challenges of the program highlighted in the evaluation report are the result of our collaboration with Solidaridad, DE Foundation and local stakeholders, this management response solely reflects the viewpoint of UTZ Certified.

2. Main findings

By mid-2012, despite the slowdown of training activities, 60% of the target population of 9,700 farmers had been reached with trainings, and one out of three smallholder associations had successfully obtained UTZ certification. Farmers who received training had improved their scores on the use of good agricultural practices. One third of the overall outcome indicators changed significantly in a positive way:

- Better informed decision making on farming
- Improved implementation of sustainable practices
- Healthy and safe working and living conditions
- Improvement of relationships between farmers and managers
- Improved use of personal protective equipment
- Decreased use of crop protection products.

Of the 12 remaining outcome indicators, 8 did not show significant improvement. Remarkably, one indicator showed a negative trend: farmer's knowledge on good agricultural practices seemingly had decreased over time. This finding is at odds with the evaluation finding that farmers improved their agricultural practices. No satisfactory explanation could be provided by the evaluators.

More than 87% of the trained farmers report having benefitted from the program, such as change of mind-set with regard to farming, improved relations with the tea factories, higher income, less need for loans, and protection of water streams. An unexpected finding is that farmers report they are having fewer arguments about community borders. Possibly this is a side effect of having mapped production areas for the internal control system required by the UTZ code.

The training strategy adopted in this program was based on the principle that 300 lead farmers would be voluntarily replicating the trainings they received from the project and from technical assistants employed by the estates. In practice this did not happen as often as expected, due to time constraints of lead farmers, distance to their neighbors, and



insufficient follow-up training. The lack of incentives for lead farmers was also mentioned as a concern to achieve the desired replication rate.

The report also shows that the prospect of certification motivates farmers to adopt and sustain good farming practices. It has improved their relationship with the tea estates, thanks to improved communication and production processes. Farmers expect to receive a market reward for their efforts, in the form of a better price or a premium. The logistics of green leaf collection by estates from smallholders is an aspect demanding attention. Efficiency gains can be obtained. Smallholders would like to see their waiting time reduced, since this increases their production costs. Improved logistics would free up time for other activities.

Better farming methods

The evaluation shows that the overall score for implementation of good agricultural practices has increased significantly (from 0.57 to 0.65 on a 0-1 scale) between 2009 and 2011. Farmers have improved their farming practices on infilling of open areas, the plucking and pruning frequency, increasing the percentage of crop cover, reducing leaf spillage, increasing the use of composted manure, and using a plucking stick to obtain an even plucking table. 70% of the farmers keep records of production, sales and/or inputs. 93% of the farmers who do keep records use this information to take farming decisions. The scores on 2 practices have deteriorated since the baseline: tipping in the tea bush at the correct height, and applying crop protection products correctly.

Better crop

The scores of farmers on applying fertilizers correctly have improved after the trainings, although they on average apply less fertilizer than the recommended amount. High costs of fertilizers are mentioned by farmers as one of the main obstacles they face. Leaf quality has improved according to farmers and factory officers, although this finding could not be confirmed by the quantitative data.

Better income

There have been no significant changes in yields according to the data collected. The high cost of planting material and fertilizers may limit the productivity of farmers. Although farmers apply less fertilizer than recommended for optimal productivity, 2/3 of the farmers have experienced a productivity increase since 2009 (based on perceived changes). 53% of the farmers also report increased income.

Better environment

Farmers are applying more composted manure as fertilizer to their crop. They are applying less crop protection products, and need more training on how to apply these correctly. Farmers also need more training on the protection of riparian strip when their crop is bordering a water flow.



Better life

The perception on livelihood quality indicators by farmers has improved significantly. Farmers and their families now have better access to potable water and latrines.

Better care for next generations

Almost all children at school age are attending school. But the knowledge scores on child labor are still low (average score of 3,4 on a 0-10 scale) and need to be improved. About 9% of the farmers are assisted by their children when working on the tea farm outside school hours.

Better working conditions

The use of Personal Protective Equipment (PPE) has improved, as significantly more trained farmers used PPE items in the mid-term situation compared to the baseline. Still, only 32% of the trained farmers used some PPE items and less than 1% used all PPE. However, 22% of the farmers do not need to have PPE, since they do not use crop protection products at all.

The program has improved the relationship between farmers and their producer association: 68% of trained farmers are satisfied with the information provided by their association on inspection results and corrective actions after internal and external inspections. The relationship between farmers and tea estates has also significantly improved: 91% of the farmers are satisfied or very satisfied (compared to 51% two years earlier).

External factors

The evaluation shows that external factors have also influenced the performance of the farmers: drought, inflation, high costs of fertilizers, limited demand for UTZ certified tea, and the low education level of farmers (illiteracy).

As part of assessing the appropriateness of the program, farmers were asked about their priority concerns (regardless of the program). Their main concerns are: adapting to climate change, low tea prices, high input prices, improving logistics of green leaf collection, receive training to establish nurseries and to diversify production into food crops. Field officers of tea factories on their turn mention the need to improve leaf quality. Both agree that a solution is needed to help illiterate farmers to keep records of their production.

3. UTZ's view on the main findings

UTZ Certified is pleased to learn that training and certification have produced positive outcomes in the opinion of the majority (87%) of the farmers who received trainings, and that they mention a wide range of benefits, such as increased productivity and income, as well as improved relations with their organization and the estates. We bear in mind



however that the quantitative data do not always confirm the positive valuations of farmers. We also recognize that improvements were not evident in all outcome areas we expected, and that farmers have only partially adopted the recommended agricultural practices.

When partnering in future training programs, UTZ will assess in advance if assumptions and expectations about voluntary replication of trainings can hold true in day-to-day practice. Providing incentives and support to lead farmers can be a solution, as well as improving the overall effectiveness of trainings.

The fact that only one out of three producer associations obtained UTZ certification during the period analyzed reveals that it is important to carefully match efforts on the demand and on the supply side. One needs to take into consideration that these smallholders in Malawi represent only 5% of the volume of the estates they are supplying to. The prospects of smallholders to become UTZ certified therefore depend to a large extent on the decisions of estates to become certified as well, and on the willingness of estates to invest in their supply base. Estates expect market rewards (buyers and premium) for UTZ certified tea in order keep up their certification efforts. UTZ is dedicated to increase the demand for UTZ certified tea, as well as increasing the supply of certified tea from Malawi.

4. UTZ's view and follow up on the recommendations

Recommendation 1:

"Focus next trainings on those knowledge and implementation topics that have a low score in the midterm evaluation"

Response

UTZ endorses the recommendation to focus future training on this issue and to include on site observations in future evaluations. As a matter of fact, UTZ and DE Foundation are currently preparing a follow-up training and certification project (4 years duration) for the farmers linked to estates in DEMB's supply chain, and will follow up this recommendation. This project will also provide trainings on establishing nurseries, one of the priority needs raised by farmers. This project will furthermore consider how the logistics of tea leaf collection between factories and smallholders can be improved (see recommendation 5). Additionally, since early 2013 UTZ, Ethical Tea Partnership, Rainforest Alliance and Solidaridad have jointly appointed a person to coordinate the efforts of different certification programs in Malawi, streamlining trainings for estates and producer groups who have applied for multiple certification. This should increase the overall efficiency of trainings and reduce costs for all parties involved.

Recommendation 2:

“Create incentives in the program for lead farmers to replicate trainings they received”

Response

Before engaging with new training programs, UTZ Certified will assess in advance to what extent in a given context the voluntary replication of trainings by lead farmers is realistic. The evaluation has indicated that offering incentives to lead farmers who replicate trainings to fellow farmers is essential to reach large numbers of farmers. It is a matter of debate whether these incentives should be financial or otherwise (advanced training program, recognition, etc.). UTZ is of the opinion that an adequate incentive system should be part of any sustainable business model, and therefore should not depend on temporary subsidies. In the case of Malawi, UTZ’s position is that the tea estates to which the small-scale farmers supply have a primary responsibility in this regard.

Recommendation 3:

“Make record keeping simpler for the farmers”

Response

Illiteracy is a formidable obstacle for farmers to keep records of their activities and obtain certification. To a certain extent this can be accommodated within the ICS (Internal Control System) of a group certificate, by means of having more educated farmers assisting illiterate farmers. In the current code revision process UTZ will take this concern into consideration. We expect that record keeping will be kept as a requirement, since this enables informed decision making by farmers, but we do strive to simplify and reduce the number of requirements of our code. Additionally, UTZ is developing a training tool for record keeping that is more accessible for illiterate farmers. Ultimately, however, raising the overall educational level of (future) farmers is the most appropriate answer, and this lies largely outside UTZ’s scope of influence.

Recommendation 4:

- **“Take into account external factors and their potential influence on the outcomes and how they will be addressed when they arise”;**
- **“When preparing evaluations, assess the availability of data at various value chain actors for the purpose of evaluation as this could potentially decrease the assessment costs.”**
- **“Revisit the theory of change with regard to the assumption that improved knowledge leads to an improved implementation of sustainable practices.”**

Response

The first two recommendations will be taken into account in future evaluations. The third needs further analysis. The unexpected finding that farmers' knowledge of good agricultural practices has decreased while their practices have improved, suggests that training is more than "teaching", and that "learning" by farmers does take place in many ways and most certainly continues outside formal settings. Evidence from farmer field schools (learning from peers by observing, sharing knowledge and by doing) indicates that we need to deepen our understanding of how best to support learning by farmers, starting from what they already know and do (including their tacit knowledge), and how (practical) knowledge can best be disseminated. UTZ welcomes advice from educational experts on this issue.

Recommendation 5: "Improve the logistics of green leaf collection by the factory companies to reduce waiting time and prevent quality loss"

Response

UTZ Certified understands that smallholders need a reliable tea leaf collection service from the factory/estate to get their produce in time to the processing unit belonging to the estate. When logistics are deficient, smallholders face long waiting times and deterioration of the quality of their produce. This results in productivity and income losses for smallholders. The current UTZ Code of Conduct for tea farms acknowledges the importance of timely collection of tea leaves¹. However, the code assumes that the producer is responsible for a timely collection. According to Malawian smallholders however, this is beyond their control. UTZ will take this recommendation into consideration in the code revision process currently underway. This code revision takes place every 5 years and will result in a new core code and a tea annex by mid-2014.

Recommendation 6:

- **"Assess the needs of the target group before the program is developed and to develop the program accordingly"**
- **"Set up a monitoring system at the start of the program and record activities in the field throughout the program duration; keep records of training activities."**

Response

A needs assessment prior to an intervention is good practice, and UTZ Certified fully endorses this recommendation. This not only helps to scope and guide the intervention, but also helps to identify and address influencing factors (external) and to manage the

¹ B.8.8; Leaves are plucked and harvested at the right time so as to obtain the required quality and be delivered to the factory on the same day, ideally within 6 hours."



expectations of stakeholders. Certification is no panacea, and cannot solve all problems of farmers. We agree that a good monitoring system is indispensable for any program or project that needs to be accountable for its outcomes and to make plausible attribution claims. Training and certification programs assisting farmers to become UTZ certified are usually designed and implemented by companies in the supply chain, or external organizations providing assistance (e.g. NGOs). Training and certification are sometimes combined with other (developmental) goals in multi-actor and multi-purpose programs. M&E systems of these programs tend to reflect their particular institutional set up. UTZ Certified strives to collaborate with implementers from the design to the evaluation stages, sharing insights, data and engaging in joint evaluations. The responsibility for keeping records of services provided, such as trainings to farmers (program outputs) lies primarily with the actor / partner implementing a given program. UTZ Certified strives to agree with implementers in the planning stage of a program or project if, and if so, when and how an evaluation will take place, in order to line up the monitoring system accordingly. This includes answering the question how monitoring and evaluation will be resourced.

Recommendation 7:

“Communicate the study results to the farmers so they can learn from it”

Response

UTZ endorses this recommendation. As part of the evaluation process a validation workshop with all local stakeholders was held, to share and to validate preliminary research findings. Their feedback has been highly valued and has been taken into account in the final evaluation report. This report has been shared with local stakeholders in advance to its publication.