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Webinar Chat Transcript

Generating Resilience+ to Reduce Poverty and Spur Agricultural Growth

June 3rd, 2020

From ANIL KUMAR : good evening to all

From Sophie Javers (MRR Innovation Lab) : Welcome All!

From Arunkumar Nagarathinam : good evening to all

From MONA GHALAYINI : Hello from Beirut, Mona Ghalayini, member of UNEP & UN Women Major advisory groups, HLPF MGoS coordination Mechanism, monagh2011@gmail.com

From Sophie Javers (MRR Innovation Lab) : Welcome Mona!

From Dr karthika vadivel : Good Evening to all

From TS Amjath Babu : Hi to All, Amjath Babu (CIMMYT)

From Pranata Barua : Good morning to everyone from Ottawa, Canada

From Dick Tinsley : Isn't resilience the same as risk management

From Joseph Ubek : Good afternoon all! Warm greetings from Mercy Corps Nigeria. Joseph Ubek here!

From Sophie Javers (MRR Innovation Lab) : Our brief on this concept can be found here:
<https://basis.ucdavis.edu/publication/evidence-insight-generating-resilience-reduce-poverty-and-spur-agricultural-growth>

From Ekanath Khatiwada : Great... I am joining from Myanmar

From Sophie Javers (MRR Innovation Lab) : Welcome Joseph!

From Serlina Rantetandung : Hi everyone. good evening from Indonesia

From Sophie Javers (MRR Innovation Lab) : I'll be adding getting other policy briefs up here.

From Annah Mutinda : Hello everyone. Annah Joining from Nairobi Kenya.

From Sophie Javers (MRR Innovation Lab) : Our project report on this research in Mozambique and Tanzania: <https://basis.ucdavis.edu/publication/bundling-innovative-risk-management-technologies-accelerate-agricultural-growth-and>

From Erastus Kyalo : Hi everyone, Erastus here from Northern Kenya.

From Sophie Javers (MRR Innovation Lab) : Welcome Erastus!

From Tara Dean (Piestar) : Hi all! Tara (from Piestar) joining from Kansas! Excited to attend this presentation.

From Dick Tinsley : Given the surge and lull nature of the rainy season and the prolonged crop establishment period doesn't at some point in the season most fields will suffer some form of mid-season drought?

From Sophie Javers (MRR Innovation Lab) : Hi Tara D.! Thanks for joining us!

From Govinda Raut : Good evening all from Kathmandu, Nepal. This is Govinda Raut working @ Muktinath Bikas Bank Ltd.

From Berber Kramer : Hi everyone here, Berber joining from San Diego. These are very interesting findings. If talking about resilience, shouldn't we be looking at incomes or consumption instead of yield gains?

From Sophie Javers (MRR Innovation Lab) : Great questions Dick and Berber. We'll hopefully get to this in the Q&A towards the end of the webinar.

From Dick Tinsley : How much of your drought tolerant maize is hybrid vs. open pollinated and if hybrid how reliable is the seed supply without the project assistance?

From Sophie Javers (MRR Innovation Lab) : Brief on this project here:
<https://basis.ucdavis.edu/publication/policy-brief-innovative-insurance-design-cotton-farmers>

From Annette Fay, Sahel Collaboration & Communication Activity : Thank you!

From Sophie Javers (MRR Innovation Lab) : Related brief: <https://basis.ucdavis.edu/publication/policy-brief-agricultural-index-insurance-has-big-impacts-farmers-burkina-faso>

From McDonald Homer : Yes, I am also interested in how much of the seed was able to be saved and replanted, and still maintain their drought tolerate trait. Also, please talk a little about how well the crop insurance component worked. Where local banks reluctant to participate in such program?

From Michael Carter (University of California, Davis) : Hi Dick, in Moz farmers were able to buy both OPV and hybrid DT varieties; In TZ only Hybrids. We worked with seed companies who were quite keen as the project opened up new markets for them

From Dick Tinsley : What is the overhead of managing a cooperative and how much of the financial benefits does the overhead consume and if greater than the financial benefit will relying on cooperatives force farmer deeper into poverty

From Sophie Javers (MRR Innovation Lab) : The brief mentioning the continuation of the project is above.

From Jennifer Karsner : @Dick Tinsley There are other aspects to group loans that are pertinent in West Africa. There is a protective aspect to group loans. Farmers that receive individual loans will find that their family obligations will take that money and they can't refuse. If the loan is a group loan, the farmers can say "it's not my money" and it can be used for the purpose intended.

From Morgan Ruelle : For the pilot in Mali, when cotton production expands, what does it replace? Were farmers growing other crops or conserving other landscape components as part of an existing risk management strategy?

From Govinda Raut : My Question: How did you manage the demerits of joint liability group model of financing mechanism in Mali?

From Jennifer Karsner : Group loans are also a way of reinforcing social capital, which is another key resilience capacity.

From Sophie Javers (MRR Innovation Lab) : We have several briefs about this IBLI work. Please visit our project webpage to find more: <https://basis.ucdavis.edu/project/index-based-livestock-insurance-east-africa>

From Jose Contreras : José from NYC. will you make this presentation and recording available to us? thanks a lot for your impressive work

From Michael Carter (University of California, Davis) : For a new and interesting look at moral hazard within joint liability loans, see: Flatnes, Jon Einar and M.R. Carter (2019). “A little skin in the microfinance game: Reducing moral hazard in joint liability group lending through a mandatory collateral requirement,” Journal of Economic Behavior and Organization.

From Sophie Javers (MRR Innovation Lab) : Hi Jose, yes! We will have this recording and many other resources available on our website (<https://basis.ucdavis.edu/>) after the event.

From Sophie Javers (MRR Innovation Lab) : Link to paper Michael just mentioned: <https://ideas.repec.org/p/ags/aaea16/236157.html>

From Annah Mutinda : To Andrew. How does insurance reduce the risk of catastrophic loss?

From TS Amjath Babu : Is the index insurance sustainable without subsidies?

From Carmen Jaquez : Are these outcomes based on 1 cycle or over a repeat insurance cycles? Are household repurchasing premiums? What is rate of repurchase?

From Bryce Bray : are there fishing insurance schemes similar to those

From Deon Nel, GRP : Andrew, do you think these insurance tools could potentially reduce pressure on pastoralists to migrate in the face of droughts, and hence reduce potential conflicts with crop farmers?

From Michael Carter (University of California, Davis) : Hi Carmen; Andrew can give more detail, but the purchase repurchase history of IBLI has been a roller coaster with ups and down. Demand has been more stable the last few seasons (program started 10 years ago)

From Ekanath Khatiwada : Ideas looks good.. But how these initiatives sustained in future. It looks bit rosy when there is donors funding.....how are you thinking on the sustainability aspects?

From Luke Colavito : Are there examples of index insurance for horticultural crops?

From Andrew Bisson : Has IBLI been evaluated for its wider sector level economic development impact? A direct subsidy might be re-cast as an investment if the full economic value of insurance is considered

From Carmen Jaquez : Thanks Michael - I am interested in learning more about decision to reinvest.

From Wendi Bevins : This was designed to help through the shock of drought; can you speak to whether it has helped with any other shocks experienced by these households? Political shocks, local conflict, any ideas how it will affect/be affected by covid-19?

From Michael Carter (University of California, Davis) : Hi Luke, I know of only one hort. insurance— looks for work by Miguel Robles and IFPRI on a project in Uruguay. There must be others

From Sophie Javers (MRR Innovation Lab) : These are great questions. I am collating them for the Q&A later in this session.

From Jennifer Karsner : @Deon Nel, we have lots of information on reducing herder/farmer conflicts. There are traditional justice mechanisms that are very effective. In many parts of the Sahel the

migration is seasonal and has been for centuries; this isn't caused by drought. In West Africa it's been the encroachment of farmers onto pastoralist lands, and the increasing shift from exclusive cropping to agropastoralism, and the high fertility rate with increased parcellization of land, that has driven a lot of the conflict. Traditional grazing corridors have been reduced by up to 90% in the past 20 years.

From TS Amjath Babu : Does dearth of weather data results in an increase in basis risk?

From Jennifer Karsner : Have there been any investigations of insurance payouts resulting not in herd reconstitution but in buying a second wife in polygamous societies, for example?

From Jennifer Abdella (NEF) : Did farmers/cooperatives (Mali) and pastoralists (East Africa) readily adopt insurance programming (when not subsidized by the project)? Or did you face skepticism? If so, how did you overcome it?

From Dick Tinsley : I think the 8 week spread in crop establishment results in farmers responding to weather incidents that using weather data or lack thereof as effective planning tool The variability is really too great for effective planning

From Carmen Jaquez : @Sophie - as you collate these questions, please expand mine to include whether anyone is documenting characteristics of HH that do re-purchase premiums (e.g. market orientation, herd size, wealth group, other income streams, etc.)

From Sophie Javers (MRR Innovation Lab) : A brief on this work that Gregory is discussing: <https://basis.ucdavis.edu/news/microfinance-innovation-bangladesh-mimics-benefits-microinsurance>

From Sophie Javers (MRR Innovation Lab) : @Carmen, I have included this additional question!

From Lauren Burnhill : This isn't new! ELF, an an IDB- Lab supported privately managed Emergency Liquidity Facility was a pre-approval facility for MFIs in Latin America to address a range of shocks. Successfully concluded after a 10yearvrn.

From Lauren Burnhill : An updated version ELF was organized for Haiti after the earthquake - HELP - Lots of great lessons learned available on ELF & HELP.

From Michael Carter (University of California, Davis) : Hi Lauren, Interesting, but note that behavioral response comes when individuals have the guarantee of the line of credit. Did the MFIs offer that kind of guarantee/approval ahead of time in ELF?

From Amy Ostrander : Lauren do you have links to any literature on that?

From Lauren Burnhill : yes, combined with CLI. It worked brilliantly after the earthquake in Puno, a situation I witnessed personally as a Board member of Mibanco,

From James Woolley : I am wondering how this credit for resilience scheme would work for drought.

From Anne Swindale : Also consider HH ability to repay the loan after the shock?

From TS Amjath Babu : Most of the agricultural loans in India are covered by insurance programmes. I think it is a better model than giving pre-approved credit that will increase farmers' debt burden.

From Lauren Burnhill : Amy, I believe all of the evaluations can be found on the IDB website. If not, I can ask the fund manager - I'm not sure if what I have in my personal library is all public domain (I was Accion's Chief Investment Officer and thus an investor)

From Lauren Burnhill : The idea of ELF and HELP was to pre-approve the MFIs and the arrangements they would use to reach their borrowers in a shock. There were drought type events and currency devaluation events so all kinds of interesting activities.

From Austen Moore : Interesting to see the parallels between the BMGF's stages of agricultural transformation and Catholic Relief Service's Pathway to Prosperity

From Dick Tinsley : How much of your technology innovations require additional labor and have you confirmed that this labor is available and has sufficient dietary energy to fuel that labor for sufficiently timely operations?

From Dick Tinsley : Please feel free to visit the following website devoted to promoting smallholder agriculture. the information is more factually correct than politically correct party line:

<https://smallholderagriculture.agsci.colostate.edu/>

From Luke Colavito : Hi All, This is a link to post project documentation for the USAID ENBAITA project in Nepal that included development of smallholder finance and later crop insurance:

<https://www.ideglobal.org/key-project/enbaita>

From Juan Casanova : What technologies have you evaluated for basis risk reduction? The research trend has been oriented towards the application of remote sensors, but with the low image resolution. It is difficult to find a high correlation between yields and adverse events. Additionally, in developing countries are difficult to find a high densities of weather stations.

From Dan Kangogo : In my PhD work I study how farmer entrepreneurship and farmer-trader relationships may be leveraged as capacities that enhance farm resilience to climate change. To Andrew, did you see any indication of these capacities playing out in your IBLI project? and what is your view on this?

From Alex Russell : Juan, this is a great question. Our research on reducing basis risk takes two approaches. One avenue is to build and test better indexes. The other is contract innovations that reduce the negative outcomes when contracts fail to trigger. Everything we have on our index insurance research is here: <https://basis.ucdavis.edu/index-insurance-innovation-initiative-i4>

From Steven Brunn : Do any of your programs encourage agricultural diversification & perennial agriculture which has been demonstrated to have more sustainable impacts on ecosystem resilience and economic resilience? This is in comparison, for example, to just growing more cotton which will further draw on the water supply and increase the overall use of herbicides and pesticides.

From Luke Colavito : Is it considered a best practice to link crop insurance to crop finance? Are there studies in this areas?

From Dick Tinsley : Thank you for addressing the question. I note that most smallholder farmers are lucky to have access to 2500 kcal/day when they need 4000 kcal/day for a full day of manual agronomic labor. This restricts the diligent work hours to only 3 or 4 and cause a major spread in crop establishment with declining yield potential until it is no longer possible to meet food security?

From Samuel Ssenyimba (Bill & Melinda Gates Foundation) : Thank you Dick; I'd submit that at BMGF our work focuses on both crop and livestock - and specifically for livestock we look at farm enterprises like dual-purpose poultry that have reduced impact on labor and related resource (land) impediments.

From Dick Tinsley : visit the website mentioned before and there is a page on Ethiopia and the compromises between animal and crops both requiring more time than is available. it is a good note

From Sophie Javers (MRR Innovation Lab) : Here is the link to our Index Insurance resources:

From Sophie Javers (MRR Innovation Lab) : <https://basis.ucdavis.edu/index-insurance-innovation-initiative-i4>

From Erastus Kyalo : To Deon, with the compounding shocks wouldn't it be important to look at intrinsic capacities of the people/HHs/Systems to functionally optimally as opposed to extrinsic factors to address resilience?... 'think of improving the immunity as opposed to tropical remedy application'

From Vanessa Otto-Mentz : Thanks all - great webinar. Inspired by your work and passion.

From Sophie Javers (MRR Innovation Lab) : More info about QUIIC: <https://quiic.ucdavis.edu/>

From Dick Tinsley : thank you for an interesting website

From BR : Great webinar. Thank you all for excellent work. Greetings from Sri Lanka.

From Laura Ostenso : Yes, thank you!

From Govinda Raut : Thank you all for good insightful discussion

From Luke Colavito : Thank you all, Very informative

From Govinda Raut : Namaste all

From Wendi Bevins : Thank you, esp Sophie for tracking questions and providing all the links!