

1. MAKE GRADUATION FROM POVERTY THE GOAL OF THE PROJECT

Setting graduation from poverty as the goal of agricultural projects improves their performance. It tests the feasibility of projects, improves project planning, evaluation, and results, and broadens farmers' horizons. Setting increases in income, while good, is only the alleviation of poverty. Graduation from poverty is eradication, both from poverty and the need for yet another project.

The Story

The farmers from Cruz Nueva were seated in the shade of Don Quirino's house, discussing whether they could graduate from poverty. They had just made their business plans for the new year, and they had good numbers on how they would increase their productivity, price, and income. But no one was sure how to measure poverty, whether they were poor, how poor they were, or whether they could graduate from poverty. Rudy Calí suggested they measure graduation from poverty as earning as much as they could from a job in Guatemala City, the capital.

Rubén Sucuc had recently returned from working in the capital as a night watchman. He had taken out a loan to grow snow peas, and he had failed to make money with them. He went to the capital for a salaried job so he could make the monthly payments on the loan, and when he finally paid it off, he returned to Cruz Nueva to grow coffee. He made \$200 a month or \$2,400 a year as a watchman. The farmers were making \$500 a year from their coffee, and they had aspirations of getting close to \$1,000. A watchman's salary was a lot more than they anticipated making from their coffee, and this was a disappointment. But they were interested in seeing how much they could make, so they continued with the discussion.

Most of the farmers had half an acre in coffee, and the first debate was how much they could produce on that half an acre. Rudy mentioned that Jesús Alvarado, the training director for the Federation of Small Farmer Cooperatives, estimated that optimum productivity for the area was probably 20 to 25 quintals per 1/4 acre. Some thought they could get to 25, others thought that 20 was the maximum, so they settled on 23 quintals per 1/4 acre as the optimum.

The farmers had begun husking their coffee and selling directly to exporters for a higher price. But they were still at 20% to 25% husking, and the next discussion was how much coffee they could husk, especially when they needed to pay school fees early in the harvest season. They agreed that they needed to sell 15% un-husked coffee to local intermediaries to pay school fees, and 85% was the maximum they could husk.

They discussed average prices and used them to calculate their optimum income from coffee. They calculated that they could make \$1,600 a year from coffee, well below the \$2,400 a year for a watchman. Then Miguel Chuta asked Rubén if he had to pay for a room and food in the city, and Rubén said that a third of his salary went for

room and board. The farmers were pleased. They could only make two-thirds of what Rubén made in the city, but they had their own houses and grew their own food.

Tests the Feasibility of a Project

Agricultural projects are anti-poverty projects, and testing their feasibility means testing whether farmers can graduate from poverty. The measure of graduation could be earning as much from farming as they could from a job in the city or \$1.25 a day. But whatever the measure, setting graduation as the goal forces the calculation of how much they could earn if they improved their business and farming practices.

There is no mystery to agricultural projects. Poor farmers have low productivity, poor product quality, and no value-added processing. The farmers in Guatemala were only producing 5 quintals (500 pounds) of coffee per 1/4 acre when they could have been producing 23 quintals. They were selling their coffee un-husked to local buyers when they could have been husking and selling it to exporters for a much higher price. Quinoa farmers in Bolivia were threshing their quinoa on the bare ground, getting dirt in it, and producing third-quality grain when they could have been threshing on a plastic sheet and getting a higher price for first quality.

But being able to sell more and get a higher price must be confirmed, and feasibility begins with buyers and demand. The first questions to answer are: Who are the buyers? Will they buy more produce? How much will they pay? Do they have requirements for minimum quality? Will they pay a higher price for better quality or value-added processing?

Once demand is confirmed, the next questions address with supply. Do the farmers have enough land and labor to produce a cash crop as well as food crops for home consumption? What is optimum productivity for their crop or product, and can they achieve it? And what are optimum quality, value-added processes, and price, and can they achieve them? And, most importantly, will the increases in gross income be greater than the costs of achieving them?

Once farmers and project implementers make these calculations, they can answer the key question. Can the farmers graduate from poverty, however it may be measured? If not, is the alleviation of poverty sufficient to justify the cost of the project?

Improves Project Planning, Evaluation, and Results

Projects perform better when there is a specific goal. A project is a journey from where farmers are to where they would like to be. The more precise the destination, the easier it is to march directly toward it. Farmers want to graduate from poverty, and when project implementers share this goal with the farmers, they march together.

Also, farmers do not work directly at increasing income or, for that matter, productivity, product quality, and value-added processing. They adopt farming practices

that increase productivity, product quality, and processing. This gives them more to sell and a higher price, which in turn give them more income. For example, coffee farmers increase their productivity by improving the shading, pruning, and fertilizing of their coffee trees. They get a higher price by husking their coffee and selling it directly to exporters. They also get another increase in price for well-husked and dried coffee.

Setting graduation as the goal improves project planning because it forces farmers and project implementers to identify the practices the farmers need to adopt in order to graduate. Farmers understand what they have to do to graduate. Project implementers understand how best to help them. Annex 1 illustrates the practices that coffee farmers need to adopt in order to increase productivity, price, and income.

Evaluation is assessing how much progress has been made toward achieving a goal, analyzing why progress was fast or slow, and planning how to improve it. When the goal is set in terms of income, farmers and implementers are forced to review the relationships between income, productivity and price, and the adoption of better farming practices. Did the farmers adopt better farming practices? How much and how well? Did they increase productivity or price? Did the increases in productivity and price increase income?

Broadens Farmers' Horizons

Farmers broaden their horizons when they discuss whether they can graduate from poverty. How much could they earn in the city? Should they deduct the cost of food and lodging? Can they take their children with them? Do they have to leave them with relatives or neighbors? More than half the farmers are women, often with young children, and this is a hard choice because they provide more care for children than men. They won't be able to graduate in a single season. But they can see how they can gradually increase their income from one season to the next in order to do so.

Poor farmers often farm by tradition, and setting graduation as the goal broadens their vision of farming. They don't have to discard traditional farming practices. But they do have to start with their market, the buyers, and the opportunities and requirements they represent. Then they can deduce the farming practices they need to adopt in order to take advantage of the opportunities and meet the requirements.

Setting graduation as the goal also broadens the farmers' vision of themselves. They see themselves as becoming successful commercial farmers. They don't have to passively accept their destiny. They can control their destiny.

In addition, horizons also extend from one generation to the next. Setting graduation as the goal helps farmers see their farming as profitable and respectable. They don't have to worry about educating their children so that they can escape from farming to a good job in the city. They will still want to educate their children so that they have freedom of choice. But they, the current generation of farmers, can build successful family-farm enterprises that their children would wish to inherit.

Finally, some implementers need to expand their vision as well. They see poor farmers as needing their assistance for a long time and perhaps never really graduating from poverty. However, agricultural projects are economic development projects, not ongoing welfare projects where farmers get a little bit better off, but never well enough off to continue on their own. If farmers are too far away from markets, or they don't have enough land to graduate from poverty, it is better for everyone to learn that sooner rather than later and decide if the alleviation of poverty is worth the investment.

Tests the Value of Partial Projects

Many project implementers prefer to fund infrastructure such as irrigation systems, collection centers, processing plants, or cowsheds for dairy farmers. Others fund, or subsidize, inputs such as alfalfa seed that dairy farmers can use to produce more fodder for their cows. This is only part of the assistance that farmers need to graduate from poverty. For example, dairy farmers also need technical assistance in improving the selection, breeding, feeding, watering, and health of their cows.

Setting graduation from poverty tests whether the results the infrastructure or inputs achieve justifies their costs. Will the farmers make a significant enough advance toward graduation? It also lets the farmers know how much of the job of graduation the implementer will help them achieve and what will be left for them to do by themselves.

For example, the Bolivian government gave dairy farmers near Lake Titicaca materials for constructing cowsheds for sheltering their cows during the cold Altiplano nights. During the winter months, temperatures are below freezing; and even during the summer months the nights are cold. Dairy technicians estimate that sheltering cows at night can increase productivity by as much as two liters of milk per cow per day, and this is a lot when farmers only produce five liters per cow per day.

Partial projects such as the cowsheds and alfalfa seed are the latest in a long line of infrastructure and input projects, many of which never achieved their desired ends. Setting graduation from poverty as the goal encourages the implementers of these projects to evaluate whether their projects at least made a significant contribution to eradicating poverty. Did the farmers build the cowsheds? Did they shelter their cows at night? Did productivity increase by two liters per cow per day and income by 40%?

The Closing

The value of setting graduation from poverty as a project goal does not depend upon how graduation is defined. The amount could be earning as much as a job in the city, \$1.25 a day, or something in between. The value comes from the way the discussion broadens the horizons of both the farmers and project implementers. It comes from setting a goal which farmers, project implementers, and donors can share, march toward, and achieve. Together, they will be carrying out a true anti-poverty project that significantly alleviates, if not eradicates, poverty.