

PROGRAM AREA BRIEF

Agriculture

Helping farming families produce and earn more



Three-quarters of the world's poor live in rural areas and depend largely on farming. Identifying ways for these farming families to increase productivity and earn more money has the potential to improve food security, increase financial stability, and alleviate poverty.

Although agricultural productivity has increased dramatically in recent decades, some regions of the world still are not producing enough food to live beyond subsistence. In Sub-Saharan Africa especially, food production remains persistently low compared to other regions of the world, even though tools for improving farm productivity are available. The use of yield-improving inputs like fertilizer and improved seed is remarkably low in most of Africa due to high costs, limited availability, and other factors.

IPA's research in agriculture has investigated a number of approaches aimed at increasing investment into and productivity of small-scale farms, with the aim of helping farming families grow more food and earn higher incomes.

Key Agriculture Policy Lessons

1. Tailoring financial products to farmers' seasonal cash flow can increase investments in agriculture.
2. Increasing farmers' access to capital appears to increase agricultural output.

Policy Impact: Water tanks improve lives of dairy farming families in Kenya

Dairy farming is common in Kenya's Central and Rift Valley provinces, but it is also common for farmers to lose one of the few cows to drought each year. An IPA study found that offering dairy farmers a loan product to purchase a water storage tank increased milk production of cows owned by farmers who did not have access to piped water when the study began. In addition, it reduced the time girls spent fetching water by 35 percent, and increased the probability that girls were enrolled in school by 4 percentage points. In response to this evidence, the partner in the study scaled up the loan product.

Read more: www.povertyactionlab.org/study/indusip-agriculture-water-storage-tanks-drought-vulnerable-farmers-kenya

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