



Making credit work for smallholder farmers

Policy insights from randomized evaluations

Becca Toole, Senior Policy Associate | J-PAL / ATAI / MIT

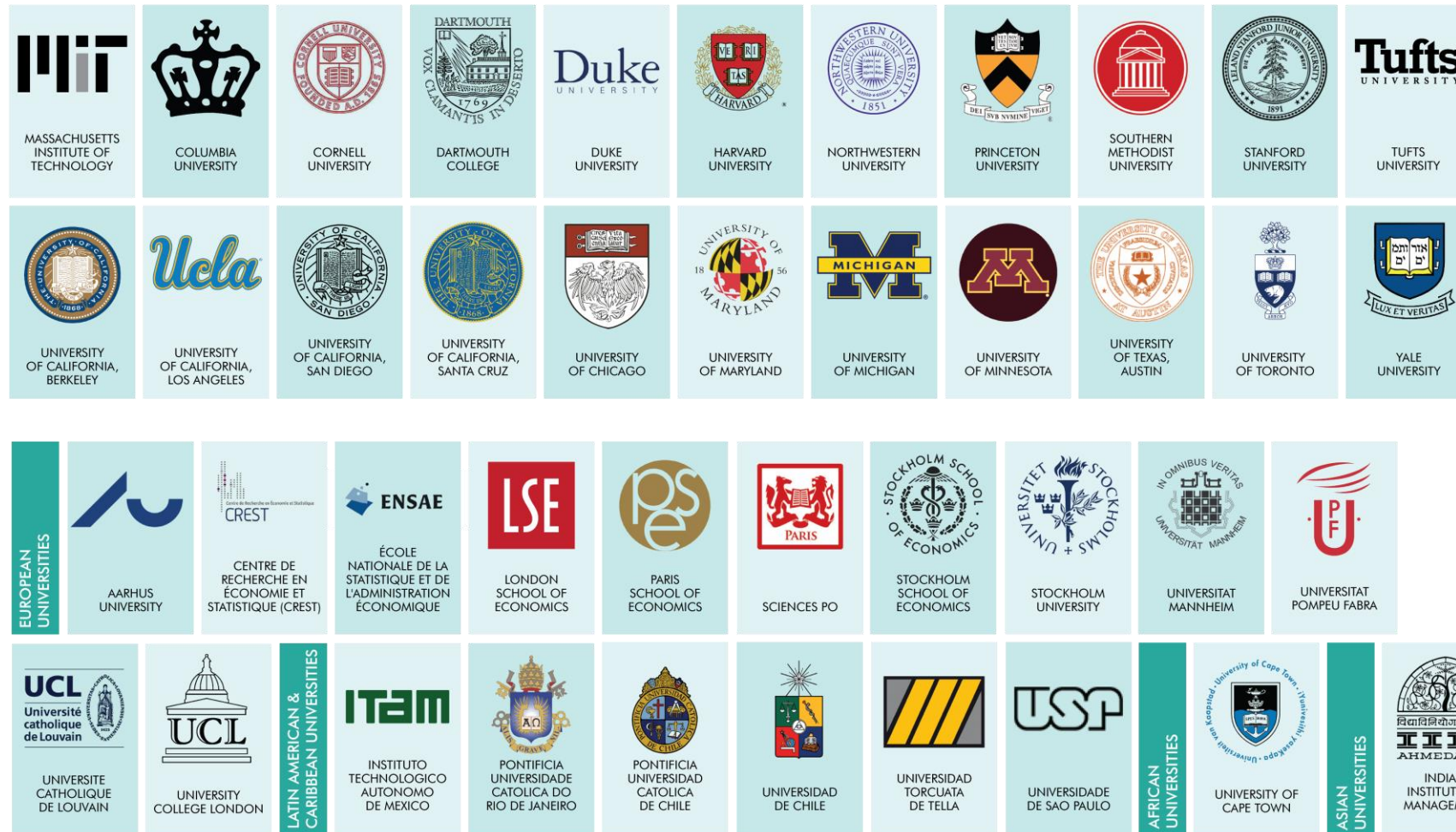
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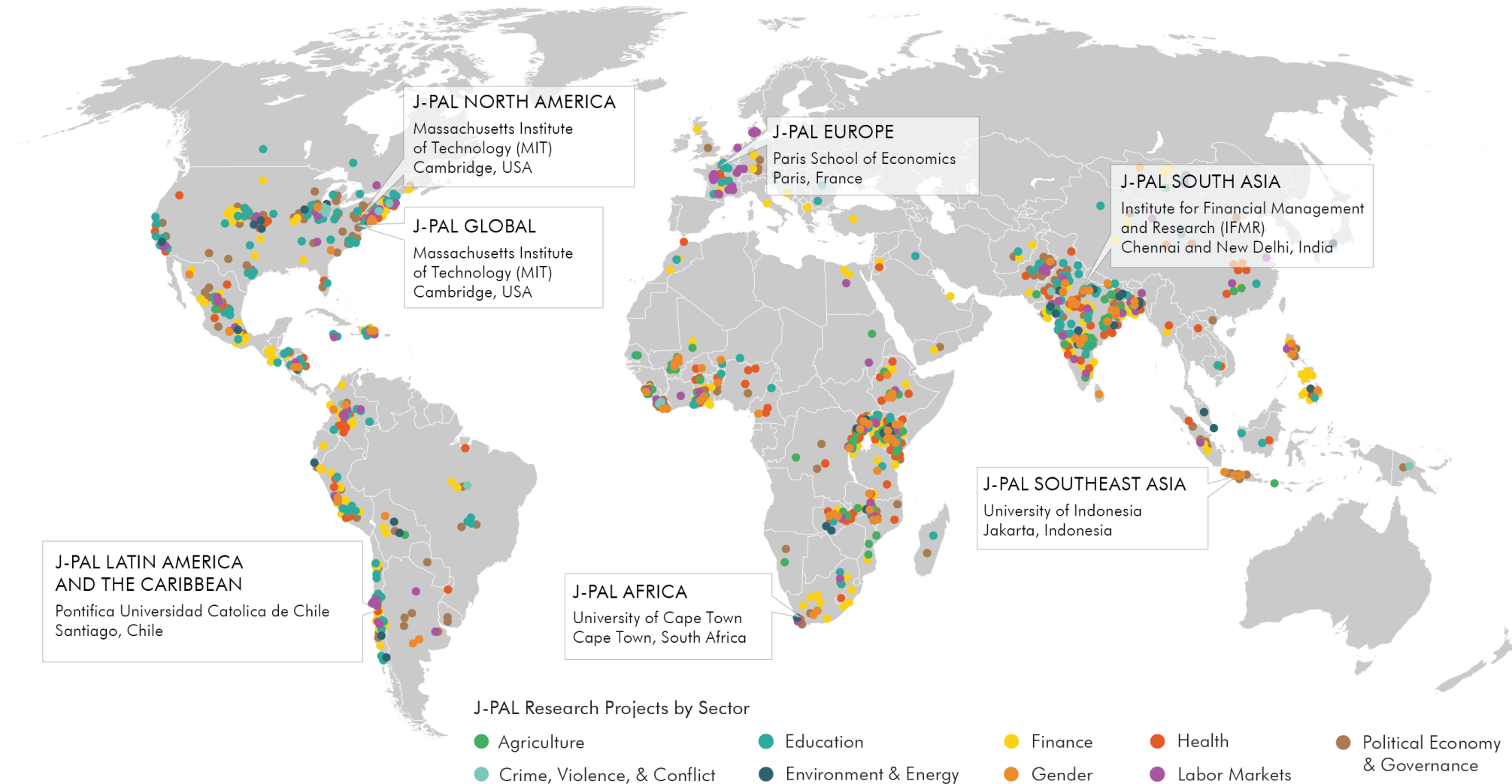
Intro to J-PAL and ATAI



J-PAL is a global research center anchored by a network of over 160 professors who conduct randomized evaluations to inform policy



J-PAL's mission is to reduce poverty by ensuring that policy is informed by scientific evidence



- Co-managed with Center for Effective Global Action (CEGA) at UC Berkeley
- **Mobilized the research community:**
 - Funded 51 projects in 17 countries in South Asia and Africa since 2009
 - +100 researchers (nearly half had no previous agricultural research)
- **Policy outreach:** emerging insights briefs, matchmaking, customized trainings, evidence dissemination events
- **Scaling ongoing:** flood-tolerant rice, collateralized loans for watertanks, mobile-based extension, harvest-time storage loans

www.atai-research.org



BILL & MELINDA
GATES foundation

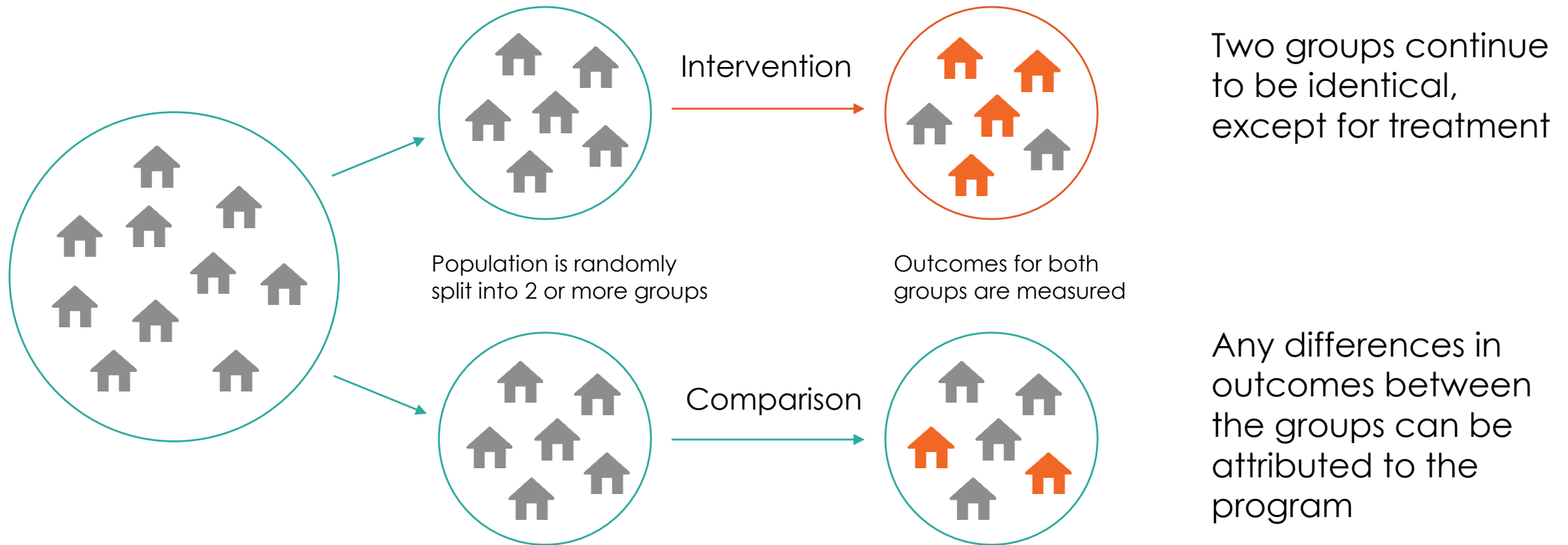
Developing research and policy partners

ATAI researchers have worked with over 50 partners on evaluations



We conduct randomized evaluations to test the effectiveness of programs aimed at reducing poverty

Before the program starts, eligible individuals are randomly assigned to two groups so that they are statistically identical before the program.



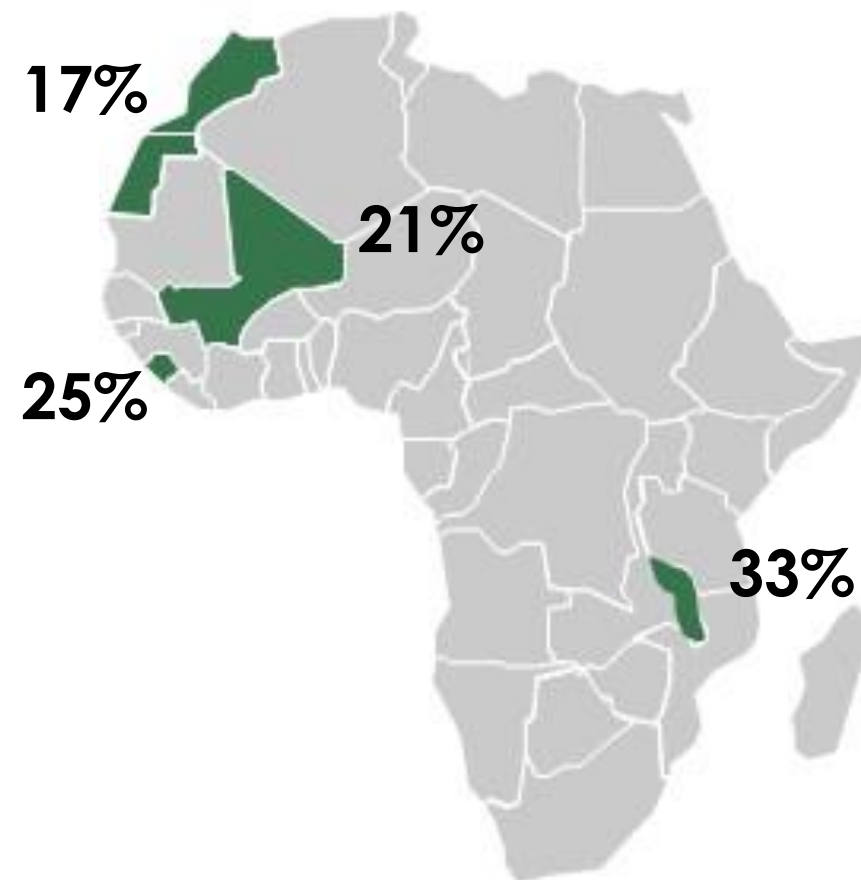
Policy insights from rigorous evaluations of credit for smallholder farmers



Traditional microcredit has had limited impact in agricultural settings

Few farmers take up and use traditional microcredit

- Low take-up
 - Morocco: 17%
 - Mali: 21%
 - Sierra Leone: 25%
 - Malawi: 33%
- Not well suited to agriculture
 - Quick repayment
 - Group liability



[Beaman et al. 2014](#), [Casaburi et al 2014](#), [Crepon et al 2015](#), [Gine and Yang 2009](#)

harvest-time storage loans (One Acre Fund)

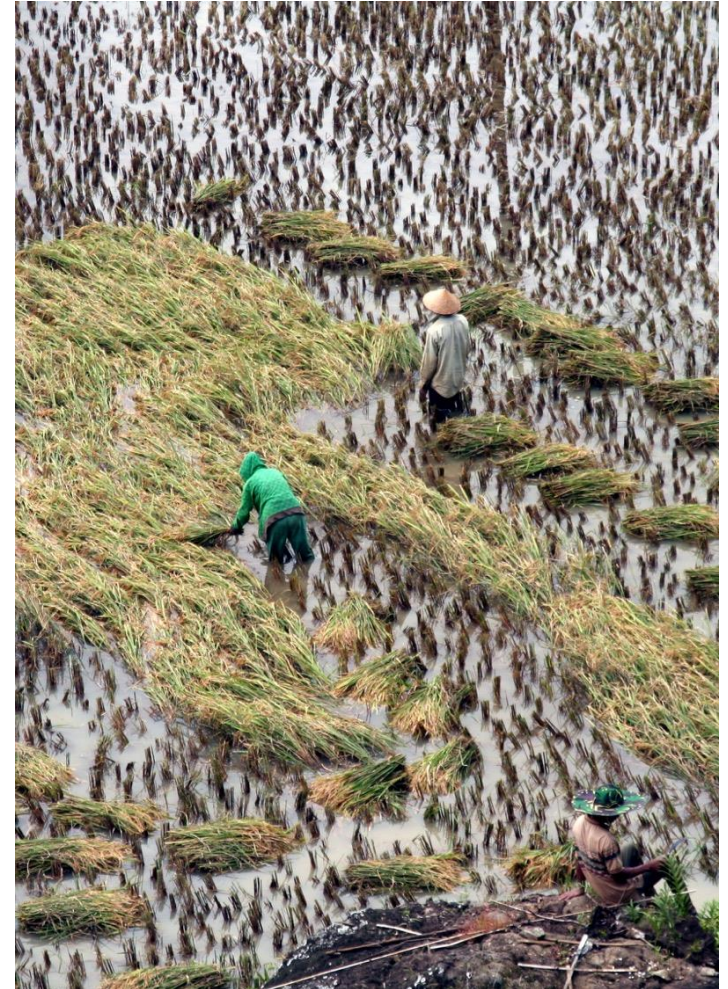
Providing timely access to credit allowed farmers in Kenya to purchase at lower prices and sell at higher prices, increasing farm profits and generating a return on investment of 28%



[Burke et al. 2018](#)

Replicating harvest-time storage loans in Indonesia

- J-PAL Southeast Asia with support from J-PAL Global is currently advising the Government of Indonesia
 - Interested in boosting profits in agriculture sector among maize farmers in eastern Indonesia
 - Building on / tweaking existing Warehouse Receipt Scheme
- Collecting descriptive information in Indonesia and implementation details from original implementer now



Tailoring financial products to agricultural cycles can improve take-up and impact



HARVEST-TIME STORAGE LOANS



LOCAL CONDITIONS



GENERALIZED LESSONS ON BEHAVIOR



LOCAL IMPLEMENTATION



HIGHER PROFITS FOR SMALLHOLDERS

1. Farmers sell their produce and have an available market
2. Farmers' income and grain prices are both highly seasonal
3. Farmer income does not necessarily come at the time when farmers need to make investments
4. Markets are poorly integrated, so prices are very responsive to changes in local supply

1. Financial institutions are willing to lend to the agriculture sector and hold the necessary capital
2. Crops can be stored effectively and serve as collateral
3. Loan balances can be collected through seizure of crops

Key Resources for Evidence

- [ATAI website](#)
 - [J-PAL evaluation database](#)
 - [J-PAL policy insights](#)
 - [J-PAL policy briefs](#)
 - [IPA evaluation database](#)
 - [3ie Evidence Gap Maps](#)
 - [Givewell Intervention Effectiveness Reports](#)
 - [Campbell Systematic Reviews](#)
- For doing research:
 - [IADB's Evaluation Hub](#)
 - [J-PAL research resources](#)
 - [IPA Goldilocks Right-Fit Toolkit](#)

Thank you!

atai@povertyactionlab.org