Guiding steps towards living income in the supply chain
How to mainstream living income in your company’s activities
To overcome poverty, ensure sustainable production, and achieve long-term success, farmers must have the means for a decent life. They need the opportunity to professionalize their farm and become strong partners. There are good business reasons to engage!

**Human rights**

Ensuring those in our value chain can afford a decent standard of living is the right thing to do morally and legally. 

**Business benefits**
- Secure license to operate
- Global ethical leader

**Reputation**

Buyers of our products expect that they are contributing to a decent standard of living for farmers and influencers are making sure of it.

**Business benefits**
- Decrease risk of consumer backlash
- Increase positive reputation

**Supply security**

We need to support our farmers to live a decent life and invest in their farms so that there is a stable quality supply.

**Business benefits**
- Secure future supply of raw materials
- Maintain or increase return on investments
What can we do?

A living income is the basis for any sustainable and attractive supply chain. To reach this goal, here are steps to prepare for and take action:

**Analyze supply chains**
- Map sources of raw materials and supply chains
- Identify risks and leverage
- Assess income gap

**Seek buy-in**
- Promote significance of living income as a business imperative

**Develop policy**
- Formulate internal policy and strategy
- Set targets

**Engage suppliers**
- Communicate commitments
- Get backing of suppliers

**Implement action**
- Collaborate at sector level
- Invest in value chain
- Adapt business practices

**Monitor and communicate**
- Evaluate impact of your interventions
- Communicate results

**WHAT WORKS:**
- Create transparent and traceable supply chains
- Set up long-term, strategic partnerships to improve planning security, incentivize investments on the farm, and pay fair prices to producers
- Improve capacity of producers in good agricultural practices and farm management through Farmer Field and Farmer Business Schools
- Consider activities targeting specific farmer segments which are characterized by their assets and skills
The Living Income Story

“Living Income is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household.”

For more information visit the Living Income Community of Practice www.living-income.com