



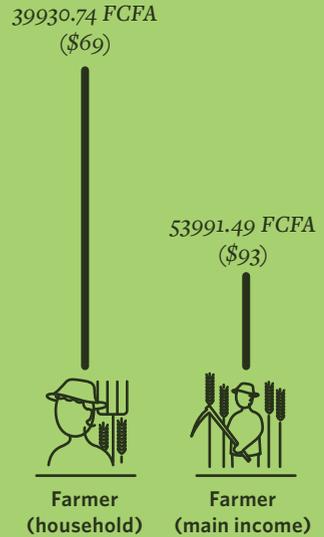
## Approximately 1.2 million households in Benin derive a livelihood from agriculture.



Farming is the financial backbone for over half (58%) of the households in Benin. Moreover, two in five adults derive their livelihoods from farming. The income source diversification outside of farming is limited with only 8% of the adult Beninese relying on farming as a secondary income source. About 4% of Benin adults rely on farm wages as a main source of income.

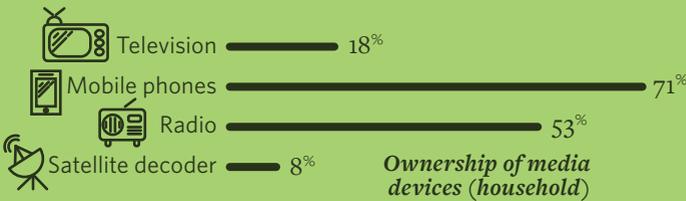
A significant proportion of farmers farm for consumption. Of the 58% of households involved in farming, 22% are subsistence, 2% are commercial and 76% consume and sell their produce. With a high proportion of adults in the informal economy, farming presents a way of food provision, earning an income and means to transition from poverty.

While significant in this sense, Beninese farmers remain for the most part small scale, informal, subsistence and on small pieces of land. They mostly rely on limited infrastructure and very limited access to finance, and low value chain linkages for final produce or markets.



Average monthly income

**1USD = ± FCFA580**   
(average as at November 2018)



*Agricultural assets owned*



7

Average size of household

**45** YEARS

Average age of head of household



Urban

64%  
775 311



Rural

36%  
433 586

*Beninese farmer household distribution*

*In total, approximately 58% of the household population is involved in agricultural activity.*



Bank branch



MFI



ATM



Mobile money agent



Informal group meeting area



Medical centre



Market



Urban ●●●●●  
Rural ●●●●●  
Total ●●●●●

*Household proximity to basic service points (mean in minutes taken to reach point)*



Farmers

**2 million**

*Adults whose main source of income is farming*



Farmer workers

**260 000**

*Adults whose main source of income is farm wages*



Other

**2.2 million**

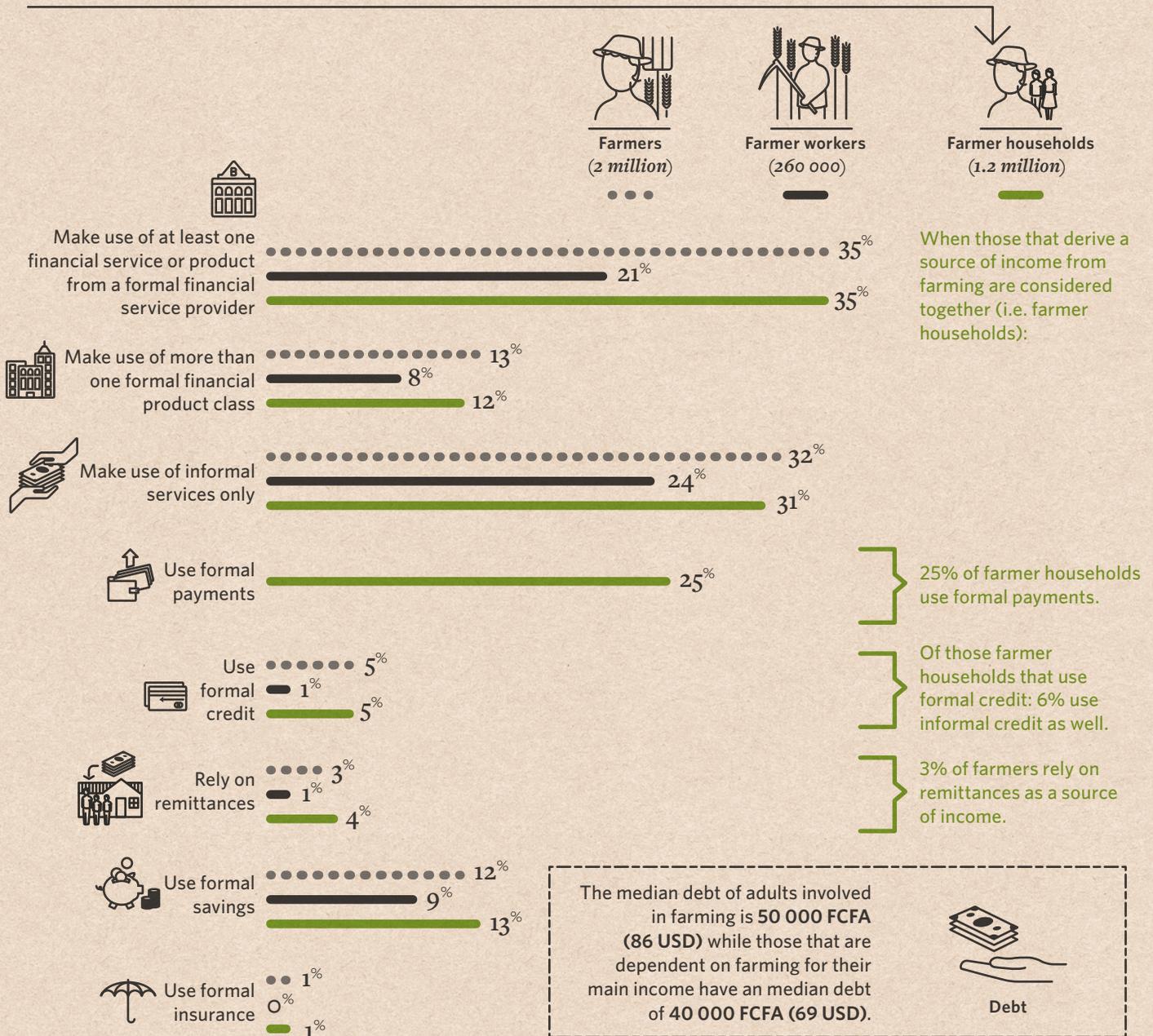
*Other adults involved in farming and farm work as a secondary income source only*

# Benin

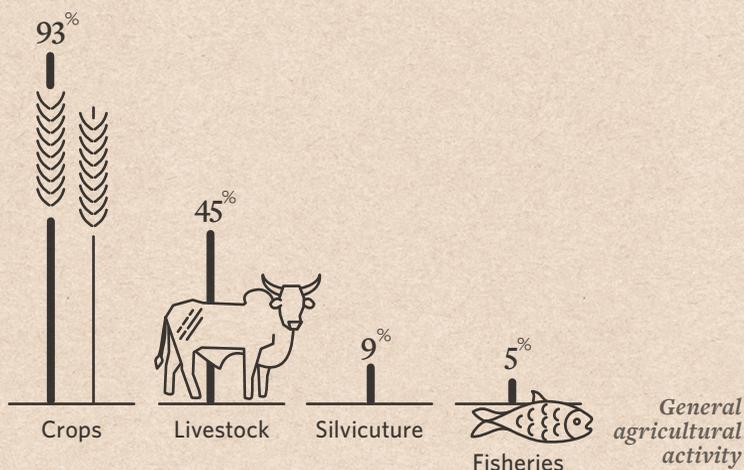
## AGRICULTURE



**Formal products** are financial products or services offered from regulated institutions while **informal products** or services are offered by unregulated institutions.



# Overview of farming activities



## Corn, cassava and bean production are the predominant agricultural crops.

Almost all those who indicated that their households are involved in farming also indicated that they are involved in crop production. Corn is overall the biggest crop produced, with 96% being involved in corn production.

## Corn and cotton are the biggest cash crops for commercial farmers.

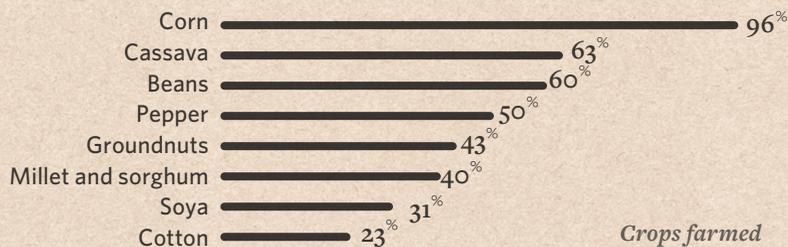
While most farmer households both sell and consume their produce, a smaller group of those that farm for selling gain their revenue from corn (27%) and cotton (22%). Similarly for livestock farmers, cattle (26%) and poultry (24%) are the top revenue earners. Livestock farmers show diversification in livestock revenue generators with goats (19%), sheep (20%) and even piggery (8%) also being amongst the top revenue earners.

## Of all agriculture farmers, 42% farm all top 3 crops (corn, cassava and beans).

Interestingly, although cotton is the second biggest revenue earner amongst commercial farmers, cassava, beans and corn are most popular combinations, perhaps to secure the household food needs.

## About a third of commercial farmers sell their produce at the market place.

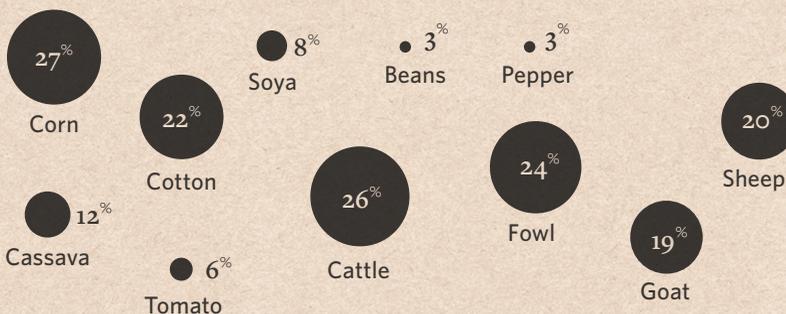
Similarly, 31% sell their produce to the middlemen/agents. Further exploration into farmer value chains can be explored to incentivise consumption-based farmers into commercialisation.



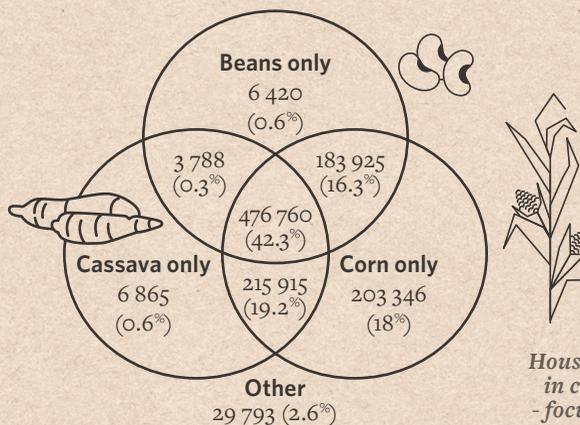
Crops farmed



Livestock farmed



Main income generating crop or livestock (% of those involved in activity)



Households involved in crop production - focus and overlaps



59%

OWN THE LAND THAT THEY USE FOR FARMING ACTIVITIES



LAND OWNERSHIP FIGURES ARE LOW

14% OWN TITLE DEED OF LAND FARMED ON



**Land size was cited as the biggest barrier to farmers commercialising.**

About 14% of farmers use land that is under 2 acres with almost 50% of farmers having land up to 10 acres. 32% of farmers have land of 10 acres and above.

**Land ownership documentation figures are low.**

41% of farmers claim not to have a title deed or document of land possession. This poses a barrier to accessing formal credit via land collateral.



Land size distribution for all households involved in farming

**Agricultural commercialisation, subsistence farming & food security**

**About 22% of farmer households are purely subsistence in Benin.**

Of all farmer households, 76% both consume and sell their produce while only 2% of farmer households are fully commercial. A lack of capital for inputs, and small land size are cited as the major barriers to commercialisation.

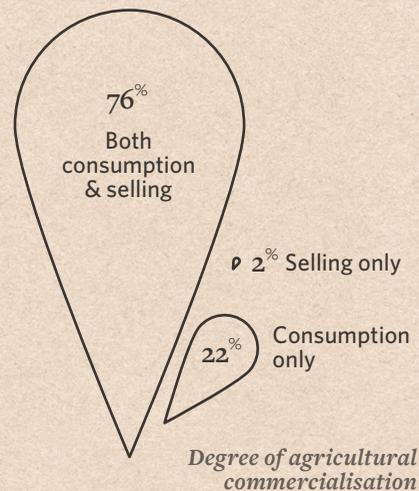
Additionally, only 10% of farmer households have received formal training or technical assistance in agriculture, livestock and fishing techniques.

Of the farmer households, about one in three (29%) experienced climatic risks such as drought, low rainfall and floods.

With a high proportion of households dependent on agriculture for their livelihoods, risk mitigation mechanisms become very important to ensure sustainability.

- *Livestock risk - the main income earner for Beninese farmers was stated to be goats, sheep and cattle. Most of the farmers face livestock risk as they are not insured. A major advantage of livestock-related activities is consumption smoothening*
- *Price risk - fluctuating prices in livestock or livestock products especially during drought or disease outbreaks creates shocks to farmer households*
- *Rainfall risk - rainfall is a direct input into agriculture and the entire Beninese population. Understanding rainfall pattern allows for farmers to better predict risk and mitigate it.*

In light of these risks, only 23% of farmer households are aware of insurance and a negligible proportion possess agricultural insurance (0.2%). Awareness and affordability may well constitute the main barriers to the adoption of agricultural insurance.



Degree of agricultural commercialisation



Barriers to Commercialisation

## Source of farming inputs

About 44% of households do not buy any farming inputs but use what they already have. This may contribute to the large number of subsistence farmers. Due to the main income generating source for farmer being crops, 35% have to sell crops. Interestingly, almost close to no farmers (0.1%) sell livestock to acquire farming inputs. This mirrors the biggest impediment to commercialisation - lack of funds for farming inputs. Other income streams are also used to support farming capital.

While credit may assist in generation of capital for farming inputs, low ownership of high net-worth assets by farmer

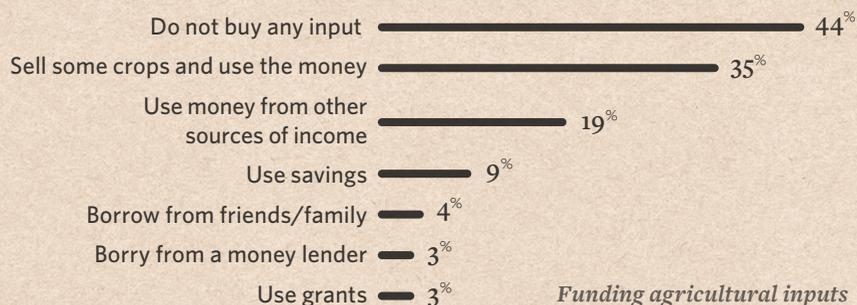
households may be a barrier. Further, only 14% of farmers are in possession of title deeds making formal collateral limited for farmer households.

Of the 46% of adults involved in farming:

- 5% currently use formal credit. Credit in agriculture is seasonal and likely to increase during sowing phase.

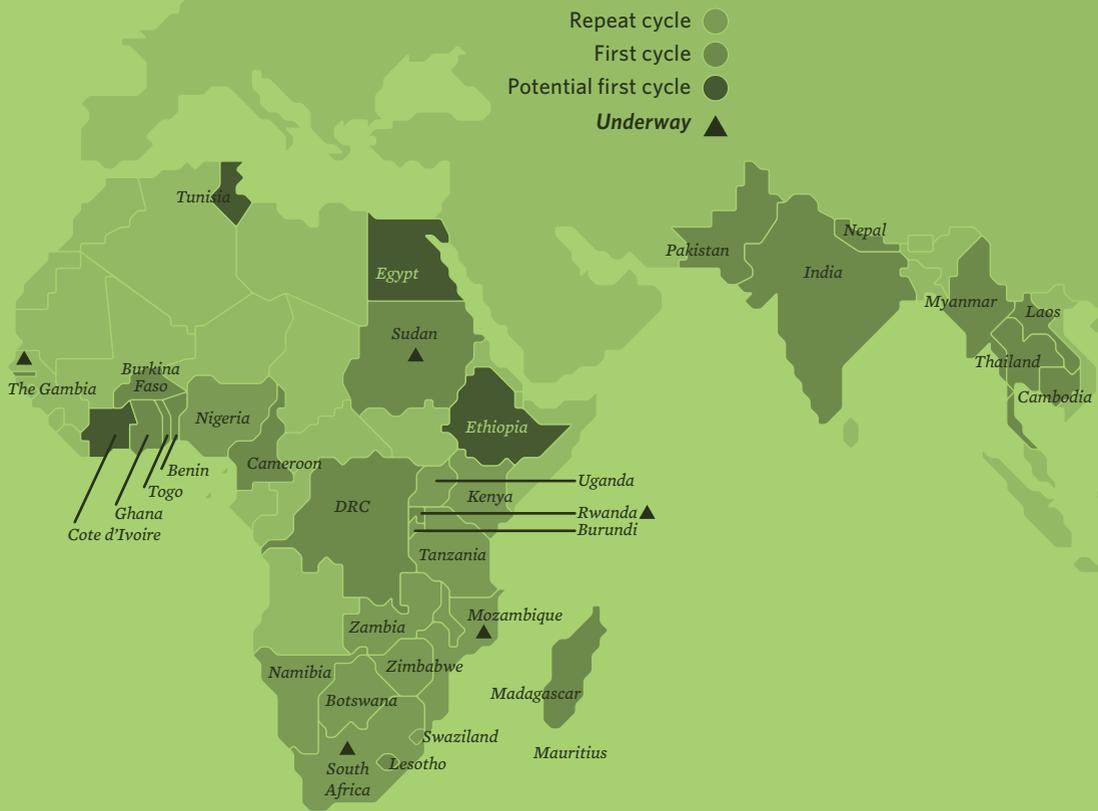
- Over 80% are currently saving but only 11% are currently saving for agricultural input.

With the first barrier to commercialisation being lack of funding, the aptitude of borrowing amongst farmers and low savings towards farming input can be attributed to low and seasonal income.



		 Farmers (all)	 Farmers (main income)	 All adults
 Credit	Regulated	5%	5%	4%
	Unregulated	3%	3%	3%
	Family & friends or self	2%	2%	2%
 Payments	Regulated	25%	23%	30%
	Unregulated	2%	2%	1%
	Family & friends or self	4%	4%	3%
 Insurance	Regulated	1%	1%	2%
	Unregulated	3%	3%	2%
	Insure indirectly	1%	1%	1%
 Savings	Regulated	13%	11%	15%
	Unregulated	48%	48%	48%
	Family & friends or self	58%	59%	51%

Usage of financial services among farmers



## FinScope footprint



FinScope Consumer Surveys have been completed in 34 countries including Benin. This allows for cross-country comparison regionally and sharing of findings which are key in assisting on-going growth and strengthening the development of financial markets. Surveys are currently underway in 5 countries - 2 in SADC, 1 in West Africa and 2 non-SADC.

FinScope Benin 2018 contains a wealth of data based on a nationally representative sample of the adult population of the Benin.

## About the Making Access Possible Programme

Making Access Possible (MAP) is a multi-country initiative to support financial inclusion through a process of evidence-based analysis feeding into a financial inclusion roadmap jointly implemented by a range of local stakeholders.

MAP was initiated by the United Nations Capital Development Fund (UNCDF) and is implemented in partnership with FinMark Trust and the Centre for Financial Regulation and Inclusion (Cenfri). In each country, MAP brings together a broad range of stakeholders from within government, the private sector and the donor community to create a set of practical actions aimed at extending financial inclusion tailored to that country.

## About FinScope Benin

The FinScope survey is a research tool which was developed by FinMark Trust. It is a nationally representative survey of how individuals source their incomes, and how they manage their financial lives.

The FinScope survey is dynamic and the content is evaluated by a number of stakeholders including the private sector, NGOs and Government to ensure that the most relevant consumer data is collected. It also forms an important component of the Making Access Possible (MAP) methodology.



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