

Aggregated Reference Indicators (ARIs)	
<b>AFS_ARI_1 Incomes from Agricultural Production</b> <b>Number of smallholder farmers with increased net incomes from agricultural production</b>	
Contribution to objective of M25-28	<i>Objective 2: Creating decent jobs through appropriate framework conditions, a local economic fabric and the private sector</i>
Contribution to 2030 Agenda: SDG target	<u>SDG target 2.3</u> : By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.
Definition (description, specification, qualification)	<p><b>Smallholder farmers</b>: smallholders with a land area &lt; 5ha in Asia and Africa and &lt; 10ha in Latin America</p> <p><b>Agricultural production</b> includes cereals, vegetable, fruits, pulses, dairy, eggs, meat, leather, fibre or biomass, etc. as direct products and/or as input into a value chain.</p> <p><b>Farmers with increased net income from agricultural production</b>: this indicator only accounts for the number of people that have an increased income (and not the average amount their income increased in monetary terms in one year, which is measured by IED_TRI_1 and is thus a complementary indicator to this ARI). Nevertheless, in order to determine if smallholder farmers' income really increased, it is necessary to try to measure it as defined in IED_TRI_1. It is important to measure changes in net income due to the intervention, i.e.</p> <p><b>income from sales of agricultural products</b> and <b>avoided expenditures</b> (e.g. due to consumption of farmers' own products, with households therefore spending less on food)</p> <p><b>minus production costs</b> (e.g. seeds and other inputs, e.g. fertiliser and pest management, labour, leasing fee, and other related costs, e.g. taxes).</p> <p>To measure the net income, it is crucial to have a <b>baseline</b>, i.e. the net income of the target group before the intervention/project started.</p> <p><u>Calculation (see disaggregation)</u>:</p> <p>a+b+c+d</p>
Measuring unit	Number of smallholder farmers
Disaggregation dimension (sex, age group, ethnicity or other identity criteria of LNOB)	a. Females in LNOB target group b. Females in non-LNOB or unknown target group c. Males in LNOB target group d. Males in non-LNOB or unknown target group
Data source	At project level, implementing partners, ideally with audited DCED standard <sup>1</sup>
Rationale	<p><u>Theory of change</u></p> <p><b>If</b> smallholder farmers increase their incomes through agriculture,  <b>then</b> they have better opportunities to move out of poverty  <b>because</b> they achieved higher agricultural productivity, new or increased market access, higher product quality or better prices.</p>

<sup>1</sup> For further information refer to the Donor Committee for Enterprise Development's (DCED) '[Methodological Guidance for 5 Private Sector Development Indicators](#)', which includes an indicator on 'change in income' and to the Donor Committee for Enterprise Development (DCED) standard: <https://www.enterprise-development.org/measuring-results-the-dced-standard/>

Possible messages of aggregation and synthesis	Thanks to the contribution of the SDC, xx men and yy women, including zz (youth, ethnic minorities or other disadvantaged groups) have increased their income from agricultural production.
Thematic responsibility	Agriculture and Food Systems Network