

## Effective Behavioral Design: Savings Products Webinar

29 March 2016

Webinar Notes

Carla de Chassy

- What are the interest rates on savings and how reliable are the banks?  
Banks are quite reliable. The biggest bank, with branches in every sub-district has a market share of 89% amongst the cocoa farmers with a bank account. The second most has 3.5% market share. Interest rates on savings vary between 0% and 2%, for time deposits between 6% and 8%.
- Are the farmers encouraged to diversify their crops so as not to be dependent on one source of income?  
Condition to be included in the Sustainable Cocoa Production Program (SCPP) is that at least 50% of the income is from cocoa. Currently the average is 80%. Many farmers intercrop/diversify. Agriculture is about risk-minimization in case of something goes wrong for a specific crop and about smoothen the income through different crop cycles and harvest times.

Jennifer Denomy

- You have mentioned the intention versus action to save. Have you noted any key differences between rural and urban or between male and female populations on this point? Thanks!  
We only looked at rural areas. Women have slightly more often an account. They don't have more savings and are not more disciplined. What we have noticed is that as higher the formal education degree, as more likely the farmers have a formal saving account. We noticed also that more professional farmers are more likely to have a saving (most likely because of higher cash flows).

Cathleen Tobin

- Hello, are the presenters able to share any results from the initiative they have presented?  
Thank you.  
Sure. As soon as available. The saving pilot with almost 3,000 farmers is about to start and will take up to 1 year. First results will be available earlier.

Lynn Exton

- Do you find that the savings products are more successful if the MFI has a dedicated savings manager?  
In general I would argue yes. However, in the particular case we work with a large microfinance bank present in every single sub-district in Indonesia.

Dirk Lebe

- More information on the financial situation of cocoa farmers, based on 17,429 questionnaires can be found here: <http://www.microfinancegateway.org/library/access-finance-cocoa-farmers-indonesia-agribusiness-financing-facility-baseline-report>. Savings start at page 33 of the pdf.