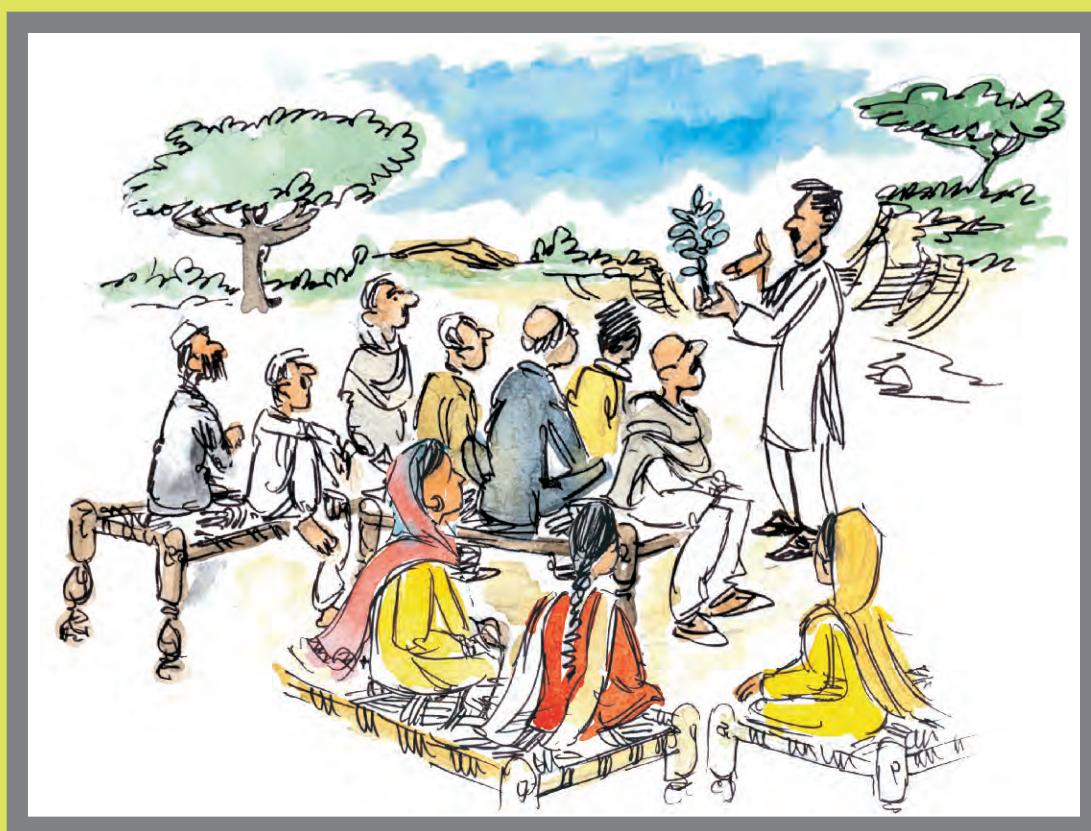


Farm Business School

Training of Farmers Programme South Asia



Manual



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Training of Farmers Programme

South Asia

Manual

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
REGIONAL OFFICE FOR ASIA AND THE PACIFIC
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Foreword

Dramatic changes are taking place in farming worldwide as a result of globalisation, liberalisation, and rapid urbanisation. Farmers are intensifying existing patterns of production and diversifying their farm enterprises in an attempt to improve their livelihoods. Technical know-how is not enough. In order to be competitive and take advantage of the new opportunities that are arising farmers increasingly have to adapt their farm business to market changes and improve efficiency, profitability and income.

The desire to increase income by taking advantage of market opportunities requires farmers to become better decision makers and better at competing in this new environment. The emphasis on the market and the need of farmers to be competitive, calls for better farm management skills. Marketing and farm management have rapidly gained predominance globally over the last two decades. Farm business management skills and knowledge is recognised as important for farmers to effectively respond to present day farming challenges. Farm management advice helps farmers to make the right choice between crop enterprises according to individual levels of financial, labour and land endowments and at their level of risk adversity.

In response to these changes, the Food and Agriculture Organization of the United Nations (FAO) has developed the concept of the Farm Business School (FBS) to build farmers' capacity in entrepreneurial and management skills. The Farm Business School enables farmers to learn and improve their knowledge, change their attitudes and enhance their skills toward improved farm commercialisation. The approach followed in the FBS is practical and based on 'learning by doing'. The learning process is designed to enable farmers to learn continuously and to improve their knowledge, change their attitudes and enhance their skills to develop their farming practices to make their farms more market-orientated and profitable. The concept of the FBS was inspired largely by the experience of Farmer Field Schools (FFS).

The Farm Business School consists of a package of training materials intended to inform policy makers, train FBS facilitators and train farmers. The Training of Facilitators Programme is classroom-based and of a short 15 day duration. The Training of Farmers Programme consists of a series of meetings that take place at farm level and run over an entire season. Learning about business occurs in the farmers' own local environment where farmers can work in small groups at their own pace.

The training programme in this manual is intended to train farmers in farm business management. It has been designed to be conducted by extension workers or lead farmers with good communication skills and some experience in training. It is expected that graduates of this training programme will, in turn, set up and run Farm Business Schools together with other farmers.

The training materials that comprise the Farmer Training Programme consist of two parts: 1) a facilitator's manual; and 2) a handbook for participants.



Hiroyuki Konuma
Assistant Director-General and
FAO Regional Representative for Asia and the Pacific

Table of Contents

		Page #
1	Introduction	01
2	About the Farm Business School (FBS)	03
Part 1: Diagnosis and planning		
Module 1: Starting the Farm Business School		
3	Meeting 1: Rationale for a Farm Business School	05
4	Meeting 2: Developing group ownership and scheduling meetings	09
Module 2: Understanding basic business concepts		
5	Meeting 3: Farming as a business	11
6	Meeting 4: The farmer as an entrepreneur	17
7	Meeting 5: Farm business profitability	19
Module 3: Where are we now		
8	Meeting 6: Assessing current farm situation	23
9	Meeting 7: Translating analysis into action	26
10	Meeting 8: Understanding enterprise profitability	28
11	Meeting 9: Understanding marketing and markets	36
12	Meeting 10: Preparing for a market survey	39
13	Meeting 11: Presenting the market survey report	42
Module 4: Knowing where we want to go		
14	Meeting 12: Developing a vision and goal for the farm business	44
Module 5: Developing a farm business plan		
15	Meeting 13: Choosing an enterprise	45
16	Meeting 14: Components of a farm business plan	51
17	Meeting 15: Preparing a farm business plan	60
18	Meeting 16: Preparing an action plan	62
Module 6: Keeping records		
19	Meeting 17: Overview of record keeping	64
20	Meeting 18: Practice of keeping farm business records-I	67
21	Meeting 19: Practice of keeping farm business records-II	73

Part 2: Implementing**Module 7: FBS meetings during production season**

22	Meeting 20: Agreeing on sessions and schedule	81
23	Meeting 21: Mobilizing finance	83
24	Meeting 22: Group marketing	87
25	Meeting 23: Marketing our produce	90

Optional 3-Hour meetings to be selected on the basis of group needs

26	Meeting 24: Group buying and saving	92
27	Meeting 25: Understanding contract farming	95
28	Meeting 26: Contract appraisal	98
29	Meeting 27: Assessing and managing business risks	102
30	Meeting 28: Benchmarking	105
31	Meeting 29: Characteristics of an effective entrepreneur	109
32	Meeting 30: Value addition	112

Part 3: Evaluating and re-planning**Module 8: Reviewing past business and planning for the next season**

33	Meeting 31: Assessing the benefits of the Farm Business School	118
34	Meeting 32: Assessing the performance of the business plan	120
35	Meeting 33: Choosing farm enterprises for the next season	126
36	Meeting 34: Preparing a farm business plan	129
37	Meeting 35: Developing an action plan	133

Introduction

The Training of Farmers Programme presented in this manual is intended to build farmers' capacity in entrepreneurial and management skills through a "learning by doing" approach. The programme aims at developing farmer's skills and competencies in business while improving their knowledge, changing their attitudes towards farming as a business and producing for the market. This is done through a season-long programme that has been designed to be demand responsive, flexible and practical. Farmers learn in small groups, in their own farming environment and at their own pace.

The Farmer Training Program comprises two documents:

Handbook	Manual
<p>A reference book for farmers to use during and after FBS meetings. The handbook outlines key concepts as well as experiential exercises to help facilitate farmers' learning.</p>	<p>These provide step-by-step guidelines that take the facilitator through key contents of the Farmer Training Program.</p>

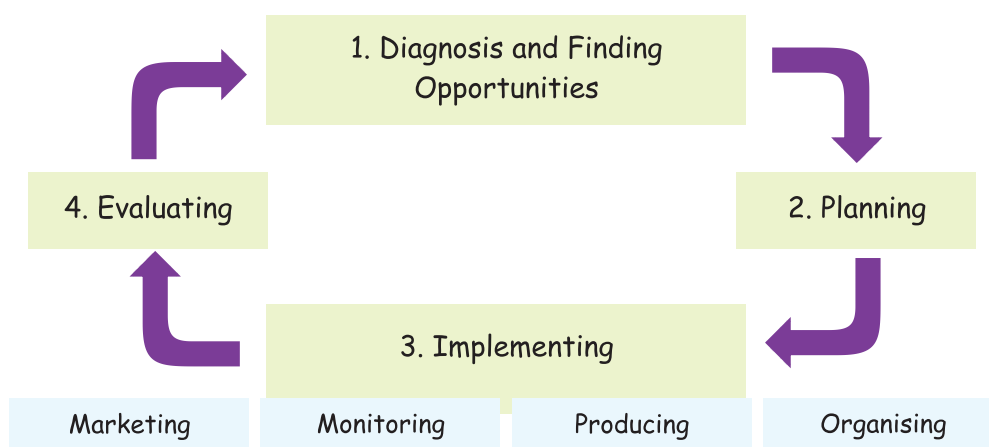
The materials for the FBS are specially designed to work with limited resources. Participants need to be basically literate and numerate, but they do not need to have had any significant formal education.

The schools are facilitated by instructors/ trainers who have graduated from the fifteen day Training of Facilitators Programme and have been certified as Master Trainers. Once the training has been successfully completed, some of the farmers could be identified, from among the more capable, and asked to become FBS Facilitators themselves.

About the Farm Business School (FBS)

The Farm Business School (FBS) is a new idea. The purpose is to work with farmers to help them build knowledge and skills to make their farms more profitable. They will do this by learning about business in their own local environment. The FBS programme takes the school to the farmers.

The training materials are designed around the concept of the farm business cycle. This is described using the following diagram.



The FBS training programme covers all four of these aspects of farm business management. The programme is divided into three parts: 1) Diagnosing and Planning, 2) Implementing; and 3) Evaluating and Re-planning.

Part 1 - Diagnosis and planning (conducted prior to the beginning of the production season): In this part of the programme, participants set up the FBS and how to run it. Farmers agree on what parts of the programme to cover and when they will hold meetings. They also set goals for their farms and then develop business plans to achieve those goals. Then they work through a series of exercises to learn how to examine their farms and to plan for the coming season. They will develop an initial farm business plan which will be implemented in the next season.

Part 2 - Implementing (conducted during the production season): In this part of the programme, the participants implement their farm business plans. They will choose from a menu of modules that cover various aspects of managing a farm business. The choice of modules is left to the participants to decide. They are designed to be used whenever is the right time in the season.

Part 3 - Evaluating and re-planning (conducted after the production season): When the season is over the participants start the third and last part of the programme. The participants review their Farm Business Plans and evaluate how well the plans worked. What worked? What did not work so well? They re-assess their farm businesses and make a new Farm Business Plan for the next season.

Meeting # 1: Rationale for a Farm Business School





Objectives



By the end of this session, participants will be able to establish the benefits of this program for participating FBS group members.



3 hours

Sr.	Steps	Resource Material
1	<p>Preparation:</p> <p>Since this will be the first formal meeting of the Farm Business School (FBS), try to make it memorable. You may want to invite someone special to help you open it. You may want to arrange with the participants for each of them to bring some food or drink to share to in order celebrate the start of the school.</p> <p>By now you should know from the Core Training Team (CTT) and/or Programme Managers what is expected of you and what stationery and material will be provided for running the FBS, such as: Handbook for Farmers, pens or pencils, printed panaflex charts, flipcharts and markers, etc.</p> <p>A week or two before the FBS starts, you should visit each farmer who was invited to be part of the school to make sure that they remember when the school will start and where it will be held. If no writing pads/exercise books and pens or pencils are being provided, then you will also need to remind them to bring these to the FBS.</p>	
2	<p>Meeting day:</p> <p>Welcome all the participants to the first day of the FBS. Remind them that they were invited to participate in the FBS because they are interested in developing their farm business skills so that they can improve the profitability of their farms. Introduce participants to their handbook. Explain that this document will have important 'take home' messages that will allow them to review and revise important concepts, and will be a permanent place to note their questions, ideas and lessons learnt. Tell the participants that they must remember to bring this document with them to EVERY meeting without fail.</p>	

Sr.	Steps	Resource Material
3	<p>Check if everyone knows everyone else. If not, ask participants to briefly introduce themselves. Tell the participants that the first two meetings of the FBS will be about the purpose of the school and how the school will be run. After that, they will begin to learn about farming as a business.</p>	
4	<p>Remind the participants of your earlier meetings with them, and tell them that in this first activity of the day you would like them to recap what they understand by FBS and what their learning expectations are. Organize the participants into discussion groups of three to five making sure that each group has at least one literate member. In their groups, ask participants to discuss the questions given on page 03 of their handbook, and note their responses on the handbook itself.</p>	 <p>Page 03 What is the Farm Business School?</p>
5	<p>When the groups have completed their discussions, question by question, facilitate a sharing in the plenary as follows:</p> <p>Question 1: What do participants understand by a 'Farm Business School'?</p> <p>After listening to each group's comments, explain that the Farm Business School is a 'forum' or 'venue' that brings farmers together to carry out collective and collaborative enquiry to address business and marketing problems and opportunities.</p> <p>Question 2: What do participants think is the purpose and advantage of a Farm Business School?</p> <p>Listen carefully to all the groups' responses, and reiterate that this platform would bring together a 'group of like-minded farmers' who wish to develop or strengthen their skills to produce more profitably for the market. As a 'program of learning', it can prove particularly beneficial for those smallholder farmers who are just getting involved in producing for the market and need help to do it more effectively.</p> <p>Question 3: What is different about a 'Farm Business School' as compared to other training programmes for farmers?</p>	 <p>Page 04 Overview of the Farm Business School (FBS)</p>

Sr.	Steps	Resource Material
	<p>After obtaining comments from all the groups, refer participants to page 04 of the Handbook, and emphasize the special features of an FBS as follows:</p> <ul style="list-style-type: none"> ■ The focus of a Farm Business School is on the content, and not the training facility; ■ The methodology is not lecture based, but rather a 'Learning by doing'; ■ This is a peer based learning, where there is really no expert, and the farmers learn from each other, with the facilitator guiding the learning process; ■ The learning is demand responsive and interactive, and is matched to the actual operations on their farms, i.e. pre-season, season and post-season. 	
6	<p>Finally ask the groups to present their expectations from participating in the Farm Business School (FBS). Note each group's expectations on the board or flip chart, and cluster common points so that these emerge as topics or areas of learning. Make sure that expectations are handled with care so that any unrealistic expectations (such as receipt of grants, or provision of transport and daily allowances, etc) are managed at this point. Use the clustered learning expectations to transit to the next discussion point, i.e. what will be taught at the Farm Business School.</p>	
7	<p>Refer participants to page 05 of the handbook for an overview of the FBS Programme. Explain how the FBS Programme is designed to roll-out in three parts, i.e.: Part 1 - Diagnosing and Planning (pre-season), Part 2 - Implementing (during season), and Part 3 - Evaluating and Re-planning (post-season). The topics under each part are meant to prepare the farmer to perform the functions linked to that part more effectively. Briefly explain the importance of some of the topics.</p>	 <p>Page 05 Overview of the FBS programme</p>
8	<p>Remind the participants that as mentioned before, the entire FBS programme has to be aligned to the pre-season, season and post-season of their chosen enterprise production cycle. Refer participants to page 07 of their handbook, and explain how this would happen. Tell them that all their diagnosis and planning meetings will have to be covered before the next planting season.</p>	 <p>Page 07 Link of FBS programme to the Crops season</p>

Sr.	Steps	Resource Material
9	<p>Encourage the participants to spend some time at home to review the FBS programme topics, because the programme is flexible enough to meet the group's specific needs.</p> <p>Tell the participants that in the next meeting they will have an opportunity to finalize a meeting schedule for Part-1: Diagnosis and Planning meetings of their FBS Programme, and finalize the following:</p> <ul style="list-style-type: none"> ■ Schedule of meetings, i.e. frequency of meetings, day/s of the week, timing ■ Venue ■ Norms or ground rules <p>Tell the participants that you would also like each of them to think of how they can contribute to the sustainable running of the school. Refer participants to page 9 of the handbook, and tell them that they should review the list before the next meeting to identify the support they can provide to the school. Tell them that this discussion will be undertaken in the next meeting.</p>	
10	<p>Take a few minutes to review the key points covered in this session. Re-confirm date, time and venue for next meeting. Remind participants to bring their handbooks to the next, and all subsequent meetings. End the session on an energetic note and ensure that the group is energized and motivated to attend the next meeting.</p>	

Meeting # 2: Developing group ownership and scheduling meetings






Objectives

By the end of this session, participants will agree to a meeting schedule, and commit to norms or ground rules and contributions that will allow a more effective and sustainable implementation of the Farm Business School.



3 hours

Sr.	Steps	Resource Material
1	<p>Welcome the participants, and make sure that everyone has his or her handbook. Ask the participants how many of them had a chance to review the FBS Programme, or share it with others in their family or neighborhood. Share with the participants the objectives of the Meeting, and tell them how important this session is for the effective functioning and eventual sustainability of the Farm Business School.</p>	
2	<p>Tell the participants this session will help them to develop some common norms in order to effectively run the farm business school. Explain to the group that in order to establish win-win partnerships, we must ALL contribute and we must ALL benefit. Divide participants into 4 groups and ask them to discuss for 15-20 minutes, in their groups, 'who can provide what?' to take the FBS initiative forward. Ask the groups to use page 09 in their handbook as a checklist, and add any other area of support that they can think of. Clarify that several people can make the same contributions on a rotational basis.</p> <p>After 20 minutes, note on a chart participants' commitments. For reference purposes, this chart should be prominently placed in the meeting room.</p>	 Page 09 Support your own FBS Who can provide what?
3	<p>In the plenary, ask participants what, in their view, are the qualities of an effective group. Note participants' points on the board or flipchart. Once enough points have been generated, refer participants to page 10 of their handbook, and ensure that there is a common understanding of what each point means. For each point, obtain examples, e.g. self-discipline as individuals and responsibility to the group - what does that mean? Highlight that self discipline can refer to punctuality, making sure that no meetings are missed, etc.</p>	 Page 10 Ground rules for FBS

Sr.	Steps	Resource Material
	<p>Once all the points have been understood, ask participants to sign the sheet in their handbook, as a commitment to abide by these norms. Put up the pre-prepared flip chart on the wall, and ask all the participants to sign that as well.</p>	
4	<p>For this next discussion, make sure that you have a calendar in the room, and have marked the various religious events and holidays on it. Explain to the participants that the last important agenda of today's meeting is to plan the FBS meeting schedule. Tell the participants that there are four decisions that must be made:</p> <ul style="list-style-type: none"> ■ How often should the group meet? ■ What days of the week? ■ What should be the start and end time? ■ What topics should be covered? <p>Raise each of the above questions, and facilitate a discussion, ensuring that the group reaches a consensus. Finalize dates for a maximum of 20 meetings required to complete Part 1: Diagnosis and planning. Tell the participants that the dates for Part 2 and Part 3 will be finalized after completion of Part 1.</p> <p>Finalize the meeting schedule on the board, and ask the participants to copy this information into their handbook, page 11, where the following should be noted:</p> <ul style="list-style-type: none"> ■ Meeting number ■ Meeting topic ■ Date ■ Time ■ Venue <p>Tell participants that if any changes are made to the schedule, it will be through mutual consensus.</p>	 <p>Page 11 Farm Business School meeting schedule</p>
5	<p>Conclude the meeting by telling participants that the group is now ready to discuss business concepts and begin the journey towards planning a successful business.</p>	

Meeting # 3: Farming as a business






Objectives



By the end of this session, participants will understand how farm commercialization is taking place, and the logical steps involved in setting up and managing a business.







3 hours

Sr.	Steps	Resource Material
1	Welcome the participants, and share with them the objectives of the meeting. Make sure that all participants have their handbooks with them.	
2	Ask the participants to pair up, and discuss the following: Why are you a farmer? Is it to produce food for yourself and your family? Is it to generate cash? Or is it for both food production and for cash?	
3	While the participants are discussing the questions above, draw on the board two equal circles, one next to the other. In the circle on the left, draw a wheat stalk, while in the circle on the right draw some bank notes or coins. Now ask the participants to finish their discussion, and answer the question asked. The likelihood is that you will receive many different responses, i.e. some farmers may be producing equally for food and cash, while others may be producing more for cash, and yet others may be producing more for food and less for cash.	
4	Tell the participants to open their handbook to page 14 where changes in the importance of farming for food and farming for cash are depicted over a 10-year period. Ask them to think, and write if possible, what the visual means.	 Page 14 Commercial farming environment
5	Once everyone has had the chance to review the visual, ask for comments. Consolidate the discussion to emphasize that farming practices have changed over the years. There was a time 10 years ago when the majority of farmers produced equally for both food and cash. But today farming is more specialized, where farmers produce for the market. Explain that just as demands in life have changed over the years, so have farming practices. Life requires	

Sr.	Steps	Resource Material
	<p>more cash today than in the past. Therefore, instead of using farms for growing food to consume at home, there is more and more pressure to use the farms to generate the required cash. It is therefore important to begin to look at the farm more as a business than as a source of food.</p>	
6	<p>Ask the participants to think of the similarity between a farm and a business. Brainstorm ideas, and write participants' comments on the flip chart or whiteboard, clustering or grouping ideas where possible. To conclude the discussion, ask participants to refer to page 15 of their handbook, 'Components of a farm or business'. Explain that a farm is similar to a production unit, where something is made, grown or manufactured. Ask participants to think of examples of things which are grown or manufactured on a farm, and write these in the center column under production unit or farm. Ask participants to share some examples, e.g. rice, wheat, potatoes, milk, eggs, etc.</p>	 <p>Page 15 Components of a farm or business</p>
7	<p>Write on the board 'production unit or farm', and ask participants what would be needed to produce anything on either. The answer is inputs. On the left of production unit or farm, ask participants to write the word 'inputs' and draw a line from inputs to production unit or farm, highlighting that this represents the physical flow on the farm. Ask participants to note in their handbook some examples of inputs, e.g. seeds, water, fertilizer, etc.</p>	
8	<p>Now ask participants what happens to the products made in the production unit or farm. Elicit the answer that these are sent and sold in the market. On the right hand side of the production unit or farm, write market, and draw a line from farm to market. Ask participants to think of some examples at this stage of the farm business, and write the same in their handbook. Share in the plenary some examples, such as packing, transport, selling prices, labeling, etc.</p>	
9	<p>Prior to this meeting, draw the Farm Business Cycle (as given on page 16 of the Participant Handbook) on a flip chart or board. Begin this part of the discussion by explaining to the participants that like any other business, a farmer needs to understand what is happening within the farm, and what are the internal and external elements that affect farm profitability.</p>	 <p>Page 16 The farm business cycle</p>

Sr.	Steps	Resource Material
10	<p>Tell the participants that a farm business cycle is a useful way to develop a business orientation or thinking. Refer participants to page 16 of the handbook, and explain each component of the farm business cycle as follows:</p> <p>Step 1: Diagnosis and finding opportunities: A study of the business that identifies problems that are limiting the farm's performance (finding out what is wrong), and opportunities that can improve performance (finding out what more can be done).</p> <p>Step 2: Planning: Exploring options and making decisions about the steps to follow to achieve an objective or goal. It is about looking into the future.</p> <p>Step 3: Implementing: Ensuring that the plan can be realized. This involves organizing, producing, monitoring and marketing. Organizing involves arranging the resources and people needed to carry out the plan. Monitoring involves keeping track of progress being made on tasks and activities of the plan, and checking to see if things are going as planned.</p> <p>Step 4: Evaluating: Deciding whether or not the plan worked and whether or not the goals were achieved. It involves taking a longer look at what you have done and measuring it against your expectations.</p>	 <p>Page 16 The farm business cycle</p>
11	<p>Tell the participants that the last activity of this meeting is to better understand each step of the farm business cycle. Divide the participants into four groups, and tell them that they will have the opportunity to study Ahmad's journey through the farm business cycle. This will however be done through a case study in five parts, where after each part the groups will discuss certain given questions.</p>	
12	<p>Read out loud, in a dramatic and fun way Part 1: Diagnosis/Finding Opportunities of Ahmad's story given on page 17 of the participant handbook. Then ask the participants to discuss for 10 minutes, in their groups, the following questions:</p> <ol style="list-style-type: none"> 1. What did Ahmad realize about the farmers in his village? 2. What did Ahmad decide to do? How did he do it? Why is this important? 	 <p>Page 17 Ahmad's story Part 1</p>

Sr.	Steps	Resource Material
	<p>3. What did Ahmad learn from his visit to the market (shopkeepers and traders)?</p> <p>4. What did Ahmad decide to do? Why was he confident about this?</p> <p>After 10 minutes, raise each question in the plenary and generate a quick discussion to ensure that participants understand what it means to critically diagnose or examine the situation of the business. Summarize as follows:</p> <p>In this case study, Ahmad identified a problem. He realized that everyone was growing the same crops and not actively looking for markets. He also realized that the existing practice was to sell to the first buyer that came to their farms. Realizing that he should grow something different, Ahmad undertook research and identified a more profitable opportunity for himself i.e. growing and selling garlic. In order to make a final decision, Ahmad found out the costs and the technical inputs needed for a successful business.</p>	
13	<p>Now read out loud, in a dramatic and fun way, Part 2: Planning of Ahmad's story given on page 18 of the participant handbook. Then ask the participants to discuss for 5 minutes, in their groups, what in their view were some key steps in Ahmad's plan.</p> <p>After 5 minutes, generate a discussion in the plenary, highlighting that Ahmad carefully identified what inputs he would need for his business, what he would produce, how he would sell the garlic, and the profit he could expect. These are some important steps towards assessing business feasibility.</p>	 <p>Page 18 Ahmad's story Part 2</p>
14	<p>Read out Part 3: Implementing: Organizing, producing and monitoring of Ahmad's story, given on page 19 of the participant handbook. Then ask the participants to discuss for 10 minutes, in their groups, the following questions:</p> <ol style="list-style-type: none"> 1. What happened after Ahmad planted his garlic? What did he do about it? Why? 2. When it got close to harvesting time, what did Ahmad do? 	 <p>Page 19 Ahmad's story Part 3</p>

Sr.	Steps	Resource Material
	<p>After 10 minutes, generate a discussion in the plenary. Explain to the participants that the whole purpose of making a plan is to implement it, which involves three key activities, i.e. :</p> <p>Organizing, i.e. to get in order everything you need for producing. In a farm business, it mostly refers to buying inputs, organizing labor and draft power.</p> <p>Producing, i.e. growing the crop or raising the animals. It includes all the things a farmer does to produce his crop or product such as ploughing, planting, harvesting, feeding and watering animals.</p> <p>Monitoring, i.e. checking that everything is going according to plan. It also means making small changes to the plan. In Ahmad's story, he had to replant because he did not have the right seed.</p>	
15	<p>Now tell (or read) Part 4: Implementing: Marketing of Ahmad's story. Then lead a discussion, in the plenary, around the following questions:</p> <ol style="list-style-type: none"> The harvesting and packaging went well, what happened when Ahmad took the garlic to the three shopkeepers? What did he do about it and why? <p>Explain how marketing is a very important part of the farm business. It includes preparing, packaging, transporting, and selling the product.</p>	 <p>Page 20 Ahmad's story Part 4</p>
16	<p>Now read out, dramatically, Part 5: Evaluating of Ahmad's story. Then again, lead in the plenary, a discussion around the following questions:</p> <ol style="list-style-type: none"> After Ahmad sold all his garlic and went home, what did he do? Why? Did Ahmad make a profit? How did he know? What are some of the things Ahmad learned from his evaluation? What does he plan to do about it? <p>Conclude the discussion by highlighting how important it is to evaluate one's performance. It helps the farmer know what went well and what went wrong. It enables the farmer to know how to improve his farming business to make it more profitable.</p>	 <p>Page 21 Ahmad's story Part 5</p>

Part 1

Diagnosis and planning

Module 2: Understanding basic business concepts

Sr.	Steps	Resource Material
17	<p>Conclude Meeting # 3 by reminding participants of the key concepts covered in this meeting, i.e. how changes in farming practices have led to a more commercial farming environment; how similar are the components of a farm or business i.e. input supply, production/farm and market; and the logical sequence of business planning through the farm business cycle, i.e. diagnosis and finding opportunities, planning, implementing and evaluating.</p> <p>Tell the participants that the next meeting will focus on a very important concept, i.e. the farmer as an entrepreneur.</p>	

Meeting # 4: The farmer as entrepreneur




Objectives

By the end of this session, participants will be able to list the key competencies required for business success, and initiate a self-assessment process.



3 hours

Sr.	Steps	Resource Material
1	Welcome the participants, and share with them the objectives of the meeting. Make sure that all participants have their handbooks with them.	
2	In the plenary, ask the participants to close their eyes, and think of the most successful entrepreneur or businessperson they know. After 3-4 minutes, ask everyone to open their eyes, and share with others why they think a particular person is a successful entrepreneur, i.e. what in their view are the key abilities or competencies that make the person a successful businessperson. Note the participants' responses on a flip chart or white board.	
3	Refer participants to page 23 of their participant handbook, and read out the 13 competencies, explaining that these competencies have been clustered under three heads, i.e. achievement cluster, planning cluster and power cluster. Ask the participants if they remember Ahmad's story from the previous meeting. Tell the participants that in pairs, they should revisit Ahmad's story (all five parts) and mark on the page which of the 13 competencies they think Ahmad has. Tell the participants that they must justify their marking with an example. After 15 minutes, lead a quick plenary discussion, by calling out a competency, asking if Ahmad had that competency, and if yes, requesting an example.	 Page 23 Competencies for business success
4	Once the participants understand individual competencies, ask them to mark, on page 23 of the handbook, those competencies that they think they are strong in. Then facilitate a quick discussion to identify which of the competencies participants would like to improve. Ask participants how a person can improve his/her competencies? Some ideas are as follows: <ul style="list-style-type: none"> ■ Meet successful business persons - observe them, talk to them, and learn from them 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Identify the cluster that you need to improve, and seek training for the same ■ Take deliberate steps during the various parts of this training to overcome identified limitations ■ Discuss with the facilitator how to overcome specific limitations and inhibitions 	
5	Conclude this meeting by telling participants that they must actively engage themselves to developing their personal entrepreneurial competencies.	

Meeting # 5: Farm business profitability






Objectives



By the end of this session, participants will be able to understand the concept of costs and profit as it relates to a farm business, distinguish between a farm business and a farm enterprise, and identify those factors that can affect farm business profitability.



3 hours

Sr.	Steps	Resource Material
1	Welcome the participants, and share with them the objectives of the meeting. Make sure that all participants have their handbooks with them.	
2	Tell the participants that in the previous meetings, they have had the opportunity to look at the farm as a business. The viability of any business is linked to inputs, production, markets and the general commercial environment. Ask the participants to brainstorm the most important things they believe they need to know, and be able to do, to make their farm businesses a success. Write their ideas on the board.	
3	When all the ideas have been listed, ask the participants to refer to page 25 in their handbooks, and tell them that these are some of the most important aspects of a farm business. These simple questions also constitute a business plan, which is a tool that allows the systematic assessment of all those factors that can positively or negatively affect business performance.	 Page 25 Important aspects of a farm business
4	<p>Write the word 'Profit' on the board, and tell the participants that the next discussion is about profit. Remind the participants of an earlier exercise where it was discussed that farming has changed over the last decade, and the priority today is to produce cash for the household rather than food. Ask the participants to brainstorm the following questions:</p> <ol style="list-style-type: none"> 1. What is profit? 2. Why is profit important? <p>Write participant's comments on the board, and lead the discussion to the idea that profit is the money left over from income after all costs have been deducted.</p>	

Sr.	Steps	Resource Material						
5	<p>Create three columns on the board, and on the column at the right write the word 'Profit', as follows:</p> <table border="1" data-bbox="295 481 1173 548"> <tr> <td>Farm Income</td> <td>Farm Costs</td> <td>Profit</td> </tr> </table> <p>Ask the participants to brainstorm the following questions:</p> <ul style="list-style-type: none"> ■ Where does profit come from? ■ How do you know that you have made a profit? <p>Write participants' ideas on the board under 'Profit'. Lead the discussion to the idea that profit comes from income and costs. When the income is greater than the costs, there is profit.</p> <p>When the brainstorming is done, write the words 'Farm income' and 'Farm costs' in the first and second columns on the board as follows:</p> <table border="1" data-bbox="295 1086 1173 1153"> <tr> <td>Farm Income</td> <td>Farm Costs</td> <td>Profit</td> </tr> </table> <p>Encourage the participants to discuss among themselves and brainstorm what each of these words mean. Start with income, and then discuss farm costs, and write their answers on the board. Refer participants to page 26 of the handbook, and explain that the reason to discuss farm income and farm costs is to establish the idea that the farm business is separate from the household. While the household relies on the income from the farm and other sources, the profitability of the farm is based on the income and costs related to the farm only, and not the household.</p>	Farm Income	Farm Costs	Profit	Farm Income	Farm Costs	Profit	 <p>Page 26 Farm business profitability</p>
Farm Income	Farm Costs	Profit						
Farm Income	Farm Costs	Profit						
6	<p>Tell the participants that the next discussion is to understand the difference between a farm business and a farm enterprise. Lead the discussion to the idea that a farm business is made up of different enterprises. Each crop or kind of livestock produced is an enterprise. A farmer may produce rice, wheat and eggs. Each of these products is an enterprise. Rice is an enterprise; wheat is an enterprise; eggs is an enterprise. Together they make up the farm business as a whole. Explain that sometimes farmers make decisions about the whole farm business and other times they make decisions about a specific enterprise, so it is important to</p>	 <p>Page 27 Understanding difference between farm business & farm enterprise</p>						

Sr.	Steps	Resource Material
	understand the difference. Tell the participants that this distinction is important to understand in order to calculate costs and profit. For further details refer participants to page 27.	
7	On the board write the words 'Variable costs' and 'fixed Costs'. Ask the participants what they understand by these terms. Note participants' comments under each term, and constantly ask for examples of fixed and variable costs. Make sure that many of the points on page 28 of the handbook have been covered, before referring participants to that handout and emphasizing once again the link of variable costs to individual enterprises, and fixed costs to the overall farm business.	 Page 28 Understanding costs
8	<p>In order to help participants think clearly about all the various factors that can affect farm profits, make a small circle on the board and write the word 'farm profit'. Ask the participants: 'What in their view can affect the profitability of any farm business?' Write participants' contributions on the board, ensuring that the following ideas have been covered:</p> <ol style="list-style-type: none"> 1. Cost of inputs 2. Home consumption 3. Market demand 4. Market prices 5. Competitors 6. Technology 7. Credit 8. Input suppliers <p>For each of the above ideas, keep probing for how these factors can affect farm profits, e.g. if more competitors enter the market, the prices can go down, or if a new technology is introduced that can produce in less time, with less costs and efforts, then profits can go up, etc. If additional points have come up, ask participants to add these on page 28 of their handbook.</p>	 Page 28 Understanding costs
9	Ask the participants if they have any questions or comments about the meeting. Encourage participants to talk about the concepts discussed in the meetings with other people in their family and neighborhood. Take a few minutes to review the key points covered in this meeting, i.e. the concept of a farm business	

Sr.	Steps	Resource Material
	<p>plan, farm business profitability, difference between a farm business and farm enterprise, the difference between fixed costs and variable costs, and factors that affect farm business profit. Ask the participants to review, before the next meeting, the handouts in their handbook.</p>	

Meeting # 6: Assessing the current farm situation






Objectives

By the end of this session, participants will have assessed specific strengths and limitations of their enterprises and farm business.



3 hours

Sr.	Steps	Resource Material
1	<p>Welcome the participants to the meeting, and share with them the objectives of the day. Make sure that all participants have their handbooks with them.</p>	
2	<p>Tell the participants that the first exercise of the day is to 'draw your farm'. Organize the participants into teams of 2 or 3 for the task. While they are doing this, they should not worry about accuracy or drawing to scale. They should draw their farm on page 31 of the handbook. Simple pencil drawings will be sufficient. As they draw their maps, they should share ideas and ask questions about the others'.</p> <p>Once the maps are done, ask the participants to compare farms. How are they similar? How are they different? Why? Look for common points. This may be the first time the participants have ever drawn a map or a map of their farms. It can be a very rewarding experience.</p>	 Page 31 Draw your own farm
3	<p>Tell the participants that the next task is to understand farm enterprises. Ask the participants to think about what they produce on their farms and what they do with their produce. Some specific questions are:</p> <ul style="list-style-type: none"> ■ How much do you produce? ■ How much do you consume at home or share with others? ■ How much do you sell? <p>Ask the participants if they can recognize the differences in their various farm enterprises. Remind them once again that a farm enterprise can mean one single crop or product, because a farm may have more than one enterprise.</p>	

Sr.	Steps	Resource Material
4	<p>Tell the participants that it is really important to understand their various enterprises, and determine if these are competitive, supplementary or complementary to each other. Write the three terms, i.e. competitive, supplementary or complementary on the board, and ask participants what they think these terms mean. Under each term, note participants responses, and then refer them to page 32 of the handbook to explain as follows:</p> <ul style="list-style-type: none"> ■ Competitive enterprises compete with each other for the same resources. ■ Supplementary enterprises do not affect each other. ■ Complementary enterprises are those that contribute to the production of another enterprise. 	 <p>Page 32 Understanding farm enterprise</p>
5	<p>Tell the participants that this next exercise will allow them to look at the strengths and weaknesses of their own farm. Ask the participants that if they were asked to evaluate the strengths and weaknesses of a farm (any farm), what factors or business aspects would they look at? Generate a discussion in the plenary, and note participants' responses on the board. Make sure that the factors listed on page 33 of the handbook have been covered in the discussion.</p>	 <p>Page 33 Farm assessment audit checklist</p>
6	<p>Refer participants to page 33 of the handbook, explain the given smiley visuals, and ask participants to undertake a self-assessment to rate how strong (or weak) they are vis-à-vis their enterprises on each of the given factors. If participants can write, ask them to note the reason for their rating. This exercise may take nearly 30 minutes to complete.</p> <p>Once participants have completed their self-assessment, ask them to form groups of 2 or 3 members (preferably those with similar enterprises). Ask the groups to assess the performance of his or her farm and enterprises for the first business aspect, i.e. use of farmland. This discussion may take about 20 minutes. Once the groups are ready, facilitate a plenary discussion so that you are sure everyone is on track.</p>	

Sr.	Steps	Resource Material												
7	<p>On the board, create a matrix as follows:</p> <table border="1" data-bbox="295 421 1174 546"> <thead> <tr> <th>Business Aspect</th> <th>Strength</th> <th>Weaknesses</th> </tr> </thead> <tbody> <tr> <td>Use of Farm Land</td> <td></td> <td></td> </tr> </tbody> </table> <p>Ask the groups if any of them have examples of how 'use of farm land' is strength for them. Note examples for strengths and weaknesses under the respective columns. Some examples can be as follows:</p> <table border="1" data-bbox="295 745 1174 1167"> <thead> <tr> <th>Business Aspect</th> <th>Strength</th> <th>Weaknesses</th> </tr> </thead> <tbody> <tr> <td>Use of Farm Land</td> <td> <p>My farm produces enough food for my family with some surplus to sell</p> <p>My farm is good for many crops</p> </td> <td> <p>I don't actually know which of my crops is most profitable</p> <p>My cattle do not get good prices at the market because they are too thin</p> </td> </tr> </tbody> </table>	Business Aspect	Strength	Weaknesses	Use of Farm Land			Business Aspect	Strength	Weaknesses	Use of Farm Land	<p>My farm produces enough food for my family with some surplus to sell</p> <p>My farm is good for many crops</p>	<p>I don't actually know which of my crops is most profitable</p> <p>My cattle do not get good prices at the market because they are too thin</p>	
Business Aspect	Strength	Weaknesses												
Use of Farm Land														
Business Aspect	Strength	Weaknesses												
Use of Farm Land	<p>My farm produces enough food for my family with some surplus to sell</p> <p>My farm is good for many crops</p>	<p>I don't actually know which of my crops is most profitable</p> <p>My cattle do not get good prices at the market because they are too thin</p>												
8	<p>Once you have completed the discussion about the first business aspect, allow the groups to discuss the remaining business aspects, and tell them that they will have an opportunity to discuss these in detail in the next meeting.</p>													
9	<p>Conclude this meeting by telling participants that they must continue this process of analysis at home as well. Tell them to write down as many examples of strengths and weaknesses as they can. If they themselves cannot write, ask them to find someone in their home or neighborhood that can assist them. Tell them that in the next meeting they will have an opportunity to translate their listed strength or weakness into an action.</p>													

Meeting # 7: Translating analysis into action





Objectives

By the end of this session, participants will have identified the most important strengths and weaknesses affecting their farms, and decided what actions to take to benefit from the strengths and overcome the weaknesses.



3 hours

Sr.	Steps	Resource Material
1	Welcome the participants, and share with them the objectives of this meeting. Make sure that all participants have their handbooks with them.	
2	Ask the participants if everyone had the chance to revisit the exercise on strengths and weaknesses. Praise those who put in extra effort, and seek some comments on the experience of sharing and discussing this important exercise with those at home.	
3	Tell the participants that you would now like to take the discussion forward, and show them how to use the strengths and weaknesses information for defining concrete action. Ask participants to refer to page 35 of their handbook and see the example given there. Explain this example on the board, so that the participants understand how to translate from analysis to action.	 Page 35 From analysis to action
4	Organize the participants into the same teams they had for the strengths and weaknesses exercise, and ask the groups to undertake two tasks as follows: <ol style="list-style-type: none"> 1. Identify for each member of the group one strength and one weakness (from any of the business aspects covered) that they feel makes the biggest impact on the profitability of their farm. These should be written down, under the correct heading, on page 35 of their Handbook. 2. For each strength and weakness, the group would facilitate its members to come up with actions that will directly improve farm profitability. 	 Page 35 From analysis to action

Sr.	Steps	Resource Material
5	<p>Once most of the groups have completed the task, facilitate a sharing in the plenary by requesting each group to give an example of strength and action and a weakness and action. Continue the discussions till you are satisfied that all the participants understand the concept of how to translate analysis into action. Make sure that diverse examples emerge, and almost all the business aspects are covered.</p>	
6	<p>Conclude this meeting by telling participants that the remaining Part-1 meetings are geared towards many of the actions that they have listed. Tell them that you look forward to seeing them in the next meeting.</p>	

Meeting # 8: Understanding enterprise profitability





Objectives

By the end of this session, participants will be able to understand the concepts of enterprise profitability and learn how to develop a budget for a farm enterprise. Finally, the participants will also learn about fixed costs and depreciation.




3 hours

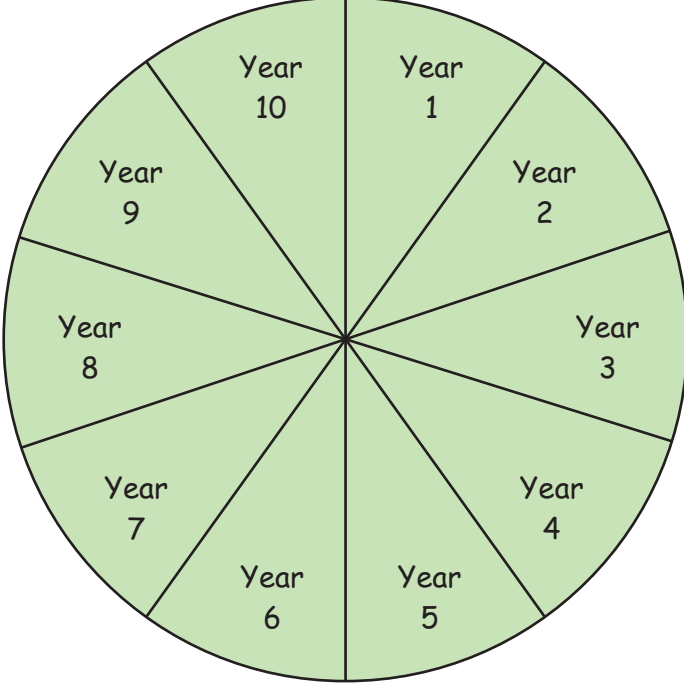
Sr.	Steps	Resource Material
1	<p>Welcome the participants, and share with them the objectives of the meeting. Remind them that in the previous meetings they began to look at the issue of farm performance rated through a set of indicators and strengths and weaknesses. In this meeting they will look at another way to measure farm performance, i.e. "profitability". Make sure that all participants have their handbooks with them.</p>	
2	<p>Ask the participants what they understand by a budget? Note comments and conclude that a budget for an enterprise is a list of income earned and costs incurred in producing a product. It is a tool that can be used to calculate expected profit from an enterprise on a per unit basis, such as an acre of land or head of livestock, for one year or one production period.</p>	
3	<p>Draw a farm budget template on the board. Refer participants to page 37 of their handbook, and explain that the key elements of any budget are income, costs, and profit. Tell them that this is a generic budget template that they can use to estimate the income, cost and profit of any of their enterprise. Tell the participants that this exercise the focus will be on "enterprise profit", which is essentially the enterprise's contribution to the whole farm profit. Before moving forward, tell the participants that it is important to understand the key elements of a budget.</p>	 Page 37 A budget template
4	<p>Ask participants to define "income". Explain that income is the value of your production. It is made up of the money you receive when you sell products. It also includes the value of the produce you eat, use or give away. With examples, explain the following:</p> <ul style="list-style-type: none"> ■ Income is calculated by multiplying the quantity of the product sold, eaten, used or given away times the price of the produce on the market. 	

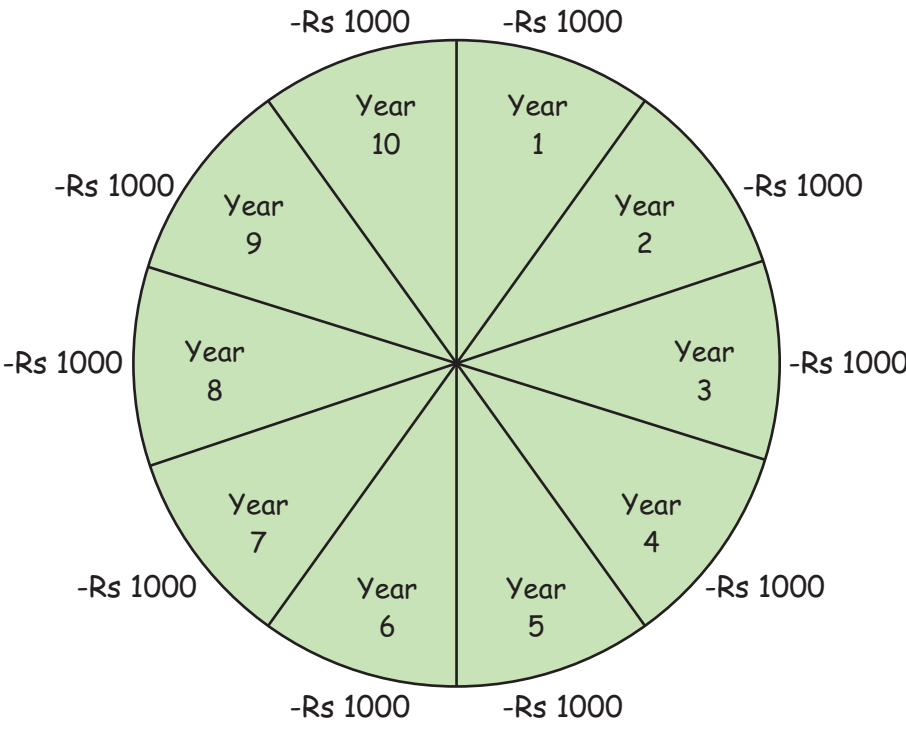
Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Quantity is specified in terms of the unit of measure, which can be kg, bags, tons, bottles, etc. ■ Price is specified in terms of a unit of measure, i.e. Rs/Kg, or Rs/bottle, etc. Hence it is referred to as the unit price. 	
5	<p>Remind participants of a previous meeting when they discussed Variable costs. Ask them what they remember. Explain that variable costs are made up of the money you spend on all the inputs and activities needed to grow a particular category of crop or animal raised.</p> <ul style="list-style-type: none"> ■ Explain that each individual category of variable cost is calculated by multiplying the quantity of the input used with the unit price for that item. ■ Quantities and costs are specified in term of the unit of measure which can be kg, bags, tons, bottles, etc. 	
6	<p>Divide participants into similar enterprise groups and tell them that they will now have an opportunity to fill out a budget template for their chosen enterprise. Refer the participants to page 38 of their handbook and give them the step-by-step instructions for the task.</p>	 Page 38 Prepare a budget
7	<p>Explain that this is a simple and basic way to determine the profitability of an enterprise. If the total income is less the total variable costs gives a negative number (that is, it is less than zero), then the enterprise is making a loss. This means that the costs are greater than the income or the income is less than the costs. Highlight that if the total income is greater than total variable costs the calculation gives a positive number (that is greater than zero), then the enterprise is making a profit. The larger the resulting total, the greater the profit. Each of them would have to decide for themselves if the amount of profit is enough or not.</p>	
8	<p>Refer farmers to page 38 and ask them to spend the next 15 minutes on an exercise where they are to prepare a budget for wheat enterprise. Once the task is complete, ask the groups to refer to TN-01 which provides the answer to the problem. Ask the groups if any member faced a problem in developing the budget. If so, respond accordingly.</p>	TN-01 Budget for wheat enterprise

Sr.	Steps	Resource Material
9	<p>Ask participants if they can think of how to increase the profit in the preparing budget exercise. Note the responses and conclude that profits can increase through the following:</p> <ul style="list-style-type: none"> ■ Getting a higher price for the commodity ■ Increasing the yield ■ Reducing variable costs through alternative inputs, cheaper technologies, or labor saving mechanisms 	
10	<p>In their enterprise groups, ask the farmers to discuss the type of small changes they could introduce in their respective enterprises that can make them more profit. Some examples can include using compost or farmyard manure as an alternative to chemical fertilizer for crops, or growing feed for cattle as an alternative to buying concentrates. Ask each group to elaborate their changes and note their suggestions on the board.</p> <p>Refer to the list of changes compiled on the board and pick an example for illustration. Ask the participants:</p> <ul style="list-style-type: none"> ■ Is this change likely to bring in more money to the enterprise? ■ If it brings in more money, what are the reasons? ■ What is likely to change? Will it result in an increase in yield? Will it lead to more income? Or will the change reduce the amount of labor used? ■ Will this result in lower labor costs? ■ Will this change ultimately produce benefits and more income? <p>Ask the participants to consider the effect of small changes on the profitability of their group enterprise. Ask them to revisit the changes they have proposed and see if they are likely to do better in terms of yield or income or by using less inputs.</p>	
11	<p>Refer participants to the previous exercise on budgeting and ask them to calculate the minimum price that could be charged for produce sold without making a loss. Explain that this information will assist them in pricing the produce to be sold and negotiating effectively with buyers.</p>	

Sr.	Steps	Resource Material
	<p>Get farmers to return to their enterprise groups and ask them to review again the budget they had earlier developed. Now write the following on the board:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Break-even price} = \text{Total Variable Cost per acre} \div \text{yield per acre}$ </div> <p>Refer participants to the handout on page 39 of their handbook and explain the concept of break-even price. Using the information given in the previous budget exercise, calculate the breakeven price as follows:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Break-even Price} = \text{Rs } 15,900 \text{ per acre} / 1,600 \text{ kg per acre}$ </div> <p>In this example, the variable costs equal Rs.15,900 per acre. The yield per acre is 1600 kg. Therefore the break-even price is Rs.9.93 per kg. If the farmer sells his wheat for less than Rs.9.93 per kg, he will make a loss. If s/he sells for more than Rs.9.93 per kg, he will make a profit. Since the farmer is selling wheat at 23 per kg, he is making a profit of Rs.13.07/kg.</p> <p>Conclude that the break-even price allows a farmer to establish the minimum price that can be charged for the produce. If the produce is sold below the break-even price, it will result in a loss.</p>	 <p>Page 39 Determining the minimum price and yield for the enterprise</p>
12	<p>Tell the participants that the next concept to be learnt is the break-even yield. This is the minimum level of production that you can produce to cover the costs of production. It is calculated by dividing the total variable costs per acre with the per unit price of the produce.</p> <p>Write break-even yield formula on the board:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Break-even Yield} = \text{Total Variable Costs per unit} / \text{Price of produce per unit}$ </div> <p>Using the information from the example we have used, calculate the following on the board:</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> $\text{Break-even yield} = \text{Rs.}15,900 \text{ per acre} / \text{Rs.}23 \text{ per kg}$ </div>	

Sr.	Steps	Resource Material
	<p>The break-even yield is 691 kg/acre. In this example the farmer is producing well above the breakeven yield, i.e. at 1,600 kg/acre. If the farmer can further improve production efficiency, s/he can make a bigger profit.</p>	
13	<p>Remind participants that in previous sessions we discussed the concept of fixed costs. We mentioned that in contrast to variable costs, fixed costs apply to the farm as a whole. Fixed costs are costs that do not vary with changes in production output of a specific product. Fixed costs remain the same regardless of the output.</p>	
14	<p>Ask participants to list examples of fixed costs write them on the board. Lead the discussion to include at least the following fixed costs:</p> <ul style="list-style-type: none"> ■ The cost of purchasing a tractor or a piece of equipment which is used on the whole farm, ■ The cost of a head of livestock for draft power ■ The cost of a packing shed ■ The cost of farm infrastructure (e.g. fencing) ■ The cost of permanent labour and management ■ Depreciation 	
15	<p>Ask the participants if any of them owns a tractor or a plough or some other implement. Whoever answers ask if that piece of equipment lasts forever. Does it ever wear out? [The response should be that it does not last forever and eventually wears out.] How long have you used it? How often do you replace it?</p>	
16	<p>Explain that every piece of equipment has a money value. Its highest value is usually when it is new. Its lowest value is when it is old. And it has no value when it no longer works or does its job.</p> <p>Depreciation is the word used to describe the reducing value of an asset like a tractor or implement. Each year the value of piece of equipment is less. Although it does not cost you cash, each year a little bit of the value of the equipment is used up. And that used up value is a cost to your farm. It is usually a fixed cost because the equipment is used on more than one enterprise.</p> <p>Point out that calculating depreciation allows you to measure the yearly cost of the equipment.</p>	

Sr.	Steps	Resource Material
17	Mention to the participants that to calculate depreciation you need to know two things. First, you need to know the price of the equipment when you first bought it. Second, you need to know how long the equipment will last.	
18	<p>Draw the following diagram on the board:</p>  <p>Explain the following with the help of the board. Let us say that we have a new plough. The price when it was new was Rs.10,000. We know the plough will last 10 years. In the diagram we see 10 slices in the pie. Each slice represents one year of life of the plough. Depreciation says that each year the value of the plough reduces by 10% of the original value. In this case it is Rs.1000 per year. In this way, Rs.1000 is subtracted from the value of the plough each year for 10 years. At the end of the 10th year, the plough has fully depreciated. Its value is now zero (0). Explain that depreciation is the annual cost or value of a fixed asset that will be used in calculation of the farm profit.</p>	

Sr.	Steps	Resource Material
	<p>As you are explain this write - Rs 1,000 next to each year in the diagram. Explain that in year 2 the depreciation would be: - Rs 1,000 + - Rs 1,000 = - Rs 2,000. The value of the plough after two years would be Rs. 10,000 - Rs 2,000 = Rs 8,000.</p> 	
19	<p>Conclude this meeting by summarizing key points for discussion and reminding farmers that they need to undertake a profitability assessment of their own farm enterprise as a home-task.</p>	

TN-01

Budget for wheat enterprise

Measuring the profit of my enterprise: Wheat
For the period: October 2009 to April 2010

Income			
Item	Quantity	Unit Price	Value
Wheat	1600 kg	Rs.23	36800
Total Income			36,800
Variable Costs			
Item	Quantity	Unit Cost	Amount
Seed	50 kg	Rs.50	2500
Fertilizer -1	1 bag	Rs.700	700
Fertilizer-2	1 bag	Rs.3500	3500
Water Charges	10 hours	Rs.400	4000
Labour Charges	8 hours	Rs.400	3200
Harvesting	8 hours	Rs.250	2000
Total Variable Costs			15,900
Enterprise Profit			20,900

Meeting # 9: Understanding marketing and markets





Objectives


By the end of this session, participants will be able to understand the key elements of marketing and its process.



3 hours

Sr.	Steps	Resource Material
1	<p>Welcome the participants, and share with them the objectives of the meeting. Make sure that all participants have their handbooks with them.</p>	
2	<p>Write the word 'Marketing' on the left side of the board and ask participants what they understand by this term. Note key words from their responses under the word 'Marketing'. Then write 'Market' on the right side of the board. Again ask participants what they understand by this term, and note their responses under the word 'Market'. Conclude this discussion by referring participants to page 41 of their handbook, and explaining the definitions as follows:</p> <ul style="list-style-type: none"> ■ Marketing is the process of exchange between the producer (farmer) who sells, and the consumer who buys. ■ Market is the place where the exchange of goods and services takes place. It is made up of sellers, buyers, products and prices. 	 <p>Page 41 Defining marketing and markets</p>
3	<p>Tell the participants that you would like them to spend some time discussing their experiences in marketing. Use the following questions to guide the discussion and make sure that some key marketing concepts and terminologies are introduced:</p> <ul style="list-style-type: none"> ■ Who has sold products at the market? ■ What products did they sell? ■ What quantity did they sell? ■ How did they take the product to the market? ■ How well did this work? ■ What was the market like? ■ What difficulties did you have? What would you do differently? 	

Sr.	Steps	Resource Material
4	<p>In order to deepen participants' understanding of marketing and to anchor the learning to their own farms, organize the participants into groups of three to five. Ask each group to select a product that they are familiar with and ask them to answer the following questions (write these on the board) with regard to the chosen product:</p> <ol style="list-style-type: none"> 1. Who is the final consumer? 2. What are the different ways to market this product? 3. What are some of the constraints or problems you might experience when selling the product? <p>After 20 minutes, facilitate a discussion to ensure that the following concepts are clear:</p> <ul style="list-style-type: none"> ■ A product may pass through a number of hands to get from the farmer to the final consumer or user. All the stages together from farmer to the final consumer are called the marketing channel. ■ At each stage value is added to the product. And at each stage a cost is also added to the product. The costs include things like transport, storage, packaging, and handling fees. ■ Explain that if farmers sell in the local market their profit margin might be high, but they can only sell small amounts. If the product reaches the city market or the international market, then the farmers can sell larger amounts. But such sales would need the support of traders and others along the way. Each of them would add value and cost to the product. Because the costs are higher, the profit margin will be lower. <p>Conclude this discussion by referring participants to the visual on page 41 of the Handbook and reiterating the following:</p> <ul style="list-style-type: none"> ■ A product exists only if someone is willing to pay for it (someone who buys it) ■ A product can be sold only if it has a customer ■ Marketing is therefore critical to the success of the farm business 	 <p>Page 41 Defining marketing & markets</p>

Sr.	Steps	Resource Material
5	<p>As a last exercise for the day, ask participants to identify a commodity that is commonly produced among them. Ask them to open their handbook to page 42, and write the name of the commodity there. Tell the participants that you will divide them into four groups, where each group should discuss their selected commodities and the questions given on page 40 of their handbook.</p> <ol style="list-style-type: none"> 1. What are the different market outlets available for the product? 2. What quantities do they want? 3. When is the best time to use these markets? 4. What else do they know about these markets? 5. What else do they think they need to learn about these markets? 	 <p>Page 42 Where can we market Product _____</p>
6	<p>When the groups have finished their discussions, facilitate a question-by-question discussion in the plenary. Emphasize that it is important to know what market outlets are available for your products. It is also important to know about these markets, with regard to time, access, terms and conditions and other facilities. In this way they will be able to make informed decisions about which market to use.</p>	
7	<p>Conclude the meeting by telling participants that in the next meeting they will discuss how to find out more about markets and marketing.</p>	

Meeting # 10: Preparing for a market survey




Objectives

By the end of this session, participants will be able to effectively prepare themselves for obtaining first-hand information from different market stakeholders on market opportunities.



3 hours

Sr.	Steps	Resource Material
1	<p>Preparation: At least a day or two before this session, you will need to locate a market near to where the FBS is being held. You should to visit the market ahead of time to:</p> <ol style="list-style-type: none"> 1. Make sure that there is enough going on for the participants to learn (there needs to be a good variety of products sold at the market). 2. Make sure that there are enough marketing outlets such as shops, supermarkets, restaurants, schools, etc. they can explore. 3. Find out the best day and time to visit the market. 4. Identify some people that the participants could talk to about the market. 5. Plan the details of the visit. 6. Organize transport (if required). <p>Also, before conducting the exercise, it would be useful to gather published market information and talk to people who are knowledgeable about the market to find out about market conditions and opportunities. The information should at least cover the enterprises reviewed in the previous session. Prepare the information for sharing with the participants.</p>	
2	<p>Welcome the participants, and share with them the objectives of the meeting. Make sure that all participants have their handbooks with them.</p>	
3	<p>Ask participants that if they were to go to a market, what type of information would they wish to collect? Some of the responses from the participants may be as follows:</p> <ul style="list-style-type: none"> ■ How does the product get to market? ■ How much of the product can the market handle? 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ When does the market have the highest demand for the product? All the year round? Only in certain seasons? ■ What kind of packaging is used, if any? ■ How is the product handled and who handles it? ■ What is the physical condition of the product? Does this change? How? Why? ■ Who owns the product being sold? The producer? Someone else? How does this work? ■ Who buys the product? ■ How are products paid for? ■ How is the money handled? ■ What happens to produce that is not sold? <p>Using the above points as a base, refer participants to page 44 of the Handbook, and introduce the Market Survey Questionnaire. Ask participants to cluster in groups of 3-4 persons, and quickly review the Questionnaire, marking any point that they would like to discuss further. At the end of 15-20 minutes, facilitate a discussion of any points for which participants need clarification or elaboration.</p>	 <p>Page 44 Market survey questionnaire</p>
4	<p>Tell the participants that you would now like them to come together to prepare for a market survey visit. Give a brief presentation on the market that they will visit (using the information collected prior to this meeting). Explain that unless there is a well-defined objective for going to the market, it will prove to be a waste of time.</p> <p>Divide participants into four groups, and ask each group to identify two products around which they will design the market survey. Tell the groups that using the market survey questionnaire; each group must define a set of questions to which they will seek answers from the market survey visit. Also highlight that each group can choose the day and time when they will visit the market. However, this must be done before the next scheduled meeting, at which each group will present their market survey report.</p>	
5	<p>Give the participants the following tips for the market visit:</p> <ul style="list-style-type: none"> ■ First of all walk around and just observe the market. ■ Note who are selling, buying, and handling the two chosen products. 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Identify who provides the support services for the chosen products, e.g. packing, transport, grading, etc. ■ Who are the other stakeholders that have a role to play with regard to the marketing of these products? <p>Tell the participants that people in the markets are generally busy, and in any case people are reluctant to give information thinking that you may be a competitor or even from the income tax department. Remind the participants of the 13 competencies that they were introduced to in "Meeting 4: The farmer as an entrepreneur". Tell the participants that this will be an excellent opportunity to use their various competencies, particularly their competencies in initiative, information seeking, systematic planning, persuasion and networking. Tell them that they will have to also think of other effective strategies to handle such resistance.</p>	
6	<p>Conclude the meeting by once again reminding the participants that they will have to present a 20-minute market survey report (10 minutes for each product) in the next meeting. Wish them luck with their market survey activity.</p>	

Meeting # 11: Presenting the market survey report



Objectives

By the end of this session, participants will consolidate and present their major findings from the market survey visit.



3 hours

Sr.	Steps	Resource Material
1	Welcome the participants, and share with them the objectives of the meeting. Make sure that all participants have their handbooks with them.	
2	Ask the participants to get into their market visit groups. Ask them to spend a little time working on the information they gathered, so as to make sure that it is as complete as possible. Ask them to organize the information using the headings of the market survey questionnaire. In the interest of time, each group should first present their information on one product. The presentation on the other product can be made if time permits.	
3	After the four presentations have been made, facilitate a discussion as follows: <ul style="list-style-type: none"> ■ Was this market survey visit a useful activity? If yes, why? How was it different from their previous market visits? ■ What strategies did the group use to obtain information? Did the group members face particular resistance? If yes, how did they handle this issue? ■ Were they able to practice some of the competencies discussed in an earlier meeting? Ask for specific examples, and emphasize the importance of using these competencies on an on-going basis. 	
4	Ask participants if they were able to establish useful contacts. Get some information on the kinds of contacts made, and how these can help the FBS and its members. If farmers have incomplete information, then highlight the same, and ask the group members to get more information. Emphasize that contacts and connections are essential for commencement and promotion of every business, for example with tractor owner before sowing, with fertilizer and seed dealer, with financial institutions and banks (if capital is required), and with agricultural institutions for the latest technique and technology.	

Sr.	Steps	Resource Material
	<p>Tell them that the market survey can be very helpful in promoting their business contacts, and this process should be on-going. Farmers should adopt this as a habit to contact market and other institutions for useful purposes. Encourage discussion and draw in those who did not study the product to ask questions and to share ideas. Briefly summarize what was learnt.</p>	
5	<p>Tell the group members that they should note those areas where they need more information, e.g. sources of loans and credit, the location of input dealers, the assistance they can receive from agricultural departments etc.</p>	
6	<p>Tell the participants that this meeting on the market survey will contribute to the next session, i.e. to establish a vision and goal for their business. Therefore if they have any unanswered questions regarding their business, they should pay another visit to the market before the next scheduled meeting.</p>	

Meeting # 12: Developing a vision and goals for the farm business






Objectives

By the end of this session, participants will have discussed how to establish a vision and goals for their farm business.



3 hours

Sr.	Steps	Resource Material
1	Welcome the participants, and share with them the objectives of the meeting. Make sure that all participants have their handbooks with them.	
2	Ask the participants what they understand by a vision. Mention that a vision is a statement about what the future will look like. Ask participants if any of them have a vision for their farm. Ask those who do to share with others. Tell the participants that by the end of this meeting, you would like each of them to have thought of what their farm looks like '5 years from now'.	
3	<p>Tell the participants that in order to 'see' the future, you have to 'challenge' the present. To work on their farm vision, you would like them to work in small groups where each member will ask:</p> <ol style="list-style-type: none"> 1. How can I improve my farm business? 2. What is my vision for a better farm? 3. What will my farm be like in five years' time? <p>Organize the participants into teams of three to five. Ask each team to brainstorm on what could be their personal or individual vision and to help each other with their respective vision statements. To help the participants along, ask them to refer to an example of a vision for an individual farm on page 48 of their handbook. Tell participants that a vision is like a face - no two persons can have the same face. Similarly, each person should have his or her very own vision.</p>	 Page 48 An example of farm vision, goals and strategies
4	<p>Tell the participants that they should develop their farm vision on page 49 of the handbook. Once complete, ask those who are willing to share present their visions to others in the plenary.</p> <p>Explain that visions are meant to be real, and are not just a learning exercise for the FBS. They are like a magnet or a beacon</p>	 Page 49 My farm vision and goals

Sr.	Steps	Resource Material
	<p>of light. They guide you and motivate you to stretch beyond your existing capacity. Those people who have no vision generally remain at the same level all their life.</p>	
5	<p>Tell the farmers that another important and associated concept is that of a goal. Tell the participants that goals are the ladder towards achieving your vision.</p>	
6	<p>Ask participants to brainstorm, in the plenary, the kinds of goals that farmers may have for themselves. Write the answers on the board. Responses could include:</p> <ol style="list-style-type: none"> 1. Making money to achieve a certain standard of living 2. Producing enough food from the farm to feed the family; often an extended family 3. Producing products that will enable the family to stay healthy 4. Ensuring that family members have enough leisure time 5. Fulfilling social obligations and helping the extended family 6. Ensuring the financial and physical security of family members 7. Improving skills and capacity for better opportunities <p>You can also refer the participants to page 48 of the Handbook for some examples of goals.</p>	 <p>Page 48 An example of farm vision, goals and strategies</p>
7	<p>Tell the participants that they will now have an opportunity to set some goals for themselves. For this they will work in pairs, where one team member will ask the other the following questions: What do you hope to achieve for your farm? And by when?</p> <p>The person answering the question should write his or her responses on page 49 of the handbook. The pair would then trade roles, and the one who answered the questions first now asks the other participant the same question. When they have all finished, ask the participants to share what they have written. There should be only limited discussion at this point. Check that they understand the exercise. Give guidance as needed.</p>	

Sr.	Steps	Resource Material
8	<p>Conclude the discussion by highlighting that there may be a need to often consciously balance the family goals with the business goals.</p> <p>Examples of family goals:</p> <ul style="list-style-type: none"> ■ To be self-sufficient in food ■ To ensure that everyone in the family is healthy ■ To ensure that everyone in the family receives education <p>Examples of business goals:</p> <ul style="list-style-type: none"> ■ Increase profit by 100% ■ Increase income by 100% ■ Increase yield by 50% 	
9	<p>Tell the participants that the next scheduled meeting would be an important one, where they will begin the process for developing their business plans. Remind them to bring their handbooks for sure.</p>	

Meeting # 13: Choosing an enterprise





Objectives


By the end of this session, participants will be able to choose a viable farm enterprise and assess technical feasibility and availability of other resource required




3 hours

Sr.	Steps	Resource Material
1	Share meeting objectives with the participants, explain that this session has significant role to develop a farm business plan. Over the next three meetings they will explore different parts of the business plan and will also learn how to complete the business plan format.	
2	The first four exercises involve technical agricultural work. You may want to ask the relevant extension workers to help with these exercises. They could provide information and advice about the technical feasibility; resource needs and labor requirements of the chosen enterprise.	
3	<p>Explain that in the last sessions they determined goals and set visions for their farm business. As they now know what they want to achieve they will need to decide the best way to do so and thereby realize their goals.</p> <p>Explain that the first step is to identify and choose an enterprise to work on. Guide them in this process. They may want to introduce a new enterprise to take advantage of a market opportunity. Or may want to change the way they produce a current enterprise, to make it more profitable. It is important to remember that whatever enterprise they choose, they must know that there is a market for it. In this regard following four steps are essential to undertake:</p> <ol style="list-style-type: none"> 1. Form an enterprise group 2. Undertake technical feasibility 3. Assess physical resources and input availability 4. Assess labour requirements and availability 	

Sr.	Steps	Resource Material
4	<p>Start a discussion on potential enterprises. Lead the discussion so that groups of three to five participants can be formed around a single enterprise. There should be at least one group for each of those selected. Refer participants to page 51 and explain what is written under "Step 1 Form an Enterprise Group". Ask the participants to list different goals that farmers could set for themselves. Write the answers down on the board.</p>	 <p>Page 51 Step-1 Farm an enterprise group</p>
5	<p>Explain that before developing a farm business plan for the example enterprise, farmers must first see if the enterprise is technically feasible. This first step needs checking if for example, the soil, climate, topography, water etc. is suitable to grow the crop. Refer participants to "Step 2 Undertake technical feasibility" on page 51 and explain the example given.</p> <p>Explain that they are now going to check if it is possible to produce the enterprise. There is a need to make sure that the land, soil, climate, rainfall, and temperature are suitable.</p> <p>If it is not actually possible to produce the product, then you should not try to produce it. For example, cashews need a long dry period to flower and set the fruit. If your area does not have a long dry period, then it is not technically possible to grow cashews. Make sure you have discussed for both crop and livestock enterprises.</p>	 <p>Page 51 Step-2 Undertake technical feasibility</p>
6	<p>Ask the groups to help each other think about what their enterprise needs and to decide if their farm is suitable for the enterprise. Next to each indicator, they should write down whether their farm is okay or not. They should also give an overall assessment of all factors. In this case all the factors should be "Okay". While the groups are working on this, move from group to group to help out. When the groups have finished their work, ask each group to share the results of their discussions. If any enterprise group finds that their chosen enterprise is not technically feasible, then they will have to choose another enterprise and repeat this exercise.</p>	

Sr.	Steps	Resource Material
7	<p>When the technical feasibility has been completed you now have to check the availability of physical resources and inputs needed for the enterprise. If you are able to get all the resources you need, then you can choose the enterprise. If this is not possible then you may have to select another enterprise. Refer participants to page 52 "Step 3 Physical resources and inputs availability for more details.</p> <p>Explain that for this exercise they need to answer the following questions:</p> <ol style="list-style-type: none"> 1. What physical resources will I need? (such as capital, inputs, materials)? 2. How much of each will I need? 3. How much of each is available at the farm and how much must I buy? 4. What are my sources of supply? 	 <p>Page 52 Step-3 Assess physical resources and inputs availability</p>
8	<p>Ask the groups to think about what physical resources their enterprises will need. For crops, these should include inputs like seed, fertilizer and pesticides. These should also include equipment, implements and tools, storage structures and animal draft. For livestock they should include things like feed, medicines, tools and small equipment. These resources should include those available at the farm and those they must buy. They should list these under the first heading. When they have finished their list of resources, ask each group to share their lists with detail of quantity and source of supply. Encourage discussion. Have they covered everything? Is anything left out?</p> <p>If any enterprise group finds that they will not be able to get the necessary physical resources, they will have to choose another enterprise and start over the process again.</p>	
9	<p>Explain that now everyone knows that their enterprise is technically feasible and they can get all the physical resources, so now they must check the labor requirements and availability. If they can get all the needed labor, then they can go ahead with the enterprise. If not, then choose another enterprise. Ask the participants about the labor on their current farms. Use the following questions as a guide to the discussion:</p>	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Do any of them use family labor only? ■ Do any of them hire labor? ■ Do any of them use communal labor or traditional work parties? ■ How do they decide whether or not to hire labor? ■ How do they decide when they need labor? ■ Where do they get hired labor? <p>When the discussion is done refer participants to page 53 "Step 4: Labour requirement and availability", Explain that now they need to look at the key questions given on the page. For crop enterprises they should think about all the different activities like land preparation, planting, weeding, pest control and harvesting. For livestock enterprises they should think about production activities such as feeding, watering, cleaning and handling.</p> <p>From this, they should estimate how much labor is needed? How many workers will be required? For how many days? Write this down in the first line in the labor plan. When the discussion is done, ask each group to discuss the need for hired labor on their enterprise. Give them 10 minutes for this and ask them to make their labour plan as given on page 53.</p>	 <p>Page 53 Step 4 Access labour requirements and availability</p>
10	<p>When the groups have finished their work, ask one participant from each group to share his labor plan. Encourage discussion. Does the plan make sense? Is it missing anything?</p> <p>When this discussion is done, ask each group to share what was discussed. Did any group think they would need to hire labor? What did they decide to do? How did they decide to do it? If any enterprise group finds that it will not be able to get the labor needed, then they will have to choose another enterprise and repeat the exercise.</p>	
11	<p>Now explain that these decisions will be helpful to finally prepare a farm business plan for the selected enterprise. Tell them that the next two meetings will be helpful to understand and develop the farm business plan.</p>	

Meeting # 14: Components of a farm business plan





Objectives

By the end of this session, participants will be able to choose a viable farm enterprise and understand the different components of the farm business plan





3 hours



Sr.	Steps	Resource Material
1	The participants should remain in their enterprise groups. For this meeting each group should be provided with writing paper and pens to prepare a group plan. Tell them that they will prepare a Farm Business Plan as an example for their common group enterprise.	
2	Remind participants that previously they assessed the technical feasibility of their enterprise. Then they identified the physical resources needed and checked that they were available. Finally they looked at the required labor and its availability. Once the outcome for these preliminary checks is positive, they know they can go ahead and prepare a farm business plan for the selected enterprise.	
3	Tell participants before preparation that it is necessary to understand the concept of a business plan. Start by asking the participants what they understand by a business plan. Link their responses with the business plan concept given on page 55, and explain its key components: <ol style="list-style-type: none"> 1. Background 2. Farm production plan 3. Market plan 4. Profitability 5. Cash availability 6. Risks 7. Notes 	 Page 55 Components of farm business plan
4	Explain that as a start, we will work on a simple plan for a single enterprise. At the end of the next season, we will do another farm business plan. That one will be more complex and will cover all of the farm enterprises. In this session we will go through the farm business plan one part at a time. Tell the participants that	


Sr.	Steps	Resource Material
	<p>eventually, they will develop a farm business plan for their own farm.</p> <p>Now start explaining all components of a business plan one by one.</p>	
5	<p>Explain that the first component of a farm business plan is the "Background". This should provide key information on the enterprise i.e. the objective, vision, mission and goal. It also provides a rationale for selecting such an enterprise. It helps the farmer stay focused on what he or she wants to achieve.</p>	
6	<p>Now introduce the next component, the "Farm production plan". Ask the participants to turn to page 55 of their handbook and review point 2 - the "Farm production plan". Explain: you are now going to work on a farm production plan and this part should be based on your goal.</p> <p>If you have chosen a crop, then the farm production plan states what crop you will grow and the number of acres you will plant. If you have chosen a livestock enterprise, then the plan states the kind and number of head of livestock you will have. Use the example on page 55 as a guide.</p> <p>Give the participants 5-10 minutes to work on this. While the groups are working, move from group to group to assist if necessary. When the time is up, ask each group to share their production plans. Encourage discussion. If there is more than one group with the same enterprise, compare production plans. Are they the same? If not, why not?</p>	 <p>Page 55 Farm production plan</p>
7	<p>Introduce component 3, the "Market Plan". Ask the participants the different elements that need to be included in a marketing plan. Remind them that:</p> <ul style="list-style-type: none"> ■ A product exists only if someone is willing to pay for it (buys it) ■ A product can be sold only if it has a customer ■ Therefore, marketing is critical to the success of the farm business. 	


Sr.	Steps	Resource Material						
8	<p>Refer to page 55 and discuss the example of the "Market Plan" explain that the marketing plan should show how their products will be marketed. The plan should include the target market, the buyer the quantity they expect to sell, the expected market price, an estimate of the marketing costs and the farm gate price.</p>							
9	<p>Explain the following:</p> <ul style="list-style-type: none"> ■ The price you get for a product is influenced by many things. One of those things is where you sell it. You could sell your product to a buyer who comes to your farm gate. You could sell it at the market closest to you. Or you could sell it at some other market. Each market will pay a different price for your product. ■ The price you get when you sell your product from the farm is called the farm gate price. It is usually the lowest price you will get for your product. But selling at your farm gate does not involve transport costs. So while the price is lower, your costs are lower too. ■ The market price is the price you would get selling your product to a market away from your farm. To sell on this market will cost you something extra at least for packaging and transport. ■ The extra money you must pay to prepare your product and transport it to the market is called the marketing cost. When you add this cost to the farm gate price, you get the lowest price you can accept in the market. 							
10	<p>Help participants to determine the price. Write the following example on the board:</p> <p>Product: Tomatoes</p> <table style="margin-left: 20px;"> <tr> <td>Farm gate price =</td> <td>Rs.30/kg</td> </tr> <tr> <td>Marketing costs =</td> <td>Rs.05/kg</td> </tr> <tr> <td>Lowest price you can accept =</td> <td>Rs.35/kg</td> </tr> </table> <p>Explain that in this example, if the price you can get for your tomatoes at the market is Rs. 35 or more, then using that market is good. But if the price you get for your tomatoes at the market is less than Rs. 35/kg, then it is better to sell at your farm gate So it</p>	Farm gate price =	Rs.30/kg	Marketing costs =	Rs.05/kg	Lowest price you can accept =	Rs.35/kg	
Farm gate price =	Rs.30/kg							
Marketing costs =	Rs.05/kg							
Lowest price you can accept =	Rs.35/kg							

Sr.	Steps	Resource Material
	<p>is important for you to know three things:</p> <ul style="list-style-type: none"> ■ What price will you get for your product if you sold it at your farm gate? ■ What price will you get for your product if you sold it at the market? ■ How much cost will you incur if you have to take your product to the market? <p>When you know these three things, you can decide where to sell your products.</p>	
11	<p>Ask the participants in each group to help one another to think about their marketing plans. They should discuss the following questions:</p> <ol style="list-style-type: none"> 1. What market should I use? 2. How much can I sell in each market? 3. What price would I get if I sold my product at the farm gate? 4. What price can I expect from each market? 5. What costs can I expect to incur in each market? 6. What other important points should I think about? <p>While the groups are working, move from group to group to listen and help.</p> <p>When they have finished their discussions, each participant should record the information in their handbooks. When the groups have finished, ask each group to share their market plan. Encourage discussion. Does the market plan sound reasonable? Does anyone have any suggestions?</p>	
12	<p>Now move to next part "Profitability", Refer participants to page 56 and review the concept of profitability and how it is calculated. Profit is the amount remaining when costs are deducted from income.</p>	 <p>Page 56 Profitability</p>

Sr.	Steps	Resource Material												
13	<p>Explain that they will now be discussing the profitability of their chosen enterprises. They will start with income. They need to answer three questions:</p> <ol style="list-style-type: none"> 1. What products will they sell? 2. What quantity of each product will they sell? 3. What price per unit do they expect to get for their products? <p>They can get this information from the market plan they prepared earlier. To work out the total value of the products they sell, they must multiply the quantity to be sold by the price per unit. Use the example given on page 56.</p>	 <p>Page 56 Example profitability</p>												
14	<p>Ask each group to work on the income expected from their enterprise. As they are working on this, move from group to group and assist them if necessary. When everyone is finished ask each group to share their income calculations. Encourage discussion. Does this make sense? Notice if there are people having difficulty.</p> <p>After each group has reported, add the following headings on the board under "Income".</p> <table border="1" data-bbox="295 1355 1173 1422"> <thead> <tr> <th><u>Product</u></th> <th><u>Quantity</u></th> <th><u>Market price/unit</u></th> <th><u>Total value (Rp)</u></th> </tr> </thead> <tbody> <tr> <td colspan="4"><hr/></td> </tr> <tr> <td colspan="4">Total expected income</td> </tr> </tbody> </table> <p>Ask the groups to provide the information on their selected enterprise: the products they will sell; the quantity to be sold; and the market price per unit. Explain that to calculate the total expected income for a farm it would be necessary to aggregate the income of each enterprise.</p>	<u>Product</u>	<u>Quantity</u>	<u>Market price/unit</u>	<u>Total value (Rp)</u>	<hr/>				Total expected income				
<u>Product</u>	<u>Quantity</u>	<u>Market price/unit</u>	<u>Total value (Rp)</u>											
<hr/>														
Total expected income														
15	<p>Explain that they will now be working on the costs of their farm business. In this part of the exercise they will be looking only at the costs associated directly with producing and marketing the product from their chosen enterprise. To work out the total cost, they must multiply the quantity needed by the cost per unit for</p>													

Sr.	Steps	Resource Material
	<p>each. After each group has reported, add the following headings on the board under Variable Costs.</p> <p><u>Resource/Input</u> <u>Quantity needed</u> <u>Cost per unit</u> <u>Total cost (Rp)</u></p> <p>Total expected variable costs</p> <p>When they have all finished listing the variable costs for their selected enterprises, show them how to aggregate the costs to calculate the total expected costs.</p> <p>Use the example given on page 56 as a guide.</p>	
16	<p>Show them how to calculate the expected profits. On the board, write the words "Expected enterprise profit" below "Total expected variable costs". Show the participants how to subtract the total expected variable costs from the total expected income.</p> <p>When they have all finished, ask each participant to share his expected profit. Encourage discussion. Some discussion should also be made on the issue of fixed costs and some of the problems allocating fixed costs to individual enterprises.</p>	
17	<p>Move now to the next component. Refer the participants to page 57, "Cash availability". Explain that now you will discuss cash availability. Even if a farm is profitable, the profits will come only at the end of the season. It is important to know if you will have enough cash to carry out your farming activities during the season. If you do not have enough cash, you will need to decide what to do.</p> <p>Ask the groups to discuss the following question: Do I have adequate cash available to implement my farm enterprise?</p>	 <p>Page 57 Cash availability</p>
18	<p>Explain that the example on page 57 will be used to discuss the cash flow concept. Note that the season for this farmer starts in September to August of the following year. Explain that a cash flow shows the farmer how much cash flows into the farm business over a certain period of time and how much flows out of the farm business. If in any month the cash flow out is more than the cash flow in, then the farmer knows he has to find extra cash</p>	 <p>Page 57 Example of cash availability</p>

Sr.	Steps	Resource Material		
	<p>for that month. The "Net cash flow" is the difference between the cash inflow and cash outflow.</p> <p>Ask the participants when they think the farmer needs cash. Point out that cash is required in October, November, December, January, and May for the enterprise. Proceed to explain the importance of the cumulative net cash Flow to assess the overall financial requirements.</p>			
19	<p>Explain that using the cash flow format the participants should be able to indicate the amount of cash available and required. The format is given on page 57. The participants should write this amount under the "Cash availability" section of their farm business plan filling out points (a) to (e).</p>	 Page 57 Risks in farming		
20	<p>Explain that if the amount in (a) is more than the amount in (b), there is enough cash to finance the enterprise.</p> <p>If the amount in (b) is less than the amount in (a), then they do not have enough cash for their enterprise.</p> <p>If they have enough cash, they do not have to make any further decisions about financing. If they do not have enough cash, they will need to make a plan to get the money they need during the season. The total amount required should be written in section (c) of the cash availability format of their farm business plan. Next ask the groups to discuss in which months they need extra cash. They should write down the months in (d).</p>			
21	<p>Then ask the groups to discuss where the farmers can get the extra money from. Make two columns on the board as shown below:</p> <table border="1" data-bbox="367 1686 1102 1727"> <thead> <tr> <th data-bbox="367 1686 711 1727">Source</th> <th data-bbox="711 1686 1102 1727">Amount</th> </tr> </thead> </table> <p>Brainstorm with the participants regarding possible sources of financing and the amounts required. Ask each person in the groups to prepare a cash availability plan for their enterprise. Next to each source they should put an amount. When all the participants have finished, ask one participant from each group who needs extra cash to share with the class his cash availability plan. Encourage discussion. Ask if the plan makes sense, whether it will work and if they have covered everything.</p>	Source	Amount	
Source	Amount			

Sr.	Steps	Resource Material
22	<p>Now move to the last section, "Risks in farming". Ask the participants what they think the risks are in farming. Encourage discussion. Discuss their understanding of risk. Ask the participants what some of the things are that can happen and that can harm their enterprise, e.g.:</p> <ul style="list-style-type: none"> ■ What can happen to the production part of the business? ■ You know that your enterprise is technically feasible but what could go wrong with production? ■ What actions do you need to put in place? ■ What can happen to your marketing plan? ■ What can happen to the financial part of the business? ■ What can happen to the human part of the business? <p>Follow up the ideas with additional questions about how a particular risk can harm the farm business:</p> <ul style="list-style-type: none"> ■ What would be the effect of a drop in the market price of a product? ■ What would be the effect of a pest infestation? ■ What would be the effect of a delay in the delivery of fertilizer from your supplier? <p>Refer the participants to page 57 in the handbook.</p>	 <p>Page 57 Risks in farming</p>
23	<p>Explain that now the participants should think about the enterprise they are working on. Ask the groups to discuss the specific risks that they might face with these enterprises. They should think about changes in market prices, the possibility of low yields, increases in the costs of production and other types of risks. For each risk they should also think about the possible harm it can do.</p>	
24	<p>Ask each group to discuss if there is anything else they think should be included in the farm business plan. When each group has finished, ask each group to share what they have written. Encourage discussion. What do the other enterprise groups think? Are these notes useful to other groups?</p>	

Sr.	Steps	Resource Material
	<p>When the discussion is finished, ask the groups to look back over the farm business plan. Have a brief discussion again on each part. They should check the information and make changes where they think changes are needed. When this is done, explain to the participants that they have just finished their first farm business plan. It is very important to step toward making their farms better managed and more profitable.</p> <p>Encourage them to take their plans to their families and to discuss them. They may need to make changes. There is room in their books to write down any additional information they may want to record.</p>	
25	<p>Tell participants that in the next meeting they will start preparing their individual business plans for the selected enterprises.</p>	

Meeting # 15: Preparing a farm business plan




Objectives

By the end of this session, participants will be able to write their individual farm business plan



3 hours

Sr.	Steps	Resource Material
1	<p>Do a quick review of the different components of the farm business plan. Tell participants to open the business plan format on page 59. Ask them to go through all of the parts systematically. Tell them:</p> <ul style="list-style-type: none"> ■ Initially, they should assess their selected enterprise for technical feasibility; the availability of physical resources and inputs and labour requirements. ■ If technically viable they should proceed to complete the farm business plan given on page 59. They should describe the enterprise and the date of preparation of the plan. ■ They should then provide background information: the name of the farmer, the village/ district and the time-frame of the plan. ■ Each participant should describe their vision and goals that they set for themselves. ■ Each participant should then proceed to complete the Business Plan format covering the following components: <ul style="list-style-type: none"> - Farm production plan - Market plan - Profitability - Cash flow and availability - Risks 	 <p>Page 59 My farm business plan</p>
2	<p>Organize the participants into groups with the same individual enterprises, three to five people per group. Set a clear time limit - one or two hours. Encourage them to work together. Check with each group how far they got with the business plan for their individual enterprises.</p>	
3	<p>Ask each group to consult and select one business plan from the group to present to the rest of the participants. Ask the first group to present a completed business plan. Encourage the participants to ask questions. Help with suggestions for improving the business plan.</p>	

Sr.	Steps	Resource Material
	Ask the group to explain how the business plan contributes to fulfilling the farm business vision.	
4	<p>Repeat the process with one group at a time until all the enterprise groups have had a chance to present their selected business plans. When the last plan has been presented, consolidate the work. Make sure each person understands how to prepare the plan and has a complete set of materials for his or her chosen enterprise.</p> <p>Ask if there are any more questions or issues to be discussed. Review the meeting and remind the participants of the next meeting.</p>	

Meeting # 16: Preparing an action plan




Objectives

By the end of this session, participants will be able to identify the key steps and resources required to implement their business plans and to make progress towards fulfilling their visions.



3 hours

Sr.	Steps	Resource Material
1	Welcome the participants, and share with them the objectives of the meeting. Make sure that all participants have their handbooks with them.	
2	Tell the participants that now that the business plan has been prepared, there will be many actions that they will need to undertake with regard to physical resources and inputs, labor, markets, managing resources and risks, etc. Refer them to the format for 'Preparing an action plan' on page 64 and explain that the form will allow them to list a set of actions, its duration, start date and responsibility. Emphasize that the action plan can be divided into sub-sections, for example physical resources and inputs, labor, market, managing risks, etc.	 Page 64 Preparing an action plan
3	<p>Ask participants to brainstorm some actions under the various sub-sections, and note comments on the board. If required, add the following:</p> <p>For physical resources and inputs</p> <ul style="list-style-type: none"> ■ Arrange financing for buying inputs ■ Confirm suppliers and the costs of each input item ■ Arrange transport to collect/deliver inputs ■ Place orders/collect inputs from suppliers <p>For labor</p> <ul style="list-style-type: none"> ■ Identify skilled labor from neighbouring areas ■ Check other's farmers source of labor ■ Identify technologies that could bring down the cost of labor ■ Train labor so that they could work more efficiently <p>For market plan</p> <ul style="list-style-type: none"> ■ Visit a potential market ■ Find out about different forms of transport 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Look at different forms of packaging ■ Link up with specific buyers <p>For risks</p> <ul style="list-style-type: none"> ■ Find out about ways to reduce market risks ■ Find ways of addressing production risks 	
4	<p>Tell the participants that they should now go back to their enterprise groups, and develop an action plan for their chosen enterprise. When each group has finished, ask them to share their list of actions. Write these on the board. Encourage discussion. Are the lists similar? If they differ, why? Have any actions been overlooked?</p>	
5	<p>Conclude the meeting by highlighting that they now have many 'things to do'. Remind them to meet with their families to discuss their action plans and to make changes as needed. Tell them that they must use the action plan as a central tool for business plan implementation. Whenever they feel the need to consult, they should contact their enterprise group members, the other farmers, or the facilitator.</p>	

Meeting # 17: Overview of record keeping





Objectives

By the end of this session, participants will be able to appreciate and understand the importance of keeping farm records and know the different types of records needed



3 hours

Sr.	Steps	Resource Material
1	<p>Share the session objectives. Ask the participants the following question. If you meet a vegetable farmer who says that he or she has had a good harvest last season, what information are you most likely to want? Give each person time to think about the question and write down the answers on board. Proceed to ask each person individually what his or her key questions are. Name the participant with the closest right questions. Point out to the participants the inadequacy of other questions. Explain that there are a lot of things to be asked but the answers depend on the farmer keeping records. Records are important to analyse the performance of the farm business.</p>	
2	<p>Ask for two volunteers to perform a role play. The role play is given in Training Note 02. Give the volunteers time to review the script. Provide them with time to act out the role play. When the play is done ask the following questions:</p> <ol style="list-style-type: none"> 1. What happened in the role play? 2. Why did Rani not believe that her husband used all the money properly? 3. What could have been done to avoid the confusion on how the money was spent? <p>Link the answers to the need to keep proper records.</p>	<p>TN: 02 Role play about record keeping</p>
3	<p>Discuss with the participants why it is important to keep records. What is the purpose of records? How can records help farmers? What can happen if records are not kept?</p> <p>Provoke a discussion on their experience in using records. Brainstorm on why some businesses or farms do not keep records. The following explanations may be given:</p> <ul style="list-style-type: none"> ■ Farmers do not know the importance of records. 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ They don't know how to prepare them. ■ They find it complex. ■ They don't have enough time available. <p>Refer the participants to page 66 in their handbooks and review the content.</p>	 <p>Page 66 Overview of record keeping</p>
4	<p>Divide the participants into four groups and ask them to list the types of records they are familiar with. What types of records do you think are needed? Write these on the board.</p> <p>On the basis of these findings identify the most important farm records. Refer to the list on page 66. Describe the 7 examples of farm records and initiate a discussion.</p> <p>Tell the participants that we will now look at these records. Together they will help you make a profit and loss statement for your farm and individual enterprises.</p>	 <p>Page 66 Importance and an overview of Farm business Record</p>

TN-02

Role play about record keeping

Argument between Raja and his wife Rani

Rani: I need some money to buy a dress for upcoming marriage of my cousin.

Raja: I have no money.

Rani: What? We sold 20 bags of wheat at Rs. 46000. How did it get finished?

Raja: We spent the money on household needs and some was invested in the poultry business.

Rani: You are a liar. You must have eaten all the money. It was too much to get finished just like that.

Raja: You woman, you call me a liar? (He slaps her and a fight starts).

Meeting # 18: Practice of keeping farm business records-I






Objectives

By the end of this session, participants will know the kind of records needed and will learn how to maintain them on a regular basis



3 hours

Sr.	Steps	Resource Material
1	Tell participants now you will start keeping records of the farm business. Start working through the records discussed in the last meeting.	
2	<p>Production record</p> <p>Organize the participants into groups of three to five. Group them around common enterprises. Ask the participants to turn to page 68 of the handbook.</p> <p>Explain that the entries here provide information on production output. This record helps the farmer to understand how well his production programme is performing. It can be used to compare the performance of one farm with another. A production record is necessary for assessing the farm business plans prepared previously.</p> <p>Ask the participants to discuss the production records and fill in the table as shown in the example in TN-03.</p>	 Page 68 Production record TN-03 Production record
3	<p>Labor record</p> <p>Ask the participants to open their handbooks to the "Labor record" format on page 69. Explain the following while pointing out the different headings in the labor record:</p> <ol style="list-style-type: none"> Entries under these headings provide information on the number of people required for each activity and the number of hours they will take each day. Such information will assist the farmer in understanding the labor requirements for each activity. Under the heading "Number of people working", record the actual number of people who worked on that particular activity for a particular day. 	 Page 69 Labor record

Sr.	Steps	Resource Material
	<p>3. Under the next heading "Number of hours taken", record the actual hours spent doing the particular activity. The total number of hours is calculated by multiplying the number of people and the number of hours spent on each activity.</p> <p>Explain that it is important to record the information as soon as the activity is done. The information should be recorded each day that the activity takes place. If not, it will be difficult to remember the number of hours taken to complete the activity.</p>	
4	<p>Refer to the table in TN-04 and explain how, in this example, the farmer is able to know exactly how many workers are required to carry out a task, and to know how much time it will take. Let the participants know that it is important to keep labour records.</p>	<p>TN-04 Labour Record</p>
5	<p>Cash inflow record</p> <p>Start a discussion about on the use of cash inflow records. Ask them if they understand the value of the record? Mention that farmers should keep cash inflow records for each of their farm enterprises. This will help farmers to prepare enterprise budgets for the next round of planning. The record also helps farmers to construct cash flows for the farm.</p> <p>Ask the participants to open their handbook to the "Cash inflow record" format on page 71. Explain the following while pointing out the different headings in the cash inflow record:</p> <ol style="list-style-type: none"> 1. Entries here provide information on the activities that require the farmer to receive money particularly from the sales of the products of the enterprise. The first heading, "Date", gives the date of the product sold. 2. The type of product is given under the second heading - "Produce sold". 3. Under "Quantity" enter the amount of produce sold. Remember to include the unit for example: number, kg, litre, bag, etc. 4. The unit price (the price the buyer paid for one unit of produce) is recorded in the fourth heading "Unit price". 5. The fifth heading is for "Total income". We learned in 	 <p>Page 71 Cash inflow record</p> <p>TN-05 Cash inflow record</p>

Sr.	Steps	Resource Material
	<p>earlier sessions that the "Total income" is calculated by multiplying the market price by the quantity sold. Because money from sales is coming into the farm business, it is called "cash inflow". The amount of money coming in will depend on the level of productivity, the amount sold in the market and the market prices.</p> <p>6. The last heading is given to enter "Comments" about things you observed when marketing the produce that could affect the performance of the enterprise. For example, it could include a note that prices were better in the morning than in the afternoon. It could be a note that the bigger buyers were at the market very early.</p> <p>Explain that the cash inflow record should be updated regularly. It is a good idea to record the information at the end of every day after returning from the market. At the end of the production cycle the farmer should total all the cash inflows.</p> <p>Make sure the participants understand the nature of the record. Let the participants know that it is important to give details of the sales/outputs.</p>	
6	<p>Cash outflow record</p> <p>Start a discussion about the usefulness of the cash outflow record. Ask if the participants understand the value of the record? Explain that farmers should keep cash outflow records for all their enterprises. This will help farmers when they need to set up enterprise budgets for the next round of planning. This record will also help the farmer when he needs to calculate the cash flow for the whole farm.</p> <p>Ask the participants to open the "Cash outflow record" format in their handbook and explain it in detail. Tell them that it provides information of all the activities that require the farmer to spend money either to buy inputs or pay for services and operations.</p> <p>Explain the format as follows:</p> <ul style="list-style-type: none"> ■ The date the activity is carried out or the inputs are purchased are recorded under the first heading, "Date". 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ The operation, activity or input used is recorded under the second heading. ■ Under the "Quantity" heading the amount of work conducted (operation) or the amount of input purchased is recorded. Again you will need to include the unit of measurement such as kg, number, ha, litre, bag, etc. ■ The cost of the unit of input, or services or operation is recorded under the fourth heading "Unit cost". ■ The "Total cost" for the activity or input is recorded under the fifth heading. In an earlier session we learned that the total cost is calculated by multiplying the quantity used by the unit price. Because money is always going out or being spent it is regarded as a cash outflow. ■ The last column is provided for any comments or observations the farmer has that may affect the performance of the enterprise. <p>Explain that all of the columns need to be completed every time an activity is carried out. At the end of the production cycle, the farmer should aggregate all the money spent and seen as cash outflows.</p>	
7	<p>Referring to the example in TN-06 explain that this captures the cash paid out to buy inputs and materials needed to grow wheat. Each time money is used to make a purchase it should be recorded in this format. Like with the cash inflow record, at the end of the season, the cash outflow record will make it easy to know exactly how much cash was spent to produce and market the wheat crop.</p> <p>The record also enables the farmers to see when and where he spent his money. This will help him when planning his production and marketing strategy for the enterprise.</p>	<p>TN-06 Cash outflow record</p>
8	<p>At the end of meeting review the discussion and ensure that the participants recognize the importance of record keeping.</p>	

TN-03

Production record

Enterprise	Land size	Expected yield/ acre	Total yield (tons/kg/bags)
Rice	1 acre	1600kg/acre	1600kg

TN-04

Labor record

Date	Activity	Number of people working	Number of hours taken	Total number of hours taken
25 Feb 2010	Land preparation	2 people	2 hours	4 hours
30 Mar 2010	Planting	2 person	6 hours	12 hours
6 Oct 2010	Harvesting	1 person	8 hours	8 hours

TN-05

Cash inflow record

Date	Sales/Output	Quantity	Unit price (Rs.)	Total income (Rs.)	Comments
12/04/10	Sold Wheat	500 kg	23 per kg	11500	Sold at farm gate
15/04/10	Sold Wheat	400 kg	22 per kg	8800	Sold at town market
20/04/10	Sold Wheat	200 kg	23 per kg	4600	Sold at town market
25/04/10	Sold Wheat	400 kg	21 per kg	8400	Sold at farm gate
Total		1500		33300	

TN-06

Cash outflow record

Date	Sales/Output	Quantity	Unit price (Rs.)	Total income (Rs.)	Comments
25/1/10	Purchased seed	50 kg	50	2500	Bought from Raja's
1/2/10	Purchased Fertilizer	1 bag	700	700	Bought from Rani's
18/2/10	Purchased Fertilizer	1 bag	3500	3500	Bought from Raja's
25/2/10	Labour	4 hours	200	800	Did some of the work myself
25/2/10	Labour ploughing	5 hours	500	2500	
5/03/10	Labour	12 hours	300	3600	Local
5/03/10	Pesticides	1 Liter	1000	1000	Bought from Muna
5/10/10	Transportation	1	1000	1000	Hired at Skyways
5/10/10	Bags	40	50	2000	Lucky Packing Material
6/10/10	Harvesting	8 hours	250	2000	Hired from village
Total				19600	

Meeting # 19: Practice of keeping farm business records-II




Objectives


By the end of this session, participants will know the kind of records needed and will learn how to maintain them on a regular basis




3 hours

Sr.	Steps	Resource Material
1	<p>Welcome participants. Remind them that this meeting is a continuation of the farm record sessions. Quickly review the last meeting and ask the participants if they practiced filling in the record keeping formats. Ask if there's a need to clarify some points that may be unclear.</p>	
2	<p>Home consumption record</p> <p>Start a discussion about the importance of the home consumption record. Lead the discussion to an understanding that the home consumption record assists farmers to know where some of the income from the farm enterprises is going.</p> <p>It helps him make a business decision whether to sell all of his food crops to generate cash or to consume food as an alternative. When the farmer knows the value of the produce that is consumed by the family he will recognize the impact on the profitability of the enterprise. He can then decide whether or not to continue this way.</p> <p>Advise the participants that once the season begins they should start using the consumption record. From time to time they will be requested to bring in their records to see how they're doing.</p> <p>Ask the participants to turn to page 75 in the handbook. Explain the following while pointing out the different headings in the table:</p> <p>The entries in the home consumption record records produce that have been stored, consumed, or given as gifts to relatives, friends and family members. It can also record produce that is lost or spoiled after harvest. The main purpose of the record is to provide information on the amount and the value of what the family has</p>	 <p>Page 75 Home consumption record</p>

Sr.	Steps	Resource Material
	<p>consumed from the farm or has given away.</p> <ul style="list-style-type: none"> ■ The first heading includes the date that produce is consumed or stored for consuming later. Remember, if produce is not sold it does not attract income, but unsold products still cost money to produce. ■ The second heading shows the "Type of produce". ■ Under the third heading you record the "Amount consumed", given away or stored for consuming later. Remember to include the unit of measurement such as number, litres or kg. ■ Under the "Unit price" heading you record the price of the produce you would have received if you had sold it in the market. ■ The next heading is "Total value". We learnt in a previous session that the "Total value" is calculated by multiplying the unit price times the amount recorded under "Quantity consumed". ■ The last heading is provided for "comments" on the amount of produce consumed or given as gifts. For example it may record that produce was used at a wedding or given to a neighbor who needed help. <p>Explain that this record should be updated regularly. It is best to record on the day that the produce is stored, consumed, given away or lost. At the end of the production cycle, a farmer should calculate the total value of this produce as part of the income from the enterprise. A member of the farm household should be encouraged to keep these records. Get feedback and make sure the participants understand the nature of the consumption record.</p>	
3	<p>Referring to TN-07, explain that in this example, the farmer has recorded the number of kilograms of wheat consumed by the family or given away. The total value of the production consumed instead of sold is Rs. 2000. The amount is part of the enterprises profitability. But it is not part of the enterprise cash inflow.</p>	<p>TN-07 Home consumption record</p>
4	<p>Profit and loss record</p> <p>Explain that the cash inflow record and the cash outflow record [and the home consumption record if you used it], which we have just looked at, can be used to make a profit and loss statement for each enterprise.</p>	

Sr.	Steps	Resource Material
5	<p>Ask the participants to open the "Profit and loss record" in their handbooks and explain that the record should help to keep track of profits and losses. At the top of the record they should enter the type of enterprise being measured.. If it is wheat, they should write "wheat" so it becomes: "Measuring my wheat enterprise".</p> <p>Each profit and loss record covers a specific period of time. For crops, it is usually a cropping season. For vegetables the period may be a few months. For grain crops the period may be a year. For tree crops this could be many years. For livestock the period will be from the point of purchase to the point of sale.</p> <p>When we calculated enterprise budgets, we used an example of a 1 acre land. Each farmer will have a unique size of land or a unique number of livestock. In order to calculate profitability of the actual farm, he will need to use the actual size of the enterprise. So you need to write down the area (acres) or size (number of livestock) of the enterprise and use this number when doing your calculations</p>	 <p>Page 76 Profit and loss record</p>
6	<p>Ask the participants to write the appropriate information in their records. Next, ask each group to go through the cash inflow, cash outflow [and consumption records] for their enterprise and calculate the profit (or loss). They should write this down in their handbooks using an enterprise budget format.</p> <p>Refer to the part with the headings. Explain the following:</p> <ul style="list-style-type: none"> ■ This sheet is used to arrange the records provided by the farmer into different categories: field operations, inputs and materials, labor, post production and value of sales. The items included in the cash outflow and cash inflow formats are entered under "Inputs/Operations" (second heading) and placed under the appropriate heading. ■ The unit of measurement and the quantity used are provided under the second heading. ■ The unit cost or price is given for each item and recorded under the heading "Unit price or cost". It is a cost if it is from the cash outflow record and it is included in the price if it is from the cash inflow record or home consumption record. 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ To calculate the total income you multiply the quantity of the produce sold times the unit price. The amount is recorded under "Total income". ■ To calculate the total cost you multiply the quantity of inputs or operation by the unit cost. The amount is recorded under "Total cost". <p>This record sheet can be difficult to do. So you may want to ask for help from an extension worker or other farmers. Or you might be able to help other farmers.</p> <p>Use TN-08 to complete a profit and loss statement with the help of other records. Ask each group to maintain and share their results. Do one enterprise at a time. Did each group arrive at the same answer? If not, why? Which enterprises are profitable? Which enterprises are not profitable? Why? Ask if there are any questions about this. Encourage discussion.</p>	<p>TN-08 Profit and loss statement</p>
7	<p>Fixed asset record</p> <p>Start a discussion about why it is important to have a fixed asset record. Lead the discussion to create an understanding of the following about the fixed asset record:</p> <ul style="list-style-type: none"> ■ The fixed asset record helps farmers remember when and for what price they bought the equipment ■ It helps them remember when to repair or replace an item ■ It helps them calculate the fixed costs for their farms when calculating the profit for the whole farm <p>Ask the participants to open the "Fixed assets record" on page 77 of the Handbook and explain that this provides information on the important items of fixed costs related to the enterprises on the farm. Each item includes the date of purchase, the purchase price (cost) and the life of the item. The life of the item varies. The life of housing and buildings can be taken as forty years; the life of a tractor and other machinery is five years; the life of tools is ten years.</p> <p>Get feedback and make sure the participants understand the nature of the record. Referring to the example given in</p>	 <p>Page 77 Fixed asset record</p>

Sr.	Steps	Resource Material
	TN-09, explain that there are four things included into the fixed asset record: hand tools, a sprayer, irrigation pipes and housing for the laying hens. This farmer does not have a tractor. If he did, he would list it in this record.	TN-09 Fixed asset record
8	<p>Monitoring the record keeping process</p> <p>Explain to the participants that in order to review progress they will need to keep their records up to date. Organise the participants into enterprise teams of 2-3. Ask each team to discuss the records they will keep during the implementation of their business plans. They should also agree who will be responsible for keeping the records. Separate records should be kept for each farm and farmer.</p>	
9	<p>Ask each team to keep records for the selected enterprise on a regular basis. They should be encouraged to meet regularly to discuss the entries that they are making and any noticeable differences. Between meetings the participants should get together to help each other with the record keeping, if need be. Mention that each time the school meets, some time will be set aside for the teams to discuss their records. Draw to their attention that this system of working together provides checks and balances on the data recorded and the 'peer review' is an integral part of the FBS learning process.</p>	
10	<p>Adequate time will need to be made available for the group to discuss the records or any problems the teams might have. Participants will need to bring their records to each FBS meeting.</p>	
11	<p>At the end of meeting review all the records discussed. Explain to the participants that during the season they should maintain these records. Announce formally this is the last session of Part 1. In the next meeting the schedule for the implementation phase will be prepared.</p>	

TN-07

Home consumption record

Date	Consumed items	Quantity	Unit Price (Rs.)	Total Value (Rs.)	Comments
5/03/10	Wheat	50 kg	Rs.20/kg	1000	Family
5/04/10	Wheat	50 kg	Rs.20/kg	1000	Family
Total		100 kg		2000	

TN-08

Profit and loss statement

Measuring my Wheat enterprise profit for the period Jan - Oct 2010
Area/size of the enterprise 1 Acre

	Quantity	Unit Price or Cost (Rs./unit)	Total (Rs.)
Income			
Sales	1500 kg	22.20	33300
Home consumption	100 kg	20	2000
Other		0	0
Total Income (a)			35300
Expenses			
- Inputs and materials:			
- Seed	50 kg	50	2500
- Fertiliser	2 bags	700 and 3500	4200
- Pesticide	1 liter	1000	1000
Field operations:			
- Land preparation	4	200	800
- Ploughing	5	500	2500
- Planting	12	300	3600
- Weeding	0	0	0
- Harvesting	8	250	2000
			3000
Total Costs (b)			19600
Profit (a-b)			15700

TN-09

Fixed asset record

Date	Items	Amount	Qty	Remarks
1/2/08	Hand tools	800	10	To be replaced during 2011
3/4/08	Sprayer	1000	10	Bought from Raja's
4/4/08	Irrigation pipes	2000	10	Bought from Agricor

Meeting # 20: Agreeing on sessions and schedule




Objectives

By the end of this session, participants will be able to plan a programme of FBS meetings during the production season.



3 hours

Sr.	Steps	Resource Material						
1	<p>Explain that Part 1 of the FBS programme looked at a number of things to help us get ready for the season. Most importantly we developed farm business plans, action plans, and farm records. In this part of the FBS programme we will do the following:</p> <ul style="list-style-type: none"> ■ Monitor the progress we are making in implementing the farm business plans. ■ Continue learning more things about managing our farms as a business; ■ Keep records of our enterprises; and ■ Share experiences and take corrective action <p>The first thing we need to do is to decide on a schedule for meetings.</p>							
2	<p>The programme for Part 2 is organised into different themes: Finance; Linking farmers to markets; Managing risk; Market contracts; Benchmarking; Entrepreneurship; and Value addition.</p> <p>The first three themes - Finance, Marketing and Managing risk are required to be covered. The remaining themes are optional and can be covered in any order. Ask the participants for suggestions about how often they want to meet. Explain that they should meet at least twice a month to make regular reviews of progress on their farm business plans.</p> <p>Refer to page 79 in the handbook - "Format for developing an FBS schedule". Copy the headings of the three columns on the board.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left; width: 33%;"><u>Meeting No.</u></td> <td style="text-align: center; width: 33%;"><u>Date</u></td> <td style="text-align: right; width: 33%;"><u>Key contents</u></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">(Modules, Sessions, Exercises)</td> </tr> </table> <p>Ask the participants for suggestions about how often they want</p>	<u>Meeting No.</u>	<u>Date</u>	<u>Key contents</u>			(Modules, Sessions, Exercises)	 <p>Page 79 Developing an FBS 'during season' schedule</p>
<u>Meeting No.</u>	<u>Date</u>	<u>Key contents</u>						
		(Modules, Sessions, Exercises)						

Sr.	Steps	Resource Material
	<p>to meet. Explain that they should meet at least twice a month to make regular reviews of progress on their Farm Business Plans.</p> <p>Get the participants to review the topics and sessions that comprise Part 2 of the FBS programme in the Table of Contents in the handbook. Discuss the topics with the participants and agree on a schedule of meetings. List the meeting, date, and contents agreed on with the participants on the board. On completion of the brainstorming ask the participants to copy the information into their handbook on page 79.</p>	

Meeting # 21: Mobilizing finance






Objectives


By the end of this session, participants will be able to



3 hours

Sr.	Steps	Resource Material
1	<p>Refer the participants to page 81 of the Handbook - Mobilizing Finance and elaborate on the example given. A farmer has to cover the costs of activities that include buying seed at Rs 500 in March - ploughing at Rs 700 in June and labour at Rs 250 in May and June, respectively. The farmer has Rs 500 of cash available in March, Rs 250 in May and Rs 500 in June.</p> <p>Explain that the amount of extra cash that the farmer will need to finance the enterprise will be determined by the shortfalls in the cash flow for the enterprise. Ask the participants how much extra cash this enterprise will require. Take them through the cash flow calculation on page 81. Explain that the enterprise will require an additional Rs 450 in June. The total cash needed will be the cumulative sum of all the monthly cash short falls.</p>	 Page 81 Mobilizing finance
2	<p>Explain that in this case the farmer may need to borrow money from other sources. These could be family, friends, micro financing institutions and banks. Farmers should know that the credit or loans have to be repaid over a pre-defined period, with interest. Explain that the person or institution lending the money sets the conditions for repayment. Page 82 explains more fully the terms and conditions of loans.</p> <p>Explain that repayment of credit needs to be included as a cost to the business and the farmer should borrow when the cash flow shows that there will be enough cash generated by the enterprise to repay the loan.</p>	 Page 82 What is credit and what are loans?
3	<p>Ask the participants to indicate when it is appropriate for a farmer to access credit for his/her farm enterprise. Discuss some of the benefits and risks of taking loans and getting credit.</p> <p>Some of the benefits might be:</p> <ul style="list-style-type: none"> ■ Providing finance to start-up a new enterprise with good market potential 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Providing finance to expand an on-going enterprise <p>Some of the risks might be:</p> <ul style="list-style-type: none"> ■ If credit is not well utilised it could result in debt and hardships ■ A farmer's reputation may be at stake for failure to pay back ■ Interests rates may be too high and could offset any positive gains for the farmer <p>Ask the participants to suggest when it is not advisable for a farmer to use credit. Explain that it is inappropriate for a farmer to use credit when:</p> <ul style="list-style-type: none"> ■ The farmer foresees the possibility of not being able to pay back the loan ■ If the terms and conditions are not favourable. ■ When there is no plan to use the credit ■ When borrowing to pay for another loan - never repay a loan with another loan 	
4	<p>Referring to page 82 of the Handbook, remind the participants that farmers borrowing money need to know the conditions or terms before they can decide whether or not to take the loan.</p> <p>Ask the participants to state what they consider to be the most important terms they need to find out from a micro-finance institution, a bank or individuals loaning money. Write the responses on the board.</p>	
5	<p>Explain all these terms using the definitions given on page 82, under "Conditions or terms to be considered". Guidance is given below.</p> <p>Interest rates: Interest is the cost of borrowing money. It is usually given as a percentage. Interest rates may vary depending on where you get your loan. There are usually government laws that limit the interest rate to protect you from dishonest lenders.</p> <p>Bank charges: In addition to interest rates, some lenders may also charge a certain fixed amount for processing the loan. This</p>	 <p>Page 82 Assessing the costs of borrowing (conditions or Terms to be Considered)</p>

Sr.	Steps	Resource Material
	<p>may be charged separately or it may be made part of the interest rate.</p> <p>Loan repayment period: This is the time over which you have to repay the loan. The period may also vary depending on where you get your loan. You should choose a repayment period that is most appropriate for your enterprise.</p> <p>Grace period: This refers to the period of time between getting the loan and when you have to start repaying it. Lenders usually understand that some enterprises may need a longer period of investment before realising profits. You should choose a grace period that is most appropriate for your enterprise.</p>	
6	<p>Visiting a lender</p> <p>Arrange for the members of the FBS to visit a financial lending institution or person in the area to discuss the terms and conditions under which credit is given.</p> <p>Before doing the exercise, participants will need to identify lending institutions or individuals in the area. These may be banks, micro-finance institutions or moneylenders. Find out a little about each one. If they have any printed information about getting loans from them, you should try to get hold of it. Choose at least one of each kind of source so that the participants are exposed to each of the different kinds of credit sources available. In this exercise you will organise teams to visit these persons or organisations. Therefore choose enough so each team can visit at least one lender.</p>	
7	<p>Organise the participants into teams of three to five depending on the number of lenders you have chosen. Refer participants to the Directory on page 83 and explain that you have chosen some lenders that they are going to visit. Assign at least one lender per team from your list. Ask them to visit their assigned lender and find out about the four conditions of a loan - the interest rate, loan repayment period, grace period and bank charges. Encourage them to ask additional questions and to collect any printed information available. Advise the group to be specific in getting the information, noting if the loan is seasonal, short term, long term and for what type of enterprises. Agree on a time to return to the FBS. Send the teams into the field.</p>	 <p>Page 83 Directory of credit providers</p>

Sr.	Steps	Resource Material
8	<p>Reporting on the visit to individual lenders or lending institutions</p> <p>When the teams return, ask each group to present its findings to the rest of the participants. As each teams reports back write the information on the board.</p> <p>After all the teams have reported, encourage the participants to compare the information. Which lender has the lowest interest rate? Which lender has the highest interest rate? Do all the lenders have a grace period? How do the repayment periods compare?</p> <p>After the details of the four conditions have been discussed and compared, ask the participants to rank the different financial sources. Encourage discussion. Were all the lenders ranked the same? If yes, why? If not, why not?</p>	
9	<p>Summarise the discussions by stating again that when farmers need to borrow money, they should investigate the best option. They need to be sure to find out about the terms and conditions from each lender that they are considering.</p>	

Meeting # 22: Group marketing





Objectives

By the end of this session, participants will be able to understand the concept of group marketing and its advantages and disadvantages to members. The session will also elaborate on different marketing channels and the costs of selling produce to these markets.



3 hours

Sr.	Steps	Resource Material
1	<p>Start the meeting by asking the participants to list the marketing channels and outlets they used last season. Write these on the board. Once a list has been compiled organise the participants into teams of 2-3. Ask them to discuss how they chose the marketing outlet they used. On what did they base their decisions?</p> <p>When the teams have finished, ask them to share their responses. Encourage discussion. Are the reasons they chose certain marketing outlets the same? Are they different? Why? Are there any new marketing outlets that they are thinking of selling to?</p> <p>Explain to the participants after the discussion that there are many different types of markets or marketing outlets. Some are close to the farmer; others far away. At some markets, the farmer can sell the products with very little packaging, handling and transporting. Other markets may require more packaging, handling and transporting. Each type of market requires different information, different skills, and different decisions. Farmers must carefully consider these requirements when choosing a market outlet. Most smallholder farmers sell their products at the farm or local markets because it is easiest and simplest.</p>	
2	<p>Explain that when marketing produce, it is also important to understand marketing costs. Understanding these costs will assist farmers to select marketing outlets that generate better returns for them.</p> <p>After this brief introduction, write the term "Marketing costs" on the board. Ask participants if they have ever taken produce to the market. Ask them to describe what they did and saw. The following questions can be used to guide discussion:</p>	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ What kind of produce did they sell? ■ How did they get the produce there? ■ Did they have to prepare their produce in any special way? ■ Did they use packaging? ■ How was the selling organized at the market? <p>Write the answers on the board. The purpose of this discussion is to get the participants to think about the different parts of the marketing chain and the costs involved.</p> <p>When the participants have given all their ideas, check to see if there are any important things missing. Explain that marketing involves much more than just taking produce to market and selling it. Some products need to be cleaned before they can be taken to the market. Some products need to be packaged. All products have to be transported. At the market place farmers may need to hire a stall or pay a membership fee. Each of these marketing activities cost money.</p>	
3	<p>Organize the participants into teams of three to five. Assign each group a different enterprise or product. Ask each team to discuss the stages in marketing produce. When the teams have finished, ask each team to share the stages they identified. Write the responses on the board. Encourage discussion. After the discussion, use page 85 to summarize the points.</p>	 <p>Page 85 Different stages in marketing produce</p>
4	<p>Ask the participants if they have been a part of a group marketing scheme or if they know of one. What was the experience? What were the benefits? What were the pitfalls? Divide participants into 3 groups, tell them to read the story on group marketing and respond the mentioned questions. Link their feedback with concepts of group marketing page 86 and highlight how different farmers took this initiative and gained more profit.</p>	 <p>Page 86 Together each achieves more - A case study</p>
5	<p>Organise the participants again into teams of three to five. Ask each team to think about the story again. Ask them to identify the important parts of the story that made the collective marketing work.</p> <p>When the teams have finished, ask each one to share one of the things they have identified. Encourage discussion. Why is this important? What would happen if they did not do this? What</p>	

Sr.	Steps	Resource Material
	<p>disadvantages were there in this collective marketing arrangement? With the help of discussion highlight the following:</p> <p>Some of the main points are:</p> <ul style="list-style-type: none"> ■ Rani actually visited the buyer in the city and negotiated directly with him. ■ The four farmers had a written contract among themselves. ■ The four farmers had a written contract between themselves and the buyer. ■ Rani had a verbal contract between herself and the transport. <p>Some of the things that could have gone wrong:</p> <ul style="list-style-type: none"> ■ Without a contract with the buyer, especially written contracts, the buyer would have been able to lower the price when they delivered. ■ Without a contract among them, they might have disagreed on something and they would have no way to solve it. ■ They were lucky with the transport contract. It should have been in writing. He could have suddenly increased the price. ■ One disadvantage is that once the contract is signed, the price is fixed. If they found a better price later, they would not be able to take it. 	
6	<p>Repeat this process until all the ideas are shared. Ask the teams to brainstorm the advantages and disadvantages of group marketing. When the teams are done, ask each team in turn to present the first advantage and disadvantage. Write them on the board under the correct heading. Encourage discussion. Is this really an advantage? Is this really a disadvantage?</p> <p>Ask participants if they would like to initiate a group marketing scheme. Encourage them to discuss ideas to start this process. Sum up the key points and remind participants about the next meeting.</p>	

Meeting # 23: Marketing our produce



Objectives

By the end of this session participants will have gained experience in marketing their produce and learning from the experience. These experiences will be shared.



3 hours

Sr.	Steps	Resource Material
1	<p>Explain the following: We have been studying and implementing our farm business plan. Now we have come towards the end of the season and our produce has to be marketed. We are all now going to be marketing our produce, document the whole process and share it with others.</p> <p>Ask the participants if which marketing outlets they plan to sell will send their produce and why. Write the responses on the board. Discuss some of the marketing outlets listed.</p> <p>Brainstorm on what they will do when they arrive at the market.</p>	
2	<p>Organise the participants into their enterprise groups. Ask each team to make a plan for marketing at least part of their product. They need to look at their marketing plans in their farm business plans and should answer the questions listed in the Handbook. When the teams have finished, ask each team to share their marketing plans. Encourage discussion. Have they covered all the important parts? Is anything left out? Will the plan work? If not, why? Ask them to consider following questions also:</p> <ol style="list-style-type: none"> 1) What product are they marketing? 2) Which market outlet will they use? 3) When will they go to the market? What day? What time? 4) What do they need to do to prepare their product for the market? 5) How will they get their produce to the market? 6) What arrangements do they need to make at the market before they can take their products there to sell? 7) How will they record the sales, the income and other information? 8) How will they share the transport and marketing costs? 9) How will they divide the income among the members of the team? 	

Sr.	Steps	Resource Material
3	<p>Remind each of the teams to record the process of taking produce to the market. This should be done even if the produce is sold on the farm. Wish them luck in this task.</p> <p>Clarify that not all of the teams will market their products at the same time. So the report back session will be held only after at least one team has done their marketing. The exercise will be repeated for each team that completes the marketing of their produce.</p> <p>When you learn that a team has marketed its produce you should agree on a time to report back to the class. You should help them prepare by going over their records and making sure that all is in order.</p>	
4	<p>Ask each team that has marketed its produce to report about their experience. They should use the notes they took to record the marketing process.</p> <p>After presentation of the marketing process, ask the participants how the process was done. Some of the questions to ask include:</p> <ul style="list-style-type: none"> ■ Was the price fair? ■ What was the basis for deciding the price? ■ Who conducted the marketing? ■ How long did it take to market the produce? ■ How was the product packaged? ■ What challenges did they face? ■ What will they do differently next time? <p>Repeat this process of reporting until all the teams who have completed their marketing have shared their stories.</p>	

Meeting # 24: Group buying and saving





Objectives

By the end of this session, participants will be able to understand the importance and advantages of group buying of inputs, the concept of group saving and credit and its advantages and disadvantages



3 hours

Sr.	Steps	Resource Material
1	<p>Start the meeting by asking participants to describe their experiences in buying inputs and equipment from other farmers, dealers, suppliers, retailers and manufacturers. Once all participants have shared their experience, ask participants to discuss the conditions of purchase.</p>	
2	<p>Explain to the participants that if they buy inputs as a group from dealers or suppliers there are good chances to get discounts as the purchase could be made in bulk. They could also make savings on transport. But first it will be necessary to be organised and take advantage of these opportunities. When organised as a group, money could be saved and the funds utilized to purchase additional inputs.</p> <p>Ask the participants if they have had experience in buying inputs as a group. What were the advantages and disadvantages? List some advantages and disadvantages of group buying.</p>	
3	<p>Ask the participants to explain where the money for savings comes from. Use the following parts to guide the discussion:</p> <ul style="list-style-type: none"> ■ Ask the participants to mention types of savings. ■ Ask the participants to discuss why people don't save. <p>After the discussion use the handout on page 89 to explain that saving money is normally difficult for smallholder farmers. However, if funds are mobilized as a group it should be easier. Ask participants to discuss the advantages and disadvantages of group saving for input buying.</p>	 <p>Page 89 Assessing group buying</p>
4	<p>Before this meeting starts make sure you have blank cards (about 20, the size of a business card) and a calculator with basic arithmetic functions.</p>	

Sr.	Steps	Resource Material
	<p>Ask ten participants to come forward and let each of them pick two cards. Ask them to write their estimated saving from last year on each card (in this way the two cards will have the same amount). Now ask another participant to come forward and take one card from each of the ten participants with cards and add the total value of all the cards collected.</p> <p>Ask the participants to put their second cards in a basket/box. Shake them up. Ask each participant who had a card to pick one card from the basket/box and read aloud the amount written on his/her card. Ask the participant with all the cards to tell the total value of all the cards collected from the others. Tell the 10 participants to compare the amount of money on each of their individual cards to the total value of all the cards</p>	
3	<p>Explain to the participants that this exercise shows that a group of farmers saves more money than any one single farmer. Ask them how the additional money could be used? Provoke discussion.</p> <p>Suggest that the additional money could be used to lend money to group members at different times of the year. This can be especially helpful when a farmer needs to buy inputs but is short of cash. Explain that in order to do so, the group would have to set up a system to manage the money. They would have to take turns borrowing the money. The group would also have to make sure that loans are given out fairly frequently and repaid on time.</p> <p>Ask if they would be interested in setting up a group for this purpose.</p>	 <p>Page 91 Tips to overcome challenges of contract farming</p>
4	<p>Before this meeting starts make sure you have blank cards (about 20, the size of a business card) and a calculator with basic arithmetic functions.</p> <p>Ask ten participants to come forward and let each of them pick two cards. Ask them to write their estimated saving from last year on each card (in this way the two cards will have the same amount). Now ask another participant to come forward and take one card from each of the ten participants with cards and add the total value of all the cards collected.</p>	

Optional

3-Hour meetings to be selected on the basis of group needs

Sr.	Steps	Resource Material
	<p>Ask the participants to put their second cards in a basket/box. Shake them up. Ask each participant who had a card to pick one card from the basket/box and read aloud the amount written on his/her card. Ask the participant with all the cards to tell the total value of all the cards collected from the others. Tell the 10 participants to compare the amount of money on each of their individual cards to the total value of all the cards</p>	
5	<p>Explain to the participants that this exercise shows that a group of farmers saves more money than any one single farmer. Ask them how the additional money could be used? Provoke discussion.</p> <p>Suggest that the additional money could be used to lend money to group members at different times of the year. This can be especially helpful when a farmer needs to buy inputs but is short of cash. Explain that in order to do so, the group would have to set up a system to manage the money. They would have to take turns borrowing the money. The group would also have to make sure that loans are given out fairly frequently and repaid on time.</p> <p>Ask if they would be interested in setting up a group for this purpose.</p>	

Meeting # 25: Understanding contract farming






Objectives

By the end of this session, participants will be able to understand contract farming and understand contract farming contracts



3 hours

Sr.	Steps	Resource Material
1	<p>Ask participants what they understand by contract farming. Enquire if anyone who has ever been involved in contract farming and what has been his/her experience? What type of product was sold under contract? What were the benefits? What difficulties did they face?</p> <p>Reviewing the note "Understanding contract farming" on page 91 of the handbook, explain the concept of contract farming. Mention that it involves individuals or groups of farmers entering into formal (written) or informal (verbal) arrangements for marketing their products.</p>	 Page 91 Understanding contract farming
2	<p>Ask participants to identify the advantages and disadvantages of contract farming. List them on the board. Discuss each one in detail.</p>	
3	<p>Ask the participants what they can do to overcome the challenges faced in contract farming? Using page 91 discuss some of the strategies to overcome the challenges. Emphasise the importance of group marketing as a key to negotiating a contract.</p>	 Page 91 Tips to overcome challenges of contract farming
4	<p>Ask participants if there are possibilities of contract farming page 92 for their enterprises. Encourage discussion. Write down the possibilities on the board. Encourage the participants to write them down too.</p> <p>Ask the participants if they are personally interested in getting involved in a contract farming venture? Ask why? Encourage discussion. Ask the participants the things they should look for</p>	 Page 92 Contract Details

Optional

3-Hour meetings to be selected on the basis of group needs

Sr.	Steps	Resource Material
	<p>when negotiating a contract. Lead the discussion to include at least the following points. Be sure they are written on the board:</p> <ul style="list-style-type: none"> ■ Contract duration ■ Quality standards ■ Production limits ■ Cultivation practices ■ Product delivery arrangements ■ Pricing arrangements ■ Payment procedures ■ Arbitration terms ■ Insurance arrangements <p>Use the following information to provoke the discussion:</p> <p>Contract duration: How long the contract will last. It is usually from the date of signing the contract to date of delivery of the products and payment.</p> <p>Quality standards : What are the quality requirements; for example size, colour, moisture content and grade.</p> <p>Production limits: How much must be produced and delivered by the farmer to the buyer; for example 5 ha per farmer or 5 tonnes per farmer.</p> <p>Cultivation practices: How the product will be produced, for example use of manure only, organic farming, not using certain pesticides, hand harvested.</p> <p>Product delivery arrangements: Where, when and how the product should be delivered; for example specific locations, time, mode of transport, packaging.</p> <p>Pricing arrangements: What price will be paid and under what conditions; for example price base on quality and price based on quantity.</p> <p>Payment procedures: How and when the farmer will be paid by the buyer; for example cash on delivery, payment after some days or months, paid by cheque.</p>	

Sr.	Steps	Resource Material
	<p>Insurance arrangements: How the product is insured against things like fire, hailstorms, damage in transport.</p> <p>Arbitration terms: Rules for settling disagreements between farmers and buyers. This usually include information on where to report conflicts</p>	
5	Divide the participants into three groups and ask them develop a simple contract using the headings listed above. Point out that it is very important to include all these aspects when preparing the contract.	

Meeting # 26: Contract appraisal




Objectives




By the end of this session, participants will learn how to examine a contract carefully and build skills in negotiating contracts.




3 hours

Sr.	Steps	Resource Material
1	<p>Organize the participants into teams of 2-3. Refer participants to the example contract given on page 94 of the handbook. Ask the teams to read and study the example contract and to identify its strengths and weaknesses for both parties: the seller and buyer. When the teams have finished, ask each team in turn to identify one strength and one weakness from the example contract. Write their answers on the board under the correct heading. Continue in this way until all the strengths and weakness are listed.</p> <p>Highlight some of the strengths:</p> <ul style="list-style-type: none"> ■ The farmer and the buyer both know how much land will be planted with rice ■ The price is clear ■ The farmers will be given production advice ■ The supply of inputs is clear ■ There is finance for the supply of inputs and other activities ■ Product quality is clear <p>Highlight the weaknesses:</p> <ul style="list-style-type: none"> ■ The contract does not say what will happen if there is hail, drought, flooding or other 'Acts of God' that reduce yield or quality ■ The contract does not say what will happen if the buyer or farmer does not meet part of the contract ■ The contract does not say what the terms of payment are. Is it cash on delivery? Is it payment after some days or months? ■ The contract is not clear about its duration. ■ The price of inputs is not clear. ■ The contract is not clear about who is responsible for transporting rice to the designated locations 	 <p>Page 94 Contract appraisal</p>

Sr.	Steps	Resource Material
2	<p>Ask the participants if they feel that this is a good contract for the farmers or not. If they were organized in a farmer group, would they be pleased to sign this contract? If yes, why? If not, how would they improve it for the farmers? Lead the discussion to the point that the participants understand that the farmers do not have enough protection under this contract. The weaknesses show all the areas that need to be changed to protect the farmers.</p> <p>Ask the participants how a contract for fresh produce like tomato or banana would be different from the example contract for rice. What will be the main differences?</p> <p>Explain that rice can be stored and transported easily. It is not easily damaged. Fresh produce can be easily damaged or spoiled due to rotting. Rice is easy to handle and package. Fresh produce needs special packaging and handling, so a contract for fresh produce would include more about:</p> <ul style="list-style-type: none"> ■ packaging requirements ■ quality requirements ■ transport requirement ■ storage requirements 	
3	<p>Negotiation skills</p> <p>This exercise will start with a role play. You will need to ask 5 of the participants to act the part of buyers and seller. The 5 participants should be selected before the meeting and their roles explained to them. They should have had time to rehearse the role play. The details are set out below.</p> <p>Actors: 3 farmers; 2 traders</p> <p>Setting: The farmers have just finished harvesting. There is a lot of produce in the village. There are many traders coming to the village offering various prices and terms.</p> <p>Issue: The three farmers are working together trying to get a better price for their produce. The two buyers are working together trying to get the produce at the lowest possible price.</p> <p>Action: The players discuss until they settle on an acceptable price and agree to the terms and conditions.</p>	

Sr.	Steps	Resource Material
4	<p>Explain the purpose of the session to the participants. Tell the participants to watch carefully as they carry out the role play, as they will have to discuss it afterwards. Ask the five participants to start.</p> <p>When the role play is completed, thank the actors. Start a discussion and ask the participants the following questions:</p> <ul style="list-style-type: none"> ■ What was the role play about? ■ How did both parties reach the agreement? ■ What did the farmers give up to reach an agreement? ■ What did the buyers give up to reach an agreement? ■ What did both parties hold on to reach an agreement? <p>After the discussion, using page 96 explain the concept of negotiation. Ask the participants to brainstorm on what negotiation means. Have they had any experience negotiating anything? What about negotiating at a shop? Have they ever had to negotiate a price for clothes? What about negotiating for marriage? How did the negotiations work? What was involved?</p>	 <p>Page 96 Negotiating contracts</p>
5	<p>Lead the discussion towards need for knowledge and skills in order to successfully negotiation. Write the following words on the board 'Things I need to know about negotiation'. Ask the participants what is needed to improve their position in a negotiation. Encourage discussion. Write their answers on the board, using the tips for successful negotiation given page 96 as a guide. Make up a comprehensive list.</p>	 <p>Page 96 Tips for successful negotiation</p>
6	<p>Write on the board 'skills I need to have for effective negotiation'. Ask the participants to identify the skills and abilities needed to be successful in a negotiation. Encourage discussion. Write their answers on the board, using the tips for successful negotiation given on page 96. Make up a comprehensive list.</p>	 <p>Page 96 Skills and abilities you need to have</p>
7	<p>Tell participants they now have two lists. One list is the things they need to know to strengthen their position in a negotiation. The other list is the skills needed to be successful in a negotiation.</p>	

Sr.	Steps	Resource Material
	<p>In this part of the exercise participants will assess whether they have the necessary information listed and the skills to negotiate effectively. They should also assess whether they are strong or weak in both aspects. Organise the participants into teams of two. Explain the exercise sheet given on page 97 of the Handbook - Assess Your Negotiation Knowledge and Skills.</p> <p>Ask the participants to indicate with a tick in their handout if they are strong or weak in that area. Encourage discussion within the teams for an honest assessment. Ask groups to work on all knowledge and skills areas listed.</p>	 <p>Page 97 Farm assessment audit checklist</p>
8	<p>When the participants have finished assessing their knowledge and skills, ask each team to share first the strongest and then the weakest skills.</p>	
9	<p>Ask each participant to identify their weakest skill and knowledge gap. Explain that these could be improved by training and understanding where the relevant information. Encourage the participants to make arrangements to get help in addressing these weaknesses. Ask if you should arrange for someone like the Extension Worker to help them with these skills and knowledge.</p>	
10	<p>Take a few minutes to review the key points covered in this meeting. Remind the participants about the next meeting.</p>	

Meeting # 27: Assessing and managing business risks





Objectives


By the end of this session, participants will be able to understand the various types of risks farmers face when planning more commercial farming operations & learn how to manage these risks.



3 hours

Sr.	Steps	Resource Material
1	<p>Brainstorm on what risk is. Explain that risk is defined as any factor that may cause losses to the farm business. Farmers may have little control over such risks. Some risks are external such as changes in market prices, low rainfall, etc. Some risks are internal, relating to the business. Farmers can control the internal risks. Most important to understand is that risk management is not a guarantee for increasing income. But farmers should be able to manage risk so that it has minimum negative effects on their business.</p> <p>In a full group session ask the participants to identify the major risks they face with their enterprises. Write their answers on the board under the appropriate heading. Refer them to page 99 in the Handbook and discuss in detail the 5 major risk categories associated with farming as a business i.e. production, marketing, finance, institutional and human.</p>	 Page 99 Assessing and managing business risks
2	<p>Work through the list of risks on the board. Ask the participants how they deal with these kinds of risks. Why do they use that particular strategy? How effective is it? Would they use the same strategy again? Why? Why not? Encourage discussion. A list of different risk management strategies are given on page 99.</p>	 Page 99 Risk management strategies
3	<p>Organise the farmers into teams of three to five. Explain that they are going to do an exercise about production risk. It will give them an idea how to assess the chances of a particular yield occurring for a commercial crop in the coming year.</p> <p>Give each team 10 to 20 counters and a large sheet of paper. (This can also be done on the ground). Ask each team to choose a different crop that they know about. Ask each team to agree on the minimum, average and maximum expected yields they can expect for their enterprise. Ask each team to do the following:</p>	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Draw a line across the paper. ■ At the left end of the line write down the lowest yield expected. ■ At the right end of the line write down the highest yield expected. In the middle write down the average yield expected. 	
4	<p>Allocate the counters to these intervals based on how likely they think the yield will be in this range. The yield they think they are most likely to get should get the most counters. The yield they think they are least likely to get, is given the least counters.</p>	
5	<p>Add up the counters in each interval and divide each number by the total number of counters used.</p>	
6	<p>While the teams are doing their work, write the following risks on the board:</p> <ul style="list-style-type: none"> ■ Uncertain and variable market prices ■ Greater chance of pests and diseases damaging a crop from more intensive agricultural production ■ Changes in climatic conditions ■ Failure in the production of a new commercial crop or livestock activity ■ Failure in the adoption of a new technique of production aimed at increasing yields in a commercial activity ■ Institutional risk as farmers rely more heavily on the support and regulation of organizations outside the village ■ Human or personal risk, such as injury to or the death of the head or main worker in the farm family ■ Borrowing risk that increases as farmers commercialize and borrow money to finance their new commercial operations. 	
7	<p>When each team has completed the exercise, ask them to share their results with the rest of the participants. Explain that the percentages they calculated are the chances of these events occurring. That is, the percentages are the likelihood that the uncertain yield will fall in this range in the coming production season. Encourage discussion. Ask, do teams with the same crops have the same expectations of yields and chances? Why? Why not? What factors did the teams take into account when deciding on the high and low yields? What factors did they take into account when deciding how many counters to put on each range?</p>	

Sr.	Steps	Resource Material
8	<p>Explain that now that they have calculated the likelihood that they will get a particular yield, the next thing to do is to think about what might affect yield. Ask each team to identify the factors that might affect yield.</p> <p>Ask each team to share one of the factors they identified. Write these on the board. Continue until all the possible factors have been identified and written down.</p> <ol style="list-style-type: none"> 1. Ask the participants to agree on the most serious risk in the list 2. Ask each team to develop strategies to manage the chosen risks. 3. When the teams have finished, ask each team to share the results of their discussions. How do the risks and strategies compare between the teams? Will the identified strategies work? Are they feasible? Are there any other ideas? Encourage discussion. 	
9	<p>Get the farmers to look at the risks on the board. Ask each team to choose a risk from the list. Ask them to write their risks in their handbooks on page 100.</p> <p>Ask each team to consult and agree on the following four things:</p> <ul style="list-style-type: none"> ■ The impact of the risk if it occurs ■ The financial consequences if it occurs ■ The likelihood it will occur ■ The risk management strategy they should use <p>As they agree on their answers, they should write these into their handbooks under the headings given on the board. When each team has completed the task, ask them to share their work with the rest of the participants. Encourage discussion. Do they all agree on the likelihood and consequences of the risk? Why? Why not? Will the identified strategies work? Are they feasible? Are there any other ideas?</p>	 <p>Page 100 Notes</p>
10	<p>Take a few minutes to review the key points covered in this meeting. Remind the participants about the next meeting.</p>	

Meeting # 28: Benchmarking






Objectives

By the end of this session, participants will be able to compare the performance of farms with a view of finding ways to improve farming operations.



3 hours

Sr.	Steps	Resource Material
1	<p>In order to do the benchmarking exercises, you will need to visit some farmers in the area that are performing above average. The farmers who are performing well can be used as a benchmark of performance. Before running this session you will need to identify which farmers to visit and inform them in time to prepare for a visit by the FBS participants.</p>	
2	<p>Ask the participants if they have heard of the concept of benchmarking. They should be encouraged to share this knowledge with the group. Encourage discussion. After the discussion, explain the following using the handout on Benchmarking on page 101 of the handbook. Benchmarking is a continuous process of comparing the performance of one farm against another that is recognized as performing well. It involves gathering information from farmers and comparing it with information from the more successful farmers in the area.</p>	 Page 101 Benchmarking
3	<p>Organize the farmers into their enterprise groups. Each group should consist of three to five participants. Explain to them that they are market-oriented farmers and will really benefit from benchmarking. To carry out a benchmarking exercise they will need to collect information from both farms to allow a comparison to be made in performance.</p> <p>Ask the participants to brainstorm some of the things that they would like to compare with other farms. What aspects of their farms should be compared? Start with a crop enterprise that is common to all of the participants. Write their ideas on the board. Lead the discussion to the following aspects of the farm business:</p> <ul style="list-style-type: none"> ■ Land ■ Labour ■ Capital ■ Input supply 	 Page 101 Benchmarking

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Production ■ Post-harvest marketing ■ Infrastructure ■ Management <p>Ask the participants to review these aspects in their handbooks on page 101. They should use the Notes page overleaf if they need to add information.</p>	
4	<p>Start a discussion about the kinds of questions they should ask, referring to the different parts of their farm business. This could start with Land. What information do they need to know about the land they use on their farm? Write their answers on the board under the heading Land. See the example below.</p> <ul style="list-style-type: none"> ■ Land ■ What is the total farm area? ■ What are the individual plot sizes? ■ How far are the plots from home? ■ Who owns the land tenure? ■ How much land is planted to the different enterprises? ■ Is there any intercropping? How much? ■ What is the condition of the land? Fertility? Erosion? <p>Repeat the process for each of the aspects listed on the board, for detail of other aspects review the Handbook.</p>	
5	<p>Explain that the next exercise requires that the participants have information on hand about their farms. They will need information to answer the questions they have just developed. Some of the information is technical and requires numbers. Other information is more general. They will need to collect this information before conducting the benchmarking exercise. A list of some of the indicators of performance is given on page 101 of the Handbook. These are presented in the form of a checklist of questions to be used during the exercise. The participants will be expected to prepare a similar checklist for the field work.</p> <p>Ask the participants when they are likely to be ready with the information. How long will it take them to gather it? Agree on a date and time for the next session. Suggest that they call on the extension worker to help them gather the information needed.</p>	 <p>Page 101 Benchmarking</p>

Sr.	Steps	Resource Material
6	<p>Explain that the data that they collect will be compared with similar data on the selected benchmark farms. To facilitate this process each of the enterprise groups should decide on single enterprise for performance comparison. The groups should spend the necessary time collecting data. Some of the information could come out of the records kept. Some consensus should be reached within the groups on the indicators chosen. This will require group meetings, discussion and debate.</p>	
7	<p>When the data has been collected, explain the following: Now that we have done this work, we have enough information to compare your farms with a benchmark farm. In our next session, we will visit the benchmark farms to compare performance. The purpose of the visit is to gather information from the benchmark farmers. You will use the same checklist of information that you collected for you selected enterprise since the last session.</p> <p>Remind the participant groups to bring writing materials - exercise book, pen, pencil etc. during the benchmarking visit to record the information that will be collected.</p>	
8	<p>Organise the farmers into their enterprise groups. Then visit the farmers you identified and discuss the benchmark questions. The groups should be mindful to identify areas where their farms are performing weakly and well compared to the benchmark farm. It is the weak areas, however, that will require attention. They should try to identify the cause and effects of the difference in performance. When all the information has been collected return to the FBS.</p>	
9	<p>On return to the FBS each group should analyse the information collected and summarise the comparison. After each team has completed this task they should present a brief summary of what they learned. Ask them also to share one or two of the most important things they need to improve to improve their performance. Encourage discussion.</p> <p>After each team has presented, ask them now to think about what actions they will take to improve their performance. They should propose actions for implementation for each of the areas where</p>	

Optional

3-Hour meetings to be selected on the basis of group needs

Sr.	Steps	Resource Material
	<p>they need to improve. Ask them to think about the following questions:</p> <ul style="list-style-type: none"> ■ If you are weak on a factor, where can you get help from? ■ Why do you think that this source can be of assistance to you? ■ How can it help you to improve? 	
10	<p>After the teams have made a plan for one or two of the actions they need to take, ask them to share these with the rest of the participants. Encourage discussion. Will the action they propose work? Is there another action they should consider?</p>	

Meeting # 29: Characteristics of an effective entrepreneur



Objectives

By the end of this session, participants will be able to understand what is an entrepreneur, identify the characteristics of an entrepreneur, conduct self-assessment of entrepreneurship skills & visit a local entrepreneur




3 hours

Sr.	Steps	Resource Material
1	<p>The first exercise is a panel discussion with local entrepreneurs. Several days before the activity, you will need to arrange a level with 2-3 well-spoken and successful entrepreneurs. Preferably, they should be people with whom the participants can identify. They should be working in something related to agriculture such as processing, marketing, etc. Each panel member will need to be briefed as to the purpose of the panel discussion. They should each be asked to present a 5-10 minute story about themselves and the business they are managing, after which they should be prepared to answer questions.</p> <p>You may want to organise refreshments to be served after the panel interviews are done. Also, the follow up session for this meeting is a visit to a local entrepreneur. You will need to confirm with the FBS participants if they want to do this. If so, you will need to make the arrangements. Instructions are given in the guidance for visit session, but since you will have a number of entrepreneurs for this meeting, you may want to discuss this while they are present.</p>	
2	<p>Panel discussion with local entrepreneurs</p> <p>The session should start about one hour before the panel members arrive. This will give the participants time to brainstorm the questions they want to ask the panel members. Before the panel members arrive, explain that in this meeting we will look at entrepreneurship. We will try to understand what an entrepreneur is and what qualities an entrepreneur has. This will be done in two ways. First will be a panel-discussion which will involve two or three local entrepreneurs during which we will identify the characteristics of entrepreneurs. The second will be an exercise to identify which of these characteristics the participants have.</p>	

Optional

3-Hour meetings to be selected on the basis of group needs

Sr.	Steps	Resource Material
	<p>Explain that some local entrepreneurs will be telling their stories. Our job during these stories is to write down in our exercise books the characteristics or qualities of an entrepreneur that the panel members demonstrate. Brainstorm the kinds of questions the participants can ask the panel. Some possible questions to ask the panel are:</p> <ul style="list-style-type: none"> ■ Why did they start the business? ■ How long have they been in their business? ■ How long did it take to start making profits? ■ How did they know they could make a profit? ■ What is the most important thing to do as an entrepreneur? ■ What do you need to be careful about as an entrepreneur? ■ What are the most important characteristics of an entrepreneur? ■ What about risk? Are they risk takers? 	
3	<p>Introduce the panel members. Ask them to tell their stories. Encourage the participants to ask questions. After this, thank the panel members. Invite them to stay for refreshments. Invite them to stay for the next session, if they wish to.</p>	
4	<p>Explain that now that we have heard from a few entrepreneurs, we are going to try to consolidate our learning. While listening to the stories of the guests, the participants made notes on the characteristics of an entrepreneur. Organise the participants into teams of three to five. Ask each team to share their findings with each other. They should work together to agree on five key characteristics of an entrepreneur.</p>	
5	<p>When all the teams are done, ask someone from each group to write their five key characteristics around the centre circle. Each team should come up one at a time and give a brief explanation of each of the characteristics they agreed on. As the characteristics go up on the board, watch for repetitions; group similar characteristics together.</p> <p>When all the teams have put up their characteristics, start a discussion about which of these are the most important. Facilitate the discussion until they have agreed on the 5 to 10 most important characteristics of an entrepreneur.</p>	

Sr.	Steps	Resource Material
6	<p>Explain that after developing the checklist, they can assess themselves as entrepreneurs. This will be done through interviews with each other. Ask each participant to review the Characteristics of an Effective Entrepreneur sheet on page 103 of the Handbook.</p> <p>Organize the participants into teams of two. Explain that in this exercise, their job is to interview each other to help each other assess to what degree each has these characteristics. Start with the first characteristic. Talk to each other about it. Do you have this characteristic? Are you strong in this characteristic? If not, then tick the "Weak" column. And if you are strong in this characteristic, then tick the "Strong" column. Do this for each of the characteristics in the list. You may or may not have the same ratings. This is not important. What is important is that you make a truthful assessment.</p> <p>Ask each team to interview each other about their entrepreneurial skills and to complete their assessments. When the teams have finished, ask participants to share their assessments with others. Encourage discussion.</p>	 <p>Page 103 Characteristics of an effective entrepreneur</p>
7	<p>Explain that this exercise should have helped you to identify your strengths and weaknesses as entrepreneurs. The idea is to now help each other to build on strengths and to strengthen weaknesses. To do this the FBS has a challenge.</p> <p>The participants for whom a characteristic is their 'strongest' should help the participants for whom the same characteristic is their 'weakest'. They should meet to discuss the characteristic and how they can make it a strength. At future meetings, progress can be shared.</p>	

Meeting # 30: Value addition





Objectives


By the end of this session, participants will be able to understand value addition as a concept and to identify new ideas about value addition that they can pursue individually and through group activities




3 hours

Sr.	Steps	Resource Material
1	<p>Before starting with this section the participants must obtain information on the price of 1 kg of fresh potatoes and 1kg of potato chips or look for a product that is common in the area.</p>	
2	<p>Show the two potatoes (clean and dirty) and ask the participants if they had to buy the potato, which one would they buy? (Most may say the clean one). Ask them if a sack of clean potatoes and a sack of dirty potatoes were kept in a shop, which would be likely to fetch a higher price? Why?</p> <p>Now show participants the three packets of rice. Ask them that if they were to take the three forms of rice to the market, which one do they think will fetch the best price? Why? Hold up the nicely packed one and ask how many of you think this will fetch the highest price? Why? Which packet of rice is likely to receive the lowest price? Why?</p> <p>Guide the discussion towards the fact that price was enhanced due to the following:</p> <ul style="list-style-type: none"> ■ Cleaning of rice ■ Grading of rice ■ Packing and packaging of the rice <p>Discuss the concept of value addition and refer participants to page 105.</p>	 Page 105 Value addition
3	<p>Explain to the participants that this discussion is about "Value addition through post harvest handling". Now show participants the fresh potato and the potato chips. Explain that the main input for potato chips is potatoes. The price of 1 kg of fresh potatoes is 50. But the price of 1 kg of potato chips is 250.</p> <p>Note: determine prices as per local scenario</p>	

Sr.	Steps	Resource Material
	<p>Ask why the chips are more expensive than the potatoes? Lead the discussion to the understanding that the chips are more expensive because value has been added to the potatoes through processing. It is important to also consider the cost of processing the potatoes to potato chips.</p> <p>Explain that in this meeting we will look at "adding value" to farm production through both post-harvest handling and processing. First we will start with post-harvest handling.</p>	
4	<p>Ask the participants to think of the different things that are done to a product after harvesting. Write the answers on the board and refer them to page 105 and discuss different examples of value addition through post-harvest handling.</p> <p>Explain that this list will not apply to all products. The next step will be to look at the post-harvest handling for the group products and organize the participants into group products.</p> <p>Develop a post-harvest handling chain for the group product. They may refer to the list on the board. To do this they should agree on all the things that are done to the product after harvesting. They should write them into their exercise books. They should number them according to the order that they would happen. For each thing they have written down, they should discuss how it adds value to the product.</p> <p>As the groups are working on their lists, check on their progress and offer help. You want to make sure the lists are complete and that the activities are in the correct order. The process shows the chain of the product as it gains value at each stage.</p>	 <p>Page 105 Value addition</p>
5	<p>When these tasks are done ask each team in turn to come to the front and act out or demonstrate the things that happen to their product after harvesting. The first person in the team should start by holding up the picture of their product and introducing the product. He should then hand the picture to the next person who explains the first thing that is done to their product after harvesting and how it adds value. He then hands the picture to the third person who explains the next thing that is done and how it adds value. This process should continue until the entire list of post-harvest activities is completed.</p>	

Sr.	Steps	Resource Material
	<p>As each team presents, ask questions and encourage discussion. Do the rest of the participants agree with what the team is presenting? Have they left anything out? Have they put something that does not actually happen?</p> <p>The process shows the chain of the product as it gains value at each step.</p>	
6	<p>When all the teams have presented, start a discussion about the farmers' role in post-harvest handling. Who could or should perform each step? Do all farmers do it? Why? Why not? Some possible answers are given below:</p> <ul style="list-style-type: none"> ■ They do not know how ■ They consider it expensive ■ They do not perceive the value or importance ■ They have immediate need for cash and therefore sell off their produce ■ They do not have additional time or other resources (e.g. tools, machinery) for undertaking some processes 	
7	<p>Organize the participants into teams of three to five based on enterprises they are currently managing. Ask each team to think about the post-harvest handling of their product. How could or should the product be handled after harvesting? Are they doing this? If not, why not? Who is doing it? How do you think this affects the prices they are getting at the market? Can they make a plan to help one another to do this work? When the teams have finished their discussions, ask each team to report back to the FBS. Encourage discussion.</p>	
8	<p>Explain to the participants that in this exercise they will look at how to add value to a product through processing. Ask the participants if they can think of any examples of products that are processed into a new product before they are sold. Refer them to page 105 for some examples adding value through processing.</p> <p>Try to bring along samples of each product being shown as example. Ask participants why farmers do not add value through processing their products. Again responses may be as above</p>	 <p>Page 105 Value addition</p>

Sr.	Steps	Resource Material
9	<p>Organize the participants into teams of three to five based on common enterprises they are currently managing and ask each team to brainstorm about how their product could be processed to add value. They should identify what can be done, such as potatoes can be made into potato chips; groundnuts can be made into peanut butter. They should also identify who would actually do the processing. Can they do it themselves? Does it have to be done by someone else? Would they like to process their product in this way? Who would do it?</p> <p>When the teams have finished this work, ask each team to share their work with the rest. Encourage discussion. Do the others agree with their ideas? Do they want to form teams to work on putting these ideas into action? Encourage them to work together on this. They will need to investigate the possibilities and find out what is required. Ideally you want to encourage the participants to form teams that can work together in taking their ideas further. Encourage them to investigate more and to report back at another meeting.</p>	
10	<p>If the participants choose to visit a local value-adding entrepreneur, then you will need to make arrangements before the day of the visit. Some possibilities to visit include:</p> <ol style="list-style-type: none"> 1. Produce packing house 2. Dairy processing 3. Egg packing 4. Abattoir 5. Vegetable freezing 6. Fruit drying/juice making <p>First you will need to consult the participants regarding their areas of interest. It is entirely possible to visit more than one value-adding entrepreneur. You will need to arrange with the entrepreneur to receive the FBS participants and to give them a tour of the business. You should consult with him about the programme and the kinds of questions the participants will ask.</p> <p>Suggested programme:</p> <ul style="list-style-type: none"> ■ Introduction of FBS participants and host entrepreneur ■ Brief explanation of the value-adding business by the host ■ Tour of business 	 <p>Page 106 Questionnaire (Survey for value addition)</p>

Optional

3-Hour meetings to be selected on the basis of group needs

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Thanks ■ Departure <p>Refer participants to page 106 questionnaire for a survey to value addition related businesses.</p>	
11	<p>Organize the participants into teams of three to five. Explain that they will be visiting someone who is a value-adding entrepreneur. Tell them the name of the entrepreneur and his business. Tell them also about the products he processes and what the business does with the product (e.g. it processes pineapples into pineapple juice). Explain that the purpose of the visit is to learn about possibilities for adding value to one of the products they are currently producing. Before going to the business, they need to brainstorm the questions they will ask.</p> <p>Explain the program for the visit that you have to discuss with the hosts about Production, Marketing and Organization of value addition related businesses.</p> <p>Ask each team to think of 2-3 questions for each of the following themes: Production, Marketing and Organization. When the teams have completed their work, ask each team to share the questions they have come up with. Ask each team to share one question, and then ask another team to share one question. Write the questions under the appropriate headings. Continue this process until the teams have shared all their questions.</p> <p>When all of the teams have reported encourage discussion. Use the questions suggested above as a guide during the discussion. Guide the discussion to agreeing on the questions they will ask during the visit. When the discussion is done and the questions are all agreed, ask the participants to copy them into their exercise books.</p> <p>Next agree on who will ask which questions during the visit. Try to make sure that each participant asks at least one question. Also agree on how the answers will be recorded. Should one person take notes for everyone? Should everyone take their own notes? Should the person asking the question also write down the answer? When all the questions have been assigned, go to the business and carry out the investigation.</p>	

Sr.	Steps	Resource Material
12	<p>When the visit to the entrepreneur is over, return to the FBS and organize the participants into the same teams that worked together on the questions. Ask each team to go over the questions and answers they have recorded. Remind participants about the three aspects of the questionnaire used for the survey i.e. production, marketing and organization.</p> <p>Starting with production, ask each team to share what they have learned. Write their answers under the appropriate headings. Encourage discussion. Does the value-adding business seem to make money? Does it seem easy or difficult to do? Are there many risks? When the discussion is done, ask the participants if they want to look into being in this or another value-adding business or starting such a business of their own.</p> <p>If the participants seriously want to consider this further, then they should form a small task team to study this more. Suggest that they contact the local extension officer or business support officer for more help with this.</p>	
13	Review the key concepts and remind participants about the next meeting.	

Meeting # 31: Assessing the benefits of the Farm Business School




Objectives

By the end of this session, participants will have reflected on the last production season and identified follow-up assistance.



3 hours

Sr.	Steps	Resource Material
1	Begin the meeting by welcoming the participants back to the FBS. Share the objective of the meeting, and ensure that everyone has brought his or her handbook.	
2	Explain to the participants that evaluation is a process of checking if planned activities have been implemented according to plan and if the objectives and goals have been met. Evaluation also helps to find ways to improve on future plans/activities. Tell the participants that this meeting will be dedicated to assessing the usefulness of the FBS, through two processes. First through a quick verbal check in the plenary, and then through a more detailed questionnaire in their respective enterprise groups.	
3	<p>In the plenary, ask the participants the following questions:</p> <ol style="list-style-type: none"> 1. Was the FBS a useful forum? If yes, why? If not, why not? 2. What was the most important learning for you? 3. Did you find the business plan preparation a useful process? Why, or why not? 4. Did you change anything on your farm as a result of the FBS? Share some examples. <p>Make sure that all the participants have a chance to share their thoughts and feelings. Make sure that these are noted.</p>	
4	To elicit more detailed feedback, organize the participants into groups of three to five with the same main enterprises on their farms. Explain to the groups that their task is to discuss how effective and how helpful the FBS lessons were when applied to their farms. The aim of the exercise is to improve the FBS lessons and to make sure they are relevant. Tell the participants that they are to use as a discussion guide the two lists provided on page 109 of their handbook. Make sure that there is a note taker in the group. Give the groups at least an hour to discuss the questions.	 <p>Page 109 Assessing the benefits of the Farm Business School</p>

Sr.	Steps	Resource Material
	Once the groups have completed their discussion, choose a few questions and facilitate a discussion. Ask each group to share a few experiences from their discussions. Have each group tell one experience. Then move to the next group. Repeat the process until all the groups have told all their experiences or until you see that the experiences are beginning to sound the same.	
5	Ask the participants about their future plans. Have they thought about what they want to do next season? What are some of the changes they want to make? What are some of the ideas they have? Encourage discussion. Remind them that towards the end of this part of the FBS program, they will make a new Farm Business Plan to help them through the next season.	
6	Based on the points raised by the participants, lead a discussion to identify suggestions from the participants to improve the way the FBS runs. Write their suggestions on the white board. [Keep a copy of the key points and the suggestions.	

Meeting # 32: Assessing the performance of the farm business plan




Objectives

By the end of this session, participants will be able to review farming operations at the end of the production year using the farm records and existing benchmarks.



3 hours

Sr.	Steps	Resource Material
1	<p>Preparation:</p> <p>Ask the participants to bring the farm business plans to this meeting.</p>	
2	<p>Organize the farmers into groups of three to five based on a common enterprise. Tell them that in their groups they should review the checklist given on page 114 of their handbook, and identify for each item whether they think it is something that they should do again, and whether they should do it differently. Tell them that this will require them to review past targets, e.g. farm goal, production plan, labor plan, market plan, etc. and assess how well they performed vis-à-vis targets.</p> <p>For those who achieved their goals, encourage them to discuss the key things that contributed to their success. For those who did not achieve their goals, ask them to identify the things that prevented them from achieving them. They should make notes on the checklist page.</p>	 <p>Page 114 Assessing the performance of the business plan</p>
3	<p>When they have finished, ask each group to present what they have discussed. Encourage discussion and try to identify key elements that contributed to achieving or not achieving results. During the discussion keep writing the key elements on the board under the appropriate heading.</p> <p>There are likely to be many factors that contributed to achieving or not achieving their goals. There may be a tendency for the participants to blame factors beyond their control for any deviation from the plan. You as a facilitator will have to make them realize that they should take responsibility for their actions.</p> <p>You will need to probe their answers and guide their thought process in order to accomplish this task. The following questions</p>	

Sr.	Steps	Resource Material
	<p>should be asked:</p> <ul style="list-style-type: none"> ■ Did they follow their plans? ■ If the plan did not work, what were the weak elements? ■ Why were they weak? ■ What should they have done differently? ■ What parts of the plans went well? ■ Can they be repeated? <p>Explain to the participants that they should remember these key points, as these will be important when they develop their next Farm Business Plan.</p>	
4	<p>Write on the board the following heading 'My Production Plan'. Draw two columns under this heading with the title 'Things I should do again' and 'Things I should do differently'.</p> <p>Ask them to discuss how well their production plan worked. The following questions can be discussed:</p> <ul style="list-style-type: none"> ■ Did it give the results they wanted or expected? ■ What problems did they have? ■ What worked? ■ What did not work? ■ What should be done differently next time? ■ Is there anything that indicates that it is not technically feasible to produce this product? Soil? Climate? Slope of land? Elevation? <p>Ask each group to present what they have discussed. Identify and write on the board key things that they should do again and things they should do differently. These will be important when they develop their next Farm Business Plan.</p>	
5	<p>Now write the following in the center of the board 'Physical Resources and Inputs'. Draw two columns under this heading with the title 'Things I should do again' and 'Things I should do differently'. Explain to the participants that. Ask the groups to discuss the success they had getting the physical resources and other inputs they had planned for. The following questions can be asked to facilitate this discussion:</p> <ul style="list-style-type: none"> ■ Were the resources and inputs available when they needed 	

Sr.	Steps	Resource Material
	<p>them?</p> <ul style="list-style-type: none"> ■ How were the prices? ■ How would they rate the suppliers in terms of reliability, price, quality of product, etc.? ■ Would they change suppliers? ■ Would they change products? <p>Ask each group to present what they have discussed. Identify and write on the board key things that they should do again and things they should do differently. These will be important when they develop their next Farm Business Plan.</p>	
6	<p>Now write the following on the board 'Labor planning'. Draw two columns under this heading with the title 'Things I should do again' and 'Things I should do differently'.</p> <p>Ask the groups to discuss what success they had with their labor plans. The following questions can be asked to fuel the discussion:</p> <ul style="list-style-type: none"> ■ Was the family labor available as planned? If not, why not? ■ Did they hire all the labor they needed? ■ Was the timing right? ■ Was the cost as they had planned? ■ How efficient was the labor? ■ Did they have enough labor? Too much? Too little? <p>Ask each group to present what they have discussed. Identify and write on the board key things that they should do again and things they should do differently. These will be important when they develop their next Farm Business Plan.</p>	
7	<p>Now write the following on the board 'Marketing'. Draw two columns under this heading with the title 'Things I should do again' and 'Things I should do differently'.</p> <p>Ask the groups to discuss what success they had with their marketing plans.</p> <p>Question the participants on the following:</p> <ul style="list-style-type: none"> ■ Did they meet their targets? If not, why not? ■ Did they get the prices they expected? If not, why not? 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Did they get the marketing costs they expected? If not, why not? ■ How were the markets? How many buyers and sellers? ■ Did it work out as you planned? ■ Did you use the transport you planned? If not, why not? ■ What was the quality of your produce? What will you do differently next time? <p>Ask each group to present what they have discussed. Identify and write on the board key things that they should do again and things they should do differently. These will be important when they develop their next farm business plans.</p>	
8	<p>Now write the following on the board 'Profitability'. Draw two columns under this heading with the title 'Things I should do again' and 'Things I should do differently'. Ask the following questions:</p> <ul style="list-style-type: none"> ■ Ask the groups to discuss what success did they have with their enterprise profitability? ■ Where the planned costs same as the actual costs? ■ If not, what was different? ■ Did they manage to save costs? If so, how? ■ Was the profit as planned? If not, why? <p>Ask each group to present what they have discussed. Identify and write on the board key things that they should do again and things they should do differently. These will be important when they develop their next farm business plans.</p>	
9	<p>Now write the following on the board: 'Cash availability'. Draw two columns under this heading with the title 'Things I should do again' and 'Things I should do differently'.</p> <p>Discuss the following questions:</p> <ul style="list-style-type: none"> ■ Ask the groups to discuss if they had enough cash for the enterprise? ■ If not, which months did they have shortfalls? ■ What did they do about it? ■ How close was their cash flow plan to what really happened? ■ What was the difference? Why? ■ What sources of finance did they finally use? ■ How accurate was their assessment? 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ What more have they learned? ■ Which is the best source? ■ What attributes helped you decide? <p>They should rate those sources in terms of the advantages and disadvantages they discussed during the Pre-Season training. Encourage discussion and try to identify key things that they should do again and things they should do differently. What would they do the again? What would they do differently? Write key learning points on the board under the appropriate heading.</p>	
10	<p>Now write the following on the board: 'Risk'. Draw two columns under this heading with the title 'Things I should do again' and 'Things I should do differently'.</p> <p>Ask the groups to discuss the following:</p> <ul style="list-style-type: none"> ■ What risks did you think you would face last season? ■ What plan did you put in place to handle the risk? ■ Which of those risks did you actually face? What happened and how did you handle it? ■ What risks did you face that you did not expect or plan for? What happened and how did you handle it? 	
11	<p>Explain to the participants that this exercise is aimed at reflecting on recordkeeping. Ask the participants to form a single group and share their thoughts on the overall process of evaluating their farm business plans.</p> <p>The following points should be discussed:</p> <ul style="list-style-type: none"> ■ What did this evaluation tell them about farm business plans? ■ What was the most valuable lesson they learned from this first evaluation? <p>You must encourage discussion and also encourage everyone to participate. Lead the discussion to the idea that a farm business plan needs to be clear and then it needs to be implemented. Plans, however, are not fixed. They have to be adjusted as they are implemented. Things change and new things develop. So farmers have to adapt their plans. But, they should stick to the overall goal.</p>	

Sr.	Steps	Resource Material
	<p>Next ask the participants to share their thoughts on the role of records in evaluating their farm business plans and their enterprises. The following points can be used to guide the discussion:</p> <ul style="list-style-type: none"> ■ Did they actually keep the records? ■ If they did, what help did the records give in the evaluation? ■ For those who did not keep records up to date, how easy/hard was it, to do the evaluation? <p>Lead the discussion to the idea that evaluating the enterprise or the farm requires that accurate records are kept. Once the discussion is concluded explain that records are important. They provide most of the information needed to do the evaluation. If good records are kept, then a farmer does not have to rely so much on his memory. His evaluation will be more accurate which means his next farm business plan will be better.</p>	

Meeting # 33: Choosing farm enterprises for the next season




Objectives


By the end of this session, participants will be able to systematically select profitable and appropriate enterprises for the next farm season



3 hours

Sr.	Steps	Resource Material
1	<p>Welcome the participants to the meeting, and share with them the meeting objective. Tell them that the subject of selecting an enterprise is not new for them, since they underwent this process before. However, in the last season each of them had prepared a farm business plan for one of their enterprises. In this session they will develop a farm business plan for the whole farm for the coming season.</p>	
2	<p>Tell the participants that this time their farm business plan will include all the enterprises on their farm. This will make the business planning more complex. They should, consequently, proceed systematically through the following stages:</p> <p>Stage 1: Selection of enterprises Stage 2: Developing a budget for the whole farm, preparing budgets for individual farm enterprises, including fixed costs Stage 3: Developing a market plan Stage 4: Developing a farm business plan</p> <p>Emphasize that while each of them will develop their own farm business plan and farm budget, like before they are encouraged to work together to help one another.</p>	
3	<p>Divide participants into 4 groups. Using page 116 ask the groups to discuss all the enterprises and products on their farms. Based on their experience from last season, ask them to list the enterprises that they want to include in the plan. They should generate a list of potential enterprises by asking the following questions:</p> <ul style="list-style-type: none"> ■ Which enterprises were the most profitable last season? ■ What new market opportunities did they learn about last season? 	 <p>Page 116 Choosing farm enterprise/s for the next season</p>

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ What enterprises are technically feasible for their farms? <p>Ask each group to share in the plenary their lists of enterprises. List these enterprises on the board. Ask participants to explain why they have chosen these particular enterprises. Explain that now that they have made this initial selection of enterprises, they will work on each one to make sure it is both profitable and possible to implement.</p>	
4	<p>It is likely that there will be 5 to 6 enterprises on the board. Now assign each enterprise to at least 2 groups (each group may end up with at least 3 enterprises) and ask the groups to calculate enterprise budgets for one of their assigned enterprises. They should calculate this for one acre if it is a crop and one unit if it is livestock. Remind the participants that the enterprise budgets are done on a per unit basis so that later they can calculate the actual budget based on the actual acres or number of livestock. Ask the participants to refer to handouts from previous meetings.</p> <p>When each of the groups has finished one enterprise budget, ask them to share the budgets with the rest of the participants. Encourage discussion. Have they covered everything? Does anything need to be changed? When the presentations are done, ask the groups to work out enterprise budgets for the rest of their assigned enterprises. Ask for at least one presentation per enterprise. Follow the process below:</p> <ul style="list-style-type: none"> ■ Do any of the enterprises make a loss? Which ones? ■ Which enterprises are most profitable? ■ How does this information influence their choice of enterprises for next season? <p>Ask the groups to review their enterprise choices based on the results of the enterprise budgets. Each participant should make a final list of enterprises that s/he wants to produce and market. Ask each group to share their final lists of enterprises.</p>	
5	<p>Explain to the participants that now you are going to check if it is possible to produce the enterprises you have selected. Tell them that for each of their chosen enterprise they must undertake the following:</p>	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Technical feasibility ■ Assessment of physical resources and inputs ■ Labor availability <p>Tell them that the above steps will allow them to make a final selection of enterprises for their farm business. Tell them that they should be clear about the main advantages and disadvantages of each enterprise? Are they convinced that they have made the right choices of enterprises? Do they want to change anything?</p>	
6	<p>When the discussion is done, ask the groups to discuss which enterprises each of their members will have for the next season. Each farmer can have his own combination of enterprises. In the end, each participant must state the following:</p> <ul style="list-style-type: none"> ■ Which enterprises s/he will have ■ How many acres and number of head (if they have a livestock enterprise) ■ The expected yield from each enterprise <p>When the groups have finished, ask each group in turn to share its plans. Start with one member of each group. Then move to the next group. As each farmer presents his plan, encourage the other participants to ask questions. Why has he chosen those enterprises? Were these the most profitable? Were there other factors?</p>	
7	<p>Conclude the meeting by referring participants to page 116 of the participant handbook, and once again highlighting that selection of enterprises should be a logical and systematic process. Farmers must make informed choices and each farmer must choose enterprises based on his own situation. No two farms are likely to be exactly the same.</p>	 <p>Page 116 Choosing farm enterprise/s for the next season</p>

Meeting # 34: Preparing a farm business plan




Objectives

By the end of this session, participants will reiterate the usefulness of farm business plans and develop their farm business plans for the coming season.



3 hours

Sr.	Steps	Resource Material
1	Welcome the participants to the meeting, and share with them the meeting objective.	
2	<p>Ask the farmers to think about the work they have done with business plans since starting with the FBS. Ask them if the process has been useful for them, and if so how? Write their answers on the white board. Lead the discussion to cover the following points:</p> <ul style="list-style-type: none"> ■ Every farm should have a written business plan. A farm business plan records all the important decisions about the farm. ■ Writing a farm business plan will improve thinking, decisions, communication and memory. ■ A farm business plan helps evaluate the success of the farm at the end of the season. (If the actual results do not occur as planned, the written record should help the farmer to evaluate what went wrong, whether better decisions could have been made. Without a written record, incorrect memories may cause incorrect changes.) ■ A farm business plan is very important for the creation or expansion of a business that processes products. Many new business ventures fail because they do not focus their efforts on properly implementing the plan. ■ The business plan is not something you complete and then forget about. It is a living document that will undergo change as you move through the business development and implementation process. ■ Focus on the quality of your business plan, not its length. A simple, clear plan is best. 	
3	<p>Remind the participants of the structure of the farm business plan. Write the following headings on the board:</p> <ul style="list-style-type: none"> ■ My farm business plan 	

Sr.	Steps	Resource Material
	<ul style="list-style-type: none"> ■ Background ■ Farm production plan ■ Market plan ■ Profitability ■ Cash flow and cash availability ■ Risks ■ Notes <p>Explain that they are now going to work on their farm business plans for the coming season. Even though they will be working in groups, they will complete a farm business plan for each participant. Ask them to take out their plan from the last season, and refer to the blank farm business plan form given on page 118 of the handbook.</p>	 <p>Page 118 My farm business plan</p>
4	<p>Remind participants about the first section, i.e. background information. Ask the groups to then discuss the vision and goals they have for their farm businesses. Remind them that they set goals before the last season. At the beginning of this set of sessions, they evaluated how well they did in reaching those goals. Now they should think again about goals. Do they want to keep the same vision and goals as last season? Do they want to change their goals and vision? After discussions, each participant should have an individual set of own goals and vision.</p> <p>When the groups have finished setting goals, you should ask at least one person from each group to share his goals. Encourage discussion. Does the goal sound achievable? Does it stretch the farmer? Is it too easy to reach? Ask the participants to transfer the visions and goals to the farm business plan - page 118.</p>	
5	<p>Explain to the participants that you have already decided on your production plan. So all you have to do is to transfer that information onto the correct pages. Ask them to copy this information into the section 2 of farm business plan on page 118 of the handbook.</p>	
6	<p>Keep the participants in the same groups. Explain the following: You have already done the market plan. So you already know the market price for your produce and your market plan. Therefore in this exercise all you need to do is to copy you individual market plan into your farm business plan - section 3, page 119.</p>	

Sr.	Steps	Resource Material
7	<p>Explain the following:</p> <ul style="list-style-type: none"> ■ You have already done your whole farm budgets. So you already know how profitable your farms will be. Therefore, in this exercise all you need to do is to copy your individual enterprise budgets and whole farm budget into your farm business plan. ■ Ask the participants to copy their enterprise budgets and whole farm budgets into section 4 of the business plan - page 119. ■ Now ask each team to discuss the fixed costs for each of their enterprises and to work out the total fixed costs. Remember that depreciation on equipment, machinery, and buildings should be estimated and added to the profitability section of the business plan - page 119. 	
8	<p>Tell the participants that they should now assess the cash flow and cash availability. Remind them of a similar exercise that they undertook in the last season. Tell them that this time it would be more complex because it involves the whole farm. But the process is the same. They will work through it step by step. First they must list the selected enterprises. Then they must think about the cost of production and marketing for each enterprise. Which enterprises will need cash and when? How much cash will they need? Ask each person to figure out how much cash will be needed each month.</p> <p>Next they should figure out if they will have enough cash each month. For each month where cash is needed they need to indicate how much cash is available? Each participant should have a table with these general headings although the items will differ depending on type of enterprises selected.</p> <p>Explain to the participants that the next step is to bring together all the information about cash flow and to decide on cash availability. Ask them to refer to the cash availability in their handbook - page 120.</p>	
9	<p>Now write the word 'Risk' on the board and explain to the participants that the following exercise would be aimed at assessing risk. Below the label of risk make two columns and label them 'Risk and what harm it can do' and 'How to handle the risk'.</p>	

Sr.	Steps	Resource Material
	<p>Explain that for this exercise they should think about their farms. Ask the groups to discuss the specific risks that they might face in their enterprises. They should think about changes in market prices, the possibility of low yields, increases in costs of production and other types of risks. For each risk they should also identify what harm it can do. Each risk they identify should be written down on page 121.</p> <p>For each risk they identify, they should decide on what they think they can do about it. They should write their answers on the page next to each risk. When the groups have finished, ask each group to share what they have written about risk to their enterprises. Encourage discussion. Have they covered all the risks? Will their plans to address the risks work? Are there any suggestions?</p>	
10	<p>Explain to the participants that they have now covered everything in their farm business plans. In the notes section of the farm business plan, farmers can write any other important information they need to record. It may be about where to get technical assistance and when it is required. It may be about setting up group marketing activities with other farmers.</p> <p>Ask each group to discuss if there is anything else they think should be included in the farm business plan. Whatever they decide should be written in the Notes on page 122. When each group has finished, ask each group to share what they have written. Encourage discussion. What do the other groups think? Are these notes useful to other groups?</p> <p>When the discussion is finished, ask the groups to look back over the farm business plan. They should check the information and make changes where they think changes are needed. When this is done, explain to the participants that they have just finished their second farm business plan. It is a very important step towards making their farms better managed and more profitable. Encourage them to take their plans to their extension worker to discuss. They may need to make changes. There is room in their books to write down any additional information they may want to record.</p>	

Meeting # 35: Developing an action plan




Objectives


By the end of this session, participants will have developed an action plan for the new season



3 hours

Sr.	Steps	Resource Material				
1	Welcome participants to this last session, and share with them the meeting objectives.					
2	<p>Write the following headings on the board:</p> <p>Action plan for my farm business plan</p> <table border="1" data-bbox="293 936 1174 1008"> <tr> <td>Action</td> <td>Duration</td> <td>Start date</td> <td>Responsibility</td> </tr> </table> <p>Keep the participants in the groups they formed to review their farm business plans and tell them that they will now complete an action plan, like they did in the previous season. The difference is that this action plan will be more complex since it will cover the whole farm and not just one enterprise.</p> <p>Advise them to start at the beginning of their farm business plan and identify every action that needs to be taken in order to implement the plan. Refer them to page 123 of their handbook for a blank action plan format. Remind them that for each action, they need to identify how long it will take, when it should start and who will be responsible. They should write their decisions under the appropriate heading.</p> <p>When each group has finished, ask them to share their list of actions. Write these on the board. Encourage discussion. Are the lists similar? If they differ, why? Have any actions been overlooked? Explain that the next step is to develop a seasonal calendar based on the action calendar.</p>	Action	Duration	Start date	Responsibility	 <p>Page 123 Preparing an action plan</p>
Action	Duration	Start date	Responsibility			
3	Organize the participants into their enterprise groups and ask each group to discuss the kinds of things they will need to do to continue learning about farm business management and how to continually improve their farms. Ask them to make a list of all the follow-up actions that they will need to take.					

Sr.	Steps	Resource Material
	<p>Here you should ensure that each group should discuss each of these actions in detail to ensure that everyone in the group fully understands what they are and how they will go about doing them. Encourage the groups to identify realistic follow up actions that will have a set outcome for a particular purpose. They should look at the plan as a whole. Encourage them to make plans for individuals and actions they can take on together.</p> <p>Ask each group to prepare a brief presentation that they will give to the other groups about the actions that they are going to take. Presentations should be fairly short and the group should select one or two people to do the presenting. Allow for a period of questions and answers at the end of each presentation. When they are ready, ask each group to make its presentation. Encourage discussion. Are the actions realistic? Are there actions for individuals? Are there actions for the group to do together? Did they leave anything out?</p>	
4	<p>Ask each group to look at the actions they have agreed on and to develop them into an action plan. The plan should explain when each action will be taken, the expected outcome and who is responsible. Advise the groups to use a seasonal calendar approach so that the plan can be easily understood. Explain that they will need to discuss each of the actions in detail to ensure that everyone in the group fully understands what they are and how they will go about doing them.</p> <p>Ask each group to prepare a brief presentation that they will give to the other groups about the actions that they are going to take. Presentations should be fairly short and the group should select one or two people (different people from the previous exercise) to do the presenting.</p> <p>When they are ready, ask each group to make its presentation. Encourage discussion. Are the plans realistic? Do they involve actions for individuals as well as for the group together? Did they leave anything out?</p>	
5	<p>Organize the participants into groups of three to five and refer them to page 124 of the handbook. Ask them to discuss the questions given there. Once all the groups have had the opportunity to respond, question by question, lead a discussion in</p>	

Sr.	Steps	Resource Material
	<p>the plenary. Emphasize that learning is a life long process, and with a very minimal effort, they can benefit each other, as well as other farmers in their areas.</p>	 Page 124 Ideas for a way forward
6	<p>Thank the participants for their active participation and involvement in the FBS. Conclude the meeting by wishing the farmers well and requesting them to continue to spread the learning to others.</p>	

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