

MALIS
2014



Facilitator Manual

Farmer Business School Training Program



MALIS - Improving Food Security and Market Linkages for
Small Holders in Otdar Meanchey and Preah Vihear Provinces -
Cambodia, 2012 - 2015



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Farmer Business School

Training Program Cambodia

Facilitator's Manual

MALIS - Improving Food Security and Market Linkages for Smallholders in
Otdar Meanchey and Preah Vihear Provinces - Cambodia , 2012 - 2015

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Foreword

Dramatic changes are taking place in farming worldwide as a result of urbanization, liberalization, improvements in access to markets, and a growing demand by farmers for more cash. Farmers are intensifying existing patterns of production and diversifying their farm enterprises through market led linkages with supply chain actors and value addition, in an attempt to improve their profitability and overall livelihoods. To achieve this, new individual farmer and Farmer Business Group management skills are required. Technical know-how is not enough!

In particular, farmers and farmer groups require guidance to help them to make the right choices between farming enterprises and how to work with supply chain actors to enhance income through linkages and value addition. To enable this process to happen, farmers and groups have to investigate the availability of technical knowledge, financial services, labor and quality input resources, and assess market demand and price for products, in combination with consideration for gender, cultural and environmental impacts, as well as risk analysis.

In an effort to strengthen farmers to change from farming for food to farming for cash, MALIS proposes to conduct a number of Farmer Business Schools (FBS). MALIS agribusiness consultants have developed localized training resource materials, which include a MALIS Farmer Business School Facilitator's Manual and a MALIS Farmer Business School Workbook for Participants. Both of these document a process for strengthening FBS', facilitators', farmers' and Groups' capacity in farm entrepreneurial and management skills. The FBS process enables farmers to learn and improve their knowledge, change their attitudes and enhance their skills through group discussion and 'learning by doing', with guidance from facilitators. The facilitation approach was inspired largely by the positive experiences gained from conducting Farmer Field Schools (FFS).

The Farmer Business School curriculum provides a list of facilitation topics for consideration at a series of meetings that take place at farm level, leading to the development of individual farm and Group business plans. It focuses on pre production feasibility studies and plans, has a series of meetings to monitor the plans throughout the season, and culminates in evaluation sessions that help farmers and farmer groups to consider what comes next.

I wish the facilitators and participants in the FBSs all the best, and look forward to positive results in facilitation skills development, farm production and profit, improved food availability, nutrition and other livelihood impacts.

Dr. Iean Russell
Project Manager
MALIS

References:

This publication has drawn upon the following references:

1. Farmer Business School Training of Farmers Program South East Asia Manual, RAP Publication 2011/6A, Food and Agriculture Organization of the United Nations (FAO).
2. Farmer Business School Training of Farmers Program South East Asia Workbook, RAP Publication 2011/06B, Food and Agriculture Organization of the United Nations (FAO).
3. Farmer Business School Training of Facilitators Program South Asia Workbook, RAP Publication 2011/05B, Food and Agriculture Organization of the United Nations (FAO).
4. Trainer's Manual to Form and Empower Groups for Sustainability 2012, Cambodian Ministry of Agriculture Forestry and Fisheries General Directorate of Agriculture, and VVOB, a Flemish INGO supporting agriculture extension in Kandal province Cambodia.

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SECTION 1: An overview of the FBS Process for Facilitators

About the Manual and Workbook: The FBS has 2 manuals that support the business school delivery process. They include a Facilitators' Manual and a Workbook for Participants. The Facilitator's Manual (this document) is intended to guide facilitators to strengthen farmers' capacity in entrepreneurial and management skills through a "learning by doing" approach. It outlines the session objectives, duration, and resource material requirements, and describes a series of discussion topics and practical exercises. These exercises aim at developing farmers' skills and competencies in business while improving their knowledge, changing their attitudes to view farming as an integrated business with supply chain actors, producing commodities targeted for the market. Participants will be given their own Workbook, with exercises and notes that correspond to the Facilitators' Manual topics. The FBS process helps farmers to learn from each other, in small groups, about topics relevant to their own farming environment, and at their own pace.

The Farmer Business School Training Documents

A Facilitator's Manual Handbook	A Participant's Handbook
This provides step-by-step guidelines that take the facilitator through key contents of the Farmer Business School Training Program.	A work 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.

The materials for the FBS are specially designed to work with limited resources. While participants need to be basically literate and numerate, they do not need to have had any significant formal education. Participants will be encouraged to form subgroups of 3-5 people, with each subgroup having someone who is literate, numerate and a fast writer. In this way, exercises can be completed and notes written within each subgroup, where the main learning experience occurs through listening and discussion. Those within the subgroup who have not kept pace with the numeric and written exercises, can catch up with assistance from subgroup leaders after the sessions, in their own time. Thus the pace of the meetings can keep moving, and the subgroup leaders learn to become informal facilitators themselves.

Farm Business Cycle and timing of FBS sessions

The FBS farmers' training program is comprised of group meetings, usually weekly and of 2-3 hours duration, structured before and around crop or livestock cycles. While much of the learning takes place in the classroom, the sessions include visits to surrounding farms and supply chain service providers, with the intention of providing real life linkages for market led development. The curriculum presents a menu of topics and practical exercises relevant to each group's real life situations. While the modules are in a sequential order - Introduction

Section 1: An overview of the FBS Process for Facilitators

to the FBS; Choosing a Feasible Enterprise; Group Activities related to that enterprise; Record Keeping; Monitoring and Evaluation - the modules, or part thereof, can be selected in any order, according to the participants' needs. The training parts and topics are designed around the following 4 Farm Business Cycle steps:

FARM BUSINESS CYCLE



Step 1 - Diagnosis is conducted prior to the beginning of the production season: In this part of the program, participants analyze their current situation, and identify possible interventions and training needs. They set up the FBS and learn how to run it. Farmers agree on what topics in the program they want to study and when they will hold meetings.

Step 2 - Planning guides participants to set goals for their farms and group and then to develop individual farm and group plans to achieve their goals.

Step 3 – Implementing and monitoring is conducted during the production season. In this part of the program the participants implement their individual and group plans, then monitor their progress against these plans, and make adjustments where necessary to achieve their goals.

Step 4 - Evaluating and making new plans is conducted after the production season. Farmers evaluate what worked, and what did not work so well. They re-assess their group businesses and make new individual farm and group plans for the next season.

The FBS program is linked to the crop or livestock production season (For example: A rainy season rice crop)

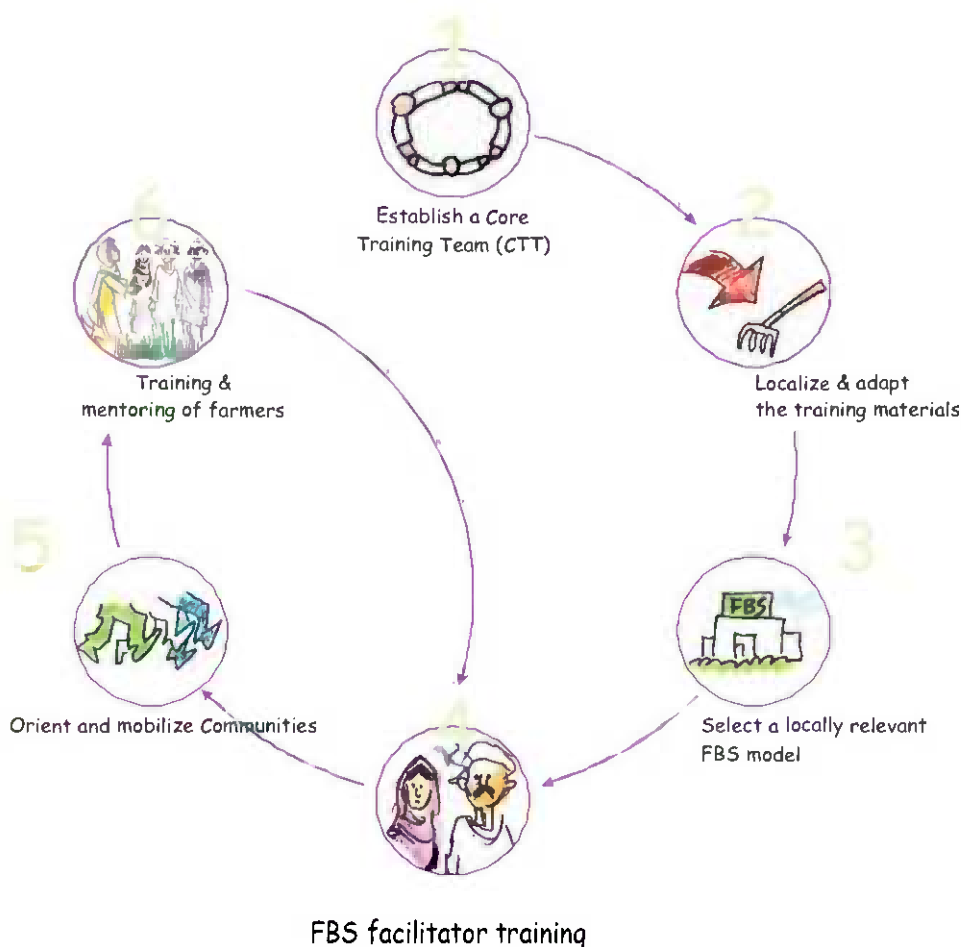
Farm Business Cycle Steps	Modules	August	September	October	November	December	January	February	March	April	May	June	July
Pre-season: Step 1:Diagnoses Step 2:Planning	1-11												

Section 1: An overview of the FBS Process for Facilitators

During Season: Step 3: Implementation	12												
Post-season: Step 4: Evaluation and re-planning	13-16												

Most of the sessions are in Steps 1 & 2 of the FBS and focus on learning if the business is feasible (able to be undertaken and is likely to be profitable) or not, BEFORE the farmers start, not looking at feasibility half way through or at the end of the production cycle when the farmers are already committed to the enterprise.

Developing a Farmer Business School Program



Section 1: An overview of the FBS Process for Facilitators

Managing and facilitation a FBS

Teaching versus Facilitation: A core principle of the FBS process is that facilitation is preferable to lecturing. The differences between both approaches are highlighted below:

Teaching versus Facilitation

Teaching	Facilitation
Teaching starts from teacher's own knowledge	Facilitator starts by assessing the knowledge of the group
Teaching follows a pre-set curriculum	Facilitator addresses issues identified by the group or their community and adopts new ideas to the needs and culture of the group
Teachers deliver lectures to a group of students - usually from the front of the room.	Facilitators use practical, participatory methods, e.g. group discussions and activities in which all members of the group participate
Information flows in just one direction, from teacher to student	Information flows in many different directions between the facilitator and participants and between individual group members
Teachers are concerned with students understanding the right answer	Facilitators encourage and value different views
Teachers have a formal relationship with students, based on the status of the teacher	Facilitators are considered as an equal to participants, and develop relationships based on trust, respect and a desire to serve

Section 1: An overview of the FBS Process for Facilitators

Facilitation skills and training techniques

Be ready	Develop and practice your session plan in advance
Be clear	Clearly identify and state your session's objectives and deliver it
Show respect	Through your effective communication skills (verbal and non-verbal)
Be friendly	In responding to questions and relationships
Be honest	Through a confident professional manner
Encourage participation	Encourage quieter participants to share ideas and questions and allow participants to talk more - use open ended questions frequently rather than questions which simply require a "yes" or "no" answer
Communicate effectively	Use simple appropriate words and tones - maintain eye contact and actively listen
Pay attention	Address the needs and feelings of the group
Be time sensitive	Make sure your session plan fits with the group's time available
Use multiple channels	Use different relevant training materials and tools to assist in conveying messages
Summarize	Go over the main session points at the end of the session

Section 2: Orientation and Mobilization of Communities

SECTION 2: Orientation and Mobilization of Communities

Steps in community mobilization

The following represent some important steps towards orienting and mobilizing the community for the FBS Program. Facilitators should:

- 1** Organize a village awareness meeting to learn how best to create awareness among farmers on the concept of the FBS. It may take more than one awareness meeting to get farmers interested and motivated in the FBS.
- 2** Identify influential people who can help you organize the first meeting. Ensure that they have a basic understanding of the benefits of a FBS. If you are not from the area, then ask the local extension workers for help.
- 3** Let the people ask you, the facilitator, questions. Try to get them involved in a discussion. Not all farmers will be interested. Some may also be opposed to the idea of a school. Listen to everyone's point of view, and determine whether there are enough people interested to form a FBS.
- 4** If you get a positive response to step number 3, propose to discuss the FBS at a village community meeting. Invite a Local Authority to officiate at the meeting. This gives the meeting more status, and shows that you are serious about what you have to say.
- 5** Write down the names and contact numbers of those who come. Encourage the farmers who are really interested in the FBS. They can be the "engine" to drive the FBS.

Tips for effective community mobilization

- **Build on local experience:** You need to believe that local people can come together to create positive change for themselves and for the community in which they live.
- **Find formal local leaders:** Local leaders are usually well connected in the community, understand what the FBS is about, and are willing to support it. Typically local leaders can be chiefs of the village, group leaders, the elderly, monks or priests, etc, and have some form of recognized "formal" leadership role. They understand the needs and opportunities of the community and are trusted and respected by lead farmers, villagers, community members, etc. Don't forget youth leaders as they represent the ideas of the next generation.
- **Find informal local leaders:** Informal leaders are those people such as early adopter farmers, or well respected people whose opinions are listened to in the local community. They are the people who will make things happen in a FBS.
- **Listen:** For building relationships it is critical that you listen.
- **Be patient:** Bringing people together for a first meeting in a FBS is a very slow process. Understand the pace of how local people organize their work and follow it.

Questions to ask before the first FBS Meeting

Facilitator's Attitude Assessment: To be a good facilitator, you must have the right attitude. Read the questions overleaf and answer them in the spaces provided.

FBS Facilitator attitude assessment form:

Name of FBS facilitator: _____

Think about the following questions and write what you honestly think in the spaces provided:

Form 1: Awareness of facilitators capabilities

1.1 What am I trying to do?

1.2 What are my strengths and weaknesses?

Section 2: Orientation and Mobilization of Communities

1.3 How do others see me?

1.4 What do I believe about people's ability to change?

1.5 Do my actions reflect my beliefs?

1.6 Do I have any problems working with other people?

1.7 Am I fully prepared to participate in the FBS?

Section 2: Orientation and Mobilization of Communities

Form 2: How to make the first contacts in the village

2.1 Who can I contact first to talk about the FBS informally?

2.2 What will I say in my conversation?

2.3 Are these contacts likely to agree or disagree with the idea of the FBS?

2.4 How many people will I have to talk to?

2.5 How long will this conversation take?

Section 2: Orientation and Mobilization of Communities

Form 3: Organizing the first meeting

3.1 How many people do I think will come to the meeting?

3.2 How many people do I think will be simply interested but not committed?

3.3 How many people do I think will be committed to the FBS?

3.4 When would a good date be to organize the first meeting?

3.5 What time of day will be good? How do I determine this?

3.6 What is the best place to hold the meeting?

3.7 How can I tell everybody when and where the meeting takes place?

3.8 How many house calls should I make to ensure people know about the meeting?

3.9 How do I need to prepare for the meeting?

Section 2: Orientation and Mobilization of Communities

Form 4: Presenting the FBS in the community

4.1 What are the main points I need to communicate about the FBS?

4.2 How do I make my presentation?

4.3 How will I handle any questions?

4.4 How will I conclude the meeting?

4.5 Do I need to hold more than one meeting? If so, how many?

4.6 If yes, how will I plan the other meeting(s)?

4.7 Do I need to make a list of names of those who are willing to actively participate in the FBS? How will I do this?

Section 2: Orientation and Mobilization of Communities

Identifying and selecting farmers

Flexibility is the main ingredient of the FBS. The FBS program can adapt according to local situations, farmers' necessities and their diversity. It should be pointed out that the scenarios below are not distinctive and there are likely to be situations when farmers can associate with more than one model type.

Scenario 1: Participants have not previously been set up as a group and have no knowledge of which enterprise(s) to work on.

Scenario 2: Participants have not been set up as a group but members know which enterprise to focus attention on.

Scenario 3: Participants have already been set up as a group but have no knowledge of which enterprise(s) to work on

Scenario 4: Participants have previously been set up as a group and have already chosen an enterprise.

Farmer Selection Criteria

Inform the community leaders of the following criteria for FBS participant selection. Leave the group leaders with a handout or flip chart with the criteria so they can review these in their own time, and select participants who fit the criteria.

- Leaders and key farmers in a functioning group with sound management that is interested in improving food security and market linkages for smallholders
- Can be representatives of larger groups who can pass on the FBS information and include the wider group in enterprise plans if desired
- Leading individual entrepreneurs who informally influence farmers around them
- Ideally 15-20 members for training efficiency, though the number could be smaller depending on the situation
- The male or female in the family who has the time and interest in group and/or individual business planning to attend. They should attend all sessions
- Other actors in the chosen supply chain (collectors, traders or input suppliers)
- Small holders with land and resources for agricultural production

Section 2: Orientation and Mobilization of Communities

- Participants with literacy and numeracy skills
- People who share similar enterprise ideas and objectives
- Those who are genuinely interested in market led farming for a profit
- Participants interested in planning for group activities like buying, selling, transport, value adding, contracts
- People interested in committing to the FBS program schedule
- Those interested in farmer to farmer learning during the FBS
- People who are honest and trustworthy

Advantages and disadvantages of being in a group

Discuss the following advantages and disadvantages with the group or enterprise group leaders to show them the overall benefits of working as a group.

- Farmers can make more profit by working as a group than as an individual, e.g. in terms of purchasing inputs, transporting, and marketing their produce for a better price
- Farmers can share experiences and knowledge
- Farmers can help each other (e.g. exchange labor)
- Resources and benefits can be shared amongst many people rather than going to just a few richer or more powerful people
- It is more attractive and efficient for support services such as credit and extension providers to work with groups
- A group of farmers can speak with a stronger voice
- Both male and female farmers can gain skills in leadership
- Social interaction improves relationships and business networks

Section 2: Orientation and Mobilization of Communities

Disadvantages:

- Group discussion and decision making takes a lot of time
- Leadership skills and knowledge may be lacking
- Some farmers do not follow the rules
- Some people do most of the work while others do not
- Some members may be 'free riders' who contribute little but expect an equal return
- Making equal contributions can be difficult
- There might be insufficient capital to start the enterprise

Some solutions might be:

- Have well facilitated meetings that do not take too long
- Have topics and a timetable chosen by farmers
- Have clearly defined roles and responsibilities
- Give training to group leaders so they can do their job well
- Have penalties for non performance of roles
- Allow different members to make different sized contributions
- Have a clear policy for distributing benefits according to each individual's contribution
- Investigate sources of capital from outside the group

Section 2: Orientation and Mobilization of Communities

Structure of the FBS Group

Consult with the community leaders and key farmers, preferably before the first Meeting, and write down the answers to the following culturally sensitive issues:

1 Should men and women be in the same group? If no, why not?

2 If you have a mixed sex group, will the men dominate the women? If they do, how can this problem be minimized?

3 Are there language, tribal or other cultural factors you need to think about before setting up an FBS? If so, what are these?

4 Are factors such as size of arable lands or numbers of livestock important? Will larger-scale farmers dominate smaller-scale farmers? How can these factors be considered?

Section 2: Orientation and Mobilization of Communities

Preliminary list of participants:

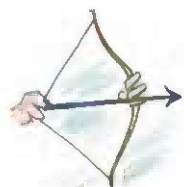
Conclude your investigations by asking the group leaders to write the names and details of the possible FBS participants on the form below :

Name of person interested in the FBS	Sex	Age	Name of Spouse	Read (R) and write (W) Numerate (N)	Land area	Contact Details

Section 3: Farmer Business School

SECTION 3: Farmer Business School Modules

Module # 1: FBS Introduction and Training Needs Analysis



Objectives

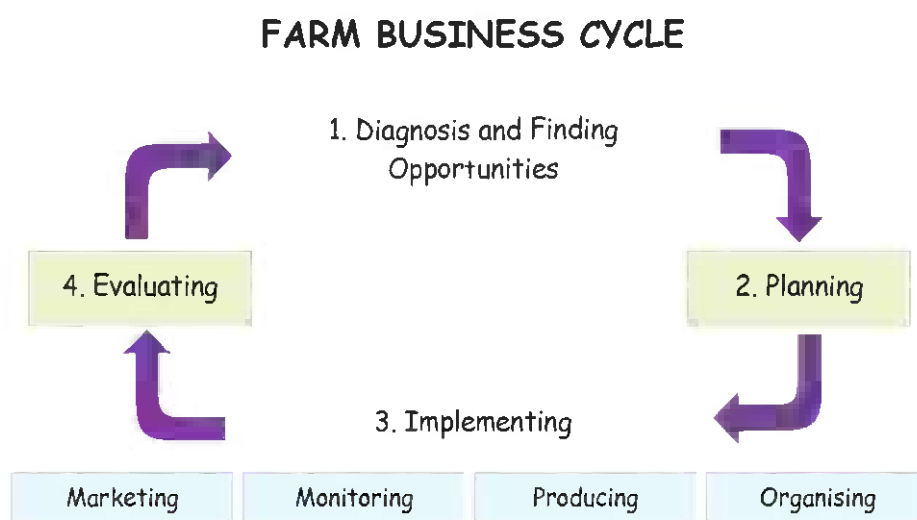
By the end of the session participants will understand the FBS concept and know how to start a FBS.




2 hours

1	Introduction by a Local Authority: Invite a commune or village authority to introduce you to the target group.	Refreshments Materials
2	Concept of the FBS: Explain to the audience that you would like to introduce the concept of a Farmer Business School (FBS) to them. Say that the purpose of a FBS is to help them to choose a profitable enterprise, link with supply chain actors to make an individual and group business plan, monitor the implementation of the plan, and evaluate the enterprise at the end to see if they should do it again or not. (Show them the Farm Business Cycle below on a flip chart). Indicate that the cycle goes round and around, and is useful for business development each season. Inform them that the FBS program is conducted by holding regular, usually weekly 2-3 hour meetings, which guide farmers through the Farm Business Cycle.	Pre- prepared Farm Business Cycle flip chart



Farm Business Cycle: Put up the following diagram on a flip chart. Explain that the FBS training and topics are designed around the following 4 steps:





Section 3: Farmer Business School

<p>2.1</p>	<p>Step 1 - Diagnosis is conducted prior to the beginning of the production season: In this part of the program, participants analyze their current situation, and identify possible interventions and training needs. They set up the FBS and learn how to run it. Farmers agree on what topics in the program they want to study and when they will hold meetings.</p> <p>Step 2 - Planning guides participants to set goals for their farms and groups and then to develop individual farm and group plans to achieve their goals.</p> <p>Step 3 - Implementation monitoring is conducted during the production season. In this part of the program, participants implement their individual and group plans, then monitor their progress against these plans, and make adjustments where necessary to achieve their goals.</p> <p>Step 4 - Evaluation and making new plans is conducted after the production season. Farmers evaluate what worked, and what did not work so well. They re-assess their group businesses and make new individual farm and group plans for the next season.</p>	 <p>Exercises 1.1 Farm Business Cycle and timing of FBS Sessions</p>
<p>3</p>	<p>Choosing a focus enterprise for the FBS: Ask participants about the individual and group agriculture related activities they are doing NOW on a commercial scale (products for sale). List activities on a flip chart. Ask participants questions about each enterprise using - what, who, where, why, when, how, how much - questions as a guide. Remember to get the HOW MUCH details because these figures can help us in introducing quantitative interventions to improve their situation when planning and budgeting later on in the FBS.</p> <p>Ask participants in small separate sex groups to select ONE enterprise for the coming season that they want the FBS training to focus on. Tell them that we use separate sex groups to make sure that both male and female ideas are heard without dominance of one sex over the other.</p>	


Section 3: Farmer Business School

	<p>Invite small group leaders to report their preferred enterprise to the whole group and to say why.</p> <p>The facilitator then writes the results on a flip chart, and selects the enterprise with the majority of votes.</p> <p>Leave the flip charts with the lists for 'existing' and the chosen enterprise with the group and ask members to copy these details later when they get their workbooks in meeting 2.</p>	 <p>Exercises 1.2 and 1.3 of workbook Enterprises List</p>
4	<p>Supply Chain analysis: Write 5 squares on a flip chart similar to Exercise 1.4 in the participant's workbooks. In the second to left square write the enterprise that the FBS wants to focus on e.g. rice, or chicken, or vegetables, etc. Then ask participants to name the other main actors in the supply chain, finishing with the main headings: INPUTS - PRODUCERS - COLLECTORS - VALUE ADDERS - SELLERS.</p> <p>Then ask them to name the problems they are having with each actor in the supply chain. Write their ideas on the flip chart under the appropriate heading.</p> <p>Conclude by saying the FBS will guide participants to find solutions to the problems they have identified in their chosen supply chain, and in this way help them to make more profit for their individual and group activities.</p>	 <p>Exercise 1.4 Supply Chain boxes</p>
	<p>Training Needs Analysis: Selecting the 10 most important topics for training: Hand out a proposed list of topics for the FBS, copied from the table of contents Exercise 1.5. Explain each topic to the whole group. Split participants into same sex groups of 3 males and 3 females per group and ask each small group to discuss the topics and select the topic that is most important for them to study. Ask them to give that topic a ranking value of 10. Then ask them to look at the list again and select the next most important topic, giving it a ranking of 9. Continue this process until they give a value of 1 for the 10th most important topic. Ask each group to hand in their papers for the facilitators to analyze.</p>	

Section 3: Farmer Business School

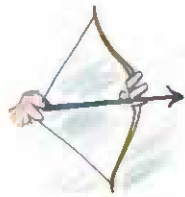
5	<p>Note: The ranking result will help the trainers to focus on the 10 most important topics so that the training is relevant to the participants' interests and needs.</p>	<p>Handouts with a list of topics from the table of contents</p>
5.1	<p>Rating individual skills against each topic:</p> <p>Explain that you would like each participant to rate their knowledge from 1 to 5 for each of the 10 priority topics, on the Training Needs Analysis sheet in their workbooks. Participants should give a 1 for low knowledge, 2, 3 or 4 for moderate levels of knowledge, and 5 for a high level.</p> <p>After they have noted down personal ratings for 2 or 3 topics, stop the process and ask them to finish their ratings at home, and to bring the completed rating paper (TNA sheet) to the next meeting.</p>	 <p>Exercise 1.5</p>
6	<p>Timing of the FBS:</p> <p>Show participants a pre prepared flip chart (example in of their workbooks) of a calendar indicating that the majority of training topics should come BEFORE they start their enterprise. This is to make sure the enterprise is feasible BEFORE they make an enterprise plan.</p> <p>Then explain that training about monitoring generally happen during the production cycle, and modules concerning evaluation and new business planning come at the end of the FBS.</p>	 <p>Exercise 1.6 Pre-prepared Flip chart of FBS calendar</p>
7	<p>Gender considerations:</p> <ul style="list-style-type: none"> ➤ Tell participants that in some sessions it will be useful to have separate men's and women's groups to make sure their voices are heard without one sex dominating the other. ➤ Tell them that having separate sex subgroups also helps both male and female subgroup leaders to develop, assisting them to be better leaders in the wider community in the future. ➤ Suggest that training times and places be flexible to fit either the men's or the women's daily work timetable, according to a majority vote by those who attend the training. 	<p>Flip chart paper and pens</p>

Section 3: Farmer Business School

<p>8</p>	<p>Setting a time and place for the next meeting: Ask the audience to think if joining the proposed FBS is good for them? Make sure to record reasons for answers.</p> <p>Motivate participants to think about what they hope to achieve in a FBS and a Group Enterprise. Record responses.</p> <p>Agree on who will come to the next meeting, and a time, date and place to meet again.</p> <p>Leave a FBS attendance list with the village or group authority so that people interested in joining the FBS can register their names. Use the format in their workbooks (refer to Exercise 1.7),</p> <p>Before the next meeting, revisit the village and try to contact the people on the list to assess their suitability and to remind them of the meeting time, date and place.</p> <p>Make sure that you remind participants to bring writing pads/exercise books and pens/pencils to the FBS Meetings.</p>	<p>Flip chart paper and pens</p>  <p>Exercise 1.7 FBS Participant List</p>
<p>9</p>	<p>Evaluation of the meeting: Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none">➤ What was good about this FBS session?➤ What was not so good about this session?➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

Section 3: Farmer Business School

Module # 2: Rationale and Organization of a Farmer Business School




Objectives



By the end of this session, participants will be able to establish the benefits of being part of a FBS group.





3 hours

	Steps	Resource Material
1	<p>Welcome all the participants to the meeting. Remind them they were invited to participate because they are interested in developing and sharing their farm business skills so that they can improve the profitability of their farms and groups. Introduce participants to their workbook. Explain that this document has important exercises that will allow them to practice important concepts, and is a permanent place for them to write down answers, ideas and lessons learnt. Tell participants that they must remember to bring this document with them to EVERY meeting.</p>	 FBS Workbook for Participants
2	<p>Getting to know each other:</p> <p>Ask participants to briefly introduce themselves - Name - Where they come from - Land area - Agriculture enterprises they participate in - How many years they have been a farmer.</p> <p>Add up the number of years that participants have been farmers. Example: 25 farmers with 10 years of experience = 250 years of experience. Tell the participants that with 250 years of experience the group has a lot of knowledge and skills they can share with each other and that you look forward to working with, and learning from them.</p> <p>Say that the FBS is structured so that farmers will learn from each other by talking to each other in groups 80% of the time, and from the facilitators or guest speakers 20% of the time.</p> <p>Say that the first meeting was about Training Needs Analysis. Advise participants that this second meeting will be about the purpose of the school and its benefits to individuals and groups, and how the school will be run. After that, participants will begin to learn about farming as a business.</p>	


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<p>3</p>	<p>Why have a Farmer Business School? Remind participants of your earlier introductory meeting with them, where you told them about the FBS. Test their knowledge and expectations by asking them, in groups of 3-5 persons, to discuss and report back to the plenary on the following. Give one question to each group to save time.</p> <p>The questions are:</p> <p>1.What processes are involved in carrying out the FBS?</p> <p>2.What do participants hope to gain from participating in the FBS?</p> <p>Ask a few participants to voice their ideas. Write these on a separate flip chart.</p> <p>Compare the flip chart answers with those in their workbooks Exercise 2.1, inviting participants to add any ideas from the group flip chart list into their workbooks</p> <p>Go over the final list stressing the benefits of both the FBS process and content.</p>	 <p>Exercise 2.1 FBS Questionnaire</p>
<p>4</p>	<p>Training Modules and Schedule: Note: Facilitators will need the ranking list of the 10 most important topics agreed to from the previous TNA session.</p> <p>Start by referring participants to the list of FBS modules in the order they appear in the participant's workbooks.</p> <p>Briefly explain each topic to participants. Say that while most participants said ALL of the topics were important, in the previous Training Needs Analysis (TNA) session they were asked to identify the 10 most important topics as a group. Call the topic ranking numbers out as you explain each topic. Ask the participants to note down these ranking numbers in the second column of the table in their workbooks. Show 1 for the most important, 2 for the next most important etc.</p>	<p>List of 10 most important topics from TNA (Module # 1)</p>  <p>Exercise 2.2(a) Training Modules</p>

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	<p>Say that the timing of the modules should be related to the Farm Business Cycle (refer participants to Exercise 1.1 in their workbooks), their TNA results, and their time available before, during and after the production season (refer to Exercise 1.6 for Seasonal Calendar).</p> <p>Review the list of modules and schedule on a flip chart and reach agreement on:</p> <ul style="list-style-type: none"> ➤ In what order should the modules be covered? Note: the facilitators could have a pre-prepared plan and ask the participants if they agree. ➤ Who should attend - males or females? It is important to have the doer of the task, and the decision maker (if different), attend the meetings. That way they learn first-hand the information that is useful to them. Say that the same person should attend each meeting as each topic builds on the knowledge of the previous session. ➤ What date should the group meet? - refer to a calendar remembering to note men's and women's preferences, and special festivals, holidays etc when they cannot meet. ➤ Where should they meet? Record men's and women's preferences. ➤ At what time should the meetings start? - ask men and women separately because they may have different time preferences. <p>Say that the modules and schedule can be changed at any time, according to their needs and the agreement of the majority in the group.</p>	 <p>Fill in Exercise 2.2(b) by referring to Exercises 1.1 Farm Business Cycle and 1.6 Seasonal Calendar</p> <p>Flip Chart with a Pre-prepared List for Discussion</p>
<p>5</p>	<p>Support for the FBS:</p> <p>Divide participants into 4 groups and ask them to discuss the question: 'Who can provide what?' to take the FBS initiative forward. Ask the groups to use Exercise 2.3 in their workbook as a checklist, and add to the list, any other area of support they can think of. Clarify that several people can make the same contributions on a rotational basis, e.g, provide tea to drink.</p> <p>After 15 minutes, note participants' and the project's commitments on a flip chart.</p>	 <p>Exercise 2.3 Support your own FBS Who can provide what?</p>

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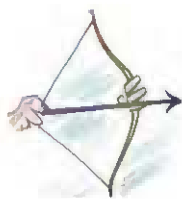
<p>6</p>	<p>Rules of the FBS: In the plenary, ask participants what the rules for running an effective FBS group, should be. Note participants' points on the board or flipchart. Once enough points have been generated, refer participants to Exercise 2.4 in their workbooks, and ask them to add points from the flip chart that are not in their workbooks already. Make sure that there is a common understanding and agreement on each point.</p> <p>When they have finished, write a flip chart with all the agreed rules. Ask all participants to come up and sign the flip chart on the wall, for all to see. Advise them that signing their names in this way signifies commitment to these rules.</p>	<p>Flip chart paper and pens</p>  <p>Exercise 2.4 Rules for the FBS</p>
<p>7</p>	<p>Forming subgroups: Advise participants that it is best to work together in small 'same enterprise subgroups' of around 3-5 people, to make discussion easier between participants. They should stay in these groups throughout the FBS program. Tell them they should have at least one person who is a good writer, reader, and mathematician (they could be the same person or different people). These people will be leaders in their subgroups in these tasks, and should help their subgroup members to discuss and understand FBS lessons informally after each FBS training.</p> <p>Ask participants to consider who they would like to join with, to make a subgroup. Groups can be mixed male and female groups, or same sex male or female groups. Invite them to think about this after the meeting, and then be prepared to sit in these sub groups throughout the FBS program.</p>	
<p>8</p>	<p>Agenda for the next meeting: Encourage participants to spend some time at home to review the FBS program modules and topics, and to ask questions about the topics' relevance and usefulness to the group members' specific needs.</p> <p>Tell participants that in the next meeting they will study the next listed on their schedule.</p>	

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9	<p>Evaluation of the meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none">➤ What was good about this FBS session?➤ What was not so good about this session?➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	
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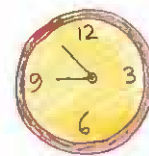
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Module # 3: Farming and Group Management as a Business





Objectives


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





3 hours

	Steps	Resource Material
1	Welcome participants, and share with them the objectives of the Meeting. Make sure that all participants have their workbooks with them.	
2	<p>Commercialization of farming:</p> <p>Draw on a flip chart two equal circles, one next to the other. In the circle on the left, write the word "food". In the circle on the right write the word "cash". Use this drawing as a prompt for guiding the following discussion. Ask participants to look at the diagram on in their workbooks and discuss in pairs what it shows. Invite them to give their answers. The diagram shows that over the last 10 years there has been a growing shift toward farming more for cash, not just for food. Ask participants the reasons for this change in farming practice and discuss.</p>	 Exercise 3.1 Commercial Farming Environment
2.1	<p>Ask the participants to think of their own situations and to answer the following questions listed in their workbooks Exercise 3.2.</p> <p>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? Is earning cash more important to you than just producing food? What do you use the cash for?</p> <p>Invite participants to share their answers with the group.</p> <p>You are likely to 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.</p>	 Exercise 3.2


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2.2	<p>Summarize the discussion by emphasizing that farming practices have changed over the years as peoples' needs change. There was a time in the past when the majority of farmers produced food just for eating and sold or exchanged only a little surplus product. But today families want more things like a motor bike, telephone, TV, better education, and so there is more pressure to use farms to generate a cash profit to support the family. It is therefore important to begin to look at the farm more as a profit making business than just as a source of food.</p>	
3	<p>Farmers as entrepreneurs: Tell participants that farmers themselves are the most important asset or input into their farming business. A good farmer = a good business. In the plenary, ask participants to close their eyes, and think of the most successful farmer or businessperson they know. After 1-2 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.</p>	
3.1	<p>Refer participants to Exercise 3.3 in their workbook, and read out and explain the competencies listed. Compare this with the group's flip chart responses and add any other competencies they have identified but are not yet listed in their workbooks.</p>	 <p>Exercise 3.3 Characteristics of an Effective Entrepreneur</p>

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3.2	<p>Organize participants into pairs of two. Explain that in this exercise, their job is to interview each other to help one another assess to what degree each person has these entrepreneurial competencies. Start with the first competency. Ask them to talk to each other about it. Ask: "Do you have this competency? Are you strong in this competency?" If so, the respondents should tick the "strong big smile" column in their workbook. If not, they should tick the "weak sad face" column. If they are in the middle, tick the "neutral straight face" column. Do this for each of the competencies listed. The interviewer may or may not agree with the other person's ratings. This is not important. What is important is that participants discuss these competencies together and try to enjoy the assessment process.</p>	
3.3	<p>Explain that this exercise should have helped them to identify their strengths and weaknesses as entrepreneurs.</p> <p>Ask participants who are strong in each competency to raise their hands so the rest of the group can see them. Suggest to participants that the group members who are strong in certain characteristics should lead the group in these competencies. Also suggest that strong and weak participants could meet informally over the following weeks to discuss how weaker characteristics can be strengthened.</p>	
4	<p>Advantages of a Farm Enterprise Group:</p> <p>Tell participants that they have chosen to come together as a group or as individual leader farmers to carry out a farm enterprise in a more profitable way.</p> <p>Tell the farmers that you will read out aloud the case study on 'Forming a Farmer Business Group' in participant's workbooks. Ask them to listen to the story and note any benefits they learned from the story in their workbooks.</p> <p>Ask them to compare these benefits with the benefits already listed in their workbooks, putting a mark beside those that they have chosen already.</p> <p>Summarize by saying that hopefully by attending the FBS, participants will be as successful at improving individual farm and group profitability as in the case study.</p>	<div style="text-align: center;">  <p>Exercise 3.4 Case Study</p> </div> <div style="text-align: center; margin-top: 20px;">  <p>Exercise 3.4 (continued) Benefits of being in a Group</p> </div>

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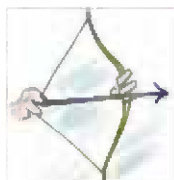
<p>5</p>	<p>Disadvantages of being in a group enterprise:</p> <p>Tell participants that there are some disadvantages in being in a group enterprise. Brainstorm any disadvantages and write these on a flip chart.</p> <p>Ask participants to compare these ideas with those listed in Exercise 3.4 in their workbooks, and to add any disadvantages from the brainstorming in their workbooks that have not been listed in their books already:</p> <ul style="list-style-type: none"> ➤ Group discussion and decision making takes a lot of time ➤ Leadership skills and knowledge may be lacking ➤ Some farmers do not follow the rules ➤ Some members may be 'free riders' who contribute little but expect an equal return ➤ Some people do most of the work ➤ Making equal contributions can be difficult ➤ There might be insufficient capital to start the enterprise <p>Ask the farmers about possible solutions to the problems:</p> <p>Go over the solutions in their workbooks inviting participants to add any ideas if not already listed:</p> <ul style="list-style-type: none"> ➤ Have well facilitated Meetings that do not take too long ➤ Have topics and a timetable chosen by participants ➤ Have clearly defined roles and responsibilities ➤ Give training to group leaders so they can do their job well ➤ Have penalties for non performance of roles ➤ Allow different members to make different sized contributions ➤ Have a clear policy for distributing benefits according to each individual's contribution ➤ Investigate sources of capital from outside the group 	<p>Flip chart paper and pens</p>  <p>Exercise 3.4 Disadvantages of being in a Group and possible solutions to these</p>
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6	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none">➤ What was good about this FBS session?➤ What was not so good about this session?➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	
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Module #4: Enterprise feasibility study- Vision, Goal and Strategies; Agro-ecosystem Analysis; Value Adding Potential; Technical Information Services




Objectives



By the end of this session, participants will be able to assess the feasibility of their chosen enterprise, and decide whether or not to continue with the enterprise




3 hours

	Steps	Resource Material
1	<p>Feasibility Study headings:</p> <p>Tell participants they must determine if their enterprise is feasible before they go ahead to make a group enterprise.</p> <p>Start by asking the group what needs to be considered in assessing if their enterprise is feasible or not. Write their answers on a flip chart. Compare these answers with those in their workbooks Exercise 4.1 and listed below:</p> <ul style="list-style-type: none"> ➤ Vision, goals and strategy ➤ Agro-ecosystem analysis ➤ Supply Chain problem analysis ➤ Adding value ➤ Access to technical information and extension services ➤ Resource needs and availability ➤ Marketability ➤ Environmental impact ➤ Disaster Risk Reduction (DRR) ➤ Social/cultural considerations ➤ Risk ➤ Profitability ➤ Cash flow requirement ➤ Funding sources ➤ Effects of the enterprise on males and females <p>Clarify any words on the list and explain to participants that they will now study their chosen enterprise under each of the headings to decide if it makes sense to go ahead with the enterprise or not.</p>	<p>Flip chart paper and pens</p>  <p>Exercise 4.1 Enterprise Feasibility Study Headings</p>


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<p>2</p>	<p>Vision, goals and strategy: Explain that the first component of an enterprise feasibility study is to decide on the enterprise vision and goals.</p> <p>Ask participants what they understand by a vision and goals? Write these ideas on a flip chart then compare with the definitions in their workbooks Exercise 4.2. Explain that a vision can motivate them to broaden their thinking to do something better for themselves and their families. Say that those people who have no vision generally remain at the same level all their life, whereas those who have a vision and goals. improve their lives.</p> <p>In their enterprise subgroups, ask them to answer the following questions:</p> <ol style="list-style-type: none"> 1. What will their production and profit be like in five years time? 2. What is the production goal and profit for this season? 3. What strategy (activities) do they want to follow to reach their long term vision and this season's goals? <p>Ask group members to share their visions, goals and strategies with others in the plenary.</p> <p>Tell participants that they should agree on an enterprise vision, goals and strategy and copy this down in their workbooks in Exercise 4.2 to guide them in the next sessions.</p>	<p>Flip chart paper and pens</p>  <p>Exercise 4.2 Vision, Goals and Strategy</p>
<p>3</p>	<p>Note: If the facilitators and participants are unsure of the agro-ecosystem and other technical requirements of their chosen enterprise, they should invite an Extension Worker or other advisor to help with the agro-ecosystem assessment described below.</p> <p>Agro-ecosystem analysis: Tell participants that they must see if the agro-ecosystem is suitable for their chosen enterprise.</p> <p>Brainstorm what agro-ecosystem means. Write participants' ideas on a flip chart or whiteboard. Example answers include: the soil, climate, topography, water etc. which are suitable for the enterprise.</p>	<p>Flip chart paper and pens</p>  <p>Exercise 4.3 Agro-ecosystem assessment</p>


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	<p>Refer participants to "Agro-ecosystem assessment" in Exercise 4.3. Ask them in small groups to go over the criteria and ask if others should be added from the plenary results. Once the list is complete, ask them as a whole group (by raising their hands or voices) to indicate 'suitable', or 'not suitable', against each of the criteria.</p> <p>Tell them that they may be able to change some of the physical characteristics. For example - 'no water' can change to 'have water' by providing irrigation. They should note the changes required for their enterprise in the third column on the right. The activities needed to change their situation will have to be included in their enterprise budget plan if they are essential for their enterprise to be successful.</p> <p>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 does not fit into their agro-ecosystem, then they will have to choose another enterprise and repeat this exercise.</p>	
4	<p>Farm Activity Calendar:</p> <p>Prepare a flipchart in the form of a Farm Activity Calendar. Invite enterprise groups to call out the name of their chosen enterprise and when it is carried out throughout the year. Fill this information on the flip chart. Also fill in other enterprises they are involved in to produce a complete calendar of activities throughout the year.</p> <p>Tell participants that it is really important to understand the timing of their various enterprises, and to determine if these are competitive or supplementary to each other. Write the two terms: Competitive and Supplementary on a flip chart or white board, and ask participants what they think these terms mean. Under each term, note participants responses, and then refer them to Exercise 4.5 in their workbook and explain as follows:</p>	<p>Flip chart with farm activity calendar outline</p>  <p>Exercise 4.4 Activity Calendar and</p>


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	<ul style="list-style-type: none"> ➤ Competing enterprises take resources from other enterprises - eg. mung beans and soy beans are grown in the same season on the same type of land. Thus they compete for land, labor and resources ➤ Supplementary enterprises help another enterprise - eg. pigs raised over a fish pond supplement the fish food. <p>Conclude by asking participants to decide if their chosen enterprise fits in with their own calendar of activities, available labor and other resources, and does not negatively affect their farming system.</p>	<p>Exercise 4.5 Assessment of and Enterprise in Relation to other Activities</p>
5	<p>Supply Chain Problem Analysis:</p> <p>Remind participants that when discussing farming as a business, they should acknowledge that a chain of actors are involved in a typical farming business process.</p> <p>Invite the participants to form their subgroups and to fill in the blank boxes in their workbooks Exercise 4.6 with the different actors in the chain of their chosen enterprise, in a similar way to the previous Training Needs Analysis activity Module 1. Ask each enterprise subgroup to list problems that might occur with each actor. For every problem, invite them to suggest a solution. (To save group discussion time, ask each subgroup to choose only one actor along with problems and solutions). In plenary, ask representatives of each group to report some of their ideas under each heading and encourage discussion and collection of final ideas. Write all ideas on a flip chart.</p> <p>Tell participants that some of the solutions identified in this analysis may have to be included in their activities and budget costs so that the chosen enterprise will be a success.</p>	<p>Flip chart paper with supply chain headings</p>  <p>Exercise 4.6 Supply Chain Problem and Solution Assessment</p>
6	<p>Value Adding:</p> <p>Before starting with this session the facilitator (or participants) should bring their chosen product(s) and example(s) of each stage of the product where value has been added. For example: 5kg of field paddy and a 5 kg milled rice packet from the supermarket, and an explanation of all the steps in between.</p> <p>The facilitator (or selected participants) should show the examples and ask each other: 'If they had a choice to have the raw product</p>	

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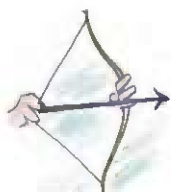
	<p>or the processed product, which one would they like to have?' (Most will say the value added one). Ask which one is likely to fetch a higher price? Discuss reasons for this.</p>	
7	<p>Guide the discussion towards the fact that price can be enhanced due to the following benefits:</p> <ul style="list-style-type: none"> ➤ quality is higher ➤ quantity is convenient ➤ storage time is increased ➤ packaging is attractive and informative ➤ ready for immediate use (time saving) <p>Invite participants to add any other benefits of value addition in the space in their workbooks Exercise 4.7 (example: improved taste).</p> <p>Then brainstorm with participants the value addition stages in their chosen product. Write these down on a flip chart and ask subgroups to copy these headings in their workbooks</p> <p>Then ask participants to calculate the price of each processing stage of their chosen product. To assist with this exercise, ask each subgroup to estimate the value (price) change from one stage to another of the rice example discussed above. They should then write down the differences in values (prices) from one stage of processing their own product to the next, in their workbooks.</p> <p>Next ask subgroups to write the activities they have to do to achieve the value addition at each stage of the value adding process. Take 5-10 minutes to do this, then discuss their findings in the plenary. If subgroups have not finished this task, they can do so later.</p> <p>Finally ask participants if they would like to 'add value' to their chosen product before sale. If so, they should include the activities, inputs, labor and other costs, and the higher prices for products, in their budgets.</p> <p>Remind them to consider if the benefit is worth the extra work and cost, and to be sure they have a market for their final product.</p>	 <p>Exercise 4.7 Value Adding Strategies</p>

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<p>8</p>	<p>Access to technical information and extension services:</p> <p>Focus on the chosen products and brainstorm with participants the following questions. Write their responses on a flip chart.</p> <ul style="list-style-type: none"> ➤ What are their technical information needs? ➤ Where can they get the technical information? ➤ What will access to this information cost? <p>Invite participants to write the answers in their workbooks under Exercise 4.8.</p> <p>Ask participants to rank the technical information services, giving the number 1 for the best, number 2 for the second best and so on</p> <p>Ask the group the reasons why is the best and is the second best. Then ask them how they will link with their preferred technical information sources.</p> <p>Remind them that the activity of accessing technical information and its cost should be included in participants' business plans.</p>	 <p>Exercise 4.8 Access to Technical Information and Extension Services</p>
<p>9</p>	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none"> ➤ What was good about this FBS session? ➤ What was not so good about this session? ➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

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Module # 4: Feasibility of enterprises (continued) - Resource Needs and Availability; Market Assessment; Environmental Impact; Disaster Risk Reduction; Socio-cultural Considerations; Risk Management





Objectives


By the end of the session participants will understand more about the feasibility study of enterprises.






3 hours

	Steps	Resource Material
1	<p>Note: If the participants are not sure about their input requirements, invite a technical advisor to present a 'best practice' guideline for participants to consider.</p> <p>Resources and Inputs Availability and Quality: Ask participants in their subgroups to discuss what inputs, buildings, equipment and machinery their enterprise will need. For crops, these might include inputs like seed, fertilizer and pesticides; equipment such as implements, hand tools, and storage structures, and draft animals. Livestock inputs might include feed, medicines, tools, fences, and small equipment. These resources should include inputs available at the farm as well as those bought from outside sources.</p> <p>Invite participants to discuss their ideas in plenary and write these ideas on a flip chart. Then ask participants to write their final resource needs list in their workbooks under Exercise 4.9. At the end of this exercise, participants should have a complete list of resources they need for their chosen enterprise.</p>	<p>Flip chart and pens</p>  <p>Exercise 4.9 Resource Needs and Availability</p>
1.1	<p>When the input list has been completed participants should now fill in Column 2: Sources of supply. They should note down that inputs come from their own farm sources, or name the outside source of supply.</p> <p>Ask participants: "If the resources are not available close to the village, where will participants get them?" Encourage participants to share a contact list and keep this data for further reference. Facilitators should add other names to the list.</p>	 <p>Exercise 4.9 Resource Needs and Availability</p>


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<p>1.2</p>	<p>Quality of Inputs: Ask the participants if it is important to have quality inputs? Why? Why not?</p> <p>Remind participants that if they pay a low price for inputs, these are usually of low quality. Low quality inputs will not last so long, will have lower yield potential, and be less resistant to pest and disease. Farmers might save money at the beginning of their enterprise by buying low quality inputs, but will lose at the end by getting low yields, low prices, and may have to spend more on repairs to structures and on pest and disease control. Tell the farmers that they need to balance price with quality when making their resource purchase decisions.</p> <p>Tell them that in Column 3 of their table they should make an assessment of the quality of their inputs.</p> <p>Summarize by saying that if farmers are able to get all the quality resources they need, then they can go ahead with the chosen enterprise. If they cannot find some resources, they will have to look for new sources of supply. If they cannot find other sources of supply, they may have to select another enterprise.</p>	 <p>Exercise 4.9 Resource Needs and Availability</p>
<p>2</p>	<p>Market Assessment: Note: If it is clear that participants are uncertain about what product(s) to produce, they should undertake a full marketing survey to obtain the price each month throughout the year regarding the many different varieties/breeds of their chosen enterprise in order to compare and see which ones are the best marketing opportunities for them. Subgroups could each choose a different product eg. different types of vegetables, different rice varieties, different breeds of chickens, to study and report back to the group. Tell them to keep the contact names and phone numbers of the people they got the information from. This will be useful later to check prices when produce is ready to sell.</p> <p>Introduce the idea of having a Market Plan. Ask participants in their subgroups to discuss what effects the price of products they want to sell. Invite participants to report to the plenary after 5 minutes. Group their answers on a flip chart under the headings highlighted in the following:</p>	




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	<ol style="list-style-type: none"> 1. A market exists only if someone is willing to buy product. This is called market demand. High demand usually means higher prices. 2. If there is over supply (quantity), the product will get a low price or will not sell. Low supply usually means a better price. 3. The quality of the product in most cases will affect the price. Good quality, better price. 4. The time of sale is very important to get the best price. If they sell at a time when there is too much of the same product on the market, the price is lower. When they sell when there is less of the same product on the market the price is higher. When there is a special occasion like a festival then the price is often higher still. <p>Summarize by saying that participants must have a plan to get a high enough price for their product to cover costs and make a profit.</p>	 <p>Exercise 4.10</p>
<p>2.1</p>	<p>Ask participants in their subgroups to discuss the Activity 1 questions on market outlets Exercise 4.10 in their workbooks and to write down answers.</p> <ul style="list-style-type: none"> - What are the marketing channels and outlets they know of for their chosen product? - Write the name and the advantages and disadvantages of each marketing outlet. <p>Invite participants to report to the plenary</p>	 <p>Exercise 4.10 Activity 1: Market questions</p>
<p>2.2</p>	<p>Quality: Ask participants if there are any quality requirements to meet the demands of the market they have chosen. If so, what are these requirements? Record them on a flip chart and invite participants to write them in their workbooks under Activity 2 Exercise 4.10.</p> <p>Remind participants that if there are activities and costs to meet these quality requirements, then these should be included in their enterprise activity plan and budget. For example, buying pure variety seed to get a higher price at sale, rather than using mixed seed which gets a lower price.</p>	 <p>Exercise 4.10 Activity 2: Quality Requirements</p>


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<p>2.3</p>	<p>Farm gate and market price: Explain that the price participants get for their product is influenced by many factors. One factor is where they sell it. Farmers could sell their product to a buyer who comes to their farm gate; at the market closest to them; or at some other far away market. Each buyer will pay a different price for their product depending on the point of sale.</p> <p>Tell participants that when buyers come to participants' farms to buy products, they offer the farmer a 'farm gate price'. This is usually the lowest price farmers will get for their product. However selling at the farm gate does not involve transport, packaging or other marketing costs, so while the price is lower, farmers' costs are lower too.</p> <p>Explain that a 'market price' is the price farmers would get selling their product to a wholesaler, or seller at a market away from their farm. The 'market price' should be higher than the 'farm gate price' to pay for the extra cost of transport, produce that is damaged during transport, collectors' labor and selling network knowledge, and perhaps packaging. These extra costs are called 'marketing costs'.</p> <p>When farmers add these extra marketing costs to the farm gate price, they get the lowest price they can expect to sell to a seller in the market.</p>	
	<p>Help participants to determine the market price. Write the following example on a flip chart:</p> <p>Product: Rice/kg</p> <p>Farm gate price = 800 Riel Your marketing costs = 200 Riel Lowest price you can accept = 1000 Riel at the market</p> <p>Explain that in this example, if the price they can get for their rice from the seller at the market is more than 1000 Riel, then taking their produce to the seller at the market is good because they make more profit than selling at the farm gate. But if the price they get from the seller at the market is less than 1000 Riel, it is better to sell at the farm gate for 800 Riel.</p>	 <p>Exercise 4.10 Activity 3: Price Calculation Questions</p>



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	<p>Invite participants to answer the 'farm gate' and 'market price' questions relating to their chosen product, Activity 3 Exercise 4.10 in their workbooks.</p>	
2.4	<p>Timing of sale: Ask participants if timing of sale affects the price? Ask them why you say this? Write their ideas on a flip chart, then ask them to copy the answers down into their workbooks Activity 4, Exercise 4.10.</p> <p>Ask participants to fill in the yearly price table on Activity 4, Exercise 4.10 in their workbooks, to help them understand that price varies over time, usually with a low price when the quantity of supply is high, and a high price when supply is low. If there are many products (like vegetables) then allocate one vegetable to each group to save time. Tell them it is usually difficult to guess the prices for the coming year for sure (unless they have a fixed price contract). Say that the best way to guess future prices is to study the last years price trends, the current supply/demand situation, and then guess if prices will be the same, up or down for the coming year.</p> <p>Note: Tell participants that it is a good idea to ask collectors and market sellers for their ideas on prices for the coming year, because they have good knowledge about the market. Ask more than one so you can compare their answers. Perhaps you could invite a product buyer/market seller to come to the FBS and to discuss prices.</p> <p>Ask the groups to report to the plenary and decide as a group on a yearly price table. Then ask them when they prefer to sell their product, for how much, and why, noting their ideas in their workbooks Activity 4, Exercise 4.10, Timing, Quality and Price questions.</p> <p>Invite participants to incorporate their ideas into the blank lines in the 'Market Plan' table in Exercise 4.10, Activity 5 in their workbooks, including the name of the product, the date of sale, where the sale takes place, and the expected price. Go over the columns to make sure participants understand how to fill them in.</p> <p>Explain that if participants delay the sale of their product to get a higher price, they will incur storage costs, and a delay in getting</p>	<p> Exercise 4.10 Activity 4: Timing of Sale and Yearly Price Table</p> <p> Exercise 4.10 Activity 4: Timing, Quantity and Price Questions</p> <p> Exercise 4.10 Activity 5: Market Plan Exercise</p>

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	<p>their income. The delay in timing and extra costs incurred should be included in their budget and cash flow calculations later on in the feasibility study.</p>	
<p>3</p>	<p>Environmental impact considerations: Explain to the farmers that any agriculture enterprise has an effect on the environment. Ask them to split into small groups and list:</p> <ul style="list-style-type: none"> ➤ The good effects of their enterprise on the environment ➤ The bad effects of their enterprise on the environment <p>Invite the groups to share their answers in the plenary. Write responses on a flip chart.</p> <p>Next ask participants to discuss how they can further improve the environment while conducting their enterprise. Write possible interventions under the following FAO Save & Grow headings:</p> <ul style="list-style-type: none"> ➤ Greater crop and livestock diversity ➤ Improved water management ➤ Balanced soil and plant nutrition ➤ Improved varieties with high yield and disease resistance ➤ Reduction in pesticide use <p>Refer participants to the environmental impact page in their workbooks Exercise 4.11. Ask them to indicate the effects of their chosen enterprise on the environment by marking a tick (✓) for a positive impact, or a cross (x) for a negative impact. Then invite participants to make suggestions to achieve positive impacts with regard to each heading in their workbooks.</p> <p>Remind participants that the suggested activities and costs of environmental improvement for sustainable farming will have to be included in their activity plan and budget.</p>	<div style="text-align: center;">  <p>Exercise 4.11</p> <p>Environmental Impact Considerations</p> </div>

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<p>4</p>	<p>Disaster Risk Reduction (DRR):</p> <p>Ask participants what the word 'Disaster' and 'Disaster Risk Reduction' mean? Write their ideas on a flip chart.</p> <p>Refer them to the definitions in their workbooks Activity 1, Exercise 4.12.</p> <p>Ask participants what types of disaster they have experienced with regard to the enterprise they propose to carry out. Their answers are likely to be floods, drought, severe pest or disease outbreak. Write their on the flip chart.</p> <p>Next ask them in small groups to discuss these disasters (one per subgroup) to see what action participants might be able to take to reduce the disaster's impact. Group members should report back to the plenary for further discussion. Write their ideas on a flip chart.</p> <p>Review with the participant's the table 'Examples of Disasters, Their Effects, and Possible Risk Reduction Measures' table in their workbooks Activity 2, Exercise 4.12. Add the participants ideas in the space below the table if not already mentioned.</p> <p>Advise participants that some of these Disaster Risk Reduction activities should be considered when carrying out risk reduction discussed further in the next topic.</p> <p>Tell participants that the activities and costs of actions selected will have to be included in their enterprise activities and budget.</p>	 <p>Exercise 4.12</p> <p>Activity 1: Definitions and Disaster Risk Reduction Table</p>
<p>5</p>	<p>Enterprise Risk Assessment:</p> <p>Ask participants what they understand by the word 'Risk'? Write their ideas on a flip chart.</p> <p>Then review the definition in their workbooks Activity 1, Exercise 4.14.</p> <p>Brainstorm the risks in implementing participants' chosen enterprise. List these on a flip chart. Ask participants to copy this list into their workbooks in Column 1 - 'Name the Risk'.</p>	 <p>Exercise 4,14 Activity 1: Definition of Risk</p>

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Next ask participants to write the **FREQUENCY** of each risk (i.e. how often it happens), in the next column. For example:

Risk	Frequency	Assessment HIGH MEDIUM LOW	How to minimize the risk?
Flooding	2 years in 5	HIGH	Levy banks

Ask participants in their sub groups, to discuss and write suggested actions to reduce the risk. Assign each group 2-3 risks, then ask them to report back to the plenary. Write their ideas on the flip chart. Tell groups they can copy the flip chart answers after the meeting.

Remind participants that if they carry out these risk reduction strategies, all activities and their costs will have to be included in the budget plans.

Ask participants to summarize their overall risk assessment by stating if the enterprise is: **HIGH**, **MEDIUM** or **LOW** risk. Participants should circle their answer in their workbooks. Check for responses in the plenary.



Exercise 4,14
Activity 2:
Enterprise Risk
Assessment

6

Socio-cultural considerations: Split the group into separate sex groups and ask the following question:

"Are you aware of any social or cultural constraints to carrying out the enterprise?"

Use the following as prompts to obtain reasons for any constraints. Don't just accept "yes" or "no" responses:

- Are there constraints within the family hierarchy (e.g. old, young) restricting participation in, and benefit from, the chosen enterprise?
- Are there constraints to men or women carrying out the enterprise? (eg. women or men don't want to do be involved in the enterprise; migration)
- Can large and small farmers be involved in the



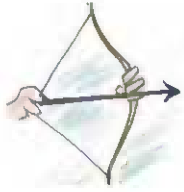
Exercise 4.13
Socio-cultural
constraints

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	<p>enterprise?</p> <ul style="list-style-type: none"> ➤ Are there language constraints to participation in the enterprise? ➤ Do religious and cultural festivals limit labor and other resource availability for the enterprise? <p>Summarize by asking a leader from each group to report to the plenary. Gather ideas for solving any socio-cultural constraints and write these on a flip chart.</p> <p>Inform participants that strategies to minimize any constraints should be included in the enterprise activities and budget.</p>	
7	<p>Summarize by asking:</p> <p>“Are participants willing to go ahead with the business after considering the risks? Why do they say this?”</p>	
8	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none"> ➤ What was good about this FBS session? ➤ What was not so good about this session? ➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

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Module # 4: Feasibility of enterprises (continued)




Objectives


By the end of the session participants will be able to calculate enterprise profit and loss, and return per family labor day.





3 hours

1	<p>Budgeting (Profit or Loss): In this session participants will look at a way to measure enterprise financial performance, i.e. "Profit" or "Loss".</p>	
2	<p>Draw three boxes in a line on a flip chart or white board. In the box on the right, write the word 'Profit', as follows:</p> <div style="display: flex; justify-content: space-around; align-items: center; margin: 10px 0;"> <div style="border: 1px solid black; width: 60px; height: 30px;"></div> <div style="border: 1px solid black; width: 60px; height: 30px;"></div> <div style="border: 1px solid black; padding: 2px 5px;">Profit</div> </div> <p>Ask participants to brainstorm the following question: "How do you calculate profit?"</p> <p>Lead the discussion to the idea that profit comes from income minus the costs. When the brainstorming is done, write the words 'income' in the first box and 'costs' in the second box as follows:</p> <div style="display: flex; justify-content: space-around; align-items: center; margin: 10px 0;"> <div style="border: 1px solid black; padding: 2px 5px;">Income</div> <div style="border: 1px solid black; padding: 2px 5px;">Costs</div> <div style="border: 1px solid black; padding: 2px 5px;">Profit</div> </div> <p>Ask participants to fill in the boxes in the same way in their workbooks Activity 1, Exercise 4.15.</p> <p>Put in the words minus and equals and the symbols - and = between the boxes to show how the profit calculation is made. Give examples to show when the income is greater than the costs, there is profit, and when it is less there is a loss.</p> <p>Summarize by saying that when we write a profit or loss calculation down on paper we call this a "budget". Making a budget is vital BEFORE participants start an enterprise, so they can see if they will make a profit. NOT at the end of the production cycle when they might discover a loss! When they make a budget, and discover there is a loss, or the profit is not big enough, participants should not start the enterprise.</p>	 <p>Exercise 4.15</p> <p>Activity 1, Budgeting (Profit/Loss) Calculation</p>


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3	<p>Tell participants that profit or loss can be calculated on a per unit basis, such as a hectare of land, or head of livestock for one production period. It can be used to compare one enterprise with another to see which is the most profitable.</p> <p>Go over examples in their workbooks Activity 2, Exercise 4.15: Rice - 2,500,00 Riel/ha; Vegetables - 12,000,000 Riel/ha; Chicken 8,000 Riel/head</p>	 <p>Exercise 4.15 Activity 2: Profit and Loss Examples</p>
4	<p>Budget Template:</p> <p>Put up a pre-prepared flip chart showing the Budget and Gender Labor Participation table as in Activity 3, Exercise 4.15 in participant's workbooks..</p> <p>Explain again that the key elements of any Budget are <u>Income</u>, <u>Costs</u>, and <u>Profit or Loss</u>. Tell participants that this is a standard Budget template that they can use to estimate the income, costs and profit/loss of any of their enterprises. Before moving forward, tell participants it is vital to understand the key elements of a budget as this will help determine if they should go ahead with their chosen enterprise or not.</p>	<p>Pre-prepared Budget Template Exercise 4.15 Activity 3:</p>
4.1	<p>How to fill in the Budget Template:</p> <p>Refer again to the Activity 3 budget example on the flip chart. Explain how to fill it in column by column as follows.</p> <p>On the top of Column 1 write the product type: For example: Rice or Vegetables or Chickens. Then put the enterprise unit: For example per hectare or m² or per 20 head of chickens.</p> <p>Explain that in the rest of column 1, participants should note all of the income sources including: products sold, consumed, exchanged; and all of the costs, including inputs, hired non family labor, and costs of hiring tools and machinery. Go over the examples in the flip chart template.</p> <p>Then show them how to subtract: Total Income (A) - Total Cost (B) to give the Profit/Loss (C)</p>	<p>Pre-prepared Budget Template Exercise 4.15 Activity 3:</p>





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<p>4.2</p>	<p>Income Calculation Examples: Go over the example budget line by line as follows:</p> <p>First discuss the 'Income' row column by column. In column 1 describe the 'Product' sold, exchanged or consumed. They should include all products and their market prices (even if they are not sold) in the budget. In this way they can calculate the full value of their production.</p> <p>In column 2 put the 'Date' of sale as the price often changes each month. The date tells participants when to do the activity and when the cash is required to pay for it.</p> <p>In column 3 insert the 'Unit' of measurement which can be expressed in terms of: kgs, 50 kg bags, tons, head, etc.</p> <p>In column 4 put the 'Number of Units' that are to be sold, consumed, exchanged or given away</p> <p>In column 5 put the 'Price per Unit,' an amount per unit sold, consumed or exchanged such as Riel/kilogram, Riel/ton etc.</p> <p>In column 6 calculate the 'Total Income' and 'Total Costs' by multiplying the number of units by the price per unit</p>	 <p>Exercise 4.15 Activity 3: Budget Template Example</p>
<p>4.3</p>	<p>Costs: Explain that 'costs' are made up of the money spent directly on all the inputs and activities (including hired labor and contractors) needed to grow a particular type of crop or raise animals in <u>one</u> production cycle. These costs should not include 'free family labor'.</p> <p>Go over the cost calculations in Example Budget Template, line by line, column by column.</p>	 <p>Exercise 4.15 Activity 3: Example Budget</p>


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<p>4.4</p>	<p>'Free Family Labor' - Gender participation and availability: Tell participants that in Cambodia most of the labor on farms is provided directly by 'free' family labor or exchanged with neighbors and friends. Different tasks are usually done by either men or women, or sometimes shared by both men and women. It is important to show whether men or women do the task, so that we can recognize their roles, make sure they are the ones who come to the training related to their work, and analyze if they have the time to do the necessary enterprise activities.</p> <p>Show participants how to enter the 'free family labor' into the last 2 columns in the table. They should estimate how much time the family spend on each of the activities, noting male days in one column, and female working days in the other column. Assume there are 7 working hours in one working day. An example could be transplanting: males 5 days, females 20 days.</p> <p>Tell participants that if free family labor is not available for this work, then labor will have to be hired if farmers still want to conduct the enterprise.</p> <p>Suggest to participants that if they do not have enough family labor and cannot find enough hired labor, they will have to consider labor saving technologies such as direct seeding instead of transplanting, tractor plowing, threshing machine, reaping machine, and combine harvester hire.</p> <p>Tell participants that if the above labor saving or labor hire and training options are to be used in their enterprise, then the activities and cost of these should be included in the budget.</p>	 <p>Exercise 4.15 Activity 3: Budget Template Example</p>
<p>4.5</p>	<p>Making their own enterprise Budget Calculation: Put up a Budget and Gender Participation blank template flip chart as in Activity 4, Exercise 4.15.</p> <p>Income: Invite participants to discuss the production, timing of sale and market price for their products (as discussed in 'Marketing' Exercise 4.10). Gain consensus from the group and write their ideas on the template. Include products sold, exchanged and consumed.</p>	

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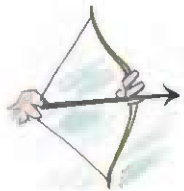
	<p>Costs: Invite participants in their subgroups to turn to the "Resources Needed" table Exercise 4.9 in their workbooks. Select a few farmers who can read, to take turns reading out loud to the group, the resources needed for the chosen enterprise.</p> <p>While they are reading out the enterprise activities and resources, write them in Column 1 under 'Costs' in the Budget template flip chart, Activity 4, Exercise 4.15. Add more headings if required until the participants are satisfied with the list.</p> <p>Then ask the fastest writer in the subgroups to fill in the left hand column of their Budget template in their workbooks. Explain that the PRACTICE template is for them to practice writing and it is alright to make mistakes. The other members can discuss the headings while this is being done.</p> <p>When the groups have finished, allocate 1 or 2 different cost rows to each subgroup to fill in (to save time). Give subgroups 15 minutes, then ask them to report back to the plenary. Write the consensus ideas on the flip chart.</p> <p>Male and female 'free family labor' days: Ask participants in their small groups to write the 'free family labor' days worked by males and females while carrying out the enterprise activities in the last 2 columns. Allocate 1 or 2 activities to each subgroup. After a few minutes ask subgroup representatives to report to the plenary. Gain consensus, then write the final figures on the flip chart.</p> <p>Add the total 'free family labor' days for both males and females. Then add males and females together to get the Total Free Family Labor days.</p>	 <p>Exercise 4.15 Activity 4: Budget and Gender Participation Template</p>  <p>Exercise 4.10 Activity 5: Market Plan Table</p>  <p>Exercise 4.9 Resource Needs and Availability Table</p>
4.6	<p>Ask the farmers how to calculate the 'Total Income' and 'Total Cost'. Write the answers on the flip chart under A and B. Make sure the calculations are correct.</p> <p>Do the same for:</p> <p>'Profit/Loss' (A-B).</p>	 <p>Exercise 4.15 Activity 4: Practice Budget Template</p>

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	<p>Ask participants if they are satisfied with the Profit/Loss? If not, why not? Invite them to write their answer into their workbooks at the end of their final budget table.</p>	
5	<p>Return to Family Labor: Explain to participants that the 'Profit' can be divided by the 'Total number of 'free family labor' days to get the 'Return per Free Family Labor Day'.</p> <p>Invite them to do this calculation in their subgroups. Ask one subgroup leader to report their answer for discussion in the larger group.</p> <p>Ask the participants:</p> <ul style="list-style-type: none"> ➤ Do they have enough family labor - male and female- to carry out the enterprise? ➤ Are they surprised how much work males and females do? ➤ Are they surprised at the return per family labor day? ➤ How much money does the male earn for his labor? (male labor days x return per family labor day) ➤ How much money does the female earn for her labor? (female labor days x return per family labor day) ➤ How does the return per family labor day compare with other farm enterprises that they know of? For example: vegetables, soy bean, cassava, chicken raising? ➤ How does the return per family labor day compare with working outside the farm. For example, like working in a clothing factory for 10,000R/day? ➤ Should they stay working on the farm or work outside? 	 <p>Exercise 4.15 Activity 5 using Activity 4: Final Budget Template</p>
6	<p>Evaluation of the meeting: Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none"> ➤ What was good about this FBS session? ➤ What was not so good about this session? ➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

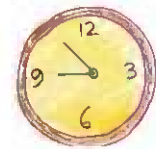
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MODULE # 4: Feasibility of enterprises (continued) - Cash Flow, Funding Requirements, Gender Impact Analysis and Feasibility Summary Checklist.




Objectives




By the end of this session participants will know how to fill in a cash flow, assess funding requirements, and evaluate the impact of the enterprise on men and women.






3 hours

	Steps	Resource Material
1	<p>Cash Flow and Funding Requirement Calculation: Invite participants to look at the cash flow example in Activity 1, Exercise 4.16 in their workbooks. Explain that a cash flow measures CASH IN and CASH OUT of their enterprise, over a period of TIME, to see if there is enough cash available to fund their enterprise.</p> <p>Go over the example in the workbook stressing the following:</p> <ul style="list-style-type: none"> ➤ Only record the activities for which they give out or take in CASH. For example: Only the paddy sold, NOT the paddy exchanged or consumed. ➤ Include the costs to START UP the business. These will be discussed in more detail in the next section. ➤ DO NOT include NON CASH costs such as 'free labor'. 	 <p>Exercise 4.16 Activity 1: Understanding a Cash Flow Table</p>
1.1	<p>How to fill in the Cash Flow Example template:</p> <ol style="list-style-type: none"> 1. Write the Enterprise Name in the top row. 2. Refer to the cash flow time period (days, months, years) in the first row of the columns. The example template shows months but participants should discuss the period relevant to their enterprise. 	


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	<p>3. Cash Inflow:</p> <p>Write the sources of cash income in the cash inflow part of the first column. (In the example: Cucumber and Kale sales.)</p> <p>List the CASH sales amount in the period when the money is to be paid. (In the example, this amount goes in column 5 if the money from sales comes in January)</p> <p>Add up the 'Total Cash Inflow' (A) for each period.</p> <p>Put the 'Total Income' in the right hand column</p> <p>Cash Outflow:</p> <p>List the 'Start Up' costs in the first column.</p> <p>'Start Up' costs: Explain to the group that for some new enterprises participants will need to use cash to buy new or second hand buildings, machinery, and tools that can be used over a number of production cycles. The full cash cost of these inputs has to be included in their cash flow at the period when the money is paid for these items.</p> <p>Brainstorm some examples of 'start up costs' for their enterprise.</p> <p>Refer participants to the list of 'start up cost' examples in their workbooks Exercise 4.16. and invite them to add any others to the list if they want to.</p> <p>Go over the remaining list of 'Other Cost' items to be purchased such as seed, fertilizer, mulch, hired labor.</p>	 <p>Exercise 4.16 Activity 1: Cash Flow Example</p>  <p>Exercise 4.16 Activity 1: Cash Flow Instructions</p>  <p>Exercise 4.16 Activity 1: Examples of Start-up Costs (Under Cash Outflow Definition)</p>
	<ul style="list-style-type: none"> ➤ Show the item description, the cost of each item, and the period when the money is to be paid ➤ Show how to calculate the 'Total Cash Outflow' (B) per period ➤ Show how to calculate the 'Total Costs' in the right hand column ➤ Show how to calculate the Profit/Loss (C) per period by subtracting (A - B) 	

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<p>1.2</p>	<p>Explain that negative (loss) per period numbers show how much extra money is needed to fund the enterprise.</p> <p>Ask the participants to look at the cash flow example in their workbooks Activity 1, Exercise 4.16. Show them how much extra cash the example enterprise will require? The total cash needed will be the cumulative sum of all the monthly negative cash flows.</p> <p>$(-220,000) + (-130,000) = (-350,000)$ Riel needed to fund the enterprise.</p>	 <p>Exercise 4.16 Activity 1: Cash Flow Example</p>
<p>2</p>	<p>Calculating their own Chosen Enterprise Cash Flow: Put up a flip chart with the participants own FINAL budget figures, Activity 4, Exercise 4.15 in their workbooks.</p> <p>Ask the subgroups to copy this Final Budget information - Enterprise Name, the income, and costs per period - into the blank PRACTICE Cash Flow Budget template in their workbooks Activity 2, Exercise 4.16.</p> <p>Ask participants in the plenary to report their Profit/Loss Results for each period and for the whole cycle. Make sure that all participants understand the process of working out the Profit/Loss per period amounts.</p>	 <p>Exercise 4.15 Activity 4:Final Budget</p>  <p>Exercise 4.16 Activity 2: Practice Cash Flow Budget Template</p>
<p>2.1</p>	<p>Calculating Funding requirements:</p> <p>Remind participants that a negative (loss) result shows how much money is needed to fund the enterprise each period.</p> <p>Activity 3: Invite participants in their sub groups to:</p> <ul style="list-style-type: none"> ➤ calculate how much cash is needed to fund their enterprise each month, and in total? Do this in the 'practice' cash flow template in their workbooks ➤ report this information back to the plenary for discussion 	

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	<p>Ask subgroup leaders to help their subgroup members to write the final figures in the FINAL Cash Flow Template after the session.</p> <p>The next section will cover how to calculate funding requirements for each participant's own enterprise size.</p>	
<p>2.2</p>	<p>Changing standard unit funding requirements to the farmer's own requirements:</p> <p>Tell participants that the funding requirement figure is for a standard unit of production, e.g. 1 hectare. Ask them how can they calculate the funding requirements for their own individual land areas, which may not be a standard unit like 1 hectare?</p> <p>Activity 3: Help the farmers to calculate their personal funding requirements according to their enterprise size or area following the example in Activity 3, Exercise 4.16 in their workbooks.</p> <p>Calculation: If the cash flow example relates to 1 hectare (10,000m²), while a farmer has only 7,500m², then divide 7,500m² by 10,000m² = 0.75. Multiply this figure by the 1 hectare funding requirement figure from the standard unit area budget to get the farmers 0.75 hectare funding requirement.</p> <p>Ask the farmers to calculate their own funding requirements specific to their land area. Ask selected participants to report their funding requirements. Then ask them if they have enough cash to fund their chosen enterprise or will they need to borrow money.</p> <p>If not, suggest they attend the module which looks into 'S Finding funding sources' Module 5.</p>	 <p>Exercise 4.16 Activity 3: Calculating Farmer's Own Funding Requirements</p>

3

Effects of the Enterprise on Men and Women:

Tell participants that both men and women in rural Cambodia usually participate in agriculture in different ways. Traditionally, men do some tasks while women do others. However, when the man or the woman is away, then a man may do a woman's job or a woman may do a man's job, e.g. a woman may build a chicken shed, or a man may care for nursery seedlings. It depends on the family situation.

Explain that when starting a new enterprise, or expanding an existing one, both men and women will be affected. The impact of the enterprise will depend on various factors such as: what roles they do, how much time they spend on tasks, whether they have leadership roles, how much benefit they think they will get from the enterprise, etc.

Refer participants to the Gender Impact Assessment Table Exercise 4.17 in their workbooks.

Activity 1: Split the participants into separate sex groups to discuss how their lives will be affected by the enterprise. Women should fill in the effect on women and men should do the man's assessment. Then record both men's and women's information on a flip chart and discuss together the impact on both men and women.

Ask participants to summarize by discussing how the enterprise impacts on males and on females. Then discuss whether these effects have a further impact on the family, e.g. children, relatives, or relationships within the wider community. Then ask participants to answer the following questions:


Activity 2: Ask participants if they are not happy with the impacts of the enterprise, do they see any solutions to the constraints? Write these on the flip chart beside the constraints.

Activity 3: Ask the following summary questions, inviting participants to fill the answers into their workbooks.



Exercise 4.17
Activity 1:
Gender
Assessment
Table

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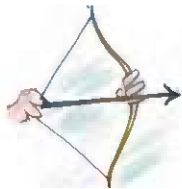
	<p>Summary questions in the workbooks</p> <ol style="list-style-type: none"> 1. Overall, are men willing and able to participate in this enterprise? Why or why not? 2. Overall, are women willing and able to participate in this enterprise? Why or why not? <p>Finally remind participants that any suggested activities and costs to make the enterprise more gender sensitive (e.g. hiring labor to free up women's time) should be included in their budget.</p>	 <p>Exercise 4.18 Activity 1: Feasibility Checklist</p>
4	<p>Feasibility Checklist:</p> <p>Refer participants to the feasibility checklist in their workbooks Activity 1, Exercise 4.18. Ask them in their subgroups to fill in the checklist.</p> <p>Invite each individual to answer the question in their workbooks at the end of the feasibility checklist:</p> <ul style="list-style-type: none"> ➤ Are they willing to go ahead with the enterprise or not? <p>Invite participants to discuss their ideas with the plenary explaining why they have said yes or no.</p>	
	<p>Whole Farm Planning:</p> <p>Invite participants to discuss in subgroups plans for what enterprises they will carry out on their 'whole farm' in the coming year.</p> <p>Write questions on a flip chart to guide their discussion:</p> <ol style="list-style-type: none"> 1. Do they have feasibility studies on each enterprise option? 2. Will they choose the enterprises that are the most profitable? 3. Will they consider changing from single cropping in the wet season to double cropping by having a short duration crop April-June then another crop July - December? 4. Will they consider complementary crops that help each other such as growing a nitrogen fixing bean crop for income and to improve the fertility for the following crop? 	

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<p>5</p>	<p>5. Will they think about the labor requirements and try to spread labor demand throughout the year to avoid competition for labor.</p> <p>6. How much total profit do they think they can make in a whole year by adding up each individual enterprise profit?</p> <p>7. Is this enough profit from the whole farm plan to prevent migration and keep the family together?</p> <p>Ask them to share their ideas with the plenary.</p> <p>Close the session by congratulating them for thinking and planning like a farming business person.</p>	
<p>6</p>	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none"> ➤ What was good about this FBS session? ➤ What was not so good about this session? ➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

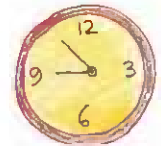
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MODULE # 5: Finding Funding Sources




Objectives



By the end of this session participants will understand how to find funding sources.




3 hours

	Steps	Resource Material
1	<p>Surveying Lenders Questionnaire: Before proceeding to step 2, the facilitator should find out a little about lenders in the area so that he/she can better guide the next information gathering exercise. If the lenders have any printed information about the loan terms and conditions, the facilitator should try to get hold of these as reference material for further discussion.</p>	Pre collected information from credit providers
2	<p>Refer participants to the FINAL Cash Flow for their enterprise on the Enterprise Cash Flow flip chart, developed during the previous session Exercise 4.16.</p> <p>Ask a participant to look at the flip chart and explain to the other participants how much additional funding is needed to pay for the costs of the enterprise example (each month and in total), and how these figures were calculated.</p>	 Exercise 4.16 Individual Enterprise FINAL Cash Flow Flip Chart from Module 4
3	<p>Personal Cash Availability: Explain that in most cases farmers have some of their own money to pay for the costs of their own enterprise. Sometimes this money is in one lump sum; at other times it comes in small amounts according to the farmer's other sources of income and expenses.</p> <p>Write an example of a farmer's cash contribution on the flip chart in the column 'Personal Cash Available'. (Note: Make sure your example is <u>not enough</u> to pay for all of the cash requirements.)</p>	

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	<p>Calculate the Cash Surplus or Deficit each month after the farmer's personal cash input. Tell participants that if there is still a funding deficit, it will have to be funded some other way.</p> <p>Ask the participants where the money might come from. Guide them toward the need to sometimes borrow money.</p>	 <p>Exercise 4.16 Activity 3: Final Cash Flow</p>
4	<p>Benefits and Risks of Borrowing: Write the following questions on a flip chart.</p> <ul style="list-style-type: none"> ➤ What are the benefits of borrowing? ➤ What are the risks of borrowing? ➤ When is it not a good idea to borrow? <p>Ask participants in subgroups to discuss the questions. Record their answers on the flip chart.</p> <p>Then compare their answers with those in the workbooks in Exercise 5.1. Ask participants to add their additional ideas into their workbooks if not already mentioned.</p> <p>Some of the benefits might be:</p> <ul style="list-style-type: none"> ➤ Able to use credit to start up a new business with good market and profit potential ➤ To expand an existing profitable enterprise <p>Some of the risks of borrowing might be:</p> <ul style="list-style-type: none"> ➤ the interest cost may be more than the extra income earned from the loan ➤ if the funds are not wisely used, a loss may result, causing family hardship ➤ failure to pay back the loan may cause the loss of land or other assets ➤ failure to repay will reduce the farmer's reputation <p>Ask participants when it is not advisable for a farmer to get a loan. Some of the answers might be when:</p>	<p>Flip chart paper and pens</p>  <p>Exercise 5.1 Benefits and Risks of Borrowing</p>

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	<ul style="list-style-type: none"> ➤ farmers can see that it will be difficult to repay the loan ➤ loan terms and conditions are not favorable ➤ there is no plan to repay the loan ➤ there is no other source of income to repay the loan if the enterprise fails 	
5	<p>Funding Sources: Suggest that sometimes the farmer may need to borrow money from other sources to pay for the enterprise costs.</p> <p>Brainstorm where participants can get additional finance from, to fund their enterprise. Write these ideas on a flip chart.</p> <p>Note: The sources could be family, friends, group savings and credit banks, local money lenders, micro financing institutions.</p> <p>Ask the farmers to write the possible sources of finance down in the left hand column of the Local Credit Sources Table Exercise 5.2 in their workbooks. Add more rows if necessary. The rest of the table will be filled in during the next activities.</p> <p>Explain that the person or institution lending the money usually sets the conditions for repayment.</p> <p>Ask selected participants to share their experiences and knowledge regarding the main repayment terms and conditions of lenders.</p> <p>Then refer them to the list of conditions in the next section (Exercise 5.3).</p>	 <p>Exercise 5.2 Funding Sources Survey Table</p>

6

Review of Main Loan Terms and Conditions:

Ask participants to form divide into pairs and discuss one of these conditions between each pair. Then ask them to explain to the rest of the group what these conditions mean. Give help when required.

1. **Maximum amount of loan:** Some lenders will lend the full amount you need while others will lend a lesser amount.

2. **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.

3. **Repayment period:** This is the time over which you have to repay the loan. The period may vary depending on where you get your loan. You should choose a repayment period that is most appropriate for your enterprise.

4. **Grace period:** This refers to the period of time between getting the loan and when you have to start repaying it. Some lenders understand that agriculture enterprises may need a grace (non-repayment) period before you can repay it because it takes a while for crops and animals to grow, be harvested, then sold. Other lenders insist on a regular payment. You should choose a grace period that is most appropriate for your enterprise.

5. **Bank charges:** In addition to interest rates, some lenders may also charge a certain fixed amount(s) for processing the loan. This may be charged separately or form part of the interest rate.

6. **Collateral requirements:** Some lenders require borrowers to provide assets like land, buildings or equipment as security against non-payment of loans.

7. **Flexibility in repayments:** Lenders can be very strict and demand payments on time or they will take the nominated security. Others are more flexible and allow you to make alternative repayment arrangements as long as you still promise to pay at some time.




Exercise

5.3

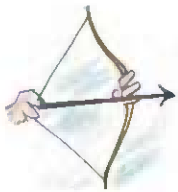
The Main
Loan Terms
and
Conditions

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	<p>8. Ease of getting the loan: Some lenders require the borrower to fill out a lot of application forms and business plans while others do not.</p> <p>Ask participants to add any other important terms and conditions they need to find out from a credit provider. Write any new responses on the board and in their workbooks</p>	
7	<p>Preparing a Survey of Funding Sources: Organize participants into teams of 3 to 5 people depending on the number of lenders they have listed in the table in Exercise 5.2</p> <p>Allocate at least one lender from each kind of source to a group so that participants can gather information from each of the different kinds of credit sources available. Then ask participants to visit their assigned lender before the next meeting and interview them about the loan terms and conditions questions as listed in the section above.</p> <p>Encourage participants to ask additional questions of the lender and to collect any printed information available. Advise the group to be specific in getting the information. They should show their enterprise Budget and Cash Flow business plans to the lenders to demonstrate their funding requirements and repayment ability.</p> <p>Agree on a time to return to the FBS with this information for further discussion. Wish participants well in their information collection.</p>	 <p>Exercise 5.2 Funding Sources Survey Table</p>

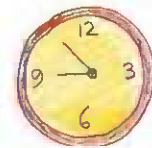
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MODULE # 5: (continued) Assessing Funding Sources




Objectives

By the end of this session participants will be able to access suitable funding sources to support chosen enterprises.



3 hours

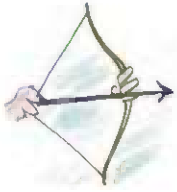
1	<p>Funding Sources Survey Report: When the teams return from surveying credit providers, ask each group to present its findings to the rest of the participants. As each team reports back, write the information in a table on a pre prepared flip chart in the same format as in Exercise 5.2.</p> <p>After all teams have reported, encourage them to compare the lenders' information. Which lender has the lowest interest rate? Which lender has the highest? Do all the lenders have a grace period? How do the repayment periods compare? etc.</p> <p>After the details of the 8 conditions (plus any additional ones) have been discussed and compared, ask subgroups to write the names of the 3 most preferred lenders on a separate sheet of paper. Collect all the papers and write the information on a flip chart. Add up the scores and provide the group's overall preference rankings.</p>	<p>Flip chart table with the list of lenders and the key questions from Exercise 5.2</p>
2	<p>Choosing preferred funding sources: Ask participants to answer the questions in Exercise 5.4.</p> <ol style="list-style-type: none"> 1. Who is the most preferred lender and why? 2. Who is the second most preferred lender and why? 3. Who is the third most preferred lender and why? <p>Summarize the discussions by stating again that when farmers need to borrow money, they should investigate the best option that fits their chosen enterprise's cash flow. They need to be sure to find out the best terms and conditions from each lender before selecting their source of additional funds.</p>	 <p>Exercise 5.4 Questions highlighting preferred Funding Sources</p>

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3	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none">➤ What was good about this FBS session?➤ What was not so good about this session?➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	
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MODULE # 6: Benchmarking Study Tour Preparation



Objectives



By the end of this session participants will understand how to form study tour questionnaires, and to form a vision, goals and strategies for the short and longer term






3 hours

	Steps	Resource Material
1	<p>Benchmarking Study Tour Preparation:</p> <p>Note: Before running this session you will need to identify which successful groups or individual farm enterprises to visit and make arrangements for a study tour. The selected study tour location should have:</p> <ul style="list-style-type: none"> ➤ A similar agro-ecosystem so techniques observed can be adopted when participants return home. ➤ Group activities that are relevant to the study tour participants' vision and goals. 	<p>Facilitators should pre-select groups or individual farm enterprises to visit</p>


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<p>2</p>	<p>Individual or Group vision, goals and strategy: Explain that the first component of an enterprise plan is to decide on the enterprise vision and goals.</p> <p>Ask participants what they understand by a vision and goals? Refer to a definition in their workbooks Exercise 6.1. Explain that a vision can motivate them to broaden their thinking to do something better for themselves and for their groups. Say that individuals (or groups) that have no vision generally remain at the same level or fail, while those that have a vision and goals usually improve their situation.</p> <p>In their enterprise subgroups, ask them to answer the following questions:</p> <ol style="list-style-type: none"> 1. What will the individual (or group) production and profit be like in five years time? 2. What will the individual (or group) production goal and profit be like this season? 	 <p>Exercise 6.1 Definition of Vision, Goals and Strategy</p>  <p>Exercises 6.2 Individual Enterprise Vision, Goals and Strategy And Exercise 6.3 for Groups</p>
	<p>3. What group strategy (activities) do they want to follow to reach their long term vision and this season's goals?</p> <p>Ask participants to share their visions, goals and strategies with others in the plenary. Summarize their ideas on a flip chart.</p> <p>Ask them to copy this flip chart down in their workbooks in Exercise 6.2 for individuals and 6.3 for groups.</p>	
<p>3</p>	<p>Benchmarking Study Tour rationale: Tell participants that to help them develop their own individual farm or group enterprise vision, goals and strategies, it is a good idea to visit a successful similar enterprise to learn what can be done. Participants can then bring back the ideas they have learned to help review and finalize their own vision, goals and strategies.</p>	

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<p>4</p>	<p>Share with participants a definition of benchmarking: 'Benchmarking is the comparison between participants' own farms (or groups) and other very successful farms or groups. Comparisons can help participants gain an idea about how to do things in a better way, and include these ideas in their future plans.'</p> <p>Refer participants to the definition in their workbooks in Exercise 6.4.</p> <p>Explain that you would like to facilitate the planning of a benchmarking study tour for the remainder of the session.</p>	 <p>Exercise 6.4 Benchmarking Definition</p>
<p>5</p>	<p>Designing a questionnaire to collect information during the study tour: Tell participants that it is a good idea to have a questionnaire to guide them in collecting the important information during the study tour. If they do not have a questionnaire ready, maybe they will forget to ask something, and after returning home, the opportunity to ask questions will be lost.</p> <p>Ask participants to define the purpose of the study tour. Write their ideas on a flip chart. A suggested purpose is as follows:</p> <p>'To help participants to form a vision, goal and strategies for their own (or group) enterprise.'</p>	 <p>Exercise 6.5 Individual Enterprise Questionnaire</p>
	<p>Ask participants in subgroups to write down what important questions they should ask to achieve the study tour purpose they have defined? Write their ideas on a flip chart. Compare these questions with those in their workbooks in Exercise 6.5 and 6.6. The questions are also listed in the next 2 sections below.</p> <p>Finalize the questionnaire which should include the farmer's ideas and those in the questionnaire examples.</p> <p>Ask participants to copy the finalized questions into their workbooks in Exercise 6.5 or 6.6.</p>	 <p>Exercise 6.6 Group Enterprise Questionnaire</p>


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<p>5.1</p>	<p>Individual farm enterprise questionnaire example: The following questions focus on the feasibility aspects of their chosen enterprise:</p> <p>General question:</p> <ol style="list-style-type: none"> 1. Why did you choose this enterprise? <p>Production questions:</p> <ol style="list-style-type: none"> 2. What yield did you get last year? What yield do you hope to get in the coming season? 3. What is your soil type? What activities will you do and what inputs are required to achieve your target yield? <p>Supply Chain problem analysis:</p> <ol style="list-style-type: none"> 4. What problems do you have in each step of the supply chain? How do you solve these problems? <p>Adding value:</p> <ol style="list-style-type: none"> 5. Do you add value to your products? 6. How do you do this? 7. How much (in terms of money) does the value change at each step? <p>Access to technical information and extension services:</p> <ol style="list-style-type: none"> 8. Where do you get technical information from? 9. Which is the best source of information? 10. Can you give contact details of good information sources? <p>Resource needs and availability:</p> <ol style="list-style-type: none"> 11. Where do you get quality input resources for enterprise? (Get names and contact details) <p>Marketability:</p> <ol style="list-style-type: none"> 12. Where and when do you sell your products? (Contact details) 13. At what price do you sell your products? 14. Why have you chosen this marketing strategy? 	<div style="text-align: center;">  </div> <p>Exercise 6.5 Individual Enterprise Questionnaire</p>
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	<p>Environmental impact: 15. Do you take steps to protect the environment? How?</p> <p>Risk Reduction: 16. What are the risks in your enterprise? How do you minimize them?</p> <p>Social/cultural/gender considerations: 17. Are there any social, cultural or gender constraints that limit your ability to carry out the enterprise? How do you solve them?</p> <p>Profitability: 18. What income, costs and profit do you expect from the enterprise?</p> <p>Funding sources: 19. Do you borrow money to fund the enterprise? Where from? Why did you choose this source?</p>	
5.2	<p>Group Enterprise questionnaire example: Go over the Group Enterprise questions Exercise 6.6</p> <p>Group Enterprise questionnaire example: The following questions focus on the feasibility aspects of chosen group enterprises. Participants should practice these questions so that they are prepared to interview group leaders and farmers on the study tour:</p> <p>General questions:</p> <ol style="list-style-type: none"> 1. What is your group name? 2. How many members in the group (m/f)? 3. Who are the leaders? What are their contact details? <p>Group vision, goals and strategies:</p> <ol style="list-style-type: none"> 4. What is your vision for the group in 5 years time? 5. What results does your group hope to accomplish in the coming year? 6. What group marketing activities will you carry out to achieve these results? 7. What group input buying activities will you carry out to achieve these results? 8. What group value adding activities will you carry out to achieve these results? 9. What group transport activities will you carry out to achieve these results? <p>What group contract will you carry out to achieve these results?</p>	

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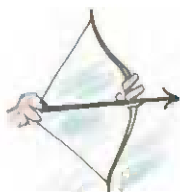
	<p>10. What group linkages to technical or financial services will you carry out to achieve these results?</p> <p>11. How, step by step, will you carry out these group activities?</p> <p>12. What problems do you face in group activities? What are the solutions?</p> <p>13. What is the group profit from these group activities?</p> <p>14. How is the profit shared amongst the group members?</p> <p>15. What are the contact details of key marketing, input supply and other actors that the group works with?</p> <p>Add some more questions from participant's if required:</p>	 <p>Exercise 6.6 Group Enterprise Questionnaire</p>
<p>5.3</p>	<p>Who should ask the questions during the study tour?</p> <p>It is usual for the facilitators or leading farmers to ask the more formal questions, and the other participants to ask questions informally.</p> <p>However to encourage active participation by each participant, it is a good idea to allocate the responsibility for asking 1 or 2 questions to each participant. Subgroup leaders can help and encourage weaker team members to successfully ask questions and get meaningful answers. Explain this concept to the participants, and if they agree, allocate one or two questions to each of them.</p> <p>Remind participants to practice asking these questions during the remainder of this session and at home so they will be confident in interviewing the individual farmers or groups during the field study.</p> <p>Summarize the session by saying that participants have now developed a questionnaire that will guide them to review their previously set vision, goals and strategies.</p> <p>Remind participants to make sure they bring the questionnaires they will ask during the visit. Ask them to record the information that they will be collecting in a notebook.</p>	

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	<p>Tell participants they will have to select the right people to answer their questions so that they get accurate answers. For example, the group leaders should be interviewed about group activity questions, the accountant should be asked the money questions, and the key farmers should be questioned about the technical questions.</p> <p>Discuss whether it is useful to ask males and females questions in separate groups to assess any differences in opinion between men and women.</p> <p>Confirm a date and time for the Benchmarking Study Tour.</p>	
6	<p>Logistics for the study tour:</p> <ol style="list-style-type: none"> 1. Confirm that the group you will visit will be available to provide the information you need 2. Confirm the transport arrangements 3. Confirm that the FBS members will be ready and on time 4. Confirm arrangement for snacks and meals 5. Make sure each subgroup has their list of questions to ask 6. When the study tour is conducted, make sure to involve local authorities where possible 	<p>Finalized Benchmarking Questionnaire developed by the group</p>

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MODULE # 6: (continued) Benchmarking Study Tour Assessment




Objectives

By the end of this session participants will be able to analyze information gained from a study tour so that successful visions, goals and strategies can be identified for their own plans.



3 hours

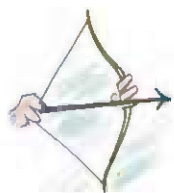
	Steps	Resource Material
1	<p>Explain to participants that during the study tour they should have collected enough information to compare their enterprise with a benchmark enterprise. Tell them that in the coming session they will analyze the benchmarking study tour information to identify successful activities to include in their own individual or Group business plans.</p>	
2	<p>Lessons learned from the study tour:</p> <p>Put up a flip chart in the form of the 'Benchmarking Questionnaire Summary Analysis Form' in Exercise 6.7. List the chosen questions in Column 1.</p> <p>Invite participants to answer their allocated questions, firstly in relation to their <u>own</u> individual or Group enterprise in Column 2, then for their <u>benchmarking enterprise</u> in Column 3.</p> <p>Then ask the person responsible for each allocated question to describe the difference between their own (or their group's) situation and that of the benchmarking enterprise.</p> <p>The analysis should be mindful to identify areas where their farms (or groups) are performing well, and not so well. Participants should give a reason for the difference by saying something like: "My situation (or group's situation) is different from the benchmarking situation because".</p>	 <p>Exercise 6.7 Benchmarking Questionnaire Summary Analysis Form</p>

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	<p>Ask participants to say which strategy is good for them (or the group) for the coming year. Encourage discussion. Participants should put a tick beside the strategies they want to follow in their own individual (or group) plan this coming year. Then ask participants what strategy their group would like to follow in the coming year.</p> <p>Finally ask participants to revise their vision, goals and strategies in Exercises 6.2 and 6.3., including any new ideas.</p>	
3	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none"> ➤ What was good about this FBS session? ➤ What was not so good about this session? ➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

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MODULE # 7: Group Activity Options and Budget Plans




Objectives



By the end of this session participants will be able to understand the benefits of group marketing, group buying of inputs and group value addition activities






9 hours





	Steps	Resources material
1	<p>Baseline Group Activity Cash Flow Budget before the FBS training:</p> <p>Note: Prior to this meeting facilitators should make sure the group leader or accountant brings the information requested below.</p> <p>Put up a flip chart with a Cash Flow Budget template with the headings: Enterprise type; Activity/Income, Activity/Costs, Profit/Loss, and months the enterprise activities occur on the wall. Brainstorm with participants the situation regarding the income, costs, profit/loss for the Group Activities relating to their chosen enterprise in the past year. The group leader or accountant should have this information. Write their answers on the flip chart.</p> <p>Ask participants to copy this "Group Activity Cash Flow Budget before the FBS" information into Exercise 7.1 in their workbooks.</p> <p>Say that the next sessions will help them to make Group Enterprise Plans for the coming season or year.</p>	<p>Flip Chart with Cash Flow Budget Template</p>  <p>Exercise 7.1 Cash Flow Budget Before the FBS</p>
2	<p>Supply chain problem analysis:</p> <p>Remind participants that when discussing farming as a business, they should acknowledge that a chain of actors is involved in a typical farming business process.</p> <p>Invite participants in their subgroups to fill in the blank boxes in</p>	<p>Flip chart paper with supply chain headings</p>

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	<p>Exercise 7.2 of their workbooks with the different actors in the chain of their chosen enterprise (They can refer to the feasibility study Exercise 4.6 if they have done this before.) Ask each subgroup to list the problems that might occur at each level of actor (suggest one actor per subgroup to save time). For every problem, invite participants to suggest a solution. Number the problems and solutions so that they match up.</p> <p>Ask a group representative to report back some of their ideas about problems and solutions to the plenary and encourage discussion and collection of final ideas. Write all ideas on a flip chart.</p>	 <p>Exercise 7.2 Supply Chain Problems and Solution Analysis</p>
<p>3</p>	<p>Group activities to solve supply chain problems:</p> <p>Ask participants which of the solutions and opportunities in the supply chain can be carried out as Group Activities.</p> <p>The possible activities for discussion should include:</p> <ul style="list-style-type: none"> ➤ Group marketing to get higher prices ➤ Group buying of inputs for cheaper prices ➤ Group contracts to fix prices ➤ Group linkage with extension and credit services ➤ Group value adding <p>Ask the participants how these group activity options will contribute to the group's profitability. Write their answers under each option on the flip chart.</p> <p>Confirm with participants which group options they are interested in and ask them to complete Exercise 7.3 in their workbooks. Say that you will move on to study their selected options in more detail in later sessions.</p>	<p>Flip chart paper with supply chain headings and plenary answers</p>  <p>Exercise 7.3 Group Activity Options to Solve Supply Chain Constraints and Increase Group Profitability</p>
<p>4</p>	<p>Group vision, goals and strategy:</p> <p>Explain that the first component of an enterprise plan is to decide on the enterprise vision and goals.</p> <p>Ask participants what they understand by a vision and goals? Refer to a definition in their workbooks Exercise 7.4. Explain that a vision can motivate them to broaden their thinking to do something better for</p>	

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	<p>themselves and their groups. Say that groups that have no vision generally remain at the same level or fail, while those that have a vision and goals improve their group situation.</p> <p>In their enterprise subgroups, ask them to answer the following questions:</p> <ol style="list-style-type: none"> 1. What will the group production and profit be like in five years time? 2. What will the group production goal and profit be like this season? 3. What group strategy (activities) do they want to follow to reach their long term vision and this season's goals? <p>Ask group members to share their visions, goals and strategies with others in the plenary. Summarize on a flip chart.</p> <p>Tell participants that they should agree on an enterprise vision, goals and strategy for each of their chosen group activities and copy this down in their workbooks in Exercise 7.5 to guide them in the next sessions.</p>	 <p>Exercise 7.4 Definition of Vision, Goals and Strategy</p>  <p>Exercise 7.4 Group Vision, Goals and Strategy</p>
<p>5</p>	<p>Individual Production and Inputs Use before the FBS Technical Services Linkage:</p> <p>Put up a flip chart with a budget format with the headings: Enterprise type; Income, Costs, Profit/Loss, on the wall</p> <p>Tell the participants that in order to find group marketing and input needs they must first look at individual members requirements, then add them together to get the total group figure. Say that this next session will focus on identifying individual group member's production and input requirements.</p> <p>Brainstorm with participants the group members' average situation regarding production, income, costs, profit/loss for the chosen enterprise <u>before</u> the FBS Technical Services linkages. Gain general consensus. Ask participants to write down this situation in the "Before the FBS Technical Services Linkages" Exercise 7.5(a).</p>	 <p>Exercise 7.5(a) Individual Production and Input Use Before FBS Technical Services Linkages</p>

<p>6</p>	<p>Linkage with technical services to calculate production and input needs and to improve profitability:</p> <p>Invite an extension worker or other advisor to explain 'best practice' techniques and input requirements that help to solve the supply chain problems. The interventions should suit the farmer's agro-ecosystem, and be technically, economically, environmentally and socially viable. <u>Make sure</u> the technical/supply chain advice is <u>brief and clear</u> and that the advisor(s) have some leaflets and/or posters to support recommendations.</p> <p>Finish this technical presentation by putting up a pre-prepared 'best practice' budget and briefly discuss what activities might be undertaken to get a good profit.</p> <p>Discuss in the plenary whether participants agree with the recommended 'best practice' activities, sales prices, input use and costs, or if they want to change something to make this production and input buying plan more realistic to their situation. Make the changes where necessary to form a 'Farmer Agreed Practice' budget.</p> <p>Then ask the participants in their subgroups to compare the overall profit 'before' the FBS Technical Services linkages, in Exercise 7.5(a) with the 'Farmer Agreed Practice' profit in Exercise 7.5(c). Do this by asking them to fill in the blank spaces in Exercise 7.6, by writing down the 'Farmer Agreed Practice' profit first, then subtracting the 'Before the FBS Profit/Loss' from it, to find the increase in profit if they followed some new techniques.</p> <p>Discuss whether participants are satisfied with this increase in enterprise profitability. If yes, they can use the production figures and input requirements estimates to calculate group marketing and input buying requirements.</p>	<p>Technical leaflets and posters to support recommendations</p>  <p>Exercise 7.5(b) 'Best Practice' Budget</p>  <p>Exercise 7.5(c) Filled in example of a 'Farmer Agreed Practice' Budget</p>  <p>Exercise 7.6 'Before' and 'After' FBS Technical Services Linkage Profit/Loss Comparison</p>
<p>7</p>	<p>Introduction to Group Marketing:</p> <p>Ask participants if they have been a part of a group marketing scheme or if they know of one. What were the benefits? What were the pitfalls?</p>	
<p>7.1</p>	<p>Group Marketing Case Study:</p> <p>Tell participants that in a few minutes you are going to read them Kuntea's group marketing case study Exercise 3.4 of their workbooks. Before you read the story, refer them to the</p>	 <p>Exercise 3.4</p>

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	<p>questionnaire on Exercise 7.8 in their workbooks. Go over the questions to make sure they understand them, then allocate 1 or 2 questions per person or subgroup.</p> <p>Ask participants to listen to the story and write down the answer to their allocated question(s). At the story's end, ask each participant to report their answer to the plenary. Write all answers on a flip chart and reach agreement on them.</p> <p>Conclude by asking if Kuntea's group marketing scheme was worthwhile or not? Ask them if they want to be part of a similar scheme. If yes why? If no, why not? Ask the participants to copy the groups answer into their workbooks.</p>	<p>'Together each achieves more' - a case study</p>  <p>Exercise 7.7 Group Marketing Case Study Questionnaire</p>
7.2	<p>Group marketing questionnaire:</p> <p>Refer participants to the Group Marketing Strategy table Exercise 7.8 in their workbooks. Then brainstorm with the group the following questions:</p> <ul style="list-style-type: none"> ➤ Who wants to sell? ➤ What product and how much will they sell? ➤ What quality will they produce? ➤ When do they want to sell? ➤ Where is their preferred selling point (farm gate, central collection point or market) at what price? <p>Then ask participants if others in their CBO (not just the FBS group members) would like to join the Group Activity Marketing Plan.</p> <p>Write their answers onto a flip chart. If they do not know the answers clearly, ask them to make an estimate, based on their past group marketing experience.</p> <p>Ask them to copy the Group Marketing Strategy Table from the flip chart into their workbooks.</p> <p>Note: The FBS participants may have to go and talk with other group members to confirm their interest in joining the Group Activity Marketing Plan. They should write a list of those interested, in the group marketing strategy table format in Exercise 7.8, then bring these figures to the next meeting.</p>	 <p>Exercise 7.8 Group Marketing Strategy Table</p>

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7.3

Farm maps showing group production areas:

Organize participants into their subgroups. Ask them to draw maps of their group marketing field locations, describing the enterprise name and product variety, the area, and the proposed yield. They should also write the neighbors names, major landmarks (roads, mountains) to help with locating the land. Write this information in Exercise 7.9 of their workbooks. Individuals should highlight the location and size of their contribution to the chosen CBO enterprise on the map. While they are doing this, they should not worry about accuracy or drawing to scale. Simple drawings will be sufficient.

If participants grow crops, then the farm production map should name the crop they will grow, the number of hectares they will plant, and what yield they hope to get. If they have chosen a livestock enterprise, the map should show where they will raise the livestock, the size of the enclosure, the kind and number of head of livestock they will have, and what product will be produced.



Advise participants that it is important for the group leaders to have a copy of these maps so they can visit and monitor the production areas for quality control. This is particularly important for organic farming where product buyers want to strictly observe production practices.

Tell participants that using a farm map is a useful management technique to help them to compare land use each year and to help with planning crop rotations and other management decisions.



Give participants 15-30 minutes to draw their maps and move from group to group to assist if necessary. Once the maps are finished, ask one with the clearest map to show the map and describe the production areas to the whole group.





Exercise 7.9
Farm Map

<p>7.4</p>	<p>Identifying produce buyers:</p> <p>(Note: Prior to this meeting, the facilitator, along with leading participants, should identify and organize key product buyers, to whom the group may sell products, to visit this FBS meeting or be available to talk by telephone through a 'loud speaker conference call.' Make sure the buyers are able to supply the chosen products, have the quality and quantity the group needs, and know what prices, discounts and other incentives they can offer the group.</p> <p>Brainstorm with participants the names and contact details of product buyers they want to sell their produce to. Add some of your own ideas if not already mentioned. Write the information on a flip chart. Ask them to copy the information into the Produce Buyer's Contact Details table in their workbooks Exercise 7.11.</p>	 <p>Exercise 7.10 Produce Buyer's Contact Details Table</p>
<p>7.5</p>	<p>Linking with produce buyers:</p> <p>(Optional: Start this session with Module 8 - Negotiating informal agreements and formal contracts. After undertaking Module 8, select the participants who show the best negotiating skills and knowledge to conduct the interview described below.)</p> <p>Ask leading participants to interview selected buyers who have come to the meeting, or to speak with them over a speaker phone so all the group can hear.</p> <p>They should focus on discussing the following:</p> <ol style="list-style-type: none"> 1. What product(s) they want to sell. 2. How much they want to sell. 3. What quality they will produce. 4. Where they want to sell. 5. When they want to sell. 6. What price they want. <p>And perhaps other questions if relevant such as:</p> <ol style="list-style-type: none"> 7. Can the produce buyer advance credit for inputs to be repaid at the end of the season? <p>Leading participants could tell the buyers something like the following:</p>	 <p>Exercise 7.11 Interviewing Produce Buyers Table</p>



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	<p>1. "My group wants to sell 100ton of pure Pkar Romdoul paddy at a central collection point in their village in November. What is the best price the buyers can offer?" "Can the produce buyer advance credit for inputs for repayment at produce sale time?"</p> <p>Leading participants should try to negotiate a price close to the price the group wants.</p> <p>List on separate flip charts under the buyer's name, the prices(s) they offer at their preferred sale time.</p> <p>Invite participants to enter the prices into the Contact List Table in their workbooks.</p>	
7.6	<p>Advantages and Disadvantages of each buyer:</p> <p>Ask subgroups to discuss the advantages and disadvantages of each buyer, then ask each subgroup to report to the plenary. Write their ideas under the relevant buyers name and price.</p> <p>Ask participants to copy the information into their workbooks under Exercise 7.12.</p>	 <p>Exercise 7.12 Advantages and Disadvantages of Contacted Buyers</p>
7.7	<p>Group Marketing questionnaire:</p> <p>Brainstorm the answers to the questions below. These are listed in the Group Marketing Questionnaire in the workbooks, Exercise 7.13. Write the answers on a flip chart.</p> <ol style="list-style-type: none"> 1. Which marketing outlet(s) will you select and why? 2. Do you want to make informal agreements or written contracts with the selected marketing outlets. Why? 3. What are the marketing costs (transport, storage, labor) to get to the selling point? 4. Who will organize the above steps? 5. What fee will the CBO charge for doing the above services and for some profit for group shareholders? 6. How will you record the sales, income and other information? 7. How will you divide the group income among the members of the group? <p>Invite the participants to copy the answers from the flip chart into their workbooks Exercise 7.13.</p>	 <p>Exercise 7.13 Group Marketing Questionnaire</p>


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<p>7.8</p>	<p>Group Marketing Plan summary table: Summarize participants' answers in a Group Marketing Plan table on a pre-prepared flipchart. Ask them to copy this flip chart into Exercise 7.14 in their workbooks.</p> <p>Ask participants to put the group 'selling from collection point' price into their 'Farmer Agreed Practice' budgets (Exercise 7.5(c) in their workbooks) to see how much increased prices through group marketing improves profitability.</p>	 <p>Exercise 7.14 Group Marketing Summary Plan Table</p>
<p>7.9</p>	<p>Group Marketing Budget Plan: Refer participants to the Group Marketing Budget template Exercise 7.15 in their workbooks.</p> <p>Invite them to fill in the income, costs and profit/loss for the group marketing activity.</p> <p>Note: The income comes from the amount the group sells multiplied by the price at which the group sells the product The costs will mainly be: the amount the group collects from the farmers multiplied by the price the group pays the farmers; and the marketing costs (transport, storage, labor). The result (profit or loss) will be the amount the group has earned by facilitating the Group Marketing activity. Divide this number by the number of units to get the CBO fee/unit and put it in Table 7.14.</p> <p>Write down the labor days (m/f) to recognize male and female participation in the group marketing activities.</p> <p>Are participants satisfied with the result?</p>	 <p>Exercise 7.15 Group Marketing Budget</p>

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<p>8</p>	<p>Group Buying of Inputs or Equipment:</p> <p>Start this session by asking participants to describe their experiences in buying inputs or equipment as individuals and as a group from other farmers, dealers, suppliers, retailers and manufacturers.</p> <p>Brainstorm what are the advantages and disadvantages of buying as a group? Write their key points on a flip chart.</p> <p>Summarize by asking participants if they would be interested in buying as a group. If yes, why? If no, why not?</p>	
<p>8.1</p>	<p>Baseline calculating group input needs and costs before group activities:</p> <p>Ask the participants to form subgroups and to look at their chosen enterprise 'Farmers' Agreed Practice' Budget on Exercise 7.5(c) of their workbooks and to call out:</p> <ul style="list-style-type: none"> ➤ The name of the inputs they need ➤ How much of each input they need per unit area (ha or m²) or heads of chickens or cows. <p>Fill their answers on to a pre-prepared flip chart in a format as in the participants' workbooks Exercise 7.16, 'Input Requirement and Costs Table' before Group Activity Buying'.</p> <p>Put the name of the inputs in Column 1 and the amount in Column 2.</p> <ul style="list-style-type: none"> ➤ Ask the participants to estimate the number of farmers who might want to join in the group buying activity and their land areas. Write this information in Column 3 of the table. (Note: The farmers do not have to be part of the FBS training or the CBO. Any farmer in their area can participate, because the more farmers, the better the discount and more handling fees for the group buying activity) ➤ Calculate the total amount of each input required in Column 4 ➤ Ask participants how much they pay as individuals now for each input. Remind them that the individual farmer's 'farm gate' price should include: 	<div style="text-align: center;">  <p>Exercise 7.5 (c) 'Farmers' Agreed Practice' Budget</p> </div> <div style="text-align: center; margin-top: 20px;">  <p>Exercise 7.16 Input Requirements and Costs Table Before Group Buying</p> </div>

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	<ul style="list-style-type: none"> • the price they pay for the input and • their transport to and from the market • the price of a meal at the market if they have one • and perhaps an allowance for their time <p>Note: These last 3 are called 'marketing costs'.</p> <p>Add all of the costs together to get the 'farm gate' input price the individual farmers pay now. Put these prices in the table Column 5.</p> <p>➤ Multiply the totals together to get a Total Cost of input requirements <u>before</u> group buying activities.</p>	
8.2	<p>Estimating a group buying discount amount:</p> <p>Ask the farmers to estimate how much of a discount they might get if they negotiated as a group to buy the inputs? Write their answers down and calculate an average discount rate. Use this rate to calculate the expected group saving while buying as a group.</p> <p>Note: Total input needs <u>multiplied</u> by the discount rate = savings</p> <p>Say that some of this savings could go to CBO leaders for arranging the buying contract, and some of the benefits to the CBO members as a dividend.</p> <p>Conclude the discussion by asking the participants:</p> <p>Are they interested in group buying of inputs? If they say 'yes' They should move on to making a Group Buying Plan.</p>	
	<p>Group Buying Plan questionnaire:</p> <p>Refer the participants to the questionnaire in their workbooks Exercise 7.17.</p> <p>Ask the group the following questions:</p> <ul style="list-style-type: none"> ➤ Where is their preferred buying point (farm gate, central collection point or the market)? ➤ When do they want to buy? ➤ and at what price? 	 <p>Exercise 7.17. Group Buying Plan Questionnaire</p>

8.3	<p>Write the answers on a flip chart. If they do not know the answer, ask them to make an estimate, based on their past buying experience. Ask them to copy the answers to these questions into their workbooks.</p>	
8.4	<p>Identifying input suppliers: (Note: Prior to this session, the facilitator, along with leading participants, should identify and organize key input sellers, from whom the group may buy products, to visit this FBS meeting or be available to talk by telephone through a 'loud speaker conference call.' Make sure the sellers are able to supply the chosen products, know what quality they have, how much they can sell, what prices they can offer at different times of year, and what group discounts or other incentives they have.)</p> <p>Brainstorm with participants the names and contact details of product input suppliers they want to buy from. Add some of your own ideas if not already mentioned. Write the information on a flip chart. Ask them to copy the information into the Input Supplier Contact Details table in their workbooks Exercise 7.17.</p>	 <p>Exercise 7.17 Question 4 Input Suppliers Contact Details Table</p>
	<p>Speaking with input suppliers: (Optional: Start this session with Module 8 - Negotiating informal agreements and formal contracts. At the end of this module, select the participants who show the best negotiating skills and knowledge to conduct the interview described below.)</p> <p>Ask leading participants to interview selected input suppliers who have been invited to the meeting, or to speak with them over a speaker phone so all the group can hear.</p> <p>They should focus on discussing the following:</p> <ol style="list-style-type: none"> 1. What input(s) they want to buy. 2. How much they want. 3. What quality they require. 4. Where they want to buy - 'collection point' or market. 5. When they want to buy. 6. What price they want to pay. 	


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<p>8.5</p>	<p>And perhaps other questions if relevant such as:</p> <p>7. Can the input supplier advance credit for inputs to be repaid at the end of the season?</p> <p>They could tell the sellers something like the following sentence:</p> <p>"My group wants to buy 10ton of DAP fertilizer at a central collection point in their village in November. What is the best price the sellers can offer?" "Can we get the inputs on credit and repay at harvest time?"</p> <p>They should try to negotiate a price close to the price the group wants.</p> <p>List on separate flip charts under the buyer's name the prices(s) they offer.</p> <p>Invite them to enter the prices into Column 5 of the Input Suppliers Contact List Table in their workbooks Exercise 7.17 in their workbooks.</p>	 <p>Exercise 7.18 Interviewing Input Suppliers</p>
<p>8.6</p>	<p>Advantages and Disadvantages of each input supplier:</p> <p>Ask subgroups to discuss the advantages and disadvantages of each supplier.</p> <p>Ask each subgroup to report to the plenary. Write their ideas under the relevant input suppliers name and price.</p> <ul style="list-style-type: none"> ➤ Ask the group which input supply outlet(s) they will select and why? ➤ Ask them if they want to make informal agreements or written contracts with them. <p>Ask participants to copy this information into their workbooks Exercise 7.19.</p>	 <p>Exercise 7.19 Advantages and Disadvantages of the Contacted Input Suppliers</p>



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<p>8.7</p>	<p>Buying of inputs: Brainstorm the answers to the questions below in the workbooks Exercise 7.20. Write the answers on a flip chart.</p> <ol style="list-style-type: none"> 1. What are the buying costs (transport, storage, labor) to get the input to the input collection point? 2. Who will organize the above steps? 3. What fee will the CBO charge for doing the above services? 4. How will you record the input needs, the collection of money for buying inputs, the payments for inputs to suppliers and other information? 5. How will you divide the group profit among the members of the group? <p>Invite the participants to copy the answers from the flip chart into their workbooks.</p>	 <p>Exercise 7.20 Question 1-5 Group Buying Questionnaire</p>
<p>8.8</p>	<p>Group Input Buying Plan Summary table: Summarize participants' answers in a Group Input Buying Plan Summary Table on a pre-prepared flipchart. Ask them to copy this flip chart into their workbooks Exercise 7.21.</p> <p>Ask participants to put the 'group buying collection point' price for inputs into their 'Farmer Agreed Practice' budgets (workbooks Exercise 7.5 (c)) to see how much cheaper inputs improves profitability.</p>	 <p>Exercise 7.21 Group Input Buying Plan Summary Table</p>
<p>8.9</p>	<p>Group Input Buying Budget Plan: Refer participants to the Group Input Buying Budget template in their workbooks Exercise 7.22.</p> <p>Invite them to fill in the group activity income, costs and profit/loss.</p> <p>Note: The income comes from the amount the group sells to the farmers multiplied by the price the farmers pay for the inputs.</p>	 <p>Exercise 7.22 Group Input Buying Budget</p>

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	<p>The costs will mainly be: the amount the group collects from the input suppliers multiplied by the price the group pays the input supplier; and the buying costs (transport, storage, labor).</p> <p>The result (profit or loss) will be the amount the group has earned by facilitating the Group Buying activity. Divide this number by the number of units to get the CBO fee/unit and put it in Table 7.21.</p> <p>Write down the labor days (m/f) to recognize male and female participation in the group marketing activities.</p> <p>Are they satisfied with the result? If yes why? If no, why not?</p>	
<p>9</p>	<p>Group Value Adding Options:</p> <p>In preparation for this session, the facilitator (or each enterprise subgroup) should bring examples of their chosen product developed at the different stages of the supply chain.</p> <p>Ask each enterprise subgroup to discuss:</p> <ul style="list-style-type: none"> ➤ How can value be added to their product as a group? They should identify what can be done, such as produce being properly harvested, threshed, dried, graded, stored, milled, packaged, transported, processed and being attractively displayed to customers at the sale point. ➤ What is the difference in price at each stage? Tell them that the difference in price is the value added. ➤ Who actually does the value addition? Can they create employment for themselves? Does it have to be done by someone else? ➤ Would they like to add value to their product as a group and share the profits of value addition amongst the group members? <p>When the subgroups have finished this discussion, ask each group to share their answers with the plenary. Write their answers on a</p>	 <p>Exercise 7.23 Group Value Adding Questionnaire</p>

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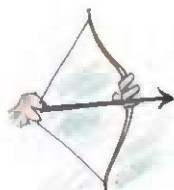
	<p>flip chart. Invite participants to copy the answers into their workbooks under Exercise 7.23.</p>	
9.1	<p>Value Adding Feasibility Study:</p> <p>Tell the participants that they should be certain that their value addition idea is feasible. Say that they should do a separate group value addition feasibility study to make sure their ideas will make a profit and will be of benefit to the group shareholders. The main feasibility questions include:</p> <ol style="list-style-type: none"> 1. Does the group have a clear vision, goals and strategy? 2. Is the agro-ecosystem suitable? 3. Can value adding problems be solved? 4. Do they have access to technical information and extension services? 5. Are resources available? 6. Is there a good market for their product? 7. Does the value adding activity badly effect the environment? 8. Can they protect themselves from disaster and risk? 9. Is the value adding activity acceptable to both men and women? 10. Are there social or cultural constraints? 11. Is the value adding idea profitable? 12. Do they have the funding to meet cash flow needs? <p>Discuss these headings with the participants and then ask them to fill in the check list in their workbooks Exercise 7.24. If they do not know the answers to these questions, the facilitator should help them to do further research by following the feasibility process in Module 4.</p> <p>Ask if they are satisfied with the value adding activity feasibility? If yes, why? If no, why not? Write their answers on a flip chart and invite them to copy this into their workbooks exercise 7.24.</p>	 <p>Exercise 7.24 Value Addition Feasibility Checklist</p>
9.2	<p>Group Value Adding Budget Plan:</p> <p>Refer participants to the Group Value Addition Budget template in their workbooks Exercise 7.25.</p> <p>Invite them to fill in the value addition income, costs and profit/loss for the group value addition activity.</p> <p>Note:</p>	 <p>Exercise 7.25 Group Value</p>

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	<p>The income comes from the amount of value added product the group sells multiplied by the price they get for the product.</p> <p>The costs will mainly be: the amount of raw materials the group buys from the suppliers, multiplied by the raw material price; and other costs like transport, storage, labor.</p> <p>The result (profit or loss) will be the amount the group has earned by facilitating the Group Value Adding activity. Divide this number by the number of units to get the CBO fee/unit.</p> <p>Write down the labor days (m/f) to recognize male and female participation in the group marketing activities.</p> <p>Are they satisfied with the result? If yes, why? If no, why not?</p> <p>Ask them to fill in their answers to these questions in their workbooks Exercise 7.25.</p>	<p>Adding Budget Plan</p>
<p>10</p>	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none"> ➤ What was good about this FBS session? ➤ What was not so good about this session? ➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

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MODULE # 8: Negotiating Buying and Selling Contracts



Objectives




By the end of this session participants will understand the knowledge and skills required to be a good negotiator



3 hours

	Steps	Resource material
1	<p>Negotiation skills: (Optional role play)</p> <p>This exercise can start with a role play. You will need to ask 5 of the participants to act the part of 2 buyers (traders) and 3 sellers (farmers). 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 negotiate until they settle on an acceptable price and agree to the terms and conditions.</p>	
1.2	<p>Tell the participants to watch the role play carefully, as they will discuss it afterwards. Ask the 5 actors to start.</p> <p>When the role play is completed, thank the actors. Start a discussion by asking the participants the following questions:</p> <ul style="list-style-type: none"> ➤ What was the role play about? ➤ Did both parties reach an agreement? ➤ Did the farmers give in to the buyers? ➤ Did the buyers give in to the farmers? ➤ Did both parties compromise and reach an agreement satisfactory to all? 	

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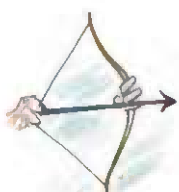
1.3	<p>Invite the group to review the role play agreement reached during this negotiating session. Are they happy with the agreement reached? If not, they should discuss the process again and try to suggest another agreement that is satisfactory to all participants.</p>	
2	<p>Definition of negotiation: Ask participants to brainstorm 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>Review the definition of 'negotiation' in their workbooks in Exercise 8.1. Invite participants to add any ideas.</p>	 <p>Exercise 8.1 Definition of negotiation</p>
2.1	<p>Knowledge and skills needed to negotiate: Ask the participants what knowledge is needed to improve their position in a negotiation. Write their answers on a flip chart. Encourage discussion.</p> <p>Then ask participants what skills are needed to be a good negotiator. Write their answers on a flip chart. Encourage discussion.</p> <p>Next compare their ideas with the list in their workbooks in Exercise 8.2. Add any ideas not already recorded in the workbooks.</p>	 <p>Exercise 8.2 Tips for successful negotiation</p>
3	<p>Assessing participants' own negotiating skills: Tell participants they now have two lists. One list is of the things they need to know to strengthen their position in a negotiation. The other list is the skills needed to be a successful negotiator. In the next part of the exercise participants will assess whether they have the necessary information and skills to negotiate effectively.</p> <p>Organize participants into pairs. Ask them to ask each other the knowledge and skills to be a negotiator questions. The respondent should write their answer against each of the criteria in their own workbooks. Tell them to indicate with a tick (or a smiley face) in their workbooks if they are strong, or to mark a cross (or sad face) if they are weak. A straight face indicates neither weak nor strong skills. Encourage discussion</p>	 <p>Exercise 8.3 Assessment of Negotiation Knowledge and Skills</p>

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	within the teams for an honest assessment.	
3.1	When participants have finished assessing their knowledge and skills, ask each team to share with the wider group their strongest skills.	
3.2	<p>Identify the group members with the strongest skills in each of the areas so that they can represent the group in negotiations if they are willing to do so.</p> <p>Invite those with weak negotiation skills and knowledge to write ways to improve their knowledge and skills in the last column - 'Ideas for Improvement'.</p> <p>Ask participants to report back to the plenary with suggestions for improvement. If not mentioned already, suggest that those with weak skills in negotiation could ask those with strong skills and knowledge to help them to improve on these.</p>	
3.3	Summarize by saying that the group has now identified members who are strong enough to represent the group in negotiating informal agreements or formal contracts. Wish them good luck in this activity.	
4	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none"> ➤ What was good about this FBS session? ➤ What was not so good about this session? ➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

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MODULE # 9: Supply Chain Contract Formation





Objectives


By the end of this session participants will understand the processes involved in forming contracts for buying and selling.




3 hours

	Steps	Resource material
1	<p>Definition of Contracts: Ask participants:</p> <ul style="list-style-type: none"> ➤ What do they understand by contracts? Refer to the definition in their workbooks Exercise 9.1. ➤ Ask participants to give examples of when they have made formal or informal buying and selling contracts. ➤ What type of product was sold or service provided under their contracts? <p>In their subgroups ask participants to discuss the following questions listed in Exercise 9.2. Allocate one or two questions per group to save time.</p> <ol style="list-style-type: none"> 1. What are the benefits of having a written contract with a buyer and seller? 2. What are the benefits of a verbal contract? 3. Would a written contract be better than a verbal contract? Why? 4. What are the benefits of having a written contract amongst the members of the group? 5. What are the negative aspects of having a written contract? 6. Are there benefits in visiting the seller or buyer when discussing terms of a contract? Why? <p>Invite group leaders to share their ideas with the plenary.</p> <p>Ask participants if they would like to enter into formal or informal farming contracts. If yes, proceed to the next session.</p>	 <p>Exercise 9.1 Definition of Contracts</p>  <p>Exercise 9.2 Contracts Questionnaire</p>

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<p>2</p>	<p>Contract Formation:</p> <p>Ask participants what types of services they would like to carry out under contract? List these on a flip chart.</p> <p>Brainstorm with participants what they should look for when forming a contract. Write their ideas on a flip chart.</p> <p>Refer them to the following points listed in Exercise 9.3 of their workbooks. Ask each subgroup to talk together about 1 or 2 of the points so that all points are covered. After 10 minutes, ask each group to explain their understanding of each point in the plenary. Encourage discussion. Give help when required.</p> <ol style="list-style-type: none">1. Product name: Describe your product clearly2. Product amounts: This refers to how much product must be produced or delivered. For example 5 tons per farmer or 100 tons for the whole group or 300 bags of fertilizer.3. Contract timing: This period is usually from the date of signing the contract to the date of product delivery and payment.4. Quality standards: What are the quality requirements? For example: size, color, moisture content and grade.5. Cultivation practices: This refers to how the product will be produced, for example, use of manure only, organic farming, not using certain pesticides, only use pure varieties.6. Product delivery arrangements: Where, when, who and how the product should be delivered; for example, specific locations, time, mode of transport, packaging, who pays for transport. Perishable products like fruit and vegetables may need special packaging, ripeness, storage and transport requirements.7. Pricing arrangements: What price will be paid and under what conditions? For example, price based on	<p>Flip chart and pens</p>  <p>Exercise 9.3 Contract Details</p>
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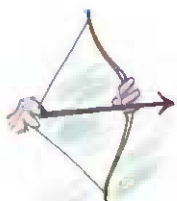
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	<p>quality and price based on quantity.</p> <p>8. Payment procedures: How and when the farmer will be paid by the buyer: for example cash on delivery, payment after some days or months, paid by cheque.</p> <p>9. Technical support: Advisory services and the availability of repairs and maintenance back up support. Examples might be a leaflet or a personal visit to show how to apply fertilizer or pesticide, or the availability of mechanics who can fix machinery or other technical problems.</p> <p>10. Other incentives: These are extra benefits the seller or buyer can offer. For example, a free motorbike if you buy more than 100 ton of fertilizer, credit for inputs, special promotions.</p> <p>11. Arbitration terms: These are rules for settling disagreements between farmers and buyers. Information on where to report conflicts should be included.</p> <p>12. Insurance arrangements: How the product is insured against risks like fire, flood, drought, damage in transport.</p> <p>13. Penalties: If any of the contract conditions are not met.</p>	
3	<p>Divide the participants into their subgroups and ask them to develop a simple contract using the information listed above. Ask them to fill in the blank spaces in Exercise 9.4 of their workbooks. Point out that it is very important to include all of the above aspects when preparing the draft contract, with terms and conditions that the group would prefer.</p> <p>Invite selected group leaders to report their ideas and encourage discussion.</p> <p>Summarize group ideas into a draft contract to be used for negotiation. Invite members to copy this into their workbooks Exercise 9.4.</p>	 <p>Exercise 9.4 Describing Your Own Draft Contract Requirements</p>

4	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none">➤ What was good about this FBS session?➤ What was not so good about this session?➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	
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MODULE # 10: Group Enterprise Business Planning





Objectives



By the end of this session, participants will be able to formulate strategies for group production, input buying, value adding and group marketing of their products.





3 hours

	Steps	Resource material
1	<p>Introduction:</p> <p>Welcome participants to this very important part of the FBS. During this session the participants will be asked summarize all of their strategies and budgets together into a Group Enterprise Business Plan.</p> <p>Ask participants why it is useful to have a business plan?</p> <p>Write their ideas on a flip chart.</p> <p>Some examples might be: it summarizes all group activities and budgets into a few pages to see what the group plans to do throughout the year; to see how much profit the group plans to make; to be able to report clearly to authorities and other organizations what the group plans to do; to be able to show lenders how profitable the group is and perhaps the bank will lend them some money.</p> <p>Invite participants to copy the final list into their workbooks under Exercise 10.1</p>	 <p>Exercise 10.1 Purpose of a Group Enterprise Business Plan</p>
2	<p>Format for a Group Enterprise Business Plan:</p> <p>Note: Facilitators should write a draft Group Enterprise Business Plan before the session so they can more easily guide the participants into writing a useful document.</p> <p>Ask participants to name the important things to show in a Group Enterprise Business Plan. Guide them to the following headings listed in exercise 10.2 in their workbooks:</p> <ol style="list-style-type: none"> 1. Business group name 2. Enterprise type 3. Period covered by the plan 4. Number of people involved (male/female) 5. List of leaders, their roles and contact numbers 6. Group land area 	 <p>Exercise 10.2 Headings for writing a Group Enterprise Business Plan</p>


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	<ol style="list-style-type: none"> 7. Group vision and goals 8. Summary of individual farmer's proposed changes in techniques after linking with technical services through the FBS. 9. A comparison of the enterprise budget before the FBS and 'Farmers Agreed Practice' after FBS training which discussed the benefits from technical services linkage, group marketing and input buying activities 10. Summary of the group marketing strategy plan 11. Planned total income, total costs and profit from group marketing activities 12. Summary of the group input buying strategy plan 13. Planned total income, total costs and profit from input buying activities 14. Summary of the group value adding strategy plan 15. Planned total income, total costs and profit from group value adding activities 16. Name of the people/companies which the group has made contracts with 17. A cash flow and budget showing the combined group total incomes and costs per month, and profit/loss result for the months and the year. <p>Invite them in their subgroups to write their own Group Enterprise Business Plans under Exercise 10.3. Tell them to use the Exercise references (tables and written descriptions) to guide them to find the main information needed to write next to each question. To save time, allocate 2 or 3 different numbered points per subgroup to fill in.</p> <p>Ask the subgroups to report their answers to the plenary for discussion and agreement. Write the agreed answers on a flip chart for participants to copy later on.</p>	 <p>Exercise 10.3 Write your own Group Enterprise Business Plan</p>
3	<p>Group Enterprise Business Plan Funding Requirements and Sources:</p> <p>Ask participants to review the group funding requirements by answering the questions in Exercise 10.4 of their workbooks.</p> <p>Ask group members if they have enough cash available to fund the group enterprise. If not, is there a possibility of obtaining group funding from a lender?</p> <p>Review the previous sources of funding research in Module 5. Tell participants that approaching a funding institution as</p>	 <p>Exercise 10.4 Group enterprise Business Plan Funding Requirements and Services</p>

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	<p>a group may be more successful than as individuals, especially if they can show the bank their business plan.</p>	 <p>Module 5 Funding Sources</p>
<p>4</p>	<p>Forming a Group Action Plan: Tell participants now that their group strategy and business plans have been prepared, there will be many tasks to do to carry out their plan.</p> <p>Refer them to the format for 'Preparing an action plan' in Exercise 10.5 of their workbooks and explain that the form will allow them to list what, when, where and who will undertake the group actions.</p> <p>Brainstorm with participants the specific tasks that have to be done to carry out their plan.</p> <p>Write their answers on a flip chart in a similar format to Exercise 10.5.</p> <p>If required, add the following activities under each sub heading:</p> <p>Group marketing plan:</p> <ul style="list-style-type: none"> ➤ Organize the collection of the product ➤ Assess that quality and regulatory conditions are met ➤ Confirm markets and contracts ➤ Confirm different forms of transport ➤ Confirm timing for delivery of products ➤ Organize the money flow in and out <p>Group buying of inputs:</p> <ul style="list-style-type: none"> ➤ Calculate input requirements ➤ Confirm suppliers and cost of each item ➤ Arrange financing for buying inputs ➤ Place orders for inputs from suppliers ➤ Arrange transport to collect and deliver inputs ➤ Organize the money flow in and out 	 <p>Exercise 10.5 Making a Group Action Plan</p>

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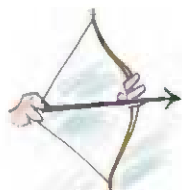
	<p>Group value adding:</p> <ul style="list-style-type: none"> ➤ Collect raw products? ➤ Perform tasks to add value? ➤ Market the added value products or services <p>For labor:</p> <ul style="list-style-type: none"> ➤ Check group members availability ➤ Identify hired labor needs and availability ➤ Train labor to meet skills requirements <p>Encourage discussion and come to a group consensus for an action plan.</p> <p>Ask participants to copy the flip chart into the template of a Group Action Plan in their workbooks under Exercise 10.5.</p>	
5	<p>Evaluation Indicators:</p> <p>Invite participants to think about how they will measure the success or failure of their enterprise.</p> <p>Explain that indicators are signs to show if participants have achieved their goals and vision. Ask participants in subgroups to think about key results they have described in their vision and goals which can be measured to indicate progress. Some examples might be: to increase group profit; to increase dividends to shareholders; to increase product prices; to lower input costs for group members, to link with more supply chain actors. These key results can be written as indicators by noting <u>changes</u> in group profit, dividends, product prices, input costs, supply chain linkages over time. For example, these results can go up, down, or stay the same.</p> <p>Invite subgroups to call out ideas for discussion amongst the wider group. Enter a summary of their ideas on a flip chart table in a similar format to the table in Exercise 10.6 in the workbooks.</p> <p>Then ask participants to fill in their Group Enterprise Business Plan targets that relate to these indicators, in Column 2.</p> <p>Say that at the END of the plan period they can fill in their actual achievements into Column 3. At that time they can see if they have achieved their targets or not.</p>	 <p>Exercise 10.6 Evaluation Indicators Table</p>

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6	<p>Ask participants if they have finished copying their finalized Enterprise Plans, Budget Plan and Cash Flow, and Action Plans into their workbooks. If so, ask them to sign their agreement to these plans. The Group Leader and Vice Leader should go around the group and counter sign each member's plan to confirm agreement.</p>	
7	<p>Conclude the meeting by highlighting that participants now have many 'things to do' individually and as a group. Remind them to meet with their families to discuss their individual and group action plans to confirm production, input buying, labor and other contributions needed to make a success of the plan. Say that they should try to follow the plan during the implementation phase. Whenever they feel the need to discuss something, they should contact their enterprise group leaders or other group members.</p>	
8	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none"> ➤ What was good about this FBS session? ➤ What was not so good about this session? ➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

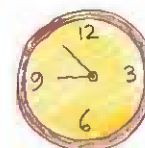
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Module # 11: Record keeping




Objectives


By the end of this session participants will be able to appreciate and understand the importance of keeping accurate farm records and know how to use these appropriately




3 hours

	Steps	Resource Material
1	<p>Overview of Keeping Records:</p> <p>Divide participants into pairs to ask each other the following questions written on a pre prepared flip chart:</p> <p>How much did you produce last year for each of your crops? What exact prices did you get for selling your produce? How many inputs did you use and what were their costs? What was your profit/loss last year? How much do you need to spend each month for your farming enterprises? What changes would you like make to improve performance next year?</p> <p>After 10 minutes, ask participants if they had any trouble answering any of the questions? Most will say "Yes". Ask them what they need to do to answer the questions more easily and accurately? Guide participants to the need for records to help them.</p> <ul style="list-style-type: none"> ➤ Ask participants to describe what a record is. ➤ Then ask them to give examples of different records they know of. ➤ Refer participants to the definition of records and examples in their workbooks in Exercise 11.1. Invite them to add their answers to the list if not mentioned before. 	<p>Pre prepared flip chart with introductory questions</p>  <p>Exercise 11.1 Definition of a Record</p>


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<p>2</p>	<p>Records can help to prevent arguments in the family: Pre arrange for two volunteers to perform a role play. Refer to Exercise 11.2 in their workbooks.</p> <p>Note: Give the volunteers sufficient time to review the script and act out the role play. Then ask participants:</p> <ol style="list-style-type: none"> 1. What happened in the role play? 2. Why didn't Kona believe that his wife used all the money properly? 3. Can similar arguments happen in their family and within an enterprise group? 4. What would have helped to solve this problem? <p>Link the answers to the need to keep proper records as proof of spending and saving.</p>	 <p>Exercise 11.2 Role play about record keeping</p>
<p>3</p>	<p>Why don't farmers keep records? Ask participants why some farmers do not keep records. The following explanations may be given:</p> <ul style="list-style-type: none"> ➤ Participants do not know the importance of records ➤ They don't know how to prepare them ➤ They find them too difficult to understand ➤ They do not have enough time to prepare records <p>Ask farmers how these constraints could be solved?</p> <p>Say that in the remainder of this session you will try to guide them to learn a simple and clear recording system that will be useful for them as individuals and for the group to keep records.</p>	

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<p>4</p>	<p>Types of business records: Divide participants into their subgroups and ask what types of records they think are needed for their group enterprise. Write these ideas on a flip chart.</p> <p>Now refer them to the following list of records in Exercise 11.3.</p> <ol style="list-style-type: none"> 1. Production records 2. Income records 3. Costs records 4. Budget (Profit/loss) records 5. Cash flow records 6. Assets/Liabilities records <p>Briefly describe each of these records. Most of the participants' ideas for financial records should be included this record list.</p> <p>Tell participants that we will now look at these records in detail to see how to fill them in.</p>	 <p>Exercise 11.3 Types of Farm and Business Records</p>
<p>5</p>	<p>Give participants a record book: Note: Prior to this meeting buy a blank record notebook for each participant. The record book should measure around 25cm x 20cm and have about 50 pages. An ordinary school exercise book is satisfactory. Cut out a 1 cm strip along the 25cm side of each page to develop a thumb index for each of the 6 record types as follows: 10% of the pages for the production record, 20% of the pages for the income record, 40% of pages for the costs record, and 10% each for the other 3 records.</p>	<p>Buy Record Books for Each Participant.</p>

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6	<p>Production Record: Ask participants: Why is it a good idea to have production records? Write their answers on a flip chart.</p> <p>Add the following ideas if not already mentioned. Explain to them that this record shows actual production per unit area. This record helps the farmer to understand if they are meeting their planned production targets or not. Their records can also be used to compare the performance of one farm with another to see which one is the best.</p> <p>Suggest that if participants are not getting good production on their farm, they should ask technical advisors why not, and try to solve the problems so they can get better yields next season.</p> <p>Invite participants to copy the reasons for a production record into their workbooks Exercise 11.4.</p> <p>Describe each heading in the Production Record table Exercise 11.4.</p> <p>Ask them to fill in some examples of their own in the production table to demonstrate they know how to fill in the table.</p> <p>Give each participant a blank record book. Ask them to write the name of the enterprise they have selected (example 'Rice'). Tell them that it is a good idea to have <u>one book for each enterprise record</u>. That way the information does not get mixed up with other enterprises and become hard to follow.</p> <p>Invite participants to turn to the first page of their new record books and to draw up the same number of columns (6) as in the production record format. Then ask them to copy the same production table headings into their new record book. They now have their own production record table.</p>	 <p>Exercise 11.4 Production Record Example</p>
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- 7 **Income Record:**
Start a discussion about on the use of income records.
- Ask participants why they have income records. Write their ideas on a flip chart.
- Mention that it is important to know how much money is coming in so they know how much they can spend on living and business costs. Knowing about income also helps them to plan for the next year.
- Invite participants to copy the reasons for an income record into their workbooks Exercise 11.5.
- Ask participants to open their workbook to the "Income record" format in Exercise 11.5. Explain the following.
1. The first heading, "Date", gives the date the product was sold.
 2. The type of product is given under the second heading - "Produce sold/Quality".
 3. Under "Quantity" the amount of produce sold is entered. Remember to include the unit, for example: number of kgs, liters, bags, etc.
 4. The "Unit price" is the price the buyer paid for one unit of produce.
 5. The next heading is for "Total income". We learned in earlier sessions that the "Total income" is calculated by multiplying the market price by the quantity sold.
 6. The last heading "Comments" invites participants to write about observations they made when marketing their produce.
- Explain that the income record should be updated at the time produce is sold so that the income figures are accurate. Ask participants to fill in some examples of their own in the income table Exercise 11.6 to demonstrate they know how to fill in the table.
- Invite participants to turn to the second section of their new record books and to rule the same number of columns (6) as in the income record format. Then ask them to copy the same income table headings into their new record book. They now have their own income record table.



Exercise 11.5
Income Record
Example

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8 **Costs Record (including labor):**
Ask participants why they should keep a costs record. Write their ideas on a flip chart.

If not mentioned already, explain that a costs record is important because it tells them where their money has gone or will go. Say that participants can analyze their costs at the end of the season to see how they can reduce costs and increase profit when making enterprise budgets for the next round of planning.

Invite participants to copy the reasons for a costs record into their workbooks Exercise 11.6.

Ask participants to look at the "Costs Record" format in their workbook in Exercise 11.6. Explain the format as follows:

1. Record the date when costs are incurred in the first column
2. In the second column describe the input purchased or services provided including any labor activity.
3. In the third column write the quantity, remembering to record the unit such as kg, bags, head of chicken etc. For paid labor put male (m) labor days and female (f) labor days to show how much work each sex does.
4. Record the cost per unit in the next column
5. Then calculate the total cost which should be the number of units multiplied by the cost per unit
6. In the last column write comments regarding quality and timing to help you decide if you will buy the same inputs or service next time.


Explain that all of the columns need to be completed every time a cost is incurred. If participants don't do this immediately, they will forget the details.

Ask them to fill in some examples of their own in the costs table Exercise 11.6 to demonstrate they know how to fill in the table.


Invite participants to turn to the third section in their new record books and to rule the same number of columns (6) as in the costs record format. Then ask them to copy the same costs table headings into their new record book. They now have their own costs record table.




Exercise 11.6 Costs Record Example

9	<p>Budget (Profit or Loss) Record: Ask participants why they should keep a Budget (Profit/Loss) record. Write their ideas on a flip chart.</p> <p>Explain that the income record and the costs record can be in the Budget record to calculate if the enterprise has made a profit or a loss.</p> <p>Emphasize that this calculation should be made at the beginning of the season to see if the business will be profitable or not. If not, don't start the business! It also helps to set production, income, and costs targets, so that performance can be monitored against these factors. Participants can show the profit/loss record to the bank to help them to get a loan. At the end of the production cycle, they can summarize their production, income and costs in the table to calculate if they really made a profit or not.</p> <p>Invite participants to copy the reasons for the Budget (Profit/Loss) record into their workbooks in Exercise 11.7.</p> <p>Refer participants to the Profit/loss record example in Exercise 11.7 in their workbooks and explain the headings and how the figures are calculated. Note that all income is recorded including produce given as gifts or eaten. Costs exclude family labor unless they pay for it.</p> <p>Invite participants to turn to the fourth section in their new record books and to rule up the same number of columns as in the Budget (Profit/Loss) record format. Then ask them to copy the same profit/loss table headings into their new record book. They now have their own Budget Profit/Loss record table.</p>	 <p>Exercise 11.7 Budget (Profit or Loss) Record Example</p>
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10	<p>Cash Flow Record:</p> <p>Ask participants why they should keep a Cash Flow record. Write their ideas on a flip chart.</p> <p>Remind participants that a cash flow record only records CASH IN and CASH Out and at what date these costs occur. Participants should not include transactions that do not involve cash (example: giving rice to festivals or free family labor). The figures to put in the cash flow can come from their budgets made before starting the enterprise. These budgets mention the date income and expenditure occurs. The date can guide them in entering the data in the correct month in their cash flow tables. Tell them that a cash flow record will help farmers to know how much money is needed each month to fund their enterprise. This can help with planning for their cash requirements.</p> <p>Invite participants to copy the reasons for a Cash Flow record into their workbooks Exercise 11.8.</p> <p>Ask participants to then fill in the cash flow form with the information from the profit/loss record in the previous exercise. Go around the group to make sure they have done this correctly.</p> <p>Invite participants to turn to the fifth section in their new record books and to rule the same number of columns as in the Cash Flow record format. Note: The number of periods (eg. months) depends on the enterprise they are focusing upon. Then ask them to copy the same Cash Flow table headings into their new record book. They now have their own Cash Flow record table.</p>	 <p>Exercise 11.8 Cash Flow Record</p>
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<p>11</p>	<p>Group Assets and Liabilities Record:</p> <p>Ask participants what they understand by the terms 'Assets' and 'Liabilities'? Give the following definitions of these words. This definition is written in their workbooks Exercise 11.9.</p> <p>Assets are things farmers (or groups) have Liabilities are things farmers (or groups) owe to others</p> <p>Ask participants why they think they should keep a record of assets and liabilities. Write their ideas on a flip chart.</p> <p>Encourage them to say that this record can help them to know what assets they have as well as their value. It also helps to recognize how much money the group owes to others. The Net Result (assets minus liabilities) shows whether or not the farmer (or group) owns more than it owes.</p> <p>Invite participants to copy the reasons for an assets and liabilities record into their workbooks Exercise 11.9.</p> <p>Go over the example of the assets and liabilities register in Exercise 11.9 in their workbooks.</p> <p>Invite participants to turn to the last section in their new record books and to rule up the same number of columns as in the Assets/Liabilities record format. Then ask them to copy the same Assets/Liabilities table headings into their new record book. They now have their own Assets/Liabilities Cash Flow record table.</p>	 <p>Exercise 11.9 Group Asset and Liabilities Record Example</p>
<p>12</p>	<p>Tell participants they will now have to start keeping records of their farm and group enterprise and report their results at the monitoring meetings scheduled throughout the chosen enterprise implementation period.</p>	


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13	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none">➤ What was good about this FBS session?➤ What was not so good about this session?➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	
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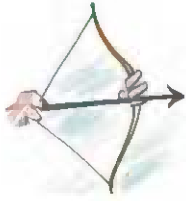
	<ul style="list-style-type: none"> ➤ What they want to discuss at the meetings ➤ Where to have the meetings ➤ What time to hold the meetings 	
2	<p>Understanding the use of the monitoring form:</p> <p>Note: Pre-prepare the following 2 flip charts:</p> <ol style="list-style-type: none"> 1. Group Enterprise Business Plan Cash Flow from Exercise 10.3. 2. The suggested monitoring form format Exercise 12.2 in participants' workbooks. Copy the activities from the first column in the cash flow (Exercise 10.3) into the first column of the monitoring form making sure the activities are exactly the same. <p>Put up the Group Enterprise Business Plan Cash Flow and Budget. Ask participants to explain what this form shows.</p> <p>Guide participants to say that: "it describes the cash flow month by month for the group enterprise, and lists the total income, total costs and profit/loss for each month and also summarizes the total income, costs and profit/loss for the whole plan period".</p> <p>Put up the monitoring form (12.2) beside the cash flow form and show that the activities are the same (Column 1). Say that the monitoring form can help participants compare each activity, income and cost between what was planned and what actually happened. They can do this by:</p> <p>Column 2: Filling in the planned income, costs and profit/loss for the month they are focusing on, by copying the figures from the cash flow record.</p> <p>Column 3: Filling in the actual income, costs and profit or loss from the group accountant's record</p> <p>Column 4: Calculating the difference between Columns 2 and 3</p> <p>Column 5: Writing the reason for the difference and solutions to problems encountered</p>	<p>Flip Charts showing Exercise 10.3 Individual (or Group) Enterprise Cash Flow and Exercise 12.2 Suggested Enterprise Monitoring Form</p>

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	<p>Column 6: Writing the planned budget for next month. This should incorporate changes to the plan discussed in Column 5.</p>	
3	<p>Conclusion of the meeting:</p> <p>Invite participants to look at the monitoring form in their workbooks in Exercise 12.2 and suggest they use this form and monitoring process at each monitoring meeting.</p> <p>Suggest that the group accountant hold these meetings as he/she knows the details of group income and expenses better than the rest of the group. The accountant could fill in columns 2 and 3 before the meeting, to save time during the meeting. The facilitator can help the accountant to run the monitoring meetings.</p> <p>Confirm the time and place for the next monitoring meeting. Emphasis to the group accountant that he/she should bring clear, up to date records to the next meeting as these are essential for the group enterprise monitoring process.</p>	 <p>Exercise 12.2 Monitoring Form</p>
4	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none"> ➤ What was good about this FBS session? ➤ What was not so good about this session? ➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

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Module # 13: Evaluating Individual Farmer and Group Enterprise Business Plan performance





Objectives



By the end of this module participants will know how to evaluate their individual and group enterprises





3 hours

	Steps	Resource Material
1	<p>Preparation:</p> <p>Ask participants to bring production, income, cost and profit or loss records of their individual farm plans and Group Enterprise Business Plans to this meeting. Check with the group accountant to make sure he/she has the answers to the group evaluation questions (refer the accountant to the Group Enterprise Evaluation Indicators Table and questions in Exercise 13.3)</p>	 Exercise 13.3 Group Enterprise Evaluation Indicators Table
2	<p>Definition of Evaluation:</p> <p>Brainstorm with participants the meaning of the word 'evaluation'. Refer them to the definition in their workbooks Exercise 13.1.</p> <p>Evaluation is the periodic assessment of the impact of an enterprise on individual farmer's lives and groups</p> <p>Evaluation asks two questions:</p> <ol style="list-style-type: none"> 1. Has the enterprise achieved the targeted results? and 2. What has made the enterprise successful or unsuccessful? <p>Advise participants that in the following session they will try to evaluate their chosen enterprise.</p>	 Exercise 13.1 Evaluation Definition

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3	<p>Individual enterprise plans reviewed against the targets set in "Farmer Agreed Practice" budget Exercise 7.5(c)</p> <p>Ask participants to turn to the 'Farmers Agreed Practice' budget in Exercise 7.5(c) in their workbooks. Ask selected group members to read out the 'Farmers Agreed Practice' targets that answer the following questions. Write their answers on a flip chart table in the same format as in the workbooks under Exercise 13.2 Column 2.</p> <ol style="list-style-type: none"> 1. What is the enterprise type? 2. What is the expected yield? 3. What is the expected sales price of products? 4. What is the expected total income? 5. What are the total costs? 6. What is the expected profit/loss? 7. How many supply chain linkages did they make? 8. What changes did this result make to farmer's lives? <p>Ask participants to copy these targets into the Individual Enterprise Evaluation Table Exercise 13.2 Column 2 in their workbooks.</p> <p>Participants should write their own farm results under the 'Actual' heading in Columns 3 of the table.</p> <p>In column 4 ask participants to calculate the difference between expected results (Column 2) and actual results (Column 3).</p> <p>Summarize by asking participants to answer the following:</p> <ol style="list-style-type: none"> 1. Has the enterprise met its targets? 2. What has made the enterprise successful or unsuccessful? 3. Would they carry out this enterprise again? Yes/No. Why? 4. What changes would they carry out to make it more profitable? 	 <p>Exercise 7.5(c) Farmer Agreed Practice Budget</p>  <p>Exercise 13.2 Individual Farmer's Enterprise Evaluation Table</p>
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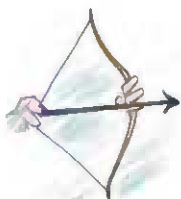
4	<p>Group Enterprise Business Plan Evaluation of Results:</p> <p>Ask participants to turn to the 'Evaluation Indicators Table' in Exercise 10.6 in their workbooks. Ask selected group members to answer the following questions and write their answers on a flip chart table in the same format as in their workbooks Exercise 13.3.</p> <p>What were the indicators selected to evaluate the Group Enterprise? Write these in Column 1. What were the targets shown in the group plan? Write these in Column 2. What is the actual result for each of these headings? Write these in Column 3.</p> <p>Ask participants to copy this table into their workbooks in Exercise 13.3.</p> <p>Invite them in column 4 to calculate the difference between expected results (Column 2) and actual results (Column 3).</p> <p>Summarize by asking them to answer the following:</p> <ol style="list-style-type: none"> 1. Did the group follow its plan? Why? Why not? 2. Did the group get the expected results? If not, why not? 3. What should the group do to solve the problems they had? 4. What parts of the plan worked well? Why? 5. What would they like to try again next season? Why? 	 <p>Exercise 10.6 Evaluation Indicators Table</p>  <p>Exercise 13.3 Group Enterprise Evaluation Table</p>
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5	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none">➤ What was good about this FBS session?➤ What was not so good about this session?➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	
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Module # 14: Choosing an Enterprise 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

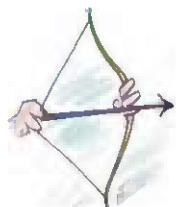
	Steps	Resource Material
1	Welcome participants to the meeting and tell them that in this module they will discuss the development of individual and group farm enterprise plans for the coming season.	
2	<p>Tell participants that this time their farm and group business plans might be the same as before, or there could be a change in plan. In either case, they should proceed systematically through the following exercises:</p> <p>Exercise 14.1: Choose an enterprise of interest and write this in the space provided in the workbook.</p> <p>Exercise 14.2: conduct a feasibility of the chosen enterprise (with headings from Module 4 Exercise 4.1).</p> <p>Exercise 14.3: Review the Group Enterprise Business Plan headings (Module 7 and 10) to help achieve better prices for products sold, lower costs for inputs and services, and better dividends for group shareholders.</p> <p>Invite participants to review these modules in their workbooks, stressing that participants should thoroughly consider each exercise described above, especially the strategy, budget and cash flow exercises.</p> <p>Encourage participants to work in their subgroups to write a strategy for both individual and group business plans over the week. Ask the subgroup leader to summarize individual ideas into a subgroup draft strategy plan through the week.</p>	 Exercises 14.1, 14.2 and 14.3 Refer to Module 4, Exercise 4.1 and Modules 7 and 10

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3	<p>Conclude the Meeting by setting a date for the next meeting where participants should present and review their ideas for developing new enterprise plans.</p>	
4	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none">➤ What was good about this FBS session?➤ What was not so good about this session?➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

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Module # 15: Reviewing New Business Strategy Plans




Objectives

By the end of this module participants will be able to review their new business strategy plans



3 hours

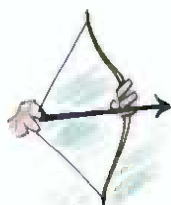
	Steps	Resource Material
1	<p>Prior to the meeting, ask a leading farmer to facilitate this next meeting. Coach them in the meeting process and content using this manual and the workbook as a guide.</p>	
2	<p>Ask each subgroup to present their ideas for 2 strategies:</p> <ol style="list-style-type: none"> 1. an Individual Farmer Enterprise Business Plan; and 2. a Group Enterprise Business Plan. <p>The Farmer Facilitator should summarize each subgroup's ideas on a flip chart. Encourage a period of questions and answers at the end of each presentation.</p> <p>Invite participants to consider: Are their proposed actions realistic? Are there activities for individuals to do? Are there actions for the group to do together? Did they leave anything out? Try to reach consensus within the group.</p> <p>Summarize the agreed individual farmer and group enterprise strategy on a flip chart. Invite participants to copy this into their workbooks Exercise 15.1.</p>	 <p>Exercise 15.1 Agreeing on Individual (and or Group) Enterprise Strategies</p>

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3	<p>Conclude the planning session by inviting the group to write a detailed individual farmer and group plan for the next season based on the discussions above. This plan should be presented to the group at a later time of their choosing.</p>	
4	<p>Invite the participants to the final session - a FBS evaluation and graduation ceremony. Set the time and place for this last meeting.</p>	
5	<p>Evaluation of the Meeting:</p> <p>Take a few minutes to review the key points covered in this session. Ask participants to answer the following questions:</p> <ul style="list-style-type: none">➤ What was good about this FBS session?➤ What was not so good about this session?➤ How could this session be improved? <p>Facilitators should write their answers down in a note book. These responses should be used to improve the FBS process and content in the future.</p>	

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MEETING # 16: FBS Evaluation and Graduation




Objectives


By the end of this module participants will be able to evaluate the FBS process and content, and take part in a graduation ceremony



3 hours

	Steps	Resource Material
1	<p>Assessing the Benefits of the Farmer Business School: Begin the Meeting by welcoming the participants back to the FBS and advise them of the objective of the session.</p>	Pre-prepared Graduation Certificates
2	<p>Evaluation Questions: Organize participants into their subgroups. Ask groups to discuss how effective and helpful the FBS lessons have been when applied to their farms and farmer group. The aim of the exercise is to improve the FBS lessons for the future. Ask the subgroups to answer the following questions which are written in their workbooks Exercise 16.1.</p> <ol style="list-style-type: none"> 1. Was the FBS a useful process? Why or why not? 2. What were the most important topics they have learned? 3. What topics would they prefer to leave out? Why? 4. What changes would they suggest to make the FBS more effective? <p>Make sure that all the participants have a chance to share their thoughts and feelings and note down their ideas.</p>	 Exercise 16.1 Evaluation of the FBS Process

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3	<p>TNA Rating Survey retest:</p> <p>Remind participants that at the beginning of the FBS they were asked to rate themselves regarding their knowledge about the various FBS topics. Hand out the rating forms again (only listing the topics they were taught). Ask them to assess their knowledge against these topics again.</p> <p>Collect their rating forms after a suitable period of time.</p> <p>Thank participants for their effort in this exercise.</p>	<p>TNA Rating Forms from Module 1</p>
4	<p>Sustainability of the CBO group:</p> <p>Ask the following:</p> <ol style="list-style-type: none"> 1. Has the FBS process helped with the sustainability of the group? In what way? 2. Will the group continue to meet to plan and implement group enterprise development in the future? 	 <p>Exercise 16.2 FBS Sustainability of the Group</p>
5	<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 spreading the learning to others.</p> <p>Ask a local authority to present graduation certificates.</p> <p>Have a small party to finish.</p>	<p>Graduation Certificates</p> <p>Refreshments</p>



Facilitator Manual

Farmer Business School Training Program



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