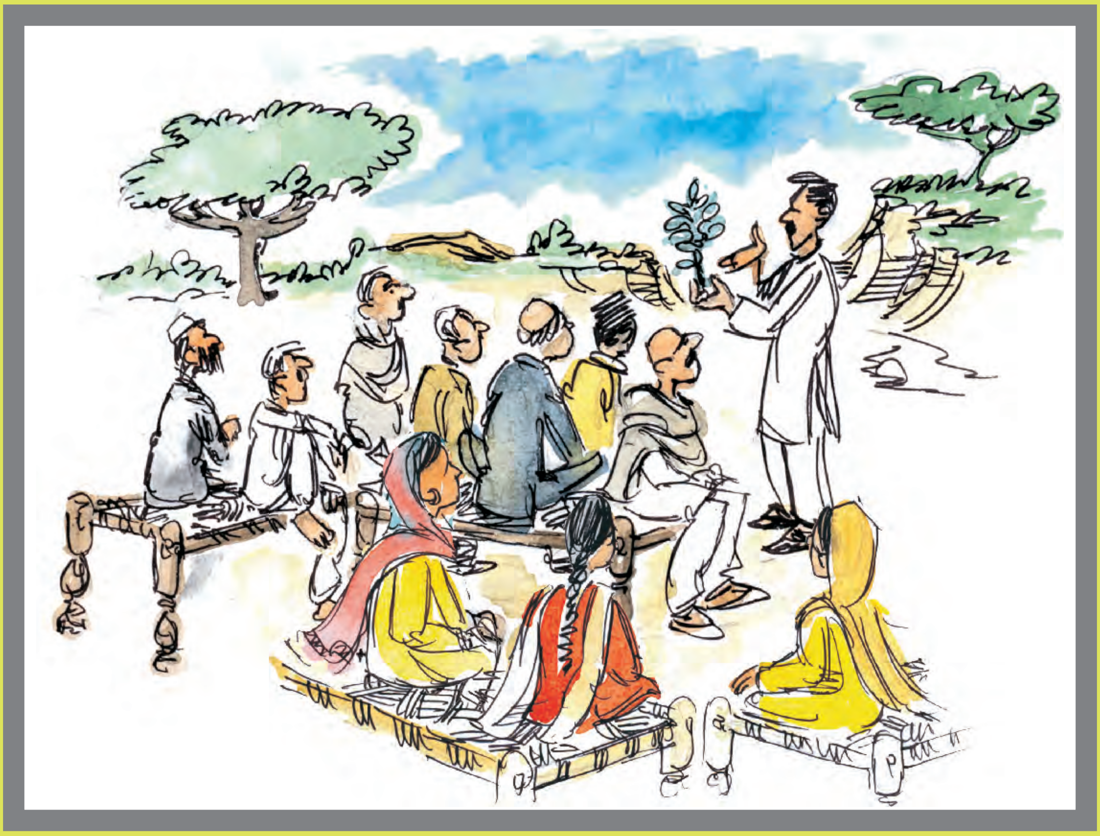
# Farm Business School

## Training of Farmers Programme

## South Asia



# Handbook

RAP PUBLICATION 2011/06B

# Farm Business School

## Training of Farmers Programme

## South Asia

## Handbook

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
REGIONAL OFFICE FOR ASIA AND THE PACIFIC
Bangkok 2011

ISBN 978-92-5-106818-2



For copies write to: David Kahan, Senior Officer, Agribusiness and Enterprise Development
FAO Regional Office for Asia and the Pacific
Maliwan Mansion, 39 Phra Atit Road
Bangkok 10200
THAILAND
Tel: (+66) 2 697 4000
Fax: (+66) 2 697 4445
E-mail: david.kahan@fao.org

# Preface

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

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

In response to these changes, the Food and Agriculture Organisation of the United Nations has developed a number of specialised training manuals in market-oriented farm business management. One of them is a set of training programmes for extension workers to help their farm management skills so they, in turn can assist farmers. Manuals are available for the Pacific, Caribbean, Asia, South Asia, Africa and Latin America. These publications provide training course guidelines, extensive theoretical and practical exercise material, case studies and Power Points.

The aim of this manual is to build farmers' capacity in entrepreneurial and management skills. It does this through a "learning by doing" approach. The Farmer Business School concept operates at village level. It enables farmers to learn and improve their knowledge, change their attitudes and enhance their skills toward improved farm commercialisation – while working on their own farms. The materials for the FBS are specially designed to work with limited resources. Participants need to be basically literate and numerate, but they do not have to have had any significant formal education.

**The Farmer Training Program comprises two documents:**

| 01: Handbook: | 02: Manual: |
|---|---|
| A reference book for farmers to use during and after FBS meetings. The handbook outlines key concepts as well as experiential exercises to help facilitate farmers' learning. | These provide step-by-step guidelines that take the facilitator through key contents of the Farmer Training Program. |

# Table of Contents

# Introduction

This handbook has been designed for you, the farmers enrolled in the Farm Business School (FBS) in your villages. The training programme covers the following broad topics that are expected to be covered over a cropping season or livestock cycle. These include:

1. Understanding and running the FBS;

2. Understanding basic business and marketing concepts;

3. Analysing the existing farm situation;

4. Identifying profitable enterprises;

5. Preparing farm business plans;

6. Keeping farm records;

7. Evaluating the FBS and the farm business plan; and

8. Miscellaneous topics for selection.

The Programme has an in-built flexibility where you can decide what you wish to study. It is expected that each participant will be responsible for his or her own learning.

The Handbook provides summaries of the core messages covered in the training. We hope these take-home messages will be useful when applying the lessons learned from the training to your own farm business enterprises. The best test of its usefulness, however, will be seen through the success of your farm business. We wish you all the best in this endeavour.

# What is the Farm Business School?

1. What do you understand by a 'Farm Business School'?

2. What do you think is the purpose and advantage of a Farm Business School?

3. What is different about a 'Farm Business School' as compared to other training programmes available for farmers?

4. What are your specific learning expectations from participating in this 'Farm Business School'?

Rationale for a Farm Business School

# Overview of the Farm Business School (FBS)

## 1 What is a 'Farm Business School'?

A Farm Business School is a 'forum' or 'venue' that brings farmers together to carry out collective and collaborative enquiry to address business and marketing problems and opportunities.

## 2 What is the purpose and advantage of a Farm Business School?

A Farm Business School brings together a 'group of like-minded farmers' with the aim to develop or strengthen their skills to produce more profitably for the market. As a 'program of learning', it can prove particularly beneficial for those smallholder farmers who are just getting involved in producing for the market and need help to do it more effectively.

## 3 What is different about a 'Farm Business School' as compared to other training programmes for farmers?

- The focus is on the content, and not the training facility
- The methodology is not lecture based, but rather a 'Learning by Doing'
- The learning is from 'Farmer to Farmer', rather than from the 'Facilitator to the Farmer'
- The learning is demand responsive and interactive, and is matched to the farm season

Notes: ..........

# Overview of the FBS programme

## Part 1: Diagnosis and planning

**Module 1: Starting the Farm Business School (FBS)**

**Meeting 1:** Rationale for a Farm Business School

**Meeting 2:** Developing group ownership and scheduling meetings

**Module 2: Understanding basic business concepts**

**Meeting 3:** Farming as a business

**Meeting 4:** The farmer as an entrepreneur

**Meeting 5:** Farm business profitability

**Module 3: Where are we now**

**Meeting 6:** Assessing current farm situation

**Meeting 7:** Translating analysis into action

**Meeting 8:** Understanding enterprise profitability

**Meeting 9:** Understanding marketing and markets

**Meeting 10:** Preparing for a market survey

**Meeting 11:** Presenting the market survey report

**Module 4: Knowing where we want to go**

**Meeting 12:** Developing a vision and goal for the farm business

**Module 5: Developing a farm business plan**

**Meeting 13:** Choosing an enterprise

**Meeting 14:** Components of a farm business plan

**Meeting 15:** Preparing a farm business plan

**Meeting 16:** Preparing an action plan

**Module 6: Keeping records**

**Meeting 17:** Overview of record keeping

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

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

## Part 2: Implementing



## Part 3: Evaluating and re-planning

## Link of FBS programme to the crops season

(An example of wheat crop[1])

| Stage | Weeks | August | September | October | November | December | January | February | March | April | May | June |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Pre-season:** Diagnoses and Planning | 10 | | | | | | | | | | | |
| **During Season:** Implementing | 24 | | | | | | | | | | | |
| **Post-season:** Evaluation and re-planning | 2 | | | | | | | | | | | |

[1]Taken from Pakistan. Assuming crop cycle starts from August and end in June

Notes:

## Support your own Farm Business School (FBS)
## Who can provide what?

| | |
|---|---|
| ☐ Venue | ☐ Tractor, tools, land for exercises and demonstrations |
| ☐ Food/tea | ☐ Telephone |
| ☐ Stationery (pencils, paper, chart paper) | ☐ Farm inputs or produce for demonstration or sample marketing |
| ☐ White board or chalk board | ☐ Signboard for the Farm Business School |
| ☐ Markers and chalks | ☐ Visiting cards for the Farm Business School members |
| ☐ Linkages and contacts for visits | ☐ Register for recording Minutes of Meetings |
| ☐ Transport | ☐ Accounts register |
| ☐ | ☐ |

# Ground rules for FBS

- Share all costs of the FBS in a fair way.
- Ensure that each member can participate and make decisions on an equal basis.
- Ensure that decisions are made collectively in consultation with group members.
- Treat one another with equality and respect at all times.
- Practice self-discipline as individuals and be responsible to the group.
- Be honest, dedicated and committed to group interests.
- Agree to disagree and never get angry if any individual opinion is not accepted.
- Accept the decisions of the majority, even if it is against any individual's view.
- Ensure openness, accountability and transparency in dealings with group members.

---

I ______________________, as a member of this FBS, hereby agree to abide by these rules.

Signature____________________________

# Farm Business School meeting schedule

## Part 1: Diagnosis and planning

### Module 1: Starting the Farm Business School (FBS)

| Meeting | Topic | Date | Time | Venue |
|---|---|---|---|---|
| 1 | Rationale for a Farm Business School | | | |
| 2 | Developing group ownership & scheduling meetings | | | |
| | | | | |

### Module 2: Understanding basic business concepts

| Meeting | Topic | Date | Time | Venue |
|---|---|---|---|---|
| 3 | Farming as a business | | | |
| 4 | The farmer as an entrepreneur | | | |
| 5 | Farm business profitability | | | |
| | | | | |

### Module 3: Where are we now

| Meeting | Topic | Date | Time | Venue |
|---|---|---|---|---|
| 6 | Assessing current farm situation | | | |
| 7 | Translating analysis into action | | | |
| 8 | Understanding enterprise profitability | | | |
| 9 | Understanding marketing and markets | | | |
| 10 | Preparing for a market survey | | | |
| 11 | Presenting the market survey report | | | |
| | | | | |

### Module 4: Knowing where we want to go

| Meeting | Topic | Date | Time | Venue |
|---|---|---|---|---|
| 12 | Developing a vision and goal for the farm business | | | |
| | | | | |

### Module 5: Developing a farm business plan

| Meeting | Topic | Date | Time | Venue |
|---|---|---|---|---|
| 13 | Choosing an enterprise | | | |
| 14 | Components of a farm business plan | | | |
| 15 | Preparing a farm business plan | | | |
| 16 | Preparing an action plan | | | |
| | | | | |

### Module 6: Keeping records

| Meeting | Topic | Date | Time | Venue |
|---|---|---|---|---|
| 17 | Overview of record keeping | | | |
| 18 | Practice of keeping farm business records-I | | | |
| 19 | Practice of keeping farm business records-II | | | |
| | | | | |

## Part 2: Implementing

### Module 7: FBS meetings during production season

| Meeting | Topic | Date | Time | Venue |
|---|---|---|---|---|
| 20 | Agreeing on sessions and schedule | | | |
| 21 | Mobilizing finance | | | |
| 22 | Group marketing | | | |
| 23 | Marketing our produce | | | |
| | | | | |

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

| Meeting | Topic | Date | Time | Venue |
|---|---|---|---|---|
| 24 | Group buying and saving | | | |
| 25 | Understanding contract farming | | | |
| 26 | Contract appraisal | | | |
| 27 | Assessing and managing business risks | | | |
| 28 | Benchmarking | | | |
| 29 | Characteristics of an effective entrepreneur | | | |
| 30 | Value addition | | | |
| | | | | |

## Part 3: Evaluating and re-planning

### Module 8: Reviewing past business and planning for the next season

| Meeting | Topic | Date | Time | Venue |
|---|---|---|---|---|
| 31 | Assessing the benefits of the Farm Business School | | | |
| 32 | Assessing the performance of the farm business plan | | | |
| 33 | Choosing farm enterprises for the next season | | | |
| 34 | Preparing a farm business plan | | | |
| 35 | Developing an action plan | | | |
| | | | | |

Notes:

# The commercial farming environment

How do you explain the following changes in farming practices?

| | Farming for Food | Farming for Cash | Why this cahnge? |
|---|---|---|---|
| 10 Years ago |  |  | |
| 5 Years ago |  |  | |
| Today |  |  | |

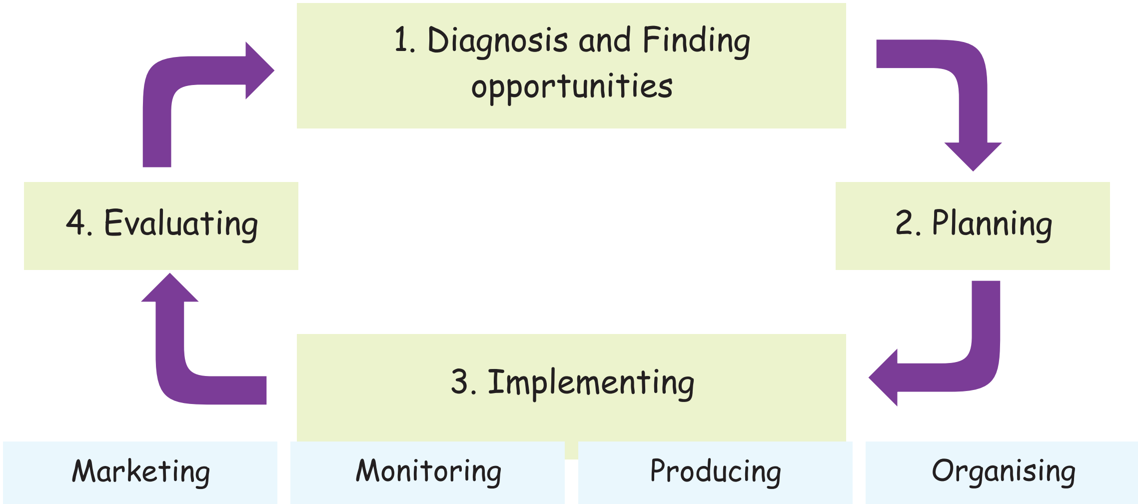
## Components of a Farm or business

Examples: ______

Examples: ______

Examples: ______

## The farm business cycle




Notes:

# Ahmad's story

## Part 1: Diagnosis/Finding opportunities

After completing his primary education, Ahmad had left his village to seek a job in the city. While the city life had been exciting, and he had found several work opportunities, it had also been a hard living. Ahmad's father was now too old to be managing the 1 acre family farm land by himself, and Ahmad was now happy to return home. However, he wanted to make sure that he would be earning enough to support his family on a long term basis. For this, he needed to know the current farming practices and see what could be done to raise the income generated by the land.

Upon return, Ahmad started talking to the farmers in his own village, so that he could find out what crops were being grown in the area. He realized that most farmers were growing the same crops: beans, onions and maize. When asked why, they said because everyone else did; it was what they had always grown. He also learnt that these farmers were selling their produce to the first buyer who came to the farm.

As a next step, Ahmad decided to find out other products could be produced in the area. He went to the nearest town where he talked to shopkeepers and traders, and found out that there was a high demand for garlic. Ahmad knew that growing garlic was like growing onions, so it would not be difficult to produce. He also found three shopkeepers who said that they would buy garlic from him, provided it was of good quality. They said they normally paid Rs. 50 per kg.

Before investing in garlic production, Ahmad realized that he needed to know if he could make a profit by growing and selling garlic at the market rate. He visited a neighbouring village, where farmers helped him calculate how profitable garlic.

As a final step, Ahmad approached an extension worker from the local community organization who advised him to start garlic production by planting $\frac{1}{4}$ an acre with the new crop. The extension worker told him he should be able to harvest about 750 kg to 1000 kg per acre, so on $\frac{1}{4}$ acre, he should be able to produce between 190 and 250 kg of garlic.

After completing his investigations, Ahmad decided to grow garlic on $\frac{1}{4}$ acre of his farm and plant beans, onions and maize on the rest of the land.

**Questions**

- What did Ahmad realise about the farmers in his village?
- What did Ahmad decide to do? How did he do it? Why is this important?
- What did Ahmad learn from his visit to the market (shopkeepers and traders?)
- What did Ahmad decide to do? Why could he be confident about this?

## Part 2: Planning

Based on what he had learnt from the market, the other farmers and from the extension worker, Ahmad set himself a goal of growing $\frac{1}{4}$ acres of garlic and marketing it to the three nearby shopkeepers. He figured out that if he sold 250 kg of garlic, he would obtain a total sales income of Rs. 12,500. But in order to calculate the profit he could make, he first needed to know the costs of the inputs that would be used to grow and sell the crop.

Ahmad listed the primary inputs he would need to grow the garlic, i.e. seed, fertiliser, pesticides, labour, small net bags in which the garlic would be packed, etc. He also factored in the cost of transporting the garlic from his farm to the shops. He calculated that all these inputs would cost him Rs. 3,500, meaning that he could expect a total profit of Rs. 9000 from garlic production.

Of course, Ahmad now needed to implement his plan, i.e. buy the immediate inputs, organise labour, prepare his land and plant the crop. Also, when the crop was ready, he also had to organise its packing and transportation.

**Questions**

- Describe Ahmad's plan?

## Part 3: Implementing: Organizing, Producing and Monitoring

When Ahmad had organised all the inputs, he prepared his land and planted the garlic seeds. Within a month, however, Ahmad realised that the germination was poor and the growth of the garlic was not as expected. He went to the extension worker for advice, who told him to replant using a different variety of seed. Even though this was an extra cost for Ahmad, he obtained new seeds for planting, knowing that he had made a promise to several buyers in the market to supply good quality garlic. He did quick calculations and knew that he would still make a profit.

Knowing that the crop would now be delayed by at least a month, he made new arrangements for transport. This did not cost him anything extra. The second time, the germination was much better. A few weeks later, Ahmad's garlic was almost ready and it was looking good.

Close to harvest time, Ahmad purchased the packaging he needed to market his garlic to the three shops. Very shortly thereafter, Ahmad harvested his garlic. He was a month later than expected, but it was worth it.

**Questions**

- What happened after Ahmad planted his garlic? What did he do about it? Why?
- When it got close to harvesting time, what did Ahmad do?

## Part 4: Implementing: Marketing

As the garlic was harvested from the field, it was checked and cleaned. The bad cloves were thrown away, while the rest was packed into the net bags and put into boxes. When everything was weighed, Ahmad discovered that he had 200 kgs. It was a little less than expected, but based on his calculations, Ahmad knew that he would still make a profit.

The transport arrived as planned. The boxes were loaded onto the vehicle and Ahmad took his garlic to the three shopkeepers. Initially, the first shop refused to take his garlic since Ahmad was one month late. However, Ahmad showed the shopkeeper the quality of his produce and convinced him to buy it.

The second shopkeeper agreed to take the product, but wanted to pay Ahmad after sixty days. Ahmad explained that this was his first crop and he wanted to keep selling to this shopkeeper, but couldn't if they could not make a better deal on payment. In this way, Ahmad persuaded the shopkeeper to pay 50 percent immediately and 50 percent after sixty days.

The third shopkeeper refused to pay the agreed price. He said that he was able to get cheaper garlic from another farmer. Again, Ahmad showed the shopkeeper the quality of the product. He also told him that his competitors had bought the garlic at the agreed price. In this way, Ahmad convinced the shopkeeper to pay the agreed price – in cash.

**Questions**

The harvesting and packaging went well. What happened when Ahmad took the garlic to the three shopkeepers? And what did he do about it? Why?

## Part 5: Evaluating

Ahmad came back home a very happy man! However, he realised that his task was not complete. He still had to evaluate his garlic business, by comparing what he planned with what actually happened. He also needed to calculate how much profit he had made.

He noted that he had to replant the garlic because he had used the wrong seed. He decided that next time, he would check with the extension worker before buying inputs.

Also, he did not expect the shopkeepers to present problems. The first vendor had been concerned about the delay in delivery. Next time, he would be sure to keep his buyers informed. He also did not expect to be asked to be paid in 60 days. Next time he would confirm the deal beforehand.

Did he make a profit? Ahmad knew that the income from sales is not equal to profit. He sold all 200 kg of garlic, Rs. 50 per kg. Thus his total income was Rs. 10 000. His costs were Rs. 4 000 including the Rs. 500 for the additional seeds. So, his total profit was Rs. 6 000.

This was the first time Ahmad had been responsible for the family farm, and it had made more money than last year. His parents were very proud of him and asked what he was going to do with the farm next year. He said he would investigate more opportunities. He would again research the market; speak to the extension worker and other farmers. When he had enough information, he would decide what to do.

For the day, Ahmad wanted to celebrate! He invited his family and friends to a party. All of them wanted to know how Ahmad had made so much money from his farm. He shared the whole story with them, so they could also learn from his experience.

**Questions**

- After Ahmad sold all his garlic and went home, what did he do? Why?
- What are some of the things Ahmad learned from his evaluation? What did he do about it?
- Did Ahmad make a profit? How did he know? What did he plan to do about it?

Notes:

# Competencies for business success

**Mark in the given space which of the competencies Ahmad has, you have**

## Achievement Cluster

1

Initiative
Ahmad has
You have

2

Opportunity Seeking
Ahmad has
You have

3

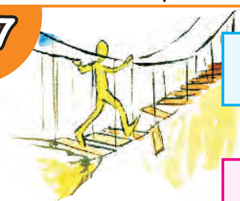
Information Seeking
Ahmad has
You have

4

Demand for Quality
Ahmad has
You have

5

Demand for Efficiency
Ahmad has
You have

7

Risk Taking
Ahmad has
You have

## Planning Cluster

6

Goal Setting
Ahmad has
You have

8

Systematic Planning
Ahmad has
You have

9

Problem Solving
Ahmad has
You have

10

Persistence
Ahmad has
You have

11

Independence & Self Confidence
Ahmad has
You have

## Power Cluster

12

Commitment to the Work Contract
Ahmad has
You have

13

Persuasion & Networking
Ahmad has
You have

Notes:

## Important Aspects of a Farm business

1. What to produce?

2. How to produce it?

3. Is it possible to produce it on your land? Yes ☐ No ☐

4. What resources and inputs are needed and where to get them?

5. What labour do you need?

6. What is the best market for the product?

7. What price can the product get in the market?

8. Is it profitable? Yes ☐ No ☐

9. Do you have enough cash? Yes ☐ No ☐

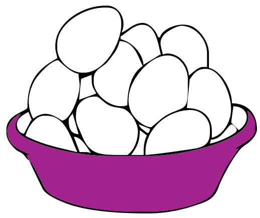
10. What are the risks and what to do about them?

# Farm business profitability

| FARM INCOME | FARM COSTS | PROFIT |
|---|---|---|
| Money received from selling products and the value of produce consumed. (Note that farm income comes from the value of all the products produced on the farm). | Money spent to produce and market products; the value of all the things used to produce products on the farm. | Money left over from income after the costs are deducted. |

Notes:

# Understanding the difference between Farm business and Farm enterprise

| Farm business | Farm enterprise |
|---|---|
| Farm business refers to the whole farm as a business. Together all enterprises make up the farm business as a whole. | Farm enterprises refer to the individual enterprises of the farm. Each crop or kind of livestock produced is an enterprise. A farmer may produce maize, beans and eggs. Each of these products is an enterprise. Maize is an enterprise; Beans is an enterprise; Eggs is an enterprise. |
|    |  |

Notes:

# Understanding costs

## Variable Costs:

"The costs of actual production. They apply to specific enterprises on the farm. These costs vary as output changes. These costs occur only if something is produced. They do not occur if nothing is produced. Variable costs can be allocated to specific enterprises."

| | | | | | |
|---|---|---|---|---|---|
|  |   |   |  |  |  |
| Seeds | Fertilizers | Fuel for machines | Hired labour | Livestock feed | Veterinary |

Notes:......................................................................................................................................................

......................................................................................................................................................

## Fixed Costs:

"The fixed costs apply to the farm as a whole. Fixed costs are costs that do not vary with changes in production output of a specific product. Fixed costs remain the same regardless of the output. Even if there is no output, there will still be fixed costs."

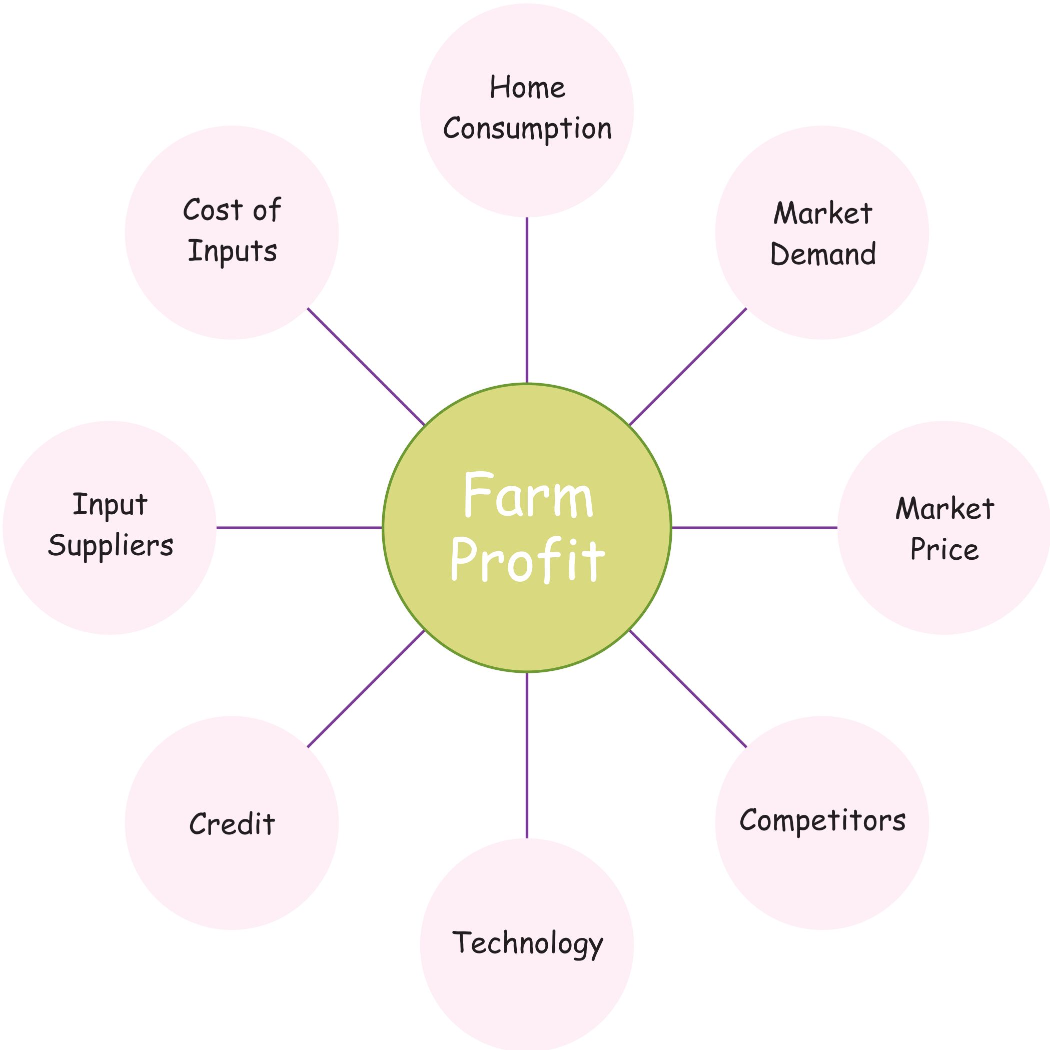
| | | | |
|---|---|---|---|
|  |  |  |  |
| Farm Equipment (e.g. Tractor) | Implements and tools | Packing shed | Farm infrastructure (e.g. fencing) |

Notes:......................................................................................................................................................

......................................................................................................................................................

......................................................................................................................................................

## What can affect farm business profit?

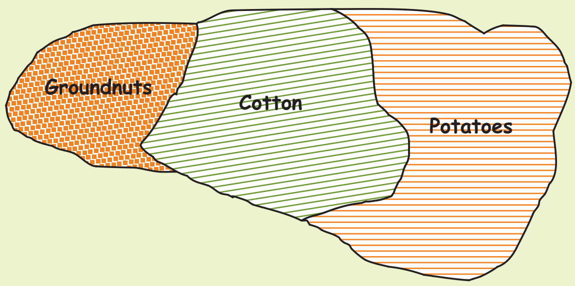



Notes: ..........

Notes:

## Draw your own Farm

Example:



## Understanding Farm Enterprises

| Competitive enterprises | Supplementary enterprises | Complementary enterprises |
|---|---|---|
| Enterprises "compete" when they use the same resources. | Enterprises "supplement" one another when they use resources that might otherwise not be used. | Enterprises "complement" one another when they interact in a supportive, two way process. |
| **Example**<br><br>If a farmer does not have enough labour to harvest two different crops at the same time, one crop can only be increased if the other is reduced | **Example**<br><br>A farmer has fish and duck enterprises. The duck droppings are utilised by the fish in the fishpond which could otherwise have been wasted. In such a case, the two enterprises are supplementary; the ducks supplement the feed for the fish. | **Example**<br><br>Poultry produces manure. The manure can be applied as a fertilizer to crop enterprises. The maize grain can be fed to the poultry. This relationship between the livestock and crop enterprises shows that the two are complementary. |

Notes: ..........................................................................................

# Farm Assessment Audit Checklist

| Business Aspects | Rating | | | Comments |
|---|---|---|---|---|
| |  |  |  | |
| Use of farm land | | | | |
| Choice of crops, livestock and poultry | | | | |
| Farming technology and input use | | | | |
| Labour supply and use | | | | |
| Harvesting, post harvest, storage and packaging | | | | |
| Marketing, transport and delivery arrangements | | | | |
| Savings, capital formation and use | | | | |
| Records and record keeping | | | | |
| Linkage to input suppliers | | | | |
| Linkages to markets | | | | |
| Linkages to financial institutions | | | | |

Notes:

# From analysis to action

| Strengths | Possible Actions |
|---|---|
| **Example:** My farm is good for many crops. | **Example:** I will undertake a market survey to find out what else I can grow. |
| | |
| | |
| | |
| | |
| | |
| | |

| Weaknesses | Possible Actions |
|---|---|
| **Example:** I don't know which of my crops is most profitable. | **Example:** I will learn how to assess enterprise profitability. |
| | |
| | |
| | |
| | |
| | |
| | |

Notes:

# A budget template

**Step-1:** Enterprise ____________________________

**Step-2:** For the period: _________ to __________

**Step-3:** Area under cultivation (acre): __________

**Step-4:** Income

| Item | Quantity | Unit Price (Rs.) | Value (Rs.) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| **Step-5:** Total Income | | | |

**Step-6:** Variable Costs

| Item | Quantity | Unit Price (Rs.) | Value (Rs.) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| **Step-7:** Total Variable Costs | | | |

| | |
|---|---|
| **Step-8:** Enterprise Profit (income – variable costs) | |

## Steps

**STEP-1:** Put the name of the enterprise (e.g. Potatoes) in the space provided on the top of the template.

**STEP-2:** Agree on a duration for this enterprise, e.g. for the period November 2009 to June 2010.

**STEP-3:** Estimate the area of the crop under cultivation (in acres).

**STEP-4:** Calculate the income by listing the various ways in which the potatoes have been disposed, including selling at farm gate, or a neighboring market, or to an exporter, or kept for home consumption, or given away. The quantities and prices for each form of disposal may be different. If the produce has been retained for home consumption, or given away, make sure that the unit price reflects a market value.

**STEP-5:** Once all the values have been added, it will reflect the total income from that particular enterprise. This total amount should be written in the space for "Total Income".

**STEP-6:** Calculate all costs directly related to the production of potatoes. Under the column items, list all the production costs associated with this enterprise. For each item, trace the specific quantity and the unit price to arrive at the value (in Rs.) for each item.

**STEP-7:** Total the value or cost for all the items to arrive at the "Total Variable Costs".

**STEP-8:** To arrive at the 'Enterprise Profit', subtract from the total income the total variable costs.

## Prepare a budget!

Suppose that you have decided to plant wheat on one acre of land. Based on your market survey, you have estimated the following:

- Production from one acre plantation: 1600 kg
- Selling price: Rs. 23 per kg

You have also identified the variable costs associated with this enterprise as follows:

- Seed 50 kg @ Rs. 50 per kg
- Fertilizer (Urea) 1 bag @ Rs. 700 per bag
- Fertilizer (DAP) 1 bag @ Rs. 3 500 per bag
- Water charges 10 hours @Rs. 400 per hour
- Labour charges for tractor 8 hours @ Rs. 400 per hour
- Labor for harvesting the crop for 8 hours @ Rs. 250 per hour

Determine the profit that you can expect from this enterprise.

---

Notes: ..........

# Determining the minimum price and yield for the enterprise

## 1 Calculating break-even price

A break-even price is the minimum acceptable price that will, if nothing else, cover the cost of production. At this price the income received will be equal to the cost of production, and the profits will be zero.

The break-even price can be calculated from the information in the enterprise budget, using the following formula:
Break-even Price = Total Variable Costs per acre / yield per acre

## 2 Calculating break-even yield

The break-even yield is the minimum level of production that you can produce to cover the costs of production. It is calculated by dividing the Total Variable Costs/ha with the per unit price of the produce.

The break-even yield can be calculated from the information in the enterprise budget, using the following formula:
Formula for break-even price = Total variable costs per acre / unit price of produce

Notes:

## Defining marketing and markets

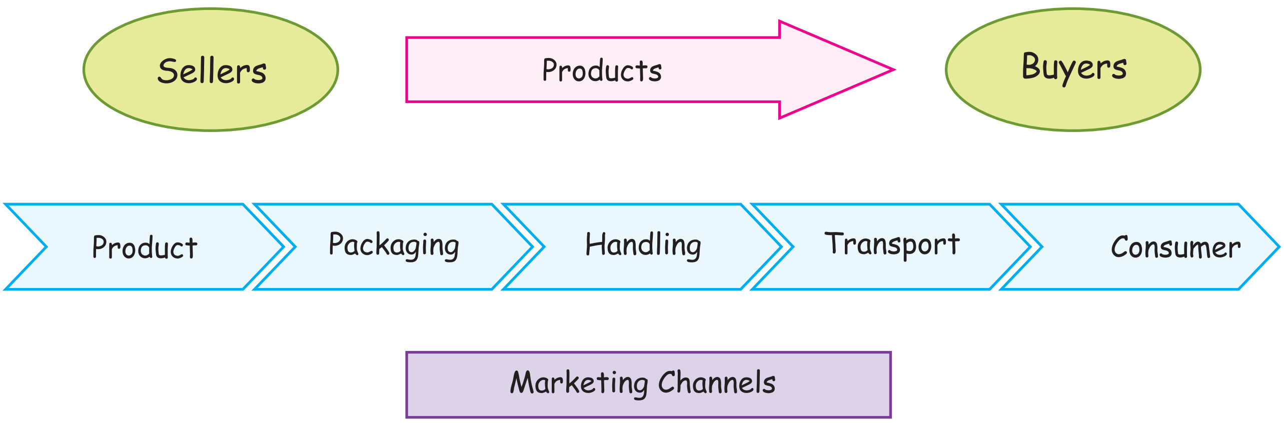
**Marketing**

Marketing is the process of exchange between the producer (farmer) who sells, and the consumer who buys.

**Market**

The market is the place where the exchange of goods and services takes place. The market is made up of buyers, sellers, products and prices.

**"Marketing is the exchange of goods and services for money"**



# Where can we market...

Product:____________________

1. What are the different market outlets where the product can be?

2. What quantities do these outlets want?

5. What else must one learn about these markets?

3. What are some special features of each market?

4. Is there a best time to use each of these markets?

Notes:

# Market survey questionnaire

## Customer/End Market

| | |
|---|---|
| 1 | What farm products do they buy the most? |
| 2 | Why do they buy these products? |
| 3 | What quantities do they buy? |
| 4 | How do they assess demand? |
| 5 | How often do they buy the produce? |
| 6 | What products are most profitable? |
| 7 | What times of the year can the highest prices be attained? (month or season)? |
| 8 | What is the quality of the produce they sell? |
| 9 | What other products have a high demand in the market? |
| 10 | From which farmers do they buy their produce? |
| 11 | What do they do to expand their business e.g. (credit sale, promotion, packaging) etc.? |
| 12 | What types of problems do they face? |

## Retailers

| | |
|---|---|
| 1 | What farm products do they buy the most? |
| 2 | Why do you buy these products? |
| 3 | What quantities do they buy? |
| 4 | How do they assess demand? |
| 5 | How often do they buy the produce? |
| 6 | How much more would they consider buying? |
| 7 | What products are the most profitable for them? |
| 8 | What times of the year can the highest prices be attained? (month or season)? |
| 9 | What is the quality of the produce they sell? |

| | |
|---|---|
| 10 | What other products have a high demand in the market? |
| 11 | From whom do they buy their produce? |
| 12 | What do they do to expand their business e.g. (credit sale, promotion, packaging) etc.? |
| 13 | What types of problems do they face? |

## Farmers (individually or in groups)

| | |
|---|---|
| 1 | What farm products do they sell the most? |
| 2 | Why do they sell these products? |
| 3 | What quantities do they sell? |
| 4 | How do they assess demand? |
| 5 | How often do they sell their produce? |
| 6 | Do they sell directly? Why? |
| 7 | What products are the most profitable for them? |
| 8 | What times of the year can the highest prices be attained? (month or season)? |
| 9 | What is the quality of their produce? |
| 10 | Do buyers pay a premium for graded produce? |
| 11 | How much higher are premium prices for quality produce? |
| 12 | What other products have a high demand in the market? |
| 13 | Do they engage in group marketing? If so, why? |
| 14 | What do they do to expand their business e.g. (credit sale, promotion, packaging) etc.? |
| 15 | What type of problems do they face? |

## Competitor (doing same business)

| | |
|---|---|
| 1 | What type of produce do they grow? |
| 2 | What is the quality of their produce? How does it compare with your? |
| 3 | How do their prices compare to your own? |
| 4 | What do they do to make their business more competitive and profitable e.g. (promotion, packaging) etc.? |
| 5 | What type of skills do they possess? Do they upgrade their skills? If so, how? |
| 6 | Do any of the farmers (sellers) have a competitive advantageous position? In what way? |
| 7 | What can you learn from your competitors that can improve your own business? |
| 8 | Do your competitors face any specific kinds of problems? If so, what? |

## Transport

| | |
|---|---|
| 1 | What types of transports are available for your business? What are the advantages and disadvantages of each type? |
| 2 | What are the rates for each type of available transport? |
| 3 | Are there special transport services for particular products? For long distance transporting? |
| 4 | Does the cost of transport include handling services? |
| 5 | Do transport owners or companies guarantee timely pick up of produce from the farm? Describe. |
| 6 | Do transport owners or companies guarantee timely arrival to the market? Describe. |
| 7 | Do transport owners or companies guarantee safe transport? Can goods be insured? |
| 8 | How frequently do you transport your produce to the markets? |
| 9 | What type of problems do transport companies face? |

Notes:

## An example of
## Farm vision, goals and strategies

| | |
|---|---|
| **Vision** | By the end of 3 years, my farm will be a profitable business, with at least 5 enterprises that supplement and complement each other to make my farming more cost effective way and economically viable. |

**Examples of:**

**Family goals:**

- To be self-sufficient in food
- Everyone in the family is healthy
- Everyone in the family gets an education

**Business goals:**

- Increase profit by 100%
- Increase income by 100%
- Increase yield by 50%

**In the next three years, will invest in the following strategies to achieve the vision and goals:**

**Production:**
1.Will make detailed farm production plans so as to take advantage of the market demands.
2.Will use farm resources optimally, i.e. without any waste, in the production, harvesting, and post harvesting processes.
3. Will choose a range of enterprises that will complement and supplement each other, so that the produce of one enterprise can become the input of the other.

Marketing products:
3.Will systematically gather market information and identify appropriate and cost effective inputs, and better market opportunities and outlets for farm products.
4.Will improve skills to harvest and engage in post harvest activities such as grading, storing - so as to minimize losses and improve quality.
5.Will invest in better and more convenient packing and packaging, and timely delivery of the products.

**Profits:**
6.Will control both fixed and variable costs, so as to enhance profit margins.
7.Will put aside at least 10% from the annual income as contingency insurance fund.

**Managing my farm as a business:**
8.Will maintain a careful record of all farm operations, inputs and production outputs.
9.Will record and regularly monitor all income and expenses.

# My farm vision and goals

**Vision:**

**Goals:**

| Business goals | Family goals |
| --- | --- |

Notes:

# Choosing an enterprise

For this part of the FBS programme, you are going to develop a farm business plan for one enterprise. The enterprise you choose should be a cash crop or a higher-value crop that you know can be sold at the market.

**Step-1: Form an enterprise group**

Choose an enterprise to work on. Then join up with a few other participants who want to work on a similar enterprise. Together you will form an enterprise group and will work on developing a business plan for that enterprise. For your chosen enterprise, your enterprise group will eventually decide the following:

- What to produce
- How much to produce
- How to produce it
- What price to charge
- How to market it

**Step-2: Undertake technical feasibility**

You need to make sure that your land and soil is suitable for the chosen enterprise, and that the climate, rainfall and temperature will make production possible. If not, you should not choose the enterprise. For example, cashews need a long dry period to flower and set the fruit. If your area does not have a long dry period, then it is not technically possible to grow cashews.

**An example of rating for a technical feasibility is as follows:**

| Technical production factors | |
|---|---|
| **For crops** | **Okay/Not okay** |
| Soil | Okay |
| Climate (rainfall, temperature) | Okay |
| Topography | Okay |
| Water availability | Okay |
| **For Livestock** | |
| Climate | Okay |
| Grazing/Vegetation | Okay |
| Water availability | Okay |
| Overall suitability: | Okay |

**Step-3: Assess physical resources and inputs availability**

The next step is to check the physical resources and inputs needed by your enterprise, and whether or not you can get them. If you are able to get all the resources you need, in the quantity you need them, then you can choose the enterprise. If you are not able to get all the resources you need, then you will have to choose another enterprise. A rating for assessing physical resources and inputs can be done as follows:

- Discuss the physical resources required for your enterprise. For crops, these should include inputs like seed, fertiliser and pesticides. These should also include equipment, implement and tools, storage structures and animal draft. For livestock, these may include things like feed, medicines, tools and small equipment. These resources should include both those they can get on the farm and those they must buy. The list of resources/inputs needed should be put under the first column, i.e. resources/inputs.
- Decide on the quantity needed for each resource, and write this in the second column, i.e. Quantity.
- Decide where they will get each resource, and write this in the third column, i.e. Source of Supply.

**Physical resources and inputs availability**

| Resources/Inputs | Quantity | Source of supply |
|---|---|---|
| Seed | | |
| Fertiliser | | |
| Pesticide | | |
| Equipment | | |
| Implements and tools | | |
| Storage structures | | |
| Animal draft | | |

If a farmer cannot obtain the necessary resources or inputs for an enterprise, they must choose another enterprise and start over again.

### Step-4: Assess Labour Requirements and Availability

The next challenge is to check what labour is needed and whether or not you have enough. If you can get all the labour you need, then you can go ahead with the enterprise. If not, then you will have to choose another enterprise. The first estimation is to look at your enterprise and decide:

- how much labour you need
- how much family labour you have
- how much labour you must hire
- when you need it
- where you will get it

For crop enterprises you should think about all the different activities like land preparation, planting, weeding, pest control and harvesting. For livestock enterprises you should think about production activities such as feeding, watering, cleaning and handling.

**Example Labour plan**

I need ________ workers for a total of _________ days.

I have _________ workers from my family.

I need to hire _________ workers according to the following plan

| Activity | Month | Amount of labour to hire | Number of days needed |
|---|---|---|---|
| Land Preparation | | | |
| Planting | | | |
| Weeding | | | |
| Harvesting | | | |
| Total | | | |

If any enterprise group finds that it will not be able to get the labour needed, then they will have to choose another enterprise and start over again.

Notes:

# Components of farm business plan

A farm business plan is a document that records the most important decisions and actions affecting the operation of the farm business. It is a way to make sure that all the things that need to be done are done, and in a way that makes the farm more profitable.

## 1 Background

Description of the farm business, including its objectives, vision and goal. It helps the farmer stay focused on what he or she wants to achieve.

## 2 Farm production plan

States what crop you will grow and the number of acre you will plant, or the kind and number of head of livestock you will have

**Example-I:**

| Enterprise | Land size | Expected yield/acre or unit | Total yield (tons/kg/bags) |
|---|---|---|---|
| Tomatoes | 2 acres | 4000 kg per acre | 8000 kg |

**Example-II:**

| Enterprise | Number of Birds | Expected Number of Eggs Per Bird/Production Cycle | Total Number of Eggs to be Produced |
|---|---|---|---|
| Egg Production | 100 | 190 | 19000 |

## 3 Market plan

It specifies the enterprise, the target market and the buyer in addition to:

- What price will you get for your product if you sold it at your farm gate?
- What price will you get for your product if you sold it at the market?
- What costs will you have to take your product to the market?

**Example:**

| Enterprise | Target market | Buyer | Expected quantity to sell (units) | Market price Rs./unit | Marketing Cost/ unit (Rs.) | Farm gate price (Rs. per unit) |
|---|---|---|---|---|---|---|
| Tomatoes | Star market | Ravi | 8000 kg | Rs. 35 | Rs. 5 | Rs. 30 |

## 4 Profitability

It details the profit contribution from each enterprise, and deducts fixed costs to arrive at whole farm profit.

**Example:**

| Item | Quantity | Unit Price | Value |
|---|---|---|---|
| Wheat | 1600 kg | Rs.23 | 36800 |
| | | **Total Income** | **36800** |

**Variable costs**

| Item | Quantity | Unit Cost | Amount |
|---|---|---|---|
| Seed | 50 kg | 50 | 2500 |
| Fertilizer -Urea | 1 bag | 700 | 700 |
| Fertilizer-2-DAP | 1 bag | 3500 | 3500 |
| Water Charges | 10 hours | 400 | 4000 |
| Labour Charges | 8 hours | 400 | 3200 |
| Harvesting | 8 hours | 250 | 2000 |
| | | **Total variable costs** | **15900** |
| | | **Enterprise Profit** | **20900** |

## 5 Cash availability

It details the cash flow (in/out) for each enterprise, each month to ensure that enough cash is available to the business.

**Example:**

| Activity | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cash inflow** | | | | | | | | | | | | | |
| Crop Sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5900 | 0 | 0 | 5900 |
| Cash Available | | | | | | | | | | 5900 | | | |
| **Cash outflow** | | | | | | | | | | | | | |
| Buy Seed | | | 500 | | | | | | | | | | 500 |
| Buy Fertiliser | | | 500 | | | | | | | | | | 500 |
| Buy Pesticide | | | | 200 | | | | | | | | | 200 |
| Labour hired | | 900 | 900 | | 540 | | | | 900 | | | | 3240 |
| Cash Needed | | **900** | 1900 | 200 | 540 | | | | 900 | | | | 4440 |
| Net Cash Flow | | -900 | -2800 | -3000 | -3540 | | | | -4440 | +1460 | | | +1460 |

## 6 Risks in farming

Risk refers to things that could happen that can harm the farm business. Farmers need to anticipate these risks ahead of time, and be prepared with mitigation strategies. The following example shows how:

**Example:**

| **Risk** | **How to handle the risk** |
|---|---|
| ■ Produce can be damaged on the way to the market resulting in a lower market price.<br>■ Market price can drop resulting in lower profits. | ■ Ensure a proper protective packing for the produce<br>■ Remain alert to the changes in the market, and decide when to sell, and how much to sell at a time |

Notes:

# My Farm business plan

Enterprise: ________________________________________Date:____________

## 1 Background

| Name | Village/District | Period of the Plan |
|---|---|---|
| | | |

Vision ____________________________________________

____________________________________________

____________________________________________

Goal/s ____________________________________________

____________________________________________

____________________________________________

## 2 Farm production plan

### Crops/horticulture produce

| Crop Type | Area(acre) | Output (Kg/acre) | Total output (Kg) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

### Livestock production

| Type of animal | Number of animals | Yield per animal | Total litres |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

## 3 Market plan

| Enterprise | Target market | Buyer | Expected quantity to sell (units) | Market Price Rs./unit | Marketing cost/unit Rs. |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

## 4 Profitability

| Expected enterprise profit | Rs. |
|---|---|
| 1 | |
| 2 | |
| 3 | |
| | |
| Total enterprise profit | |
| | |
| B. Fixed costs (annual depreciation) | |
| | |
| | |
| | |
| Total annual fixed costs | |
| | |
| Whole farm profit (A-B) | |

## 5 Cash flow and cash availability

| Activity | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cash inflow** | | | | | | | | | | | | | |
| Crop Sales | | | | | | | | | | | | | |
| Cash Available | | | | | | | | | | | | | |
| **Cash Outflow** | | | | | | | | | | | | | |
| Buy Seed | | | | | | | | | | | | | |
| Buy Fertiliser | | | | | | | | | | | | | |
| Buy Pesticide | | | | | | | | | | | | | |
| Labour hired | | | | | | | | | | | | | |
| Cash Needed | | | | | | | | | | | | | |
| Net Cash Flow | | | | | | | | | | | | | |

**Cash availability**

Do I have enough cash available to implement the farm enterprise?

(a) I have the following cash available to use for my enterprise: ______________________

(b) I need the following amount of cash for my enterprise: ______________________

( ) Yes, I have enough cash ( ) No, I do not have enough cash

(c) The amount of extra cash I need is:
(d) I need the extra cash in the following months:
(e) I can get the money from the following sources:

Source | Amount

______________________ | ________________________________

Preparing a farm business plan

## 6 Risk

| Risks | Risk mitigation strategy (how to handle risk) |
| --- | --- |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

Notes:

# Preparing an action plan

| Action | Duration | Start date | Responsibility |
|---|---|---|---|
| **Physical resources and inputs** | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| **Labour** | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| **Market** | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| **Risks** | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Notes:

# Overview of record keeping

## What is record?

A record is written proof of what happened, what is happening, or what is anticipated to happen. A record can also be a written proof of what was said, and who said it. Some examples are: minutes of a meeting, a report on the number of group members who worked in the group project, a record of the names of members who have brought in their membership contribution.

## Why keep records?

Many people do not write down how much money comes in and how much money goes out of their business. This may be because they do not know how to do it, or else they do not know how it can help their business. Therefore people do not really know how much money they are earning. Record keeping means that you write down all the money that comes into your business, and all the money that goes out of your business, including the production activities. Record keeping is important because you cannot keep everything in your head. People are forgetful by nature.

## Advantages of record keeping:

- You will know how much money you have received, how much money you have spent and how you have spent it.
- You will know how much are the amount of inputs and materials used to grow the enterprise.
- You will know the price of produce sold and cost if inputs.
- You can calculate whether you are making a profit or a loss.
- You will be able to make better decisions on what to buy and sell.
- You can keep records of buying and selling on credit, so that people cannot cheat you.

## Types of Farm Business Records

1 Production Records
2 Labour Records
3 Cash Inflow Records
4 Cash Outflow Records
5 Home Consumption Records
6 Profit and Loss Records
7 Fixed Asset Records

Notes:

## Production record

| Enterprise | Land size | Expected yield/ acre or unit | Total yield (tons/kgs/bags) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

# Labour record

| Date | Activity | Number of people working | Number of hours | Total number of hours |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Notes:

## Cash inflow record

| Date | Sales/ Output | Quantity | Unit Price (Rs.) | Total Income (Rs.) | Comments |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | |

# Cash outflow record

| Date | Operation/ Input | Quantity | Unit cost (Rs.) | Total cost (Rs.) | Comments |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | |

Notes:

Notes:

## Home consumption record

| Date | Consumed items | Quantity | Unit price (Rs.) | Total value (Rs.) | Comments |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | |

## Profit and loss record

Measuring my enterprise profit for the period ______

Area/size of the enterprise ______

| | Quantity | Unit price or cost (Rs./unit) | Total Rs. |
|---|---|---|---|
| **Income** | | | |
| Sales | | | |
| Home consumption | | | |
| Other | | | |
| Total income (a) | | | |
| | | | |
| **Expenses** | | | |
| Inputs and materials: | | | |
| - Seed | | | |
| - Fertiliser | | | |
| - Pesticide | | | |
| | | | |
| **Field operations:** | | | |
| -Land preparation | | | |
| - Ploughing | | | |
| - Planting | | | |
| - Weeding | | | |
| - Harvesting | | | |
| | | | |
| Total costs (b) | | | |
| | | | |
| Profit (a-b) | | | |

# Fixed asset record

| Date of purchase | Item | Purchase price (Rs.) | Life (years) | Comments |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Notes:

## Developing a FBS 'during season' schedule

| Meeting No. | Date | Key contents (Modules, Sessions, Exercises) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Notes:

## Mobilizing finance

### Need and importance of finances:

A farmer has to cover the cost of many activities in the various months as follows:
March: purchase of seeds for Rs. 500
June: ploughing for Rs. 700
May-June: labour for Rs 250

The Farmer's cash availability is as follows:
In March - Rs. 500
In May - Rs. 250
In June - Rs. 500

How well do you think the farmer will be able to manage his/her farm cash flow? Will the farmer need any extra cash to finance the enterprise? How will the farmer calculate any short falls in the cash flow for the enterprise?

### Cash Flow Chart:

| Activity | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Buying Seed | | | 500 | | | | | | | | | |
| Organise Ploughing | | | | | | 700 | | | | | | |
| Labour | | | | | 250 | 250 | | | | | | |
| Total Cash Needed | | | 500 | | 250 | 950 | | | | | | |
| Total Cash Available | | | 500 | | 250 | 500 | | | | | | |
| Shortfall | | | 0 | | 0 | -450 | | | | | | |

**Note**

The enterprise will require an additional cash amount of Rs.450 in the month of June. However, the total cash needed will be a sum of all the cash short falls as shown in the cash flow chart. So the farmer may need to borrow money from other sources such as:

# Mobilizing finance

## What is credit and what are loans?

Credit and loans are money borrowed from various sources such as banks, moneylenders, family and friends. This money must be generally repaid over a certain pre-defined time period, most often with interest or sharing of profit.

## When does the farmer need to access credit for the enterprise?

1. There is a farm business opportunity or potential, but the farmer lacks funds to invest.
2. There is a cash flow problem for a certain period of time, but funds are guaranteed to be generated.

## Assessing the Costs of Borrowing (Conditions or Terms to be considered)

| | |
|---|---|
| **Interest Rates** | Interest is the cost of borrowing money. It is usually calculated as a percentage of the amount borrowed. Interest rates may vary depending on where you get your loan. There are usually government laws that limit the interest rate so as to protect you from dishonest lenders. |
| **Bank charges** | Some lenders may also charge a certain fixed amount for processing the loan. This may be charged separately or it may be made a part of the interest rate. |
| **Loan 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. |
| **Grace Period** | This refers to the period of time between getting the loan and when you have to start repaying it. Lenders usually understand that some enterprises may need a longer period of investment before realising profits. You should choose a grace period that is most appropriate for your enterprise. |

## Sources of finance

Family | Friends | Micro Finance Institutions | Banks

## List of Credit Providers

| No. | Name of Lender | Interest rate charged | Loan repayment period | Grace Period | Ranking |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |

# Directory of credit providers

| # | Name of lender | Interest rate charged | Loan repayment period | Grace period | Ranking |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Notes:

## Different stages in marketing produce

| | |
|---|---|
| **Produce preparation** | This involves cleaning, sorting and grading. |
| **Packaging** | The types of packaging used may range from simple jute bags to plastic packaging for the direct transport of fruits to consumers. |
| **Handling** | Products are handled several times on their way to the market. Handling includes loading and unloading, re-packaging, weighing, etc. |
| **Transport** | Costs are incurred by farmers when they take their produce to the market. These costs may the payments to a transporter or they may also the include running costs of farmer's own transport. |
| **Storage** | Products that are not sold immediately are usually stored. It is an important cost for many products. The main purpose of storage is to extend the availability of produce over a longer period than if it were sold immediately after harvest. The assumption behind storing produce for the market is that the price will rise enough while the product is being stored to cover the costs of storage. |
| **Losses** | Losses include loss of weight in storage and transit, loss of colour, shape, bruises, over-ripening, etc. The cost of these is measured by cash paid out. It is measured by loss of income. |
| **Other marketing costs** | Other marketing costs include fees, commissions |

# Together each achieves more:
# A case study

Rani, Raja, Maria, Waqas and Dev were farmers who lived near each other. They each had a 12 acres farm which they fed their families and generated an income.

Rani was a widow whose husband had recently died. Rani had always worried that the farm did not bring in enough income, which in the past had forced her to do piece work in the nearby town. When her husband passed away, it became harder for Rani to be away from her children, and she realised that she needed to find a way to make more money from her farm. It was with this intent that Rani contacted the Extension Worker in her area, requesting him to help her improve her production. Using the given tips, Rani improved her income somewhat, but was still not satisfied and requested further guidance. This time the Extension Worker suggested that she talk to some of the other farmers about collective marketing, where a group of farmers market and sell their crops together to a larger buyer, or are able to access a better market.

Rani was not convinced. But she visited her friend Maria and discussed the idea of collective marketing with her. Maria had heard of collective marketing before, but had never tried it. They decided to go to ask the Extension Worker to go with them to the city to see what they could learn. Rani, Maria and the Extension Worker travelled to the city. They went to the market. They spoke to several buyers. They found out that they could get a better price for their rice in the city than they could in the local market. They also found out that they could get a better price for their maize if they brought enough maize to one location, the buyer would be willing to send a truck. He was not willing to go from farm to farm. And they learned that they would get a better price if they all grew the better variety of maize and weighed and packaged them uniformly.

They returned home, and called a meeting where in addition to Rani and Maria, other farmers attended, i.e. Raja, Waqas and Dev. Maria explained to the group that if they sold their maize to the local market, they could get Rs.250 per kg. But if they sold their maize in the city they could Rs.310 per kg. The cost of transport to get the product to the city was Rs.30 per kg if they sent 1.2 tons in one truck.

Dev said he could not send 1.2 tons. He did not have that much to sell. Waqas said the same thing. Maria explained that that was the whole point. She asked each farmer how much he or she could produce and sell. They each said they could send between 200 and 300 kg, which meant that they had between them from 1000 and 1250 kg to send. Rani said this was very good. She asked if they would all like to join in the collective marketing.

Everyone but Dev was willing to join the collective marketing plan. Rani said that meant that Rani, Maria, Waqas and Raja would have to market 300 kg each. They all agreed. Dev made his apologies and left. Rani, Maria, Waqas and Raja agreed that Rani should go back to the buyer in the city and organise the contract on their behalf. They got an exercise book and wrote out a short agreement that said they would each deliver 300 kg of maize to Rani's farm with the first harvest. Rani would arrange for the transport. They would each pay Rs.9000 for the transport. They all signed the agreement.

Rani made all the arrangements. She got a contract for 1200 kg of maize at Rs.310 per kg. She organised the transport as agreed. When the harvest started, Rani, Maria, Waqas and Raja each delivered 300 kg and paid Rs. 9000. The transport arrived and Maria went with the crop to the buyer. It was delivered and she was given a cheque for Rs. 372, 000, which she deposited into her account at the Bank.

When she got home, she told the others that everything had worked out well. She showed them the receipts and the bank deposit slip. She said as soon as the cheque cleared the bank, they would all get their money.

Two weeks later, the cheque cleared the bank. They went to the bank to get their cash. Each one was to receive Rs. 93000. But before they took their money, Maria, Raja and Waqas told Rani that they did not think the final payment was fair to Rani. She had undertaken a larger share of the work, and they all agreed to pay her Rs. 1000 each. Rani was very happy with that and thanked them. Then they withdrew their money and went home to tell their families the good news. They agreed to meet the following week to discuss collective marketing for their rice and beans.

### Instructions

**Discuss following questions in your group:**

- What opportunities did Rani and Maria discover in the city?
- Which opportunity did they choose?
- What price could Rani get for her maize at the local market?
- What price could Rani get for her maize at the market in the city?
- What were the conditions for getting the price in the city?
- What costs would she have if she sold her maize in the city?
- What did she have to do to meet the conditions?
- What contracts did Rani write out?
- How did things work out?
- What was the difference in profit that Rani and her partners got by selling in the city?
- What decision did the four farmers make about collective farming in the future?

Notes:

## Assessing group buying

| Advantages | Disadvantages |
|---|---|
| ■ Increases bargaining power | ■ Possibility of over-centralisation |
| ■ Improves economies of scale | ■ Loss of individual flexibility |
| ■ Lowers transaction costs | ■ Levies and fees for the group |
| ■ Better prices | ■ Exploitation of weaker members |
| ■ Combined small surplus can access transport to the market | ■ Forced to accept prices of the group |
| ■ The smallest producer can sell at the same price at international marketing networks | |
| ■ Sharing risk | |
| ■ Encourages innovation | |
| | |

Notes:

# Understanding contract farming

Contract farming happens when individuals or a group of farmers enter into formal (written) or informal (verbal) arrangements with buyers for the marketing their products. The number of ways or approaches through which farmers can market their produce are as follows:

1. Contract farming
2. Group marketing
3. Individual marketing

## Advantages of contract farming:

- Encourage small-scale producers to diversify into new enterprises.
- Can lead to improved supply of production inputs provided by the contractors.
- May help the farmer get credit.
- Potential buyers can provide extension.
- Offers opportunities to reach markets that are very far away, including export markets.
- Can help farmers learn new production methods and technical skills, improving productivity and profitability.

## Challenges of contract farming:

- Changes in the weather, pests and diseases might make it difficult for farmers to supply the amount and quality of output agreed in the contract.
- If the contract requires more capital-intensive production, the farmer may be required to borrow money to buy equipment and implements.
- An individual farmer may find it difficult to supply the quantity required by the buyers on his own, and other farmers may not want to join him.
- Producing under a contract means that the farmer is not free to run his farm as he wants. He must farm according to the terms of the contract. He loses some control over what he does on his farm.
- The farmers might not be able to sell all their produce if it does not meet the quality standards set in the contract.
- Farmers might find it difficult to bargain for a reasonable price.

## Tips to overcome challenges of contract farming:

- Small-scale farmers can work together in order to increase their power to negotiate the terms of the contract.
- Farmers can work together to supply larger quantities of produce. This is likely to attract the interest of the buyer.
- Groups are likely to find it easier to share the machinery for production, hence reducing the need to borrow.
- Farmer groups are more likely to get grants and loans than individual farmers.
- Farmer groups can help farmers in the group if they are struggling to keep up with the terms of the contract. They can also put pressure on others in the group who to deliver according to the

# Contract details

**Instructions**

In your group, please describe the components given below, keeping in mind your farm's needs and issues.

| No. | Components | Description |
|---|---|---|
| 1 | Contract duration | |
| 2 | Quality standards | |
| 3 | Production limits | |
| 4 | Cultivation practices | |
| 5 | Product delivery arrangements | |
| 6 | Pricing arrangement | |
| 7 | Payment procedures | |
| 8 | Arbitration terms | |
| 9 | Insurance arrangements | |

Notes:

# Contract appraisal

**Instructions**

Carefully review the contract below, and identify the strengths and weaknesses for both parties:

**Sample agreement for contract farming of rice**

Company A offers to buy rice from farmer group (FG). The conditions under which the crop will be grown and sold are outlined below.

1. Farmer Group (FG) will plant no more than a total of 100 acres of rice.
2. All crop production activities must be followed in accordance with Company recommendations and instructions.
3. Company A guarantees to buy all grain rice produced from the allocated limit.
4. Buying will be at designated locations and buying slips will be issued immediately after purchase.
5. All rice fields must be effectively fenced against animals.
6. All necessary seed, chemicals and fertiliser will be supplied and charged to the farmers. Payment for pre-sowing cultivation charges may be advanced.
7. The pricing formula for grain purchase at 14.5 percent moisture level will be as follows:
   (a) Production up to 3 500 kg/acre = 20 Rs. /kg
   (b) Production from 3 501 to 4 000 kg/acre = 21 Rs. /kg
   (c) Production from 4 001 kg/acre and over = 22 Rs. /kg
8. Farmers are not allowed to sell rice covered under this agreement, to any other buyer without the written consent of Company A. Any breach of this agreement will result in farmers giving up their contracts.
9. Bags will be supplied by Company A, which retains ownership thereof. Any loss of bags will be debited to the farmer's account.
10. Farmers will be paid when their crops have been harvested and sold to Company A and all outstanding crop advances have been deducted.

If you wish to grow rice on the above terms and conditions, please complete this form and return it to Company A's office before .............. so that we may reserve your quota of ..................... acres.

Signed on .......................... / ................... /20 .........
(Day) (Month) (Year)

_________________________________ Company
Manager Representative

_________________________________ Farmer
(Farm No _______ )

## Signing a contract for fresh produce

Dry produce can be stored and transported easily. It is not easily damaged. Rice, for example, is easy to handle and package. Fresh produce can be easily damaged or spoiled due to rotting. Thus fresh produce needs special packaging and handling.

A contract for fresh produce would include:

- Packaging requirements
- Quality requirements
- Transport requirements
- Storage requirements

Notes:

# Negotiating contracts

Negotiation is a process whereby two parties discuss an issue and arrive at an agreement. Negotiation usually requires both parties to compromise, where each will give up something and hold on to something in order to come to an agreement.

## Tips for successful negotiation

### 1. Things you need to know:

- Range of buyers available
- Demand and supply of crops
- Market prices and conditions
- Break-even and cost of production
- Marketing costs
- Lowest price for product

### 2. Skills and abilities you need to have:

- Ability to say “No”.
- Listening skills
- Focus on the end goal
- Self control

Notes:

# Farm assessment audit checklist

| Knowledge areas | Rating | | | Areas of improvement |
|---|---|---|---|---|
| | 🙂 | 😐 | 🙁 | |
| Range of buyers available | | | | |
| Demand and supply of crops | | | | |
| Market prices and conditions | | | | |
| Break-even and cost of production | | | | |
| Marketing costs | | | | |
| Lowest price for product | | | | |

| Skills | Rating | | | Areas of improvement |
|---|---|---|---|---|
| | 🙂 | 😐 | 🙁 | |
| Ability to say “No”. | | | | |
| Listening skills | | | | |
| Focus on the end goal | | | | |
| Self control | | | | |

Notes:

# Assessing and managing business risks

Risk is defined as any factor that may cause losses to the farm business. Farmers may have little control over such risks. Some risks are external, such as changes in market prices, low rainfall, etc. Some risks are internal, such as decisions about what to produce, the type of inputs to purchase and use, etc. While farmers can control the internal risks more easily, there are ways to also manage external risks, provided these are recognized and addressed in time. However, risk management is not a guarantee for success, and often allows the farmer to effectively minimise the negative effects to his/her business.

| Following are some risks associated with farm business: | |
|---|---|
| 1 | Production and technical risk |
| 2 | Marketing and price risk |
| 3 | Financial risk |
| 4 | Institutional risk |
| 5 | Human and personal risk |

**Risk management strategies:**

- Risk-reducing inputs
- Risk-reducing technologies
- Selecting low risk activities
- System flexibility
- Production diversification
- Reserves of inputs and produce
- Spreading sales
- Market price information
- Contract farming
- Selling assets

**Things to be considered to assess and manage the risk:**

- The impact of the risk if it occurs
- The financial consequences if it occurs
- The likelihood that it will occur
- The risk management strategy

# Optional

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



Notes:

# Benchmarking

Benchmarking is a continuous process of comparing the performance of one farm with another one that is performing really well. It involves gathering information from farmers who have used good practices on their farms.

**What aspects of the farm should be compared?**

| | |
|---|---|
| **Land** | ■ What is your farming system?<br>■ What is the total farm area?<br>■ What are the individual plot sizes?<br>■ How far are the plots from home?<br>■ Who owns the land tenure?<br>■ How much land is allocated to the different enterprises?<br>■ Is there any intercropping? How much?<br>■ What is the condition of the land? Fertility? Erosion? |
| **Labour** | ■ How many family members can work on the farm?<br>■ What is the total hours needed per enterprise?<br>■ How much labour is hired? From where? What are they paid? |
| **Capital** | ■ What stocks and reserves of food, cash, etc. are available?<br>■ How much livestock is available?<br>■ What machinery, tools and equipment are available? What condition is it in? |
| **Input Supply** | ■ What purchased inputs are used? From what suppliers? Are the inputs of good quality, reliable supply, etc. What prices are being paid? |
| **Production** | ■ What is your level of production?<br>■ Are there any enterprises that are performing outstandingly?<br>■ What is produced? What yields are achieved? What is the quality?<br>■ What inputs are used? What levels are applied? When are they applied?<br>■ How much of the crop is consumed by the household? How much is sold at market? |
| **Post-harvest marketing** | ■ Where is the produce marketed?<br>■ How is it marketed?<br>■ How attractive is the market? What is the demand for the product?<br>■ What are your marketing costs per item?<br>■ What prices are achieved? Are these the best prices?<br>■ Are there ways that marketing can be improved? |

| | |
|---|---|
| **Infrastructure** | ■ What buildings are on the farm?<br>■ How are the roads to the markets?<br>■ How are the farm roads?<br>■ What is the source of energy for the farm (e.g. electricity, biogas)? |
| **Management** | ■ Which enterprises are the most profitable?<br>■ How is the farm managed?<br>■ Does the farmer keep records?<br>■ What are the unit cost of inputs and materials?<br>■ What is your overall level of profit?<br>■ Does the farmer plan for the future?<br>■ What lessons can you share? |

Notes:

## Characteristics of an effective entrepreneur

### Rate yourself on the following entrepreneurial competencies

| | Entrepreneurial Characteristic | Rating | | |
|---|---|---|---|---|
| | | | | |
| 1 | Like being your own boss | | | |
| 2 | Self-confidence | | | |
| 3 | Sense of urgency | | | |
| 4 | High energy | | | |
| 5 | A willingness to risk money and security | | | |
| 6 | Ability to inspire and energise others | | | |
| 7 | Strong will | | | |
| 8 | Ability to learn from failures | | | |
| 9 | May devote a disproportionate time to your business | | | |
| 10 | Very competitive | | | |
| 11 | May lack some business skills | | | |
| 12 | A “never, never, never quit” attitude | | | |
| 13 | Honest and trustworthy | | | |

# Optional

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



Notes:

## Value addition

Value adding means to work on the raw product to improve its overall value, and therefore marketability. This can include:

1

### Adding value through Post-Harvest handling

| | |
|---|---|
| Cleaning | Transport to Storage |
| Drying | Cooling/Boiling |
| Threshing | Grading/Sorting |
| Packing/Packaging | Transport |

1

### Adding value through processing

| From | To |
|---|---|
|  Peanut |   Peanut butter |
|  Fresh tomatoes |  Dried tomatoes |
|  Fresh mango |  Mango juice or dried mango |
|   Milk |   Yogurt or cheese |

# Questionnaire (survey for value addition)

| Production | |
|---|---|
| 1 | What are the main products you process? |
| 2 | Do you buy them or do you provide service for others? |
| 3 | Where do you get the raw material? |
| 4 | How long does the process take? |
| 5 | What equipment and tools are needed? |
| 6 | What training and skills are needed? |
| 7 | What production risks do you face? |

| Marketing | |
|---|---|
| 1 | Where do you sell the finished product? |
| 2 | How are you affected by changes in demand and in market prices? |
| 3 | How are you affected by prices of the raw product? |
| 4 | How much value does the process add to the product? |
| 5 | What quantity do you need to process in order to break even? |
| 6 | What marketing risks do you face? |

| Organization | |
|---|---|
| 1 | How are you organised? Private business? Family business? Cooperative? |
| 2 | How is the business managed? |
| 3 | How are the workers paid? Daily? Weekly? According to production? |

Notes:

Notes:

# Assessing the benefits of the Farm Business School

## List # 1: Technical learning from the FBS

| | |
|---|---|
| What were the farm business methods you learned about in the FBS? | |
| Which farm business methods do you now use, and what effect do you think they have had on your farm profit? | |
| What difficulties have you experienced in applying methods learnt in the training program? | |
| To what extent have you engaged in more commercial farming operations since the training program? | |
| How has the training you received influenced the crops you now grow and livestock you raise? | |

| | |
|---|---|
| Did you make any changes to the production methods that you use? Please describe these. | |
| How do you think you performed compared with other farmers in your district who did not participate in the FBS training? | |
| If you were to continue with the training, what would be the farm business method you would most like to have included in this training? | |
| Has the farm business training changed your attitude to your work as a farmer? If yes, by how much and how? | |
| What has been the overall effect of the training on your farm profit? | |
| What have other farmers said to you about the training program? | |

## List # 2: FBS as a support to the farmers

| | |
|---|---|
| How would you rank the farm business methods you were taught in terms of their importance to your farming operations? | |
| Which methods were hardest to understand or apply? Why? Do you think they have had an impact on your farm profit? | |
| How did you find the balance between learning ideas and concepts and learning practical skills? | |
| How much support have you received from your extension agent or other farmers to help apply the methods learnt? | |

| | |
|---|---|
| Has any follow-up training been provided to you from outside the FBS? If so, what kind of training? | |
| What do you think about the approach used to develop the Farm Business Plan? | |
| How would you rate the implementation part of the programme? Did it cover problems and topics when you needed them to be covered? | |
| What suggestions do you have to improve the FBS programme? | |

Notes:

## Assessing the performance of the farm business plan

| | | Things I should do again… | Things I should differently… |
|---|---|---|---|
| 1 | My farm goal | | |
| 2 | My production plan | | |
| 3 | Physical resources and inputs | | |
| 4 | Labour planning | | |
| 5 | Marketing | | |
| 6 | Profitability | | |
| 7 | Cash availability | | |
| 8 | Risks | | |
| 9 | Record keeping | | |

Notes:

# Choosing farm enterprises for the next season

**Systematically choose your enterprise for the next season:**

1. Think of all the different enterprises that it might be possible to have.
2. Make a budget for each enterprise and consider which will bring the most profit.
3. Look at the material, resources and inputs that would be required. Are they easily available? Are the sources reliable?
4. Assess what labour is needed. Is enough labour available on the farm or will more have to be hired?

**Remember: No two farms are likely to be exactly the same, hence the following factors should always be carefully assessed (for each farm and farmer):**

- ☐ 1 The experience of the previous season
- ☐ 2 Profitability
- ☐ 3 Technical feasibility
- ☐ 4 Physical resource requirements
- ☐ 5 Labor requirements

Notes: ..........................................................................................

..........................................................................................

..........................................................................................

..........................................................................................

..........................................................................................

..........................................................................................

..........................................................................................

..........................................................................................

Notes:

# My farm business plan

Enterprise: ________________________________________ Date: ____________

## 1 Background

| Name | Village/District | Period of the plan |
|---|---|---|
| | | |

Vision ____________________________________________

____________________________________________

____________________________________________

My Goal ____________________________________________

____________________________________________

____________________________________________

## 2 Farm production plan

### Crops/horticulture produce

| Crop Type | Area(acre) | Output (Kg/acre) | Total output (Kg) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

### Livestock production

| Type of animal | Number of animals | Yield per animal | Total litres |
|---|---|---|---|
| | | | |
| | | | |
| | | | |

## 3 Market plan

| Enterprise | Target market | Buyer | Expected quantity to sell (units) | Market price Rs./ unit | Marketing Cost/unit Rs. |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

## 4 Profitability

| Expected enterprise profit | Rs. |
|---|---|
| 1 | |
| 2 | |
| 3 | |
| Total enterprise profit | |
| | |
| B. Fixed costs (annual depreciation) | |
| | |
| | |
| | |
| Total Annual Fixed Costs | |
| Whole farm profit (A-B) | |

## 5 Cash flow and cash availability

| Activity | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cash inflow** | | | | | | | | | | | | | |
| Enterprise 1 | | | | | | | | | | | | | |
| Enterprise 2 | | | | | | | | | | | | | |
| Enterprise 3 | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| **Cash outflow** | | | | | | | | | | | | | |
| Enterprise 1 | | | | | | | | | | | | | |
| Enterprise 2 | | | | | | | | | | | | | |
| Enterprise 3 | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | |
| **Cash needed** | | | | | | | | | | | | | |
| Net cash flow (shortfall) | | | | | | | | | | | | | |
| Cumulative Cash flow | | | | | | | | | | | | | |

**Cash Availability**

Do I have enough cash available to implement the farm enterprise?

(a) I have the following cash available to use for my enterprises: ______________________

(b) I need the following amount of cash for my enterprises:
Enterprise 1: ______________
Enterprise 2: ______________
Enterprise 3: ______________

Total cash needed: ______________

( ) Yes, I have enough cash
( ) No, I do not have enough cash

(c) The amount of extra cash I need is:
(d) I need the extra cash in the following months:
(e) I can get the money from the following sources:

Source Amount

## 6 Risk

| Risks | Risk Mitigation Strategy |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

Notes:

# Preparing an action plan

| Action | Duration | Start date | Responsibility |
|---|---|---|---|
| **Physical Resources & Inputs** | | | |
| | | | |
| | | | |
| | | | |
| **Labour** | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| **Market** | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| **Risks** | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

## Ideas for the way forward

- What can you do to continue learning about farm business management after graduating from the FBS programme?
- How can you transfer the learning to other farmers in your area?
- Can you apply what you have learnt to other enterprises? How?
- Can you become FBS facilitators? What would you need to learn to be an effective facilitator?
- Are there other programmes or opportunities that you can avail to take forward the FBS learning?

Notes:

Notes:

Notes:

ISBN 978-92-5-106818-2

9 789251 068182

I2137E/1/03.11