

ANNEXES

ORGANIZATIONS

CBI	Centre for the Promotion of Imports from Developing Countries	< www.cbi.eu >
CTA	Technical Centre for Agricultural and Rural Co-operation ACP-EU	< www.cta.int >
FAO	Food and Agriculture Organization of the United Nations	< www.fao.org >
FLO	Fairtrade Labelling Organizations International	< www.fairtrade.net >
IFOAM	International Federation of Organic Agriculture Movements	< www.ifoam.org >
IITA	International Institute of Tropical Agriculture	< www.iita.org >
ILO	International Labour Organization	< www.ilo.org >
ISO	International Organization for Standardization	< www.iso.org >
ITC	International Trade Centre	< www.intracen.org >
SIPPO	Swiss Import Promotion Programme	< www.sippo.ch >
WFTO	World Fair Trade Organization	< www.wfto.com >

TERMS AND DEFINITIONS

5M-approach

The 5M-approach is a self-evaluation method for organizations and enterprises, based on five variables: Men, Means, Methods, Machines and Measurables. For each of these variables, the organization or enterprises' strengths and weaknesses are identified and analysed.

BRC Global Standards

The BRC Global Standards are a set of four technical standards that govern the production, packaging, storage and distribution of safe food and consumer products. Originally developed in response to the needs of members of the British Retail Consortium, the BRC Global Standards are now specified by retailers and branded manufacturers in Europe, North America and beyond. Certification to the BRC Global Standard, which is achieved through audit by a third party certification body, reassures retailers and branded manufacturers of the capability and competence of the supplier, and reduces the need for retailers and manufacturers to carry out their own audits. For more information, see <www.brcglobalstandards.com>.

Certification

a. Certification is the procedure by which official certification bodies, or officially recognized certification bodies, provide written or equivalent assurance that foods or food control systems conform to requirements. Certification of food may be, as appropriate, based on a range of inspection activities which may include continuous on-line inspection, auditing of quality assurance systems and examination of finished products (FAO/WHO Codex Alimentarius, 2007).

b. Third-party attestation related to products, processes, systems or persons. An attestation is the issue of a statement based on a decision following review that fulfilment of specified requirements has been demonstrated (ISO/IEC 17011/2004) .

Constitution and by-laws

The constitution of an organization is a brief statement of its basic objectives, structure, and methods of operation, while the by-laws comprise a set of regulations for its internal organization. Some or all of the by-laws may be embedded in the constitution.

Contract farming

System whereby a central processing or exporting unit purchases the harvests of independent farmers; the terms of the purchase are arranged in advance through contracts. The terms of the contract vary and usually specify how much produce the contractor will buy and what price they will pay for it. The contractor frequently provides credit inputs and technical advice (adapted from FAO. 2009. *Glossary on Organic Farming*. Available at www.fao.org/fileadmin/templates/organicag/files/Glossary_on_Organic_Agriculture.pdf).

Conventional agriculture

What is accepted as the norm and is the most dominant agricultural practice. Since World War II, and mainly in the industrialized world, conventional agriculture has become an industrialized form of farming characterized by mechanization, monocultures, and the use of synthetic inputs such as chemical fertilizers, pesticides and genetically modified organisms (GMOs), with an emphasis on maximizing productivity and profitability and treating the farm produce as a commodity (adapted from FAO. 2009. *Glossary on Organic Farming*).

Conversion period

The conversion period is the time between the start of organic management and the certification of crops or animal husbandry as organic. It is the time taken to neutralise chemical residues, if any, left behind in the soil by formerly practised agricultural techniques. The start of the conversion period is normally calculated from the date of application to the certification body or, alternatively, from the date of the last application of unapproved inputs providing the operator can demonstrate that the full standards requirements have been met since (adapted from FAO. 2009. *Glossary on Organic Farming*).

Fair-trade and Fairtrade

Fair-trade is a trading partnership based on dialogue, transparency and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South (adapted from FAO. 2009. *Glossary on Organic Farming*). Fair-trade relations under the FLO system are indicated as “Fairtrade”.

Free on Board (FOB)

Term of delivery; one of the most widely used Incoterms. “FOB [name of port]” means that the seller pays for transportation of the goods to the port of shipment, plus loading costs. The buyer pays cost of marine freight transport, insurance, unloading, and transportation from the arrival port to the final destination. The passing of the risk occurs when the goods pass the ship's rail at the port of shipment.

Groupe d'Initiatives Communes (GIC)

“Groupe d'Initiatives Communes” or “Groupe d'Intérêt Commun” (“Common Initiatives Group” or “Common Interest Group”). Term used throughout French-speaking countries in West-Africa. GICs are a simplified, informal type of cooperatives. Their precise legal status varies from country to country.

Incoterms

The Incoterms are a set of universal terms of delivery published by the International Chamber of Commerce (ICC); they are widely used in international commercial transactions to divide transaction costs and responsibilities between buyer and seller. They closely correspond to the UN Convention on Contracts for the International Sale of Goods (CISG). Using the internationally accepted Incoterms avoids confusion as to the interpretation of a sales contract. For more information, see www.iccwbo.org/incoterms/id3040/index.html.

Internal control system (ICS)

An Internal Control System (ICS) is the part of a documented quality assurance system that allows an external certification body to delegate the periodical inspection of individual group members to an identified body or unit within the certified operator. This means that the third party certification bodies only have to inspect the well-functioning of the system, as well as to perform a few spot-check re-inspections of individual smallholders (adapted from FAO. 2009. *Glossary on Organic Farming*).

ISO 22000 and HACCP

ISO 22000 is an international standard developed by the International Organization for Standardization (ISO), which specifies requirements for a food safety management system (FSMS) that apply to all organizations in the food chain, from primary producers over processors and manufacturers to food service and product providers. ISO 22000 integrates the principles of the Hazard Analysis and Critical Control Point (HACCP) system, a methodology and a management system used to identify, prevent, and control food safety hazards by applying controls to critical stages in the food manufacturing process. ISO does not require third-party certification. While organizations may self-assess their FSMS system and declare that it complies with ISO 22000, such a statement will be much more credible if validated by an accredited, independent auditor. For more information regarding ISO 22000, see www.iso.org/iso/iso_catalogue/catalogue_tc/catalogue_detail.htm?csnumber=35466.

For additional information on HACCP, see www.fao.org/docrep/005/Y1579E/Y1579E00.HTM.

Organic agriculture

Organic agriculture is a holistic production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles, and soil biological activity. It emphasizes the use of management practices in preference to the use of off-farm inputs, taking into account that regional conditions require locally adapted systems. This is accomplished by using, where possible, cultural, biological and mechanical methods, as opposed to using synthetic materials, to fulfill any specific function within the system (adapted from FAO. 2009. *Glossary on Organic Farming*).

Outgrower partnership

Under outgrower partnerships, growers allocate land and other resources to the production for an exporting company, with the company providing a guaranteed market. The nature of individual outgrower partnerships (e.g. responsibilities, contributions, returns) tends to be detailed in formal contracts.

Participatory Guarantee System (PGS)

A Participatory Guarantee System is a locally focused quality assurance system. It certifies producers based on active participation of stakeholders and is built on a foundation of trust, social networks and knowledge exchange. Participatory Guarantee Systems share a common goal with third-party certification systems in providing a credible guarantee for consumers seeking organic produce. The difference is in approach. As the name suggests, direct participation of farmers and even consumers in the guarantee system is not only encouraged but may be required (adapted from FAO. 2009. *Glossary on Organic Farming*).

Participatory Rural Appraisal (PRA)

Participatory Rural Appraisal is an approach used by organizations involved in international development, aimed at incorporating the knowledge and opinions of rural people in the planning and management of development projects and programmes. PRA emphasizes the direct participation of local communities, who become the main investigators and analysts; PRA enables people to express and analyse the realities of their lives and conditions, to plan themselves what action to take, and to monitor and evaluate the results. For more information, see www.fao.org/Participation/english_web_new/content_en/PRA.html.

Phenology

Phenology is the study of periodic plant and animal life cycle events and how these are influenced by seasonal and inter-annual variations in climate.

Price premium

The price premium is the difference between the price fetched by a certified (organic, fair-trade) product and that fetched by a non-certified equivalent product. In the FLO Fairtrade system, the use of the price premium is decided democratically by the producer organization following certain criteria. It is normally used to invest in developmental, social or environmental projects.

Quality Management System (QMS)

A Quality Management System is a system to direct and control an organization with regard to quality; it encompasses the organizational structure, procedures, processes and resources needed to implement quality management. Quality management is considered to have three components: quality control, quality assurance and quality improvement; it focuses not only on product quality but also on the means to achieve it.

Skype

Skype is a software application that allows users to make voice calls over the Internet. Calls to other users of the service and, in some countries, to free-of-charge numbers, are free, while calls to other landlines and mobile phones can be made for a fee. Additional features include instant messaging, file transfer and video conferencing. The Skype software can be downloaded free-of-charge from www.skype.com.

SWOT analysis

SWOT analysis is a widely used strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities and Threats involved in a project or business venture. It involves specifying the objective of a project and identifying the internal and external factors that are favourable and unfavourable to achieving that objective, whereby Strengths and Weaknesses refer to the internal situation of an organization, and Threats and Opportunities to the attributes of the external environment in which the organization operates. The analysis of the Strengths and Weaknesses and Threats and Opportunities is presented in the so-called SWOT matrix.

United Nations Convention on Contracts for the International Sale of Goods (CISG)

The "United Nations Convention on Contracts for the International Sale of Goods" (CISG) is a treaty offering a uniform international sales law regulating the rights and obligations of buyers and sellers in international transactions for the sale of goods. Unless excluded by the express terms of a contract, the CISG is deemed to be incorporated into (and supplant) any otherwise applicable domestic law(s) governing a transaction in goods between parties from different Contracting States. The CISG is currently used by countries that account for about two-thirds of all world trade. For more information, see www.cisg.law.pace.edu.

ADDITIONAL RESOURCES

PRODUCER ORGANIZATIONS – CREATION/MANAGEMENT/MARKETING

- **FAO.** 2009. *Course on agribusiness management for producers' associations.* FAO Training Materials for Agricultural Management, Marketing and Finance 8.

www.fao.org/docrep/011/i0499e/i0499e00.htm

This manual is aimed at improving the agribusiness management capabilities of leaders and managers of producers' associations as well as those of technicians from governments, NGOs and the private sector, who provide technical assistance to agro-enterprises. The manual includes four modules: agrofood systems and chains, organizational principles for producers' associations, planning for producers' associations and post-harvest and marketing.

- **FAO.** 2001. *Agricultural cooperative development: a manual for trainers.*

www.fao.org/SD/2003/IN07023_en.htm

This manual deals with ways in which trainers and promoters of cooperatives can support cooperative members and management in the development of their cooperative organizations.

- **FAO.** 1995. *The group enterprise book. A practical guide for group promoters to assist groups in setting up and running successful small enterprises.*

ftp://ftp.fao.org/sd/sda/sdar/geb_en.pdf

This book shows in simple illustrated steps how small enterprises can be developed and run by small groups in rural communities using a participative approach. It is intended for use by group promoters (or GPs), extension workers and other rural development staff to help existing groups to set up and run their enterprises. The manual addresses issues such as the choice of a project, business planning, managing the business (bookkeeping, recordkeeping, marketing, etc.), and the role of inter-group associations.

- **Koopmans, R.** 2006. *Starting a cooperative. Farmer controlled economic initiatives*. Agromisa and CTA.

www.agromisa.org/agrodoks/Agromisa-AD-38-E.pdf

Includes the following chapters: What is a cooperative; Why are farmers interested in cooperatives; What is needed to form a cooperative; Cooperative management; Statutes and by-laws; Finance; Potential pitfalls; Establishing a cooperative.

- **Penrose-Buckley, C.** 2007. *Producer organisations: a guide to developing collective rural enterprises*. Oxfam.

http://publications.oxfam.org.uk/oxfam/add_info_044.asp

This guide describes different types of producer organisations, and draws out learning points and key factors affecting their success, based on ten case studies from around the world. The book provides step-by-step guidance for development practitioners, managers, and all those interested in how development organisations can help small-scale producers build effective collective businesses.

- The **Rural Finance Learning Centre** of the FAO (www.ruralfinance.org) provides financial services for people living in rural areas. This Learning Centre aims to assist organisations in developing countries to build their capacity to deliver improved financial services which meet the needs of rural households and businesses. The following documents, published by the Centre, may prove particularly useful for the readers of this guide:

- **FAO/ILO.** 1986. *Self study and training for members and staff of agricultural cooperatives. A guidance manual for advisers and trainers*.

www.ruralfinance.org/servlet/BinaryDownloaderServlet/43595_Guidance_manual.pdf?filename=1162334253153_guidance_for_trainers.pdf&refID=43595

This manual offers guidance to field workers involved in advising and providing training for committee members and staff of primary agricultural co-operatives. The manual gives advice on how to plan and carry out training activities and discusses methods for assessing training needs.

- **ILO.** 1984. *Making a budget. A self study guide for members and staff of agricultural cooperatives*.

www.ruralfinance.org/servlet/CDSServlet?status=ND0zNTY4OSY2PWWuJjMzPWxl_c3NvbiYzNz1rb3M~

This manual takes the reader through the discussions of a farmers' cooperative committee meeting as they prepare a budget for their next year's operations. Each lesson covers a different stage in the budgeting process, for example estimating income from the sales of produce and sales of supplies, estimating the running costs, preparing the final budget and estimating the net surplus, preparing a cash budget. All the calculations involved are carefully explained.

- **Witte, R.** 2004. *Enterprise budgets and variable costs*. Agromisa.

www.ruralfinance.org/servlet/CDSServlet?status=ND0xMDE2LjQxNzExjY9ZnlmMzM9ZG9jdW1lbnRzLnNob3dDaGlsZHJlbj10cnVJjM3PWluZm8~#koinfo

This brief deals with variable costs and enterprise budgets. After describing the basics of farm economics (1) and enterprises (2), methods of calculating a crop budget (3) and a livestock budget (4) are given. The document concludes with a short discussion on the use of enterprise budgets.

- The **Global Farmer Field School Network and Resource Centre** has a vast collection of information on Farmer Field Schools for every conceivable subject and with experiences from around the world: www.farmerfieldschool.info.

BUSINESS MANAGEMENT / MARKET STUDY / MARKETING

Portal websites

- **SME Toolkit**

A project of the International Finance Corporation, a member of the World Bank Group, the SME Toolkit offers free business management information and training for small and medium enterprises (SMEs) on accounting and finance, business planning, human resources (HR), marketing and sales, operations, and information technology. Register (free of charge) to obtain full access to all webpages and documents. The website is built around a number of crucial themes in international business: accounting and finance, business planning, human resources, international business, legal & insurance, marketing & sales, operations, technology, women-owned businesses. Each section features links to a wide range of how-to articles, business forms, free business software, online training, self-assessment exercises, quizzes, and other resources. The regional toolboxes represent various geographical zones and take into account region-specific rules and regulations. The homepage of the project can be accessed at www.smetoolkit.org. Do not miss the pages concerning:

- The creation of an effective business plan (www.smetoolkit.org/smetoolkit/en/content/en/793/Creating-an-Effective-Business-Plan) and the sample business plans (www.smetoolkit.org/smetoolkit/en/content/en/236/Sample-Business-Plans);
- Bookkeeping and recordkeeping basics (www.smetoolkit.org/smetoolkit/en/content/en/28/Bookkeeping-and-Record-Keeping-Basics) and the training module on accounting and cash-flow (www.smetoolkit.org/smetoolkit/en/content/en/83/Accounting-and-Cash-Flow);
- Recruiting and hiring (www.smetoolkit.org/smetoolkit/en/category/937/Recruiting-Hiring) and the interactive hiring tool (www.smetoolkit.org/smetoolkit/en/content/en/1082/Know-Who-You-Want-to-Hire-An-Interactive-Hiring-Tool);
- Market research and planning (www.smetoolkit.org/smetoolkit/en/category/953/Market-Research-Planning), etc.

- **Business Development Bank of Canada**

The website of the Business Development Bank of Canada (www.bdc.ca/en/home.htm) is a portal website addressing a wide range of issues related to the setting up of a commercial/export activity. While the site is primarily aimed at small and medium-sized Canadian enterprises, much of the information provided on the website is relevant for enterprises worldwide, including the following sections:

- Starting a business (www.bdc.ca/en/my_project/Projects/starting_business.htm);
- Developing a business plan (www.bdc.ca/en/my_project/Projects/articles/starting_business_plan.htm) and business plan models and examples (www.bdc.ca/en/business_tools/business_plan/default.htm);
- Strategic planning (www.bdc.ca/en/my_project/Projects/articles/strategic_planning.htm?context={4860ECC2-6AD0-4E81-9CB2-487DB7D28F0D});
- Developing a production plan (www.bdc.ca/en/my_project/Projects/articles/production_planning_plan.htm?context={DB84555F-96B4-4909-9628-51845D19AF95});
- Devising an export plan (www.bdc.ca/en/my_project/Projects/articles/exporting_plan.htm?context={9A1AADBE-B72C-4C88-8B91-8D699794E78A});
- Day-to-day business operations (www.bdc.ca/en/my_project/Projects/articles/start6e.htm?context={87E02FA3-811B-44FF-8278-8BBA454C6F98});
- Logistics planning (www.bdc.ca/en/my_project/Projects/articles/operations_logistics.htm?context={DB84555F-96B4-4909-9628-51845D19AF95});

- Sales and marketing (<www.bdc.ca/en/my_project/Projects/growth/marketing_sales_distribution.htm>);
- Export marketing
(<www.bdc.ca/en/my_project/Projects/articles/exporting_marketing.htm?context={9A1AADBE-B72C-4C88-8B91-8D699794E78A}>);
- Human resources management (<www.bdc.ca/en/my_project/Projects/growth/human_resources.htm>);
- E-business (<www.bdc.ca/en/my_project/Projects/ebusiness.htm>);
- Quality standards (<www.bdc.ca/en/my_project/Projects/quality.htm>).

- **Canada Business**

The Canada Business website (<www.canadabusiness.ca/eng/>) is a portal website aimed at facilitating access to reliable, up-to-date information regarding the setting up and running of a small enterprise. Don't miss the webpages concerning:

- Starting a business (<www.canadabusiness.ca/eng/125/>);
- The Step-by-Step Guide to Exporting (<www.tradecommissioner.gc.ca/eng/StepENGPDF.pdf>);
- The guide to market research and analysis (<www.canadabusiness.ca/eng/guide/2428/>);
- Writing a business plan (<www.canadabusiness.ca/eng/guide/1408/>);
- Managing and training staff (<www.canadabusiness.ca/eng/85/180/>);
- Etc.

- **Eur-Export**

Eur-Export (<www.eur-export.com>), a self-training website on international trade co-financed by the European Union, addresses export-related issues in the fields of marketing, logistics, finance and legal issues.

- The section on marketing offers information on the analysis of the export potential of an enterprise, the study of foreign markets, the product (selection, development, positioning), methods of price setting, distribution (methods to penetrate foreign markets), and communication;
- The section on logistics contains information regarding customs (the EU's customs policy, customs procedures, administrative management of customs operations), transportation (selection of a method of transportation, insurance, contracts, etc.), storage and the electronic exchange of data;
- The finance section provides information regarding international financing, international payments, the risk of non-payment and exchange risks;
- The legal section discusses the legal and political environment in which companies operate (international commercial law, international disputes, international contracts, etc.).

A final section of the website contains useful links related to market study, marketing, logistics, finance, and legal issues.

- **ExportHelp**

ExportHelp (<www.exporthelp.co.za/index.html>) is a valuable on-line source of export-related information. While ExportHelp is a portal targeted at small and medium sized businesses in South Africa, its information is relevant for exporters worldwide. Of particular interest are ExportHelp's Guide to Exporting in 21 Steps, see <www.exporthelp.co.za/assistance/export_guide.html>, a very detailed yet legible guide covering all aspects of the exporting process, from evaluating export readiness over market and marketing research to negotiating and quoting in exports, obtaining payments etc. ExportHelp's section on marketing is especially thorough, see <www.exporthelp.co.za/index.html> and click on "Export Marketing" in the left hand column. Meanwhile, the "Export Tools" link provides useful tools such as the Export Readiness Checker, the Export SWOT Checklist, export documentation templates, etc. The "Export Reference" link in the right hand column leads to useful reference material, including customs, country, telephone, airport and port codes, container types, cargo symbols etc.

Entrepreneurship

- **Nova Scotia Agricultural College.** 2001. *Agri-Entrepreneurship Training Manual.*

<http://nsac.ca/international/International_Projects/Previous_Projects/Ghana/Training_Manual/TrainingManual.asp>

Training manual based on Nova Scotia Agricultural College's five-year entrepreneurship project in the north of Ghana. The manual consists of five modules: Group Formation and Strengthening; Post Harvest Handling System; Marketing; Record-Keeping; Financial Management. Each module begins with notes for the facilitator, some general guidelines and a warm-up exercise. Then the module themes are introduced using fact sheets and a visual aid poster, followed by session guidelines, exercises, discussion questions and answers.

- The Marketing section of the manual covers the following themes: marketing; market research; new product development; pricing; retailing and merchandising; selling; group marketing.
- The section on record-keeping covers the following issues: introduction to record-keeping; cash book; record-keeping for inventory; credit book/cost-of-production records;
- The financial management module covers the following themes: money management; managing cash and credit; calculating profit; business planning.

Strategic/export planning

- **Centre for the Promotion of Imports from Developing Countries (CBI).** 2004. *Export Planner; a comprehensive guide for prospective exporters in developing countries.*

<www.cbi.eu> or

<www.medibtikar.eu/IMG/pdf/Export_Planner_from_Developing_Countries_to_EU_Markets.pdf>

This handbook focuses on the development and planning of export activities. It contains the following sections: Management: goals, resources, tools; The exporting company; The target market abroad; Market entry strategy; Selecting trade partners; Management planning.

- **Export Promotion of Organic Products from Africa (EPOPA).** 2006. *Organic exporter guide; hands-on help for organic exports from Africa.*

<www.grolink.se/epopa/Publications/index.htm> or

<www.epopa.info> (click on the tab "publications" – the guide is included in the list of reports)

- **International Trade Centre (ITC).** *Export Fitness Checker.*

<www.intracen.org/ec/checker/bepartner.htm>

This checklist of 59 questions gives an enterprise the opportunity to run a quick check on its export readiness by identifying possible gaps before entering a foreign market. Firms that are already exporting can discover some useful tips.

- **Koekoek, F.J., Leijdens, M. and G. Rieks.** 2010. *Entering the organic export market. A practical guide for farmers' organizations.* Agrodok-series No. 48. CTA and Agromisa Foundation.

<www.agromisa.org/index.php?Pageld=141&PerformAction=ShowDetail&RecordId=303>

The aim of this publication is to provide smallholder farmers' organisations and similar groups with the information they need to decide whether organic export marketing activities are right for them, and what they need to do to become involved in these activities. The guide contains the following chapters: 1. Key issues: what you need to be aware of before entering the organic export business; 2. The organic market: the demand for organic products, quality and entry requirements; 3. Organic production and certification: organic

production standards, developing an internal control system; 4. Feasibility and investments: costs of an organic export business, investment capital and trade finance, risk analysis and risk management; 5. Developing the chain: the different actors in the supply chain and their responsibilities; 6. Organic export marketing: developing a marketing strategy, the 4 Ps; 7. Management, planning and evaluation: SWOT analysis, cost-benefit analysis, success in organic exports; 8. Case study: Zameen. The annexes to the guide set out the requirements for an internal control system; explain price risk management; list organizations that may be interested in providing credit to organic export initiatives; and list further reading resources and useful contacts.

- **Van Elzakker, B. and F. Eyhorn.** 2010. *The Organic Business Guide. Developing sustainable value chains with smallholders.* IFOAM.

www.ifoam.org/bookstore (the tools in the Annex are available from www.organicandfair.org - Publications)

This guide provides practical know-how and information necessary to set up, manage and develop an organic business. It is primarily aimed at people involved in the setting up and management of an organic business with smallholders in low- and middle-income countries, including individual entrepreneurs, senior staff of companies, managers of cooperatives, business development NGOs and consultants, financial service providers and government agencies. The guide contains the following chapters: Organic production and fair trade / Starting from the market / Developing organic value chains / Designing the organic production system / Planning and managing your business / Organising producers for the market / Certification and Internal Control Systems / From field to market / Marketing / Moving up / What role for facilitators, governments and donors? / Useful references and websites.

Market research

- **Centre for the Promotion of Imports from Developing Countries (CBI).** 2008. *CBI Export Manual: your guide to market research:*
Part 1: Your research assistant - improving your competence in market research;
Part 2: Your research practice;
Part 3: Your research action plan.

Part 1 of the CBI Export Manual (available at www.cbi.eu/marketinfo/cbi/?action=showDetails&id=62) provides you with the necessary theoretical insights into market research. The information in Part 1 will enable you to structure your research process, choose the appropriate research tools, analyse your findings and present them in a logical research report. Part 2 of the Export Manual (available at www.cbi.eu/marketinfo/cbi/docs/your_guide_to_market_research_part_2_your_research_practice) provides more advanced market research information. The manual, which focuses on the European market, contains useful guidelines as to the selection of your research subjects (the topics on which you want to gather information), where to find information and how to process it (e.g. how to obtain, sort and analyse statistics). Part 3 of the Export Manual is an online interactive tool aimed at assisting you in the development of a research action plan, setting out your research objectives and research questions; your methods and sources; your planning in terms of time and human and financial resources; and possible results and conclusions. The tool can be accessed at www.cbi.eu/?pag=7 or www.cbi.eu/marketinfo/cbi/docs/your_guide_to_market_research_part_3_your_research_action_plan.

- **FAO.** 1997. *Marketing research and information systems. Marketing and Agribusiness Text - 4.* (www.fao.org/docrep/W3241E/W3241E00.htm).

This handbook has the intention of providing those charged with making marketing decisions in the food and agricultural sectors of the developing world in general, and the tropical regions in particular, with a foundation for better understanding customer motivations and market forces.

- **FAO.** 2000. *Understanding and using market information.*

www.fao.org/ag/AGS/subjects/en/agmarket/understanding.html

This guide is designed to assist extension workers and others in regular contact with farming communities to advise farmers on how best to use market information. The guide how farmers can use and benefit from market information, and what the available sources of market information are. Why prices change, both in the short term and long term, how to interpret prices provided by a market information service, and how to calculate costs between farmer and market are also covered. In addition, the guide provides a number of practical ways in which extension workers and others can work to support farmers' marketing efforts.

- For an overview of the regulations and certifications governing your enterprise, consult the following document: **FAO.** *Regulations, standards and certification for agricultural export. A practical manual for producers and exporters.*

West Africa (2006)	in English (www.fao.org/docrep/009/a0587e/a0587e00.htm) in French (www.fao.org/docrep/009/a0587f/a0587f00.htm)
East Africa (2006)	in English (www.fao.org/docrep/010/a0791e/a0791e00.htm)
Asia (2007)	in English, Thai, Bahasa, Vietnamese, Chinese, Burmese, Bangla, Telugu, Hindi, Urdu, Farsi, and Lao (www.fao.org/es/esc/en/15/262/highlight_270.html)
South America (2003)	in Spanish (www.fao.org/es/esc/common/ecg/269/en/Manual_Suramerica.pdf)
Central America (2002)	in Spanish (www.fao.org/es/esc/common/ecg/269/en/Guia_FAO_RUTA.pdf)

Note that these handbooks contain references to local support organizations that can provide additional information.

- The European Union's **Export Helpdesk** provides an overview of the regulations and administrative procedures governing imports into the EU: <http://exporthelp.europa.eu/> (in English, Spanish, French and Portuguese).
- The **International Trade Centre (ITC)** has developed five web portals: Trade Map, Market Access Map, Investment Map, Trade Competitiveness Map and Product Map to enhance the transparency of global trade and market access and to help users in their market analyses. All users from developing countries and territories may access the ITC's market analysis tools free of charge.
 - Trade Map (www.trademap.org) provides users with indicators on export performance, international demand, alternative markets and the role of competitors. Trade Map covers 220 countries and territories and 5300 products of the Harmonized System. Trade data is also available at the tariff line level for more than 120 countries and on a quarterly and monthly basis for more than 50 countries;
 - Market Access Map (www.macmap.org) covers customs tariffs (import duties) and other measures applied by 187 importing countries to products from 239 countries and territories. MFN and preferential applied import tariff rates are shown for products at the most detailed national tariff line level;
 - Investment Map (www.investmentmap.org) provides foreign direct investment (FDI) data for 80 countries at the sectoral level, together with foreign affiliates, trade flows and tariffs for over 150 countries;
 - Trade Competitiveness Map (www.intracen.org/countries) provides country market analysis profiles for around 240 countries and territories. Each profile provides a series of tools to facilitate strategic market research, monitor national and sectoral trade and macro-economic performance and design trade development strategies;
 - Product Map (www.p-maps.org/Client/index.aspx) contains various types of information (market studies, useful links, international prices, business contacts, export performance indicators of exporting countries, ...) on over 5000 products, organised in 72 product groups.
- The **Swiss Import Promotion Programme (SIPPO)** offers useful information on exporting to the Swiss and European markets: www.osec.ch/internet/osec/en/home/import/publications.html.

- The **Swiss Import Promotion Programme (SIPPO)** has issued a document entitled “From Contacts to Contracts”, which provides useful information on how to derive maximum benefits from your participation in international trade fairs. See:

www.osec.ch/internet/osec/en/home/import/publications/sippo_and_partner.-ContentSlot-62277-ItemList-25420-File.File.pdf/pub_SIPPO_From_Contacts_to_Contracts.pdf.

- The **Swiss Import Promotion Programme** and the **Centre for the Promotion of Imports from Developing Countries (CBI)** have developed “Your Image Builder”, which aims at assisting small and medium-sized businesses in establishing and improving their corporate identity and managing their supply chains. See:

www.osec.ch/internet/osec/en/home/import/publications/sippo_and_partner.-ContentSlot-2891-ItemList-93775-File.File.pdf/pub_image.pdf.

- **Technical Centre for Agricultural and Rural Co-operation ACP-EU (CTA)**. *Marketing strategies for smallscale farmers*. Rural Radio Resource Pack.

www.anancy.net/documents/file_en/RRRP08-5e.pdf

This document contains transcripts of interviews of farmers and farmer-support organisation officers on marketing-related issues, including market research, market information systems, linking buyers and sellers, group marketing, adding value, etc.

- The **Rural Infrastructure and Agro-Industries Division (AGS)** of the **FAO** issues a number of interesting publication, including the **Agricultural Services Bulletins** (see www.fao.org/ag/AGS/publications/en/bulletins.html). The following documents may prove particularly useful for the readers of this guide:

- **FAO**. 2009. *Horticultural marketing*. Marketing Extension Guide 5. See

www.fao.org/ag/AGS/subjects/en/agmarket/docs/Horticultural_EN.pdf;

- **FAO**. 2007. *Approaches to linking farmers to markets. A review of experiences to date*

(www.fao.org/ag/AGS/subjects/en/agmarket/linkages/agsf13.html);

- **FAO**. 2004. *Helping small farmers think about better growing and marketing*

(www.fao.org/AG/Ags/subjects/en/farmMgmt/pdf/publication_list/pacific_manual.pdf). This manual is designed to train field facilitators to help interested small farmers and farmer groups make decisions that will improve their income. The manual itself is divided into five primary parts: the farming systems approach to development; farm management; marketing; the production-marketing link; risk management. The annexes contain i.a. examples of farm record forms;

- **FAO**. 1997. *Basic finance for marketers* (www.fao.org/docrep/W4343E/W4343E00.htm);

- **FAO**. 1997. *Global agricultural marketing management* (www.fao.org/docrep/W5973E/W5973E00.htm);

- **FAO**. 1997. *Agricultural and food marketing management*

(www.fao.org/DOCREP/004/W3240E/W3240E00.HTM);

- **FAO**. 1989. *The marketing of horticultural products. A resource and training manual for extension officers*.

Agricultural Services Bulletin 76. See www.fao.org/docrep/s8270e/s8270e00.htm.

e-Business

- **International Trade Centre (ITC)**. 2003. *The changing marketplace: putting “e” to work*.

www.intracen.org/eshop/f_e_IP_Title.Asp?ID=29218&LN=EN

Trilingual CD-ROM containing information on ITC's various e-related initiatives designed to help small and medium-sized enterprises put “e” to work and overcome the “digital divide” - also contains best practice cases on e-trade, and a selection of related ITC publications and links to other organizations' web sites.

- **Scottish Enterprise** has developed a number of e-seminars on the use of the internet in business, including seminars on search engine optimization, e-mail marketing, selling online, web design and website content management. See: <www.scottish-enterprise.com/e-seminars/>. Other useful information from Scottish Enterprise includes:
 - <www.scottish-enterprise.com/publications03-search_engine_optimisation.pdf> on search engine optimization;
 - <www.scottish-enterprise.com/publications/viral_and_e-mail_marketing.pdf> on viral and e-mail marketing;
 - <www.scottish-enterprise.com/publicationswebsite_linking_strategies.pdf> on website linking strategies;
 - <www.scottish-enterprise.com/publications/online_payments.pdf> on online payments.
- For some examples of small and medium sized (Canadian) exporters who have successfully integrated the internet in their marketing efforts, see <<http://citt.management.dal.ca/Files/pdfs/DP-179.pdf>>; pp. 21–22 in particular provide useful practical information and tips.

Sales contracts

Several organizations have developed model contracts for international trade, including the “International Commercial Sale of Perishable Goods Model Contract” developed by the International Trade Centre (available at <www.jurisint.org/en/con/339.html> – including a User’s Guide); the “Official Contract for Transactions in Cocoa Beans” (on FOB or CIF terms) (available at: <www.jurisint.org/en/con/4_1.html>); the “General CIF Terms Contract” and “General FOB Terms Contract” developed by the Grain and Feed Trade Association (available at <www.jurisint.org/en/con/3_1.html>); the COFREUROP rules for the international trade in fruits and vegetables (available at <www.dfhv.de/~upload/dfhv/pdf/cofreuropenglisch1999.pdf>).

STANDARDS/QUALITY MANAGEMENT SYSTEMS/CERTIFICATION

- **FAO**. 2003. *Environmental and social standards, certification and labelling for cash crops*.
 <www.fao.org/docrep/006/y5136e/y5136e00.htm>
 This document contains i.a. the following sections: the concepts of standards, certification and labelling; overview of existing standards and certification programmes; production and markets; impact assessment of social and environmental certification; the WTO and environmental and social standards, certification and labelling; etc.
- **FAO**. 2004. *Voluntary standards and certification for environmentally and socially responsible agricultural production and trade*.
 <www.fao.org/docrep/007/y5763e/y5763e00.htm>
- **International Trade Centre (ITC)**. 2001. *Export quality management: an answer book for small and medium-sized exporters*.
 <www.intracen.org/eshop/f_e_IP_Title.Asp?ID=25551&LN=EN>

Questions and answers on all aspects of quality control and management directed to exporters - covers technical regulations and standards, product certification, testing, metrology, quality management; explains ISO 9000, ISO 14000, Hazard Analysis Critical Control Point (HACCP); etc.

- **International Trade Centre (ITC).** 2007. *ISO 22000 Food safety management systems. An easy-to-use checklist for small businesses: are you ready?*

www.intracen.org/eshop/f_e_IP_Title.Asp?ID=38308&LN=EN

Checklist covering issues related to the setting-up, implementation and certification of a food safety management system according to ISO 22000:2005. The Checklist contains 13 sections, each covering a particular aspect of ISO 22000, with a brief explanation of the relevant requirements and guidance on how to incorporate the requirements into a food safety management system; also provides a list of useful Web resources.

- **Schoenmakers, M.** 2009. *One quality management system. Multiple standard compliance. Quality management for smallholder producer groups.* FAQ.

www.qms4s.org/downloads/assets/plugindata/pool/qm_guidance_document_16.pdf

This guidance document gives a model and provides guidance in setting up and controlling an integrated Quality Management System for producer organisations against multiple market requirements. The system approach is taken from ISO 9001:2008 and ISO 22000:2005. Explanations, examples and supporting workshops are designed to suit the reality of producer organisations.

- **FAO's Food Quality and Standards Service (AGNS)** develops tools to provide guidance and technical support to be used by implementing agencies working in the area of food safety and quality. The following document may prove particularly useful for users of this manual:

- **FAO.** 2001. *Food Quality and Safety Systems - A Training Manual on Food Hygiene and the Hazard Analysis and Critical Control Point (HACCP) System*

www.fao.org/docrep/W8088E/W8088E00.htm

This manual contains three sections: principles and methods of training / recommended international code of practice – general principles of food hygiene / the hazard analysis and critical control point (HACCP) system.

FINAL REMARKS

- *For the complete list of publications by the International Trade Centre (ITC), visit www.intracen.org/eshop/f_e_Publications.asp?LN=EN.*
- *For the complete list of publications by the Technical Centre for Agricultural and Rural Co-operation ACP-EU, visit www.cta.int/en/CTA-Portals/Publication-Catalogue-and-Virtual-Library/E-catalogue.*
- *The French version of this manual contains links to other useful resources, see www.fao.org/organicag/organicexports/export-guide/fr/.*

	Category	Detail	C ¢ / kg	D ¢ / carton	E ¢ / pallet	F ¢ / container (20 feet)	G ¢ / container (40 feet)
5	Raw materials and harvest	Mangoes at farm gate price		=C5*J13	=D5*K14	=E5*L15	=E5*L16
6		Margin for harvesting team (10%)	=C5*10%	=C6*J13	=D6*K14	=E6*L15	=E6*L16
7		Harvesting costs	=D7/J13	=E7/K14	=F7/L16		
8		Transport to packing station	=D8/J13	=E8/K14	=F8/L16		
10		TOTAL HARVEST		=SUM(C5:C8)	=SUM(D5:D8)	=SUM(E5:E8)	=SUM(F5:F8)
12	Sorting	Rejected mangoes (15 %)	=C10*100/85	=D10*100/85	=E10*100/85	=F10*100/85	=F10*100/85
14	Grading and packing	Cost packing station + personnel		=E14/K14	=G14/L16		
15		Cartons	=D15/J13		=D15*K14	=E15*L15	=E15*L16
16		Pallets	=D16/J13	=E16/K14		=E16*L15	=E16*L16
17		Corner strips	=D17/J13	=E17/K14		=E17*L15	=E17*L16
18		Straps	=D18/J13	=E18/K14		=E18*L15	=E18*L16
19		Buckles	=D19/J13	=E19/K14		=E19*L15	=E19*L16
20		TOTAL GRADING AND PACKING		=SUM(C14:C19)	=SUM(D14:D19)	=SUM(E14:E19)	=SUM(F14:F19)
22	Placing on board	Containering, placing on board, transit	=D23/J13	=E22/K14	=G22/L16		
24	Formalities	Dispatching of documents	=D24/J13	=E24/K14	=G24/L16		
25		Fixed costs per delivery invoice	=D25/J13	=E25/K14	=G25/L16		
26		Phytosanitary certificate	=D26/J13	=E26/K14	=G26/L16		
27		EUR 1 certificate	=D27/J13	=E27/K14	=G27/L16		
28		TOTAL FORMALITIES		=SUM(C24:C27)	=SUM(D24:D27)	=SUM(E24:E27)	=SUM(F24:F27)
30	Subtotal	Subtotal VARIABLE costs	=C10+C12+C20 +C22+C28	=D10+D12+D20 +D22+D28	=E10+E12+E20 +E22+E28	=F10+F12+F20 +F22+F28	=G10+G12+G20 +G22+G28
31	Exporter Margin	Margin to cover fixed costs	=C30*..%	=D30*..%	=E30*..%	=F30*..%	=G30*..%
33	TOTAL	FOB	=C30+C31	=D30+D31	=E30+E31	F30+F31	=G30+G31

Highlighted cells contain original data. ¢ may refer to any currency.

Some calculations with "L16" in the formula are based on 40 feet container (costs per pallet, carton and kg may be higher for 20 feet container).

		J Kg	K Carton	L Pallet
13	Carton	4		
14	Pallet	960	240	
15	Container (20 feet)	9,600	2,400	10
16	Container (40 feet)	19,200	4,800	20

Please note that these working sheets are available in excel format from
www.fao.org/organic/organic/exports/export-guide/en/.

DIRECT EXPORT COSTS (pre-shipment)

			C	D	E	F	G	H	
	Items	Unit	Unit price	¢ / lb	¢ / kg	¢ / bag	¢ / tonne	¢ / 12.5t	Comments
7	Cocoa farmer price	lbs		=C7	=D7*2.21	=E7*62.5	=E7*1000	=G7*12.5	
8	Produce agent commission	%/accepted bag				=F7*..%	=G7*..%	=H7*..%	
9	Transport to main store (small truck)	truckload of 5 tonnes					=B9/5	=G9*12.5	
10	Jute bags	bag				=C10	=F10*16	=G10*12.5	
11	Handling (conditioning, sorting, weighing, bagging)	bag				=C11	=F11*16	=G11*12.5	
12	Loading	bag				=C12	=F12*16	=G12*12.5	
13	Insurance	tonne	1% of export value				=FOB price*0.01	=G13*12.5	
15	Transport to port (big truck)	truckload 1 container						=C15	
16	Handling at port	container						=C16	
17	Temporary storage at port	container						=C17	
18	Container loading/handling	container						=C18	
19	Fumigation	container						=C19	
20	Phytosanitary certificate	certificate						=C20	
21	Certificate of Origin	certificate						=C21	
22	EUR Movement Certificate	certificate						=C22	
23	Bill of Lading	bill of lading						=C23	
24	Government tax	per tonne	2.5% of export value				=FOBprice*0.25	=G24*12.5	
26	Communication, courier for samples etc.	per contract							
28	TOTAL						=H28/12.5	=SUM(H7:H26)	

Highlighted cells contain original data. ¢ may refer to any currency.

OVERHEAD COSTS (salaries)

		B	C	D	E
	Item	¢ per month /staff member	Number of staff members	Cost per year	Cost per container (10 containers/yr)
	<i>Management</i>				
7	General manager		1	=B7*12	=D7/10
8	Financial manager		1	=B8*12	=D8/10
	<i>Other staff</i>				
10	Store guards (3)		3	=B10*C10*12	=D10/10
11	Field officers for ICS etc. (3)		3	=B11*C11*12	=D11/10
13	Total actual staff			=SUM(D6:D10)	=SUM(E6:E10)

Highlighted cells contain original data.

¢ may refer to any currency.

OTHER OVERHEAD COSTS (excluding salaries and direct export costs)

	Item	Comment	Cost in ¢/annum
	<i>Running costs</i>		
7	Social security	5% of salary costs	
8	Income tax	10% of salary costs	
9	Company tax	10% of profit	
10	External audit		
11	Insurance (staff, equipment)		
12	Association registration		
13	Communication		
14	Transport		
15	Travel incl. accommodation etc.		
16	Allowances for management board members		
17	Costs of annual general meeting		
18	Delegates costs for AGM		
19	Utilities		
20	Fuel		
21	Office consumables		
22	Office furniture		
23	Repairs		
24	Property rental		
25	Miscellaneous Meetings		
27	Sub-total		=SUM(C7:C25)
	<i>Farmer Field School costs</i>		
30	Facilitator training		
31	Facilitators allowances	50 FFS x 20 wks x ... ¢	
32	Materials, transport etc		
33	Sub-total		=SUM(C30:C33)
	<i>Certification costs (ICS costs in salaries and other overheads)</i>		
36	Fairtrade certification costs (3000 €/yr)	*exchange rate	
37	Organic certification costs (600 €/yr)	*exchange rate	
38	Sub-total		=SUM(C37:C37)
40	TOTAL (without organic cert)		=C27+C33+C36

Highlighted cells contain original data.

¢ may refer to any currency.

Calculation of the break-even point for a cocoa export association

		B	C	D	E	F	G	H
4	2007 price per ton in \$							
5	2007 price per container in \$		=B6*12.5					
6	Exchange rate 2007 US\$ to ¢							
	No. of containers exported	1	2	3	4	5	6	7
10	Income 2007 (\$)	=1*B4	=2*B4	=3*B4	=4*B4	=5*B4	=6*B4	=7*B4
11	Income in ¢	=B10*B6	=C10*B6	=D10*B6	=E10*B6	=F10*B6	=G10*B6	=H10*B6
13	Direct costs for export in ¢	=H28 of working sheet "Direct export costs"	=B13*2	=B13*3	=B13*4	=B13*5	=B13*6	=B13*7
14	Salaries in ¢	=D12 of working sheet "Overhead costs salaries"	=B14	=B14	=B14	=B14	=B14	=B14
15	Other overheads in ¢	=C40 of working sheet "Other overhead costs"	=B15	=B15	=B15	=B15	=B15	=B15
17	Total expenditure	=SUM(B13:B15)	=SUM(C13:C15)	=SUM(D13:D15)	=SUM(E13:E15)	=SUM(F13:F15)	=SUM(G13:G15)	=SUM(H13:H15)
19	Loss/profit (2007 prices)	=B11-B17	=C11-C17	=D11-D17	=E11-E17	=F11-F17	=G11-G17	=H11-H17
21	2008 price per ton in \$							
22	2008 price per container in \$		=B6*12.5					
23	Exchange rate 2008 US\$ to ¢							
	No. of containers exported	1	2	3	4	5	6	7
25	Income 2008 (\$)	=1*B4	=2*B4	=3*B4	=4*B4	=5*B4	=6*B4	=7*B4
26	Income in ¢	=B10*B6	=C10*B6	=D10*B6	=E10*B6	=F10*B6	=G10*B6	=H10*B6
28	Loss/profit (2008 prices)	=B26-B17	=C26-C17	=D26-D17	=E26-E17	=F26-F17	=G26-G17	=H26-H17
	Break-even calculation at 2008 prices							
32	Direct cost for export per container		=B13					
33	Salaries		=B14					
34	Other overheads		=B15					
35	Total overheads		=B33+B34					
36	Break-even point		=B35/(B26-B32)					

Highlighted cells contain original data.

¢ may refer to any currency.

C. COST-BENEFIT ANALYSIS FOR CONVENTIONAL AND ORGANIC PINEAPPLE PRODUCTION

C.1. VARIABLE COSTS FOR CONVENTIONAL PRODUCTION

Farm operation			C	D	E	F
			Unit	Quantity	Unit cost	Total cost
4	Soil preparation	Plowing and levelling	labour day			=D4*E4
5		Nematicide application	labour day			=D5*E5
6		Base fertilization	labour day			=D6*E6
7		Planting bed preparation	labour day			=D7*E7
8		Tractor operations	labour day			=D8*E8
9	Subtotal soil preparation					=SUM(F4:F8)
12	Planting material	Suckers	sucker			=D12*E12
13		Transport suckers	tractor hire (lumpsum)			=E13
14		Sorting and fungicide treatment	sucker			=D14*E14
15		water	cask			=D15*E15
16	Subtotal planting material					=SUM(F12:F15)
18	Planting	Subtotal planting	sucker			=D18*E18
21	Inputs	Fertilizers	kg			=D21*E21
22		Nematicides	kg			=D22*E22
23		Fongicide	packet			=D23*E23
24		Insecticides	litre			=D24*E24
25		Herbicide	kg			=D25*E25
26		Water for input applications	litre			=D26*E26
27		Subtotal inputs				
30	Small tools	Hoe	piece			=D30*E30
31		Rake	piece			=D31*E31
32		Machete	piece			=D32*E32
33		Gloves	piece			=D33*E33
34		Boots	piece			=D34*E34
35		Files	piece			=D35*E35
36		Basin	piece			=D36*E36
37		Flask	piece			=D37*E37
38		Harvesting knife	piece			=D38*E38
39		Torches	piece			=D39*E39
40		Batteries	piece			=D40*E40
41	Subtotal small tools					=SUM(F30:F40)
44	Casual labour	Fertilization & pesticide treatments	labour day			=D44*E44
45		Weeding	labour day			=D45*E45
46		Flower induction treatment	sucker			=D46*E46
47		Crown reduction	labour day			=D47*E47
48		Harvest	labour day			=D48*E48
49		Transport fruit to packing house	tractor hire (per hour)			=D49*E49
50	Subtotal casual labour					=SUM(F44:F49)
53	Commercialisation	Cartons	kg			=D53*E53
54		Labels, glue etc.	kg			=D54*E54
55		Pallets (maintenance....)	kg			=D55*E55
56		Transport packing house-airport	kg			=D56*E56
57		Custom charges	lumpsum			=E57
58		Phytosanitary certificate	piece			=D58*E58
59		Taxes	kg			=D59*E59
60	Subtotal commercialisation					=SUM(F53:F59)
62	TOTAL VARIABLE COSTS					=SUM(F9,F16,F18,F27,F41,F50,F60)

C.2. VARIABLE COSTS FOR ORGANIC PRODUCTION

Farm operation			C	D	E	F
			Unit	Quantity	Unit Cost	Total Cost
4	Soil preparation	Plowing and levelling	labour day			=D4*E4
5		Base fertilization (manure)	labour day			=D5*E5
6		Placement polyethylene	labour day			=D6*E6
7		Planting bed preparation	labour day			=D7*E7
8		Tractor operations	labour day			=D8*E8
9		Subtotal soil preparation				=SUM(F4:F8)
12	Planting material	Suckers	sucker			=D12*E12
13		Transport suckers	tractor hire (lumpsum)			=E13
14		Sorting and bio-fungicide treatment	sucker			=D14*E14
15		Water	cask			=D15*E15
16		Subtotal planting material				=SUM(F12:F15)
18	Planting	Subtotal planting	sucker			=D18*E18
21	Inputs	Potassium sulphate	kg			=D21*E21
22		Chicken manure	kg			=D22*E22
23		Nordox (for sucker treatment)	sachets			=D23*E23
24		Ash solution	litres			=D24*E24
25		Polyethylene	kg			=D25*E25
26		Water for manure applications	litres			=D26*E26
27		Subtotal inputs				=SUM(F21:F26)
30	Small tools	Hoe	piece			=D30*E30
31		Rake	piece			=D31*E31
32		Machete	piece			=D32*E32
33		Gloves	piece			=D33*E33
34		Boots	piece			=D34*E34
35		Files	piece			=D35*E35
36		Basin	piece			=D36*E36
37		Flask	piece			=D37*E37
38		Harvesting knife	piece			=D38*E38
39		Torches	piece			=D39*E39
40		Batteries	piece			=D40*E40
41		Subtotal small tools				=SUM(F30:F40)
44	Casual labour	Fertilization	labour day			=D44*E44
45		Weeding	labour day			=D45*E45
46		Flower induction treatment	sucker			=D46*E46
47		Crown reduction	labour day			=D47*E47
48		Harvest	labour day			=D48*E48
49		Transport fruit to packing house	tractor hire (per hour)			=D49*E49
50		Subtotal casual labour				=SUM(F44:F49)
53	Commercialisation	Cartons	kg			=D53*E53
54		Labels, glue etc.	kg			=D54*E54
55		Pallets (maintenance....)	kg			=D55*E55
56		Transport packing house-airport	kg			=D56*E56
57		Custom charges	lumpsum			=E57
58		Phytosanitary certificate	piece			=D58*E58
59		Taxes	kg			=D59*E59
60		Subtotal commercialization				=SUM(F53:F59)
62	TOTAL VARIABLE COSTS					=SUM(F9,F16,F18,F27,F41,F50,F60)

					C	D	E	F					H	I	J	K				M	N	O	P
C.3. FIXED COSTS FOR CONVENTIONAL AND ORGANIC PRODUCTION										TOTAL				CONVENTIONAL				ORGANIC					
Calculation of percentages of general costs to be attributed to conventional and organic production										Exports/year				Exports/year		% conventional		Exports/year		% organic			
										(tonnes)						=J3/I3				=M3/O3			
					GENERAL COSTS					Exclusive conventional costs or attributed					Exclusive organic costs or attributed								
Type		Unit	Quantity	Unit costs	Total costs	Unit	Quantity	Unit costs	Total costs	Unit	Quantity	Unit costs	Total costs	Unit	Quantity	Unit costs	Total costs						
A) Land																							
9	Land (rent or at opportunity costs)					ha			=I9*J9		ha			=N9*O9									
10	Subtotal land							=K9					=P9										
B) Management																							
13	General manager				year	1		=D13*E13				=F13*K3					=F13*N3						
14	Quality manager				year	1		=D14*E14				=F14*K3					=F14*N3						
15	Other permanent staff				year			=D15*E15				=F15*K3					=F15*N3						
16	Electricity & communications				year			total				=F16*K3					=F16*N3						
17	Export licence				year	1		=D17*E17				=F17*K3					=F17*N3						
18	Fuel and vehicle maintenance				year			total				=F18*K3					=F18*N3						
19	Training				year			total				=F19*K3					=F19*N3						
20	Subtotal management							=SUM(F13:F19)				=F20*K3					=F20*N3						
C) Depreciation (of buildings, machinery & equipment)		Quantity	Life (years)	Price	Costs per year	Quantity	Life (years)	Price	Costs per year	Quantity	Life (years)	Price	Costs per year										
Seperate equipment																							
24	Sprayer								=H24*(J24/I24)				=M24*(O24/N24)										
25	Cord roller								=H25*(J25/I25)				=M25*(O25/N25)										
26	Water casks/barrels								=H26*(J26/I26)				=M26*(O26/N26)										
27	Harvesting crates								=H27*(J27/I27)				=M27*(O27/N27)										
28	Packing sheds conventional / bio								=H28*(J28/I28)				=M28*(O28/N28)										
General equipment																							
30	Office furniture							=C30*(E30/D30)				=F30*K3					=F30*N3						
31	Computer and printer							=C31*(E31/D31)				=F31*K3					=F31*N3						
32	Vehicles							=C32*(E32/D32)				=F32*K3					=F32*N3						
33	Office building							=C33*(E33/D33)				=F33*K3					=F33*N3						
34	Subtotal depreciation								=SUM(K24:K33)				=SUM(P24:P33)										
D) Certification																							
37	Organic certification												invoice										
38	Technical training												lumpsum										
39	Internal inspector												labour days										
40	Subtotal certification													=SUM(P37:P39)									
42	TOTAL FIXED COSTS (A+B+C +D) PER YEAR												=K10+K20+K34					=P10+P20+P34+P40					

PROFIT CALCULATION			C	D	E	F	H	I	J	K
			CONVENTIONAL				ORGANIC			
REVENUE			Unit	Quantity	Price	Total	Unit	Quantity	Price	Total
3	i.	Exports	tonne			=D3*E3	tonne			=I3*J3
4	ii.	Local market sales	tonne			=D4*E4	tonne			=I4*J4
5	iii.	Sales of suckers	sucker			=D5*E5	sucker			=I5*J5
6	TOTAL REVENUE					=SUM(F3:F5)				=SUM(F3:F5)
TOTAL VARIABLE COSTS										
9	1.	Soil preparation				=F9 of working sheet C.1.				=F9 of working sheet C.2.
10	2.	Planting material				=F16 of working sheet C.1.				=F16 of working sheet C.2.
11	3.	Planting				=F18 of working sheet C.1.				=F18 of working sheet C.2.
12	4.	Inputs				=F27 of working sheet C.1.				=F27 of working sheet C.2.
13	5.	Small tools				=F41 of working sheet C.1.				=F41 of working sheet C.2.
14	6.	Casual labour				=F50 of working sheet C.1.				=F50 of working sheet C.2.
15	7.	Commercialisation				=F60 of working sheet C.1.				=F60 of working sheet C.2.
16	TOTAL VARIABLE COSTS					=F62 of working sheet C.1.				=F62 of working sheet C.2.
18	GROSS MARGIN 2007/8					=F6-F16				=K6-K16
20	Variable costs per exported tonne					=F16/D3				=K16/I3
21	Price per exported tonne					=E3				=J3
22	GROS MARGIN PER TONNE					=F21-F20				=K21-K20
24	Variable costs per hectare					=F16/D1				=K16/I1
25	Revenue per hectare					=F6/D1				=K6/I1
26	GROSS MARGIN PER HECTARE					=F25-F24				=K25-K24
TOTAL ATTRIBUTED FIXED COSTS PER YEAR										
29	a.	Land				=K9 of working sheet C.3.				=P9 of working sheet C.3.
30	b.	Management				=K20 of working sheet C.3.				=P20 of working sheet C.3.
31	c.	Depreciations				=K34 of working sheet C.3.				=P34 of working sheet C.3.
32	d.	Certification				0				=P40 of working sheet C.3.
33	TOTAL FIXED COSTS					=K42 of working sheet C.3.				=P42 of working sheet C.3.
35	NET PROFIT					=F18-F33				=K18-K33
BREAK-EVEN POINT										
40	Break-even point in ha to be harvested each year (fixed costs/gross margin per ha)					=F33/F26				=K33/K26
41	Total hectare including fallow (4 year cycle)					=F40*4				=K40*4
42	Exportable yield (in tonnes/ha)					=D3/D1				=I3/I1
43	BREAK-EVEN POINT (in tonnes to be exported per year)					=F40*F42				=K40*K42

