

# **FARMER BUSINESS SCHOOL**

## **Facilitator's Guide**

**By**

**Isaac Fokuo Donkor**

**November 2013**

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# Introduction

This guide provides step-by step guidance for conducting exercises to help the participants learn various aspect of running a FBS. You may want to add other exercises which you are free to do. In particular you will need to have on hand energizers that you can use when the participants' energy flags. These are not included in this manual.

The step-by-step Instructional approach is intended to guide you through each meeting highlighting key messages and methodologies recommended for each meeting. This manual has been prepared as a suggested guide, and you are encouraged to adapt its contents keeping in mind local context. Although this manual has been specially designed for mango producers, there may be exercises, methodologies and/or examples that you may want to add to the sessions in order to have a more productive and meaningful discussion with the FBS farmers.

## Tips for localizing and adapting the FBS training materials

Whilst every effort is made to make the contents of the user FBS manual generic for every farmer, it is important to note that specific modules are produced with specific producers (or farmer groups) in mind. Therefore, the FBS manual may be adapted for specific farm enterprise say, mango, citrus, cocoa cattle rearing etc. Secondly, it is essential for trainers to carefully review the training materials and adapt them to the local context. The following will be considered:

### Levels of literacy and language requirements

While every effort has been made to keep the level of language accessible, whether using English or a local language, the materials may need to be adapted according to the levels of literacy of the intended participants.

### Use of numbers and calculators

Many of the exercises require writing and the use of numbers and calculations. The facilitators will need to assess the capacity of the farmers to utilize calculators. Time should be spent to assist participants refresh themselves of the important keys on the calculator.

### Previous Experience of training (particularly

If the facilitators have experience of leading Farmer Field Schools (FFS), they can be expected to manage the FBS material much

<b>with FBS)</b>	better.
<b>Cultural Norms</b>	Assess the examples and case studies in the Farmer Training Programme materials to ensure that these are culturally appropriate and acceptable to grassroots communities. Pay adequate attention to community protocols to avoid any cultural clash that may derail the programme. Facilitators will need to devise innovative methods to encourage the full participation of women.
<b>Agricultural realities</b>	It is good to stick to the contents of the training material including all examples BUT remember, the best examples are those that come from the participants' and the trainers' own experience. Whenever possible, replace the examples in the Farmer Training Programme with more locally relevant material that gives the same information and message.

## Planning of farmer training

The following questions should be kept in mind when planning a FBS training of farmers programme:

- Who are to be trained? How are they to be selected and based on which criteria?
- Which training needs should be addressed first? How does the initial baseline data help structure training needs?
- How are farmer groups to be organized? Who communicates information to farmers and how? Will there be a need to organize a pre-training meeting with farmers to explain the rationale behind FBS?
- How many people should be trained? This depends on the number of schools that are planned, but in participatory processes it is customary to limit the number of participants in a training workshop to between 20 to 25 persons.
- What equipment and materials are needed? What is realistically available and appropriate to local conditions? How are all logistics arranged? Who should be responsible?

- What is in there for farmers and what is not? Are they to be served food? Accommodation? Per diems and transport? It is necessary to inform farmers well in advance in order to avoid conflict situations.
- The type of training provided depends on the available budget and on whether or not the farmers can attend long training sessions while continuing their full-time employment.

### ***Identification and selection of farmers***

It is suggested that farmers are selected based on some criteria that are in line with the objectives of the FBS concept. The following are suggested:

- All participants must be farmers actively involved in the cultivation of one of the main crops supported by the funders (in this case mango or chili pepper).
- Selection of farmers should be gender-sensitive.
- Farmers over 70 years are discouraged unless he/she is literate and continue to make farm enterprise decisions.
- All trainees must be able to commit to the full 5 days – no popping out to do chores or work or excuse to run errands. There are team exercises and work groups, and missing these prevents others in the group from completing the participatory exercises.

### ***Duration***

The entire training programme is for 5 days normally from Monday to Friday unless otherwise agreed with the group prior to the start of a training programme. Training should normally start in the morning soon after breakfast (8 – 11:30 am). An extra 30 minutes could be dedicated for Day one to include the so-called Module 0 (for introduction and agenda setting). Farmers are usually tired after 3-4 hours of training. Break between trainings for energizers and always try to read the mood and interest of trainees to assess their continued interests. The last day should also be utilized to explain the FBS Workbook to trainees and for end of training evaluation.

### ***Preparing for training***

It is suggested that you prepare each session/meeting in advance and decide on the most effective way of communicating the information. For some exercises, simple materials are needed like large sheets of paper, pens, pencils, ropes, etc. Be sure to plan the exercises well in advance and make sure you are familiar with them and the related subject area.

### ***Programme facilitation***

As facilitators four key elements are important:

- An understanding of the meaning of sustainable livelihoods and the importance of helping farming families and their communities attain them (broad concepts)
- An appreciation of the way in which farmers go about making production decisions (current practices).
- An understanding of how these current practices affect the economic (decisions) aspects of their farm business enterprise
- The ability to develop and to communicate messages to farmer to empower them to make more informed production and economic decisions.

### ***Training Venue***

The venue where the training will take place must be suitable for training. The participants need to be able to sit in a way that they can see each other and see you and also be comfortable. The venue has to be large enough to seat all the participants comfortably and to allow the participants to break into small groups (teams) that will work on their own. Bear in mind the following requirements for a suitable venue, which will determine the choice, size and seating arrangements within the venue:

- Distance reduces participation
- Rows reduce interaction
- Take care of comfort
- Good visibility of training aids
- Training venue should be available for the entire training period

Suggested venues include: chief palace, church/mosque, local school community shed etc.

### ***Training Aids***

Please ensure that all participants have a copy of their handbooks as these contain all the handouts and forms required to conduct the training. In addition to these handouts, feel free to supplement this document with additional handouts/content, as appropriate.

<ul style="list-style-type: none"> <li>- A white board or chalk board</li> <li>- and markers or chalk</li> <li>- Large sheets of brown paper</li> <li>- Masking tape</li> <li>- Sharpeners/erasers</li> </ul>	<ul style="list-style-type: none"> <li>- Marking pens</li> <li>- Pencils</li> <li>- Calculators</li> <li>- Measuring tape</li> <li>- Training manual and workbook</li> </ul>
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### ***Structure and Schedule***

**Day 1:** Getting to know other; introduction of participants to farmer business school and its objectives; choosing farm business enterprise (sketch/role-play; class exercise required).

**Day 2:** Understanding costs of the business enterprise; differences between fixed and variable costs; how to measure farm size; use of calculator; recordkeeping; business planning – cropping calendar; GM calculations. (Field exercise, group exercise and plenary discussions required).

**Day 3:** Money-in, money-out – GM calculation for maize, chili and mango cultivated under current practices to understand costs, revenues and profits. Decisions for better business – GM calculations for maize, chili and mango cultivated under best practices to compare with that cultivated under current practices for yield, costs, revenues and productivity (for capital and labour). (Group exercise required).

**Day 4:** How to get good financial services – savings, mobilizing finance (loan/interest rate); Business and household expenses – cash-flow calculations (group exercises required).

**Day 5:** Farm Business Risk and Marketing – risk management strategies, marketing channels; the entrepreneur and FBOs – importance of FBOs (Plenary). End of training evaluation.

### ***Timing***

Organizers and facilitators must make sure that they always arrive at the training site well before the start to meet each other and help set up venue. Preferably, the facilitator should visit the venue a day before the training starts.

Module arrangements are intended to address closely related business enterprise needs and should as often as practicable be adhered to. However, facilitators can be flexible to discuss other parts of the manual in-so-far-as it relates to current discussions.

### ***Evaluation of trainees***

To achieve a certificate, participants must achieve 100% attendance; they must participate in all lessons, in all individual and group exercises and practical. Indicate this to trainees on Day one and follow it up by keeping an attendance sheet. Be flexible so as not to scare a trainee who must have missed a class for genuine reasons from attending the rest of the training programme.

# DAY ONE

## Module 0: Getting to know each other

Objectives	Materials required
By the end of this session, participants will be able to get to know each other and become comfortable working with each other. The group will also have the opportunity to set some workshop norms and rules.	<ul style="list-style-type: none"><li>- Flip chart</li><li>- Markers</li><li>- Clock</li></ul>
Expected outputs	Duration
<ul style="list-style-type: none"><li>- Participants are comfortably seated and all introductions have been made.</li><li>- A brief introduction of the FBS concept</li><li>- All training materials are made available to farmers.</li><li>- Ground rules have been set.</li><li>- Leader of the group is chosen</li><li>- A time keeper is selected</li></ul>	30 minutes

### ***Introduction***

Welcome all the participants to the first day of the FBS. Remind them that they were invited to participate in the FBS because they are interested in developing their farm business skills so that they can improve the profitability of their farms.

### ***Procedure***

#### **Plenary Introduction**

##### **Step 1**

Thank them for taking out the time to join the group for this very important – and exciting – training. Ask the participants to introduce themselves. Ask each participant the following questions:

- What is your name?
- Where are you from?
- What do you do?
- What are your expectations from the Farm Business School?

Divide their expectations into 5 broad themes and check each response under a theme.

##### **Step 2**

Distribute all learning materials to the trainees **excluding the workbook**. Introduce participants to their manual. Explain that this document will have important 'take home' messages (Main lessons that will allow them to review and revise important concepts, and will be a permanent place to note their questions, ideas and lessons learnt. Tell the participants that they must remember to bring this document with them to EVERY meeting without fail.

### Step 3

Explain the need to have some ground rules in place to facilitate the discussions. Ask the group to select a group leader for the session and a time keeper to ensure that all agreed timelines are adhered to during the training.

Thank the trainees for their sense of motivation and playfully announce the start of the modules proper!

## Module 1: Is Farming a Business?

### *Introduction*

This module introduces the idea of treating our farm enterprises just as anyone will treat his/her off-farm business. It examines the elements of a typical business enterprise by citing examples. These elements are then checked against typical farm enterprises to see if they share similar characteristics. Once farmers are in agreement that farming has such elements of any other business we reinforce this with the processes that all businesses go through – the business cycle.

The business cycle is the key theme which will be expanded throughout the entire training. Therefore, it is important to stress on it. An illustration of the business cycle is provided to farmers through the story on **pages 6 – 10**.

The main lessons from the module are then discussed.

<b>Objectives</b>	<b>Materials required</b>
By the end of this session, participants will be able to establish the key steps involved in starting and maintaining any business venture.  It introduces the concept of market orientation of farm business.	<ul style="list-style-type: none"> <li>- Brown paper</li> <li>- Marker</li> <li>- <b>Poster 1</b> (pages 3; 5)</li> <li>-</li> </ul>
<b>Expected outputs</b>	<b>Duration</b>
<ul style="list-style-type: none"> <li>- Farmers understand that farming is a business venture because it shares the same characteristics like any other business they already know.</li> </ul>	45min -1hour

- |                                                                                        |  |
|----------------------------------------------------------------------------------------|--|
| - They understand farm production cycle and how it relates to their farming activities |  |
|----------------------------------------------------------------------------------------|--|

## ***Procedure***

### **Plenary Introduction**

Begin by briefly introducing the topic of the module to the farmers. This will include objectives of the module and the expected outcome of the module. Indicate to the time keeper that the module will be treated in 45 minutes and that he should remind the facilitator after 30 minutes into the session.

#### **Step 1**

Tell the participants they are going to have their first election of the day. Ask by show of hands who agrees that farming is a business. Write the number on the board. Then, again by show of hand, those who disagree that farming is a business. Indicate the number again on the board. Lastly ask those who are undecided to also indicate so by their raised hands. By now, the participants may be excited. Keep this initial momentum by asking each of them to already prepare their reasons for their choice in their mind for discussions.

#### **Step 2**

Place **Poster 1** on the board, ask participants to list examples of what they consider to be a business. Select two of these examples and write them in the first-two blank spaces of "Poster 1". Then ask them to mention the predominant farming venture in their community, presumably mango cultivation. Enter that into the last column in "Poster 1".

#### **Step 3**

Now, ask farmers to name what they consider to be the main characteristics of businesses. Collect responses having in mind the 5 main elements indicated in page 3 of Module 1. After that, use the examples they had already listed to establish these characteristics. Do so for each example until you get to the farming venture they indicated is predominant in their community, i.e. mango production. Systematically, assist them to establish the same characteristics of business that they already have indicated for the others. By now, you should have been able to establish that mango production (farming) has the same elements as that of say, construction works, trading etc.

#### **Step 4**

Put the farmers to vote again on whether they agree or not that farming is a business. Collect the data on the board. If there are still some who do not agree that farming is a business. Indicate that you will continue to collect data until Day 5. Assure them to freely contribute to the discussions especially because their contrary opinion will be very important for the process.

### **Step 5**

Once the discussion on whether farming is a business or not has come to conclusion, ask them what in their opinion has changed about farming to as compared to say 50 years ago. Their purpose of this discussion is to bring to their attention the changes that have occurred in farm business as we know it today because of:

- Changes in consumer preferences (today most people eat lot of fruits and therefore the need to supply them in large quantities. An example is mango which did not used to be commercially cultivated in their localities).
- Globalization, that the world market has merged such that what is produced in their community could end up on their plate of a foreign country, therefore, there has been introduction of certain issues such as standards (both technical and social) for example.
- Diversification of household needs means that farmers now have to produce not only for the home but also for the market in order to get money to address their other needs.

### **Step 6**

This step introduces to the farmers the farm business cycle. Use the clock analogy. Ask them the features of a wall clock (keep in mind the direction of movement of the clock 'hands' – hour, minute and second. Again, that the different hands serve different purposes). Use the clock to show to the participants that like the clock, farm business, and for that matter any business is in continuous movement in a certain direction and that without certain conditions in place some activities cannot take place. For example the minute 'hand' of the clock moves only after the 'second' hand of the clock has completed a full cycle. That is without adequate planning, one cannot begin to implement an activity.

Indicate that the farm business cycle is so important that it runs throughout the modules. Start off how it operates with part one of Mr. Mensah's story.

### **Plenary Activity**

- Tell participants they are going to act a play based on Mr. Mensah's story. Localize the names to those they are familiar with within their community. Ask from amongst the

group the central character, Mr. Mensah, a bus driver, Mr. Mensah's old father and the rest of the class as the community bidding Mr. Mensah farewell.

- The facilitator is the narrator of the story and the role is played out as soon as he tells the story. For example, in "Mensah left his village for the city on completing middle school", the central character will board a bus driven by one of the participants whilst the rest of the community wave and shout "bye".

### **Plenary Discussion**

- At the end of the role-play as the participant to go back into plenary and ask them to elaborate their observations. Proceed then with the set of questions indicated on page 6 of module one.
- Inform them the rest of the story will be played out as the session progresses.

### **Questions and Main Lessons Learned**

Ask the participants

## **Module 2: Choosing a Business Enterprise**

### **Introduction**

There are two parts to module 2. The first part is to assist the farmers to understand the processes involved in choosing a business enterprise. The second part is to understand other factors that a farmer should consider in selecting an enterprise beside economic consideration, i.e. the need to factor in household food needs when deciding which farm enterprise to engage in.

<b>Objectives</b>	<b>Materials required</b>
By the end of the session the farmers would have understood the diagnosis component (the question of what to produce?) of the farm business cycle.	<ul style="list-style-type: none"> <li>• Brown paper</li> <li>• Markers</li> <li>• Poster (13, 17, 18)</li> </ul>
<b>Expected outputs</b>	<b>Duration</b>
By the end of this session farmers will: <ul style="list-style-type: none"> <li>• understand the difference between a single enterprise and a whole farm business.</li> <li>• appreciate how different farm enterprises can compliment, supplement or even compete for the same resources</li> </ul>	<b>1hr 15min</b>

<ul style="list-style-type: none"> <li>• consider all technical and physical resources (and their availability) before selecting any farm enterprise</li> <li>• utilize and factor household nutritional into their production decisions</li> </ul>	
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### ***Procedure***

First briefly introduce the subject to the farmers. Tell them why it is important to consider certain factors when deciding on which crop/animal to cultivate/rear. Tell the farmers to list some of the enterprise they are already involved in. Once that is done, use those examples to differentiate between enterprises and business-as-a-whole. Introduce to them the concept of supplementary, complimentary and competing enterprises and explain to them why these concepts are important in choosing business enterprises. Use their examples to illustrate this point.

### **Plenary Introduction**

Part 1: Start by recalling the importance of following the farm business cycle treated in module 1 and as emphasized by the short role-play (part 1: Diagnosis – what to produce?). Now tell the farmers they are going to select different farm enterprises for the next season by assessing all the technical factors that affect crop production.

### **Group Activity (30min)**

**Step 1:** Ask the farmers to divide themselves into 4 groups of 5 members each.

**Step 2:** Group 1 contains members who are deciding for the first time to go into farming. Group 2 are group of farmers who already cultivate mango, chili and maize. Group 3 are group of farmers who have decided to go into animal rearing for the first time. Finally Group 4 already rear sheep, goat, cattle and guinea fowl.

**Step 3:** For group 2 and 4, task them to list at least 5 crops/animals they wish to cultivate/rear. Secondly, each group (1, 2, 3 and 4) should list all the technical production factors that affect their business enterprises. Each group should indicate which factor has a positive influence and which has a negative influence.

**Step 4:** Ask each group now, to list all the physical resources that affect their enterprises, and rank their ease of access on a scale of 1 (easy), 2 (slightly difficult) and 3 (difficult).

**Step 5:** For groups 1 and 3, ask them to use the above information (i.e. the technical production factors and physical resource availability) to decide which enterprise they might keep/drop. For groups 2 and 4, they will utilize the same factors to decide on 2 main crops/animals enterprises.

**Step 6:** ask each group to select the best crop/animal based on the considered factors to draw a labour plan for the entire season using the template on **page 15** of the manual.

### **Plenary Discussion**

All the groups will now come to plenary and each group will present their results. Note that while the discussion is on-going, each group will try to justify why it chose a particular enterprise over others. This is now the period the facilitator throws in the issue of market. As a facilitator, your role is to bring already, the important factor of production that farmers often tend to ignore at the planning stage. Stimulate some discussions on this topic and then inform them that the issue of marketing will be tackled in detail later.

Now, use the next 20 minutes to discuss the importance of balance diet to the farmer and why they need to consider this when deciding on which crop or animal to produce/rear. Use the posters on the nutritional calendar to assist the farmers to understand the different nutritional needs of the household. Always, remember to adapt the main food crops/animals to the local food needs.

Complete one or two tables of the assignment in page 20 of the manual and ask the farmers to complete the rest on their own.

### ***Questions and Main Lessons Learned***

Give a summary the factors to consider when choosing business enterprises (mainly the technical and physical resources). Again, emphasize on the need to consider household nutritional needs in deciding business enterprises.

Repeat the main lessons included in the manual for that module and ask the farmers for questions and comments. End the session by briefly introducing the next module to the farmers on day two.

Congratulate the farmers for their comportment and cooperation. Ask them to clap for themselves if need be. Close the session for the day.

# DAY TWO

## Module 3: Understanding Costs of the Business Enterprise

### *Introduction*

The essence of module 3 is to introduce the **planning stage** (the question of how to produce) of the farm business cycle to the farmers. This involves modules 3 and 4 of the manual. Module 3 briefly talks about:

- understanding the enterprise size (acreage under cultivation, number of animals reared etc.)
- understanding the cost structure of the enterprise
- the factors that affect the enterprise profits
- and how farm information can be tracked and utilized (farm records)

<b>Objectives</b>	<b>Materials required</b>
A good farm enterprise is one where the farmer is able to project his/her costs well in time in order to determine whether he/she will make profits. This can only be achieved if the farmer plans well ahead of production. Understanding the planning stage of the farm business cycle is therefore an important objective in any farm business enterprise.	Brown paper/flip sheet Marker Measuring rope Decameter Posters (23, 24) calculators
<b>Expected outputs</b>	<b>Duration</b>
By the end of this session farmers will: <ul style="list-style-type: none"><li>- Appreciate the importance of knowing their farm enterprise size</li><li>- Understand that correct farm size helps the farmer to structure his/her costs for the entire season</li><li>- Be able to list the factors that are likely to affect his/her farm profits</li><li>- Learn to measure his/her farm size using simple methods</li><li>- Learn to use the calculator</li><li>- Appreciate the importance of farm enterprise records</li></ul>	<b>1 hour</b>

## ***Procedure***

This module is in two parts; the plenary and activity part.

### **Plenary Introduction**

**Step 1:** Start by asking farmers at random their farm sizes. It is likely most farmers will give some rough estimate of their farm sizes. Secondly ask which of the farmers have had issues with service providers such as the tractor operator who had come to plough his/her farm. You will find out that some farmers have disputed the size of their farms with the tractor operator who wants to charge more money for the farm.

**Step 2:** Ask farmers the two likely ways farms sizes are likely to be estimated if not done the correct way (under-estimation and over-estimation). Ask them the likely consequences of each type of wrong estimation. Relate their answers to cost/profit to the farm.

**Step 3:** by now the farmers will have come to the conclusion that measuring their farm is an important in the planning stage. Discuss with them the concept of units of measurements such as weight (kg), currency (Ghana Cedi), Volume (liter) etc. the full list of the measurement units is provided on the inner cover (back page) of the manual.

### **Group Activity 1**

Now divide the class into three groups. Mark an area outside the study area where each group will take an area measurement.

**Step 4:** Group one will use the locally adapted method (arm stretched method, walking methods etc. to measure the area). Three members of each group will use this method to collect data on the same marked area.

**Step 5:** Group two will tie a measuring rope based on the locally adapted system in place (such as the walking method) So for instance one member of the group will take a first step and stop. The distance between the two legs will be taken on the rope and tied at both ends. Using this initial distance, the group will tie the rope using this initial distance over the stretch of the rope. The rope will then be used to measure the length and breadth of the marked area and the area of the marked area calculated.

**Step 6:** Group 3 will tie portions along another rope at equal intervals using the decameter as the baseline. The rope will then be used to measure the marked area.

**Step 7:** All members of the different group will now come together to measure the area of the marked area using the decameter as the controlled measuring instrument.

Step 8: Ask all members of the group to come into plenary to explain how they came about their area measurement.

**The table should look like this:**

	<b>Length (L)</b>	<b>Breadth (B)</b>	<b>Area (meter-squared)</b>
<b>Group one</b>			
1.	1	1.	1.
2.	2.	2.	2.
3.	3..	3.	3.
<b>Group two</b>			
<b>Group three</b>			
<b>Controlled</b>			

### **Plenary Discussion**

Once the class come together in plenary, tell them you want to introduce to them an innovative way of calculation. Introduce to them the calculator and use about 15 minutes to show them how to use the essential keys of the calculator. Share the rest of the calculator to the farmers.

Now with the use of the calculator, calculate the area of the marked area which the different groups measured during their group work. Ask them which measurement comes close to the controlled measurement. Now draw their attention to the fact that there are cheap ways of measuring their farm sizes such as the used of tied rope measured against the decameter.

### **Questions and Main Lessons Learned**

Summarize the session on the need to measure farm enterprises; the methods available; how farm size relates to cost and profits.

Repeat the main lessons included in the manual for that module and ask the farmers for questions and comments. End the session by briefly introducing the next module to the farmers on day two.

Congratulate the farmers for their comportment and cooperation. Ask them to clap for themselves if need be. Close the session and move to module 4.

## Module 4: Business Planning

### *Introduction*

A Farm Business Plan is a document where you note down the most important decisions and actions for the future development of your farm business. A Farm Business Plan makes sure that all the things that need to be done are done to render the farm more profitable. Assist the farmers to plan three enterprises: mango, chili and maize for 1 ha.

<b>Objectives</b>	<b>Materials required</b>
Farmers will be able to plan (production and marketing) at least two farm enterprises including for mango	Brown paper/flip sheet Markers Calculators Poster (32)
<b>Expected outputs</b>	<b>Duration</b>
By the end of this session farmers will be able to: <ul style="list-style-type: none"><li>- draw a farm production plan</li><li>- calculate variable costs (for inputs and labour) – money-out</li><li>- devise a market plan</li><li>- calculate profit/loss</li><li>- appreciate the importance/use of cash flow</li><li>- understand risks attached to farm enterprise</li></ul>	<b>1 hr 30min</b>

### *Procedure*

Begin this module with the role-play (part two: planning). This will then set the tone for discussions on the topic. Secondly, the class will discuss the questions accompanying the role-play and will then break again into group for group activities.

### **Plenary Introduction**

**Step 1:** adapt part 2 of Mensah's story to local conditions and ask the members of the class to assume the characters in the sketch. Note down the key points of the sketch which will be used as basis for discussions.

**Step 2:** Ask the class what a production plan is and its importance. An example of a production plan detailing the various activities has been provided in the farmer training manual. Use that in plenary to draw a production plan for chili. Once the activity is understood by the class, divide

them into two groups. Group one will draw a production plan for mango and group will do same for maize.

### **Group Activity**

**Step 3:** Each group will then estimate their expected yield and income using the following criteria:

Enterprise	Land size	Expected yield per hectare	Total yield (kg)

Step 4: Each group will now cost each of the activity enumerated above (labour activities) plus the physical resources needed for each enterprise (inputs). Guide each group step-by-step to perform this activity for mango and maize.

### **Plenary Discussion**

Bring the groups into plenary and ask each group to explain what they did in their groups. Stimulate discussions on strategies to market the farm produce and the possible risks associated with both production and marketing.

Briefly explain the essence of cash flow for a farm household, i.e. the interrelationships between farm enterprise (expenses and income) and household expenditure. Go through the cash flow table in the farmer manual and explain the essential elements to the farmers. Tell the class that a proper cash flow will be treated in a succeeding module.

### **Questions and Main Lessons Learned**

Summarize the session on farm enterprise planning: Introduce the concept of money-in, money-out (Expenditure/variable cost) and (Income/Revenue) respectively. Tell the farmers that in the subsequent days they will use the cost and expected income information to calculate the money-in, money-out to determine whether the enterprise is making profit or not.

Repeat the main lessons included in the manual for that module and ask the farmers for questions and comments. End the session by briefly introducing the next module to the farmers on day three.

Congratulate the farmers for their comportsment and cooperation. Ask them to clap for themselves if need be. Close the session and move to module 5.

# DAY THREE

## Module 5: Money-In, Money-Out: Am I in Good Business?

### *Introduction*

Module 5 and 6 are two of the 4 key modules (including 1 and 9). Therefore the active participation and experiential learning is absolutely important. The facilitator is therefore, encouraged to involve as many farmers as possible to understand how to not only do the calculations but also to understand the meaning of the numbers that are produced from the calculations.

<b>Objectives</b>	<b>Materials required</b>
Farmers should be able to determine if an enterprise is good or bad.	Brown paper/flip sheet Markers Calculators Posters (39, 40 and 41)
<b>Expected outputs</b>	<b>Duration</b>
By the end of this session farmers will be able to calculate: <ul style="list-style-type: none"><li>- Total money-out</li><li>- Total money – in</li><li>- Profit/loss</li><li>- Unit cost</li><li>- Labour productivity</li><li>- Capital productivity</li></ul>	<b>1 hr 30 min</b>

### *Procedure*

Module 5 and 6 will be treated together. Use the examples in the training manual to explain the following:

- **“Money-out”**: The amount of money spent on goods (inputs) and/or services (labour). Money-out is also called “variable cost”.
- **Total variable cost**: SUM of all expenses (“money-out”) for inputs and labour.
- **“Money-in”**: The income from the sale of goods.
- **Gross Revenue**: SUM of all money-in when the money-out has not been subtracted.
- **Gross Margin**: “Money-in” MINUS “money-out”. The gross margin determines whether the enterprise is making a profit or a loss.
- **Fixed costs**: Is a Gross Margin of 3 GHC enough to cover the fixed costs and bring some money home? Remember, fixed costs are the costs of tools, equipment, buildings, licenses, etc.

Together with the class calculate the gross margin for maize using poster 39, using the following steps:

1. Multiply the quantity with the price in each line

2. Sum the money spent (“money-out”) on inputs and labour
3. Multiply the yield by the price of sale (“money-in”)
4. Subtract the sum of “money-out” from the “money-in”
5. Determine if there is a gain or a loss

### **Group Activity**

**Step 1:** Now divide the class into two groups. Group one will calculate the gross margin for chili using poster 40 and group for mango (poster 41). This process should last approximately 20 minutes.

**Step 2:** Each group will present their results to the rest of the class.

**Step 3:** Assist the class to solve the exercise on page 45.

### **Plenary Discussion**

Discuss the results of the class’s presentation keeping the following in mind

- Money-out (input costs, labour costs, labour needs), money-in ( yield, unit price of produce)
- Ask farmers ways they can affect their profits: to either reduce cost or increase yield.
- Ask them which of the two can easily be influenced by the farmer (yield by producing under improved practices).
- Once the class agrees improved production method will better affect profits, proceed to module 6 to calculate the gross margin for chili, maize and mango.

### ***Questions and Main Lessons Learned***

Summarize module 5.

Repeat the main lessons included in the manual for that module and ask the farmers for questions and comments. End the session by briefly introducing the next module to the farmers on day three.

Congratulate the farmers for their comportsment and cooperation. Ask them to clap for themselves if need be. Close the session and move to module 6.

## **Module 6:**

### ***Introduction***

Module 6 is to calculate essentially the same elements as in module 5 but now we will use improved production methods including the use of the recommended inputs and agronomic practices. We will

then again calculate and compare the money-out, money-in and determine the profit/loss. Secondly, the concept of unit cost, labour productivity, capital productivity will be introduced to the farmers.

Objectives	Materials required
Farmers should be able to determine if an enterprise is good or bad and be able to make farm enterprise decisions.	Brown paper/flip sheet Markers Calculators Posters (48, 49 and 50, 54, 55, 56)
Expected outputs	Duration
By the end of this session farmers will be able to calculate: <ul style="list-style-type: none"> <li>- Total money-out</li> <li>- Total money – in</li> <li>- Profit/loss</li> <li>- Unit cost</li> <li>- Labour productivity</li> <li>- Capital productivity</li> </ul>	<b>1 hr 30 min</b>

### **Procedure**

Follow the same procedure as for module 5. Calculate for maize in plenary and divide the class into two groups to calculate for chili and mango. Ask the groups to present their results to the rest of the class.

The second step is to go further into understanding the factors that affect production decisions. We will do this for production using current practices and then for production using improved practices.

### **Explain the following to the class:**

First ask the class what they understand by the following:

- **Unit cost:** This is the money spent to produce 1 unit of output. To calculate the unit cost the total “money-out” (total variable cost) is divided by the total yield.
- **Labour productivity:** This is a measure of how much a person has made after having worked for one day.
- **Capital productivity:** This is a measure of what profit has been made with every GHC invested in the enterprise.

Use the examples provided in the farmer manual to calculate for the unit cost, labour and capital productivity for maize current practices and then for improved practices.

### **Additional Group Activity**

**Step 1:** ask the class to break into their groups again to calculate unit cost, labour and capital productivity for chili (current and improved) and mango (current and improved).

**Step 2:** Each group will now present their result and the class will then discuss the results using tables in pages 54, 55 and 56 to be provided on posters.

### **Plenary Discussion**

Discuss how these factors affect production in terms of costs and profits and how the farmer can use these factors to make farm decisions.

### ***Questions and Main Lessons Learned***

Summarize module 6.

Repeat the main lessons included in the manual for that module and ask the farmers for questions and comments. End the session by briefly introducing the next module to the farmers on day three.

Congratulate the farmers for their comportsment and cooperation. Ask them to clap for themselves if need be. Close the session and briefly discuss the next day's session.

# DAY FOUR

## Module 7:

### *Introduction*

<b>Objectives</b>	<b>Materials required</b>
Introduce production and marketing risks to farmers and strategies to minimize them.	Brown paper marker
<b>Expected outputs</b>	<b>Duration</b>
Farmers: <ul style="list-style-type: none"><li>- Understand what farm business risk is about</li><li>- Can devise risk management strategies</li><li>- Are able to better market their produce</li><li>- Understand market price determinants</li><li>- Appreciate the different stages in marketing farm products</li><li>- Know where to seek market information</li></ul>	<b>1 hour</b>

### *Procedure*

#### **Plenary Introduction**

Say to participants that we are going to do an exercise in which we are going to discuss how we can avoid a certain **risks** and what we can do when the risk is already there. Mention 5 main risk types and thoroughly discuss one of them in plenary.

#### **Role –Play: Part 3A: Implementing (Production)**

Before the class break into their groups, the role-play involving Mensah will continue based on **Part 3A: Implementing (Production)**. This role-play will form the basis for treating the topic of risk.

#### **Group Activity 1**

##### **Steps**

1. Split participants into **2 groups** and give each group **two types of risk**. The groups have to think about examples of these risk types and **what can be done** when it is there. Give the groups enough time to work (at least 10 minutes).

2. Let every group present their results. Ask if other groups agree. Ask questions for clarification and to come to the information as described in the farmer manual.

### **Plenary Discussion: Marketing**

#### **Role – Play: Part 3B: Implementing Marketing**

Use the basis of the role play to discuss the issue of marketing as enumerated in the farmer manual. Keep discussions lively

#### **Group Activity 2**

Ask the class to split into their respective groups:

1. Group one: Factors that affect demand for agricultural products
2. Group two: Factors that affect supply of agricultural products
3. Let every group present their results. Ask if other groups agree. Ask questions for clarification and to come to the information as described in the farmer manual.
4. **Present additional information in farmer manual to farmers.**

#### ***Questions and Main Lessons Learned***

Give a summary by mentioning the 5 risk types and what can be done to avoid them and how to handle when it is there.

Summarize discussions on marketing and factors that affect supply and demand, prices etc.

Repeat the main lessons included in the manual for that module and ask the farmers for questions and comments. End the session by briefly introducing the next module to the farmers on day 4.

Congratulate the farmers for their comportsment and cooperation. Ask them to clap for themselves if need be. Close the session and proceed to module 8.

## **Module 8**

### ***Introduction***

Module 8 introduces to farmers way in which they can mobilize funds for their farm business enterprises; mainly through savings and loans.

<b>Objectives</b>	<b>Materials required</b>
Farmers understand ways in which they can mobilize funds for their farm enterprise.	Brown paper Marker

Expected outputs	Duration
Farmers: <ul style="list-style-type: none"> <li>- Understanding all about savings and how important they are to the enterprise</li> <li>- Differentiate the types of loans available to the enterprise</li> <li>- Understand loan conditions (principal, repayment period, grace period, interest rates etc.)</li> <li>- Are able to calculate interest rate on the principal.</li> </ul>	<b>45 min</b>

### ***Procedure***

#### **Plenary Activity**

##### **Steps**

1. Ask the class why we need to save for the farm enterprises. Solicit about 5 answers and discuss them.
2. Now ask the class the different saving types and their advantages and disadvantages. Stimulate discussions on this and generate a table together with the class listing the advantages and disadvantages.
3. Ask the class which other ways apart from savings that funds can be generated by the farmer for his/her enterprise. Allow them to give local examples and again solicit information of their advantages and disadvantages.

#### **Group Activity**

Ask the class to split into their respective groups. Explain to each group how to use the interest rate to calculate the interest on loan. Use an example on **page 65** of the farmer manual. Now ask the class to calculate interest for different loan conditions.

##### **Steps**

1. Group one: interest rate 10%; principal 1000GHC; repayment period 6months.
2. Group two: interest rate 8%; principal 1000GHC, repayment period 6 months
3. Let every group present their results. Ask if other groups agree. Ask questions for clarification and to come to the information as described in the farmer manual.

#### **Plenary Discussion**

Discuss in class when one needs a loan and how one can determine if the loan will serve the purpose for which he/she is collecting it. In what way can one already determine if he/she makes profit from the loan he/she is collecting? What is the role of capital productivity?

### ***Questions and Main Lessons Learned***

Summarize discussions on module 8.

Repeat the main lessons included in the manual for that module and ask the farmers for questions and comments. End the session by briefly introducing the next module to the farmers on day 5.

Congratulate the farmers for their comportment and cooperation. Ask them to clap for themselves if need be. Close the session.

# DAY FIVE

## Module 9:

### *Introduction*

In Module 4 we were already introduced to the Cash Flow Table. A Cash Flow Table records all the expenditure in one column and the income in another column for each single month. Plan your cash flow in each month for your household as well as each enterprise to ensure that enough cash is always available to the family and the business. This module relies heavily on information on module 5 and 6 and also additional information in module 9 itself. Familiarize yourself with the table before the start of the session because whilst farmers will greatly benefit with this session, there is also the tendency for the unprepared facilitator to confuse the farmers with information overflow. Keep the details simple and only fill in the table the portions that have been left out (shaded portion) by explaining to them their essence.

<b>Objectives</b>	<b>Materials required</b>
Understand the concept of cash flow: the interrelationship between farm enterprise and household expenditures	Poster marker
<b>Expected outputs</b>	<b>Duration</b>
Calculate cash flow for two different household and compare them How cash flow information is utilize by the farmer	<b>1 h</b>

### *Procedure*

#### **Plenary Introduction**

#### **Steps**

1. Together with the class go through the conditions set forth for household one and household two
2. Assist farmers to appreciate their monthly HH expenditures and how these can affect their farm business especially with respect to how funds are made available to the enterprise.
3. Ask two members of the class to work out their average monthly expenditures using the list provided in module 9. Once the class understands this calculation, show them how this features on the cash flow table. Emphasize that the figure in the table is for illustration only.

4. Go through the other expenditures (bills, health, events, school fees etc.) with the class and indicate how they are inputted in the cash flow table.
5. Now ask the class to go into their groups to fill in the shaded portions for household one and two respectively.

### **Group Activity**

Group one: Cash Flow Calculation for Household One

Group two: Cash Flow Calculation for Household Two

### **Plenary Discussion**

Let every group present their results. Ask if other groups agree. Ask questions for clarification and to come to the information as described in the farmer manual. Discuss the usefulness of information from the cash flow.

### ***Questions and Main Lessons Learned***

Summarize discussions on module 9.

Repeat the main lessons included in the manual for that module and ask the farmers for questions and comments. End the session by briefly introducing the module 10.

Congratulate the farmers for their compartment and cooperation. Ask them to clap for themselves if need be. Close the session.

## **Module 10:**

### ***Introduction***

The last module discusses some of the tools that a good businessman/woman can utilize to better enhance his/her business chiefly the importance of FBOs and how farmers can get the best of FBOs.

<b>Objectives</b>	<b>Materials required</b>
The importance of FBOs and how farmer can best utilize their services for their business.	<ul style="list-style-type: none"> <li>- Poster</li> <li>- Brown paper</li> <li>- marker</li> </ul>
<b>Expected outputs</b>	<b>Duration</b>
The farmer should understand: <ul style="list-style-type: none"> <li>- What FBOs are</li> <li>- Importance of FBOs</li> <li>- Why FBOs fail</li> <li>- The importance pillars of FBOs without which they will fail</li> </ul>	<b>45min</b>

## **Plenary Activity**

### **Steps**

1. Write the important pillars of FBOs on pieces of paper and fold them.
2. Place all of them in a bowl
3. Ask each member of the class to pick one folded paper. Make sure each participant is holding a folded paper.
4. Now ask participants to go into their groups. Each member of the group will discuss their picks and place their pick in three bowls marked: Bowl 1 (very important); Bowl 2 (important) and Bowl 3 (less important).
5. Let every group present their results. Ask if other groups agree. Ask questions for clarification and to come to the information as described in the farmer manual. Discuss the usefulness of information from the cash flow.
6. Now mount the poster on pillars of FBOs and compare their answers to those on the poster. Discuss again the results and come to an agreement on the most important pillars.

### ***Questions and Main Lessons Learned***

Summarize discussions on module 10

Repeat the main lessons included in the manual for that module and ask the farmers for questions and comments.

Congratulate the farmers for successfully completing all the 10 modules.

# Annexes

## Adult Learning Techniques

Attached in a separate document.