



**Food and Agriculture Organization  
of the United Nations**

# **The farm business school**

**Seven-day  
orientation programme**

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**Food and Agriculture Organization  
of the United Nations**

# **The farm business school**

## **Seven-day orientation programme**

**A series of presentations  
for farm business school facilitators  
on how to design, set up and run a school  
and the use of the training materials  
and exercises that comprise the programme**

**by  
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and  
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## Preface

Prior to setting up a Farm Business School (FBS), facilitators must be orientated in terms of setting up and running a school and in terms of the programme materials set out in 'The handbook' and the 'Training exercises' manual. It is envisaged, that for experienced facilitators/trainers, such an orientation could be completed in 5-7 days. For extension workers who are less experienced facilitators/trainers and/or who are not very familiar with farm business management concepts, terminology and tools, the orientation programme may take longer.

Whether a short or longer orientation programme is used, the following issues should be covered during a training programme for facilitators.

Understanding the background and philosophy of an FBS including:

- The rationale for the school;
- The farm business school methodology.

Setting up and running a farm business school including:

- Facilitators' roles, responsibilities, code of conduct and ethics;
- Organizing and managing a school;
- Collaborating with government, NGOs, and other partners;
- Ensuring ownership of the school by participants;
- Working with resource people.

FBS curriculum and methods including:

- Developing a curriculum for the school;
- Using creative techniques of learning;
- Links between the farm business, the market and other external linkages;
- Participatory and gender-sensitive facilitation skills;
- Identifying common enterprises.

Note: The materials that follow are generic in nature. They are designed to capture the essential points of the FBS programme and create a detailed framework for orienting facilitators. No attempt has been made to contextualize the content. Therefore, it is important for those responsible for preparing the orientation programme to review these materials carefully and to adapt them to the context of the country, region and/or particular setting relevant to the trainee facilitators.

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Day 1  
**INTRODUCTION**  
**TO THE FARM BUSINESS SCHOOL**

## Session 1 Background

During this session, hand out copies of the 'Overview'.  
Make enough for each participant to have a copy.

### PowerPoint Series 1



Farm business school (FBS)

A unique opportunity to engage farmers in  
developing capacity for running profitable  
market-oriented farm businesses

A brief orientation

0

### (Initiate the introduction with Slide 0)

Welcome the participants to the orientation. Using the information set out below, give a brief introduction to the farm business school.

The Food and Agriculture Organization of the United Nations (FAO) has been working in various parts of the world to develop programmes to help farmers cope with and, preferably, benefit from the changes taking place internationally in farming. Many farmers want to increase income by taking advantage of market opportunities, but often do not have the knowledge needed to compete in this new environment. Farm business management skills and knowledge are needed to effectively respond to present day farming challenges. Farm management advice helps farmers to make the right choice between crop enterprises according to individual levels of financial, labour and land endowments and at their level of risk adversity.

In response to these changes FAO has developed a number of specialized training manuals in market-oriented farm business management. One of them is a set of training programmes for extension workers to

help increase their farm management skills so they, in turn can assist farmers. Training is built around the concept of a Farm Business School (FBS) where farmers work together to learn about and try out business management ideas that will improve the way their farm businesses work.

**Key points to cover**

1. Changes in the world of farming.
2. What is a farm business school?
3. The FBS approach to learning.
4. The FBS curriculum.
5. Who should establish an FBS?
6. How is a FBS system set up and maintained?

1

**(Slide 1)**

The training programme has been crafted as a manual that extension workers can use to engage farmers in learning about farm business management. The aim is to build farmer capacity in entrepreneurial and management skills. It does this through a 'learning-by-doing' approach.

The FBS concept operates at village level. It enables farmers to learn and improve their knowledge, change their attitudes and enhance their skills toward improved farm profitability - while working on their own farms. Extension officers and selected farmers are trained as facilitators. They organize seasonal training programmes, where farmers work in small groups at their own agreed time and duration.

The materials for the farm business school are specially designed to work with limited resources. Participants need to be basically literate and numerate, but they do not have to have had any significant formal education. The manuals provide step-by-step guidelines that take the facilitator and the farmers through the basics of farm business management - following the production patterns of their own particular farms.



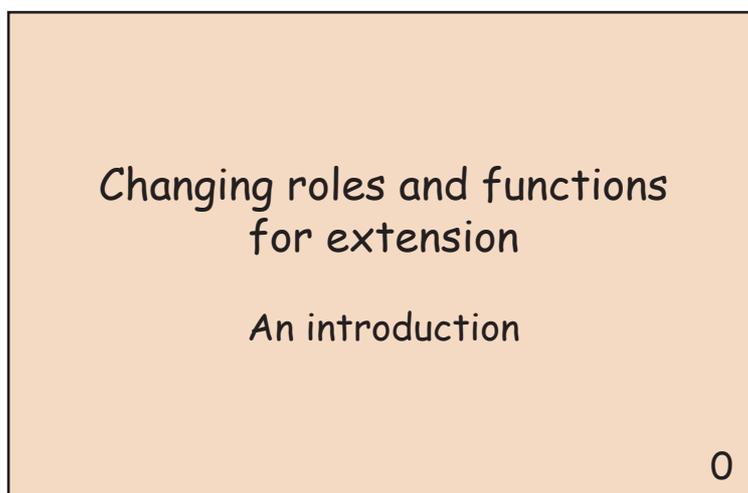
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Session 2  
**Exploring the changes facing extension**

Part of this segment involves building a diagram on the wall or on the floor. You will need to prepare the pieces of the diagram before starting this exercise. See the example diagram (Slide 17 in PowerPoint Series 2) for an idea of what needs to be done. Construct three (3) two-way arrows, four (4) one-way arrows and 11 cards. Label each card as shown in the diagram and also number the cards.. If you are building this display on the wall, you will need something to attach the cards and arrows (e.g. masking tape, sticking putty or similar adhesive).

Distribute the cards and arrows to the participants so that each person has at least one card or arrow. Explain that these will be used later on in the session.

**PowerPoint Series 2**



**(Initiate this segment with Slide 0)**

The narratives following have been prepared  
to accompany the slide presentation.

**(Slide 1)**

In response to the increasing globalization of national and international agricultural systems, extension services in many countries will need to be adapted to ensure that the farmers in their respective countries are able to cope with and hopefully benefit from these globalization

forces. This is particularly important in developing countries because small- and medium-scale agriculture are negatively affected by globalization as it advances. In many countries we are seeing extension services shrinking due to budgetary constraints and to lack of clarity about their role.

**(Slide 2)**

Part of globalization has been that international corporations have begun to be major players in developing and disseminating agricultural technologies into developing countries - a role that was traditionally played by Public Sector (Government) Extension Services.

**(Slide 3)**

Another part of globalization is that food production is no longer exclusively a national priority - food production and food security are international issues. And it is vital that the small-scale farmers in developing countries are not swept aside by this reality, but are positioned to participate in it and benefit from it.

**(Slide 4)**

There is increasing volatility in the supply of basic foods; sometimes there is a surplus and sometimes a shortfall. Farmers in so-called developed countries have orientated themselves towards profit-making whether their crops go to food or are converted to other products such as ethanol. In the face of all this, farmers in many countries have moved away from their traditional production structures. Some have opted for higher value crops and products; some have supplemented their production with off-farm work or even abandoned farming entirely.

**(Slide 5)**

In effect, farmers have begun to see the value of market-orientated farming, but often lack the skills and networks needed to engage effectively.

**(Slide 6)**

Similarly, extension services, with their traditional approaches and national food security framework, are also often ill equipped to support farmers in meeting these challenges.

**(Slide 7)**

Extension services have to evolve and adapt along a number of lines if they are to help farmers to keep pace with the worldwide changes and to benefit from them. These include:

**(Slide 8)**

Helping farmers to organize or reorganize at the individual farm level and collectively to capitalize on efficiencies for input supply, production and marketing and value adding.

**(Slide 9)**

Shift focus from production extension to farm management extension focused on profitability.

**(Slide 10)**

Shift extension services to actively support market-orientated farming including appropriate training/retraining, structuring, and extension delivery policy.

**(Slide 11)**

Shift focus from increasing staple foods to higher value products.

**(Slide 12)**

Adopt a learning framework for extension that builds the capacity of the farmer to manage increasingly complex farm management opportunities and challenges.

**(Slide 13)**

The farm business school process, with the 'FBS handbook' and the 'Training exercises' manual can contribute to this evolution of extension services by providing a practical guide to facilitate the positioning of extension workers and extension services to where they can provide support to farmers who are entering or expanding into market-orientated farming.

**We will now review  
the role of the extension worker  
in farm business management**

**(Slide 14)**

In order for smaller-scale farmers to participate in and benefit from the demands and opportunities presented by the globalization processes, they will need relevant farm management information and advice. They will need information on what to produce and sell, how to sell it, where to sell it and to whom, and what inputs to buy and from whom. In short, they will need advice on production and market opportunities.

**(Slide 15)**

They will also need assistance in building farm management knowledge and skills, and they need to be competitive. All this calls for better farm management skills.

- They need to become better decision makers.
- They need to be better at competing in this new environment.

**(Slide 16)**

A farm business management extension worker is well suited to meet this growing need among farmers. The range of work of a farm business management extension worker is far broader than that of a traditional extension worker.

**(Slide 17)**

Now let us explore 'The range of work of a farm business management extension worker' using the materials you have already prepared. Pass out a card or an arrow to each participant. If there are not enough in the class for each item (there are a total of 18 cards and arrows) some of the participants will have to be given two or more items. Have each participant come forth sequentially beginning with the numbered cards.

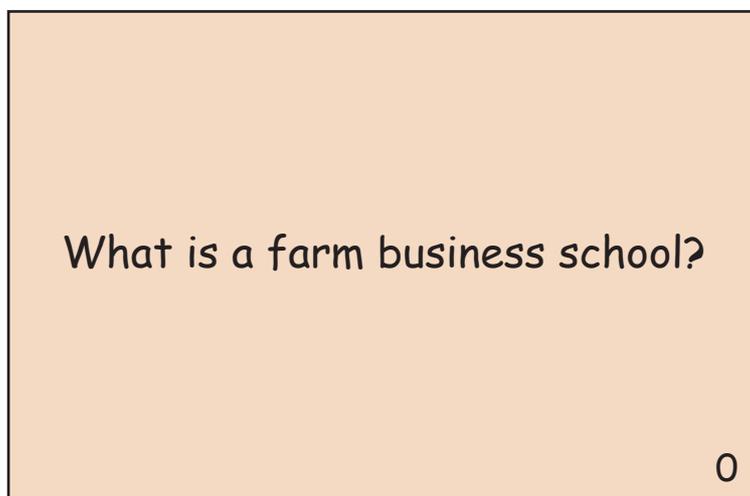
1. Ask the participant with Card 1 to put the card on the wall fairly high up. Explain that, as the card says, a 'Farm business management extension worker' is a 'Facilitator of learning' and a 'Broker of information'.
2. Continue constructing the diagram by asking the participants with the various cards to put their cards on the wall in sequential order according to the diagram. After a card is put in place, give a brief explanation. (The content should cover the points made in Section 1, Item 1.2 of the FBS Handbook.)



Session 3  
**Introduction to the farm business school**

Continue with the narrative and slide presentation

**PowerPoint Series 3**



**(Initiate this segment with Slide 0)**

**(Slide 1)**

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

**(Slide 2)**

The aim of the FBS is to develop capacity and skills in farm business management among smallholder farmers and support the transition towards market-oriented farming. The concept of the farm business school was inspired by Farmer Field Schools (FFS) a concept developed by FAO and which is now being used in Asia, Africa and Latin America.

**(Slide 3)**

The farm business school is a 'curriculum-based' approach to extension that aims at developing the entrepreneurial skills and competencies of farmers. As an extension approach, the FBS aims at strengthening farmers' knowledge and skills through learning-by-doing.

**(Slide 4)**

The objective of the school is to help farmers learn how to make their farming enterprises and overall farm operations profitable and able to respond to market demands.

**(Slide 5)**

It enables farmers to learn and improve their knowledge, change their attitudes and enhance their skills needed for farm commercialization - while working on their own farms.

**(Slide 6)**

The farm business school is based on four fundamental principles:

i) Facilitation and 'not' teaching: Farmers learn by working together in meetings. They are largely responsible for their own learning. The farm business management extension worker is the facilitator and is there to ensure the smooth running of the FBS and ensure that all materials and activities are covered.

ii) Learning-by-doing: Learning is conducted through discussion, practice and reflection with an emphasis given to practical aspects of instruction that can be applied on farmers' own farms.

iii) Interactive and responsive: The course consists of a series of structured exercises prepared largely as reference materials. However, it is expected to be used flexibly and in response to the demand of the participants.

iv) Season-long: The programme is designed so that it can extend over an entire season so that learning is synchronized with different stages in the production cycle, with the length differing according to the farm enterprises selected. It can also be taught in other formats such as short courses and concentrated training courses.

**(Slide 7)**

The FBS process is guided by a set of training materials prepared for facilitators and farmers. There is also an organizational component where farmers are formed into small groups to build collectively their capacity to produce for the market and respond to market demands with the aim of generating profits.

**(Slide 8)**

Extension workers serving as facilitators are supported by back-up teams of specialists to coach and mentor them in assisting farmers to manage their farms as a business.

**(Slide 9)**

The farm business school takes participants through a series of practical applications in which they learn about farm business management concepts, tools and practices, based on their local knowledge and skills. The focus of the approach is to build on what farmers and extension workers know and to add value to this knowledge.

**(Slide 10)**

When the programme is offered on a seasonal basis, participants apply what they have learned in the FBS meetings to their farming businesses and bring what they have learned back to the school to share and compare results.

**(Slide 11)**

The FBS aims at setting up schools at community level, where farmers can work in small groups at their own pace and at an agreed time and duration. The process is facilitated by an extension worker. The approach has the flexibility to fit into current farming operations and follows local necessities and needs.

**(Slide 12)**

The farm business school has six main characteristics:

- It focuses on content by providing practical exercises to facilitate learning of specific knowledge and skills - exercises can be organized into unique learning programmes;
- It is based on experiential learning;
- It involves facilitated farmer learning - led by a trained extension worker;

**(Slide 13)**

The farm business school has six main characteristics:

- It is designed around selected farm enterprise that can be produced locally;

- 
- It covers the production cycle - from planning to marketing;
  - Learning is linked to real farm settings to reinforce learning and to deliver more immediate impact.

**(Slide 14)**

The FBS is a:

- Programme of learning designed to help small holder farmers in producing for the market making their farms work profitably.

**(Slide 15)**

The FBS is a:

- Venue that brings farmers together to carry out collective and collaborative action to address business and marketing problems and opportunities.
- Forum for sharing knowledge between farmers through discussion, practical exercises and self-study.

**(Slide 16)**

The FBS is not:

- It is not intended to teach farmers how to produce certain crops or manage livestock. It is assumed that they will already have this knowledge or can acquire it through other sources.
- It is not a set of lectures. Exchanges of information and knowledge are facilitated through the meetings/sessions, with observations, dialogues, and discussions.

**Turn off or cover the projector.**

Give a brief summary of the FBS. Highlight those parts that are particularly relevant to the context of the participants. Encourage questions and discussion. What is their general impression of the FBS? What stood out as different or unique? If this promotes a spirited discussion take as much time as you can.

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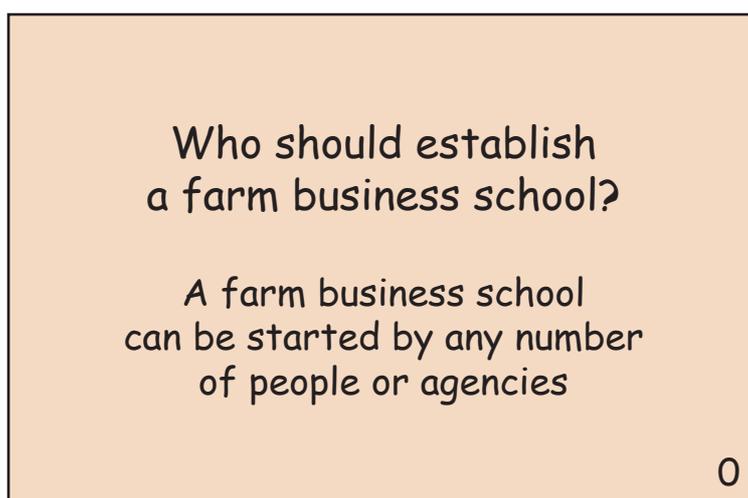
### Session 4

#### Who should establish a farm business school?

At the end of this segment, each participant will need 10 strips of paper or cards (roughly an A4 page cut in four strips of equal size) and two marking pens of different colours (e.g. one red and one black; each facilitator must have the same two colours). Prepare three (3) headings to put on the board: 1) The name of the 'Agency sponsoring/organizing' the FBS; 2) The word 'Strengths' (black); and 3) The word 'Weaknesses' (Red).

Continue with the narrative and slide presentation

#### PowerPoint Series 4



**(Initiate this segment with Slide 0)**

#### **(Slide 1)**

There are no restrictions on or requirements governing who should establish a farm business school.

#### **(Slide 2)**

A farm business school can be started by any number of people or agencies including public sector extension services, NGOs, commodity groups with advisory services, farmers associations and cooperatives, and colleges and universities.

**(Slide 3)**

Whoever establishes an FBS will need to be able to provide the necessary back-up teams of specialists to coach and mentor the trainers.

**(Slide 4)**

The farm business school is not a once-off training event; it should be part of an extended strategy to build farm business capacity among farmers.

**(Slide 5)**

Whoever establishes an FBS will need to have the capacity to meet the standards set by the approach to learning used by the process.

**(Slide 6)**

They will also need to be able to carry out the following tasks:

- Create awareness and identify and select potential participants.
- Design and organize a number of farm level training programmes among interested farmers. The training programmes will each be held at a specific location and will run for a whole season.
- Recruit and train farmers as FBS facilitators to help you with subsequent rounds of farmer training.

**(Slide 7)**

They will also need to be able to carry out the following tasks:

- Mentor farmer groups and give them support as and when needed.
- Keep in touch with other FBS facilitators to collectively identify opportunities for further training as well as reflect on lessons learned and areas of improvement for the next FBS rollout.

**Turn off or cover the projector**

1. Give each participant 10 strips of card or paper and two different colour pens.
2. Use one strip to put the name of the 'Agency organizing the FBS' on the wall. Just below that put up the 'Strengths' and 'Weaknesses' cards or papers. Leave enough space for the participants to add more strips under each of these headings.



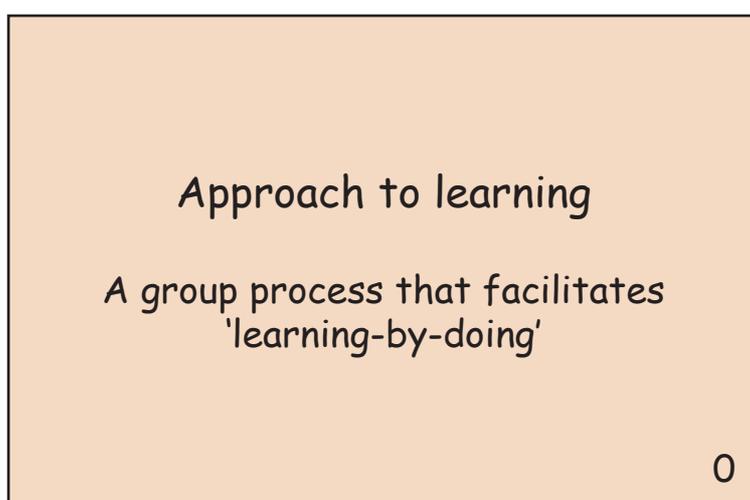
Day 2  
**THE FBS TRAINING PROGRAMME  
AND CURRICULAE**

Session 5  
**The approach to learning**

Prepare cards and arrows as shown in the diagram featured in this segment (see Slide 16). Hand out the cards and arrows to selected participants.

Continue with the narrative and slide presentation

**PowerPoint Series 5**



**(Initiate this segment with Slide 0)**

**(Slide 1)**

The learning process of the farm business school follows the Participatory Mutual Training and Learning Approach (PMTLA).

**(Slide 2)**

The PMTLA is a group process that facilitates training and learning among adults. The participants learn by doing and through sharing their knowledge and experiences.

**(Slide 3)**

The process involves the participation of people with common interest and purpose. There are no instructors or teachers; only facilitators. The participants mainly learn from each other.

**(Slide 4)**

Learning moves from the known to the unknown, from the easy to the difficult and from the simple to complex. It is guided by a curriculum that facilitates learning.

**(Slide 5)**

The training and learning is organized and structured. The FBS requires a facilitator and structured modules to guide and support the group training and learning process.

**(Slide 6)**

Through the process, the participants generate new practical knowledge and ideas. They learn what to do, how to do it, the cost involved, the potential problems to be confronted and the benefits it will bring.

**(Slide 7)**

The PMTLA approach enables the participants to learn from each other.

**(Slide 8)**

The approach is based on three principles:

- Reflection and sharing;
- Generating new knowledge;
- Motivating innovation and creativity.

**(Slide 9)**

Reflection and sharing. The participants in the training reflect on the topic, share experience, knowledge and understanding on the subject. It begins with what the participants know.

**(Slide 10)**

Generating new knowledge. Here new knowledge is created based on existing capacity plus new concepts derived from the FBS.

**(Slide 11)**

Motivating innovation and creativity. The new knowledge and insights helps the participants to innovate, to develop new ideas from old ones and to create completely new ideas from the insights gained.

**(Slide 12)**

The FBS is different from conventional farm management approaches, which are methods/tool based and dependent on the availability of data.

**(Slide 13)**

The approach of the farm business school is 'entrepreneurial'. It relies on simpler decision support tools, checklists and strategic questions. It is based on the real experiences of the participants on their own farms.

**(Slide 14)**

Discussion, practical exercises and self-study enable farmer/ participants to share ideas, offer advice, experiment and formulate opinions on whether a practice will work on their farm and for their farm.

**(Slide 15)**

The learning generated is consolidated and reinforced through action - that is, through implementing what they have learned on their own farms.

1. Now hand out the cards and arrows to the participants.
2. Ask them to put their cards and arrows on the wall to construct the learning cycle as shown in the diagram.
3. Explain that the FBS learning approach is all about building capacity among the farmers. The underlying aim of a FBS is to build capacity among farmers in farm business management.

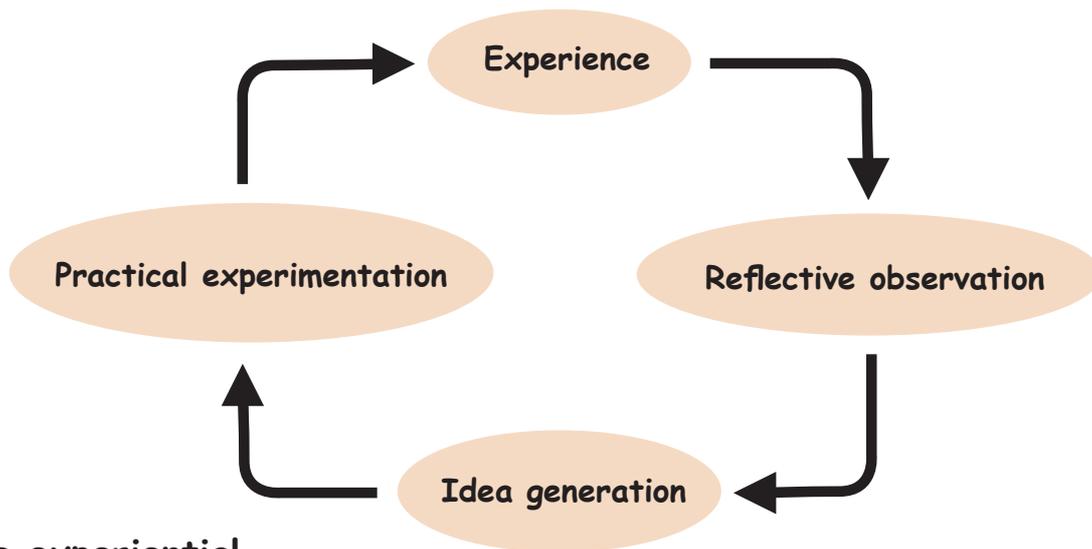
**(Slide 16)**

Explain the learning cycle shown in the diagram.

**(Slide 17)**

This carries with it the following considerations:

- Rather than solving business problems for farmers, farmers develop the knowledge and skills necessary to dig into the problems they face - to understand them and their causes.



**The experiential learning model**

Source: Adapted from Kolb, 1984

**(Slide 18)**

This carries with it the following considerations:

- The programme actively works to reduce the tendency to create dependency on external sources of expertise and where such resources are needed, to be able to engage with them wisely and confidently.

**(Slide 19)**

This carries with it the following considerations:

- To strengthen learning, the programme and the way it is facilitated includes simple exploratory exercises that are relevant to the participants' own farms and with which the group can readily engage in an action orientated way.

**(Slide 20)**

This carries with it the following considerations:

- Knowledge and skills are not learned in an abstract way. The programme fosters the use of knowledge and skills gained to make farm-specific business management decisions instead of adopting generic answers and recommendations developed remotely by 'specialists' not directly affected by the outcomes of the decisions made.

**(Slide 21)**

This carries with it the following considerations:

- The programme recognizes that decision-making processes in a farm business - even a small-scale farm business - are complex and require an iterative approach to make.

**(Slide 22)**

This carries with it the following considerations:

- Sharing learning with other farmers after completing the programme is encouraged as a means of developing, extending and adapting the acquired knowledge and skills among neighbouring farmers and farming communities.

**(Slide 23)**

This carries with it the following considerations:

- To foster continuous learning the programme will initiate the establishment of networks that the farmers will maintain and extend to facilitate reflexive learning about particular farm business problems and opportunities and ways to address them, through personal observation, meaningful conversation and participation in real-world 'learning-by-doing' exercises.

**(Slide 24)**

This carries with it the following considerations:

- Participating farmers will be expected and encouraged to draw on their own experience and observations, to learn, to assist learning by other farmers and to make real decisions relevant to their own farm businesses.

**(Slide 25)**

The approach facilitates the following learning outcomes among the participants:

- Heightened awareness, knowledge and skills on various aspects of farm business management;

- Sharpened inter-personal and communication skills;
- Critical thinking about the knowledge and skills acquired and their application in a farm business.

**(Slide 26)**

The approach facilitates the following learning outcomes among the participants:

- A change in attitude and behaviour supporting positive action and continuous reflection-driven learning;
- Better performance and increased productivity;
- A stronger team focus and improved capacity for group cooperation and collaboration among colleagues and stakeholders in the value chain.

**(Slide 27)**

The training also helps to strengthen generic skills, especially:

- Observation skills;
- Social and behavioural skills;
- Communication skills;
- Analytical skills;
- Decision-making skills.

**(Slide 28)**

To be fully successful:

- The approach must be adapted and linked to the actual farming activities of the participants. Any theoretical learning is immediately reinforced by application and practice.

**(Slide 29)**

To be fully successful:

- The participants must be committed to walking the path of transformation and change leading to profit- and market-orientated farming.



---

## Session 6

### The training programme

Before holding this segment, the facilitator should make a summary of each of the five main parts of the training programme outlined in the FBS Handbook, Section 1, 'The farm business school' in Item 1.6.

This segment is based on a review of the entire farm business school training programme. Each participant should have a copy of the 'FBS Handbook' and the 'Training exercises' manual. Walk the participants through the 'Contents' of the handbook to familiarize them with the scope of the programme and with the FBS process. When you reach the five main parts in Section 1, Item 1.6, be sure to emphasize that the programme is based on this structure.

1. Ask the participants to turn to the handbook and read through the 'Contents'. Discuss the headings with them section-by-section so they become familiar with the general outline of the programme. Answer any questions they may have.

**Present the 5-part summary that you prepared earlier.**

2. Again direct the attention of the participants to Item 1.6 of the handbook where it is recommended that the farm business school training programme be divided into the following five parts:

Part 1) Preparing the farm business school;

Part 2) Preparing to farm as a business;

Part 3) Planning the farm business,

Part 4) Implementing a farm business plan;

Part 5) Reflection and evaluation.

3. Begin by discussing the first part. Answer any questions.
4. Continue part-by-part until finished.
5. Ask the participants to turn to Part 5, 'Reflection and evaluation'. Discuss the two assessments that are suggested: One on the business plan and the other on the school and its lessons.

6. Now take the participants through the 28 themes listed in the main 'Contents' of the 'Training exercises' manual. This is to give them an idea of the scope of the topics covered exercise-by-exercise. Discuss briefly some of the representative individual exercises.
7. Have the participants open their handbooks to 'Additional materials: Tools and resources' in Section 3 which covers 'Enterprise budgets' in detail and also 'More about markets and farm management records'. Note that the 'Training exercises' manual provides four (4) exercises on 'Enterprise budgets' including 'Profitability, Break-even price and yield, and Partial budgeting'. Briefly go through these topics.

Continue with the narrative and slide presentation

### PowerPoint Series 6



**(Initiate this segment with Slide 0)**

**(Slide 1)**

Farm business school models:

There are four contexts in which an FBS is likely to be set up. The host agency needs to determine which is the most relevant model and then uniquely plan the FBS.

**(Slide 2)**

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

**(Slide 3)**

Scenario 2. Participating farmers have not been set up as a group but members know which enterprise(s) to focus attention on.

**(Slide 4)**

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

**(Slide 5)**

Scenario 4. Participating farmers have previously been set up as a group and have already chosen an enterprise(s).

**(Slide 6)**

In all four cases there are two situations:

- The participating farmers have basic farm business management skills; or
- The participating farmers have no previous business/farm business management exposure.

**(Slide 7)**

Developing a farm business school process:

After orientation and training, the FBS facilitator will want to get started as quickly as possible.

**(Slide 8)**

Developing a farm business school process:

- Creating interest and receptivity;
- Preparations;
- Implementing (during the FBS);
- Post-Implementation.

**(Slide 9)**

Developing a farm business school process:

- Identify and visit communities where an FBS can be set up.
- Promote the FBS with all community members.
- Arrange a first meeting with all community members/farmers.
- Verify who may be interested in participating in an FBS.
- From among these, find farmers who are interested, motivated and willing to participate in and help set up an FBS.

**(Slide 10)**

Developing a farm business school process:

Preparations:

- Arrange follow-up meetings with interested farmers to plan the FBS including deciding on the number and timing of meeting and the modules to cover. (This can be changed as the FBS progresses and the participants develop new interests or concerns).
- Organize meeting venue(s).
- Once an FBS is ready to start set the FBS around local needs in terms of the programme to be covered and other required adaptations.
- Tailor the exercises for the selected audience (e.g. literate; semi-literate; non-literate).
- Ensure that the 'Handbook and Training exercises' are adapted accordingly (e.g. translating the manuals into local language or dialect).
- Initiate the farm business school.

**(Slide 11)**

Developing a farm business school process:

Throughout these first two stages, be patient and determined; it may take a long time to start an FBS formally.

**(Slide 12)**

Developing a farm business school process:

Implementing (during the FBS):

- Stay attuned to the progress of the participants and make adjustments along the way (record these adjustments for future reference).
- Observe and make evaluations of participants who could possibly become a facilitator once the FBS has been completed.

**(Slide 13)**

Developing a farm business school process:

Post-Implementation:

- Visit participants in their homes (or make arrangements for other extension workers to visit them) to follow up on their efforts to apply the knowledge and skills gained at the school to their farm.

Offer support where needed. Determine if refresher training is needed and what additional training might be needed.

- Select the potential facilitators and train them using the facilitator orientation programme (adapted to the needs of each group of trainees).
- Once the trainee farmer facilitators have graduated from the course, mentor and coach them in setting up farm business schools.

#### **(Slide 14)**

Developing a farm business school process:

The FBS group will go through various stages in the course of the programme. Knowing about these will give the FBS facilitator a better idea of how to intervene at each phase of the process. The facilitator needs to help the group move through the various stages. He needs to support the group in identifying the steps and maintaining motivation.

#### **(Slide 15)**

Developing a farm business school process:

During group establishment the facilitator needs to create an environment in which farmers individually and the group as a whole feel free to learn, experience, reflect and possibly change. Dialogue, discussions, doing exercises and experiencing will all be important in achieving real learning.

#### **(Slide 16)**

To be successful five major issues that must be taken into consideration:

- Leadership;
- Contributions;
- FBS group contract;
- Record-keeping;
- Group accountability and self-responsibility.

#### **(Slide 17)**

Five major issues:

Leadership. All farmers participating in the FBS are leaders; no single farmer or a small group of farmers takes the lead alone. All farmers have a leadership role to play and must have equal opportunities to participate. The skills and abilities of each farmer should be used as much as possible to strengthen the group.

**(Slide 18)**

Five major issues

Contributions. Contributions come in three important ways: by each farmer regularly attending the scheduled FBS sessions; by actively participating during the sessions; and by contributing materially to the work of their FBS group.

**(Slide 19)**

Five major issues

FBS group contract. Each FBS group needs a group contract or a set of ground rules; sometimes this is called a constitution. The contract should cover the following issues:

- Expectations in terms of attending meetings.
- Behaviour between the members of the FBS group, particularly during meetings.
- Expectations in terms of farmers' contributions to the cost of running the school.
- Rules for running meetings; for example, how decisions are made, what records to keep and who will keep them.
- Other matters that the group feels are needed to make sure that unity is maintained and that the FBS runs smoothly.

**(Slide 20)**

Five major issues:

Keeping records. The group needs a collective memory about what it has done. The kinds of records to consider keeping are:

- Notes of what has been discussed and agreed.
- Keeping track of what has been contributed to the FBS enterprises by members or others.
- Keeping track of any materials or equipment owned or being held by the FBS.
- The records can be very simple.

**(Slide 21)**

Five major issues:

Group accountability and self-responsibility. The group needs to reach a stage where it is guided and kept alive by the member farmers without the intervention or help of the FBS facilitator.

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In the initial phases of group establishment the facilitator will have to take greater initiative and encourage the other participants. As the group moves forward over time, they should start taking initiatives themselves; if they do not they need to be encouraged and assisted to do so.

**(Slide 22)**

Five major issues

Group accountability and self-responsibility. As farmers become more self-responsible, the facilitator will need to monitor them and provide feedback on their progress. Simple monitoring factors for self-responsibility include:

- Regularity of group meetings;
- How many farmers come to meetings;
- How many actively participate;
- Sharing of responsibilities;
- Joint decision making;
- Handling of disagreements and conflict;
- Group problem solving.

**(Slide 23)**

There are 5 stages in the life cycle of a FBS group:

- Forming
  - Storming
    - Norming
      - Performing
        - Graduating

**(Slide 24)**

The 5 stages in the life cycle of a FBS group:

Stage 1: Forming

When first establishing a group, relationships are characterized by dependence. Farmers may or may not know each other well. They will ask a lot of questions about the purpose and task of the FBS, look for guidance and leadership and are uncertain about how to behave and are often impatient for action.

**(Slide 25)**

The 5 stages in the life cycle of a FBS group (Forming):  
During the forming stage the main tasks of the facilitator are:

- Introduce participants;
- Create a relaxed and fun environment;
- Explain purpose of the FBS;
- Encourage participants to talk to each other;
- Encourage participants to work with each other, using exercises;
- Get all participants to agree on when to meet, where, and how long;
- Get participants to start developing rules/group contract;
- Get participants to develop objectives;
- Explain the participatory leadership approach.

**(Slide 26)**

The 5 stages in the life cycle of a FBS group:

**Stage 2: Storming**

In the storming stage the members of the group is characterized by conflict. Different ideas about what they should do and how to do it will emerge. There may also be competition and conflict in personal relations.

At this stage some participants may withdraw from the FBS, but this must not stop the 'work in progress' of the group or the school itself. There may be changes in participants' behaviour based on emerging issues of competition and hostilities. Because of the discomfort generated during this stage, some participants may remain completely silent, while others attempt to dominate.

At this stage you need to intervene and implement participatory leadership. In order to progress to the next stage, participants must move from a 'testing and proving' mentality to a 'problem-solving' mentality. The most important factor at this point for you in helping participants to move on to the next stage is the ability to listen.

**(Slide 27)**

The 5 stages in the life cycle of an FBS group (Storming):  
At this stage your main tasks are:

- Listen actively;
- Clarify purpose and goals;

- 
- Celebrate achievements made by the participants, however small;
  - Do not let conflict block group working and development;
  - Develop further ground rules for dealing with conflict and other issues that may be needed;
  - Encourage progress;
  - Implement participatory leadership.

**(Slide 28)**

The 5 stages in the life cycle of an FBS group:

Stage 3: Norming

This stage is characterized by unity. Participants start to feel more united. They have a shared vision about the FBS and more generally about their farming businesses. They have a common goal.

Typically each participant will actively acknowledge the contributions of all the other participants. They will also engage in team building and maintenance, and solving team issues. Instead of defending themselves, participants are willing to change their ideas and opinions on the basis of facts presented by other participants in discussion and dialogue. They actively ask questions of one another.

**(Slide 29)**

The 5 stages in the life cycle of an FBS group: (Norming):

At this stage the main tasks of the facilitator are:

- Support communication and animated dialogue among participants;
- Help participants to learn from their mistakes and successes;
- Celebrate achievements;
- Give greater opportunities for participants to self-manage FBS meetings;
- Make and take progress checks to evaluate the progress of the FBS, and if necessary intervene;
- Support growing independence.

**(Slide 30)**

The 5 stages in the life cycle of a FBS group:

Stage 4: Performing

At this stage, the group starts making real and visible progress towards its vision and goals. Participants will have good personal relationships.

They will be relying on each other. Participants will work independently as a group. There is strong unity - Group identity is complete, group morale is high, and group loyalty is intense.

**(Slide 31)**

The 5 stages in the life cycle of a FBS group (Performing):

The role of the facilitator will diminish considerably; the main tasks are:

- Reduce the role as facilitator, since participants are performing on their own;
- Monitor and evaluate progress;
- Help the group undertake evaluation of its progress and outcomes and learn from their experience and plan the next set of actions;
- Maintain a supportive environment for the group;
- Start to identify possible candidates who may have the characteristics, skills and willingness to become a FBS facilitator.

**(Slide 32)**

The 5 stages in the life cycle of a FBS group:

Stage 5: Graduating

While the FBS group may and should continue after completing the FBS programme, it is important to mark this with a formal graduation. It is a planned event that includes recognition for participation and achievement. It is important that the participants evaluate their experience and how new skills and abilities puts them in a better position to manage farming as a business. Graduation should be held in a way that encourages the participants to continue collaborating after the FBS is over.

**(Slide 33)**

The 5 stages in the life cycle of a FBS group (Graduating):

At this stage the main tasks of the facilitator are make sure that the following things happen:

The participants discuss, evaluate and reflect on what they have accomplished individually and as a group.

- The participants discuss, evaluate and reflect on the FBS; what they thought was good about the FBS and what needs to be improved.
- That recognition is given to participants for having participated and



### Session 7

## Monitoring and evaluating the FBS

Now let us look at Section 1, Item 1.12 in 'The handbook' which deals with monitoring and evaluating the FBS programme. Before conducting this session, prepare a summary to present to the participants. Also be sure you understand the table 'Level of competence in market-oriented farming' at the end of Item 1.12 as this table covers the main part of this segment and serves as a guide for the instructions below.

Prepare cards with the following criteria:

- Level of commercialization;
- Production technology;
- Value addition/level of processing;
- Business practices;
- Capitalization;
- Participation in farm/rural enterprise groups;
- Input-output linkages/Use of support services.

Also prepare cards with the following:

- Produces for home consumption;
- Produces primarily for home consumption; some sales at markets;
- Produces for the market and home consumption;
- Farms exclusively for market, but still very inexperienced;
- Experienced farming exclusively for the market.

Finally, prepare 35 blank cards.

1. Explain to the participants that this session will look briefly at how the FBS is monitored and evaluated. Distribute the cards.
2. Ask them to turn to Item 1.12 and share with them your summary.
3. Explain that one effective way to monitor and evaluate the FBS is by measuring how the farmers and their farm businesses have changed as a result of participating in the school. This can be measured as 'before' and 'after' changes using seven criteria listed in the 'Level of competence' table.



Session 8  
**Resource requirements**

1. Explain that this segment will be about the resources they will need to establish and run an FBS. The actual costs and payments will be organized according to the agency/organization that is sponsoring the school system.
2. Explain that the physical requirements for running an FBS are very simple. It is best if the farmers themselves are involved and contribute to organizing their own school and in covering some of the meeting costs, such as food.
3. Explain that the training materials needed to set up and run an FBS are:
  - White board and markers or chalk board and chalk;
  - Large sheets of paper;
  - Masking tape;
  - Marking pens;
  - Pencils;
  - Loose lined and unlined paper.
4. For this exercise participants may need to refer to certain parts of the 'Handbook' or the 'Training exercises' manual. To do this they may need assistance from the facilitator as to the relevant parts.
5. Ask if there are any questions or concerns. Deal with them as much as possible by referring back to the handbook.

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## Session 9

### Understanding the FBS lessons

1. Ask the participants to open their 'Handbooks' to Section 3, 'Building business management skills'. Read through the items to become familiar with the contents. These should be self-explanatory.
2. Next look at Section 1, in the 'Training exercises' manual. Here the elements that make up this part of the programme are listed under 'Layout of exercises'. These are:
  - Objectives;
  - Key questions;
  - Key points to cover;
  - Process;
  - Guidelines;
  - Side-track.
3. Now review 'About conducting exercises', also in the 'Training exercises' manual. This explains the themes under which the exercises are conducted. They are:
  - Interactive processes and visual representations;
  - Experiential learning;
  - Guest presenters/ Panel;
  - Groups and teams;
  - Study materials;
  - Recording lessons and other information;
  - Embedded learning;
  - Choosing exercises;
  - Sequencing exercises.
4. Take time to work through this material so the participants have a clear picture of the main elements of the programme. Encourage questions and discussion.
5. Explain that over the next few sessions you will take them through a number of the exercises. One reason is to get them familiar with the way exercises are done. Another is to sharpen their knowledge and skills in farm business management.



Day 3  
**UNDERSTANDING FARMING  
AS A BUSINESS**

Session 10  
**Preparing to farm as a business**

1. Explain the following. The aim of this section of the FBS is to help farmers understand the changing farming environment and what they need to do not only to cope with these changes, but to benefit from them. Facilitators need to understand these changes as well. The key lesson is that farmers need to see farming as a business. Farming for home consumption alone, is no longer sufficient to sustain the family. Just like any other business, a farm business needs to be profitable.
2. Ask one of the participants to read the following to the rest of the group. The commercial farming environment is rapidly changing. New marketing opportunities, new production and processing technologies, and increasing competition create challenges for small-scale farmers. They are faced with hard choices about how to run their farm businesses. For most, producing primarily for home food consumption and selling surpluses is no longer viable. Some farmers are only generally aware of these changes and the impact they have on their farm businesses.
3. Ask the participants to share their experience with these changes. Do they see the changes? How are they affecting the farmers they work with? How aware are the farmers about these changes? How aware are they of the impact these changes are having on their farms? What is the current understanding or perception of the farmers they work with about their farms? What do the farmers say about what is going on around them?
4. Explain the following. A first step to assisting farmers move toward more profitable market-oriented farming is helping understand these changes and how they affect their farm businesses.
5. In Exercise 1 farmers will explore the environment in which market-oriented farming is changing. They will discuss why they farm and how this has changed over the years.
6. Briefly take the participants through Exercise 1 (Topic - Commercial farming environment). Use it as an example of the way the FBS course supports learning.





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Session 12  
**Cash flow**

1. Explain that cash flow is often one of the issues that cause a farm business to fail. A farm business may be profitable, but is not able to generate the flow of cash through the business (Topic - Cash flow, cash availability).
2. Now run through Exercise 15 - The flow of cash through the farm business.

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Session 13  
**Risk and entrepreneurship**

1. Explain that this segment will discuss risk and entrepreneurship.
2. Explain the following. Risk refers to things that could happen that can harm the farm business. One of the biggest factors that contribute to the failure of farm business is not identifying and planning for risk. Increases in input prices, decreases in market prices and drought are all risks that farmers face. In each case the farmer needs to examine the risk and estimate the impact it will have on his farm profits. For example: What will happen if the price of inputs increases by 10%? What will happen if the market price for his product decreases by 5%? What if there is a labour shortage or the cost of hiring labour increases?



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## Session 14 Negotiation

1. Run through Exercises 22-26 (Topic - Negotiating skills). This is one of the sets of exercises designed to help farmers get used to the idea of self-evaluation and reflection.
2. Ask the participants to discuss the role of negotiating in running a farm business. Do they think it is important? Why? Why not? What are the biggest challenges they see in helping farmers acquire negotiation skills? Encourage discussion.
3. Summarize the discussion using the following or a shortened summary. Negotiating is an important skill needed by all successful entrepreneurs. It is used when purchasing inputs, hiring labour, engaging transport, and pricing products at the market. Negotiating is the process by which two or more parties discuss and agree on the arrangements for a particular activity or business arrangement. A good negotiator knows the value of things, how different jobs get done and how long they should take. He knows when the input price is too high or the market price is too low. He knows what his alternatives are and how each decision will affect the profitability of his farm business.

In addition to having certain knowledge, a good negotiator also has particular skills such as the ability to say 'no', the ability to listen, the ability to stay calm and focused, the ability to make quick calculations, and the ability to see a way for both parties to 'win'.

The better a farmer is at negotiating, the better his chances are to improve the profitability of his farm business.

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Day 4  
**THE CURRENT FARM BUSINESS**

Session 15  
**Analysing the farm business**

1. Run through Exercises 27-31. For this segment the participants will need a blank sheet of paper (at least A4) and a pencil.
  2. Explain that the next few sessions focus on helping the farmers evaluate current performance of their farm businesses and the environment in which they operate.
  3. In this first part the participants will learn the following approaches:
    - Mapping the farm;
    - Analysing the enterprises;
    - Identifying strengths and weaknesses of a farm;
    - Translating strengths and weaknesses into action.
  4. Ask the facilitator trainees to draw a sketch map of a farm that is typical of the farmers that they work with. They should show the enterprises on the farm, the inputs and technology used, infrastructure and other information that helps show how the farm operates.
  5. When they have completed their maps ask them to put them on the wall and to use the maps to talk about the farms they have drawn. As a variation on this, you can ask them to read another participant's sketch map. This will help them learn about how to help farmers to draw maps that can be easily interpreted.
  6. Now discuss the last three of the approaches listed above. These are intended to reinforce the practice of acting on evaluations. Farmers often get stuck when they are trying to figure out how to improve their farms. Walking them through the process of identifying strengths and weaknesses and then making plans on how to build on their strengths or to correct their weaknesses helps the gain more command over their farm businesses.
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### Session 17 Benchmarking

1. Explain to the participants that the next aspect of understanding the current farm business is learning about benchmarking. Explain that benchmarking is used to help reinforce the idea that the farmers should always be on the look out for ways to improve their farm businesses. One way to do this is to compare their farm businesses with farm businesses they know are successful.
2. Ask the participants to share what they know about benchmarking. Have any of them ever done or been involved in a benchmarking exercise? If yes, ask them to explain what they did. Encourage discussion.
3. Work through Exercise 37 - The basics of benchmarking.
4. Look at the 'Questions for benchmarking' following Exercise 37. What would they need to do to help the farmers be able to answer questions like these about their own farms businesses and about a benchmark farm.
5. Ask the participants if they know of any farms in their areas that could be benchmark farms. If yes, why do they think they could be benchmark farms? What qualities or characteristics do they have?
6. Summarize the discussion by reinforcing the role of benchmarking in analysing a farm business.
7. Then summarize the whole section on understanding the current farm business. Reinforce the idea that this is a critical learning area that sets the pace for the rest of the learning. It teaches the ability to objectively evaluate one's business and to make realistic plans for improving the profitability of the business.
8. Review briefly Exercises 38-41 to complete this segment on benchmarking.

Day 5  
**PLANNING THE FARM BUSINESS**

## Session 18

**Essential concepts in planning the farm business**

1. Explain that the next two sessions address the exercises that deal with planning for the future of the farm business. This part of the FBS takes the farmers through a step-by-step process of setting out a plan for the coming production season. It covers the following:
  - Visions and goals for the farm business;
  - Strategic planning;
  - Choosing and testing the feasibility of enterprises;
  - Developing a business plan.
2. Explain that this first session will look at the key concepts in planning. The second session will look specifically at developing a farm business plan.
3. Explain that the key theme in this first session is helping farmers create a vision of the future for their farm businesses and then to put together a plan that will take them towards that vision. Ideas need to be given structure.
4. Take the participants briefly through the contents of Exercises 42 and 43 (Topic - Vision and goals for the farm business) which are about creating visions and setting goals. These are fairly straightforward. Encourage discussion. What kinds of goals have farmers they work with set? How realistic are they?
5. Take the participants briefly through Exercises 44-46 (Topic - Strategic planning) on understanding this level of planning. Encourage discussion. How good are the farmers they work with at strategic planning? What are their strengths and weaknesses in strategic planning?
6. Take the participants through an abbreviated version of Exercise 45 - Understanding strategic planning options. It is important that they are comfortable with the concepts of strategic options available to farmers. Encourage discussion. What options do they think are probably most likely to work for the farmers they work with? Why? What are the limitations to the options the farmers have?



3. Next look briefly at Exercises 50 and 51 - Assessing the input requirements and labour for enterprises. The point here is that even if an enterprise is technically feasible and potentially profitable, the farmer needs to make sure that he can get the inputs and labour needed to produce the enterprise.
4. Explain that they will now spend time actually working through developing a farm business plan. Organize the participants into teams of two. Ask the participants if they have ever developed a farm business plan before. Have they ever helped a farmer develop a farm business plan? Ask them to share their experiences. What did they do? How did it work? What did the farmers say about the process? How do they feel about formal planning?
5. Distribute copies of the business plan at the end of Exercise 52 (Topic - Preparing and using a business plan) and take the participants through the various formats shown.
6. Ask each team to choose one enterprise that they know is technically feasible. Confirm with the teams about their choices. Make sure there are at least 3 or 4 different enterprises being worked on.
7. Take the participants through Exercises 53-58 under the same topic heading. Each exercise has opportunities to consult, share learning and change plans as they move through the planning process.
8. Briefly run through the entire Exercise 59 - Developing an action plan for the farm business plan.
9. When all the exercises have been completed, ask the participants to reflect on the process. How did this process compare with planning they have done in the past? What was the hardest part of these exercises? How would they facilitate these with the farmers?

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Day 6  
**UNDERSTANDING THE BALANCE  
OF THE FBS EXERCISES**

## Session 20

**Guiding farmers to implement their farm business plans**

This session and those following focus on exercises that help the farmers put their farm business plans into action. These are the topics to be covered:

- Record-keeping;
  - Purchasing inputs and materials;
  - Mobilizing finance;
  - Linking to markets;
  - Contract farming;
  - Producing safe farm products.
1. Explain that Exercises 60-76 (topics listed above) are designed to help farmers make sure that they have covered all the important factors when setting out to implement their farm business plans. Although there are numerous exercises, they are mostly straightforward and easy to use.

In this session, we will look at the first three

2. Briefly take the participants through Exercises 60-62 (Topic - Record-keeping). Be sure they are familiar with the different types of records. Encourage discussion. What is the current practice among farmers now? Do they tend to keep records? What kinds of records do they keep? What are the main challenges to recordkeeping? How can these be addressed?
3. The next set of exercises is particularly important because they help the farmers make good decisions about suppliers. It encourages objectivity of choices and to approach them methodically.
4. Take the participants through Exercises 63-65 (Topic - Purchasing inputs and materials). Ask them to draw on their knowledge of the areas where the farmers are. What do they know about the suppliers there? Are they trustworthy? Reliable? How would they help farmers make these determinations?



Session 21  
**More about marketing**

1. Explain that next you will look at marketing (Topic - Linking to markets). This covers three exercises

Exercise 69 - Understanding and using market information.

Exercise 70 - Understanding post-harvest management.

Exercise 71 - Exploring post-harvest processing options.

2. Explain the following (or make a summary). A solid market plan is important to a successful farm business. Linking farmers to the market is more than just knowing where the different markets are, it is also about understanding and using market information to reduce risk, deciding on products and timing of production, checking prices, determining how best to handle the product after harvest - including post-harvest processing.

Part of preparing a market plan is gathering, understanding and using market information. A market plan must be based on real and reliable information, not on feelings, assumptions or unconfirmed information. It is sometimes hard for farmers living in remote areas to obtain free and unbiased information that has not been analysed. But farmers can usually get market information from government run market information services, traders, other farmers, extension workers, marketing boards and agri-processors. However, farmers must take care to make sure that the market information from traders is not biased to force lower prices. Similarly, other farmers may not have accurate information or may exaggerate prices.

3. Run through Exercise 69 - Understanding and using market information.
4. Ask the participants what the farmers they work with know about market information. What market information is available to them? Do they use it? How? How effectively?
5. Explain the following (or make a summary). A great deal of the profitability in agricultural products is determined by how the product is handled after harvest. There are three basic principles

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to bear in mind when handling products after harvest: maintaining quality, maximizing shelf-life and managing the supply of the product to the market. These are all affected by the methods of harvesting, post-harvest handling, packaging, storage and methods of transport.

If a farmer wants to sell products at a market, he or she will need to harvest, handle, package, store and transport the products in a way that meets the requirements of the market so that they can fetch the best possible price. How the product is handled after harvest affects the quality of the product, which, in turn, affects the price of the product.

6. Briefly take the participants through Exercise 70 under the same topic heading. Encourage discussion. How do the farmers they work with currently handle their products after harvest? What systems do they use? What kind of storage do they have? What about transport?
7. Explain the following. In addition to the handling, packaging, storing and transporting of products after harvest, farmers should also give consideration to processing the product after harvest. Products sold in their raw state fetch lower prices than the same product which has been processed. Primary processing includes things like shelling and drying. Secondary processing includes hulling, splitting, grinding and milling. Tertiary processing includes converting uncooked foods into products for human consumption.
8. Take the participants briefly through Exercise 71, again the same topic heading. Encourage discussion. Do any of the farmers they work with currently do any post-harvest processing or other value-adding? What do they do? What other processing/value-adding options are generally available to farmers? What are the main barriers to farmers getting involved in this?

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## Session 22

### Contract farming

1. Explain the following (or make a summary). One way farmers can secure their market is through contract marketing where the farmer enters into an agreement with a buyer to produce a particular product to specific requirements of quantity, quality and timing. Before entering into a farming contract, farmers need to understand how they work and their advantages and disadvantages. They also need to know what should be included in the contract to make sure they are protected and are getting a fair deal.

Contract farming can help smaller-scale farmers diversify, as they provide a guaranteed market for the product. With a contract the selling price is known from the start, which reduces risk. Contracts allow farmers to access markets they might not otherwise be able to access. They also usually have quality requirements and therefore the contracted buyer will often provide extension and advice. In this way farmers can learn new enterprises and new technologies that they might not otherwise risk learning or experimenting with.

Contract farming also has limitations. Farmers are not free to run their farms as they want; they must produce according to the contract. This may require the farmer to borrow money to buy equipment to produce the product according to the contract. The farmer is also obliged to sell the quantity agreed in the contract to the contract buyer. This means if a better opportunity comes along, he or she cannot take it up.

Contract farming also provides opportunities for farmers to work together. Collective contract farming helps spread risk, improves their chances at obtaining financing, increases the possibility of meeting the volume requirements and facilitates better input and market prices. Through group contract farming, weaker or struggling farmers can get help from stronger farmers.

2. Explain that this section of the school programme helps the farmers understand and take steps towards contract farming. There are two theoretical exercises followed by a visit to a buyer.



## Session 23

**Collective and collaborative action:  
Partnerships among farmers**

1. Explain the following. Changes in local, national and international marketing create pressure on farmers and challenge them to find ways to reduce risk and reduce costs. One of the ways farmers can meet this challenge is through collective action - through group business management. Farmers can work collectively on two levels: partnerships among producers; and partnerships along the value chain.

We will start with partnerships among producers by looking at Exercises 77 and 78 (Topic - Partnerships among producers).

2. Explain the following (or a summary). Sometimes a single small-scale farmer cannot compete with other producers and players in the agricultural value chain. In such cases, he may want to consider joining forces with other farmers to improve their ability to compete and succeed. One of the most viable ways to work together is through group marketing. This has many advantages such as increasing bargaining power, getting better prices and sharing risk. It also has some disadvantages including loss of flexibility and having to accept agreed prices even if higher prices can be found. As with all good farm business practices, farmers should approach group business management carefully and systematically. They need to decide on the criteria for membership, what each member should contribute to the scheme, what services should the scheme provide to members, how the group should be managed, and how the scheme should be financed
3. Take the participants through Exercise 77 - Group marketing.
4. Then briefly run through Exercise 78 - Organizing for collective marketing.
5. Encourage discussion. Are any of the farmers they work with doing any group marketing? How does it work? What are the arrangements? What opportunities are there for farmers to market as a group? What are the challenges?

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Session 24  
**Group business management:  
Partnerships along the value chain**

1. This session requires some preparation. Read through Exercise 79 and make the necessary preparations based on the diagram 'My value chain' and 'My place in the value chain'.
2. Explain the following. In the changing farming environment farmers need to increasingly recognize that they are part of a chain and that the competitiveness of the chain is often more relevant than the competitiveness of any individual actor - farmer. In today's world competition more often takes place between chains and than between individual actors. Helping farmers build capacity to participate in, contribute to and benefit from a value chain. Key factors in realising this are fostering collaboration and building trust between stakeholders within a value chain.
3. Explain that in this section of the programme farmers are helped to explore the idea of getting involved with their value chain and looking for opportunities to benefit from it.
4. Take the participants through Exercise 79 (Topic - Partnerships along the value chain). To do this they will need to play the part of the farmer.
5. Take the participants briefly through Exercises 80 to 85 under the same topic heading. Encourage discussion. What companies might make good partners for the farmers they work with? What criteria do they use? What are the pitfalls?
6. Explain that this concludes the review of the main exercises of the FBS programme. Encourage discussion.

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Day 7  
**REFLECTING ON PERFORMANCE,  
ESTABLISHING AN FBS  
AND PREPARING FOR THE FIELD**

This is the last day of the orientation. It is advisable that a senior officer in the organization sponsoring the FBS is present at the end of the day to close the orientation and to give any final instructions or advice. You may also want to close the orientation with a special celebration at the end of Session 27.

### Session 25 Reviewing the assessment processes

1. Explain that the purpose of this session is to briefly review the farm business school as a process. We are primarily concerned with assessing how the business plan improved the profitability of the farmers' farms. The topics are;
  - Review farming operations at the end of the production year;
  - Practice using farm records as a means of assessing performance;
  - Benchmark and evaluate farm performance.
2. Exercises 86-94 (Topic - Assessing the performance of a farm business plan) give the farmers the opportunity to reflect on the outcomes of their plans and to assess them section-by-section. The purpose for doing this is to a) reinforce the practice of objective evaluation, assessment and reflection; b) help them prepare for the next season. Ideally they would apply what they have learned from the past season to the next season.
3. Briefly read through Exercises 86-93. Encourage discussion. Make sure the participants are comfortable with these exercises.
4. Explain that Exercise 94 (Reviewing the evaluation process and the role of record-keeping) will help reinforce keeping records. When the farmers have worked through the assessment exercises they should have a greater appreciation for keeping records. Assessment is very difficult without accurate records.
5. Close this session with a brief review of Exercise 95 and 96 (Topic - Assessing the farm business school and its lessons). In both of these exercises the purpose is to improve the content, the process, and the management of the farm business school programme.

**Special note:** In addition to topics already outlined, direct the participants attention to Exercises 97 to 100 (Topic - Enterprise budgets) to complete this overview of exercises. These include 'Calculating enterprise profitability, Break-even price and yield' and 'Understanding partial budgeting (see Handbook, Item 1.7).

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Session 26  
**Establishing a farm business school  
and preparing for the field**

It is assumed that the fact that this orientation is being held indicates that there is general approval of the programme, that it has been provided with funding and that a plan for rolling out the FBS system has been developed and is now being implemented. The following issues will have been addressed by the main organizers of the FBS in your country:

- Farm business school models;
- Developing a farm business school process;
- The farm business school cycle;
- Monitoring and evaluating the FBS;
- Resource requirements;
- Setting goals for the FBS.

It is also assumed that materials have been translated or otherwise prepared for facilitators to use.

Therefore, the final part of the orientation of facilitators will focus on preparing facilitators to start with their first set of farm business schools.

1. Ask the participants to open their handbooks and manuals to Section 4, Preparing for the field.
2. Explain the following. After completing the orientation programme and being deployed the work of the FBS begins in earnest. The work of facilitating a FBS has five distinct activities:
  - Recruiting and inviting participants;
  - Planning the FBS programme and timetable;
  - Facilitating the FBS sessions;
  - Graduation;
  - Mentoring and accompaniment.
3. Organize the participants into teams of 3-5. If any of them work in the same area, they should be in the same group.
4. Ask each team working together as a group study Section 1, Item 4.1, Recruiting and inviting participants. Then each member of that team should carry out the following tasks:
  - a) Decide on an area where they will launch their first FBS.
  - b) Make a brief plan of which farmers they will contact and how they will contact them (e.g. meet them in their homes, address a community/farmers' meeting).
  - c) Plan the introductory meeting with interested farmers (when, where, who will attend).
5. When they have finished, ask the participants to briefly share their plans. Encourage discussion.
6. Ask the teams to use the example training needs and wants form to discuss what they think the farmers they work with know about farm business management and what they think they might need to learn in term of what the FBS has to offer.
7. Ask the teams to share the results of their discussions. Encourage discussion.
8. Again ask the teams to consult on their assessments. They can change them if they need to.









For information on FAO's activities  
related to farm business management  
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**The materials presented in this orientation are generic in nature. They are designed to capture the essential points of the farm business school programme and create a detailed framework for orienting facilitators. No attempt has been made to contextualize the content. Therefore, it is important for those responsible for preparing the orientation programme to review these materials carefully and to adapt them to the context of the country, region and/or particular setting relevant to the trainee facilitators.**