Farmer Business Schools in a Changing World
A gender-responsive and climate-smart manual for strengthening farmer entrepreneurship

Volume I
INSTRUCTIONAL GUIDE FOR FBS FACILITATORS

Volume II
EXERCISE GUIDE FOR FBS FACILITATORS
Farmer Business Schools in a Changing World

A gender-responsive and climate-smart manual for strengthening farmer entrepreneurship

Volume I

INSTRUCTIONAL GUIDE FOR FBS FACILITATORS
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Correct citation
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FOREWORD

We have become used to understanding agriculture in the Global South as a major element of household and community livelihoods. Farming within low income rural populations is rightly seen as drawing on household natural and physical resources, family labor, expertise and local social networks, and as an output to provide food and income. It also contributes to the cultural identity of rural life and in many places, still dominates the rhythms of the year. As urbanization processes accelerate and growing numbers of women, men and youth seek employment opportunities in towns and cities, household livelihoods are becoming increasingly complex, with direct food production and income from farming supplemented with different kinds of non-farm income. Many of these non-farm occupations are self-described as "businesses", including small-scale trading of different kinds, odd-jobbing, transport services, repair shops, production of handicrafts, and so on. In discussions with adult and young women and men in these rural contexts, aspirations about accessing urban-based businesses as well as accessing professions such as nursing, teaching or ICT are often contrasted with agriculture as the non-business, low status, low income option. Aspirations of parents for children often repeat the same refrain, investing in their children's education in the hope that they can thereby escape from farming.

Yet the reality is that farming will continue to be a central part of rural livelihoods, despite the aspirations of parents and their children. So how can it be made to generate more income? How can agriculture also become more of a business and therefore more attractive to the young and their parents? Researchers and development specialists have been addressing the profitability of farming in different ways over the past five decades or so, at first via increased productivity, but more recently also via various market or value chain approaches (Humphrey and Navas-Aleman 2010). These approaches have all tried to help develop better marketing opportunities and better income from sales for small-scale farming families. Within this context, CIP developed its own methodology to support this process of increased commercialization, the Participatory Market Chain Approach (PMCA). The approach provides methods and tools to support small-scale producers – potato farmers in this case – to engage with market agents and agricultural service providers to identify common interests, share market knowledge, and develop new market opportunities. The approach was pioneered in Latin America, which is one of the most challenging environments for sustaining successful smallholder agriculture – almost three quarters of the region's population is already urban and this trend continues – and it has subsequently been piloted in both Sub-Saharan Africa and in Asia. The piloting in Indonesia was part of a project focused on linking vegetable farmers to markets in West and Central Java, with the objective of improving incomes and promoting sustainable livelihoods by enabling these farming households to become integrated into profitable supply chains, and by enhancing their capacity to adopt new market-driven technologies and innovative practices.

This project started with a combined focus on livelihoods and markets, and sought to adapt the three-stage process involved in the PMCA to the needs of vegetable producers and other market chain actors. A combination of several factors and influences led to the development of a complementary "Farmer Business

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School" component of the effort to develop better marketing opportunities and increased income for farmers. Following conclusion of the PMCA third phase, in which value chain actor groups linked to fresh and processed potato marketing sought to develop innovative marketing strategies, it was clear that the farmers and processors needed on-going support, especially within the area of "business development". The project set up Business Development Services to facilitate interaction among value chain actors, support communications and promotional activities, and to provide advice to innovators. A second factor was the result of a review of the PMCA process, which showed that farmers and their organizations had difficulty interacting productively with businessmen involved in the sector of interest. There was a clearly identified need to strengthen business and marketing skills either as a necessary compliment to PMCA or, in some cases, as a sufficient alternative to it given the considerable time and financial investment involved in PMCA.

A third factor was the important experience and success of Farmer Field Schools in Indonesia as an action-learning approach to strengthening farmers’ knowledge and skills, mostly in production, although several curricula also included marketing sessions. It was felt that the adult learning methodology of FFS, centered on the crop production cycle, could and should be adapted for specific use to strengthen the marketing and value chain cycle or process.

This rich convergence of recent learning and a wealth of prior experience contributed to the preparation of the FBS methodology in Indonesia and from there it was introduced into the Philippines Cordillera. Introducing a novel method into a new institutional setting requires determination and excellent partnerships. This came to characterize the collaboration between the IFAD-supported CHARMP2 loan financed, development-oriented project, led by the Department of Agriculture, and the CIP staff leading the IFAD-funded FoodSTART research-oriented grant project. Working with 76 farmer groups across four provinces, FBS was introduced via training and "learning-by-doing", one of the key tools of the earlier FFS approach. The results have been important, especially when viewed through the significant changes they have brought about in people's lives: "My husband does odd jobs, and usually, I would have to leave my community to find work because what he earns is not enough. Now, I can stay in my community, take care of my family, and have a reliable source of income, too" (Woman from Bontoc, Mountain Province).

The methodology presented here is a living documentation of adaptive tools and approaches. The tools used with CHARMP2 have been modified to make them more gender-responsive and climate-smart. While testing these modified tools in training in India and in central Philippines, further changes have been introduced. It will not be surprising if those who take up this methodology will make further adaptations and modifications to suit their particular contexts. The authors look forward to hearing from you about these further changes. The main hope, of course, is that the FBS methodology can help rural households make a successful business out of farming and thereby improve their livelihoods and their expectations for the future.

Gordon Prain, Principal Investigator, FoodSTART+
<table>
<thead>
<tr>
<th>ACRONYMS</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACIAR</td>
<td>Australian Centre for International Agricultural Research</td>
</tr>
<tr>
<td>BDS</td>
<td>business development support</td>
</tr>
<tr>
<td>CHARMP2</td>
<td>Second Cordillera Highland Agricultural Resource Management Project</td>
</tr>
<tr>
<td>CCAFS</td>
<td>CGIAR Research Program on Climate Change, Agriculture and Food Security</td>
</tr>
<tr>
<td>CIP</td>
<td>Centro Internacional de la Papa (International Potato Center)</td>
</tr>
<tr>
<td>DA</td>
<td>Department of Agriculture</td>
</tr>
<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
</tr>
<tr>
<td>FBS</td>
<td>farmer business school</td>
</tr>
<tr>
<td>FFS</td>
<td>farmer field school</td>
</tr>
<tr>
<td>FGD</td>
<td>focus group discussion</td>
</tr>
<tr>
<td>FoodSTART</td>
<td>Food Security Through Asian Roots and Tubers</td>
</tr>
<tr>
<td>FoodSTART+</td>
<td>Food Resilience Through Roots and Tuber Crops in Upland and Coastal Communities of the Asia-Pacific</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
</tr>
<tr>
<td>IIRR</td>
<td>International Institute of Rural Reconstruction</td>
</tr>
<tr>
<td>LGU</td>
<td>local government unit</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-government organization</td>
</tr>
<tr>
<td>NIA</td>
<td>National Irrigation Administration</td>
</tr>
<tr>
<td>PMCA</td>
<td>Participatory Market Chain Approach</td>
</tr>
<tr>
<td>RMA</td>
<td>Rapid market assessment</td>
</tr>
<tr>
<td>SWOT</td>
<td>strengths weaknesses opportunities threats</td>
</tr>
<tr>
<td>TOF</td>
<td>training of facilitators</td>
</tr>
<tr>
<td>VC</td>
<td>value chain</td>
</tr>
</tbody>
</table>
INTRODUCTION

The Farmer Business School (FBS) approach was developed by the International Potato Center (CIP) in 2008 through a project supported by the Australian Centre for International Agricultural Research (ACIAR) that aimed to link vegetable farmers with markets in West and Central Java, Indonesia. Four years later a CIP project in the Asia region, funded by the International Fund for Agricultural Development (IFAD) and known as FoodSTART², helped a local partner in the Philippines adapt field-tests and scale out FBS for farmer groups in the northern Cordillera. The Second Cordillera Highland Agricultural Resource Management Project (CHARMP2), one of the country projects of IFAD in the Philippines, implemented FBS among 76 farmer groups, 38 of them involved in RTC enterprises. There was a total of 1387 graduates of the FBS training with CHARMP2, 83% of them women. In the implementation of business and livelihood actions, 64% of beneficiaries were women; and women’s participation was particularly strong in income-generating activities, reflecting the strong focus of CHARMP2 on empowering women. Nevertheless, the version of the FBS methodology used in the work with CHARMP had limited capacity to register more nuanced responses and perceptions of men and women and to differentiate their different circumstances and needs. In other words, the tools were limited in their gender-responsiveness. Similarly, though highly effective in helping men and women farmers strengthen their enterprise capacity and engage better with the market, the methodology did not consider changes in the circumstances of production and value chains brought about by climate change. Therefore, in 2014 FoodSTART worked with the International Institute of Rural Reconstruction (IIRR) and with CIP gender specialists to strengthen the responsiveness of the farmer business school approach to gender dynamics and to climate change processes.

Overall Goal

FBS is a participatory action learning process that involves the participation of farmer groups in agricultural value chains. As such, it differs from other farm business school approaches by focusing on the equitable and effective inclusion of smallholders in marketing/value chain development, rather than on the operation of the productive on-farm activities as a business. As part of capacity strengthening, FBS comprises a series of group-based experiential learning activities over a production-marketing cycle while interacting with other value chain actors and stakeholders. FBS aspires to a more profitable, equitable and pro-poor farm business environment through market-oriented, climate-smart innovations that enhance trust, coordination, and collaboration among women and men farmers and with other chain actors, leading to greater empowerment and more sustainable livelihoods of targeted farm households.

Learning Objectives

- To form men and women farmer groups for marketing-oriented learning and actions.
- To strengthen farmer groups by understanding gender-linked opportunities and constraints for collaboration and engagement with the market.
- To identify and describe key actors and their roles in agricultural market chains.

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² The full title was Food Security through Asian Roots and Tubers.
- To analyze and prioritize market opportunities for women and men using appropriate tools, so as to increase business profitability for all types of farmer groups and individuals.
- To consider climate-related changes to production systems, which may influence prioritization of market opportunities.
- To introduce technological, commercial, and institutional innovations in collaboration with other chain actors and stakeholders to respond to market opportunities.
- To develop a business plan to make use of new market opportunity by building on innovations.
- To develop strategies for enhancing farmers’ access to — and use of — business development support services.

What is Farmer Business School?

FBS is a participatory action learning approach to support farmer groups’ participation, which will benefit from agricultural market chains guided by a market-chain curricular framework, through a series of learning activities over a production-marketing cycle, including interaction with other chain actors and stakeholders.

Key Features

*Participants:* Individual women and men farmers who are treated as a learning group, interacting with market chain actors and stakeholders.

*Approach:* FBS facilitates experiential, field-based and joint learning.

*Scope:* FBS covers crop production-marketing cycle.

*Content:* The FBS is guided by the market chain framework, gender analysis, and climate change considerations.

*Structure:* The FBS curriculum is flexible and driven by market needs and opportunities.

*Outcome:* At the end of the learning cycle, it is expected that there will be businesses initiated or strengthened.

Methodological Features

- The “field” is not the farm, but the market chain.
- The main learning content is determined by results of the assessment exercise.
- Series of “field days” for interactive events with chain actors/stakeholders.
FBS compared to other approaches

<table>
<thead>
<tr>
<th>Other approaches</th>
<th>Key feature</th>
<th>FBS difference</th>
<th>Possible FBS complementarity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer Field School (FFS)</td>
<td>Principles of adult learning about a healthy crop applied with farmers on farm</td>
<td>Market chain as the &quot;field&quot;</td>
<td>Follow up learning to production-oriented FFS</td>
</tr>
<tr>
<td>Farm Business School (FBS-FAO)</td>
<td>Capacity building on-farm about entrepreneurship and financial management</td>
<td>Capacity building, but also &quot;learning-by-doing&quot; by women and men through involvement with real world assessments of targeted market chains</td>
<td></td>
</tr>
<tr>
<td>Chain-wide Learning (e.g. PMCA)</td>
<td>Generalized interactions among actors in market chains</td>
<td>Focus on business learning through interactions with chain actors</td>
<td>Prior business learning for farmers who participate in chain-wide learning approaches. Scaling up of options from piloted market chain approaches Marketing innovations which are introduced on-farm, near the production side of the chain or involve simpler value addition</td>
</tr>
<tr>
<td>Business Development Support (BDS):</td>
<td>Linkage with institutional and/or individual service providers</td>
<td>Business development for farmers through social learning and interactions with stakeholders: the business service providers</td>
<td>Access/facilitation/provision of enterprise support services (e.g. technology, markets, finance), and opportunities for business development</td>
</tr>
</tbody>
</table>

Using the FBS Facilitator’s Guide

FBS facilitators should read and understand this guide before actually conducting the fieldwork. It is important for the facilitators to understand the whole process of the FBS and to ensure that objectives are met after every session of the modules. It is important to remember that this is only a guide for the facilitators, and that the processes referred to in the modules need to be customized to the local conditions of the community.

The guide is composed of at least 31 sessions divided into nine (9) modules (see diagram below). Each session is made up of:

Volume I: Instructional guide for FBS facilitators

| Objectives | Statements which help guide the facilitators to identify the target/s to be achieved by the participants and trainers at the end of the exercise |
| Duration | Time allotted for the session |
| Activity and steps | These include the description of activities for each session and series of steps that will be followed by the facilitators and participants in achieving the set of objectives of each session |
Discussion questions
These include the description of activities for each session and series of steps that will be followed by the facilitators and participants in achieving the set of objectives of each session.

Volume II: Technical references and exercise guide for FBS facilitators

<table>
<thead>
<tr>
<th>Key learning points</th>
<th>These are either concepts or insights that are learned by the participants in each session</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommended exercises</td>
<td>These are specific exercises that will give the participants a chance to apply what they have learned in the session</td>
</tr>
</tbody>
</table>

Additional information that the FBS Facilitators can use when conducting the sessions can be found in the Annex.
## General Plan for FBS implementation

<table>
<thead>
<tr>
<th>Modules</th>
<th>Sessions/Activities</th>
<th>Participants</th>
<th>FBS team</th>
<th>Suggested duration (No. of hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Planning and targeting</td>
<td>1.1. Preparatory meetings with prospective participants</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>1.2 Targeting and selection of value chains based on criteria drawn from climate change issues and gender dimensions</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>4</td>
</tr>
<tr>
<td>2. Group formation and strengthening</td>
<td>2.1 Livelihood and business visioning</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>2.2 Individual and group capacity assessment</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>2.3 Learning and working together</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>1.5</td>
</tr>
<tr>
<td>3. Introducing concepts of marketing, business, climate change and gender</td>
<td>3.1 Market chain perspective</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>3.2 Entrepreneurship for small-scale producers</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>3.3 Types of business organizations</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>3.4 Climate change basics</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>3.5 Gender concepts and issues</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>1</td>
</tr>
<tr>
<td>4. Identifying and prioritizing market opportunities</td>
<td>4.1 Planning and market chain assessment</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>4.2 Conducting market chain assessment</td>
<td>Farmers, chain actors</td>
<td>Facilitators</td>
<td>4 (plus travel time)</td>
</tr>
<tr>
<td></td>
<td>4.3 Discussion and analysis of assessment results with tools for analysis including risk-proofing of livelihoods</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>4.4 Sharing and validating results with value chain actors, including tools for priority setting with climate change and gender issues</td>
<td>Farmers, chain actors</td>
<td>Facilitators</td>
<td>4</td>
</tr>
<tr>
<td>5. Targeting and testing potential innovations</td>
<td>5.1 Action planning for innovations to address market opportunities</td>
<td>Farmers, chain representatives</td>
<td>Facilitators</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>5.2 Designing and organizing the testing of innovations with tools for analysis</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>5.3 Conducting and monitoring the testing of innovations</td>
<td>Farmers, chain actors</td>
<td>Facilitators</td>
<td>4</td>
</tr>
<tr>
<td>5.4 Special topics to support innovations (e.g. business regulations, business ethics, collective marketing)</td>
<td>Farmers</td>
<td>Facilitators, resource persons</td>
<td>depends on topics identified</td>
<td></td>
</tr>
<tr>
<td>---</td>
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<td></td>
</tr>
<tr>
<td>5.5 Analyzing results and preparing for sharing of innovations</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>5.6 Presenting and sharing of innovations with key market chain actors and farmers</td>
<td>Farmers, chain actors</td>
<td>Facilitators</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>6. Business planning</td>
<td>6.1 Introduction to business planning</td>
<td>Farmers</td>
<td>Facilitators, resource persons</td>
<td>4</td>
</tr>
<tr>
<td>6.2 Developing and customizing business plans including climate change adaptation/mitigation and gender</td>
<td>Farmers</td>
<td>Facilitators, resource persons</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>6.3 Critiquing and improving business plans</td>
<td>Farmers</td>
<td>Facilitators, resource persons</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>7. Accessing business support services</td>
<td>7.1 Financial resources</td>
<td>Farmers</td>
<td>Facilitators, resource persons</td>
<td>2</td>
</tr>
<tr>
<td>7.2 Financial management services</td>
<td>Farmers</td>
<td>Facilitators, resource persons</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>7.3 Research and extension support including climate change adaptation and mitigation</td>
<td>Farmers</td>
<td>Facilitators, resource persons</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>7.4 Legal services</td>
<td>Farmers</td>
<td>Facilitators, resource persons</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>8. Final event</td>
<td>Launching of new businesses</td>
<td>Farmers, chain actors, other farmers, support services providers</td>
<td>Facilitators</td>
<td>8</td>
</tr>
<tr>
<td>9. Post-FBS support</td>
<td>1. Monitoring of business, support services and external business environment</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>4-8 hours</td>
</tr>
<tr>
<td>2. Managing business challenges and opportunities</td>
<td>Farmers</td>
<td>Facilitators</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Facilitating implementation of long-term business plans</td>
<td>Farmers</td>
<td>Facilitators, resource persons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Continuing capacity development of project implementers</td>
<td>Farmers</td>
<td>Facilitators</td>
<td>depends on interest and needs</td>
<td></td>
</tr>
</tbody>
</table>
PRELIMINARY PREPARATIONS

A. Entry points and selection of sites

Prior to FBS implementation, the organization must already have discussed and decided on the actual site (community) where the FBS will be conducted. Scoping studies can be undertaken to help guide the organization in selecting the site based on each organization’s priorities and programs.

Options for “Entry points” or “givens” for each FBS group

a) A pre-determined geographic area (ecological, hydrological catchments, or administrative/political e.g. a municipality or local community/village)
b) An existing group/association, formal or informal (demand-driven?)
c) A specific commodity, e.g. root crop, with the location identified according to production zones

Possible criteria for targeting of FBS location

- group already exists (informal – interests, commitment, resources)
- poverty level
- potential to benefit specific target groups (women, youth, indigenous communities)
- production and/or market potential (opportunity)
- climate change vulnerability, and potential to enhance resilience
- linkages to other agencies and support providers (i.e. options for post-FBS support)

Ensure compatibility with resilient livelihoods, production systems, etc. (protecting, strengthening, diversifying). If the innovations to be tested are all related to crop production, a FFS may be the more appropriate process to follow. It may be worthwhile to have two groups in the same community: (a) FBS for climate change adaptation/mitigation (farm production); and (b) FFS for produce/product marketing.

One commodity or one product per group

Pros and cons: loss of focus, time and resource implications; diversity contributes to resilience of livelihoods.
Recommendations: one value chain per FBS cycle; leads to an enterprise with a business plan; can expand to other related products in further cycles; for unrelated products, best to work with different groups.

Diversity of livelihoods can be considered at wider community or catchment levels
i.e. different FBS groups across a given area.
B. Selection and number of participants
The suggested number of farmer participants per FBS group is 25-30. Please note the gender balance. Some suggested criteria for participants are as follows: (1) commitment to participate in the whole FBS implementation, (2) willingness to participate in group-based businesses, and (3) willingness to counterpart/share. Ideally, FBS is implemented with a group or organization. If with an organization, an optional criterion is that the FBS participant must be a member in good standing.

C. Formation of facilitator’s team
An ideal facilitation team per FBS should be composed of at least three people who could be representatives of the organization/project, local government offices, and farmer leaders. Prior to conducting an FBS, the facilitators must undergo a four- to five-day training of facilitators (TOF) to familiarize them with FBS implementation. Please note the gender balance among the facilitator’s team.
VOLUME I
INSTRUCTIONAL GUIDE FOR FBS FACILITATORS
MODULE 1
Planning and targeting

This module aims to help facilitators start up the FBS implementation. It consists of two sessions: (1) preparatory meetings with prospective participants, and (2) targeting and selection of commodity for value chain development based on criteria that include climate change and gender.

Overview of Module 1 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Preparatory meetings with prospective women and men participants</td>
<td>1. To understand the farmer business school (FBS) process 2. To commit their participation to complete the FBS curriculum 3. To develop a customized FBS curriculum based on their group profile</td>
<td>1. Orientation to FBS</td>
<td>1. Lecture-discussion using slides</td>
<td>1 hour</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. FBS planning</td>
<td>1. Getting to know</td>
<td>5 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Value chain case presentation (video)</td>
<td>15 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Definition of roles and responsibilities for facilitators and participants</td>
<td>25 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Profiling of participants</td>
<td>15 minutes</td>
</tr>
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<td></td>
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<td></td>
<td>5. Division by group</td>
<td>30 minutes</td>
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<td></td>
<td></td>
<td></td>
<td>6. Checking expectations</td>
<td>15 minutes</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>7. Formulating house rules</td>
<td>15 minutes</td>
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<td></td>
<td></td>
<td></td>
<td>8. Pre-testing</td>
<td>30 minutes</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>9. Customizing FBS curriculum</td>
<td>30 minutes</td>
</tr>
<tr>
<td>1.2 Targeting and selection of commodity for value chain development with climate change and gender dimensions</td>
<td>1. To agree on criteria for commodity selection</td>
<td>1. Generate criteria for FBS enterprise selection through focus group discussions and key informant interview</td>
<td>2 hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. To develop list of commodity options</td>
<td>2. Rank options by criteria for FBS enterprise selection</td>
<td>hour</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. To agree on commodity for FBS focus</td>
<td>3. Gender mapping</td>
<td>1 hour</td>
</tr>
</tbody>
</table>
Session 1.1 PREPARATORY MEETINGS WITH PROSPECTIVE WOMEN AND MEN FBS PARTICIPANTS

Duration: 4 hours

Objectives:
At the end of the session, participants will be able:
1. To understand the Farmer Business School (FBS) process,
2. To commit their participation to complete the FBS curriculum; and
3. To develop a customized FBS curriculum based on their group profile.

INVITATION TO ATTEND THE FIRST FARMER BUSINESS SCHOOL (FBS) MEETING

After learning the set of criteria and characteristics that the FBS facilitator should have, the next step is to let the potential women and men participants know about the FBS approach. It is important to identify potential partners (e.g. local government, NGOs) that will be willing to co-implement the FBS. The roles of each organization must be defined prior to the formal start of the school. Before inviting farmer groups or individuals, the FBS facilitation team must agree on the date, venue, flow of the program, and specific tasks.

The invitation may be conveyed verbally or written in a formal letter addressed to the men or women heads of farmer or other types of groups (formal or informal) through the village or district, depending on the usual practice of issuing invitations to the communities. Invitations should explicitly target both women and men in the farming community. The announcement may also be in the form of informational posters or other communication materials with indication of the venue, dates, and the topic of the discussion. Remember that the success of the FBS also depends on its participants.

NOTE:
1. In some cases, it might be appropriate to formalize the FBS implementation through a letter of understanding or agreement.
2. If the FBS site has high illiteracy rates among women, using a poster is not the best way to reach them. An alternative or a more effective way to circulate the invitation is by going to women’s groups or other kinds of organizations where women participate (e.g. a local Health Center); this would be a better way to guarantee women’s participation. The organizers may also consider using the local dialect to communicate with the prospective audience. It is important to find the best possible way (region- and gender-specific) to circulate the invitation and ensure that there is a gender balance among the participants.
1.1.1 ORIENTATION ON THE FBS

Duration: 1 hours

The participants have already arrived at the venue and they are interested in knowing more about FBS. It is important to establish the advantages of participating in the FBS. One way is to share the success stories of the women and men farmers who have joined the FBS and are now better off in terms of marketing their agri-produce.

For the facilitator/s, the use of the lecture-discussion method with the help of visual aids and speaking in simple language are recommended. If there is a facility like a meeting hall, you may bring a projector and other equipment that are useful for the presentation.

The facilitator will now introduce the overall goal of the FBS and explain its contents to the participants. This will include a discussion of the curriculum and its modules and sessions and may use the sample outline below:

- What is FBS?
- FBS Goals and Learning Objectives
- General FBS Curriculum
- FBS: Indonesia Case
- FBS: Cordillera Case
- Potential FBS Application

Please refer to the introduction for details.

An important point of discussion is the length of the program. FBS requires the participants’ commitment and time to be able to reach the goal of establishing a business at the end of the course. After the facilitator has explained the FBS and its features, it is now time to clarify questions and other matters that the participants have in mind.

REMINDER:
1. The organizers should consider the most appropriate mechanism to elicit women and men farmer’s participation, which may be different by gender and by region or area. If women require permission from a male relative to attend the meeting, local advice may be needed about how best to obtain this permission.
2. In order to have women and men in the meeting, it is important to choose the venue, date, and time carefully. It should be in a place that both men and women can access easily, at a date and time when both can participate.
3. If the target audience is both men and women, the FBS facilitation team should also note that women, most of the time, attend meetings with their children. It would be good to consider having someone to take care of the participants’ children during the meeting.
4. It is important to be aware of the literacy status of the participant. In most cases, women are the ones who are illiterate, so this should be considered when designing the learning methods.
The FBS facilitator should be prepared to answer the queries and be open to any suggestions from the participants. Remember, this is the first time for facilitators to meet the participants so it is important to establish a congenial and welcoming air. Therefore, always wear a smile and be nice. 😊

**Sample questions during orientation:**

- Do we need to meet every week?
- What time of the day is more convenient to participate, especially for women (and men) with household obligations?
- How are logistics (food, transportation) arranged? Does the program provide childcare during the meeting to allow women to fully participate?
- What other constraints may hinder full participation? How to address these challenges?

**REMINDER:**

1. Depending on the context, it may be better to divide the group into men and women.
2. In several instances, women are more comfortable talking in front of an all-women group rather than a mixed group with men. Sometimes, the presence of men limits women’s participation, especially during group discussions.
3. If the group has been divided, it is recommended (again depending on the context) that the facilitator is also a woman so that the women participating feel more comfortable talking and asking questions.
4. When talking about the time and commitment of the participants, women’s constraints regarding the schedule of the meeting should be discussed and an agreement reached.
5. To encourage women’s participation, measures such as baby-sitting facilities should be considered during the planning and budgeting.
1.1.2 FBS PLANNING MEETING

Duration: 3 hours (consists of 9 exercises)

FBS planning includes preparatory meetings of the facilitation team and prospective participants, which will involve (1) tasking within the facilitation team, (2) selecting participants and making sure they understand the purpose of FBS, the process, and commitments on both sides (participants and facilitators), and (3) roles and the expectations of the participants by the time they finish the course. The endpoint of FBS is the launching of a new enterprise. However, this is the starting point for the participants in their journey as entrepreneurs: it is vital that they understand that their commitment goes well beyond the limited time of the FBS cycle itself. Participants will also express their expectations regarding the FBS facilitation team. At the end of the planning, participants together with the facilitation team will review the FBS curriculum and customize it to suit their local needs, customs, and culture.

Table 1. Participants’ and facilitators’ features and expectations

<table>
<thead>
<tr>
<th>Participants</th>
<th>Facilitators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household typology (land, tenure, access, farm size, assets, crops)</td>
<td>Skills, experience, gender</td>
</tr>
<tr>
<td>Group structure (formal, informal)</td>
<td>Organizational support (funding, time allocation)</td>
</tr>
<tr>
<td>Socio-cultural profile (gender, age, ethnicity)</td>
<td></td>
</tr>
<tr>
<td><strong>Expectations:</strong></td>
<td></td>
</tr>
<tr>
<td>Engagement with the process (fit with the household goals over time)</td>
<td>Understand women and men participants’ expectations and needs (including any gender-based differentiation)</td>
</tr>
<tr>
<td>Contribution (time and effort, assets, crops, livestock produce, social contacts, networks)</td>
<td>Personal and institutional commitment to the process and the community (for the FBS cycle and post-FBS support)</td>
</tr>
<tr>
<td>Commitment to continue post-FBS (real business)</td>
<td>Work outside the “comfort zone” (engage with markets, traders, private sector; facilitate inputs from technical experts; problem solving – adaptability, flexibility)</td>
</tr>
<tr>
<td></td>
<td>Learning opportunity (markets, businesses, climate change)</td>
</tr>
</tbody>
</table>

REMINDER:

During the planning meeting with the FBS group, it is important to observe and emphasize the following:

✓ Participant profiling differentiated by gender.
✓ Tasking of the facilitation team.
✓ Reaching common understanding of FBS objectives and process.
✓ Participants being aware of, and agreeing on, the roles and expectations (agreed house rules, norms).
✓ Participants express their expectations regarding the FBS facilitation team.

Please see Volume II: Module 1 on Planning and Targeting for the detailed exercises that the facilitator may use during the FBS orientation and planning.
Session 1.2 TARGETING AND SELECTION OF COMMODITY FOR VALUE CHAIN DEVELOPMENT, WITH CLIMATE CHANGE AND GENDER DIMENSIONS

Duration: 5 hours

Objectives:
At the end of the session, participants will be able:
1. To agree on the criteria for commodity selection;
2. To develop a list of commodity options; and
3. To agree on the commodity for FBS focus.

In this initial stage, the idea is to form a group consensus as to the commodity they will use to carry out the FBS activities and process. In Module 4, they will proceed to select a specific value chain to focus on, so at this preliminary stage, it is sufficient to obtain a consensus on the commodity only: for example, to agree to a focus on sweetpotato (but not on the specifics of which product or market). In order to do this in a systematic manner, there are three steps to be taken:

1. Agree on the criteria for commodity selection.
2. Develop a list of commodity options.
3. Agree on the commodity for the FBS focus, based on a discussion of each option against the criteria.

In cases where a commodity is “a given” due to project objectives, it would still be valuable to undertake a rapid exercise along these lines, in order that the group is aware of why this commodity is being selected, and to make sure that they “own” this decision, rather than having it foisted upon them.


The facilitator should help the group to develop a number of key criteria that they will use to target/select the commodity for the FBS to focus on in this cycle. The following categories provide some guidance for orienting this discussion:

**Agro-ecological potential:** existing crops/commodities, potential crops and commodities that could be produced, fit production conditions, and which may have market potential. Climate change considerations should be included here, avoiding options that are suited for a narrow range of climatic conditions, and emphasizing those that are robust with respect to extremes that occur in the local production area (droughts, floods, wind, etc.), pests and diseases, etc. This may mean consideration of specific varieties suited to these conditions. There may be some quite specific criteria that the FBS group wish to include, related to the “fit” with existing production systems, planting or harvest times, cost of external inputs required, gender-disaggregated labor needs etc.

**Objectives of the group/program:** where there is a specific objective for the group, such as women’s empowerment, youth employment/income generation, nutritional benefit, environmental resilience, etc., such objectives should be included as criteria for commodity selection. This may also include cases where the commodity is a “given” based on the rationale of the program supporting the FBS process e.g. if the project is root and tuber crop related, then only RTCs can meet the criteria. This does not preclude later attention to other commodities in subsequent FBS cycles, but provides a clear entry point for this initial cycle.

**Opportunities in the wider socio-economic environment:** based on market demand, industry interest, technological and other innovations (which may be introduced by the facilitator or other parties for consideration by the FBS group).

**Pragmatic criteria:** based on what can realistically be achieved, given the time and resources available.
Table 2. Criteria to consider for selection of value chain

<table>
<thead>
<tr>
<th>Potential for growth</th>
<th>Potential for women’s empowerment and gender equality</th>
<th>Pragmatic criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive growth trend of the value chain, unmet market demand</td>
<td>High share of women employed in the value chain as compared to the economy at large</td>
<td>OUTREACH</td>
</tr>
<tr>
<td>Available sales outlet, high interest of buyers in the product</td>
<td>High number of women entrepreneurs in the value chain</td>
<td>Size of value chain in relation to project resources</td>
</tr>
<tr>
<td>Scope for expanding production; scope for value addition through processing or product improvement (new products for which there is a market)</td>
<td>Women control equipment on assets</td>
<td>Significant number of women employed and new job opportunities</td>
</tr>
<tr>
<td>Low costs of the value chain vis-à-vis competitors</td>
<td>Women have (or can acquire) skills for profitable value addition in processing and diversification</td>
<td>Significant number of small farmers, small enterprises and small companies</td>
</tr>
<tr>
<td>Other competitive advantage vis-à-vis competitors (unique product, local specialty)</td>
<td>Women control the sales income and the enterprise</td>
<td>Significant area covered</td>
</tr>
<tr>
<td>Potential for collaboration and coordination between actors for value chain upgrading</td>
<td>Close to home</td>
<td>PROSPECTS OF SUCCESS</td>
</tr>
<tr>
<td>Sufficient technological and managerial level of enterprises for upgrading and innovation</td>
<td>Low barriers to entry for small-scale and poor entrepreneurs (small scale of production, low start-up costs, no need for major capital investment, use of low-tech skills)</td>
<td>Own initiatives and commitment of chain actors, their readiness for change</td>
</tr>
<tr>
<td>Access to infrastructure, qualified workers, raw materials, inputs</td>
<td>Low entry barriers for women entrepreneurs (time and mobility, access to technology and assets, cultural constraints)</td>
<td>Existence of some level of organization of chain actors</td>
</tr>
<tr>
<td>Sufficient access to financial services</td>
<td>Offers new opportunities for women</td>
<td>Sufficient resources (time, funds, and know-how) to invest in chain development</td>
</tr>
<tr>
<td>Sufficient access to business development services</td>
<td>In line with livelihood conditions (year-round income, using family labor, rapid returns, contributing to food security, conserving the environment, not reducing availability of clean water)</td>
<td>Existence of partners to collaborate with demand of investors and partners</td>
</tr>
<tr>
<td></td>
<td>Total potential for women’s empowerment and gender equality</td>
<td>Existence of institutions and service providers (financial, entrepreneurial, technological, gender) to support value chain actors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conducive framework conditions and business environment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PROGRAM-RELATED ASPECTS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relevance to government economic policy priorities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corresponding to project objectives, mandate and resources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relevance to mandated area</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Synergies and scope for cooperation with other support programs</td>
</tr>
</tbody>
</table>

2. **List of commodity options**

The FBS group can generate a number of options based on their existing production systems. Novel options can be suggested by the facilitator or by other stakeholders (project staff, researchers, local agro-industry, etc.) but will need to be backed-up by sufficient information to allow for assessment against the agreed criteria. Ideally, there will be a reasonable number of options (three to six) that can be considered by the group. In the case where a commodity is currently only grown for own consumption or local markets, there should be some indication that value chain development is possible (i.e. that wider markets and/or value-added products do exist to which the group could link).

3. **Reaching agreement on the targeted commodity**

For each commodity, the group should discuss the criteria, identifying the main advantages and disadvantages. If desired, a score (1-5) can be given for each criterion. To add more complexity, the criteria can also be weighted (the most important ones given more weight) so that a ranking of the commodities can be obtained. However, it may be that a less structured process based on discussion and consensus building is sufficient, avoiding the need to get too detailed at this stage. It is likely that consensus will emerge around one commodity. If there is disagreement and two favored commodities are competing after the full discussion, then a more objective ranking of these options can be undertaken. This will permit a more rational (and perhaps less heated) discussion of the relative merits of the commodities, and will make it more explicit where any trade-offs may be necessary.

**Note to facilitators:**
Include gender and climate change considerations. Facilitators should explore whether targeted commodities are gender-linked or whether both women and men can benefit and are interested in marketing that commodity. Facilitators can also use existing information on climate risks for the FBS group to decide on any links between the targeted commodities and climate change. Climate change-related risks and experiences in the locality or community relevant to the FBS participants’ farm system can be discussed (timeline with related stories).

In the three-stage process outlined above, it is important that gender and climate change are explicitly included in the criteria (Step 1) and in the discussion around commodity selection (Step 3) using those criteria. This will ensure that these critical issues and concerns are given due attention, and that the selected commodity is suited to the gender-related development objectives as well as having the potential to contribute to sustainable and resilient livelihoods in the medium-long term, as the effects of climate change become more severe over time.

*Please see Volume II: Module 1 on Planning and Targeting for suggested exercises that the facilitator may use during the targeting and selection of commodity for value chain development with climate change and gender dimensions.*
MODULE 2
Group formation and strengthening

This module aims to form and strengthen farmer groups for market-oriented learning and action. It consists of three sessions: (1) livelihood and business visioning, (2) individual and group capacity assessment, and (3) learning and working together.

Overview of Module 2 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Livelihood and business visioning</td>
<td>To discuss key livelihood and business concepts; To develop and share their livelihood and business visions; To build consensus on priority commodities and market chain as tentative learning focus.</td>
<td>1. Small group workshop on livelihood portfolio of group 2. Presentation on livelihoods, farm and agriculture-based business 3. Formulating a group or individual mission and vision</td>
<td>1. Visioning</td>
<td>2 hours</td>
</tr>
<tr>
<td>2.2 Individual and group capacity assessment</td>
<td>To assess existing business capacities and resources for individuals and group; and To use assessment results to plan how the group could enhance capacities and resources to achieve its business vision.</td>
<td>1. Brainstorming to assess and identify existing business capacities and resources of women and men farmers</td>
<td>1. Capacity and asset inventory for target business 2. Individual entrepreneurial competency assessment</td>
<td>2 hours</td>
</tr>
<tr>
<td>2.3. Learning and working together</td>
<td>To determine the importance of farmer group-based learning and action in market chain development; and To analyze what makes a group successful and describe the key roles and contributions of each member.</td>
<td>1. Group sharing on learning and working together as a group</td>
<td>1. Chinese whispers 2. Tower building 3. Breakthrough 4. Trust walk</td>
<td>1.5 hour</td>
</tr>
</tbody>
</table>
Session 2.1  LIVELIHOOD AND BUSINESS VISIONING

Duration: 2 hours

Objectives:
At the end of the session, participants will be able to:
1. discuss key livelihood and business concepts;
2. develop and share their livelihood and business visions;
3. build consensus on priority commodities and market chain as tentative learning focus.

2.1.1 SMALL GROUP WORKSHOP ON LIVELIHOOD PORTFOLIO

Duration: 20 minutes

The facilitator will divide the participants into three groups (if possible try to ensure that at least one group is composed of women, to ensure that the women's perspective on the issues below are captured) to discuss the current livelihood portfolio within the individual household and in the community. Each small group should have a facilitator (for the women's group it should be a woman facilitator), documenter and reporter. A summary of the group discussion must be presented by the participant-reporter in plenary. The facilitator makes a synthesis after the presentations.

The questions listed below may be used to guide the small-group discussion.

- What are the existing types of activities that produce income and food for the household (which we refer to as "livelihood activities")?
- Which of these activities are business-oriented?
- Over the next three (3) years, do you expect changes in your livelihood activities?
- Do you hope to start or expand business activities?
- Do you have any planned business interests that you share with other farming households?
- Do weather disturbances like flooding or drought affect your work activities or other aspects of your life?
- How do men and women contribute to the different livelihoods activities and how do these activities affect men and women's relations and status?

Please see Volume II: Module 2 Session 1 (Livelihood and Business Visioning) for key learning points and suggested exercise “Visioning”.

Farmer Business Schools in a Changing World
2.1.2 PRESENTATION ON LIVELIHOODS, FARM AND AGRICULTURE-BASED BUSINESS

Duration: 40 minutes

The facilitator introduces the concepts at the start of the session with an exercise that clarifies the key concepts of livelihoods, business and enterprise.

Key concepts to consider:

- Household livelihoods and income generation (considering the different contributions of men, women and youth)
- Business and enterprise
- Farm business and agribusiness
- Customer and consumer
- Household and family
- Livelihood strategies: on-farm, off-farm, non-farm
- Vision and mission
- Livelihood assets: human, social, financial, physical, natural

In making the presentation, the facilitator may use multimedia if electricity and meeting space are available. Otherwise, he or she may utilize manual methods such as MetaCards, boards, and markers. Take note that the introduction should also encourage open discussion and sharing of experiences among the men and women participants.

*Please see Volume II: Module 2 Session 1 (Livelihood and Business Visioning) for key learning points.*

2.1.3 FORMULATING A GROUP OR INDIVIDUAL MISSION AND VISION

Duration: Take home

It would be ideal for an individual to have a vision for the future, a direction that he or she wants to follow, or a goal to be achieved or a place where he or she wants to be in years from now. When there is a vision, each activity initiated is aligned and contributory to achieving the individual or organizational goal. The facilitator will discuss the importance of having a vision for oneself and for the organization. He or she will also read out several examples of the vision statement of different organizations.

A take-home exercise on formulating individual vision will be given. In addition, the group will also formulate how they envision their businesses in the future with the consideration of existing crops or commodities that the group members are growing. The answers to the assignment will be read out at the start of the next FBS meeting.
Session 2.2  INDIVIDUAL AND GROUP CAPACITY ASSESSMENT

Duration: 2 hours

Objectives:
At the end of the session, participants will be able:
1. To assess existing business capacities and resources for individuals and group; and
2. To use assessment results to plan how the group could enhance capacities and resources to achieve its business vision.

2.2.1 BRAINSTORMING SESSION TO ASSESS AND IDENTIFY EXISTING BUSINESS CAPACITIES AND RESOURCES OF FARMERS

Duration: 2 hours

The big group will be divided into three (3) small working groups (try to ensure that at least one group is made up of women) to facilitate productive sharing and discussions. Please remember that at the end of this activity, a list of available capacities and resources must be shared with other groups.

Please see Volume II: Module 2 Session 2 for key learning points and suggested exercises (“Capacity and assets inventory for target business”, and “Individual entrepreneurial competency assessment”).
Session 2.3 LEARNING AND WORKING TOGETHER

Duration: 1.5 hours

Objectives:
At the end of the session, participants will be able:

1. To determine the importance of farmer group-based learning and action in market chain development; and
2. To analyze what makes a group successful and describe the key roles and contributions of each member.

2.3.1 GROUP SHARING ON LEARNING AND WORKING TOGETHER AS A GROUP

Duration: 1.5 hours

FBS participants must be divided into two smaller groups by sex for better brainstorming. Each group should assign a reporter who will share in the plenary a summary of the group discussion. The experiences of group members largely contribute to the discussion on the importance of group-based learning and the characteristics needed by the group in order to be successful. The FBS facilitator should complement the sharing with a discussion on the stages in group development and the advantages of a collaborative learning environment.

Discussion Questions:

1. What are the advantages and disadvantages of learning and working together?
2. How does working together contribute to the success of the group?
3. What are the characteristics of a successful group?

Before the group discussion, the FBS facilitator should implement the suggested exercises on Volume II: Module 2 Session 3 (learning and working together). The key learning points must be shared with the participants.

Note to facilitators: Philippine case

You can discuss with the FBS group their decision on the registration of their group. If they are not yet registered, where do they want to be registered? If they are already registered, do they need additional registrations?

Please see Module 7 for more information on different agencies for registration.
MODULE 3
Introducing concepts of business, marketing, climate change, and gender

This module aims to introduce key marketing, business and entrepreneurship concepts within a market/value chain perspective. It consists of two sessions: (1) market chain perspective; and (2) entrepreneurship for small-scale producers.

Overview of Module 3 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Value chain perspective</td>
<td>To enhance their understanding of the concepts of markets and marketing/value and supply chain; To identify the different actors, service providers and other stakeholders and their roles in the market chain</td>
<td>1. Lecture on understanding market and value/market/supply chains and business concepts</td>
<td>1. Field work on market and mapping the chain 2. Markets and value chain statements</td>
<td>At least 2 hours at market/field</td>
</tr>
<tr>
<td>3.2 Entrepreneurship for small-scale producers</td>
<td>1. To discuss the concept of men and women farmers as entrepreneurs 2. To identify and compare different types of organizations involved in marketing, and the pros and cons of business</td>
<td>1. Lecture on entrepreneurship for small-scale producers</td>
<td></td>
<td>1 hour</td>
</tr>
<tr>
<td>3.3 Types of business organizations</td>
<td>1. To explain the different types and nature of business organizations 2. To identify government agencies responsible for the regulation of various types of businesses</td>
<td>1. Group discussion among the participants</td>
<td></td>
<td>1 hour</td>
</tr>
<tr>
<td>3.4 Climate Change basics</td>
<td>1. To get a good idea of people’s basic understanding of climate change (a short video on CC may be used to stimulate discussion) 2. To discuss evidence about CC and potential threats of climate to agricultural production and food security in the region 3. To present farmer experiences and solutions: climate change affecting farmer activities and initial ideas on resilience strategies</td>
<td></td>
<td></td>
<td>1 hour</td>
</tr>
<tr>
<td>3.5 Importance of gender in agriculture and agribusiness</td>
<td>1. What is gender? The issue of gender norms 2. Issues of resource control, decision-making, and collaboration between men and women in agricultural value chains 3. To determine resource control, decision-making, and gender collaboration in their own businesses</td>
<td>1. Gender realities: status and evidences and gender concepts</td>
<td>1. Born the opposite sex: exercise on sex, gender and “doing gender”</td>
<td>1 hour</td>
</tr>
</tbody>
</table>
3.1 VALUE CHAIN PERSPECTIVE

Duration: 2 hours

Objectives:
At the end of the session, participants will be able:
1. To enhance their understanding of the concepts of markets, marketing, market/value chains, and adding value; and
2. To identify the different actors, service providers, and other stakeholders and their roles in the market chain.

3.1.1 LECTURE ON UNDERSTANDING MARKETING AND BUSINESS CONCEPTS

Duration: 2 hours lecture with market visit

The start of the third module is heavily focused on the key concepts of market, value chain, and entrepreneurship for small-scale producers. In this session, the participant will be exposed to different terminologies and practical examples.

Within the context of the group (location, priority commodity, group members), try to brainstorm on a specific value chain identified by the group after all the lectures, using the following guide questions.

Discussion questions on a concrete case of value chain that the participants may know:

Understanding Value Chains
- Who are the chain actors? What are the important characteristics of a chain actor? What moves or flows between different chain actors?
- Who are the service providers? What types of services do they provide to the group or individual?
- Who are the stakeholders?

Adding value
- What are the different ways we can add value to a commodity or product?
- What is the role of innovation along the value chain?

Prior to the lecture, an exercise on mapping the chain will be undertaken by the participants, with guidance from the facilitators. The exercise aims to map the chain of the selected commodity, which will also be the basis for the lecture on key concepts of market, value chain, and entrepreneurship. The participants will be divided into small groups and assigned a commodity, and will conduct observations and interviews in the market with traders, farmers, and buyers. At this stage the fieldwork should be brief, simple, and focused on the local situation. After the field work at the market, the participants prepare a short report for plenary presentation.
After the lecture, when the participants are familiar with the key concepts of marketing and business, these concepts must be applied to practical experiences. An exercise “developing market and value chain statements” will be tried out by the participants, and shared with the group.

Please see Volume II: Module 3 Session 1 for key learning points and suggested exercises (“Field work on markets and mapping the chain” and “Markets and value chain statements”).
3.2 ENTREPRENEURSHIP FOR SMALL-SCALE PRODUCERS

Duration: 1 hour

Objectives:
At the end of the session, participants will be able:
1. To discuss the concept of farmers as entrepreneurs; and
2. To identify and compare different types of organizations involved in marketing, and the pros and cons of business.

3.2.1 LECTURE ON ENTREPRENEURSHIP FOR SMALL-SCALE PRODUCERS

This session emphasizes the changing mindsets of the farmers from being production-oriented to market-oriented. Recall from Exercise 1 (mapping the chain; business and enterprises). The facilitator will encourage discussion and stimulate sharing among the participants. The following guide questions and topics would be helpful during the activity.

The farmer as an entrepreneur: Profit orientation

- What are the experiences shifting from on-farm production (or sale of surplus to local market) to a more commercially oriented production system?
- Concepts: commodities and products, advantages and disadvantages (risk vs. reward), commercial orientation on household food security (home-use vs. market-oriented)
- Are we (individually or as a group) interested in becoming involved in a more market-oriented and entrepreneurial approach to agriculture and livelihoods?
- Are we prepared to take some risks in this process? What is an acceptable level of risk?
- What can we contribute to this effort? Make a list of assets, attributes and resources that the community and each farmer can contribute. This may include:
  - Time of people (women and men)
  - Knowledge (indigenous and gender-specific knowledge, results of past capacity building programs)
  - Resources, including land, equipment, facilities, and the extent to which you have control over these
  - Financial assets – what can be contributed by the community
  - Relevant social networks, including existing links to markets via traders etc.
- What do we lack in order to proceed?

A note that sessions 3.2 and 3.3 may be combined in one day.

Please see Volume II: Module 3 Session 2 for key learning points.
3.3 TYPES OF BUSINESS ORGANIZATIONS

Duration: 1 hour

Objectives:
At the end of the session, participants will be able:
• To explain the different types and nature of business organizations; and
• To identify government agencies responsible for the regulation of various types of businesses.

3.3.1 GROUP DISCUSSION AMONG THE PARTICIPANTS

This session should emphasize the importance of identifying the different types of agency involved in the registration of farmer or agribusiness organizations and what these agencies offer, the fees charged etc. The facilitators should describe the advantages and benefits of the different types of business organizations, as well as their limitations or challenges. Note that options available will differ considerably by country, according to legal frameworks and the government agencies responsible for registering and regulating each type of organization. This will require preparatory work by the facilitators before starting the first FBS cycle.

Discussion Questions:
Types of producer organizations
• What are the different types of formal and informal producer organizations?
• What are the pros and cons of each type?
• When is it worthwhile to register and formalize an informal group? With whom?

Please see Volume II: Module 3 Session 3 for key learning points.
3.4 CLIMATE CHANGE BASICS

Duration: 1 hour

Objectives:
At the end of the session, participants will be able:
1. To define key concepts related to climate change;
2. To discuss potential threats of climate to agricultural production and food security; and
3. To present farmer experiences and solutions: climate change affecting farmer activities and initial ideas on resilience strategies.

The key concepts on climate change in this session serve as background information in the next module (Identifying and prioritizing market opportunities) to integrate these issues in the choice and selection of different interventions/innovations from inputs/production to consumption.

To aid the presentation on climate change and gender concepts, the facilitator can show a video on these issues first, and then input-discussion can follow.

Please see Volume II: Module 3 Session 4 for key learning points.
3.5 GENDER CONCEPTS AND ISSUES

Duration: 1 hour

Objectives:
At the end of the session, participants will be able:
1. To define key concepts on gender.
2. To discuss the basic gender issues in agricultural value chains; and
3. To integrate a gender dimension in their own businesses.

3.5.1 GENDER REALITIES: STATUS, EVIDENCES AND GENDER CONCEPTS

As a starter, the facilitator will present some of the key ways in which gender affects agricultural practices, opportunities, and innovation, especially through the influence of gender norms on decision-making, resource access and agency. To sensitize the participants, the facts presented below should be followed by the two-minute video by Food and Agriculture Organization (FAO) of the United Nations, “Closing the gap between men and women in agriculture”.

Video link: https://www.youtube.com/watch?v=uDM828TpVpY

The key concepts on gender and issues in this session serve as background information in the next module (Identifying and prioritizing market opportunities) to integrate these issues in the choice and selection of different interventions/innovations from inputs/production to consumption.

*Please see Volume II: Module 3 Session 5 for key learning points.*
MODULE 4
Identifying and prioritizing market opportunities

This module aims to analyze and prioritize market opportunities by using appropriate tools; and to increase business profitability of farmer groups and their individual members in the context of sustainable production systems.

Overview of Module 4 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Planning and market chain assessment</td>
<td>To understand the importance and purpose of market chain assessment; To plan and organize market chain assessment</td>
<td>Lecture on planning the value chain assessment</td>
<td>4 hours</td>
<td></td>
</tr>
<tr>
<td>4.2 Conducting market chain assessment</td>
<td>To apply methods and tools in market chain assessment; To collect relevant information for assessing the target market chains; and To determine methodological and operational challenges in conducting the assessment.</td>
<td>Recap on tools and approaches in market chain assessment</td>
<td>1. Actual conduct of market chain assessment</td>
<td>4 hours (plus travel time)</td>
</tr>
<tr>
<td>4.3 Discussion and analysis of assessment results with risk-proofing of livelihoods</td>
<td>To consolidate, process and analyze data from the assessment; and To discuss and summarize key results, conclusions, and recommendations for action.</td>
<td>1. Evaluation and consolidation of results on market chain assessment exercise</td>
<td>4 hours</td>
<td></td>
</tr>
<tr>
<td>4.4 Sharing and validating results with market chain actors</td>
<td>To share and validate assessment results with other chain actors and stakeholders; and To jointly identify and prioritize market opportunities, including potential collaborations with chain actors.</td>
<td>1. Validation meeting with chain actors and stakeholders</td>
<td>4 hours</td>
<td></td>
</tr>
</tbody>
</table>
4.1 PLANNING AND MARKET CHAIN ASSESSMENT

Duration: 4 hours

Objectives:
At the end of the session, participants will be able:
1. To understand the importance and purpose of market chain assessments; and
2. To plan and organize market chain assessment.

This module aims to take participants through the assessment of actual and potential value chains (VC) for their commodities; use this assessment to determine major constraints and opportunities; and from this, to identify potential interventions/innovations that can be tried out in the following module. The aim is to increase business profitability of farmer groups and their individual members in the context of sustainable production systems and market demands.

This module takes the group, in four sessions, through (a) the design/planning of the assessment, (b) the actual conduct of the assessment, followed by (c) basic analysis and discussion of the results, and (d) their validation through sharing the results with other chain actors and stakeholders. The conduct of the assessment may well require travel beyond the immediate area of the farmer group, in order to visit and interact with other chain actors (traders, wholesalers, processors, etc.) and so needs careful planning for efficient use of time and available funds. This also takes the group into relatively unfamiliar market situations where they may feel less confident. This module thus represents an opportunity to gain experience in market-related interactions and to start to build longer-term relationships with other chain actors who could become useful partners in the future.

The VC assessment methods used in FBS are all participatory. The aim is for the group members themselves, as far as possible, to undertake the different tasks, with support and facilitation. This will involve gaining an understanding of the perceptions of other chain actors through direct interaction. It will also help them to make potentially important contacts with these chain actors and service providers, which may well be useful in subsequent modules.

Note that not all FBS groups will need to undertake a complete VC assessment. Some relatively more advanced or developed groups may require only a market opportunity assessment, which will involve a focus on the first step in the assessment process.
4.1.1 LECTURE ON PLANNING THE VALUE CHAIN ASSESSMENT

The FBS facilitator outlines the steps and scope in doing the value chain assessment. Different tools and approaches, as well as the sample outputs, will be discussed with the participants. In all of the programs or projects, the planning stage is crucial because it will dictate and guide the project in achieving its goals and objectives.

Guide Questions for Brainstorming:

- What commodity/commodities does your group target?
- What is the nature of the product(s)?
- Which market(s)?
- Who do you need to talk to in order to understand the chain and identify opportunities?
- What five (5) key questions do you want to ask?

The end results of this session will therefore be:

1. A basic chain map (for actual and potential value chains) indicating the main actors, service providers and stakeholders to be interviewed, and identifying key information gaps.
2. A plan for conducting the assessment, covering logistical aspects and defining roles and responsibilities of the FBS group members involved.
3. A number of checklists to generate the information required, customized for each chain actor, etc.

Please refer to Volume II: Module 4 Session 1 on key learning points, steps, and sample outputs in planning the value chain assessment.
4.2 CONDUCTING MARKET CHAIN ASSESSMENT

**Duration:** 4 hours (plus travel time)

<table>
<thead>
<tr>
<th>Objectives:</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the end of the session, participants will be able:</td>
</tr>
<tr>
<td>• To apply methods and tools in market chain assessment;</td>
</tr>
<tr>
<td>• To collect relevant information for assessing the target market chains; and</td>
</tr>
<tr>
<td>• To determine methodological and operational challenges in conducting the assessment.</td>
</tr>
</tbody>
</table>

4.2.1 RECAP ON TOOLS AND APPROACHES IN MARKET CHAIN ASSESSMENT

Before the groups (based on the identified value chain) disperse to their chosen location, the facilitator will conduct a briefing and a recap on the different tools that they will be using in the field. Remind the group to keep in mind the information that they need to get and to ask politely. The questions below will help the participants assess their readiness to conduct the market chain assessment.

**Discussion Questions:**

1. What topics and questions will your group include in the checklist?
   a. customize for each crop/product/region
   b. be prepared to follow up on novel responses
   c. leave most sensitive questions (income) until last

2. When is the best time to conduct the market chain assessment in your area/commodity?

It will be very helpful if the facilitators provide the participants with “tips for interviewing” when conducting focus group discussions (FGD), rapid market assessment (RMA) or with key informants or informal interviews and direct observation. Also, some tips on note-taking or recording of information will be helpful.

**Note to facilitators:** You can also include risks and opportunities from climate disturbance for each chain actor/actor: farmer, processor, seller, consumer.

*Please refer to Volume II: Module 4 Session 2 on key learning points and exercises in the value chain assessment.*
4.3 DISCUSSION AND ANALYSIS OF ASSESSMENT RESULTS WITH RISK-PROOFING OF LIVELIHOODS

Duration: 4 hours

Objectives:
At the end of the session, participants will be able:
1. To consolidate, process, and analyze data from the assessment; and
2. To discuss and summarize key results, conclusions, and recommendations for action.

4.3.1 EVALUATION AND CONSOLIDATION OF RESULTS ON MARKET CHAIN ASSESSMENT

After the field exercise, each group has its own set of information gathered from the market exposure. It is now time to discuss the findings with other members and, if necessary, use the needed quantitative and qualitative tools.

Discussion Questions:

1. Who are the key actors involved in the chain? What are their specific roles in the chain? Are these roles specifically linked to men or women? Why do you think that is?
2. What types of services exist within the chain? Which actors have access to these services? Do men and women have different levels of access?
3. What types of relationship exist among the actors of the chain? In terms of products? In terms of information flow? Do all the actors have same access to them? Is this access different for men and women?
4. Did you experience any impacts of climate change? If so, how did you overcome them?
5. Based on these findings, what opportunities in this value chain can be identified for development through the FBS process?

Please refer to Volume II: Module 4 Session 3 on key learning points and steps in results analysis.
4.4  SHARING AND VALIDATING RESULTS WITH MARKET CHAIN ACTORS

Duration: 4 hours

Objectives:
At the end of the session, participants will be able:
- To share and validate assessment results with other chain actors and stakeholders; and
- To jointly identify and prioritize market opportunities, including potential collaboration with chain actors.

4.4.1  VALIDATION MEETING WITH CHAIN ACTORS AND STAKEHOLDERS

This activity provides the opportunity to report and correct (if necessary) the information gathered from the market chain assessment. Make sure that relevant stakeholders and chain actors are invited.

Discussion Questions:
1. Is the information obtained from the assessment accurate? If not, where can the farmers/participants get the right information?
2. Is there significant information lacking within the market chain?
3. Do the opportunities identified earlier fit with the knowledge and experience of the other chain actors and stakeholders?

Please refer to Volume II: Module 4 Session 4 on key learning points on conducting validation meetings.
MODULE 5
TARGETING AND TESTING POTENTIAL INNOVATIONS

This module aims to introduce technological, commercial, and institutional innovations in collaboration with other chain actors and stakeholders to respond to market opportunities integrating climate change and gender considerations.

Overview of Module 5 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. 1 Action planning for innovations to address market opportunities</td>
<td>To identify and prioritize innovations corresponding to market opportunities; and To develop an action plan for testing and introducing innovations.</td>
<td>Lecture on identifying and prioritizing innovations</td>
<td>Video presentation with group discussion</td>
<td>2 hours</td>
</tr>
<tr>
<td>5.2 Designing and organizing the testing of innovations</td>
<td>To translate innovation concepts into preliminary designs; and To organize and prepare for testing innovations, including task assignments and guidelines.</td>
<td>Group discussion to identify specific actions and roles</td>
<td>Business hooray</td>
<td>2 hours</td>
</tr>
<tr>
<td>5.3 Conducting and monitoring the testing of innovations</td>
<td>To develop prototypes or drafts of target innovations To undertake testing and refinement of innovations; and To monitor the process and results of innovation testing.</td>
<td>Discussion on results of tested innovations</td>
<td>1. Tower building 2. Breakthrough 3. Trust walk</td>
<td>4 hours</td>
</tr>
<tr>
<td>5.4 Special topics to support innovations</td>
<td>To apply practical knowledge and skills in introducing innovations to the market chain.</td>
<td>Identifying special topics to be covered</td>
<td>Invited resource persons</td>
<td>Depends on number of topics identified</td>
</tr>
<tr>
<td>5.5 Analyzing results and preparing for the sharing of innovations</td>
<td>To analyze and use results in further refining innovations; To prepare to share the innovations with stakeholders</td>
<td>Finalizing the results for the session “presenting and sharing of innovations with key market chain actors and farmers”</td>
<td>Stakeholders’ consultation meeting</td>
<td>4 hours</td>
</tr>
<tr>
<td>5.6 Presentation and sharing of innovations with key market chain actors and farmers</td>
<td>To share field-tested innovations with existing and potential chain actors and stakeholders To generate feedback and suggestions to further improve the innovations</td>
<td>Stakeholders’ consultation meeting</td>
<td></td>
<td>4 hours</td>
</tr>
</tbody>
</table>
5.1 ACTION PLANNING FOR INNOVATIONS TO ADDRESS MARKET OPPORTUNITIES

Duration: 2 hours

Objectives:
At the end of the session, participants will be able:
To identify and prioritize innovations corresponding to market opportunities; and
To develop an action plan for testing and introducing innovations.

5.1.1 LECTURE ON IDENTIFYING AND PRIORITIZING INNOVATIONS

Based on the results/outputs of Module 4, chain assessment, the farmer participants will have identified and prioritized market opportunities. To start the session, the facilitator should explain clearly what innovations are. Practical examples could help the participants identify the limitations or further innovations needed by their crops, commodity or product. In addition, relevant resource persons may be invited to clarify different options and ways forward. Also, this is to validate Module 4 outputs. These are needed to proceed with the action planning.

To be able to expound on the subject, the following questions could be used by the facilitators to start the discussion.

1. What are the key innovations or improvements needed for/by farmers to address the identified market opportunity, or address constraints?
2. What are the bases for the prioritization and selection of identified potential innovations?
3. Are these priorities validated?
4. If so, what are the key actions needed to develop innovations?

Note to facilitators: Include climate change consciousness in prioritizing innovations (carbon footprints, eco-friendliness) for testing.

Please see Volume II: Module 5 Session 1 for key learning points and suggested exercise.
5.2  DESIGNING AND ORGANIZING TESTING OF INNOVATIONS

Duration: 2 hours

Objectives:
At the end of the session, participants will be able:
- To translate innovation concepts into preliminary designs; and
- To organize and prepare for testing innovations, including task assignments and guidelines.

5.2.1 GROUP DISCUSSION TO IDENTIFY SPECIFIC ACTIONS AND ROLES

Session 5.2 proceeds from Session 5.1, where the design and key actions were identified to develop and test the priority innovation(s). Participants will be given an exercise to organize the identified market opportunities. They have to discuss the key actions (refer to Session 5.1 outputs) needed to introduce the potential innovations to the market. Further, they have to enumerate additional learning based on the identified business ideas/ opportunities.

Care should be taken in Session 5.1, since moving from the idea to the design of innovation calls for some specialist inputs. The selection of the specialist or resource person requires a fit to the identified innovation. There may be more than one specialist needed. Thus, the FBS facilitator should review the requirements of the identified innovation(s) and consult relevant experts. The matrix below is a sample tool so that the FBS participants can discuss the results of the previous session.

<table>
<thead>
<tr>
<th>Market Opportunity</th>
<th>Innovations</th>
<th>Needs for Further Action Learning</th>
<th>How/when/where/by whom?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production and sale of nutrient-rich sweetpotato roots to supermarkets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growing recommended nutrient-rich varieties (orange- or purple-fleshed)</td>
<td>Production trials, techno-demo of dark-colored varieties grown natural-based farm systems</td>
<td>Community-based, techno-demo, learning field, four months with farmers and extension agents</td>
<td></td>
</tr>
<tr>
<td>Marketing agreement with supermarket</td>
<td>Establishing contact and negotiating agreements with supermarket representative</td>
<td>Contract buyer, terms, facilitator, farmer</td>
<td></td>
</tr>
<tr>
<td>Sorting and grading of sweetpotato roots</td>
<td>Learning about quality grades and improving production practices to meet market requirements</td>
<td>Farmers</td>
<td></td>
</tr>
<tr>
<td>Farm-to-market transport</td>
<td>Explore and compare various alternative modes of transport, bypassing middlemen</td>
<td>Contact possible transport, terms, farmers</td>
<td></td>
</tr>
</tbody>
</table>

| Processing of taro chips and strips for middle-income markets |
|-----------------|-----------------|-----------------------------------|-------------------------|
| Supplying processed taro products for middle-income outlets | High quality taro products | Upgrading the quality of taro products, refinement from consumer feedback and sensory evaluation of trained panelist | Product quality and testing, consumer testing, improved packaging, shelf-life testing |
| Alternative marketing and distribution options | Improving the existing marketing and distribution of products | Market testing with shelf-life testing, canteen, grocery store, participation in exhibits, promotional flyers, and assessing bad orders |
| Product packaging | Test alternative types of packaging for transport / distribution, looking at cost and efficiency | Packaging design and testing under different transport conditions Estimate of logistical and cost implications |
5.3 CONDUCTING AND MONITORING THE TESTING OF INNOVATIONS

Duration: 4 hours

Objectives:
At the end of the session, participants will be able:
1. To develop prototypes or drafts of target innovations;
2. To undertake testing and refinement of innovations; and
3. To monitor the process and results of innovation testing.

Note to facilitator:
The activities after the initial session may be carried out over several weeks in the field or sessions, as agreed upon by the participants, depending on the innovations and testing design. Suggested sessions under learning content and methods: sub-topic 1 first session; sub-topics 2 and 3, session 2 followed by days or weeks of implementing activities, data collection and giving/collection of feedback; sub-topics 4 and 5, the next session followed by activities to access business development support (BDS) required. The whole Topic 3 may be undertaken in 4-8 weeks depending on the nature and extent of the innovations and target markets/users.

5.3.1 DISCUSSION OF RESULTS OF TESTED INNOVATIONS

This session needs inputs from all of the group members. Different farmers may have different opinions and interpretations, so it is important to consider the voices of all the group members. After the discussion, the facilitator should allot a time to reiterate the outcomes and agreements that were made.

Discussion Questions:
1. What are the product prototypes that have to be developed based on market needs/requirements?
2. How will these be done or produced?
3. What are the improvements that need to be made in the tested prototypes?
4. Is the innovation being introduced doable in the area?
5. How will the tested innovations improve the relevant chain actors?
6. What support services are needed for the development of the prototypes? Improvements that need to be made? How can these services be accessed? Is this access gender-differentiated? (e.g. credit) Are there climate change considerations?
5.4  SPECIAL TOPICS TO SUPPORT INNOVATIONS

Duration: Depends on the number of special topics identified

Objective:
At the end of the session, participants will be able:
To apply practical knowledge and skills (i.e. from any one – or a mix – of the identified needed special topics listed in the matrix below) in introducing innovations to the market chain.

Note to facilitator:
A special topic may require an activity after the session. The implementation of this activity should be agreed upon and planned by the group, with tasking and defined output of the activity. Feedback and reporting of outputs should be done in the next session. If there is more than one FBS, a special topic(s) may be common. The specialist on the topic may be shared, especially if there is difficulty in engaging the services of one for each group. Each special topic must have key learning points. The facilitator must be able to identify these learning points, and synthesize simply after the specialist’s talk, or after a related field activity.

Some considerations on special topics on climate change:
• Include consideration (e.g. carbon footprints) in processing techniques to be used, packaging, production of raw materials, selling.
• Criteria for climate-smart innovations (examples, low carbon footprint, eco-friendly)
• Consider the introduction of climate-smart technologies

Some considerations on special topics relating to gender and agribusiness
• Use the concept of the “thatch ceiling” (on the analogy of the glass ceiling), the idea that women find it difficult to move beyond rustic type value-added activities to more commercial enterprises. This can be because of lack of access to land, capital, or credit, because of gender norms, or for other reasons
• Include consideration on how training activities are organized, their timing, and selection of participants in relation to women’s opportunities for agribusiness

5.4.1  IDENTIFYING SPECIAL TOPICS TO BE COVERED

Each organization or group is bound to have different challenges – they could be financial management, business ethics, or recruitment of members, among other possibilities. In the FBS curriculum, besides exploring market opportunities, facilitators also focus on the evident repeated issues or chronic problems faced by the organization. To identify the special topics in the FBS, the group will be given time to discuss the issues and to finalize the topic to be addressed.

Discussion Questions:
1. What issues/topics could be of interest to the group?
2. Are there any emerging issues specific to the group, product, area or location?
<table>
<thead>
<tr>
<th>Possible Topics</th>
<th>Content</th>
</tr>
</thead>
</table>
| Business ethics                                    | Right ways in business operations and relation  
Ethics: a set of values/principles of right conduct; issues related to ethics include gender, age, experience, cultural background. Significant elements of business ethics include trust, equity, responsibility, and commitment. |
| Business regulation                                | Set of regulatory practices that should be known to MSEs, such as registration, reporting requirements, bureau of internal revenue (BIR), customs, food standards, manufacturing regulations, packing and selling requirements, etc. |
| Good manufacturing practices (GMP) /Food safety     | Compliance with manufacturing, and food safety and hygiene practices                                                                                                                                 |
| Negotiable instruments and legal services          | Different business instruments and means of arranging negotiations that MSEs must have in order to be able to negotiate properly.                                                                                                                                  |
| Product development cycle                          | Provides detailed knowledge and techniques from the inception of a product idea, and the different stages to obtain the final product ready to be marketed.                                                                                                                |
| Marketing strategy                                 | Knowledge, skills and capabilities, practices and techniques in promoting and selling a product or service effectively                                                                                                                                          |
| Supply chain development and management            | Knowledge and means to develop an appropriate and adequate supply of raw materials and inputs                                                                                                          |
| Climate-smart agriculture practices                | Innovations/products from CSA practices that have low carbon footprints, and are eco-friendly, etc. Branding of climate-smart products.                                                                                                                             |
| Gender considerations in agri-businesses          | Assessment of the local social and cultural contexts that favor or hinder men’s or women’s involvement in different kinds of value-added activities  
Assessments of the gender dimensions of selected products (more closely associated with men’s or women’s activities; require resources that are not equitably distributed; challenge gender norms around “acceptable activities”; have the potential to narrow/widen the gender gap) |
5.5 ANALYZING RESULTS AND PREPARING FOR THE SHARING OF INNOVATIONS

Duration: 4 hours

Additional preparation time needed for session on “Presenting and sharing innovations with market chain actors and other farmers”.

Objectives:
At the end of the session, participants will be able:
1. To analyze and use results in further refining innovations; and
2. To prepare to share the innovations with stakeholders.

5.5.1 FINALIZING RESULTS FOR SESSION ON “PRESENTING AND SHARING OF INNOVATIONS WITH MARKET CHAIN ACTORS AND FARMERS”

With the innovation already introduced and tested, it is now time to share the results with key stakeholders. These stakeholders validate the findings that the participants will present to them. Please be generous in sharing with the key stakeholders your experiences, learning points, and knowledge acquired during the exercise.

Discussion Questions:
1. Is the innovation being introduced feasible (i.e. in social, technical, economic and market, environmental, and political terms)?
2. What are the key roles that men and women will have in the development of this innovation?
3. Who are the experts or specialists to be tapped in relation to the innovation being introduced?

5.6 PRESENTATION AND SHARING OF INNOVATIONS WITH KEY MARKET CHAIN ACTORS AND FARMERS

Duration: 4 hours

Objective:
At the end of the session, participants will be able:
1. To share field-tested innovations with existing and potential chain actors and stakeholders; and
2. To generate feedback and suggestions to further improve the innovations.
5.6.1 STAKEHOLDERS’ CONSULTATION MEETING

Prior to this activity, make sure that the group that is presenting is prepared to answer and at the same time, prepared with the data and information needed during the discussions. Also, make a strategic choice of which people and organizations to invite during this event. This event is an opportunity for the farmers to establish collaboration with potential partner/s.

Discussion Questions:

1. How ready and willing are the other chain actors to adopt the newly introduced innovations?
2. How can the chain reach consensus on priority innovations?
3. How can the shared innovation be used for further improvement and be sustained?
MODULE 6
BUSINESS PLANNING

This module aims to develop business plans to make use of new market opportunities by building on the innovations identified and prioritized in previous modules.

Overview of Module 6 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1. Introduction to business planning</td>
<td>To describe the concepts and business planning process; and To identify the steps in enterprise planning.</td>
<td>1. Presentation and discussion on “business planning”</td>
<td>1. Potato went to town</td>
<td>4 hours</td>
</tr>
<tr>
<td>6.2 Developing and customizing business plans (with climate change and gender dimensions)</td>
<td>To appreciate the importance of a business plan; and To undertake the different steps in preparing the business plan, with appropriate considerations of potential CC and gender impacts.</td>
<td>1. Actual writing of business plan</td>
<td></td>
<td>4 hours</td>
</tr>
<tr>
<td>6.3. Critiquing and improving business plans</td>
<td>To present the draft business plans and generate suggestions for improvement from chain actors To revise business plans based on suggestions received</td>
<td>1. Presentation and critiquing of business plans</td>
<td>1. Business café</td>
<td>4 hours</td>
</tr>
</tbody>
</table>
6.1 INTRODUCTION TO BUSINESS PLANNING

Duration: 4 hours

Objectives:
At the end of the session, participants will be able:
1. To describe the concepts and business planning process; and
2. To identify the steps in enterprise planning.

6.1.1 PRESENTATION AND DISCUSSION ON “BUSINESS PLANNING”

This module aims to develop a business plan based on market opportunities identified in Module 4 and innovations tested in Module 5. The facilitator should explain clearly how Module 4 and Module 5 outputs are used in the different components of a business plan.

It is expected that by the time they reach Module 5, the participants will have an idea of what business to undertake, and the next step is to write down the business plan. Hence, by the end of Module 6, a business plan will have been reasonably drafted, and business development needs and possible providers determined.

Planning is thinking about: What to do? How to do it? When to do it? How many resources are needed? What to expect? Planning is a process, which requires considering all the factors or elements that can affect targets or objectives. A business starts with the recognition of the needs of the consumers and customers and this can then be translated into business opportunities. These opportunities should, in turn, be translated into a business plan. The facilitator will describe and give examples of a business plan.

Discussion Questions:
1. What is a business plan?
2. How useful is a business plan for small enterprises?
3. How can a business plan be made flexible to changes in the market situation?
6.2 DEVELOPING AND CUSTOMIZING BUSINESS PLANS (with Climate Change and Gender Dimensions)

Duration: 4 hours

Followed by activities for the field and/or writeshop that were agreed upon

Objectives:
At the end of the session, participants will be able:
1. To appreciate the importance of a business plan; and
2. To undertake the different steps in preparing the business plan.

Note to facilitator:
The writing of the business plan itself may be commissioned or done by the facilitator with local partners, using the outputs of Modules 1-5, with the addition of relevant data/information.

6.2.1 ACTUAL WRITING OF BUSINESS PLAN

The Business Plan format includes the executive summary (or identifying information, rationale, brief description) and the main components: marketing plan, the product, operational plan, organizational plan, financial plan, and sustainability plan.

Discussion Questions:
1. What are the parts of the business plan? Kindly present examples.
2. Where does one get the information/data needed for each part?
3. How is business planning done? Who participates in its preparation?
4. How does it relate to the first modules in the FBS?
5. How can business planning be facilitated among small entrepreneurs?

Note to facilitator:
For each component, the facilitator shows how it is prepared and when or how the data or information are taken from Module 4 and Module 5.
6.3 CRITIQUING AND IMPROVING BUSINESS PLANS

**Discussion Questions:**

1. Is the business plan open to potential changes?
2. Who are the members and what are their qualifications for being included in the critiquing panel?

**PRESENTATION AND CRITIQUING OF BUSINESS PLANS**

The draft business plan will be presented and discussed with the identified members of the panel. Participants will be ready to defend before the panel what has been written in the business plan. It is important that they are familiar with the details of the business plan in case the panel asks for some explanations.

**Discussion questions:**

1. Is the business plan open to potential changes?
2. Who are the members and what are their qualifications for being included in the critiquing panel?

**Note to facilitator:**

The facilitator should be able to explain that a business plan can go through a process of refinement or modification based on a review of changes in market situation (e.g. more health-consciousness, results of promotions, economic crisis, growth); changes in supply and relative prices (e.g. individual cost of inputs, new services); competition; and improved financial condition.

The facilitator makes the participants conscious of the processes and skills learned in Module 4 and Module 5 as being important in the review and re-assessment related to the different components of the Business Plan; market/marketing, production and operations, organization and management, financials and sustainability.
MODULE 7
Accessing business support services

This module aims to enhance the access of smallholder farmers to increased entrepreneurial knowledge, financing and credit institutions, and marketing opportunities, among others. The facilitator should encourage participants to consider the accessibility of these support services for men and women.

Overview of Module 7 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. 1. Financial resources</td>
<td>To identify sources of financing to support business plans; and To prepare proposals for accessing financial resources.</td>
<td></td>
<td>1. Meeting with different support services providers</td>
<td>2 hours</td>
</tr>
<tr>
<td>7.2 Financial management services</td>
<td>To apply practical knowledge and skills in financial management; and To identify and access services for financial management support.</td>
<td></td>
<td></td>
<td>4 hours</td>
</tr>
<tr>
<td>7.3. Research and extension support</td>
<td>To determine the needs for research and extension support in implementing the business plans; and To identify and contact service providers of relevant research and extension support.</td>
<td></td>
<td></td>
<td>2 hours</td>
</tr>
<tr>
<td>7.4 Legal services</td>
<td>To identify legal service options in relation to establishing and running an agri-enterprise To determine necessary procedures to access the available legal services</td>
<td></td>
<td></td>
<td>2 hours</td>
</tr>
</tbody>
</table>
7.1  FINANCIAL RESOURCES

Duration: 2 hours

**Objectives:**
At the end of the session, participants will be able:
1. To identify sources of financing to support a business plan; and
2. To prepare proposals for accessing financial resources.

7.2  FINANCIAL MANAGEMENT SERVICES

Duration: 4 hours

**Objectives:**
At the end of the session, participants will be able:
1. To apply practical knowledge and skills in financial management; and
2. To identify and access services for financial management support.

7.3  RESEARCH AND EXTENSION SUPPORT

Duration: 2 hours

**Objectives:**
At the end of the session, participants will be able:
1. To determine the needs for research and extension support in implementing the business plans; and
2. To identify and contact service providers of relevant research and extension support.

**Discussion Questions:**
1. What specific support service/s does the group need?
2. What organizations/agencies can be tapped by the farmer groups to deliver the identified support services?
### 7.4 LEGAL SERVICES

**Duration:** 2 hours

<table>
<thead>
<tr>
<th>Objectives:</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the end of the session, participants will be able:</td>
</tr>
<tr>
<td>1. To identify legal service options in relation to establishing and running an agri-enterprise; and</td>
</tr>
<tr>
<td>2. To determine necessary procedures to access the available legal services.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note:</th>
</tr>
</thead>
<tbody>
<tr>
<td>It may be assessed that the participants need further inputs from the above-mentioned topics. The facilitator can help access a resource person who can ably enhance the skills and capabilities of the participants.</td>
</tr>
</tbody>
</table>
FBS FINAL EVENT

This business launching event is the platform for the enterprise groups to showcase their new and improved products as well as an opportunity to link their products with potential markets. Prior to the event proper, a workshop is conducted for the participants to prepare and rehearse the overall flow of activities during the business launch. A post-event meeting is also held to assess and evaluate the business launching activity.

Overview of Final Event Module Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>FBS final event</td>
<td>To showcase their businesses and innovations resulting from the FBS. To share experiences and strengthen contacts with other market chain actors, including potential buyers and stakeholders.</td>
<td>1. Business pitch</td>
<td>1. Business pitch</td>
<td>8 hours</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Product display</td>
<td>2. Product display</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Dream up</td>
<td>4. Dream up</td>
<td></td>
</tr>
</tbody>
</table>

FBS FINAL EVENT

Duration: 8 hours (1 whole day)

Objectives:
At the end of this event, participants will be able:
1. To showcase their businesses and innovations resulting from the FBS; and
2. To share experiences and strengthen contacts with other market chain actors and stakeholders.

Please refer to Volume II: FBS Final Event: Business Launching for key learning points and suggested exercises on conducting a business launch.
POST-FBS SUPPORT

The post-FBS support comprises follow-up learning activities organized to provide continuous capacity building support to FBS participants as their new business gets underway after the launch event. These activities enable participants to monitor business performance and manage continuing challenges and opportunities; and to prepare and implement longer-term business plans.

The post-FBS support is flexible; depending on the needs of the FBS groups.

Overview of Post-FBS Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring of businesses, support services, and external business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing business challenges and opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilitating implementation of long-term business plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing capacity development of project implementers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring of gender issues affecting business implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Objectives:

During the post-FBS support phase, participants will be able:

1. To monitor business performance and manage continuing challenges and opportunities; and
2. To prepare and implement longer-term business plans.
MONITORING OF BUSINESSES, SUPPORT SERVICES AND EXTERNAL BUSINESS ENVIRONMENT

**Note:** Monitoring of FBS groups through field visits with mentoring and coaching during the visits is recommended in order to assess the program and provide for needs on time. This type of monitoring may be done by project management in the know, or any appropriate resource person contracted for the task.

During these visits, further special topics for enhancement are identified; facilities and FBS members’ participation are directly observed. Ocular inspections of facilities and sanitary conditions are also assessed. There is no substitute to the actual feel and sense on site, and observation of human interaction and dynamics. A visit to relevant markets and local agencies can enrich the view of linkages, etc.

MANAGING BUSINESS CHALLENGES AND OPPORTUNITIES

This is essentially a repeat of Modules 4 and 5 of the FBS cycle, but based on the results of Exercise 1 above (i.e. on business experience) rather than on surveys and assessments. The groups/businesses should select a limited number of challenges and opportunities for attention during the coming year or production/processing/marketing cycle. For each one, the group (with service providers and stakeholders) should brainstorm interventions and actions required to overcome the problem or to develop the opportunity (i.e. repeat final sessions of Module 4 and proceed to test innovations in Module 5). With the previous FBS experience, and using the current business as a basis for these trials, the process should be faster and more effective than previously.

FACILITATING IMPLEMENTATION OF LONG-TERM BUSINESS PLANS

Based on the performance of the business (as shown in Exercise 1 above) plus the results of any new innovation from the previous section, the business plan should be revised to take into account these new factors. This may result in changes to market demand, product volumes and sales forecasts, raw material and other inputs required, and financing needs. It is important to engage service providers and stakeholders in the process to ensure that these longer-term financial and capacity building needs can be met. Refer to Modules 6 and 7 for more information.

CONTINUING CAPACITY DEVELOPMENT OF PROJECT IMPLEMENTERS

While the project is ongoing, the capabilities and skills of project staff and facilitators are further improved by exposing them to “best practices” of existing MSEs in other places. Educational trips or learning visits to “best practice” and progressive MSEs can be designed and conducted, together with the visits to important support services (e.g. research and extension, laboratories). Experiences have shown that these educational trips open up avenues for implementers for better ways of supporting FBS groups. Enhanced knowledge improves facilitation. Holding of reflection workshops enables implementers to look back, reflect, learn and improve actions.

MONITORING OF GENDER ISSUES AFFECTING BUSINESS IMPLEMENTATION

Gender has been emphasized throughout the different modules of the FBS. But how far have these issues been addressed and how far has the implementation of business plans been affected by gender issues? It is proposed that an adapted version of the Gender Checklist be used, a simple tool for monitoring gender responsiveness at different stages of the project cycle.
SUGGESTED READINGS

Module 2

Team building activities. Venture Team Building.  
http://www.ventureteambuilding.co.uk/team-building-activities/

http://collections.infocollections.org/ukedu/en/d/Jiirr04e/1.html

Modules 3 to 7


http://www2.giz.de/wbf/4tDx9kw63gma/ValueLinks_Manual.pdf

KIT, Agri-ProFocus and IIRR. 2012. Challenging chains to change: Gender equity in agricultural value chain development. KIT Publishers, Royal Tropical Institute, Amsterdam.  

REFERENCES


KIT, Agri-ProFocus and IIRR. 2012. Challenging chains to change: Gender equity in agricultural value chain development. KIT Publishers, Royal Tropical Institute, Amsterdam.


The International Potato Center (known by its Spanish acronym CIP) is a research-for-development organization with a focus on potatoes, sweet potatoes, and Andean roots and tubers. CIP is dedicated to delivering sustainable science-based solutions to the pressing world issues of hunger, poverty, gender equity, climate change and the preservation of our Earth's fragile biodiversity and natural resources. www.cipotato.org

CIP is a member of CGIAR. CGIAR is a global research partnership for a food-secure future. Its science is carried out by 15 Research Centers in close collaboration with hundreds of partners across the globe. www.cgiar.org
Farmer Business Schools in a Changing World

A gender-responsive and climate-smart manual for strengthening farmer entrepreneurship

Volume II

EXERCISE GUIDE FOR FBS FACILITATORS
Farmer Business Schools in a Changing World

A gender-responsive and climate-smart manual for strengthening farmer entrepreneurship

Volume II

TECHNICAL REFERENCE AND EXERCISE GUIDE FOR FBS FACILITATORS
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VOLUME II
TECHNICAL REFERENCE AND EXERCISE GUIDE FOR FBS FACILITATORS
MODULE 1
Planning and targeting

This module aims to help facilitators start up the FBS implementation. It consists of two sessions: (1) preparatory meetings with prospective participants, and (2) targeting and selection of value chains based on criteria including climate change and gender.

Overview of Module 1 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Preparatory meetings with prospective women and men participants</td>
<td>1. To understand the farmer business school (FBS) process 2. To commit their participation to complete the FBS curriculum 3. To develop a customized FBS curriculum based on their group profile</td>
<td>1. Orientation to FBS</td>
<td>1. Lecture-discussion using slides</td>
<td>1 hour</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. FBS planning</td>
<td>1. Getting to know</td>
<td>5 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Value chain case presentation (video)</td>
<td>15 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Definition of roles and responsibilities for facilitators and participants</td>
<td>25 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Profiling of participants</td>
<td>15 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5. Division by groups</td>
<td>30 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6. Checking expectations</td>
<td>15 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7. Formulating house rules</td>
<td>15 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>8. Pre-testing</td>
<td>30 minutes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9. Customizing FBS curriculum</td>
<td>30 minutes</td>
</tr>
<tr>
<td>1.2 Targeting and selection of commodity for value chain development with climate change and gender dimensions considered</td>
<td>1. To agree on criteria for commodity selection</td>
<td>Generate criteria for FBS enterprise selection through focus group discussions and key informant interview</td>
<td>2 hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. To develop list of commodity options</td>
<td>Rank options by criteria for FBS enterprise selection</td>
<td>hour</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. To agree on commodity for FBS focus</td>
<td>3. Gender mapping</td>
<td>1 hour</td>
<td></td>
</tr>
</tbody>
</table>
1.1 PREPARATORY MEETINGS WITH PROSPECTIVE FBS PARTICIPANTS

1.1.1 ORIENTATION ON THE FBS

KEY LEARNING POINTS

The FBS is a process that involves learning, discussing, planning, implementing, and analyzing. Its success involves the active contribution of the participants and facilitators. The diagram below lists the roles that participants and facilitators can contribute.

Table 3. FBS steps and participants’ and facilitators’ roles

<table>
<thead>
<tr>
<th>FBS involves...</th>
<th>PARTICIPANT</th>
<th>FACILITATOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning</td>
<td>Receiving, digesting, using information</td>
<td>Sourcing, presenting, disseminating, adapting to context based on the needs of female and male participants</td>
</tr>
<tr>
<td>Discussing</td>
<td>Contributing ideas, listening, reflecting</td>
<td>Contributing ideas, listening to both men and women (dividing the groups by sex), moderating</td>
</tr>
<tr>
<td>Planning</td>
<td>Contributing ideas, commitment of time and resources</td>
<td>Structuring, moderating (adapting to the context and gender needs)</td>
</tr>
<tr>
<td>Implementing</td>
<td>Participating, providing resources according to ability</td>
<td>Supporting, organizing, financing</td>
</tr>
<tr>
<td>Analyzing</td>
<td>Understanding and adapting</td>
<td>Organizing information (gender-disaggregated), clarifying, summarizing</td>
</tr>
<tr>
<td>Decision-making</td>
<td>Contributing (positively), compromising</td>
<td>Moderating, structuring processes (options), consensus-building</td>
</tr>
</tbody>
</table>

1.1.2. FBS PLANNING MEETING

EXERCISE 1: GETTING TO KNOW

This exercise will help the facilitators deliver the message to participants and get information from them.

Objective: To introduce each participant and to facilitate participants’ interaction with each other in an informal way.

Duration: 5 minutes

Steps:
1) The participants are asked to introduce themselves in turn by simply adding an adjective before their names that begins with the same letter. For example;
   “I am lucky Leonor!”
   “I am marvelous Marshal!”
   “I am cute Chris!”
   “I am Jolly Julie!”
2) For a more fun and active exercise, participants can form a circle. Each person will accompany his or her name with a movement or gesture (jumping, turning, dancing) while stepping into the circle. When they step back it is the next person’s turn.
EXERCISE 2: VALUE CHAIN CASE PRESENTATION (VIDEO)

Objective: To sensitize the participants on the Farmer Business School (FBS) process

Materials: Video player/laptop, TV/projector, audio speakers

Duration: 15 minutes

Steps:
1) Divide the participants into five (5) groups. In some areas, it might be recommended to divide the participants by sex (i.e. groups of men only and of women only) to have a richer discussion about the video.
2) Give an introductory statement for the video to be shown. Be specific in the introductory statement.
   Example:
   “This video is about a business in Binalot. Binalot is found in the Philippines. It is into serving native Filipino foods....... We encourage you to watch closely and observe. And please take note of the following questions for your guide later.”
   • What is unique about the business?
   • What products are being sold by the business?
   • Other observations relating to risk/vulnerability (including climate change) and gender issues

You can download the video from: https://www.youtube.com/watch?v=fZfSD5cFu-I

3) After the video presentation, ask the participants questions about their insights and reactions after watching the video. Refer to # 2 for the sample questions.
4) List highlights of group discussion.

<table>
<thead>
<tr>
<th>Group</th>
<th>Uniqueness of the business?</th>
<th>Products being sold by the business</th>
<th>Other observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group 5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5) The facilitator will synthesize the answers and discussion with the large group.
EXERCISE 3: DEFINITION OF ROLES AND RESPONSIBILITIES

Facilitators and Participants

Objective: To distinguish the responsibilities of participants and facilitators for the whole duration of the FBS for the prospective participants to be aware of

Materials: MetaCards, pens/markers, adhesive tape

Duration: 25 minutes

Steps:

1) In the large group, the facilitator will ask a question about the responsibilities of participants and facilitators.
   Sample guide questions:
   • If you are a facilitator in an activity, what do you think the responsibilities of your participants should be?
   • As a participant, what do you think your responsibilities should be?
   • What do you think the responsibilities of a facilitator should be?

2) Depending on the size of the large group, participants will be divided into groups *(three members/group at the very least, divided by sex if necessary)* to discuss their answers to the question.

3) Using markers and MetaCards, each group will write their answers and post them on the board/wall.

4) The board/wall is divided into two sections/ four sections: responsibilities of participants and facilitators.

Sample output:

<table>
<thead>
<tr>
<th>Facilitators</th>
<th>Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitators’ sharing</td>
<td>Participants’ sharing</td>
</tr>
<tr>
<td>Good in facilitation</td>
<td>Committed to finishing the whole duration of the FBS</td>
</tr>
<tr>
<td>To be ready at all times</td>
<td>Good attendance</td>
</tr>
<tr>
<td>Should be earlier than the participants</td>
<td>Join in the activities</td>
</tr>
</tbody>
</table>

5) Once the entire group have posted their answers, the facilitator will lead the discussion of the answers with the whole group.

6) Be sure to have photo documentation and make sure that the highlights of the discussion are listed. Some of the responsibilities may arise again during the expectation setting.

7) Post the output on the wall.
EXERCISE 4: PROFILING OF PARTICIPANTS

Note: After answering the questions, settling the issues and defining the roles and responsibilities of all the parties, it is now time to ask for the commitment of the participants. Distribute the FBS enrollee form and explain to them the importance of the information being requested in the form. The responses of the FBS enrollees are useful for the facilitators to custom-fit or adjust the content of the modules. The facilitator should know the background of his or her audience. This will help both parties connect with each other and have fruitful discussions throughout the course.

Objective: To know the background of the participants as a basis for adjustments.

Materials: Standard profiling forms

Duration: 15 minutes

Steps:
1) Facilitators discuss with the participants the set of criteria for joining the FBS: a) willingness to participate in all the activities throughout the course; b) agreement to provide in-kind counterpart in FBS implementation; c) openness to engage in group business.

2) After this discussion, if participants are still interested in committing, they will be given the standard profiling form for the FBS to fill out. Facilitators can assist if participants have difficulty in writing.

3) The facilitators may have the option to revise the form depending on data that they deemed necessary to include.

4) Participants will complete the form and submit it to the facilitators.

5) Facilitators will consolidate the profiles submitted by the participants.

Note: Definition of on/off/non-farm please see key learning points in Module 2

FBS ENROLLEE PROFILE

Name: ____________________________ Age: ______ Sex: ______ Civil Status: ______

Highest Educational Attainment: ____________________________ Contact #: ____________________________

Household role: ___ husband, ___ wife, ___Single parent female, ___Single parent male, _________ others (specify)

Address: ____________________________

Existing Livelihood Activities (list down):

On-farm

Off-farm

Non-farm

Constraints

Submitted by: ____________________________

Signature Over Printed Name

Note: After answering the questions, settling the issues and defining the roles and responsibilities of all the parties, it is now time to ask for the commitment of the participants. Distribute the FBS enrollee form and explain to them the importance of the information being requested in the form. The responses of the FBS enrollees are useful for the facilitators to custom-fit or adjust the content of the modules. The facilitator should know the background of his or her audience. This will help both parties connect with each other and have fruitful discussions throughout the course.

Note: Now that you have processed the answers on the enrollee forms, present the summary of answers to the participants to validate accuracy. Please be open if there are corrections to be made. Facilitators should be ready to help the participants to fill out the profiling form if they cannot read and write.
EXERCISE 5: DIVISION BY GROUP

Objective: To divide tasks among the groups as part of their responsibilities and participatory activities

Materials: Manila papers, pens/markers

Duration: 30 minutes

Steps:

1. Discuss the purpose of dividing the participants into groups. Explain to them that each group will be given functions to do every session (e.g. prayers, icebreakers, cleaners, attendance monitoring, time monitoring, recaps of previous sessions, and others that the participants themselves can suggest and agree upon).

2. Ask the participants to group themselves in three or four groups (depending on the number of participants and gender) with the following sample choices:
   - According to village, street,
   - Preferred group (choose who you want to be your group mates)
   - Counting off
   - By sex

3. Depending on the agreement, they will be asked to meet with their own group and agree on the name of their group. The groups will submit the list of their members to the facilitators. The groups and their members will be written on a cardboard and posted on the wall. These lists should not be removed throughout the sessions.

4. The participants will agree whether, in one session, all the tasks agreed upon will be done by one group only or whether the tasks will be distributed among all the groups.

Note to facilitators for dividing the groups (animal sound):

The facilitator can use games for grouping. One example is the animal sound.

- Put folded papers bearing the names of animals in a box, on a table or plate.
- Ask each participant to pick one and silently take note of the name of the animal written on it.
- Then ask them to make a noise made by the animal written on their respective papers and then listen for participants who are making similar noises and move together.
EXERCISE 6: CHECKING EXPECTATIONS

Since the participants have already committed themselves to joining the FBS, it is also important to listen to their overall expectations. This could be in the form of small group discussions with the use of Meta-Cards. The FBS participants must share with the facilitator and other participants what they expect from the following:

- FBS Curriculum / Course
- Co-participants
- Facilitators
- Resource Persons

Objective: To reach a common understanding with the participants about their expectations on the FBS

Materials: Large sheets of paper, MetaCards, pens/markers

Duration: 15 minutes

Steps:

1. Distribute pens/markers and MetaCards to the participants for them to write their expectations regarding the activity in terms of the: a) course-topics, module, curriculum, etc.; b) facilitators; c) resource persons; d) co-participants. This could also be done by group, depending on the agreement of the participants.
2. The participants are then asked to post their expectations on the board, under the following columns where their expectations fit: a) course, b) facilitators, c) resource persons, d) co-participants.
3. The facilitators will discuss/level off and clarify with the participants some expectations that might not be met by the FBS.
4. The facilitators may also raise their expectations on the participants.

Note to facilitators:
It is important to note the degree of interest/expectation in long-term income-generation through business ventures resulting from the FBS. If this is not the case, the rationale for FBS needs to be reconsidered. This involves a degree of risk acceptance, and commitment of time/resources beyond the life of the FBS cycle.

Facilitators should be ready to assist the participants if they cannot read and write.

EXERCISE 7: FORMULATING HOUSE RULES

Objective: To set rules for the participants to follow so that there will be order in the conduct of the FBS

Materials: Manila papers, pens/markers

Duration: 15 minutes

Steps:

1) The facilitators will explain to the participants the importance of having rules that they should all follow during the course of the FBS.
2) The participants will be asked to suggest and agree on the set of rules that they must all follow. The facilitators will write the suggestions on a manila paper. The suggestions should be written legibly.
3) All the participants will be asked to set their signatures on one side of the manila paper to confirm their commitment to the FBS.

4) The set of house rules will be posted on the wall and should not be removed throughout the duration of the FBS.

5) For house rules that involve monetary penalties, the participants will agree where they will allot the collected fines.

Sample output:

<table>
<thead>
<tr>
<th>House Rules</th>
<th>Participants to sign here</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latecomers have fine of 10.00</td>
<td>Participants to sign here</td>
</tr>
<tr>
<td>No cutting classes except for cases of emergency</td>
<td></td>
</tr>
<tr>
<td>Proxy is allowed but should be an immediate family member</td>
<td></td>
</tr>
<tr>
<td>Absences should have a valid reason (i.e. wedding sponsor, emergency)</td>
<td></td>
</tr>
</tbody>
</table>

**EXERCISE 8: PRE-TESTING**

Prior to the start of Module 1, a pre-test questionnaire must be administered to the FBS participants. The results of the pre-test gauge the existing business knowledge of the student farmers, and this will be compared at the end of the course with the results of the post-test.

**Objective:** To determine the participants’ knowledge about FBS

**Materials:** Questionnaires

**Duration:** 30 minutes

**Steps:**

1) Explain to the participants the purpose of the pre-testing; and that the pre-test covers the whole curriculum of the FBS.

2) Distribute answer sheets to the participants.

3) The questions are answerable by Yes or No. Instruct the participants to check YES or NO based on their own understanding of the questions.

4) Collect the answer sheets.

5) Consolidate the answers of the participants by tallying the answer of each question – how many said YES, how many said NO.

6) Present the consolidated answers to the participants.
### QUESTIONS

<table>
<thead>
<tr>
<th>QUESTIONS</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Project leadership team selects an FBS focus enterprise based on secondary and survey data</td>
<td>23</td>
<td>2</td>
</tr>
<tr>
<td>2) The FBS curriculum is planned together with FBS participants</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>3) In business, the most important capital is financial</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>4) A vision in business gives a clear guide to choose current and future action in order to achieve goals or objectives of the business organization.</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>5) Farming is a form of enterprise.</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>6) Market always refers to the physical place where people sell goods.</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>7) Marketing is a process of selling a good or delivering a service for some payment, resulting in return or profit.</td>
<td>22</td>
<td>3</td>
</tr>
<tr>
<td>8) An entrepreneur is different from an ordinary businessman in the sense of innovation and risk-taking.</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>9) Value addition contributes to better products, better prices, and better returns but requires that the enterprise be carefully planned, organized, and operated.</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td>10) It is not really necessary to know the market first to be successful in business as long as the financial resources are available.</td>
<td>3</td>
<td>22</td>
</tr>
<tr>
<td>11) Market chain and value chain are more or less the same in concept and process.</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>12) As an entrepreneur, knowing and understanding the nature and behavior of other chain actors is key to the process of identifying market opportunities.</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td>13) Innovation means adding value through technology, markets, and/or organization along the chain.</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>14) Bringing farmers and traders together can promote mutually beneficial cooperation.</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>15) It is not really important that farmers should understand the market and its processes because it is simply their business to produce for the consumers or users.</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>16) The business plan itself makes the enterprise profitable.</td>
<td>22</td>
<td>3</td>
</tr>
<tr>
<td>17) Critiquing the business plan is not necessary when it is already well written.</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>18) Access to business development services, especially for small farmers and entrepreneurs, can be facilitated only by NGOs.</td>
<td>22</td>
<td>3</td>
</tr>
<tr>
<td>19) Financial and non-financial services are usually advantageous if provided by the same organization.</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>20) Agricultural extensionists need capacity building in order to effectively provide market- and business-related services.</td>
<td>19</td>
<td>6</td>
</tr>
</tbody>
</table>
EXERCISE 9: CUSTOMIZING FBS CURRICULUM

Objective: To enable the participants to understand the FBS implementation and plan the FBS program

Materials: Manila papers, pens/markers, printed sample of FBS curriculum

Duration: 30 minutes

Steps:

1) The facilitators present the FBS curriculum to the participants and explain the different modules and sessions involved. They also make clear the number of meetings that this entails (likely length of the FBS cycle?)

2) The facilitator will discuss with participants what topics could be included in the FBS, and where more or less emphasis may be required.

3) The facilitator will ask the participants to plan the FBS meeting schedule. Ask them the following per modules/sessions:
   - What days of the week and time of the day are you mostly available?
   - What should the start and end times be?

4) Facilitate the discussion to reach a consensus and to finalize the dates of the meetings.

5) The agreed FBS curriculum and implementation plan will be distributed to the participants and posted in the meeting venue.

Sample format:

<table>
<thead>
<tr>
<th>Module/ Session</th>
<th>Topic</th>
<th>Date</th>
<th>Time</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The processes and methods of the FBS are designed to be participatory. The FBS Curriculum is a living document and the learnings from different groups in implementing the FBS depend on their gender-sensitive needs. The farmer participants have the liberty to suggest topics that they think will be useful to the group. Their inputs are also important in developing the FBS learning materials. The facilitator should consult the participants on their learning preferences, which might be different by gender, and he or she should consider them during the next session.
1.2 TARGETING AND SELECTION OF VALUE CHAINS CONSIDERING CLIMATE CHANGE AND GENDER IMPLICATIONS

EXERCISE 1: GENERATE CRITERIA FOR FBS ENTERPRISE SELECTION THROUGH FOCUS GROUP DISCUSSIONS AND KEY INFORMANT INTERVIEW

Objective: To identify a commodity enterprise for the FBS; and to assess suitability of the area to the commodity enterprise selected, including resources (land, water, fund support, PO strength)

Materials: Manila papers, pens/markers, MetaCards

Duration: 60 minutes

Steps:

1) Explain to the FGD participants the purpose of the exercise.

2) Below are questions that will guide the facilitators in determining the participants’ notions on: Enterprise and chain, Climate change issues, Gender issues, and Market information.

   a. Enterprise and chain:
      What is the enterprise activity? The product(s)
      What are the main activities to produce the product(s)?
      Who are involved in the different activities of your business/enterprise?
      Who are your input suppliers?
      Where do you sell? How do you do pricing of the product?
      What are the uniqueness and opportunities offered by your product(s)
      What are the constraints in your enterprise; for each main activity?

   b. Climate Change issues:
      Have you heard of climate change? What is your understanding of climate change?
      What effects does it have in the community or on the resources that the community depends on?
      How does it affect your enterprise/farming?
      What has been done to adapt or to reduce the ill-effects of climate change on your business/livelihood/farming?
      Is the community doing anything to address climate change?

   c. Gender issues: (if possible, these questions should be asked in sub-groups of men and women separately. Results can then be shared)
      Have you heard of the term gender equality? What do you think it means?
      Do you think gender equality is a good or bad thing?
      Do ideas about how men and women should behave in the community affect their involvement in local enterprises?
      Are there particular types of enterprise that are more appropriate for men or for women?

   d. Market information
      What do you know of the market for the product?
      How do you describe the product? Quality and price?
      The frequency and volume of buying the product?
      Its advantage over other product(s) (competitors)
3) Organize, analyze, and summarize the findings. This should provide support to the selected FBS enterprise.

4) Present the exercise results to the participants

Prior to the fieldwork proper, first validate with the PO/community members the selected criteria for the enterprise to focus on in the FBS, before proceeding with the key questions. The validated criteria should guide the focus of the FGD/KI and direct observation.

**Note to facilitators:**
- Be sure to familiarize yourselves with the guide questions. Translate these to vernacular beforehand with the help of others to clearly convey what the question really is about.
- Both genders must be equally represented in conducting the FGD
- If time is available, the facilitator can also present the consolidated results in graphs to make them visually appealing, and statistical analysis can be shared.
EXERCISE 2: RANK OPTIONS BY CRITERIA FOR FBS ENTERPRISE SELECTION

Objective: To identify commodity enterprise for the FBS by ranking

Materials: Manila papers, pens/markers, MetaCards

Duration: 60 minutes

Steps:

For each commodity/enterprise do the criteria scoring

1) Identify and select criteria; set in matrix
2) Set weight for each criterion (i.e. level of importance: 1 – 3; if each criterion differs in importance)
3) Put a score for each criterion (after scoping study, or gathering data//information from the field, market research, etc.)
4) Multiply score and weight attached for each criterion to get total for each
5) Sum up for all criteria
6) Compare the total scoring for all potential enterprises

Decision Rule: Select commodity/enterprise with the highest score; or review (criteria, weight, score) if complications or complexities exist.

Sample output:

<table>
<thead>
<tr>
<th>QUESTIONS/Criteria</th>
<th>Score</th>
<th>Weight</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are there prospects for future growth?</td>
<td>4</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Can improvements be made environmentally friendly?</td>
<td>5</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Can innovations be made through processing or product improvement where markets exist?</td>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Can the product be sold to the consumer at an attractive cost?</td>
<td>3</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Are there comparative advantages of the product (cost, product traits)?</td>
<td>5</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Is there potential for increased cooperation in the value chain?</td>
<td>4</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Is there management capacity enough for upgrading or improving?</td>
<td>4</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Are raw materials and facilities distinctly or abundantly available?</td>
<td>5</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Are there financial services sufficiently available?</td>
<td>5</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Are business development services for improvement sufficiently available?</td>
<td>4</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Does its development/improvement contribute to or reduce gender equality?</td>
<td>4</td>
<td>2</td>
<td>8</td>
</tr>
</tbody>
</table>

OVERALL TOTAL FOR GROWTH POTENTIAL

Scoring: 0 – 5, where 0 = not at all and 5 = yes, very important

Note on Market Matching:
Another activity that could help and guide facilitators in providing information to farmers on FBS enterprise selection is market-matching. Market matching is a half-day meeting with existing and potential buyers of commodities of the FBS groups. This aims to generate information on the potential market of the crops/commodities of the FBS groups.
EXERCISE 3: GENDER MAPPING

Objective: To obtain a gender-sensitive picture of the value chain; actors and linkages and relationships; to gain insight into the differences of activities and roles of women and men in terms of access and control over resources; and to identify constraints, and opportunities equitably between women and men in upgrading the chain.

Materials: Manila papers, pens/markers

Duration: 1 hour

Steps:

1) Identify a value chain and map out the chain in terms of PROCESSES and ACTORS carrying out functions in the chain.

2) After mapping out the actors in each node of the chain (function):
   a. Specify the sex and proportion of the actors involved in each function (e.g. seed preparation, women 80%, men 20%; land preparation, men 100%; trading, men 80%, women 20%)
   b. Describe as far as possible, for each function, the resources needed for the activity (e.g. transport for a trader) and the access/control of each of the necessary resources among women and men in the community;
   c. For each function in the local marketing system, define the major roles, employment status, etc., of men and women

3) Identify constraints and opportunities for men and women in different functions of the chain
MODULE 2
Group formation and strengthening

This module aims to form and strengthen farmer groups for market-oriented learning and action. It consists of three sessions: (1) livelihood and business visioning, (2) individual and group capacity assessment, and (3) learning and working together.

Overview of Module 2 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. 1. Livelihood and business visioning</td>
<td>To discuss key livelihood and business concepts; To develop and share their livelihood and business visions; To build consensus on priority commodities and market chain as tentative learning focus.</td>
<td>1. Small group workshop on livelihood portfolio of group 2. Presentation on livelihoods; farm and agriculture-based business 3. Formulating a group or individual mission and vision</td>
<td>1. Visioning</td>
<td>2 hours</td>
</tr>
<tr>
<td>2.2 Individual and group capacity assessment</td>
<td>To assess existing business capacities and resources for individuals and group; and To use assessment results to plan how the group could enhance capacities and resources to achieve its business vision.</td>
<td>1. Brainstorming to assess and identify existing business capacities and resources of farmers</td>
<td>1. Capacity and asset inventory for target business 2. Individual entrepreneurial competency assessment</td>
<td>2 hours</td>
</tr>
<tr>
<td>2.3. Learning and working together</td>
<td>To determine the importance of farmer group-based learning and action in market chain development; and To analyze what makes a group successful and describe the key roles and contributions of each member.</td>
<td>1. Group sharing on learning and working together as a group</td>
<td>1. Chinese whispers 2. Tower building 3. Breakthrough 4. Trust walk</td>
<td>1.5 hour</td>
</tr>
</tbody>
</table>
2.1 LIVELIHOOD AND BUSINESS VISIONING

2.1.1 SMALL GROUP WORKSHOP ON LIVELIHOOD PORTFOLIO

EXERCISE: VISIONING

Objective: To illustrate the visions of the participants about their business-oriented livelihood activities

Materials: Manila papers, pens/markers

Duration: 1 hour

Steps:

1) Divide the group by sex and assign a documenter and a reporter.
2) Instruct them to share among the group their household livelihood activities.
3) From the list, ask them to identify the common livelihoods that will surface. Further, ask them to specify the business-oriented livelihood/s.
4) On a manila paper, instruct them to illustrate the present situation of that business-oriented livelihood. They may use representations that define the situation.
5) Then let them draw/illustrate what they want that business-oriented livelihood/s to become in the future (e.g. in the next three years or five years). Encourage them to expand their imagination.
6) Let each group present their output.
7) The presentations will serve as a basis for identifying the livelihood that the group may venture into.

Note: This exercise can also be used to do a business visioning of the group by drawing the before and after situations of the business identified by the group.

Sample Output:
### 2.1.2 PRESENTATION ON LIVELIHOODS, FARM AND AGRICULTURE-BASED BUSINESS

#### KEY CONCEPTS AND DEFINITION

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livelihood</td>
<td>It comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural base (Chambers &amp; Conway, 1991).</td>
</tr>
<tr>
<td>Business</td>
<td>This is an organization engaged in the trade of goods, services, or both, to consumers. Businesses are mostly privately-owned and administered to earn profit to increase the wealth of the owners. A business may also be not-for-profit or state-owned.</td>
</tr>
<tr>
<td>Enterprise</td>
<td>A business unit that can be categorized as micro, small, and medium enterprise (MSME) is engaged in industry, agribusiness/services, whether single proprietorship, cooperative, partnership, or corporation, whose total assets are inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated.</td>
</tr>
<tr>
<td>Agribusiness</td>
<td>The business of agricultural production, which includes agri-chemicals, breeding, crop production (farming and contract farming), distribution, farm machinery, processing, seed supply, marketing, and retail sales. The term was coined in 1957 by Goldberg and Davis.</td>
</tr>
<tr>
<td>Customer</td>
<td>A person or organization that buys goods or services from a store or business.</td>
</tr>
<tr>
<td>Consumer</td>
<td>A person who purchases goods and services for personal use.</td>
</tr>
<tr>
<td>Household</td>
<td>A group of people who occupy the same shelter and who live, cook, and eat together.</td>
</tr>
<tr>
<td>Family</td>
<td>A group of people related by ties of birth and marriage.</td>
</tr>
<tr>
<td>On-farm</td>
<td>Activities or incomes derived from own farm produce (rice farming; pig raising).</td>
</tr>
<tr>
<td>Off-farm</td>
<td>Activities or incomes from working with other people’s farm; whether in cash or kind (laborer).</td>
</tr>
<tr>
<td>Non-farm</td>
<td>Activities excluding or not related to agriculture (transport, shop keeping, handicrafts).</td>
</tr>
<tr>
<td>Vision</td>
<td>A clear, comprehensive idea of an organization at some point in the future.</td>
</tr>
<tr>
<td>Mission</td>
<td>A statement of the purpose of a company or organization and its reason for existing; declaration of an organization’s core purpose and focus.</td>
</tr>
</tbody>
</table>
2.2 INDIVIDUAL AND GROUP CAPACITY ASSESSMENT

2.2.1 BRAINSTORMING SESSION TO ASSESS AND IDENTIFY EXISTING BUSINESS CAPACITIES AND RESOURCES OF FARMERS

**KEY LEARNING POINTS**

<table>
<thead>
<tr>
<th>Livelihood assets</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livelihood assets</td>
<td>Livelihood assets may be tangible or intangible. These are categorized in five groups: human, social, natural, physical, and financial.</td>
</tr>
<tr>
<td>Human (individual capabilities)</td>
<td>skills, knowledge, health, and ability to work</td>
</tr>
<tr>
<td>Social (group capabilities and relationships)</td>
<td>social resources, including informal networks, membership of formalized groups, and relationships of trust that facilitate cooperation and economic opportunities</td>
</tr>
<tr>
<td>Natural (resources in the natural environment)</td>
<td>land, soil, water, forests, and fisheries, etc.</td>
</tr>
<tr>
<td>Physical (infrastructure and equipment)</td>
<td>roads, water and sanitation, schools, ICT; and producer goods, including tools, livestock and equipment</td>
</tr>
<tr>
<td>Financial (savings, credit and income)</td>
<td>savings, credit, and income from employment, trade and remittances</td>
</tr>
</tbody>
</table>

**EXERCISE 1: CAPACITY AND ASSET INVENTORY FOR TARGET BUSINESS**

**Objective:** To inventorize the capacity and assets of the participants for the target business

**Materials:** Manila papers, pens/markers

**Duration:** 1 hour

**Steps:**

1) Divide the group into three or four groups (depending on the number of men and women participants).
   Let them assign a documenter and a reporter.

2) Instruct them to discuss the following questions:
   a. What capacities and assets are required to pursue business interests you share with others?
   b. Which of these capacities and assets do you already have?
   c. How do you plan to develop/acquire capacities and assets that you don’t have yet?

3) After their discussion, let each group to present their outputs to the three questions.

4) The facilitator will provide a synthesis of the presentations and encourage further discussions on similarities and differences of capacities and assets.
EXERCISE 2: INDIVIDUAL ENTREPRENEURIAL COMPETENCY ASSESSMENT

Objective: To enable the participants to list key competencies required for business success and initiate a self-assessment process.

Materials: Manila papers, pens/markers

Duration: 1 hour

Steps:

1) Ask the participants to think of the most successful entrepreneur they know. Ask them to name the most successful male and female entrepreneur because men and women face different constraints, challenges and opportunities. Thus, they may develop different sets of competencies. After five minutes, ask them to share with others why they think a particular person is a successful entrepreneur. Note to ask them about the key abilities or competencies.

2) The facilitator will note the participants’ responses and write them on the paper or whiteboard.

3) The facilitator then asks the participants to individually assess their own competencies using the list identified: which are present; which are strong; and which they want to improve.

4) The facilitator asks two or three volunteers to share their answers.

5) In the plenary, the facilitator asks them how to improve these competencies.

Note to facilitators:
Guidе the participants in listing the assets and competencies (which won’t be a complete list. A few answers -- at least three are sufficient for the discussions).

A suggested modification in the exercise: (a) list the traits of a successful entrepreneur or businessman; and (b) present a case story of a successful business man.
### 2.3 LEARNING AND WORKING TOGETHER

#### 2.3.1 GROUP SHARING ON LEARNING AND WORKING TOGETHER AS A GROUP

<table>
<thead>
<tr>
<th><strong>KEY LEARNING POINTS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stages in group development:</strong> These stages are important and inevitable for the team to grow, to face up to challenges, to tackle problem, to find solutions, to plan work, and to deliver results. (Bruce Tuckman, 1965)</td>
</tr>
<tr>
<td><strong>Forming:</strong> the group comes together and gets to initially know one another and form as a group. The group is not yet a group, but a set of individuals. Individuals want to establish personal identity within the group and make an impression. Participation is limited as individuals get familiar with the setting, the trainer and each other. Individuals begin to focus on the task at hand and discuss its purposes. The group is essentially evolving ground rules on which future decisions and actions will be based.</td>
</tr>
<tr>
<td><strong>Storming:</strong> chaotic vying for leadership and trialing of group processes. Characterized by intra-group conflict and lack of unity. Preliminary ground rules on purposes, leadership and behavior are damaged. Individuals can become hostile toward each other, and express their individuality by pursuing or revealing personal agendas. Friction increases, rules are broken, and arguments can occur. But, if successfully handled, this stage leads to new and more realistic setting of objectives, procedures, and norms.</td>
</tr>
<tr>
<td><strong>Norming:</strong> they have come to the agreement to have one goal and reached a mutual plan for the team. Characterized by overcoming tensions and by developing group cohesion in which norms and practices are established. Group members accept the group and accept each other’s idiosyncrasies. Group allegiances develop, and the group strives to maintain this. Development of group spirit, harmony becomes important.</td>
</tr>
<tr>
<td><strong>Performing:</strong> ability to function as a group and they find ways to do the job smoothly and effectively without inappropriate conflict or need for external supervision. Characterized by full maturity and maximum productivity. Can only be reached by successfully completing the previous three stages. Members take on roles to fulfill the group activities since they have now learned to relate to one another. Roles become flexible and functional. Group energy channeled into identified tasks. New insights and solutions begin to emerge.</td>
</tr>
</tbody>
</table>
EXERCISE 1: CHINESE WHISPERS

Objective: To deliver the information they receive to another person with the least amount of alterations. This exercise highlights the importance of confirming the information we receive from our colleagues and partners.

Materials: Two folded sheets of paper for each group with one of the following statements written on each paper: Case 1: “Never let your inferior do you a favor, it will be extremely costly.” and Case 2: “Morality, like art, means drawing a line in someplace”, a blank piece of paper and a pen for each group.

Duration: 25 minutes

Steps:
1) Split the group into teams of four or five members. Participants in each team should sit in a circle, facing each other.
2) A member from each team is given the folded sheet for Case 1.
3) **Case 1**
   a. The member with the sheet is asked to whisper the sentence written on the sheet in the ear of the person on his/her right.
   b. The second person then whistles what he has heard in the ear of the person on his right.
   c. This process is repeated and the last person in the circle has to write down what he has heard on the blank piece of paper, fold it and hold on to it.
4) **Case 2.** Now give the Case 2 to one member of each team and ask the delegates to repeat this process, only this time, each participant has to repeat what he or she has heard in the ear of the person who just whispered it to him to ensure the sentence stays intact.
5) At the end of the exercise, those delegates who have written the sentences on their paper, read their sentences out, and the final sentences are compared to the original sentence.
6) The facilitators discuss with the group their feedback. The following questions can be used. How accurate was the final sentence in each round? Did confirming the quote before whispering it help the accuracy of the sentence? How easy is it to misinterpret or change the meaning of a piece of information?

KEY LEARNING POINTS

**Collaborative learning:** A situation in which two or more people learn or attempt to learn something together. Participants in a collaborative learning setting capitalize on one another’s resources and skills (asking one another for information, evaluating one another’s ideas, monitoring one another’s work, etc.). This is based on the model that knowledge can be created within a population where members actively interact by sharing experiences and take on asymmetry roles.

Teams are formed because they can achieve far more than their individual members can on their own, and while being part of a team can be fun, it can take patience and professionalism to get to that stage.

Effective facilitators can accelerate that process and reduce the difficulties that the team members experience by helping them understand what they need to do as their team moves through the stages from forming to storming, norming and, finally, performing.
EXERCISE 2: TOWER BUILDING

**Objective:** To state behaviors or attitudes which contribute to and which hinder team building.

**Materials:** Old newspapers/scrap papers, masking tape, scissors

**Duration:** 30 minutes

**Steps:**

1. Ask participants to group themselves into three or four groups (by sex) depending on the number of the participants. Groups must have at least five members.
2. Distribute the materials to each group.
3. Using the materials, instruct them to build their own tower in 20 minutes. Do not give any descriptions about the tower. Let the groups think and encourage them to be creative. Some groups may use materials apart from those that were distributed.
4. Observe and note how the discussion is going on in the groups. You may make comments during the discussion.
5. After 20 minutes, announce that the time is up.
6. Ask all the groups to put their towers in the center of the room so that everyone gets a good view of all the outputs.
7. Process the activity. Parallel the towers to teams or groups.
   
   Sample questions: *You may direct some of the questions to each group*
   
   - What can you say about the tower of Group 1, Group 2, Group 3, Group 4 (appearance, etc.)?
   - What factors contributed so that you were able to build your towers?
   - What behaviors or characteristics among your group members hindered the completion of the tower?
   - Were there any disagreements? How did you solve those?
8. You can also make comments during the construction of the towers.
9. Relate the game to real-life group team working

EXERCISE 3: BREAKTHROUGH

**Objective:** To illustrate the importance of coordination and communication.

**Materials:** None

**Duration:** 20 minutes

**Steps:**

1. Divide the participants into two groups of equal size and have them stand in two lines facing each other (about two meters apart).
2. Group A is asked to break through Group B. No one is allowed to talk.
3. When the breakthrough occurs, the two groups are told they have five to ten minutes to plan a second breakthrough or defense.
4. Repeat the attempt.
5. After the game, the facilitator asked the participants to reflect on the difference between the two breakthroughs. The first breakthrough usually occurs fairly easily. The second is more difficult.
6. Ask the participants to reflect on the importance of coordination and communication, and what can be achieved as a group compared with a set of individuals.
EXERCISE 4: TRUST WALK

**Objective:** To illustrate the importance of trust in the way people build relationships, and to give an opportunity for individuals to look at their leadership and rapport-building skills

**Materials:** None

**Duration:** 40 minutes

**Steps:**

1) Divide participants into pairs by asking individuals to select someone they have not yet worked with.

2) In each pair, one person leads and the other follows; the follower keeps his or her eyes closed. The leader steers the follower by placing one hand on his shoulder or under his elbow and guiding with a supportive hand.

3) The exercise is carried out in silence.

4) The leader takes the follower around the area at the follower’s pace, and guides him towards touching, feeling, holding, or sensing any object or surface that is safely available (this may include objects and other people).

5) As the facilitator, you can introduce other noises, smells, or objects for heightened sensitivity

6) After 10 minutes, partners swap roles.

7) Feedback can be in plenary, or in new pairs.

8) After the trust walk, the facilitator asks the participants how they felt in the two roles. During the debriefing, discuss issues such as trust, awareness, inner dialogue, sounds, smells, touch, feel, mental pictures, and rapport building.
MODULE 3
Introducing concepts of business, marketing, climate change, and gender

This module aims to introduce key marketing, business, and entrepreneurship concepts within a market/value chain perspective. It consists of two sessions: (1) market chain perspective; and (2) entrepreneurship for small-scale producers.

Overview of Module 3 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Value chain perspective</td>
<td>1. To enhance their understanding of the concepts of markets and marketing/ value and supply chain; 2. To identify the different actors, service providers and other stakeholders, and their roles in the market chain</td>
<td>1. Lecture on understanding market and value/market/ supply chains and business concepts</td>
<td>Markets and value chain statements</td>
<td>Market/field</td>
</tr>
<tr>
<td>3.2 Entrepreneurship for small-scale producers</td>
<td>1. To discuss the concept of farmers as entrepreneurs 2. To identify and compare different types of organizations involved in marketing and the pros and cons of business</td>
<td>2. Lecture on entrepreneurship for small-scale producers</td>
<td>1 hour</td>
<td></td>
</tr>
<tr>
<td>3.3 Types of business organizations</td>
<td>1. To explain the different types and nature of business organizations 2. To identify government agencies responsible for the regulation of various types of businesses</td>
<td>1. Group discussion among the participants</td>
<td>1 hour</td>
<td></td>
</tr>
<tr>
<td>3.4 Climate Change basics</td>
<td>1. To define key concepts related to climate change 2. To discuss potential threats of climate to agricultural production and food security 3. To present farmer experiences and solutions: climate change affecting farmer activities and initial ideas on resilience strategies</td>
<td></td>
<td>2 hours</td>
<td></td>
</tr>
<tr>
<td>3.5 Gender concepts and issues</td>
<td>1. To define key concepts on gender 2. To discuss the basic gender issues in agricultural value chains 3. To integrate the gender dimension in their own businesses</td>
<td>1. Gender realities: status and evidences and gender concepts</td>
<td>1. Born the opposite sex: exercise on sex, gender, and “doing gender”</td>
<td>1 hour</td>
</tr>
</tbody>
</table>
3.1 VALUE CHAIN PERSPECTIVE

3.1.1 LECTURE ON UNDERSTANDING MARKETING AND BUSINESS

KEY LEARNING POINTS

What does a “chain” have to do with livelihood, enterprise, or marketing?
The word “chain” is used to describe the linkages between the different people or organizations involved in producing and marketing your agricultural produce and products until they reach the final consumer.

Who are the chain actors?

**Chain actors**: people/organizations that produce, own, buy and sell the goods (at all stages from farm to consumers).

- **Who**: Crop and livestock farmers/producers, traders, intermediaries, assembly agents, wholesalers, retailers, supermarkets, consumers, restaurants, and institutional markets (e.g. schools, exporters, processors, food and non-food industry users, etc.)

- **What**: Physically handle produce/products, take ownership of the goods, are directly involved in buying and selling transactions, may add value by producing, processing, sorting, packaging, storing, transporting, marketing, promoting; and they generate, receive, and pass on information associated with goods they handle.

**Service providers**: people/organizations that provide different services that the chain actors need (e.g. inputs, transportation, credit,...)

Examples are input suppliers, extension agents, veterinarians, brokers/commission agents, transporters, marketing/promotional firms, and financial services. Services may be provided formally or informally, e.g.

- **Formal** – banks or credit unions
- **Informal** – local money-lenders

Also, services can be provided by chain actors directly (called embedded services).

**Example**:
When a trader or processing agri-business provides inputs (seed fertilizer), technical assistance and/or credit.

**Stakeholders**: other people and organizations that have an interest in the success of the business (local government, NGOs, etc.)

Why are we concerned about improving marketing?

- To improve incomes, livelihoods, and food security
- To adapt to a changing socio-economic situation (globalization, increased competition from imports) and the need to become more efficient and competitive in order to thrive
- To improve fairness through the marketing chain, while adding value to the end product
- To build capacity at local level to innovate and adjust to changing situations (e.g. climate change)
- To understand the needs of the market (consumers and other chain actors), and so produce what we can sell, not try to sell what we can produce

How do we do this?

By moving from a traditional “market chain” to that of a “value chain” perspective.
| Market Chain / Supply Chain                                                                 | A set of linkages between actors where there are no binding or sought-after formal or informal relationships except when goods, services, and financial agreements are actually transacted  
|                                                                                         | o one-off transactions, buy and sell  
|                                                                                         | o no long-term relationships with buyers, lack of trust  
|                                                                                         | o farmers as price-takers (many producers, few traders)  
|                                                                                         | o no incentives to improve or innovate  
|                                                                                         | o no understanding of market needs |
| Value Chain                                                                               | Specific type of chain where the actors actively seek to support each other so that they can increase their efficiency and competitiveness  
|                                                                                         | o longer term relationship between buyer and seller, building trust  
|                                                                                         | o exchange of market information, potential to innovate  
|                                                                                         | o negotiation of prices, quality standards, supply continuity, etc.  
|                                                                                         | o potential for collective agreements (farm level) |
| Value-added                                                                                | Attributes of produce/products that result in higher prices than for the basic produce, due to activities such as cleaning, sorting, packaging, and processing. The higher price will cover the cost of the activity, plus a margin that can be distributed fairly among the chain actors. Value can be added at any point from farm to retail levels. |
| Type of value addition                                                                     | Technology - new varieties, quality characteristics/standards, postharvest and processing, new or improved products and packaging  
|                                                                                         | Market - geographical – new location, market segment – different consumer group, institutional (e.g. school)  
|                                                                                         | Organizational/commercial: horizontal/vertical chain  
|                                                                                         | Nutrition: nutrient-rich varieties/cultivars; or nutrient fortification/enhancement can add value  
|                                                                                         | Cultural: incorporating indigenous culture/ethnic related features/traits to a product  
|                                                                                         | Natural-based product or systems |
KEY LEARNING POINTS

Characterization of chain actors and service providers (and gender aspects):

- **scale of operation**: micro, household, small, medium, large
- **type of entity**: informal, cooperative, association, private limited company
- **assets and resources**: land, buildings, equipment, financial capital
- **employment/labor**: family, permanent, casual, seasonal
- **objectives**: commercial, social, plans, strategies

Relationship among chain actors and service providers

- **Transactional**: concerned only with buying and selling, one-time transaction
- **Long-term**: building trust and leading to greater information exchange over time
- **Horizontal**: among similar chain actors, for example farmers in a group for input supply and/or product marketing (collective action)
- **Vertical**: coordination along the chain, e.g. between producers, traders and processors. May be informal or formal (via contracts/agreements). If one entity owns (or controls) the whole chain from production to market, this is termed “vertical integration”.
- **Gender aspects of relationships relating to trust building**

What moves through the chain?

- **physical products**: intermediary, processed and final: volumes traded, processes and their efficiency (conversion rates), quality changes (fresh eating, nutritional, functional)
- **money**: costs, prices (seasonality, changes over time), margins, profitability (sustainability of activity/enterprise over time), efficiency (input use, conversion rates, sensitivity analysis), credit (interest rates, availability, costs), terms of trade (cash or delayed payments, cash management)
- **information**: markets, demands, prices, trends, quality and other standards, agricultural and process technologies (extension), financial, accounting and legal advice, regulations and policies

Gender issues in markets and value chains

- Women and men have different roles and demands. If these are not addressed, they can undermine the effectiveness of value chain development
- **Social justice**: equal distribution of advantages, assets, and benefits between men and women
- **Business**: gender inequity creates a missed business opportunity, e.g. women have key roles in postharvest and processing linked with bulkiness and perishability for root and tuber products
EXERCISE 1: FIELD WORK, MARKET AND MAPPING THE CHAIN

Objective: To map the chain of a selected commodity.

Materials: Field guide

Duration: 1-2 hours at market/field

Steps:

A. Field work:
   1. Collect a commodity to map the chain
   2. In the market, interview:
      - Traders /farmers and ask who are:
         o producers/farmers from where
         o markets; who are the sellers
         o who are the buyers
      - prices and volumes, seasonality
      - varieties
      - preferences of consumers
      - uses of the commodity
   3. Direct observation (Businesses and enterprises)
      - Observation
         o Selling practices
         o Quality of products
         o Market outlets and presentation (merchandise)

B. Back to session: reporting of market survey outputs

EXERCISE 2: MARKETS and VALUE CHAIN STATEMENTS

Objective: To facilitate discussions among participants on markets and value chain with gender perspectives.

Materials: Print out questionnaire

Duration: 45 minutes

Steps:

1) Divide the participants into three or four groups (preferably organized by sex). Each group chooses a facilitator and a reporter.

2) Distribute the questionnaires to each participant and ask them to respond to each statement.

3) Allow 10 minutes for discussion within the group by expounding on their responses for each statement. Also, relate the discussion with the field work.

4) Participants report back the results of group discussion in plenary. Facilitator will use the statements as a basis for discussion of topics, with focus on those statements that resulted in a range of answers from the group members.
<table>
<thead>
<tr>
<th>Statements</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer cooperatives are capable of being effective and efficient enterprises.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working through farmer organizations (formal or informal) is the best way to achieve inclusive and sustainable development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation of women in farm-related businesses is very limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men farmers generally have good knowledge of markets for their produce/products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women farmers generally have good knowledge of markets for their produce/products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men farmers perceive marketing issues as important, but difficult to address</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women farmers perceive marketing issues as important, but difficult to address</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The value chain approach is an inclusive methodology suitable for the poorest sectors of the rural population</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmer decision making tends to be made with a short-term perspective</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men farmers can obtain market information easily these days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women farmers can obtain market information easily these days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traders exploit small producers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smallholders lack confidence to engage with other market actors (traders, processors etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men and women engage with other market actors (traders, processors, etc.) in a different way</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organic certification for smallholder producers is not practical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small-scale processing is rarely a viable business activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men small farmers can supply up-market niche products for premium prices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women small farmers can supply up-market niche products for premium prices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The majority of poor rural men farmers do not have sufficient social, human and productive assets to integrate themselves into value chains.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The majority of poor rural women farmers do not have sufficient social, human and productive assets to integrate themselves into value chains.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men farmers generally understand how to negotiate with traders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women farmers generally understand how to negotiate with traders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The private sector is keen to source supplies from smallholder producers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The public sector should never deliver services directly in rural areas</td>
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</tr>
</tbody>
</table>

**Note to facilitator:**
The questionnaire should be simplified and translated into the local dialect in actual FBS. If time permits, the facilitator can collect and collate the individual answers to be used in the plenary discussion.
3.2 ENTREPRENEURSHIP FOR SMALL-SCALE PRODUCERS

3.2.1 LECTURE ON ENTREPRENEURSHIP FOR SMALL-SCALE PRODUCERS

KEY LEARNING POINTS

What is an Entrepreneur?

Innovator: This person starts something new, takes initiative, identifies and realizes opportunities.
Organizer and manager: He or she leads and runs a business. An entrepreneur is someone who has access to capital, assets, and resources. He or she takes risks, within reason and with a sound understanding of the prospects of success and failure. An entrepreneur knows his or her own strengths and limitations. He or she also seeks support as required (e.g. service providers)
Risk-taker: enterprising

An entrepreneur is a risk-taker, thus an innovator; starts something new or transforms the old to a new form or purpose.

Who are the small-scale producers?

Usually, they have limited land, with productive assets and resources. They may be remote from markets, with little knowledge and few external contacts. Small-scale producers have positive attributes such as their: traditional knowledge that can be developed into marketable produce/products, kinship networks into urban markets via outward migration, social capital in community (favoring horizontal cooperation), and support from LGUs, NGOs, relevant agencies and programs providing support in range of areas (including finance) that may otherwise be difficult to access locally.

3.3 TYPES OF BUSINESS ORGANIZATIONS

3.3.1 GROUP DISCUSSION AMONG THE PARTICIPANTS

This section needs to be customized for each country, according to the legally available options and regulatory requirements. Consider the option of remaining an informal organization (pros and cons) – at what stage is it worthwhile to take on a formal, legal identity? This will also vary by country.

KEY LEARNING POINTS

Establishing businesses in the Philippines requires registration in different offices depending on the type of business, its coverage and ownership.

- **Single or sole proprietorship**: the person is engaged in the business as an individual
- **Partnership**: two or more persons have agreed to operate a business
- **Corporation (at least five parties)**: a group of people (with legal personality) authorized to act as a single entity
- **Cooperative**: an organization owned and operated by its members who share the profits and benefits generated by the business.
3.4 CLIMATE CHANGE BASICS

KEY LEARNING POINTS

Climate Change Concepts

- **Weather**: Mix of events that happen each day in our atmosphere including temperature, rainfall, wind, and humidity.
- **Climate**: Statistical description in terms of the mean and variability of relevant quantities (temperature, precipitation, wind) over a period of time ranging from months to thousands or millions of years (Intergovernmental Panel on Climate Change)
- **Climate Change**: Any change in climate over time (identified using statistical tests), whether due to natural variability or as a result of human activity. (IPCC)
- **Greenhouse Effect**: Trapping and build-up of heat in the atmosphere (troposphere) near the Earth's surface. Some of the heat flowing back toward space from Earth’s surface is absorbed by water vapor, carbon dioxide, ozone, and several other gases in the atmosphere and then re-radiated back to the Earth's surface. If the atmospheric concentrations of these greenhouse gases rise, the average temperature of the lower atmosphere will gradually increase. (US Environmental Protection Agency)

Global Realities

- Warming of global climate is unequivocal.
- Human influence in climatic system is clear.
- Continued CO2 emissions cause further climatic changes and constitute multi-century commitment in the future.
- Recent climate change has produced impacts on natural and human systems.

Climate change impacts on the following:

- **Terrestrial and inland water systems**
  Movement of range; Altered abundance; Shift in seasonal activities; Changes in inter-species dynamics

- **Coastal systems and low-lying areas**
  Sea-level rise; Sea surface temperature; Ocean acidity; Submergence; Coastal flooding; Coastal erosion; Stronger cyclones

- **Ocean systems (physical, chemical, biological)**
  Salinity circulation, temperature, CO2, O2 nutrients, light; Movement of range, altered abundance, changes in inter-species dynamics, shift in seasonal activities, migration patterns; Fishing catches will increase in some areas while decreasing in others; Coral bleaching

- **Special concern for water and water resource**
  Increase in frequency of meteorological droughts (less rainfall) and agricultural droughts (less soil moisture) in presently dry regions (IPCC, AR5)
  Increase in precipitation in high latitudes and parts of the tropics and decreases in some subtropical and lower and mid-latitude regions (Bates et al., 2008)

Climate change impacts on agricultural production

All facts and illustration from CCAFS Big Facts [http://ccafs.cgiar.org/bigfacts](http://ccafs.cgiar.org/bigfacts)

Current cropping systems will no longer be viable in many locations.

Patterns of pests and diseases will change.
KEY LEARNING POINTS

• These areas, which support 35 million people at present, are expected to switch from mixed crop–livestock systems to livestock only (Jones and Thornton 2009).

• Historical studies demonstrate that climate change has already had negative impacts on crop yields. Maize, wheat and other major crops have experienced significant climate-associated yield reductions of 40 million tons per year from 1981 to 2002 at the global level (Lobell and Field 2007).

• Climate change may have a positive impact on rice production in some areas, by allowing rice production in more northern regions, such as China, or increasing the length of the growing season to allow for a second rice crop. Elsewhere, however, production is expected to decline. The International Food Policy Research Institute’s (IFPRI) IMPACT model, for example, projects that rice productivity will decline by 14% in South Asia, 10% in East Asia and the Pacific, and 15% in Sub-Saharan Africa by 2050. This would result in price increases of between 32% and 37% (Nelson et al. 2009).

• The International Potato Center (CIP) has modelled the effect of climate change on potato production to 2069 (Hijmans 2003). This indicates that potential yield will decrease 18%–32% without adaptation and by 9%–18% with adaptation, and that shifting of planting time and location will be less feasible at low latitudes than at high latitudes (where expected changes in yield are relatively small), resulting in large reductions in production.

• Global aggregate figures mask major spatial and temporal variability. In 2030, for example, using a mean of two climate models and two climate scenarios, maize production is projected to increase by 18% in Kenya but fall by 9% in Uganda. Within these countries, there is further variability between agro-ecological zones (Thornton et al. 2010).

• Changing temperatures and precipitation regimes will likely cause local extinctions of crop wild relatives as suitable natural ecosystems will decrease or disappear (Jarvis et al. 2008).

• **Climate change affects forests and their biodiversity** by altering animal and plant reproduction, animal migration, length of the growing season, species distributions and population sizes, and the frequency of the pest and disease outbreaks (Root et al. 2003).

Global food security scenario

All facts and illustration from CCAFS Big Facts (http://ccafs.cgiar.org/bigfacts)

• Population: Asia will remain the world’s most populous region in the 21st century.
Global food security scenario

- Nutrition and hunger

- Increased consumption: Despite increased consumption, South Asia and Sub-Saharan Africa will continue to have the lowest daily food caloric intake per capita by 2050.

- Food demand: If consumption patterns do not change, agricultural production will need to increase by 60% relative to 2005 to meet food demand in 2050.

- Food production outlook:

Yields of maize, rice, wheat, and soybean all need to increase by 60%, by 2050 to meet demand but current yields are falling short.
3.5 GENDER CONCEPTS AND ISSUES

KEY LEARNING POINTS

Gender Concepts

Gender: The economic, social, political, and cultural attributes assigned to the biological categories of male and female.

Gender norms: The gender dimensions of social norms that govern social relations and establish expectations as to how we are to act in our everyday affairs. They determine in significant ways the distribution of the benefits of social life. (Knight and Ensminger 1998). In relation to agriculture, food security, and livelihoods it is helpful to think of gender norms in relation to the production of goods and services that can be consumed or exchanged for cash or kind and the reproduction of the household through care, food preparation, and birth.

Gender analysis: A study of the differences in conditions, needs, participation rates, access to resources and development, control of assets, decision-making powers, etc., between women and men, and their assigned gender roles (European Commission, 1998). A gender analysis involves the collection and examination of information about the different roles of women/girls and men/boys (including the gender division of labor), experiences, capacities, needs, constraints, and priorities of men and women in a given socio-economic group, as well as identifying the opportunities and strategies for change (Care Bangladesh, 2005).

Gender-blind: Ignoring/failing to address the gender dimension in any given project or research (as opposed to gender-sensitive or gender-neutral) (European Commission, 1998). A gender-blind perspective ignores gender biases that exist in society (ILO, 2007). It usually uses gender-blind terms, which may result in girls and women becoming invisible in development activities, leading to research results that privilege men’s needs, interests and priorities. An outcome of genderblind research may be a bias towards the interest of men farmers.

Gender discrimination: An exclusion or restriction made on the basis of gender that prevents a person from enjoying full human rights.

Gender equity: The process of being fair to men and women according to their needs. Equal treatment or treatment that is different but considered equivalent in terms of rights, benefits, obligations, and opportunities. Achieving gender equity often requires built-in measures to compensate for the historical and social disadvantages of women. A process or strategy for achieving gender equality. It recognizes the existing gender gap and seeks to compensate for this.

Gender equality: The equal opportunities and outcomes for women and men. All human beings, both men and women, are free to develop their personal abilities and make choices without the limitations set by stereotypes, rigid gender roles, or prejudices. Men and women enjoy the same status. They have equal conditions (with equal access to opportunities) for realizing their full human rights and potential to contribute to national, political, economic, social, and cultural development (equal participation) and to benefit from the results (equal benefits). Rights, responsibilities, and opportunities will not depend on whether they are born male or female.

Gender analysis: A study of the differences in conditions, needs, participation rates, access to resources and development, control of assets, decision-making powers, etc. between women and men, and their assigned gender roles (European Commission, 1998). A gender analysis involves the collection and examination of information about the different roles of women/girls and men/boys (including the gender division of labor), experiences, capacities, needs, constraints, and priorities of men and women in a given socio-economic group, as well as identifying the opportunities and strategies for change (Care Bangladesh, 2005). It is also established as the basic requirement for mainstreaming strategy.

Gender balance: The equal and active participation of women and men in all areas of decision-making, and in access to and control over resources and services.

Gender mainstreaming: The process of assessing the implications for women and men of any planned action, including legislation, policies or programs, in all areas and at all levels. It is a strategy for making women’s as well as men’s concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programs.

Gender-responsive indicators: Used to assess progress in achieving gender equality by measuring changes in the status of women and men over a period of time.

Empowerment: Both women and men taking control over their lives by setting their own agendas, gaining skills (or having their own skills and knowledge recognized), increasing their self-confidence, solving problems, and developing self-reliance. It is both a process and an outcome. An expansion in women’s ability to make strategic life choices in a context where this ability was previously denied to them. In particular, it means having representation in decision-making bodies and control over the distribution of resources.
Gender realities: status and evidence (FAO, 2011)

- Gender disparities, access to and benefits from assets, services and inputs (e.g. land, livestock, labor, education, extension and financial services, and technology) exist.
- Women have less access than men to productive resources and opportunities.
- Gender gap imposes costs on women, on the agriculture sector, and on the broader economy and society as a whole.
- Participation in and benefits from markets are different for men and for women.
- Men and women are impacted differently by technologies, interventions, and other emerging threats.
- Women are responsible for over half the world’s food production (FAO, 2006).
- According to a 1988–89 FAO survey of extension organizations covering 97 countries with sex-disaggregated data, only 5 percent of all extension resources were directed at women.
- In developing countries between 10 and 20 percent of all landholders are women.
- On average, women represent 43 percent of the agricultural labor force in developing countries, ranging from 20 percent in Latin America to 50 percent in Eastern Asia and Sub-Saharan Africa.
  - Closing the gender gap can increase the productivity of agriculture and livestock systems, and improve food security and nutrition. Women could increase yields on their farms by 20–30%.
  - Agricultural output in developing countries would increase by 2.5–4%.
  - The number of hungry people in the world would be reduced by 12–17%.
- There is evidence that income under the control of women is more likely to be used to improve family welfare (e.g. food, health, clothing and education for their children).

Gender equity in value chains

- Poverty reduction: Fighting poverty is hard if you’re gender-blind.
- Business opportunities:
  - Serving women is good for business and the economy
  - Women present new market opportunities as buyers, suppliers, and consumers
  - Profiling gender sensitivity can bolster a company’s reputation
  - When women are in management positions, profits go up

Risks for women in agricultural value chains

- Women’s work is often insecure, perceived as a source of cheap labor, and can lead to marginalization
- Involvement in value chains can become an additional burden on top of domestic responsibilities such as caregiving, cooking, cleaning, and obtaining fuel (reproductive role of women). Productive and reproductive workload can interfere with income-generating activities
- Tensions within the household may increase as women become more engaged in value chains
- Existing conflicts within households may make it more difficult for women to become involved in value chains
- Women’s normative association with small-scale rustic value chains can limit their entry into more commercial value chains (the “thatch ceiling”)
- Women might have difficulty accessing full benefits generated from participation in value chains

Gender analysis in value chains

- Analyzing gender norms, power relations, agency, and outcomes; and not just describing differences but assessing their causes and how they affect men’s and women’s access to resources and opportunities
- Identifying those chains and nodes where women and their roles are less visible

Gender analysis questions

- Labor: Who does what (division of labor)? How (skills)? Where (physical mobility)? When (daily, seasonal)? Why (gender norms about labor)?
- Access: Who uses what (division of resources)? How (agency)? Where (physical mobility)? When (daily, seasonal)? Why (gender norms about access)?
- Decision-making: Who decides what (agency)? How are decisions reached? Where are decisions made? When (agency)? Why (gender norms)?
- Information: Who knows what (gendered knowledge)? How (formal/indigenous information systems)? Where (knowledge networks and information sharing)? When (age restrictions, rituals)? Why (norms of information sharing)?
EXERCISE: BORN THE OPPOSITE SEX: EXERCISE ON SEX, GENDER, AND “DOING GENDER”

(adjusted from an exercise developed by Pamela Aronson)

In this exercise, participants are challenged to envision that they have been born the opposite sex. This will allow them to effectively understand the definitions of gender concepts, by thinking about the ways that their lives have been impacted by sex and gender. This activity will stimulate thought and discussion about the importance of socialization in creating gender roles and our ways of “doing gender.”

- Ask participants to spend five minutes reflectively thinking about the following questions: Imagine that you had been born the opposite sex. Would your life have been different? If so, in what ways? Do you anticipate that your future would be different to how you currently envision it? If so, in what ways?
- After participants have reflected on this question individually, divide them into groups and ask them to discuss it as a group (between 10-15 minutes). Gender differences will emerge immediately.
- Ask some of the participants to share their answers and what they have learned from the group discussion.
- Asking participants to imagine that they had been born the opposite sex sets off an insightful discussion about the value placed on gender differences and gendered behavior. Most importantly, it makes concepts concrete and grounded in participants’ personal experiences of their own lives.

Reference for exercises on gender in value chains: http://genderinvaluechains.ning.com/
MODULE 4
Identifying and prioritizing market opportunities

This module aims to analyze and prioritize market opportunities by using appropriate tools; and to increase business profitability of farmer groups and their individual members in the context of sustainable production systems.

Overview of Module 4 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
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</thead>
<tbody>
<tr>
<td>4.1 Planning and market chain assessment</td>
<td>1. To understand the important and purpose of market chain assessment; 2. To plan and organize market chain assessment</td>
<td>1. Lecture on planning the value chain assessment</td>
<td>Field work preliminaries</td>
<td>4 hours</td>
</tr>
<tr>
<td>4.2 Conducting market chain assessment</td>
<td>1. To apply methods and tools in market chain assessment; 2. To collect relevant information for assessing the target market chains; and 3. To determine methodological and operational challenges in conducting the assessment.</td>
<td>1. Recap on tools and approaches in market chain assessment</td>
<td>1. Actual conduct of market chain assessment</td>
<td>4 hours (plus travel time)</td>
</tr>
<tr>
<td>4.3 Discussion and analysis of assessment results with risk-proofing of livelihoods</td>
<td>1. To consolidate, process, and analyze data from the assessment; and 2. To discuss and summarize key results, conclusions, and recommendations for action.</td>
<td>1. Assessment and consolidation of results on market chain assessment exercise</td>
<td></td>
<td>4 hours</td>
</tr>
<tr>
<td>4.4 Sharing and validating results with market chain actors</td>
<td>1. To share and validate assessment results with other chain actors and stakeholders; and 2. To jointly identify and prioritize market opportunities, including potential collaborations with chain actors.</td>
<td>1. Validation meeting with chain actors and stakeholders</td>
<td></td>
<td>4 hours</td>
</tr>
</tbody>
</table>
KEY LEARNING POINTS

By this stage, the group should have identified the main commodity they intend to develop through the FBS process, and will have some idea of the market chains and marketable products that can be derived from this commodity (See Module 1: Planning and Targeting/1.2 Targeting and Selection of Communities and Value Chains). If this is not yet the case, the group will need to discuss and decide on options based on criteria that are important to them, such as:

- **Agro-ecological potential of the area**
  - Existing crops/commodities
  - Potential crops/commodities not yet produced, but which fit with the production conditions (and which may have market development potential)

- **Objectives of project/program and/or communities**
  - reduce poverty, increase income, improve food security
  - environmental issues (sustainable systems, resilience)
  - “givens” or “entry points” – specific area or commodity
  - potential to increase women’s empowerment, leadership, and gender equality.

- **Opportunities in the wider socio-economic environment**
  - market demand opportunities
  - industry interest
  - potential for technological, commercial, and institutional interventions

The first task is then to define carefully the scope of the assessment. The reflection questions below will guide the FBS groups in planning the assessment exercise.

- Which agricultural commodity?
- Which specific end products from this commodity are currently or potentially (in the future) relevant to the assessment? This may include fresh produce, processed products produced locally, and/or food industry products where the commodity serves as a raw material.
- Which chain actors (men and women) are involved in production, marketing, processing (etc.) of this commodity, and linking production with end users/consumers? Where are they located?
- Which other service providers and stakeholders can be identified?

**Examples:**
Commodity: sweetpotato roots produced in Benguet
End products: fresh roots, dried chips, animal feed.
Chain actors: producers, traders, wholesalers, retailers, restaurant owners/managers, processors (local, and in Baguio), livestock producers, households.
Service providers and stakeholders: LGU and NGOs, finance providers, DA, etc.

One helpful way to carry out this exercise is to draw a map of the chain from production to consumer, indicating the different actors involved, as well as service providers and stakeholders. This helps to provide an overview...
of the value chain under study, to help guide the more detailed assessment that follows. Using their own knowledge, the group should attempt to draw a chain map with as much detail as possible on (See Section 3.1 Market Chain Perspective/Gender-sensitive Value Chain Mapping Exercise):

- Who are the different chain actors and service providers (gender issues)?
- What are the roles differentiated by gender of each chain actors?
- Who are other stakeholders (institutions and agencies, etc.?)
- What are their linkages and relationships? Are they differentiated by gender? If so, how?
- What are the flows of product, money and information? Are they differentiated by gender? If so, how?
- What are the ideas on key market constraints and options?
- Are these market constraints and/or options gender-differentiated? How?

Additional information on the current situation can be added (e.g. volumes and prices). This will help to identify the gaps in knowledge and information where research is required. Also, bear in mind that perceptions will differ among chain actors too – traders may have different options on problems than farmers, for example.

The group should remember to consider potential products, and which actors could be involved, as well the current value chain.

**The second task is to define the list of topics or questions to ask during the assessment.**

The recommendation here is not to use a formal questionnaire, but to have a list of topics that can be covered during an informal interview with each actor. This can be in the form of a checklist specific to each chain actor. See the examples provided – however note that (a) questions will need to be customized for each assessment and (b) limit the topics to the main items, rather than attempting too much. The group can develop a list of priorities for each actor.

It is important that the topics include problems and opportunities from the perspectives of the different chain actors, etc. The tendency is to focus on problems; however, it is especially important to identify opportunities in this assessment process, as they can indicate where innovations and interventions can be focused in subsequent FBS modules. In other words, the assessment should be future-oriented and not just consider the existing market situation of the commodity. The chain actors close to the market will have a good knowledge of consumer trends, demands and preferences (e.g. quality and variety) that go well beyond the information that usually reaches the farm level.

The assessment can be carried out using:

- **Focus Group Discussion (FGD)** i.e. among farmers and also with consumers
- **Rapid Market Appraisal** with people who have specific knowledge or expertise such as:
  - Chain actors: farmers, traders, wholesalers, retailers, processors, exporters
  - Service providers: extension services, input suppliers, transporters, brokers/commission agents, credit providers
  - Stakeholders: local government and public sector agencies, NGOs, community organizations, industry associations, research organizations
- **Direct Observation** (i.e. in wholesale markets and processing facilities)

A sample checklist in conducting market assessment can be found in the Annex:

**Sample Producer Checklist:**

**Production of RTCs**
Varieties, area, yield, production volumes, trends, planting material and input supply issues, production constraints, seasonality

**Utilization profile**
Consumption on farm, livestock feed, etc.

**Processing on-farm**
Process, equipment, labor, efficiency

**Marketing of produce/products**
Buyer details, terms of transactions, nature of relationship, prices/trends, and constraints/opportunities

**General**
Support services used – quality, accessibility, cost, etc.
Constraints/opportunities
Future goals/vision

The third task is to plan the logistics of the assessment and assign roles to each member of the group involved. This will usually involve travel to urban markets (wholesale and retail), any processors currently or potentially using the commodity, and the offices of service providers/stakeholders, as well as including local actors (traders, input suppliers...). The facilitator (and project/institution) will usually support the task by making appropriate out-of-area transport arrangements. Overnight stays may be required. A team of two or three people should visit each actor (dividing responsibilities for asking questions, taking notes, observations/photography, etc.). Depending on the number of interviews, more than one team may be required.
The end result of this session will be:

1. A basic chain map (for actual and potential value chains) indicating the main actors, service providers, and stakeholders to be interviewed, and identifying key information gaps.
2. A plan for conducting the assessment, covering logistical aspects and defining roles and responsibilities of the FBS group members involved.
3. A number of checklists to generate the information required, customized for each chain actor, etc.

**Tip:**
Ask questions relating to money (and especially income and profit) at the end of the interview, so that some confidence/relationship can be established first, before these more sensitive topics are raised.

- Traders and wholesalers may be difficult to meet, and can be very busy when at work in markets. Usually they have more time at the start and end of their working days, but the exact time will depend on each marketplace (very early morning is possible for fresh produce). It may be necessary to make two visits, with the first one used to set up an appointment for a later meeting.
- Many service providers and stakeholders will require appointments to be made in advance
- Be flexible – new potential chain actors may be identified during the interviews, who can also be visited.

**Note to facilitators:**
During all market chain assessments, remember to assess both men and women actors so as to be able to do a sex-differentiated analysis later.
EXERCISE: FIELD WORK PRELIMINARIES

Objective: To expose the participants to market and supply chains and to prepare the initial mapping of the chain (by function and actors).

Activity: Brainstorm with participants – the basic chain map.

Steps:
1) Divide the participants into groups: production, processing, marketing/trading (based on their chain).
2) Discussion with groups on the checklist needed for the fieldwork.
3) Tasking for the fieldwork activity: contacts and communication.
4) Preparing resources and schedule.

4.2 CONDUCTING MARKET CHAIN ASSESSMENT

At the end of the session, participants will have: a) applied the methods and tools in market chain assessment; b) collected the relevant information for assessing the target market chains; and c) overcome any methodological and operational challenges to conducting the assessment.

After this session (which may last one or two days, depending on the location of the markets, etc.), the group should have a documented series of interviews (mainly with key informants, but potentially including focus groups at farm and consumer level, if needed) and observations, covering the following types of information.

a) Market and consumer demand, understanding recent changes and trends in commodity/product supply and demand over time (volumes, prices) and consumer preferences (men and women consumers, quality, appearance, freshness, unit sizes, varieties…). There may also be information on the competition, including other commodity producer regions, and the types of purchase agreements made between chain actors, input suppliers, etc.

b) Standards/regulations and enforcement/compliance, the “power relations” among chain actors, and the barriers to entry for new opportunities. Power relations refers to whether there is one actor (e.g. a processor or supermarket) that has sufficient market share and resources to exert control, or influence, over other chain actors. This can affect the distribution of economic benefits (from any value added) among the chain actors, reducing the equity along the chain.

c) Nature of the relationships among chain actors (see Module 3) both formal and informal, and level of trust or social capital that exists (or not).

d) Economic analysis – based on information obtained from the different chain actors, obtain an idea of the costs and margins along the chain as far as possible, in order to understand who benefits from their participation in the chain, and whether the benefit distribution is fair or not. Note that there will need to be some “triangulation” to assess whether respondents have provided correct information, e.g. compare selling price given by one actor with buying price mentioned by the actor down the chain, if possible.

e) Options for chain innovation (technological, commercial, institutional). By talking to key informants in support institutions (universities etc.), with service providers (e.g. input suppliers) and other chain actors, the team can gain ideas on opportunities for improving/upgrading the chain, i.e. for innovations that could be introduced. Recall that these may be based on:

- Technologies (new varieties, processing equipment, products, storage systems, crop production practices…)
• **Markets** (geographical, demographic or other market segments)
• **Organizational arrangements** (e.g. farmer groups, contracts among chain actors)

In addition, there may be opportunities to link to other investments being made, e.g. in Infrastructure (e.g. roads, utilities) requiring inputs from government programs/departments.

For each potential innovation, the team needs to know what skills, resources or assets they will need (or lack) and what are the required quality standards, rules and regulations for market entry.

**f) Resources and partnerships**

Value chain improvement is dependent on deployment of resources, and on partnerships among the chain actors, service providers, and other stakeholders. It is therefore useful to assess what resources are available, who can access them and who owns them, including those from external sources.

Moving towards action (and interventions being trialed in Module 5) will involve collaboration among different chain actors, stakeholders, etc. The assessment can therefore help to identify potential new collaborators and service providers, who can work with the FBS group in these trials, which should lead to new business opportunities for all concerned.

The output of this session (i.e. the assessment) is therefore an organized set of interview notes, observations, etc., around the above topics, which combine to give a picture of the current state of the chain, as well as indicating potential opportunities for action to improve the chain, directly involving the farmer group and the commodity under investigation.

**EXERCISE 1: ACTUAL CONDUCT OF MARKET CHAIN ASSESSMENT**

**Objective:** To expose the participants to market and supply chains and conduct the market chain assessment as planned in the previous session.

**Activity:** Field work with market visits and interviews.

**Duration:** 1-2 hours at market/field.

**Steps:**

1) Guided by the selected FBS commodity, participants are to interview market actors: retailers, buyers, other key informants (i.e. traders) present in the market. Please see the Annex for the complete checklist on conducting a value chain assessment (pages 120-126).

2) In addition to Key informant interviews, participants must also employ Direct observation (Businesses and enterprises) to gather more data that cannot be obtained through semi-structured interviews.

   • Observation
     o Selling practices
     o Quality of products
     o Market outlets and presentation (merchandise)

3) Organize, analyze and summarize market survey results.

4) Present the outputs.

**Sample output:**

![Image of market chain assessment process]

**SP traders from Cagayan de Oro** → **Market retailers in Tagbilaran City Public Market** → **Consumers from Tagbilaran**
4.3 DISCUSSION AND ANALYSIS OF ASSESSMENT RESULTS WITH RISK-PROOFING OF LIVELIHOODS

4.3.1 EVALUATION AND CONSOLIDATION OF RESULTS ON MARKET CHAIN ASSESSMENT

1) RESULTS ANALYSIS
The results of the assessment should be organized by the team for presentation and discussion with the wider FBS group. There is little to be gained from attempting a very formal and detailed analysis – it is better to develop a number of clear and relatively simple aids to understanding the current situation, and future potentials of the chain. This may include (Examples of each may be very helpful):

- Chain maps, more detailed than the initial scoping exercise (information gaps filled)
- Tables of prices and margins at different stages of the chain, for different actors
- Details of volumes traded in specific markets over time, if possible
- Lists of preferred consumer product attributes/varieties
- Lists of present and potential customers for the group’s produce/products, with volume and quality requirements and price expectations
- Indications of new opportunities for adding value, including products, markets and organizational arrangements (contracts etc.)
- Names of potential new service providers and support agencies, with details of the type of service/assistance to be provided
- Present and potential sources of finance/funding

2) PRIORITIZING PROBLEMS AND OPPORTUNITIES
The assessment team, together with the FBS group members, should meet to discuss these results and identify, from their perspective, the main issues, problems and opportunities; they should place special emphasis on the opportunities, as this leads to the action/innovations to be trialed in Module 5. The group should attempt to identify a number of options for more detailed discussion and prioritization in the next session.

Note that the emphasis here is on problems and opportunities derived from the assessment, but not (yet) on the specific interventions or innovations to be introduced. It is important to separate these two steps, as on problem/opportunity there can be several potential areas of intervention.

First the problem/opportunity should be prioritized, and then the most appropriate intervention should be agreed on. For example, if a problem of “high post-harvest losses” in fresh produce is prioritized (or an...
opportunity to reduce losses), then potential innovations could include those at production level (e.g. change crop variety or harvesting time), the marketing process (different packaging/storage conditions, or better coordination to reduce time taken), or end users (finding a use for low-quality rejects) or even infrastructure investments (improve farm-market roads to reduce damage during transport).

The output from this session is a presentation of the main results of the assessment, including material in graphic (chain map) and tabular form, and with a number of identified problems/opportunities that can lead to action/interventions in the next module.

### 4.4 SHARING AND VALIDATING RESULTS WITH MARKET CHAIN ACTORS

#### 4.4.1 VALIDATION MEETING WITH CHAIN ACTORS AND STAKEHOLDERS

A meeting or forum should be convened, at which the results of the assessment are presented to the main chain actors, service providers, and stakeholders involved in the assessment. This is both to share the results of the assessment with them, and to receive their inputs on the priorities for development in Module 5.

The format of the Validation Meeting should be as follows:

1. Introduction and explanation of the FBS process, aims and objectives; introduction of participants
2. Presentation of the assessment results, including problems and opportunities
   a. Open discussion among participants, with attention to:
   b. Reconciling any different perceptions that actors/others may have about the results, problems etc.;
3. Reaching consensus on priority problems/opportunities for future development.
4. Discussion and prioritization of potential interventions to resolve problems and realize opportunities
5. Initial suggestions for partnerships and collaboration among actors, etc., to move towards action on the main priority/priorities

Careful facilitation is needed for this meeting, because different actors may have different priorities, so these need to be discussed and reconciled, as far as possible. Achieving consensus is important, since implementing these actions will usually require collaboration among chain actors, etc. The output for this activity is the consensus on main problems and opportunities and potential priority intervention, with the value chain assessment results validated.
# MODULE 5
## TARGETING AND TESTING POTENTIAL INNOVATIONS

This module aims to introduce technological, commercial and institutional innovations in collaboration with other chain actors and stakeholders to respond to market opportunities.

### Overview of Module 5 Work Plan

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<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
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<tbody>
<tr>
<td>5.1 Action planning for innovations to address market opportunities</td>
<td>1. To identify and prioritize innovations corresponding to market opportunities; and 2. To develop an action plan for testing and introducing innovations.</td>
<td>Lecture on identifying and prioritizing innovations</td>
<td>Video presentation with group discussion</td>
<td>2 hours</td>
</tr>
<tr>
<td>5.2 Designing and organizing testing of innovations</td>
<td>1. To translate innovation concepts into preliminary designs; and 2. To organize and prepare for testing innovations including task assignments and guidelines.</td>
<td>Group discussion to identify specific actions and roles</td>
<td>Business hooray</td>
<td>2 hours</td>
</tr>
<tr>
<td>5.3 Conducting and monitoring the testing of innovations</td>
<td>1. To develop prototypes or drafts of target innovations 2. To undertake testing and refinement of innovations; and 3. To monitor the process and results of innovation testing.</td>
<td>Discussion on results of tested innovations</td>
<td>1. Tower building 2. Breakthrough 3. Trust walk</td>
<td>4 hours</td>
</tr>
<tr>
<td>5.4 Special topics to support innovations</td>
<td>1. To apply practical knowledge and skills in introducing innovations to the market chain.</td>
<td>Identifying special topics to be covered</td>
<td>Depends on number of topics identified</td>
<td></td>
</tr>
<tr>
<td>5.5 Analyzing results and preparing for the sharing of innovations</td>
<td>1. To analyze and use results in further refining innovations; 2. To prepare to share the innovations with stakeholders</td>
<td>Finalizing the results for the session “presenting and sharing of innovations with key market chain actors and farmers”</td>
<td></td>
<td>4 hours</td>
</tr>
<tr>
<td>5.6 Presentation and sharing of innovations with key market chain actors and farmers</td>
<td>1. To share field-tested innovations with existing and potential chain actors and stakeholders 2. To generate feedback and suggestions to further improve the innovations</td>
<td>Stakeholders’ consultation meeting</td>
<td>4 hours</td>
<td></td>
</tr>
</tbody>
</table>
5.1 ACTION PLANNING FOR INNOVATIONS TO ADDRESS MARKET OPPORTUNITIES

5.1.1 LECTURE ON IDENTIFYING AND PRIORITIZING INNOVATIONS

KEY LEARNING POINTS

Market opportunities

These are the possible openings or entry points to participate in a market or supply chain. An opportunity could be: a) a need that is not served, which may be a product or service; or b) a gap – the demand is not fully served because of low supply, or unstable or seasonal supply. This gap between demand and supply, and understanding its nature, is an opening for new suppliers or old time suppliers who could still expand their production.

Steps in Identifying and prioritizing innovations that match market opportunities

1. List and characterize the options.
2. Design the prioritization and selection process
3. Define selection criteria
4. Evaluate the options (narrow down to feasible ones) based on criteria
5. Final portfolio or mix of options

EXERCISE: VIDEO PRESENTATION “BINALOT” WITH GROUP DISCUSSION

Duration: 30 minutes
Materials: “Binalot” video. You can download at https://www.youtube.com/watch?v=fZfSD5cFu-l
Steps:
1) Video presentation on “Binalot,” a food business popular in the Philippines. The video demonstrates linking of potential innovation to market opportunity.
2) Participants will have to give their impressions, identify existing market opportunities, and describe how the owner responded by introducing innovation/s.

5.2 DESIGNING AND ORGANIZING TESTING OF INNOVATIONS

KEY LEARNING POINTS

Innovation
The process by which an idea or invention is translated into a good or service for which people will pay; or something that results from this process. It involves deliberate application of information, imagination, creativity, and initiative in deriving greater or different value from resources; and it encompasses all processes by which new ideas are generated and converted into useful products.

Technological innovation: varieties, production, postharvest, processing technologies
Institutional innovation: organizations, norms and relationships
Commercial innovations: arrangements for supplying products to markets/users, product positioning/promotion, market/consumer segmentation

Testing of innovation: The process of experimentation of the innovation at the intended level or area, and getting feedback from the users for refinement or improvement. Different innovation types have appropriate means of testing. The criteria of upgrading could be reduced cost, upgrading of quality, and/or diversifying products and meeting cost and quality criteria.
EXERCISE: BUSINESS HOORAY

Duration: 1 hour and 30 minutes
Materials: Big sheets of paper, markers, adhesive tape
Steps:
1) Divide participants into groups (at most, three groups) to discuss technological, commercial and institutional innovations.
2) Provide each group with markers and big sheets of paper (manila papers).
3) Allow 10 minutes for the participants to brainstorm and write their ideas on the possible business options to undertake based on experiences from Modules 3 and 4, and how to test these options.
4) Let the participants brainstorm further and rank their ideas using the following criteria. The criteria can be modified by the participants.

The matrix is divided into three groups: a) technological; b) commercial, and c) institutional.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Production</th>
<th>Post-harvest</th>
<th>Processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Technological</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Commercial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Institutional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total score</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rate ideas with the following rating: (1) Low, (2) Moderate, (3) High
Rank ideas based on total scores

5) After ranking, let the participants brainstorm further and write a business slogan or catchwords/phrases to publicize the business.
   e.g. “It’s the real thing!” (Coca Cola)
   “We got it all for you!” (SM)
   “Take the bus and leave the driving to us.” (Victory liner)
6) Let a representative of each group present the group output. After the presentation, let the other members of the group come to the front and present their business slogan
7) After all the groups have presented their outputs, synthesize results.
   • There are no right or wrong answers. Discuss all ideas written down.
   • Encourage exchange of ideas among participants
   • If needed, write down more points that came up during the discussion
   • List highlights of group discussion and come up with a consensus on what business to undertake and the business slogan to go with it
8) If there is a need to brainstorm further, you may conduct SWOT Analysis using the SWOT analysis matrix. This could be done in a plenary session. Using the SWOT analysis matrix, analyze with the group the strengths, weaknesses, opportunities, and threats of the prioritized business idea/s in the just concluded exercise using the form below:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Production</th>
<th>Post-harvest</th>
<th>Processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Technological</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Commercial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Institutional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total score</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note to facilitators: Innovations identified can further be discussed to include the following considerations: How eco-friendly is it? Any climate-smart criteria? Is it a climate-smart technique? Is it climate-change conscious?
Potential innovations (potential businesses) | Internal (to the enterprise) | External (to the enterprise)
--- | --- | ---
| Strengths | Weakness | Opportunities | Threats |

**KEY LEARNING POINTS IN INTEGRATING CLIMATE CHANGE PERSPECTIVES**

Climate change impacts on food security

- Food security dimensions: Climate change impacts on food availability, food access, food utilization, and stability. **Food security** exists when all people, at all times, have physical, social, and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. (World Food Summit, 1996). According to the World Food Programme (WFP), food security is a condition that exists when all people, at all times, are free from hunger.

- Climate change affects everyone. But the worst hit will be those who are already vulnerable. Vulnerable people are those:

  ![Vulnerable People Diagram]

- Food spending: very poor people spend 50 to 75 per cent (%) of their income on food.

**Current response to climate change** **Climate change mitigation**: To cut down the accumulation of greenhouse gases (GHG) in the Earth’s atmosphere by reducing emissions or by sequestering emissions

- **Climate change adaptation**: Adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities (IPCC)
- **Climate-Smart Agriculture (CSA)**: Food Security-Adaptation-Mitigation
5.3 CONDUCTING AND MONITORING THE TESTING OF INNOVATIONS

5.3.1 DISCUSSION OF RESULTS OF TESTED INNOVATIONS

KEY LEARNING POINTS

1. Methodological considerations
   • Participatory: involve chain actors in surveys, market research, etc. (capability building and commitment to the process are needed for/by actors, cost and time considerations). Participatory process helps to obtain local ownership of process and end results.
   • Data/information collection and analysis: These build up the outputs from Module 4.
   • Joint decision-making on priorities and plans for implementation
   • Co-funding of innovations and facilitating the access to needed external funds and services.

The chance of success of an innovation is enhanced when it is owned (i.e. considered as their own; or they are party to the initiative) by the parties involved in its planning and implementation. The process of testing the innovation leads to the identification of gaps, flaws, or fit to users/consumers preference, process or model at the outset, leading to an early opportunity for corrective action, arresting a possible spreading of harm or damage that may be associated to gaps, flaws, or misfits of untested innovations.

3. Steps in development and testing of product/service prototypes
   1) Develop the selected innovation or options into appropriate product or service prototypes.
   2) Prepare the design of product prototypes or service, including identification of support providers to improve design and develop the prototype.
   3) Develop the prototype, and the related process system.
   4) Test the product with the intended users and/or consumers.
   5) Refine the prototype (an iterative process).
   6) Market-test the refined product and get feedback.
   7) Further refine the product.

SUGGESTED EXERCISE
The outputs in Module 4 should have identified the product prototype that needs to be developed or improved. For this session, each group will translate their ideas on innovations into a design and agree with other groups to comment on each other’s design. This should include of the drawing up a work plan to develop and test the innovation using the outputs from previous sessions.
5.4 SPECIAL TOPICS TO SUPPORT INNOVATIONS

5.5 ANALYZING RESULTS AND PREPARING FOR THE SHARING OF INNOVATIONS

5.5.1 FINALIZING RESULTS FOR SESSION ON “PRESENTING AND SHARING OF INNOVATIONS WITH MARKET CHAIN ACTORS AND FARMERS”

Significance of sharing innovations with market actors

- Confirm and validate the innovation(s) in terms of the fit to users and market, correctness of the information generated, and process of analysis, soundness of observation and assumptions
- Get further feedback and suggestions for improved feasibility
- Increase awareness of market and supply chain actors, and fuel interest for possible collaboration

The value of innovation is most observable after it has been packaged and results delivered; and not while it is still a concept. Thus, value is not yet the subject of initial testing. But costs must already be accounted for. These are basic in the initial feasibility analysis.

Reflection questions

1) How will the innovation be made feasible, and sustainable? Participants may present the steps or methods that they will use in the implementation.
2) What are the benefits of the innovation to the market or users? How would it be delivered?

5.6 PRESENTATION AND SHARING OF INNOVATIONS WITH KEY MARKET CHAIN ACTORS AND FARMERS

5.6.1 STAKEHOLDERS’ CONSULTATION MEETING

Evaluation is the process of determining the usefulness or the value of an activity or exercise, or of the product. As a tool, it helps in assessing whether targets are met and resources used as planned, and why or why not; and in providing feedback, ideally from different sources to enhance next stage planning, and improved implementation.

An evaluation of an activity immediately after its conduct enhances the learning process as the activities and results are still fresh in participants’ memories, adding to the richness of discussions.

Using the result of evaluation to guide planning and implementation of similar activities in the future enhances chances of success by avoiding the don’ts and replicating the dos.

Stakeholders’ Validation Workshop

The sharing event is called the “Stakeholders’ Validation Workshop” where the FBS group presents the results of the testing of innovations. This can be a product prototype, or the experience of a service/trading business such as a collective marketing scheme. The purpose of the sharing event is to present the prototype and elicit feedback in order to further improve the enterprise innovations.
Chain actors such as farmers, input suppliers, target markets/consumers, and logistics providers are invited. Aside from the main chain actors, stakeholders such as existing and potential business support service providers; and agency and LGU partners will be joining this workshop. Results will be processed after the activity. This should enable the FBS group to learn how to continuously improve and innovate; and further improve the initial prototype in preparation for the business launch.

In the event of more than one FBS group, the stakeholders’ workshop is better organized as a common activity, to optimize the presence and contribution of stakeholders, as well FBS groups learning from each other.
MODULE 6
BUSINESS PLANNING

This module aims to develop business plans to make use of new market opportunities by building on the innovations identified and prioritized in previous modules.

Overview of Module 6 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. 1. Introduction to business planning</td>
<td>1. To describe the concepts and business planning process; and 2. To identify the steps in enterprise planning.</td>
<td>1. Presentation and discussion on “business planning”</td>
<td>1. Potato went to town</td>
<td>4 hours</td>
</tr>
<tr>
<td>6.2 Developing and customizing business plans (with climate change and gender dimensions)</td>
<td>3. To appreciate the importance of a business plan; and 4. To undertake the different steps in preparing the business plan.</td>
<td>1. Actual writing of the business plan</td>
<td></td>
<td>4 hours</td>
</tr>
<tr>
<td>6.3. Critiquing and improving business plans</td>
<td>5. To present the draft business plans and generate suggestions for improvement from chain actors 6. To revise business plans based on suggestions received</td>
<td>1. Presentation and critiquing of business plans</td>
<td>1. Business café</td>
<td>4 hours</td>
</tr>
</tbody>
</table>
6.1 INTRODUCTION TO BUSINESS PLANNING

6.1.1 PRESENTATION AND DISCUSSION ON “BUSINESS PLANNING”

KEY LEARNING POINTS

Planning in simple language is thinking ahead. In business, it is thinking ahead of objectives, strategies, financing, marketing, profit prospects, and growth possibilities. However, business planning should be realistic. This means planning is based on available resources and is responsive to the needs of markets and consumers. Otherwise, planning is no different from dreaming.

Why plan? Business without planning is risky, if not downright wasteful. Business planning involves defining goals and objectives, and the ways to accomplish such goals. A time frame and resources are needed in attaining goals.

Business planning is a continuous process until consumer satisfaction is maximized and sustained. Achieving consumer satisfaction should be properly planned because consumers’ satisfaction leads to business stability and growth; and translates to profit.

Benefits from writing a business plan

a) Reduces business risk because it carefully studies the competence, interest and resources of the entrepreneur against the needs of consumers, together with the presence of competitors.

b) Minimizes costs of production. Resources are properly used and scheduled according to plan; and it reduces the risk of losing money on a poor business idea.

c) Detects the weakness of the business operations.

d) Schedules activities in advance, and determines financial requirements.

ej) Evaluates actual performance; set targets, especially in terms of sales, cost and profits; and when approaching a financial institutions for loans, a business plan is a common pre-requisite.

EXERCISE: POTATO WENT TO TOWN

**Objective:** To sensitize the participants through a role-playing exercise for the preparation of a marketing plan

**Duration:** 1.5 to 2 hours

**Materials:** Colored papers, marker pens, adhesive tape

**Steps:**

1. Divide the participants into five groups: one group representing the farmer and the potatoes; one group the trader/consolidator; one group the trader-retailer; one group the consumer; and assign a group to represent other market characters.

2. Let the farmer-potatoes group brainstorm on how to sell the potatoes; the trader/consolidator on how to acquire and sell the potatoes; trader-retailer – on how to acquire and sell the potatoes, the consumer group- on how to buy the potatoes at the best bargain and the other market characters on how to act in the market.

3. Allow 20 minutes for the groups to brainstorm on how each group of chain actors will act and play their parts. They could use the colored papers, markers and other materials to innovate.

4. Allow for 15-minute presentations

5. Process the presentations by relating them to marketing concepts and strategies
6. The exercise may end at this point, or the facilitator may continue by having the groups prepare a marketing plan of the group business agreed upon in 5.1.
7. Allow the group 30 minutes to brainstorm and write their marketing plan
8. Let a representative of the group present the group output. Allow 10 minutes each per group presentation
9. Synthesize presentations by integrating group outputs to come up with a marketing plan. The marketing plan could be summarized as:

<table>
<thead>
<tr>
<th>To sell...</th>
<th>This will be accomplished by...</th>
<th>The target market will be...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing tools to be utilized are...</td>
<td>The niche to be occupied is...</td>
<td></td>
</tr>
<tr>
<td>The group identity will be commitment to customer satisfaction, reliability...</td>
<td>XX percent of sales will be allocated to marketing.</td>
<td></td>
</tr>
</tbody>
</table>

6.2.1 ACTUAL WRITING OF THE BUSINESS PLAN

KEY LEARNING POINTS

Steps in Business Planning
These generic steps in business planning are equivalent to the chain assessment process in Module 4, substantiated in Module 5.

1. Idea generation and opportunity identification
It is important to point out that you should open your mind to all the opportunities that you see, so that you will be able to explore all possibilities. The brainstorming process is used for this.

2. Informal screening
From the list of ideas and possible opportunities to be pursued, select about ten project ideas and continue the screening process until you’re down to three — the best three.

3. Analysis of the situation
In analyzing the situation, there are three major considerations; the resource analysis (which might include resource access influenced by gender aspects), environmental analysis, and value chain.
   a. Resource analysis
   These resources are known as the 7 “Ms”; money, materials, manpower, machines, methods, management, moment (time). Determine strength and weaknesses of the business/organization. Strengths are an internal factor that positively affects/helps the enterprise. Weaknesses are internal factors that negatively affect the enterprise.
   b. Environmental analysis
   There are many factors/conditions in the environment which can affect the enterprise or business that you are planning to set-up. Factors that have a positive effect on your business may be considered opportunities. Factors that will affect your business negatively are known as threats. Things in the environment which may either be opportune or threatening to prospective business include:
   ✓ Economic situation
   ✓ Socio-cultural environment
   ✓ Technological environment
   ✓ Political environment; Peace and order situation
Recognizing the OPPORTUNITIES and THREATS will facilitate preparing action plans to take advantage of the opportunities and minimize the threats.

c. Value analysis
Doing this requires the would-be entrepreneur to examine his/her aspirations or vision and mission regarding the business. It also represents the kind of satisfaction the firm wishes to provide for its customers. Resource analysis will tell us what the business is capable of doing at the start of the business; it indicates what a company CAN DO; environmental analysis will tell us what the company MAY DO; and value analysis will tell us what the company WANTS TO DO.

---

### PARTS OF THE BUSINESS PLAN

1. Executive Summary
This section is the summary of the business plan. It includes the capital requirement/ total project cost, and expected output, profit and loss, and sustainability of business. Agencies may have different ways of formatting this introductory section, and it can be presented as a) identifying information; b) rationale; c) brief description of projects that contains the information under the executive summary. There is no hard-and-fast rule except what is required or agreed on by the relevant agency.
2. Market Plan

In preparing a market plan, the person first has to study the existing situation in the market. Is there a good demand for your product or service? How many competitors are there in the market? What are the competitors doing in terms of product or service lines, their promotional activities, and the middlemen who are handling their products and pricing? Who are your customers? Are they interested in the existing product or service?

After knowing what the competitors are doing, the next step is to estimate supply and demand, literally counting the volume produced by the different suppliers as against the volume needed by the buyers. If the volume produced by all known suppliers is more than the volume required by buyers, then do not enter this type of business. On the other hand, if the volume supplied is less than what is needed by the buyers, then the business offers good market opportunity.

If the prospective entrepreneur sees good opportunities to go into the business he/she has in mind, then he/she should now prepare a detailed marketing plan. This marketing plan will show the target market or the specific group of customers the business wishes to serve.

Components of Market Plan

To create the right marketing mix, businesses have to have the right product, sold at the right price, in the right place, using the most suitable promotion.

Product: product description and packaging that will be used (The product has to have the right features)

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>DESCRIPTION</th>
<th>PACKAGING</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Promotional Activities: means of advertisement to be employed (Promotion comprises elements such as: advertising, public relations, sales organization, and sales promotion).

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>COST/UNIT</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Place/Channel of Distribution: where the product will be distributed or where it will be displayed (e.g. market). Basically, the product should be provided at a place which is convenient for consumers to access (i.e. the goods must be in the right place at the right time).

Price: The amount a customer pays for the product (from farm gate or factory price). When pricing your product you must know: your cost, what the competition is charging, what the profit margin is in your industry/sector, and the value to the customer.

Projection (Sales): given the price and marketing strategy, you can now make projections on sales.

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>MONTHS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>J</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
After the marketing plan has been prepared, you are now ready to prepare the production plan.

3. Production Plan
The production plan is derived from the marketing plan. Your projection on volume to be sold is your basis for estimating requirements on raw materials, equipment needed, labor requirement, and utilities.

Components of Production Plan
*Production specification*: identify the ingredients that are required to make the product, the quantity and way product is packed, as well as sizes per pack.

*Production process*: describe the different steps to make the product. The description of the production process is presented with the use of a process flow chart.

Example of process chart in the preparation of sweetpotato pan de sal.

![Process Flow Chart]

*Product machinery and equipment*: the equipment needed to produce the estimated volume will be presented in this section. It is suggested that this will be presented in a table.

<table>
<thead>
<tr>
<th>EQUIPMENT</th>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>UNIT PRICE</th>
<th>TOTAL COST</th>
<th>DEPRECIATION</th>
</tr>
</thead>
</table>

Total cost of equipment will be needed in estimating total project cost and depreciation in financial analysis. Depreciation represents the decrease in the value of assets/durable properties as a result of normal wear and tear, obsolescence, etc.

To compute for the depreciation cost you can use the straight line method which is the simplest method and is applicable to assets that are constantly used.
**Example:**
Annual Depreciation = Cost – Salvage value/Useful life span

Cost: acquisition cost of equipment
Useful life: expected
Number of years the equipment will be used
Salvage value: equipment’s value at the end of its useful life

**Example:** The depreciation of equipment that costs P30,000 and is estimated to last for 10 years with salvage value of P2,000 is:

\[
\text{Annual depreciation (AD) = } \frac{P30,000 - P2,000}{10}
\]

\[= P2,800\]

**Supplies and materials:** discuss the supply situation of these materials, e.g. where and when are they available. Some materials are seasonal and some are not; thus, the production schedule should coincide with the seasonality of supply.

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>QUANTITY</th>
<th>COST/UNIT</th>
<th>TOTAL COST</th>
<th>BALANCE</th>
</tr>
</thead>
</table>

**Production schedule.** The production schedule is based on the production process flow chart. The production schedule could be prepared for a day, a week or a month depending on the kind of enterprise.

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>J</th>
<th>F</th>
<th>M</th>
<th>A</th>
<th>M</th>
<th>J</th>
<th>J</th>
<th>A</th>
<th>S</th>
<th>O</th>
<th>N</th>
<th>D</th>
</tr>
</thead>
</table>

**Manpower requirements:** Determine your manpower requirements, including the skills required.

<table>
<thead>
<tr>
<th>POSITION</th>
<th>NUMBER</th>
<th>DUTIES</th>
<th>BASIC SALARY</th>
<th>ANNUAL SALARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worker 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Production utilities:** Describe the utilities such as water and light with corresponding cost.

<table>
<thead>
<tr>
<th>PARTICULAR</th>
<th>COST/UNIT/MONTH</th>
<th>COST/YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>water</td>
<td></td>
<td></td>
</tr>
<tr>
<td>electric</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Location and production layout:** The location and layout of business area are presented in drawings.

**Waste disposal method:** Describe how the waste will be disposed. Where will the biodegradable and non-biodegradable waste be disposed?
4. Organization Plan

The organization plan follows the marketing plan and the production plan. When writing the organization plan, the first thing to do is describe the form of ownership of the business (sole proprietor, partnership, cooperative and corporation). Next is preparing the organizational structure, usually done with an organizational chart, and organized according to the four functional areas: marketing, production, finance, and administration. The organizational chart is a useful tool to indicate the hierarchy or the level of authority, that is, who is responsible for whom and who reports to whom. At the same time, the chart visually presents the different tasks that are grouped or divided among the various personnel (UP ISSI and SERDEF, 1997).

Describe the duties and responsibilities of all those involved in the business, including qualifications, task, corresponding salaries and benefits, and the number of personnel required. Present the pre-operating activities through a Gantt Chart, a listing of pre–operating activities with the corresponding timetable of accomplishment and cost.

Example of Gantt chart

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>TIME FRAME (in months)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>J</td>
</tr>
<tr>
<td>Preparation of business plan</td>
<td></td>
</tr>
<tr>
<td>Negotiation for financing</td>
<td></td>
</tr>
<tr>
<td>Registration of business</td>
<td></td>
</tr>
<tr>
<td>Setting up of production activities</td>
<td></td>
</tr>
<tr>
<td>Other activities</td>
<td></td>
</tr>
<tr>
<td>Start of business operations</td>
<td></td>
</tr>
</tbody>
</table>

5. Financial Plan

The financial plan translates into monetary terms the various plans you have for the business. From the market plan, you get data/information on sales and marketing expenses, from the production and organizational plans you get information on expenses, and others. From these varied data, you can compute whether your business can make money or not.

**Total project cost:** made up of the following items: total fixed assets which include building, land and equipment used in the business; working capital, which refers to the total amount of funds you need to pay for expenses such as materials and supplies, labor and utilities needed in production; and pre-operating expenses, such as registration fees and other expenses incurred before business operation.

**Sources of financing:** this section of the financial plan will simply indicate where the funds for the business will come from. This presupposes that the proponent has determined the total project cost. Sources may come from equity (from the proponent or from partners), or borrowed from friends, relatives, or friends; or from formal sources such as banks, and these sources as referred to as creditors.
**Financial statements** such as the Income Statement (IS) or also referred to as Profit and Loss Statement (P&L), Balance Sheet, and Cash Flow Statement. Income Statement presents details regarding sales and expenses incurred or will be incurred by the business as of a given date. Balance Sheet presents details of what the business owns (assets) and its value. It presents the equity contributions of owners and liabilities to creditors. Cash Flow Statement presents in detail the projected cash expenses and disbursements for a given period.

In a financial plan, all the statements prepared are projections or expectations of what the enterprise intends to sell or spend, how much the asset will be worth, and how much will be put into the business in terms of owners’ equity and borrowed from creditors.

**Component of the financial plan**

**Financial analysis:** consists of computations of profitability, liquidity, and marketability of the enterprise based on the information from the income statement and balance sheet. In business planning, the financial analysis will determine if the project/business will be implemented or not.

**Break-even analysis:** this is very important in determining the output or yield that should be obtained in order to recover variable cost incurred. Output and output price vary across time and location. Results from actual operation conditions may not always be similar to those obtained from secondary data or experiments. Hence, the need to calculate the minimum output and output price that would enable the producer to recover at least the variable costs incurred.

Break-even yield or output refers to the yield/output required to recover the variables costs incurred in production at given input and output prices.

**How to compute break-even output or yield?**

<table>
<thead>
<tr>
<th>Example:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Given:</strong></td>
</tr>
<tr>
<td>RAVC = P 70,000.00</td>
</tr>
<tr>
<td>TVC = P 90,000.00</td>
</tr>
<tr>
<td>P = P100.00</td>
</tr>
<tr>
<td><strong>Where:</strong></td>
</tr>
<tr>
<td>RAVC = return above variable cost</td>
</tr>
<tr>
<td>TVC = total variable cost</td>
</tr>
<tr>
<td>P = output price</td>
</tr>
<tr>
<td><strong>To compute break-even yield or output (BY):</strong></td>
</tr>
<tr>
<td>P x BY = TVC + RAVC</td>
</tr>
<tr>
<td>BY = TVC + ( \frac{RAVC}{P} )</td>
</tr>
<tr>
<td>= P90,000.00 + P70,000.00</td>
</tr>
</tbody>
</table>
Example format of financial statements

Projected income statement/profit and loss statement (per cycle)

<table>
<thead>
<tr>
<th>PARTICULAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCOME</td>
</tr>
<tr>
<td>A. CASH INCOME</td>
</tr>
<tr>
<td>Sales of output</td>
</tr>
<tr>
<td>Sales from other output</td>
</tr>
<tr>
<td>B. NON-CASH INCOME</td>
</tr>
<tr>
<td>Produce given to others</td>
</tr>
<tr>
<td>C. TOTAL INCOME</td>
</tr>
<tr>
<td>COSTS</td>
</tr>
<tr>
<td>D. VARIABLE CASH COSTS</td>
</tr>
<tr>
<td>Seeds</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
<tr>
<td>Compost</td>
</tr>
<tr>
<td>Other expenses</td>
</tr>
<tr>
<td>E. TOTAL VARIABLE COSTS</td>
</tr>
<tr>
<td>F. FIXED CASH COSTS</td>
</tr>
<tr>
<td>Permanent laborers</td>
</tr>
<tr>
<td>G. FIXED NON-CASH COSTS</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>H. TOTAL COSTS</td>
</tr>
<tr>
<td>I. NET INCOME (C-H)</td>
</tr>
<tr>
<td>J. GROSS MARGIN (C-E)</td>
</tr>
</tbody>
</table>

Financial Diagnostics:
Return Above Variable Cost (RAVC) = (C-E)
Return to Labor = RAVC + Labor cost) ÷ Labor inputs in man/days
Return to Cash = (RAVC + Cash Cost) ÷ (E+F)

Projected balance sheet

<table>
<thead>
<tr>
<th>PARTICULAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
</tr>
<tr>
<td>Cash</td>
</tr>
<tr>
<td>Stock inventory</td>
</tr>
<tr>
<td>Total Current Assets</td>
</tr>
<tr>
<td>Fixed Assets</td>
</tr>
<tr>
<td>Machines</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>Net Fixed Assets</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
</tr>
<tr>
<td>Liabilities and Owner’s Equity</td>
</tr>
<tr>
<td>Owner’s Equity</td>
</tr>
<tr>
<td>Long-term</td>
</tr>
<tr>
<td>Retained Earnings</td>
</tr>
<tr>
<td>TOTAL LIABILITIES AND OWNER’S EQUITY</td>
</tr>
</tbody>
</table>
### Projected cash flow statement (one cycle)

<table>
<thead>
<tr>
<th>MONTHS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Inflows</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total Cash Income</td>
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<td>Loans</td>
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<td>Owner’s Equity</td>
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<tr>
<td><strong>A. TOTAL CASH INFLOWS</strong></td>
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<tr>
<td>Cash Outflows</td>
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<tr>
<td>Total Cash Cost</td>
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<tr>
<td>Stock Purchases</td>
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<tr>
<td>Housing, Fencing, Equipment</td>
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<tr>
<td>Debt service</td>
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<tr>
<td><strong>TOTAL CASH OUTFLOWS</strong></td>
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<td></td>
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</tr>
<tr>
<td><strong>C. NET CASH FLOW (A-B)</strong></td>
<td></td>
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<tr>
<td><strong>D. Beginning Cash Balance (C)</strong></td>
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<td></td>
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<tr>
<td><strong>E. Ending Cash Balance (C+D)</strong></td>
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</tbody>
</table>

### 1. Sustainability Plan

Some organizations require the inclusion of a sustainability plan. This section provides for the activities or strategies that will ensure the continuance and greater likelihood of growth of a business, enterprise, or value chain beyond the life of the project. This usually includes a) phase-out plan and b) strategies that are included in the action plan design in Module 5. The latter can include: appropriate and adequate partnerships like LGU, NGO, etc.; relevant/adequate provision of business support services; facilitation for access to BDS; capacity development of partners and enterprise group strengthening.

#### EXERCISE:

The participants are divided into at most three groups. Each group will discuss ways, measures, and activities to:
- a) Improve group skills and strengths; and
- b) Select partners who can help or provide appropriate services.

For (a) and (b), they should also plan on how they will organize the activities and tasking.
**6.3 CRITIQUING AND IMPROVING BUSINESS PLANS**

**EXERCISE: BUSINESS CAFE**

**Desk review:** Submit business plans to experts for technical inputs, then validate with the group prior to finalization.

**Panel review:** Invite a panel of stakeholders and let the group present the business plan for review.

**Objective:** Participatory evaluation/critiquing of the business plan

**Duration:** 2 hours

**Materials:** Big sheets of paper (Manila paper), colored marker pens, adhesive tape

**Steps:**
1. Prior to the exercise, divide the group into five sub-groups and assign to them the different components of the business plan (Introduction: business name, location, slogan, vision; marketing plan; operations or production plan, organizational plan, and financial plan.) Let each group write on large sheets of paper a summary of the business plan component assigned to them.

2. During the session, post the worksheets of the groups on the walls of the session room and assign the members to stand by their worksheets and present them to invited stakeholders/technical/business people for comments and improvements. The invited evaluators will make their rounds of the group worksheets, interact with the members of the group and provide feedback, as to:
   a) Vision: should be well communicated, clear and concise.
   b) Marketing plan: must have clearly defined market, clear market demand, defined product positioning in terms of its advantage over existing products as to price, quality, appearance, benefits, ease of purchase, etc.
   c) Operations: workable operations and strategy, with well-defined personnel capability/requirement
   d) Financial viability: realistic financial projections, reasonable assumptions
   e) Sustainability of the business

3. Collate feedback and synthesize suggestions, and present in a plenary session for validation and integration into the final business plan.
MODULE 7

Accessing business support services

This module aims to enhance access of smallholder farmers to increased entrepreneurial knowledge, financing and credit institutions, and marketing opportunities, among others.

Overview of Module 7 Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1  Financial resources</td>
<td>1. To identify sources of financing to support business plans; and</td>
<td>1. Meeting with different support service providers</td>
<td></td>
<td>2 hours</td>
</tr>
<tr>
<td></td>
<td>2. To prepare proposals for accessing financial resources.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.2  Financial management services</td>
<td>3. To apply practical knowledge and skills in financial management; and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. To identify and access services for financial management support.</td>
<td></td>
<td></td>
<td>4 hours</td>
</tr>
<tr>
<td>7.3  Research and extension support</td>
<td>5. To determine the needs for research and extension support in implementing the business plans; and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. To identify and contact service providers of relevant research and extension support.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.4  Legal services</td>
<td>1. To identify legal service options in relation to establishing and running an agri-enterprise</td>
<td></td>
<td></td>
<td>2 hours</td>
</tr>
<tr>
<td></td>
<td>2. To determine necessary procedure to access the available legal services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7.1 FINANCIAL RESOURCES

KEY LEARNING POINTS

**Business Development Service (BDS):** the required service or product to support the development, improvement or refinement of an innovation. This includes relevant research outputs, financial/capital, facilitation for resource/service access, market linkage, product promotions, packaging, inputs sourcing, product distribution, and consumer research, among many others.

**Business support service provider:** an agency or enterprise that provides the activity or function to complete a certain project or venture in exchange for a payment or fee. A government agency (e.g. DTI, research institute, DA) can provide the support service for free as part of function, or extension service.

Relying on business service providers affords an innovator to avail of a service or function from a third party, which when otherwise done by him/herself will entail a higher cost due to lack of familiarity or skill to provide the service on his/her part.

**Financial resources:** the money available to a business for spending in the form of cash, liquid securities, and credit lines. Before going into business, an entrepreneur needs to secure sufficient financial resources in order to be able to operate efficiently and sufficiently well to promote success.

**Financial and non-financial support service:** current trend of decoupling non-financial support commonly referred to as BDS; and financial service such as micro-finance.

7.2 FINANCIAL MANAGEMENT SERVICES

KEY LEARNING POINTS

**Microfinance institution:** An organization that provides financial services to clients who are poorer and more vulnerable than traditional bank clients. It ranges from small non-profit organizations to large commercial banks.

**Types of microfinance services**
- **Formal institutions/providers:** subject not only to general laws but also to specific banking regulation and specification (i.e. development banks, savings and postal banks, commercial banks, and non-bank financial intermediaries)
- **Semi-formal institutions/providers:** registered entities subject to general and commercial laws but which are not usually under bank regulation and supervision (financial NGOs, credit unions, cooperatives)
- **Informal sources/providers:** non-registered groups such as rotating savings and credit associations and self-help groups (money lenders, shopkeepers)

**Clients of microfinance institutions**
Agri-based poor, women, poorest of the poor
7.3 RESEARCH AND EXTENSION SUPPORT

KEY LEARNING POINTS

*Research organizations*: the objectives of research institutions are: a) to contribute to the development of new methodologies, technologies etc.; b) demonstrate impact (positive outcomes); and c) publish and disseminate results, assist uptake of methods, technologies for wider application (scientific rigor of process, assessments, etc.)

*Agricultural extension*: in general terms – the application of scientific research and new knowledge to agricultural practices through farmer education. The field of extension now encompasses a wider range of communication and learning activities organized for rural people by professionals from different disciplines, including agriculture, agricultural marketing, and health and business studies.

7.4 LEGAL SERVICES

*Legal Services*: services involving legal or law-related matters, such as issue of legal opinion, filing, pleading and defending of lawsuits, etc., by a lawyer or attorney practicing law-related services. Legal services are particularly important to entrepreneurs since they provide the legal help needed to start or grow the business, especially on contracts and negotiation matters.

Relevant business laws:
- The Philippine Fisheries Code (R.A. 8550)
- Magna Carta of Micro, Small and Medium Enterprises (R.A. 9501)
- Philippine Cooperative Code of 2008 (R.A. 9520)

**EXERCISE: MEETING WITH DIFFERENT SUPPORT SERVICE PROVIDERS**

During this session, representatives from different agencies/offices that provide support services can be invited to talk about the area of cooperation between their office and the participants. These agencies will present their mandates and functions and the support services that they can offer to the farmer groups.

These agencies are requested to explain and clarify the requirements to access their services. The documents and recommended formats should be shown, including the time frame, or gestation period from request application to actual service.

Below is an example of key learning points for interaction with Philippine organizations offering support services. This needs to be adapted to the local context.
KEY LEARNING POINTS FOR MEETING WITH SUPPORT SERVICE PROVIDERS IN PHILIPPINES

*Department of Trade and Industry (DTI):* responsible for meeting the country’s goal of globally competitive and innovative industry and services sectors that contribute to inclusive growth and employment generation. **Single or sole proprietorship businesses should be registered with the DTI Business Name (BN) Registration.** The sole proprietor gains the exclusive right to establish and use the business name, and this registration also offers protection from those who could take advantage of the name. ([dti.gov.ph](http://dti.gov.ph))

*Securities and Exchange Commission (SEC):* the mission is to strengthen the corporate and capital market infrastructure of the Philippines, and to maintain a regulatory system based on international best standards and practices that promote the interests of investors in a free, fair, and competitive business environment. **SEC has the jurisdiction and supervision over all corporations, partnerships or associations** who are the grantees of primary franchises and/or licenses and permits issued by the Government. ([sec.gov.ph](http://sec.gov.ph))

*Cooperative Development Authority (CDA):* mandated to promote the viability and growth of cooperatives as instruments of equity, social justice, and economic development. ([cda.gov.ph](http://cda.gov.ph))

*Department of Labor and Employment (DOLE):* the national government agency mandated to formulate and implement policies and programs, and serve as the policy-advisory arm of the Executive Branch in the field of labor and employment. Its thrusts and strategies evolved to respond to emerging socio-political and economic challenges while keeping as primary concern the protection and promotion of the welfare of local and Overseas Filipino Workers (OFWs). DOLE’s mission is to promote gainful employment opportunities, develop human resources, protect workers and promote their welfare, and maintain industrial peace. ([dole.gov.ph](http://dole.gov.ph))

*Department of Social Welfare and Development (DSWD):* the agency’s mission is to develop, implement and coordinate social protection and poverty-reduction solutions for and with the poor, vulnerable and disadvantaged. ([dswd.gov.ph](http://dswd.gov.ph))
FBS FINAL EVENT

This business launching event is the platform for the enterprise groups to showcase their new and improved products as well as an opportunity to link their products with potential markets. Prior to the event proper, a workshop is conducted for the participants to prepare and rehearse the overall flow of activities during the business launch. A post-event meeting is also held to assess and evaluate the business launching activity.

Overview of Final Event Module Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>FBS final event</td>
<td>1. To showcase their businesses and innovations resulting from the FBS</td>
<td></td>
<td>1. Business pitch</td>
<td>8 hours</td>
</tr>
<tr>
<td></td>
<td>2. To share experiences and strengthen contacts with other market chain</td>
<td></td>
<td>2. Product display</td>
<td></td>
</tr>
<tr>
<td></td>
<td>actors and stakeholders; and stakeholders.</td>
<td></td>
<td>3. Market encounter</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Dream up</td>
<td></td>
</tr>
</tbody>
</table>

KEY LEARNING POINTS

What is a Business Launching?

The business launching is a one-day or half-day event that provides a venue for the FBS participants to showcase their products through different promotional activities. The event is an opportunity for market promotion because other market chain actors and investors are present and they are the ones who will buy into the businesses. It is the ideal venue for market encounter.

The FBS launching is a venue for product launching. A successful product results in an immediate route to innovation to market and market to recouping investment (cost of innovation). A product launch may also provide an early indication of the product’s performance in the market.

The objectives are as follows:

1. To present FBS outputs and share with VC actors and stakeholders
2. To launch and promote new business/es and product/s from the FBS
3. To develop and agree on an action plan for further business development

The outputs of the launching are:

- Business launching event conducted
- Business enterprises introduced
- Products/innovations promoted
- Action plans (next steps) for business development

To provide an overview of FBS launching, which can be comprised of several activities such as:

- Business pitch, exhibits of posters and sample products, product testing/demo,
- Product selling, feedback forms, promotional gimmicks
- Goodie bags (take-home), business directories and cards
- Side-meetings (discussions/negotiations), media
The target participants of the business launch are:
- Representatives of business/FBS groups
- VC actors
- Target customers and consumers
- BDS providers
- VC stakeholders
- General public

Some considerations in planning an FBS business launch are: (1) Timing; (2) Venue; (3) Participants/audience; (4) Event materials; (5) Event promotion; (6) Roles/task assignments and (7) Budgets/resources. The business launch needs time for preparations. The participants should plan well at least two months before the event to ensure that their products will be available.

**Suggested Work Plan for business launching**

<table>
<thead>
<tr>
<th>Time:</th>
<th>Two months before</th>
<th>One day before event</th>
<th>Actual event</th>
<th>One day after event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event: Planning for business launching</td>
<td>Pre-business launching Day 1</td>
<td>Business Launching Day 2</td>
<td>Post-business launching Day 3</td>
<td></td>
</tr>
<tr>
<td>Activities: Meeting to make a Work Plan for the business launching which includes: (1) Timing; (2) Venue; (3) Participants/audience; (4) Event materials; (5) Event promotion; (6) Roles/task assignments and (7) Budgets/resources</td>
<td>Rehearsals and critiquing On-site preparations</td>
<td>Business pitch Exhibits of posters and sample products Product testing/demo Product selling Feedback forms Promotional gimmicks Goody bags (take-home) Business directories and cards Side-meetings (discussions/negotiations) Media (i.e. press con; press release, etc.)</td>
<td>Reflection and evaluation Planning for next steps</td>
<td></td>
</tr>
</tbody>
</table>

The Business Launching Program includes:

**Day 1: Pre-business Launching**
AM: preview of the business launch, the business pitch and post-launch activity
PM: business pitch organizing and practice, site preparation

**Day 2: Actual Business Launch**

**Day 3: Post-business Launching**
Reflection and sharing
Sales report and feedback
Plan for next steps
A sample program of a business launch: Experience of CHARMP2, Philippines (11 December 2014)

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>0800-0815</td>
<td>Registration</td>
</tr>
<tr>
<td>0816-0845</td>
<td>Opening of mini-trade fair: ribbon cutting ceremonies, viewing of displays</td>
</tr>
<tr>
<td>0846-0900</td>
<td>Acknowledgement of participants</td>
</tr>
<tr>
<td>0901-0915</td>
<td>Welcome Message</td>
</tr>
<tr>
<td>0916-0930</td>
<td>Overview of the Business Launch and Launching of Tatak Cordillera brand/logo</td>
</tr>
<tr>
<td>1001-1200</td>
<td>Introductory video of enterprise groups</td>
</tr>
<tr>
<td></td>
<td>Business pitch by representatives of enterprise groups</td>
</tr>
<tr>
<td>1200-1330</td>
<td>Lunch break</td>
</tr>
<tr>
<td>1300-1330</td>
<td>Press briefing</td>
</tr>
<tr>
<td>1330-1530</td>
<td>Introductory video of enterprise groups</td>
</tr>
<tr>
<td></td>
<td>Business pitch by representatives of enterprise groups</td>
</tr>
<tr>
<td>1531-1600</td>
<td>Open Forum</td>
</tr>
<tr>
<td>1601-1630</td>
<td>Reflections from the organizers</td>
</tr>
<tr>
<td>1631 onwards</td>
<td>Informal /small group discussions between enterprise groups and VC actors/BDS service providers</td>
</tr>
<tr>
<td>1700 onwards</td>
<td>Egress</td>
</tr>
</tbody>
</table>

EXERCISE 1: BUSINESS PITCH

**Objective:** To encourage participants to promote their product in a limited time by a stand-up oral presentation

**Duration:** 1 minute

**Steps:**
1) Each group prepares a short script about their product. This will include the following information:
   a. What is the product and its key features?
   b. Why should consumers buy it, and for what benefits?
   c. Who produces the product?
   d. Where can the product be purchased?
   e. Where/from whom can consumers get more info about the product?
2) Each group will then present their pitch in one minute by oral presentation to the plenary. The group must assign one representative to do the oral presentation.
3) The facilitator asks for comments for improvement from the other participants.
4) The facilitator also provides helpful tips on how to give an effective presentation.

EXERCISE 2: PRODUCT DISPLAY

**Objective:** To allow the participants to promote and market their products.

**Materials:** Products, tables/booth, promotional materials for the product

**Duration:** 1 whole day

**Steps:**
1) Plan for the time, date, and strategic place for the product display, and the people to be invited.
2) Set up the products in such a way that the consumers will be attracted and informed.
3) Distribute promotional materials for the product and contact details to the consumers.
4) Explain the benefits of each product, what is unique about the product, etc. Make sure that all information about the product is complete and well packaged.

EXERCISE 3: MARKET ENCOUNTER

**Objective:** To allow the participants to promote and market their products.

**Materials:** Products, tables/booth, promotional materials for the product

**Duration:** 1 day
Steps:
1) Assign somebody to stay and assist in the booth.
2) Set up the products in such a way that the consumers will be attracted and informed.
3) Allow guests to roam around and allow them to ask questions or comment on the product.
4) Distribute promotional materials for the product and contact details to the consumers.
5) Explain the benefits of each product, what is unique about the product, etc.

EXERCISE 4: DREAM UP
This exercise could be used for the preparatory or action planning after the business launching:
Objective: To allow participants to brainstorm how they plan to respond to Key Questions about their business.
Materials: Pens and markers, manila papers, adhesive tapes
Duration: 40 minutes
Steps:
1) Break participants into small groups. Allow groups to find quiet places to work where they are not disturbed by other meetings.
2) Remind participants of the ground rules for brainstorming sessions: be open to new ideas; be respectful; give each other time to talk; piggyback ideas; keep criticism constructive; agree to disagree, etc.
3) Ask each group to spend 20 minutes going over the points on hand-out.
4) At least one person should be designated to record responses. Allow the participants to put their initial ideas on paper and make sure that every member of a business plan team gets involved.
5) Business plan team members should attempt to come to some agreement as to how they will present each point.
6) After business plan teams have met, the participants should return to the larger group.
7) The facilitator should call on one member of each group to share the group responses.
8) Starting with the first group, the facilitator should ask for the responses to each question, which the participants can read from the sheet.
9) Pausing after about every three questions, the facilitator should ask the other members of the group to comment, offer suggestions, add information, etc.
10) Once one person/team has finished receiving feedback, another team should take its turn. This is to allow each team to receive feedback from club members and the facilitator before moving forward.
Post-FBS Support

The post-FBS support comprises follow-up learning activities organized to provide continuous capacity-building support to FBS participants as their new business gets underway after the launch event. These activities enable participants to monitor business performance and manage continuing challenges and opportunities; and to prepare and implement longer-term business plans. The post-FBS support is flexible; depending on the needs of the FBS groups.

Overview of Post-FBS Work Plan

<table>
<thead>
<tr>
<th>Session</th>
<th>Objectives</th>
<th>Activity</th>
<th>Exercise</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring of businesses, support services and</td>
<td></td>
<td></td>
<td>1. FBS Alumni relation</td>
<td>4-8 hours</td>
</tr>
<tr>
<td>external business environment</td>
<td></td>
<td></td>
<td>2. Seminar series on special topic</td>
<td></td>
</tr>
<tr>
<td>Managing business challenges and opportunities</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Facilitating implementation of long-term business</td>
<td></td>
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</tr>
<tr>
<td>plans</td>
<td></td>
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<tr>
<td>Continuing capacity development of project</td>
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<tr>
<td>implementers</td>
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</tbody>
</table>

MONITORING OF BUSINESSES, SUPPORT SERVICES AN EXTERNAL BUSINESS ENVIRONMENT

EXERCISE 1: FBS ALUMNI RELATION

Objective: To monitor and update on the progress of the post-farmer business school implementation

Materials: Select venue, food and accommodation arrangements

Duration: Half day or one day

Description:
The FBS alumni reunion aims to provide a venue for the FBS graduates/groups to share and exchange on the progress of their businesses. It could be organized formally by arranging FBS groups to report on their progress or an informal sharing through posters presentations and product displays. The facilitating organization should propose a limited number of key indicators that each business can report, based on the business plans, so that performance can be monitored. Examples of such indicators could be:

- Sales volumes and income
- Profits, re-investments and profit distribution (gender disaggregated)
- Loan repayments (if any)
- Reasons for variations from planned sales, income etc. (positive or negative). Special attention to climate issues, extreme weather events and vulnerability/resilience of the business/livelihoods
- Proposed modifications or adjustments to business plans in light of experience
EXERCISE 2: SPECIAL TOPIC SEMINAR

Objective: To provide continuing capacity building support to the post-FBS groups

Requirements: Venue, Food and Accommodation

Duration: Depends on required inputs

Description:
This could be conducted within the chosen FBS site by inviting resource person(s) on the identified topic. Other FBS groups may also be invited during the seminar. Topics will depend on the request of the FBS group members.
CONTINUING CAPACITY DEVELOPMENT OF PROJECT IMPLEMENTERS

EXERCISE 1: LEARNING VISITS

Objective: To further build skills and capabilities in facilitation and overall implementation.

Materials: Select venue, food and accommodation arrangements

Duration: Depends on interest and needs

Description: These are educational trips and learning/reflection workshops organized for the facilitators and project management staff.

Sample Itinerary for Learning Visit to MSEs and BDS

<table>
<thead>
<tr>
<th>Date/Time</th>
<th>Itinerary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DAY 1</strong></td>
<td>Travel from Baguio City to Manila, Philippines</td>
</tr>
<tr>
<td>06:30</td>
<td>Breakfast in San Fernando, Pampanga</td>
</tr>
<tr>
<td>08:00-08:30</td>
<td>Orientation and levelling off</td>
</tr>
<tr>
<td>08:30-10:30</td>
<td>Cassava fields and drying systems in Floridablanca, Pampanga</td>
</tr>
<tr>
<td>10:30-12:00</td>
<td>Mekeni meat processing plant/ alternate, dairy/meat processing in Floridablanca</td>
</tr>
<tr>
<td>13:00-15:00</td>
<td>Travel to Bulacan</td>
</tr>
<tr>
<td>15:00-17:00</td>
<td>Gawad Kalinga Social Enterprise</td>
</tr>
<tr>
<td></td>
<td>To Lodge – BSWM, Quezon</td>
</tr>
</tbody>
</table>

| **DAY 2** | To Department of Science and Technology (DOST) in Taguig |
| 08:00-12:00 | Industrial Technology Development Institute (ITDI), Food and Nutrition Research Institute (FNRI) Product development and quality assurance laboratories |
| 13:45-15:30 | Seminar: Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP) |
|           | Back to BSWM; rest for evening activity |
| 21:00-24:00 | To Padre Rada; “Bagsakan” market for veggies, root crops, bananas, etc. |

| **DAY 3** | Breakfast @ BSWM and travel |
| 09:30-11:30 | Seminar on Improving MSEs and Marketing: University of the Philippines-Institute for Small Scale Industries (UP-ISSI) |
| 11:30-14:30 | Lunch and Travel to San Pedro, Laguna |
| 14:30-17:00 | To San Pedro, arrowroot starch processing; |
| 17:00-18:00 | To Los Banos lodge; dinner |

| **DAY 4** | Breakfast @ PCAARRD and travel |
| 07:30-15:00 | Nagcarlan processors |
|             | Liliw: arrowroot cookies |
|             | Majayjay: Costales Nature Farm |
| 15:00-17:00 | Travel to BSWM (lodge), Quezon City; dinner along the way. |

| **DAY 5** | Breakfast at BSWM |
| 08:00-11:00 | Wrap-up session |
| 12:00 onwards | Check-out, lunch and travel home |
ANNEXES

PRELIMINARY PREPARATIONS

Ten Handy Tips for Facilitators

1. **Grasp Firmly**: Have a good grip over the subject matter being tackled. As a facilitator, you should determine the direction and flow of the discussion. Always be prepared. Have a contingency plan up your sleeve, e.g. in cases where invited guest speakers do not turn up, have a plan B.

2. **Be Open**: Encourage an atmosphere conducive to learning and sharing of ideas and where everyone feels welcome and important. Facilitation is like building a team where everyone has something to share and learn. A facilitator should be open and sincere.

3. **Watch for the Point**: When encouraging others to share and participate, the range of discussion may expand and deepen. Without a good grasp of the subject, the discussion may get watered down and lose track. You should see the various points, the pros and cons, the “what ifs” and other considerations. At the end, you should be able to summarize the discussion.

4. **Know Your Limits**: Know your own limitations and those of your participants. Have an idea of what is achievable and practical and what is not.

5. **Learn How to Count**: Be aware of how many participants are responding, how many are sleepy, how frequently they leave the hall, and how many are no longer listening. This can help you decide whether it is time to change or adjust the discussion.

6. **Watch Your Wrist**: Effective management of time is a skill and an attitude you should possess. Time is subjective. A too tight or rigid timetable would make a discussion seem like a military drill. On the other hand, if you are too lax and liberal in handling the session, it will give the discussion the feel of a drinking party!

7. **Have an Artist’s Touch**: Creative approaches and techniques encourage participation. Remember, you do not have to be skilled in theater, drawing, etc. Sometimes, providing crayons for the participants and encouraging them to express their answers through simple sketches is enough to ensure participation. As a facilitator, you are an artist of compassion and if you are really committed to motivating the community to change, you are also an artist of passion.

8. **Learn the Traffic Signals**: As an effective facilitator, you must know when to stop, wait a while, and go. You should be able to stop, look, and listen throughout the discussion. Remember a polite traffic enforcer is well liked by the public.

9. **Learn How to Salute** (Learn How to Respect and Appreciate): Remember to learn respect and the ability to recognize everybody’s contributions. Practice humility; as a facilitator you do not have the solutions, they come from the participants.

10. **Know Your Left and Right** (Know Your Strong and Weak Points): After every seminar, meeting or training, you should assess or evaluate. Whether in a formal or informal setting, quantitative or qualitative, oral or written, feedback should be gathered. In doing this, a facilitator is able to tell what parts of the training were successful. There is no perfect score in facilitation. There is always room for improvement.

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1Source: VSO, IIRR and PEPE. 1998. Creative Training: A User’s Guide. Voluntary Service Overseas, Quezon City, Philippines; International Institute of Rural Reconstruction, Silang, Cavite, Philippines; and Popular Education for People’s Empowerment, Quezon City, Philippines
MODULE 2
Group Formation and Strengthening

Five Stages of Organizational Development

Stage 1 Embryonic
At the Embryonic stage, the tree is a vulnerable seed trying to penetrate the soil. At this stage, an organization is just beginning to form and to define itself.

Stage 2 Emerging
At the Emerging stage, the tree has broken through the soil to benefit from the sunlight. However, it is still vulnerable, and its roots are not deep.

Stage 3 Growing
At the Growing stage, the tree is becoming stronger and develops deeper roots. An organization at this stage can protect itself from many threats, although it is still vulnerable to significant negative forces.

Stage 4 Well Developed
When a tree (or an organization) is in the Well Developed stage, its roots (capacities) are strong and deep, fruit (results) starts being produced, and it can withstand all but the most extreme threats.

Stage 5 Mature
A Mature tree (or organization) is able to continually bear large quantities of fruits (or results). Due to its capacity building efforts, an organization at this stage has become a viable and permanent local institution.

MODULE 4
Identifying and prioritizing market opportunities

SAMPLE CHECKLISTS FOR CONDUCTING A VALUE CHAIN ASSESSMENT

1. Producers

Production

- What crops/commodities do you produce?
- Why did you decide to start growing/catching each crop/commodity?
- For how long have you been producing them?
- How many hectares (or appropriate local unit) do you grow of each crop/commodity this year and last year?
- Is production increasing or decreasing? Why?
- What is your yield of each crop/commodity when intercropped and as monocrop?
- For each crop/commodity, which are the main varieties? Local or introduced?
- Do you use fertilizer/other inputs for the crop/commodity (or for intercrop)? Which? How much? Impact on yield?
- Where do you obtain inputs (planting materials or fingerlings, etc.) for each crop/commodity? Costs?
- Main production constraints?
- Among crops/commodities, which are important for on-farm consumption, for cash income, and for animal feed? Which is the most profitable? Most important for you and your family?
- Do you have access to any extension or other support services? Provide details, including any costs involved, problems with the services, etc. Are there any services lacking?

Postharvest

- For each crop/commodity, do you dry, or process in any way, or use/sell them fresh?
- As applicable, how do you dry, process, or use them? How long does it take? How much labor is involved? What is the conversion rate (X kg fresh = 1kg dry)
- For each crop/commodity: (as applicable)
  - What is the percentage used for home consumption (include fresh, dried/stored, processed for home use, etc.)?
  - The percentage used for livestock feed on farm?
  - The percentage sold fresh to the traders/intermediaries?
  - The percentage sold dry to the traders/intermediaries
  - The percentage sold for processing into starch, snack food, etc?
  - Any other uses (specify)
- Main constraints and opportunities for crop/commodity use/consumption on farm?
- What do you do with wastes and by-products from processing on farm? Problems or opportunities related to these?
- Do you access any support service in the postharvest activity? Who provides these services, quality of services, costs? Are there services needed that are not available?

Marketing

- To whom do you sell your crops/commodities? Obtain names and contact details for later follow up if possible.
• Are there many or few buyers? Do you usually sell to one trader/intermediary or does it depend on price/terms of payment, etc?
• Do you sell by cash only, or credit (i.e., getting your money later), or both?
• If you sell on credit, how long does it take before you get your money?
• Have you ever had the problem of not getting your money?
• Farm gate prices of each crop/commodity (fresh, processed, etc., as sold from farm), 2015 and 2016 prices.
• Are prices variable or stable, trending up or down?
• Do you sell to the same collector all the time or to various collectors depending on the prices (i.e., are the prices different among different collectors?)
• If the prices differ, how much do they vary (of the same variety, if selling fresh roots)
• Do you sell directly to a large-scale starch factory (or processor)? If so,
  o What is the minimum volume you must have to sell directly to them?
  o What is the price difference between the factory and the traders?
• Do you and your neighbors ever sell crop/commodities collectively to traders or to factories?
• If so, do you arrange transportation together?
• What are the main constraints of selling your product? Are there any opportunities that you have not yet been able to take advantage of?
• Do you access any support services in the marketing area (e.g. price information to help negotiate sales?). Who provides these services, and how is their quality/utility? Are there any services required that are not available?
• How do you find out about prevailing market prices when you want to sell your produce?

General

• What are the main problems you face with the production, processing, marketing?
• Do you see any new opportunity that you would like to access?
• What would you like to be doing differently in five years’ time?
• How interested are you in working with others to improve production/marketing/value chains?

2. Rural intermediaries, traders, assembly agents, etc.

Volume and trends

• How long have you been trading in these crops/commodities (Which year did you start)?
• How many tons did you handle last year? Has this increased/decreased over time? By how much?
• What is the reason for these changes in volume?
• How many tons (volume) do you collect each day?
• Do you not collect more because there is not enough supply or not enough demand?
• How many months do you collect each year? Which are the main months for each commodity?
• How many tons do you expect to collect this year?
• From which districts (or other appropriate local administrative area) in the province do you get most of the supply?
• Which districts in this province do you think have the biggest potential for production of each commodity?
• How do you think the commodity’s produce/products can be improved?
  o Volume of supply
  o Quality
**Quality and prices**

- What commodities and varieties do you purchase?
- Purchasing price variations among varieties?

<table>
<thead>
<tr>
<th></th>
<th>Commodity 1</th>
<th>Commodity 2</th>
<th>Commodity 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local price</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm gate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved variety - name</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved variety - price</td>
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<td></td>
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</tbody>
</table>

- Selling price variations among varieties and sizes (pesos/kg)

<table>
<thead>
<tr>
<th></th>
<th>Commodity 1</th>
<th>Commodity 2</th>
<th>Commodity 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Farm gate</td>
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<tr>
<td>Retail</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Improved variety</td>
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</tbody>
</table>

- For each commodity, price variations during the harvest season:
  - Price at the beginning of season
  - Price during the peak season
  - Price at the end of season
- What are some of the problems with the quality of the RTC products?

**Market Chain**

- Who do you buy products from?
  - Prices from the farmers:
  - Prices from the local collectors:
    - If prices do not vary between farmers or collectors, do they vary between volume (i.e., are the prices higher if the volumes are higher?)
  - Prices from other sellers:
    - Who are they?
    - What are the prices?
- What are the problems/constraints you have experienced with the sellers:
  - With farmers:
  - With local collectors:
  - With large collectors
• Who do you sell the products to (what types of buyers do you sell the product to?) And, what is the difference in prices when sold to different buyers?
  o Prices to the wholesalers:
  o Prices to the factories:
  o Prices to other buyers:
    • Who are they?
    • What are the prices?
• What are the problems/constraints you have experienced with the buyers?
• Do you buy in cash, or on credit, or both?
• If on credit, how long does it take to get your money back?
• Do you sell in cash or on credit, or both?
• If on credit, how long does it take to get your money back?
• What are the problems/constraints you have experienced with the buyers?
• Are there any unexploited opportunities in this area?

General

• What are the main problems you face with marketing the commodity?
• Do you see any new opportunities that you would like to access?
• What would you like to be doing differently in five years’ time?
• How interested are you in working with others to improve marketing/value chains?

3. Processors (small-scale, e.g. snack food producers)

Basics

• Basic description of the business – household, informal or formal?
• Raw materials used – what commodity? Any other inputs?
• Processes employed? Basic equipment used?
• Labor – all family or also employees/casual labor?
• How many years have you been processing?
• How/why did you start processing?
• Do you also produce the base commodity or is all raw material purchased?

Raw material procurement

• From whom do you buy the raw material? Is it fresh or processed?
• How many kgs or tons of roots do you buy per day?

<table>
<thead>
<tr>
<th></th>
<th>Peak harvest season (when to when?)</th>
<th>General harvest months (which months)</th>
<th>Low season (when to when?)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh (kg/day)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dry (kg/day)</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
• What are the prices of the commodity (differentiate between local and improved varieties if useful) this year? Last year?
• Do you prefer local varieties for cheaper prices or improved/hybrid ones at higher prices (i.e., which one is more profitable to you?)
• Do you buy the commodity in cash or on credit?
• Do you get enough for your processing capacity?
• What are the problems you have encountered from buying the [product]? Any opportunities that could be better taken advantage of?
• Any post-harvest losses between purchase and processing of [product]?

**Processing**

• How many tons did you process last year (2015)?
• What is the reason for the increase or decline:
  o Not enough raw material supply, or
  o Not enough demand in the market, or
  o Not enough labor to process, or
  o Not enough capital to invest?
• Describe the process briefly
  o inputs
  o major equipment used
  o labor needs
  o electricity and water requirements
  o wastes and by products
• Conversion rates (X tons raw material = 1 ton product)
• Processing time?
• Quality requirements for final product (e.g. moisture content)?
• Management of waste?
• Use of by-products, price obtained, if any?
• How much by-product is generated from 100 kg of fresh roots?
• What are the constraints/problems/opportunities with the processing activities?

**Product marketing**

• Who do you sell your product to?
• Do you have some major clients (who?) or many small buyers?
• How many tons sold in 2014, 2015 and 2016?
• Have the prices been stable over the years (2014, 2015, 2016)?

<table>
<thead>
<tr>
<th>Product</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume (ton)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price (per kg or ton)</td>
<td></td>
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</tr>
</tbody>
</table>

• Is there any seasonal price fluctuation? Months with highest and lowest prices?
• Do you only sell products individually or together with other processors?
• Do you sell in cash or on credit?
• What are the problems encountered with your buyers?
• What are the demand trends for the products? Do you see this continuing into the future (next three years)?
General

- What are the main problems you face with [name of product] processing/marketing?
- Do you see any new opportunities that you would like to access?
- What would you like to be doing differently in five years time?
- How interested are you in working with others to improve RTC processing/marketing/value chains?

4. Processors (large scale, e.g. starch factories)

Basic enterprise information

- How many years has the factory been established?
- Why establish a factory at this location?
- What is the nature of the factory, state-owned, privately owned, or joint-stock?
- Was it a state-owned company originally but now a joint-stock? If so, since what year did it become privatized?
- Do you have contracts with farmers to supply roots to you?
- If so, do you provide extension services to these farmers?
- How many workers are employed by the factory (permanent and casual during main processing season)?
- Any support services you access, or that are lacking?

Raw material procurement

- From whom do you buy fresh or pre-processed [commodity]? Location?
- How many tons of the commodity do you buy per day?

<table>
<thead>
<tr>
<th></th>
<th>Peak harvest season (when to when?)</th>
<th>General harvest months (which months)</th>
<th>Low season (when to when?)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh (tons/day)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Pre-processed (tons/day)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- What is your processing capacity (i.e., based on your capacity, how many tons of the commodity do you need per day)?
- What are the prices of the commodity (fresh, pre-processed) raw material that you purchase?

<table>
<thead>
<tr>
<th></th>
<th>Local 2014</th>
<th>Local 2015</th>
<th>Improved variety 1 2014</th>
<th>Improved variety 1 2015</th>
<th>Improved variety 2 2014</th>
<th>Improved variety 2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh (xxx/kg)</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-processed (xxx/kg)</td>
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</tr>
</tbody>
</table>
• Do you buy from traders, or through agents, as well as from farmers/fisherfolk directly?
• If so, do you give different prices to traders versus farmers/fisherfolk?
• Do you prefer local varieties for cheaper prices or improved/hybrid varieties for higher prices (i.e., which one is more profitable to you)?
• Do you buy the commodity in cash or on credit?
• What are the problems you have encountered from buying roots? Any opportunities that could be better taken advantage of?

**Processing**

• How many tons did you process last year (2015) and the previous year (2014)?
• What is the reason for the increase or decline:
  o Not enough raw material supply, or
  o Not enough demand in the market, or
  o Not enough labor to process, or
  o Not enough capital to invest?
• What is the conversion rate (X ton raw material = 1 ton final product)?

<table>
<thead>
<tr>
<th>Conversion rate</th>
<th>Local</th>
<th>Improved variety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processed</td>
<td></td>
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</tr>
</tbody>
</table>

• What is your full capacity?
  o Raw material needs per year:
  o Product output per year:
• Are you operating on full capacity or less-than-full capacity? (% capacity utilization rate)
• If less-than-full, what is the reason?
  o Not enough raw material supply, or
  o Not enough demand for the product?
• How many months a year do you have enough raw material to operate?
• Where does the processing wastewater go?
• Is the wastewater treated?
• Are there any regulations around wastewater treatment and how are they applied?
• Is the by-product sold or used? If sold, for what price?
• How much residue is generated by each 100 kg of the fresh commodity?
• What are the constraints/problems with the processing activities?

**Product marketing**

Who do you sell your product to, what are the prices, how many tons sold?

<table>
<thead>
<tr>
<th></th>
<th>Buyers</th>
<th>2015 volume (ton/year)</th>
<th>2015 prices (peso/kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product 2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Have the product prices been stable over the years?

<table>
<thead>
<tr>
<th>Price/kg or ton</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 (to date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Are there seasonal price fluctuations for the product(s)? Which months have high and low prices?
- What is the trend of the product market? If growing, do you know by how much % each year?
- Do you sell the product in cash or on credit?
- What are the problems encountered with buyers?
- Are there any product quality issues that affect demand or prices?

**General**

- What are the main problems you face with processing/marketing?
- Do you see any new opportunities that you would like to access?
- What would you like to be doing differently in five years time?
- How interested are you in working with others to improve production/marketing/value chains?

**Urban wholesalers (mainly sales to market or other retailers)**

**Basic information**

- Range of produce marketed, relative importance of the commodity?
- For how many years have you been marketing the commodity?
- Location of business activity. Do you own or rent warehouse or other space?
- Number of workers/employees?
- Do you own or rent transport?

**Procurement**

- Who do you purchase the commodity from?
- Which villages or districts are the main producing areas for you?
- Are there seasonal variations in supply areas?
- Volume purchased for each commodity (by month or year)?
- Purchase prices for each commodity during the last year (max, min, average)
- Main problems/opportunities regarding the commodity’s supply (quality, losses, availability, transport...)
- For how long can you store each commodity? Fresh, processed?
- Payment conditions/terms (cash, credit)
- Other embedded services linked to supply (e.g. planting material provision, production inputs...)
Sales

- Who do you sell products to (% to market traders, supermarkets, industrial clients...)
- How many clients, especially at market retail level?
- For industrial clients or supermarkets, do you have any contracts or supply agreements?
- Do you have a long-term trading relationship with these clients?
- Selling prices for each commodity during the last year (max, min, average)? Any differences in price according to variety?
- Selling conditions/terms (cash, credit)
- Main problems/opportunities regarding sales (supply issues, quality, lack of demand, price, freshness...)

General

- What are the main problems you face with marketing?
- Do you see any new opportunities that you would like to access?
- What would you like to be doing differently in five years’ time?
- How interested are you in working with others to improve production/marketing/value chains?

Urban retailers (mainly sales to consumers)

Basic information

- Range of produce marketed, relative importance of the commodity?
- For how many years have you been marketing the commodity?
- Location of business activity.
- Do you own or rent shop/market stall or other space?
- Number of workers/employees?

Procurement

- Who do you purchase the commodity from?
- Do you know which villages or districts are the main producing areas that supply your produce?
- Are there seasonal variations in the commodity’s supply?
- Volume purchased for each commodity (by month or year)?
- Are the commodity volumes changing over time (increasing/decreasing, by how much)?
- Purchase prices for each commodity during the last year (max, min, average)
- Main problems/opportunities regarding RTC supply (quality, losses, availability, transport...)
- For how long can you store each commodity? Fresh, processed?
- Payment conditions/terms (cash, credit)
- Do you have any long-term supply agreements or contracts for procurement of the commodity? Who with?
- Other embedded services linked to supply (e.g. planting material provision, production inputs...)

Farmer Business Schools in a Changing World
Sales

- Who do you sell to (% to consumers, other market traders, industrial clients...)
- How many clients, especially consumers at market retail level?
- Do you have long-term trading relationship with these clients/consumers?
- Selling prices for each commodity during the last year (max, min, average)?
- Any differences in price according to variety?
- Do consumers recognize and value different commodity varieties? How – by appearance, location of production site...?
- Do consumers value organic/pesticide-free/green produce?
- Selling conditions/terms (cash, credit)
- Main problems/opportunities regarding sales of the commodity (supply issues, quality, lack of demand, price, freshness...)
- Is consumer/retail demand for the commodity changing over time (increase, decrease...)?

General

- What are the main problems you face with marketing?
- Do you see any new opportunities that you would like to access?
- What would you like to be doing differently in five years’ time?
- How interested are you in working with others to improve production/marketing/value chains?
INFORMATION ON CLIMATE-SMART AGRICULTURE TECHNOLOGIES

What defines climate-smart agriculture? Climate-smart agriculture (CSA) is an integrative approach to address these interlinked challenges of food security and climate change, which explicitly aims for three objectives: (1) sustainably increasing agricultural productivity, to support equitable increases in farm incomes, food security and development; (2) adapting and building resilience of agricultural and food security systems to climate change at multiple levels; and (3) reducing greenhouse gas emissions from agriculture (including crops, livestock, and fisheries). CSA invites us to consider these three objectives together at different scales - from farm to landscape – at different levels - from local to global - and over short and long time horizons, taking into account national and local specificities and priorities.

The Climate-Smart Agriculture approach includes: building resilience to shocks; addressing adaptation; considering climate change mitigation as a potential co-benefit; being location-specific and knowledge-intensive; identifying integrated options that create synergies and reduce trade-offs; identifying barriers to adoption and providing appropriate solutions; strengthening livelihoods by improving access to services, knowledge, and resources; and integrating climate financing with traditional sources of agricultural investments (http://www.fao.org/3/a-i3817e.pdf).

What is different about climate-smart agriculture? What is new about CSA is an explicit consideration of climatic risks that are happening more rapidly and with greater intensity than in the past. New climate risks require changes in agricultural technologies and approaches to improve the lives of those still locked in food insecurity and poverty and to prevent the loss of gains already achieved. CSA approaches entail greater investment in: 1) managing climate risks; 2) understanding and planning for adaptive transitions that may be needed, for example into new farming systems or livelihoods; and 3) exploiting opportunities for reducing or removing greenhouse gas emissions where feasible.

What are the main elements of climate-smart agriculture?

CSA is not a set of practices that can be universally applied, but rather an approach that involves different elements embedded in local contexts. CSA relates to actions both on-farm and beyond the farm, and incorporates technologies, policies, institutions and investment. Different elements which can be integrated in climate-smart agricultural approaches include:

1. Management of farms, crops, livestock, aquaculture and capture fisheries to manage resources better, produce more with less while increasing resilience
2. Ecosystem and landscape management to conserve ecosystem services that are key to increase at the same time resource efficiency and resilience
3. Services for farmers and land managers to enable them to implement the necessary changes
Climate-Smart Agriculture Technologies: Examples

CGIAR centers and other regional / national partners will present the background, features, and cost-benefit analyses of CSA technologies, including:

1. **Stress Tolerant Crops / Crop diversification.** Breeding of crop varieties that are resilient to stresses including heat, drought, water logging, diseases; insects; pests; changing time of cultivation and harvest; and other management activities. [Weather Risk smart]

2. **Water harvesting/saving technologies.** Water shortage and drought are expected to be the most adverse impacts of climate change on agriculture. Various technologies and practices (e.g., aquifer recharge, ground water management, and community watersheds) have been developed that can help farmers cope with these, with corresponding costs and benefits. [Water-smart]

3. **ICT-based agricultural management.** These can help farmers receive timely weather-related information and warnings that enable them to protect their assets against damage. These can be used for applying GIS and collecting on-the-ground data which can help in forecasting yields and crop production. For example, mobile phone technology has led to diverse types of innovations in the agriculture sector, such as commodity and stock market price information and analysis, meteorological data collection, advisory services to farmers for agricultural extension, early warning systems for disaster prevention and control, financial services, traceability of agricultural products, agricultural statistical data gathering, etc. [Nutrient and Pest/Disease smart]

4. **Alternative wetting and drying (AWD) of rice paddies.** The practice of AWD is defined by the periodic drying and re-flooding of the rice field. It is a management practice in irrigated lowland rice that reduces water use by up to 30% and can save farmers money on irrigation and pumping costs. AWD reduces methane emissions by 48% while maintaining yields, and can further reduce emission through efficient nitrogen use and application of organic inputs to dry soil. [Carbon-Smart and Water-Smart]

5. **No-till technology.** No-till applies direct seeding with use of a complex, i.e. a disk, or a chisel, with minimal disruption of the soil. It significantly improves soil fertility through the better control of wind and water erosion, improving the ability of the soil to hold water and increasing its organic matter content. [Energy-smart]

6. **Climate-Smart Villages (CSVs).** A community-based integrated approach where an array of appropriate CSA technologies and practices are applied and showcased within and adjacent to a village. Farmers, local partners and researchers collaborate to adapt appropriate CSA technologies and practices needed by, and identified with, the community. [Technology Transfer smart / Knowledge-smart]

*Source: CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS).*

[https://ccafs.cgiar.org/](https://ccafs.cgiar.org/)
RISK-PROOFING LIVELIHOODS: UNDERSTANDING LINKAGES OF LIVELIHOODS TO DISASTERS, CLIMATE CHANGE, GENDER, AND ECOSYSTEMS

This section highlights considerations of climate and other disaster risks, and the problems and opportunities that relate to this (for specific situations); which can be incorporated into the value chain analysis to contribute to the identification of potential interventions.

Livelihood support: strategies and focus
- Protection: safeguarding what is there (safety)
- Strengthening: enhancing existing capitals (resilience)
- Diversification: increasing options (resilience)

Traditional Disaster Risk Reduction (DRR) activities focus mainly on a few capitals (i.e. physical, human). The potential of natural capital is often overlooked (i.e. ecosystems).

Risk-proofing of livelihoods: an emerging process

Case: Smoked fish making livelihoods of Sapa 3, Rosario, Cavite

Smoked fish or “tinapa” is a product that is truly an identity of the municipality of Rosario. Every October, the town holds its Tinapa Festival to celebrate and promote the image of Rosario as the origin of the world renowned “Tinapang Salinas”.

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Barangay Sapa-3, is one of those barangays with a significant number of people dependent on smoked fish. To date there are about 15 smokehouses (outhouses) and at least 50 people retailing the smoked fish in many parts of Rosario. Since this is an important livelihood activity it is important to risk-proof it against hazards and climate change effects.
### Production assessment of the smoked fish making

*Identifying risk-proofing measures within the smoked fish making*

<table>
<thead>
<tr>
<th>Areas in the livelihood activity</th>
<th>Effects of climate change and hazards</th>
<th>Risk-Proofing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td>Drying of the fish during the rainy days results in low quality smoked fish (e.g., they spoil easily)</td>
<td>Protecting: Explore the option of purchasing an oven that will be used during rainy days</td>
</tr>
<tr>
<td></td>
<td>Smokehouse is flooded hence no smoking activity</td>
<td>Strengthening: Ensure that the smokehouse does not become a fire hazard in the community</td>
</tr>
<tr>
<td></td>
<td>• Selling and delivery of products to buyers hampered by floods and rains</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Difficulty to paddle the smokefish during rainy season</td>
<td>Diversification: Develop new products out of smoked fish such as “shredded”</td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
<td>Establish retail points in strategic areas in Rosario</td>
<td>• Engage more in bulk marketing</td>
</tr>
<tr>
<td></td>
<td>• Forced savings system to pay for emergency expenses</td>
<td>• Enter into written purchase orders for orders of at least 100 pcs</td>
</tr>
<tr>
<td></td>
<td>• Micro-insurance for women entrepreneurs</td>
<td>• Sells the products in malls and grocery stores like SM and Robinsons</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td>Micro-credit facility for women to provide capital for more women participants</td>
<td>• Develop and offer variety of loan products to cater for various needs (flood, education, health, etc.)</td>
</tr>
<tr>
<td></td>
<td>• Develop new products using the same technology as smoking and oven cooking (e.g., processing meats)</td>
<td></td>
</tr>
<tr>
<td><strong>Management</strong></td>
<td>Build capacities on entrepreneurship</td>
<td>• Organize and association of tinapa producers and retailers</td>
</tr>
<tr>
<td></td>
<td>• Build a smokehouse owned by the organization which will serve its members by renting it for a minimal cost</td>
<td>• Build capacities on enterprise development to lead to diversification of enterprises</td>
</tr>
</tbody>
</table>
KEY LEARNING POINTS

Carbon Footprints

- The amount of greenhouse gases, and specifically carbon dioxide, emitted by something (such as a person's activities or a product's manufacture and transport) during a given period – Merriam Webster
- The total amount of greenhouse gases produced to directly and indirectly support human activities, usually expressed in equivalent tons of carbon dioxide (CO2).
- Uses: to calculate options for offsetting GHG emissions.
- A very powerful tool to understand the impact of personal behavior on global warming.

Understanding GHG Emission Pathways

- H2O concentration, unlike other GHGs is not directly affected by human activities. Its concentration in the atmosphere is directly determined by climate.

<table>
<thead>
<tr>
<th>Primary GHGs:</th>
<th>Other GHGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water vapor (H2O)</td>
<td>sulphur hexafluoride (SF6), hydrofluorocarbons (HFCs)</td>
</tr>
<tr>
<td>carbon dioxide (CO2)</td>
<td>and perfluorocarbons (PFCs)</td>
</tr>
<tr>
<td>nitrous oxide (N2O)</td>
<td></td>
</tr>
<tr>
<td>methane (CH4)</td>
<td></td>
</tr>
<tr>
<td>ozone (O3)</td>
<td></td>
</tr>
</tbody>
</table>

- Greenhouse Gas Emissions by Economic Sectors
KEY LEARNING POINTS

Emissions from:
Agriculture

- Food production and consumption contribute 19–29% of all anthropogenic GHG emissions—a total of 9,800–16,900 million tonnes of carbon dioxide (CO2) equivalent at 2008 levels each year. This figure includes the full supply chain, including fertilizer manufacture, agriculture, processing, transport, retail, household food management, and waste disposal (Vermeulen et al. 2012)

Livestock and Animal Products

- Main sources within livestock sector (Gerber et al. 2013): feed production and processing (45%), enteric fermentation (39%), manure storage and processing (10%)
- Main contributors to CH4 emissions: beef production (41%), cattle milk (21%), fossil fuel consumption along supply chain (20%), pig meat production (9%), poultry meat and eggs production (8%)

Agricultural Soils

- N2O emissions from 2005 to 2030 project to increase by 35%
- Major direct sources: manure on soils (CH4), synthetic fertilizers (N2O), crop residue (N2O)

Rice Cultivation

- Accounts for 8.6% of total agricultural emissions
- Estimated 501 million tons of CH4 released from 1990 to 2005
- Two per cent (2%) projected increase in methane emissions until 2013.
KEY LEARNING POINTS

Emissions from:
Forestry and Land Use
- Since 1850, land use change has directly contributed some 35% of human-generated CO2 emissions (Foley et al. 2005)

Biofuels
- 10.8 million more hectares of sugarcane and maize need to be brought under cultivation to meet ethanol demand in the U.S.
- Using good cropland to expand production of liquid biofuel will likely exacerbate global warming in the same way as directly converting forest and grasslands (Searchinger et al. 2008 p.1240)

Diet
- The amount of fossil fuel used in agriculture and total greenhouse gas emissions of agricultural systems generally increase as diets become more calorie rich (Pradhan et al. 2013).
- Reducing the amount of meat people consume could significantly reduce greenhouse gas emissions. However, current trends point in the opposite direction (Pradhan et al. 2013).

Post-production Chains
- The proportion of emissions from sections of the food chain after food leaves the farm is larger in high-income countries than in lower-income countries. For example, these activities make up some 50% of food system emissions in the United Kingdom (Garnett 2011). Middle-income countries will likely follow this trend in the future.
### Key Learning Points

**Value Chain Mitigation Options: Simulation (potato - processing)**

#### Factors to Consider across the Value Chain

<table>
<thead>
<tr>
<th>Factors to Consider</th>
<th>Emission Pathways</th>
<th>Mitigation Options</th>
</tr>
</thead>
</table>
| **1. Plant management (vegetation):**  
Is the activity resulting in an increase of vegetation per unit area? | N/A | N/A |
| **2. External inputs (synthetic products):**  
What is the degree of use of synthetic products? | Use of synthetic packaging materials, equipment, other inputs | Alternative materials (locally sourced) |
| **3. Nutrients management:**  
Resulting in retention of nutrients in the system (e.g. soil) | N/A | N/A |
| **4. Land use and management:**  
Resulting in changes in land use  
(To what extent? Area?) | N/A | N/A |
| **5. Soil management (tiling practices):**  
Resulting in soil disturbance? To what extent? | N/A | N/A |
| **6. Water management:**  
Resulting in greater use of water (volume)? | Uses 2 cu.m of water | Water recycling |
| **7. Energy use (electricity):**  
Resulting in greater use of energy? What types (e.g. electricity from coal vs. from hydro-thermal)? | X Kw/Hr consumption | Energy saving equipment/appliance  
LED bulbs |
| **8. Combustion:**  
Resulting in burning of wood/vegetation? | X volume (kg) of organic waste | Composting, Recycling  
Creation of new products from excess or waste materials |
| **9. Wastes or residue management (including manure):**  
To what degree are wastes reduced and contained in the system (e.g. rice straws, manure)? | Use of fuelwood for cooking, processing  
Burning of waste materials | Energy-smart stove  
LPG  
Recycling of waste materials  
Proper waste management |
| **10. Fuel use (mobile and stationary equipment):**  
To what extent is fuel used (volume)? | Two jeepneys* | |
| **11. Refrigeration or air conditioning:**  
Resulting in greater use of refrigeration/air conditioning? | Five refrigerators | Energy-efficient ref  
Community cold chain |
| **12. Transportation/travel:**  
Resulting in greater transportation of products and humans? | Transportation of workers to processing area | Car pooling  
Bicycle |

*Jeepneys are popular public utility vehicle in the Philippines.
I. Identifying Information

Sub-Project Title: _________________________
Name of Sub-Project Proponent/LIG: _________________________

Location: _________________________
Barangay: _________________________
Province: _________________________

No. of Beneficiaries: ________________
Men: ______
Women: ______
Contact Person: _________________________
Name: _________________________
Position: _________________________
Contact Number: _________________________

Total Project Cost: _________________________
DA-CHARMP (LAF): _________________________
Beneficiary equity: _________________________

II. Rationale

Project Objectives
General: ___________________________________________
Specific: ___________________________________________

III. Brief Project Description

IV. Plan of Action

Section 1: Marketing Plan

1. Description of the Product
2. Comparison of the Product with its competitors'
3. Location
4. Market area
5. Main customers
6. Total demand
7. Market share
8. Selling price
9. Sales forecast
10. Promotional measures
11. Marketing strategy
12. Marketing budget

Section 2: Production Plan

1. Production process
2. Factory location and lay-out
3. Equipment specifications, sources, costs
4. Planned capacity/production cycle per year
5. Future capacity
6. Raw materials (volume, cost, source)
7. Labor (manpower and cost)
8. Production cost
9. Overhead expenses
10. Waste material disposal

Section 3: Organizational and management plan

1. Form of business
2. Organizational structure
3. Staffing
4. Pre-operating expenses
5. Office equipment and supplies
6. Administrative expenses

Section 4. Financial plan

1. Sub-project cost
2. Financing plan and loan requirement
3. Projected profit and loss statement
4. Projected cash flow
5. Balance Sheet
6. Loan repayment schedule
7. Break-even point
8. Return on Investment
9. Financial analysis- Is the sub-project feasible?

V. Sustainability or Expansion Plan

Sustainability/Expansion Plan: describe how the sub-project can become self-reliant and how it can continue even after the first cycle of operation which was funded under the LAF, how the repayment will be collected and remitted to the Community Institution, and how the amount remitted to the CFI will be reflowed back to the LIG to sustain operations.

VI. Monitoring and Evaluation
The International Potato Center (known by its Spanish acronym CIP) is a research-development organization with a focus on potato, sweetpotato, and related tuber crops. We are dedicated to delivering sustainable solutions and innovations to the pressing global issues of hunger, poverty, gender equity, climate change and the preservation of biodiversity in agriculture and natural resources.

CIP is a member of CGIAR.

CGIAR is a global research partnership for a food secure future. Its mission is carried out by 15 Research Centers in close collaboration with hundreds of partners across the globe.

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