


Module 11: Agricultural entrepreneurship



WORKBOOK

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Module 11: Agricultural entrepreneurship

Pre-assessment

After reading through the module overview and introduction, complete the following pre-assessment in order to determine how experienced or comfortable you are with the topic of supporting agripreneurship. You will be asked to complete a post-assessment after you have worked through the learning content.

	Question	Self-assessment				
		Low		High		
1	Have you helped farmers to set up new business opportunity?	1	2	3	4	5
2	Can you spot a great entrepreneur and know what it takes to succeed in business?	1	2	3	4	5
3	Have you worked with agripreneurs to spot a gap in the market?	1	2	3	4	5
4	Have you developed plans with farmers based on results from a market/value chain study?	1	2	3	4	5
5	Have you developed a business plan with or for farmers?	1	2	3	4	5
6	Have you presented a business plan to an investor (project, bank or individual) to access financial support?	1	2	3	4	5
7	Have you completed a study of the strengths and weaknesses of local business development services?	1	2	3	4	5

Question		Self-assessment				
		Low			High	
8	Have you implemented a chain wide upgrading plan to support multiple actors to deploy new business models that improve productivity, profitability and competitiveness?	1	2	3	4	5

Study unit 1: Introduction to agripreneurship

Session 1.1: The role of the extensionist in agripreneur development

Activity 1.1 Group activity: Identifying agripreneurs

Are you able to identify an agripreneur(s) in your area/rural communities? Together with two or three of your colleagues, discuss the following:

1. Describe the type of business they operate.

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2. How are they different from the typical farmer?

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Activity 1.2 Group activity: Supporting new agripreneurs

Imagine you are going to support some agripreneurs. Together with two or three of your colleagues describe the methods that you will use to:

1. Identify your clients;

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2. Diagnose their needs;

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3. Identify partners who can help provide the services required;

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4. Provide the capacity building;

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5. Support the investment needs; and

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6. Provide the ongoing mentoring.

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Activity 1.3 Individual activity: Matching clients with market opportunities

Consider the types of clients in your area and then answer the questions below:

1. Which category do they fall into?
2. What are their methods for accessing capital?
3. If their main method of gaining capital is through savings,
4. Are they in a savings group?
5. Do they have a savings plan?
6. Can they join a local digital savings method for their inputs?
7. If you can only co-invest to a level of 40% of their needs
8. What is the timeframe you will need for raising the capital to support the new venture?
9. Should you give the agripreneur more debt/credit?
10. Should you wait?
11. Are there opportunities for equity stakes in a business and is that a good idea?

Session 1.2: Criteria for a successful business

Activity 1.4 Individual activity: The new extensionist in agripreneur development

Answer the following questions in your own words.

1. Briefly explain the benefits involved in pluralistic extension services. (5)

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2. In your opinion, what are most important characteristics of an agripreneur? (10)

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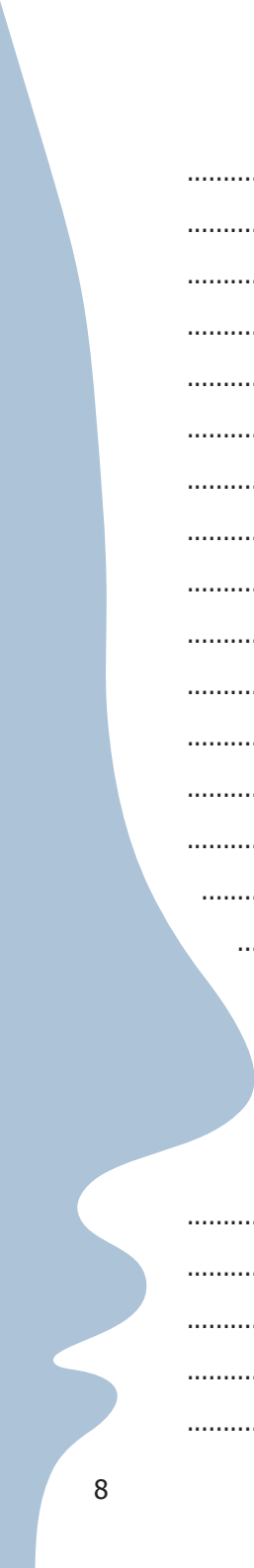
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3. Outline the process that you would follow to analyse the
cost of resources in preparation of starting a business.
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Total: 25 marks

Session 1.3: Evaluating entrepreneurs (clients)

Activity 1.5 Individual activity: Evaluating entrepreneurs

Answer the following questions in your own words. Write your answer in the space provided.

1. Outline the criteria that a strong business opportunity has to meet. (5)

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2. Design a questionnaire—consisting of ten questions—that you can use to assess the readiness of your clients to take a business approach and enter agri-entrepreneurship. Record your questions in the following table format. (10)

Question	YES	NO

Total: 15 marks

Session 1.4: Defining the business idea

Activity 1.6 Individual activity: Testing the viability of a business idea

Complete the following practical activity.

In a group, discuss how you would assist a client to test the viability of his business idea.

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Activity 1.7 Individual activity: Defining the business idea

Answer the following questions in your own words. Write your answer in the space provided.

- 1. Briefly explain to a client what it means to identify the business gap. (7)

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2. Briefly explain the concept of value proposition. (6)

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3. How would you help your clients to identify a business gap? (10)

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Summative assessment: Unit 1

Answer the following questions in your own words. Write your answer in the space provided.

1. Identify the fee-for-service methods that are applied in developing countries. (5)

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2. Briefly explain why it is important for an agri-entrepreneur to have a vision for his business. (6)

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3. Explain the role and importance of competitor analysis in the value proposition and identify the steps involved in conducting a competitor analysis. (8)

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4. Distinguish between customers in the consumer market and customers in the industrial market. (4)

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Total: 23 marks

Study unit 2: Evaluating the key skills involved in running a business

Session 2.1: Evaluating the key skills involved in running a business

Activity 2.1 Individual activity: Evaluating the key skills involved in running a business

Answer the following questions in your own words.

1. Identify the basic skills that a farmer needs to conduct a market analysis. (7)

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Activity 2.2 Individual activity: Assessing the key skills level of an agri-entrepreneur

Complete the following practical activity. Use the space provided.

1. You are supporting and advising a farmer in Malawi who is starting a small-scale business operation producing organic vegetables. Design a rating scale that you can use to assess his skill level in the following basic skills that he needs to run this operation:

- Production operation skills; and
- Marketing and sales skills

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Summative assessment: Unit 2

Answer the following questions in your own words. Write your answer in the space provided.

1. Explain to a farmer group what a business plan is. (6)

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2. Identify the skills that a farmer needs to do business planning. (8)

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3. In your opinion, what are the six most important negotiating skills that an agri-entrepreneur would need? (6)

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4. Identify the steps involved in the sales process. (6)

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5. Identify four essential skills that a farmer needs to perform the sales function. (4)

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Total: 30 marks

Study unit 3: Identifying markets, mapping resources and conducting business planning

Session 3.1: Identifying market opportunities

opportunities

Activity 3.1 Individual activity: Identifying market opportunities

Answer the following questions in your own words. Write your answer in the space provided.

1. Briefly explain the way in which the market opportunity identification (MOI) can assist the both the extension agent and the agri-entrepreneur in spotting a market gap. (3)

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2. Explain why understanding seasonal demand and supply is important to an agri-entrepreneur. (6)

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3. Outline the effects of seasonal supply and demand on the agricultural industry. (6)

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4. Identify the steps involved when conducting an interview with a buyer. (9)

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Total: 24 marks

Session 3.2: Managing key activities and partners in a business

Activity 3.2 Individual activity: Managing key activities and partners

Complete the following practical activity. Use the space provided.

1. Choose any agricultural business operation and design a business process map for key operations and activities involved in the operation.

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Session 3.3: Business planning: From canvas to business plan

Activity 3.3 Individual activity: Business planning

Answer the following questions in your own words. Write your answer in the space provided.

- 1. Outline the purpose of the business plan. (10)

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Total: 10 marks

Activity 3.4 Individual activity: Designing a model canvas for a business plan

1. Identify a specific farming operation and design a model canvas that the farmer can use to compile his/her business plan. Write your answer in the space provided.

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Summative assessment: Unit 3

Answer the following questions in your own words. Write your answer in the space provided.

1. Design a basic questionnaire that a client can use in an MOI survey. Include at least fifteen questions in your questionnaire.

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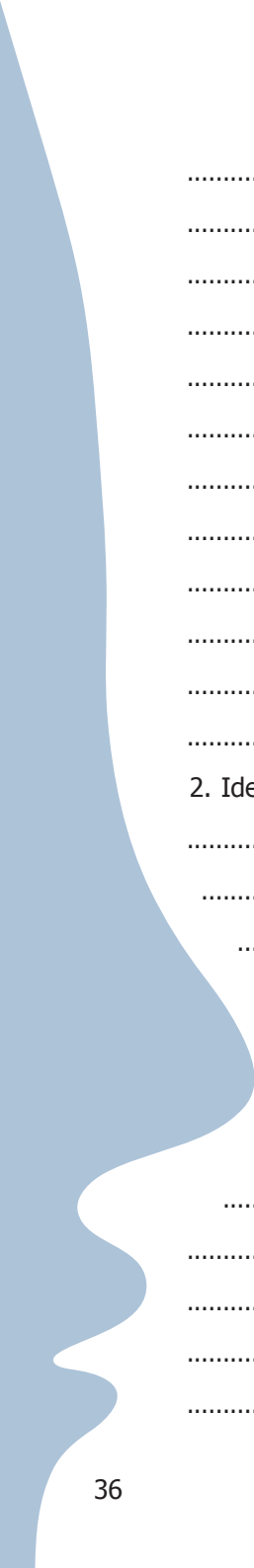
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2. Identify the benefits involved in conducting a market visit. (6)

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3. Explain why a farmer must understand the effects of seasonal supply and demand. (7)

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4. Explain the effect of market size and market growth on product selection as an essential element in key buying conditions. Use examples to illustrate your answer. (10)

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5. Identify the essential terms that have to be included in
a sales agreement. (9)

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Study unit 4: Financial management, sales and risk management

Session 4.1: Identifying sources of finance

Activity 4.1 Individual activity: Identifying sources of finance

Answer the following in your own words. Write your answer in the space provided.

1. Identify the criteria that you would use to evaluate and select savings options for an agripreneur. (5)

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2. Briefly discuss the use of SACCOs as a savings option for farmers. (8)

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3. Define the term investor and outline the factors that contribute to the increasing demand for investment opportunities in the agricultural sector. (4)

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4. Briefly discuss impact investing as a new investment option that is available to farmers. (5)

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Total: 22 marks

Session 4.2: Managing financial resources

Activity 4.2 Individual activity: Managing financial resources

Answer the following questions in your own words. Write your answer in the space provided.

1. Define the term production costs and explain to a farmer why it is important to calculate their production costs. (5)

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2. Distinguish between cost-based pricing, value-based pricing and competition-based pricing. (6)

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3. Why is it important for a farmer to manage their cash flow? (3)

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4. Distinguish between gross profit, operating profit and net profit. (9)

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5. Define the term cash flow forecast. (2)

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Total: 25 marks

Session 4.3: The basics of sales

Activity 4.3 Individual activity: The basics of sales

Answer the following questions in your own words. Write your answer in the space provided.

1. Identify the different types of sales agreements into which an agripreneur can enter. (4)

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2. Define each of the following terms. (8)

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b) Contract

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c) Sales contract

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d) Term

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e) Condition

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3. Identify the external market and economic factors that may affect sales and sales forecasting. (8)

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Total: 20 marks

Session 4.4: Assessing risk

Activity 4.4 Individual activity: Assessing and mitigating risk

Answer the following questions in your own words. Write your answer in the space provided.

1. What does production risk include in the agricultural industry? (5)

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2. Outline the steps in the agricultural risk management process. (5)

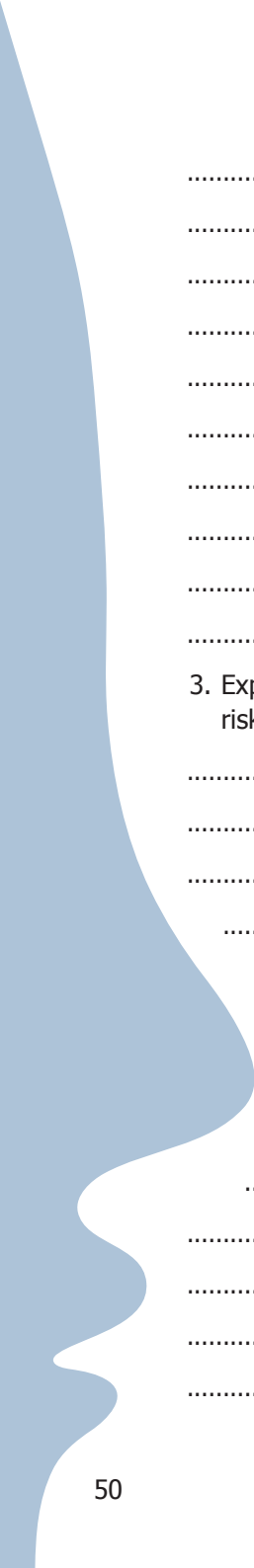
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3. Explain to a farmer group how they can manage production risk in their farming operations. (7)

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4. Explain how a farmer can reduce financial risk. (7)

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Total: 24 marks

Summative assessment: Unit 4

Answer the following questions in your own words. Write your answer in the space provided.

1. Advise an agripreneur on the criteria that they should consider when evaluating savings options. (5)

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2. Briefly explain why micro-financing should be considered very carefully as a source of finance. (5)

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4. Explain the purpose, nature and calculation of production costs to a farmer group. (9)

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5. Why is it important for a farmer or agripreneur to manage his/her cash flow? (3)

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9. Briefly explain how the agripreneur can manage marketing risk in his/her farming operation. (7)

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Total: 68 marks

Study unit 5: Record keeping

Activity 5.1 Individual activity: Operations and financial record keeping

Answer the following questions in your own words. Write your answer in the space provided.

1. Identify five types of production records that should be kept for a farming operation. (5)

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2. Distinguish between an invoice and a receipt as financial records. (7)

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3. Explain the cash book as a financial record in an agricultural operation. (5)

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Total: 17 marks

Summative assessment: Unit 5

Answer the following questions in your own words. Write your answer in the space provided.

1. Explain to a farmer group why they should keep operations records and financial records. (6)

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2. Outline the information that is recorded in the harvesting scheduling record. (5)

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3. Identify the financial records that should be kept as part of farm management. (6)

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4. What is the purpose of the invoice as a financial record? (3)

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Total: 20 marks

2. Identify the types of customer information that is required as part of the process of launching an agripreneur or farming operation. (4)

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3. Outline the role of problems and change that may occur when launching a business and indicate how you, as the extension agent, can help the farmer to address the problems and/or changes. (8)

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4. Briefly explain what is involved in monitoring equity and wealth. (4)

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Total: 22 marks

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3. Explain to a group of agripreneurs the purpose of customer relationship management. (7)

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Total: 21 marks

Summative assessment: Unit 6

Answer the following questions in your own words.

- 1. Identify the steps that should be followed when launching a new agripreneurship. (7)

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- 2. In your opinion, what are the five most important elements in the evaluation of agricultural process performance? (5)

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3. Identify the principles of business relationship management. (6)

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Post-assessment

The post-assessment is to be done once you have read through the module and completed all the activities. Compare your answers to those in the pre-assessment to identify where knowledge has been gained and where improvements can be made. Rate your knowledge on the topics on a scale of 1 to 5 by circling the corresponding number.

	Question	Self-assessment				
		Low		High		
1	Have you helped farmers to set up new business opportunity?	1	2	3	4	5
2	Can you spot a great entrepreneur and know what it takes to succeed in business?	1	2	3	4	5
3	Have you worked with agri-entrepreneurs to spot a gap in the market?	1	2	3	4	5
4	Have you developed plans with farmers based on results from a market/value chain study?	1	2	3	4	5
5	Have you developed a business plan with or for farmers?	1	2	3	4	5
6	Have you presented a business plan to an investor (project, bank or individual) to access financial support?	1	2	3	4	5
7	Have you completed a study of the strengths and weaknesses of local business development services?	1	2	3	4	5

Question		Self-assessment				
		Low			High	
8	Have you implemented a chain wide upgrading plan to support multiple actors to deploy new business models that improve productivity, profitability and competitiveness?	1	2	3	4	5