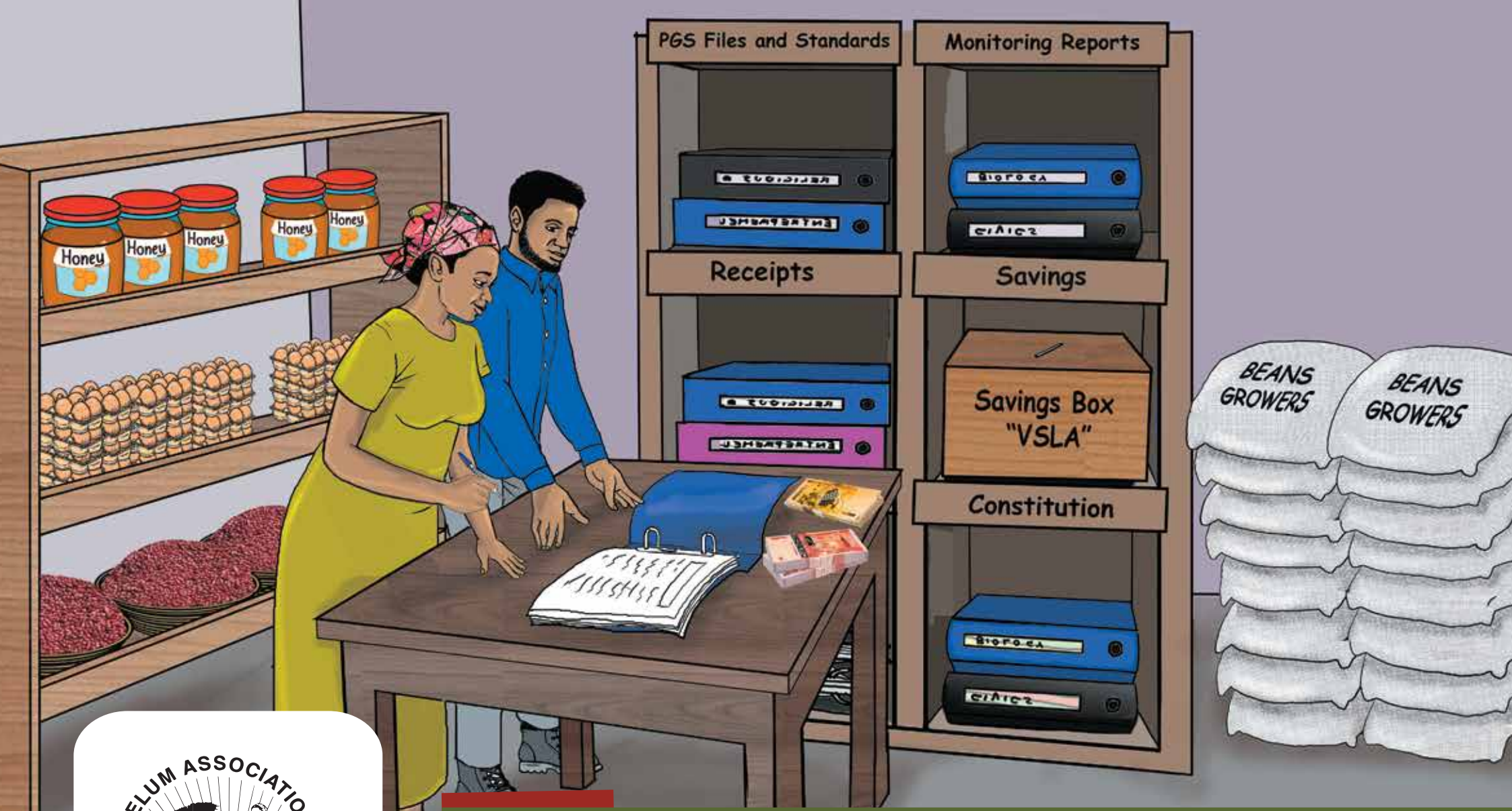


PELUM ASSOCIATION

Pesa Agro-Enterprise Marketing Model Training Guide

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Participatory Ecological Land Use Management (PELUM) Uganda Plot 37/37A Martyrs Way, Ntinda – Kampala
P.O Box 35804 Kampala, Uganda,
Tel: +256 (0)414 533973; +256(0)751785602
Email: pelumuganda@pelumuganda.org pelumuganda@yahoo.com Facebook: pelumug
Twitter: @pelum_uganda Website: www.pelumuganda.org

Authors: Alex Amuda, Grace Babirye, Hadijah Nalule, Holger Pabst, Ruth Nabaggala, and Sarah Mayanja.

With valuable contributions from the PELUM Uganda Agricultural Market Development Thematic Committee comprised of:
1. Ms. Agnes Mirembe, Action for Rural Women's Empowerment (ARUWE Uganda)
2. Ms. Agnes Tushabe, Caritas Kabale
3. Ms. Grace Babirye, Volunteer Efforts for Development Concerns (VEDCO)
4. Mr. Joseph Enyangu, Community Integrated Development Initiative (CIDI)
5. Mr. Tomson Okot-Chono, Farm Concern International (FCI)
6. Mr. Jimmy Asiku, International Institute for Rural Reconstruction (IIRR)
7. Mr. Julius Olupot, KULIKA Uganda
8. Ms. Sarah Mayanja, Individual Member
9. Ms. Doreen Nanyonga, Individual Member
10. Mr. Robert Omach Okello, Trias Uganda
11. Ms. Josephine Akia, PELUM Uganda

Editorial Team: Alex Amuda, Grace Babirye, Hadijah Nalule, Josephine Akia, Joshua Aijuka, Pius Wamala and Ruth Nabaggala.

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Foreword

Agricultural commodity value chains in East Africa have been characterized by weak market linkages, mistrust and disorganization. Small and medium sized producers, input suppliers, traders and millers, are forced to depend on scanty and skewed information in their search for remunerable markets. This situation leads to inadequate market information, fluctuations in product supply and prices, affecting smallholder farmers' access to markets.

In light of these challenges, Value Chain Development is increasingly recognized as a means to address production and supply challenges and consequently reducing rural poverty in Africa. As such, a number of research and development practitioners have long been convinced that there is need to practice agriculture as a business, as it offers the potential to spur economic growth. It is against this background that the Pesa model has been developed to promote and support access to agroecological markets for farmers who apply agroecological principles in production.

Participatory Ecological Land Use Management (PELUM) in Uganda and East and Southern Africa Small Scale Farmers Forum (ESAFF) in Eastern Africa, with support from the Ford Foundation (Eastern Africa
– Regional Office) developed the Pesa model in 2011. The Kiswahili word 'Pesa' means 'money'. The model focuses on placing the farmer in the 'driver's seat' of the market place, with an aim of improving trust and collaboration with other chain actors to obtain better returns from the agricultural enterprise.

The Pesa model was first piloted in Uganda, Kenya, Rwanda and Tanzania in 2012, where approximately 900 smallholder farmers were linked to markets (including schools, open markets and supermarkets). Subsequently, the model was successfully applied on the sesame and rice value chains in the West Nile region of Uganda. As a result of working more closely with other chain actors and supporters, 700 smallholder farmers were able to obtain a 12% increment in market price. They were also able to advocate for improved market infrastructure, such as roads and stores, which further facilitated their access to markets. Further to these benefits, there is food and nutrition security.

Following the successful piloting of the model in the four countries, a training guide has been prepared to support interested users in the region on how to apply the model. These may comprise of farmers, development workers, extension agents, and change agents.

Josephine Akia Luyimbazi - Country Coordinator,
Participatory Ecological Land Use Management (PELUM) Uganda

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Special thanks go to John Jaggwe of Farm Gain and Aloysius Tumwijukye from Kazzo Farmers' Association for their invaluable contributions. Your practical experiences in implementing the PESA Model provided critical insights that shaped this guide. Finally, we express our deepest gratitude to the farmers, agripreneurs, and agroecological practitioners whose experiences and feedback have been at the heart of this guide. Together, with the support of our donors, partners, member organizations, and practitioners, we hope this guide will serve as a valuable resource.

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List of Abbreviations

BMC	Business Model Canvas
CBA	Cost Benefit Analysis
CMSS	Community Managed Seed Security System
CRAEM	Climate Resilient Agro-Ecosystems Model
FAO	United Nations Food and Agricultural Organization
GALS	Gender Action Learning Systems
IFOAM	International Federation of Organic Agricultural Movements
M&E	Monitoring and Evaluation
PGS	Participatory Guarantee System
RMA	Rapid Market Assessment
SACCO	Savings and Credit Cooperative Organization
SMART	Simple, Measurable, Attainable, Relevant, Time-bound
SWOT	Strengths, Weaknesses, Opportunities, Threats
UGX	Uganda Shillings
VSLA	Village Savings and Loan Association

Structure of the Guide

The guide is organized in six training modules, best applied sequentially, but can be used as 'stand- alone' guides, at the discretion of the facilitator. The modules have been described hereunder:

Module 1 – Introduction to the Pesa model

This module comprises of two sessions. The first session gives a general overview of the Pesa model. It provides insights into the history and background process that led to the development of the model. It introduces the model with an aim to strengthen the farmers' understanding of agro-ecological markets. In the second session, existing organizational or governance structures in the farmer group are reviewed and examined to determine the extent to which they are relevant and can be used for the development and implementation of a business idea.

Module 2 – Selection of the Agroecological Enterprise

This module has four sessions on enterprise selection process and the tools used. With guidance from the facilitator, the participants review, analyze and select the 'best bet' potential market opportunities. The facilitators play a key role in guiding farmers on how to use several methods, including rapid market assessment and cost-benefit analysis, to discern each of the proposed market opportunities. The module aims to estimate the success possibility for the selected business option.

Module 3 – Mapping the selected agroecological value chain

This module covers three sessions: i) value chain analysis, ii) field survey for data verification and iii) details of the selected value chain. The module aims at supporting the farmers to explore the dynamics of the value chain selected for the business option. Using a stakeholder mapping and analysis approach, participants identify other key actors, supporters and adversaries in the environment of the value chain. In the field studies, findings are checked for plausibility and adjusted if necessary. Amongst others, this module highlights the need for participation of all actors within a selected value chain to achieve the targeted outcome.

Module 4 – Business Planning and Development

At the heart of the Pesa model lies the step-by-step development of a business plan. In four different sessions, this module covers important economic principles, such as negotiating, communication, concluding contracts and contract terms as well as marketing in separate steps. As a basis for a properly functioning entity, attention is given to proper record keeping and financial planning.

Module 5 – Stakeholder engagement

This module covers only one session on initiating strategic engagement. It guides farmers on the best practices for ensuring good working collaborations with other value chain actors, partners and support functions, to spur development of business ideas, innovations and plans. These have to be beneficial to all actors but also appealing to the target markets.

Module 6 – Implementation of the Business Plan

Implementation of the market opportunity forms the last module of the guide with three sessions: i) implementing contracts, ii) market standards and funding, and iii) launch of the business. This module provides guidance on how to practically implement the developed approach to target the market opportunity. This module also guides the farmers and their trade partners on how to test and include innovations, which would later be officially launched.

Target Users and Audience

The training guide is intended for farmers and farmer groups, extension workers and change agents in the agricultural sector, farmer leaders and other stakeholders that desire for and wish to promote better access to agricultural and agroecological markets.

This training guide is a living document which will be reviewed and improved periodically considering the market dynamics. It is therefore the hope of the authors that the intended users will provide constructive feedback in a bid to keep abreast with farmers' needs for agro-enterprise development.

This guide is not a standalone document; it references other manuals and guides such as the Climate Resilient Agro-Ecosystems Model (CRAEM), Community Managed Seed Security System (CMSS), Gender Action Learning Systems (GALS) among others.

How to use this guide

The guide is structured in form of modules. The modules are further organized into separate sessions that incrementally develop the thematic areas in a step-by-step approach. Each session follows the arrangement provided, although facilitators may choose to adapt the sequences and timings as per the requirements of the training. The sessions will be guided by the following during preparation of the trainings and implementation:

1. Duration/ time frame: Approximate amount of time required for each session.

2. Training aids/ materials required: A suggested list of materials requiredduring the training including audio-visual equipment, stationery, handouts, reference materials, pre- and post- training assessment forms and feedback forms.

3. Learning objective(s): Describes the desired learning objective(s) to be achieved by participants at the end of every session.

4. Methodology: Describes the step-by-step participatory methods that will be employed to engage participants in the learning process. The facilitator needs to be prepared for situations when participation reduces and devise strategies on morale boosting. The facilitator will provide opportunities for translation whenever required. Further, the facilitators are encouraged to:

   - Establish ground rules on which the sessions will be managed,
   - Identify the participants' expectations at the beginning of sessions,
   - Link application of the model to real life situations and
   - Provide opportunities for information sharing on participants' experiences.

5. Facilitator's note/s: Notes to provide the facilitator with useful information on the topic or tips for facilitating an activity. The facilitator should have a good understanding of the conceptual framework of the Pesa model and should always keep in mind the principles and economics of agroecology throughout the process.

6. Handouts: Print material for participants to be distributed before or during the sessions.

7. Additional resources for facilitators: Detailed information related to topics covered in the session.

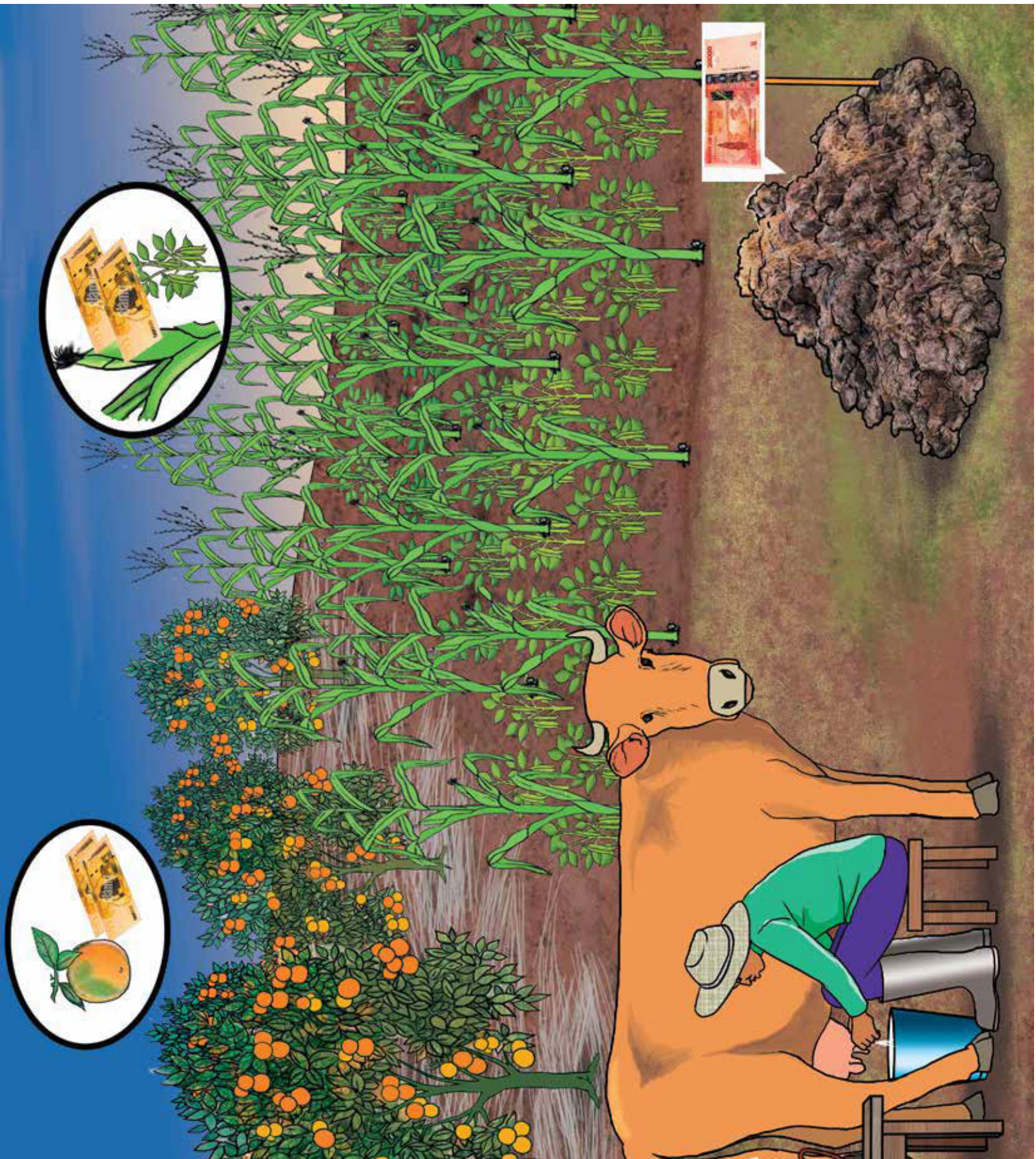
8. Bibliography: This is a reference list and suggested reading materials and literature that is related to the specific thematic area.

9. Pre- and post-training assessment: Participants are required to complete a pre-workshop self- assessment tool at the beginning of the training sessions. A post-workshop assessment tool is completed when all the sessions have been delivered. These will be analyzed to assess the progress of the participants through the process of participatory learning. A database will be established to manage the information during the process.

10. Feedback forms: The participants will be given a simple feedback form at the end of each day's session(s). This feedback will help the team of facilitators and organizers to respond to their concerns, as well as plan for the subsequent sessions appropriately.

MODULE 1:

Introduction to the Pesa Model



Session 1.1: Overview of the Pesa Model

Time frame	2 hours
Learning Objectives	This session is intended to: • Highlight the importance of the Pesa training. • Introduce the objectives of the Pesa model and the implementation process to the participants. • Emphasize the recognition of the agroecological value-chain actors needed for interaction. • Highlight the connection between agroecological production and markets.
Learning outcomes	• Participants appreciate and understand the principles underlying the concept of the Pesa model. • Participants have an increased understanding of basic economic principles and markets for agroecological products. • Participants understand agroecology and how it relates to the Pesa model.
Training Methods	• Guiding notes • Facilitator's presentation and plenary discussion • Visual aids and filmography • Use of local examples
Training Materials	• Stationery • The chart of the Pesa model • Videos (access to agroecological markets)

Facilitator's Note

In order to support farmers' markets for agroecological products effectively, it is important to work with small groups of people (25-30).

Step 1

Understanding the Pesa model

- Guide farmers through the history, objectives and operation of the Pesa model.
- Begin by explaining the principles of a basic chain; and then relate these to the value chain in agriculture.
- Once you realize that farmers have grasped the concept of a value chain, slowly guide them into building a chain of the actors. Provide some time for debate.
- The chain should be flexible for change. Farmers could be general in mentioning the type of actors, e.g. input dealers instead of names of the specific input dealers.
- Thereafter, relate back to the objectives of the Pesa model.

Step 2

Understanding (agroecological) markets

- The facilitator leads the farmers through an overview and analysis of the market environment where they operate.
- The facilitator introduces the agroecology concept, high lights the principles/ elements and explains the benefits of agroecology with emphasis on the linkage between production and markets.
- The facilitator further highlights the connection between agroecology and the Pesa model.
- The facilitator then uses a simplified video to demonstrate and explain the ten elements of agroecology and how they can help the farmers to make or save money.

Group Work Discussions

- Using the tool below, participants read through the explanation of each element and in the effort of relating it to money, they discuss how that element helps to make or save money.
- During the discussions, the participants are expected to fill the tool.
- The tool below should be used in Module 1, Session 1, and Step 2 of the Pesa model training guide

Element of agroecology	Most Agro ecological option	Discussion: How farmers can make or save money
1. Diversity	Crops: Diversified crop varieties and species well adapted to local and changing climatic conditions. Animals (including aquaculture): High number of animals of several breeds well adapted to the local and changing climatic conditions. Trees and other perennials: High number of trees (and/or other perennials) of various species functional to other productive activities within the agroecosystem. Diversity of activities, products and services: Many productive activities linked to different products and services (crops, livestock, trees, ecotourism, industry).	
2. Synergies	High integration of crops, livestock and aquaculture: The high number of animals is fed completely with internal byproducts, their manure is recycled, and they provide products, services and income. Aquaculture is functional to the system and provides food and ecosystem services for other production activities. Agro forestry: Different tree species improve soil fertility, reduce erosion, provide fodder for livestock and other services for humans, crops and animals e.g. medicinal plants, preparation of bio pesticides, etc. Connectivity between elements of the agroecosystem and the landscape: Highly diversified agricultural landscape with several tree species, shrubs and crops that create hedgerows and living fences fragmenting the agroecosystem and providing functional ecosystem services. Anti-erosion structures are present wherever they are needed. Soil management: All the soil is covered with residues or live cover, crops are rotated regularly in a functional way, polycultures are common and functional (or rotational). Grazing systems are well-established and functional. Irrigation facilities are in place with minimum soil disturbance and continued enhancement of soil properties.	
3. Co creating and sharing of knowledge	Existing platforms for creation and transfer of knowledge and good practices with a gender perspective: Well established platforms for the co-creation and transfer of knowledge are available and widespread within the community to actively support the agroecological transition with equal representation of men and women. Access to agroecological knowledge and interest of producers in agroecology: Widespread access to agroecological knowledge for both men and women; and	

	producers are well aware of the principles of agroecology and are eager to apply them. Participation of producers in network and grass root organizations (with a gender perspective): Producers are highly interconnected and supportive and show very high engagement and participation in all the events in their local community and grassroot organizations. Knowledge sharing is good, welcomed and highly supported (equal participation of men and women is highly encouraged).	
4. Resilience	Stability of income and production: Very stable and dynamic equilibrium of production and income in time with very low oscillations of production from year to year and very good capacity to resist shocks and recover production after perturbations. Diversity of activities and products enhancing resilience of rural livelihoods (same as in the element of diversity): Many productive activities are linked to different products and services (crops, livestock, trees, market dynamics, ecotourism, industry, etc.). Mechanisms to reduce vulnerability: The community is highly supportive to both men and women and can significantly manage shocks. Access to credit is guaranteed and insurance protects the agricultural production. Indebtedness: No debt	
5. Circular and solidarity economy	Products and services commercialized into the local market: The commercialized output enters the local market and contributes to self-sufficiency of the community. Networks of empowered producers, intermediaries and relationships with consumers: Well established and functioning networks with equal participation of both men and women support marketing and labeling of the agroecological produce with strong and stable relationships with consumers based on trust and supported by the community; empowered producers don't need intermediaries and commercialization. Local food system: Highly complementary and circular economy within the community that is self-sufficient to ensure sustainable food production. High level of solidarity and exchange of products and services among the producers.	
6. Culture and food tradition	Appropriate diet and nutritional awareness: Healthy, diversified and culturally appropriate diet promoted by producers with a high level of awareness of good nutritional practices. Use of traditional (peasant/ indigenous) knowledge and abilities: Traditional knowledge and abilities for food preparation are identified, applied and recognized in policy frameworks and during specific ceremonies. Use of local varieties or breeds in production and consumption: Mostly or exclusively local varieties or breeds produced and consumed.	

7. Human and social values	Women's empowerment: Women are completely empowered, their roles are respected, and their work is recognized. Women organizations exist, are functional and respected. Connectedness between producers and social capital: Producers are highly interconnected and supportive and demonstrate very high engagement and participation in all the events of their local community and grassroot organizations. Very good social capital recognized and supported by the community. Labor (productive conditions, social inequalities and youth empowerment): Agricultural production is labor intensive and managed by family farmers. There is social and economic proximity between or among farmers. Agroecological techniques generate meaningful and dignified labor conditions with good remuneration. Vast majority of young people want to be farmers too. Traditional (peasant, indigenous) identity and awareness: The traditional identity is strongly felt and protected. There is high respect for rituals and traditions that promote equality between men and women. Animal welfare: Animals have to live a healthy life without stress, they are treated with dignity and slaughtered in a way that avoids unnecessary pain.	
8. Recycling	Recycling of biomass and nutrients: All biomass produced within the agroecosystem is recycled as animal feed or composted and reincorporated into the soil. Management of seeds and breeds: All seeds are reused or exchanged with other farmers, and no purchases are encouraged from outside. Renewable energy (production and use): Majority of the energy used within the agroecosystem is renewable and/or self- produced (solar, wind, hydropower, biogas etc.). Water conservation and saving: Existence of several facilities for water collection and several techniques for water retention and saving.	
9. Efficiency	Use of on farm inputs: The totality of inputs is produced within the agroecosystem or exchanged with other members of the community. Ecological management of fertility: No synthetic fertilizers are used; soil fertility is managed through organic practices only; and the soil fertility is good. Ecological management of pests and diseases: No chemical pesticides are used. Pests	

	and diseases are managed through organic pesticides only and their incidence is very low in both plants and animals that show no signs of deficiency. Productivity of land and animals: All household needs including food is available and also cash to buy all essentials needed in a household plus surplus for savings.	
10. Responsible governance	Empowerment of producers (contributive justice) with gender perspective: Producers' rights are recognized and respected for both men and women, they are empowered and have the capacity and the means to improve their livelihoods, they are stimulated to develop their skills and to overcome the problems of the community they live in. Producer organizations and associations: Producers' organizations are transparent and well-integrated into the local community. They provide various services to incentivize sustainable production and share benefits equitably for both men and women. They help to develop values, lead to the realization of property and create collective funds for social and family improvement. Participation of producers in governance of natural resources (with gender perspective): Governance of natural resources is bottom-up; producers participate actively and equally in the decision-making process, their needs are recognized and respected in a gender equity perspective.	

Facilitators' Note:
Be careful not to push ideas to the farmers. This will go a long way in ensuring ownership and sustainability of the ideas generated.

Session 1.2: Assessing Group Leadership and Committees

Time frame	1 day +
Learning Objectives	This session is intended to help participants: • Assess their leadership. • Understand the importance of group leadership to value chain development and market linkages. • Understand how committees such as the marketing committee, quality control committee, production committee are relevant to ensuring sustainable market linkages and access to better markets.
Learning outcomes	• Participants understand the importance of good group leadership to enable sustainable access to markets.
Training Methods	• Group Discussions
Training Materials	• Group governance documentation, e.g. constitution, policies and guidelines.

Facilitator's Note:
The facilitator should be knowledgeable about group dynamics including management, leadership and formation of committees.

Step 1

Reviewing the Constitution of the farmer group

The facilitator should:

– Support the review process of the constitution with a focus on leadership.
– Encourage the leaders of the farmer group to support value chain development efforts.
– Ensure that the group's leadership is committed to their roles. This is essential in ensuring successful implementation of the Pesa model.

Group Work Discussions

– Participants work together to set some of the most relevant questions for the reflection process of the group's governance and leadership structure. The questions are important in reflecting on current conditions and the spirit within the group.
– Participants are split into groups (preferably leaders away from the other group members).
– Following the tabular format below, groups analyze each of the questions and fill in the blank sections.
– Group presentations are then made to the entire team for feedback and consensus building.

The tool below is used in Module 1, Session 2, Step 1. It supports the reflection process of a farmer group intending to access markets

No.	Sample questions for group assessment	Response	Actions to improve situation
1.	What is the purpose of our group?		
2.	Is the leadership structure we currently have working for us?		
3.	Do the current group activities correspond with those stated in the constitution?		
4.	Do we follow the procedures for appointing committee members as stated in the constitution?		
5.	Are the committee members able to facilitate strong decision making?		
6.	Are we satisfied with the size of the committee(s)?		
7.	How do we facilitate committee members to do their work?		
8.	Etc.		

Step 2

Roles of sub-committees on market linkages and value chain development

– At this stage, the facilitator establishes the existing committees relevant to market access, their roles and responsibilities. Highlight the relevant sub-committees not mentioned but could contribute to successful implementation of the Pesa model. The facilitator can use examples of some committees, which worked for other groups in a similar way e.g., the marketing committee, quality control committee, documentation committee, finance committee, executive committee and production committee.

– If the facilitator considers the establishment of sub-committees to be helpful or necessary, he/she directs efforts towards their formation if they are non-existent. Clarification of the committees' roles as well as their position and importance in the Pesa model process is explained at this point.

– Keep in mind, that it is possible for sub-committees not to exist, e.g. where the organizational structure is already very stable and can be used accordingly.

– In addition to the work in committees, it is of great importance to collect all data and information generated during the Pesa model process and the development of the business idea.

– In addition to the work in committees, it is of great importance to collect all data and information generated during the Pesa model process and the development of the business idea.

– The group is advised to create a database with appropriate responsible and trustworthy persons e.g., the secretary can be included as a representative.

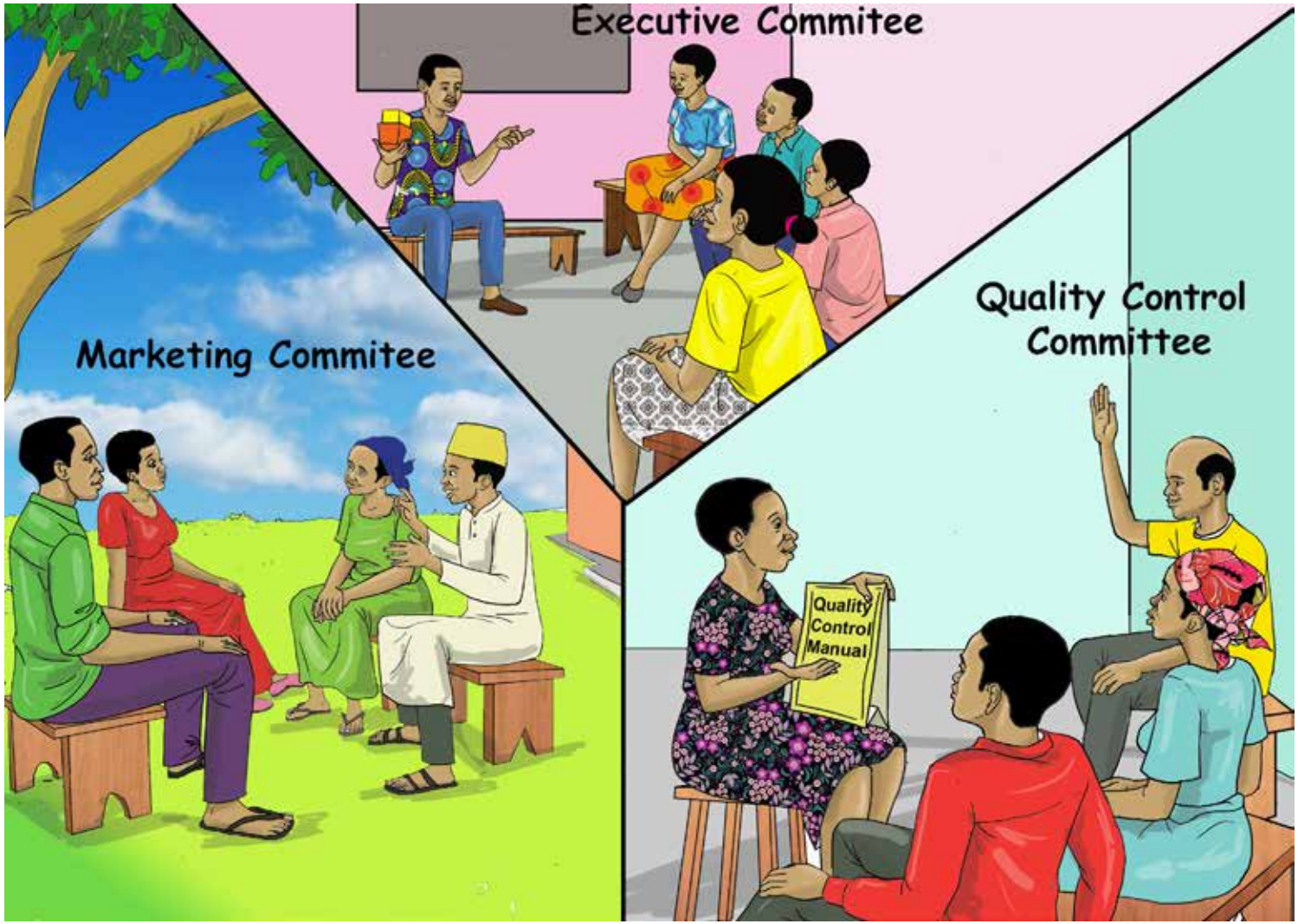
– The facilitator must ensure that the information and data collection take place at each step of the model process. Only a complete and well-maintained database can later be used to optimize the business idea, develop new ideas and monitor.

– The tool below should be used in Module 1, Session 1.2, Step 2 of the Pesa model training guide.

- Before applying the tool, assess whether the committees exist in the group or not.
- For groups where the committees exist, the participants should use the table below to assess the committees.

- For groups where the committees are non-existent, the facilitator considers the establishment of sub-committees and directs efforts towards their formation with clear roles and responsibilities.

– Thereafter, participants are split into groups to assess the sub-committees using the table below and presentations are made to the entire group for consensus building.



Source: PGS Facilitator's Guide

MODULE 2:

Selection of the Agroecological Enterprise



Session 2.1: Conduct a Rapid Market Assessment (RMA)

Time frame	5 weeks
Learning Objectives	This session is intended to help participants: • Select the most viable agroecological option for market access. • Assess of the available options using different tools such as the Rapid Market Access (RMA), agro ecosystems analysis, Cost Benefit Analysis (CBA), comparative advantage analysis (ecological fit) and the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. The goal is to provide participants with analytical tools to enable selection of viable market options.
Learning Outcomes	• By the end of this session, the group should have agreed on complimentary options for business development and market access. • Depending on the capacity of the group, the selection shall have a maximum of three enterprises.
Training Methods	• Lecturing • Participatory contribution of all participants • Question and answer session • Use of local examples – case studies
Training Materials	• Flipcharts • Markers • Masking tapes • Books & pens

Facilitator's Note:

– The facilitator should be very knowledgeable about the tools used in this session. He/she should practice before interacting with the participants.
– The facilitator should always ensure support of the selection of agroecological products. Also, consider all by-products of the basic produce along the value chain, e.g. beehives, honey, candles, etc.

Facilitator's Note:

The purpose of a RMA is to help farmers gain new insights and ideas for improvement. RMAs are done in a participatory way with a diverse assessment team, including local market organizers and community members, as well as managers from other markets and agricultural professionals. For the Pesa model, this will include a group of well-balanced participants who have been participatorily selected. This would require a balanced representation of both women and men.

– Participants develop a list of agroecological products considered for the market.
– Plan for the market visits. This involves developing a questionnaire to collect information about the existing and potential markets. The questions should support comparison between ecological and conventional products.
– The participants should consider a RMA for all the products listed as long as they are not more than ten.

The Rapid Market Assessment tool below should be used in Module 2, Session 2.1, Step 1 of the Pesa model training guide.

– RMA is a participatory process and participants should be involved in all the 12 steps of this tool.
– Preparation for the market assessment must be carefully done by developing questions for steps 1-7. The facilitator guides the participants on how to develop the relevant questions and find answers for each of the steps as highlighted in the subsequent sections.
– After the preparations, the survey team sets off to carry out the exercise in the identified/ listed markets following the methods and checklist developed.
– After the survey, the team reports to all participants using the market survey table in step 11.

Questions	Committees	Roles & responsibilities	Challenges faced	Suggested solutions
Which committees are relevant for market access?	Marketing committee			
	Productions committee			
	Documentation committee			
	Executive committee			
Committees proposed by the facilitator.				

The tool encourages all group members to belong to at least one committee.

Facilitators' Note:

The facilitators need to prepare themselves for group dynamics and formation. Reference links: https://www.crs.org/sites/default/files/tools-research/organizing-and-managing- farmers-groups- smart-skills-manual.pdf
https://www.craigfreshley.com/how-to-form-a-committee-5-essentials/

This session should be appreciated by members before the rest of the model is implemented by the participants.

Step 1

Agree on the Purpose and Objective of the RMA

Facilitator's Note:

The facilitator should make sure that relevant information is collected on:

- what is needed in which markets.
- the quality and quantity needed by the market.
- the prices offered to suppliers.

Step 2

Select an area for the market survey

Question	Farmers' response
Where will the market survey be conducted? What are the priority agro ecological products that the group is focusing on?	

Step 3

Select a team for the RMA

The facilitator guides team selection for the RMA by asking the following questions:

- Who should be involved on the RMA team?
- What are the roles of the RMA team?

Facilitator's Note:

Questions to ask ourselves when preparing for the market visit:
Which role will each team member play?

- Who will talk?
- Who will take notes?
- Who will manage time?
- Who will present the report? How will the team conduct the interviews?
- Introduction
- Question and answer session
- Time to ask traders

Step 4

Identify the key issues for analysis and determine the information needs

Together with the participants, the facilitator guides the participants on what should be observed during the market visits and some of the questions that they can ask the traders.

Facilitator's Note:

Observations for the market visiting teams.

- Observe which varieties are sold.
- Observe the cleanliness of the produce.
- Check for yourself.
- Observe the maturity of the products.
- Observe the sizes of the products.
- Check whether they are sorted by size.
- Look at the type of packaging (the size and type of material used).
- Observe if a higher price is paid if a product is better presented.

Questions for various products

The participants can ask the following questions:

- What varieties are preferred by the consumers?
- What quality is needed? And why?
- What quantities are needed? And how often?
- In case the variety of a crop that you grow is not sold, ask why it is not sold.
- Do customers want a specific size or weight of a particular product?
- What is the minimum quantity that the trader can buy?
- When and how often do traders buy the product?
- How far is the trader willing to travel to collect the products?
- What are their transport costs?
- How do sellers and buyers negotiate?
- How do buyers pay the traders (e.g. using cash, in advance, or in arrears)?
- Are there conditions for payment?
- Where does the buyer get the product from?
- Does the buyer need a particular product that you are interested in selling?
- Is the trader willing to buy from farmer groups?
- At what price do traders buy the product?
- Do prices change over a period of time?
- What is the acceptable level of damage caused by insects, diseases, climate or bruises that the buyer can accept?

Step 5

Define the timing and duration of the market survey

It is important to discuss and establish:

- How many hours/ days are needed for the market survey?
- How long will the RMA take?

Step 6

Explain the methods and tools for rapid data collection

Introduce and explain the methods and tools that the team will use to collect information.

Facilitator's Note:

The RMA can apply the following market survey methods to collect data:

- Focus Group Discussions with producers
- Semi-structured interviews with individuals
- Direct observation

Step 7

Develop a budget for the activity

At this point, the team establishes how much is needed to perform the activity.

Facilitator's Note:

Participants should at least budget for the following:

- Transport
- Stationery
- Lunch and water
- Airtime

Step 8

Conduct the market survey

- Visit the market and administer the interview checklists that have been developed to collect relevant information relating to the selected product.
- Information is then collected through interviews with key informants

Step 9

Analyze the market data and information

- Analyze the data and information collected during the market visit.
- Analyze the topics that were studied.
- Highlight the key questions answered during the analysis.

Step 10

Write the activity report

- The RMA team prepares a report with an appropriate structure and clear content that presents the correct findings of the survey.
- When working with farmers or farmer groups, the report should be written in a way that, it can be presented orally.
- The RMA team should also prepare presentation materials on flip charts highlighting the main findings.
- The report should focus on the market opportunities and major risks. The report should be simple enough for farmers to understand the main issues, but not so simple that it misses the essential pieces of business information.

Step 11

Present the report to the group

The findings are reported to the group in form of a summarized table highlighted below. Summarized table of the market findings

	Group Enterprise A			Group Enterprise B			Alternative Enterprise		
	Market/ Trader Tel: No	Market/ Trader Tel: No	Market/ Trader Tel: No	Market/ Trader Tel: No	Market/ Trader Tel: No	Market/ Trader Tel: No	Market/ Trader Tel: No	Market/ Trader Tel: No	Market/ Trader Tel: No
Perishability									
Quality needed									
Quantity needed									
Price offered per unit									
Frequency of purchases									
Terms of payment									
Challenges									
Possibilities to buy from farmer groups									
Origin of the product									



Step 12

Analysis to action

Through the visioning approach,

- The group discusses where they are now and where they would like to be in 5 years, 3 years and 1 year.
- The approach is intended to build a common plan of action, based on aspirations.

Conclusion: By the end of this exercise, the group is expected to have prioritized at least one agroecological value chain with at most three possible business options or bi-products that would be taken to the next step.

Session 2.2: Cost Benefit Analysis (CBA)

Explanatory remarks on Cost Benefit Analysis:

According to Reh (2019) a management and leadership expert, a cost benefit analysis is done to determine how well, or how poorly, a planned action will turn out. Although a cost benefit analysis can be used for almost anything, it is most commonly done on financial questions. Since the cost benefit analysis relies on the addition of positive factors and the subtraction of negative ones to determine a net result, it is also known as running the numbers. A cost benefit analysis finds, quantifies, and adds all the positive factors. These are the benefits. Then it identifies, quantifies, and subtracts all the negatives, the costs. The difference between the two indicates whether the planned action is recommended. The real trick to doing a cost benefit analysis well is making sure you include all the costs and all the benefits and properly quantify them.

1. Defining concepts

- The facilitator explains the basic concepts in business such as cost, price, markets, gross and net profit, direct and indirect costs among many others.
- Using an example, participants are asked about their experiences in the market e.g., whether they have sold or bought anything, etc.
- Farmers might not get a chance to exhaust all concepts, but they have to explain and clarify as they go along the cost benefit analysis.
- It is important to ensure that all group members are present during this process.

2. Developing a Cost Benefit Analysis (CBA)

- The group identifies a business option for instance maize production and marketing.
- Members agree on the production, measurements and timeframes depending on the product being analyzed. If it is an animal, it is dependent on the time when the expected product is harvested e.g. milk, eggs, meat, off springs, etc., while crops and fruit trees are dependent on seasons and years respectively.
- With the help of a facilitator, members also agree on a good estimate of the cultivated area such as acres or number of products.
- Create a list with all the costs associated with production. This includes labour, inputs, transport, packaging and processing as well as other operational activities and marketing costs. The list is a basis for the calculation of the overall production costs.
- Similar to the above, create a list of all the benefits associated. This also includes an estimation of the production quantity, quality as well as hypothetical sales prices.
- Subtract the production costs from the total income to estimate the profit of the group.
- Low or negative profits indicate a non-viable business option, which ought to be reviewed thoroughly. Possible changes could include higher sales, prices, production of other products or better use of by-products.

The tool is used during Module 2, Session 2.1, Step 2.

- It helps the participants to understand the costs along the value chain of the selected product/ enterprise.
- A step-by-step approach is used to develop the cost benefit analysis using the CBA tool below.
- The participants must repeat the exercise for every business option or by-product selected during the RMA.
- The facilitator divides the participants into smaller groups and each group develops a CBA for a selected enterprise, then later presents to the entire team.

Cost Benefit Analysis Tool

Group Name	
Number of Members	
Enterprise	
Land Size	
Season	

Step 1

Ask the group to develop a cost-benefit analysis with the actual costs of last season's group enterprise and acreage. The group should have the following figures available:

- Material costs
- Labour costs
- Total costs
- Unit cost of production
- Profit and loss

A. Production Cost

Step 2

Material/ Input costs

Ask farmers to mention the requirements used to grow a selected group enterprise (inputs, their quantities and the estimated cost). The table below can be used to summarize these costs.

Farm inputs (seeds and tools)	Quantity required	Unit Cost	Total
Total cost for inputs			

Step 3

Labour costs

Together with the farmers, discuss the farming activities of the selected crop enterprises and their costs.

Labour costs	Quantity required	Unit Cost	Total
Total labour costs			

Step 4

Post-Harvest Costs

Under this step, the farmers share their experiences of post-harvest handling including drying, storage and packaging of the selected crop enterprises and their costs.

Post-Harvest Costs	Quantity required	Unit Cost	Total
Total Post-Harvest Costs			

Step 5

Total Costs

Task: Ask volunteers to hold cards with the following formular:

Total Input Costs	+	Total Labour Costs	+	Total Post Harvest Costs	=	Total Production costs

B. Total gross income

Step 6

Expected yield and its value

Ask:

With your size of land, how much did you harvest?

– Together with the farmers, work out the expected yield and values based on the figures provided by the farmers and put the figure on the flip chart.

Step 7

Post-Harvest Losses

– The table below presents a simple way of estimating post-harvest losses for maize.

– The idea is to understand that the expected output from one acre of maize is 1,800 kgs or simply 18 bags.

	Causes of Post-Harvest Losses	Rose
1	Spillage in the garden and transportation	10
2	Theft	20
3	Animals and birds	20
4	Donations	100
5	Damage due to insects, mildew, etc.	50
6	Weight loss	16
	Total	216
	Estimated Post-Harvest Loss (%) = Total Loss divide by expected yield x 100	(216/1,800x100) = 12%
	No. of kgs/bags left after PH loss = Total yield (bags/ kgs) – Total number of bags/ kgs lost	1,584 kgs or 15.8 bags

D: Gross Income

Step 8

Calculate the gross income.

Task: Ask volunteers to hold cards with the following formular

No. of kgs/ bags left after PH loss	×	Price per bag / per kg	=	Gross Income

E: Net Income

Step 9

Total net income or profit (gross income—total costs)

Task: Ask volunteers to hold cards with the following formular (Cartoon).

Total gross income	−	Total production cost	=	Total net income or profit

F: Profit analysis

Step 10

Production cost per kg

Also known as the breakeven price, or the price required to recover all costs of production. The figure is calculated by dividing the total cost of production by the kilograms of produce sold.

Total cost of production	÷	Kgs/ Bags sold	=	Production Cost per Kg/ bag

Step 11

Profit margin per kg

This is calculated by subtracting the production cost per kg from the sale price per kg.

Production cost per kg / bag	−	Sale price per kg / bag	=	Profit margin per kg/ bag

E: Monthly Income Benefit Analysis

This is calculated by dividing the net profit by the production time. For example, if the net profit for producing one acre of Sukuma is 600,000 UGX and the production period for Sukuma is 12 months. Then the estimated monthly income will be

Task: Ask volunteers to hold cards with the following formular

Net profit (600,000 UGX)	÷	Production period (12 months)	=	Monthly income (50,000 UGX)

F: How to increase profits

- Together with the participants, discuss ways through which costs can be reduced and/or ways through which income can be increased.
- The exercise must be repeated for every business option or by-product selected during the RMA. This will guide the farmers in knowing the costs along the value chain of the selected products. The CBA may automatically eliminate some of the options due to costs involved in production, processing etc.

Facilitator's Note:

- Together with the participants, discuss ways through which costs can be reduced and/or ways through which income can be increased.
- The exercise must be repeated for every business option or by-product selected during the RMA. This will guide the farmers in knowing the costs along the value chain of the selected products. The CBA may automatically eliminate some of the options due to costs involved in production, processing etc.

Conclusion: At this stage, the participants have had the chance to select a single option to move to the stage known as the SWOT analysis. If this has not happened, farmers should go ahead to use the following analysis for the options they have decided to prioritize the business option.

Session 2.3: Strengths, Weaknesses, Opportunities and Threats (SWOT)

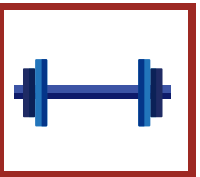
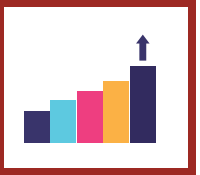
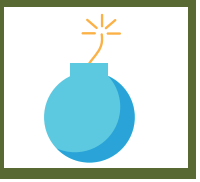
Facilitator's Note:

When examining the potential for a new business or product, a SWOT analysis can help to determine the likely risks and rewards. SWOT, which stands for Strengths, Weaknesses, Opportunities and Threats, is an analytical framework that can help an organization face its greatest challenges and find its most promising new markets. The SWOT analysis is an excellent tool for organizing information, presenting solutions, identifying roadblocks and emphasizing opportunities (Schooley, 2019; Coloso, 2015).

- The farmers will carry out a SWOT analysis for the selected business option(s).
- To avoid information gaps, all participants should join in this exercise.
- To make the exercise more exhaustive; participants are divided into an adequate number of working groups.
- Create working groups using equal division of members and ensure that there is proper representation of expertise in each group.
- During the group work, the groups discuss the four aspects - strengths, weaknesses, opportunities and threats for each of the business options. Plan for about 40-45 minutes for the group work.
- For each group, use a flipchart to record the discussions and findings.
- After the group work, convene to present the results to other group members for discussion and consolidation.
- Compare results and merge similar aspects.
- Keep in mind that all mentions are worth to consider and should be dismissed only after proper discussion and consensus.

The tool is used during Module 2, Session 2.3. It helps the participants to examine the potential of the selected enterprise and determine the likely risks and rewards. All participants should take part in this exercise. Participants shall be divided into working groups and each group discusses the four aspects of the SWOT analysis matrix i.e., strengths, weaknesses, opportunities and threats for each of the business options and afterwards convene to present the results to other group members for discussion and consolidation.

Table 1: Schematic view of the SWOT analysis

Strengths These are internal factors which need to be exploited. The strengths of the enterprises should be appropriately examined. This helps the enterprise to identify strategies that will ensure realization of its objectives.	
Weaknesses These are internal factors, which are weak and need to be addressed and/or kept in mind by the participants.	
Opportunities The enterprise should exploit these external factors.	
Threats These are external factors that can affect the enterprise. More often than not, the group may not have control over them, but they would need to anticipate their likelihood.	

Facilitator's Note:

- Keep in mind that, depending on the number of groups, not every group has to deal with each aspect.
- Since this is a complex concept of analysis, it might be difficult to exhaust ideas for these aspects. The facilitator should use examples to guide the participants.
- The results of the SWOT analysis support the decision process of whether the selected business option is worth pursuing.
- The participants are guided to be open and consider other options, depending on the positives and negatives identified in the RMA, CBA and SWOT.

Facilitator's Note:

In the event that the participants identify a new enterprise, they should feel free to venture into it. However, if farmers would like to venture into a new enterprise, they should carry out trials (see other modules). The analysis should include economic, social and environmental aspects as well as ecological principles.

Session 2.4: Prioritization of the analyzed products



– During this session, group members use the information collected in the sessions/ steps above to prioritize the products of focus for access to markets.
– The members set a criterion that they will follow during the selection process.
– The group should select at least three enterprises of business focus, but other products can be pursued at individual level.

Facilitator's Note:

The elements forming the criteria are suggested by the group members. The crops with higher marks would be considered by the farmer group.

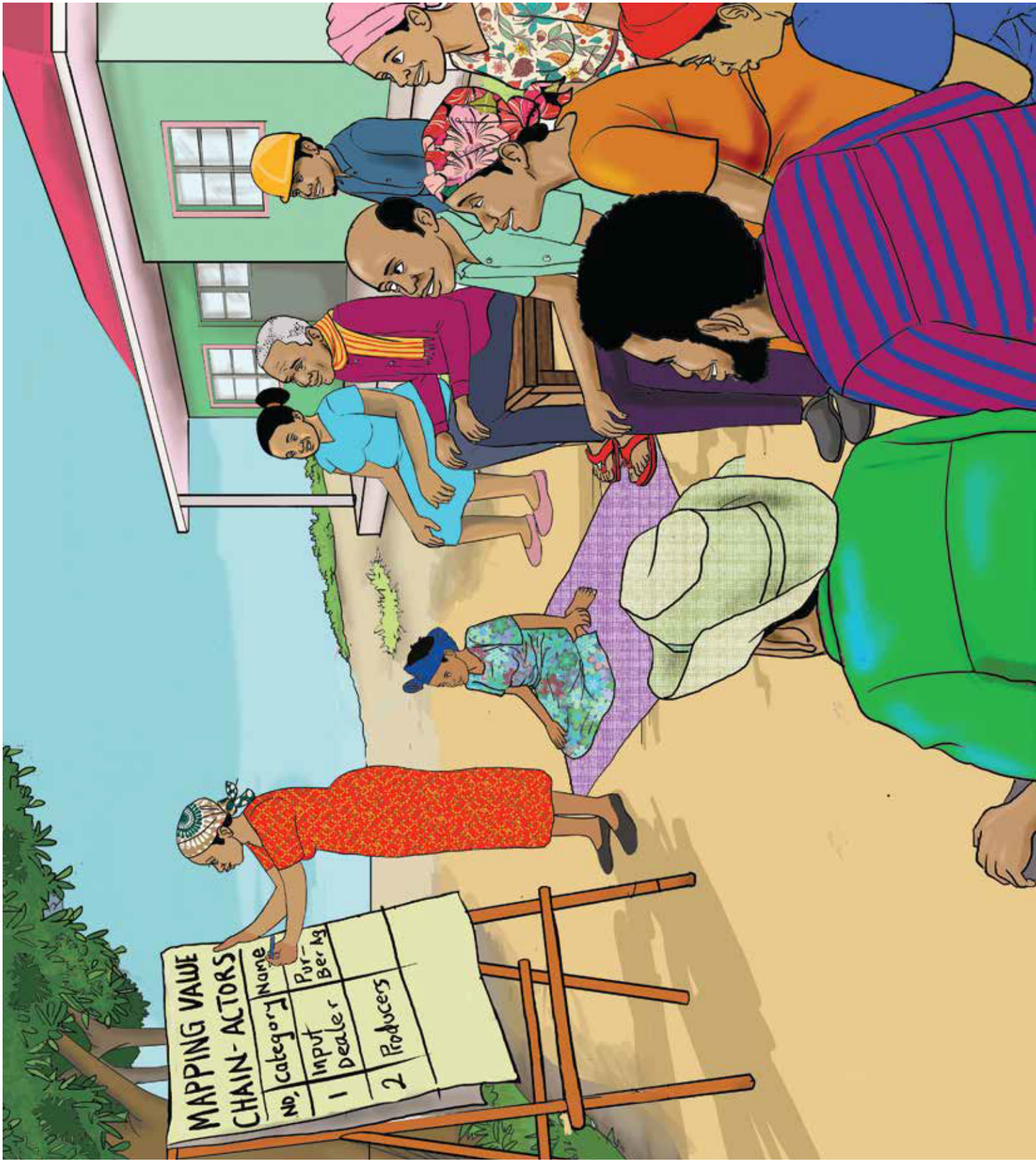
The tool is used during Module 2, Session 4. It helps the participants to prioritize and select the best enterprise. The tool presented below should help the participants score the products/ enterprises and fill in the marks accordingly. The product with the highest total marks should be the best choice for the group to engage in.

		Products / enterprises (The markets should have marks ranging from 0 (being lowest and 5 being highest)							
No.	Criteria	Goats	Chicken	Maize	Nakati	Tomato	Mangoes	Cassava	G. Nuts
1.	Support agroecology								
2.	Available market								
3.	Purchasing price desirable								
4.	Quality needed achievable								
5.	Quantity needed achievable								
6.	Distance to market reachable								
Total marks									

Conclusion: After the four sessions, the participants will have selected the most suitable business option, based on thorough economic analysis of the current and future markets as well as possible challenges.

MODULE 3:

Mapping the Selected Agroecological Value Chain



Session 3.1: Value Chain Mapping and Analysis

Time frame	5 Hours
Learning Objectives	This session is intended to help participants to identify relevant value chain actors for successful improvement of the selected value chain.
Learning outcomes	Participants understand the value chains' structure, actors and their roles within as well as given challenges, constraints and options.
Preparation	• The facilitator should be knowledgeable about value chain mapping and the tools used, and the policies that guide and support the selected value chain. • Share invitations to value chain members.
Training Methods	• Group work and participatory approaches • Question and answer session • Presentation in plenary • Practical examples (e.g. a visit to value chain actor such as a retailer)
Training Materials	• Flipcharts • Markers • Masking tapes

Facilitator's Note:

Where possible, it would be good to invite other value chain actors e.g., traders to participate in the mapping exercise, since they understand their roles better, the constraints faced, and support services required among others.

Step 1

Discuss the selected business environment

- At this stage, it is important to involve as many value chain actors as possible.
- The facilitator introduces the topic and emphasizes the importance of mapping the selected chain.
- Together with the farmers, the basic steps of value chain mapping are discussed in a simple logical order.
- The farmers obtain an overview of the current environment in which the value chain actors operate with specific focus on activities done at each node, relationship between chain actors, chain support services and the policy framework, among others.

Step 2

List the value chain actors for the selected products

With the guidance of the facilitator, the group members list the different value chain actors and stakeholders. These include:

- Supply chain actors in order e.g., input dealers, producers, traders, etc.
- Support function stakeholders e.g., extension workers, financial services, etc.
- Policy function stakeholders e.g., local leaders, district officials, subsidies, etc

Step 3

Build the value chain of the selected enterprise

a. Build the chain

- In Step 2, participants have identified the various actors that are engaged in the value chain. At this stage, they visually construct the value chain.
- The facilitator explains the principles of a basic chain and then relate these to the selected enterprise.
- Once the farmers have grasped this chain concept, they are guided on

how to put the building blocks or components of the chain in a logical order or network (refer to the examples in Session: Overview of the Pesa model).

– Participants are given an opportunity to engage, discuss and learn interactively through debate and experience sharing.

b. *Roles, Responsibilities and Ethics*

– At this point, the facilitator supports participants to identify, discuss, agree and document the roles and responsibilities of each of the actors within the constructed chain above.

– The participants also document the ethical guidelines to be followed as part of the Pesa model implementation.

c. *Chain Support services and policies*

– The facilitator introduces the idea that the chain cannot function in a vacuum; rather it needs the support of various actors and organizations e.g. extension services, savings and credit, business development services and consumer protection services among others.

– Farmers are then tasked to think of the support services required at each point of the process and at each node.

– Rate the services identified for their degree of supportiveness (enabling) or the obstruction (disabling) of the business option.

– Similarly, the facilitator should do the same for the policy support functions.

o *Using simple terms, the facilitator assists the farmers to understand what the policy environment entails.*

o *Gradually, help them identify the necessary functions and rate the degree to which these functions are helpful.*

d. *Challenges and opportunities for individual actors and relationships*

– The facilitator guides participants through an analysis of the mapped chain, highlighting changes and opportunities but also challenges at each node. This is quite different from the SWOT analysis, which was collecting general information.

– At this point, it is important to become very specific on each value chain actor, as well as the relevant support and policy functions. The table below could support a comprehensive analysis.

The group could use the tool below to map the selected value chain

Facilitator's Note:

The tool focuses on one value chain which means that each selected value chain needs its own tool. Also important to note is that each section of the value chain needs its own tool as well.

This tool supports all the sessions in Module 3.

Step 1:
The facilitator supports participants to list the different selected enterprise value chain actors, support function stakeholders and policy function stakeholders on a flip chart.
Step 2: The facilitator and the participants visually construct the value chain on the flip chart.

Step 3:
Using the table below, the facilitator supports participants to identify, discuss, agree and document the roles and responsibilities of each of the actors within the constructed chain, the challenges faced by the actors, the relationship between the farmers with the actors (no relationship, weak, strong, very strong), the business opportunities that exist when working with the actors, what needs to be done to tap into the business opportunities with clear time frames and responsible persons. The participants can be divided into smaller groups, and each group assigned a section of the table to discuss and later present to the bigger group.

Key Actors/ stakeholders	Roles and responsibilities of the actor	Challenges faced by both farmers &Actor	Relationship between farmer and actor	Strategy to improve relationship	What to be done (actions)	Responsible person	Time frame
Support function Actors/ stakeholders	Roles and responsibilities of the actor	Challenges faced by both farmers &Actor	Relationship between farmer and actor	Strategy to improve relationship	What to be done (actions)	Responsible person	Time frame

Policy function Actors/ stakeholders	Roles and responsibilities of the actor	Challenges faced by both farmers &Actor	Relationship between farmer and actor	Strategy to improve relationship	What to be done (actions)	Responsible person	Time frame

Stakeholder action matrix

Actions	Responsible person	Time frame	Relevant actor/partner

At this point, the facilitator must once again summarize the identified value chain, actors and policies as well as constraints and solutions. On this basis, a final discussion takes place to adjust the last details of the value chain.

Conclusion: The result of this stage is a value chain map with clear roles, responsibilities and ethical guidelines. The challenges and opportunities within the value chain were identified to highlight strategies that can be undertaken to build and develop the selected value chain to the benefit of each participating actor.

Facilitator's Note:

a) The facilitator should always ensure that the process is focused on the selected options, product and or by-product.

b) The following materials will support in going through this session: Guidelines for value chain analysis by Jon Hellin and Madelon Meijer, November 2006. http://www.fao.org/fileadmin/templates/esa/LISFAME/Documents/Ecuador/ value_chain_methodology_EN.pdf

c) Slide share with the link: https://de.slideshare.net/afaas/agricultural-value-chain- analysis

Session 3.2: Field survey to verify information on value chain mapping and analysis

This session is more practical. Participants venture out to confirm the information given in Session 1 of this module.

Time Frame	**1 - 3 weeks**
Learning Objectives	Farmers survey the identified chain actors as way of understanding their ways of operation, challenges faced and the specific part of the value chain they would contribute to for lasting and beneficial solutions. This involves physical visits, phone conversations and meetings. In most cases, farmers are advised to carry out some market research. The overall objective is to facilitate farmers' better understanding of the value chain actors, their roles and challenges.
Preparation	• Farmers should be ready to travel short and long distances. • Questionnaire and/ or check list • Transport • Appointments
Training Materials	• Exercise books • Pens • Transport • Flip charts • Markers
Training Methods	• Face to face meetings • Phone calls • Interviews • Focus group meetings • Observation

– During this session, farmers are encouraged to identify constraints and solutions that can improve collaboration and performance of the chain.
– As a facilitator, you may advise on some of the field survey best practices. It is important to gain consensus on the approach with the farmers before proceeding to the next step.
– This process requires that each value chain node be analyzed independently but in the context of the selected business option, product or by-product. Hence, farmers should be divided into groups to handle this task.

Facilitator's Note:

The book 'Guidelines for value chain analysis by Jon Hellin and Madelon Meijer, November 2006.' will be very useful in developing guiding questions for the verification exercise.

Step 1

Plan for the field survey exercise

– Compose a gender balanced team to enhance team effectiveness. Members on the team should be literate or atleast semi-literate.

– The team members develop a checklist of questions that will guide the survey exercise.

– Participants come up with their own questions, supported by the facilitator who proposes the obvious questions to be asked (the must questions). The questions cover topics around quality, value chain specific technology, quantity, varieties, prices, etc. Examples of questions that can be asked.
- What are the challenges you face while trading in seed?
- What solutions do you think farmers can contribute towards this challenge?
- Would you mind working with farmers to improve the situation?

– The team members develop a should thereafter formulate a work plan including activities, dates, time and the persons responsible. The work plan should stipulate the resources required resources such as funds, stationary stationery, etc.

– The team sets up is to setup appointments and members agree on the mode of the exercise. Remember that the work plan should be flexible enough to accommodate unprecedented situations such as failure to meet persons on prior scheduled appointments.

– The facilitator then guides the team on the into best practices in conducting a survey. He/she may organize mock interviews or a role-play amongst the team members. This exercise is intended to build the confidence of the team and should highlight the Do's and the Don'ts of a field survey including interactions and interacting with other value chain actors.

Facilitator's Note:

The questions should be comprehensive enough to collect all the information required to develop a business plan (refer to the Session on Development of a Business Plan in Module 4).

Step 2

The actual survey/ analysis exercise

– At this point, the team sets off to conduct the field survey.
– Each value chain actor should be met independently to avoid confusion in the information provided.
– Each interview held should be well recorded, preferably immediately.
– Since Step 2 might take a very long time, the team is required to provide updates to other group members during regular group meetings. These updates could instigate immediate actions for engagement.

Facilitator's Note:

Keep in mind that at this point quick and easy business opportunities may arise. Nevertheless, participants may refrain from selling one or more products in the value chain, as it can have a strong negative impact on the development of a sustainable business. The sale of other products, on the other hand, is an option, but should be made in close consultation with the group.

Session 3.3: Detailed summary of the selected value chain

This session requires that the implementing farmer group has actively participated in the sessions on 'Value chain mapping and analysis' and 'Field survey to verify information on value chain mapping and analysis'.

Time Frame	2 hours
Learning Objectives	The farmer group is able to develop suitable strategies for business development using information collected from the value chain analysis exercises. It also verifies the sessions above.
Preparation	Results from 3.1 and 3.2 sessions
Training Materials	• Flip charts • Markers • Notebooks • Pens
Training Methods	• Participatory methods

Step 1

Review the value chain map

- All participating group members assemble and review the value chain map developed in Session 3.1, depending on the information collected in Session 3.2.
- Additions and/or rearrangements are made to the value chain map depending on the information collected from the field, leading to the final products. This forms a roadmap supported by ground facts.

Step 2

Develop the value chain strategy

- Collate all the information in Sessions 3.1 and 3.2 to guide development of actionable strategies for establishment of business opportunities.
- Prioritize the business opportunities to guide preparation of the next module and support the strategy development process.
- It is important to keep in mind that a large number of farmers is illiterate or at most semi- literate, therefore, simple rather than complex methods of analysis should be used. For instance, information obtained from an input dealer may be summarized as follows:

Table 2: Example for an overview of stakeholder information.

Actor (name, location, contact)	e.g., Input dealer (dealing in seed business)
Challenges faced in the value chain	• Inadequate access to indigenous seed. • Limited knowledge on how to manage indigenous seed. • Very small market for indigenous seed.
Business ideas, opportunities / solutions therein	Work with farmers for agroecological indigenous seed production.
Analysis of current relationship with farmers	None, but willing to build it as long as it makes business sense.
Available action and cost of action	Agreement with farmers for seed production.
Timeline	Beginning of the next planting season.
Responsible person	

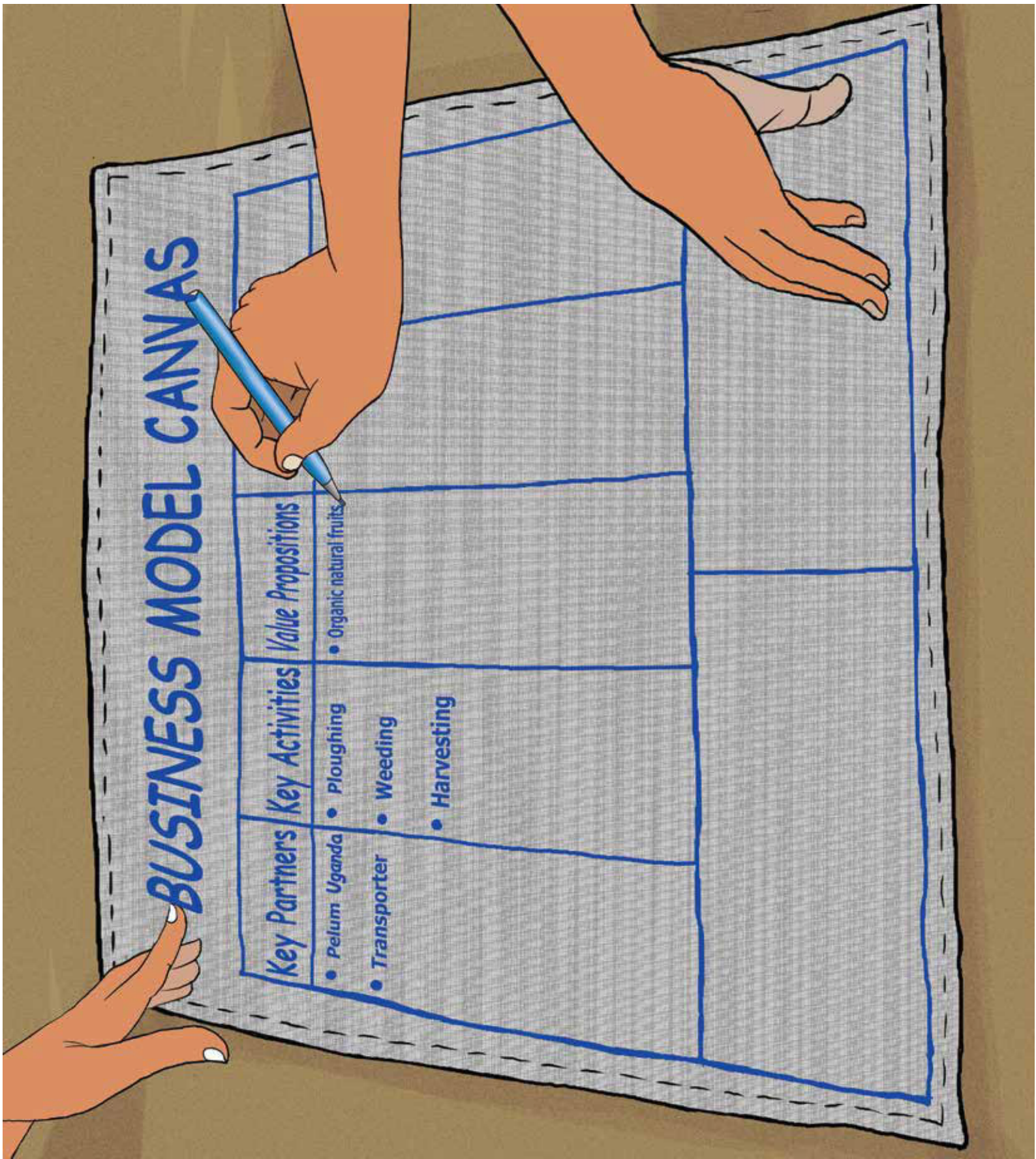
Facilitator's Note:

a) Information compiled should be shared with other group members who should be given an opportunity to contribute ideas for engagement.
b) The facilitator should always probe a little bit more.

Conclusion: By the end of this session farmers have selected the final business idea for planning and development in the next module.

MODULE 4:

Business Planning and Development



Session 4.1: Information on Negotiation, Communication, Contracting, Closing Deals and Marketing

Time Frame	2 days
Learning Objectives	This session will provide participants with some of the most relevant skills in business planning that include interpersonal skills, negotiation, contracting, communication and marketing. These skills will support the development of a business plan, engagement and development of the business.
Preparation	The facilitators should equip themselves with skills in the areas mentioned above by reading and undertaking training where possible.
Training Materials	• Books and pens • Flip charts • Buzz cards
Training Methods	• Role plays • Discussion • Sharing of successful cases or impact stories • Presentation

After the previous session, participants know the selected business option, product or by-product for further engagement. Therefore, the training or skilling should focus on that and use it as an example throughout the training/ skilling exercise

Step 1

Negotiation

– Preparation is key to successful negotiation! At this stage, the facilitator supports participants in understanding the basics of negotiation. Important parts include objectives (what are the results needed), appreciation (of the negotiating partners and their opinion), interests (of both sides) and the set-up of the discussion.

– Role-playing and mock discussions with a focus on negotiation guidelines are also useful methods of directing the participants' attention to the content conveyed. The aim should be to practice various aspects of negotiations including preparation, clarity of detail, exerting and dealing with pressure, making concessions and admitting problems, and the conclusion. In the process, the facilitator pays attention to persons doing their best in this respect and advise the team that those particular members take lead during the actual negotiations at a later stage.

Step 2

Communication

– At this point, the facilitator has already identified some of the good and bad practices regarding communication in Step 1. Based on this information, highlight the Do's and Don'ts in business communication. Give an opportunity to the participants to contribute to the discussions.

– By the end of this step, participants should be able to appreciate how important good communication is in negotiating and closing deals.

Step 3

Contracting and Closing Deals

It is not uncommon to have negotiation meetings ending without any concrete conclusions. Therefore, this step of skilling is where the facilitator exposes participants to some of the things to lookout for after or in a negotiation meeting or session. Participants need to ask themselves the questions below:

1) What was our objective(s) when we came to the meeting?
2) Have we achieved the objective(s)?

3) What deal do we have on the table?
4) What are the agreed upon conditions?
5) Do we understand the conditions? Can we effectively deliver on the conditions?
6) Do we need more time to discuss, think and return with alternatives?
7) Do we need another meeting?
8) What type of agreement do we have: formal or informal?
9) What type of agreement did we want?

The role-play in Step 1 can support this step, whereby participants get a moment to reflect on the negotiation meeting and answer the questions above.

By the end of this step, participants will have appreciated the structure of a contracting process and the characteristics of a closed deal or contract.

Step 4

Marketing

Definition of Marketing: According to American Marketing Association, marketing is an activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society.

The facilitator should emphasize that marketing skills are quite different from negotiation skills. The objective of this step is to ensure that the product or by–product is brought and sold to the intended market. Participants are taken through the following steps to equip them with the required skills to market their products.

a) Preparation: the facilitator supports participants in preparation of a product of any type (not necessarily the one from the earlier modules). Support the participants in understanding all aspects of the product and arguments as to why anyone would specifically pick interest in buying that particular product over other products.

b) Field survey: participants should endeavor to go out to the public and convince as many people as possible to buy the selected product.

c) Reporting and discussion: Upon return, in a meeting, reports and marketing experiences are shared. Those with higher sales could share best practices and those with lower sales could share what went wrong. A discussion ensues.

By the end of this step, participants should have basic skills in successful marketing, documented at individual level and group level.

Using a role play, the members are given scenarios of selling a product using the steps above. The facilitator selects a team of judges that would use the steps as criteria to criticize the team's performance. The team of judges together with the facilitator can fill in comments as the roleplay is happening and then provide feedback.

This tool supports Module 4, Session 4.1. A role play or skit can be used to enhance participants' skills in negotiation, contracting, communication and marketing. The facilitator will, therefore, follow the role play guide as indicated below.

Market scenario 1: The facilitator asks 2 participants to volunteer and take on the roles of the farmer and buyer. A negotiation meeting is held between the farmer and the buyer to buy produce from the farmer group. The negotiation meeting ends with closing of a deal for the farmers to supply and the trader to buy produce from the farmer group.

Market scenario 2: The facilitator asks 2 participants to volunteer and take on the roles of the farmer and buyer. A negotiation meeting is held between the farmer and buyer to buy produce from the farmer group. The buyer and the trader disagree, and the negotiation meeting ends with no deal closed and the farmer group doesn't supply produce to the trader.

Judgement: The facilitator selects a team of judges that would use the steps as criteria to evaluate the plays of the teams. The team of judges together with the facilitator can fill in comments as the roleplay is happening and then provide feedback. The judges can use the criteria in the table below.

Criteria	Negotiation	Communication	Contracting & closing deals	Marketing
List of Comments	e.g. the members were not confident enough – there is need to have clear terms of negotiation.			
Marks				
Facilitator comments and additions				

Group discussion Market Scenario 1
– *What went well in scenario 1?*
– *What were the success factors? (The discussion should cover factors presented by both farmers and buyers)*
– *What more would the farmer have done?*

Market Scenario 2
– *What didn't go well in scenario 2?*
– *How could the buyer and farmer have avoided these challenges and or conflicts?*

Session 4.2: Record Keeping and Financial Planning

Time Frame	3 days
Learning Objectives	To equip farmers with knowledge and skills for business planning, such as financial planning, record keeping and accounting.
Preparation	Refresh knowledge on business modelling
Training Materials	• Flip charts • Markers
Training Methods	Discussions including question and answer sessions

Step 1

Record Keeping

– The facilitator asks the farmer group members to discuss and define record keeping and why it is important for any farming or business activities.
– The facilitator should ensure that the farmers appreciate the advantages of record keeping and understand the risks associated with not keeping records. Document on a flip chart for reference.
– Ask the participants to share their experiences on record keeping. Inquire how far record keeping has been established within the farmers' group e.g., how do they keep their farm records, among other aspects, or the reasons for not keeping any records.
Further, ask the members who keep records to share their experiences on how they overcome challenges mentioned by the other members.
– The facilitator can use the same discussion to address aspects such as types of records, which need to be kept for a functional business; these could include production records, labour expenditures, cash in-/outflow, fixed assets, profits and losses among other records.
– By the end of this discussion, the pros and cons of record keeping as well as not keeping records and their possible solutions are recorded on a flip chart.
– After the discussions, the facilitator supports the farmers to develop suitable templates for record keeping through a participatory approach. The templates are meant to be used at individual and group level, focusing on the selected products and should be updated depending on needs.

Record keeping and financial planning tools will support Module 4, Session 1.3. Discussions under this session are important for farmers to appreciate why they should keep records. Using participatory methods, farmers should be guided to develop appropriate templates for record keeping being used at group and individual levels.

Below are summarized steps and sample tools that have been developed to guide the discussion with farmers.

Step 1: Ask the group.
- Who keeps household business records?
- Which records do you keep?
- What benefits have you discovered from keeping records?

Step 2: Ask some volunteers to share their experiences about household record keeping. They should answer the following questions:
- Can you tell us about the type of records that you keep?
- How do you use these records?
- What problems do you face with record keeping?

Step 3: Discuss the following questions with the group.
- Are there any records kept at group level? If yes, which ones?
- What challenges does your group face when doing record keeping and how can you overcome them?
- How do you use the group records and what benefits have you noticed?

Step 4: Present the templates for business record keeping to farmers.

A. CROP AND ACTIVITY RECORDS

Acres:_____ Season:_____

Crop	Date of Planting	Number/qty of inputs used	Date harvest began	Output (yield) 180 kgs	Notes (fertilizers, sprays, diseases)
1. Maize	27/03/03	10 kgs	2/7/03	200 MT	Used fertilizer- 35kgs
2. Cassava	03/03/03	Inputs used	15/9/03		Dry Cassava

i) Individual farmer activity, income and expense records

Date	Activity/ Items/ Quantity	In	Out	Balance	Remarks and Observations
1st January 2020	Balance from 2019			180,000	
5th January 2020	Ploughed land - 3 acres		120,000	60,000	
20th January 2020	Bought maize seeds - 10 kgs		30,000	30,000	
	Total for January		150,000	30,000	
2nd February 2020	Planted seeds		15,000	15,000	
	Purchased fertilizers 1 bag				
	Total for February		15,000	15,000	
12th March 2020	Income from casual work		50,000	65,000	
	Total for March		50,000	65,000	
18th June 2020	Harvested 20 bags of maize (2000 kgs)				
21st June 2020	Put 5 bags in the store for food at home				
23rd June	Sold 15 bags of maize (1500 kgs)			750,000	
	Balance for June 2020			815, 000	

ii) Production record

Date	Name of producer	Quantity produced (Kg)	Quantity OUT/ sold (Kg)	Output (yield) 180 kgs 200 MT	Balance/kg	Estimated price

B. FINANCIAL RECORDS

i) Sales records

Date	Name of buyer	Gender	Quantity bought (Kg)	Unit price	Total Amount	Quantity left in store/kg

ii) Production and sales record
Season:.....

LSB Name	Crop G	Variety	Acres 7	Production cost	Yield/kg or Bags	Kg sold	Balance	Price /kg	Sales revenue	Total revenue
AFOSEN	/nuts	Serenut 5, 6	4.5	3,720,000	79	0	79	250,000	0	19,750,000
	Simsim	Sesame 2		1,540,000	1,496	1,496	0	6,000	8,976,000	8,976,000

iii) Farmer group members delivery and sales records

Name	Delivery date	Amount delivered	Unit cost	Payment due	Paid	Payment date	Signature	Remarks/ observations
Beatrice	20th July 2020	2000 kgs	500 UGX per kg	1,000,000	10th August			
John								
Grace								
Mary								
Tom								
James								
Joseph								

iv) Farmer group activity, income and expense records

Date	Activity/ Items/ Quantity	In	Out	Balance	Remarks and Observations
1st January 2020	Balance from 2019			6,000,000	
12th January 2020	Bought seeds for members (1,500 kgs)		4,500,000	1,500,000	
22nd January 2020	Payments from 20 members	200,000		1,700,000	
	Total for January	200,000	4,500,000	1,700,000	
	Total for February				
	Total for March				
	Total for June				

v) Income and Expense Record (Cash Book)

Date	Particulars	Cash In UGX	Cash Out UGX	Balance UGX	Remarks (to record any useful information)

C. SEASON PLANNING

Group Seasonal Planning

Activities	Months											
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
Bush clearing												
Ploughing												
Planting												
Weeding												
Manure application												
Crop Protection												
Harvesting												
PH Operations												

Step 2

Financial Planning

With basic financial skills and better financial planning, smallholder farmers can gain significant farm benefits, increased household income and food security, helping farmers make the most of their farms.

In this step, participants will be guided through the use of financial planning tools such as the cash flow and the farm budget, which rely on information from the earlier step – Step 1 on "Record keeping".

The following process to create an overview cash flow and budget is adapted from TOPS Program and Mercy Corps (2017). "Farming for a profit: Technical Guidance for Smallholder Farmer Financial Planning".

1) Develop a calendar of monthly expenses and, if possible, revenues.
2) Include figures for either the farm or household expenses and revenues.
3) Determine when both saving and borrowing will occur.

Facilitator's Note:

– Templates at individual level provide information to group level templates. However, keep in mind that not all information at household level is relevant for the group records. Adapt group level templates accordingly.

– Refer to the FAO handbook "Training of farmers Programme South Asia", page 66 (FAO 2011).

Table 3: Example of an annual finances overview

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Revenue													
Harvest sales	10,000,000						5,000,000						
Animal sales												3,000,000	
Total revenue													
Expenses													
Inputs			200,000						200,000				
Labour	100,000		50,000										
Ploughing													
Transport													
Marketing													
Loan payment	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Total Expenses													
Net income													

Conclusion: Participants should be able to use the above template as a planning tool which means that it should be a fore seeing tool at the beginning of the year with estimates of prices and costs. Once the tool is adequately used at individual (household level) and group level, development of the business plan will become a simple process for the participants.

Session 4.3: Defining the Business Model Canvas

Time Frame	1 day
Learning Objectives	The goal is to have a clear design of the business that farmers or participants intent to implement or develop and to provide the skills of developing a business model
Preparation	Refresh knowledge on business modelling
Training Materials	• Flip charts • Markers
Training Methods	Discussions including question and answer sessions

Definition of business modelling (by Joan Margertta): "Part One includes plans that include all the activities associated with making something: designing it, purchasing raw materials, manufacturing, and so on. Part Two includes all the activities associated with selling something: finding and reaching customers, transacting a sale, distributing the product, or delivering the service. A new business model may turn into designing a new product for an unmet need or a process innovation. That is it may be new in either end."

Step 1

Setting the business modelling questions

The facilitator guide the farmers' group members on how to answer/ define some of the most important questions that they should be aware of when preparing for the business planning exercise. The facilitator introduces the Business Model Canvas (BMC) tool to the farmer groups. The BMC will help farmer groups have a snapshot of their business before going down to develop a detailed business plan. The BMC will help farmers envision their businesses in short time and as quickly as possible. The BMC has 9 building blocks which make it possible for farmer groups to have a quick picture of their business in its entirety.

Below are some of the 'must' questions that the group should ask themselves in the process of developing the BMC for their businesses. The questions should be exhaustive enough to cater for all eventualities that might come up during the business planning session.

– Value preposition: What is unique about our product? the type, volume, quality etc.
– Customers. Who will be the customers of the product, who are they and how many?
– Customer relationship: how the customers are identified, maintained etc.
– Delivery Channels i.e., how will the product be distributed or delivered to customers.
– Expected Income: what are the revenue sources for the business e.g., from sales, subscription from members and others. Indicate figures on prices and volumes.
– Key resources: what are the key resources needed to in business (from production to market)
– Key activities: what are the key activities to be done to deliver the product to the customer.
– Key business services and partners: Who are the key business services and partners to work with
– Cost structure: indicate the structure of cost incurred e.g., production, operation costs etc.

Step 2

Answering the Business Modelling Question

The facilitator should guide the process of answering business-modelling questions through detailed discussions. This could be through putting a particular question on a flip chart, and subsequently discussed in detail. Prioritize answers to select the most viable one. After answering as many questions as possible, a rough sketch of the business model should be in place.

This tool is used in Module 4, Session 2 where participants are expected to develop a business model using one piece of flip chart or manila paper. Here, all participants may stay in one team but have a facilitator to guide the discussion of developing simple answers for each section of the tool. It is important that all input can be viewed on one page of the flip chart. Defining the business building blocks in the tool below will help to have a business model in the end.

NAME OF THE FARMER GROUP:

Vision:
Objectives:

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITION	CUSTOMER RELATIONSHIP	CUSTOMER RELATIONSHIP
Who are the key business services and partners to work with?	What are the key activities to be done to deliver the product to the customer	What is unique about our product? the type, volume, quality etc.	How the customers are identified, maintained etc.	Who will be the customers of the product, who are they and how many
.	KEY RESOURCE. What are the key resources needed to in business (from production to market)		CHANNELS. How will the product be distributed or delivered to customers	
COST STRUCTURE. Indicate the structure of cost incurred e.g. production, operation costs etc			REVENUE STREAMS. What are the revenue sources for the business e.g., from sales, subscription from members and others. Indicate figures on prices and volumes.	

Conclusion: The business-modelling session supports putting all the information collected in Modules 1-3 into one practical model to benefit the growth of the selected business option and the participating value chain actors.

Session 4.4: Market Trials – Production of Samples, Packaging and Shelf life Test

The participants in this session include implementing farmer group members, relevant value chain actors and support functions.

Time Frame	Depending on need
Learning Objectives	To ensure that farmers have adequate information and feedback for adoption of the final product and can use market trials and prototypes to identify the market demand.
Preparation	• Samples of the product should be ready. • List of markets where the product can be tested. • A selected team that will be in charge of the testing or trials.
Training Materials	• Notebooks • Pens
Training Methods	• Observation • Role plays • Exhibitions

Step 1

Preparation

– The participants should select a sales team from the marketing committee (refer to Module 1, Session: 1.2).
– Conduct a training for the sales team on the best practices when selling a product (Do's and Don'ts); refer to Smith (2014).
– The sales team should attain skills in sales, marketing, record keeping and observation. It must consist of a group of people that can receive feedback well (positive or negative, refer to the

role play in the Session on Information on negotiation, Communication, Contracting & Closing deals and Marketing.).
– In preparation for the exercise and similar to the above modules, this training session could use a role-play or methods alike where the team has the setting of a market, supermarket manager, retailer or the person intended to buy the product.

Step 2

Marketing and trial of the business option

– The sales team needs to communicate and inform the market, supermarket or retailer, shop or stall owner in advance about the exercise.
– At this point, the conditions of the trial have to be clear for both sides (e.g. is a permanent presence needed, payment for shelf/space, price of the product, and other open questions). Shop owners, managers, retailers, who take part in the exercise shall record comments and feedback from buyers or customers.
– The sales team should be aware of the seasonality of their product and the effect this might have on the outcome of the trial.
– Gather feedback and share with other group members in a suitable format. An example is a simple table below based on the marketing of local chicken.

This tool is used in Module 4, Session 3. During the training, participants are required to set up any simple product. This could be a box of markers, pile of stones or basket of leaves. If possible, the participants can be requested to come with a set of farm products. Then, use the tool to practice how to get answers from the customers during a market trial but also practice how to get recommendations. The participants then have to step away for the customer to reflect on the actions that follow as a result of the feedback. All this has to be documented in the table below.

		Comment from customers	Recommendation	Action
1.	Enterprise 1: e.g.	The packaging was not appropriate, and the chicken should be frozen.	Find new packaging and organize the freezer. …	Adding value through proper packaging and storage (respectively demanded).
2.	local chicken Enterprise 2	…		…

Facilitator's Note:

a) The longer the product is tested, the better the results. Keep in mind that establishing new products on the market may take time. Do not expect perfect results quickly.
b) Feedback from vendors and customers is essential. Based on their feedback, the product can be adopted and improved. This step, however, does not aim at a scientific approach of a trial.
c) The facilitator should encourage the team to take notes with the provided feedback template including questions like How can the product be improved? What do consumers like most about the product? What is negative? What would be the most conformable price?
d) Information collected is analyzed and feedback is given to the rest of the group members.

Conclusion: Using the results of the test trials, adjustments can be planned and applied to the product and business option, leading to the final product, which is selected for serious marketing and sales.

Session 4.5: Development of the Business Plan

A business plan for a farmer group is a tool that guides a collaborative business, outlines its goal and details and how the goal intends to achieve its goals. It is a road map that provides direction to the farmers business.

Time Frame	1 month
Learning Objectives	To facilitate participants to develop a practical/ feasible business plan, this session focuses on the essential aspects of a business and its planning.
Preparation	– The facilitator should have skills in business plan development or work with an expert in this area. – Governance structures should be in place and members from different committees should be actively involved in this session (refer to Session 1.2 for clarification).
Training Materials	– The business model developed in the earlier sessions.
Training Methods	– Participatory contribution of all business stakeholders. – Use of simplified versions of business plans. – Documentation by all group members. – Use of numbers and figures.

Facilitator's Note:

– The process has to be agreeable to all stakeholders in the business.
– The practices learnt can be used at an individual level for personal businesses.
– The development of the business plan is the central element of the Pesa model and accordingly requires time and effort. Most of the content for the individual steps has already been covered in the previous modules and sessions.
– The facilitator should support participants to prepare for the exercise by recapping on the earlier developed business model. At this stage, farmers have identified areas and businesses that will ensure production, productivity and profitability, and specified the time period of the business plan.
– It is important to document the information agreed upon at every stage and component of the business plan. In case this was not done in any of the sessions, the position of the secretary should now be assigned. The secretary is responsible for documentation. An assistant to the secretary is important in case of any emergencies.

Components of the Business Plan

Facilitator's Note:

– The information needed for the different components of the business plan must be gathered during the previous modules. Do not start the exercise until all the information is available.
– Highlight the uniqueness of the business as much as possible (e.g. in terms of agroecology).
– The structure of the section below provides short descriptions of content in the different steps/chapters of the business plan and uses leading questions to guide the development process. However, keep in mind that neither the description guide, nor the leading questions are exhaustive and have to be adopted according to the intended audience or respective business option.

Step 1

Description of the business (~pages 0.5-1.0)

This paragraph contains a detailed description of the business and the business idea. Explain the background, the origin of the business and who the initiators are. Further, it should describe the who, why (goals, objectives, etc.), when; where and how of the business/product (ref. agroecology). Basically, this information was gathered in the previous stages. As a rough reference, the leading questions below should be answered in this paragraph.

- Start with the farmer group name, coverage and background, vision and objectives, number of farmers, etc.
- What is the name and description of the product/ business option?
- What is the group product? What are the attributes of the product (variety, quality, packaging, etc.)
- Uniqueness of the product? Why and how is it different from other products?
- Who are the target consumers?

Step 2

Analysis of the market and business environment (external factors) (~pages 3.0-4.0)

This paragraph is strongly based on the information gathered during the RMA, SWOT and value chain mapping exercise (Module 3) and describes the external factors of the business. At this stage, it is important to describe the markets, competition and consumption habits as well as the policy environment of the product to be sold. The guiding questions in Step 1 above may be used in this step as well.

- Describe the actual market you are planning to supply e.g., the location, products, urban/rural, typical consumers and sellers.
- What is the number of potential customers per day, per month or annually?
- What are the consumer preferences? Where are the potential consumers located?
- Are there any seasonal fluctuations in demand for the product?
- Who are the other actors in similar business? Is there any potential competition?
- What is unique about the business in comparison to its competitors?
- Are political, social and other external environments stable?
- What are the rules and regulations that guide the business?

Step 3

Promotion and Marketing Plan (internal factors) (~pages 3.0-4.0)

This paragraph focuses on internal factors that may influence the product. This includes aspects of production (ref. agroecology), post-harvest handling, processing, and how the product is supposed to be marketed (consider the 6Ps - product, price, place, people, promotion and performance). The market trial session (4.4) could provide some suitable answers for the questions below.

- What is your product? How much are you selling the product? Where are you selling the product from? Who are your customers? How do you promote your product? How much will you sell per day/ month/ season/ year?
- Are there any points standing out in production, post-harvesting, and processing (e.g. decomposable packaging)?
- What is different or special in the whole process? In addition, think "outside the box".
- Are there any specific promotional requirements (e.g., platforms like newspapers, TV shows or radio engagements, and social media networks), benefits to the public, partnerships i.e., research, public sector, donors, etc.)?

Step 4

Operations and management plan (~pages 2.0-3.0)

Use this paragraph to describe how the farmer group manages resources such as inputs, human resource, equipment, transport, etc. In addition, introduce the governance structures and the respective committees. Describe the different tasks, roles and responsibilities of the participants in the process. Administration and management processes for assets and equipment should be included here as well. Keep in mind that this section goes hand in hand with the financial plan, therefore, in this section describe the financial aspects, e.g. reimbursement, income distribution and related aspects. However, the actual calculations should take place in the financial plan. This section of the plan should respond to the questions below.

- Which resources are needed in production? What quantity is required? How do you manage resources?
- What variety, quantity and quality of products will you produce per day/week/month/year/season?
- How will you monitor the quality of products from the members?
- How will the product be collected? How will it be stored?
- Are there any internal policies in place?

Step 5

Financial Plan (~pages: as much as needed)

The financial plan includes all the necessary calculations including investments, costs, (possible) incomes and remuneration, cash flows and if possible, the financial projections (ref. to Step 5 of Session 4.1). One good source of information for this section is the Cost benefit analysis. It is advised to use a mathematical calculation tool, e.g. MS Excel. The financial plan should also be represented in the monitoring and evaluation of the business. This section should be able to answer the following questions.

- What are the investment amounts? What are the planned production costs?
- What are the planned volumes of sales per weekly/monthly/seasonal sales?
- How much income will you get from sale of the products? What is your gross margin and net Income?
- Who is responsible for receiving money from buyers and managing group finances?

– What sources of funding do you have? In what forms, and which amounts are available for which period?

Facilitator's Note:

During the preparation of the financial plan, it is important to set realistic objectives and indicators. More details are given in Step 8 on Milestones and Indicators.

Step 6

Description of risks and challenges (~pages 0.5-1)

One good source of information for this section is the SWOT as well as the RMA under Module 2 – Selection of the Agroecological Enterprise. This section describes the critical issues that could affect the business in the short and long term. Respectively, strategies for tackling upcoming issues should be included as much as possible. This section can be kept short.

– How will you contribute to environmental sustainability (agroecology discussion)?
– Are there any uncertainties or threats that are envisaged?
– How do you plan to overcome them?
– Do you have a crisis management plan?

Step 7

Gender analysis (~pages 0.5-1.0)

This step describes gender issues in your business. This includes roles, opportunities as well as gender balance. This section addresses gender equality, considers opportunities for both men, women, youth and ensures equal participation of all in the group business implementation. You might consider including relationships with partners and other stakeholders. Key to address under this section are the aspects of gender among the actors.

Step 8

Milestones and indicators (~pages 1.0-1.5)

Facilitator's Note:

For monitoring and evaluation to be successful, this step must be developed in close conjunction with Module 6 on Implementation of the Business Plan

This step explains the farmers' responsibilities in monitoring their business or businesses for sustained growth. When starting a new business enterprise, it is likely that new activities or problems will arise which should be addressed quickly and conclusively. In order to come up with quick solutions and change plans, the owner(s) should be able to closely follow what is happening in the business environment (noting potential risks and opportunities) and meet regularly to discuss progress and decide on solutions to problems.

Monitoring within the framework of the Pesa model does not aim to record all available data as extensively and detailed as possible. Rather, it is about collecting and evaluating essential information in a comprehensible way in order to be able to develop future sustainable business decisions and to evaluate achievements to date. While doing this, take into consideration how the different stages of progress or respective timely goals and objectives of the business will be achieved.

Recording of data is so important as detailed records of the business are needed and helpful in proving the credit worthiness of the business, ensuring group integrity and the quality of decisions. Overall it is an essential tool for gathering transparent and trustworthy information about the progress and the groups' performance as well as how decisions are made in the group.

Make sure farmers are clear on where they want their business to be. A clear understanding of the business goal and outcomes will help to clarify on what the farmers should monitor and record as business success or failure. To support the monitoring tasks, a separate team might be appropriate. This section responds to the questions raised hereunder.

- What is to be achieved when, how and using what/ which strategies?
- What are the indicators (and at what level are they measured e.g., production, quality, quantity, selling/marketing, income, management etc.)?

Hence, the group should keep up-to-date and accurate records on:

- All financial transactions, mainly for inputs and sales.
- All loans/credit records.
- Records on any challenges faced and discussed by the group and the actions taken.
- Production performance by the individual farmers.
- Products produced and/or sold (total per month).
- Among other records that are found to be relevant by the group

This data is collected over a long period of time and can only be evaluated during the ongoing operation of the business. For this purpose, it is recommended to contact the respective facilitator again. The facilitator and group members should discuss the key elements that led to the success or failure of the business but also encourage each

other to learn from their experiences and take the process forward even for their own initiatives, especially where the group needs support to evaluate new innovations. Throughout the process, be aware of the possible challenges in group dynamics and find solutions that could address the challenges.

Step 9

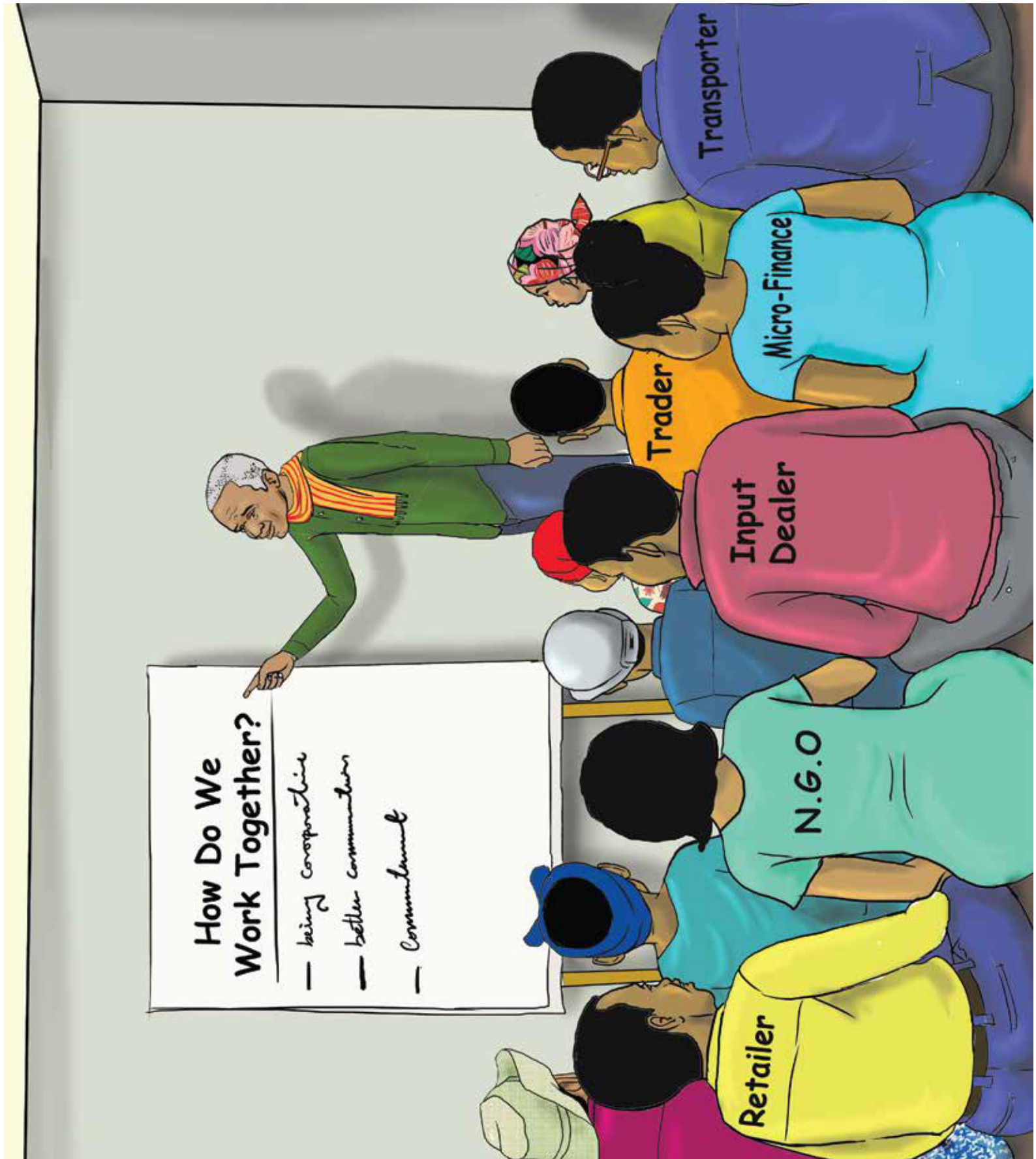
Executive summary

An executive summary generally provides an overview of the larger document and is one of the first things a reader will look out for. Often, the executive summary is the only part decision makers – or in our case partners, traders, etc. – will go to, to determine if action or collaboration is warranted on the business option. The executive summary analyses the situation/ problem and recommends a course of action in a complete but brief way. Remember, the people who are reading the summary often do not have much time, so your executive summary must grab their attention and entice them to read through the larger, more in-depth business plan. Such a brief but well written descriptive summary of the business plan is used at a later stage to establish further contact with contract partners and customers.

Conclusion: By the end of this session, participants should have a realistic business plan in place, with which the final stakeholder engagement can take place. In further steps, it might support access to funding, loans or introduce the business idea to other interesting parties.

MODULE 5:

Value Chain Engagement



Session 5.1: Initiating Strategic Engagement

Engagement with other value chain actors will have begun at earlier stages such as during value chain mapping and it is also something common at each stage of the Pesa model. Once farmers appreciate the benefits and advantages of engaging with other value chain actors, they start taking huge steps into strategic engagements. At this point, when a business plan is in place and participants are starting to work on contracts, engagement with other value chain actors becomes paramount for the success of the business.

Step 1:

Create a Business Platform

– During the value chain mapping, participants are able to interact with as many value chain actors as possible. This is the basis to facilitate discussions that are more intensive.
– The facilitator guides farmers into initiating engagements. Farmers need to ensure a balanced representation of each node of the value chain.
– At this point, participants present the business plan (e.g. the executive summary) to highlight its relevance. It is important to ensure continuous participation of other actors in the engagement process; participation has to be beneficial to each stakeholder on the platform.
– Present the business plan as a business opportunity to the value chain actors.
– Based on the feedback, plan strategies to implement the business plan for each actor (see table below). It is important to collect viable opportunities and share them among the group. These actions have to be realistic, and the leading actor should have resources to implement them.

Table 4: Example of a Stakeholder Engagement Plan

Leader	Business opportunity forthe value chain actor	Resources	Time	Benefits
Farmers	Eg. Seed multiplication and sell to input dealers or other farmers	Time Land Money Skills in seed multiplication	Next planting season	Sales of seeds to input dealers will help in increasing income for the farmers. The input dealers will avoid imported and taxed seeds thus reducing the costs of trading.
Retailer				

The tool below supports Module 5 Session 1 of the Pesa training module and is used during planning for the value chain meeting to capture detailed information about the value chain actors and how they will be engaged.

Table 5: Establishment of the Business Platform

	Identified key actors for the business plans	Geographical location	Contact information	Engagement strategy for each actor/ service provider/ policy maker for business plan development	Channel and form of communication/ or engagement
1					
2					
3					
4					
Business platform Vision: Business platform objective: Platform leadership:					

Step 2

Joint Strategy for the Business Platform

– For sustainable and stable collaborative relationships among all actors, the stakeholders' platform requires a joint strategy. Objectives of the strategy should be Simple, Measurable, Attainable, Relevant and Time-Bound (SMART), which improves transparency of the business plan and progress of its implementation.

– All stakeholders should identify themselves with the strategy and its objectives. The facilitator therefore supports the process of having these developed in a participatory manner, while his/her job at this point is to encourage consistent involvement of the participants in the various value chain activities. Therefore, meetings for all stakeholders should be planned to cover all forms of engagement such as trading together, advocating together, developing a business and networking, providing and receiving information. One essential aspect of the meetings is for all actors to reflect on the aspects of the business platform regularly.

The tool below supports Module 5 Session 1 Step 2. This tool is used when training participants to use participatory methods in collecting ideas on the long-term vision of a value chain platform. Here responses to every question support the development of the platform vision, purpose and leadership.

	Question	Responses
Visioning	Where do we want to go?	
	Where are we now?	
	What is our goal? What are our objectives?	
	What are our joint activities?	
Leadership	Who are our leaders?	
	What are their roles and responsibilities?	

Facilitator's Note:

a) Farmers should be encouraged to use the pre-existing facilities such as sub-county and district community halls to save costs.

b) The facilitator as well as the participants need to keep in mind that engagements start at mapping stage.

c) The facilitator should take a back seat during the engagements for sustainability.

d) Keep in mind that the SMART objectives is a quite complex theory and may take some time to explain in the necessary detail to the participants.

Conclusion: By the end of this session, a functional stakeholder platform should be in place with clear implementation strategies by value chain stakeholders, closely related to the business plan. The platform supports functioning of the selected value chain.

MODULE 6:

Implementation of the Business Plan



Session 6.1: Implementing Contracts and Closing Deals

At this stage, participants such as the members of the farmer groups and other relevant value chain actors and stakeholders are implementing the business plan.

Time frame	Ongoing
Learning Objectives	Participants work together to understand and share responsibilities for the successful delivery of stipulations within the contracts, strengthening the ability to deliver on agreements within contracts and business deals.
Learning Outcomes	• Business model in place • Business plan in place • Contract/agreement in place
Training Materials	• Flip chart • Markers
Training methods	• Notebooks • Discussions • Documentation

During the implementation of the business plan, the central aspects are negotiations and agreements on business deals and contracts. Therefore, this session includes the actual development and implementation of the contract or agreement. Participants will have to use skills gained in the Session: Information on negotiation, Communication, Contracting & Closing deals and Marketing. This session emphasizes the governance systems involved i.e., group leaders and committee members.

Step 1

Contracting

Participants should select a contracting team of about four to five members to represent them in the negotiation during the contracting process (refer to the role-play in Module 4). The facilitator needs to support the participants to discuss from a strong position and take on an active role in the contracting process.

The facilitator should encourage partners in the contracting process to use a language that is easy to understand by all. All sides should come up with a list of important aspects they would like to have in the contract or agreement (e.g. limits like quantity, lowest price, quality, etc.). The facilitator can support the farmers' group to use negotiation skills to ensure that their aspects are adopted in the final document.

Participants should further make sure that they understand all stipulations included in the contract by the other party and they have the ability to deliver on them. This is so because it is the duty of the representing team to go back and report the contract terms to other group members/ participants.

Step 2

Reporting, understanding and sharing contract responsibilities.

The facilitator together with the contracting team organizes a participants' meeting to discuss the contract. The contracting team breaks down the contract essentials to the rest of the farmers' group so that they are able to understand and appreciate it. At the end of the process, every section of the

contract should be clear to all members of the farmer group. An overview table similar to the one below can be a useful tool.

Table 5: Activities and responsible persons within the contract

No.	Contract stipulation	Activity	Responsibility	Timeframe
1.	Deliver 50 baskets full of an assortment of at least 5 varieties of organic vegetables per week	Establishment and or maintain vegetable gardens every week to be able to harvest continuously for 1 year	Production committee	

...		Make sure the vegetables are organically produced	Quality control committee	
		Communicate with the customer in case of any issues or changes	Marketing committee	

Conclusion: By the end of this session, participants will be in position to deliver effectively and efficiently on their contracts and business deals.

Session 6.2: Market Standards and Funding

During this session, participants implement the business plan.

Time Frame	Ongoing
Learning Objectives	Participants should be in a position to deliver the right quantity and quality as well as access financial services. They are able to deliver a product according to the business model and plan.
Preparation	• Have relevant and functional group committees in place. • The facilitator should be knowledgeable about the general market requirements and standards of the product /enterprise of focus.
Materials	• Documentation of the Participatory Guarantee System (PGS). • Documentation of the Village Saving and Loan Association (VSLA) model.
Methodology	• Use of the Participatory Guarantee System. • The use of the Village Saving and Lending Association model.

Step 1

Meeting market standards (pricing, ethics, delivery times, etc.)

At this point, the facilitator should clarify the relationship between quality, quantity and the market. An example is that if the product is of inferior quality, it will not be sold or will be sold at a lower price. The result is a considerable financial loss or even breach of contract. This holds true for the agreed upon quantity of the product as well.

Hence, the facilitator supports the process of developing guidelines for market standards, quality and quantity, which should be adhered to at all production stages (production, post-harvest, processing, marketing, etc.). The goal is to maintain high quality standards to achieve long lasting good relationships with the contract partners. Refer to IFOAM – Organics International (2019) for additional information to support this process.

It is important to guide participants to develop seasonal and production plans at both individual and group level that will ensure sustainable supply to the contract partner. To support ownership of the plans by all members, development shall be done in a participatory manner.

Tool

No.	Questions to be asked when setting product standards	Response / Plans
1.	What enterprise are you engaging in?	
2.	What is your target market?	
3.	What are the enterprise specific quality and quantity? requirements in that market?	
4.	How do you plan to achieve the enterprise specific market requirements?	

Facilitator's Note:

Overall, keep in mind that committees need to take charge of their responsibilities to ensure implementation of the guidelines and plans to meet the market requirements.

Step 2

Financial Services

Financial literacy including record keeping, budgeting and accounting is a mandatory aspect in establishing a sustainable and growing business. Furthermore, financial services may pose an opportunity for additional funding and financial security or insurance services.

Back to Module 3 on mapping the selected agroecological value chain, participants possibly interacted with support functions for financial services. Financial services are important for any business; therefore, the participants need to be equipped with the skills to use opportunities available to access financial services for support.

The facilitator highlights some of the savings, credit and insurance services available. Some of the models and services are the VSLA and Savings and Credit Cooperative Organization (SACCO). Others could be financial products developed by financial institutions to support the agriculture sector and particularly agricultural businesses.

After the facilitator's explanations, consider the possibilities. At this point, however, it is not necessary to take advantage of financial support possibilities.

Tool

No.	Questions to be asked about financial services	Response / Plans
1.	Who are the financial service providers available? (refer to the value chain analysis done earlier)? Get the contacts of the service providers including their names and locations.	Service provider 1: Service provider 2: Service provider 3: Service provider 4: Service provider 5:
2.	How can the farmers take advantage of the available financial institutions to support their agroecological businesses?	

Facilitator's Note:

- It is important to highlight the importance of other support functions, therefore encourage their involvement in this session.
- Research, reach out and understand the new topics that are coming up in this session or else involve experts.

Session 6.3: Monitoring and Documentation in the Business

The business plan is reviewed to ensure that fits in the changing environment after implementing it for some time, at this point necessary changes are made to suit the existing demands of the market.

Facilitator's Note:

Its strongly advisable that in the process of reviewing practical/physical learning visits and meeting with other farmer groups using the model are planned as a benchmarking exercise that points to what a business plan should deliver.

Time Frame	1/5 day
Learning Objectives	To facilitate participants to make their business plan applicable to the prevailing business circumstances.
Preparation	– The facilitator should have skills in the implementation of business plans or work with an expert in this area. – Governance structures should be in place and members from different committees should be actively involved in this session.
Training Materials	– The business model review guide.
Training Methods	– Participatory contribution of all business stakeholders. – Documentation by all group members. – Use of numbers and figures.

Session 6.4: Launch of the Business Plan (Optional)

Launching the business may take place when all group members agree to do so and present their product to the market officially. This should be an event where all the relevant stakeholders (input dealers, consumers, policy makers, religious institutions, business owners, and other support functions) are invited.

Facilitator's Note:

This session is not essential for every business option. It strongly depends on the type of business and might be more suitable for processed products (e.g. coffee) than for raw materials like (maize flour).

Time Frame	1 day
Learning Objectives	Promotion of the product on a bigger scale by organizing a launching event to raise public awareness of the product.
Preparation	• Organize an event depending on the resources available. • Invite all value chain actors and support functions that are relevant to the selected enterprise. • The enterprise should be available for supply in case of demand.
Training Materials	• Stationary • Venue • Logistics necessary for a successful event
Training Methods	• Exhibition • Networking • Presentations • Question and answer sessions

Step 1

Organizing the Launch

In preparation for the launch,

- Participants make sure the product is properly prepared and packaged and is available in large quantities.
- Plan for the exhibition venue, which has to be fitting for the product and make reservations.
- Think about who to invite – at least include all stakeholders, who play a critical role in the business.
- Consider local or opinion leaders, political and religious leaders.
- Make sure that invitations are sent out in due time (depending on the scale of the launch).
- Inviting media (newspapers, radio, etc.) is a good way to generate the greatest possible coverage and attention.
- In general, participants must be in position to ably explain the product's journey and any other details as may be required by the guests.

Tool

No	Questions to be asked	Response / Plans
1.	How will the product be presented?	
2.	How will the product exhibition look like?	
3.	Where will the product exhibition be?	
4.	When will the product exhibition be?	
5.	Who is to invite stakeholders for the exhibition?	
6.	How and when will they be invited?	

Facilitator's Note:

Scale of the launch is strongly dependent on the availability of resources – refer to the business plan.

Step 2

The Launch

During the launch, make sure the guests get sufficient information and description about the product and or the enterprise. Group members take lead in presenting the product, which encourages sustainability and ownership of the business. Use this launch for networking, presentations, discussion and the possibility of making business deals.
After the launch, follow up to ensure that additional information, input and especially feedback is gathered and documented properly. In case there were other business opportunities identified during the launch, these can be discussed in the group.

Take a step back and in due time after the launch, recap again, upon realizing positive results, consider further similar activities, e.g. other exhibitions and fairs in the region as well as exploiting opportunities in other regions if any.

Tool

No	Questions to be asked in Farmer group is	Response / Plans
1.	What is the product journey?	
2.	What other information will the stakeholders need?	
3.	What are the contacts of the relevant stakeholders?	
4.	Any business deals made during the launch?	

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Supporting Partners;







Participatory Ecological Land Use Management (PELUM) Uganda
Plot 37 & 37A, Martyrs Way Ntinda, Kampala
P. O. Box 35804, Kampala – Uganda.
+256 (0) 414 533973, +256 (0) 751 785602
pelumuganda@pelumuganda.org
pelumuganda@yahoo.com
pelumug @pelum_uganda
www.pelumuganda.org

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