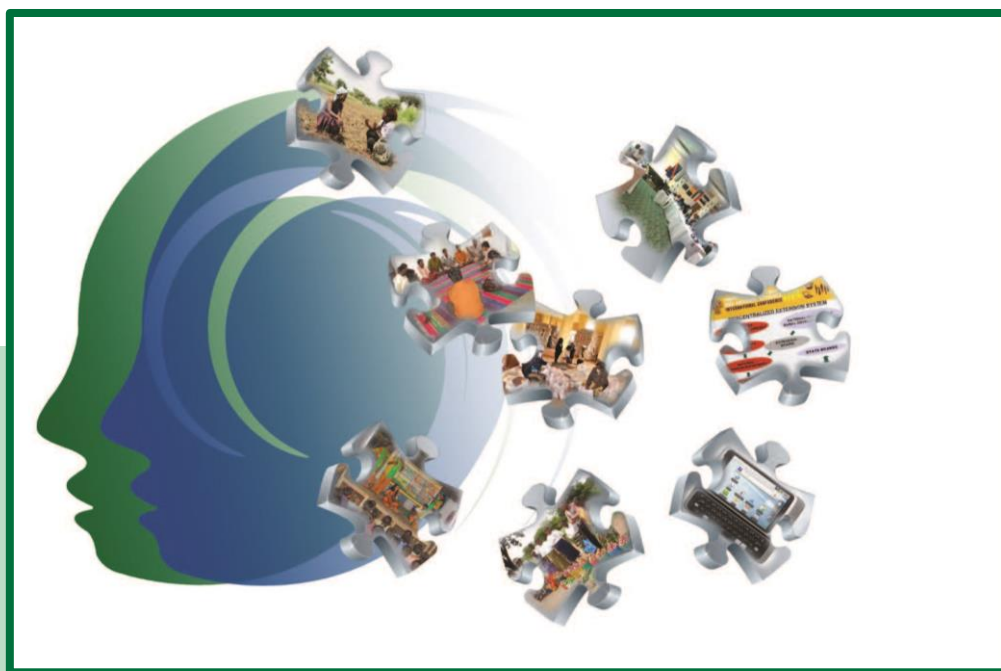
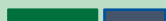


# Agricultural entrepreneurship



## WORKBOOK

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# Module 1: Agricultural entrepreneurship

## Pre-assessment

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

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

*Answer: Learner's own answer*



## **Activity 1.2 Group activity: Supporting new agripreneurs**

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

1. Identify your clients

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2. Diagnose their needs

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3. Identify partners who can help provide the services required

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4. Provide the capacity building

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5. Support the investment needs

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6. Provide the ongoing mentoring

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### **Activity 1.3 Individual activity: Matching clients with market opportunities**

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

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





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**Total: 25 marks**

## Session 1.3: Evaluating entrepreneurs (clients)

### Activity 1.5 Individual activity: Evaluating entrepreneurs Answer the following questions in your own words.

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

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

Question	YES	NO

**Total: 15 marks**

## Session 1.4: Defining the business idea

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

Complete the following practical activity.

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

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### Activity 1.7 Individual activity: Defining the business idea

Answer the following questions in your own words.

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

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

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# Summative assessment: Unit 1

Answer the following questions in your own words.

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

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

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

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

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**Total: 23 marks**

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

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

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

Answer the following questions in your own words.

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

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2. Identify the essential production operation skills that the agri-entrepreneur requires. (9)

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**Total: 16 marks**





## Summative assessment: Unit 2

Answer the following questions in your own words.

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

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

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

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

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

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**Total: 30 marks**

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

## Session 3.1: Identifying market opportunities

### Activity 3.1 Individual activity: Identifying market opportunities

Answer the following questions in your own words.

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

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

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

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

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**Total: 24 marks**













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

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**Total: 47 marks**

# Study unit 4: Financial management, sales and risk management

## Session 4.1: Identifying sources of finance

### Activity 4.1 Individual activity: Identifying sources of finance

Answer the following in your own words.

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

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

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

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

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**Total: 22 marks**

# Session 4.2: Managing financial resources

## Activity 4.2 Individual activity: Managing financial resources

Answer the following questions in your own words.

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

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

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

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

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

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**Total: 25 marks**

## Session 4.3: The basics of sales

### Activity 4.3 Individual activity: The basics of sales

Answer the following questions in your own words.

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

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

a) Agreement

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b) Contract

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c) Sales contract

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d) Term

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e) Condition

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

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**Total: 20 marks**



## Session 4.4: Assessing risk

### Activity 4.4 Individual activity: Assessing and mitigating risk

Answer the following questions in your own words.

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

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

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

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

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**Total: 24 marks**





7. Identify the internal factors that influence the sales function and the sales forecast. (8)

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8. Advise a client how to analyse and review the quality and volume of sales. (4)

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

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**Total: 68 marks**

## Study unit 5: Record keeping

### Activity 5.1 Individual activity: Operations and financial record keeping

Answer the following questions in your own words.

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

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

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

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**Total: 17 marks**

# Summative assessment: Unit 5

Answer the following questions in your own words.

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

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

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

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

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**Total: 20 marks**

# Study unit 6: Building a business and managing relationships

## Session 6.1: Putting plans into action and monitoring progress

### Activity 6.1 Individual activity: Putting plans into action and monitoring progress

Answer the following questions in your own words.

1. Briefly explain the importance of proper planning when launching a business. (6)

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

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

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

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**Total: 22 marks**

## Session 6.2: Managing relationships

### Activity 6.2 Individual activity: Managing relationships

Answer the following questions in your own words.

1. Distinguish between business relationship management and customer relationship management. (8)

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

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

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**Total: 21 marks**

# Summative assessment: Unit 6

Answer the following questions in your own words.

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

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

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

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4. Briefly discuss the following elements of customer relationship management in agriculture. (12)

- CRM goals
- Customer information
- Market approach

*Answer:*



## Post-assessment

The post-assessment is to be done once you have read through the module and completed all the activities. Compare your answers to those in the pre-assessment to identify where knowledge has been gained and where improvements can be made.

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

*Answer: Learner's own answer*

**Global Forum for Rural Advisory Services (GFRAS) is about enhancing the performance of advisory services so that they can better serve farm families and rural producers, thus contributing to improved livelihoods in rural areas and the sustainable reduction of hunger and poverty. Rural advisory services help to empower farmers and better integrate them in systems of agricultural innovations.**