

Module 10: The role of Extension in Supporting Value Chains



WORKBOOK

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Contents

Module 10: The Role of Extension in Supporting Value Chains	4
Pre-assessment	4
Study unit 1: The agricultural market, value chain and key actors	5
Session 1.1: Agricultural marketing, the market and the value chain	5
Activity 1.1 Individual activity: The concepts of marketing, the market and the value chain	5
Session 1.2: Agricultural market types	8
Activity 1.2 Individual activity: Market types in the agricultural value chain	8
Session 1.3: The core actors in the agricultural value chain	9
Activity 1.3 Individual activity: Key actors in the agricultural value chain	9
Session 1.4: Business development services in the agricultural value chain	10
Activity 1.4 Individual activity: Business development services in the agricultural value chain	10
Session 1.5: Key regulators in the agricultural value chain	12
Activity 1.5 Individual activity: Key regulators in the agricultural value chain	12
Activity 1.6 Practical activity: Analysing a value chain	13
Session 1.6: Types of farmers and extension agents in agricultural value chains	15
Activity 1.7 Individual activity: Farmers and extension agents in agricultural value chains	15
Summative assessment: Unit 1	17
Study unit 2: Using market analysis tools	21
Session 2.1: Market strategies	21
Activity 2.1: Individual activity: Market strategies	21
Session 2.2: Market opportunity identification (MOI)	23
Activity 2.2: Individual activity: Market opportunity identification (MOI)	23
Session 2.3: Value chain analysis and upgrading	24
Activity 2.3: Individual activity: Value chain survey	24
Summative assessment: Unit 2	27
Study unit 3: Value chain upgrading strategies	29
Session 3.1: Value chain upgrading strategies	29
Activity 3.1: Individual activity: Value chain upgrading	29
Summative assessment: Unit 3	31
Study unit 4: Market linkage methods	33
Session 4.1: Changing rural communities and marketing strategies	33
Activity 4.1: Individual activity: Marketing strategies and approaches	33
Session 4.2: Value chains and market linkage	35
Activity 4.2: Individual activity: The value chains and market linkage	35
Summative assessment: Unit 4	37
Study unit 5: Analysing markets and value chains	39

Session 5.1: Defining the type, scale and level of the market analysis.....	39
Activity 5.1: Individual activity: Type, level and scale of market analysis.....	39
Session 5.2: Extension toolkits for value chain development.....	41
Activity 5.2: Individual activity: Extension toolkits for value chain development.....	41
Summative assessment: Unit 5.....	43
Post-assessment [H2]	45

Module 10: The Role of Extension in Supporting Value Chains

Pre-assessment

After reading through the preface and introduction, complete the following pre-assessment to determine how comfortable you are with the topic covered in this student guide. Then, rate your knowledge on the topics on a scale of 1 to 5 by circling the corresponding number.

	Question	Self-assessment				
		Low		High		
1	How well can you explain why agricultural marketing is important for farmers?	1	2	3	4	5
2	How well can you explain the agricultural market, the value chain and the key actors in the value chain?	1	2	3	4	5
3	Are you able to assess market linkage methods?	1	2	3	4	5
4	Can you analyse markets and value chains?	1	2	3	4	5
5	Can you confidently use market analysis tools?	1	2	3	4	5
6	Can you explore value chain upgrading strategies?	1	2	3	4	5

Learner's answer

Study unit 1: The agricultural market, value chain and key actors

Session 1.1: Agricultural marketing, the market and the value chain

Activity 1.1 Individual activity: The concepts of marketing, the market and the value chain

Answer the following questions in your own words.

1. Define each of the following concepts. (6)

a) Agricultural marketing

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b) Agricultural market

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c) Agricultural value chain

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2. Select and indicate the correct option. (8)

2.1 What is marketing?

- a) All activities and services involved in identifying, anticipating and satisfying customer requirements profitably.
- b) Convincing customers to buy products, which they do not need at high prices.
- c) Advertising a product to sell it at the highest price.
- d) Setting a sales target and developing tactics to meet the target.

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2.2 Identify the statement that best describes the concept of agricultural marketing.

- a) Marketing should provide farmers, transporters, traders and processors with a profit and provide customers with a quality product.
- b) Marketing should try to help farmers make more profit than traders.
- c) The set of business activities that are performed in the flow of products from the beginning of agricultural production to the hands of consumers.
- d) Marketing should sell more produce regardless of quality.

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2.3 What is market supply?

- a) The quantity of a product that producers can offer for sale.
- b) The number of products that people can afford to buy.
- c) Everything that traders want to have in their stores.
- d) The number of products that will be harvested in a season.

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2.4 Which of the following factors may affect the supply of a crop?

- a) The collapse of a bridge on the main road.
- b) A big, new hotel nearby with many guests.
- c) A drought leading to a poor harvest.
- d) A reduction in the price of fertiliser used on the crop.

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3. Indicate if the following statements are true or false. If false, correct the statements. (10)

3.1 If prices rise, demand tends to fall. If prices fall, demand tends to increase.

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3.2 Changes in consumers' incomes and education may affect demand for a product.

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3.3 Market demand is the quantity or amount of a product (maize, potatoes, tomatoes, eggs) that producers can offer to the market for sale.

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3.4 Access to fertiliser, water and seeds will not affect market demand.

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3.5 The price of grain will go up if the supply of grain goes up.

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Total: 24 marks

Session 1.2: Agricultural market types

Activity 1.2 Individual activity: Market types in the agricultural value chain

Answer the following questions in your own words.

1. Outline five characteristics of informal markets. (5)

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2. Complete the following table by recording the correct terms for each of the given descriptions. (5)

Description	Answer
a) Markets that include all economic activities within the agricultural and food sectors that are structured, monitored, protected and taxed by Government and internationally recognised standards	
b) A collection of internationally recognised standards, codes of practice, guidelines and other recommendations relating to foods, food production, and food safety	
c) Market types that involve goods produced in one location or country being sold and consumed in another country	
d) Markets where consumers and small businesses (such as restaurants and street-food vendors) buy their daily or weekly supplies of food	
e) Markets that dominate the agricultural trade and lives of most smallholder farmers in emerging economies	

Total: 10 marks

Session 1.3: The core actors in the agricultural value chain

Activity 1.3 Individual activity: Key actors in the agricultural value chain

1. Define the term value chain. (3)

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2. Outline the levels of a value chain. (3)

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3. Briefly describe the role of each of the following key actors in the agricultural value chain. (9)

a) Farmers

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b) Collectors

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c) Consumers

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Total: 15 marks

Session 1.4: Business development services in the agricultural value chain

Activity 1.4 Individual activity: Business development services in the agricultural value chain

1. Briefly explain what business development services are and identify the different types of business development services. (8)

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2. Outline the role of market information services in the agri-food sector. (10)

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3. In what way does research support farmers? (2)

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Total: 20 marks

Session 1.5: Key regulators in the agricultural value chain

Activity 1.5 Individual activity: Key regulators in the agricultural value chain

Answer the following questions in your own words.

1. What are key regulators in the value chain? (4)

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2. Outline the consequences of conducting business in an unregulated market. (8)

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Total: 12 marks

Session 1.6: Types of farmers and extension agents in agricultural value chains

Activity 1.7 Individual activity: Farmers and extension agents in agricultural value chains

Answer the following questions in your own words.

1. Identify the main farmer segments in the value chain. (6)

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2. Briefly discuss the changing role of national government agricultural extension agents. (12)

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Total: 18 marks

Summative assessment: Unit 1

Answer the following questions in your own words.

1. Briefly explain the concept of agricultural marketing and indicate how a marketing plan can help farmers. (10)

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2. Identify the different levels that may occur in a market. (5)

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3. Distinguish between market supply and market demand. (4)

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4. Outline the disadvantages of informal markets in which smallholder farmers operate. (5)

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5. Identify six features of formal markets. (6)

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6. Identify the different types of business development services. (5)

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7. Explain the role of input suppliers as business development service providers. (3)

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8. Explain the role of lead farmers in the agricultural value chain. (12)

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Total: 50 marks

Session 2.2: Market opportunity identification (MOI)

Activity 2.2: Individual activity: Market opportunity identification (MOI)

Answer the following questions in your own words.

1. Briefly explain the term market opportunity identification (MOI). (5)

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2. Identify the steps involved in the MOI process. (5)

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Total: 10 marks

Session 2.3: Value chain analysis and upgrading

Activity 2.3: Individual activity: Value chain survey

Answer the following questions in your own words.

1. List the seven steps involved in the value chain analysis. (7)

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2. Discuss the role of the literature review in the value chain analysis. (8)

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3. Distinguish between market participants and knowledgeable observers as key informants in the value chain analysis. (5)

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4. Identify seven tools that can be used to collect primary data in the value chain analysis. (7)

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5. Explain the problem tree analysis and how it can be used in the value chain analysis. (5)

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6. Name the main sections that should be included in the survey report written at the end of the value chain analysis. (8)

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Total: 33 marks

Summative assessment: Unit 2

Answer the following questions in your own words.

1. Briefly explain the livelihood marketing strategy. (6)

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2. Identify three situations that offer market opportunities. (3)

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3. Explain why it is important to include farmers in the survey team that conducts a market survey. (4)

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Study unit 3: Value chain upgrading strategies

Session 3.1: Value chain upgrading strategies

Activity 3.1: Individual activity: Value chain upgrading

Answer the following questions in your own words.

1. Identify the factors that influence farmers' market access. (3)

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2. Briefly discuss commercialising smallholder farmers as a method of upgrading value chains on the farmer level. (5)

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3. Briefly explain the knowledge and skills that extension agents should acquire to assist farmers in value chain upgrading. (8)

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Summative assessment: Unit 3

Answer the following questions in your own words.

1. What are the main assumptions on which a value chain upgrading strategy is based? (10)

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2. Outline the actions involved in the value chain investment process. (10)

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3. Explain the purpose of a business plan in the context of value chain upgrading. (9)

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Total: 29 marks

Study unit 4: Market linkage methods

Session 4.1: Changing rural communities and marketing strategies

Activity 4.1: Individual activity: Marketing strategies and approaches

Answer the following questions in your own words.

1. What is an informal sales agreement? (4)

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2. Outline the advantages of contract farming and marketing for smallholders. (4)

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3. Briefly explain the concept of integrated production and marketing as a type of vertical integration. (8)

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Total: 16 marks

Session 4.2: Value chains and market linkage

Activity 4.2: Individual activity: The value chains and market linkage

Answer the following questions in your own words.

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

a) Market chain

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b) Market chain actors

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c) Supply chain

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d) Value chain

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2. Identify the elements of farm-level support in the value chain approach to market linkage.

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3. Why is the value chain approach important to modern extension organisations? (6)

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Total: 25 marks

Summative assessment: Unit 4

1. The majority of smallholder farmers in emerging economies are not organised: they still rely on individual opportunistic market sales. Discuss the concept of opportunistic market sales and outline the disadvantages that it holds for the smallholder farmer. (8)

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2. Identify the types of investments that may increase the chances of improving the possibility of creating durable and beneficial trade. (4)

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Study unit 5: Analysing markets and value chains

Session 5.1: Defining the type, scale and level of the market analysis

Activity 5.1: Individual activity: Type, level and scale of market analysis

Answer the following questions in your own words.

1. Define the term market analysis. (3)

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2. Draw a table to outline the levels on which a market analysis can be done. (10)

Level	Type of analysis

3. Briefly explain the value chain approach to market analysis.

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Total: 25 marks

Session 5.2: Extension toolkits for value chain development

Activity 5.2: Individual activity: Extension toolkits for value chain development

1. Access the Microlinks website via the following link: <https://www.microlinks.org/>.

Briefly report on the topics covered and the type of resources available on the website. Identify and record at least three resources that are found in the Microlinks library (10)

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2. What is the aim of SMART skills? (4)

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3. Briefly explain how the LINK method can support extension agents. (6)

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Total: 20 marks

Summative assessment: Unit 5

1. Identify the key areas of interest of marketing analyses. (4)

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2. Briefly discuss the nature and extent of the sub-sector market analysis. (10)

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3. Identify six toolkits that can be used in value chain development. (6)

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4. Briefly explain the nature and purpose of ValueLinks. (5)

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Total: 25 marks

Post-assessment [H2]

Complete the following post-assessment to determine how much you have learnt.

	Question	Self-assessment				
		Low		High		
1	How well can you explain why agricultural marketing is important for farmers?	1	2	3	4	5
2	How well can you explain the agricultural market, the value chain and the key actors in the value chain?	1	2	3	4	5
3	Are you able to assess market linkage methods?	1	2	3	4	5
4	Can you analyse markets and value chains?	1	2	3	4	5
5	Can you confidently use market analysis tools?	1	2	3	4	5
6	Can you explore value chain upgrading strategies?	1	2	3	4	5

Learner's 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.