

FARMER BUSINESS SCHOOL

1st Edition, 2013

WORKBOOK

■ Finding Opportunities
■ Planning

■ Implementing
■ Evaluating



Market-Oriented Agriculture Programme
Ministry of Food and Agriculture of Ghana



This workbook has been developed within the frame of the Farmer Business School (FBS) concept to strengthen the skills of farmers in Ghana to produce more profitably for the market. It goes together with the FBS training manual. The objectives of FBS are to assist farmers to establish the linkages between production and market; to enable them to better evaluate their farm business enterprises and to increase their productivity in a manner that enhances their competitiveness.

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Basic information

Today's date:	Name:
Age:	Gender:
Mobile number:	Town:
# of people living in your household:	Main source of income:

Household income

Please estimate your yearly income!

A: Regular monthly incomes

Salary from: _____	¢/month	x 12	¢/year
On-farm business: _____	¢/month	x 12	¢/year
Off-farm business: _____	¢/month	x 12	¢/year

B: One-off incomes

	From selling crops	From selling animals	From other sales
TOTAL	¢	¢	¢
January	¢	¢	¢
February	¢	¢	¢
March	¢	¢	¢
April	¢	¢	¢
May	¢	¢	¢
June	¢	¢	¢
July	¢	¢	¢
August	¢	¢	¢
September	¢	¢	¢
October	¢	¢	¢
November	¢	¢	¢
December	¢	¢	¢

C: Yearly and monthly household income

Sum per year: _____ ¢/year. This divided by 12: _____ ¢/month.

Household income

Enterprise information

Crops

What crops do you produce?	Tick if yes	Acres (past years' average)	Tick if for home consumption	Tick if for the market
Cassava				
Cocoyam				
Maize				
Millet				
Rice				
Sorghum				
Yam				
Cowpea				
Groundnut				
Soybean				
Cotton				
Sugarcane				
Tobacco				
Butternut squash				
Pineapple				
Water melon				
Chili				
Garden egg				
Ginger				
Okro				
Onion				
Tomato				
Avocado				
Banana				
Cashew				
Citrus: Orange				
Citrus: Lime				
Cocoa				
Coconut palm				
Coffee				
Guava				
Mango				
Pawpaw				
Passion fruit				
Rubber				
Oil palm				
Plantain				
Other:				

Animals

What crops do you produce?	Tick if yes	Numbers (past years' average)	Tick if for home consumption	Tick if for the market
Cattle				
Goat				
Sheep				
Pig				
Chicken				
Guinea fowl				
Turkey				
Duck				
Grass cutter				
Bee-keeping				
Aquaculture				
Other:				

Production factors

Please rate the different factors that influence your production! Are they readily available for you? Both in quantity and quality needed?

Score [10] for easy to get and [1] for difficult to get!

Production factors relating to land	Score
Sufficient land	
Good soil fertility (soil type pH, organic matter)	
Good topography (slope, erosion)	
Large enough plot sizes	
Good market access (good roads, short distance)	
Suitable climate (rainfall, sunshine)	
Irrigation water (from rivers or groundwater)	
Land with low pest pressure	
Land and climate with low disease pressure	
Average	
Production factors relating to labour	Score
Sufficient family labour	
Inexpensive hired labour	
Well qualified hired labour	
Average	
Production factors relating to capital	Score
Cash savings	
Non-cash savings	
Average	
Production factors relating to inputs	Score
Seed and planting material	
Mineral fertilizer	
Organic fertilizer	
Chemical pesticide	
Organic pesticide	
Equipments and tools	
Extension and advice	
Average	

Now draw a labour plan to know your labour requirements and whether it is available!

Month	Activities	Labour needs (MD)	Family labour available (MD)	Labour to be hired (MD)
Jan				
Feb				
Mar				
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				
Total				

Now calculate your expected gross margin (left column). After harvest, calculate the actual gross margin (right column)!

GROSS MARGIN Crop 1: _____

Activity	Unit	Expected before production			Evaluation after harvest		
		Q'ty	Price [GHC]	Total [GHC]	Q'ty	Price [GHC]	Total [GHC]
Money-out: Inputs							
Input Cost							
Money-out: Labour							
	MD						
	MD						
	MD						
	MD						
	MD						
	MD						
	MD						
Labour	MD						
Money-out							
Money-in							
Gross Margin							

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Jan				
Feb				
Mar				
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				
Total				

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GROSS MARGIN Crop 1: _____

Activity	Unit	Expected before production			Evaluation after harvest		
		Q'ty	Price [GHC]	Total [GHC]	Q'ty	Price [GHC]	Total [GHC]
Money-out: Inputs							
Input Cost							
Money-out: Labour							
	MD						
	MD						
	MD						
	MD						
	MD						
	MD						
	MD						
Labour	MD						
Money-out							
Money-in							
Gross Margin							

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Aug				
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Nov				
Dec				
Total				

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GROSS MARGIN Crop 1: _____

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		Q'ty	Price [GHC]	Total [GHC]	Q'ty	Price [GHC]	Total [GHC]
Money-out: Inputs							
Input Cost							
Money-out: Labour							
	MD						
	MD						
	MD						
	MD						
	MD						
	MD						
	MD						
Labour	MD						
Money-out							
Money-in							
Gross Margin							

Compare the different enterprises

After harvest, fill in the below tables for each of the selected crops.

Crop 1: <input type="text"/>	Expected before production (GHC)	Evaluation after harvest (GHC)
Gross margin (GHC per acre) (Money-in MINUS Money-out)		
Labour productivity (Gross revenue - Input cost / labour needs)		
Capital productivity (Gross margin/Variable costs)		
Unit cost (Variable costs/Yield)		

Crop 1: <input type="text"/>	Expected before production (GHC)	Evaluation after harvest (GHC)
Gross margin (GHC per acre) (Money-in MINUS Money-out)		
Labour productivity (Gross revenue - Input cost / labour needs)		
Capital productivity (Gross margin/Variable costs)		
Unit cost (Variable costs/Yield)		

Crop 1: <input type="text"/>	Expected before production (GHC)	Evaluation after harvest (GHC)
Gross margin (GHC per acre) (Money-in MINUS Money-out)		
Labour productivity (Gross revenue - Input cost / labour needs)		
Capital productivity (Gross margin/Variable costs)		
Unit cost (Variable costs/Yield)		

Compare the different enterprises

Analyse your household expenses!

Household expense	Amount per year [GHC]	Months
Rice		
Cooking oil		
Soap		
Drinking water		
School fees		
Health bills		
Electricity		
Fuel		
Mobile phone credit		
Events (funeral, church/mosque)		
Loan repayment		
Others:		

Cash flow calculation for farm and household

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Money - in													
Crop 1:													
Crop 2:													
Crop 3:													
Salary:													
Loan disbursement													
Total Money - In													
Money - out													
Inputs and Labour													
Crop 1:													
Crop 2:													
Crop 3:													
Total Farm													
Household													
Food													
School fees													
Health													
Bills													
Events													
Loan repayment													
Total Household													
Monthly Balance													
Net Cash Flow													

Cash flow calculation after adjustments taken

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Money-in													
Crop 1:													
Crop 2:													
Crop 3:													
Salary:													
Loan disbursement													
Total Money-In													
Money-out													
Inputs and Labour													
Crop 1:													
Crop 2:													
Crop 3:													
Total Farm													
Household													
Food													
School fees													
Health													
Bills													
Events													
Loan repayment													
Total Household													
Monthly Balance													
Net Cash Flow													

Calculate the loan repayment rates

Scenario 1

Your principal: _____ GHC

Your interest rate: _____ % per month

Grace period: _____ months

Repayment period: _____ monthly instalments to repay the principal

Loan disbursement: _____ (Date)

First instalment: _____ (Date)

Calculate the monthly loan repayment rates! Calculate the total sum paid as interest to the bank after having finished repayment!

	Payment of principal	Payment of interest	Total payment
January	∅	∅	∅
February	∅	∅	∅
March	∅	∅	∅
April	∅	∅	∅
May	∅	∅	∅
June	∅	∅	∅
July	∅	∅	∅
August	∅	∅	∅
September	∅	∅	∅
October	∅	∅	∅
November	∅	∅	∅
December	∅	∅	∅
TOTAL	∅	∅	∅

Calculate the loan repayment rates

Scenario 2

Your principal: _____ GHC

Your interest rate: _____ % per month

Grace period: _____ months

Repayment period: _____ monthly instalments to repay the principal

Loan disbursement: _____ (Date)

First instalment: _____ (Date)

Calculate the monthly loan repayment rates! Calculate the total sum paid as interest to the bank after having finished repayment!

	Payment of principal	Payment of interest	Total payment
January	∅	∅	∅
February	∅	∅	∅
March	∅	∅	∅
April	∅	∅	∅
May	∅	∅	∅
June	∅	∅	∅
July	∅	∅	∅
August	∅	∅	∅
September	∅	∅	∅
October	∅	∅	∅
November	∅	∅	∅
December	∅	∅	∅
TOTAL	∅	∅	∅

Calculate the loan repayment rates

A year after you started the Farmer Business School, please rate yourself on the following Entrepreneurial Competencies		Rating		
				
	Like being your own boss?			
	Self-confidence?			
	A "never, never, never quit" attitude?			
	Willing to devote a very large time to your business?			
	Willing to risk money to invest into a new enterprise?			
	Prudent enough to gather all available information before?			
	Able to systematically analyse farm performance?			
	Aware that without improved practices profits will remain low?			
	Able to learn from failures?			
	Thinking strategically, working on long-term investments?			
	Meticulous enough to prepare good business records?			
	Not afraid of numbers and familiar with the calculator?			
	Able to plan your activities for the year ahead?			
	Honest and man/woman of integrity?			
	Not compromising on the well-being of your family?			
	Being a man/woman of values?			
	Reputation of repaying loans in time without being reminded?			
	Able to build a trust relation with your customers?			
	Able to motivate your workers and build loyalty?			
	Able to form alliances with other farmers and processors?			
	Ready to share your lessons learnt with other farmers?			
	Ready to invest yourself into a FBO or an association?			
	Able to inspire and energise other farmers?			
	Interested in talking to costumers & research the market?			
	Able to talk to your off-takers at eye-level?			
	Able to negotiate loans that suit your cash flow situation?			

