



THE KENYA CEREAL ENHANCEMENT PROGRAMME (KCEP)

**ADAPTATION AND DISSEMINATION OF AVAILABLE TECHNOLOGIES FOR
SMALLHOLDER ADOPTION**

**KENYA CEREALS ENHANCEMENT
PROGRAMME
(KCEP)**



AGRIBUSINESS COMPONENT



KALRO-KCEP FARMING AS BUSINESS TRAINING AND EXTENSION MANUAL

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FARMING AS A BUSINESS

This training module covers the following broad topics that will be covered over KCEP period:

- Farming enterprises
- Markets and marketing
- Keeping farm records and accounts
- Business planning and business plan
- Group dynamics
- Gender mainstreaming and communication

Enterprise development

Overview

Most farmers are subsistence oriented and mainly strive to produce food for their households only. However, farmers play a great role, including contributing to food and nutrition security and generating income for their household needs. There is therefore a great need to empower farmers increased participation in embracing farming as a business. A business is viewed as a commercial activity, which operates with the intention of making a profit, by provision of services or commodities to meet needs and wants of customers. This requires changing the mind-set of most farmers from producing only for subsistence use to becoming commercially oriented.

Training Objectives

By the end of this module, trainees should understand the meaning of farming as a business, and why it is important for farmers to adopt farming as a business, and the requirements for a successful farming business.

Content

The importance of farming as a business

Farming as a business helps farmers to get the best out of their farms and their resources. Applying business methods such as record keeping, benefit–cost analysis, marketing skills, group management skills, gender considerations and good communication skills can greatly improve the efficiency of farming.

Benefits of farming as a business:

- Farm goals are defined, such as
 - **What to produce**
 - **How to produce it?** (Technological issues)
 - Is it possible to produce it on your land?
 - What resources and inputs are needed and where to get them?
 - What labour do you need?
 - What is the best market for the product?
 - **For whom to produce?**
 - For which market?
 - **When to produce**
 - What price can the product get in the market?
 - Is it profitable?
 - Do you have enough cash?
 - What are the risks and what to do about them?
 - **How much to produce**
 - Where is the business going?
 - What needs to be done?
- When everyone involved with the farm (family members, extension workers, development agencies) understands the goals, they will work better together towards them.
- Valuable information is collected through record keeping, and used to make better decisions affecting the farm.
- Communication about the business is improved.
- An organized farming business is more likely to attract capital from private investors, venture capital funds, lenders, banks, trust companies, etc.

THE BUSINESS TERMINOLOGIES

Costs: Expenses incurred in the production-marketing chain for instance cost of seeds, fertilizers, pesticides, labor, packaging and transport).

Enterprise: One or more easily identifiable parts of a business under common ownership or control, for which there are specific potential returns.

Farm profit: Income minus all costs obtained by removing fixed costs from the whole farm gross margin.

Fixed costs: Costs that are incurred whether or not a farmer produces and that are not related to production for instance farm rent, insurances, repairs and maintenance, permanent labour wages, interest on loan.

Gross Margin: This is gross output minus variable costs and it is the income realized from growing a crop after deducting the cost of producing it.

Gross output: This is the total value of a crop enterprise output. Usually the gross output includes all sales regardless of the market.

Income: This is money obtained after selling a crop or some livestock.

Labor costs: Refer to total labor costs for family or hired labor used in all agronomic activities of an enterprise.

Production costs: Refers to financial and non-financial expenditures used in producing a commodity.

Variable Costs: Costs that vary with production for instance costs of inputs, wages, packaging materials and labor for agronomic activities.

BUSINESS PLANS: WHAT THEY ARE, WHY WE NEED THEM AND HOW TO PREPARE THEM?

Farming as a business is not business as usual but is entrepreneurship. Entrepreneurship is about looking at things differently and seeing what others cannot see. If you keep doing what you have been doing, you will keep getting what you have always got. To be entrepreneurial, there is need for a comprehensive and a creative business plan.

The importance of planning is reflected in the proverb, “he who fails to plan plans to fail”. Planning should, therefore, never be overlooked. Indeed if you do not know where you want to go you will go nowhere. Knowing where you want to go requires that you think about the journey in advance and decide where you want to go, why you want to go there and of course how you want to reach that destination. This is called planning the journey. Starting a business and successfully running it is a journey. It requires business planning. Unfortunately some people start and run businesses without even the simplest idea of a plan. Why would planning be essential? It is because planning requires systematic thinking and analyzing what is to be done. This process equips your mind with tools necessary to handle problems that may arise. So beginning with planning assists you to know what is not going or did not go as planned. Most businesses fail because they were not properly planned.

Why should we have a business plan?

1. The process of putting a business plan together enables the to look at the business in an objective and critical manner.

2. It helps to focus ideas and serves as a feasibility study of the business's chances for success and growth.
3. It serves as an operational tool to define the business's present status and future possibilities.
4. It can help you to manage the business and prepare for your success.
5. It is a strong communication tool for your business. It defines your purpose, your competition, your management and personnel. The process of constructing a business plan can be a strong reality check.
6. It provides the basis for your financing proposal.

OUTLINE OF A BUSINESS PLAN

1. Executive Summary:
2. Business Description: Legal establishment such self- help group, history, start-up plans, etc.
3. Marketing plan: You need to know your market (market analysis), customer needs, where they are, how to reach them, e.t.c.
4. Operational plan: Describe what products/services you are producing and selling. Focus on customer benefits. Backgrounds of key members of the team, personnel strategy, management responsibilities.
5. Financial Plan: Profit and loss, cash flow, balance sheet, break-even analysis, assumptions, business ratios, e.t.c.
6. Appendices: backup materials.

Note: A normal business plan includes a standard set of elements, as shown above. Plan formats and outlines vary, but generally a plan will include the above components. Therefore, your plan will depend on your specific situation.

Practical

- Participants to discuss in groups to better understand components of a business plan.

FARM RECORDS AND RECORD KEEPING

Objective:

To enhance ability of trainees in types of farm records and techniques for record keeping and analysis.

Overview

Farm records gives an account of the various activities carried out on the farm on a regular basis. A record is written proof of what happened. The activities include farm purchases, utilization of farm inputs, and consumption records. It also includes crops cultivated, seeds planted, cultural activities carried out, quantity harvested among others. It may also include minutes of a meeting, a report on the number of group members who worked in the group KCEP project or what is anticipated to happen. For a group, keeping records of money coming in and going out of a group-project prevents misuse of the money and avoids mistrust amongst group members.

Advantage of record keeping

Records provide information for proper farm planning, sourcing credit, monitoring farm performance, provide basis for conducting research and decision making:

- How you much money you received.
- How much money you have spent.
- How you spent it---How much are the amount of inputs and materials used to grow the enterprise.
- Will know the price of produce sold and cost if inputs.
- Calculate whether you are making a profit or a loss.
- Will be able to make better decisions on what to buy and sell.
- Keep records of buying and selling on credit, so that people cannot cheat you.

Types of Farm records:

Some of the common types of farm records are:

- a) Farm inventory records, which contains list of assets owned by the farm. Examples include crop and livestock inventory records.
- b) Production records for example.....
- c) Farm diary records for example.....
- d) Sales records for example.....

Types of Farm records:

Practicing of record keeping

Farmers and household leaders need to keep production and consumption records which include;-

- List all activities.
- List all the inputs.
- Estimates the quantities.

Design of Farm Records

There is no widely acceptable design for a farm record. However, the most important features should be simplicity, specificity, neatness, ease of accessing information, comprehensible to another user, among others. Design of farm records should be simple for users to understand.

Illustrations

Table 1: Enterprise record

| Name of farmer | | Location | | | |
|--------------------------|---------------------|----------|-------|--------------|--|
| Enterprise record | | | | | |
| Date | Enterprise | Acreage | Yield | Total output | Remarks |
| 01/03/2016 | maize H6213 | 0.58 | 28 | 16.24 | Some portion of maize eaten by livestock |
| 01/03/2016 | Bean (Nyayo) | 0.58 | 10 | 5.8 | Experienced Hailstorms |
| | Maize stover | | | | |
| | maize cobs (stones) | | | | |

Table 2: Cash inflow for maize

| Cash inflows for maize enterprise | | | | | |
|-----------------------------------|--------------------|-----|-------|-------|---------|
| | Sales | Qty | Price | Total | Remarks |
| Date | Maize grain | | | | |
| 01/03/2016 | Stovers | | | | |
| 01/03/2016 | Bean haulms | | | | |
| 02/3/2016 | Maize cobs/stones) | | | | |
| | | | | | |

- **Exercise**

Develop input record for maize and bean in KCEP activities (for example maize and bean production). Remember to indicate when you need the inputs and remarks.

Farm Budgeting and analysis

Budgeting is any attempt to estimate the future on outcome of a plan in quantitative terms. Budgeting is needed for all progressive, to estimate whether a proposed change is justified by the chance of raising profit. A farmer budget is a detailed physical and financial plan for the operation of a farm for a certain period. Start by listing all the activities to be undertaken by enterprise and blocks, then quantify the inputs and attach prices on them. This should be disaggregated by enterprises.

Types of budgets

There are two major types or categories of farm budgeting. Total, or whole farm or complete budgeting and partial budgeting.

Total, or Complete or whole farm budgeting is the planning for the whole farm. It is adopted when major changes are contemplated in the existing organization of farm business.

Simple/Partial farm budgeting is adopted either for a part of the land or for one enterprise or to substitute one resource to another. This is very simple and easy to implement. The process of change should always begin with these simple/partial budgeting. The techniques for budgeting include Gross margin analysis, enterprise budget among others.

Gross Margin

Gross margin (GM) by definition is the difference between the gross farm income (GI) and the total

variable costs (TVC) that is $GM = GI - TVC$ OR Gross margin is defined as Gross Return (GR) minus Total variable cost (TVC)

Gross margin is gross return after all variable costs have been accounted for, which means it is return on variable costs only, and does not include fixed costs. This requires sequential analysis of various activities, so that all input requirements and costs incurred are determined. It requires complete farm records of various activities involved in the production of each enterprise.

Table 3: An example of Gross margin for maize

| Variable costs per acre. | Total cost |
|--|-------------------|
| Cost land preparation | 3,000 |
| Cost land preparation 2 | 2,500 |
| Cost hiring land | 5,000 |
| Cost of maize seed per acre @1 bag/acre | 1,500 |
| Cost of Urea/CAN fertilizer per acre @ 50kg bag | 2,400 |
| Cost of DAP fertilizer per acre | 3,750 |
| Cost of stalkborer pesticide | 1,000 |
| Labour cost of tractor furrowing per acre | 1,500 |
| Labour cost of maize planting and DAP application | 900 |
| Labour cost of 1st. nitrogen fertilizer application per acre | 600 |
| Labour cost of herbicide application per acre | 400 |
| Labour cost for general weeding II per acre | 1,200 |
| Labour cost for maize thinning/de-suckering per acre | 500 |
| Cost of herbicide | 2,000 |
| Labour cost for stalkborer pesticide per acre | 0 |
| Labour cost for maize stooking per acre | 1,000 |
| Labour cost for maize harvesting per acre | 1,200 |
| Labour cost for maize threshing per acre | 1,000 |
| Labour cost for maize winnowing per acre person/day | 750 |
| Labour cost for maize drying per acre @ 1person/day for 5 days | 2,250 |
| Cost of gunny bags | 1,000 |
| Cost of transportation | 2,400 |
| Cost of guarding | 0 |
| Total VC | 3,5850 |
| Cost per bag | 2,059 |
| Proportion of cost per bag to price per bag | 0.97 |
| Maize grain revenue per ha. | 39,000 |
| Total VC | 35,850 |

Enterprise budget

An enterprise budget provides an estimate of potential revenue, expenses, and profit for a single enterprise

Table 4: Enterprise Budget

| Item | Value per acre |
|--|----------------|
| Revenue | |
| 250 kg @ KES5.50 per kg | 110,000 |
| Variable Costs | |
| Seed | 6,400 |
| Fertilizer | 7,640 |
| Chemicals | 7,820 |
| Machinery expense | 2,812 |
| Custom Spray | 640 |
| Harvesting and Hauling | 40,000 |
| Labor | 25,600 |
| Interest @ 10% for 12 months | 9,091 |
| Total variable cost | 95,458 |
| Income above variable cost | 14,542 |
| Fixed Costs | |
| Machinery depreciation, interest, taxes, and insurance | 4,960 |
| Land charge | 8,000 |
| Total fixed costs | 12,960 |
| Total costs | 108,418 |
| Estimated Profit (return to management) | 1,582 |

Break-even analysis Budgets

An economic enterprise budget includes information on opportunity costs of labor, capital, land and perhaps management. The profit (or loss) is what remains after covering all expenses, including opportunity costs. A projected economic profit of zero means labor, land, and capital are earning exactly their opportunity costs.

Cost of Production

$$\text{Cost of production} = \frac{\text{Total cost}}{\text{yield}}$$

Break-Even Analysis

The data in an enterprise budget can be used to do a break-even analysis. Break-even yield and break-even prices can be computed.

Break-Even Yield

$$\text{Break - even - yield} = \frac{\text{Total cost}}{\text{output} - \text{price}}$$

Break-Even Price for wheat

$$\text{Break - even - price} = \frac{\text{Total cost}}{\text{output} - \text{yield}}$$

FARM ACCOUNTING

It involves identifying all source documents (e.g. receipts, payment vouchers, bank slips, invoices, etc.) Enter chronological (journalising) into a record book (Journal). From the journal entries records are summarized in Ledger. From the ledger a trial balance is constructed and subsequently financial statements are generated.

Cash Flow Statement

The cash flow projection estimates the flow of revenue into the farm business and the flow of expenditures out of the business. These flows are important because they indicate when cash surpluses or deficiencies will occur. The cash flow statement is especially helpful when:

A new business or enterprise is under consideration.

Table 5: Cash Flow Statement

| Inflows | | | | | |
|------------|-----------------|-----|------------|--------|---|
| Date | Sale of product | Qty | Unit price | Amount | Remarks |
| 1.11/2015 | Maize | 500 | 36 | 18,000 | sold at farm gate |
| 20/12/2016 | maize grain | 200 | 40 | 8,000 | sold at farm gate |
| 11/01/2016 | maize grain | 100 | 42 | 42,00 | gave Makueni school for school fees of daughter |
| 15/01/2016 | Bean | 600 | 60 | 36,000 | sold to Otieno |
| | | | | | |
| Outflows | | | | | |
| Date | Purchase | Qty | Unit price | Amount | Remarks |
| 1.11/2015 | Seed maize | 2 | 1800 | 3,600 | bought from KSC |
| 20/12/2016 | Bean seed | 5 | 180 | 900 | bought from KSC |
| 11/01/2016 | Fertilizer DAP | 3 | 2000 | 6,000 | Bought from NCPB |
| 15/01/2016 | Fertilizer CAN | 2 | 2500 | 5,000 | Bought from NCPB |

Farm Accounting

Commercial farming involves many transactions and book-keeping. Books of account are records of business transactions. Accounting systems should be designed to provide information efficiently and quickly at least cost as well as capable of offering protection to the business by exposing theft or fraud.

It is important to record and keep all the source documents. The documents should be recorded in journals and processed through ledger books to generate financial statements (Balance sheet and Income statement).

Types of Farm Accounts

Some farm accounts that could be kept on the farm:

1. Balance Sheet

It is also called the net worth statement. It shows the value of farm assets that would remain if the farm business is liquidated. It is the total asset minus total liability. It is divided into:

- a) Assets: Anything of value owned by the farm business. It comprises of current (or liquid), working and fixed assets
- b) Liability: It refers to legitimate claims that can be made against the business. It is classified into current, intermediate and long-term liabilities

- c) Net worth: It reflects the absolute equity or the amount by which assets in the business exceed its outstanding liabilities.

Table 6: Balance sheet (KShs)

| Assets | Amount | Liabilities | Amount |
|-------------------|--------|-------------|--------|
| Cash | | Creditors | |
| Debtors | | Loan | |
| Stocks | | Dividends | |
| Machinery | | Taxes owed | |
| Less: | | | |
| Prepaid expenses | | | |
| Total assets | | | |
| Total liabilities | | | |

2. Income Statement

It is referred to as the difference between the gross receipt and total cost of production. It is also explained as the surplus resulting from business operations, which could be withdrawn without reducing the future scale of the business.

Table 7: Income statement

| Income | Qty | Price | Total amount |
|------------------------------|-----|-------|--------------|
| Household (HH) Sales | | | |
| Home consumption | | | |
| Other Total Income | | | |
| Total (Y) | | | |
| Expenses | | | |
| Inputs and materials: | | | |
| Seed | | | |
| Fertiliser | | | |
| Pesticide | | | |
| Field operations | | | |
| Land preparation | | | |
| Ploughing | | | |
| Planting | | | |
| Weeding | | | |
| Harvesting | | | |
| Total Costs (X) | | | |
| Gross margin (Y-X) | | | |

MARKETING AND MARKETS FOR CEREALS AND LEGUMES

Overview

Marketing is crucial for any business. It helps identify customers and their needs, and delivery of products and services to them at a profit. Good business performance is determined by ability of a farm to sell a product or a service at competitive price.

Objectives

- i. Participants to understand the key elements of marketing and its process
- ii. Enhance participants skills and qualities required to improve marketing of inputs and outputs

Course Content

Market is the place the exchange of goods and services takes place. It is made up of buyers, sellers, products and prices.

Marketing is the process or planning that precedes sales and is the long term and continuous process that brings the customer back repeatedly.

A market is determined by:

- i. A customer who NEEDS what you are selling.
- ii. The CUSTOMER who is ABLE to buy what you are selling.
- iii. The CUSTOMER who is WILLING to buy what you are selling.

Producers/farmers always ask where they can we market. The following questions are key when undertaking marketing:

1. What are the different market outlets where the product can be?
2. What quantities do these outlets want?
3. What are some special features of each market?
4. Is there a best time to use each of these markets?
5. What else must one learn about these markets?

For a market to work, the following aspects need to be in place:

1. *Demand*: If a product or service is needed by a person or a group of people.
2. *Market*: The place where your product is needed.
3. *Customers*: The people who need the product or service, and are willing to pay for it.
4. *Linkages*: Business people who add value in the value chain (Processors).

Marketing Research

To identify a market, it is important to undertake research about the community to find out if it is a viable place to sell ones product/service.

The following factors need to be considered:

1. Who are the people (the part of the community) interested in the product (age, gender, income status, etc.)?
2. Why do they like or dislike the product (shape, size, colour, etc.)?
3. Are they willing to pay a commercial price for it?
4. Will they always want to buy the product regularly or seasonally (sustainable)?
5. How many of the products or hours of the service will they need?
6. Where should the product be available (location of sales points)?
7. Who are the competitors?
8. What are the things that can affect the market?

Some of the key sources of marketing include: Market Research/Surveys, customer feedback and brainstorming sessions.

Marketing Strategy

It entails one asking themselves how they will market their product or service. The strategy will work as long as one keeps their focus on the markets' and customers' needs, one will be able to develop products or services that offer a clear competitive advantage.

The 4Cs of Marketing Strategy

1. Customers (Target client)
 - ✓ Who are they?
 - ✓ What do they do?
 - ✓ How many of them are there?
 - ✓ Where are they located?
 - ✓ What will they pay?
2. Cost:
 - ✓ Operational costs,
 - ✓ Administrative costs,
 - ✓ Manufacturing costs,
 - ✓ Selling Costs
3. Commodity (Products/services for the market)
 - ✓ What are you offering?
 - ✓ What is the gap in the market?
 - ✓ What are the benefits of your commodity?
 - ✓ Is there demand for it?
4. Competition (Other business targeting same market)
 - ✓ Who are they?
 - ✓ Where are they?
 - ✓ What are their prices?
 - ✓ How do they promote their product?

Designing marketing plan

Designing marketing plan is called 'marketing mix'. The marketing mix can be summarized as the four P's (4Ps), which are used to help identify any marketing problems the business is having. This 4Ps are:

1. Product: It knows what the customers want (product and price) and what appeals them.
2. Price: It is the selling price compared to the costs of production including competitor's price.
3. Place: Deciding where to sell the product, distribution and acceptability.
4. Promotion: Successful business people do not sit and wait for customers to come to them. They promote their products/services.

Marketing products can be simplified through the use of electronic means including: Emails; making phone calls; Internet –websites and social media – Facebook, Twitter.

Marketing approaches

The numbers of ways or approaches through which farmers can market their produce are as follows:

Contract farming

It involves individuals or a group of farmers enter into formal (written) or informal (verbal) arrangements with buyers for the marketing their products.

Group marketing

This is whereby farmers come together to sell their farm produce collectively.

Individual marketing

It involves farmers selling their farm produce as individuals.

Summary

Marketing involves:

- ✓ Finding out what the customer wants and needs.

- ✓ Producing and selling the things that people want and need.
- ✓ Letting people know about your products/services.
- ✓ Selling your products in the right places.
- ✓ Making your products/services unique and more attractive than of other similar businesses.
- ✓ Setting the right price so that people will buy your products.

Expected Outputs

- i. Key elements of marketing and its process understood.
- ii. Skills and qualities required to participate in input and output markets enhanced.

GROUP DYNAMICS

Overview

The objective of this module is to expose participants with ways in which people can come together, form a cohesive group, and work productively together for a common purpose.

Course Content

Definition of a group

A group is a collection of individuals who have regular contact and frequent interaction, and who work together to achieve a common goal or goals. A farmer group is a collection of farmers with a common objective or problem to solve, which is often associated with the production and marketing of agricultural products. The gender composition of the group is important, both for the internal workings of the group (group dynamics), and for achieving the goals of the group. A group should strive for equal participation in decision-making structures and processes, equal opportunities and equal access to information.

Benefit of working as a group

Working as a group has several benefits to the farmer. The benefits include:

1. Groups of farmers can get access to services such as advisory services, technology, credit, markets and information, which individual farmers, particularly the disadvantaged (poor, women and youth), may not be able to.
2. Collective production, marketing and purchase of inputs can offer economies of scale and therefore reduce costs to farmers.
3. Farmer groups provide a forum to share experiences and learn from one another.
4. Group pressure enhances or stimulates adoption of knowledge and change to improved practices.
5. Increases farmers' opportunities for participation in development programs. Promotes inter-personal relationships and linkage to more relevant institutions.
6. Gives farmers a 'voice', which they may use to influence policy.
7. Attract external support and easy access to loans (group guarantors)
8. Successful project activities due to commitment from each member
9. Inspiration for future groups (role models)

Group formation Process

Like a living thing, a group has a life span. Groups undergo five main stages. It is important understand the various stages for ease of management of the groups. The four stages include: Forming stage, storming stage, norming stage, performing stage and adjourning. The stages may overlap however the earlier a group reaches performing stage the better.

Table 8: Group formation Process

| Forming stage | Storming stage | Norming stage | Performing stage | Adjourning |
|--|---|--|--|---|
| Individuals come together and get to know each other, Dependent on direction Members are polite Introduction and sharing of information Stereotyping individuals based on first impressions Conversations are about safe acceptable topics | Individual confidence may lead to conflict Personal agenda setting Success at this stage leads to a more focused group relationship Can inhibit progression and even lead to failure | Behavioural standards and norms among group members established Getting used to each other and developing trust | Successful completion of the other stages leads to significant progress Members work towards a common goal on a highly efficient and cooperative basis. | Individuals leave the group or the group dissolves on completion of objective Time for reflection and re-orientation |

Personality types in a group

People’s knowledge of personality types enable them to be aware of their strengths and weaknesses, and in others, and this determines leadership styles within a group. A leader should understand the different personality within their groups and how to deal with them. Personality is defined by a combination of various key factors measured by a continuum of personality factors such. These include:

- Confidence – The degree to which a person responds to stress.
- Extraversion – The degree to which a person can tolerate sensory stimulation from people and situations.
- Conforming – The degree to which we are open to new experiences/new ways of doing things (originality factor).
- Tough mindedness – Degree to which we defer to others opinion.
- Detail-consciousness – degree to which we push toward goals at work

Group leadership

Leadership is the art of motivating other people towards achieving a common goal. Group leadership involves facilitating the achievement of group goals and objectives, and motivating members to pursue group goals. A good leader should be able to create an environment of trust, open communication, creative thinking with cohesive team members

Qualities of a good leader

A good leader:

- Gender sensitive.
- Acts with self-confidence avoids anger, and takes decisions on a rational and informed basis.
- Admit his or her weaknesses.
- Willing to delegate responsibility.
- Has a good understanding of human behavior (group dynamics).
- Motivates others toward the attainment of the organizational goals.
- Has personal motivation, that is, the enthusiasm to complete a task.
- Have good communication skills.

Conflict resolution in a group

Conflict is when people have different views, opinions, objectives and wants. Conflicts are not bad what is bad or good is how the conflict is managed. For a leader to be effective in conflict resolution he/she must enjoy the trust of both parties to the conflict.

Handling conflicts revolves around one's desire to satisfy his/her own needs (assertiveness) and the willingness to satisfy another party's needs (cooperation). The best position depends on the situation at hand. There are five main steps are needed in conflict management –acknowledgement of existence of a conflict, forming the right attitude, analysis of the different opinions and taking action. The approaches to taking action when handling a conflict are: avoiding, competing, compromising, accommodating and collaborating. The choice of the approach varies with the situation at hand.

Table 9: Conflict handling approaches

| Strategy | Key elements | When Applicable | Consequences of over-use |
|---------------|---|--|---|
| Avoiding | Neglects own concerns as well as those of other parties Does not address the conflict issues | The stakes are low An issue is trivial No chance of getting what you want Potential damage of confrontation is greater than benefits of resolution More information needs to be gathered Others can resolve | Decisions made by default Unresolved issues Self-doubt Creative input lost Lack of credibility Anger and hostility in subsequent discussions |
| Competing | Insist of your opinion as the best. | Quick decisive action is needed Important issue needing unpopular action Issue vital to group welfare Protection is needed | Fear of admitting error Reduced communication Damaged relationships Lack of commitment from others More effort during implementation |
| Compromising | Each party sacrifices part of what they hold or opinion | As back up when collaboration or competition fail For temporary settlement on complex issues | Short-lived solutions No one is satisfied Cynical climate – feeling of sell-out |
| Accommodating | One party leaves their opinion and join the other people's opinions | You are wrong You need a future favour Competition will damage the cause Subordinates need to learn/develop from our mistakes The issue if more important to the other person than you | Decreased influence and respect Laxity in discipline Frustration Self-esteem is undermined Best solution may be lost |
| Collaborating | All opinions taken on board | Concerns of both parties are important to be compromised | Too much time spent on insignificant issues Ineffective decisions |

Characteristics of a successful group

A successful farmer group should:

- Have a clear goal, objectives and action plan.
- Have a constitution, or a written record of its purpose and rules, which are observed by all members.
- Have good leaders, elected by the members.
- Have a name and a physical address.
- Keeps proper records for transparency.
- Group savings plan.
- Has an activity-monitoring plan.

Causes of group failure

- Unresolved conflicts/problems in the group.
- Mistrust among group members.
- Mismanagement of funds.

Practical session – River code

GENDER MAINSTREAMING IN THE KCEP PROJECT

Overview

Gender refers the socially given attributes, roles, activities and responsibilities connected to being male or female in any given society.

The experience of being male or female differs from culture to culture; and even from community to community. Our gender identity determines how we are perceived, and how we are expected to think and act as men and women.

Gender is different from our sex.

Sex is the biological difference between men and women and is concerned with men's and women's bodies. Sexual differences are the same throughout the human race.

Gender Mainstreaming

Mainstreaming includes gender-specific activities and affirmative action, whenever women or men are in a particularly disadvantaged position

- Gender-specific interventions can target women exclusively, men and women together, or only men, to enable them to participate in and benefit equally from development efforts.
- Mainstreaming is not about adding a "woman's component" or even a "gender equality component" into an existing activity.
- Mainstreaming goes beyond increasing women's participation; it means bringing the experience, knowledge, and interests of women and men to bear on the development agenda.
- Transforming by mainstreaming may require changes in goals, strategies, and actions so that both women and men can influence, participate in, and benefit from development processes.
- The goal of mainstreaming gender equality is thus the transformation of unequal social and institutional structures into equal and just structures for both men and women.

Guiding principles of the gender mainstreaming strategy for KCEP

The principle purpose of a gender mainstreaming strategy for the KCEP is to enable gender responsiveness throughout the project implementation cycle from design, planning, implementation, monitoring and evaluation of the project outputs and outcomes. The following principles will contribute to the achievement of the project's goals and objectives:

- Responsibility for mainstreaming gender is system-wide and rests at the highest levels within agencies.

Establishment of accountability mechanisms for monitoring progress

- Initial diagnosis of gender differences and disparities, including carrying out gender analysis.
- Recognition that issues or problems are not neutral from a gender-equality perspective
- Political will for mainstreaming.

Allocation of adequate financial and human resources for translation of the concept into practice

- Efforts should be made to broaden women's equitable participation at all levels of decision-making.
- Mainstreaming should not replace the need for targeted, women-specific policies and programmes, and positive legislation; nor do away with the need for gender units or focal points.

Gender in the KCEP value chains

Gender analysis allows the identification of critical issues and existing constraints facing specific target groups and enables the articulation of effective development strategies to overcome the identified limitations.

KCEP employs the value chain approach as the framework for delineation of the different roles and responsibilities of men and women along the priority project value chains. In the selected agricultural

value chains, men and women perform various primary value chain functions, which include input supply, production, processing, storage, wholesale, retail and consumption. Secondary actors or ancillary workers perform secondary service roles that support primary functions, such as transportation, brokerage and service processing. Both men and women can undertake activities at either the primary or at the secondary level of a value chain.

Those actors that perform similar functions along the value chain are regarded as occupying the same functional 'node'. The identification of value chain nodes where men and women have opportunity to cooperate becomes critical in efforts to breakdown existing gender disparities and gender biases along value chains that KCEP is working with.

Importance of gender considerations in farming as a business or in agricultural value chains

Gender disparities in any target community lead to loss of business opportunities.

From a business perspective:

- Women often play invisible roles in value chains, these roles are often important in value-chain upgrading strategies.
- Gender inequality has high economic costs and leads to wasted human resources and missed opportunities for innovation, poverty alleviation and food security because women are important actors in achieving poverty alleviation. Statistics show that if women had the same access to those resources as men, they would produce 20-30% more food (FAO at Work 2010-2011).
- Fighting poverty is hard if you are gender-blind
- Addressing issues that affect women to achieve poverty alleviation and food security objectives is a choice.
- Development interventions should promote opportunities, access and outcomes equitably for men and women. Women play an important role in sustainable economic development as is shown in the Millennium Development Goal (MDG) No. 3 - Promoting gender equality and empowering women

Key concepts to gender analysis and gender mainstreaming

Asset ownership, access and control (resources)

- Access is the opportunity to make use of a resource
- Control is the power to decide how a resource is used, and who has access to it
 - Women in many communities have access but no control
 - Resource allocation between men and women is often gendered - there are differences in access to resources and control over them

Empowerment

- Empowerment is about people - both women and men - taking control over their lives: setting their own agendas, gaining skills, building self-confidence, solving problems and developing self-reliance.
- No one can empower another: only the individual can empower herself or himself to make choices or to speak out.
- Institutions including international cooperation agencies can support processes that can nurture self-empowerment of individuals or groups.

Gender equality

- Gender equality means that women and men have equal conditions for realizing their full human rights and for contributing to, and benefiting from, economic, social, cultural and political development

- Gender equality is therefore the equal valuing by society of the similarities and the differences of men and women, and the roles they play
- It is based on women and men being full partners in their home, their community and their society

Gender equity

- Gender Equity is the process of being fair to men and women
- To ensure fairness, measures must often be put in place to compensate for the historical and social disadvantages that prevent women and men from operating on a level playing field
- Equity is the means; Equality is the result

Gender relations

- These are the social relations between men and women
- They are simultaneous relations of co-operation, connection, mutual support and of conflict, separation and competition, of difference and inequality
- Concerned with how power is distributed between the sexes
- They create and reproduce systemic differences in men's and women's positions in a given society Gender relations define the way in which responsibilities and claims are allocated and the value given to each
- They vary according to time and place, and between different groups of people, according to class, race, ethnicity, even disability

Labour

- Most societies assign tasks, activities and responsibilities to their members (men, women, youth, children) according to their sex. In most societies, gender power relations are skewed in favour of men; thus, different values are ascribed to men's tasks and women's tasks. There is a categorization of labour into productive and reproductive work.
- Productive work refers to production of goods and services for income or subsistence
 - Is recognized and valued as work by individuals and societies
 - It is most commonly included in national economic statistics
 - Both men and women perform productive work – but not all is valued or rewarded in the same way.
- Reproductive work refers to work done in the care and maintenance of the household and its members – cooking, washing, cleaning, nursing, bearing children and looking after them, building and maintaining shelter
 - It is necessary, yet is rarely considered of the same value as productive work
 - It is normally unpaid and not considered in conventional economic statistics
 - It is mostly done by women

Status and role

- The terms status and role seek to distinguish between the visible aspects of gender relations and the invisible power relations which determine these activities
 - When women have low status in the community, the activities they perform tend to be less valued
 - Women's low status is perpetuated through the low value placed on their activities

Gender Analysis

- Gender Analysis is the process of
 - analyzing information in order to ensure that development benefits and resources are effectively and equitably targeted to both women and men, young and the aged to successfully anticipate and avoid any negative impacts development interventions may have on women or gender relations.
 - Exploring and highlighting the relationships of women, men, youth, even children in society - by asking
 - Who does what?
 - Who has what?
 - Who decides? How?

- Who gains?
- Who losses?
- Which men? Which women?
- Looking at how power relationships within the household interrelate with those at the international, state, market and community level
- Putting issues of concern to men, women and youth on the main agenda of those institutions which shape people’s lives (the state, non-government organizations, projects etc.)
- “A methodology” for collecting and processing information about gender issues. It provides disaggregated data by sex, age groups and an understanding of the social construction of gender roles, and how labour is divided and valued.”
- Gender Analysis is conducted through a variety of tools and frameworks.

When do we undertake a gender analysis?

- Gender Analysis should be undertaken at all stages of a program/project cycle, including:
 - **Identification** of the project or activity;
 - **Planning** or design of the activity;
 - **Implementation**; and
 - **Monitoring and evaluation**

Gender in project identification

- Ensure that the benchmark survey or baseline study are gender-sensitive
- Undertake an initial gender study or analysis to identify the potential negative impacts of project intervention on women as well as men
- Identify gender-related goals and priorities based on available information and consultation with stakeholders
- Conduct a gender-sensitive social assessment to broadly cover social, cultural and economic aspects, if possible
- Assess the institutional capacity for integrating gender into development activities.

Gender in project planning

- Ensure gender is integrated into goals and objectives and set clear targets
- Plan for developing capacity to address gender issues and to monitor and evaluate progress
- Set up a monitoring and evaluation system - and “engender” the Logical Framework
- Identify and select key gender-sensitive indicators for input, output, outcome and impact
- Develop/select the “best” data collection methods and decide on timing
- Organize reporting and feedback processes, clearly identifying who will collect and analyze information and when, and who will receive it.

Gender in project implementation

- Ensure gender is integrated into goals and objectives and set clear targets
- Plan for developing capacity to address gender issues and to monitor and evaluate progress
- Set up a monitoring and evaluation system - and “engender” the Logical Framework
- Identify and select key gender-sensitive indicators for input, output, outcome and impact
- Develop/select the “best” data collection methods and decide on timing
- Organize reporting and feedback processes, clearly identifying who will collect and analyze information and when, and who will receive it.

Gender in monitoring and evaluation

Monitoring is defined as “the continuous assessment of project implementation in relation to agreed schedules and of the use of inputs, infrastructure, and services by project beneficiaries”

Evaluation is defined as “periodic assessment of the relevance, performance, efficiency, and impact (both expected and unexpected) of the project in relation to stated objectives.”

- Gender-sensitive monitoring & evaluation reveals the extent to which a project has addressed the different needs of men and women, and has made an impact on their lives and overall social and economic well-being
- It also improves project performance during implementation, allows for midterm corrections, and makes it possible to derive lessons for future projects.
- An effective gender-sensitive monitoring and evaluation system in rural development projects requires that key activities be undertaken at different points of the project cycle
- Assess impact of gender integration in the overall project context
- Assess impact of project interventions on men and women
- Derive and share lessons that can feed into the overall Rural Development goals and objectives. Did both men and women participate in the project? Did both men and women receive the benefits?
- What were the preliminary indications about emerging outputs? How did they affect men and women?
- Did the project produce the intended benefits for men and women? How do the results compare to the targets? What factors account for variations in impact?

Practical Session

Use the Gender Harvard tool to generate the gender activity profile and Access and control profile

Harvard Tool 1: The Activity Profile

This tool identifies all relevant productive and reproductive tasks and answers the question: who does what?

How much detail you need depends on the nature of your project. Those areas of activity, which the project will be directly involved in, require the greatest detail. For instance, an activity profile for an agricultural project would list, according to the gender division of labour, each agricultural activity (such as land clearance, preparation, and so on) for each crop, or each type of field. Depending on the context, other parameters may also be examined:

- Gender and age denominations: identifying whether adult women, adult men, their children, or the elderly carry out an activity;
- Time allocation: specifying what percentage of time is allocated to each activity, and whether it is carried out seasonally or daily;
- Activity locus: specifying where the activity is performed, in order to reveal people's mobility. Is work done at home, in the family field, the family shop, or elsewhere (within or beyond) the community?

Table 10: Example of Harvard Tool 1, Activity Profile

| Activities | Women/girls | Men/boys |
|---------------------------------------|-------------|----------|
| <i>Production Activities</i> | | |
| Maize: | | |
| Activity 1 | | |
| Activity 2, etc. | | |
| Legumes: | | |
| Activity 1 | | |
| Activity 2, etc. | | |
| <i>Reproductive Activities</i> | | |

Harvard Tool 2: The Access and Control Profile - resources and benefits

This tool enables users to list what resources people use to carry out the tasks identified in the Activity Profile. It indicates whether women or men have access to resources, who controls their use, and who controls the benefits of a household's (or a community's) use of resources. Access simply means that you are able to use a resource; but this says nothing about whether you have control over it. The person who controls a resource is the one ultimately able to make decisions about its use, including whether it can be sold.

Table 11: Example of Harvard Tool 2, Access and Control Profile

| | Access | | Control | |
|---|---------------|------------|----------------|------------|
| | Women | Men | Women | Men |
| Resources Land Equipment Labour Cash Education/training, etc. Other | | | | |
| Benefits Outside income Asset ownership Basic needs (food, clothing, shelter e.t.c) Education Political power/prestige Other | | | | |

Expected Output

KCEP aims at increasing social and economic equity by achieving three main gender-mainstreaming outcomes, with women’s empowerment as a special consideration:

- Expanded economic outcomes in target communities
- Enhanced decision-making roles and representation in target communities
- Improved knowledge and skills in on-farm and off farm income generation options among women and men for the well-being of their households and communities

COMMUNICATION SKILLS

Overview

The purpose of this session is to give a clear insight into communication. It is an opportunity to understand how communication works and how to communicate with confidence and flair. It is intended to have users look at the way they communicate, what hinders one being an effective communicator and the techniques to help one become more adept and self-assured.

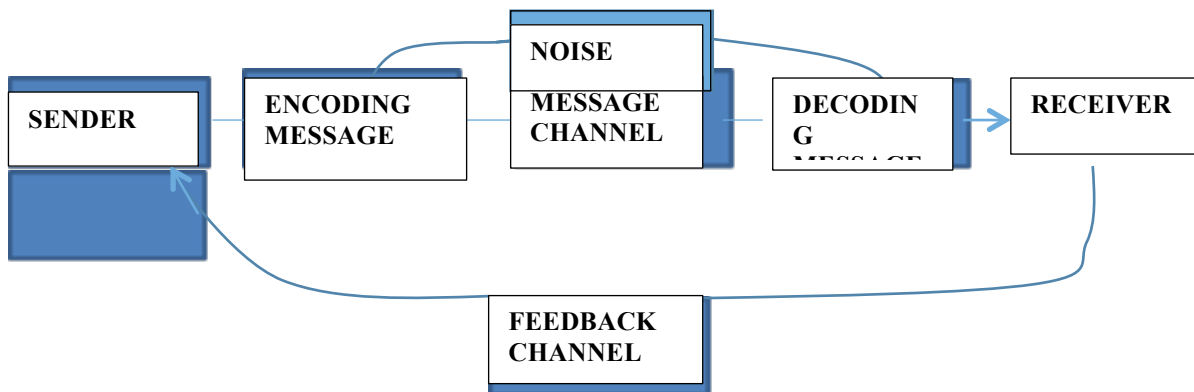
Objectives

1. To understand how communication works.
2. To gain active listening and responding skills
3. To manage own assumptions
4. To learn body language
5. To increase confidence

Course Content

What is communication?

Communication is the act of transferring information from one place to another. It is basically a two way process of reaching mutual understanding, in which participants not only exchange (encode-decode) information, news, ideas and feelings but also create and share meaning.



Source: www.slideshare.net (Integrated marketing communications)

Figure 1: The Communication Process

COMMUNICATION CHANNELS

The message can be passed through

- ❖ Face to face
- ❖ Letters
- ❖ Television or video documentaries
- ❖ Telephone
- ❖ Prints –books, posters, brochures

Effective communication combines a set of skills including

- ❖ Verbal communication
- ❖ Non-verbal communication
- ❖ Engaged listening

- ❖ Ability to receive feedback

TYPES OF MESSAGES

- ❖ Audio: Involves the use of sound and engages hearing senses
- ❖ Visual: Involves sight
- ❖ Audio-visual: Uses both the sense of sight and hearing

How to become an engaged listener:

- ❖ Focus fully on the speaker- body language, tone of voice and other non verbal cues
- ❖ Avoid interrupting
- ❖ Show interest
- ❖ Set aside judgments

EFFECTIVE COMMUNICATION

For an effective communication to exist, a two way process is usually engaged. The major issues of concern include:

- ❖ Eye contact can indicate engagement and lack of it can signal detachment
- ❖ Ask good questions- Utilize both your ears and eyes
- ❖ Avoid trying too hard to persuade others buy into your ideas
- ❖ Be on the lookout for nonverbal cues

Observe your body language

- ❖ Tone- Use a low registry and evenness for an air of authority
- ❖ Pace- Allow people to digest information while emphasizing important points
- ❖ Crutch words- um, uh, may be discredits the person.
- ❖ Gestures: nail biting, pen cap nibbling, shows nervousness?

GENERAL COMMUNICATION RULES

- ✓ Nonverbal feedback: watch out for boredom or fatigue, it may be a sign to re-energize or end the communication
- ✓ Use simple language to fit your target group
- ✓ By seeing or doing your audience has over 80% chance of remembering (Rusted and Coltheart, 1979).
- ✓ Combine activities requiring doing, talking and listening for faster understanding and remembering
- ✓ Visual aids can enhance persuasion, increase interest and aid retention
- ✓ Have an open mind: communication is not about your opinions but there should be a passion to help others meet their needs through understanding their concerns
- ✓ Finally be prepared: Know what you are talking about through developing a technical command over your subject matter.

Practical Session

- ✓ The learners to demonstrate the power and control of the listener via varying facial expressions, language and tone of voice
- ✓ Learners to demonstrate the power of eye contact to show interest or lack of

Expected Output

The learners are expected to:

1. Understand the communication process

2. Become effective communicators
3. Be knowledgeable about the types of messages
4. Become engaged listeners
5. Understand body languages in communication
6. Have self-confidence while communicating

Take Home Messages

1. Farming as a business is required now more than before;
2. Business planning, enterprise choice, records and record keeping, budgeting, and accounting, and gross margins are all important to success;
3. Commercialization of cereals and legumes is a prerequisite to success in agricultural production.

Further Reading

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