

# MODULE 5

## BUSINESS PLAN OF AN FPO

Module 5	Business Plan of an FPO	
Session 1	Understanding the customer	105 mins
Session 2	Major components of the Business Model Canvas	120 mins
Session 3	Components of a Business Plan	110 mins
Session 4	Opportunities and challenges involved in running a business; How to identify the potential business	90 mins
Session 5	Learnings from an existing FPO's business - exposure visit	1 day
Session 6	Risk factors in the FPO business and ways to mitigate the risks	125 mins
Session 7	Impact on business in different scenarios using simulated models	110 mins
Session 8	Role of FIG in the overall FPO's business	95 mins
Session 9	How to prepare an MIS using data of FIG farmers	70 mins
Session 10	FIG activity plan contributing towards FPO business	115 min
	<b>TOTAL TIME FOR MODULE 5</b>	<b>1060 + exposure visit day (approx. 18 hours plus 8 hours field session)</b>

# Session 5.1: Understanding the Customer

**Session Time: 105 mins**

## Session Objectives

By the end of the 105 min. session on “Understanding the customer” the participants will get an idea about the major components of the Business Model Canvas and understand how to develop a business plan for the FPO using the Business Model Canvas

## Process summary

Sl. No.	Activity	Methodology	Time	Material
1	Explain the Objective of session	Explanation	5 mins	chart
2	Importance of customer's needs	Role play	30 mins	items for the role play
3	Understanding the FPO's customer	Small group activity	60 min	chart paper, cards, pens
4	Summarise the session	Interaction	10 min	board, pens

## Session Details

### Task 1: Introduction and the objective of session

Start with a quick energiser to orient the participants to the day's session.

Recap the previous session (if any) and lay a base for current session.

Introduce this module by saying that this is one of the most important modules. But only if the FPO board members and key staff have gone through training in the other modules, they will not appreciate the sessions in this module. This module will deal with different aspects of planning the business. It starts with a session on understanding the customer.

## **Task 2: Introduction to understand customers and their needs – 30 mins**

**Activity:** A role play

**Description:** 2 participants will play the role of sellers. Each will be given one make shift stall (made using a table with empty boxes kept on it). The rest of the participants will be customers.

**Stall 1:** Stall owner sells only one type of product / produce. He will not negotiate on the price and is very clear that whoever wants to buy will buy at his rate only. He is quite rude to the customers and is not interested in giving answers to their questions.

**Stall 2:** Sells a variety of product / produce. He is willing to negotiate or at least willing to tell the customers the reason for the price i.e. quality, packaging etc. He answers the customer's questions and persuades them to buy.

### **Analysis**

After the role play, the Facilitator asks the questions – “Which stall & seller was better and why?

What does the customer want?” Discuss in a plenary.

### **Concept conclusion**

Understand the importance of customer to FPO or any business in general and understanding the needs of a customer (in order to service the customer in the best manner possible).

### **Transition**

Using this activity establish link to the session on importance of customer to any business.

#### **Tips to Facilitator**

1. The Facilitator must choose participants who will be able to play the part well, so that the message comes out well.
2. It is not necessary that the stall 1 is a poor example, it is possible that participants may feel that it is not necessary for them to reduce their prices to hold on to a customer. The idea is to get the participants to understand that as a seller it becomes our responsibility to explain our products and offerings to the customer.

## **Task 3: Understanding the FPO's customer – 60 mins**

**Activity:** Small group activity (see annexure 1 – for chart ideas)

1. Divide the participants into two groups. Each of the groups will have to do the following activities:
2. Who is my customer?
  - Prepare a persona of a Customer of the FPO. Draw the picture of the customer.
  - The group will describe who their ideal customer is.
  - His / Her basic introduction – Give him / her a name, where is (s)he from, language (s) he speaks, what (s)he does, etc.
  - Describe his needs/challenges, expectations (some needs may not be openly said, but must be understood)
3. What makes my customer happy? What makes my customer sad?
  - List down the type of FPO products / service that make the customer happy. Put in details like quantity he wants, quality, any value addition.
  - Similarly, list the type of FPO products / services that make the customer sad or angry.

4. Give the participants 30 minutes to work on the activity. The groups then present their work.
5. The Facilitator then asks this question to all the participants.

“Why do you need to know about your customer and what he wants?”

Collect the responses and put them up on a chart. All the participants to discuss the personas created by the groups and the value proposition, give suggestions and make improvements.

Facilitator tells the participants that they must create such personas for all their customer segments as successful businesses start with the customer and work backwards. Weak businesses start with the product, hope there is market for it, and put customers at the end of the process. Facilitator can give examples of FPOs / business that have been successful by putting the customers first and those that have not sustained only because they did not do that.

Concept Conclusion: All FPO members must be aware of the FPO’s customers and what makes them happy or sad. Without its customers the FPO cannot sustain.

### **Transition**

After knowing the customer let us understand about the FPO’s business plan.

#### **Tips to the Facilitator**

1. The participants may be reluctant to draw pictures of the target customer and say that it’s too difficult or that they cannot draw well. The Facilitator must make them comfortable and maybe start drawing a customer and help them do it on their own. Participants should be encouraged to colour the picture and make it as interesting as possible.
2. If the Facilitator feels the participants will not be able to draw or are very reluctant, he can keep some printouts of prepared pictures / printouts. For e.g. – A picture of a trader, a businessman, an IT executive, a film actor, etc. These can be handed over to the groups. They will have to choose an image that comes closest to their customer.

#### **Task 4: Summarise the session – 10 mins**

- The Facilitator will repeat the major learnings from the sessions and summarise the session.
- Establish link to the next session.

### **Annexure**

1. Sample Persona of Male Customer of the FPO

## Annexure 1 : Sample Persona of Male Customer of the FPO

<p>Name: Mahesh Gowda          Age: 40          Education: VII class          Occupation: Trader          Language he speaks: Kannada, Telugu, Hindi</p>	
<p>About him: Mahesh trades in several agricultural commodities - maize, ragi, etc. He has a shop in Chitradurga APMC yard.</p> <p>Revealing Statement: "I try and procure all the produce of the farmer whatever the quality and help the farmers; still the farmers do not trust me."</p> <p>Challenges:</p> <ol style="list-style-type: none"> <li>1. Getting produce of consistent quality that his buyers want.</li> <li>2. Getting sorted, graded produce.</li> <li>3. Erratic supply of produce.</li> <li>4. Several farmers promise that they will sell their produce to him and then refuse at the last moment.</li> <li>5. Competition from traders from different states.</li> <li>6. Competition from retail chains buying directly from farmers.</li> </ol>	
<p>What FPO products / services make Mahesh happy?</p> <ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> <li>4.</li> </ol>	<p>What FPO products / services make Mahesh sad or angry?</p> <ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> <li>4.</li> </ol>

# Session 5.2: Business Model Canvas Components

**Time: 120 mins**

## Session Objectives

By the end of the 120 mins session on Business Model Canvas components, the participants would have

1. Got an idea about the major components of the Business Model Canvas
2. Understood how to use the Business Model Canvas as the base for developing a business plan.

## Process summary

Sl. No.	Activity	Methodology	Time	Material
1	Introduction to session	Discussion	5 mins	chart
2	Components of the Business Model Canvas	Plenary discussion	25 mins	chart paper, pens
3	Visualizing the FPO's business plan using the Business Model Canvas	Small group activity	40 min	chart paper, cards, pens
4	Creating a pitch	Group activity	20 min	chart paper, pens
5	Summarise the session	Interaction	10 min	board, pens
	<b>Total</b>		<b>120 min</b>	

## Session Details

### Task 1: Explain the objective of session - 5 mins

Start with a quick energiser to orient the participants to the day's session.

Recap the previous session (if any) and lay a base for current session.

The previous session highlighted the importance of knowing the customer and his/her needs. This session will introduce a template that will help to understand all the components in a business plan.

**Task 2: Understanding the FPO's business plan using the Business Model Canvas. The facilitator should start this session by asking the following questions:**

1. What are the costs involved in running the business? - Cost structure
2. How do they make money? Revenue streams
3. Who is the target customer? Who are the important customers? Customer Segment
4. Who are the suppliers / partners of the business? – Key Partners
5. What is the business about? What do they sell? – Key resources
6. How do they sell? - Channels
7. What do they do to keep the customers happy? What distinguishes it from its competitors? - Customer Value Proposition
8. What are the different activities you do as part of your business? - Key Activities
9. How do you reach your customer? Customer relationships

The answers to the questions above are the different components of the Business Model Canvas – See Annexure 1 for details of each component.

**Key Partners**

<b>Key Partners</b>	<b>Key Activities</b>	<b>Value Proposition</b>	<b>Customer Relationship</b>	<b>Customer Segment</b>
	<b>Key Resources</b>		<b>Channel</b>	
<b>Cost Structures</b>			<b>Revenue Streams</b>	

*Business Model Canvas Template*

**Task 3: Visualizing the FPO's business plan using the Business Model Canvas – 40 mins.**

For better understanding & retention the below activity is to be conducted. Choose a common produce or business for this activity (TOMATO BUSINESS for example). Focus on post-harvest part of the business so that the exercise does not take too long and will enable the participants to go through all nine segments.

Divide participants into 4 groups. Each group will be given one of the 4 activities given below. Give them 20 mins to do this activity.

#### Group 1: Customer Segments, Customer Value Proposition and Key Partners

- List the customer segments of a typical FPO and the corresponding Value Proposition. Participants can draw images of customer or use pictures as well.
- Also list the Key Partners of the FPO. Draw pictures of the people who provide support, services or their partnership is important for the FPO to satisfy its customers.

#### Group 2: Channels (to reach customers) & Customer Relationships

- List down how does the FPO attract more customers and how does the products reach to the customers?

#### Group 3: Key Activities and Key Resources

- Note down the day to day activities done by the FPO and the resources that the FPO has.

#### Group 4: Revenue Streams & Cost

- List the major costs and main income sources of the FPO.

The facilitator should put a large chart with the template of the business model canvas drawn on it. This chart should be placed on the ground in the centre and all participants invited to sit or stand around it. Then each group will place their cards in the respective box of the template. Start with the customer segment and go backwards.

### **Concept Conclusion**

Through this activity participants will be able to visualise how the different aspects come together to reveal a broad business plan of an FPO.

#### **Task 4: Business pitch - 20 mins**

The Facilitator will divide the participants into 2 groups. Each group will have to give an elevator pitch on the business model, as BoDs will often have to speak about their FPO in brief at various forums.

To prepare for the pitch each group will be given 15 minutes time after which they have to give a 2-minute presentation using the business model canvas prepared in the previous session.

#### **Task 5: Summarise the session**

- The Facilitator will repeat the major learnings from the sessions and summarise the session.
- Establish link to the next session.

## Annexures

1. Components of the business model canvas
2. Sample business model canvas after exercise

## Annexure 1 : Components of The Business Model Canvas

- 1. Customer Segments:** Tells you about the different customer groups you want to target.
  - For whom are you creating value for?
  - Who is your most important customer?
- 2. Value Proposition:** Value Proposition is the foundation of any business/product. It explains what need of the customer your product is solving.
  - What core value do you deliver to the customer?
  - Which customer needs are you satisfying?
- 3. Customer Relationships:** Tells us how our business interacts with its customers? How and where do you meet your customers? Do you meet with them in person? In APMC, conferences, farmers' meets etc.
- 4. Channels:** Understanding how to reach your customers is very crucial to any business. It tells you how your product or the information about your products reaches your customers. Through which channels do you reach your customers?
  - Which channels work best? Are there other channels you can use to reach your customers effectively?
- 5. Key Activities:** The actions or activities that your business undertakes to achieve the value proposition for your customers.
  - What key activities does your value proposition require?
  - What activities are important the most in distribution channels, customer relationships, revenue stream...?
- 6. Key Resources:** Means the resources your business requires to do business. These resources are what is needed practically to undertake the action/activities of your business.
  - What key resources does your value proposition require?
  - What resources are important the most in distribution channels, customer relationships, revenue stream, etc.
- 7. Key Partners:** The external companies/suppliers/parties/ organisations you may need to achieve your key activities and deliver value to the customer.  
For e.g.: If you sell groceries to customers, you may need a distributor who supplies you with the products. The distributor is your key partner.
  - Who are your key partners/suppliers?
  - What are the motivations for the partnerships?
- 8. Cost Structures:** The money you spend to operate your business.
  - What is the most cost in your business?
  - Which key resources/ activities are most expensive?
- 9. Revenue Streams:** The activities by which your business earns.
  - Which all activities get you revenue?
  - For what value are your customers willing to pay?

## Annexure 2 : Sample Business Model Canvas After Exercise



# Session 5.3: Broad Components of a Business Plan and Data Required to Prepare Business Plan

**Time: 110 min**

## Session Objectives

At the end of 110 mins sessions on “Broad Components of a Business Plan and data required to prepare Business Plan”, the participants would have:

1. Understood the broad components of a typical business plan for an FPO
2. Appreciated the key information required for preparing business plan

## Material required

Board, markers, brown sheets, cello tape, blank cards of drawing sheets, 8-10 copies of sample business plan (Ghazipur Business Plan).

## Process Summary

Sl. No.	Activity	Methodology	Time	Material
1	Introduction to session objectives and link to previous session	Discussion	5 mins	Chart
2	Making the activity wise business plan	Subgroup activity and Presentation of the business plan	30 Min	chart paper, pens
3	Identifying the resources (Available / required) for the business	Brainstorming	30 Min	chart paper, cards, pens
4	Critical elements of Business plan	Study of sample business plan	40 Min	Annexure- 1
5	Summing up	Conclusion	5 Min	board, pens
	<b>Total</b>		<b>110 Min</b>	

## Session details

### Task 1: Introduction - Explain the Objective of session – 5 mins

- Recap the previous session and lay a base for current session.
- State the objective for the session.

The previous session gave us some insight on the components that make up the business model. Using that knowledge, this session will further work on how to understand the components of the business plan and to collect the necessary information for developing such a plan.

### Task 2: Making the activity wise business plan – 30 min

The Facilitator explains the group activity to the participants. In the group activity, each sub group will have to select 3 feasible activities and prepare following the table which will help prepare the elements of a business plan.

#### Facilitation Tips

- 1) What- mention the activity in brief
- 2) Whom- for whom- who is the customer, and who is the supplier
- 3) Why- reasons for choosing the activity
- 4) Who- who will be responsible to carry it out- staff, Directors, FIG, individual farmer? ...
- 5) When- when to start and when to finish? Also take into account seasonality
- 6) Where- location of the activity; also, where to obtain the resources for carrying out the activity
- 7) How- Process of carrying out the activity

Sl No.	What (Activity) (1)	Whom (2)	Why (3)	Who (4)	When (5)	Where (6)	How (7)
1	Input	1)					
2		2)					
3		3)					
4	Output	1)					
5		2)					
6		3)					
7	Value addition	1)					
8		2)					
9		3)					

10	Marketing	1)						
11		2)						
12		3)						
13	Administration	1)						
14		2)						
15		3)						

The Facilitator concludes the activity by highlighting the various activities which have been listed about, that form elements of a typical business plan. The Facilitator also helps in identifying how some additional activities could also form part of the business plan depending on the commodity/ produce such as certification (in case of organic produce), licenses for packaged food, etc.

**Task 3: Identifying the key resources for the FPO business – 30 min**

1. The Facilitator makes the participants sit in a U shape seating. Facilitator will ask them as to what the resources are that will be required for the FPO to carry out the above planned activities. One of the participants will be asked to note down each response on a separate card.
2. After writing down all the responses, the cards are spread on the floor, and the participants will be asked to cluster the cards according to the type of resource (HR, infrastructure, capital, market linkage, etc)
3. Facilitator may ask leading questions if all types of resources are not listed

**Task 4: Identifying the internal and external sources of the above resources – 30 min**

**Sub group activity**

The cards collected during the above session from the participants should be pasted on pre-prepared table on a chart paper as shown below. The participants will list out the sources of mobilisation. The participants will categorise the resources as internal or external.

SI No.	Activity	Resource required	Source of mobilisation	Internal / External

**Task 5: Critical elements of a business plan – 40 min**

1. The Facilitator will make 2 subgroups.
2. The sample business plan (without the content / index page) will be circulated among the participants, the participants will be asked to read the sample business plan. (Annexure – 1)
3. Now subgroup 1 will list the key elements in given from 1 to 14 pages in a given sheet (Gazipur FPO's business plan) and subgroup 2 will list the key elements from 15 to 28.
4. After listing the key elements, the participants will list the possible sources of information (Govt, promoting institution, FIG, trader) for preparing those key elements.

Sl. No	Key elements	Source of data / information

**Task 6: Summarise the session**

- The Facilitator will repeat the major learnings from the sessions and summarise the session.
- Establish link to the next session.

**Facilitation Tips**

The Facilitator may support the participants in reading and deciphering the sample business plan

## Annexure

1. Sample Business Plan

*Please see link to the sample business plan <http://bit.ly/2U8BxJC>*

# Session 5.4: Identifying the Potential Business to Pursue by the FPO

**Time: 90 mins**

## Session Objectives

At the end of the 90 mins. session on “Identifying the potential business to pursue by the FPO”, the participants would have

1. Learnt how to identify the potential business to pursue
2. Understood the opportunities and challenges involved in running an FPO/ business.

## Process Summary

Sl No.	Activity	Methodology	Time	Material
1	Introduction to session objectives and link to previous session	Discussion	5 Min.	chart
2	Listing and segregating the different functions of an FPO	By distribution of index cards	40 Min.	cards, pens, charts
3	Listing opportunities and challenges	Brainstorming	40 Min.	chart paper, pens
4	Summing up	Conclusion	5 Min	board, pens
	<b>Total</b>		<b>90 Min.</b>	

## Session details

### **Task 1: Introduction - Explain the Objective of session – 5 mins**

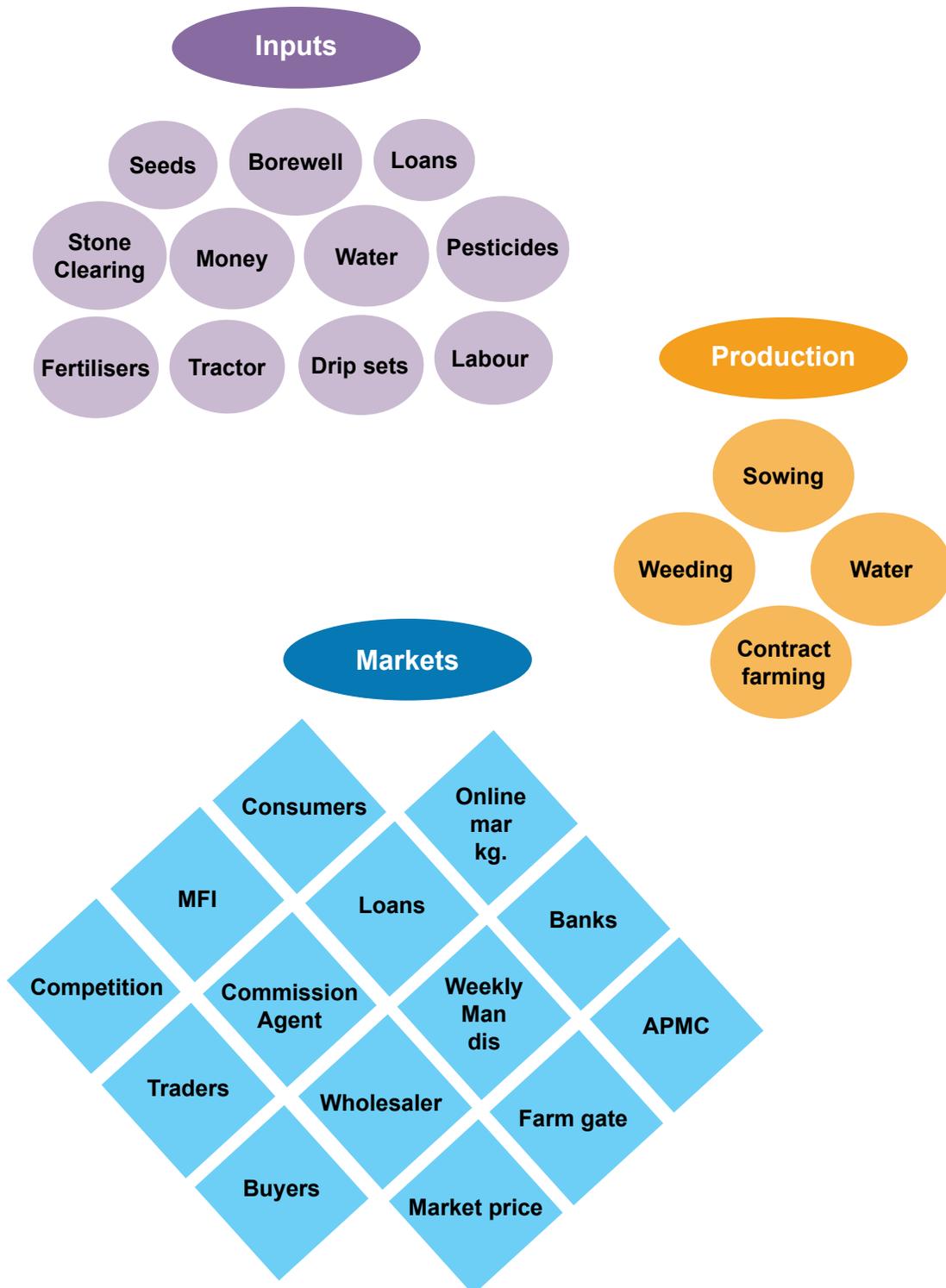
Recap the previous session and lay a base for current session.

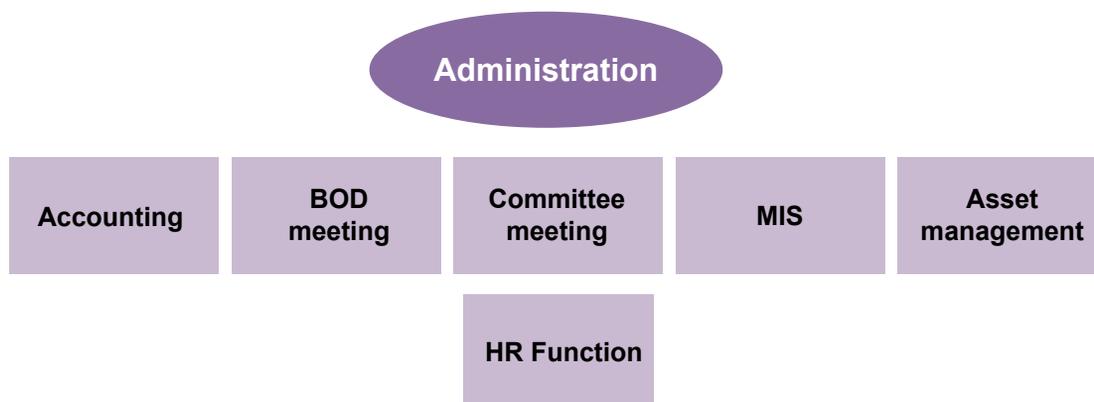
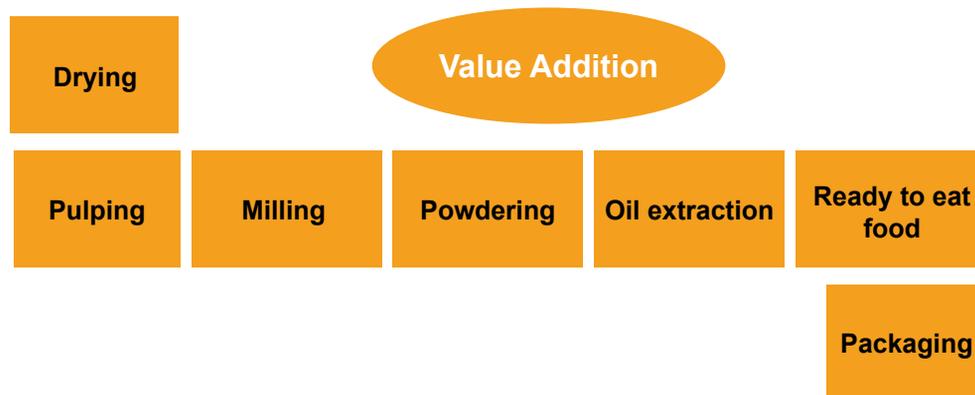
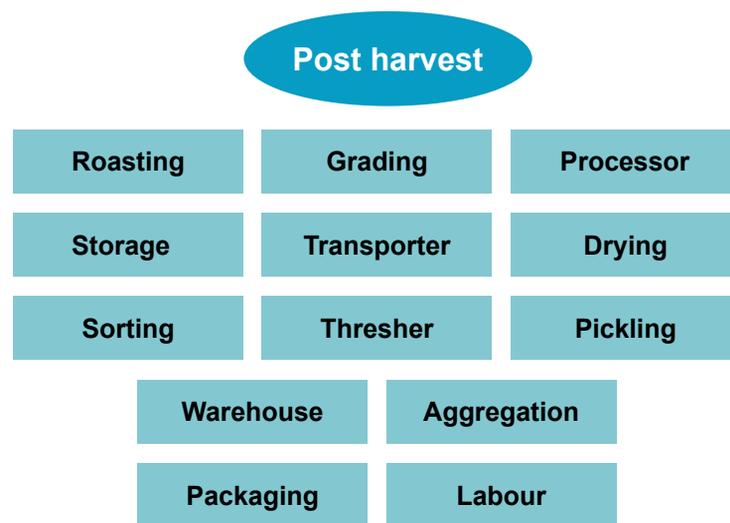
State the objective for the session.

The previous session detailed the resources required for the business plan. This session looks at how to get the BOD members to understand which business to pursue.

**Task 2: Listing and segregating the different functions of an FPO -40 min**

- The Facilitator should prepare the colour coded cards with a few activities written beforehand and jumble it up
- The Facilitator will give the above pre-written cards to the participants and they are asked to arrange them in a flow as they feel.
- Facilitator has support them by giving small hints
- The Facilitator should ask the participants to list out the functions of an FPO (inputs, postharvest activities, value addition, administration and marketing).





At the end of this activity, the Facilitator helps the participants identify what is the potential of their FPO through guided questions, such as:

- Is your FPO capable of putting up a nursery for seedling production?
- Does it have the necessary capacity to foray into input business?
- Is the FPO producing crops which can undergo primary value addition at farm gate, or processing in order to fetch better value as per the variety and grade of the produce?

- d. Can the FPO take up packaging and marketing activities in the supply chain, so as to get better price realisation?
- e. Can the FPO take up other revenue generating activities such as custom-hiring centre for farm implements, input supply dealership, direct sale outlet to consumers, etc?

**Task 3: Listing Opportunities and Challenges (40 min)**

- a. The Facilitator will make 4 sub-groups and each group will be given the following topic and after discussion they will come up with information based on the below table.
- b. The participants should list out all the activities currently being performed by the FPO.
- c. The participants should also add all the possible activities (opportunities) as well as challenges. For each activity, opportunities/challenges – financial, technical, political, social, human resource - should be listed out.
- d. Based on the challenges, the sub-group should decide whether the activity is feasible to be carried out or not.

Subgroup 1: Input business  
 Subgroup 2: Output business  
 Subgroup 3: Value addition  
 Subgroup 4: Marketing

SI No.	Opportunities / Activity	Challenges	Feasibility of activity (Y / N)
1			

**Key questions:** Can the FPO carry out all the activities? What suggestions will you give to your FPO based on above discussion?

**Task 4: Summarise the Session**

- The Facilitator will repeat the major learnings from the sessions and summarise the session.
- Establish link to the next session.

# Session 5.5: Learnings from an Existing FPO's Business - Exposure Visit

**Time: 120 mins + 1 day**

## Session Objectives

At the end of the 120 mins session on Learnings from an existing FPO's business exposure visit", and the field exposure visit, the participants would have:

1. Got first-hand experience of a real FPO business plan

## Process Summary

Sl. No	Activity	Methodology	Time
1	Explain the Objective of session	Energiser, Explanation	10 min
2	Orienting participants for the exposure visit	Clustering Activity	30 min
3	After the Visit: Debrief session	Small group activity	75 min
4	Summarising	Interaction	5 min
		<b>Total</b>	<b>120 min</b>

## Session Details

### **Task 1: Explain the Objective of session – 10 mins**

Start with a quick energiser to orient the participants to the day's session.

Recap the previous session (if any) and lay a base for current session.

State the objective for the session – Understand the different aspects about the visiting FPO's business and learn from their experiences.

### **Task 2: Orienting participants for the exposure visit (To be conducted before the Visit) – 30 min**

This session could be done before the exposure visit to prompt the participants to look at the visiting FPO's activities from a business point of view.

**Activity:** Clustering activity

List the various aspects that help you understand about any business. For e.g. if you see a business - let's say a cloth shop and want to understand more about the business what

questions will you ask?

Ask the participants to note down all the components of the business plan in terms of the 9 sections of the business model canvas

### Tip for the Facilitator

Participants in all probability will link the answers to an FPO business and get into details such as share capital etc. Facilitator must nudge them to a general business. The answers to the above questions lead to the Business Model Canvas framework.

In addition to this framework, Facilitator will ask the participants to look at the FPO's business in the following aspects:

- Challenges faced and how they overcame it.
- Market promotion activities, customer relation approaches taken by FPO.
- Their business plan and their execution.

### Concept Conclusion

The framework will enable participants to look at the FPO's businesses from the customer point of view and then link it to the other activities. Also, they will be given some pointers so that they can get good learning from the visit.

### Tips to the Facilitator

1. The FPO selected for the exposure visit should be at least 3 years old with a minimum 1 year of business experience with diversified commodities and /or channels.
2. If possible, the visit should be structured by the Facilitator to focus on the learning outcomes. So that it doesn't become a general 'catching up with friends' kind of session. The Facilitator must create an enabling environment for participants to ask questions, observe and learn from the FPO they are visiting.
3. It is very likely that the FPO may not want to share its business plan. The Facilitator must explain this point to the participants, so that they are prepared. Instead they can ask other leading questions to get information about their business plan.
4. It is also likely that the FPO selected, might be into a different product line/ commodity. E.g. pulse producing FPO, while the participants might be vegetable growers. The Facilitator should emphasise that the learnings of the FPO's conduct of its own business is the essence and focus of the visit. And, towards that, the participants must focus on understanding the various nuances of how the FPO conducts its business, transacts with its various stakeholders, challenges that it overcame, risks, plans that it chalked out, inclusive growth of the company, etc.

### Task 3: After the Visit: Debrief session – 75 min

**Activity:** Small group discussion

Facilitator will divide the participants into small groups of 4-5 members. Each group will discuss the key learnings of the exposure visit (basically what they did and found out what) and present them. (30 min)

The Facilitator can give them the below points that the groups can use to explain their observations:

- How is the FPO you visited different from your FPO.
- Narrate as a story how the FPO was formed, the situation then vs now. How it has grown?
- Collectivising efforts of the FPO.
- Their value chains.
- Notable learnings – how they have handled issues or crisis situations, an interesting practice they follow, etc.
- Challenges faced and how they overcame it.
- Market promotion activities, customer relation approaches taken by FPO.
- The FPO's business plan and its execution.
- Interaction with FPO's BoDs and CEO.
- Participants can also refer to the clustering activity done before the visit and use it to explain about the FPO.

### **Analysis**

The groups present their learnings and discuss in a plenary. (30 min)

The Facilitator will ask the question to the plenary: "Which particular learnings will you implement at your FPO?"

The collected responses will be put up on a chart. (15 min)

### **Concept Conclusion**

Participants will be able to relate the visiting FPO's experiences to their own FPO's.

#### **Task 4: Summarise the session – 5 mins**

- The Facilitator will repeat the major learnings from the sessions and summarise the session.
- Establish link to the next session.

# Session 5.6: Basic understanding of Risk taking

**Time: 120 mins**

## Session Objectives

By the end of the session participants will be able to-

1. Understand the risk factors in the FPO business and ways to mitigate the risks;
2. Understand the importance of being proactive and strategic when running the FPO.

## Process Summary

SI No	Activity	Methodology	Time	Material
1	Explain the Objective of session	Explanation	5 min	chart
2	Introduction to risk taking	Game	40 min	basket, masking tape, paper balls
3	Understanding the risk factors that impact FPO's businesses	Case discussion, Clustering Activity and plenary discussion	75 min	chart paper, pens
4	Summarise the session	Interaction	5min	
	<b>Total</b>		<b>125 min</b>	

## Session Details

### Task 1: Explain the objective of session

- Recap the previous session and lay a base for current session.
- State the objective for the session – Understand the risk factors in the FPO business and ways to mitigate the risks.

The previous session was to visit an FPO to understand their business plan. The other sessions also detailed the components of the business plan.

## Task 2: Introduction to risk taking in business: 40 min

### Game: Risk taking Game

**Objective:** The objective of the game is to enable participants to demonstrate the skills need to take calculated risks.

#### Preparation for the game

Place a basket on the floor. Take a few steps away from the basket and use the masking tape to mark off 10 or more intervals at a distance of one foot apart (12 inches, approximately) from each other. Number each interval using the marker, starting from the interval line closest to the basket.

#### How to Play and Scoring

- Divide the participants into 2 groups; Team A & Team B. 3-4 members from each group will play the game, while the rest can be observers. (More teams could be made, or more players can be chosen from each team. This must be decided by the Facilitator at the start of the game)
- The Facilitator could be the scorer & referee. He has to ensure that that the player does not overstep the interval line and keeps the score. Or he can appoint one participant to keep the score.
- Each player gets 2 chances to throw one paper ball from an interval line of his/her choice. If the paper ball falls correctly into the basket then the player has scored. The points are calculated as per the interval line from where the player throws the paper ball. For e.g. if the player throws it successfully from the first interval line, the player gets 1 point; successful throw from 5th interval line gets her 5 points. and so on. An unsuccessful throw receives no points.
- Basically, the higher risk (from farther away he throws) the player takes he is rewarded with more points.
- The player can decide for himself or herself how to play. He can choose to throw from a line farther away or the closer one, depending on his confidence level and ability.
- Players can choose to throw the paper ball from same position, or different positions. This decision is left to the player.

The team with more points is declared the winner. In fact, we are trying to demonstrate risks, and the ability to take calculated risks, the Facilitator could present scenarios such as:

- i) Team gets more points if they are attempting blind folded
- ii) Team gets 1.5 times more points if they throw successfully, facing the opposite side (and throwing behind them).

Then, the aspect of risk taken versus success met can be highlighted over a large set of possibilities....

#### Score Board Example

Team	Name of player	Throw 1 (Thrown from line– Actual Score)	Throw 2 (Thrown from line– Actual Score)	Total score
A	Ina	10-0	5-5	5
A	Meena	5-5	6-6	11
			<b>Total Score of team A</b>	<b>16</b>

B	Mynah	5-0	4-4	4
B	Moh	10-0	6-6	6
			<b>Total Score of Team B</b>	<b>10</b>

### Analysis / Learnings from the game

The Facilitator will discuss in a plenary what the participants learnt from the game and how they can relate it to the FPO business.

The Facilitator must stimulate the participants to think on the lines of:

- Risk vs Rewards: Are we considering the risk factors when taking decisions? Are our actions / outcomes worth the risk?
- Encourage risk taking: Explain that it is necessary to take risks.
- Understanding risk: Our actions must be taken keeping in mind the risks. We can learn from others' experiences and our own.

### Concept conclusion

The Facilitator explains that market dynamics means both opportunities and risk.

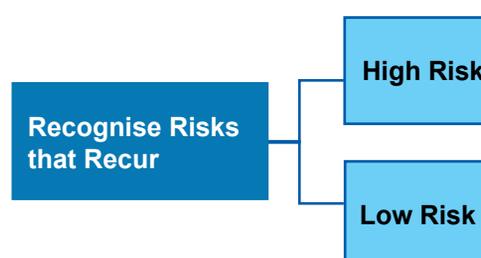
- Risk refers to things that could happen that can harm the business. FPOs need to anticipate these risks ahead of time and be prepared with mitigation strategies.
- The FPO also has to look out for opportunities and take calculated risks to make the most out of every opportunity.

### Task 3: Understanding the risks factors that impact FPO's businesses – 75 min

The Facilitator divides the participants into 2 or 3 groups and gives them the case in Annexure 1. The groups will get 20 min to discuss after which they present their analysis. (Time 45 min)

**Step 1:** Taking forward from the case discussion, Facilitator asks the question and collects responses on the chart: "What are the risk factors that affect your business?" (Time- 5 min)

**Step 2:** Clustering activity- Facilitator stimulates the participants to segregate the factors on the kind of impact it has on the business. i.e. Cluster the factors into high risk & Low risk. (Time-10min)



**Step 3:** Developing a contingency plan / risk mitigation plan (Time-30 min)

Facilitator asks participants to come up with plans to manage the risks and puts up the responses in the format below.

	Risk Factors	Action Plan
<b>Low Risk</b>	1. 2. 3.	1. 2. 3.
<b>High Risk</b>	1. 2. 3.	1. 2. 3.

### Concept Conclusion

The participants will understand the need to have risk mitigation plans for recurring risks and the Facilitator must try and impress upon participants the need to document the risk mitigation plans. The Facilitator can give examples to explain why it is important to document risk mitigation plans for recurring risks – for e.g.: In case BOD's change, new CEO takes charge, etc.

#### Task 4: Summarise the session – 5 mins

- The Facilitator will repeat the major learnings from the sessions and summarise the session.

## Annexure

1. Case study for exercise

## Annexure 1: Case Study for Exercise

An FPO dealing with maize: A buyer expresses interest in buying 200MT of maize. He agrees to pay Rs300 more than the prevailing market price which was Rs1500/quintal. The buyer has also asked for a particular quality of produce with regards to the moisture content (14%) and the same is put in the agreement. The FPO has to procure, package maize in 100kg bags and load the produce in the truck, while the buyer will send the vehicle and bear the transportation cost.

The FPO calculates the cost of packaging and loading as Rs.50/Bag. After doing its costing, the FPO decides to pay Rs1650/quintal to the farmers. This was the final rate to be paid to the farmers while the FPO bears the cost of packaging and loading. In the first load the FPO decides to dispatch 9 MT of maize. FPO procures the produce and also ensures the quality required by the buyer.

At the time of loading, the FPO realizes the cost of packaging and loading actually works out to Rs.100/Bag. The FPO requests the farmers to bear the cost of packaging and loading. However, at the time of procurement the farmers were told that they will be paid Rs1650 / quintal all-inclusive so the farmers refuse to bear the cost. The FPO had been recently formed and this was one of the first agreements of the FPO, so the FPO decides to pay the farmers the agreed rate.

The first load of 9MT is dispatched to the buyer. On receiving the produce, the buyer says that the moisture content in the maize (17%) is more than what they had asked for and rejects the whole produce. The FPO is shocked as they have checked the quality and sent, but buyer refuses to accept the consignment. With the help of its partner organisations, the FPO tries hard to convince the buyer.

Finally, the buyer agrees to take the produce but not at the promised rate of Rs1800/bag. The FPO suffers a loss of Rs250/ quintal for 9 MT of produce.

### Questions

1. Could the FPO have handled the situation better?
2. What were the risk factors in the case? What steps could the FPO have taken to avoid the loss?

# Session 5.7: Impact on Business in Different Scenarios using Simulated Models

**Time : 110 mins**

## Session Objectives

By the end of the session participants will be able to:

1. Understand the risk factors in the FPO business and ways to mitigate the risks;
2. Understand the importance of being proactive and strategic when running the FPO.

## Process Summary

SI No	Activity	Methodology	Time
1	Explain the Objective of session	Explanation	5 min
2	Understand the impact on business in different scenarios using simulated models	Case discussion	100 min
3	Summarise the session	Interaction	5 min
		<b>Total</b>	<b>110 min</b>

## Materials Required

- Coloured Chart paper
- Brown chart paper
- Moderation cards of different colours and shapes
- Markers – Different colours
- Masking tape
- Items for the game
- Case printouts (10 nos; as per the number of participants)

## Session Details

### Task 1: Explain the objective of session

Recap the previous session and lay a base for current session.

State the objective for the session – Understand the risk factors in the FPO business and ways to mitigate the risks.

**Task 2: Understand the impact on business in different scenarios using simulated models – 100 min**

Six cases have been provided. Participants will be divided into 3 groups and each group will be given 2 cases. The groups have to analyse the cases and present them. The groups will be given 40 mins to analyse the 2 cases.

**Analysis**

The Facilitator will group the responses to the individual cases in the below format.

Case No	Challenges faced by the FPO (as per the case)	Learnings and Suggestions
1		
2		
3		

**Task 3: Summarise the session 5 mins**

The facilitator will repeat the major learnings from the sessions and summarise the session, focusing on the point that there are risks in any business, and the FPO needs to understand risks in advance - must try and assess risks earlier - and make plans to tackle the risks as needed.

## Annexure

1. Case-lets for Simulation exercise

## Annexure 1: Case-lets for Simulation Exercise

**Case - 1:** As per the business plan of the FPO, it has decided to deal in mango as it is grown widely in the area. A Bangalore-based trader is interested to purchase Banglora Mango and has placed the following demands:

- Size should be such that, each kg should contain around 6 mangoes.
- The mangoes should be washed and sent in crates.
- Mangoes should be graded and sorted as per ripening stage. The buyer required mangoes which will ripen in 5-6 days.

At the nearest local mandi which is 5km from the FPO's location, the prevailing rate of Banglora Mango variety is Rs15/kg.

**Questions:**

1. Considering that the transportation will be borne by the trader, at what rate should the FPO agree to sell the produce to the trader? Also, consider the market dynamics (both risks and opportunities) that the FPO must take into account while getting into an agreement.
2. What happens if logistic infrastructure is not provided for by the buyer – such as crates, vehicles, loading and unloading charges, etc?
3. How will the FPO stagger harvesting, post-harvest storage (pre-ripening stage of 10 days), partial ripening in transit?
4. How will the FPO aggregate its supply from various farmer groups of its FPO (aggregated supply, scheduling, MIS)

**Case - 2:** This FPO has prepared a business plan, as per which it has decided to procure 500MT turmeric from farmers and help them get better prices. It wants to sell the produce to bulk buyers and get at least 10% more than the market rate.

At the time of harvesting turmeric, the FPO evaluated the various options it had:

- i. The market rate in the local mandi was Rs8000/ quintal.
- ii. The bigger market which was at a distance of 50km the rate was 5-10% more than the local mandi. But the FPO will have to factor in the transportation costs as well as other costs.
- iii. The rate for polished turmeric in the local mandi was Rs11500/quintal. The FPO worked out the cost of polishing and it was coming to Rs1500/quintal.
- iv. The FPO can also sell polished turmeric at the bigger market, where the rates were around Rs12500/quintal.

**Question: What decision will you take if you were the director of the FPO? Justify your decision.**

1. What are the different scenarios which might emerge?
2. What, if there is not galvanising vessel to boil turmeric and sun-dry? What if it

is rainy and yet the demand is high? Will slicing and selling in tertiary markets be an option and at what prices?

3. How will the FPO arrange for seed money for transportation and other logistics to deliver the supply? If there are no internal resources, how will it raise money? Bank versus money lender/ NBFC; high interest rates over short time versus low interest rate over long term (term loan), etc

**Case -3:** This FPO is located in a paddy growing area. The region is well-irrigated by canals and most of the farmers in the area have always grown paddy. The paddy grown in the area is quite well-known in the markets. The FPO has made a business plan to procure 500MT paddy, mill it, brand it and sell in the local markets. The FPO has reached out the farmers in the area and explained the benefits of branding their produce and selling it. The farmers are very excited and looking forward to giving their paddy to the FPO.

On its part the FPO has made all the preparations: arranged for funds and finance options to procure 500MT of paddy and mill it, developed their brand logo, and finalized bulk buyers, retail chains, etc., to sell the produce.

However, that year the rains were scanty also no water was supplied through the canals. The farmers were unable to grow paddy.

**Question: What can the FPO do in this situation?**

**Case -4:** Below is an example of how two different FPO's have done business with the same buyer – a large retail chain.

**FPO 1:** The buyer decided to engage this FPO to procure organic ragi. The buyer had asked for specific quality specifications and wanted the FPO to grade, sort and pack the organic ragi.

The FPO laid down strict payment terms and asked for advance payment from the buyer, which the buyer finally agreed to after a lot of discussions. Also, the FPO was very reluctant to sort, grade and pack as per the buyer's requirements. They wanted the buyer to take the produce directly from farm-gate. On the buyer's insistence the FPO agreed to do the value-addition.

After the produce was received by the buyer, they were not happy with the packaging and raised a few quality issues. The FPO had to face losses in this consignment, as a result of which the FPO decided not to engage with the buyer henceforth. Also, the FPO decided against getting into value-addition services for other buyers as well.

**FPO 2:** The same buyer got into an agreement with this FPO to supply 1 tonne banana. The buyer had strict specifications such as:

- i. Size: Size should be such that, each kg should contain around 7-8 bananas.
- ii. Ripening stage: The bananas should be ready to eat in 3-5 days.
- iii. Packaging: The produce should be graded and sorted and kept in washed, clean crates. All crates must be lined with newspapers, after which only the bananas should be placed.

The FPO agreed to these requirements and sent the first consignment. The buyer was unhappy with it for the below reasons:

- i. The FPO sent larger bananas. Even though they knew that the buyer had asked for a particular size, they had bananas of better quality which were larger in size and thought the buyer will be happy to receive better quality. However, the buyer wanted smaller size, as the end customers preferred that size. The buyer was not able to sell as much as it had indented for (planned) and the unsold bananas had to be dumped.
- ii. The bananas were not in the specified ripening stage. The FPO had mixed up the riper and kuccha ones in the same crate.

As a result, the buyer paid the FPO lesser than the promised rate, and the FPO had to incur some losses. However, the FPO decided to improve its operations and worked on sending the right produce to the buyer. After some trial and errors, they finally got the whole process right, and have been supplying steadily to the same buyer for a long time.

Further, the buyer also started procuring capsicum, greens, millet Atta, and other produce from the FPO.

**Question: What are your learnings from the two FPOs?**

**Case -5:** An FPO had got into an agreement with an onion trader and finalized the price at Rs50/kg. The produce was getting loaded and was to be sent to the mandi the next day, when the farmers came to know that there has been a sudden increase in onion prices and the price has increased to Rs 55/ kg. By the time the vehicle was ready to leave for the mandi price has increased to 58/ kg and later to Rs60/kg. They wanted the FPO to re-negotiate the price with the trader.

The FPO realized that even at Rs50/kg, the farmers have a good deal as their cost of production was Rs35/kg. Also, the BoDs knew that the current situation was not a regular one and that it was only because of some exceptional conditions that the onion prices increasing so much. They are however under a lot of pressure from their members to re-negotiate.

**Question: If you were the director in that FPO, what will you do in this situation?**

**Case - 6:** This FPO deals in a variety of produce, and maize is one of their major commodities. The FPO procures maize and sells it to the local mandi which is around 10 km away. They can get better prices for their produce at a larger mandi which 70 km is away. Because of the high cost of renting a vehicle, the FPO prefers to sell at a local mandi.

The market price of maize is highly fluctuating, and the price depends on various factors like maize arrivals from Bihar, international market conditions, release of old stocks of maize etc. Whenever the market prices are high, there is a rush among farmers across the region to thresh their maize and transport it to the market. For the FPO, a thresher can be very helpful resource.

The FPO has some funds and now wants to decide how best to use it. Two options are available: 1) purchase a thresher; or 2) buy a small farm vehicle for transporting the produce to the market.

**Question: How should the FPO spend its funds? Justify with reasons, also if you were a director of this FPO how will you convince the remaining directors?**

(This case can be modified for any other aspect – such as for warehousing, as maize thresher is not something that people from non-maize growing areas will be familiar with.)

# Session 5.8 : Role that a FIG plays in the Overall FPO's Business

**Time: 105 mins**

## Session Objectives

At the end of the 105 min. session on “Role that a FIG plays in the overall FPO business, participants would have:

1. Understood the role of FIG in the overall FPO’s business
2. Determined ways for FIG to engage with the FPO.

## Process summary

Sl No	Activity	Methodology	Time	Material
1	Explain the Objective of session	Explanation	10 min	chart
2	Understanding the role that a FIG plays in the overall FPO's business	Make appropriate match	50 min	pre prepared cards, chart paper, pens, blank cards Annexure 1
3	Understand the importance of crop/produce/product planning for assessment of input and output and its potential at FIG level	Situation analysis using a case study	40 min	chart paper, pens
4	Summarizing	Interaction	5 min	board, pens
		<b>Total</b>	<b>105 min</b>	

## Session Details

### Task 1: Explain the Objective of session (10min)

Recap the previous session (if any) and lay a base for current session.

State the objective for the session –Understand the role of FIG in the FPO’s business plan.

So far, all the sessions have focussed on the FPO and their role in developing a business plan. This session onwards is focussed on the role of the FIG in the FPO business.

**Task 2: Understanding the role that a FIG plays in the overall FPO's business. (50 min)**

**Activity:** Make appropriate match

**Step 1:** Write the various aspects / activities of a typical FPO's business plan such as Traders, Processing Unit, Millers, Procurement, Storage, Good Quality, Grading, etc – one on each moderation card. (For the list of activities please refer to the Annexure 1 given below).

**Step 2:** Distribute the cards among participants. Each participant will probably get multiple cards.

Tell them to segregate the cards into two sets: one set where the FIG has some involvement or connection to the FPO business; and the other which does not involve the FIG at all.

**Step 3:** Ask participants to place the FIG cards only on the template kept on the ground in the relevant segments by asking the following question:

**Question – “Under which segment will you put up your card? Please pin up the given cards in respective column of the business model canvas.”**

<b>Key Partners</b>	<b>Key Activities</b>	<b>Value Proposition</b>	<b>Customer Relationship</b>	<b>Customer Segment</b>
	<b>Key Resources</b>		<b>Channel</b>	
<b>Cost Structures</b>			<b>Revenue Streams</b>	

The Facilitator must:

- i. Bring out the link between the various segments. All the activities are part of the FPO's business plan.
- ii. Emphasise the activities in which FIGs are directly involved, especially collectivised work, value addition done at FIG level.
- iii. Participants may have their explanation for placing a card under a different heading. Discuss their reasons.
- iv. Ask participants if they would want to add more aspects which are missing. Add them to the chart. Try and get as many new aspects as possible.

**Task 3: Understand importance of crop / produce/ product planning for assessment of input and output. (40 min)**

**Case to be discussed**

An FPO is in talks with a few buyers for supplying tomato for processing companies. The FPO after consulting its FIGs feels it can supply 300MT tomato. The buyers specifically require hybrid varieties like Abinav and in a particular season only. The FPO has decided to do crop planning and staggered planting outline, so that the required quantity and quality can be supplied. The FPO has also planned for a training session for nursery owners for raising hybrid seedlings.

**Question: How will the FPO engage with its FIGs to achieve the target of 300 MT it has promised the buyer?**

The Facilitator will divide the participants into 2 groups and give them 20 minutes to discuss the case and answer the question in the case.

Group 1 – FPO perspective: The group members give suggestions from the point of view of the FPO.

- What are the steps that FPO will take to ensure supply to the buyer?
- How much produce from each FIG will go to FPO for collective marketing?
- Whether all the inputs required for the planned crop are available at FPO?

Group 2- FIG perspective: The group members will have to give suggestions as per the activities at the FIG level.

- What all information will be required at FIG level – quality parameters, when to sow, any particular input requirements and how much input will each farmer require as per their land holding, how to grade, packaging, collectivization activities at FIG level.
- Issues FIG members want to bring notice to FPO which are not possible to take up at their level.

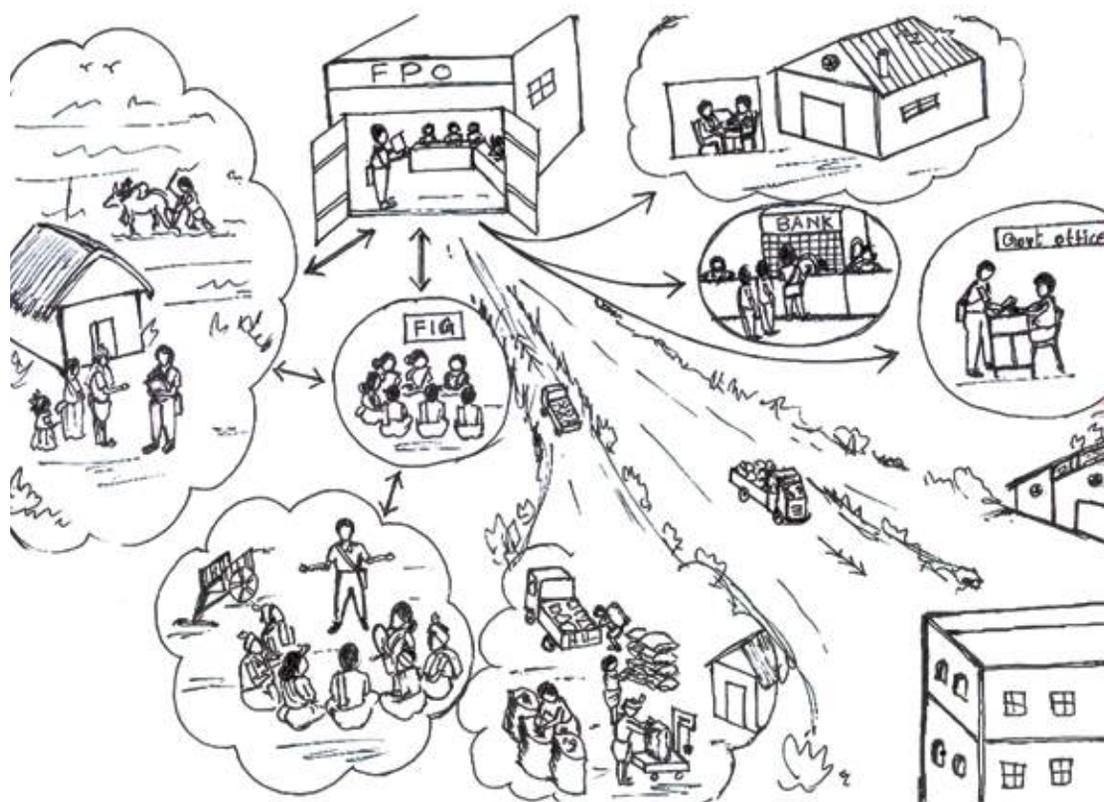
Both the groups will present their suggestions which will be discussed by all participants.

**Concept conclusion**

Understand the need and importance of crop and input planning and get an idea of the information required for the purpose as well as discuss the issues that arise at FIG level.

**Task 4: Summarise the session (5 min)**

- The Facilitator will repeat the major learnings from the sessions and summarise the session.
- Establish link to the next session.



## Annexure

### 1. Cards for the Exercise

## Annexure 1 : Cards for the Exercise

<b>Key Partners</b> Traders Processing Unit Millers Warehouse Promoting NGO Government Agencies Wholesalers Farmers Farmer Interest Groups BoDs CEO Chartered Accountant (CA) Accountant	<b>Key Activities</b> Procurement Storage Sorting Grading Cleaning Strategy Planning Packaging Board Meetings Selling Market Analysis Annual General Meeting (AGM)	<b>Value Proposition</b>  Good Quality  Graded products  Processed Products  Bagging of Products	<b>Customer Relationship</b>  Regular Meetings Inviting Key partners and customer for the big events for FPO	<b>Customer Segment</b>  Trader Wholesaler Processing Unit Malls Retail Shops
	<b>Key Resources</b>  Tractor Land Fertiliser Pesticides Compost		<b>Channel</b>  Transportation Marketing Branding	
<b>Cost Structures</b>  Purchasing of Tractor Purchasing of Inputs			<b>Revenue Streams</b>  Selling produce	

# Session 5.9: How to Prepare and MIS Using Farmer Data

**Time: 70 mins**

## Session Objectives

At the end of the 70 min. session on “How to prepare and MIS using farmer data”, participants will be able to learn how to prepare an MIS using data of FIG farmers

## Process (Summary)

Sl No	Activity	Methodology	Time	Material
1	Explain the objective of session	Explanation	5 min	chart
2	To understand the information (data) that must be collected from the FIGs for crop planning and demand collection	Make appropriate match	60 min	cards, pens, chart
3	Summarising	Interaction	5 min	board, pens
		<b>Total</b>	<b>70 min</b>	

## Session Details

### Task 1: Explain the Objective of session

Recap the previous session and lay a base for current session.

State the objective for the session.

### Task 2: Understand the information (data) that must be collected from the FIGs for crop planning and demand collection (60 min)

**Activity:** Make appropriate match

**Step 1:** Taking the same case which was discussed earlier, write down various data that must be collected from the farmers for crop planning and input demand. E.g.: Farmer Name, FIG name, FPO name, Name of crop, Extent on which tomato will be planted, Season, Total land, Neem cake, Urea, DAP, Tractor, etc. Along with this, irrelevant details will also be written on cards such as coconut saplings, thresher, motorcycle, etc.

**Step 2:** The cards will be shuffled and distributed among participants. It is likely that each participant will receive more than one card.

**Step 3:** Ask participants to pin the cards by asking the question -  
“What all information must be collected from the FIGs crop planning and demand collection?”

Each participant will pin up the cards that are relevant on one chart and the irrelevant ones on another chart. Do this till all cards are done.

**Step 4:** Ask participants if they would want to add more aspects which are missing. Add them to the chart. Try and get as many new aspects as possible.

**Step 5:** After this activity is over the Facilitator will ask the participants to go back to the groups that were formed for case discussion i.e. FPO group and FIG group. Both the groups will now discuss and come up with data collection formats.

- FIG group – Will have to come up with these 2 formats: Crop planning format and Input Demand Collection format.
- FPO group- Will have to come up with formats to compile data received from various FIGs for crop planning, procurement and input collection.

**Step 6:** Discuss each format and take suggestions from all participants. Also, compare the forms that participants have created with format samples provided in Annexure 2.

### **Concept Conclusion**

Participants will come up with all the information that is required by FIGs for crop planning and demand collection for inputs and learn how to prepare an MIS using data of FIG farmers.

#### **Task 3: Summarise the session**

- The Facilitator will repeat the major learnings from the sessions and summarise the session.
- Establish link to the next session.

## Annexure

### 1. Sample Formats for Data Collection

## Annexure 1 : Sample Formats for Data Collection

### Format for Crop Planning

..... FPO .....								
Name of the FIG:			Habitation:					
Sl. No.	Name of the Member	Total land	Season-1		Season-2		Season-3	
			Crop	Extent	Crop	Extent	Crop	Extent
1								

### Format for Input Demand Collection

..... FPO .....											
Demand Collection Format											
SHG/FIG/RS: Date:						Habitation:					
Sl. No.	Name of the Member	Requirement in 50 Kgs bags									
		Neem Cake	Urea	DAP	20.20. 0.13	10.26. 26	Pot-ash				Cattle Feed
1											

### Format for Data Compilation (Crop Planning)

..... FPO .....								
Sl. No.	Name of the FIG / Habitation	Total land	Season-1		Season-2		Season-3	
			Crop	Extent	Crop	Extent	Crop	Extent
1								
2								
Total								

### Format for Data Compilation (Procurement)-at FPO level

Sl. No	Crop	Extent	Estimated Productivity	Estimated Production (Quintals)	Estimated Procurement Quantity	Provisional Price	Estimated Procurement Value (Rs.)

### Format for Data Compilation (Input Demand)

..... FPO .....											
Sl.No.	FIG	Requirement in 50 Kgs bags									
		Neem Cake	Urea	DAP	20.20.0.13	10.26.26	Potash				
1											
2											
3											
Total											

### Format for Data Compilation (Input Procurement)

Sl No.	Item to be procured	Requirement Quantity	Units	Unit Rate	Procurement Value (Rs.)

# Session 5.10: Preparation of a Plan for FIG Activities Contributing Towards FPO Business Plan

**Time: 115 mins**

## Session Objectives

At the end of the 115 mins session on “Preparation of a plan for FIG activities contributing towards FPO business plan”, the participants will be able to:  
Prepare a plan for the activities at FIG level which contribute towards the overall FPO business plan.

## Process Summary

SI No	Activity	Methodology	Time
1	Explain the objective of session	Explanation	5 min
2	View FIG problems as business opportunities and suggest ideas to the FPO	Caselet analysis	30 min
3	case studies for discussion	case studies - Annexure 1	30 mins
4	To prepare a plan for the activities at FIG level which contribute towards the overall FPO business plan.	Case study- Annexure 2	45 min
5	Summarising	Interaction	5 min
		<b>Total</b>	<b>115 min</b>

## Session Details

### Task 1: Explain the Objective of session

Recap the previous session and lay a base for current session.

State the objective for the session.

While the previous sessions explained the role the FIG can play and the importance of collecting appropriate and timely data from the FIGs, this session looks at how to enable the FIGs to make their own action plans to support the FPO business.

**Task 2: View FIG problems as business opportunities and suggest ideas to the FPO (30 min)**

The Facilitator can start the session by explaining the proverb - “every dark cloud has a silver lining”. Huge black cloud generally blocks the sunlight and makes the atmosphere appear dull and dark. But if you observe well, you will find the sunrays trying to peep through the sides of the cloud, creating a fine silver lining all around the edges of the cloud.

Similarly, in life there are problems and bad phases. But quite a few of those problems can actually be an opportunity in disguise. If we apply our minds, we can see the silver lining in those dark clouds.

**Task 3: Case discussion – 30 mins**

The Facilitator will give the caselet to the participants and give them 10 minutes to discuss the case and answer the question in the case. See Annexure 1 for the Cases

**Expected Response:** The FPO can purchase a thresher.

**Analysis:** Using the case study, participants will be asked to come up with other problems of FIGs that can be converted into a business opportunity for FPO.

**Task 4: To prepare a plan for the activities at FIG level which contribute towards the overall FPO business plan – 45 mins**

The Facilitator will divide the participants into 2 groups, FIG 1 & FIG 2, and give them 20 minutes to discuss the case and answer the question in the case.

The steps given below will be done in their individual groups.

**Step 1:** The groups will discuss and write or draw the various tasks to be done for this business activity. One task is to be written on one card.

- The groups must factor in all aspects such as: Manpower, Inputs (Ragi flour, solar dryer, packaging equipment, etc), Finance, Transportation, Need for any training etc.
- The groups can decide to use different colours for different activities based on whether the task involves expense or no.
- The activities also have to be organised as: Who will do the activity? Whether FPO or FIG or others (traders, labour etc). To indicate this, different shaped cards can be used. For e.g.: All FIG activities are on round cards, while all FPO activities are in rectangular cards.

**Step 2:** After the participants write the tasks, the Facilitator asks them to arrange the tasks in the order in which the tasks will be performed. If any tasks are missing, they have to be identified by the group and the list of activities has to be completed.

Once the activity is done, both the groups will present their plans. This will be discussed in a plenary.

**Task 5: Summarise the session**

The Facilitator will repeat the major learnings from the sessions and summarise the session.

## Annexures

1. Case for Task 3
2. Case for Task 4

## Annexure 1 : Case for Task 3

### Case - 1

The market price of maize is highly fluctuating, and the price depends on various factors like maize arrivals from Bihar, international market conditions, release of old stocks of maize etc. Whenever the market prices are high, there is a rush among farmers across the region to thresh their maize and transport it to the market.

In one meeting, Karibasappa - a member of FPO said regretfully, "If only I could have threshed my maize when the market price was Rs. 1200/ quintal. I could have sold my 96 quintals of maize at that time and earned extra Rs 10000."

**Question: What is the problem being faced by farmers here? Is there a way this can be converted into a business opportunity for FPO?**

## Annexure 2 : Case for Task 4

### Case - 2

An FPO has got an order for supplying 2 lakh packets / annum Ragi papads to a leading retail chain in Bengaluru. The retail chain has specified the quality specifications and requires a minimum of 15000 packets per month. The MoU will be signed in December 2018 and the supply will start from February 2019.

The FPO discusses this with all its FIGs. Two FIGs express interest in doing this activity. The FPO decides to give each of the FIGs the order of supplying 7500 – 8000 packets / month. The FPO has estimated that the production cost of 1 ragi papad is Re1.50.

**Question: What steps will your FIG take to execute this activity?**

# Feedback from those who contributed to the manual

## The FPO Manual & Me

Re-evaluating the business process keeping not the business but farmer led processes in mind
Passionate about training the directors of FPOs and in helping them to set up and manage their business successfully.
The manual will help the FPOs and ultimately Farmers in their agribusiness.
The most interesting part was listening to experts, promoters and FPOs on endless struggle to create sustainable FPOs!
Am passionate about bringing about a lasting change in India's agricultural Eco-system.
The training development methodologies and team work were most interesting part of the effort
This manual represents a huge "re-engineering effort" of the essential elements which every Producer Organisation would need for conducting their business
Am very happy to be a part of this group and thanks to GIZ, SGG, NSFI, WHH and MYRADA for this great opportunity
This manual to me means to help the small and marginal farmers to increase their income.
This is part of instilling capacity building standards into the ecosystem for FPO's professionalism and growth.
The manual means team work and bringing different experience
Our work on strengthening sustainable resource management and livelihoods of small holders will get an impetus with this tool.
Using participatory methodologies instead of the traditional program design was the most interesting part of the process.
Unique methodology of teaching with innovative training skills like Buzz Group, Carousel methods.
Am a nature Lover and Truth Seeker
used my personal and practical experiences from the field in FPO manual.
contributing to the farming community by capacitating their knowledge which ultimately helps them to reach the heights they want to