ADVANCE MODULE-02

BANKERS INSTITUTE OF RURAL DEVELOPMENT, LUCKNOW
(Designated Nodal Training Institution at Central Level by GoI under the
Central Sector Scheme on Formation & Promotion of 10000 FPOs)

FPOs are growth engine of Indian Agriculture

Trainer's Note

Business Planning

under
Central Sector Scheme on Formation & Promotion of 10000 FPOs

NABARD

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Implemented by
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CONTENTS

PROGRAM OUTLINE

Program objective	Enabling CEOs/BODs/CBBOs of FPOs to develop a sound business plan
Duration	4 days
Course content	1. FPO as a viable Business Entity - Various business opportunities as Agri-entrepreneur 2. Conceptual framework for preparation of a sound Business Plan – Logical steps involved 3. Feasibility Study – Identification of Business opportunities for the FPO in the cluster area 4. Mapping of value chain of relevant commodities under business planning 5. Developing Marketing & Financial plan 6. Component of a Model business plan for submission to Financial Institutions 7. Way forward for diversification and upgrading business model of the FPO
Target Participants	CEOs & BODs of FPOs and CBBOs

TRAINING PLAN

#	SESSION TITLE	DAY	TIME
1	Understanding FPO as a business entity: Various business opportunities as agri-entrepreneur- essentials for a business enterprise	1	1.5
2	Conceptual framework of business planning for FPO: Coverage, component & steps involved	1	1.5
3	Resource mapping of cluster area through baseline survey &PRA for preparation of business plan by FPO	1	1.5
4	Feasibility study: Ranking and selection of most potential, viable and sustainable business activities for developing business plan of FPO	1	1.5
5	Mapping of agri-value chain of identified commodities:Various players and financial dynamics	2	1.5
6	Risk analysis of the selected economic activities: Mitigation strategies	2	1.5
7	Marketing strategy: Demand, market, and competition analysis in the area and profit planning dynamics	2	1.5
8	Financial planning and management of businesses by FPO	2	1.5
9	Legal and compliance aspects of businesses: Convergence & networking	3	
10	Managing businesses by FPO: Roles & responsibilities of CEO, BoD, and members for a successful business venture	3	
11-12	Experience sharing by a successful FPO/ case studies on successful FPO business:Pre harvest, post-harvest, trade, services, processing, export etc.	3	1.5
13-15	Group exercise on preparation of integrated business plan covering	4	1.5

	economic activities related to crops, horticulture, animal husbandry/allied sector, processing, export etc.		
16	Templates of a model business plan to be submitted to a financial institution by FPO for financial assistance, way forward for diversification and upgrading business model of the FPO	4	1.5
	Feedback and valediction	4	1.5

SESSION 1: UNDERSTANDING FPO AS A BUSINESS ENTITY

Various business opportunities as agri-entrepreneur- essentials for a business enterprise

SYNOPSIS
This session help participants understand how to see an FPO as a business entity and understand what can make an FPO viable. It enables participants to explore various business opportunities as an agri-entrepreneur and also understand the essentials for a business enterprise.

TARGET GROUPS
Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES
At the end of the session, the participants will be able to:

- Describe why FPOs should function with a business mindset
- Describe in brief the various business opportunities available to FPOs in the agri business sector

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	5 min	Presentation slides
2	Why FPOs?	Discussion; Presentation	20 min	Whiteboard; Presentation slides
3	FPOs as a business entity	Discussion	25 min	Whiteboard
4	Various agri enterpriseopportunities available to FPOs	Presentation	30 min	Presentation slides
5	Discussion & Next Step	Discussion	10 min	Whiteboard

TEACHING METHODS AND NOTES
Before organizing the training session, the facilitator shall ensure all the materials used in training are available in the local language. The participants need to attend the session after going through the reading materials.

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants.
Task 2: Why FPOs?	Initiate a discussion on the rationale for FPOs. What are the challenges farmers face and how can FPOs play a role in serving their farmers to overcome these challenges for better returns? After a 10-minute discussion, make a presentation that captures the fundamental reasons that an FPO is a necessary collective intervention.

TASKS	ACTIVITIES
Tast 3: FPOs as a business entity	Initiate a discussion on what a business in general is and how FPOs are a specific type of business entities. Assist the participants to see the connection between the FPO's business activities and its farmers' challenges.
Task 4: Various agri enterpriseopportunities available to FPOs	Make a presentation covering the typical portfolio of economic activities that constitute an FPO business, from one end to the other end.
Task 5: Discussion and Next Step	Sum up the session through a discussion with the participants and help them see how the business plan becomes a critical must have for an FPO.

QUESTIONS FOR DISCUSSIONS

1. What are the challenges farmers face?
2. How can these problems be solved?
3. Do you know of any farmer organisations which have solved these problems for its member farmers?

BACKGROUND READING

1. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, and SkillGreen Global. 2019. "Session 1.2: Basic Concepts of an FPO." In *Capacity Building of Board of Directors of Farmer Producer Organization (FPO): A Trainer's Guide*, 29–35. Bengaluru: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. https://www.zotero.org/groups/4505676/fpo/items/CN39QKQV/library.
2. Cherukuri, Dr Radhika R., Dr Nithya VG, Dr Divakar R, and Baburao R. 2020. *Building Operationally Sustainable Farmer Producer Organization Practitioners' Guide for Business Development Planning in FPOs*. Hyderabad: National Institute of Rural Development and Panchayati Raj. https://www.zotero.org/groups/4505676/fpo/items/L3BD5FXA/library.

SESSION 2: CONCEPTUAL FRAMEWORK OF BUSINESS PLANNING FOR FPOS

Coverage, component and steps involved

SYNOPSIS
This session help participants understand the conceptual framework of a business plan for FPOs and the steps involved in formulating a sound business plan for an FPO.

TARGET GROUPS
Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES
At the end of the session, the participants will be able to:

- Define a business plan in simple terms
- List its components
- Describe in brief the steps involved in developing a business plan

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	5 min	Presentation slides
2	Why is a business plan needed?	Discussion; Presentation	20 min	Whiteboard; Presentation slides
3	What are the features of a good business plan?	Presentation; Discussion	15 min	Presentation slides; Whiteboard
4	What does a business plan cover?	Presentation; Discussion	15 min	Presentation slides; Whiteboard
5	What are the steps involved in developing a business plan?	Presentation	25 min	Presentation slides
6	Discussion & Next Step	Discussion	10 min	Whiteboard

TEACHING METHODS AND NOTES
Before organizing the training session, the facilitator shall ensure all the materials used in training are available in the local language. The participants need to attend the session after going through the reading materials.

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants.
Task 2: Why is a business plan needed?	Initiate a discussion on the concept of a business plan. What is a business plan? Participants are invited to share their responses. Focus on highlighting the responses that capture how business planning is essential. Then start a discussion on why an FPO requires a business plan. After the discussions, make a presentation that captures the information and perspectives that participants need to know about business plans.
Task 3: What are the features of a good business plan?	Share a PPT summary of any good FPO business plan. After presenting the PPT summary, ask the participants what they liked about the business plan. Using the responses, highlight the characteristics of a good business plan.
Task 4: What does a business plan cover?	Use the list provided in the reading material. After participants are introduced to this list, initiate a discussion in which participants come up with a list of what an FPO business plan should cover. Capture these on the whiteboard.
Task 5: What are the steps involved in developing a business plan?	Using a presentation, then cover the shares stages and steps involved in developing a business plan.
Task 6: Discussion and Next Step	Sum up the session through a discussion with the participants and help them see how resource mapping becomes the next logical step in business planning.

QUESTIONS FOR DISCUSSIONS

1. Have you seen any business plan prior to this?
2. Do small enterprises need business plans? Can't they just do business?
3. What should be the contents of a business plan?

BACKGROUND READING

1. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, and SkillGreen Global. 2019. "Module 5: Business Plan of an FPO." In *Capacity Building of Board of Directors of Farmer Producer Organization (FPO): A Trainer's Guide*, 185–227. Bengaluru: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. https://www.zotero.org/groups/4505676/fpo/items/BZGZ4K64/library.
2. Cherukuri, Dr Radhika R., Dr Nithya VG, Dr Divakar R, and Baburao R. 2020. *Building Operationally Sustainable Farmer Producer Organization Practitioners' Guide for Business Development Planning in FPOs*. Hyderabad: National Institute of Rural Development and Panchayati Raj. https://www.zotero.org/groups/4505676/fpo/items/L3BD5FXA/library.
3. Access Livelihoods Consulting India. n.d. "Planning for Producers: Not Business as Usual." Access Livelihoods Consulting India. https://www.zotero.org/groups/4505676/fpo/items/LMB9AYMD/library.
4. Biradar, Manmath. 2020. *How to Run Profitable FPO & FPC (Farmer Producer Company)*. Video. https://youtu.be/CzeukXE6nZ4.

SESSION 3: GATHERING INFORMATION FOR A BUSINESS PLAN

Baseline survey and PRA for preparation of business plan by FPO

SYNOPSIS

This session help participants understand the foundation step for preparation of a business plan – resource mapping of the cluster to identify business opportunities. Participants will learn why this is important and how to map the resources using a combination of methods - a baseline survey for collecting primary data, collecting secondary data, and the use of PRA methods.

TARGET GROUPS

Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES

At the end of the session, the participants will be able to:

- Describe the importance of background research to prepare a business plan
- List some major sources of primary and secondary data
- Briefly describe the process of collecting data through baseline surveys and PRA tools

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	5 min	Presentation slides
2	Resource mapping of the cluster	Presentation	20 min	Presentation slides
3	Collection and analysis of secondary data	Presentation	10 min	Presentation slides
4	Baseline survey for collection of primary data	Presentation	25 min	Presentation slides
5	PRA methods	Presentation	20 min	Presentation slides
6	Discussion & Next Step	Discussion	10 min	Whiteboard

TEACHING METHODS AND NOTES

Before organizing the training session, the facilitator shall ensure all the materials used in training are available in the local language. The participants need to attend the session after going through the reading materials.

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants.
Task 2: Resource	Make a presentation that highlights the importance of resource mapping for

mapping of the cluster	FPO business planning. Participants are assisted to appreciate how secondary data, primary data, and participative methods are used in combination to gain insights for critical decisions.
Task 3: Secondary data	Make a presentation that highlights the importance of secondary data, the wide range of interrelated secondary data that matter, and how to source the secondary data required.
Task 4: Baseline Survey	Make a presentation that highlights the importance of primary data that gives quantitative insights and how the baseline survey gives outputs that help identify activities with potential.
Task 5: Baseline Survey	Make a presentation that highlights the value of primary data that gives qualitative insights and how PRA methods help gain these insights through inputs from the ultimate stakeholders – the farmers.
Task 6: Discussion and Next Step	Then sum up the session through a discussion with the participants and help them see how resource mapping serves an input for the next step in business planning – the feasibility study.

QUESTIONS FOR DISCUSSIONS

1. What kind of data do we need to understand the agricultural activities in a cluster?
2. Where can we get such data?
3. What kind of data do we need to collect directly from farmers who will be part of the FPO?
4. What other questions do we need to understand well from discussions with farmers?

BACKGROUND READING

1. Small Farmers Agribusiness Consortium. n.d. "Diagnostic Study to Assess and Enhance Functioning of Commodity Specific Growers' Associations." Small Farmers Agribusiness Consortium. https://www.zotero.org/groups/4505676/fpo/items/YLHXC3WA/library.
2. Cherukuri, Dr Radhika R., Dr Nithya VG, Dr Divakar R, and Baburao R. 2020. *Building Operationally Sustainable Farmer Producer Organization Practitioners' Guide for Business Development Planning in FPOs*. Hyderabad: National Institute of Rural Development and Panchayati Raj. https://www.zotero.org/groups/4505676/fpo/items/L3BD5FXA/library.

SESSION 4: FEASIBILITY STUDIES FOR BUSINESS PLANNING

Ranking and selection of most potential, viable and sustainable business activities for developing business plan of FPO

SYNOPSIS

This session help participants understand the next step for preparation of a business plan – determining the feasibility of business opportunities. Participants will learn how to do this – analysing the output of the resource mapping to eliminate unviable activities and then take up a feasibility analysis of the activities with potential for viability and the gaps in the activities.

TARGET GROUPS

LEARNING OBJECTIVES

At the end of this session, the participants will be able to:

- Explain the use and importance of feasibility study in business planning
- Explain the process of selecting or eliminating potential activities
- Apply criteria for checking feasibility (demand, supply feasibility and commercial analysis)
- Identify gaps in identified activities

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	5 min	Presentation slides
2	Tabulating output of baseline survey and PRA exercise	Interactive Discussion and Presentation	20 min	Whiteboard; Presentation slides
3	Elimination of unviable economic activities	Presentation	10 min	Presentation slides
4	Identification of potential gaps in identified economic activities	Presentation	20 min	Presentation slides
5	Feasibility analysis of potential business opportunities	Presentation	25 min	Presentation slides
6	Discussion & Next Step	Discussion	10 min	Discussion

TEACHING METHODS AND NOTES

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants.
Task 2: Tabulating output of resource mapping	Summarise again, with a presentation of a sample resource mapping, how the output of resource mapping is essential for the feasibility study and how the output needs to be tabulated.
Task 3: Elimination of unviable activities	Make a presentation on rules for elimination of unviable activities.
Task 4: Identification of gaps in the different stages of the economic activities	Make a presentation that highlights how participants can identify gaps in different activities – gaps in input management, technology transfer, risk management, market and marketability, and credit outreach and access.
Task 5: Feasibility analysis	Then present first the steps involved in assessing economic viability and tips for selecting suitable activities. Then, present the samples from the reading material that show how the viable economic activities are to be selected.
Task 6: Discussion and Next Step	Then sum up the session through a discussion with the participants and help them see how the next step – value chain analysis – help add detail to the insights from the feasibility study, the focus of the next session.

QUESTIONS FOR DISCUSSIONS

1. In general, what kinds of business should an FPO avoid?
2. What is the difference between feasibility and viability?
3. In general, what kinds of business should an FPO prefer?

BACKGROUND READING

1. Singh, Sarika. 2019. "Case Study of Dharani Farmer Producer Organisation." APMAS. https://www.zotero.org/groups/4505676/fpo/items/4ZKSRRU7/library.
2. Indo-Global Social Service Society. 2021. *A Guideline for Formation and Promotion of Farmers' Producer Organizations: For Use of Workers of Promoting Institutions and Community Leaders*. New Delhi: Indo-Global Social Service Society. https://www.zotero.org/groups/4505676/fpo/items/XKE3XSPH/library.

SESSION 5: MAPPING OF AGRI-VALUE CHAINS

Selected commodities, various players and financial dynamics

SYNOPSIS
This session help participants build on the preceding steps and take the next step –analysing the value chains and markets on the one hand and understanding typical business model options for an FPO, on the other hand. It also help participants understand the role finance plays in these value chains and models.

TARGET GROUPS
Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES
At the end of the session, the participants will be able to:

- Describe various aspects of value chains and why it is necessary to study value chains before business planning
- Map various players, their economic rent and value added in a given value chain
- Select different business options for FPOs based on the value chain dynamics

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	5 min	Presentation slides
2	Understanding Agriculture Value Chains	Discussion; Presentation	20 min	Whiteboard; Presentation slides
3	Market Map and various players in the value chain	Presentation	25 min	Presentation slides
4	Various business models for FPO	Presentation	30 min	Presentation slides
5	Discussion & Next Step	Discussion	10 min	Whiteboard

TEACHING METHODS AND NOTES
Before organizing the training session, the facilitator shall ensure all the materials used in training are available in the local language. The participants need to attend the session after going through the reading materials.

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants.
Task 2: Understanding Agri	Make a presentation that highlights the elements of a value chain and the agri value chain ecosystem.

Value Chains	
Task 3: Players in a value chain	Highlight the role and functions of the market intermediaries in agri marketing and the role that finance plays in each activity.
Task 4: Business models for FPOs	Highlight with a checklist the importance of understanding value chain dynamics for decision making and then present examples of different value chains and business models which give an FPO margins to work with and enable it to deliver benefits to its members.
Task 5: Discussion and Next Step	Then sum up the session through a discussion with the participants and help them see how risk identification and mitigation is an important part of all business planning and operations, which is the focus of the next session.

QUESTIONS FOR DISCUSSIONS

1. What are the different activities an FPO can take up?
2. What are the easier and less risky activities for an FPO?
3. What are the more difficult and more risky activities for an FPO?

BACKGROUND READING

1. Cherukuri, Dr Radhika R., Dr Nithya VG, Dr Divakar R, and Baburao R. 2020. *Building Operationally Sustainable Farmer Producer Organization Practitioners' Guide for Business Development Planning in FPOs*. Hyderabad: National Institute of Rural Development and Panchayati Raj. https://www.zotero.org/groups/4505676/fpo/items/L3BD5FXA/library.
2. Bankers Institute of Rural Development, Lucknow. n.d. *Resource Material: Capacity Building of Board of Directors (BODs) under Central Sector Scheme on Promotion & Formation of 10000 FPOs*. Lucknow: Bankers Institute of Rural Development. https://www.zotero.org/groups/4505676/fpo/items/7FA5JAMB/library.

SESSION 6: RISK ANALYSIS OF ECONOMIC ACTIVITIES

Mitigation strategies

SYNOPSIS
This session help participants understand how to analyse the risks in the activities selected for building an FPO's business. It also help participants understand what are the strategies that help mitigate the risk.

TARGET GROUPS
Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES
At the end of the session, the participants will be able to:

- Describe various types of risks associated with businesses – especially for FPOs
- Describe how to identify risks in selected businesses through SWOT analysis
- Describe risk mitigation measures at various parts of the business

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	5 min	Presentation slides
2	Risk analysis	Presentation	15 min	Presentation slides
3	Business diversification & growth strategies for FPOs	Presentation	40 min	Presentation slides
4	Risk mitigation strategy	Presentation	20 min	Presentation slides
5	Discussion and Next Step	Discussion	10 min	Presentation slides

TEACHING METHODS AND NOTES
Before organizing the training session, the facilitator shall ensure all the materials used in training are available in the local language. The participants need to attend the session after going through the reading materials.

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants.
Task 2:	Use a presentation to introduce the broad contours of risk which emerge from threats in the environment. Further, introduce the four-stage process to identify and assess risk in order to plan for risk and control it.
Task 3:	Make a presentation that highlights the five different kinds of risks that an FPO faces. As part of the presentation, discuss strategies to manage each of the

	risks. Here, you may first ask the participants to suggest strategies and then emphasise the strategies recommended in the reading material.
Task 4:	Present the examples of models and strategies that help manage production risk – integrated farming system and integrated vegetable cultivation.
Task 5:	Then sum up the session through a discussion with the participants and help them see how risk identification and mitigation is an important part of all business planning and operations.

QUESTIONS FOR DISCUSSIONS

1. How do you define risk?
2. What are the different kinds of risk farmers face?

BACKGROUND READING

Cherukuri, Dr Radhika R., Dr Nithya VG, and Baburao R. 2020. "Chapter Four: Market Plan and Risk Analysis." In *Building Operationally Sustainable Farmer Producer Organization Practitioners' Guide for Business Development Planning in FPOs*. Hyderabad: National Institute of Rural Development and Panchayati Raj. https://www.zotero.org/groups/4505676/fpo/items/TY9U78YV/library.

SESSION 7: MARKETING STRATEGY FOR FPOS

Demand, market, and competition analysis in the area and profit planning dynamics

SYNOPSIS
This session recaps the agricultural marketing concept. It explains customer segmentation and competitor analysis techniques. Developing a marketing strategy is key to an FPO's success. The marketing strategy includes determining pricing, product, place, promotion, and distribution. This session has detailed each of these concepts and their applications.

TARGET GROUPS
Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES
At the end of the session, the participants will be able to:

- Describe the process of market analysis – customer segmentation, competition, marketing channels
- Describe how to develop a marketing strategy for their FPO
- Describe how to apply the 4 Ps of Marketing – Marketing Mix

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	10 min	Presentation slides
2	Market analysis	Presentation and group activity (Teamwork and presentation)	20 min	• Presentation • Flipcharts (5) • Markers • Notepaper and pens • Whistle
3	Developing a marketing strategy	Presentation and group activity (Five ideas)	60 min	• Flipchart • Felt-tipped pens • Timer • Whistle

TEACHING METHODS AND NOTES
Before organizing the training session, the facilitator shall ensure all the materials used in training are available in the local language. The participants need to attend the session after going through the reading materials.

TASKS	ACTIVITIES
Task 1: Session	Set the session objectives and structure for the participants. In the introductory

<table>
<tr><th>TASKS</th><th>ACTIVITIES</th></tr>
<tr><td>introduction</td><td>session, recap the agricultural marketing concept for the class.</td></tr>
<tr><td>Task 2: Market analysis</td><td>In this task, the class aims to gain practical experience analyzing the market for two FPO products. In the beginning, explain how the group activity will work by creating the table.

<table>
<tr><th>COMMODITY</th><th>EXPORT (B2B)</th><th>RETAILERS (B2B)</th><th>HOTELS (B2B)</th><th>HOME DELIVERIES (B2C)</th></tr>
<tr><td>Wheat</td><td>☒</td><td>30% (50 quintal)</td><td>20% (10 quintal)</td><td>☒</td></tr>
<tr><td>Pulses</td><td>☒</td><td>30% (50 quintal)</td><td>20% (10 quintal)</td><td>☒</td></tr>
</table>

In this table, the participants will identify the markets, mention whether it is B2B or B2C for the channel. Participants will form 3 or 4 groups.

Step 1: In the first step, the groups will identify two commodities their FPOs or farmers produce. For each commodity, the groups will write a) quantity of the products they supply, b) percentage, and c) not applicable (if they don’t supply to the group). The group will take 5 minutes to complete the customer segmentation for the first commodity.

Step 2: The group will present their customer segmentation to the class for 2 minutes. The class will provide feedback to the group.</td></tr>
<tr><td>Task 3: Developing a marketing strategy</td><td>In this task, the entire class will develop a marketing strategy for a product in an FPO. In the previous task, the groups presented the market segments for different products. In the beginning, the class will select a product from that list. In this task, the activities will simulate an FPO wherein different teams work on these 5 aspects – product, pricing, promotion, place, and distribution. The commodity selection will help the facilitator and the class to decide upon mutually a goal such as, “In the following year, Samridh FPO will make a revenue of Rs. 45 lakh and Rs. 3 lakh profit selling organic rice.”

Step 1: Participants will form 5 groups representing each activity. Each group shall work out a plan to achieve this shared goal in their respective area. However, the facilitator can divide the slots for group work into 3 slots, each with 10 minutes to drive their activity. Each group will get a hint to drive their activity for that slot. For example, the promotion group might want to select the top 3 activities they would like to do to translate the marketing goal into reality. Each group will write their plans in flip charts.

Step 2: At the end of each slot, the group anchor will volunteer to stand up in the group’s critical direction to achieve the goal. The other group can ask for clarifications and provide inputs. The group can modify their plan and then start the plan for the next activity.All the groups will complete sharing their plans in</td></tr>
</table>

TASKS	ACTIVITIES
	15 minutes. Step 3: In the last 15 minutes, the groups will present their findings for the class to assess. The facilitator can improvise the group plans if needed. The facilitator will explain the overall marketing strategy for the Samridh FPO to the class using the micro plans from 5 groups.

QUESTIONS FOR DISCUSSIONS

1. You are producing several products now. Tell us when you should start developing the marketing strategy for your product? Why?
2. Have you done any collective marketing for any commodity so far? What are the steps you have taken?
3. What are the limitations to increasing product pricing? What are the possibilities to increase the price?
4. What are the promotional activities you can think of for direct-to-consumer marketing?

BACKGROUND READING

1. Bankers Institute of Rural Development, Lucknow (2021). Session XI-XII.Identification of business opportunities for FPOs – Demand and supply gap, value chain-based opportunities and business mix relating to input supply, extension and technology, contract farming, processing and marketing, trading/export of agri-commodities, etc. In, Resource material capacity building of Cluster-Based Business Organisations (CBBOs) under Central Sector Scheme on Promotion and Formation of 10000 FPOs. Online: https://birdlucknow.nabard.org/wp-content/uploads/2021/02/Reading-Material-CBBOs.pdf
2. Cherukuri, Dr Radhika R. et al. (2020). Chapter 4: Market plan and risk analysis. In, Building operationally sustainable farmer producer organization practitioners' guide for business development planning in FPOs. Hyderabad: National Institute of Rural Development and Panchayati Raj. Online: http://nirdpr.org.in/
3. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Skill Green Global. 2019. Module 3: Marketing and networking. In, Capacity building of Board of directors of farmer producer organization (FPO) – A trainer's guide. Online: https://www.nafpo.in/wp-content/uploads/2019/05/Capacity-Building-of-BoDs-of-FPOs.pdf .

SESSION 8: FINANCIAL PLANNING AND MANAGEMENT OF BUSINESSES BY FPO

SYNOPSIS

This session recaps the financial management concept. In this recap, the session talks about variable and fixed costs, direct and indirect costs, and the sources of capital. There are several financial sources at FPO's disposal. The session then talks about 3 types of financial statements – a) profit and loss statement, b) cash flow statement, and c) balance sheet. The current ratio, break-even analysis, working capital estimation, and debt-equity ratio are vital indicators to evaluate financial returns in an FPO.

TARGET GROUPS

Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES

At the end of the session, the participants will be able to:

- Describe the key financial concepts in budgeting (capital, working capital, term loans, fund flows,)
- Describe how to prepare and use financial statements like Cash flow statement, balance sheet and profit and loss statement in budgeting
- Briefly describe how to calculate Break-even Point for a business
- List various sources of funding

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	10 min	Presentation slides
2	Sources of funds	Presentation Video conferences	15 min	Video calls
3	Developing financial statements (Cash flow statement)	Presentation Group activity	35 min	Presentation, Writing pad, Chart, Whistle
4	Break-even analysis	Presentation, Group activity	30 min	Presentation, Writing pad, Chart, Whistle

TEACHING METHODS AND NOTES

Before organizing the training session, the facilitator shall ensure all the materials used in training are available in the local language. The participants need to attend the session after going through the reading materials.

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants.
Task 2: Sources of	With the reading materials, the participants are aware of the significant sources

funds	of funds and schemes. It would help get a perspective from the institutions such as NABKISAN and SFAC over video conferences or pre-recorded video. In addition to the rural financial institutions, interaction with the commercial bank manager will help the participants gain practical know-how in getting finance.
Task 3: Developing financial statements (Cash flow statement)	In this activity, the facilitator will first explain the cash flow concept using a flipchart. The reading material comes with a simplified explanation of the cash flow statement. The participants will form 3 or 4 groups. Each group can utilize one FPO case study (or financial estimates) for referencing. Each group will use 10 minutes to calculate the cash flow statement, followed by a presentation to the class in 3 minutes. The group can rectify possible errors based on the feedback from the class.
Task 4: Break-even analysis	This activity aims to develop an understanding of the break-even estimation method. It includes an explanation with an example by the facilitator, followed by estimations of a select FPO business activity by the groups. Allocate 10 minutes for the group activity. Each group will select a business activity. For the business activity chosen, the group will determine the fixed and variable costs. Then the group will estimate the break-even point to present to the class. The class will share its feedback.

QUESTIONS FOR DISCUSSIONS

1. What decisions can you take if you know the break-even point of business activity in your FPO?
2. Name 3 simple ways to distinguish a variable cost from a fixed cost.
3. Is there any example where a fixed cost can be used as a variable cost or the other way around? Give an example.
4. What are the financial statements you were able to prepare in your FPO so far?
5. What are the financial statements you couldn't prepare? Why?
6. Are you able to interpret a cash flow statement? Share in the class some of your interpretations with the examples.

BACKGROUND READING

1. Alur, Ashok S, Dandin, Shankar B, Maheswar, DL (Chapter 8: Funding arrangements for farmer producer organizations. Bengaluru: Centre of Excellence for Farmer Producer Organizations (COE-FPO). Online: http://coefpo.org/fpo%20chapters/FPO_chapter_8.pdf
2. Departmentof Agriculture and Cooperation (2013). Policy & process guidelines for farmer producer organisations. Online: https://mofpi.nic.in .
3. Small Farmers'Agribusiness Consortium. Process guidelines for promotion of farmer producer organisations. Online: http://sfacindia.com .
4. Badatya, K C, Ananthi S, and Y. Sethi (2018). An Exploratory Study on Farmer Producer Organizations (FPOs) in Maharashtra. Online: https://cab.rbi.org.in/
5. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (2019). Compilation of schemes & policy initiatives for supporting farmer producer organisations (FPOs). In, FPO

capacity building toolkit (Module 8). Online: https://birdlucknow.nabard.org/wp-content/uploads/2021/02/Guide-Book-FPO-schemes.pdf .
6. Small Farmers' Agri-Business Consortium. Farmer producer organization scheme. Online: http://sfacindia.com/FPOS.aspx .
7. Small Farmers' Agri-Business Consortium. Equity grant and credit guarantee fund scheme for farmer producer companies. Online: http://sfacindia.com.

SESSION 9: LEGAL ASPECTS AND COMPLIANCE

SYNOPSIS
In this session, the class will identify different types of compliances for an FPO – government laws, health and safety, and data privacy and security. The course will then list the compliances for government laws, notably the Companies Act. More and more FPOs are processing food. This session introduces specific compliances in food processing.

TARGET GROUPS
Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES
At the end of the session, the participants will be able to:

- Describe the need for complying with legal and regulatory frameworks applicable to FPOs
- List some of the common compliance requirements for food and agriculture related businesses
- Explains ways in which the FPO will build in systems for compliance
- Enumerate the role of BoD and CEO in ensuring compliance

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	5 min	Presentation slides
2	Compliance requirements	Presentation Demo	45 min	Presentation with demo
3	Additional legalities (Food processing)	Presentation Video conferencing	30 min	Presentation Video conference
4	Summing up		10 min	

TEACHING METHODS AND NOTES
Before organizing the training session, the facilitator shall ensure all the materials used in training are available in the local language. The participants need to attend the session after going through the reading materials.

TASKS	ACTIVITIES
Task 1: Session introduction	Set the session objectives and structure for the participants. The outline stresses the need to comply with government laws, health and safety standards, and data privacy and security requirements. Since this is advanced training, the participants may need to focus on compliance for the FPO registered under the Companies Act or the Cooperative

	Societies Act.The facilitator may plan separate sessions for the FPOs registered with one of those two methods to cover the training within 90 minutes.
Task 2: Compliance requirements	This task includes activities to familiarize the participants with the compliance requirements and the documents. In this activity, present the list of the compliances. The class then goes through sample compliance documents to discuss and clarify their questions.
Task 3: Additional legalities (Food processing)	More and more FPOs are taking up food processing or planning to do so. In this activity, the class will explore the additional compliances for the FPOs for food processing. The facilitator can use the same method as the previous activity. A presentation will help the class explore the compliance documents. The practicing FPOs may have faced some challenges. Suppose the facilitator can arrange a video conference with an FPO leader or a food processing expert with experience in obtaining those licenses. In that case, the FPOs can clarify their doubts and challenges.
Task 4: Summing up	Seek feedback and sum up the session

QUESTIONS FOR DISCUSSIONS

1. What is the role of the Board of Directors in ensuring the compliances?
2. What compliance documents have you prepared in your FPO so far?
3. Which compliances your FPO is facing a challenge and why?
4. What external resources and experts have you engaged so far to ensure timely compliance in your FPO? What are your experiences of employing the external resources?

BACKGROUND READING

1. Bankers Institute of Rural Development, Lucknow. Session XI. Legal compliances: Due dates of statements, returns, periodicity of submission income tax liability for FPOs and minimum alternate tax (MAT). In, Resource material for capacity building of accountants of FPOsCentral Sector Scheme on Formation &Promotion of 10000 FPOs. Online: https://birdlucknow.nabard.org/wp-content/uploads/2021/02/Reading-Material-Accountant.pdf
2. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Skill Green Global (2019). Module 2: Statutory compliances. In, Capacity building of Board of directors of farmer producer organization (FPO) – A trainer's guide. Bengaluru. Online: https://www.nafpo.in/wp-content/uploads/2019/05/Capacity-Building-of-BoDs-of-FPOs.pdf

SESSION 10: ROLES & RESPONSIBILITIES OF BOD AND OF FPOS

Managing a successful business venture

Convergence and networking

SYNOPSIS
The CEO and BoD fulfill planning, operationalization, management and risk analysis, financial aspects, monitoring, and optimization responsibilities for their FPO. Enabling convergence and networking is an important role of CEO and BoD.

TARGET GROUPS
Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES
At the end of the session, the participants will be able to:

- Discuss the role of BoD and CEO in managing a successful FPO Business Venture
- Describe ways they can develop convergence and linkages for the benefit of the FPO and members

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	5 min	Presentation slides
2	Pillars of Corporate Governance	Describing the basic aspects of governance and management of FPOs – Democratic functioning, collective decision making, developing system & procedures, transparency, confidentiality, accountability	15	Presentation slides, Charts and pens
3	Role of BoD/CEO	Sub-group work on Roles under different aspects of FPO Management	60	
4	Discussion & Feedback		10	

TEACHING METHODS AND NOTES
Before organizing the training session, the facilitator shall ensure all the materials used in training are available in the local language. The participants need to attend the session after going through the reading materials.

TASKS	ACTIVITIES
Task 1: Session	Set the session objectives and structure for the participants.

introduction	
Task 2: Responsibilities of CEO and BoDs	Provide an overview of the responsibilities - planning, operationalization, management and risk analysis, financial aspects, monitoring, and optimization. Though the participants might have read those responsibilities in the reading materials, the facilitator will recap those points. (15 minutes)
Task 3: Group Discussion	Divide participants into six group – one each to discuss the above six aspects of the FPO's functioning. After about 20 minutes of group work, ask each group to make a plenary presentation; ask other participants to contribute to the presentation. At the end of all presentations, continue a plenary discussion on the need for convergence and linkages and the role of CEO/BoD in this area.
Task 4: Summing up	Seek feedback and sum up the session

QUESTIONS FOR DISCUSSIONS

1. Share some examples of the responsibilities you have fulfilled as a CEO.
2. Share some examples of the responsibilities you have fulfilled as a Director in the FPO Board.
3. Share example of roles and responsibilities you have not been able to fulfill and what can be done to help you do so in the future?

BACKGROUND READING

1. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Skill Green Global. 2019. Capacity Building of Board of Directors of Farmer Producer Organization (FPO) – A Trainer's Guide. Session 4.1: Introduction to HR and roles of the staff in the FPO operations. Online: https://www.nafpo.in/wp-content/uploads/2019/05/Capacity-Building-of-BoDs-of-FPOs.pdf
2. NABARD Online (2015). Nachalur Farmer Producers' Company: Success Story. Online: https://youtu.be/P3Z7g6G8tEY

SESSION 11: THE BUSINESS PLAN DOCUMENT

Templates of a model business plan to be submitted to a financial institution by fpo for financial assistance

Way forward for diversification and upgrading the business model of the FPO

SYNOPSIS
This session introduces different sections of a business plan template. There are 8 sections in the template. The participants will learn the content of those sections.

TARGET GROUPS
Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES
At the end of the session, the participants will be able to:

- Correctly suggest what content should be filled in each section of a sample Business Plan Document
- Indicate how they will make their business plan dynamic – so that it can be upgraded and diversified over time

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation slides	5 min	Presentation slides
2	Introduction to business planning template	Presentation Sample	75 min	Presentation Printed handouts Flipcharts Markers Whistle
3	Summing up	Summing up and preparing for practical expercises	10 min	

TEACHING METHODS AND NOTES

TASKS	ACTIVITIES
Task 1: Session introduction	Using a chart, explain the learning objectives mentioned above. The facilitator can use the same teaching method throughout the sessions with one or two ice breaker activities.
Task 2: Introduction to business planning template	The reading material suggests the following sections of the business plan template: 1. Cover sheet 2. Executive summary

	3. Business description 4. Marketing plan 5. Competition analysis 6. Production plan 7. Operation and management plan 8. Financial plan 9. Documents The class will form into 3 to 4 groups. If possible, each group will get a copy of the business plan. Using a presentation and a sample business plan of an FPO, the class will get acquainted with the content of a business plan. After the presentation, each group will prepare a chart outlining the key points from one of the sections. Then the group will explain the summaries of the respective section to the class.
Task 3: Summing up	Seek feedback and clarify any questions. Link to the following practical session on Business Planning Sessions.

QUESTIONS FOR DISCUSSIONS

1. Do you have experience in developing a business plan? Share your experiences.
2. What essential information will you look for in an executive summary of a business plan?
3. How do you use the information given in operations management in a business plan in your FPO operations?
4. What support do you expect as an FPO from the CBBO in preparing your business plan?

BACKGROUND READING

1. Bankers Institute of Rural Development, Lucknow (2021). Session IX. Conceiving and drafting a business plan. In, Resource material capacity building of Board of directors (BoDs) under Central Sector Scheme on Promotion and Formation of 10000 FPOs. Online: https://birdlucknow.nabard.org/wp-content/uploads/2021/02/Reading-Material-BoDs.pdf.
2. Bankers Institute of Rural Development, Lucknow (2017). Step by step guide to business planning by farmers producers' organisations. Online: https://birdlucknow.nabard.org/wp-content/uploads/2018/01/Step-by-Step-Guide.pdf

SESSION 12-14: A STEP BY STEP PREPARATION OF A BUSINESS PLAN

Case exercise of preparing a business plan for an FPO.

Preparation of integrated business plan covering economic activities related to crops, horticulture, animal husbandry/allied sector, processing, export etc.

SYNOPSIS
This session provides data and information for the participants to practice preparing business plans for different business activities.

TARGET GROUPS
Officials of CBBOs, BODs, and CEOs of the FPOs.

LEARNING OBJECTIVES
After completing Sessions 12 to 14, the participants can develop experience in creating a business plan. In the business plan, the participants will develop estimates in input supplies, value chain development, marketing services, and financial services.

DURATION: 3 sessions of 90 minutes each

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME	MATERIALS
1	Session introduction	Presentation	5 min	Presentation
2	Identification of business activities	Group activity (Walking brainstorm)	25 min	Flipchart paper or blank A0 posters Markers Post-it notes Voting dots (optional)
3	Business plan development and experience sharing	Group activity for developing a business plan and experience sharing of actual business planning in FPOs	240 min	Flipchart paper or blank A0 posters Markers Post-it notes
4	Summing up			

TEACHING METHODS AND NOTES
The facilitator will prepare a case study of an FPO the participants are familiar with.

TASKS	ACTIVITIES
Task 1: Session introduction	Using a chart, explain the learning objectives mentioned above. The facilitator can use the same facilitation method throughout the sessions with one or two ice breaker activities.

Task 2: Identification of business activities	In this activity, first explain the activity – walking brainstorm. Using this activity, the participants will first identify and select top-voted business activities for the FPO. Before you start, make sure that there is enough space for the participants to walk around without stepping on each other. In this exercise, the facilitator will create 4 to 5 posters on FPO activities –value chain development, input supplies, marketing services, and financial services. Every participant has to write one idea on each poster. Each participant will get a post-it and a market. The facilitator will start a round of walks for 5 minutes to paste their business activity concept in the respective poster. The facilitator can run 4 such rounds before stopping it. In the end, the facilitator will bring together the charts to combine the activities. The facilitator will read aloud the concept, and the participants will raise their hands to vote for or against it. The class will select the most voted idea in each category to develop a business plan. (25 minutes)
Task 3: Business plan development	The groups will develop business plans on each area of FPO activities - value chain development, input supplies, marketing services, and financial services. Using the data, the groups will attempt to write the sections in brief. Each group will assign a volunteer to raise points to discuss and also to write the narrative. Each member will contribute within the units. The facilitator will give a warning whistle before the closure time of 15 minutes. At the end of the group activity, each group will present to the class. (210 minutes – 3.5 hours))
Task 4: Experience Sharing	Ask participants to share theie experiences – positives, challenges, etc. of actual business planning in their FPOs.
Task 5: Summing up	Seek feedback on the entire process and sum up the session.

QUESTIONS FOR DISCUSSIONS

1. What are the critical estimates an FPO needs for developing the business plan?
2. What are the challenges you faced during the business plan development?
3. How did you overcome those challenges?

BACKGROUND READING

1. Bankers Institute of Rural Development, Lucknow (2021). Session IX. Conceiving and drafting a business plan. In, Resource material capacity building of Board of directors (BoDs) under Central Sector Scheme on Promotion and Formation of 10000 FPOs. Online: https://birdlucknow.nabard.org/wp-content/uploads/2021/02/Reading-Material-BoDs.pdf.

Bankers Institute of Rural Development, Lucknow (2017). Step by step guide to business planning by farmers producers' organisations. Online: https://birdlucknow.nabard.org/wp-content/uploads/2018/01/Step-by-Step-Guide.pdf

FINAL SESSION: ACTION PLAN, FEEDBACK, AND VALEDICTION

SYNOPSIS
In this session, participants would prepare an action plan, offer feedback on the training, and then the session would end with a valediction.

TARGET GROUPS
The target groups include the BODs and Officials of FPOs.

LEARNING OBJECTIVES
After completing the session, the participants would have an Action Plan to develop better Business Plans for their FPOs.

TEACHING METHODOLOGY

N	AREAS	DESCRIPTION	TIME (Minutes)	MATERIALS
1	Session introduction	Presentation	10	Presentation slides
2	Preparation of Action Plan for Business Planning in FPO	Activity	40	Paper and pen
3	Feedback	Interaction	20	Whiteboard
4	Valediction	Valediction	20	Certificates

TEACHING METHODS AND NOTES
Before organising the training session, the facilitator shall ensure all the materials used in the training are available in local languages. The participants need to attend the session after going through the reading materials.

TASKS	ACTIVITIES
Task 1: Session introduction	The facilitator sets the session objectives and the structure for the participants. In this introduction, the facilitator can give the participants the indicative contents of an action plan for strengthening business planning in FPOs.
Task 2: Preparation of Action Plan for Financing FPOs	The facilitator asks participants from the same FPO to form groups and spend 25 minutes to develop an action plan for strengthening business planning in FPOs, to be submitted as an internal presentation after they go back to their FPO. After the groups work on the task for the time given, the facilitator asks each group to contribute one point each, ensuring that no group repeats a point that another group already has contributed. In this way, the facilitator taps into the ideas and suggestions of the groups.
Task 3: Feedback	After completing the action plan activity, the facilitator spends 20 minutes to

TASKS	ACTIVITIES
	seek both written and oral feedback. For the written feedback, the facilitator is required to circulate a well-designed feedback form. The facilitator also gives the participants five to 10 minutes to offer their oral feedback.
Task 4: Valediction	The facilitator brings the training to a conclusion with a Valediction for the participants.

QUESTIONS FOR DISCUSSIONS

1. What are the essential elements of an action plan?
2. What were the most useful sessions?
3. Which sessions need improvement?

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Clients

All Banks, Government agencies, MFIs, NBFCs, Financial Sector, NGOS and Civil Societies.

Coverage (Training, Consultancy, Research)

Project Lending-Agriculture and MSME, Climate Finance, Rural Banking, Farmer Producer Organization, Micro Finance, Human Resource, Financial Inclusion, Training of Trainers, Executive Development, Management Development Programme, IT based Banking, Green Finance, Responsible CSR, Group approach to Development, Women Empowerment, Organizational Development, Investment & Treasury Management, Risk Management.

Faculty

Faculty are drawn from NABARD, banks and scholars of respective fields and have pan-India level field experience. The faculty have specialization in Banking Finance, Financial Inclusion, Agriculture & Allied sector, Fisheries, Forestry and Human Resources, etc.

Infrastructure

43 acre green campus has world class infrastructure in terms of class rooms, simulation and AV Rooms, Board Room, Conference Hall, Auditorium, Library, Gym, Air-conditioned Hostel Rooms, Local and International cuisine.