

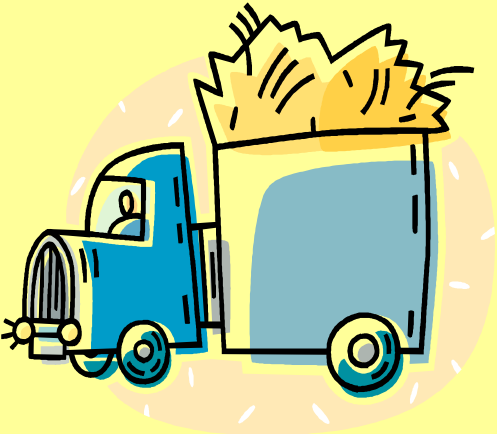


NQF Level: 3 **US No: 116237**

Facilitator Guide

Primary Agriculture

Costing and viability of an agri-business




Facilitator:


Company:

Commodity: Date:

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agriculture
Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



AgriSETA

Before you get started...

Dear Facilitator,

This Facilitator Guide (together with the relevant Learner Guide) is aimed at facilitators who will be assisting learners wishing to complete the following unit standard:

Title: Explain costing and the viability of an agri-business.		
US No: 116237	NQF Level: 3	Credits: 3

This guide contains all necessary facilitation instructions to ensure that learners will attain the expected competencies required by the above-mentioned unit standard. This guide is designed to be used during the presentation of a learning session based on this unit standard. The full unit standard is attached at the end of the relevant Learner Guide. Learners are advised to read the unit standard at their time. Please discuss the unit standard with the learners to ensure that they understand what is expected from them to achieve the outcomes of the unit standard.

This unit standard is one of the building blocks in the qualifications listed below. Please mark the qualification you are currently facilitating, because that will be determined by the context of application:

Title	ID Number	NQF Level	Credits	Mark
National Certificate in Animal Production	49048	3	120	<input type="checkbox"/>
National Certificate in Plant Production	49052	3	120	<input type="checkbox"/>

Please mark the learning program the learners are enrolled in:

Are you enrolled in a:	Y	N
Learnership?	<input type="checkbox"/>	<input type="checkbox"/>
Skills Program?	<input type="checkbox"/>	<input type="checkbox"/>
Short Course?	<input type="checkbox"/>	<input type="checkbox"/>

Note to Facilitator:

If you are presenting this module as part of a full qualification or learnership, please ensure that you have familiarised yourself with the content of the qualification.

Please explain the above concepts to the learner.

There are three guides, namely the Learner Guide (with activities), Assessor Guide and the Facilitator Guide.

These guides have been developed to address specific aspects of the learning experience. You therefore need to use these guides complementally to one another.

Make this an enjoyable learning experience!

Context of Application ...

Primary Agriculture is a diverse sector and a wide range of commodities is being produced for both national and international market. Each commodity has its own production requirements and practices. You will be facilitating the learning process within a specific context where a specific agricultural commodity is being produced. The learning material has been written in a **generic** manner, as it is aimed to be available on national level and should be relevant to be applied within a variety of commodities. It is therefore inclusive of all agricultural commodities and crop in this field. Therefore, the examples that are being used in the materials may not always be applicable to your specific community, commodity, environment or region.

This presents you, the facilitator, with the challenge to **contextualise** the learning material. It is imperative that you, the Facilitator and Assessor interpret and present activities, case studies and projects related to the material in such a way that learners can easily identify and apply their knowledge within their own context. This will require from you to add examples of crop, which are applicable to the community or farm. Learners must be guided with examples from their own communities, commodities, environment or regions. This should be done by complementing the learning material with:

- Examples relevant to the commodity,
- Including commodity specific requirements,
- Including operating procedures of the farm,
- Including agricultural practice specific requirements,
- Agricultural markets,
- Guiding learners to write these specifics down in the learning guide, etc.

The contextualisation of the learning material is a very important step in preparing for and facilitating the learning experience and enough time and effort should be put into this exercise.

According to the qualifications mentioned on page 2, this module could be contextualised to fit the following groups of commodities:

Plant Production	Animal Production	
<ul style="list-style-type: none"> • Organic production, • Hydroponic production, • Perma-culture production, • Agronomy, • Horticulture, • Natural resources harvesting. 	<ul style="list-style-type: none"> • Small stock production, • Large stock production, • Dairy production, • Pig production, • Poultry production, • Game, • Aqua / mari culture, • Commercial insects • Animal fibres harvesting, • Bee keeping, 	<ul style="list-style-type: none"> • Natural resources harvesting, • Organic production, • Perma-culture production, • Eco/Agri Tourism, • Agro Chemicals, • Horse Breeding, • Etc.

What & How will you be Facilitating?

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The Learning Experience...

On completion of this module, the learners will be able to:

- ◆ Identify and budget for the various sources of income generation available to the agri-business.
- ◆ Identify and budget for the various costs impacting on the agri-business.
- ◆ Demonstrate an understanding of the utilization of break-even budgets to calculate break-even points.
- ◆ Demonstrate the utilisation of whole farm budgets to predict and focus financial outcomes of an agri-business.

Learners will specifically be able to:

- ◆ Identify the various sources of income generation available to the agri-business.
- ◆ Identify and budget for the various costs impacting on the agri-business.
- ◆ Demonstrate an understanding of the utilization of break-even budgets to calculate break-even points.
- ◆ Demonstrate the utilisation of whole farm budgets to predict and focus financial outcomes of an agri-business.

Learners will also gain basic knowledge of:

- ◆ Fixed and variable costs.
- ◆ Break-even analysis.
- ◆ Cash-flow budgets.
- ◆ Gross margin analysis.
- ◆ Budgeted sales.
- ◆ Demand driven production.
- ◆ The purpose and importance of: - Cash in a business, profit, correct amount of income to be a viable business.
- ◆ A basic understanding of capital in agri-business.

Learning Assumed to be in Place:

- ◆ NQF 2 Illustrate and understand the basic layout of financial statements.



Remember to do a diagnostic assessment of the learner's prior learning and ensure that they are starting at the correct level.

Learning Program Time Frames

	Total time allocated (hours)	Theoretical learning time allocated (hours)	Practical learning time allocated (hours)	Activities to be completed
Complete Program (including summative assessment)	30 hours	14 hours	16 hours	11
Learner Orientation and "Ice Breaker"	1 hour	30 minutes	30 minutes	N/a
Purpose, Introduction and Learner Directions	3 hours	1.5 hours	1.5 hours	N/a
Session 1	4 hours	2 hours	2 hours	1-2
Session 2	6 hours	3 hours	3 hours	3-5
Session 3	6 hours	3 hours	3 hours	6-7
Session 4	7 hours	3 hours	4 hours	8-11
Preparation for Assessment & revision	3 hours	1 hour	2 hours	N/a

Tips for level of learning



Remember the following before you get started:

Typically, a learning programme leading to the award of a qualification or unit standards at level 3 should develop learners who demonstrate an ability to:-

- Operate within clearly defined contexts.
- Work and learn within a managed environment.
- Actively contribute to team effectiveness.
- Take position on available information, discuss the issues and reach a resolution; produce a coherent presentation and report, providing explanations for positions taken.
- Summarise and interpret information relevant to the context from a range of sources.
- Use their knowledge to select appropriate procedures to solve problems within given parameters.
- Apply skills in measuring the environment using key instruments and equipment operational literacy and numeracy skills; use basic procedures and operations to complete complex tasks.
- Understand the organisational and operating environment as a system.
- Understand one or more fields or discipline's key concepts and knowledge, in addition to the fundamental areas of study.

Tips for the Facilitator



2. Establishing and understanding break even budgets to calculate breakeven points.
 - This step looks at the budgeting and preparing for the various enterprises involved in one operation. This budget will give a farmer a good guide to what they are aiming for and the breakeven analysis will indicate at what level the farm becomes productive and how many units the farm must sell to achieve this point.
 - Go through the gross margin budget and ensure that all the students understand how you got to the final figure.
 - Use the example of a gross margin budget to allow the students to practically establish their own gross margin budget and to fill in their own information.
 - Discuss the reason for having a gross margin budget.
 - A gross margin budget allows the farmer to identify how each of the enterprises should perform. The gross margins can be compared against each other and the farmer can decide to pursue or negate certain enterprises given the gross margin budget.
 - A gross margin budget also allows the farmer to determine what sort of income can be expected from the farm.
 - The budgeted income statement- use the example in the learners guide and discuss why there is a need to budget for income.
 - The budgeted income will be for the whole farm operation.
 - Allow the learners to create their own budgeted income form their operation.
 - The cash flow budget: - allow the learners to work through the example and then get them to make the link between the three budgets.
 - At the end of the day the income and the cash flow will allow the farmer to plan ahead. These budgets will indicate to the farmer that he will have so much income over a certain period and will have to make arrangements to cover the periods were income is running at a loss.
 - Give the learner the opportunity to create their own cash flow budget from information concerning their enterprise.
 - When discussing the break even analysis use a simple example- the total production costs for producing the units is R1000. The units sell at R5 each. This means that you must sell 200 units to reach the brake even point.
 - Discuss with them how they can use this knowledge of the amount of items that must be sold to reach break even point and at what point of income do you start to make a profit. Why would this be important on a farm?
3. Use farm budgets to predict and focus financial outcomes of agri-business.
 - Allow the learners twenty minutes to read through the passage.
 - Then ask questions for clarity on their understanding as regards what a goal would be for a farm.
 - Now ask what their understanding around the point of profit maximization is.
 - Once you have feed back on these two you can point out that on a farm the goal is often profit maximization.
 - Discuss how profit maximization needs to be sustainable into the future.
 - Profit maximization is important to secure investors, and the manager/ owner will have capital invested and will want return on this investment.
 - The one tool management can use to monitor the ability of the farm as regards investments is the cash flow statement.

Facilitator's Checklist & Training Aids

Learner support strategies:

Learners are supplied with all resources and aids as required by the programme – including:

- Objects & devices such as equipment, protective clothing, safety gear, etc.
- Learner Guides and Learner Workbook
- Visual aids, etc.

Use this checklist below during your preparation to ensure that you have all the equipment, documents and training aids for a successful session.

Preparation:	Yes	No
Qualification Knowledge – I have familiarised myself with the content of the applicable qualification		
Unit Standard Knowledge – I have familiarised myself with the content of all aspects of the applicable unit standard		
Content Knowledge – I have sufficient knowledge of the content to enable me to facilitate with ease		
Application knowledge – I understand the programme matrix & have prepared for programme delivery accordingly		
Contextualisation – I have included information which is specific to the commodity and practices related to the commodity		
Ability to respond to learners background & experience – I have studied the learner demographics, age group, experience & circumstances & prepared for programme delivery accordingly		
Enthusiasm & Commitment – I am passionate about my subject & have prepared my programme delivery to create a motivating environment with real commitment to success		
Enterprise knowledge – I know & understand the values, ethics, vision & mission of the workplace & have prepared my programme delivery, reporting & administrative tasks accordingly.		
Equipment check:		
Learner guides x 1 per learner		
Assessment guides x 1 per learner		
Writing materials & stationary (facilitator & learner)		
White board & pens		
Flip chart paper		
Proxima projector & screen		
Laptop & programme disk		
Sample Hand-outs and examples of laws and other relevant documents		

Safety gear as prescribed by unit standard and applicable legislation		
Documentation checklist:		
Attendance Register		
Course Evaluation		
Learner Course Evaluation		
Portfolios of evidence		

Contextualisation of Content!

Go through this module and indicate what specific **information** / **activities** / **examples** should be included in this module?

Contextualisation	
<ul style="list-style-type: none"> ▪ Commodity specific? 	
<ul style="list-style-type: none"> ▪ Operating procedures of the farm? 	
<ul style="list-style-type: none"> ▪ Agricultural practices? 	
<ul style="list-style-type: none"> ▪ Agricultural markets? 	

Session

1 Various sources of income generation

**Learner Guide:
Page 7**

After completing this session, the learner should be able to:
SO 1: Identify the various sources of income generation available to the agri-business.
SO 2: Identify and budget for the various costs impacting on the agri-business.

Concept (SO 1)	Time frame	Activities related to the concept
The ability to identify the various income generation sources/enterprises available to the agri-business.	4 hours	Activity 1-2
The demand/markets for these products/services.		
The ability to determine the income for each income source.		
An ability to identify and understand the various fixed costs impacting on the agri-business is demonstrated.		
An ability to identify and understand the various variable costs impacting on the selected agri-enterprises is demonstrated.		
The ability to source new prices for the selected cost items (per unit) is demonstrated.		



Please allow learners to complete Activity 1 & 2 in their Learner Guides

Type of activity	Resources
1. Group activity	Learner Guide, stationary, flip cart
Instructions to give to the learners	
As per instructions in Learner Guide	
Type of activity	Resources
2. Group activity	Learner Guide, stationary
Instructions to give to the learners	
As per instructions in Learner Guide	

2 Various costs impacts

Session

**Learner
Guide:
Page 13**

After completing this session, the learner should be able to:

SO 2: Identify and budget for the various costs impacting on the agri-business.

Concept (SO 2)	Time frame	Activities related to the concept
An ability to identify and understand the various fixed costs impacting on the agri-business.	6 hours	Activity 3-5
An ability to identify and understand the various variable costs impacting on the selected agri-enterprises.		
The ability to source new prices for the selected cost items (per unit).		



Please allow learners to complete Activity 3, 4 & 5 in their Learner Guides

Type of activity	Resources
3. Complete the task.	Learner Guide, stationary.
Instructions to give to the learners	
As per instructions in Learner Guide.	
Type of activity	Resources
4. Complete the task.	Learner Guide, stationary.
Instructions to give to the learners	
As per instructions in Learner Guide.	
Type of activity	Resources
5. Group activity.	Learner Guide, stationary.
Instructions to give to the learners	
As per instructions in Learner Guide.	

Session

3 Break-even budgets to calculate break-even points

**Learner
Guide:
Page 23**

After completing this session, the learner should be able to:

SO 3: Demonstrate an understanding of the utilization of break-even budgets to calculate break-even points.

Concept (SO 3)	Time frame	Activities related to the concept
The ability to understand and draft a gross margin budget for each enterprise.	6 hours	Activity 6-7
The ability to draft and understand a budgeted income statement for the whole farm.		
The ability to draft and understand a cash-flow budget for the whole farm.		
An understanding of the use of break-even analysis as a management tool.		
The ability to determine and apply the break-even point of each commodity as a management tool.		



Please allow learners to complete Activity 6 &7 in their Learner Guides

Type of activity	Resources
6. Complete the following.	Learner Guide, stationary.
Instructions to give to the learners	
As per instructions in Learner Guide.	
Type of activity	Resources
7. Group activity.	Learner Guide, stationary.
Instructions to give to the learners	
As per instructions in Learner Guide.	

Session

4 Predict and focus financial outcomes of agri-business

**Learner
Guide:
Page 32**

After completing this session, the learner should be able to:

SO 4: Demonstrate the utilisation of whole farm budgets to predict and focus financial outcomes of an agri-business.

Concept (SO 4)	Time frame	Activities related to the concept
The business goals with specific reference to profit maximisation in a business.	7 hours	Activities 8 - 11
The utilization of the cash-flow statement to provide an indication of financial outcomes and input to managerial decisions.		
The break-even analysis.		
Return on investment.		
The gross margin analysis technique.		



Please allow learners to complete Activity 8,9,10 & 11 in their Learner Guides

Type of activity	Resources
8. Complete the following.	Learner Guide, stationary.
Instructions to give to the learners	
As per instructions in Learner Guide.	
Type of activity	Resources
9. Complete the following.	Learner Guide, stationary.
Instructions to give to the learners	
As per instructions in Learner Guide.	
Type of activity	Resources
10. Complete the following.	Learner Guide, stationary.
Instructions to give to the learners	
As per instructions in Learner Guide.	
Type of activity	Resources
11. Complete the following after discussion in a group.	Learner Guide, stationary.
Instructions to give to the learners	
As per instructions in Learner Guide.	

What will I do differently next time?

Take some time to **reflect** on your own activities as facilitator of this Unit Standard then write down five of the most important lessons you have learnt and include a motivation:

What will I do differently next time?	Motivate how or why (Give examples, reasons, etc.)
1.	
2.	
3.	
4.	
5.	

As facilitator, you have hands on experience in the application of the unit standard and you might experience difficulties with the unit standard that the developers did not anticipate. Also, the unit standard will be revised at the end of the registration period. Your comments below can be an important contribution in the revision process and should be brought to the attention of either the AgriSETA ETQA manager or the SGB chairperson.

Please take some time to reflect on your experience and list a few of the difficulties you had to address.

Difficulties I had with the Unit Standard	Recommended Changes to Address the Difficulty
6.	
7.	
8.	
9.	
10.	