



NQF Level: 4

US No: 116319

# Facilitator Guide

## Primary Agriculture

### A farm budget and a proper information system



Facilitator: .....

Company: .....

Commodity: ..... Date: .....

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agriculture

Department:  
Agriculture  
REPUBLIC OF SOUTH AFRICA



## 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:

<b>Title:</b>	Prepare a complete farm budget and establish a proper integrated information system for an agri-business.		
<b>US No:</b>	<b>116319</b>	<b>NQF Level:</b>	<b>4</b>
		<b>Credits:</b>	<b>3</b>

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his 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	48979	4	120	<input type="checkbox"/>
National Certificate in Plant Production	49009	4	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"> <li>• Organic production,</li> <li>• Hydroponic production,</li> <li>• Perma-culture production,</li> <li>• Agronomy,</li> <li>• Horticulture,</li> <li>• Natural resources harvesting.</li> </ul>	<ul style="list-style-type: none"> <li>• Small stock production,</li> <li>• Large stock production,</li> <li>• Dairy production,</li> <li>• Pig production,</li> <li>• Poultry production,</li> <li>• Game,</li> <li>• Aqua / mari culture,</li> <li>• Commercial insects</li> <li>• Animal fibres harvesting,</li> <li>• Bee keeping,</li> </ul>	<ul style="list-style-type: none"> <li>• Natural resources harvesting,</li> <li>• Organic production,</li> <li>• Perma-culture production,</li> <li>• Eco/Agri Tourism,</li> <li>• Agro Chemicals,</li> <li>• Horse Breeding,</li> <li>• Etc.</li> </ul>

# How to use this guide ...

Throughout the guide information is given specifically aimed at you, the facilitator, to **assist** in the actual presentation of the learning material and/or facilitation of the learning process. Although this guide contains all the information required for attaining competency in this unit standard, references to additional resources, both printed and electronic, are provided for additional reference by the facilitator and further study by the learner.

Please note that the purpose of this information is merely to **guide** you, the facilitator, and is provided as a suggestion of possibilities. It remains the responsibility of every facilitator to re-assess the learner/s in each learning situation throughout the learning process in order to stay in touch with their specific learning needs. This should be the determining factor in the choice of the learning approach to follow.

Use the different boxes listed below for identification purposes:



Instructions regarding **activities**, whether group or individual activities will be described in this box.



Facilitators' Tip ...

**My Notes ...**  
You can use this box for your own notes/comments.

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# What & How will you be Facilitating?

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# The Learning Experience...

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

- ◆ Pro-actively participate in the analysis, planning and management of a sustainable agri-business within a volatile and competitive business environment.
- ◆ Understand the importance of the application of business principles in agricultural production with specific reference to planning.
- ◆ They will be able to operate farming practices as businesses and will gain the knowledge and skills to move from a subsistence orientation to an economic orientation in agriculture.

## Learners will also gain basic knowledge of:

- ◆ How to prepare an integrated whole farm budget.
- ◆ Utilise sensitive analysis (what-if functions) to determine the economic and financial viability of a business.
- ◆ Develop an information system for a commercially driven agri-business.
- ◆ Utilise the information system to generate managerial information for improved decision-making.
- ◆ An integrated budget.
- ◆ Causes and effects of changes in the value / supply chain on a budget.
- ◆ Rules and principles of an information system for a commercialised agri-business.
- ◆ The utilisation of present financial statements to generate managerial information.
- ◆ Sensitivity analysis and break-even points.
- ◆ Record-keeping.
- ◆ Communication.
- ◆ Utilisation of technology.

## Learning Assumed to be in Place:

It is expected of the learner attempting this unit standard to demonstrate competence against the unit standard:

- ◆ NQF3: Interpret factors influencing agricultural enterprises and plan accordingly.
- ◆ NQF 3: Explain costing and the viability of an agri-business.
- ◆ NQF3: Supervise the collection of agricultural data



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
<b>Complete Program (including summative assessment)</b>	30 hours	17 hours	13 hours	5
<b>Learner Orientation and "Ice Breaker"</b>	1 hour	30 minutes	30 minutes	
<b>Purpose, Introduction and Learner Directions</b>	2 hours	1 hour	1 hour	
<b>Session 1</b>	5 hours	3 hours	2 hours	1
<b>Session 2</b>	5 hours	2 hours 30 minutes	2 hours 30 minutes	2
<b>Session 3</b>	7 hours	4 hours	3 hours	3 & 4
<b>Session 4</b>	5 hours	3 hours	2 hours	5
<b>Preparation for Assessment &amp; revision</b>	5 hours	3 hours	2 hours	

## Tips for the Facilitator



A learner attempting this unit standard must be able to demonstrate a good understanding of the costing in an agricultural value and supply chain. In addition sound communication will assist in this unit standard. Record keeping, meeting procedures and marketing principles will also be of value and assistance. As an introduction it would be good if the facilitator can discuss different markets for different produce, e.g. food, as in vegetable markets, fruit, grain crops, fodder, animal husbandry, dairy etc. Different record keeping systems should be explained and the advantage of access to a personal computer should be emphasized. Record keeping of financial statements should include printed copies for easier reference purposes and a good filing system. Discuss the sources available to students in order to get information from financial statements for future budgets and models.



## 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 4 should develop learners who demonstrate an ability to:-**

- Take responsibility for learning them selves within a supervised environment. Take decisions about and responsibility for actions.
- Evaluate their own performance against given criteria.
- Take the initiative to address any shortcomings they find.
- Communicate and present information reliably and accurately in writing and verbally.
- Gather relevant information, analysis and evaluation skills.
- Use their knowledge to solve common problems within a familiar context; adjust an application of a common solution within relevant parameters to meet the needs of small changes in the problem or operating context; motivate the change using relevant evidence.
- Apply essential methods, procedures and techniques of the field or discipline; apply and carry out actions by interpreting information from text and operational symbols or representations.
- Understand the organisation or operating environment as a system within a wider context.
- Demonstrate a fundamental knowledge base of the most important areas of one or more fields or disciplines, in addition to the fundamental areas of study an informed understanding of the key terms, rules, concepts, established principles and theories in one or more fields or disciplines.

### My Notes ...

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# Facilitator's Checklist & Training Aids

Learner support strategies:
<p>Learners are supplied with all resources and aids as required by the programme – including:</p> <ul style="list-style-type: none"> <li>▪ Objects &amp; devices such as equipment, protective clothing, safety gear, etc.</li> <li>▪ Learner Guides and Learner Workbook</li> <li>▪ Visual aids, etc.</li> </ul>

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
<b>Qualification Knowledge</b> – I have familiarised myself with the content of the applicable qualification		
<b>Unit Standard Knowledge</b> – I have familiarised myself with the content of all aspects of the applicable unit standard		
<b>Content Knowledge</b> – I have sufficient knowledge of the content to enable me to facilitate with ease		
<b>Application knowledge</b> – I understand the programme matrix & have prepared for programme delivery accordingly		
<b>Contextualisation</b> – I have included information which is specific to the commodity and practices related to the commodity		
<b>Ability to respond to learners background &amp; experience</b> – I have studied the learner demographics, age group, experience & circumstances & prepared for programme delivery accordingly		
<b>Enthusiasm &amp; Commitment</b> – I am passionate about my subject & have prepared my programme delivery to create a motivating environment with real commitment to success		
<b>Enterprise knowledge</b> – 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		
<b>Documentation checklist:</b>		
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"> <li>Commodity specific?</li> </ul>	
<ul style="list-style-type: none"> <li>Operating procedures of the farm?</li> </ul>	
<ul style="list-style-type: none"> <li>Agricultural practices?</li> </ul>	
<ul style="list-style-type: none"> <li>Agricultural markets?</li> </ul>	

Session

# 1 An integrated complete farm budget

Learner Guide:  
Page 8

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

**SO 1: Prepare an integrated complete farm budget.**

Concept (SO 1)	Time frame	Activities related to the concept
The previous year's cash-flow statement is utilised independently as major input for the following year's cash-flow budget ensuring that monthly income and all costs are clearly indicated.	5 hours	Activity 1
The previous year's income statement is utilised independently as major input for the following year's income budget ensuring that all income and all costs are clearly indicated.		
Various complete farm budgets are cross-referenced independently to ensure horizontal compatibility.		
A clear understanding of the need for a complete farm budget with specific indication to how it will be applied in managerial decision-making is demonstrated.		

## Tips for the Facilitator



### Activity 1

The assessor and facilitator are to compile a model answer based on the learning material within the specific environment of the learner. Consider all input costs (running costs of the farm or production cycle), overhead costs (electricity & water) and other expenses like rent, interest, insurance etc.



Session

# 2 Determine the economic and financial viability.

Learner Guide:  
Page 12

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

**SO 2: Utilise sensitive analysis (what-if functions) to determine the economic and financial viability of a business.**

Concept (SO 2)	Time frame	Activities related to the concept
Changes in selected values of income variables such as yield or product price and its impact on farm/enterprise profitability are explained.	5 hours	Activity 2
Changes in values of selected cost variables such as input price and amounts and its impact on farm/enterprise profitability are explained.		
Different outcomes (when the business environment changes) are predicted via the complete farm budget.		
Break-even analysis is executed to determine break-even points.		
The return on investment and cash flow is calculated and explained.		
The concept of stock turnover rate as well as the implications thereof is explained.		
Good practices in the buying of agricultural inputs are explained.		
Factors that can influence income, material, labour, fixed and variable costs are described.		

## Tips for the Facilitator



### Activity 2

The facilitator and assessor should compile a model set of answers for the activity based on the experiences of the learner within his/her learning environment. Revisit the purpose of Gross margin and the importance of calculating an acceptable gross margin in your budget. The learner should understand that the gross margin still needs to cover for some of the overhead costs and a small gross margin often only indicates a break-even point where it seldom becomes profitable for the farmer to farm or produce. This break-even point need to be calculated to determine the percentage profit made at the end of the season for each specific crop. Considering the available markets will assist the farmer to determine if it is worth his while to continue farming with that crop for that season. Study the learner guide on the explanation of Gross margin.



**Please allow learners to complete Activity 2 in their Learner Guides**

Type of activity	Resources
Discussion.	Learner Guide, stationary.
Instructions to give to the learners	
As per instructions in Learner Guide.	

### My Notes ...

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# Session 3 An information system

**Learner Guide:**  
**Page 20**

After completing this session, the learner should be able to:  
**SO 3: Develop an information system for a commercially driven agri-business.**

Concept (SO 3)	Time frame	Activities related to the concept
The functioning of a system where cash and credit income is recorded is demonstrated.	7 hours	Activity 3 & 4
All material, labour, vehicle and other direct production costs is recorded in good time.		
The functioning of an asset register, debtors and creditors control is explained.		
A detailed physical record system, which includes a full inventory, rainfall records, etc., is operated.		

## Tips for the Facilitator



**Activity 4**  
The facilitator and assessor should compile a model answer within the learning environment of the learner. These components would entail the inclusion of a monthly cashbook, an income statement, a pricelist for future budgets, and a financial statement for the present financial year. Communicative tools should be re-addressed to find the easiest medium to communicate production results to co-workers.

**My Notes ...**

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# 4 Managerial information for improved decision-making

Session

Learner Guide:  
Page 26

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

**SO 4: Utilise the information system to generate managerial information for improved decision-making.**

Concept (SO 4)	Time frame	Activities related to the concept
Present indicators with historical indicators to make rational deductions for improved managerial decision-making from it (R/ha, R/ton, etc.) are compared.	5 hours	Activity 5
Present year's figures/data/information within the drafting of future budgets is utilised.		
The economic and financial results are transferred and communicated to lower levels of employees in order to educate and motivate them.		



Please allow learners to complete Activity 5 in their Learner Guides

Type of activity	Resources
Please complete.	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.	