

VOLUNTEER REPORT FORMAT

To be submitted to CRS at the end of volunteer assignment and shared with the Host

1.1 Assignment information

- a) Volunteer Name: Joseph Mc Fadden
- b) Host Organization: Jikuzeni Kware SACCO
- c) State of origin: Kware, Tanzania
- d) Assignment: Farming as a business
- e) Dates of Assignment: November 30, 2015 - December 11, 2015
- f) Number of days worked: Eleven

1.2.1 Objective 1 in your SOW - Train farm members of the SACCO the principles of farming as a business including why records, both farm and financial, are useful and how to keep records effectively.

- a) Progress with the objective – Completion of this objective was the primary area of training. The farmers showed much interest in learning the fundamentals required for treating farming as a business and they now have an understanding of the need for, and types of, both farming and financial records required for more effectively operating farming as a business.
- b) Expected impacts/results- Data from records should enable the farmers to have a better understanding of their existing business so that they can make meaningful decisions and make plans for the future, both of which should help them to improve their financial operating results.
- c) Recommendations¹ - Board and other members of this Sacco participating in the training should begin to implement the records and procedures included in the training. Also, they should encourage and help other non-participating members to begin using these records and procedures. About twenty members participated in the training and there are approximately 750 members of the SACCO.

1.2.2 Objective 2 in your SOW – Farmers should understand the need for cost/benefit analysis of the various farming enterprises with regard to the timing and choice of enterprise for maximum economic returns

- a) Progress with the objective – The importance of continually looking for opportunities to expand or make other changes to the business structure and/or to diversify into a new business was discussed. However, before taking any such actions, the need for some type of cost/benefit analysis, including specific steps to take before diversifying into a different type of business, were discussed and demonstrated, and understood by the trainees.
- b) Expected impacts/results – It is expected that the farmers will now do any necessary cost/benefit analysis and research prior to making a business change in order to ensure that the change is viable and will result in higher profit or lower losses.

¹ **Note:** Only make not more than 6 recommendations. The most useful recommendations for hosts are ones that they can implement themselves with minimal expense. For example, a cooperative might change its financial reporting procedures or hold more regular meetings of its board. Broad recommendations on tax or credit reform, changes in government policy, or investment in large-scale equipment, are usually not within the host organization's reach.

- c) Recommendations – Before implementing a significant change in their business operations, such as expansion, change in types and quantities of crops produced or diversifying into a new business, farmers should always do a cost/benefit analysis and consider all of the implications of the change. Also, as noted above in 1.2.1 ©, Board and other members participating in the training should advise non-participating members of the need for a cost/benefit analysis and research before making a major change in their business operations.

1.2.3 Objective 3 in your SOW – Farmers should understand supply and demand as it pertains to their agri-business enterprises and also the benefits of collective input procurement and marketing, especially by buying good quality inputs at reasonable price from reliable suppliers

- a) Progress with the objective – The benefits of selling products when the supply is low is understood by the trainees. Some members participate in the SACCO's Warehouse Receipt System whereby products are stored and sold at a later date in anticipation of a higher selling price.

Also, the benefits of purchasing inputs in bulk and collective/group marketing of products is understood by the members and they have done some bulk purchasing of inputs and collective/group marketing of products in the past and plan to do more of the same in the future.

- b) Expected impacts/results – The farmers are aware of the impact on pricing when product supply is low (supply and demand) and also of the benefits of buying inputs in bulk and of collective/group marketing, as evidenced by their participation in the Warehouse Receipt System and by participating in bulk purchasing and collective marketing in the past.

The class discussion should, however, be a good reminder of the benefits of these practices and encourage greater use in the future.

- c) Recommendations – All members should be encouraged to participate in the Warehouse Receipt System and to take an active role in working with other farmers in taking advantage of buying inputs in bulk and in collective/group marketing of products.

The Board of Directors should take the lead in generating more participation in the Warehouse Receipt system and in working with farmers to implement ongoing bulk purchasing and collective/group marketing.

1.3 Action Plan

Recommendation	Specific Action	Responsible person	By when
<p>1- Records</p> <p>Farming is a business and in order to properly manage a business, records must be maintained for farming activities and for financial activities</p> <p><u>It is recommended</u> that the farming members of this SACCO set up and maintain the types of records discussed in the training and in the next recommendation.</p> <p>In order to prepare financial records, every financial transaction must be supported by a document/piece of paper which provides details of the transaction and is used for posting the data in the records.</p> <p>Information from such records should help the farmers to better understand their operations and to make decisions that might result in profits rather than losses from their farming operations.</p>	<p>Beginning immediately, every financial transaction should be supported by a document with details of the transaction. The document is used for posting the information in a record.</p> <p>Begin setting up records now for use in the coming fiscal year beginning January 1, 2016</p>	Individual farming members of the SACCO	See comments under Specific Action
<p>2.- Types of, and Use of, Records</p> <p><u>Recommended Records, Analyses and Financial Statements</u></p> <p>Farming Records (for each major product)</p> <ul style="list-style-type: none"> - Calendar of Farming Activities, used principally for planning purposes - Production Yields based on units produced and area, hectares, etc farmed - Sales in units and in TZS - Detail of Expenses incurred in production and sale <p>Financial Records</p> <ul style="list-style-type: none"> - Cash Receipts/Sales Record and Cash Payments/Purchase Record <p>These are the two key records which show both amount of receipt and type of receipt (Cash Receipts Record) and both amount of payment and purpose of payment (Cash</p>	<p>Records, similar to those discussed in training and noted under Recommendations should be prepared, possibly using the large notebook provided to the trainees in class.</p> <p>Info from the farming records should be used for analyzing and decision making regarding farm operations.</p> <p>Info from the two key financial records are</p>	Individual farming members of the SACCO	<p>Set up farming and financial records for use in the coming year beginning January 1, 2016.</p> <p>Use farming records for analysis in the coming year</p> <p>Prepare an Income Statement for the coming year.</p>

Payment Record). Recording each transaction in two places is in compliance with the accounting rule called a “Double Entry” system.

Totals from these two financial records for a period of time (six months, a year, etc.) are used for preparing an Income Statement showing Sales/Revenues, Costs and Expenses and Profit or Loss.

Two other financial statements, not as relevant to farmers as the Income Statement, are a Cash Flow Statement which shows cash activity for a period of time. It includes cash from Operations (Income Statement) but also cash used for Investing, such as purchase of long term assets and Savings, and cash from Financing, such as loans.

The other statement, a Balance Sheet, shows the businesses’ financial position at a point in time, Assets, Liabilities/Obligations and Equity.

The Year, used for preparing financial statements, should include the twelve month period which covers the entire farming cycle from production to harvesting and sale. The calendar year, January 1 to December 31, does cover the complete farming cycle for this SACCO’s farmers and should be used for reporting and other purposes.

It is recommended that the farmers set up the Farming records discussed above for a better understanding of their farming activities and for decision making regarding possible changes in their operations.

It is also recommended that the two key Financial records discussed above be set up, and the data from the records be used for preparing an Income statement at least once a year

be used for preparing
Income Statement

3. Gross Profit Analysis for Each Major Product

This very important type of analysis, which was demonstrated in class, is used for determining profitability of each product and for decision making regarding volumes of production for each product and/or areas for cost cutting.

It is recommended that this type of analysis be prepared when farmers produce more than one type of crop but it can also be useful if only one crop is produced.

The analysis shows

- (a) units produced and sold, average selling price and sales in TZS
- (b) variable costs – costs that vary or change with the volume of production such as inputs, transportation and labor, including estimated cost of the owner's labor
- (c) gross profit or loss in TZS– sales less gross profit
- (d) gross profit percentage – gross profit divided by sales

The gross profit percentage is the key factor in this analysis. If the percentage is a positive it shows the percentage of each TZS of sales that is returned as profit, the higher the percentage, the better.

The analysis shows which products are producing a loss and which products are providing a higher rate/percentage of profit and raises decision making issues such as

- can production and sales of product with higher rate of return of profit be increased?
- how can costs be reduced for loss products or products with a low rate of profit?
- can sales prices be increased for loss or low rate of profit products?

When product sales and costs become available from records for a complete farming cycle, farmers should prepare product gross profit analyses

Individual farming members of SACCO

Gross Profit analyses should be prepared when product data becomes available, the next year beginning January 1, 2016

The analysis also shows fixed costs that do not change with the volume of production such as rental of land and utilities and are not applied to any specific product since they apply to all products

The gross profit or loss for all products less the fixed costs shows the total profit or loss for the entire farming operation.

This type of analysis also shows the break-even point for the business which represents the volume of production and sales required to produce a gross profit equal to the farms' fixed costs, resulting in a zero profit or loss. The goal, however, is to produce and sell a volume of products that results in a gross profit higher than the fixed costs, and a profit from operations.

4. Planning

After farmers set up and begin using data from records, it is recommended that they should then begin to make plans for the future. There are two types of plans:

- Annual Plan or Budget- a plan for the next year
- Business Plan – a plan for the longer term

Annual Plan – This is the higher priority plan that farmers should work on. It should be in writing and include goals for the next year:

- types and volumes of products to produce
- projected sales prices and expenses
- projected Savings and purchase of farm equipment
- projected cash flows during the year and the need for borrowings

Since cash is a key element for any business, especially farming because of the seasonality of the business, it is recommended that farmers should also prepare cash projections during the year, for the remainder of the year, as demonstrated in class.

Business Plan – This is a lower priority item for the farmers but they should consider preparing, in writing, sometime in the future. It provides longer term (two to three years) direction and goals and the projected financial impact of implementing and

Farmers should begin thinking about goals and plans for the next year for inclusion in a written Annual Plan

No action presently necessary on preparing a Business Plan

Individual farming members of the SACCO

Annual Plan – Farmers should attempt to prepare a simple Annual Plan for the next farming year, beginning Jan., 2016

Business Plan – No need to do until other higher priority recommendations in this report are accomplished

achieving the goals. A business plan is also sometimes required by financial institutions in order to obtain a loan.

The format and contents of a business plan, which includes a history and description of the business, were discussed in the training

5. Expansion and/or Diversification of a Business

Any business, particularly a business in a loss position, should look for opportunities to expand its existing business or to diversify into new products or another type of agriculture business.

This might include changing the mix of products produced and sold, expanding production by renting additional land or planting any unused owned land or diversifying into a new agriculture business..

However, if a farmer has too many products, he/she might consider eliminating some products in order to better concentrate on fewer products and, possibly, improve its financial situation in this manner.

Before making a decision to expand or diversify, however, it is recommended that an estimation of the financial impacts of such a change, known as a Cost/Benefit Analysis, be prepared.

For an expansion of the business, the analysis should include a projection of the annual benefits, such as additional sales and a projection of the annual costs to determine if the benefits merit proceeding with the expansion. If new farm equipment is to be acquired, the analysis should consider the annual benefits of the equipment, such as lower labor costs or higher sales prices from higher quality products. Using the projected annual benefits and the cost of the new equipment, calculate the number of years it will take for the annual benefits to pay for the cost of the equipment to determine whether or not the equipment should be purchased.

Before diversifying into another type of business, the farmer should also consider factors such as:

- Local rules and regulations
- Availability of Markets/Customers, Risks
- Marketing location, pricing and competition

Determine what expansion or diversification opportunities, if any, are available

Individual farming members of the SACCO

Ongoing

- Financial Projections, Cost/Benefit Analysis

6. Other Business Opportunities

It is recommended that the farmers take advantage of other opportunities to improve their businesses and, possibly, change their operating losses to profits:

- Participate in the SACCO loan program for purchase of inputs and for other needs
- Make use of SACCO savings program to save money for the coming season
- Attempt to sell their products when demand is high and supply is low, including participation in the SACCO's Warehouse Receipt System
- Continue to pursue purchase of inputs in bulk in conjunction with other farmers:
 - acquiring higher quality inputs at lower cost from reliable suppliers
 - negotiating from strength for better delivery and other supplier services
- Pursue opportunities for collective marketing of products:
 - better sales prices
 - acquire new customers and customers beyond the immediate area
 - stronger purchase commitments from customers – sales contracts
- Attend farming demonstration/training provided by TAHA
- Be aware of, and make an effort to eliminate, some of the farming problem areas noted in a visit to two farms by the Training Instructor and Interpreter:
 - Poorly maintained fields – eliminate weeds and better control of insects and disease
 - Lack of irrigation water in some areas – by drilling ground water and collecting run off from roof
 - Presence of sub-standard agro inputs

Pursue the Opportunities listed

Individual farming members of the SACCO

Ongoing

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1.4 Number of people Assisted

- Through formal training
- Through direct technical assistance (Do not double count)
- Out of these above, number of host staffs
- Training/assistance by field

Category	Total	Males	Females
Members/ owners	21	10	11
Employees	1	1	
Clients/ Suppliers			
Family Members			
Total	22	11	11

1.5 Gender

- What gender roles did you recognize in your host community? Did these roles play a part in your assignment? How?

No gender roles were noted. The number of working farmers appeared to be equally split between males and females

- How might CRS or the host organization improve opportunities for the women in this host or host community?

By encouraging farm organizations to increase the number of females in management/ Board positions

1.6 Value of volunteer contribution in \$ 0

- Hours volunteer spent preparing for assignment 30
- Estimated value of all material contributions volunteer contributed to host during assignment 0

1.7 Value of hosts' contribution in \$ (Please consult the host as well) 0

- Meals
- Transportation
- Lodging
- Translation
- Other (Specify)

1.8 Host Profile Data:

Did you obtain any data that supplements or corrects the data in the existing host information as detailed in the SOW? Please list it. NONE

1.9 Recommendations for CRS:

The members of the Board of Directors and other SACCO members attending the training are knowledgeable, very anxious to learn and understand and appear to be anxious to implement the farming business practices covered in the training.

They requested additional volunteers for training in marketing and there was also some indication of

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need for a volunteer for good farming techniques.

I would recommend that a volunteer in Marketing be considered; however, before proceeding, there should be a commitment from the Host to ensure good attendance at the training sessions based on the fact that attendance of Board members at this training was “spotty” because of many other meetings during the training.

My interpreter, Mr Sebastian R. Assenga did an excellent job in translating my many paper presentations and in the classroom interpretations. He is a very capable and knowledgeable individual who had a significant impact on the quality of the presentations.

The logistics of the assignment were handled satisfactorily except that without a clip board, handling of the many paper presentations was difficult.

The accommodations, the Snow View Hotel, were also very satisfactory but the hotel restaurant is an issue. It takes an average of one plus hours for getting almost all meals, dinner and lunch

1.10 Press Release

FOR IMMEDIATE RELEASE

VOLUNTEER CONTACT: [Name] Joseph Mc Fadden

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[US City] Area Volunteer Travels to [Country] to Share Skills with Local Farmers

Farmer to Farmer program promotes economic growth and agricultural development in East Africa

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Joseph Mc Fadden, a **volunteer consultant** from **Caldwell, New Jersey** travelled to **Tanzania** for **2** weeks to share his technical skills and expertise with local farmers. Joe's assignment is part of Catholic Relief Services' Farmer-to-Farmer (FTF) program that promotes economic growth, food security, and agricultural development in East Africa.

“It's a great opportunity to help others and to personally benefit from working directly with the people of Africa” said Joe.

Funded by the U.S. Agency for International Development (USAID), the five-year program matches the technical assistance of U.S. farmers, agribusinesses, cooperatives, and universities to help farmers in developing countries improve agricultural productivity, access new markets, and increase their incomes.

In Tanzania, **Joe** worked with **Jikuzeni Kware SACCO** in **farming as a business** training and giving technical assistance to local farmers to improve their business management skills to enable them to improve their income through better management of their farming businesses. Up to twenty-five beneficiaries were reached.

Joe's volunteer assignment is one of nearly 500 assignments that focus on agriculture, food security and nutrition in Ethiopia, Tanzania, Kenya and Uganda. This is the first time CRS has been involved in the 28-year-old Farmer-to-Farmer Program funded by the U.S. government.

CRS is partnering with five U.S. institutions to tap into the rich diversity of the U.S. agriculture community: the National Catholic Rural Life Conference, Foods Resource Bank, National Association of Agricultural Educators, American Agri-Women, and the University of Illinois' College of Agricultural, Consumer and Environmental Sciences.

The U.S. volunteers will travel to East Africa for anywhere from one to six weeks, their expenses covered by USAID.

“One thing we are certain of is that this program will be beneficial not just to the farmers in East Africa, but also to the volunteers from America,” said Bruce White, CRS' director for the program. “It's going to make the world a little bit smaller for everyone involved.”

For more information, visit farmertofarmer.crs.org

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***Catholic Relief Services** is the official international humanitarian agency of the Catholic community in the United States. The agency alleviates suffering and provides assistance to people in need in nearly 100 countries, without regard to race, religion or nationality. For more information, please visit crs.org or crsespanol.org.*

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