



Farming as a Business

Vanuatu National Training Standards



*For submission to the
Vanuatu National Training Council*



These units have been developed by:



Vanuatu Agriculture College
Self Reliance through Agri-Business

giz



Coping with Climate Change in the Pacific Islands Region Project



WAN SMOLBAG THEATRE

Youth Challenge Vanuatu

Vanuatu Association of Non-Governmental Organizations

Farm Support Association
-Farmers helping farmers-



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INTRODUCTION

From 2-4 February, 2011 agriculture and business training professionals from Government and Non-Government institutions met in Port Vila to formalize and standardize a “Vanuatu Farming as a Business” training module to ensure that farmers throughout the country and working with diverse organizations are receiving the same message regardless of the training institution. This meeting was organized and funded by SPC-GIZ Adaptation to Climate Change in the Pacific Islands Region Project.

The training outline and modules were developed using a participatory process building on the experience and expertise of the participants, while trying to make a document that is flexible and accessible to every organization's needs. The outcome of the meeting was three training modules outlined following the Vanuatu National Training Council (VNTC) format, an outline of training topics with existing resources that can be used identified, an attentiveness to include climate change impacts into this training and a plan to carry out a Farming as a Business community based program.

According to the 2009 population census, 76% (176,816 people) of Vanuatu's population are based in rural areas. The report also shows that outside of Shefa province, which is home to the nation's capital, Port Vila, most people are reliant on sale of fish, crops or handicrafts for their income. Climate change has a direct impact on agriculture (including fishing and materials to create handicrafts) in Vanuatu. Weather patterns influence the planting, maintenance and harvesting methods, as well as production capability of agriculture production. In order to assist farmers to plan for their business, weather predictions must be considered. These will influence what are appropriate crops for a geographical location, potential production outputs, methods of farming systems, identification of planting materials and the amount of potential income generation for farmers. Climate change impacts taken along with growing population and development pressures shows a need to educate farmers about the risks, benefits and processes of farming as a business.

The participants represented various Government and Non-Government organizations that are involved in training Ni-Vanuatu on Agriculture, Business or both of these topics. Representatives from the Department of Agriculture and Rural Development (DARD), Vanuatu Agriculture College (VAC), Vanuatu National Training Council (VNTC), Vanuatu Rural Development and Training Centre Association (VRDTCA), Farm Support Association (FSA), Wan Smol Bag Youth Centre (WSB), Vanuatu Chamber of Commerce and Industry (VCCI), and Youth Challenge Vanuatu (YCV) attended and participated in the meeting. Through discussion other stakeholders have been identified that will be considered as the process to finalizing a training plan is carried out.

The participants agreed to three levels of training. The courses are designed to take a farmer from subsistence farming with an interest in development to operating a commercial farming. A brief summary of these trainings is below,

while the proposed units are attached.

The first is an introductory course for farmers and interested school leavers to provide them with the information to help them to make a decision to take on commercial farming. The training discusses what Farming as a Business means and the potential challenges and risks of changing from a subsistence farmer to a commercial farmer. The second course is an introduction of the methods used to carry out commercial farming. The topics included in this course include record keeping and planning, start up funding and more discussion on risks and challenges and possible adaptation strategies. The third training is designed to give more tools to the farmers to practice commercial farming and give them an opportunity to use these tools in the field and report back to the trainers. The topics of record keeping and planning are covered in more detail and developing a business plan, including a marketing strategy are also parts of this training.



1. Introductory Level

Unit Code	Research and identify how to start a commercial farm
Level	VQF Level 4
Credit	40 hours
Unit Descriptor	This unit presents to farmers and students the relevant information needed to be able to make the decision to initiate an agriculture business considering various social, economic, environmental and climate contexts.
Pre-requisite	Basic skills in agriculture and business management or Year 10 leaver
Co-requisite	None
Element	Performance Criteria
Identify and explain the different farming practices that exist in Vanuatu today.	<ol style="list-style-type: none"> 1. Identify and explain the main categories of farming practices. 2. Identify and explain the features of these categories of farming practices
Explain reasons why farmers make changes to their farming practices	<ol style="list-style-type: none"> 1. Give reasons and examples of why farmers change their farming practices. 2. Describe factors to consider when making the decision to shift from subsistence to commercial farming 3. Describe the steps involved in making the change from subsistence farming and starting a commercial farm
Explain the relationship between agriculture and culture	<ol style="list-style-type: none"> 1. Describe the history of Vanuatu farming practices, including the shift from traditional practices to semi-commercial and commercial farming and the changes in agriculture economy. 2. Explain the relationship between agriculture and Vanuatu's culture and the opportunities and challenges these linkages present when operating a commercial farm. 3. Explain the relationship between business and Vanuatu culture and the opportunities and challenges these linkages present when operating a commercial farm 4. Explain how to manage the influences and impacts of Vanuatu's culture on the operation of a commercial farm
Identify risks associated with agricultural development	<ol style="list-style-type: none"> 1. List and describe the different social, economic, environmental and climatic risks associated with agricultural development in Vanuatu 2. List and describe strategies that address the possible risks of commercial agricultural development in Vanuatu



Key Competencies/Employability Skills and Example of Application
Trainees should demonstrate the knowledge needed to be able to make an informed decision to engage in commercial farming through the following skills: <ul style="list-style-type: none">• Follow instructions: Follow the step-by-step guidelines presented by trainers for activities• Information gathering: Collect the social, economic, environmental and climatic information needed to make an informed decision to start a commercial farm• Decision making: Analyse the information provided by trainers to decide whether or not to initiate a new agricultural business
Range Statement
Trainees must be self-motivated, forward thinking and dedicated to agriculture and business development
Evidence Guide
Able to make the decision to engage in commercial farming in the context of varying social, economic, environmental and climatic situations
Context of assessment and resource implication
Assessment will be conducted in the classroom. Trainees must be assessed on the following points: <ol style="list-style-type: none">1. Ability to explain the different categories of farming practices2. Ability to explain the reason to move from subsistence to commercial agriculture Resources: Pen, paper, table
Assessment method
Assess student written, demonstration, and oral presentations fulfilling the performance criteria



2. Intermediate Level

Unit Code	Commercial farming methods and tools
Level	VQF Level 5
Credit	70 Hours
Unit Descriptor	This unit presents more information about commercial farming and the methods and tools used to operate a commercial farm on a day-to-day basis in the context of varying social, economic, environmental and climatic situations
Pre-requisite	Completion of VQF Level 4 “Research and Identify how to start a commercial farm”
Co-requisite	Technical course relevant to business interest
Element	Performance Criteria
Identify and explain commercial farming practices	<ol style="list-style-type: none"> 1. List the characteristics of a commercial farm 2. Explain the role of commercial farming 3. Describe how to identify agricultural business opportunities 4. Describe the social, economic, environmental and climatic factors to take into consideration when identifying agricultural business opportunities 5. Explain how to carry out a SWOT analysis of business opportunities
Identify, explain and understand the factors that make a successful commercial farmer.	<ol style="list-style-type: none"> 1. List the personal traits and tools that make a commercial farmer successful 2. Demonstrate the personal traits and tools used by a successful commercial farmer
Demonstrate how to keep different types of records and utilize diverse future planning tools in commercial agriculture.	<ol style="list-style-type: none"> 1. Explain what records and future planning tools are used by commercial farmers 2. Explain what records and future planning tools are currently available and used in Vanuatu in commercial agriculture 3. Explain the importance of record keeping and planning tools in relation to farming as a business activities. 4. Carry out basic gross margin analysis, future planning tools (including climate variables), calendar, and budget plan example for a case study commercial farm
Identify financial options and requirements of starting a commercial agriculture business	<ol style="list-style-type: none"> 1. Explain the role of funding in initiating and operating a commercial farm 2. List potential sources of start up funding 3. Explain and demonstrate the procedures and process for applying for, receiving and using funding to start and operate a commercial agriculture business.
Identify risks associated with commercial agriculture development	<ol style="list-style-type: none"> 1. List and describe the possible social, economic, environmental and climatic risks associated with commercial agriculture development in Vanuatu 2. Explain the steps and tools used to evaluate and plan for these risks when operating a commercial farm

3. Advanced Level

Unit Code	Commercial Farming Planning and Operation
Level	VQF Level 6
Credit	100 hours
Unit Descriptor	This unit presents more information on the operation of a commercial farm on a day-to-day basis and business planning using the practical experiences of the students while taking into consideration the various social, economic, environmental and climate contexts of Vanuatu.
Pre-requisite	VQF Level 5 “How to Develop a Commercial Farm”
Co-requisite	Technical course relevant to business interest
Element	Performance Criteria
Develop a business plan	<ol style="list-style-type: none"> 1. Be able to choose an appropriate agriculture business to initiate 2. Explain what is a business plan and its importance in the context of various social, economic, environmental and climate situations 3. List the steps for creating a business plan 4. Demonstrate how to develop a business plan
Use of Marketing strategy and its importance in agricultural activities.	<ol style="list-style-type: none"> 1. Explain what a marketing strategy is and its importance in the context of various social, economic, environmental and climate situations 2. List the steps to creating and parts of a marketing plan 3. Demonstrate how to develop a marketing plan 4. Explain the importance of and demonstrate the use of scales for agriculture marketing
Keep records and use planning tools and resources	<ol style="list-style-type: none"> 1. Explain the use of tools and resources available for current and future agricultural business planning. 2. Work through examples of the planning tools in the classroom. 3. Show how the gross margin tool can be used to determine the price of agricultural produce and to manage income. 4. Complete an exercise to practice using the gross margin tool. 5. Complete a gross margin analysis for an operating commercial farm. 6. Compare the results of the field exercise and that of the planning exercise. Identify and explain any differences. 7. Identify lessons learnt from the planning and field exercises 8. Request trainees to develop and present records for selected business farm activities. 9. Keep and manage records for a farming business



Annex 1:

Suggested Topics to Present with Each Level

1. Introductory Level:

Research and identify how to start a commercial farm

- The difference between subsistence, semi-commercial and commercial farming
- Example of commercial farming such as pictures and case studies
- The rise of the cash economy in Vanuatu
- Examples, such as case studies and guest speakers, of needs assessment and decision making strategies related to a commercial business
- The steps or process for a farmers to change from a subsistence to a commercial farmer
- The relationship of Vanuatu culture and business
- The impact of culture on commercial agriculture practices, such as time management, food security and saving money
- An example of how to manage the impacts of culture on commercial agriculture
- The risks associated with commercial agriculture and:
 - Climate Change
 - Population rise and land use
 - Pests and diseases
 - Transportation
 - Natural Disasters
- Risk management

2. Intermediate Level:

Commercial farming methods and tools

- The trainer should work with area field officers to identify some appropriate agribusiness ideas for the community
- The characteristics of different business ideas related to agriculture such as seasonality, and the risks compared to other business ideas
- How to identify the best business idea through SWOT analysis
- The characteristics of a commercial farm (capital, available land, equipment, labor, customers, market requirements, planting methods, business plan, farming systems methods, sustainability, continuous production, packaging, etc.)
- The factors that make a successful farmers
- The tools used by a successful farmer (time management, decision making, team work, etc.)
- Record Keeping (Work Records, Harvest Records, Sales Records, Input/Expense Records, Budgets, Gross Margin Analysis, Work Calendar, Seasonal Calendar and Spacing Plan, Weather-related Planning)
- A summary of different financing opportunities to start a business
- The process and requirement for acquiring funding using practical examples
- A simple SWOT analysis of commercial agriculture development to review risks
- The risks associated with commercial agriculture development and:
 - Climate Change
 - Pests and Diseases
 - Financial Management
- Risk Management



3. Advanced Level:

Commercial Farming Planning and Operation

- How to identify the best business idea using a SWOT analysis
- Writing a business plan
- Agriculture pricing methods
- A review of the characteristics of different agriculture business ideas
- Using a scale for selling agriculture products
- The relationship of seasons, supply, demand and pricing for Vanuatu agriculture
- How to do market research
- Advertising
- A summary of the domestic markets available in Vanuatu
- An example of a marketing strategy
- Using weather predictions for planning an agriculture business
- Practice record keeping with an agriculture business and report on lessons learned (Work Records, Harvest Records, Sales Records, Input/Expense Records, Budgets, Gross Margin Analysis, Work Calendar, Seasonal Calendar and Spacing Plan, Weather-related Planning)
- Practice using the tools to operate an agriculture business and report on the lessons learned (Crop calendar, farming systems, scale)
- The role of equipment (identifying equipment needed, available, costs and benefits, appropriateness, steps to upgrade from subsistence to commercial farming)
- The role of labor (identifying equipment needed, available, costs and benefits, appropriateness, steps to upgrade from subsistence to commercial farming)
- The role of technology (Understand and use of weather advisories, value adding, processing, packaging)
- How to evaluate a business plan and marketing strategy
- Examples of good business plans and marketing strategies
- How to use income to improve your agriculture business
- How to save income (using banks, savings plans, interest)
- How to cut unnecessary expenses from your business



Annex 2:

Materials available to Trainers

- Helping Small Farmers Think About Better Growing and Marketing, *Food and Agriculture Organization of the United Nations*
- Table of Learning Outcomes for Kumala (Bislama), *Farm Support Association*
- Harvest Records, Input Records, Sales Records, Work Records and Profit Calculation (Bislama), *Department of Agriculture and Rural Development*
- Examples of a spring onion and tomato farming business (Bislama), *Department of Agriculture and Rural Development*
- Spring Onion, Tomato and Cucumber Farming Example (Bislama), *Department of Agriculture and Rural Development*
- Generate Your Business Idea, *International Labour Organization*
- GET Ahead for Women in Enterprise Training Package and Resource Kit, *International Labour Organization*
- Farming as a Business Booklet, *Department of Agriculture and Rural Development*
- Vanuatu Smallholder Farmer, Booklet about how to keep and manage cattle: Booklets 1-4 (Bislama), *Department of Livestock*
- Start Your Own Business (Bislama), *International Labour Organization translated by Peace Corps Vanuatu*
- Basic Agribusiness Skills and Concepts for Peace Corps Volunteers, *Greg Russell, Peace Corps Togo*
- Materials developed by Peace Corps Volunteers for:
 - Writing Business Plans
 - Money Management
 - Business Management
 - Book Keeping





Organizations to inquire with for more materials:

- Department of Cooperatives
- Youth Challenge Vanuatu
- Vanuatu Chamber of Commerce and Industry
- Vanuatu Rural Development and Training Centres Association
- VANWODS
- Vanuatu Agriculture College
- Department of Agriculture and Rural Development
- Farm Support Association
- Department of Livestock
- Department of Fisheries
- Peace Corps Vanuatu

Annex 3:

A Community Introduction to Farming as a Business

Unit Code	Community Awareness on Farming as a Business
Level	None
Time Required	6 hours
Unit Descriptor	This unit presents to interested community members what “farming as a business” means, an overview of commercial farming and some practical examples.
Pre-requisite	Basic skills in agriculture and business management
Co-requisite	None
Element	Performance Criteria
What is “Farming as a Business”	<ol style="list-style-type: none">1. Explain the difference between subsistence, semi-commercial and commercial farming and give examples of each
Taking into consideration the various social, economic, environmental and climate contexts of Vanuatu	<ol style="list-style-type: none">1. List the social, economic, environmental and climate factors that need to be considered when planning a commercial agriculture activity2. Explain how these factors can impact a commercial agriculture activity3. Give examples of how these factors can be taken into consideration when planning a commercial agriculture activity
How to operate an agriculture business	<ol style="list-style-type: none">1. Explain the importance of using planning tools for commercial agriculture2. Explain the importance of record keeping tools for commercial agriculture3. List some planning and record keeping tools used for commercial agriculture4. List factors that make a commercial farmer successful
Examples of small, medium and large scale commercial agriculture	<ol style="list-style-type: none">1. Explain how to setup and carry out a small-scale commercial agriculture activity2. Give examples of different levels of commercial agriculture activities



Key Competencies/Employability Skills and Example of Application
Range Statement
This course is designed for a novice trainee, with little to no previous experience and little to no practical farming experience. This is an introductory course for those interested in an overview of small-scale agricultural business in Vanuatu.
Evidence Guide
Able to understand what is commercial farming in the context of varying social, economic, environmental and climatic situations
Context of assessment and resource implication
Assessment will be conducted in the classroom. Trainees should be assessed on the following points: <ul style="list-style-type: none">• Ability to explain the different categories of farming practices• Ability to explain the inputs required to run a commercial agriculture activity Resources: Pen, paper, table







For more information on

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