



Module 15: Sustainability Planning



Goal

Farmers will make a plan to work collectively to decrease costs and increase profits.

Learning Objectives

1. Learn how to identify key actors and structure of value chains.
2. Understand the benefits of collective buying and selling.
3. Learn to identify the challenges to working as a group and ways to mitigate them.
4. Learn how to create a sustainability plan.

Venue and timing

This workshop can be held at any location with adequate seating and shade.

Preparation

- Draw blank tables on flip chart paper: “Challenges for farmer-based organizations,” “Farm input needs,” “Potential buyer table,” and “Sustainability planning table.”

Supplies

- Flip chart paper, markers
- Value chain actor cards
- Print out of donkey collaboration picture

Total time

3-4 hours

Handouts in Farmer’s Workbook

- The Value Chain, Donkey Metaphor for Collaboration
- Challenges for Farmer Based Organizations
- Farm Inputs
- Potential Buyers
- Sustainability Plan

Module 15: Sustainability Planning

Summary of Activities

Opener: Human value chain (45 mins)

- Recall crops the group plans to sell together
- Explain a value chain and discuss the roles of value chain actors
- Create a human value chain
- Discuss the agricultural value chain

Activity 1: Why should we collaborate (30 mins)

- Discuss the donkey metaphor for collaboration
- Discuss the benefits of forming a farmer group

Activity 2: Collective input needs (1 hour)

- List input needs
- Discuss options for reducing input costs

Activity 3: Market opportunities

- Discuss the quality, volume and prices for different types of buyers
- List potential buyers for the crop the group is selling collectively

Activity 4: Create a group sustainability plan (1 hour)

- Identify priorities
- Create a sustainability plan
- Select a person to lead the group in marketing

Opener: Human Value Chain

Description

This activity helps participants understand the many parts of the value chain.

Instructions for Farmers

1. Recall crops the group plans to sell together

Today we will talk more about working together as a group to purchase the inputs you need for your farms and to sell what you produce together.

- Which vegetable crops will you sell collectively?
- Which tree crops will you sell collectively?
- Are there other products you plan to sell collectively?
- How can you get the highest prices for what you sell?
- Can you add value to any of these products? How?

2. Explain a value chain

Many people are involved in getting you the supplies you need to grow your crops and getting your crops to the people who will buy them. We will discuss the concept of a value chain and talk about where you fit in the value chain for one of the crops the group plans to sell collectively.

What is a value chain?

3. Hand out the value chain actor cards and discuss the different roles

I will hand out cards of different people in the value chain. Then each of you will tell us the role of the person on your card.

- How does a product go from seed to market?
- Who are all the people involved?
- Where do those people live and work? (the capital? A port town? The central town? The village?)
- What are the roles of the different actors in the value chain?

Value Chain Cards

The 14 actors in this value chain game include the individuals listed below. Feel free to replace the general names with the names of actual market actors.

- Input dealer
- Farmer (member of a group)
- Farmer (not in a group)
- Local trader
- Mill/Processor

- Consumer
- Urban supermarket
- Wholesaler
- Transporter
- Financial institution
- Exporter
- Extension officer
- Large-scale buyer
- Local rural market

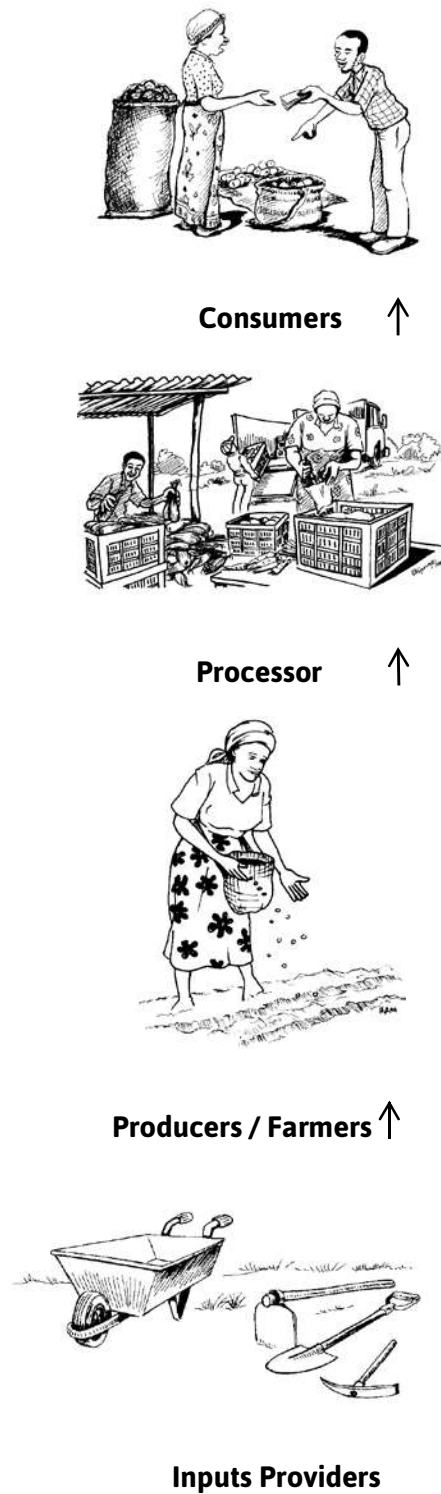
4. Participants create a human value chain

Each of you represents the actor described on the card you are holding. Standing in a line, place a hand on the shoulder of the person to whom you sell your products or provide a service. Once everyone is in the correct order, I will draw the value chain on flip chart paper.

5. Discuss value chain

- Where are you located on the value chain?
- What does this say about the need for many value chain actors to work together?
- What does this tell you about potential markets for your products?
- Besides selling to the value chain actor directly above you (or on whom you placed your hands during this activity) which other actors might you be able to sell to if you form a group? What would it take in terms of quantity and quality for you to be able to sell to them?
- What happens if you can't deliver on the quantity or quality of product you promised in a contract?

Figure 1: A simple, generic Value Chain



Activity 1: Why Should We Collaborate?

Description

Using the picture of donkeys, the facilitator helps farmers create a list of six specific ways that they can work together to increase profit.

Instructions for Farmers

1. Discuss the donkey metaphor for collaboration

Take a look at the picture of the two donkeys.

- What do you see in this picture?
- What happened when the donkeys were working against each other?
- What happened when the donkeys were working together?

2. Discuss the benefits of forming a farmer group

Cooperation can make challenging and time-consuming tasks manageable; it is the foundation on which farmer groups are formed and it is the basis on which different farmer groups can work together.

- Is anyone here a member of a group other than this one? (women's group, savings and loan group, water committee, religious group)
- What are some benefits to joining a group?
- What are some benefits specific to a farmer group? (examples: renting/sharing equipment, bulk purchasing of inputs, bulk storage, marketing, sharing information, training, sharing transportation costs)
- What are challenges to being in a group? (use black chart below) (examples: side selling, poor quality, low participation)
- What are the reasons for those challenges?
- What can you do to plan for these risks before they become issues? How can you mitigate these issues? (Rules? Agreements? Protocols?)

Figure 2: Donkey metaphor for collaboration

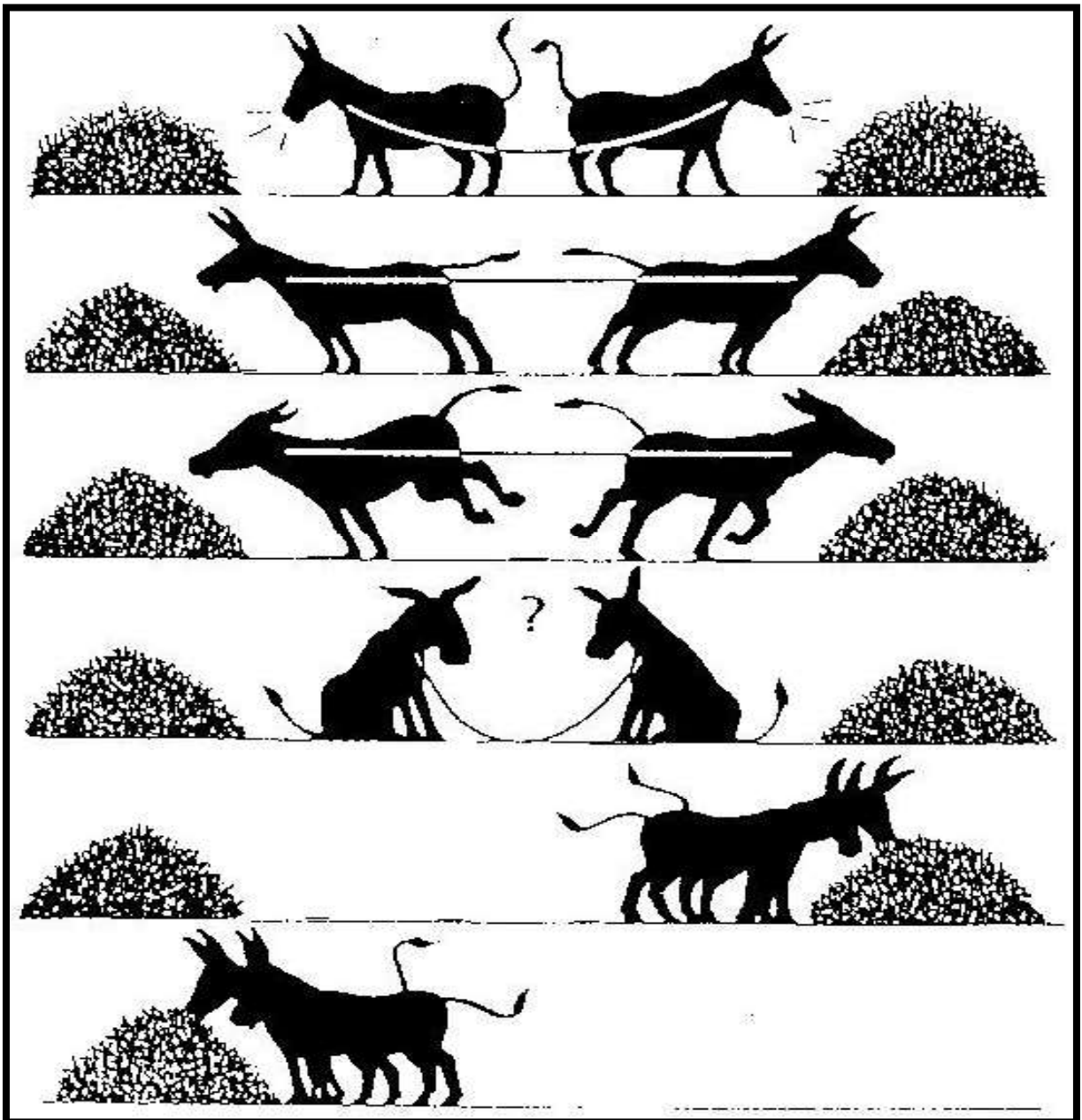


Figure 3: Challenges for farmer based organizations

Challenge	Reasons for happening?	What can we do?

Activity 2: Collective Input Needs

Description

Farmers list the needs for their Forest Garden: seeds, fertilizer, tools, etc., and discuss how forming a group could reduce input costs.

Instructions for Farmers

1. List input needs

What are the different inputs you need for your Forest Gardens? Mention all of the inputs you use in your Forest Gardens, including things like seeds, planting materials, tools, equipment, transport, labor, etc., and I will write them on the flip chart.

2. Discuss options for reducing input costs

- How can you reduce some of these costs?
- From the list we came up with, which can you purchase in bulk as a group, or undertake collectively, to reduce cost?
- Which can you purchase for the group and share (i.e. equipment)? How can you help each other reduce costs (i.e. shared labor)?
- What other linkages to actors in the value chain does the group need? To people in government? Anyone else?

Figure 4: Farm Inputs

Inputs	Quantity Needed	Benefit from collective action? (yes/no)	How do we purchase it?

Activity 3: Market Opportunities

Description

Farmers discuss the different buyers for their product and the desired quality, quantity and price for each. The facilitator starts with a blank table and recreates it with the participants while explaining each column (Buyer, Volume, Quality, etc.).

Instructions for Farmers

1. Discuss the quality, volume and price for different types of buyers

For the next activity we will discuss market opportunities for the products you are selling or would like to sell as a group. We will talk about quality, volume and price for those product(s). What are the products you are selling collectively?

Quality: Increasing quality of your products starts with what you do in the field. Every step of processing, cleaning, storing and transporting affects quality.

- What do you consider to be high quality for your product?
- How do you know which is high quality and which is not?
- Which of your buyers pay a higher price for higher quality?
- Which buyers accept lower quality?
- Is your product high quality or low quality?

Price: The rules of supply and demand are the largest influence on price, but you can negotiate and find ways to sell at a higher price.

- What is the difference in price when you sell directly from your farm instead of taking the product to the market?
- How do you know what prices to ask for?
- Do you sell higher quality products for a higher price?
- Do you sell lower quality products sell for a lower price?
- What is a low price for you?
- What do you consider a high price?

Volume: Buyers operate at different levels of volume. Some will only buy large amounts, while others will make smaller purchases.

- What is a large volume for you?
- What do you consider to be a small volume for sale?
- What is your preferred size of order? Why?

2. List potential buyers for the crop the group is selling collectively

Fill out the table on the flip chart as follows:

Put a ↓ in boxes for high quality, large volumes or higher price.

Put a ↑ in boxes for low quality, low volumes or lower prices.

Put a – in boxes for moderate quality, moderate volumes or moderate prices.

- Which market opportunities are feasible based on cost? Based on distance?
- Which market opportunities should you pursue?

Figure 5: Potential buyer table

Buyer	Location	Quality	Volume	Price

Activity 4: Create a Group Sustainability Plan

Description

The group makes a sustainability plan to meet members' input needs and increase access to markets. Part of this activity can be completed during the next group meeting, depending on time needed.

Instructions for Farmers

1. Identify top priorities

Refer to the list of input needs and potential sellers and identify the action items the association should pursue, and key people to reach out to in order to benefit your members and improve your market access.

2. Create a sustainability plan

You will develop a sustainability action plan that will identify the task, who is responsible for the task, when they will complete the task, and how much the task will cost.

3. Select a person to represent the group

Once you have created your sustainability plan, select who you want to attend a meeting to represent your group and present your sustainability plan to other groups. During that meeting, your group leaders will plan a graduation ceremony to celebrate your successful completion of the Forest Garden Certification Program.

Note: At the end of this module is a Cooperative Bylaws Template. If the farmer group has not developed bylaws, this template can be used.

Figure 6: Sustainability planning table

Action item:			
Task	Who	When	Cost
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Cooperative Bylaws Template

This template has been modified slightly from the original version available on http://cultivate.coop/wiki/Cooperative_Bylaws. It has been changed to be applicable internationally.

I. **Mission, purpose, and legal structure**

This section often includes the cooperative's mission statement, vision statement, or stated purpose. This is also a good place to restate the information outlined in the Articles of Incorporation. The Bylaws should agree with the Articles, but you may wish to include this useful phrase:

"The articles of incorporation are hereby made a part of these bylaws. In case of any inconsistency between the articles of incorporation and these bylaws, the provisions of the articles of incorporation are controlling."

II. **Membership**

This section should describe each membership class (if more than one). For each membership class, outline who is eligible for membership, the requirements for membership, voting rights. Specify rules for suspension or termination of membership, including guidelines for returning member investments. Note that membership shares are often non-transferrable.

III. **Membership Meetings**

This section should address the details of annual (or periodic) general membership meetings. Such details may include:

- i. How often are regular membership meetings held? How is the agenda compiled? How is the time and location of the meeting announced?
- ii. How are special membership meetings called? How are special meetings announced?
- iii. What decision-making process is used? Consensus? Modified consensus? Majority vote? What percentage of participants must vote in favor in order to approve a decision? Do stand-asides affect the outcome? Possible "majority" thresholds include 50% plus 1, 66%, 75%, and occasionally greater percentages.
- iv. What number or percentage of members is needed for quorum?

IV. **Board of Directors:**

The "Board Directors" section should answer these questions:

- i. What is the minimum or maximum number of Board Directors? It may be useful to specify a range in the Bylaws, so the Board can grow if needed. Cooperatives often try to have an odd number of directors. Do you want the Board to reflect certain constituents? Many consumer-owned cooperatives strive to fill a certain number of seats with staff members.
- ii. How are Board Directors elected? How long are Board terms? Many cooperatives try to stagger terms, so that only about half of the Board seats are up for re-election at a time. This helps to ensure organizational stability and preserve institutional memory.
- iii. How are vacancies filled? Some cooperatives allow the Board Directors to fill vacant seats, while others require a special vote of the membership. Others offer vacant seats to runners-up from recent elections.
- iv. Under what circumstances can Directors be removed? What is the process for removing Directors? In cases of serious misconduct or negligence, suspension or removal may be automatic. In other cases, there may need to be a mechanism for empowering members to recall Directors or Board Decisions.

- v. Will Directors be paid for serving on the Board? If so, how much? Different governments have different statutes.
- vi. Do you wish to prohibit Board Directors from voting if they have a conflict of interest (such as compensation of officers)? Here is a useful phrase:
"It shall be the duty of all board directors to make prompt and full disclosure to the board of any personal, professional, or financial conflict of interest in a matter under discussion. When a conflict of interest is disclosed, the board member must not participate in the discussion or vote on the relevant issue."
- vii. How often are Board Meetings held? How will the time and location be communicated to members? Under what circumstances can emergency Board meetings be called, and how will they be announced?
- viii. What are the general duties of Board Directors? What is their relationship to the management, staff, and members?
- ix. What is the role of the management? Typically (co-)managers oversee daily operations in compliance with general guidelines set by the Board, and report to the Board of Directors.
- x. Will there be Board Committees? Should these be defined in the Bylaws? How are Board Committees formed? What are the limitations of Committees' decision-making power?

V. Board Officers

The Board may be required to designate a President / Chair, Secretary, Treasurer, and / or alternatives. Check your area's requirements, and outline the duties of each officer in subsections. Also specify how officers are designated (elected directly by the membership or chosen by Board Directors) and how long their terms last.

VI. Finances

Be sure to cover the following (check your government's statutes):

- i. How are net proceeds (both margins and losses) apportioned?
- ii. How are proceeds distributed?
- iii. What are your policies for patronage refunds and reserves?
- iv. Check the local government's code for guidelines for equity records. Cover equity redemption for terminating members, deceased members, and unclaimed equity.

VII. Administration and Miscellaneous

This section can include a variety of topics (organized into subsections). Topics may include when the fiscal year begins, what meeting process is used (Robert's Rules of Order, Butler's Formal Consensus, or another system detailed in a separate text that can be referenced by members), use of a corporate seal or logo, indemnification and insurance coverage for Directors, financial reviews, options for advisory councils and committees, and more. Separate sections can be created for these topics if desired.

VIII. Amendment to the Bylaws

It is important to state the procedure for amending the Bylaws. How does a Board Director or member propose an amendment? How is an amendment approved? (This often requires a period or special general membership meeting and a vote of the membership. Some cooperatives require that members petition for a special meeting and / or Bylaws change in order to demonstrate that their proposal has some support.)

IX. Dissolution

What procedures should be followed if the cooperative goes out of business? If members or Board Directors are interested in dissolving the cooperative voluntarily? How will remaining assets be divided?

Module 15: Facilitator's Notes



The facilitator should use the following pages to note down any questions or findings from the group that should be kept for or addressed at a later time. Depending on the module this may include species selection by group, crops identified in seasonal calendars, or anything else that should be noted.