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## TRAINING NOTES

# CAPACITY-BUILDING OF CLUSTER-BASED BUSINESS ORGANISATIONS (CBBOs) UNDER THE CENTRAL SECTOR SCHEME ON PROMOTION & FORMATION OF 10,000 FPOs



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## About the Teaching Notes

Teaching notes provide various teaching strategies and concrete ways in which a technical session can be taken up by the trainer. Following the student centric approach, the teaching notes can help the trainer to make their session interactive and participatory. Therefore, to use the CBBO's training module more effectively, teaching notes have been designed for the CBBO's trainers as a teaching aid.

For each of the sixteen sessions of the CBBO training module, the teaching note offers a set of inputs, guidance, recommendations, and references. Specifically, the teaching notes for each session are structured in the following manner:

- i. Synopsis: A short summary of the topics, the module covers
- ii. Target Group: General/specific inputs on the target group of participants
- iii. Learning Objectives: Statement of the learning objectives of the module – what the participants are expected to learn after completion of the module.
- iv. Teaching Strategy: Instructions, with explanation, of the strategies to be used in the session for the specific module
- v. Questions for Discussion: Questions to be used by the facilitator to generate discussion in the learning group
- vi. Analysis of Data: Data that participants can analyse to understand the topics covered in the module
- vii. Background Reading: Carefully curated reading material from other sources that are highly recommended (additional reading material) for the participants to deepen their understanding.
- viii. Multimedia: Video content selected as additional learning material



# Teaching Note: CBBO Training Module - Session I

Overview of Indian  
Agriculture – From Food  
Security to a Farmer  
Centric Approach



## Synopsis

This Module seeks to help the CBBO participants understand how, over time, Indian agriculture has evolved, moving from a food security approach to a farmer-centric process. Specifically, the Module presents a bird's eye view of:

- i. Land use patterns in India from 1950-51 to 2015-16, highlighting critical constraints that the sector operates under, namely: 1) limit horizontal scope for land expansion under agriculture and 2) the inadequate irrigation infrastructure leading to continued dependence on monsoons.
- ii. The food security challenge India faced at the time of independence and the institutional reforms rolled out in response to tackling the food security challenge.
- iii. The progress towards self-sufficiency in food grains and trends in cultivated area, production and productivity of important crops.
- iv. Compositional shift towards horticulture which surpassed food grain production in 2012-13
- v. Importance and role of agri-allied sector in the farm production systems.
- vi. Shift in the sectoral share in the Indian economy with focus on primary sector comprising majorly of agriculture & allied sector; Shift of subsectors within agriculture vis-à-vis GVA.
- vii. Indian agriculture's share in global markets.

## Target Group

Cluster-Based Business Organisations (CBBOs henceforth)

### Learning Objectives

After completing CBBO training module Session 1:

- i. The participant acquires a data-based understanding of the land use pattern in India, constraints in area expansion under agriculture and the progress of Indian agriculture since 1950-51.
- ii. The participant is able to recall, list, and discuss the vital institutional reforms that drove India's agriculture aiming at attaining nation's food security.
- iii. The participant is able to understand the compositional shift in agriculture towards horticulture and also gets an understanding of contribution Indian agri-products in global agri-markets (exports).
- iv. The participant is able to discuss the role of agriculture and the allied sector in farm & national economy.
- v. The participant learns about sectoral contributions and movements across time period in country's economy.
- vi. The participant is able to state and reason-out the declining trend in contribution of agriculture to India's GVA.

## Teaching Strategy

TASK	ACTIVITIES
Task 1: Session objectives	Using a chart, the trainer will explain the learning objectives mentioned above. It is recommended that the facilitator use the Guided Discussion activity as a strategy. In the Guided Discussion strategy, the facilitator enables a discussion or dialogue between the facilitator and the learners.
Task 2: Guided discussion	<p>The facilitator asks specific, planned questions designed to draw learning points from the learners. The discussion questions listed are designed for the facilitator's use in structuring an effective guided discussion, following which participants have a shared understanding of the key takeaways.</p> <p>How to use the Guided Discussion strategy:</p> <ol style="list-style-type: none"><li>1. Identify the learning points to be brought out in the discussion (tip: use the module content and the synopsis presented in the teaching notes to complete this preparation)</li><li>2. For each learning point, the facilitator should<ul style="list-style-type: none"><li>• Craft a question</li><li>• Note the most likely learner responses</li><li>• Plan follow up comments to augment learners' comments, and go on to the next question.</li></ul></li></ol>
Task 3: Q&A	The trainer will facilitate a Q&A session on this topic and conclude the session after summarizing the key learnings.

## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage the participants in a productive discussion or debate within the broad framework of the session:

- i. Take the participants back in time. When India gained Independence, what was the biggest challenge Indian agriculture faced?
  - a. What did your grandparents/parents share about those times?
- ii. How did the situation influence the journey of Indian agriculture after Independence? Ask participants: what are the keywords that come to mind when you think of Indian agriculture progression?

Keywords like Green Revolution, Operation Flood are likely to come up. Use these to give direction to the discussion

- iii. What were the key initiatives/reforms in India's agriculture sector?  
*Use participants' responses to reinforce the understanding of the important reforms*
- iv. What outcomes did the reforms lead to?  
*Use participants' responses to strengthen their understanding of the area's trends under cultivation, production, and productivity. In the field areas in which they work, what patterns have they observed?*
- v. What are the two critical land-related constraints India's agriculture sector operates with? What do these constraints mean for Indian agriculture?  
*Use participants' responses to talk about land availability and irrigation*
- vi. What are the sub-sectors of Indian agriculture?  
Use participants' responses to talk about the emergence of horticulture and what horticulture comprises of, and then the allied sector and its composition
- vii. How does Indian agriculture fare in comparison to the other sectors of the economy?  
*Use participants' responses to talk about the sector's share in GVA and the issues related to decline and variability*
- viii. What is India's position in global agriculture?
  - a. *Use participants' responses to provide information and highlight how Indian agriculture has great scope in global markets*

## Background Reading

- i. Resource material on capacity building of CBBOs
- ii. State of Agriculture in India: State of Agriculture in India | PRSIndia (<https://www.prsindia.org/policy/discussion-papers/state-agriculture-india>)

## Multimedia

FPO MOOC: Module – 1, Session – 1: Overview of Agriculture-based Livelihoods in India



# Teaching Note: CBBO training module - Session II

Making smallholder  
farming viable in India -  
Concept of aggregation  
and the role of FPOs



## Synopsis

After the Overview Session 1 provided, Session II focuses on the smallholder farmers and requirements for aggregation and collectivization. The key highlights of the session are:

- i. The high dependency of people on agriculture and allied sectors for a livelihood
- ii. The income disparity between cultivators and non-agriculture workers
- iii. The challenges, a smallholders face - reduced landholding size, technology, access to inputs, marketing, and price
- iv. Possible solutions and aggregation as a solution

## Target Group

CBBOs

### Learning Objectives

After completing CBBO training module session 2:

- i. The participant understands and appreciates the disproportionate extent to which people engaged in agriculture depend on agriculture for a livelihood
- ii. The participant builds on the understanding of the agriculture situation (population in agriculture-agriculture's share in GDP) by gaining an appreciation of the income disparity between non-agriculture workers and cultivators
- iii. The participant is able to list and discuss the issues affecting agriculture in general and smallholders in specific - reduced landholding size, issues in access to inputs (timeliness, quality, and quantity), issues in marketing (channels, price, and MSP), and low share of the producer in the consumer price
- iv. The participant is able to describe the constraints smallholders operate under due to the issues they face and the impact of the limitations on the smallholder livelihood
- v. The participant is able to appreciate and articulate how collectivization and aggregation can emerge as a solution to address the numerous issues smallholders face and free them from the constraints
- vi. The participant is able to present the benefits of the aggregation model, specifying clearly:
  - a. The problems aggregation can address
  - b. The model of aggregation (SHGs, JLGs, FPOs, Federations)
  - c. The role of an FPO

## Teaching Strategy

TASK	ACTIVITIES
Task 1: Session objectives	Using a chart, the trainer will explain the learning objectives mentioned above. It is recommended that the facilitator use a combination of the Role Play activity and the Interactive Lecture activity as a strategy.
Task 2: Role-play activity	In the Role Play strategy, the facilitator invites participants to engage in a role play. Sets of two participants are invited to volunteer and assume the role of a smallholder and the role of an interviewer respectively. Through the role-played interview, the issues and constraints of the smallholder farmer are revealed.  Following the role play, the facilitator leads a discussion around the role play to capture the key takeaways from the activity.
Task 3: Interactive lecture	The facilitator then builds on the role play by initiating an interactive lecture framing accurately the issues that emerged in the role play. Finally, the facilitator uses the understanding at the individual level (the role play) and the macro level understanding (interactive lecture) to discuss possible solutions and present aggregation as a workable solution.
Task 4: Q&A	The trainer will facilitate a Q&A session on this topic and conclude the session after summarizing the key learnings.

## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. When you think of the Indian farmer, what is the picture that comes to your mind?
  - a. Ask participants to be as descriptive as possible. Use participants' responses to clarify and crystallize the understanding

- ii. What is the biggest challenge that the Indian farmer faces?
  - a. Ask participants to describe the challenges with real life examples from their field areas. Use participants' responses to:
    - i. Articulate the central issue powerfully, focusing on the income level of the farmer; ask participants to talk about different farmers they know and share with the trainees what they know about the issues related to inputs (seed, fertiliser, crop protection); credit (formal/informal, cost, timeliness, quantum); market linkage challenges; end price and producer's share
    - ii. Structure the issues, the farmer in general and the smallholder in specific faces: a) reduced landholding size, b) access to inputs, c) issues in marketing, and d) low producer share in the consumer price
    - iii. While doing this, use macro-level data related to each issue to highlight the key aspects
- iii. What are the possible solutions for each of the issues and challenges?
  - a. Use participants' responses to categorize issues and corresponding actions
- iv. How do we give an organisational form to these solutions?
  - a. Use participants' responses to introduce and discuss the FPO model
- v. What are the potential benefits of aggregation?
  - a. Use participants' responses to discuss the benefits of aggregation, with examples
- vi. What are the ways in which an FPO can make a difference to the member smallholder?
  - a. *Use participants' responses to discuss and facilitate a clear understanding of the role of an FPO*

## Analysis of Data

Refer to Table 8 in Module 2. Over the period from 2005-06 to 2015-16:

- i. What is the percentage increase/ decrease in marginal farmers?
- ii. What is the percentage increase/ decrease in small farmers?
- iii. What is the percentage increase/ decrease in semi-medium farmers?
- iv. What is the percentage increase/ decrease in medium farmers?
- v. What is the percentage increase/ decrease in large farmers?

## Background Reading

- i. Resource material on capacity building of CBBOs
- ii. FPO orientation material (calendar, booklet, posters)
- iii. Guidebook on strengthening Farmers' Interest Groups (FIGs)
- iv. Categorisation of farmers: Categorisation of Farmers ([pib.gov.in](http://pib.gov.in))
- v. Small and marginal farmers own just 47.3% of crop area, shows farm census: Small and marginal farmers own just 47.3% of crop area, shows farm census ([livemint.com](http://livemint.com))
- vi. Doubling Farmers' Income - Rationale, Strategy, Prospects, and Action Plan: Ramesh Chand, NITI Aayog: DOUBLING FARMERS INCOME.pdf ([niti.gov.in](http://niti.gov.in))

## Multimedia

Module – 1, Session – 2: Need of Collectives for the Smallholder Farmers



# Teaching Note: CBBO Training Module - Session III

**Salient Features  
of Central Sector  
Scheme on Formation  
& Promotion of 10,000  
FPOs**



## Synopsis

Session III introduce the salient features of the Central Sector Scheme on 'Formation and Promotion of 10,000 FPOs, launched by DAC&FW. The Scheme has proposed an institutional structure to drive the scheme at the national, state, and cluster levels. The session also explain the role and responsibilities of CBBOs and their relationships with other institutions in the Scheme.

## Target group

CBBO's

### Learning Objectives

After completing this session, the participant will be able to understand two critical aspects.

- i. The participants will explore the Scheme's implementation structure so that their CBBOs can develop a process to engage with these institutions to become implementation partners.
- ii. They know their roles & responsibilities and also deliverables as CBBOs under the scheme framework. The next session (Session IV) deals explicitly with the roles and responsibilities of FPOs.

## Teaching Strategy

TASK	ACTIVITIES
Task 1: Session Objectives	Using a chart, the trainer shall explain the learning objectives for this session. The trainer divides the session into two parts. In the first part, the trainer uses a traditional lecture method, using a presentation, followed by a Q&A session. In the second part, the trainer can organize a mind-mapping activity.
Task 2: Presentation	The trainer shall make a presentation detailing the Scheme, its aims and objectives, key features, provisions, scope and coverage, and implementation structure. Participants can ask questions to clarify any doubts or get more information.
Task 3: Scheme overview	The trainer will introduce the Scheme using a presentation, focusing on the incentives and timeline for the CBBOs. The participants shall clarify their doubts in this session, and the trainer shall adequately address the doubts to the extent possible.
Task 4: Q&A session	The trainer can facilitate a Q&A session with the participants and conclude this session after summarizing the key learnings.

## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. Ask the participants about their understanding of any differences they perceive in the roles and responsibilities defined by the Scheme.
- ii. Ask the participants to share their thoughts on increasing their operations' scale based on the Scheme requirements.
- iii. Ask the participants to share their thoughts on educating cluster and FPO leaders on the Scheme provisions.

## Background Reading

- i. Resource material on capacity building of CBBOs
- ii. Compilation of schemes and policies initiatives for supporting FPOs



# Teaching Note: CBBO Training Module - Session IV

Role, Responsibilities,  
Key Performance  
Indicators &  
Deliverables for CBBOs



## Synopsis

Sessions III introduce the objectives of the Central Sector Scheme on 'Formation and Promotion of 10,000 FPOs, launched by DAC&FW. This session explains the role and responsibilities of CBBOs and their relationships with other institutions in the Scheme.

## Target group

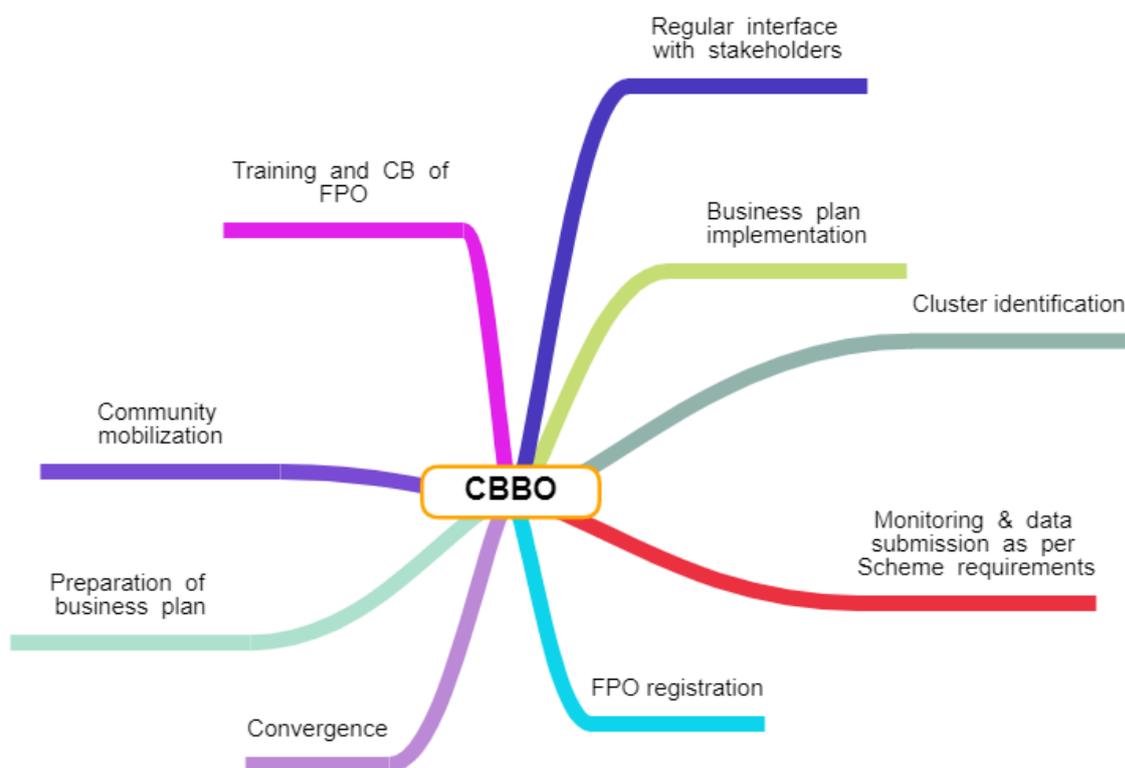
CBBOs

### Learning Objectives

- i. After completing this session, the participant will be able to understand the roles and responsibilities of the CBBOs, besides acknowledging the roles of other institutions in the Scheme.
- ii. The participants will also be able to have a defined structure to develop the value chain for products and services in their FPOs.

## Teaching Strategy

TASK	ACTIVITIES
Task 1: Session Objectives	Using a chart, the trainer shall explain the learning objectives for this session. The trainer divides the session into two parts. In the first part, the trainer can organize a mind-mapping activity to help the participants understand and reinforce the role and responsibilities of CBBO. The second part uses the lecture method to explain value chain development for the FPO.
Task 2: Roles and responsibilities of CBBOs - Mind mapping with role description in 99 words	Using a flip chart, the trainer will use the mind mapping technique to show the roles and responsibilities of a CBBO. Further, the trainer also explains the roles and responsibilities of other key stakeholders.  For each role, the trainer will ask one or more participants to describe the role using 'role description in 99 words'. The assigned participants will use a flipchart to write those 99 words and answer any questions the trainer and the participants might ask.  Here is an example of 'role description in 99 words' in community mobilization:  <i>"Community mobilization is a process to create awareness, identifying problems, and bring the farmers in the FPO fold. Our role in CBBO is to design the community mobilization process. To do this, we first identify the lead farmers who will motivate others. We also ensure that we get the support of the PRI members during our mobilization. Our communication team also creates pamphlets and videos that our mobilization team on the ground uses to conduct community meetings. As a CBBO, we ensure that every segment of the society gets into the FPO. We actively monitor the membership drive. "</i>
Task 3: Lecture method	The trainer uses video and case studies of 2-3 FPOs in the regions and clusters that represent the operational area of the participating CBBOs to illustrate how the FPOs can develop and strengthen their product value chain.
Task 4: Q&A session	The trainer can facilitate a Q&A session with the participants and conclude this session after summarizing the key learnings.



## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. Ask the participants about their understanding of any differences they perceive in the roles and responsibilities defined by the Scheme.
- ii. Ask the participants to share their thoughts on increasing their operations' scale based on the Scheme requirements.
- iii. Ask the participants to share their thoughts on educating cluster and FPO leaders on the provisions of the Scheme.

## Background Reading

- i. Resource material on capacity building of CBBOs

## Multimedia

Module – 1, Session 3: Collectivization efforts under Agriculture and allied Sectors in India



# Teaching Note: CBBO Training Module - Sessions V and VI

Scoping of Potential  
Opportunities – Cluster  
Identification, Baseline  
Survey, Feasibility  
Study, Identification of  
Business Opportunities



## Synopsis

These sessions outline the approach and process that CBBOs are required to adopt to promote vibrant FPOs. The method includes 1) cluster identification, 2) diagnostic study, 3) baseline survey, 4) feasibility study, and 5) identification of business opportunities.

## Target Group

CBBOs

### Learning Objectives

After completing sessions V and VI:

- i. The participant is able to describe in sequence the steps to be undertaken to promote vibrant FPOs
- ii. The participant is able to clearly explain the process of cluster identification, the method for cluster identification, the criteria to be applied for cluster identification, and the importance of cluster identification in promoting vibrant FPOs.
- iii. The participant is able to clearly explain the process of diagnostic study in the cluster selected, list the different critical aspects studied, explain the methods used, and describe the insights, the CBBO will be able to get from the diagnostic study.
- iv. The participant is able to clearly explain the purpose of the baseline survey, the sections of the survey instrument, the questions that will be answered, and the insights that will be generated if the survey is done well.
- v. The participant is able to clearly explain the purpose of the feasibility analysis, steps for assessing viability of activities, rules for elimination of unviable economic activities, and selection of economically viable activities.
- vi. The participant is able to list PRA methods and explain how the methods can be used to gather farmers' perspectives on important aspects, issues, and challenges.

## Teaching Strategy

TASK	ACTIVITIES
Task 1: Session objectives	Using a chart, the trainer will explain the learning objectives mentioned above. It is recommended that the facilitator organize the group into four smaller groups.
Task 2: Group Reading and Class Presentation	<p>It is recommended that the facilitator organise the group into four smaller groups. To each group, the facilitator distributes a high-quality sample output from one of the four critical steps. Then, the facilitator uses a combination of Group Reading and Class Presentation as a teaching strategy. At least two days before the session, each group is given one of the following reports:</p> <ol style="list-style-type: none"> <li>1. Cluster Identification</li> <li>2. Diagnostic Study</li> <li>3. Baseline Survey</li> <li>4. Feasibility Analysis</li> </ol> <p>All group members read the report and then summarize, in sequence, the different parts of the report - purpose of the particular step/stage, methodology, tools used, findings, decision-making criteria used, and insights generated.</p> <p>No one member must do all the presenting. Members in the other groups can ask questions to understand the report better.</p> <p>In this way, each report document is read and presented, step by step (each member presenting one logical part of the report). This ensures that all members take part in reading and summarising the report/output.</p>
Task 3: Lecture	<p>Following this, the facilitator switches to the Lecture strategy to present the essential concepts and know-how that participants need to organise the knowledge and use it.</p> <p>This combination of teaching strategies will ensure that the entire group understands each output and how it is connected to the next step, culminating in a clear understanding of scoping that forms the foundation for mobilisation.</p>
Task 4: Q&A	The trainer will facilitate a Q&A session on this topic and conclude the session after summarizing the key learnings.

## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. What are the key findings of the cluster identification process?
- ii. What questions did the diagnostic study answer?
- iii. What were the key findings of the baseline survey?
- iv. What were the choices recommended in the feasibility study?

## Background Reading

- i. Resource material on capacity building of CBBOs

## Multimedia

Module – 1, Session 6: Role of FPOs in Livelihood Promotion of Farmers



# Teaching Note: Session VII

Effective strategies for  
mobilization of farmers  
for the formation of  
FPOs



## Synopsis

Session 7 focuses on equipping the participants with practical insights on crucial mobilization strategies. The resource material introduces six mobilization strategies, their rationale, and guidance on practicing those strategies.

## Target group

As part of their mobilization efforts, CBBOs plan and execute their mobilization strategies involving their head and program manager responsible for driving their FPO programs. The clusters and FPOs also use a wide variety of communications materials (such as pamphlets, videos, posters, etc.) produced by the communications team in the CBBOs. Then, the program managers often drive the mobilization of the farmers in their clusters. Together they form the mobilization team in the CBBOs. The specific target audience for Session 7 is this mobilization team, along with the regular participants.

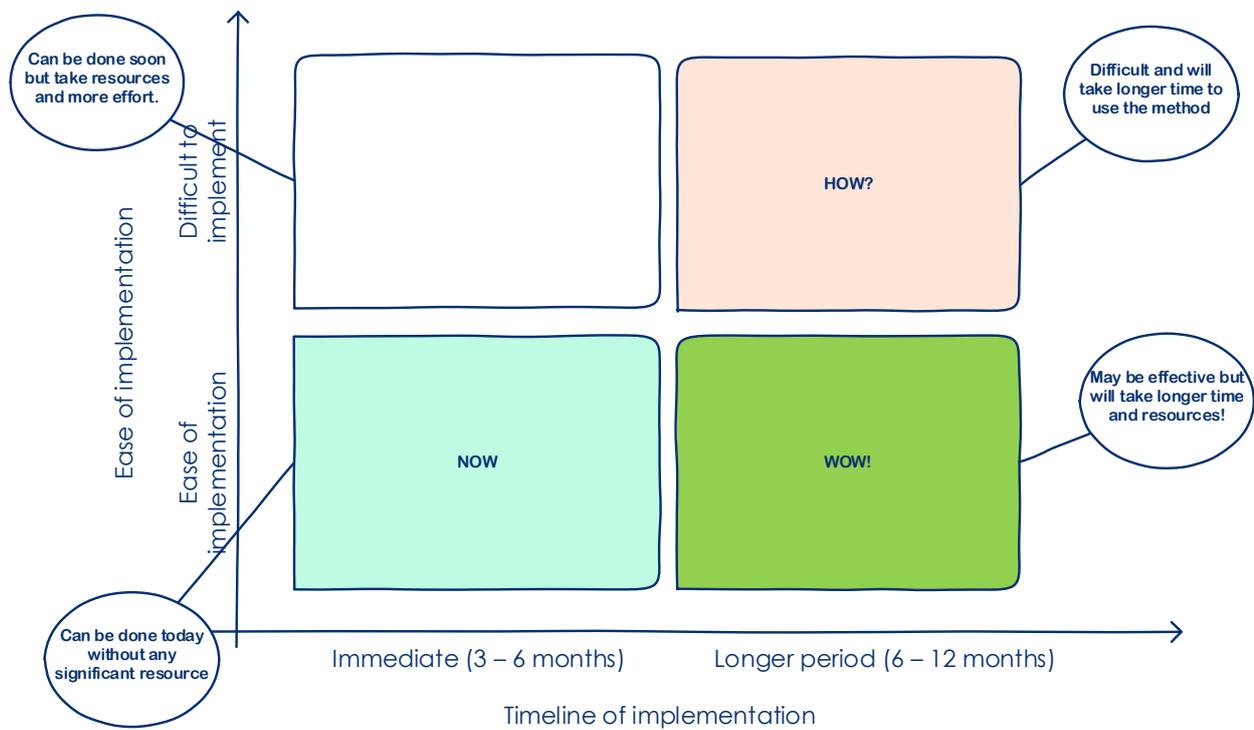
## Learning Objectives

After completing this session, the participant will be able to

- i. Know about six mobilization methods they can use in forming the FPOs they are required to promote.
- ii. Develop an understanding to pick up effective mobilization strategies that fit in their local contexts.

## Teaching Strategy

TASKS	ACTIVITIES
<p>Task 1: Session Objectives</p>	<p>Using a chart, the trainer will first explain two training objectives mentioned above to the participants. Participants should be aware of the importance of knowing about these six mobilization methods and develop an ability to drive their mobilize strategy based on the requirements.</p> <p>Once the trainers and participants align with the ‘Session Objectives,’ the next task is to explore the methods and develop an ability to mix and match effective strategies based on the FPO requirements.</p> <p>For this to happen, the trainer need not list the six methods listed in resource materials to the participants. Instead, the trainer should try to the mobilization team members articulate their methods themselves, get their experiences, and then summarize those methods towards the end of the session.</p>
<p>Task 2: Mobilisation Methods – Walking brainstorm</p>	<p>To get the participants to list mobilization methods, the trainer will use the ‘walking brainstorm’ technique. For this, participants will need these materials:</p> <p>Flipchart paper or blank A0 posters Markers Post-it notes Voting dots (optional)</p> <p>Before the activity begins, the trainer will first explain how the participants will do this activity. Each participant can use up to 3 post-it notes (all of the same color) to write a mobilization method.</p> <p>The trainer can divide the topics into three main issues: one on mobilizing the farmers themselves, second, involving the influential groups such as PRI members, and third, developing a FPO experience for the farmers. Participants will get 10 minutes to write their main methods, walk across the posters to check others’ posts and post their own on the relevant topic.</p> <p>Once the time is up, the trainer and facilitator can debrief the entire group of participants on their activities’ critical methods. This is also when the trainer can introduce a concept the participant didn’t mention, but the Module has included in its list of mobilization methods.</p>
<p>Task 3: Picking up an effective mobilisation strategy – HNW matrix</p>	<p>Once the Task 2 activity is complete, the participants are ready to brainstorm on each shortlisted mobilization method’s pros and cons. The mobilization team from each participating CBBOs usually have their preferred methods, based on their familiarity and experience to implement those. This training method called ‘How-Now-Wow Matrix’ aims to get every team to consider these 6 methods in developing their mobilization strategy. Task 3 will require the following materials:</p> <p>Flipcharts Markers Voting dots (yellow, blue, green)</p> <p>In this activity, the trainer will first draw a 2 by 2 matrix in the flipchart as given below. The trainer will then ask some participants to pick up their posts-it notes from the wall posters and paste them in appropriate boxes. When each participant pastes it in a box, he/she will also tell the group the reason behind his/her selection with the example from the FPO/ cluster.</p>
<p>Task 4: Q&amp;A Session</p>	<p>In this session, the participants can raise some questions from the resource materials or their activities today.</p> <p>At this stage, the trainer will repeat the list of the key mobilization methods, written in a flipchart. The trainer will then elaborate about each method giving some experiences from the participants. The concluding activity can include some questions and discussion among the participants.</p>



## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. Ask a participant to narrate her experience of creating awareness among farmer groups and challenges she/he faced during the process.
- ii. At the end of the session, ask a participant to share the list of methods he/she is considering adopting and the rationale for selecting those.
- iii. Participants should attempt to identify influential groups they would reach out to apart from the PRI members.
- iv. Participants should also share their understanding of how they would consider someone to be a progressive farmer.

## Background Reading

- i. Resource material on capacity building of CBBOs
- ii. FPO orientation material



# Teaching Note: Session VIII

Comparative features  
and registration  
modalities for FPOs  
under Companies &  
Cooperative Acts



## Synopsis

The module for Session 8 has elaborated on the advantaging of forming an FPO for the farmers. The book lists five legislations for registering an FPO. The Central Sector Scheme on Formation and Promotion of 10000 FPOs focuses only on FPOs registered under Cooperative Societies Act and Companies Act. It is useful for this session to focus solely on those two instruments.

## Target group

Though CBBOs often tend to form FPOs as cooperative or a company based on their preference and experiences. They also seek advice from their internal and external financial and legal professionals to weigh the advantages and disadvantages. In the early stage, the cluster-level FPO promoters and farmers cannot often judge the pros and cons of getting the FPOs registered as cooperatives or companies. The key target group for Session 8 includes the head of the FPO programs in CBBOs, finance or legal professionals often gets engaged in FPO registration, and the manager looks after FPO formation at the cluster level.

## Learning Objectives

The background reading material elaborates the technicalities of getting an FPO registered as a cooperative or a company. Though, a few FPO Board of Directors needs to know these technicalities, most FPO members need to understand the difference between a cooperative and a company. After completing this module:

- i. The participant will be able to prepare the ground for the cluster manager to understand the differences in the functioning of these two types of bodies – cooperatives and companies.
- ii. Using the training, the CBBO shall also be able to train the FPO Board of Directors to make their decision to select a method of registration.

## Teaching Strategy

TASKS	ACTIVITIES
Task 1: Session Objectives	Once the trainer and participants have discussed the Session Objectives and timing, the trainer will explain the participants' training method. The training method is called '20/25 Vision'. This activity will help the participants to prioritize between two instruments - Cooperative Societies Act and Companies Act.
Task 2: Which is more appropriate – company or cooperative - 20/25 activity	<p>The '20/25 Vision' activity will require two posters – one for cooperative and the other for companies on the walls. Each participant will get 22 post-its in 2 colors (e.g., 11 yellow post-it and 11 pink ones). Each question will have only 3 minutes to write a positive word in yellow and a negative word in a pink post-it and paste next to the topic.</p> <p>The trainer will first introduce the topic and explain the critical differences between a cooperative FPO and a company FPO. The participant will think about what they want their FPO to be in the next five years and write the positive or negative words on the post-it and paste them on the topic. Once a case is complete, then the trainer will move to the next issue.</p>
Task 3: Which is more appropriate – company or cooperative - 20/25 activity	The Trainer will engage the participants to continue with the balance of 11 topics. Once the 20/25 Activity is complete, the trainer now counts the positive and negative post-its for each topic and writes the numbers in the priority column.
Task 4: Q&A and summarisation	The trainer also encourages the participants to ask questions on each topic. Some participants can also tell the group why they had given positive or negative feedback for a cooperative or a company.

Figure 1: 20/25 Activity for Cooperative

TOPICS	FEEDBACK	PRIORITY
Objectives	Good Yes No	2 1
Area of operation		
Membership		
Share		
Profit Sharing		
Voting Rights		
Government Control		
Extent of Autonomy		
Reserves		
Borrowing Power		
Relationship with Other Corporate & NGOs, etc		

## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. Ask the participants why they think a fixed set of cooperative objectives will hinder their FPO operations in the next 5 years.
- ii. Ask the participants if they think that a cooperative structure of an FPO will limit or facilitate an FPO's capacity to raise finance for their operations and growth.

## Background Reading

- i. Resource material on capacity building of CBBOs
- ii. Trainers guidebook on capacity building of BODs of FPOs.
- iii. Guidebook on legal compliances of producer companies.

## Multimedia

Module – 1, Session 4: Concept and Structure of FPOs

Module – 2, Session 2: Understanding the registration process of FPC



# Teaching Note: CBBO Training Module - Session IX

**Governance &  
Compliance aspects  
in FPO – Role &  
responsibilities of CEO &  
BoDs**



## Synopsis

The Session 9 lists 11 principles and practices to ensure good governance in the FPO. Each principle specifies some specific areas of action for the FPO to follow. Besides, it outlines different roles and responsibilities of two key institutions of FPOs – Board of Directors and Chief Executive Officer (CEO) – for the effective implementation of those 11 principles and policies.

## Target group

In the CBBOs, heads of the organization, FPO programs, and program managers overseeing the cluster activities shall participate in this session.

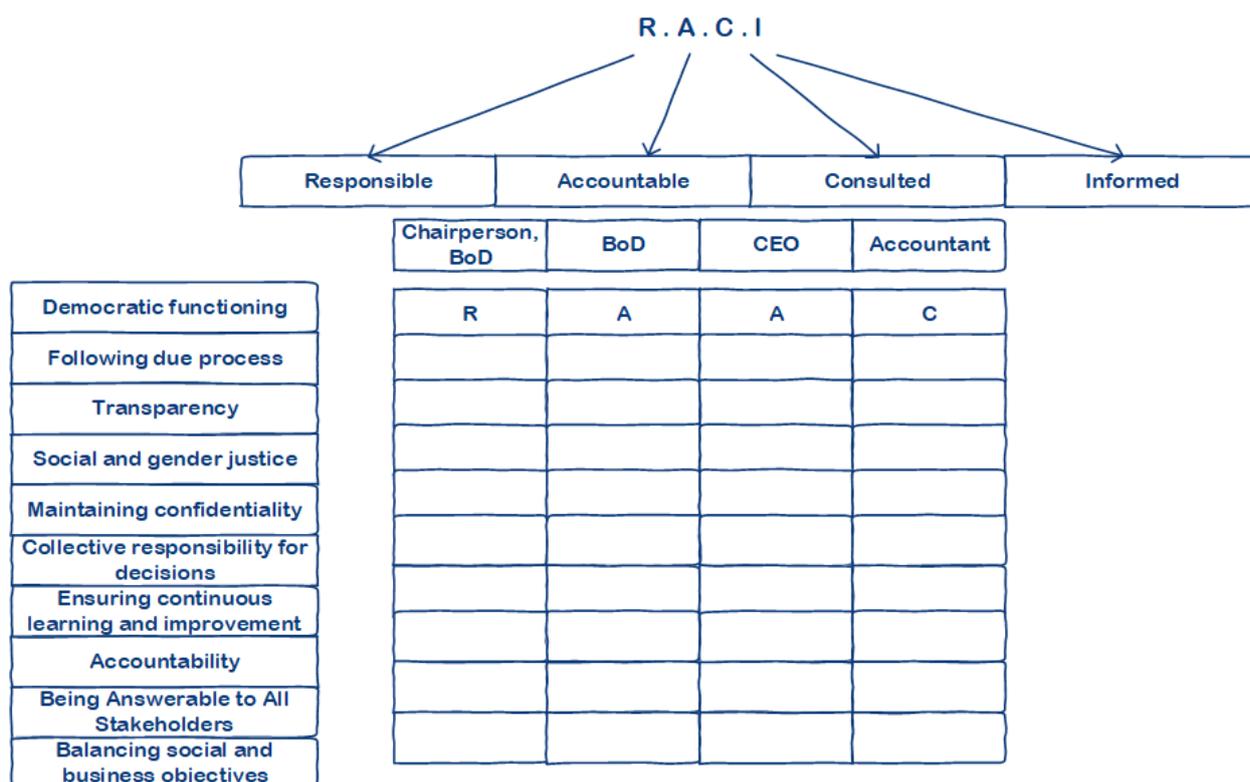
### Learning Objectives

After completing this session:

- i. The participant will be able to understand the fundamental principles and standards to implement in FPO to achieve good governance.
- ii. The participants will recognize how the FPO officers need to implement those 11 principles and standards. Though CBOs and FPOs often understand the importance of strict adherence to governance principles, the key officials of the FPOs often fall short in conducting themselves to uphold those governance standards.

## Teaching Strategy

TASK	ACTIVITIES
Task 1: Session objectives	<p>Using a chart, the trainer will explain the session objectives as described above. This teaching strategy emphasizes holding the officers of the FPOs responsible for upholding the governance standards.</p> <p>The trainer will then introduce the “RACI Matrix” activity. A RACI Matrix will help the participants define the FPO officers’ governance responsibilities. For this activity, the session will need a flipchart, markers, and post-its.</p> <p>The participants will form 3 smaller groups, with each group taking up 3 to 4 governance topics for this activity.</p>
Task 2: RACI matrix activity	<p>RACI stands for Responsible, Accountable, Consulted, and Informed. A RACI activity will use a matrix shown below to discuss and identify the critical FPO officials’ role concerning 11 governance principles. For about 10 minutes, each group will mark R, A, C, and I for each of the key actors – Chairperson of Board of Directors, Board of Directors, CEO, and the Accountant.</p> <p>Each group will then get about 10 minutes to make a presentation of their marks. Other groups will get a chance to ask the presenting group about their markings.</p>
Break: Doodling together	<p>Doodling together is an energizer. It helps to collaborate effortlessly. This activity requires felt markers (not too thick/thin, one/participant) and paper / blank postcards. The trainer will invite each group to draw a simple form quickly on the paper. Each participant will draw, and then the next participant will continue from where the previous participant has left off. Once the time is up, each group will show what they drew.</p>
Task 3: Role-play	<p>The next activity is to enact a typical business day in an FPO. The trainer can pick up a business day, such as a board meeting, Annual General Meeting, etc. Then, participants will form groups to represent member farmers, the Board of Directors, and FPO staff like the CEO and Accountant.</p> <p>During the roleplay, the trainer will ask the groups to raise two to three governance issues for the groups to discuss and resolve.</p>
Task 4: Q&A	<p>The participants can raise and discuss few questions in this slot. The trainer will wrap up the session by summarizing the governance principles.</p>



## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. Ask the participants to share their views on the board of directors' role in ensuring the democratic functioning of the FPO.
- ii. Often, ordinary farmers cannot fully participate and benefit from the FPO business. Discuss with participants about three preventive steps they will institutionalize to ensure such situations do not happen in the future.
- iii. Participants shall share some insights from their own experiences on enabling roles that the board of directors can play in ensuring transparency in operations by the FPOs.

## Background Reading

- i. Resource material on capacity building of CBBOs
- ii. Trainers guidebook on capacity building of BODs of FPOs.
- iii. Guidebook on legal compliances of producer companies

## Multimedia

Module – 2, Session – 3: Statutory Compliances for an FPC

Module – 1, Session 5: Roles and Responsibility of Farmers, BODs and CEO in FPO Journey



# Teaching Note: Session X

## Management Information System (MIS) & Internal Performance Assessment Tool

### Synopsis

Session 10 focuses on an MIS's usages in financial and accounting, human resources, and FPO operations' socio-economic aspects. FPOs also use MIS for their monitoring and compliance. Session 10 includes a tool for the performance measurement and grading of FPOs.

### Target group

CBBOs

#### Learning Objectives

After completing session X:

- i. The participant will be able to learn about utilizing MIS in managing FPO operations.
- ii. The participants will also learn how to use MIS to ensure compliance.
- iii. The participants will get hands-on practice in using a standard FPO performance measurement tool.



## Teaching Strategy

TASKS	ACTIVITIES
Task 1: Session objectives	Using a chart, the trainer will explain the learning objectives of Session 10, as described above.
Task 2: Introducing MIS for FPOs	<p>The trainer shall identify one or two dashboards (MIS) of an FPO or a cluster ideally in the same region where CBBO operates. At the beginning of the session, the trainer will walk through the online MIS and explain each MIS indicator to the participants.</p> <p>The online demonstration will also highlight how the MIS indicator can help understand financial and human resources in FPOs and make day-to-day operational decisions.</p> <p>The trainer can then conduct a Q&amp;A session with the participants to explore the practical usage of such MIS indicators for the FPOs supported by the CBBOs.</p>
Break : Shouting game	<p>The trainer will first explain the rules of the shouting game. Participants will stand shoulder to shoulder in a circle. This way, everyone will see the eyes of everyone else. The trainer will repeatedly say “heads up” and “heads down.” Participants will look at their feet when the trainer announces “heads down.”</p> <p>When a participant looks up at another participant during “heads up” and another participant looks up another one, nothing happens. If another participant also looks back at this participant, then both point at each other and shout. Then both the participants come out of the circle. Over time the circle gets shorter and shorter with no one left.</p>
Task 3: Compliance	<p>After the shouting game, participants return to the next activity focusing on using MIS for compliance. For teaching compliance for an FPO, the trainer can use 4Cs. The 4C game helps participants to gather and organize information about any subject using four common vital concepts. To play the game, we will need a flipchart, markers, and post-its.</p> <p>The trainer will draw a 2 by 2 matrix on a large flipchart and write 4Cs in each box – components, characteristics, challenges, and characters. The trainer will then mention the type of compliances and ask the participants to say their components, characteristics, challenges, and characters. The trainer will discuss the points participants mention and write in the relevant box in 4C matrix.</p>
Break: Sync clap game	In this game, each participant stands in a circle and send a clap around the circle. For an excellent clap to happen, two participants must face each other with eye contact, and then they will clap. The group will then increase the pace of clapping each other and passing their clap to the next participant.
Task 4: Performance Assessment	<p>In this session, the participants will get into four groups, each with 5 to 7 participants. Each group will receive a printed NABARD performance assessment tool. Based on their own FPOs, the participants will mark their assessment on the sheet.</p> <p>The groups will then select their representatives, who will then present their performance assessment. All the participants will then ask questions on the rationale for such gradation by the group.</p>
Task 5: Q&A	The trainer will summarize the essential learnings in this session. The trainer will facilitate Q&A session.

## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. Ask the participants to share their experience of using data to making decisions.
- ii. Ask the participants to share the difference between online MIS and offline MIS tools (such as excel sheets).
- iii. Ask the participants to raise their hands if they had taken part in any performance assessment exercise in the past. Ask one or two participants to share their experience of conducting performance assessments.



# Teaching Note: CBBO training module - sessions XI and XII

Screening of Business Opportunities for FPOs – Demand and Supply Gap, Value Chain Based Opportunities and Business Mix Relating to Input Supply, Extension and Technology, Contract Farming, Processing and Marketing, Trading/ Export of Agri-Commodities, etc.



## Synopsis

These sessions present a comprehensive overview, with examples, of 1) agriculture value chains as a way to map markets, 2) mapping the agriculture value chains to FPO services/business opportunities, 3) taking a phased approach to pursuing business opportunities (pre-production, production, harvest, and marketing), 4) understanding the marketing environment and the laws (APMC, contract farming), and 5) corporate tie-ups.

## Target Group

CBBOs

### Learning Objectives

After completing CBBO training module sessions 11 and 12:

- i. The participant is able to define a value chain and describe how a value chain works, with examples
- ii. The participant is able to take a value chain relevant to a cluster and then map the value chain issues to potential opportunities for FPO services/business
- iii. The participant is able to map opportunities in one of four different categories - aggregation of inputs, collective marketing, value addition, and trading business
- iv. The participant is able to use a systematic analysis and assessment approach to identify key areas that should be addressed by the FPO to serve members' requirements and ensure the FPO's success
- v. The participant is able to stage the opportunities in accordance with the maturing of the FPO in terms of stability in business operations
- vi. The participant is able to describe, with an example, how FPOs can tie up with corporates and specify the challenges and benefits such tie ups can bring.
- vii. The participant is able to summarise the marketing reforms introduced over the years to enable smallholders to participate more profitably in value chains and the challenges that still come in the farmers' way.

## Teaching Strategy

TASK	ACTIVITY
Task 1: Session objectives	<p>Using a chart, the trainer will explain the learning objectives mentioned above. It is recommended that the facilitator organise the participants into a number of smaller groups as required.</p> <p>Then, the facilitator uses a combination of Group Reading and Class Presentation as a teaching strategy. At least two days before the session, each group is given one of the following reports:</p> <ol style="list-style-type: none"> <li>1. High quality value chain analysis reports</li> <li>2. High quality reports that identify and prioritise FPO business opportunities, mapping them to members' requirements.</li> <li>3. Material that summarises successful FPO-corporate tie-ups.</li> </ol>
Task 2: Reading activity	<p>All members of the groups read the report they have been assigned and then summarise, in sequence, the different parts of the report - purpose of the particular step/stage, methodology, tools used, findings, decision making criteria used, and insights generated.</p> <p>No one member must do all the presenting. Members from the other groups can ask questions to better understand the report.</p> <p>In this way, each report document is read and presented step by step. This ensures that all members take part in reading and summarising the report/output.</p>
Task 3: Lecture	<p>Following this, the facilitator debriefs the entire group and then switches to the Lecture activity as Teaching Strategy to present the essential concepts and knowhow that participants need to organise the knowledge and use it.</p> <p>This combination of teaching strategies will ensure that the entire group understands each output and how it is connected to the next step, culminating in a clear understanding of analysis that leads to opportunity identification and tie-up.</p>
Task 4: Q&A	<p>The trainer will facilitate a Q&amp;A session on this topic and conclude the session after summarizing the key learnings.</p>

## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- What is a value chain? Explain with examples
- How would you identify members' requirements in the value chain that the FPO can serve?
- How would you estimate the aggregated business potential in the requirements that members have?
- How would you prioritise opportunities that the FPO can pursue? What principles and rules would you use? What are the risks? What are the rewards?
- What are the challenges and benefits of contract farming?
- What are the challenges and benefits of corporate tie-ups?

## Background Reading

- Resource material on capacity building of CBBOs



# Teaching Note: CBBO Training Module - Session XIII

## Formulating a Perspective Business Plan for FPO



### Synopsis

This session is designed to help participants learn how to formulate a business plan for FPOs. It takes the participants through various topics - need for a business plan document, characteristics of a good business plan, process to be followed for business planning, risk identification, marketing plan and financial plan, and structure and content in a business plan document. Finally, it gives participants a detailed walk through of business planning for FPOs.

### Target Group

CBBOs

#### Learning Objectives

After completing CBBO training module sessions 13:

- i. The participant will be able to explain the need for preparation of a business plan
- ii. The participant will be able to list the five steps involved in the preparation of a business plan
- iii. The participants will be able to elaborate on each of the five steps and explain how it is useful in formulating a business plan
- iv. The participant will be able to list the outline of a business plan document and elaborate on the content each section needs to contain
- v. The participant will be able to apply the five steps indicated in learning objective 2 to the preparation of a business plan for an FPO

## Teaching Strategy

TASK	ACTIVITIES
Task 1: Session objectives	Using a chart, the trainer will explain the learning objectives mentioned above. A three-step teaching strategy is recommended: role play, group reading and presentation, and lecture method.
Task 2: Role-play activity	Two participants participate in the role-play. One participant assumes the role of a banker. The other participant assumes the role of a business leader. The business leader approaches the banker to apply for a loan. The banker asks questions about the business to assess, prima facie, whether the business can be considered for a loan. Then, the banker asks the business leader to prepare a business plan.
Task 3: Group reading and presentation	<p>It is recommended that the facilitator organise the participants into a number of smaller groups as required.</p> <p>Then, the facilitator uses a combination of Group Reading and Class Presentation as a teaching strategy. At least two days before the session, each group is given an FPO business plan document that is a good example of the business plan characteristics that the Module will recommend and train participants to create.</p> <p>All members of the groups read the business plan document they have been assigned. In the session, members present, in sequence, the different parts of the plan - business idea generation, opportunity and threat analysis, Identification of business opportunity, marketing plan, and financial plan.</p> <p>No one member must do all the presenting. Members from the other groups can ask questions to better understand the report.</p> <p>In this way, each business plan document is read and presented step by step. This ensures that all members take part in reading and summarising the report/output.</p>
Task 4: Debriefing	<p>Following this, the facilitator debriefs the entire group. Finally, the facilitator switches to the Lecture mode to present the essential concepts of an FPO business plan and the knowhow that participants need to formulate a business plan.</p> <p>This combination of teaching strategies will ensure that the entire group understands each output and how it is connected to the next step, culminating in a clear understanding of business planning.</p>
Task 5: Q&A	The trainer will facilitate a Q&A session on this topic and conclude the session after summarizing the key learnings.

## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. Have you ever applied for an enterprise loan? What questions did you have to answer?
- ii. Have you facilitated financial linkages for individual/group enterprises of the marginalised? What questions do the lenders ask?
- iii. Can an FPO do business without a business plan? What are the merits and demerits of doing so?

## Background Reading

- i. Resource material on capacity building of CBBOs
- ii. Business planing tools and financial concepts: A guidebook for FPOs

## Multimedia

Module – 6, Session – 1: Importance of Business Planning for FPO



# Teaching Note: CBBO Training Module - Session XIV

## Developing Demand- Based Production and Marketing Plan



### Synopsis

Session 14 outlines the steps involved in developing a marketing plan for the FPO. In each stage, the module has explained the concepts and methods for creating such a scenario. There is a marketing plan template for the CBBO teams to develop a marketing plan using a product example (an Agro-Clinic service).

### Target group

In the CBBOs, the FPO programs team often support their FPO clusters in developing and implementing their marketing plans. This session can benefit the FPO program team, including the FPO program head, program managers, and cluster coordinators.

### Learning Objectives

After completing this session:

- i. The participant will be able to outline the steps involved in developing an FPO marketing plan and familiarize them with a marketing plan template. In this session, the participants also develop a marketing plan to get a sound practice to reinforce their learning.

## Teaching Strategy

TASKS	ACTIVITIES
Task 1: Session objectives	<p>Using a chart, the trainer shall introduce the session objectives and teaching strategy to the participants. The trainer will conduct the session in three stages – a) market analysis, b) product analysis, and c) marketing strategies.</p> <p>The trainer will explain core concepts in each stage by writing the keywords on the flowchart or using videos. The trainer will also explain the template the participants will use to develop a marketing plan.</p> <p>At the end of each stage, participants will present their marketing plan to the class. The session needs pens, paper/ notebooks, computers for writing, and a projector for this activity.</p> <p>The participants will form 3-5 groups (minimum 4 to maximum 7 participants in each group). All the groups will continue to focus on a single marketing plan.</p> <p><b>Step 1</b></p> <p>In each stage, the trainer will recapitulate the core concepts. Then the trainer will present the relevant sections from the marketing plan templates using the projector. The participants will do an activity called “Project Point of Departure” to develop a complete marketing plan.</p> <p>At the beginning of each stage, the trainer will hand over the printed template to each group to refer to.</p> <p><b>Step 2</b></p> <p>There are a total of 8 sections in the marketing plan to be covered in 3 stages. Each stage will take about 20 minutes (10 minutes for preparation and 6 minutes for presenting the marketing plan by each of 2 groups).</p> <p><b>Step 3</b></p> <p>Each group will then go through the market template for that stage and discuss it within the group. Each group will select a scribe who will fill up the template for presenting on behalf of the group.</p> <p><b>Step 4:</b></p> <p>At the end of the session, about two groups will present the sections of the marketing plan. All groups need to give their presentations in 3 stages.</p>
Task 2: Project point of departure - Market analysis	<p>This stage focuses on the market analysis with these questions and completes all four steps mentioned above.</p> <ul style="list-style-type: none"> <li>• Target market</li> <li>• Competition</li> <li>• Environment</li> </ul>
Task 3: Project point of departure – Product analysis	<p>This stage focuses on product analysis with these questions:</p> <ul style="list-style-type: none"> <li>• Product or services description</li> <li>• Comparison</li> <li>• Sourcing and other considerations for raw materials</li> </ul>
Task 4: Project point of departure - Marketing strategies	<p>This stage focuses on marketing strategies with these questions:</p> <ul style="list-style-type: none"> <li>• Image</li> <li>• Features</li> <li>• Pricing</li> <li>• Customer service</li> <li>• Advertising/ promotion</li> </ul>
Task 5: Q&A	<p>The trainer encourages the participants to ask questions on presentations by different groups and the marketing plan. The trainer wraps up this session by summarizing the key learnings.</p>

## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. Ask the participants to share their experiences in developing a marketing plan.
- ii. Ask the participants who have developed marketing plans earlier to share one or two innovations they have brought in their plan.
- iii. Ask the participants to share the most challenging topic in implementing a marketing plan and why they feel those topics to be problematic.

## Background Reading

- i. Resource material on capacity building of CBBOs
- ii. Guidebook on marketing
- iii. Guidebook for FPOs to participate in commodity derivatives markets
- iv. Business models

## Multimedia

Module – 3, Session 1: What is Market

Module -3, Session – 4: Market-based Production Planning



# Teaching Note: CBBO training module - Session XV

**Financial Planning:  
Breakeven Analysis,  
Assessment of  
Investment and Working  
Capital Requirement,  
Sources of Funds –  
Equity Grant, Bank Loan,  
Credit Linked Subsidy  
and Credit Guarantee**



## Synopsis

This session is designed to help participants learn how to prepare the financial plan as a critical part of the business planning process for FPOs. It takes the participants through various topics. One set of topics takes the participant through important activities like preparation of budget with a clear focus on costs, revenues, and profits; understanding, assessing and managing working capital requirements; investment capital or term loans, typical terms and conditions, and documentation requirements.

Another set of topics helps the participant understand sources of finance for FPOs (equity/own capital in the form of reserves or surplus/grants/schemes/donor agencies/debt financing); and financing options suitable for early-stage FPOs.

The third set of topics covers breakeven analysis; preparation of an operational plan and activity schedule; and licenses and permissions required for business operations.

## Target Group

CBBOs

### Learning Objectives

After completing CBBO training module sessions 15:

- i. The participant is able to present a financial plan, covering assumptions, costs, revenues, and profits.
- ii. The participant will know how to calculate the financial implications of a business plan from capital requirement to profitability to sources of financing, be it working capital or term loans.
- iii. The participant gains a basic level of familiarity with different methods for assessment of working capital and term loan requirements.
- iv. The participant is able to list different sources of capital for FPOs
- v. The participant is able to calculate breakeven point for the FPO's operations

## Teaching Strategy

TASK	ACTIVITY
Task 1: Session objective	Using a chart, the trainer will explain the learning objectives mentioned above. A three-step teaching strategy is recommended for this Module.
Task 2: Group reading and presentation	<p>It is recommended that the facilitator organise the participants into a number of smaller groups as required.</p> <p>Then, the facilitator uses a combination of Group Reading and Class Presentation as a teaching strategy. At least two days before the session, each group is given an FPO's financial plan document that is a good example of what the module covers.</p> <p>All members of the groups read the financial plan document they have been assigned. In the session, members present, in sequence, the different parts of the financial plan - costs, revenues, profits, sources of finance, convergence, and licenses and permissions.</p> <p>No one member must do all the presenting. Members from the other groups can ask questions to better understand the report.</p> <p>In this way, each business plan document is read and presented step by step. This ensures that all members take part in reading and summarising the report/output.</p>
Task 3: Individual practical activity	After this, the facilitator hands out a printed template for a simplified financial plan of an FPO. Each participant is required to make certain assumptions, work out the calculations, and fill the template.
Task 4: Interactive lecture activity	Finally, the facilitator uses the interactive lecture to make a comprehensive presentation of the components of a financial plan, the concepts involved, the process, and sources of financing including schemes designed to facilitate credit linkages for FPOs.
Task 5: Q&A	The trainer will facilitate a Q&A session on this topic and conclude the session after summarizing the key learnings.

## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. For a given business plan, how do you calculate the finance required?
- ii. What are the fixed costs?
- iii. What are the variable costs?
- iv. How do you calculate revenues/sales?
- v. How do you calculate the breakeven point?
- vi. How do you calculate profits?

## Analysis of Data

- i. Analysis of numbers in the model financial plans
- ii. Analysis of numbers in the real life financial statements of FPOs

## Background Reading

- i. Resource material on capacity building of CBBOs
- ii. Business planning tools and financial concepts: A guidebook for FPOs
- iii. Guidebook on input business
- iv. Business models
- v. Guidebook on lending to FPOs

## Multimedia

- Module – 5, Session – 2: Forms of Finance options available for FPOs
- Module – 5, session – 3: Sources of Finance options available for FPOs



# Teaching Note: CBBO Training Module - Session XVI

Way Forward for  
Building Sustainable and  
Vibrant FPOs



## Synopsis

This session introduces a set of 11 principles that can help an FPO improve its sustainability. This session builds upon resource materials given for other modules, while the member farmers need to use the tools recommended in the previous modules to increase FPO viability.

## Target group

Session XVI is for the CEOs or chief functionaries of the CBBOs, their directors of FPO programs, and program managers. They often drive relationships with national-level institutions such as SFAC, NABARD, and NCDC.

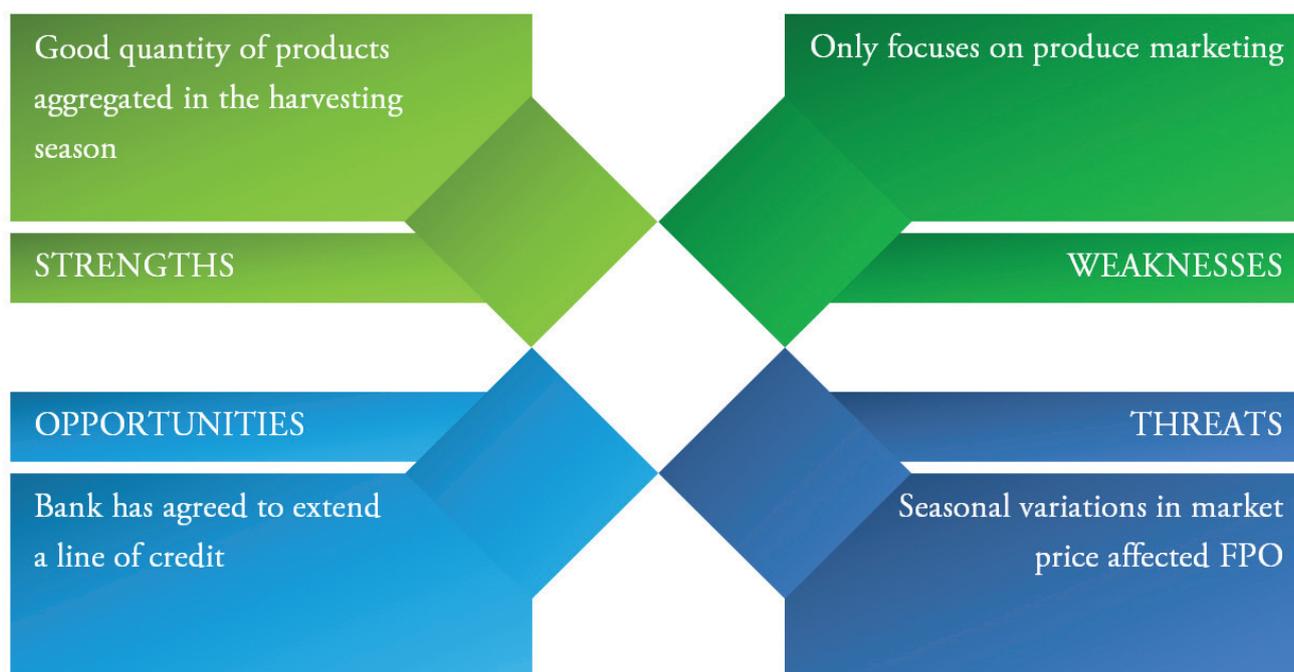
## Learning Objectives

After completing this session, participant will be able to discuss 11 principles that can be applied to help their FPOs become more sustainable and viable. While exploring those sustainability principles, the participants will relate to the teachings and tools in other sessions.

## Teaching Strategy

TASK	ACTIVITY
Task 1: Session objectives	Using a chart, the trainer will explain the learning objectives mentioned above. The trainer will then explain the process for this session. For this session, the trainer will divide the participants into smaller groups (minimum four and maximum seven participants per group).  Each group can pick up an example FPO they are supporting through their CBBO. Else, the trainer can share the details of an FPO as a case study. Each group will then apply a SWOT analysis to assess the FPO based on 11 sustainability principles in one of the blocks – strength, weakness, opportunity, and threat. This session will require posters and markers.
Task 2: SWOT analysis	Once the trainer has explained the activity, the participants will do their SWOT analysis in their groups. They will assign a scribe who will create the poster and a presenter for the group.
Task 3: Presentation	All the groups will present their SWOT analysis for the FPO. Before giving the SWOT analysis, the presenter will introduce their group and describe the FPO they are analyzing. The trainer should specifically encourage the presenter and group participants to mention how the FPO fare fits 11 sustainability principles. The trainer can also encourage brief discussions on each of the presentations.
Task 4: Q&A	The trainer will facilitate a Q&A session on this topic and conclude the session after summarizing the key learnings.

## SWOT Analysis



## Questions for Discussion

The facilitator or trainer can use the following trigger questions to engage participants in a productive discussion or debate within the broad framework of the session:

- i. Ask the participants what three products or services they will pick up in the first year to make sure their FPOs are on the path of sustainability.
- ii. Ask the participants if they think the core agriculture production and marketing alone will be sufficient for the FPO to be sustainable.
- iii. Ask the participants to share their experiences on the roles grants and loans play in making an FPO sustainable.



