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## FARM BUSINESS SCHOOL: TRANSFORMING SMALLHOLDER FARMER INTO A FARMER- ENTREPRENEUR

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The question, how to increase the income of smallholder farmers? is knocking the minds of stakeholders in the Indian agriculture. Smallholder farmer engages in farming for either one of the four reasons; 1. exclusively for family consumption, or 2. primarily for consumption with intention to sell surplus, or 3. partly for market and partly for consumption or 4. exclusively to sell in the market. Among these reasons, farming exclusively for the sake of selling in market fetches higher profit resulting in income enhancement.

In several instances, these farmers selling system is disturbed due to external forces like excess production leading to fall in market prices, unfair trading practices by middlemen, heavy yield loss due to biotic and abiotic stresses. In these cases, the farmers need to integrate business into farming and run it like an entrepreneur. This process is the transformation of a primary producer farmer into an “profit-creating” farmer-entrepreneur.



Producing what a farmer want



Producing what is possible for a market

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There are many ways in which a small farmer can become an entrepreneur like selling their produce into a new market, converting farm waste into a business, converting a part of farm produce into a processed product or venture into full-scale farm business. This process

can happen either at individual or group or community levels. However, integrating business into primary production pose new challenges. They range from building the farmers' capacity to identify, design and manage a farm business to enabling the agri-entrepreneurial ecosystem to support newly formed farm businesses. In such cases, the professional extension system comprising of state / central departments, quasi-extension institutions like KVKs, CSR wings of industries, NGOs and other private agencies need to facilitate the farmer entrepreneur transformation process.

There are several participatory approaches like farm business schools and participatory market chain analysis which enable the agripreneurs and farmers collectives (e.g., FPOs) to venture into agricultural entrepreneurship. In this article we will be primarily focusing on the concept of farm business school as an approach to build capacity for entrepreneurship. We will try to make understand the concept in a question answer mode.

### **Can Smallholder Farmers Become Entrepreneurs?**

Yes, smallholder farmers can become entrepreneurs. Many of us are unaware that agriculture is listed one of the risk and dangerous occupations in the World. Despite its risky nature, the farmers have mastered the art and science of agriculture and learned the ways to decide and act upon in complex, diverse risk-prone environments. They try out new crop varieties and rare livestock breeds to increase productivity. The farmers manage the erratic climatic conditions to generate profit from their crops and livestock. They search for new markets to sell their products, adopt new ideas to reduce risk and increase profits. With such propensity to generate value from harsh and unstable ecosystem, the farmers can easily venture into business with proper facilitation from the extension system.

### **Who is A Farmer-Entrepreneur?**

A farmer-entrepreneur is one who...

- can create value for the consumer he/ she is serving,
- has a clear picture in mind about possibilities in farming and the future,
- knows that market is the determinant of possibilities in farming,
- always is in search of new opportunities and knows that they are found in market,
- wants to make profit and knows profit is made in the market and,
- has the initiative, drive, capacity, and ability to take advantage of opportunities

Smallholder farmers need to learn the art entrepreneurship to become a farmer-entrepreneur. Since the farmers learned agriculture through elder mentoring and direct field practice, the farm serves as a dynamic platform to learn entrepreneurship. Farmer Business School (FBS) is an emerging approach which employs facilitation and learning by doing approaches to inculcate entrepreneurial attitude among farmers and help them to acquire capabilities to establish and manage a profitable business. Let us understand FBS hereafter.

### **What is a ‘Farm Business School’?**

FBS is a curriculum-based approach conceptualized by the UN Food and Agriculture Organization (FAO), and inspired by its farmer field schools, that is aimed at building entrepreneurial capacity of farmers. It is a forum or a venue that bring group of like-minded farmers together to discuss and act on their farm business problems and opportunities to maximise profits.

### **What are the Aims of FBS?**

- ⇒ to facilitate smallholder farmers, acquire knowledge and learn skill that makes their farm profitable,
- ⇒ to help them develop entrepreneurial competencies (knowledge+ skill+ behaviour)
- ⇒ to help them transit from production to market-oriented farming

### **How FBS is Practically Conducted?**

- Smallholder farmers are organised into a group, a particular marketable farm enterprise is selected. Well qualified and experienced facilitators and mentors help farmers in developing entrepreneurial competencies.
- The venue for FBS is a real farm setting (farm enterprise) that is easily accessible to all group members. Farmers meet on a mutually agreed date and time. Farmer learn together about their own personality and capacities. learn about various aspects through practical exercise covering the complete production cycle (from planning to marketing).
- Farmers learn under the guidance of facilitator; they are taken step-by -step through all the stages and processes involved in establishing and sustaining a farm business.

The duration of FBS may range from 8-10 months depending up on the farm enterprise.

- They conduct market survey, identify opportunities, challenges, develop a product, mobilise resources and exploit market opportunities. They interact with stakeholders (fellow farmers, experts, bankers, traders, extensionist, agents etc.,) and learn from them.
- Here, farmers are not given lectures, they are made to use different simple tools and techniques to learn skills and generate ideas to address given farm business situation or a problem.
- The outcome of FBS is that farmers start efficient management of existing farm business or set a new farm business that is exclusively for market. Farmer build knowledge and skills that match the requirement to operate a farm business in an entrepreneurial way.



Farm Business School : Transformation of a farmer into a farmer-entrepreneur

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### How the Entrepreneurship Development Happens in FBS?

At first the farmers are made aware of who they are and what they are, their capabilities, personality, strengths, and weaknesses. Once they are aware of their current state, they accept the reality. They develop vision; where they want to see themselves and their farm business in a long run and set long term goals. To achieve the set goals, they develop business plan and plan of action. later they Implement the plan, reflects (thinking carefully or deeply) on the results, and learn from the direct experience. Farmers while passing through these stages undergoes through a reflective learning process. They gradually learn various entrepreneurial competencies. A farmer is empowered when all the acquired

competencies match his personality and his goals. The degree of empowerment depends on the farmers commitment to learn from every situation in all the stages.

### **A Case from Indonesia**

Under Food Resilience Through Root and Tuber Crops in Upland and Coastal Communities of the Asia-Pacific (FoodSTART+)an IFAD and EU-funded project is implemented in Indonesia. under this project 10 group of small farmers from the island provinces of Maluku and Maluku Utara in Indonesia participated in Farm Business School. the farmer groups underwent eight months long experiential learning under FBS. The farmers were trained in various tuber crops base value-added products. The FBS culminated with the business launch by its FBS groups. The micro business developed by FBS groups included various tuber crops and other crops, such as cassava chips, cassava biscuits, sweetpotato flour, sweetpotato cakes, and cassava flour with banana rhizome egg rolls, among others. The participants realised the potential to make more money by their FBS training.

### **Conclusion**

The disconnect between farmer and market is the primary issue with Indian agriculture. FBS is a silver bullet focused on transforming a farmer into a farmer-entrepreneur. It empowers farmer with entrepreneurial competencies. Farmers are made to walk through the production cycle on their own and learn from the experiences from each other. At present FBS's are being implemented in the regions dominated by smallholder farmers across the globe including few in India with promising results. India needs to adopt such approaches to transform Indian farmer into a farmer-entrepreneur. Further, the way entrepreneurship development programmes are being organised need to undergo 360-degree transformation. Currently entrepreneurship development programmes are viewed as set of activities such as imparting technical skills or supplying inputs or linkage with credit. The entrepreneurship facilitators and mentors need to remould themselves. They need to understand fundamental human behavioural concepts, gain experience in effective implementation of new approaches, to respond to emerging issue of farming as a business and farmer as an entrepreneur. Entrepreneurship development programmes should aim at practical outcomes resulting in empowering farmers.

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