


Module 10: The Role of Extension in Supporting Value Chains Part 1, Theory



WORKBOOK

Global Forum for Rural Advisory Services (GFRAS)
c/o Agridea, Eschikon 28, 8315 Lindau, SWITZERLAND
Phone +41 (0)52 354 97 64, Fax +41 (0)52 354 97 97
info@g-fras.org, www.g-fras.org



Module 10: The Role of Extension in Supporting Value Chains Part 1, Theory

Pre-assessment

After reading through the module overview and introduction, complete the following pre-assessment in order to determine how comfortable you are with the topic of extension. You will be asked to complete a post-assessment after you have worked through the learning content. Rate your knowledge on the topics on a scale of 1 to 5 by circling the corresponding number.

	Question	Self-assessment				
		Low			High	
1	How well can you explain why agricultural marketing is important for farmers?	1	2	3	4	5
2	How well can you explain the agricultural market, the value chain and the key actors in the value chain?	1	2	3	4	5
3	Are you able to assess market linkage methods?	1	2	3	4	5
4	Can you analyse markets and value chains?	1	2	3	4	5

Study unit 1: The agricultural market, value chain and key actors

Session 1.1: Agricultural marketing, the market and the value chain

Activity 1.1 Individual activity: The concepts of marketing, the market and the value chain

Answer the following questions in your own words. Write your answer in the space provided.

1. Define each of the following concepts. (6)

a) Agricultural marketing

.....
.....
.....
.....

b) Agricultural market

.....
.....
.....
.....

c) Agricultural value chain

.....
.....
.....
.....

2. Select and indicate the correct option. (8)

2.1. What is marketing?

- a) All activities and services involved in identifying, anticipating and satisfying customer requirements profitably.
- b) Convincing customers to buy products, which they do not really need, at high prices.
- c) Advertising a product, in order to sell it at the highest price.
- d) Setting a sales target and developing tactics to meet the target.

.....
2.2 Identify the statement that best describes the concept of agricultural marketing.

- a) Marketing should provide farmers, transporters, traders and processors with a profit and provide customers with a quality product.
- b) Marketing should try to help farmers make more profit than traders.
- c) The set of business activities that are performed in the flow of products from the beginning of agricultural production to the hands of consumers.
- d) Marketing should sell more produce regardless of quality.

2.3. What is market supply?

- a) The quantity of a product that producers can offer for sale.
 - b) The amount of produce that people can afford to buy.
 - c) Everything that traders want to have in their stores.
 - d) The quantity of products that will be harvested in a season.
-

2.4. Which of the following factors may affect supply of a crop?

- a) The collapse of a bridge on the main road.
 - b) A big, new hotel nearby with many guests.
 - c) A drought leading to a poor harvest.
 - d) A reduction in the price of fertiliser used on the crop.
-

3. Indicate if the following statements are true or false. If false, correct the statements. (10)

3.1. If prices rise, demand tends to fall. If prices fall, demand tends to increase.

.....

.....

.....

3.2. Changes in consumers' incomes and education may affect demand for a product.

.....

.....

.....

3.3 Market demand is the quantity or amount of a product (maize, potatoes, tomatoes, eggs) that producers can offer to the market for sale.

.....

.....

.....

3.4. Access to fertiliser, water and seeds will not affect market demand.

.....

.....

.....

3.5. The price of grain will go up if the supply of grain goes up.

.....

.....

.....

Total: 24 marks

Session 1.2: Agricultural market types

Activity 1.2 Individual activity: Market types in the agricultural value chain

1. Outline five characteristics of informal markets. Write your answer in the space provided. (5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

2. Complete the following table by recording the correct terms for each of the given descriptions. Write your answer in the space provided. (5)

a) Markets that include all economic activities within the agricultural and food sectors that are structured, monitored, protected and taxed by Government and internationally recognised standards	
b) A collection of internationally recognised standards, codes of practice, guidelines and other recommendations relating to foods, food production, and food safety	
c) Market types that involve goods produced in one location or country being sold and consumed in another country	
d) Markets where consumers and small businesses (such as restaurants and street-food vendors) buy their daily or weekly supplies of food	
e) Markets that dominate the agricultural trade and lives of most smallholder farmers in emerging economies	

Total: 10 marks

Session 1.3: The core actors in the agricultural value chain

Activity 1.3 Individual activity: Key actors in the agricultural value chain

Answer the following questions in your own words. Write your answer in the space provided.

1. Define the term value chain. (3)

.....
.....
.....
.....
.....
.....
.....
.....
.....

2. Outline the levels of a value chain. (3)

.....
.....
.....
.....
.....
.....
.....
.....

3. Briefly describe the role of each of the following key actors in the agricultural value chain. (9)

a) Farmers

.....

.....

.....

.....

.....

b) Collectors

.....

.....

.....

.....

.....

c) Consumers

.....

.....

.....

.....

.....

Total: 15 marks

Session 1.4: Business development services in the agricultural value chain

Activity 1.4 Individual activity: Business development services in the agricultural value chain

Answer the following questions in your own words. Write your answer in the space provided.

- 1. Briefly explain what business development services are and identify the different types of business development services. (8)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

- 2. Outline the role of market information services in the agri-food sector. (10)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

3. In what way does research support farmers? (2)

.....

.....

.....

.....

.....

Total: 20 marks

Session 1.5: Key regulators in the agricultural value chain

Activity 1.5 Individual activity: Key regulators in the agricultural value chain

Answer the following questions in your own words. Write your answer in the space provided.

1. What are key regulators in the value chain? (4)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

2. Outline the consequences of conducting business in an unregulated market. (8)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Total: 12 marks

Activity 1.6 Practical activity: Analysing a value chain

Answer the following questions in your own words. Write your answer in the space provided.

1. Select a value chain and describe the way in which each of the following actors are engaged in the production and marketing of the products in the selected chain, from farm to final consumer:

- Main core value chain actors
- Regulators

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

2. Identify any critical services/actors that are missing in the value chain.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



Session 1.6: Types of farmers and extension agents in agricultural value chains

Activity 1.7 Individual activity: Farmers and extension agents in agricultural value chains

Answer the following questions in your own words. Write your answer in the space provided.

1. Identify the main farmer segments in the value chain. (6)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

2. Briefly discuss the changing role of national government agricultural extension agents. (12)

.....

.....

.....

.....

.....

2. Identify the different levels that may occur in a market. (5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

3. Distinguish between market supply and market demand. (4)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

4. Outline the disadvantages of informal markets in which smallholder farmers operate. (5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

5. Identify six features of formal markets. (6)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

6. Identify the different types of business development services. (5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

7. Explain the role of input suppliers as business development service providers. (3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

8. Explain the role of lead farmers in the agricultural value chain. (12)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Study unit 2: Market linkage methods

Session 2.1: Changing rural communities and marketing strategies

Activity 2.1 Marketing strategies and approaches

Answer the following questions in your own words. Write your answer in the space provided.

1. What is an informal sales agreement? (4)

.....

.....

.....

.....

.....

.....

.....

.....

.....

2. Outline the advantages of contract farming and marketing for smallholders. (4)

.....

.....

.....

.....

.....

.....

.....

.....

3. Briefly explain the concept of integrated production and marketing as a type of vertical integration. (8)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Total: 16 marks

Session 2.2: Value chains and market linkage

Activity 2.2 The value chain and market linkage

Answer the following questions in your own words. Write your answer in the space provided.

1. Define each of the following terms. (8)

a) Market chain

.....

.....

.....

.....

b) Market chain actors

.....

.....

.....

.....

c) Supply chain

.....

.....

.....

.....

d) Value chain

.....

.....

.....

.....

2. Identify the elements of farm level support in the value chain approach to market linkage. (11)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

3. Why is the value chain approach important to modern extension organisations?

(6)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Total: 25 marks

Summative assessment: Unit 2

Answer the following questions in your own words. Write your answer in the space provided.

1. The majority of smallholder farmers in emerging economies are not organised: they still rely on individual opportunistic market sales. Discuss the concept of opportunistic market sales and outline the disadvantages that it holds for the smallholder farmer. (8)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

2. Identify the types of investments that may increase the chances of improving the possibility of creating durable and beneficial trade. (4)

.....

.....

.....

.....

.....

.....

.....

.....

.....

3. Explain the shift from production to the market chain as a marketing approach for smallholder farmers. (8)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....


.....

.....

.....

.....

.....



.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Total: 20 marks

Study unit 3: Analysing markets and value chains

Session 3.1: Defining the type, scale and level of the market analysis

Activity 3.1 Individual activity: Type, level and scale of market analysis

Answer the following questions in your own words. Write your answer in the space provided.

1. Define the term market analysis. (3)

.....

.....

.....

.....

.....

.....

.....

2. Draw a table on the next page to outline the levels on which a market analysis can be done. (10)

Session 3.2: Extension toolkits for value chain development

Activity 3.2 Individual activity: Extension toolkits for value chain development

Answer the following questions in your own words. Write your answer in the space provided.

1. Access the Microlinks website via the following link:

[https://www.microlinks.org/.](https://www.microlinks.org/)

Briefly report on the topics covered and the type of resources available on the website. Identify and record at least three resources that are found in the Microlinks library (10)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

2. What is the aim of SMART skills? (4)

.....

.....

.....

.....

.....

.....

.....

.....

.....

3. Briefly explain the way in which the LINK method can support extension agents. (6)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Total: 20 marks

Summative assessment: Unit 3

Answer the following questions in your own words. Write your answer in the space provided.

1. Identify the key areas of interest of marketing analyses. (4)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

2. Briefly discuss the nature and extent of the sub-sector market analysis. (10)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

3. Identify six toolkits that can be used in value chain development. (6)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

4. Briefly explain the nature and purpose of ValueLinks. (5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Total: 25 marks

Post-assessment

The post-assessment is to be done once you have read through the module and completed all the activities. Compare your answers to those in the pre-assessment to identify where knowledge has been gained and where improvements can be made.

	Question	Self-assessment				
		Low		High		
1	How well can you explain why agricultural marketing is important for farmers?	1	2	3	4	5
2	How well can you explain the agricultural market, the value chain and the key actors in the value chain?	1	2	3	4	5
3	Are you able to assess market linkage methods?	1	2	3	4	5
4	Can you analyse markets and value chains?	1	2	3	4	5

