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AGRICULTURE RECONSTRUCTION AND DEVELOPMENT PROGRAM FOR IRAQ

FARM AND FINANCIAL MANAGEMENT WORKSHOPS Final Report

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I. Introduction

The *Transition Plan for Agriculture* calls for strengthening the capability of the Ministry of Agriculture (MOA) to provide better services to farmers and private entrepreneurs working in the agriculture sector. In a market-led economy, the role of the MOA is shifting from direct intervention into commercial activities to providing an institutional framework and environment in which the private sector will prosper. Farmers also have a new role in the market-led economy, as individual economic agents who must make business decisions based on economic factors. The MOA therefore has an essential function in economic analysis, policy formulation, and provision of basic farm management advice to farmers so that they can make good business decisions regarding economic choices for levels of inputs, cropping patterns, marketing and storage options, livestock feeding rations, etc.

In order to strengthen the economic analysis and policy formulation functions of the MOA, and upgrade the management skills of the farmers in order to provide them with a better opportunity to run financially successful farms, ARDI has developed a program of short courses in Farm and Financial Management. The objective of the courses is to teach MOA crop demonstration field staff and members of private sector agricultural development organizations methods to assess the economic returns of alternative crops compared to existing production. Actual farm cost and return data were collected from local farms for use in workshop examples.

II. Workshop Delivery

The pilot Farm and Financial Management course was delivered from November 7 – 10, 2005. Participants included governorate Department of Agriculture official and members of private sector agricultural development organizations, from five governorates: eight participants from Kirkuk, Tameem, nine participants from Erbil, two from Baghdad, one from Diyala and one from Babylon. Four ARDI staff members from the Agronomic Crop Production component also participated in the pilot workshop.

Based on input from the pilot workshop, the curriculum was modified and additional course materials were prepared (see Annex).

Three Basic Farm Management Workshops were held in Erbil on January 30-February 2, February 6-9 and February 13-16, 2006. The first workshop had 43 participants from 15 governorates, the second workshop had 35 participants from 11 governorates and the third workshop had 37 participants from 10 governorates. Four women attended the first workshop, while eight women were in the second and seven in the third. The following topics were covered:

- Basic Computer Instruction and Applications;
- World Grain Situation and Outlook;
- Introduction to Farm Management;
- Basic Record Keeping;
- Developing and Using Enterprise and Partial Budgets and Break-Even Analysis;
- Whole Farm Planning and Strategic Planning;
- Using Balance sheets and Income Statements;

- Farm Performance and Financial Ratio Analysis;
- Investment Analysis;
- Computer Applications in Investment Analysis; and
- Special Topics in U.S. Agriculture and Policy.

Workshop results indicate strong interest in continuing the program with expanded programs in Erbil, Sulaymaniyah, Dahuk, Tameem, Ninewa, Baghdad, Basrah, Muthanna and Babylon.

III. Strategic Planning

A strategic planning session was held in each workshop. Participants discussed constraints to the profitability of agriculture in Iraq, along with suggested changes to improve profitability. While lack of security is a major consideration and a cross-cutting issue, other major constraints also limit the ability of farmers to achieve profitable production and are listed below:

Constraints

- High input costs, especially for fuel, fertilizer and clean and hybrid seed;
- Lack of critical infrastructure such as electric power, complete road and rail networks and efficient irrigation systems and storage for strategically important crops, such as wheat;
- Lack of markets and planning, especially for fresh produce; lack of rural schools and sound education post-elementary; poor irrigation and drainage systems, management skills, technology and consumer protection related to food safety and regulation;
- Shortage of operating capital and credit in rural areas;
- Small land holdings limit agricultural output and productivity;
- Lack of technical assistance, extension, agriculture training and knowledge to apply it;
- Agricultural policy is wrong; migration from rural areas to cities;
- National water distribution does not deliver water to areas where it is needed most.

Suggested Actions

- Need new agricultural policy including land redistribution;
- Protection from import competition;
- Farm price supports and inputs provided by government;
- Increase processing of raw agricultural products;
- Encourage new investment and technology in agriculture;
- Improve agricultural research, extension and education for farmers;
- Domestic production should be able to compete at international prices;
- Send specialized agricultural staff to developed countries to acquire new information and methods;
- Expand agricultural production in western areas;

- Create large agricultural investment companies to stimulate production and processing;
- Provide farm inputs at fixed prices;
- Establish an agricultural radio channels and other electronic media to provide up to date information to farmers;
- Revitalize agricultural research and extension systems to better support farmers.

There was some common agreement that the major, crucial needs in Iraqi agriculture were:

- A coherent agricultural policy,
- Production inputs,
- Capital and management skills,
- Technology,
- Producer training and technical assistance.

It was also agreed that setting priorities was important, along with need for long-range planning.

IV. Future Plans

During the workshops, ARDI staff identified participants who have the interest and aptitude to complete an advanced workshop and assist to sustain the Farm and Financial Management Workshops and multiply the program throughout Iraq.

Advanced Farm Management workshops are being planned for the near future.