Summary

This training guide will help you, the trainer, lead a two-hour training on the building blocks of budgeting and recordkeeping. While this was designed to serve as one workshop, some of the activities can be used independently if desired. Farmers will understand what counts as income, and what counts as expenses, and will become familiar with basic recordkeeping words and forms.

The need: Budgeting for farming may present some new concepts and skills for farmers new to the country. Recordkeeping, especially for lower-literacy farmers, requires some new skills and orientations. To move towards independence, farmers should become increasingly aware of the importance of recordkeeping, so they can move towards doing their own budgeting, taxes, and developing their business.
This teaching resource was developed by Ellee Igor of IRC Food and Agriculture Technical Unit, and Dani Scherer with the Institute for Social and Economic Development (ISED Solutions). Refugee farmer training programs across the country provided feedback on this lesson, which is now integrated throughout the guide. From 2015 to 2017, ISED partnered with twelve refugee farmer training programs through a USDA BFRDP educational enhancement grant, to support the design and testing of new and shareable teaching resources for culturally and linguistically diverse farmers. To learn more about this project, or to access the whole list of newly developed teaching resources for refugee farmer training programs, see the New American Resource Library at https://nesfp.org/new-american-resources. For more in-depth explanations of the teaching approaches and activities used in these materials, please see the ‘Teaching Handbook: Refugee farmer training’. While these resources were designed with refugee audiences in mind, they can be adapted and used in any farmer training or incubator setting.

Throughout this guide, boxes (like this one) contain variations and adaptations that serve varying programs and farmers. They are suggestions and reflections from other programs based on how they made this workshop work for them.

Throughout this guide, boxes (like this one) contain teaching tips to help you better facilitate farmer learning. Most come from other programs who have tested and reflected on using this lesson.

Throughout this guide, boxes (like this one) contain notes from this guide’s developer that provide insight into how a lesson is typically taught at the developer’s program.

You will find the icons below throughout this guidebook. They are there so you are prepared for the activity and can get an idea of what it will bring at a glance.
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• Resources needed

6 DEFINITION OF BASIC TERMS / ACTIVITY 1 / 30-45 MINUTES
• Farmers will learn how to define basic budgeting terms such as expense, income, profit and loss with the help of a PowerPoint.

8 FILLING OUT BASIC BUDGETING FORM / ACTIVITY 2
30 MINUTES
• This activity is adapted from Salt Lake City’s New Roots program and is dependent on the family budgeting form used through IRC resettlement initiatives. If you do not have this form, you can very simply create your own program’s version of it.

9 SALES LOG / ACTIVITY 3 / 30 MINUTES
• This activity uses the sales log to teach basic recordkeeping of sales. The same principles being taught here could be used to fill in invoices and receipts that your program uses.

WHAT TESTERS SAY:

“The PowerPoint presentation was effective because it helped clients learn the differences between income, expenses, and profit. The card sort activity helped them demonstrate their understanding of those definitions. Reviewing budget examples helped put these concepts into their own personal contexts. The Sales Log activity inspired a good discussion on how to track sales and expenses and why such recordkeeping is important.”

-International Rescue Committee, Tucson AZ

“These are essentially small business folks, so helping them to build these skills is important, accurate, and necessary. The guide is clear and user friendly.”

-Jim Stokes, International Rescue Committee Turlock / Modesto CA
OBJECTIVES: At the end of this session, farmers will be able to:
- Define the basic budgeting vocabulary (expenses, income, profit, loss).
- List / sort examples of expenses and sales.
- Fill out a basic family budgeting form.
- Report sales and expenses using your program’s basic sales and expense forms.
- State 1-3 reasons why they need to keep records of sales and expenses.

STRUCTURE: This lesson will work with programs that support the farmers in identifying and getting into indirect and direct marketing opportunities.

LANGUAGE / LITERACY: Language: With an interpreter, appropriate for beginning to fluent English language speakers.

Literacy: Activity 1 ‘Activity Board’ will be challenging for pre- and non-literate learners, but vocabulary words can be pre-taught for these learners.

EXPERIENCE: This module is intended for farmers who are in their first year or so of production for market. If farmers have not had any marketing experience, some additional ESL words should be taught more explicitly (such as wholesale, CSA, and farmers market).

TEACHING TIP: One reviewer suggested that two tracks could be developed to teach this topic: beginning or advanced. You can tailor the material to these two levels as you see fit.

PROOF OF LEARNING: • Farmers sort different items into “sales” and “expenses” to demonstrate their understanding.
• Farmers will fill out a simple recordkeeping form.
• Farmers will be able to state what kind of marketing (direct or indirect) they prefer and give 1-3 reasons why.
Resources needed
Adaptable except where noted.

TIME: 2 hours

STAFF / INTERPRETERS: One Staff Member and One Interpreter
At least one staff member and one interpreter needed for farmers who are not English fluent.

LOCATION: Classroom / packing shed etc.
Classroom or similar, space for a farm stand set up for part 2 (can be done outdoors or indoors).

SUPPLIES: • PowerPoint Presentation
• Expenses and income sorting cards
• Recordkeeping forms
• Sales logs / receipt
TIME: 30-45 minutes

OVERVIEW:
Farmers will learn how to define basic budgeting terms such as expense, income, profit and loss with the help of a PowerPoint.

MATERIALS:
• Projecting capacities for the PowerPoint.

OBJECTIVES:
• Farmers will be able to say what marketing options are direct and indirect.
• Farmers will be able to define wholesale, farmers market, farm stand, restaurant and CSA.

STEP 1: WARM UP ACTIVITY SUGGESTION
This warm up will allow farmers to just start thinking about spending vs. making money in a more general way (not farming related only). When these questions are brought back up later, they will be focused only on farming related expenses and income, and income and expenses will be used more explicitly as terms. However, this warm up provides contextualization. Ask the questions below, and let farmers answer popcorn style, or you can make two lists and write (or draw) their answers, separating them into two columns:
“How do you make money? What do you sell? How do people pay you?”
“How do you spend money? What do you spend money on?”

STEP 2: POWERPOINT PRESENTATION
SLIDE 2 - What is a Business?
Ask farmers if they know this word, if they have ever owned a business or have had friends or family who own / owned businesses. You can add anything from the points below:
• An organization where goods and services are exchanged for money
• The activity of making, buying, or selling goods or providing services in exchange for money
• A commercial activity engaged in as a means of livelihood or profit, or an entity which engages in such activities
SLIDE 3: What is Income?
Ask farmers if they know this word, if they have income, and how.
• The amount of money received during a period for the sale of goods
• Once farmers know what this is, ask them to start listing things that count as income (using the pictures on the slides as prompts)

SLIDES 4 and 5: What are Expenses?
Ask farmers if they know this word, and have them start listing expenses.
• Something spent to attain a goal or accomplish a purpose
• Example: Seed costs, fertilizer/compost costs, trellising material, marketing materials, water bill, mortgage/loan payments, packaging materials, transportation costs

SLIDES 6 and 7: Two Types of Expenses
• Operating Costs: What you pay for in day to day operations. These costs fluctuate a lot; they will change as your operation grows. Examples: Seeds, tools, water bill
• Overhead Costs: Generally overhead costs refer to ongoing costs that are relatively fixed. Examples: Insurance, land rental fee, etc.

STEP 3: CARD SORT ACTIVITY
Print out pictures that you are using to represent expenses and income, put them all in one pile, and have farmers sort them out into their two groups (you can use signs for the two piles called ‘income’ and ‘expenses’). If you are working with more advanced farmers, you can also have them distinguish between business and direct costs).

Have them use the piles, or you can manipulate the piles, to show that income, minus expenses, is your profit. Ask them to verbally name the different piles a few times to get the hang of it (“income, take away expenses, is profit”).

EXPENSES AND INCOME SORTING CARDS
TIME: 30 minutes

OVERVIEW:
This activity is adapted from Salt Lake City’s New Roots program and is dependent on the family budgeting form used through IRC resettlement initiatives. If you do not have this form, you can very simply create your own program’s version of it.

OBJECTIVE:
By the end of this activity, participants will be able to:
• Fill out a basic family budgeting form

MATERIALS:
• Projecting capacities for the PowerPoint slide of the work sheet
• Your own program’s version of the basic budgeting form (or the one used here if need be)
• Sorting cards from Part 1

STEP 1: EXAMPLES OF BUDGETS
1. Slide 8 and 9: Family Budget
   • Ask all participants if they have seen or used this budget form before. (All participants who were resettled by IRC will have received one.) Their case workers fill them out with them.
   • New participants will receive a blank family budget form. Fill in their “profit” based on their income goal (known expenses from the fee structure).

2. Business Budget
   All participants can look at a sample budget based on last year’s Income and Expenses.
   • The business budget form is the same as Family budget, except it is yearly instead of monthly.
STEP 2: **SURPLUS**
Ask participants what they do if they have a surplus in their family budget.
• Do they put it into savings? Do they buy things they want?

STEP 3: **PAST PROFITS**
Ask participants what they have done with their farm stand profits in the past.

VARIATION:
One reviewer mentioned working with the budget form this way: “We looked over the family budget to show what sort of things are income vs. expenses. We then used the business budget form to come up with some potential numbers.”
TIME: 30 minutes

OVERVIEW:
This activity uses the sales log to teach basic recordkeeping of sales. The same principles being taught here could be used to fill in invoices and receipts that your program uses.

MATERIALS:
• Projecting capacities for the PowerPoint slide of the work sheet
• Sales log sheets

OBJECTIVE:
By the end of this activity, participants will be able to:
• Report sales and expenses using your program’s basic sales and expenses forms.
• State 1-3 reasons why they need to keep records of sales and expenses.

STEP 1: REALISTIC
If possible, make this as real as possible with vegetables and prices laid out so that farmers can see the connection between items purchased, and what they are supposed to write in their sales log.

STEP 2: PHOTOS
You can set out pictures of the vegetables if you do not have access to the real thing, and post the prices next to them (using the vegetables that are listed in the sample log above).
STEP 3: PRACTICE
Have someone play customer and take certain vegetable items from the table. With the chosen items separated out, show how you write in the vegetable name, amount, price and amount sold. (If you are using the exact form as above, first take the time to fill in all the information up front: DATE, MARKET VENUE, AMOUNT and then once there are some items that are ‘sold’, start filling in the PRICES PAID, AMOUNT SOLD.)

STEP 4: EXAMPLES
Use SLIDES 10 and 11 as examples.

STEP 5: FILL OUT FORMS
Depending on farmer’s language, literacy, numeracy and farming level, they may be able to fill in some of these sheets on their own, including adding up the TOTALS column. However, for those who are not ready for that, you can fill in as many lines as you would like, together.

STEP 6: REFLECTION
Guide farmers in a discussion of why recordkeeping is important.

Ask farmers why we keep records. Responses could be:
- a) Helps you to see if you are making money!
- b) It is a requirement of the program.
- c) You can see if you are making less money or more money over time.
- d) You can see what crops do well.
- e) You can see what markets are doing well.
- f) You can track sales so that you get reimbursed accurately.

STEP 7: LIST
Ask farmers if they want to add anything to this list, then ask:
- a) What do you need to work on?
- b) What are you worried about with recordkeeping?
- c) What kind of help do you need to learn?