

II.

Store Management

Topic 28c

How to Predict Agri- Input Sales

FACT SHEET

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Topic 28c: How to Predict Agri-Input Sales

To avoid having stock at the end of the season or running out of stock, it is important to know how much and when products will be sold during the year. Most dealers **predict sales** based on their experience (what was sold last year), which is a good start. However, there are other ways to determine possible sales for next year.

The following questions should be answered:

1. What crops do my customers grow?

You first need to know what crops grow in the region. You can find out by talking to extension officers, farmers, or other input dealers and by observing what is growing on fields and what is sold in markets.

2. What activities are performed for each crop and when?

For every crop, a farmer has to clear the land, sow seeds, stimulate growth, control pests, harvest, etc. The activities are done in a certain order. A farmer will not harvest before a pest is controlled. Agro-dealers should make a timeframe listing all activities during a season.

3. What type of products do farmers need during each activity?

Farmers need specific products for the different activities associated with each crop. For example, pesticides to control capsids in cocoa should not be used on vegetables. It is important to know what types of seeds are needed, what pests should be controlled, etc.

4. When should products be ordered?

Fungicides are not needed when seeds are planted. Each agri-input is needed at a certain time during the season. It is important to know when each product is needed to ensure that the right product is kept in stock at that time. When ordering stock, you need to be aware of the lead time (time between ordering stock and receiving it).

5. What can farmers afford to buy?

Farmers will not buy all products they need. Most farmers only act when problems occur. One of the tasks of an agro-dealer is to advise farmers on how to avoid these problems, but even then farmers will buy what they can afford. It is good to explore alternatives for different products, because a cheaper alternative is sometimes available. However, be aware of counterfeit and illegal products. Selling your



customers cheap products that do not work will not enhance your sales; sales will decrease, because you will lose customers.

6. How many customers will buy the products?

It will be difficult to determine exactly how many farmers are growing certain crops and how many of them will buy your products. You can estimate based on last year's sales and the advice of other agro-dealers, extension officers, and customers.

INSTRUCTIONS

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Topic 28c: How to Predict Agri-Input Sales

Materials needed

- Flip-sheet board with flip-sheets
- Markers (1 black, 1 blue, 1 green, 1 red)
- Colored cards
- Kraft paper (or other large piece of paper)

Time needed: 45 minutes

- Preparations:**
- Flip-sheet with the heading: *How to predict agri-input sales*
 - Flip-sheet with the heading *Predicting sales* and the text:
 1. *What crops do customers grow?*
 2. *What types of products are needed?*
 3. *When are products needed?*
 4. *What can they afford?*
 5. *How many customers will buy?*
 - Kraft poster paper listing the months of the year (see Visual 1)

Set up

Attention: Ask participants: Who can predict the future by reading tea leaves? They will probably laugh or say no one. Tell them that no one can predict the future, but it would be helpful for agro-dealers to know how much they will sell in a year. Fortunately, there are other ways to predict sales.

Title: Tell participants the title while showing the flip-sheet with the title: *How to predict agri-input sales*.

Credibility: Explain your experience in the agri-input business.

Objectives: To show how to predict agri-input sales.

Benefits: Knowing about how much you will sell during a year can help you avoid losing money from having obsolete stock or losing customers from running out of stock.

Direction: During this session, we will focus on predicting sales to determine how much product should be kept in stock. We will not discuss how to increase sales.

Delivery

Explanation, Demonstration, Exercise, and Guidance:

1. Tell participants that when **predicting sales**, they will need to answer certain **questions**. Paste the flip-sheet with the heading *Predicting sales* on the wall. Tell them that we are going to discuss each question one by one.
2. Start with the first question: **What crops do my customers grow?** Ask participants to name the main crops in their region. Let them mention a few. Ask them how they know this information. Tell them that you can find out by talking to extension officers, farmers, or other input dealers and by observing what is growing on fields and sold in the markets. Ask the participants to select **one product** that we will use for our example.
3. Continue with the second question: **What activities are performed for each crop?** Paste the Kraft paper listing the 12 months of the year on the wall. Explain that for every crop a farmer has to clear the land, sow seeds, stimulate growth, control pests, harvest, etc. The activities are done in a certain order. A farmer will not harvest before a pest is controlled. Agro-dealers should make a timeframe listing all activities during a season.
4. Ask for **two volunteers** to assist you. Ask the other participants what activities are performed. When an activity is mentioned, let one volunteer write the activity on a colored card. Then ask when that activity takes place. Let the other volunteer paste the card on the Kraft paper in the correct month. Thank the volunteers after all activities are listed.
5. Continue with the third question: **What type of products do they need during each activity?** Ask for two other volunteers to assist you. Discuss what type of product is needed for all activities that were listed and pasted on the Kraft paper. Let one volunteer write the product on a colored card. Use one card per product. Let the other volunteer paste the product under the activity. Make sure that seeds, fertilizers, and pesticides (different types) are mentioned. Try to be as specific as possible or even let them mention brand names. Thank the volunteers when all products are listed.
6. Continue with the fourth question: **When should products be ordered?** Add that it is important to know **when** each product is needed to ensure that the right product is kept in stock at the right time. When ordering stock, you need to be aware of the lead time (time between ordering stock and receiving it). For every

product, ask how long it will take to order, and mark the time to order a certain product on the Kraft paper.

Note: An example of the results of Questions 2, 3, and 4 is given in Visual 2.

7. Continue with the fifth question: **What can they afford to buy?**
8. Explain that farmers will not buy all products they need. Most farmers only **act** when **problems** occur. One of the tasks of an agro-dealer is to advise farmers on how to avoid these problems, but even then, farmers will buy what they can **afford**. It is good to explore alternatives for different products, because a cheaper alternative is sometimes available. However, be aware of counterfeit and illegal products. Selling customers cheap products that do not work will not enhance your sales; sales will decrease because you will lose customers. Look together at the Kraft paper, and ask the participants what products they think farmers can afford to buy. You can put the products in order of priority by adding numbers to the colored cards (1 for the most important, 2 for the second most important, etc.).
9. Continue with the sixth question: **How many customers will buy the products?** Explain that it will be difficult to determine exactly how many farmers are growing certain crops and how many of them will buy your products. You can estimate based on last year's sales and the advice of other agro-dealers, extension officers, and customers. Ask participants if they have any idea how many customers will buy the product labeled priority 1 in their region. Do not go into discussion; just let a few participants estimate a number.

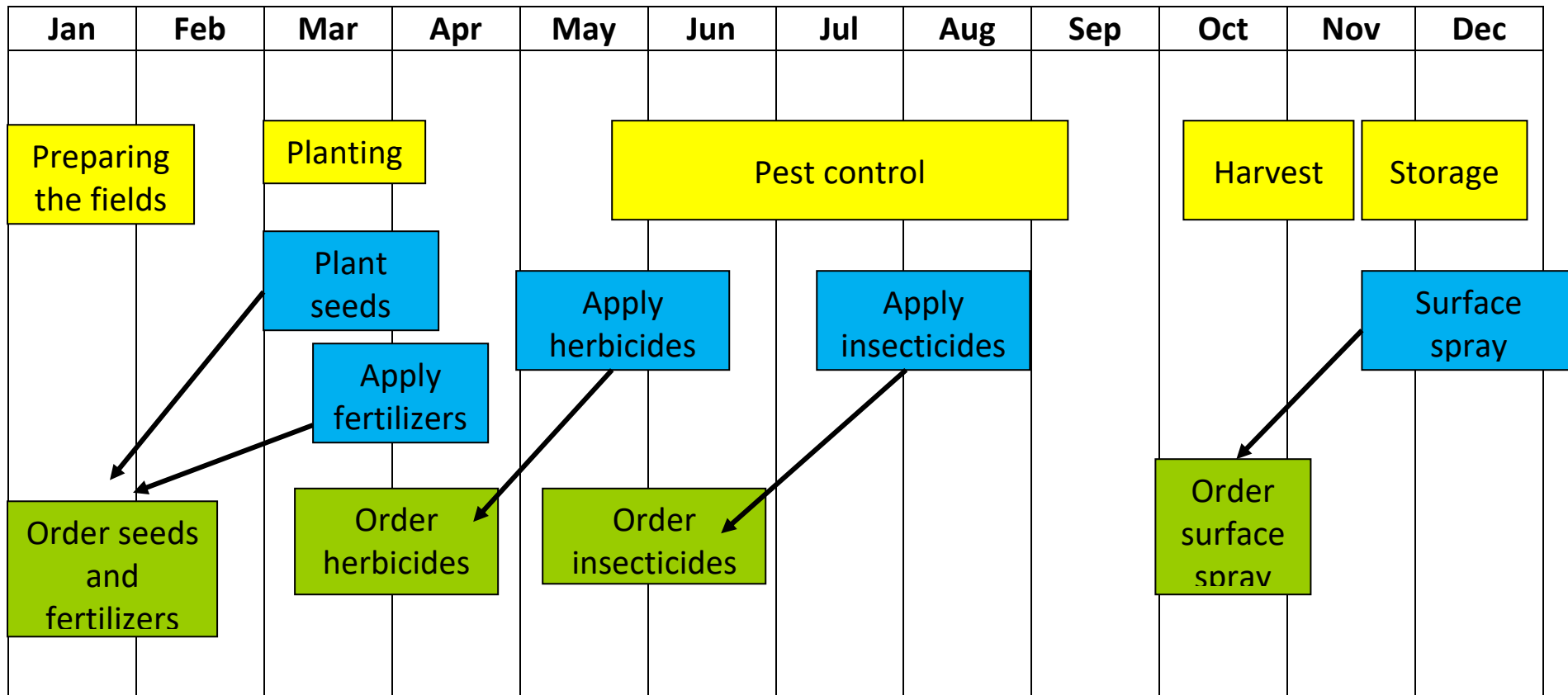
Finish

- Summary:** Give a summary by telling participants that it is important to predict sales in order to avoid having obsolete stock and running out of certain products that customers need. Mention the questions that need to be answered.
- Questions:** Ask if anyone has a question or comment.
- Evaluation:** Ask them why it is important to predict sales. Ask them to repeat the questions. Ask them to find out what products farmers need.
- Next step:** So far, we have learned how to buy products, how to manage stock, and how to predict sales. When agro-dealers apply this knowledge, they will avoid losing money from obsolete stock, and they will be able to serve their customers better.

Distribute the **fact sheet** to all participants.



VISUAL 2





Note: Try to be more specific by adding product names as much as possible.