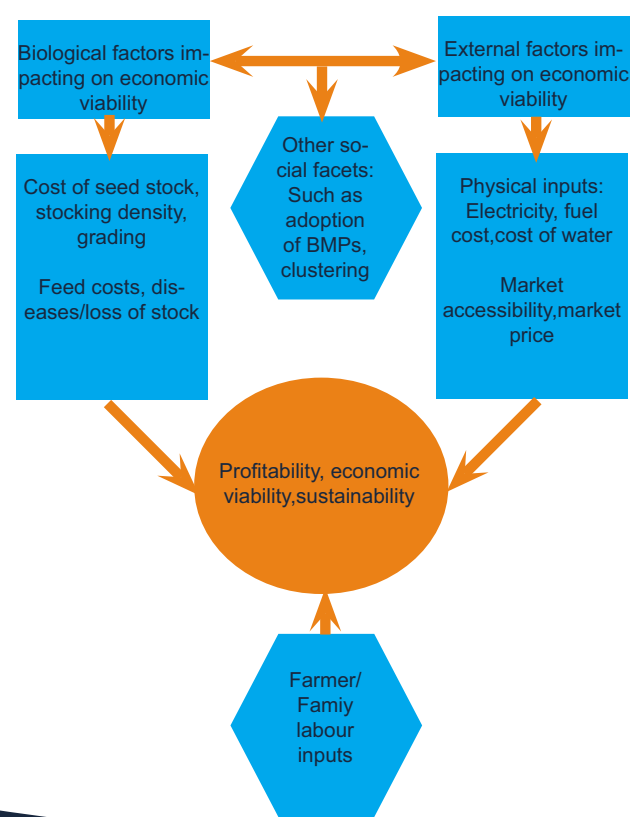




Obvious interacting factors impacting on economic viability of small-scale farming operations.



Application of business management principles in small-scale aquaculture

COURSE STRUCTURE

The course will consist of nine modules, most of which would be stand alone in contents, concepts covered but with continuity.

Module 1: Facets of small-scale aquaculture (6 hrs)

- Perspectives on aquaculture in the region
- Small-scale aquaculture: what, where and how?
- Production systems with reference to Vietnam

Module 2: Economic principles: applications in small-scale aquaculture practices (4 hrs)

- Principles of demand and supply
- Pricing and market for small-scale aquaculture
- Time value of money

Module 3: Factors impacting on economic viability of small-scale aquaculture practices (3 hrs)

- Physical factors (extraneous factors)
- Social factors: adoption and application of better management practices (BMPs), clusters

Module 4: Biological factors impacting on economic viability of small-scale aquaculture practices (4 hrs)

- Part I: Energy budgets, temperature, oxygen
- Part II: Food safety and hygiene
- Part III: Record keeping as a tool for planning and optimizing operations

Module 5: Economic pathways of aquaculture operations (3 hrs)

- Production functions
- Cost and revenue functions

- Principles of economies of scale
- Module 6: Costs and benefits analyses applied to small-scale aquaculture practices (4 hrs)**
 - Profit maximization as a goal
 - Costs and benefit analysis
- Module 7: Investment and financing as instruments to improve small-scale aquaculture businesses (4 hrs)**
 - The question of investing
 - Investment
 - Capital requirement
 - Project financing
 - Cash flow analysis
- Module 8: Valuation - Approaches to assessing the worth of aquaculture business opportunities (4 hrs)**
 - Approach for valuation of a project or investment
 - Payback period method
 - Net present value (NPV) method
 - The discount rate
- Module 9: Additional material: Case studies**
 - Shrimp farmer case studies in Vietnam and India
 - Catfish farmer case studies
 - Marine cage culture case study from Indonesia
 - Discussion groups



1st - 10th August 2010
 Faculty of Aquaculture
 Nha Trang University
 Nha Trang
 Vietnam



Application of business management principles

IN SMALL-SCALE AQUACULTURE

A cooperative activity of the Network of Aquaculture Centres in Asia-Pacific (NACA), United Nations University Fisheries Training Program (UNU-FTP), Faculty of Aquaculture, Nha Trang University (NTU), Vietnam and Holar University, Iceland

CAPACITY BUILDING AMONG SMALL-SCALE FARMERS TOWARDS MEETING PRESENT DAY MARKET CHALLENGES

Aquaculture, the farming of aquatic organisms, accounts for over 50 percent of the food fish consumed globally, and in turn over 85 percent of the latter is produced in Asia. Asian aquaculture is predominantly small-scale, the latter being considered as farmer owned/ leased, operated and managed.

business acumen for small-scale farmers

Small-scale farmers, however, have to increasingly compete in a dynamic, global environment, and are called upon to comply with increasingly stringent food safety and quality requirements, ensure minimal impacts on environment, biodiversity and so forth. In addition these small-scale farmers also have to face physical changes that could impact on the farming systems such as through climate change, competing use for primary resources e.g. land and water.

Small-scale farming systems are generally

not hugely profitable, but enable the practitioners to maintain their livelihoods. In the current global scenario and dynamism even small-scale farmers will have to uplift their business sense and acumen to remain economically viable and sustainable. The pressures on small-scale farmers have become even higher with increasing demands on the primary resources used and increasing prices of the inputs such as feed in aquaculture.

Consequently, there is a need for small-scale farmers to understand and be conversant with principles of business management if they are to remain economically viable and sustainable. In general, in the small-scale aquaculture sector there are limited business management skills and such aspects are not easily acquirable either. In the context of globalization and breaking down of barriers between small- and large scale enterprises, as well as cultured low valued species gaining increasing export market share there is an urgent need for business management skills to be applied in small-scale aquaculture.

Accordingly, the primary objective of the proposed course is to enable small-scale farmers to attain the much needed business sense and acumen and enable them to maintain their livelihoods, maximize profits, in a competitive and a dynamic global environment. The course will attempt to bring together economic entities that impact the production processes, will recognize entry points that could bring about economic improvements through the production cycle. An understanding of the awareness of economic principles and their application at each entry point of the production system of small-scale farming system will be dealt with. In all instances practical examples drawn from farmer experiences and systems will be highlighted. The course will aim to improve the skills of practitioners of small-scale farming systems and enhance the understanding of application of economic facets into their practices and thereby improve economic viability in a competitive globalized environment.

The course is to be offered to 15 participants drawn from six countries, Bangladesh, India, Indonesia, Myanmar, Thailand and Vietnam. The participants will include practicing farmers who have had a tertiary education, extension officers and a few graduate students. The feedback from the participants to the first offering of the course will be used to mould the course in a manner that it could be used regionally and comprehended by the small-scale farming community at large.

