



Agribusiness Management: Agri-Food Value Chains, Farm Economics and Investment



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Introduction:

Agribusiness management decisions are often taken on yield hopes rather than numbers: farm projects are approved without a tested cost of production, greenhouse and irrigation investments are sized before water and energy costs are known, offtake terms leave the grower or the buyer exposed, and price swings erase margins that looked safe on paper. This Core Concept course gives managers in agri-food companies, agricultural investment funds and development agencies the methods to read agri-food value chains, model farm and enterprise economics, appraise agricultural investments and secure offtake. Participants build an Agribusiness Investment and Operating Plan.

Course Objectives:

- Map an agri-food value chain from input supply through production, processing and distribution and locate where margin, risk and control sit
- Calculate enterprise budgets, gross margins and cost of production per unit for crop, livestock and protected-cropping enterprises
- Compare the capital and operating economics of open-field, controlled-environment and water-efficient production systems at overview level
- Appraise an agricultural investment with discounted cash flow, sensitivity testing and a financing structure suited to seasonal cash cycles
- Structure offtake agreements and contract farming arrangements that allocate price, quality and supply risk between growers and buyers
- Assemble an Agribusiness Investment and Operating Plan that integrates market, finance, food safety, agtech and food security considerations

Target Audience:

- Managers accountable for the commercial and operational performance of farming, processing or food distribution businesses
 - Investment managers who screen, appraise and monitor agricultural and agri-food assets for funds and holding companies
 - Programme managers in development agencies who design and fund agricultural value chain and smallholder projects
 - Business development managers who negotiate sourcing, offtake and grower supply arrangements
 - Finance managers who prepare budgets, credit applications and investment cases for agricultural enterprises
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Course Outline:

Day 1: Agri-Food Value Chain Structure and the Agribusiness Landscape

- Agribusiness Value Chain Model: Input Supply, Production, Processing and Distribution
- Value Chain Actor Map: Growers, Cooperatives, Aggregators, Processors and Retail Buyers
- Margin Distribution Analysis Along an Agri-Food Chain
- Demand Drivers: Population, Diet Shift, Import Dependence and Food Security Priorities
- Agribusiness Current-State Diagnostic Scorecard for an Enterprise or Programme

Day 2: Farm and Enterprise Economics and Production System Models

- Enterprise Budget Template: Variable Costs, Fixed Costs and Gross Margin per Hectare
- Cost of Production per Tonne and Break-Even Yield and Price Calculation
- Controlled-Environment Agriculture Economics: Greenhouse, Vertical Farm and Hydroponic Cost Structures
- Water-Efficient Farming Economics: Drip Systems, Water Productivity and Cost per Cubic Metre
- Economies of Scale, Farm Size and Mechanisation Payback Comparison

Day 3: Agricultural Finance, Investment Appraisal and Market Access

- Seasonal Working Capital Cycle and Agricultural Cash Flow Forecast
- Discounted Cash Flow Appraisal: NPV, IRR and Payback for a Farm or Processing Project
- Agricultural Financing Instruments: Seasonal Credit, Asset Leasing, Blended Finance and Warehouse Receipts
- Offtake Agreement Terms: Volume, Specification, Pricing Formula and Delivery Schedule
- Contract Farming Models: Centralised, Nucleus Estate, Multipartite, Intermediary and Informal

Day 4: Price and Supply Risk, Food Safety, Agtech and Sustainability

- Agricultural Risk Register: Weather, Pest, Price, Input Cost and Counterparty Exposures
 - Price Risk Tools for Agribusiness Managers: Forward Contracts, Price Bands and Crop Insurance
 - Contract Farming Failure Points: Side Selling, Input Diversion, Late Payment and Quality Downgrading
 - Food Safety and Quality Management Systems Overview: Certification Scope, Traceability and Buyer Audits
 - Agtech Investment Screening: Sensors, Farm Management Software, Remote Sensing and Precision Application
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Day 5: Agribusiness Modelling Build and the Investment and Operating Plan

- Modelling Build: Enterprise Budget and Cost of Production Model for a Selected Crop
- Modelling Build: Project Cash Flow, NPV and Sensitivity Table for a Protected-Cropping Venture
- Case: Development Agency Smallholder Outgrower Scheme with a Processor Offtaker
- Sustainability and Food Security Impact Indicators for the Plan: Water, Soil, Emissions and Local Supply
- Agribusiness Investment and Operating Plan Presentation and Investment Committee Challenge

Skills You Will Gain:

- Agri-Food Value Chain Analysis
- Enterprise Budgeting
- Cost of Production Analysis
- Agricultural Investment Appraisal
- Offtake Contract Structuring
- Contract Farming Design
- Agricultural Risk Assessment
- Agtech Investment Screening

Why Attend This Course:

- Leave with an Agribusiness Investment and Operating Plan built from a working cost of production model and a tested project cash flow
- Challenge greenhouse, irrigation and agtech proposals with numbers on water, energy and payback rather than supplier claims
- Negotiate offtake and grower arrangements knowing where contract farming schemes usually break down
- Compare approaches with managers from agri-food companies, investment funds and development agencies working across different crops and markets

Conclusion:

Agricultural ventures succeed when value chain position, unit economics, finance and market access are planned together. The week moves from the structure of agri-food value chains, through enterprise budgets, cost of production and the economics of controlled-environment and water-efficient systems, to investment appraisal, financing, offtake and contract farming. It then covers price and supply risk, food safety systems, agtech and sustainability, and closes with a modelling build that produces an Agribusiness Investment and Operating Plan for each participant.
