Integrating Financial Record Keeping Systems in Small Scale farmers’ enterprise development

Ms. Emma Basalirwa, representing JIDDECO/Caritas Jinja shared the long road to integrating Financial Record Keeping systems in small scale farmers’ enterprise development drawing experiences from Busoga sub-region.

History of integrating Financial Record Keeping Systems under JIDDECO: The need arose in the FY 2009/10 during JIDDECO’s implementation of the Access to Markets project to initiate and build the capacity of ‘illiterate’ farmers to do farming as a business. One of the ways of doing this was to train and couch farmers to keep records for their farm events and transactions. This was specific to local poultry farmers and all a farmer needed to do was understand the events and transactions and fill in simple arithmetic figures in the simplified poultry records book.

Strategy: It involves creating, receiving and maintaining information as evidence by a person in business transactions for future reference. The farmer is required to record information regarding production, stocking, income & expenditure, feeding, health, receipts & invoices and sales agreements.

Why keep records? A farmer is able to know sources of business money and profits; gets to know their indebtedness to suppliers and how much he is owed. For accountability purposes, the farmer is able to record all transactions as suppliers and buyers sign in the transaction/records book. It helps in avoiding misunderstandings with customers about quantities, down payments and price. Record keeping helps in investment decisions / tell if it’s a worthwhile venture to invest in. It is a credibility tool when a farmer wishes to obtain credit from financial institutions. And more importantly, it helps in resource planning in terms of size of land to be committed to the project, how much one should commit in terms of money, workers and or if there would be need for external financing.

Application of the strategy: Under JIDDECO, the strategy has been applied in three districts of Kamuli, Jinja and Mayuge in the sub-counties of Nawanyago, Imanyiro, Bukatube, Buwenge Rural and Busedhe specifically focusing on the Local poultry sector.

Testimony: According to Mande Aeron Dickson, a farmer from Mayuge district, “the strategy keeps a farmer focused and helps in making evidence based investment decisions as shown by the records. It is true, this strategy works but it calls for steadfastness, truthfulness, hard work and commitment. For the lazy ones and completely illiterate farmers, this can be daunting. It means that if the farmer is unable to read and write, he/she is dependent on an external person. Otherwise, it is a good practice.”

What makes financial record keeping a good practice? As long as the format is kept simple, easy to use especially if translated in the local languages, it is a good practice. It is a wonderful monitoring tool to farmers and enhances accountability and improved decision making. It provides basic information on financials and it aids memory for future referencing. It helps the farmer on enterprise continuity depending on profits or losses. It empowers the farmer in basic research because the tool helps to indicate which drug worked well, which diseases afflicted the enterprise and keeps the farmer in touch with service providers. It helps the farmer to specialize and guides his/her investment.

Challenges: Specific to local breeds, it may be tricky to invest heavily since they do not lay as many eggs. The period taken by local breeds to become productive is long. Sometimes, the farmer lacks knowledge on various diseases that affect birds. Farmers are not engaged in one sector, it is a heavy task to develop and
translate record books in all the sectors, the cost of a records book at 4500/= is high for the farmers. Safe keeping of records is not assured and it may be time consuming.

**How to scale Up Financial Record Keeping?**

- Capacity building and training is a financial necessity.
- There is need for partnership with government to massively promote functional adult literacy.
- There is also need to link service provision to farmers.
- It is important to Involve school going children and unemployed youth in record keeping.
- It would good for all development agencies to encourage a culture of recording.
- Encourage farmers to keep records on expenses and profits.
- It is equally important to improve the traceability of records, a pile of records could be hard to trace. Therefore, development agencies need to also use software all through for analysis on a quarterly basis to every farmer.
- There is need to showcase and encourage exposure/exchange visits among MOs on this good practice.

**About JIDDECO**

JIDDECO is a coordinating and facilitating agency of the Catholic Diocese of Jinja, working in partnership with local organizations through training, fundraising, research, advocacy and other forms of technical support to strengthen their effectiveness in utilizing their resources to meet their needs for justice and well being. JIDDECO envisions communities that are Just, United and self sustaining within Busoga Sub-region and its mission is to build and strengthen the capacities of communities and partner organizations through proven and effective management practices.