



RURAL ADVISORY SERVICES: FACILITATING FEASIBILITY

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Are we supporting “projects” or “enterprise development”?

| A PROJECT | A BUSINESS |
|---|--|
| Beneficiaries | Employees |
| Group leaders | Managers |
| Stakeholder (Municipality, Donor/Financier, Input suppliers, Private service-providers) | Shareholders |
| Role-players (Donors, Dept. of Agriculture, Dept. of Arts and Culture, Municipality) | Service Providers |
| Project Proposal | Business Plan |
| Project steering committee | Board of Directors |
| Infrastructural development | Infrastructural maintenance |
| Donors | Investors |
| Project Managers / Project Implementers | Advisors / Service Providers |
| Remuneration: Stipends or nothing | Remuneration: Salaries or profit sharing |
| Project managers/ Project Implementers | Advisors/Service Providers |
| Capacity building | In service Skills upgrade/ in-service training |
| Funding / Grants | Income generated or Loans |





ECONOMIC MOTIVATION

.....Agripreneurs are in it for the money!



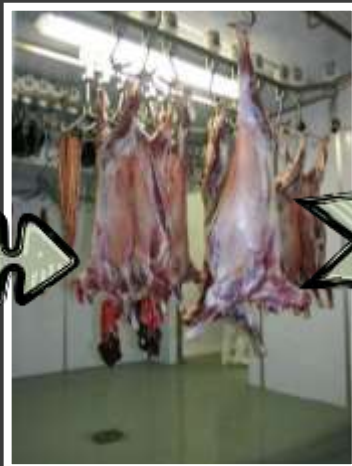
“An agripreneur is an ambitious leader who owns and runs an (agricultural) business venture or enterprise, assuming significant accountability for the risks and rewards from it, instead of working for another business as an employee. The entrepreneur combines "land, labour and capital" with a particular idea or skill in order to run his business and market new or particular goods or services. There are inherent risks and potential losses involved, and also an opportunity for greater profit should the idea see success.”

Income – Expenses = Profit

Keep transaction
costs down

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Create value-added market chains

New institutional arrangements can reduce transaction costs....



Conclusion

- “Agripreneurship” makes agriculture sexy again
- It includes any agriculturally related enterprise
- RAS should decrease transaction costs
- Increase profit