

# BUILDING OUTGROWER BUSINESSES' CAPACITY IN BOOKKEEPING FOR IMPROVED MANAGEMENT SERVICES

## Accurate bookkeeping leads to increased margins for Mic Mac Enterprise, a USAID's ADVANCE project-supported outgrower business

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Michael Asutani is the owner of Mic Mac Enterprise, an outgrower business (OB) with over 625 smallholder farmers across eight communities in the Yendi Municipality in the Northern Region. Before becoming a beneficiary of the USAID's ADVANCE project in 2015, Michael was a nucleus farmer with 30 farmers from three communities and had farmed for over 10 years. While he would keep basic records on his ploughing services to his outgrowers, the records did not include data on sales, income and expenditure, or equipment maintenance (fuel, servicing and operator cost) records. This made it difficult for Michael to ascertain the true financial state of his business; he could not make sound business decisions and suffered losses.

Since becoming a project beneficiary, Michael has received project-facilitated training covering accurate record management, business and financial management, contracting and negotiations, outgrower management, and business operations analysis. With project support, Michael received two interns who supported him with bookkeeping during peak production season, from the University for Development Studies in 2017 and 2018. As a result, he acquired bookkeeping skills in income and expenditure, ploughing services, recovery, shelling, sales, and fuel management.



*Mic Mac Enterprise owner, Michael Asutani (Photo credit: Joseph Kansaki, agricultural production officer)*

Now, Michael keeps up-to-date records on all ploughing services, including cash and in-kind payment, equipment fuel and maintenance cost, service provision to outgrowers in seed and fertilizer, marketing and sales. He also tracks repayment from outgrowers supported. In 2017, through knowledge in bookkeeping, Michael successfully determined the amount of fuel used for ploughing per acre, and this enhanced transparency and accountability between his machine operators and the farmers. He spent GHC 13,444 (USD 2,801) on ploughing services for 619 outgrowers and GHC 5,324 (USD 1,109) on tractor maintenance. If not for his newly acquired knowledge as a result of the project's training intervention, Michael could not have determined these figures exactly.

The bookkeeping also helped in repayment recovery. For the 2017 production season, he had 99% recovery for in-kind repayment. His increased knowledge in outgrower business management led to increased efficiency, timely equipment servicing, and tractor maintenance. Michael's production volume also increased to two metric tons per acre, which is more than a 25% increase over his previous average prior to being a project beneficiary.

*“Previously, I kept my records anyhow. I could not analyze the figures to make any meaningful decision to improve my business. Because of USAID’s ADVANCE trainings, I can now set target for the business operation in terms of loan repayment, service provision, and revenue generation. I am also able to project profits for a particular season.”*  
— Michael Asutani, owner of Mic Mac Enterprise

Because of these successes, he has progressively increased the number of outgrowers he supports from 30 in 2015 to 625 in 2018. Michael is one of 373 OBs the project has trained to help them improve their businesses and offer quality services to their outgrowers.