**EXERCISE 17A. WORKING OUT TRANSPORTATION COSTS**

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| *OBJECTIVE*  **After this exercise the participants will be able to:**   * Describe the costs of transporting goods to market. | |
| *EQUIPMENT NEEDED*   * Wheelbarrow * 10 small bags to represent sacks of grain * Pieces of paper to represent banknotes, with $1, $5 or $10 written on them (a total of $200, or use local currency equivalencies) * Flipchart, marker pens | *EXPECTED OUTPUTS*   * Farmers understand how they can work together to earn more money by reducing a trader’s costs |
| *TIME*   * 1hour | *PREPARATION*   * None |

*This role-play exercise helps farmers understand the advantages of filling a complete truck when transporting produce to market.*

*SUGGESTED PROCEDURE:*

1. Explain to everyone that this is a game to find out how much a trader is willing to pay for grain. Say that one side of the room (or teaching area, if you are outside) is the market; the other side is the village, where people have grain to sell. Explain that the bags represent sacks of grain.
2. Ask one participant to play the role of the trader. Give this person $100 in fake money. Tell him or her (whisper so no one else can hear) that he or she can sell a sack of grain in the market for $10. He or she should try to buy as many sacks as possible from the farmers as possible. He or she should try to make a profit, but should not make a loss. Ask this person to go stand in the “market.”
3. Ask another participant to play the role of truck driver. Give this person the wheelbarrow (the “truck”). Explain to the truck owner (again, whisper) that it costs $30 to hire the truck. Ask this person also to go and stand in the market.
4. Ask another participant to act as a buyer in the market. Give this person $100 to spend on grain. Whisper to him or her that the price of a sack of grain is $10. He or she should buy as many sacks as possible from the trader. Tell this person to go stand in the market.
5. Ask 10 more participants to act as farmers who have grain to sell. Give them the sacks filled with paper (one sack per person). Tell them that they should try to get as high a price as possible from the trader.
6. Ask the participants to act out a role-play. The trader has to hire the “truck” and driver, bring it to the village, buy grain from the farmers, and take it back to the market, and sell it to the buyer.
7. Make a note of the amounts paid each time for grain. Then hand the money back to the same people to start again.
8. Repeat the role-play several times, with different numbers of farmers. Start off with three farmers, each with one bag of grain to sell. Does the trader want to buy their grain?
9. Then try with five farmers. Does the trader want to buy their grain? At what price?
10. Then try with more farmers, up to a maximum of 10. What happens to the price that the trader is willing to pay?
11. After several rounds, bring all the participants back together to discuss what happened.
12. You can record the transactions on a flip chart as in Table 75.

*QUESTIONS TO STIMULATE DISCUSSION*

* What types of discussions took place?
* What price was the trader willing to pay for grain?
* How much grain was traded?
* How much profit did the trader make? Did the trader make any mistakes?
* How much money did the farmers make?
* What was better – lots of grain to sell, or just a little?
* Who benefits if the trader leaves the village with an empty truck? With a full truck? The farmers, the trader, the buyer – or all three?

*NOTES*

The participants may take a while to get used to this role-play. Be prepared to repeat it several times, and to allow them to make mistakes (and learn from them!).

If the farmers have three bags or less to sell, the trader will refuse to buy them, as he or she cannot hope to make a profit.

If there are four or more bags, the trader should buy them all. The price paid should depend on the number of bags on offer: more bags means a higher price. When the truck is full, the trader’s costs per bag are low, so the trader can afford to pay the farmers more.

Make sure to choose a trader who can make calculations quickly in his or her head!

TABLE 75. EXAMPLE OF ROLE-PLAY OF TRANSPORT COSTS

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| --- | --- | --- | --- |
| **FARMERS SACKS SOLD PRICE PER SACK TRADER’S PROFIT** | | | |
| 3 | None | None | None |
| 5 | 5 | $3 | $5 |
| 10 | 10 | $6 | $10 |