**EXERCISE 17B. A TRADERS TIME IS THE FARMERS’ MONEY**

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| *OBJECTIVE*  **After this exercise the participants will be able to:**   * Explain the additional costs that traders incur when they have to collect goods from many places rather than one. | |
| *EQUIPMENT NEEDED*   * Bags representing sacks of grain * Watch/ timekeeper | *EXPECTED OUTPUTS*   * Farmers understand how they can work together to reduce the traders’ costs |
| *TIME*   * 30 minutes | *PREPARATION*   * None |

*This exercise helps farmers understand the value of bringing their produce to a central collection point and of selling in bulk.*

*SUGGESTED PROCEDURE:*

1. Divide the participants into two or more teams of 10 people each.
2. Ask each team to nominate one of their members to act as a “trader.” Ask these individuals to stand at one end of the room (or teaching area). Draw a starting line on the ground in front of the traders.
3. Give the other team members a bag each.
4. Ask the teams to stand about 1 meter apart in a line, facing their trader. Each person should put the bag on the ground next to him or her.
5. Tell the traders that they have to run, pick up the first bag and bring it back to the starting line. They then run and pick up the next bag, bring it back, and so on. They may carry only one bag at a time.
6. Start the race, and keep time.
7. At the end of the race, all the bags will be behind the starting line for the trader.
8. Now repeat the exercise, but this time tell the members of the first team to group close together. For the second team, ask the farmers to spread out so that they are at least 10 paces away from each other. Now repeat the race and see who wins.
9. Bring the participants back together to discuss what happened. (It takes a lot more time and effort to collect the produce when it is spread out.)

*QUESTIONS TO STIMULATE DISCUSSION*

* Why did it take so long to collect the bags on the second round?
* Who do you think the traders will go to first, farmers who are organized and have all their produce in one place, or farmers who keep their produce at different places?
* Which farmers will get the best price for the “grain” in the bags?
* Do the farmers have a central collection place where they can bulk their produce at the time of sale?

*NOTES*

# Farmers may not consider that in addition to the cost of transport there is also a cost for the time that a trader puts into collecting produce. For traders, both time and distance to collect produce are their major costs. A trader will make a higher profit if he or she can collect produce, quickly sell it, and then go on to another deal. If the trader is delayed when collecting produce, he or she will need to pass that additional cost on to the farmers or his or her customers. Therefore, it is simpler to charge the farmers for this time, meaning farmers get paid a lower price for their goods if they are not organized.