MINISTRY OF FOOD AND AGRICULTURE
DIRECTORATE OF POLICY PLANNING MONITORING AND EVALUATION (PPMED)

GHANA MARKET AND TRADE POLICY NODE (MPAN)

FINAL REPORT ON THE ASSESSMENT OF CAPACITY NEEDS OF FBOs AND DEVELOPMENT OF TRAINING MODULES

FESTUS KWAME KWADZOKPO
CONSULTANT
P. O. BOX TN. 784
TESHIE-NUNGUA
ACCRA
Mobile: +233 244 076 042/ 0234160382
festuskpo@gmail.com
# Table of Contents

LIST OF ACRONYMS ........................................................................................................ 5
List of Tables ...................................................................................................................... 6

EXECUTIVE SUMMARY .................................................................................................. 7
  Introduction ...................................................................................................................... 7
  Objectives of the Study .................................................................................................. 7
  Methodology of the Study and Study Areas ................................................................. 8
  Typologies of FBOs Studied .......................................................................................... 8
  Main Findings .................................................................................................................. 8

Public Policy and FBO Development .............................................................................. 9
Weak Institutional Coordination and Collaboration between MOFA and DOC ............... 9
Weak FBO Capacities at the National Arena ................................................................... 10
Weak Managerial and Leadership Capacities of Community FBOs ................................ 10
Weak Market Access Regime ........................................................................................... 10
Inadequate Market Information to FBOs ....................................................................... 11
Lack of Access to Finance and Credit .............................................................................. 11
Service Delivery to FBOs ................................................................................................. 11
Infrastructure Deficit in FBOs Operational Areas ......................................................... 11
Capacity Needs of Apex FBOs and Community FBOs ..................................................... 12
FBOs Stages of Development .......................................................................................... 13
Recommendations .............................................................................................................. 13

CHAPTER ONE .................................................................................................................. 19
  1.0 Introduction and Background of the Study ............................................................... 19
  1.1 Overall Objectives of the Study ............................................................................... 21
    1.1.1 The Objectives of the Assessment ...................................................................... 21
    1.1.2 Specific Tasks Undertaken by the Consultant .................................................... 21
  1.2 General Approach and Methodology ....................................................................... 22
    1.2.1 Study Areas and Respondents .......................................................................... 22
    1.2.2 Typologies of FBOs Studied ............................................................................. 24
  1.3 Detailed Approach and Methods of Data Collection ................................................ 25
    1.3.5 Field Data Collection- Primary and Secondary Data Collection .......................... 27
  1.8 Limitations of the Study ............................................................................................ 30
1.9 Organization of the Report ........................................................................................................30
2.0 Historic Overview of Development of Collective Action (Co-operation) and Agricultural Policies in Ghana ........................................................................................................................31
2.1 Informal Cooperation or Collective Action in Ghana- Pre-colonial Period .........................31
2.2 Development of Formal Cooperation (Collective Action) in Ghana (Colonial Period) ....31
2.4 Structural Adjustment Period – 1980s to 1990s ........................................................................35
2.5 The Period of Vision 2020 – 2000 to 2013 .............................................................................36

CHAPTER THREE: CAPACITY NEEDS ASSESSMENT AT INSTITUTIONAL LEVEL...38
3.0 Main Findings of the Capacity Needs Assessment of MOFA and DOC ............................38
3.1 Institutional Level Assessments – MOFA and DOC ...............................................................38
3.2 Institutional Assessment of MOFA .........................................................................................38
3.2.1 Institutional Capacity of District Extension MOFA Staff ..................................................39
3.3 Institutional Assessment of Department of Cooperatives (DOC) ........................................41
3.4 Institutional Coordination and Collaboration ........................................................................43

CHAPTER FOUR: CAPACITY NEEDS ASSESSMENT OF APEX FARMER ASSOCIATIONS ........................................................................................................................................44
4.0 Main Findings of Capacity Needs Assessment of Apex Farmer Associations ..................44
4.2 Organizational Set-Up and Membership ..............................................................................44
4.3 Leadership, Governance and Strategy ....................................................................................45
4.4 Vision and Mission Statement ...............................................................................................46
4.5 Strategic and Business Planning ............................................................................................46
4.6 Financial Management, Fund Raising and Record Keeping ................................................46
4.7 Advocacy and Policy Analysis ..............................................................................................47
4.8 Marketing ................................................................................................................................47
4.9 Linkages .................................................................................................................................48
4.10 Capacity Needs Identified for Apex Farmers Organizations ................................................48

Chapter Five: Capacity Needs of Community and District Level Farmer Based Organizations (FBOs) 51
5.0 Main Findings of Capacity Needs Assessment of Community and District Level Farmer based Organizations (FBOs) ........................................................................................................51
5.1 Organizational Set-Up and Membership ..............................................................................51
5.2 Governance, Leadership and Managerial Capacity ...............................................................52
5.3 Strategic and Business Planning ............................................................................................55
5.4 Market Access and Contracts .................................................................................................56
5.4.1 Farmers, FBOs and Buyer Relationship Challenges ........................................................58
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACDI-VOCA</td>
<td>Agricultural Cooperative Development International-Volunteers in Overseas Cooperative Assistance</td>
</tr>
<tr>
<td>AGRA</td>
<td>Alliance for Green Revolution in Africa</td>
</tr>
<tr>
<td>AgSSIP</td>
<td>Agricultural Sub-Sector Investment Project</td>
</tr>
<tr>
<td>AusAID</td>
<td>Australian Agency for International Development</td>
</tr>
<tr>
<td>CAADP</td>
<td>Comprehensive Africa Agricultural Development Plan</td>
</tr>
<tr>
<td>CD</td>
<td>Compact Disc</td>
</tr>
<tr>
<td>CIDA</td>
<td>Canadian Development Agency</td>
</tr>
<tr>
<td>DAES</td>
<td>Directorate of Agricultural Extension Services</td>
</tr>
<tr>
<td>DCS</td>
<td>Directorate of Crop Services</td>
</tr>
<tr>
<td>ECOWAP</td>
<td>Economic Community of West Africa Agricultural Policy</td>
</tr>
<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
</tr>
<tr>
<td>FASDEP II</td>
<td>Food and Agriculture Sector Development Policy II</td>
</tr>
<tr>
<td>FBOs</td>
<td>Farmer Based Organizations</td>
</tr>
<tr>
<td>GAPTO</td>
<td>Ghana Agricultural Producers and Traders Organization</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GFAP</td>
<td>Ghana Federation of Agricultural Producers</td>
</tr>
<tr>
<td>GNAFF</td>
<td>Ghana National Association of farmers and Fishermen</td>
</tr>
<tr>
<td>GIZ</td>
<td>German Agency for International Cooperation</td>
</tr>
<tr>
<td>GRIB</td>
<td>Ghana Rice Inter-professional Body</td>
</tr>
<tr>
<td>MiDA</td>
<td>Millennium Development Account</td>
</tr>
<tr>
<td>METASIP</td>
<td>Medium Term Agricultural Sector Investment Plan</td>
</tr>
<tr>
<td>MOAP</td>
<td>Market Oriented Agricultural Programme</td>
</tr>
<tr>
<td>MOFA</td>
<td>Ministry of Food and Agriculture</td>
</tr>
<tr>
<td>MPAN</td>
<td>Market Policy Action Node</td>
</tr>
<tr>
<td>PFAG</td>
<td>Peasant Farmers Association of Ghana</td>
</tr>
<tr>
<td>PgFOG</td>
<td>Peasant Farmers Organization of Ghana</td>
</tr>
<tr>
<td>PPMED</td>
<td>Policy Planning Monitoring and Evaluation</td>
</tr>
<tr>
<td>WDR</td>
<td>World Development Report</td>
</tr>
<tr>
<td>WIAD</td>
<td>Women in Agricultural Development</td>
</tr>
</tbody>
</table>
List of Tables
Table 1: Summary of Training Needs Identified for Apex FBOs and Community/District FBOs ...............................................................12
Table 2: List of Regions and Districts from which FBOs were Interviewed .................................................................22
Table 3 No. of FBOs Assessed during Data Collected by Regions, Enterprises and Membership ........................................................................23
Table 4 Total Number of FBOs Members by Enterprise and Region .................................................................23
Table 5: Distribution of Responses on Reasons for Farmers Inability to Interact with the Markets .................................................................40
Table 6: Distribution of Responses on Major Capacity Measures Suggested by District MOFA Staff Interviewed .................................................................41
Table 7: Distribution of District Staff of MOFA and No. of Motor Bikes by Regions Selected for Data Collection .................................................................41
Table 8: Capacity Needs of MOFA and DOC (Training and Non -Training Needs) .................................................................43
Table 9: Capacity Needs of Apex Farmer Organizations .........................................................................................48
Table 10: Priority Areas for Capacity Development of Apex FBOs .........................................................................................50
Table 11: Types of FBO Registration by Region .........................................................................................52
Table 12: Type of FBO Registration by Enterprise .........................................................................................52
Table 13: Chairman/ Presidents of FBOs Interviewed and their Educational Qualifications .................................................................53
Table 14: Educational Qualification of Secretaries of FBOs Interviewed .........................................................................................54
Table 15: Educational Qualification of Treasurers of FBOs Interviewed .........................................................................................54
Table 16: Capacity Assessment of FBOs on a Number of Performance Indicators .................................................................55
Table 17: Assessment of the Marketing Skills of FBOs .........................................................................................57
Table 18: Capacity Needs Identified for Community and District level FBOs .........................................................................................59
Table 19: Classification of FBOs Assessed According to Stages of Development by Region .................................................................63
Table 20: Summary Training Needs Identified for Apex FBOs and Community/District FBOs69

List of Figures
Figure 1 Approach and Method of Data Collection.................................................................................................25
Figure 2: Stages of FBO Development.................................................................................................61

Annexes
Annex 1 Questionnaire for Apex FBOs
Annex 2 Questionnaires for Community Level FBOs
Annex 3 Profiles of Apex FBOs
Annex 4 Classification of FBOs Studied According to Stages of Development
EXECUTIVE SUMMARY

Introduction
The economy of Ghana depends largely on agriculture and is predominantly practiced by smallholder family operated farms using rudimentary technology to produce about 80% of Ghana’s total agricultural output. This sector employs about 50.6% of the labour force and contributes about 24.5% of Ghana’s GDP (ISSER, 2013). The population of agricultural households in 2010 was 54.2% of the total population and the rural areas account for 73.5% of the agricultural households (Ghana PHC, 2013). National governments and development agencies have acknowledged the importance of smallholder farmers especially farmer based organizations (FBOs) in the development of agriculture value chains. A recent World Bank Report (2007) and World Development Report (WDR, 2008) recognized smallholders specifically FBOs as key actors in agricultural development in developing countries. Ghana has equally acknowledged the importance of FBOs therefore in the past three decades; the country witnessed many governmental and non-governmental projects all seeking to promote FBOs development among farmers.

Despite the enormous investment made over the years towards the development of FBOs, they still face significant challenges such as high poverty level, poor market strategies, poor organization and inadequate market infrastructure which hinder their participation in new marketing opportunities.

The Alliance for Green Revolution in Africa (AGRA) seeks to find solution to the challenges confronting smallholder farmers specifically FBOs in Ghana through the Ghana Market and Trade Policy Action Node (MPAN) which is one of the five policy action nodes organized through its technical and grant support to Ghana. The Market Policy Action Node has the objective of tackling major policy, institutional and regulatory barriers and to facilitate the development of competitive, equitable, transparent and accessible agricultural markets in Ghana through active participation of stakeholders in evidence based policy advocacy. MPAN in its bid to tackle the challenges confronting FBOs in Ghana initiated this study to assess the organizational and operational capacity of FBOs in Ghana and come up with innovative approaches to address the challenges they face.

Objectives of the Study
The objectives of the assessment are as follows:

- To carry out a capacity needs assessment of FBOs in order to identify the capacity needs preventing them from effectively and efficiently participating in the agricultural commodity markets in Ghana.

- To assess training modules developed during past and present FBO development interventions to determine their relevance in equipping FBOs with the requisite knowledge, attitude and skills needed to interact effectively and efficiently with the markets.

- Come out with credible training modules that could be used to build the capacities of FBOs to improve their bargaining power and competitiveness in a systematic way in both the domestic and international market places.
Methodology of the Study and Study Areas

Both quantitative (survey questions) and qualitative methods such as literature reviews, participatory methods such as interviews, observation and focus group discussions were used in the collection of data for this study. The study was conducted in thirty (30) districts in 6 regions of Ghana. The regions are Volta, Eastern, Central, Brong Ahafo, Ashanti and Northern Regions. The Consultant collected information from a total of 351 FBOs that are into the production of crops, adding value through processing and marketing farm commodities in the 30 districts. Data was also collected from and 6 Apex FBOs. The FBO members interviewed included executives and ordinary members.

Typologies of FBOs Studied

The farmer groups or associations studied included community cooperative societies, federation of cooperatives, community farmer groups and district farmer associations. Majority of them are registered with the Metropolitan, Municipal and District Assemblies (MMDAs), Department of Cooperatives (DOC) and Registrar-General’s Department. These different categories of farmer organizations are into the production of different commodities such as fruits (pineapple, mango, cashew and oranges), vegetables (tomatoes, chili pepper), root crops (cassava and yam), tree crops such as oil palm, cashew and mango; and cereals (maize), marketing of these commodities and processing of agricultural produce.

In this study, all the different categories of farmer organizations such as cooperatives societies, federation of cooperatives, farmer groups, and farmer associations from which data was collected are all referred to as farmer based organizations (FBOs). The national farmer associations are referred to as Apex FBOs.

Main Findings

The main findings of the assessment were based on the assessment of three main categories of actors namely, public institutions, apex FBOs and community / district level FBOs. The first level of analysis focused on the two public institutions involved in FBO development in Ghana namely; Ministry of Food and Agriculture (MOFA) and the Departments of Cooperatives (DOC), the second category of analysis focused on the 6 Apex FBOs included in the study, and the third level of assessment focused on 351 FBOs randomly selected in the 30 districts of the 6 regions in Ghana. The findings were based on the analyses of some key organization performance variables such as FBOs’ organizational set-up and membership, vision and mission statements, governance and leadership structures, educational background of executives, administration and human resources, types of services provided to members, sources of funding, finances, skills in strategic planning, project design and management, networking, partnership and policy analysis, advocacy, skills in marketing and market analysis. The fourth level of analysis focused on the content analysis of FBO training manuals developed for present and past MOFA projects and programmes and their relevance to the development of FBOs. The training needs identified in the assessment of the 6 Apex FBOs and the 351 FBOs resulted in the development of training modules which is a separate document attached to this report.
The study leads to some useful conclusions by drawing into sharp focus several important issues which are paramount to the sustainable promotion and development of FBOs in Ghana. FBOs can be key factors in rural and agricultural development in Ghana when the internal and external factors militating against their effective development are addressed.

**Public Policy and FBO Development**

Following the development of FASDEP II, the MOFA-DAES should have developed FBOs sub-sector policy; however, this is yet to be developed. Without this sub-sector policy, MOFA-DAES went ahead to develop an FBO development strategy document based on the FASDEP II document. This document is yet to be discussed nationally, owned, ratified and implemented. One could say that currently there is no stakeholder accepted and owned FBO development strategy in Ghana to back the implementation of the FBO policy as enshrined in FASDEP II. Secondly, the FASDEP II document also stipulated that the policy on FBO development should be supported with a legislative instrument thereby making FBOs legal entities; however this legislative instrument is yet to be developed by MOFA and passed into law. In the same vein, the Cooperative Societies Development Bill which when passed into law will to replace the 1968 Cooperative Societies Decree was presented to Cabinet some years back and re-submitted again in 2012 but it is still at the Cabinet level.

**Weak Institutional Coordination and Collaboration between MOFA and DOC**

The MOFA-DAES and DOC which are the two main public institutions responsible for the development of FBOs and also be at the forefront for the facilitation of the development of FBOs are not coordinating and collaborating effectively. In a pluralist agricultural extension environment, there is the need for the public institutions to coordinate and collaborate in order to provide the needed regulatory framework conditions and the needed enabling environment for a competitive private sector to deliver the necessary services.

Aside these organizational weaknesses, the two institutions equally lack the requisite skilled human resources to provide the needed extension support to FBOs at the community and district levels. MOFA at the district levels face serious logistical deficits such as limited number of field staff, inadequate motorbikes, funds and skills set. MOFA extension staff has inadequate skills in market analysis, market strategy development and value chain analysis and development. In the same vein, DOC lacks the requisite staff at the district levels. The cooperative officers at the district levels are limited and with no motorbikes to provide the needed support to FBOs under their care. The cooperative offices also have no skills in marketing, market analysis, marketing strategy development and value chain analysis. The DOC at the national, regional and district levels have no computers. The two institutions have no reliable database on FBOs at the national level. Although MOFA-DAES has a website and database on FBOs, the data needs to be upgraded. The DOC has no website and database.
Weak FBO Capacities at the National Arena

The current state of national apex FBOs as indicated in the study cannot enable the organizations to have the strong voice needed to influence public policy. There are 6 Apex FBOs each operating independently, more so competing among themselves for supremacy and power. The GFAP which is expected to unify all apex FBOs is still at the formative state with weak structures and inability to bring on board all apex farmer associations in the country. The apex associations are operating without any coordinated direction and occasionally issuing public statements on behalf of farmers. The FBOs studied have no links with the apex FBOs thus the relationship between the apex associations and majority of FBOs at the community levels is difficult to establish. Since the apex FBOs are not in touch with the majority of FBOs at the community level, they have no reliable membership database. The strengthening of Apex FBOs will bring the association into direct contact with FBOs on the ground, government, development partners and increase the voice of farmers. The leadership and managerial capacity of the apex FBOs is currently inadequate and need upgrading to enable them take the lead in the development of one national umbrella association thereby creating the needed voice for smallholder farmers in Ghana.

Weak Managerial and Leadership Capacities of Community FBOs

Good governance, managerial and planning capacities of FBOs are crucial for impact, efficiency, effectiveness and sustainability. Currently, all the 351 FBOs studied have governing bodies; however, majority of them are weak in certain vital capacity areas relevant to the development of the organizations. Majority of the leadership of FBOs lacks the capacities to carry out strategic planning, develop marketing strategies, keep records of activities, write reports, and play the role of brokers. With these weak structures, therefore, majority of the FBOs are operating on ad hoc basis without any clear strategic direction and focus.

Weak Market Access Regime

Focus on market is a must for successful FBO development but the identification of stable and attractive markets constitute a major challenge for the FBOs studied since they lack the requisite technical and economic analysis skills to carry out market analysis of potential trends and opportunities. The study has equally revealed that the problem of accessing markets began with the low level of knowledge and skills held by majority of FBO members and leaders; weak literacy and quantitative skills. Because of the poor record keeping regime, FBO members do not track the costs of inputs and the value of outputs; similarly, they are under informed and not interested in promoting economies of scale or seeking new markets. Based on the findings it is obvious that FBOs need to improve on agronomic, organizational and business skills so they can enter more formal sustainable and profitable market channels. The FBOs have no “serious” marketing strategies in place. The current marketing arrangements are ad-hoc. Few are fortunate to have guarantee buyers, however where there are no BUYERS, the FBOs are struggling and membership commitment is low. Weak performance is noticed in all the FBOs with marketing difficulties.
Inadequate Market Information to FBOs

In developing market oriented FBOs; one of the first requisites is for farmers to have access to current and reliable market information. Market information keeps farmers and traders attuned to the demands and changing preferences of consumer and guiding the production regime. Market information encompasses timely and accurate pricing, buyers’ contacts, distribution channels, buyer and production trends, competitor profile, grade and standard, specification, post harvest handling, storage and transportation recommendations. The current situation is diffused and not helping the farmers. Marketing opportunities are limited and not known to farmers since they lack adequate market information on opportunities available. The current situation is that the relationship between buyers and farmers in a majority of cases is saddled with mistrust.

Lack of Access to Finance and Credit

Most of the FBOs have only one main source of revenue – that is membership monthly dues of which payment is a problem because members feel the services and benefits are not enough to ensure membership commitment to the organizations.

Access to credit for FBOs remains a challenge to the FBOs studied. Over 90% of the FBOs had never had access to credit. The little financing provided to the agricultural sector is often limited to short terms financing requirements of major agribusiness companies for the procurement of agricultural inputs. Inadequate credit to FBOs is often attributed to the high risk and administrative cost involved and lack of proven instruments for managing both production risk and credit risk. Without capital to finance intensification and infrastructure, farming will continue to be unattractive especially to the youth who might have the desire to go into agriculture.

Service Delivery to FBOs

Most of the services delivered to the FBOs are those from outsiders mainly Extension Agents of the Ministry of Food and Agriculture. The services provided to the FBOs are mainly training in Good Agriculture Practice (GAP) and group development. Technical training in Good Agriculture Practice is also provided by other development partners such as GIZ-Market Oriented Agriculture Programme and NGOs such as ADRA and SNV. Very few FBOs deliver relevant services to members such as Gomoa Okeyreko and Maafi Associations in the Central Region who do bulk purchase of inputs especially fertilizers such as Urea and Sulphate of Potash (SOP) for distribution to members, individual members from other associations buy their own inputs. Provision of inputs supply, marketing, training and supervisory services are weak in the majority of FBOs interviewed.

Infrastructure Deficit in FBOs Operational Areas

The analysis of field data indicates that majority of farmer transport their produce via rural roads which are in deplorable states. Because of the poor nature of the roads, few vehicles ply the roads contributing to high transportation charges. Since the roads are bad, only few traders are able to go to the farm gates to buy the produce leading to low producer prices of these commodities. The analysis of field data equally reveals that storage facilities are poorly constructed or non-existence resulting in substantial losses even after short period of storage.
Capacity Needs of Apex FBOs and Community FBOs

Based on the capacity needs assessment, a number of training and non-training needs were identified. Some of the non-training needs identified include the following: good road infrastructure, adequate human capacity/staff strength, post-harvest infrastructure, office space, furniture, etc.

The capacity training needs identified for both the Apex FBOs and community/district FBOs are as follows:

Table 1: Summary of Training Needs Identified for Apex FBOs and Community/District FBOs

<table>
<thead>
<tr>
<th>Training Needs Identified for Apex FBOs</th>
<th>Training Needs Identified for FBOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Leadership – definition of roles and responsibilities</td>
<td>• Value Chain Development</td>
</tr>
<tr>
<td>• Data Management</td>
<td>• Group Dynamics &amp; organizational skills development</td>
</tr>
<tr>
<td>• Report Writing</td>
<td>• Marketing Management</td>
</tr>
<tr>
<td>• Project Management</td>
<td>• Financial Book-keeping</td>
</tr>
<tr>
<td>• Strategic Planning</td>
<td>• Monitoring and Evaluation</td>
</tr>
<tr>
<td>• Fund Raising</td>
<td>• Networking</td>
</tr>
<tr>
<td>• Advocacy and Lobbying</td>
<td>• Leadership and Managerial Skills training</td>
</tr>
<tr>
<td>• Negotiation Skills</td>
<td>• Business plan development</td>
</tr>
<tr>
<td>• Value Chain Development</td>
<td>• Farm Planning and Budgeting</td>
</tr>
<tr>
<td>• Marketing Management</td>
<td>• Marketing strategy development</td>
</tr>
<tr>
<td>• Book-keeping</td>
<td>• Credit Management</td>
</tr>
<tr>
<td>• Financial and administrative management</td>
<td>• Training in Report Writing</td>
</tr>
<tr>
<td>• Project management</td>
<td>• Training in Farming as a Business</td>
</tr>
<tr>
<td>• Monitoring and Evaluation</td>
<td>• Training in Strategic Planning</td>
</tr>
<tr>
<td>• Networking</td>
<td>• Training in Networking</td>
</tr>
<tr>
<td></td>
<td>• Pricing, Negotiation &amp; Contracting</td>
</tr>
</tbody>
</table>

Based on the training needs identified, training modules have been developed which is a separate document attached to this report. It is recommended that the newly developed FBOs development manuals – Strengthening Farmer Based Organizations for Agribusiness Volumes I and II should be used in the training of FBOs from start-up to the developing stage. The manuals were developed by GIZ-Market Oriented Agriculture Programme in collaboration with MOFA-DAES and published in 2009. The training modules developed as part of this report should be used for the training of FBOs that are in the consolidating to mature business stages. The training modules should equally be used in the training of Apex FBO ordinary members and executives/board members.
**FBOs Stages of Development**

Based on a performance assessment carried out, the 351 FBOs have been categorized into 4 main groups based on the FBOs’ stage of development. The four FBO development stages are start-up, developing, consolidating and mature business stages. The performance assessment shows that 69% of the 351 FBOs assessed are in the developing stage. Only 0.9% of the FBOs studied are at the mature business stage, whereas 15% are in the consolidating stage and another 15% is at the start-up stage.

**Recommendations**

**Development of FBO and Cooperative Societies’ Laws**

- The FASDEP document stipulated that the policy on FBO development should be supported with a legislative instrument thereby making FBOs legal entities. This is legislative instrument is yet to be developed, however it came to light that a Legislative Instrument (LI) drafted in 2000 by MOFA and DOC on the development of FBOs as legal entities could not be traced. It is recommended that MoFA should collaborate with Department of Cooperatives (DOCs) and Ghana Federation Agricultural Producers (GFAP) to trace the document from the Attorney General’s Department and the Ministry of Local Government and Rural Development. When the document is found, MOFA-DAES, DOC and GFAP should support the development of cabinet memo to move the document to cabinet as soon as possible.

- As part of FBO Law, there should be a Legislative Instrument (LI) that mandates the establishment of Farmers Fund to support activities of farmers at the grassroots level.

- As part of the FBO Law, there should be a Legislative Instrument (LI) which mandates farmers to have representations at the district assembly level to serve as a mouthpiece for farmers and thereby strengthen participatory democracy. It will also be a demonstration that the Government of Ghana is taking farmers as serious partners in the development process.

- MOFA and DOC should jointly develop regulations and guidelines to support the implementation of the FBO law when eventually passed.

- The Cooperative Societies Development Bill which when passed into law will to replace the 1968 Cooperative Societies Decree was presented to Cabinet some years back but it is still at the Cabinet level. The DOC should follow-up on this document and make representation to the Minister for Employment and Labour Relations for its early passage into law.

**Policy on District Assemblies’ Support for FBO Development**

- District assemblies as a policy should create market access for well-organized and networked FBOs in the districts that have the capacity to meet the demands of suppliers through linkages to some of the programmes such as School Feeding Programme, Buffer Stock, and World...
Food Programme and other recognized processors and buyers etc. These approaches should be backed with effective monitoring, supervisory and accountability systems.

- Improve marketing infrastructure through working through the district assemblies to enable them see the need to provide the needed infrastructure such as feeder roads, link roads to marketing centres and more importantly legal and institutional infrastructure such as Commodity Exchange to stimulate the growth of agribusiness in the districts. Currently, District Assemblies’ support to the agriculture development is very low or non-existent.

**Development of FBOs Sub-Sector Policy**

- Currently there is no sub-sector policy on FBOs. As a matter of urgency, MOFA-DAES should develop a sub-sector policy on the development of FBOs

- As part of the FBO Development Policy, all agriculture based NGOs must register their operations with MOFA to facilitate easy monitoring and evaluation, ensure uniform approaches in extension delivery, information dissemination, harmonization of FBO development interventions across projects and programmes and avoid duplication of activities.

- Revisit the issue of the development of FBO fund which was a donor supported fund. Evaluate the previous attempt at the establishment of an FBO Fund and come out with lessons learned and repackage the approach to make it more sustainable.

**FBO Development Strategy**

- After the development of the Sub-sector policy on FBOs, MOFA-DAES should push for early review and adoption of the FBO strategy.

- To ensure sustainability of FBO development efforts, there must be a comprehensive exit strategy for all projects within MOFA. This can be done by having clarity on issues such as:
  
  - acceptable definition of an FBO
  - acceptable minimum number of membership of FBOs
  - FBOs formation process: FBOs should self-evolve and not formed by MOFA or DOC
  - MOFA and DOC Projects and programmes should work with and strengthen existing FBOs
  - All FBOs should be classified based on the classification system recommended in this study and supports (technical, organizational and financial) should be based on the level of development of an FBO.
  - All FBOs should be registered and certified by recognized statutory institutions in
Ghana such as the Registrar-General’s Department and the Department of Cooperatives.

- MOFA should as a matter of policy recognize only one main apex farmers’ body that represents the interest of all FBOs, instead of the current situation of proliferation of apex FBOs all competing for supremacy and attention from government.

- MOFA-DAES and DOC should facilitate the development of commodity specific FBOs that are market oriented. This could be part of the FBOs development strategy and developed in line with FASDEP II value chain development concept.

**Capacity building of Apex FBOs and Community FBOs**

- MOFA and DOC should provide the needed capacity building support to the apex and community farmer organizations based on the capacity needs identified. The target of the training programmes should be apex FBOs, leaders of apex and community FBOs, and organizational development training of all categories of FBOs.

- Capacity building is a long process; it is recommended that MOFA-Extension staff, DOC and NGOs’ technical staff should monitor the performance of the FBOs and provide the needed organizational development and technical supports. This is only after the capacity needs of the two institutions have been upgraded to meet the challenges associated with their support services.

- MOFA, DOC, NGOs and FBOs should have a uniform approach to the development of FBOs.

**Strengthening of Inter-Sectorial and Ministerial Coordination and Collaboration**

- The strengthening of the FBO sector depends mainly on reinforcement of the capacities of the various stakeholders such as MOFA and DOC, NGOs, apex FBOs, and community FBOs. More significantly, MOFA need to strengthen coordination, collaboration and communication linkage between itself and the major stakeholders especially the DOC, NGOs and Apex FBOs. This can be done through a review of existing collaboration between MOFA and DOC to determine the strength and weaknesses of the collaboration and come out with innovative strategies that will strengthen the inter-ministerial and inter-departmental collaborations.

- Based on the review of the existing collaboration between MOFA and DOC, establish MOFA-DAES and DOC inter-departmental coordination mechanism that will provide the platform for joint planning, monitoring and evaluation, resource sharing, information sharing and promote inter-ministerial synergies and the creation of a working group on FBO development as a viable option.
Establishment of FBO Networks

- MOFA, DOC, NGOs and Apex FBOs should facilitate the establishment of national, regional and district FBO networks. The network will be responsible for enhancing market access, product quality and market information dissemination.

Development of National Database on FBOs

- DOC and MOFA-DAES should collaborate with the apex FBOs, development partners such as GIZ, USAID, AusAID, CIDA, national and international NGOs and other actors involved in FBO development in Ghana to develop a national database on FBOs.

Establishment of Market Information System

- MOFA should facilitate the establishment of market information system managed by the private sector (FBOs). This will greatly help the FBOs to access market since it will improve their access to market information and significantly improve their bargaining power and market access. This strategy will empower the private sector and reduce their overdependence on the public sector.

Promotion of Collective Marketing

- Promote collective marketing through training of FBOs and the provision of the needed infrastructure requirements such as good roads, storage facilities, collection points etc. to sustain collective marketing. Collective marketing will enable farmers to reduce the number of middlemen within the marketing structure and increase farmers’ participation in the marketing system.

FBOs Encouraged to Develop as Autonomous Institutions

- Undercapitalization is a major problem facing the FBOs at all levels, thus majority of them are operating with a fragile capital base. Whereas there is the call on governments to private financial support to FBOs, lessons learnt on failure of FBO in most of Africa countries advice against government interference in the affairs of FBOs. Where government puts their money, they equally put their hand and political powers. Government role should therefore be focused on creating the right conducive environment for FBOs to operative effectively and autonomously.

Promotion of FBOs as Viable Business Enterprises

- FBOs according to principle should to economically independent entities. FBOs should be managed as profitable businesses. Agencies involved in the development of FBOs should focus in making FBOs economically viable and independent through capacity building in marketing, financial management, leadership and create avenues for market linkages etc.
FBOs should be supported financially if they have the capacity to develop into sustainable businesses. Such financial support should be to kick-start operations and the FBOs should continue operations from the profits made from their own operations.
CHAPTER ONE

1.0 Introduction and Background of the Study

The economy of Ghana depends largely on agriculture and is predominantly practiced by smallholder family operated farms using rudimentary technology to produce about 80% of Ghana’s total agricultural output. This sector employs about 50.6% of the labour force and contributes about 37% of Ghana’s GDP (FASDEP, 2009). The population of agricultural households in 2010 was 54.2% of the total population and the rural areas account for 73.5% of the agricultural households (Ghana PHC, 2013). National governments and development agencies have acknowledged the importance of smallholder farmers especially farmer based organizations (FBOs) in the development of agriculture value chains. A recent World Bank Report (2007) and World Development Report (WDR, 2008) recognized smallholders specifically FBOs as key actors in agricultural development in developing countries. The FBOs according to the reports are a major part of institutional reconstruction, national decentralization, devolution, privatization and the one that uses collective action to strengthen the position of smallholders in the markets for farm inputs and outputs. By reducing their transaction cost, strengthening their bargaining power and voice in the policy process, FBOs can be fundamental building blocks in the agricultural development programmes.

Ghana has equally acknowledged the importance of FBOs in the past three decades; the country witnessed many governmental and non-governmental projects all seeking to promote FBOs development among farmers. Specifically, from the 1990s to date, the World Bank, African Development Bank and other international development organizations such as MCA-MiDA, GIZ, CIDA, CARE International Technoserve, SNV and recently AusAID in collaboration with the Government of Ghana through projects and programmes have invested millions of dollars for the development of FBOs. The Government of Ghana, through its recent policy document namely; Growth and Poverty Reduction Strategy (2006 – 2009) and the Food and Agriculture Sector Development Policy II (2010) places strong prominence on organizing FBOs to improve the Medium Term Agricultural Sector Investment Plan (METASIP, 2011-2015). The gigantic interest in the development of FBOs by the Government of Ghana and the international donor community is clear expression of the significance of FBOs in the agricultural development agenda.

Despite the enormous investment made over the years towards the development of agriculture specially the development of FBOs, they still face significant challenges which hinder their participation in new marketing opportunities. Some of the challenges include high poverty level, poor market strategies, poor farmer organizations and inadequate market infrastructure. Currently, most of the existing FBOs are not active. This has been explained as due to poor access and linkage between FBOs and the markets. The farmer lack market access information and they are not adequately organized. Majority of the members are inadequately informed due to low literacy levels; low farmer orientation and access to information sources that could help them understand the current trends in agriculture production. Most of them are also subjected to inadequate access to farm credit and poor organization coupled with market penetration difficulties. They do not have strong financial base to carry out the activities needed to improve development in the agribusiness sector.

The review of the literature indicates that addressing the challenges faced by FBOs require an enabling environment. It will also require that the livelihood and working conditions of these farmers
be improved. FBOs must be given the opportunity to strengthen their position in the global food value chains. Value chains represent the sequence of activities through which value is added to a product from its raw form until it reaches the consumer. The more farmers participate in value chains, the more they can benefit from higher prices, the better they can help tackle the food crisis. However, FBOs and individual farmers are often marginalized participants in value chains. Collective marketing has been identified as probably one of the most important interventions to commercialize African agricultural markets and empower smallholder producers. However, presently the markets are characterized by pervasive imperfection such as lack of information on prices and technologies, high transaction costs, credit constraints, rigid regulatory regimes, subsistence and very small marketable surplus and little or no bargaining power in the market to get fair prices for their produce. With the increasing number of free trade agreements affecting both national and international commodity markets, smallholder farmers are forced to compete not only with their local peers, but also with farmers from other countries as well as domestic and international agribusinesses. Moreover, the new procurement system often expects larger supply volumes which are beyond the reach of the small scale farmers.

Farmers need to organize themselves in groups and bulk their produce to enhance their bargaining power in the market. This would also allow them to achieve economies of scale in organizing their operations including transporting their produce to farther and bigger markets at lower costs. In markets where smallholder farmers are not organized, grain aggregators spend considerable amount of time in village markets until they are able to collect sufficient amount of grain and hence incur significant transaction costs that they pass on to farmers in the form of lower prices. Collective marketing will significantly reduce these transaction costs and improve farmer profit margins.

Significantly, agriculture research and development organizations have now recognized improving market access through strengthening of the capacity of FBOs to overcome market failures and maintain their position are among the most important intervention needed to change the fortunes of the farmers. Acting collectively and bulking their produce to enhance their bargaining power in the market would be a better way for FBOs to reduce transaction costs and achieve economies of scale. Building the capacity of FBOs should be a considered and important element in a wider strategy to address the marginal position of FBOs to support their participation in the markets and address the global food crisis thereby strengthening their positions in value chains. There is therefore the need to search for solutions that will enhance production levels and also link them to markets.

The Alliance for Green Revolution in Africa (AGRA) seeks to find solution to the challenges confronting smallholder farmers in Ghana through its support to increase the productivity, sustainability and profitability of small holder farms by driving a comprehensive change across the agriculture value chain. To this end, AGRA is implementing a program to build partnership that facilitates strategic planning and implementation of agricultural policies by investing in the Ghana Policy Program to strengthen policy institutions and drive policy action to speed up the uptake of agriculture technologies through five major policy areas identified and described as the Policy action nodes.

The Ghana Market and Trade Policy Action Node is one of the five policy action nodes organized through the technical and grant support of AGRA. The Market Policy Action Node (MPAN) has the objective of tackling major policy, institutional and regulatory barriers and to facilitate the
development of competitive, equitable, transparent and accessible agricultural markets in Ghana through active participation of stakeholders in evidence based policy advocacy. The nodes membership consists of major market actors from the private sector, civil society, academia and public institutions. The host for the node is the Policy Planning Monitoring and Evaluation Directorate of the Ministry of Food and Agriculture (PPMED, MOFA). The Market Policy Action Node has identified three priority areas to address in order to improve the performance of agricultural marketing in Ghana. These are inadequate contract enforcement especially agricultural contracts, lack of an enabling environment and incentive system to promote investment in agribusinesses and agro-processing to increase value addition and reduce post-harvest losses and poor organizational and operational capacity of Farmer Based Organizations (FBOs).

Taking into consideration the important roles of FBOs in agricultural marketing, the Ghana Market and Trade Policy Node has contracted this Consultant to undertake a study to assess the capacity needs of FBOs, identify potential gaps militating against their effective participation in agriculture marketing in Ghana and come out with recommendations to change the situation including credible training modules that are geared towards strengthening the organizational capacity of FBOs and stimulating their competitiveness in both the local and international markets.

1.1 Overall Objectives of the Study

1.1.1 The Objectives of the Assessment
The objectives of the assignments are as follows:

- To carry out a capacity needs assessment of FBOs in order to identify the capacity needs preventing them from effectively and efficiently participating in the agricultural commodity markets in Ghana.

- To assess training modules developed during past and present FBO development interventions to determine their relevance in equipping FBOs with the requisite knowledge, attitude and skills needed to interact effectively and efficiently with the markets.

- Come out with credible training modules that could be used to build the capacities of FBOs to improve their bargaining power and competitiveness in a systematic way in both the domestic and international market places.

1.1.2 Specific Tasks Undertaken by the Consultant
In order to achieve the above stated objectives, the following tasks had been accomplished during the course of the assignment.

a. Detailed review of literature on FBOs development including a review of past and current training materials and modules

b. FBOs classified based on clear criteria and new database on FBOs developed including the following information; name of FBOs, location, membership by gender, commodity classification and activities.
c. Capacity needs assessment carried out and capacity gaps identified with focus on certain skill areas such as marketing, financing, governance, leadership, and record keeping strategic planning, advocacy and policy analysis.

d. Success stories of successful FBOs identified from other countries identified. This is to help learning and replication of some of the approaches taking into consideration the socio-economic and cultural dynamics of the Ghanaian situation.

e. Make recommendations for effective organization and capacity development of FBOs.

1.2 General Approach and Methodology

1.2.1 Study Areas and Respondents

The study was conducted in thirty (30) districts in 6 regions of Ghana namely; Volta, Eastern, Central Brong Ahafo and Northern Regions. The Consultant collected information from a total of 351 FBOs with individually members into the production of crops, adding value through processing and marketing of farm commodities. Tables 2 presents the list of districts per region from where the 351 FBOs were selected and Table 3 presents the total number of FBOs interviewed by region and enterprise. Table 4 shows the total number of members in the FBOs interviewed by gender. The FBOs members comprising executive and individual members were interviewed with the use of self administered questionnaires and focus group discussions with executives and individual members present. The members of FBOs interviewed included executives and ordinary members. Refer to questionnaires used for the data collection at annexes 1 and 2.

Table 2: List of Regions and Districts from which FBOs were interviewed

<table>
<thead>
<tr>
<th>No.</th>
<th>Region</th>
<th>Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Volta</td>
<td>Jasikan, South Nkwanta, Hohoe, Kpando, Ketu South</td>
</tr>
<tr>
<td>2.</td>
<td>Eastern</td>
<td>Akwapim South, East Akim, Kwahu South, Lower Manya Krobo, Fanteakwa</td>
</tr>
<tr>
<td>3.</td>
<td>Northern</td>
<td>West Mamprusi, Yendi, Tolon, West Gonja, Tamale Metro</td>
</tr>
<tr>
<td>4.</td>
<td>Central</td>
<td>Gomoa West, Mfantseman, KEEA, Abura-Asebu-Kwamankese</td>
</tr>
<tr>
<td>5.</td>
<td>Ashanti</td>
<td>Sekyere Central, Ejura-Skyedumase, Ahafo Ano South, Amanesie East</td>
</tr>
<tr>
<td>6.</td>
<td>Brong Ahafo</td>
<td>Nkoranza South, Techiman, Sunyani North, Asutifi North, Kintampo North</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013
Table 3  No. of FBOs Assessed during Data Collected by Regions, Enterprises and Membership

<table>
<thead>
<tr>
<th>No</th>
<th>Region</th>
<th>No. of Districts</th>
<th>No. of Production FBOs</th>
<th>No. of Processing FBOs</th>
<th>No. of Marketing FBOs</th>
<th>Total Males</th>
<th>Total Females</th>
<th>Total Membership</th>
<th>Total FBOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Northern</td>
<td>5</td>
<td>94</td>
<td>10</td>
<td>2</td>
<td>1,748</td>
<td>1,727</td>
<td>3,475</td>
<td>106</td>
</tr>
<tr>
<td>2</td>
<td>Eastern</td>
<td>5</td>
<td>65</td>
<td>4</td>
<td>1</td>
<td>1,594</td>
<td>933</td>
<td>2,527</td>
<td>70</td>
</tr>
<tr>
<td>3</td>
<td>Volta</td>
<td>5</td>
<td>55</td>
<td>7</td>
<td>1</td>
<td>805</td>
<td>613</td>
<td>1,818</td>
<td>63</td>
</tr>
<tr>
<td>4</td>
<td>Central</td>
<td>5</td>
<td>51</td>
<td>4</td>
<td>0</td>
<td>1,738</td>
<td>2,970</td>
<td>4,708</td>
<td>55</td>
</tr>
<tr>
<td>5</td>
<td>Ashanti</td>
<td>5</td>
<td>15</td>
<td>3</td>
<td>3</td>
<td>411</td>
<td>372</td>
<td>783</td>
<td>21</td>
</tr>
<tr>
<td>6</td>
<td>Brong Ahafo</td>
<td>5</td>
<td>28</td>
<td>7</td>
<td>1</td>
<td>4,011</td>
<td>1,322</td>
<td>5,333</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>6</td>
<td>30</td>
<td>308 (88%)</td>
<td>35 (10%)</td>
<td>8 (2%)</td>
<td>10,307 (56%)</td>
<td>7,937 (44%)</td>
<td>18,244 (100%)</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013

The distribution of FBOs by region and enterprise is a reflection of the spatial distribution of FBOs. The total number of FBOs interviewed in the Northern Region is 30.2% of the total number of FBOs interviewed because the region has more FBOs than any of the six regions where data was collected. Table 4 indicates that the 351 FBOs comprised of 18,244 members with 44 percent of members being females.

Table 4 Total Number of FBOs Members by Enterprise and Region

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Ashanti</th>
<th>Brong Ahafo</th>
<th>Central</th>
<th>Eastern</th>
<th>Northern</th>
<th>Volta</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Production</td>
<td>334</td>
<td>275</td>
<td>3971</td>
<td>1186</td>
<td>1721</td>
<td>2896</td>
<td>1569</td>
<td>789</td>
<td>1738</td>
</tr>
<tr>
<td>Processing</td>
<td>22</td>
<td>40</td>
<td>17</td>
<td>124</td>
<td>17</td>
<td>74</td>
<td>19</td>
<td>96</td>
<td>7</td>
</tr>
<tr>
<td>Marketing</td>
<td>55</td>
<td>57</td>
<td>23</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>48</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>411</td>
<td>372</td>
<td>4011</td>
<td>1322</td>
<td>1738</td>
<td>2970</td>
<td>1594</td>
<td>933</td>
<td>1748</td>
</tr>
<tr>
<td>Total</td>
<td>783</td>
<td>5333</td>
<td>4708</td>
<td>2527</td>
<td>3475</td>
<td>1418</td>
<td>56%</td>
<td>44%</td>
<td>18244</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013
1.2.2 Typologies of FBOs Studied

FBOs in Ghana take many forms ranging from informal groups such as village or community labour exchange (nnoboa - Akan) or (fidodo - Ewe) groups and commodity production groups, formal institutions such as cooperatives and farmer associations. The informal groups could be developed to become formal and registered. The formal farmer groups or associations are registered and recognized in two different forms namely: Registrar-General’s Department and the Department of Cooperatives. The Consultant’s understanding of a legally registered FBO is when it is either registered with the Department of Cooperatives or the Registrar General’s Department. This is based on the assertion that the Registrar-General’s Department is mandated by the Government of Ghana to register all business. The Department was established under the Ordinance 1950 during the Colonial days. The Department of Cooperatives is the government agency charged with the administration of cooperatives under the Cooperative Societies Decree NLCD 252 of 1968. The main statutory functions include Registration of Cooperative Societies. On the basis of this, it could be suggested that farmer groups that are registered by the district assemblies and the MOFA offices are not legally recognized.

The farmer groups or associations studied included Cooperative Societies and farmer groups and associations that have been registered with the District Assemblies, Department of Cooperatives and Registrar-General’s Department. The FBOs are into the production of different commodities such as fruits (pineapple, mango, cashew and oranges), vegetables (tomatoes, chili pepper), root crops (cassava and yam), tree crops such as oil palm, cashew and mango; and cereals (maize).

In this study, all categories of farmer organizations studied viz. cooperatives societies, federation of cooperatives, community farmer groups, district farmer associations are all referred to as farmer based organizations (FBOs). The national farmer associations are referred to as Apex FBOs. Six Apex FBOs are included in this capacity needs assessment study (refer to Annex 1 for the summary profiles of the six Apex FBOs).

1.2.3 What is an FBO?

According to DAES-MOFA Farmers Handbook (2009), an FBO is a group of farmers who come together because they believe they can achieve more by working together. However, in this study, an FBO is a group of farmers that are involved in farm related businesses such as crop production, value addition through processing and marketing of agricultural produce and with members having common objectives and rules to guide their operations and working together to improve the business of members.
1.3 Detailed Approach and Methods of Data Collection

The approach and method of data collection took the form of a series of linked tasks as shown below:

**Figure 1** Approach and Method of Data Collection

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Brief description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Study and data collection</td>
<td>Literature review&lt;br&gt;Design questionnaire&lt;br&gt;Identify questionnaire recipients&lt;br&gt;Administer questionnaire&lt;br&gt;Establish guidelines for in-depth interviews&lt;br&gt;carry out interviews</td>
</tr>
<tr>
<td>2. Data collection</td>
<td>Field Data capture and documentation</td>
</tr>
<tr>
<td>3. Analyse &amp; Review</td>
<td>Analyse data on capacity needs &amp; Identify performance gaps</td>
</tr>
<tr>
<td>4. Draft Report and Debrief</td>
<td>Produce Draft Report and Debrief MPAN</td>
</tr>
<tr>
<td>5. Finalize Report and Present to MPAN Node &amp; Director PPMED</td>
<td>Present Final Report to MPAN Node &amp; Director PPMED - MoFA</td>
</tr>
</tbody>
</table>

The data collected for the assignment were from both secondary and primary sources.

1.3.1 The General Overview of Approach to the Survey and Data Collection

Quantitative and qualitative research methodologies were employed in the field survey to collect data for this study. This was complemented with secondary data which was derived from desk reviews on FBOs. The review of the literature among others tracked the development of FBOs during the pre-colonial and colonial periods and looked at the development of agricultural policies and their relevance to the development of FBOs in Ghana. Using participatory appraisal techniques, survey questionnaires, group discussions and informal interactions information was collected from respondents that participated in the survey in thirty districts in six regions of Ghana.
1.3.2 Sampling Method Used in Data Collection

To arrive at a sample frame for the study, the Consultant needed data on the total number of active FBOs that are into the production of food security crops such as arable crops like maize, yam, cassava, soybean, groundnut etc., vegetables, tree crops such as mango, citrus, cashew nuts and oil palm,; value addition through processing and marketing of agricultural produce in the country. To collect this data, the Consultant contacted the MOFA- FBO Secretariat in the DAES. According to the FBO Secretariat, the current data on FBOs in the FBO database www.fboghana.org was not reliable since that data was collected in 2009 and had not been updated. This meant a considerable number of FBOs in the database were currently not active or non-existent. To collect information on active FBOs in the country, the Consultant contacted the Regional MOFA Officers responsible for FBO development for data on active FBOs in the various regions in Ghana. Apex Farmer Associations in Ghana such as Ghana National Association of Farmers and Fishermen (GNAFF), Apex Farmers Association of Ghana (ApFAG), Peasant Farmers Organization of Ghana (PFOG), Farmer Organizations Network of Ghana (FONG), Ghana Agricultural Producers and Traders and Organization (GAPTO) and Ghana Cooperative Agricultural Producers and Marketing Association were also contacted to collect the list of their members. It was difficult collecting data from the apex farmer associations despite the fact that they claimed they have members in all the regions of Ghana. The names of a total of 1,515 FBOs comprising FBOs that are into the production of crops excluding cocoa, value addition through processing, marketing and small ruminants were collected from the ten regions of Ghana.

A two stage stratified random sampling technique was used to arrive at the total number of FBOs included in the sample frame. At first, a random sample of active FBOs from the various categories of FBOs such as crops, marketing and processing were selected and listed from six out of the ten regions (Volta, Central, Eastern, Ashanti, Brong Ahafo and Northern). These regions represent the major ecological zones of Ghana thus the FBOs included in the sample frame were the representative of the FBOs in the country. The districts selected were based on the number of active FBOs operating in the districts. The FBOs in the various districts were randomly selected after making sure the FBOs were working in commodities selected to be included in the study. A total of 415 FBOs were selected from FBOs in the 30 districts of the six regions of Ghana. During the actual data collection, 40 community FBOs representing FBOs that are into animal production in the 30 districts were excluded from the study since the client (MPAN Node) informed the Consultant to limit the assessment to only FBOs that are into the production of food security crops, value addition to agricultural commodities through processing and marketing of agricultural produce – processed, semi-processed or raw. During the actual data collection in the field, data was collected from 351 community FBOs in the 30 districts. This means out of a total of 415 FBOs included in the final sample frame, a total of 40 community FBOs were excluded because they were animal production FBOs and 24 FBOs could not be traced by the enumerators during field data collection especially in the Brong Ahafo Region.

The distribution of the number of FBOs included in the survey by region and enterprises is presented in Table 3 and 4.

Data was also collected from six apex farmer associations namely: Apex Farmers Association of Ghana (AFAG), Peasant Farmers Association of Ghana (PFAG), Ghana Agricultural Producers and Traders and Organization (GAPTO), Peasant Farmers Organization of Ghana (PFOG) and Ghana
Cooperative Agricultural Producers and Marketing Association (GCAPMA). These six Apex FBOs were the ones that availed themselves to take part in the study after they were contacted by the Consultant.

1.3.3 Development of Data Collections Instruments

To facilitate the collection of data, there was the need to develop data collection instruments. Two different questionnaires and checklists were developed. The organizational needs assessment and Partner Institutional Viability Assessment (PIVA) tools were used to develop questionnaires and checklists to assess the capacity needs of the apex FBOs, 351 community FBOs and two public institutions- Ministry of Food and Agriculture (MOFA) and the Department of Cooperatives. The PIVA tool is a management tool designed to comprehensively identify changes and progress in the organizational development capacity of organizations.

One questionnaire was used to collect data from the Apex FBOs, the other was used to collect information from the FBOs in the districts and communities (see annexes 3 and 4 for the two survey questionnaires). The questionnaires were complemented with interview guides or checklists to pave way for the use of qualitative data collection techniques. At the institutional level, checklist and an interview guide were developed to collect information from MOFA and the DOC. Data was collected from MOFA and DOC mainly at the head office and district levels.

To collect information from the MOFA staff in the districts, an interview guide and checklist were developed. The interview guides and checklist focused on the Districts Extension Staff’s roles in FBO development, types of trainings received in FBO development in the past two years, suggestions on capacity development interventions based on their experiences and challenges they face in the development of FBOs.

1.3.4 Pre-Test and Finalization of Interview Tools

The Consultant pre-tested the questionnaires developed on a few of the FBOs in Volta and Central Regions. Feedback from this exercise helped the Consultant to fine-tune the interview tools prior to data collection in the regions.

1.3.5 Field Data Collection- Primary and Secondary Data Collection

Primary data was collected by the use of face-to-face targeted interviews and consultations of key informants from public and private institutions such as MOFA and DOC, apex FBOs and Community FBOs. Data at the institutional level was collected from Agricultural Officers in the national offices specifically MOFA-DAES, Crop Services Directorate and Directorate of PPMED, District Directors of Agriculture, District Agricultural Officers, Agricultural Extension Agents (AEAs), regional and district officers of the DOC, FBOs at local, district and regional, and umbrella levels through structured self-administered questionnaires, interview guides and checklists. Capacity needs assessment was conducted at three levels – institutional, apex farmer organizations and community FBOs levels.

At the institutional level, information was collected from MOFA and Department of Cooperatives on their participation in the development of FBOs as regards, policy and legal arrangements. The
assessment at the national level sought to examine the national machineries put in place for the development of FBOs and bring to the fore the current policy interventions which are targeted at the development of FBOs. Information was collected from the thirty MOFA district offices to enable the Consultant understand the institutional arrangements in place for implementation of the policy measures. The interviews with the use of interview guides and checklist for district offices of MOFA focused on the following areas: the staff strength, number of AEAs, trainings received in the past two years, use of FBO Development manuals and staff development measures. The institutional capacity of DOC was equally examined through interviews held with the Registrar of Cooperatives, some senior officers at the head office and some of the regional and district cooperative officers.

At the apex organizations level, structured questionnaire and face-to-face interview techniques were used to collect information from six apex farmer organizations. The six Apex FBOs were the ones that responded to the questionnaire and could have time to meet the Consultant.

At the FBO level, a questionnaire and focus group discussion methods were used to collect information from FBOs in the 30 districts at the community level. Through the questionnaire and open discussions, the FBO members were asked about the performance of their FBOs. The capacity needs assessment sought to identify the current range of performance of the FBOs and examine the internal and external factors supporting or militating against their effective development. The data collection exercise considered the performance problems of the FBOs and analyzed capacities needs in relation to good organizational performance practices. Through the questionnaire administration and analysis of the responses, performance gaps were identified.

In the field, the interactions were highly participatory to enable the respondents to feel free to provide the relevant information required. A number of respondents were contacted through earlier telephone calls to inform them about the assessment, its purpose and relevance. The respondents who could not be reached in person requested to be interviewed via the telephone. The questionnaires were also sent to a few of the respondents particularly the apex FBOs through the e-mail. Majority of the respondents were contacted at short notice but willingly participated in the dialogue sessions and provided information needed. The questionnaires were administered mainly through face-to-face interactions and focus group discussions. These methods were used to enable the interviewers to get in-depth information from the respondents. In all thirty field staff were used in the collection of data and were supervised by six supervisors.

1.3.5.1 Secondary Data Collection

The desk review was undertaken on existing documents on FBO Development interventions especially appraisal reports of MOFA and donor supported agricultural development projects, existing materials on FBO development including training materials, projects’ mid-term, and completion reports, FBO study reports and other related documents.

1.4 Analysis and Review

Following data collection, the data from the questionnaires administered was keyed into SPSS and Microsoft excel. In the analysis, consideration was given to the responses given to the questions
which examined the capacity of the 6 Apex FBOs and the 351 community FBOs in the performance of their roles and responsibilities based a number of organizational performance parameters.

Microsoft excel was used to key the data collected for the classification of FBOs into various stage of development. In the analysis of data for the classification of FBOs into the various stages of development, data was analyzed based on a checklist with 24 performance requirements or indicators. Each stage of development is clearly defined in terms of its characteristics and requirements. These stages are named as follows: Unorganized, Start-Up, Developing, Consolidating and Mature Business Stages. At each stage, an FBO is expected to meet the requirements of that stage to enable it move to the next stage in the development or growth process. The requirements are performance conditions that an FBO should meet in its development process. The requirements start from the basic to intermediate then to the advanced level in the organizational growth process. An FBO is allocated one (1) point when it meets a competency requirement. An FBO should accumulatively obtain between 22 to 24 points to reach the business stage, the highest stage in the FBO development process. In order words, an FBO is considered to reach a particular classification stage when it gets at least 80 percent of the points in that stage of development. The points needed to be classified in a development stage are described as follows:

1. Unorganized = between 0 to 2 points
2. Start-Up Stage = between 3 to 9 points
3. Developing Stage = between 10 to 16 points
4. Consolidating Stage = between 17 to 21 points
5. Business Stage = between 22 to 24 points

Refer to annex 3 for details on the classification of the 351 FBOs assessed by region.

1.6 Draft Report and Debriefing

The draft report detailed the result of the assessment, finding and recommendations. MPAN Node members and Director of MOFA PPMED were presented with the draft report and briefed on the outcome of the survey. Comments were noted to inform finalization of the document.

A validation workshop was organized at on 5th November 2013 at Accra, after a draft report was presented to the MPAN Node Coordinator and members. Members of the MPAN Node, Regional and District Directors of MOFA, representatives of government institutions, NGOs and FBOs across the country were at the validation work. After the Consultant’s presentation of the report, it was discussed and stakeholders present gave feedback which were all incorporated in the draft report to produce this final draft report.

1.7 Finalization of the Report

Feedback from the debriefing and stakeholder validation workshop were noted and incorporated into the final draft report.
1.8 Limitations of the Study

During the process of collecting the information, there were several problems encountered. These included the following:

- Difficulty in booking appointments with the FBOs since the period was the pick of the planting season. Since focus group discussion was the main method used in the collection of data at the community and district levels; getting the executives and members together was a problem in the majority of cases. Most often the time scheduled for the meetings could not come off and rescheduling had to be made which consumed a lot of time during data collection.

- Problems of communication and transportation as some of the farmers and groups are in remote areas especially in the northern region, Nkwanta District in the Volta Region and certain areas in the Brong Ahafo Region could not be reached easily.

- A number of FBOs included in the survey list could not be traced. Enumerators wasted a lot of time searching for pre-identified respondents, which eventually they could not find. This experience was very prominent in the Brong Ahafo Region.

- Paucity of data presented by some of the field staff from some districts in Brong Ahafo, Eastern and Volta Regions. More time was therefore used to validate the information presented.

- Challenges in collation, consolidation and synthesis since there were many variables.

1.9 Organization of the Report

The report is organized into six main chapters with annexes. Chapter one gives a brief background to the assessment, its objectives, methodologies used and the limitations of the assessment. The second chapter deals with an overview of the history of cooperation during the colonial and post-independence era and the agricultural policies pursued during these period. The third chapter focuses on the main findings of the institutional assessment of the Ministry of Food and Agriculture and Department of Cooperatives. Chapter four focused on the main findings of the assessment of the apex farmer associations. Chapter five focused on the main finding of the assessment of FBOs at the community and district levels. The sixth chapter comprised the summary of findings, conclusions and recommendations. The training modules developed are based on gaps identified in the capacity needs assessment and this is in a separate document attached to this report.
CHAPTER TWO

2.0 Historic Overview of Development of Collective Action (Co-operation) and Agricultural Policies in Ghana

2.1 Informal Cooperation or Collective Action in Ghana- Pre-colonial Period

Collective action or cooperation in its informal sense started in Ghana long ago before the introduction of formal cooperation by the British. Informal cooperation is an institutionalized social organization, locally initiated and most often characterized by (to borrow the term of Tonnies, 1961) by Gemeinschat relations and the norm of reciprocal help. Gemeinschaft represents a local community characterized by intimate relations among its inhabitants. Opposite to gemeinschaft relations are a Gesselschaft (society) relation, which refers to a large society characterized by impersonal and contractual relations (Kwadzokpo, 1994).

Informal cooperation as practiced in the rural areas of Ghana is characterized by mutual reciprocal help known in Ewe (local language in Ghana) as fidodo or in Akan (local language in Ghana) as nnoboa (labour service exchange). The fidodo or nnoboa institution among farmers operate in a way that a group of farmers agree to help each other on mutually agreed days in preparing the land for cultivation, planting, harvesting, barn construction within a specific time period. Fidodo or nnoboa is an expression of group solidarity and loyalty and voluntarily performed without any written agreement. This is mainly based on trust and the already existing network of social relations among members.

Informal collective action is not limited to farming operations, individuals and communities, but it is extended to the mobilization of savings and credit locally known as Susu. The susu is a traditional method of saving, credit and capital formation in which individuals agree to pool their financial resources for the mutual benefit of individual members. The susu operates on the same principles as the Rotating Saving and Credit Association (Levin, 1988). Members contribute a fixed sum of money on a regular basis, and each time contributions are made, one member is given the sum of the contribution until each member has received a turn. The basic principle is that each member receives an amount equal to his/her total contribution. This type of cooperation is typical among rural and urban traders, farmers, and salary workers. The most important criteria for membership are that one should have a regular means of income. The existence of the group depends on mutual trust among members, and the ability of each member to meet his/her obligations when it is his/her turn to contribute. Informal cooperation is built on already existing bond of social network, trust and social solidarity among the people (Festus Kwadzokpo, 1994).

2.2 Development of Formal Cooperation (Collective Action) in Ghana (Colonial Period)

Formal cooperation was introduced in Ghana (Gold Coast) on 14th February, 1921 by the Governor of the Gold Coast, Brigadier General F. Gordon Guggisburg. He inaugurated an organization, the Gold Coast Agricultural Commercial Society and this was to become the beginning of the cooperative movement in Ghana. The actual development of the Cooperative Movement began in 1928 through the initiative and encouragement of the government and was given statutory support by a Cooperative Societies Ordinance (No. 4) in April 1931. This ordinance was replaced with a new Cooperative
Societies Ordinance (No. 15) of 1937 which made provision for the formation of secondary societies (Department of Co-operatives, 1990).

The way cooperatives were introduced in Ghana differed greatly from the way it was introduced in Europe and America. While the cooperative movement in Europe developed as a movement of emancipation, cooperatives in Ghana were introduced by the British government to aid her in dragging the local farmers into the externally controlled and monetized economy where they were made to produce exportable primary products to the export market. The Ghanaian entrepreneurs were made to control the internal purchasing of cocoa whilst the British administration controlled the export of cocoa beans to the export markets, the lucrative aspect of the business. The colonial government saw cooperative as a sound means of stabilizing local agriculture. In order to make cooperatives play an effective role in the economy, the cooperative movement was placed under the control, supervision and operational efficiency of the Department of Agriculture; with the Director of Agriculture performing the functions of a Registrar.

The most outstanding feature of local agriculture, apart from the cultivation of food crops for domestic consumption and the local markets, was predominantly the cultivation of cocoa. Cocoa was the life blood of the country’s economy, and it was no wonder that the early agricultural cooperatives were formed mainly around cocoa and earned the name cocoa societies. In order to improve the quality and purity of cocoa for export, members of the cocoa societies were taught good agricultural practices for the cultivation of good quality cocoa.

The achievements of the early cooperatives motivated the colonial government in 1944 to establish the Department of Cooperatives, to take over the organization of cooperatives in the country from the Department of Agriculture. The Cooperative Department was to supervise, audit and register cooperative societies. These powers had been legally defined in the 1939 Cooperative Ordinance. The new Cooperative Department became an instrument of administrative control of cooperatives (Crawford et al 1986, pp.181). Cooperative development was given a high priority by the colonial administration and was part of its development policy.

Agricultural policy prior to independence emphasized the production of export commodities (cocoa, coffee, palm oil etc.) and paid little attention to non-commercial production or development of staple food crops for domestic consumption. In general the emphasis of policy was on natural resources extraction with minimal colonial oversight of other sectors of the economy. Some of the subsequent apparatus of government intervention notably marketing boards was established during this period. A particularly important institution, the Cocoa Marketing Board (CMB) was established by the colonial government during the Second World War and became the monopoly buyer of cocoa at a fixed price paid to producers. Until 1951, the majority of CMB’s profit was absorbed by the reserves of the Board.

2.3 Evolution of agricultural policies and Cooperative Development during Post Independence Ghana

Since Ghana attained independence in 1957, successive governments have pursued with varying degrees of success, policies, programmes and projects to accelerate the growth of the Ghanaian economy and raise the living standards of the people. The emphasis in the policies of the successive government of Ghana changed in accordance with the basic approach or ideology of the government.
It can be said that Ghana’s economic performance after independence in 1957 was undermined by political instability, ideological splits and policy reversals. These policies and programmes are often expressed in the form of national development policy frameworks or plan around which national and development efforts are coordinated.

Ghana assumed control of her economy after the country became independent on 6th March 1957 with enormous optimism, thanks to a strong cocoa sector. Ghana was a relatively rich country as compared to other West African countries, with a high per capita income and a developed middle class. Since independence varying economic and agricultural policies have been pursued by successive governments to lay the foundation for economic take off and the betterment of the living standard of the people. Dr. Kwame Nkrumah, the first post-independence ruler of Ghana from 1957 to 1966 pursued a socialist policy. The foundation for the socialist economy was laid through the launching of a Seven-Year Development Plan (1963-1970). This strategy was designed to promote to the maximum, the state and agricultural sectors of the economy through the development of the cooperative movement. The strategy was to ensure that the growth rate of the state and cooperative sectors exceeded that of the private sector. The cornerstone of the plan was the development of a strong and efficient cooperative movement and the transformation and modernization of agriculture on the socialist model. State farms, settlement farms and cooperative/collective farms were established.

The government in its bid to promote cooperatives indicated that the principle of political neutrality was illusory to the development of cooperatives in Ghana. The Cooperative Movement was therefore made part of the ruling party- the Convention People’s Party (CPP). The following extract from the major promotional document of the Central Cooperative Council. “Ghana and the Cooperative Movement – The Future Patterns” gives a good summary of government agenda.

“There can be no socialism without cooperation” The Party is a fusion of all classes in the country under only one leader, Osagyfo Dr. Kwame Nkrumah. One of the wings of the party is the Cooperative Movement... Every member of the Party should be asked to join the cooperative societies. The Party functionaries should be obliged to carry the message of “Join the Cooperative” to all Party members in the country” (The Central Co-op Council, 1965 from Kwadzokpo, 1994).

To implement the creation of a state controlled socialist cooperative movement, the Government created the Ministry of Cooperatives with a Minister of a non-cabinet rank assisted by the Registrar of cooperatives and the Deputy Registrar. It had also a Principal Cooperative, assisted by Senior Cooperative Officer as well as Clerical Officers. This skeleton ministry controlled the general policy and activities of the Central Cooperative Council which was the Supreme Council of the Ghana Cooperative Movement. By 1960 agricultural cooperatives were about 40% of the total cocoa produced.

The United Ghana Farmers’ Cooperative Council (UGFCC) was established by the Government and made the sole cooperative promoting organ. The state control of cooperatives was resisted by the leadership of the cooperatives. But the government used its powers to abolish the Cooperative Movement. The assets of the Cooperative Movement, mainly farmers’ share capital gains realized in the form of fixed assets and interest generating reserve funds were taken over by the government (Crawford et al. 1986). In 1961, the Department of Cooperatives was dissolved and its staff
transferred to the UGFCC or redistributed to other departments, this also affected other service departments of the Ministry of Agriculture. A little over nine hundred “cooperative farms” were established between 1962 and 1965 (Dadson 1988).

On 24th February 1966, the national Liberation Council (NLC) took over the reigns of the Government Dr. Kwame Nkrumah after a military coup d’état. The implementation of the seven year development plan come to a halt and was replaced with a two year development plan. This plan was meant to stabilize and promote efficiency in the economy by establishing the framework for a competitive system through trade liberalization. UGFCC was abolished and a legislative instrument NLC Decree No. 252 was passed establishing the Department of Cooperatives and the reorganization of the Cooperative Movement. The Department of Cooperatives was given the full authority to organize, supervise, audit and mediate conflicts for the Cooperative Movement. Apart from this, the NLC government played a minimal role in supporting formal cooperation. None of the demands made to the government by the Movement for medium and long term loans, and the release of the seized assets were met.

In 1969 the military government was replaced by a civilian government, the Progress Party, with Dr Kofi Abrefa Busia as the Prime Minister. The government pursued a trade liberalization policy and pledges were made to promote the private sector (Beckman, 1979) According to Munker 1974, the government’s promise to promote cooperatives could not materialize since there was no clear policy on the development of cooperatives.

The Busia regime was overthrown in a military coup in January 1972. The military government National Redemption Council (NRC led by General Acheampong pursued an economic policy which saw the resurgence of state intervention in production and distribution. This went hand in hand with the active support of large scale farming and the launching of the “Operation Feed Yourself Programme” which was proclaimed as the bedrock of Ghana’s Self Reliance Policy.

The NRC government showed interest in the cooperative movement and pledged to make it a viable sector of the economy by restoring its role in the cocoa trade. The NRC government increased the Cooperative Council’s annual government grant and encouraged the council’s publication of a newsletter “The Cooperator”. However, government assistance to the cooperatives was mainly channeled to the Ghana Cooperative Marketing Association (GCMA) which was involved in only the internal purchasing of cocoa (Dept of Cooperatives, 1990 in Festus Kwadzokpo, 1994). The government’s preferential support for large scale farmers was detrimental to the agricultural cooperatives which comprised small scale farmers.

In 1979, the NRC government was replaced by a civilian government the Peoples’ National Party (PNP) led by Dr Hilla Liman. This government pursued a trade liberalization policy, but recognized the potentials of cooperative in promoting rural development and the agricultural sector. The government therefore encouraged the formation of Ghana Federation of Agricultural Cooperatives (GAFACOOPS) as the amalgamation of all cooperatives in the country. The PNP government could not pursue its policy and support to the cooperatives when it was overthrown by a military regime on 31st December 1981. The military government under FLt. Lt. Jerry John Rawlings – PNDC government was committed to “self-help” and therefore recognized cooperatives movement as an important sector of the national development effort. The PNDC government encouraged the
reorganization of GAFACOOP. GAFACOOPs was to be the mouthpiece of farmers in the country through which they could benefit from loans and agricultural inputs, however, the top-down nature of the organization made it impossible for majority of the members at the grassroots levels to benefit. Farm implements and other inputs meant for the primary societies ended up in the shops of non-members. Corruption, misappropriation of funds and general mismanagement led to its ineffectiveness as the organ for the farmers.

2.4 Structural Adjustment Period – 1980s to 1990s

Agricultural policies in Ghana prior to 1983 was described by Stryker (1990, 1991) as price control, input and credit subsidies, obligatory credit allowances, heavy state involvement in production, distribution and marketing (J. Brook & E. Aggrey Fynn, 2007).

To reverse the situation, the PNDC government embarked initially upon populist policies but after two years, it became apparent that these policies would not arrest the country’s economic decline. By the early 1980s, Ghana had been surpassed by a least half of the countries in sub-Saharan Africa in terms of per-capita GDP. Government revenues fell from 15% of DP in the early 1070s to 6% in 1982. Public sector wages fell by an average of 10% in real terms per year from 1975 to 1983. Export earnings fell to a low 7% of GDP, and external financing dried up.

In April 1983, the government responded by introducing a number of ad hoc programmes to deal with the emergencies, under the auspices of the IMF and the World Bank initiated programme of stabilization and market reform known as the Economic Recovery Programme (ERP). The reform strategy included realignment of relative prices, the removal of direct control and interventions, restored fiscal discipline and implementation of structural and institutional reforms. The ERP reinstated the necessary fundamentals for economic growth. In conjunction with increased inflows of external financing, real GDP rose by about 4% per year between 1983 and 1992.

The period 1980s to 1990s was also referred to as the period of structural adjustment spearheaded by the World Bank in Sub Saharan Africa including Ghana in which attempts were made to turn FBOs into more autonomous and business oriented organizations in line with the private development policy of the government of the time. The realization of the need to replace inefficient parastatal cooperatives with private, profit making organizations resulted in various attempts, not always successful, to reform rural governance and legislation across Sub Sahara Africa (Hussi et al, 1993 in A. Adam, G. N Francesconi et al, 2010).

The Department of Cooperatives in its 1984 Annual Report noted that a major problem associated with agricultural cooperatives during the post-independence period was that farmers saw them mainly as means to obtain public support rather than to promote competitive agribusiness. This mentality of FBOs has still not changed despite the numerous attempt at transforming FBOs into independent business oriented organizations through various projects and programmes such as Food Crops Development Project (FCDP) (1999-2007), Livestock Development Project (LSDP) (2002-2007), Agricultural Sub-Sector Investment Project (ASIP) (1994- 2000), Agricultural Services Sector Investment Programme (AgSSIP) (2002 and 2006) FBOs continue to depend on outside support for their existence. This is a major challenge for FBOs development in Ghana.
2.5 The Period of Vision 2020-2000 to 2013

The period after the SAP was aimed broadly at increasing productivity and competitiveness in the agricultural sector through the Medium Term Agricultural Development Programme (MTADP). MTADP provided the framework for the allocation of public and private sector resources. The main thrust was the institutional reforms in the agricultural sector aimed at helping to realize Ghana’s agricultural potential. Under MTADP, a number of stand-alone projects were launched such as the “National Agriculture Research Project (NARP), the “National Agriculture Extension Project (NAEP), and the “Fisheries Capacity Building Project (FSCBP) (MOFA-FASDEP, 2002).

The aftermath of MTADP saw the development of the Accelerated Agricultural Growth and Development Strategy (AAGDS) with the objective of accelerating agricultural growth to 6% of GDP to enable it contribute to the envisaged economic growth that will make Ghana a middle income country. The AAGDS outlined strategies to transform the agricultural sector through the formulation and implementation of policies and programmes. Some of the major programmes and projects were the Agricultural Services Sub-sector Investment Programme (AgSSIP), the Village Infrastructure (VIP) and Rural Financial Services Projects (RFSP).

In 2002, MOFA developed the Food and Agriculture Sector Development Policy (FASDEP) in response to providing a holistic framework for agricultural development. The objective of the policy include food security, poverty reduction, supply of raw materials to industry and ensuring the sector’s continued contribution to GDP, foreign exchange and government revenue. The main break with the past is FASDEP’s expected contribution to Ghana’s Poverty Reduction Strategy (GPRS) via infrastructure development and the promotion of appropriate technology and improved extension services. FASDEP adopted the sector wide approach to agricultural development as opposed to the discrete project approach pursued in the past which was a strategic framework. One major element of FASDEP which was importance to the development of FBOs in Ghana was the call for collaboration between MOFA and the Department of Cooperatives to strengthen the capacity and facilitate the formation of FBOs. This policy stated saw the collaboration forged between MOFA and DOC during the implementation of AgSSIP.

Four years after the implementation of FASSEP I, it became necessary to revise the policy to reflect lessons learned during its implementation and to respond to the changing needs of the agricultural sector. The revised policy FASDEP II (2007) emphasized the sustainable utilization of all resources and commercialization of activities in the sector with market-drive growth in mind. FASDEP II is aimed at the modernization of agriculture culminating in a structurally transformed economy and evident in food security, employment opportunities and reduced poverty. The vision of FASDEP is linked to the national vision in the Growth and Poverty Reduction Strategy (GPRSII) and the Comprehensive Africa Agriculture Development Programme (CAADP) of the New Partnership for Africa’s Development (NEPAD).

Under FASDEP II, the issue of FBO development is mentioned under extension services delivery strategies. MOFA Extension Services is to build the capacity of FBOs and Community-Based Organizations (CBOs) to access or deliver extension services (technologies, extension, credit, inputs, marketing) to its members. Subsequently based on the policy statement on the development of FBOs in FASDEP II, the Directorate of Agriculture Extension Services (DAES) came out with document,
April 2013. The goal of the document is to provide strategies that will serve as guiding principles for the development and operation of FBOs at all levels along the agricultural value chain Ghana.
CHAPTER THREE: CAPACITY NEEDS ASSESSMENT AT INSTITUTIONAL LEVEL

3.0 Main Findings of the Capacity Needs Assessment of MOFA and DOC

The main findings of the assessment focused on three main category of actors included in the study. Collectively, the two public institutions involved in FBO development namely; MOFA and DOC, the apex farmer associations, and the FBOs in the communities. The findings were based on the analyses which were carried out at different levels viz. Institutional level analysis examines MOFA and DOC; these two public institutions have the mandate for FBO development in Ghana. The second level assessment involved the assessment of apex farmer associations that responded to the questionnaires sent to them, the third level assessment involved 351 FBOs and associations that were selected in the thirty districts in the six regions of Ghana, the fourth level of analysis focused on the content analysis of FBO training manuals developed for present and past MoFA projects and programmes and their relevance to the development of FBOs.

3.1 Institutional Level Assessments – MOFA and DOC

The Ministry of Food and Agriculture (MOFA) and the Department of Cooperatives (DOC) are the two main public institutions that are mandated to facilitate the development of farmer associations and cooperatives in Ghana. They two institutions, therefore play very significant roles in the development of FBOs in Ghana. It should be noted that private institutions such as local and international NGOs such as ADRA, Care International, Heifer Project among other are deeply involved in the development of FBOs, however, the assessment could not cover them. It might be of interest to assess the role of NGOs in the development of FBOs in a separate study.

DAES of MOFA is the directorate under MOFA that is responsible for the capacity development of FBOs in the country and leads the implementation of the aspect of FASDEP II that deals with FBOs. Whilst the DAES at the national level focuses on policy and strategy development and its implementation, the district MOFA offices in the country implements plans and programmes based on the strategies development that pertain to FBO development. In the same vein, the DOC is mandated by law under the Cooperative Societies Decree NLCD 252 of 1968 to see to the development cooperatives in Ghana, supervise their operations and carry out functional auditing of their accounts on behalf of members. DOC equally has regional and district offices all over the country that sees to the implementation of cooperative development measures. It is therefore appropriate to look at the policy and legal frameworks within which these institutions work and their relevance for FBO development.

3.2 Institutional Assessment of MOFA

It has been observed that the FASDEP II document stipulates clearly the role of MOFA in the development of FBOs in Ghana. FASDEP II states that MOFA will make efforts to develop the capacities of FBOs as part of the strategy to improve their access to services. The aim of FASDEP II is to encourage the evolution of FBOs at the grass roots, and to network them through a hierarchy of local, district and regional groupings to national apex. According to FASEP II, MOFA-DAES is expected to build the capacity of FBOs and CBOs to enable them facilitate delivery of extension services to their members. The legal framework for FBOs development is to be guided by the following principle as captured in the FASDEP strategy document, “the development and operation of FBOs in the country will be guided by the following principles: MoFA will facilitate the

38
provision of a legal framework within which FBOs can develop and flourish. This legal framework will enable FBOs to be formed or strengthened and registered as legal entities and to enter into contracts, own assets, obtain credit, raise capital and limit the liability of members. As of now, MOFA could not develop the legal document as stipulated in the FASDEP II document. This means there no legal framework to guide the development of FBOs in the country. Upon the development of FASDEP II, MOFA-DAES should have developed a comprehensive sub-sector policy on FBOs; however, this sub-sector policy is yet to be developed. The MOFA-DAES without a sub-sector policy developed an FBO Strategy document based on FASDEP II. The FBO strategy implementation document is yet to be discussed by all stakeholders and accepted as a national strategy document.

The FBO Secretariat at the MOFA- DAES is under resourced since financial support to the Secretariat is limited. The secretariat had an FBO website www.fboghana.org with data on FBOs which has not been updated since 2010. This website is replaced by www.fboonline.org/portal. This website is yet to be loaded with data and managed.

Under FASDEP I, a Farmer Based Organization Development Fund (FBODF) was instituted as part of the World Bank Agricultural Sub-Sector Investment Program (AgSSIP) which ran from 1999 to 2003. One of the key components of AgSSIP was the development of FBOs towards accelerated agricultural development. To implement this vision, an amount of 5 million US dollars in funds was set aside towards the development of FBOs in terms of credit to FBOs which met stipulated criteria. This in-kind support included; procurement of irrigation equipment, processing equipment, purchasing of grass cutter hutches and also tailored-measured training programmes for FBOs selected. The Farmer Based Organization Development Fund was therefore an important instrument for garnering support for basic processing enterprise, thus helping farmers to enter the high-value supply chain. FASDEP II set out stronger role for farmer based organizations; however, the Framer based Organization Development Fund has been de-emphasized in FASDEP II document. By the close of AgSSIP in 2003, 326 FBOs had been supported and this helped catalyze agro-based enterprises in the 10 regions of Ghana, some of which are still in operation. All beneficiary FBOs were to contribute 2.5% of their profits into the FBO Development Fund. Most of the FBOs did not contribute and hence the fund for on-lending was not available. This negatively affected the sustainability of the fund.

3.2.1 Institutional Capacity of District Extension MOFA Staff

The district MOFA extension staff is expected to champion the formation and training of FBOs in the communities to become cohesive, competitive and delivering useful services to members. It is therefore in place to assess the capacity of the district technical staff to be able to deliver useful services to farmers.

The survey therefore assessed the capacity of the extension staff in 30 districts in six regions carrying out these duties by examining the following variables: staff strength in relation to coverage, number of motorbikes, and types of training received for the past two years from MOFA and other development partners, the use of the FBO manual developed by MOFA-DAES. Furthermore, the reasons for farmers’ inability to interact with the markets, the suggestions to reverse the situation and suggested capacity measures to address the situation of poor market access by FBOs were all assessed.
MOFA-DAES developed FBO Manuals to help in the training and development of FBOs. Some few copies were distributed to MOFA offices in the regions and districts as reference materials to facilitate the training of FBOs to become cohesive and performing. The Consultant as part of the assessment of the extension staff found out the use of the manuals and its usefulness for the training and development of FBOs. It turned out that 16 out of the 30 districts have the manuals and about 50% of the districts that have the documents have used it before. The non-use was attributed to limited copies and inability of the field staff to use it because they were not trained on its use.

The AEAs have not received any training in the past two years related to FBOs development, however, a number of them have been trained on FBO development during the implementation of some past MOFA projects such as the Food Crops Development Project, Nerica Rice Development Project, Cashew Development Project and Livestock Development Project about five to ten years ago. Recently, district extension officer in all the districts of Ghana were trained in contemporary extension delivery methods, post-harvest management and value chain development through support from Australian Aid (AusAID) as part of the AusAID’s supported FBOs Capacity Development Project which is implemented in partnership with MOFA-DAES. The AEAs are yet to be trained by the district extension officers after the training of trainers because of lack of funds.

The assessment also revealed that the extension staff faces a lot of constraints which limits service delivery to FBOs. The staff has limited number of motor bikes, low staff strength, inadequate funding, and late disbursement of funds as some of the constraints militating against their effective delivery of services to FBOs.

On the reasons for the inability of FBOs to interact with the markets, the responses given by extension staff in the 30 districts are as follows:

**Table 5: Distribution of Responses on Reasons for Farmers Inability to Interact with the Markets**

<table>
<thead>
<tr>
<th>Reasons for Farmers Inability to Interact with the Markets</th>
<th>No. of Districts</th>
<th>No. of Responses</th>
<th>Percentage of Responses (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Farmers have low knowledge on understanding of the markets &amp; lack of market information</td>
<td>30</td>
<td>15</td>
<td>50%</td>
</tr>
<tr>
<td>2. Poor farmer organization</td>
<td>30</td>
<td>8</td>
<td>27%</td>
</tr>
<tr>
<td>3. Lack of trust between farmers and buyers</td>
<td>30</td>
<td>5</td>
<td>17%</td>
</tr>
<tr>
<td>4. Farmers not taking farming as business</td>
<td>30</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>5. Lack of skills and knowledge in post-harvest management</td>
<td>30</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>30</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Data Source: Field Survey Data 2013**

The response in Table 5 suggests that low knowledge of farmers on marketing related issues is the major contributory factor for their low interaction with the markets.

The major capacity building measure suggested by the extension staff is the training of FBOs in marketing and business management related skills.
Table 6: Distribution of Responses on Major Capacity Measures Suggested by District MOFA Staff Interviewed

<table>
<thead>
<tr>
<th>Capacity Measures Suggested by MOFA Staff Interviewed</th>
<th>No. of Districts</th>
<th>No. of Responses</th>
<th>Percentage of Responses (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Marketing and Business Management</td>
<td>30</td>
<td>22</td>
<td>73%</td>
</tr>
<tr>
<td>2. Organizational Development</td>
<td>30</td>
<td>8</td>
<td>27%</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>30</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 7: Distribution of District Staff of MOFA and No. of Motor Bikes by Regions Selected for Data Collection.

<table>
<thead>
<tr>
<th>Region</th>
<th>Central</th>
<th>Eastern</th>
<th>Volta</th>
<th>Ashanti</th>
<th>Northern</th>
<th>Brong Ahafo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical staff</td>
<td>107</td>
<td>81</td>
<td>108</td>
<td>96</td>
<td>93</td>
<td>97</td>
<td>583</td>
</tr>
<tr>
<td>Extension Agents (AEAs)</td>
<td>M 51</td>
<td>55</td>
<td>72</td>
<td>71</td>
<td>60</td>
<td>52</td>
<td>361</td>
</tr>
<tr>
<td>F 15</td>
<td>2</td>
<td>10</td>
<td>6</td>
<td>10</td>
<td>11</td>
<td>171</td>
<td></td>
</tr>
<tr>
<td>District Officers</td>
<td>31</td>
<td>27</td>
<td>29</td>
<td>33</td>
<td>21</td>
<td>30</td>
<td>171</td>
</tr>
<tr>
<td>Motorbikes</td>
<td>32</td>
<td>28</td>
<td>59</td>
<td>49</td>
<td>48</td>
<td>70</td>
<td>286</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013

As shown in table 5 above, with the low staff strength coupled with inadequate motor bikes and lack of funds, the AEAs could not visit the FBOs and provide the needed organizational development and technical extension support needed. Likewise, a great number of operational areas are without extension agents in the thirty districts. Apart from lack of logistics to visit the FBOs, the MOFA extension staff equally lack the requisite capacity in marketing and business management skills needed by the FBOs as indicated in Table 5.

3.3 Institutional Assessment of Department of Cooperatives (DOC)

The Department of Cooperatives is the government agency charged with the administration of Cooperative Societies Decree NLCD 252 of 1968. The main statutory functions include:

- Registration of Cooperative Societies
- Audit and inspection of cooperative societies
- Administration of disputes among cooperative societies
- Liquidation of cooperative societies

The department also functions to create awareness among the general public about the benefits of group development, education and training of members, staff and Board of Managers of cooperative societies. The department is headed by the Registrar of Cooperatives at the head office, Regional
Cooperative Officers in the regions and Metropolitan/Municipal/ District Cooperative Officers in the districts/municipal and metropolitan assemblies.

In the assessment of the operational capacity of DOC to carry out its mandate, it was observed that the department is facing serious challenges. The department has no computerized data base to capture data on FBOs in the country since the computers and servers are not available. The list of cooperatives societies are written on loose sheets of paper and even difficult to compile by the staff at the head office. The DOC has no website to post information on its activities to the general public to access. The offices in the regions and districts lack logistics to work with such as motorbikes, computers, furniture and qualified personnel. The staff level in most cases is low, specifically there is on the average only one district cooperative officer to manage the affairs of the department in a district. Apart from lack of logistics, the government subvention to the DOC has been insufficient and irregular leaving the DOC with no option than to operate without funds. Due to the challenges faced, the contact period between the cooperative officers and cooperative societies is low. Activities are mainly focused on the training of new societies and auditing of account. The officers do not play any active role in linking the FBOs to markets. The capacity of the technical staff in value chain analysis and marketing, market analysis and market information system development is weak.

According to the Registrar of Cooperatives, the current Cooperative Societies Decree of 1968 has outlived its usefulness and has to be revised. The Department of Cooperatives therefore drafted a new Cooperative Bill (2001 and 2004) and revised it again in 2012 to replace the 1968 Cooperative Decree. The draft bill is currently at the cabinet level since it was resubmitted in 2012. A thorough review of the current law showed that the Cooperatives Decree of 1968 gave the registrar of cooperatives substantial powers that impeded cooperative independence and development. Section 53 of the decree empowered the registrar to dissolve the board of directors of a registered cooperative and appoint a caretaker to govern the business. Section 28 mandated that no distribution of surplus be effected unless the registrar approved the scheme. Section 46 gave the registrar power to countersign before any payment of cheques issued by a cooperative and to disallow an expenditure not considered justifiable. The current stage of the law suggests that the department could use its broad powers to interfere in the business affairs of cooperatives which are supposed to be autonomous business entities. The department could also be inefficient in the execution of statutory duties, a mandatory probation of six months before a cooperative could be a legal entity could be abused by a cooperative officer who could stretch the period unduly due to unforeseen reasons.

To uphold the independence of cooperatives and increase their credibility, the legal reform has to be taken seriously and pursued vigorously by the Department of Cooperatives and most importantly by cooperatives themselves. In accordance with the guiding principle of the cooperative movement, this model of organization is based on freedom of association, democratic equality with one member one vote and independence of the state. Ghana’s 1968 Cooperative Societies Decree is perversions of the cooperative principles since cooperative are considered as the extended aim of the state.


3.4 Institutional Coordination and Collaboration

The study shows that currently there is limited coordination and collaboration between the DOC, NGOs and other private organizations and MOFA for the mutual development of FBOs in Ghana. Under FASDEP I, MOFA collaborated with the DOC for the development of FBOs. The two institutions were to develop policies and legal framework for the development of FBOs and the operation of NGOs working in the area of FBO development. Subsequently, the DOC was involved in the implementation of AgSSIP and spearheaded the training of FBO executives at the Cooperative College in Kumasi. The collaboration was also to lead to the transformation of the Cooperative College into a College of Farmer Based Organizations. This dream is yet to be realized after the end of AgSSIP. To further the development of FBOs in the country, an FBO Development Fund was established to support the accelerated development of strong FBOs that could help members to get access to relevant services including better process for produce and also influence policy regarding agriculture. During the period of implementation, about 20 pilot projects were funded in twenty districts across the country. This laudable initiated has also stalled after the end of AgSSIP. It has been observed that there is no mechanism for coordination and collaboration in MOFA FASDEP II document as compared to the FASDEP I document.

Collaboration between MOFA and DOC, NGOs and other private organizations should be a major move towards establishing a cross sector pluralistic extension to ensure sustainable development of FBOs and the agricultural sector. It can be stated that FBO development can be enhanced through cross sector pluralistic extension approach by working together, sharing of information and learning together. The term collaboration here is used to mean working together or in association with others for a common aim. Establishing working relations with other stakeholders can lead to adequate resource use and extension delivery to mitigate the extension delivery gap in the country. There is the need for MOFA therefore in the spirit of pluralistic extension to formally make efforts to engage other government agencies such as DOC, NGOs and private organizations to partner for sustainable FBO development and the development of the agricultural sector in general.

Table 8: Capacity Needs of MOFA and DOC (Training and Non-Training Needs)

<table>
<thead>
<tr>
<th>No.</th>
<th>MOFA</th>
<th>Department of Cooperatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Development of FBO sub-sector policy FBOs</td>
<td>Policy Review to address the development of cooperatives</td>
</tr>
<tr>
<td>2.</td>
<td>Development of legal framework and legislation for FBO development</td>
<td>Development of legal framework and legislation for FBO development</td>
</tr>
<tr>
<td>3.</td>
<td>Policy review to address coordination and collaboration with DOC, NGOs and other Private organizations</td>
<td>Policy review to address coordination and collaboration with MOFA, NGOs and other Private organizations</td>
</tr>
<tr>
<td>4.</td>
<td>Training of staff in marketing, market opportunity development, market linkages and value chain analysis</td>
<td>Training of staff in marketing, market linkages &amp; Value chain analysis</td>
</tr>
<tr>
<td>5.</td>
<td>Staff Recruitment at district offices</td>
<td>Staff Recruitment at regional and district offices</td>
</tr>
<tr>
<td>6.</td>
<td>Logistical support- motorbikes, computers</td>
<td>Logistical support- motor bikes for field staff and vehicles for district offices</td>
</tr>
<tr>
<td>7.</td>
<td>Database upgrade at FBO secretariat (development of a unified FBO database)</td>
<td>Website and development of database, computers and servers (Data based fed into MOFA FBO database)</td>
</tr>
<tr>
<td>8.</td>
<td>Provision of funding to DAES and district offices for field outreach programmes</td>
<td>Provision of funding to DOC and district offices for field outreach programmes</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013
CHAPTER FOUR: CAPACITY NEEDS ASSESSMENT OF APEX FARMER ASSOCIATIONS

4.0 Main Findings of Capacity Needs Assessment of Apex Farmer Associations

Capacity needs assessment was carried out on six apex farmer associations namely: Ghana Federation of Agricultural Producers (GFAP), Ghana Rice Inter professional Body (GRIB), Apex Farmers Organization of Ghana (ApFOG), Ghana Agricultural Producers and Marketing Association (GAPMA), Peasant Farmers Association of Ghana (PFAG) Ghana Agricultural Producers and Traders Organization (GAPTO). GFAP is a federation of four apex FBOs; namely ApFOG, PFAG, Ghana National Association of Farmers and Fishermen (GNAFF) and Farmers Organization Network of Ghana (FONG). The four apex FBOs have members producing multiple staple food crops such as maize, cassava, yam rice, sorghum, millet etc. GFAP operates as a platform for networking, capacity building, advocacy and policy analysis and presenting alternative policy advice to government. The association has no office space and therefore shares facilities with one of the apex farmer association it represents.

GRIB is the only apex farmer organization that is working within one value chain- the rice value chain. The membership of GRIB comprises actors in the rice value chain namely; input dealers, rice based FBOs, rice miller FBOs, rice brokers, rice importers, and rice par-boiler groups. The membership of GAPTO comprises eighteen agribusiness associations that span various agricultural supply chains. This comprises producer groups/ associations, trader groups/ associations, processor groups, input dealers and transporters. The main variables used to assess the capacity needs of the apex farmer organizations were: organizational set-up including strategic plan – the scope of the organization over the long term – vision and mission statements, governance and leadership structure, educational background of executives, administration and human resources, types of service provided to members, sources of funding, finances, skills in project design and management, networking, partnership and advocacy, marketing analysis, strategic planning capacity. Based on the assessment of these variables, performance gaps have been identified that formed the basis for the identification of training and non-training capacity needs for each of the apex farmer associations. For details on the outline profiles of each of the 6 Apex FBOs refer to annex 3.

4.2 Organizational Set-Up and Membership

The six apex associations have been registered with either the Registrar-General’s Department or with the Department of Cooperatives. Apart from GFAP that is sharing office space with another apex FBO, the other five FBOs have offices of their own. All the Apex FBOs have on the average one paid staff and some volunteers. One of the associations; Ghana Federation of Agricultural Producers (GFAP) is a federation of four national apex associations, namely; Farmer Organizations Network of Ghana (FONG), Ghana National Association of Farmers and Fishermen (GNAFF). Peasant Farmers Association of Ghana (PFAG) and Apex Farmers Organization of Ghana (ApFOG). All the six associations presented figures on membership, but could not support the figure with authentic membership register or database. Membership database is non-existent. Those who could produce any information have the list of some members on sheets of paper but not well structured and organized. GFAP since its inception has not been performing well. It could not realize its mission of
unifying all agricultural producer and related actors in the agricultural value chain in Ghana as stated in its mission statement. Its low level of staffing coupled with lack of data collection and analyses capabilities have impacted negatively in the organization’s ability to collect and maintain a comprehensive data base of its members. The association again has no secretariat and equipment to enhance its day-to-day activities and it lacks the professional capacity to draw strategic and operational plans.

Despite these drawbacks, GFAP could boast of some modest achievements which included:

- Contribution to the development of FASDEP II, METASIP and Seed Policy documents
- A representation on the METASIP steering committee
- Membership of the Strategic Analysis and Knowledge Support Systems (SAKSS) sub-committee
- A signatory to the Comprehensive African Agricultural Development Programme (CAADP) Compact
- Served on the task force of the National Seed Policy
- A member of the Central Management Project Team (CMPT) of IFAD

4.3 Leadership, Governance and Strategy

All the six organizations have elected leaders –executive committees/boards in place that have varying levels of qualification that are involved in the management of the associations. According to the respondents, the leaders were democratically elected and have the mandate of the entire membership. The mandates of the existing executives have not expired in most of the associations specifically GRIP, GAPTO and GCAPMA. All the associations have written constitutions which were ratified by the membership. The national executives/boards are the decision making bodies of the associations. Many reports on failure of business and not-for-profit organizations cite poor management as the number one reason for the failures. Since levels of education in management position are an important criterion for assessing leader’s capability to lead an organization, the Consultant examined the qualification of the executive members of the various associations based on the information provided. Three out of the six Presidents/chairmen have university level education. Most of the supporting executive members have secondary level education. Four secretaries out of the six secretaries have university level education. An apex organization of this nature needs highly qualified personnel who can take innovative and strategic decisions for the development of the associations. Leadership that is visionary and have the requisite organizational development and management training should lead in the development of the organizations. The leadership of farmer organizations is expected to be dynamic and look for opportunities that can help the associations in the emerging markets. Based on the qualifications of the present crop of leaders of the various organizations, it seems to suggest that a number of them lack the skills and ideas needed to lead this type of organization.

Written managerial procedures are absent in the FBOs assessed. Task and responsibilities of different departments are not allocated according to clear organizational lines. Also the majority have no written job description for their staff.
4.4 Vision and Mission Statement

All the six apex FBOs have vision and mission statements but these are not well articulated and known to majority of the members since they are not displayed in the offices for visitors and members to see. The vision and mission statements of an organization are very vital since they prescribe the direction and set the tone for the strategic positioning of the organizations. The strategic objectives are established in relation to the mission statement thus focusing on mission related activities which are geared towards addressing membership specific concerns and opportunities. Organization’s vision and mission statements must be clearly defined and communicated to members. However, from the interview held with the respondents this is not well communicated to members. No organization can survive without a vision and mission, or with flawed vision and mission statements. Moreover, if the vision and mission statements are not in tandem with the strategic direction of the organization, it is bound to have difficulties.

4.5 Strategic and Business Planning

Five out of the six associations have all developed strategic plans to guide them in achieving their mission and objectives. The only association that could not develop any strategic plan was GCAPMA. Without any well stated vision, mission and objective statements it is difficult for the associations to come out with a strategy on how to solve the common problems they have, that necessitated the formation of the associations. From the survey it came out that despite the fact that five out of the six associations have developed strategic plans, they could not implement the plans due to lack of funds. The five Apex FBOs depend on ad hoc plans to carry out some of their activities. The capacity to implement plan is vital for the long and short term development of the associations. The interaction with the Apex FBOs revealed that, they depend on Consultants to develop the strategic plans for them. This means the FBOs do not have internal capacity to support the organizations in the development of strategic plans. It is no wonder; all the associations stated they needed support to develop their skills in the development of strategic plans. It is critical and equally important for every business organization to have a business plan. This is equally lacking in all the six organizations assessed. As the saying goes “any organization that does not plan, is planning to fail”.

4.6 Financial Management, Fund Raising and Record Keeping

All the associations’ executive committees keep some form of financial records which were presented quarterly or annually to management boards and donors. For example GRIP presents its account at annual general meetings. None of the associations could provide their audited accounts. GCAPMA stated they needed training in how to prepare financial statements. As a standard, well performing organizations are expected to have annual reports. Based on this, the associations were examined on the availability of annual reports and it came out that it was only GRIB that could produce annual reports on their activities. Majority of the apex FBOs do not consistently prepare annual reports; they prepare annual reports only to meet the requirements of donors when they are implementing donor support projects.
Access to financing is critical for the sustainability of the associations. The major sources of income for the associations are membership registration fees, monthly dues and grants from internal and external sources. Payment of dues is erratic in all the associations. The associations have low financial base. Provision of services to members for a fee could be a major source of revenue for associations; however, it was observed that none of the associations raise funds based on services provided to members. No wonder the associations are complaining of scarce financial resources which have led to the very low financial assets of the associations and their inability to implement their strategic plans. Since most of the associations are not providing relevant services to members and meeting the needs of their members, membership participation and commitment to these associations are low. People join associations for the main reason of getting some benefits and this come through the provision of useful services and meeting membership needs that leverage members businesses.

Provision of inputs, marketing, training and supervisory services are weak in majority of these associations interviewed. These associations do not appear to be business oriented in their operations. Lack of service delivery to members dampens membership commitment since they are not meeting the expectations that motivated them to join the associations.

4.7 Advocacy and Policy Analysis

Advocacy and policy analysis are areas that are very relevant for apex organizations. The data collected on the skill level of the six apex organizations in these areas showed that that 5 out of the 6 associations have limited knowledge and skills in policy analysis. Apart from PFAG which claimed to be strong in this area, the remaining indicated that they have some knowledge but cannot claim they have the requisite skills and knowledge in these subject areas. In the area of advocacy, four of the apex organizations in response to a question on their skill level in advocacy claimed they are weak in this area. However, PFAG and ApFOG claimed they have the requisite skills and knowledge in carrying out advocacy campaigns. According to PFAG and ApFOG they have carried out a number of advocacy activities notable among them are the calls for the School Feeding Programmes to buy food items from local small holder farmers, fertilizer subsidy and agricultural fund to provide credit facilities to farmers at affordable interest rates.

4.8 Marketing

The survey revealed that GFAP is not involved in the marketing of members produce and this applies to its member associations such as PFAG and ApFOG. Apart from advocating for the School Feeding Programme to buy from the smallholder member farmers through press conferences and letters to the School Feeding Programme Management, no serious marketing strategy had been developed by the associations. However, three associations namely GAPTO, GRIB and GCAPMA have been involved in linking their members to markets. GCAPMA circulates market information to its members. For example in 2012, the GCAPMA management informed the member farmers that are into the production of tomatoes in the Greater Accra Region to send their produce to the Ho market when there was shortage of tomatoes in Ho municipality. Marketing of members produce should be based on market research and market requirements such as quality, price, time and mode of delivery, seasonality, and preparation of contract, production forecasting and established links and contracts
with reliable buyers. None of the association could carry out any comprehensive market analysis and study.

4.9 Linkages

All the associations have fairly developed skills in FBO management with the understanding in the ways to create linkages and networks with other association within Ghana and outside Ghana. GFAP and FONG are members of international and regional farmer associations. From the review of literature, GNAFF and FONG which have not been covered in this study belong to a number of international and regional farmer organizations such as Network of Peasant Organization and Producers in West Africa (ROPPA). From the interactions, there is strong bond between the Apex FBOs, this resulted in the formation of GFAP by four apex FBOs.

4.10 Capacity Needs Identified for Apex Farmers Organizations

Based on the outcome of the performance assessment, the following capacity needs were identified for each of the six organizations assessed. The capacity needs are performance requirements necessary for the effective and efficient performance of the Apex FBOs and categorized as training and non-training needs.

Table 9: Capacity Needs of Apex Farmer Organizations

<table>
<thead>
<tr>
<th>Apex Farmer Associations</th>
<th>Capacity Training Needs</th>
<th>Non-Training Capacity Needs</th>
</tr>
</thead>
</table>
| **GFAP**                | • Leadership – definition of roles and responsibilities  
                          • Office and Data Management  
                          • Report Writing  
                          • Project Management  
                          • Monitoring and Evaluation  
                          • Strategic Planning  
                          • Fund Raising  
                          • Advocacy and Lobbying  
                          • Negotiation Skills  
                          • Value Chain Development  
                          • Marketing  
                          | • Office space/equipments  
                          • Database on FBOs - membership  
                          • Qualified and adequate staff  
                          • Ware housing system  
                          • Tractor services/Agro-input service to members |
| **PFAG**                | • Book-keeping  
                          • Financial and administrative management  
                          • Project management  
                          • Monitoring and evaluation  
                          • Association building  
                          • Training on professional procedure for preparation of budget,  
                          • Proposal writing  
                          • Financial and Administrative  
                          | • Staff Vehicles  
                          • Upgrading of Head office  
                          • Office space/equipments  
                          • Qualified and adequate staff  
                          • Ware housing system  
                          • Tractor servicing/Agro-input service to members |
<table>
<thead>
<tr>
<th><strong>Management</strong></th>
<th><strong>GRIB</strong></th>
<th><strong>GAPTO</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Education of Importance on Payment of Membership Dues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Project Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Data collection and Analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Monitoring and Evaluation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Networking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Office management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Monitoring and evaluation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Project management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Strategic planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Deployment of ICT (e.g., in fields, databases, websites, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Advocacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Fundraising and income generation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Integrated management and change management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Gender Analysis and genders issues in rice value chain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Groups development</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Networking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Office location, logistics and staff for Rice Business Service Centres.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Staffing for secretariat.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Advocacy to influence national decision and policy makers.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Restructuring of GRIB to meet the demands of changing playfields.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Support GRIB and the entire rice value chain to ensure job creation, wealth creation and food security</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Permanent training venue for Northern and Southern sectors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Book-keeping,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Financial and administrative management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Project management,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Monitoring and evaluation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Association building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Training on professional procedure for preparation of budget</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Proposal writing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Project Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Data Collection and Analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Networking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Office space/equipments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Qualified and adequate staff</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Ware housing system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Tractor servicing/Agro-input service to members</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Training in the following areas:
- Administration and financial management.
- Development of proposal and business plans.
- Credit union management.
- Post-harvest handling of produce.
- Marketing and packaging.
- Financial Management
- Negotiation Skills
- Policy Analysis
- Advocacy and lobbying
- Networking

- Processing facilities (E.g., rice mill, vegetable processing facilities, combine harvesters).
- Packaging facilities.
- Storage facilities and warehousing.
- Office furnishing and equipment
- Vehicle for haulage of farm produce.

- Good Agricultural Practices (GAPs)
- Management and Records Keeping
- Training required in negotiation,
- Farm Contract Management,
- Policy analysis
- Fund Raising
- Negotiation Skills
- Collective marketing
- Value Chain analyses
- Development of business plans
- Networking

- Pack Houses
- Cold Chain storage facilities

Data Source: Field Study Data, 2013

The following training topics and non-training needs have been recommended by stakeholders as priority areas for capacity development support for the apex FBOs during a stakeholder’s validation workshop held on 5th November 2013 in Accra.

Table 10: Priority Areas for Capacity Development for Apex FBOs

<table>
<thead>
<tr>
<th>Prioritized Training Needs of Apex FBOs</th>
<th>Prioritized Non-Training Needs of Apex FBOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Governance and leadership</td>
<td>• Office accommodation</td>
</tr>
<tr>
<td>• Conflict Management</td>
<td>• Transport</td>
</tr>
<tr>
<td>• Change Management</td>
<td></td>
</tr>
<tr>
<td>• Financial/Record Management</td>
<td></td>
</tr>
<tr>
<td>• ICT-based applications</td>
<td></td>
</tr>
</tbody>
</table>
Chapter Five: Capacity Needs of Community and District Level Farmer Based Organizations (FBOs)

5.0 Main Findings of Capacity Needs Assessment of Community and District Level Farmer based Organizations (FBOs)

The capacity needs of a total of 351 FBOs undertaking three agricultural enterprises namely production, processing and marketing were assessed through the administering of survey questionnaires and focus group discussions. Production FBOs are FBOs in which members are into the production of arable crops such as maize, cowpea, cassava, yam, etc and cash crops such as pineapple, mango, oil palm and citrus. FBOs that are into the production of cocoa have not been included in the study since this crop is not being supported by MOFA. The processing FBOs are FBOs that have members that are involved in value addition through processing of the production crops. Marketing FBOs are FBOs that have members that are involved in the marketing of arable and cash crops either in its raw form or processed.

Table 1 indicates that 88% of the FBOs assessed are into crop production. It was difficult for the enumerators to locate especially the marketing FBOs. Thus only 2 percent of the FBOs assessed in the six regions are marketing FBOs. (See Tables 3 and 4 for details on the distribution of FBOs and members according to region and enterprise.) Table 11 shows that about 86 percent of the 351 FBOs assessed are registered with one of the following: the Department of Cooperatives, Registrar-General’s Department, District Assembly and District MOFA. Of the 351 community FBOs assessed, 35 percent are registered with the Department of Cooperatives and 9 percent registered with the Registrar-General’s Department, 36 percent are registered with District MOFA and 14 percent are not registered at all. From the data in Table 11, it could be observed that 44 percent of the FBOs are officially registered with either the Department of Cooperatives or the Registrar-General’s Department. In Ghana for an FBO to be considered officially registered; it has to be registered with the Department of Cooperatives and or the Registrar General’s Department. Tables 11 and 12 provide details on the types of registration undertaken by the 351 FBOs by region and enterprise.

One major criterion considered by financial institutions in Ghana before granting loan to business enterprises including FBOs is official registration. The current situation as indicated in table 11 suggests that at least 56 percent of the FBOs assessed are not qualified by this registration criterion to access credit from financial institutions. Lack of official registration could be one of the major reasons why the FBOs could not have access to credit from financial institutions. One capacity needs
expressed by the majority of FBOs interviewed is to build their capacity to qualify them access credit from financial institutions. From the foregoing, it suggests that the capacity of the FBOs have to be built to enable them to be legally registered.

Table 11: Types of FBO Registration by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Type of registration</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dept of Cooperatives</td>
<td>Registrar-General’s Dept</td>
</tr>
<tr>
<td>Ashanti</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Brong Ahafo</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Central</td>
<td>23</td>
<td>10</td>
</tr>
<tr>
<td>Eastern</td>
<td>24</td>
<td>9</td>
</tr>
<tr>
<td>Northern</td>
<td>37</td>
<td>3</td>
</tr>
<tr>
<td>Volta</td>
<td>22</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>123 (35%)</td>
<td>32 (9%)</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013

Table 12: Type of FBO Registration by Enterprise

<table>
<thead>
<tr>
<th>Farm Enterprise</th>
<th>Type of registration</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dept of Cooperatives</td>
<td>Registrar-General’s Dept</td>
</tr>
<tr>
<td>Production</td>
<td>107</td>
<td>29</td>
</tr>
<tr>
<td>Processing</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Marketing</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>123 (35%)</td>
<td>32 (9%)</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013

5.2 Governance, Leadership and Managerial Capacity

Of the 351 FBOs assessed, 90 percent have Executive Committees in place. Executive Committee play very vital role within the FBOs sector. An executive committee comprises the President/Chairman, Secretary, Treasure and Organizer. The committee has the ultimate responsibility for directing the activities of the organization, ensuring it is performing its functions and delivering on services expected from members. Every management committee is expected to provide leadership to the FBO by setting the strategic direction to guide and direct the activities of the organization. Based on the roles of the executive committees, the executive members should be well qualified in terms of
educational qualifications for the job. It is in this vein that the educational backgrounds of the executive members of the FBOs were assessed. The assessment of the educational level of the Presidents/ Chairmen reveals that only 5 percent of the Presidents/Chairmen of the FBOs had tertiary level education. The assessment of the educational level of the Presidents/Chairman further revealed that 44 percent of the president/ chairman positions were occupied by members with only elementary /basic school level education. The assessment of the educational level of females occupying the Presidency/ Chairman position in the 351 FBOs assessed revealed that only 2 out of the 351 Presidency/ Chairman positions are occupied by females who have Post-Secondary Education, whereas 8% of the President/Chairmen positions are occupied by females with no formal education. Refer to Table 13 for details on the educational level of males and females occupying the Presidents/Chairmen positions in the 351 FBOs studied.

Since secretaries in the FBOs play very important strategic and leaderships roles, their level of education in managing the affairs of the FBOs is very paramount. A further examination of the educational level of secretaries of the FBOs as shown in table 14 revealed that about 10 percent of them had tertiary level education, with 45% of them having elementary/basic level education. Table 14 shows that only 12% of females are occupying the position of secretaries in the 351 FBOs interviewed. On the educational level of secretaries to the FBOs, table 14 shows that out of the 43 females occupying secretary position in the 351 FBOs, only 7 females have tertiary level education whereas 16 out of the 43 female secretaries have basic level education. See table 14 for more details on the educational levels of both males and females secretaries in the 351 FBOs interviewed.

Because of the low level of education of the leadership of FBOs, they do not have the managerial capacity to develop the organizations to achieve their objectives. This is reflected in the low performance capacity of the FBOs in the areas of planning, delivery of services to members, collection of membership dues, generation of funds for the FBOs and supporting members to access markets as shown in Table 12. These areas in which the FBOs’ performances are low are vital for sustaining membership commitment to the organizations.

Table 13: Chairman/ Presidents of FBOs Interviewed and their Educational Qualifications

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>83</td>
<td>133</td>
<td>45</td>
<td>5</td>
<td>11</td>
<td>16</td>
<td>293 (83%)</td>
</tr>
<tr>
<td>Females</td>
<td>28</td>
<td>25</td>
<td>3</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>58 (17%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>111 (32 %)</td>
<td>158 (45 %)</td>
<td>48 (14 %)</td>
<td>5 (1 %)</td>
<td>13 (4 %)</td>
<td>16 (5 %)</td>
<td>351 (100 %)</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013

On the position of treasurer in the 351 FBOs, 56% of treasurers in the 351 FBOs interviewed are females. The high percentages of women occupying the position of treasurers in the FBOs suggest the high confidence majority of the members have in the females managing their monies. On the educational level of the females occupying the position of treasurer in the 351 FBOs, as indicated in table 15, out of the 197 females that occupy the position of treasurer in the 351 FBOs, 121 of them have basic level education with only 7 having
tertiary level education. Refer to table 15 for details on the educational level of treasurers of the 351 FBOs interviewed.

**Table 14: Educational Qualification of Secretaries of FBOs Interviewed**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>13</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>Male</td>
<td>18</td>
<td>138</td>
<td>94</td>
<td>2</td>
<td>13</td>
<td>28</td>
<td>293</td>
</tr>
<tr>
<td>Female</td>
<td>3</td>
<td>16</td>
<td>15</td>
<td>1</td>
<td>1</td>
<td>7</td>
<td>43</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>154</td>
<td>110</td>
<td>3</td>
<td>15</td>
<td>35</td>
<td>351</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013

**Table 15: Educational Qualification of Treasurers of FBOs Interviewed**

<table>
<thead>
<tr>
<th>Treasurer education</th>
<th>Non Formal</th>
<th>Primary/Elementary/ Basic Education</th>
<th>Technical/Voc/Senior Secondary School</th>
<th>Teacher’s Certificate ‘A’</th>
<th>Tertiary</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>40</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>41</td>
</tr>
<tr>
<td>Male</td>
<td>46</td>
<td>52</td>
<td>13</td>
<td>1</td>
<td>1</td>
<td>113</td>
</tr>
<tr>
<td>Female</td>
<td>55</td>
<td>121</td>
<td>17</td>
<td>0</td>
<td>4</td>
<td>197</td>
</tr>
<tr>
<td>Total</td>
<td>141</td>
<td>174</td>
<td>30</td>
<td>1</td>
<td>5</td>
<td>351</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013
### Table 16: Capacity Assessment of FBOs on a Number of Performance Indicators

<table>
<thead>
<tr>
<th>Variables</th>
<th>Volta Region</th>
<th>Central Region</th>
<th>Brong Ahafo</th>
<th>Northern</th>
<th>Eastern</th>
<th>Ashanti</th>
<th>Total Score</th>
<th>Total FBOs</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPDATED LIST</td>
<td>62</td>
<td>35</td>
<td>35</td>
<td>93</td>
<td>69</td>
<td>21</td>
<td>315</td>
<td>351</td>
<td>90%</td>
</tr>
<tr>
<td>VISION AND MISSION</td>
<td>39</td>
<td>32</td>
<td>32</td>
<td>76</td>
<td>63</td>
<td>12</td>
<td>254</td>
<td>351</td>
<td>72%</td>
</tr>
<tr>
<td>CLEAR OBJECTIVES</td>
<td>46</td>
<td>36</td>
<td>36</td>
<td>76</td>
<td>62</td>
<td>18</td>
<td>274</td>
<td>351</td>
<td>78%</td>
</tr>
<tr>
<td>ACCEPTABLE CONSTITUTION</td>
<td>38</td>
<td>36</td>
<td>36</td>
<td>99</td>
<td>67</td>
<td>20</td>
<td>296</td>
<td>351</td>
<td>84%</td>
</tr>
<tr>
<td>MEET REGULARLY</td>
<td>32</td>
<td>36</td>
<td>36</td>
<td>89</td>
<td>53</td>
<td>15</td>
<td>261</td>
<td>351</td>
<td>74%</td>
</tr>
<tr>
<td>HAS ELECTED LEADERS</td>
<td>32</td>
<td>36</td>
<td>36</td>
<td>105</td>
<td>68</td>
<td>21</td>
<td>298</td>
<td>351</td>
<td>85%</td>
</tr>
<tr>
<td>RECORDS MEETINGS AND ATTENDANCE</td>
<td>33</td>
<td>29</td>
<td>29</td>
<td>73</td>
<td>58</td>
<td>18</td>
<td>240</td>
<td>351</td>
<td>68%</td>
</tr>
<tr>
<td>RECORDS OF FINANCE</td>
<td>43</td>
<td>30</td>
<td>30</td>
<td>60</td>
<td>44</td>
<td>16</td>
<td>223</td>
<td>351</td>
<td>64%</td>
</tr>
<tr>
<td>MARKET ACCESS</td>
<td>23</td>
<td>33</td>
<td>11</td>
<td>30</td>
<td>33</td>
<td>13</td>
<td>145</td>
<td>351</td>
<td>41%</td>
</tr>
<tr>
<td>OFFICIALLY REGISTERED</td>
<td>43</td>
<td>28</td>
<td>28</td>
<td>70</td>
<td>62</td>
<td>21</td>
<td>252</td>
<td>351</td>
<td>72%</td>
</tr>
<tr>
<td>HAS BUSINESS AND SERVICE FOR MEMBERS</td>
<td>4</td>
<td>11</td>
<td>11</td>
<td>39</td>
<td>15</td>
<td>1</td>
<td>81</td>
<td>351</td>
<td>23%</td>
</tr>
<tr>
<td>MARKET ACCESS AND CONTRACT</td>
<td>5</td>
<td>14</td>
<td>14</td>
<td>49</td>
<td>6</td>
<td>3</td>
<td>91</td>
<td>351</td>
<td>26%</td>
</tr>
<tr>
<td>DEVELOPED BUSINESS &amp; STRATEGIC PLANS</td>
<td>9</td>
<td>1</td>
<td>1</td>
<td>31</td>
<td>42</td>
<td>13</td>
<td>97</td>
<td>351</td>
<td>28%</td>
</tr>
<tr>
<td>ANNUAL PLANS AND RECORDS</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>53</td>
<td>11</td>
<td>4</td>
<td>85</td>
<td>351</td>
<td>24%</td>
</tr>
<tr>
<td>NETWORKING</td>
<td>6</td>
<td>14</td>
<td>14</td>
<td>80</td>
<td>19</td>
<td>8</td>
<td>141</td>
<td>351</td>
<td>40%</td>
</tr>
<tr>
<td>EMPLOYED STAFF</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>17</td>
<td>1</td>
<td>0</td>
<td>18</td>
<td>351</td>
<td>5%</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013

According to data collected in the field as indicated in Table 16, about 72% of the total FBOs assessed have some form of vision and mission statements. Vision and mission of organizations are supposed to be shared by the membership and becomes the bedrock for the development of strategies and plans. Field investigations through the focus group discussions held with members of the FBOs indicated that majority of members are not aware of the vision and mission statements and could therefore not articulate them.

### 5.3 Strategic and Business Planning

“If you fail to plan, you plan to fail” this adage holds true under all circumstances. Planning is a critical component of good management and governance. Planning helps to assure that an organization remains relevant and responsive to the needs of members and contributes to organizational stability. It provides the basis for monitoring progress, and for assessing results and impacts. Strategic planning therefore plays a critical role for all organizations especially businesses to have operational and business plans which guide them in the execution of their activities. The capacities of the FBO executives were assessed on their skills in the area of strategic, business and operational planning. The data as indicated in table 16 revealed that only 28% of the FBOs assessed had developed strategic and business plans. Field investigations further revealed that FBOs that indicated they had done some planning were supported by external consultants during the MiDA project.
5.4 Market Access and Contracts

Marketing has been identified as one of the major problems facing smallholder farmers in Ghana. Organization of farmers into groups and collectively marketing their produce have been identified as one of the strategies to help farmers enter the competitive domestic, regional and global markets. Farmers need to organize themselves in groups and bulk their produce to enhance their bargaining power in the market. This would also allow them to achieve economies of scale in organizing their operations including transporting their produce to farther and bigger markets at lower costs. In markets where smallholder farmers are not organized, grain aggregators spend considerable amount of time in village markets until they are able to collect sufficient amount of grain and hence incur significant transaction costs that they pass on to farmers in the form of lower prices. Collective marketing will significantly reduce these transaction costs and improve farmer profit margins.

Since the farmers being assessed are already organized into groups, it is prudent to assess their participation and skills in interacting with the markets. As revealed in table 16, only 41% of the FBOs are able to sell their produce to buyers as members of FBOs but not collectively. According to the FBO members especially those into the production of food crops claimed they do not have access to bulk buyers such as Nation Buffer Bulk Stock Company, World Food Programme, processing companies and the School Feeding Programmes. The members of food crop FBOs in the Volta Region claimed they have never heard of the National Buffer Stock Company and World Food Programme as companies involved in the bulk purchase of grains. When it comes to marketing through contracts, only 28% of the FBOs had ever been involved in any form of contracting as a group. Field investigations further revealed that the contracts are most often verbal contracts and the buyers are mainly processors of fruits such as pineapple, mango and citrus. The terms of the contracts most often center on the price to be paid per kilogramme of mango, pineapple or citrus, the expected quality standards and type of certificate held by the FBOs. The processing companies demand GlobalGAP and organic certification. A mango association in Kintampo in the Brong Ahafo Region said a fruit processing company in Accra procured 300 packing crates for the association on credit as a support to the associations. The cost of the crates was deducted from the sales of mango fruit made to the company. There was no written contract, but the two parties trusted each other.

The skills levels of executive members of FBOs in market related areas were further assessed. The assessment was done through direct questions to the executive members in specific marketing skill areas. Areas assessed included skills in analyzing the probability of market opportunities, identifying market opportunities, costing of farm operations, pricing and price negotiation, collective marketing management, quality improvement of products, relationship building with buyers and suppliers, adapting production practices to respond to market demands and adapting post-harvest management practices. Table 17 shows the result of the responses to the question posed to the 351 FBO executives on their skills level in a number of skill areas.
<table>
<thead>
<tr>
<th>No.</th>
<th>Marketing Related Knowledge and Skill Areas Assessed</th>
<th>No. of FBOs: Low knowledge &amp; Skill level</th>
<th>No. of FBOs with Intermediate Skill Level</th>
<th>No. of FBOs with Advanced Skill Level</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Analyze market opportunities</td>
<td>211 (60%)</td>
<td>72 (21%)</td>
<td>36 (10%)</td>
<td>351 (100%)</td>
</tr>
<tr>
<td>2.</td>
<td>Identify market opportunities</td>
<td>210 (60%)</td>
<td>90 (27%)</td>
<td>46 (13%)</td>
<td>351 (100%)</td>
</tr>
<tr>
<td>3.</td>
<td>Improve products to meet market needs</td>
<td>166 (47%)</td>
<td>123 (35%)</td>
<td>62 (18%)</td>
<td>351 (100%)</td>
</tr>
<tr>
<td>4.</td>
<td>Costing of Activities</td>
<td>197 (56%)</td>
<td>106 (30%)</td>
<td>48 (14%)</td>
<td>351 (100%)</td>
</tr>
<tr>
<td>5.</td>
<td>Pricing and Negotiation Skills</td>
<td>150 (43%)</td>
<td>124 (35%)</td>
<td>11 (3%)</td>
<td>351 (100%)</td>
</tr>
<tr>
<td>6.</td>
<td>Collectively marketing the Products</td>
<td>202 (57%)</td>
<td>90 (26%)</td>
<td>59 (17%)</td>
<td>351 (100%)</td>
</tr>
<tr>
<td>7.</td>
<td>Build Relationship with Buyers</td>
<td>137 (39%)</td>
<td>130 (37%)</td>
<td>84 (24%)</td>
<td>351 (100%)</td>
</tr>
<tr>
<td>8.</td>
<td>Build Relationship with Suppliers</td>
<td>171 (49%)</td>
<td>106 (30%)</td>
<td>58 (17%)</td>
<td>351 (100%)</td>
</tr>
<tr>
<td>9.</td>
<td>Keep Records of Business Activities</td>
<td>187 (53%)</td>
<td>108 (31%)</td>
<td>56 (16%)</td>
<td>351 (100%)</td>
</tr>
<tr>
<td>10.</td>
<td>Adapt production practices that respond to the demands of the market</td>
<td>161 (46%)</td>
<td>127 (36%)</td>
<td>63 (18%)</td>
<td>351 (100%)</td>
</tr>
<tr>
<td>11.</td>
<td>Adapt post-harvest practices that respond to the demands of the market</td>
<td>161 (46%)</td>
<td>134 (38%)</td>
<td>56 (16%)</td>
<td>351 (100%)</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013

As indicated in table 17, 60% of the FBOs could not identify and analyze market opportunities. Because of this low skill level, only 28% of the 351 FBOs surveyed could go into any contract with a buyer. The field analysis further indicated that majority of the farmers use the spot market approach mostly in marketing their produce. They plant before looking for a buyer. This approach has exacerbated the marketing situation of the farmers since there was no demand for the produce before it was planted; the farmers had to look for a buyer after harvesting. As revealed in the study, one major marketing challenges of the farmers is the over reliance on the spot market approach. Because the FBOs are deeply embedded in the spot market approach they are not able to establish good relations with buyers and suppliers. As indicated in table 17, only 18% of the FBOs are able to maintain relation with their suppliers and likewise only 24% of the FBOs are able to maintain relation with buyers. One important hallmark of contracting is the development of trust, which is lacking in the spot market approach since this is not sustainable since the buyer has no contractual relationship and can move out of the relationship at will. The complementary contract approach is the market oriented approach, where the farmer produces based on the demands of the market thereby maintaining trust and establishing long term relationship. Field level investigation also revealed that poor access road is contributing to the marketing difficulties of the farmers. The poor quality of the feeder roads makes it difficult for the buyers to travel to the farm gates and equally makes it difficult for the farmers also to transport the produce to the buying centers. Furthermore, farmers that are into the production cereals face a lot of challenges including post-harvest losses due to inadequate technologies (shelling, loading, open air drying) and insufficient drying facilities. As could be seen from table 17, only 18% of the FBOs have knowledge and skills in post-harvest management based on the responses to the question on their skill level in this area.
Collective marketing has been identified as one of the major strategies to alleviate the marketing plight of farmers, however, when the farmers at a focus group discussion were asked whether they have ever sold their produce collectively as a group, the evidence in table 17, shows that only 17% of the FBOs assessed have ever practiced collective marketing. Before FBOs can effectively engage in collective marketing and other contract marketing arrangements, the FBOs management should be knowledgeable and skilful in keeping records, pricing and negotiation and post-harvest quality management. On the contrary, members of the FBOs skills levels in these important areas are low as indicated in Table 17; only 11% of the FBO members interviewed have pricing and negotiation skills, whereas in record keeping only 16% have skills in this area.

5.4.1 Farmers, FBOs and Buyer Relationship Challenges

While it would be mutually beneficial for buyers and smallholders to do business together, they frequently find it difficult to enter into productive commercial relationships, with both farmer and buyer often due to lack of trust and access to the other.

The field investigation and analysis of the data have identified five structural challenges that need to be understood and addressed, in order to improve this business relationship for all parties.

- **Lack of market information**

Market information keeps farmers and traders attuned to the demands and changing preferences of consumers, guiding farming and type of investment that could be made in agriculture. The companies involved in bulk purchase of farm produce claim it is difficult to obtain vital information on smallholder markets. They are often not aware who is selling what, at what price and where. Bulk purchasing companies most often have to rely on aggregators, who are middlemen. The farmers feel cheated by the middlemen. With adequate market information and well organized FBOs, the farmers could have direct contacts with the buyers thereby eliminating the unhealthy activities of the middlemen.

FBOs equally face difficulties accessing up-to-date information on issues such as market prices for their products, weather forecasts, potential business partners within the local level and beyond, available inputs, modern production and marketing technologies, and good agricultural practice information. Because Agricultural Extension Agents are constrained in terms of technical skills and knowledge in market research and other logistical support such as means of transport to visit the farmers, they could not help the farmer by enabling them have access to these vital services.

With more and more small-scale farmers gaining access to mobile phones, the use of mobile phones in business will have to be strengthened. ESOKO has started providing market information to buyers and farmers on specific commodities such as maize in Techiman and Tamale areas; however, the service is not covering the whole country. An ESOKO market information service is non-existence in the Volta Region and Eastern Region based on field information. With the high penetration of mobile phone coverage and high percentage of mobile phone ownership in Ghana, the use of e-extension is an area which needs to be explored vigorously especially by the DAES of MOFA to enable the AEAs to reach more farmers through this medium.
Lack of Business Skills

As indicated in the responses to questions concerning the skill levels of FBOs members in marketing related skill areas, the data in table 17 indicates that the majority of them have limited knowledge and skills in market opportunities, pricing, building long term relationship with buyers, price negotiation among others. For details on the marketing constraints facing the FBO members interviewed, refer to table 17.

- Mistrust, Insecurity and Risk

Typically, the business relationship between small-scale farmers and companies and traders are soaked in insecurity and mistrust, making it difficult for one to trust the other and enter into long-term commitments. Farmer-trader relationship seems to be full of mistrust. Interviewed farmers were skeptical about customer relations with traders, claiming that the traders benefit most. The traders in turn, complain that farmers cheat by adding low quality products hidden in a batch. Coupled with the issue of mistrust, farmers are in high risk business. Their incomes are low, insecure and irregular, and the majority of developing countries usually only offer limited insurance coverage and social safety nets needed to absorb losses of a failed harvest or an unexpected fall in prices. Mass education of smallholder farmers on micro insurance and its benefits for the smallholder farmers has to be intensified. Currently, micro insurance services are being rolled out in Ghana and this is an area the FBOs need more education on. Markets in rural areas are also mostly informal, and contract-enforcement support systems – like the police or courts – are also generally unavailable, not reliable and time-consuming. Therefore, most of the existing contracts between the farmers and buyers in most cases are unwritten or oral and based on trust.

5.5 Capacity Needs Identified for Community and District Level FBOs Assessed

Based on the needs assessment carried out the following performance gaps have been identified. The needs are categorized into two part; namely, training and non-training needs. The training needs are further divided into two section viz. organizational development training needs and technical good agricultural practice training needs.

Table 18: Capacity Needs Identified for Community and District level FBOs

<table>
<thead>
<tr>
<th>No.</th>
<th>Organizational Development Training Needs for FBOS</th>
<th>Technical Good Agricultural Practice (GAP) Training Needs for FBO Members</th>
<th>Non-Training Needs for FBOS and FBO Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Group Dynamics &amp; organizational skills development</td>
<td>Training in Good Agricultural Practice (GAP) all crops, post-harvest management</td>
<td>Weeding machines – brush cutters</td>
</tr>
<tr>
<td>2.</td>
<td>Leadership and Managerial Skills training</td>
<td>Training in soil and water conservation methods</td>
<td>Office space and administration</td>
</tr>
<tr>
<td>3.</td>
<td>Business plan development training</td>
<td>Training in HACCP</td>
<td>Provision of Credit facility</td>
</tr>
<tr>
<td>4.</td>
<td>Booking and Financial Management training</td>
<td>Training in Rice processing</td>
<td>Provision of Feeder Roads</td>
</tr>
<tr>
<td>5.</td>
<td>Training in Planning and Budgeting</td>
<td></td>
<td>Provision of market infrastructure</td>
</tr>
<tr>
<td>6.</td>
<td>Marketing strategy development training</td>
<td></td>
<td>Market information system</td>
</tr>
<tr>
<td>7.</td>
<td>Credit Management training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Training in Report Writing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Training in Strategic Planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Training in Farming as a Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Pricing, Negotiation &amp; Contracting Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Training in Networking</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Data Source: Field Survey Data, 2013**

### 5.6 Classification of FBOs based on Stages of Development

One major outcome of the assessment of the FBOs at the community and district levels is the classification of the 351 FBOs across the six regions into four main stages of development, namely; start-up stage, developing stage, consolidation stage and mature business stage. The rationale behind the development of the FBOs classification system is to move from the current practice of capacity development of FBOs in which all FBOs are lumped together for training and support. The availability of marketing channels should be the vital driving force for FBOs development. The linking of an FBO to the markets should be based on the capacity of the FBO to cope with the demands of the market. The organizational performance of an FBO could be easily determined based on its stage in the FBO development process.

The approach to the development of the classification system is targeted at developing the capacity of the organizations to develop and effectively link them to markets in a business-oriented fashion. The focus is on building the capacity of FBOs with emphasizes on organizational development, technical agronomic training, agribusiness training and market orientation to enable them link successfully to potential markets. This is to be done through a four-stage development process, designed to ensure that the FBOs develop a vision and become business-oriented for effective participation in the market. The four stage development process is described in figure 2.

The rationale behind the four stage development process is as follows:

- To tailor the support according to the actual needs of the FBOs;
- To systematise incentives for FBOs development based on performance;
- To provide orientation for grant and credit suppliers to increase their chance to reach business oriented FBOs; and
- To measure progress in the FBO development process.
Criteria for the FBO Development Stages

Each development stage consists of a set of criteria or requirements indicating when an FBO has reached a specific development stage: A farmer group is classified as follows:

1. **Start-Up Stage**
   
   (a) Has updated membership list  
   (b) Group members know each other  
   (c) The group organizes regular meetings with a minimum attendance of 70% of group members

2. **Development Stage**:

   (d) Has a clear vision and mission defined by members  
   (e) Has clear objectives, which are understood by the members  
   (f) Has an acceptable constitution and known by all  
   (g) Has a bank account;  
   (h) Has a governance system in place- elected, functional leaders and the decision-making procedures as enshrined in the FBO regulation or constitution;
(i) Minimum of 80% attend meetings regularly
(j) Minimum of 80% of members paying dues regularly;
(k) Executive members have business training and have skills in planning and record book
(l) Has external relations and linkages
(m) Has records in reasonable form on income and expenditures, of meetings and activities, farm record keeping and farm planning;
(n) Has market for produce

3. **The Consolidating Stage** is defined by the following criteria:

(o) The FBO is officially registered and has an office
(p) Has defined services and / or business activities for members
(q) Has income from services and / or business activities at FBO level
(r) Has GlobalGAP/ Organic/ Fairtrade certificate for the produce
(s) Has strategic and business plans (budgets)
(t) Has market access and contracts for produce
(u) Has annual plans and reports
(v) Is networking with similarly oriented FBOs

4. **The Business (Mature) Stage**

(w) Has employed a professional manager for running the business
(x) Has annual turnover of over GHC8,000 or more (FBO to demonstrate that it has enough cash reserve in its account or show good balance sheet that it is financially sound to implement its plans and programmes and minimize over dependence on external support)
(y) Has a running contract and / or guaranteed market for produce of members

Based on the criteria, the 351 FBOs were assessed and classified according to the stages of development on regional basis. The accumulative result of the assessment is presented in table 19.
Table 19: Classification of FBOs Assessed According to Stages of Development by Region

<table>
<thead>
<tr>
<th></th>
<th>VOLTA REGION</th>
<th>ASHANTI REGION</th>
<th>BRONG AHAFO REGION</th>
<th>NORTHERN REGION</th>
<th>EASTERN REGION</th>
<th>CENTRAL REGION</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>START UP STAGE (S)</td>
<td>26</td>
<td>2</td>
<td>-</td>
<td>11</td>
<td>2</td>
<td>12</td>
<td>53 (15%)</td>
</tr>
<tr>
<td>DEVELOPMENT STAGE (D)</td>
<td>34</td>
<td>16</td>
<td>28</td>
<td>69</td>
<td>59</td>
<td>37</td>
<td>243 (69%)</td>
</tr>
<tr>
<td>CONSOLIDATION STAGE (C)</td>
<td>2</td>
<td>3</td>
<td>8</td>
<td>25</td>
<td>8</td>
<td>6</td>
<td>52 (15%)</td>
</tr>
<tr>
<td>MATURE BUSINESS STAGE (B)</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>3 (0.9%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>63 (18%)</td>
<td>21 (6%)</td>
<td>36 (10%)</td>
<td>106 (30%)</td>
<td>70 (20%)</td>
<td>55 (16%)</td>
<td>351 (100%)</td>
</tr>
</tbody>
</table>

Data Source: Field Survey Data, 2013

As indicated in table 19, 69% of FBOs assessed are in the developing stage. This explains why majority of FBOs could not maintain business relationship. They lack capacity in meeting requirements of the market as illustrated in Figure 2. Although FBOs exist in the communities, they are professionally weak in marketing since they could not meet the quantity, quality and delivery demanded by buyers. Table 19 shows that less than 1% of the FBOs assessed are currently in the business stage. The field investigations revealed that these FBOs have market for their produce and are into the production of maize and mango. The Manya Krobo Mango Farmers Association is one of the FBOs in the mature business stage. Members are into the production of fresh mangoes and sell their produce collectively as a group to Blue Skies and HPW processing companies. Blue Skies and HPW are fruit processing companies in the Eastern Region of Ghana. To move to the next stage in the development process, the FBOs have to be trained to deliver services to members, develop strategic and business plans, get certified especially for FBOs that need certification, improve on good agricultural practice coupled with business orientation.

In general for FBOs to be sufficiently developed to the mature business stage, they need systematic and long term training in areas mentioned above, advising and coaching. Regular care, assistance and support (immaterial – technical assistance) are important for the FBOs to keep them on the track of development. Training, advising and coaching of the groups (extension) should combine agricultural / technical training with Organizational Development (OD) and business aspects. This makes the needed OD steps more apparent for the farmers (e.g. in order to have access to inputs or in order to market their produce collectively they have to organize themselves).

Cases of three FBOs one from Ghana and two from India that are in the business stage of development are presented in the following page.
5.7 Case Examples of Three Successful FBOs in India and Ghana.

1. Good Practice Example of an FBO Exporting High Value Crops/Products: Mahagrapes

One of the most progressive states in India in terms of organizing farmers into groups is the state of Maharashtra. In 1991, with the help of national and state government agencies, a farmer based organization (FBO) called Mahagrapes was organized as partnership firm of 16 grape growing cooperatives. Since then, this FBO has become one of the greatest exporters of fresh table grapes in India. The share of Mahagrapes in grape exports is about 15% with turnover being in the tune of more than 100 million rupees. Inspite of the stringent quality parameters for export to Europe, Mahagrapes has succeeded as a reliable brand in supermarket chains of Europe. Mahagrapes has excellent infrastructure of its own for pre-cooling, cold storage and packaging (15 units), the technology was imported from California, U.S.A. This firm acts as facilitator, quality controller and input supplier to all 2,500 member farmers. Two executive partners (farmers) are responsible for decision-making within the organization, and they are assisted by a team of professional managers and technical specialists. An executive council, composed of seven elected heads of the participating cooperatives, provides oversight of the firms’ operations. Also, the FBO has a Board of Directors that include the heads of all 16 member cooperatives.

2. Good Practice Example of an Apex FBO adding value and marketing produce of its members: Gujara Cooperative Milk Marketing Federation Ltd. In India

Amul (Anand Milk Union Limited), formed in 1946, is a dairy cooperative movement in India. It is a brand name managed by an apex cooperative organization, Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF), which today is jointly owned by some 2.8 million milk producers in Gujarat, India.

The birth of Amul at Anand provided the impetus to the cooperative dairy movement in the country. The Cooperative was registered on December 14, 1946 as a response to exploitation of marginal milk producers by traders or agents of existing dairies in the small town named Anand (in Kaira District of Gujarat). Amul is a network of 15,760 village cooperative societies that is linked to 3.1 million village milk producers and collects about 9.4 million litres of milk per day from their producer members. About 70% of the producers are small holder farmers.

Amul has a three-tier cooperative structure. The structure consists of 15,760 village dairy cooperative societies which are brought together to form 30 Cooperative Unions at the district level. The Unions are in turn federated into milk federation at the state level. Milk collection is done at the village dairy society level, milk procurement and processing at the District Milk Union and milk products marketing at the state milk federation.

AMUL is a sterling example of a co-operative organization's success in the long term. It is one of the best examples of co-operative achievement in the developing economy. "Anyone who has seen the dairy cooperatives in the state of Gujarat, especially the highly successful one known as AMUL, will naturally wonder what combination of influences and incentives is needed to multiply such a model a thousand times over in developing regions everywhere." The Amul Pattern has established itself as a uniquely appropriate model for rural development. Amul has spurred the White Revolution of India, which has made India the largest producer of milk and milk products in the world. It is also the world's biggest vegetarian cheese brand.

Amul is the largest food brand in India and world's Largest Pouched Milk Brand with an annual turnover of US $1050 million (2006-07). Currently Amul has 2.8 million producer members with milk collection average of 10.16 million litres per day. Besides India, Amul has entered overseas markets such as Mauritius, UAE, USA, Bangladesh, Australia, China, Singapore, Hong Kong and a
few South African countries. Its bid to enter Japanese market in 1994 had not succeeded, but now it has fresh plans of flooding the Japanese markets.

THE SUCCESS STORY OF THE SEA – FREIGHT PINEAPPLE EXPORTERS OF GHANA (SPEG)

Ghanaian firms began exporting the Smooth Cayenne variety of fresh pineapple to Europe – which was and still is the major destination – by air in small quantities in the mid nineteen eighties. By 1994 export volumes by air had reached about 12,000MT. With the successful introduction of sea shipment by SPEG in 1994, the rate of growth of pineapple exports increased significantly. Growing from a total of 12,000 MT in 1994 to 71,000MT in 2004 a cumulative increase of 373%. The contribution of sea shipments compared to air shipments to total export volumes also increased as indicated in the graph below:

This increase in export volumes spearheaded by SPEG resulted in increased market share of fresh Ghanaian pineapples in Europe from 7 – 8 percent in 1999 to 10 percent in 2004 with volumes of 71,000MT. The Sea – Freight Pineapple Exporters of Ghana (SPEG) was founded by five commercial farms with the objective of promoting the growth and export of pineapple by sea. It was mandated to co-ordinate logistics of members, vessels and operators and to liaise with government agencies such as the Ghana Ports and Harbours Authority (GPHA), Ghana Export Promotion Authority (GEPA), Service Providers, Donor agencies and others. The Association has presently added the provision of Technical Support Services as well as Marketing Support Services to its portfolio of services such as the Group Marketing Scheme through which its brand SANKOFA is being promoted in major European countries and in the Middle East. The success of SPEG has been due to the following factors among others: -

1. **The portfolio of services**: SPEG offers critical and key services for which members are prepared to belong to the group and access them. They are even prepared to pay for the services. These services include:

   - Arrange sea – freight space on assigned vessels.
   - Negotiate for the services of ocean vessels.
   - Consolidate pineapple cargo for vessel operators.
   - Provides Technical Support Services – good agricultural practice training and preparation of the various farms for Global GAP certification.
- Undertake market promotion and provide market information services.

2. **Independent Staff**: SPEG has engaged highly trained professional staff who work independently and are not influenced by members.

3. **Reliable Source of Funding**: The Association has in place levies on produce exported through SPEG’s facilitation. Members are committed to the payment to extent that even when export volumes are low, they are prepared to contribute more according to their individual capacities to keep the Association running.

4. **Transparency**: This is achieved through the following:
   - Frequent Executive Council, General, Technical and other meetings.
   - Yearly financial statements of accounts are published and are available to members and outsiders.

5. **Competent Staff**: Highly motivated professional staff is always engaged, therefore very little staff turnover.

6. **Regular Election of Executive Council**: The policy-making body, the Executive Council is elected every two years. No member therefore stays in this position beyond his mandate to exert any unnecessary influence.

7. SPEG prides itself of attractive office premises with conference room for meeting and offices for staff.

8. Association has stakes in key service institutions like the Fruit Terminal Company Limited at the Tema port.

9. **Communication Tools**: SPEG has a functional website and good quality printed brochures.

10. The Association has an efficient Quality Control Scheme in place to support its members to ensure their produce is accepted in the market.

11. SPEG has introduced the Group Marketing Scheme to enable members market their produce under the single SANKOFA brand. This assures good quality, market accessibility and good payment terms.

The survival and sustainability of SPEG has been due to the continuous production and shipment of pineapple by its members. Therefore the major challenge over the past few years has been SPEG’s efforts to obtain support for members to overcome their low production capacities in terms of funding. This is because export volumes since 2004 have been showing a decline as a result of the change in global demand from the Smooth Cayenne to the MD2 variety.
The reason why a market oriented FBO like the Mahagraves, Amul Diary Cooperatives and SPEG are more effective is due to the services that they provides to members. First, the member farmers are working together to produce a specific commodity- grapes, milk and pineapple to market as a unit and through one channel thereby achieving economies of scale which shorten the supply chain and eliminated the need for local traders. It will take years for strong leadership and capacity building plus considerable technical, managerial and entrepreneurial support that requires effort and time before most FBOs in Ghana can begin to function like the Mahagraves, Amul and SPEG examples. Thus, the best approach should be to start gradually, piloting first and scaling up based on lessons learnt.

5.6 Review of Existing FBO Training Manuals and Development of Training Modules

One major output of the FBO capacity assessment assignment is to develop training modules based on the capacity needs identified through the assessment exercise. The Ministry of Food and Agriculture has been involved in the development of FBOs since 1990s and have therefore developed a number of training manuals both published and unpublished to lead in the capacity building efforts of FBOs in the country. In the development of the training modules, a content analysis of FBOs training manuals developed by MOFA and its development partners over the years were reviewed in order to establish their relevance to the training needs identified. This re-examination of past training manuals was done with the intent of recommending the use of some of these manuals which are most often abandoned and not used after the end of the projects or programmes. The practice over the years is that every project develops its own training manuals and materials without reference to existing ones. This results in duplication of efforts and waste of resources. Field investigations revealed that no trainings were organized for the extension staff on the use of the newly published FBO manual developed by the DAES in collaboration with GIZ-MOAP. The new FBO manuals namely; Farmers’ Handbook for Strengthening FBOS for Agribusiness and Strengthening FBOs for Agribusiness: A Facilitator’s Manual were prepared by a group of experts assembled from GIZ- MOAP, MOFA-DAES, University of Cape Coast Agriculture Extension Department and NGOs such as GAIBIC, ADRA and CARE International.

The manuals were only distributed to MOFA regional and district offices by MOFA-DAES without any training of trainers’ course to introduce the extension staff in their use.

Some of the manuals reviewed and content analyzed during the assignment included the following:

• Trainer’s Manual – Group Development and Micro-Enterprise Management prepared by MOFA- Village Infrastructure Project (VIP), February 2002 (published)

• Trainer’s Guide – Group Development and Micro-Enterprise Management prepared by MOFA - Village Infrastructure Project (VIP), February 2002 (published)

• Trainer’s Manual –Communication Skills prepared by Department of Cooperative/ MOFA-AgSSIP January 2002 (published)

• Basic Tools for Participatory Rural Appraisal prepared by Department of Cooperative/ MOFA- AgSSIP December 2003 (published)

• Trainer’s Manual on Group Dynamics and Development prepared by Department of Cooperative/ MOFA-AgSSIP January 2004 (published)

• Trainer’s Manual – Trainer’s Manual on Financial Management prepared by Department of Cooperative/ MOFA-AgSSIP January 2004 (published)

• Handout on Module 3 – FBO Training on Business Management prepared by Ghana Cooperative College/ MOFA-AgSSIP December 2005 (unpublished)

• Farmers’ Handbook for Strengthening FBOS for Agribusiness prepared by MOFA-DAES/GIZ-MOAP, 2009 (published)

• Strengthening FBOs for Agribusiness: A Facilitator’s Manual prepared by MOFA-DAES/GIZ-MOAP, 2009 (published)
Below is a summary of the training needs identified for apex farmer associations and that of community and district FBO

### Table 20: Summary Training Needs Identified for Apex FBOs and Community/District FBOs

<table>
<thead>
<tr>
<th>Training Needs Identified for Apex FBOs</th>
<th>Training Needs Identified for FBOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Leadership – definition of roles and responsibilities</td>
<td>• Value Chain Development</td>
</tr>
<tr>
<td>• Data Management</td>
<td>• Group Dynamics &amp; organizational skills development</td>
</tr>
<tr>
<td>• Report Writing</td>
<td>• Marketing Management</td>
</tr>
<tr>
<td>• Project Management</td>
<td>• Financial Book-keeping</td>
</tr>
<tr>
<td>• Strategic Planning</td>
<td>• Monitoring and Evaluation</td>
</tr>
<tr>
<td>• Fund Raising</td>
<td>• Networking</td>
</tr>
<tr>
<td>• Advocacy and Lobbying</td>
<td>• Leadership and Managerial Skills training</td>
</tr>
<tr>
<td>• Negotiation Skills</td>
<td>• Business plan development</td>
</tr>
<tr>
<td>• Value Chain Development</td>
<td>• Farm Planning and Budgeting</td>
</tr>
<tr>
<td>• Marketing Management</td>
<td>• Marketing strategy development</td>
</tr>
<tr>
<td>• Book-keeping</td>
<td>• Credit Management</td>
</tr>
<tr>
<td>• Financial and administrative management</td>
<td>• Training in Report Writing</td>
</tr>
<tr>
<td>• Project management</td>
<td>• Training in Farming as a Business</td>
</tr>
<tr>
<td>• Monitoring and Evaluation</td>
<td>• Training in Strategic Planning</td>
</tr>
<tr>
<td>• Networking</td>
<td>• Training in Networking</td>
</tr>
<tr>
<td></td>
<td>• Pricing, Negotiation &amp; Contracting</td>
</tr>
</tbody>
</table>

A critical analysis of the previous training manuals reveals that most of the topics identified for training are covered by available training manuals especially the following:

- Farmers’ Handbook for Strengthening FBOS for Agribusiness prepared by MOFA-DAES/GIZ-MOAP, and


- Trainers’ Manual on Financial Management prepared by MOFA-AgSSIP/ Department of Cooperatives

- Trainer’s Manual on Group Dynamics and Development prepared by Department of Cooperative/ MOFA-AgSSIP

These four manuals listed above could be used in the training of FBOs from the start-up to the consolidation stages of development. The relevant topics that are identified in the assessment of the FBOs but missing in these manuals are the ones used in the development of the training attached to this report.
The training topics included in the training modules are:

- Governance and Leadership Development
- Conflict Management
- Negotiation
- Strategic Planning
- Advocacy and Lobbying
- Policy Analysis
- Financial Management
- Marketing Management

The training modules developed which are in a separate document have therefore focused on these topics and is meant to complement the manuals suggested for use. It has been observed that the topics covered in the training modules are useful for apex farmer associations and the FBOs that have reached the consolidation and mature business stages in their development processes.
CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

6.1 Summary of Findings and Conclusions

On a whole the study leads to some useful conclusions by drawing into sharp focus several important issues which are paramount to the sustainable promotion and development of FBOs in Ghana. FBOs can be key factors in rural and agricultural development in Ghana when the internal and external factors militating against their effective development are addressed.

- **Public Policy and FBO Development**

The MOFA-DAES has no comprehensive sub-sector policy based on the broad statement made in FASDEP II on FBO development. Despite the absence of a sub-sector policy on FBOs, MOFA-DAES developed an FBO development strategy based on FASDEP II document, however, this strategy document is yet to be discussed nationally by stakeholders, owned, ratified and implemented.

- **Lack of Legislative Instrument to Back the Development of FBOs as Legal Entities**

The FASDEP II document stipulated that the policy on FBO development should be supported with a legislative instrument thereby making FBOs legal entities. This is legislative instrument is yet to be developed, however it came to light that a Legislative Instrument (LI) drafted in 2000 by MOFA and DOC on the development of FBOs as legal entities could not be traced. The Cooperative Development Bill re-submitted in 2012 is still not passed in law and currently at the Cabinet level. A follow-up has to be made by the Department of Cooperative to ensure its early presentation to Parliament for it to be passed into Law.

- **Weak Institutional Coordination and Collaboration**

The MOFA-DAES and DOC which are the two main public institutions responsible for the development of FBOs are not collaborating effectively. Coordinated support from the two institutions can be great catalysts for change and development of FBOs in Ghana. In a pluralist agricultural extension environment, there is the need for public and private sector institutions to develop synergies for collaborative and unified approach to the development of FBOs. Currently, this is not well coordinated and therefore weak. Inter-institutional coordination and collaboration are of strategic importance to achieve the needed framework conditions for sustainable FBO development. MOFA should take the lead in bringing on board private sector actors for the development of FBOs.

- **Weak FBO Development at the National Arena**

The current state of national apex FBOs as indicated in the study cannot enable the organizations to have the needed voice to play the important role of influencing public policy. The GFAP is still at the formative state with weak structures and inability to bring on board all apex farmer associations. The apex associations are operating without any coordinated direction and occasionally issuing public statements in the interest of farmers they really do not represent. The FBOs studied have no links with the apex FBOs thus the relationship between the apex associations and majority of FBOs at the community levels is diffuse. Since the apex FBOs are not in touch with Executive Committees of
FBOs let alone the members of FBOs at the community level, they have no reliable membership database.

- **Weak Managerial and Leadership Capacities of Community FBOs**

Good governance, managerial and planning capacities of FBOs are crucial for impact, efficiency, effectiveness and sustainability. Currently, all the FBOs at the community level have governing bodies; however, majority of them are weak in certain vital capacity areas which are key to the development of the organizations. Majority of the FBOs leadership lacks the capacities to carry out strategic planning, develop marketing strategies, and play the role of good brokers; thus the FBOs are operating on ad hoc basis without any clear strategic direction and focus. The educational level of the majority of executive members is low. This is a major drawback on their capacity to provide the needed leadership. There should be the development of strong networks with competent leaders leading the networks to pull along the weaker FBOs. The focus should be on the development of FBOs that are market oriented and interested in developing as businesses.

- **Weak Market Access Regime**

Focus on market is a must for successful FBO development but the identification of stable and attractive markets constitute a major challenge for the FBOs studied since this requires specific professional technical and economic analysis skills which the FBOs lack. The study has equally revealed that the problem of accessing markets began with the low level of knowledge and skills held by majority of FBO members and leaders; weak literacy and numeracy skills. Because of the poor record keeping regime, FBO members could not track the cost of their inputs and the value of their outputs. The Apex FBOs and community FBOs have no “serious” marketing strategies in place. The arrangements are ad-hoc. Few are fortunate to have buyers. Where they have no BUYERS, the FBOs struggle and membership commitment drops. Weak performance is noticed in all the FBOs with marketing difficulties. Based on the findings it is obvious that FBOs need to improve on their agronomic, organizational and business skills so they can enter more formal, sustainable and profitable market channels.

- **Market Information System**

In developing market oriented FBOs; one of the first requisites is for farmers to have access to current and reliable market information through the FBO. Market information keeps farmers and traders attuned to the demands and changing preferences of consumers, guiding the production regime. Market information encompasses timely and accurate pricing, buyers, contacts, distribution channels, buyer and producer trends, competitor profile, grades and standards, specification, post-harvest handling, storage and transportation recommendations. Currently as indicated by the study, the farmers lack adequate market information. Apex FBOs should be encouraged to develop market information systems as service to their members.

With more and more small-scale farmers gaining access to mobile phones and with high penetration of mobile phone coverage in Ghana, the use of e-extension is an area which needs to be explored vigorously especially by the DAES of MOFA to enable the AEAs to reach more farmers through this medium. SRID should also expand its market information penetration through the use of mobile phones platform.
• Access to Finance and Credit

Most of the FBOs have only one main source of revenue – that is membership monthly dues. It observed that payment of dues is even a problem. This has left the Apex and community FBOs with limited avenues for income generation. This has resulted on FBOs dependence on external sources for financial support. Majority of the FBOs could not provide services to their members and few that provide services could not generate any income from those services since members could not pay for services. Access to credit remains a challenge for FBOs studied. Over 90% of the FBOs had never accessed credit.

The little formal financing provided to the agricultural sector is often limited to short terms financing requirements of major agribusiness companies for the procurement of agricultural inputs. Without capital to finance intensification and infrastructure, farming will continue to be unattractive especially to the youth who might have the desire to go into agriculture. To overcome this challenge, the district assembles should as matter of policy develop special funds to support the youth who want to go into farming with credible business plan and markets guaranteed for their produce.

• Service Delivery

Most of the services delivered to the FBOs are those from outsiders mainly Extension Agents of the Ministry of Food and Agriculture in good agriculture practice and other development partners such as GIZ-Market Oriented Agriculture Programme and NGOs such as ADRA and SNV. Very few FBOs are delivering relevant services to members. For example Gomoa Okeyreko and Maafe Associations in the Central Region who do bulk purchase of inputs especially fertilizers such as Urea and Sulphate of Potash (SOP) for distribution to members. The analysis reveals that in most of the FBOs, individual members from the FBOs buy their own inputs. Provision of inputs supply, marketing, training and supervisory services are weak in majority of FBOs studied.

• Infrastructure Deficit

The analysis of field data indicates that majority of farmers transport their produce via rural roads which are in a deplorable state. Because of the poor nature of the roads, few vehicles ply the roads contributing to high transportation charges. Since the roads are bad, only few traders are able to go to the farm gates to buy the produce leading to low prices of the commodities. The analysis of field data equally reveals that storage facilities are poorly constructed or on-existence resulting in substantial losses even after short period of storage.
6.2 Recommendations

Development of FBO and Cooperative Societies’ Laws

- The FASDEP II document stipulated that the policy on FBO development should be supported with a legislative instrument thereby making FBOs legal entities. This is legislative instrument is yet to be developed, however it came to light that a Legislative Instrument (LI) drafted in 2000 by MOFA and DOC on the development of FBOs as legal entities could not be traced. It is recommended that MoFA should collaborate with Department of Cooperatives (DOCs) and Ghana Federation Agricultural Producers (GFAP) to trace the document from the Attorney General’s Department and the Ministry of Local Government and Rural Development. When the document is found, MOFA-DAES, DOC and GFAP should support the development of cabinet memo to move the document to cabinet as soon as possible.

- As part of FBO Law, there should be a Legislative Instrument (LI) that mandates the establishment of Farmers Fund to support activities of farmers at the grassroots level.

- As part of the FBO Law, there should be a Legislative Instrument (LI) which mandates farmers to have representations at the district assembly level to serve as a mouthpiece for farmers and thereby strengthen participatory democracy. It will also be a demonstration that the Government of Ghana is taking farmers as serious partners in the development process.

- MOFA and DOC should jointly develop regulations and guidelines to support the implementation of the FBO law when eventually passed.

- The Cooperative Societies Development Bill which when passed into law will to replace the 1968 Cooperative Societies Decree was presented to Cabinet some years back but it is still at the Cabinet level. The DOC should follow-up on this document and make representation to the Minister for Employment and Labour Relations for its early passage into law.

Policy on District Assemblies’ Support for FBO Development

- District assemblies as a policy should create market access for well-organized and networked FBOs in the districts that have the capacity to meet the demands of suppliers through linkages to some of the programmes such as School Feeding Programme, Buffer Stock, and World Food Programme, processing companies and other recognized buyers. These approaches should be backed with effective monitoring, supervisory and accountability systems.

- Improve marketing infrastructure through working through the district assemblies to enable them see the need to provide the needed infrastructure such as feeder roads, link roads to marketing centers and more importantly legal and institutional infrastructure such as Commodity Exchange to stimulate the growth of agribusiness in the districts. Currently, District Assemblies’ support to the agriculture development in the districts is very low or non-
existent

District Assemblies’ Youth Policy on Agriculture

To overcome this challenge facing the youth who have formed themselves into FBO and want to venture into agriculture and could not do this because of lack of financial support, the district assemblies should be as matters of policy develop special funds to support the youth who want to go into farming with credible business plan and with markets guaranteed for their produce.

Development of FBOs Sub-Sector Policy

- Currently there is no sub-sector policy on FBOs. As a matter of urgency, MOFA-DAES should develop a sub-sector policy on the development of FBOs.

- As part of the FBO Development Policy, all agriculture based NGOs must register their operations with MOFA to facilitate easy monitoring and evaluation, ensure uniform approaches in extension delivery, information dissemination, harmonization of FBO development interventions across projects and programmes and avoid duplication of activities.

- MOFA-DAES should revisit the issue of the defunct FBO fund which was established with donor funds as a revolving fund to support FBOs in acquisition of farm equipment to improve on the production of crops and value addition. Evaluate the previous attempt at the establishment of the FBO Fund and come out with lessons learned and repackage the approach to make it more sustainable. When well packaged some donors could be interested in funding it.

- MOFA should as a matter of policy recognize only one main FBO body that represents the interest of all FBOs, instead of the current situation of proliferation of apex FBOs all competing for supremacy, resources and attention from government.

FBO Development Strategy

- After the development of the Sub-sector policy on FBOs, MOFA-DAES should push for early review and adoption of the FBO strategy.

- To ensure sustainability of FBO development efforts, there must be a comprehensive exit strategy for all projects within MOFA. This can be done by having clarity on issues such as:
  - acceptable definition of an FBO
  - acceptable minimum number of membership of FBOs
  - MOFA and DOC projects and programmes should not form FBOs, existing FBOs should be strengthened
➤ FBOs should be encouraged to self-evolve and not formed by MOFA or DOC

➤ All FBOs should be classified based on the classification system recommended in this study.

➤ All FBOs should be registered and certified by recognized statutory institutions in Ghana such as the Registrar General’s Department and Department of Cooperatives.

- MOFA should as a matter of policy recognize only one main apex farmers’ body that represents the interest of all FBOs, instead of the current situation of proliferation of apex FBOs all competing for supremacy and attention from government.

- MOFA-DAES and DOC facilitate the development of commodity specific FBOs that are market oriented. This could be part of the FBOs development strategy and developed in line with FASDEP II value chain development concept.

- FBOs in the country should be classified according to the four stage classification system recommended in this report.

- To promote the development of sustainable FBOs, MOFA, DOC and NGOs should allow FBOs to evolve on their own. Projects and programmes should not form project and programme based FBOs but support existing FBOs to become sustainable businesses.

- FBOs development efforts should focus on promoting good governance, business oriented FBOs and creating the opportunities for self-reliance and self-financing.

- MOFA, DOC and NGOs should facilitate the development of commodity specific FBOs that are market oriented. This could be part of the FBOs development strategy and developed in line with FASDEP II document.

- Support existing Apex FBOs to be reorganized and carry out a membership drive.

**Capacity building of Apex FBOs and Community FBOs**

- MOFA and DOC should provide the needed capacity building support to the apex and community farmer organizations based on the capacity needs identified. The target of the training programmes should be apex FBOs, leaders of apex and community FBOs, and organizational development training of all categories of FBOs.

- Capacity building of all FBOs: The training should focus on the development of FBOs to become market oriented using the training modules developed and the existing training manuals recommended. The training of FBOs should be in organizational development, business and entrepreneurial development, and good agriculture practice.

- Capacity building is a long process; it is recommended that MOFA-Extension staff, DOC and NGOs’ technical staff should monitor the performance of the FBOs and provide the needed
organizational development and technical supports. This is after the capacity needs of the two institutions have been upgraded to meet the challenges associated with their support services.

- FBOs should be trained towards getting registered and certified by DOC and Registrar-General’s Department.
- MOFA, DOC, NGOs and FBOs should have a uniform approach to the development of FBOs.

**Strengthening of Inter-Sectoral and Ministerial Coordination and Collaboration**

- The strengthening of the FBO sector depends mainly on reinforcement of the capacities of the various stakeholders such as MOFA and DOC, NGOs, apex FBOs, and community FBOs. More significantly, MOFA need to strengthen coordination, collaboration and communication linkage between itself and the major stakeholders especially the DOC, NGOs and Apex FBOs. This can be done through a review of existing collaboration between MOFA and DOC to determine the strength and weaknesses of the collaboration and come out with innovative strategies that will strengthen the inter-ministerial and inter-departmental collaborations.
- Based on the review of the existing collaboration between MOFA and DOC, establish MOFA-DAES and DOC inter-departmental coordination mechanism that will provide the platform for joint planning, monitoring and evaluation, resource sharing, information sharing and promote inter-ministerial synergies and the creation of a working group on FBO development as a viable option.

**Establishment of FBO Networks**

- MOFA, DOC, NGOs and Apex FBOs should facilitate the establishment of national, regional and district FBO networks. The network will be responsible for enhancing market access, product quality and market information dissemination.

**Development of National Database on FBOs**

- DOC and MOFA-DAES should collaborate with the apex FBOs, development partners such as GIZ, USAID, AusAID, CIDA, national and international NGOs and other actors involved in FBO development in Ghana to develop a national database on FBOs. This should be done by bringing all major stakeholders together for ownership, adoption and use. Currently, MOFA-DAES has a database and website on FBOs: [www.fboonline.org/portal](http://www.fboonline.org/portal). To promote its use, MOFA should organize a stakeholder workshop and introduce the database to them. Subsequently encourage the Apex FBOs and other stakeholders such as NGOs like ADRA, ACEDEP, AGRA, Development Partners implementing FBO projects such as AGRA, GIZ-MOAP to send their list of FBOs to the central data collection point periodically.

**Establishment of Market Information System**
MOFA-DAES should facilitate the establishment of market information system managed by FBOs. This will greatly help the FBOs to access market since it will improve their access to market information and significantly improve their bargaining power and market access. Apex FBOs should be encouraged to develop market information systems as service to their members.

With more and more small-scale farmers gaining access to mobile phones and with high penetration of mobile phone coverage in Ghana, the use of e-extension is an area which needs to be explored vigorously especially by the DAES of MOFA to enable the AEAs to reach more farmers through this medium. SRID should also expand its market information penetration through the use of mobile phones platform.

**Promotion of Collective Marketing**

- MOFA in collaboration with the private sector promote collective marketing through training of FBOs and the provision of the needed infrastructure requirements such as good roads, storage facilities, collection points etc. to sustain collective marketing. Collective marketing will enable farmers to reduce the number of middlemen within the marketing structure and increase farmers’ participation in the marketing system since they are assured of guaranteed markets.

**Promotion of FBOs as Viable Business Enterprises**

- Undercapitalization is a major problem facing the FBOs at all levels, thus a majority of them are operating with a fragile capital base. Whereas there is the call on governments to private financial support to FBOs, lessons learnt on failure of FBO in most of Africa countries advice against government interference in the affairs of FBOs. Where government puts their money, they equally put their hand and political powers. Government role should therefore be focused on creating the right conducive environment for FBOs to operative effectively.

- FBOs according to principle should to economically independent entities. FBOs should be managed as profitable businesses. Agencies involved in the development of FBOs should focus in making FBOs economically viable and independent through capacity building in marketing, financial management, leadership and create avenues for market linkages etc.

- FBOs should be supported financially if they have the capacity to develop into sustainable FBOs. Such financial support should be to kick-start operations and the FBOs continue operations from the profits made from their own operations.

- FBOs should be supported financially should they demonstrate that they have the capacity to develop into sustainable viable business oriented FBOs. Such financial support should be to kick-start operations and the FBOs continue operations from the profits made from their operations.
• District Assemblies could be encouraged to provide marketing infrastructure such as good roads, storage facilities and market places to stimulate the growth of agribusiness in the districts.

• District Assemblies as a matter of policy should be encouraged to establish a Revolving Funds to support FBOs. Funds should be channeled through rural banks and credit unions and should be de-politicized.

• FBOs with credible business plans and market linkages should be supported to improve on their businesses through technical training and credit facilities.

• MOFA should work through the district assemblies to enable them see the need to provide the needed infrastructure to stimulate the growth of agribusiness in the districts.

**Incorporation of Micro-Insurance in FASDEP II Document**

To reduce the risk faced by farmers in Ghana, MOFA should consider the incorporation of micro-insurance into the FSDEP II document. Mass education of smallholder farmers on micro insurance and its benefits for the smallholder farmers has to be intensified. Currently, micro insurance services are being rolled out in Ghana and this is an area the FBOs need more education on.
REFERENCES

Adam Salifu et al, June 2010 A Review of Collective Action in Ghana, IFPRI

AgSSIP (Agricultural Services Sub-Sector Investment Project) 2007a, Farmer Based Organization Component, Project Completion Report, 2007


Ghana Statistical Service (GSS), 2013, Ghana Population and Housing Census

Jonathan Brooks, Andre Croppenstedt et al. 2007, Distortion to Agricultural Incentives in Ghana

Jouwert Van Greene, Participatory Capacity Building: A Facilitator’s Toolbox for Assessment and Strategic Planning of NGO Capacity

Lucian Peppelenbos, 2005, Market Queens of Ghana. The Potential Cooperation with Smallholder Farmers

Kwadzokpo, Festus, 1994, Membership Participation in and Commitment to Agricultural Cooperative Organizations in Ghana: Case Studies in Two Districts of the Volta Region, MA Thesis, unpublished


Ministry of Food and Agriculture –DAES, April 2013, FBO Policy Strategy Document (Draft)

Ministry of Food and Agriculture, August 2007, Food and Agriculture Sector Development Policy (FASDEP II)

Paul Jere, 2005, Inventory and SWOT Analysis of farmer Organizations in the SADC Region, FANRPAN


Rural Innovation Institute (RII)-CIAT- Catholic Relief Services (CRS), 2007, Preparing Farmer Groups to Engage Successfully with Markets, A field Guide for Five Key Skill Sets