Harnessing farmer associations as channels for enhanced management of cocoa holdings in Ghana

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Cocoa remains the mainstay of the Ghanaian economy accounting for 40% of agricultural exports and 12% of gross domestic product (GDP) and is the main source of livelihood of over 400,000 farm-families. Whilst productivity has picked up in 2000, it remains low compared to Ghana’s competitors such as Cote d’Ivoire and Brazil. The low productivity is attributed to a myriad of constraints including low producer prices and poor extension support. To evaluate the potential use of farmer organizations to strengthen existing extension efforts, this study using informal survey methods, identified and evaluated farmers’ associations in the cocoa sector with the objective of assessing their possible integration into the cocoa extension delivery system. The findings of the study suggest that farmer associations can enhance farmers’ access to credit and information and provide a collective voice to demand policies and services that will enable them achieve their objectives. This paper further discusses the prospects and challenges facing the cocoa farmer associations in Ghana and concludes that given the requisite support, they can help lift farmers from the quagmire of low productivity and incomes.

Key words: Cocoa, farmer association, constraints, productivity.

INTRODUCTION

Ghana as a country is almost synonymous with the cocoa crop. Since its introduction from Fernando Po in 1879, cocoa has transformed the nature of the agricultural landscape and has occupied a centre stage in the country’s socio-economic development. Although Ghana remained the world’s cocoa producer till the early 1960’s, by the early 1980s Ghanaian production dwindled to 183,000 metric tonnes in 1983. The drop from an average of more than 400,000 tons per year between 1961 and 1964 to a low of 270,000 tons between 1988 and 1990 was attributed to aging trees, disease and pest infestations, bad weather and poor extension support to farmers among others (MASDAR, 1998; COCOBOD, 1998 and Asante, 1994).

But output has picked up in 2000 due to the adoption of pragmatic measures including increased private sector participation in input prices, improvements in rural infrastructure especially feeder roads and increase in producer price paid to farmers (Figure 1). These measures have resulted in the attainment of output of 740,000 metric tons during the 2006/2007 season. Despite these upward turns in production, productivity of family holdings remains low (300 kg/ha) compared to that obtainable on research stations (1,000 kg/ha) or on farmers’ holdings in Cote d’Ivoire for instance. A major constraint to increased productivity has been the poor extension support to cocoa farmers (Baah, 2002, 2007). Experiences in Columbia (Bentley and Baker, 2000), Mali (Arnaiz et al., 1995) and Zimbabwe (Bingen et al., 1995) suggest that properly harnessed and supported, farmer associations can support extension support delivery to farmers, provide them with needed inputs and also provide a collective voice for farmers to demand for policies and services that will increase their productivity and enable them achieve their objectives. It is against this background that this study set out with the objective of investigating the potential of farmer organizations in the cocoa sector in Ghana to provide farmers a collective voice and also enhance extension support to them. The major assumptions were that these associations exist in the cocoa sector and that they are of such structure and functions that they could be harnessed, strengthened and integrated into the cocoa extension delivery system.

To place the problem of inadequate extension support to cocoa farmers in the context of general socio-economic environment in which cocoa cultivation takes place, a brief overview of problems of farmers is presented before the study’s methodology and methods.
Constraints faced by cocoa farmers in Ghana

In a survey of 5300 cocoa farming households in all the cocoa producing regions conducted as part of the national programme on the elimination of worst forms of child labour (NPEWFCLC, 2008), farmers were requested to list their main constraints to the attainment of their production objectives. The results are presented in Figure 2. They identified poor access to credit as their main constraint, followed by poor extension support, pests and diseases infestation, mistletoes, in that order (Figure 2).

The extent of financial constraints facing farmers was investigated further. Out of the 48% of respondents who complained of financial constraints, 27.1% were able to obtain credit. About 6.06% of all credit obtained went into farm maintenance with 40.80% used for weeding, and 24.25% for capsid and black pod control. In terms of availability of credit, it was noticed that 59.23% of credit advanced to farmers were obtained from informal sources with 50.23% coming from money lenders, whilst 44.76% were obtained from institutional sources. Thus any benefits derived from farmer associations would be most welcome to its membership if it gave priority treatment to those matters of major concern to farmers in respect of the management of their cocoa farms.

Given then that farmers are capable of identifying their most urgent needs in relation to their resource capabilities, and also the fact that farmers know the advantages of cooperation, how best can the existing farmers’ organizations be utilized to enhance pests and diseases control? The answer can best be tackled if the constraints identified by farmers are discussed within the framework of existing farmers associations and their objectives.

It is against this background that this paper examines the role that farmer organizations in the cocoa sector could play in harnessing their resources to act as a platform for interactive communication with themselves and other stakeholders, and also present a unified front to demand for services and policies that will enhance their productivity.

METHODOLOGY

The study employed the survey methodology defined by Marsh (1982) as an investigation where systematic measurements are made over a series of cases yielding a rectangle of data, the variables in the matrix are analyzed to see if they show any patterns and the subject matter is social. Whereas this definition may suggest the use of standardized questionnaires, De vaus (2002) emphasized that a survey is not just a particular technique of collecting information. Questionnaires are widely used but in-depth interviews and observations can also be used in survey research. The methods employed in this study are systematic literature review and in-depth interviewing using an interview guide. The focus of the interviews was to identify existing farmer organizations in the cocoa sector, their structure and determine their potential to be engaged in providing cocoa farmers with requisite extension support. The information was analyzed qualitatively by identifying patterns and themes and relating them to the objective of the study.

RESULTS

Evolution of farmer organizations

Early forms of farmers’ organizations were reported by Hill (1963) to have begun around 1892 and revolved around cooperation among farmers in mobilizing funds for the purchase of virgin land for cocoa production. The
rapid expansion and growth of the cocoa industry in Ghana was aided immensely by this cooperative activity of migrant cocoa farmers. Formal institutional cooperation was introduced into the cocoa industry by the Department of Agriculture in 1929 (De Craft Johnson, 1968) with the prime objective of assisting farmers to learn how to improve upon the fermentation of their cocoa for the market. Farmers embraced the idea of cooperation and modified it to meet their own requirements. By 1937 cooperative societies had grown into both marketing and credit granting institutions. The first cooperative bank was opened by farmers in Kpewe in the Volta region as early as 1938 (De Craft Johnson, 1974).

The early 1950s saw the expansion of cooperative marketing activity involving cocoa farmers. The number of cooperative marketing societies in the cocoa industry grew to 469, handling as much as 30% of the internal marketing of cocoa. The gains made in cooperation were, however, lost in 1962 when government policy brought all cooperative societies under the umbrella of the politically controlled United Ghana Farmers Cooperative Council (UGFCC). This action led to loss of farmer confidence and ultimately broke the back of institutional cooperation (Beckman, 1976). After the change of government in 1966 efforts were made to resuscitate the cooperative movement but farmers had become skeptical and since then institutional cooperation has played a low key role in cocoa production and marketing.

In the wake of the demise of the UGFCC, however, a loose kind of non-registered cooperative groupings evolved around the cocoa buying centres known as ‘societies’ based on the UGFCC prototype but devoid of political control and managed by elected committees consisting of a chairman, treasurer, secretary, and 4 other members. These operated around the buying centres of the Produce Buying Company (PBC), a subsidiary company of COCOBOD, then known as the Produce Buying Agency (PBA) which replaced the UGFCC. With the liberalization of internal cocoa marketing, these societies are also gradually disintegrating from their monolithic structure around the PBC with smaller groupings operating around the registered licensed buying agents (LBA’s). This new development has created opportunities for the evolution of competitive cooperative farmers marketing units.

**Types of farmers associations in the Ghana cocoa industry**

The study identified five types of farmers’ associations in the Ghana cocoa sector. These are farmers’ cooperative marketing organizations, cocoa farmer marketing societies, farmers marketing companies, farmers’ production associations and farmers’ assistance societies.

The objectives of these associations are not much different. In general these associations are interested in the production and marketing of their produce and the acquisition of farm inputs to improve cocoa output and hence to increase their incomes. The main targeted farm inputs include chemicals and equipment for pests and diseases control, and other yield increasing input technologies such as fertilizers at low cost. Other objectives include enhanced ability to mobilize savings and attract capital for farm investments, access to labour at low prices for farm maintenance, improved inputs delivery system, and to serve as a forum for the dissemination of cocoa production technologies.

**Farmers’ cooperative marketing organizations**

These are registered cooperative societies that operate according to cooperative principles, that is, membership
is open to all without discrimination, non-profit making, equal voice in democratic control, election of executives on the basis of one man, one vote, patronage refund whereby any profit realized and not used for new equipment is shared proportionately in accordance with the volume of trade conducted by each member with the society, non-partisan, members undertake to sell their produce only to the society and equal treatment and access to services of the cooperative society.

In Ghana the associations consist of primary cooperatives societies at the village or cocoa buying centre levels comprising mainly of cocoa farmers whose main objective is to produce and market their cocoa. The umbrella organization under which the primary cooperatives operate is the Ghana Cooperative Marketing Association Limited which is registered by the Department of Cooperatives. It is being managed by skilled cooperators including remnants of the early cooperatives movement which were absorbed by the UGFCC and is currently registered as a licensed buying agent for the Ghana Cocoa Board (COCOBOD). This organization is well equipped in managerial skills but lacks sufficient capital to service the many primary societies it serves. It provides fund to the primary societies for the purchase of their cocoa and provides other services such as bulk purchase of farm inputs for the farmers and advancing of credit to the farmers.

Cocoa farmer marketing societies

These consist of non-registered semi-cooperative primary societies which evolved around the cocoa buying centres in the wake of the dissolution of the UGFCC. The structure is based on formal cooperatives. They are managed by seven-member executive committees consisting of a Chairman, Secretary, Treasurer, and 4 other members. The executive members are elected by voting. They are removed or replaced if society members are not satisfied with their performance. Members contribute one kilogramme of cocoa beans on each bag of cocoa brought to the society buying centre as a means of building up capital for the purchase of inputs in bulk for their use on credit basis. This is referred to as the ‘kilo kilo’ deductions by the farmers. Funds not used for input purchases are used to grant credit to the farmers for other welfare purposes, such as payment of wards’ school fees. The ‘kilo kilo’ deduction funds are also meant to be used as collateral for input credit from other sources.

Some of these associations have been successfully used as channels of input credit to cocoa farmers. However much need to be done to improve their performance. Among some of the problems associated with these associations is the lack of accountability on the part of the executive committee members of some of the societies. This has led to mistrust and some farmers have stopped contributing to the ‘kilo kilo’ fund (under this fund farmers agree to contribute 1 kilogramme out of every bag (64 kilogrammes) of dry cocoa beans). There are also complaints that the few literates in the societies take advantage of their illiterate counterparts through autocratic control thereby undermining the original objective of democratic control.

Farmers marketing input companies

There is currently only one such company in the industry, as a subsidiary of the Ghana Cocoa, Coffee, and Sheanut Farmers Association. The main objective is to improve inputs distribution to cocoa, coffee, and sheanut farmers. The company has set up a number of depots in the cocoa growing areas from where farmers buy their input needs. The initial problems being encountered are in the form of low capital endowments, low managerial skills, lack of sufficient infrastructure in the form of warehouses and haulage trucks.

Cocoa farmers’ production association

These are relatively new associations which are emerging in the cocoa growing areas. They consist of informal self-help farmer groupings with memberships of up to 300 farmers in some areas and concentrated around cocoa farming villages and small townships. The main objective of these farmer associations is to assist one another to obtain and apply the latest technological inputs to boost their cocoa production. Some of these production associations are the direct results of the demonstrative effects of research and extension projects in their localities. They refer to themselves as ‘Ye Wafuo yie” associations literally meaning ‘Improve Your Farm’ Associations. Their structure is based on democratic control, non-partisanship, with a leadership consisting of a chairman, vice-chairman, secretary, assistant secretary, treasurer, porter and assistant porter. They meet periodically to determine their inputs needs and how these can be provided. They operate bank accounts and encourage savings habit among their members towards the purchase of farm inputs. One of their major strategies is to support the aged and women in the form of labour for weeding, application of pesticides and harvesting. Monthly dues are paid by all members to meet administrative expenditures. The main constraints facing these emerging associations are lack of capital and warehousing facilities for bulk purchasing and distribution of farm inputs.

Farmers’ assistance societies

These are also recent forms of farmer associations that are springing up around the cocoa buying centres. The modus operandi of these societies include the mobilization of funds and labour in the cocoa farming communities for carrying out farm maintenance operations such as weeding, spraying against capsids (or mirids) and black pod (Phytophthora pod rot), mistletoe (Tapinanthus
spp) control and other farm operations. They also provide inputs on credit payable during the main harvesting season. The main problem with this type of associations is their low capital base for the acquisition of chemicals to improve upon their pests and diseases control practices.

DISCUSSION

The foregoing description of farmers associations in the cocoa sector and their relationships to the efficient management of cocoa holdings indicates that the potential exists to harness their positive attributes to increase cocoa production. This is predicated on the premise that most of these associations are being formed through farmers initiatives based on the recognition of their needs. The evolution of these associations based on farmers’ own initiatives thus contrast with many elsewhere (Van den Ban, 2000; Garforth, 1994; Farrington, 1997; Farrington et al., 2002) where they evolve from top-down approaches and therefore alienate the very farmers they are meant to support. Their main limitations have been lack of capital, low level of managerial skills, and lack of infrastructure in the form of warehouses for input storage and distribution. Their main need is a stronger capital base. Due to discouraging experiences of many farmers as a consequence of the manner in which principles of cooperation were disregarded in the past, many farmers are skeptical and appear unwilling to get involved in formal cooperative activities. It is on record, however, that if farmers are given the freehand to run their own cooperative societies, they can make positive strides in capital mobilization which is essential for the development of an efficient input delivery system to support pest and disease control. The key strategy is therefore farmer’s education and empowerment to apply cooperative principles in their organizations. Indeed all the associations described can be effectively organized on cooperative lines if farmers are given the requisite training in formal cooperative activities. The discipline that pertains in the cooperative movement could enhance the credibility of these farmer associations and make them eligible to raise capital from the formal financial markets to purchase their farm input needs. The present trends in the objectives and operations of emerging farmers associations should be viewed as a positive development which could be used to assist farmers to solve their farm management problems in pest and diseases control, such as bulk purchases of chemicals and equipment to reduce the per unit cost of inputs, accessibility to credit, educating farmers on the need for collective responsibility in the control of pests and dis-eases, and to serve as fora for the dissemination of technological innovations.

Bulk purchases

Farmer associations can improve their accessibility to farm inputs through bulk purchasing. Funds can be mobilized through savings or through ‘kilo kilo’ deductions as practiced by some associations. Farm inputs can be purchased in bulk and distributed among members. Although farmers may be aware of the beneficial effects of research and extension recommendations, the problem of non-availability of the requisite inputs could make adoption difficult. The adoption of an innovation also requires that the inputs for the application of such innovation be available at the right place at the right time and as affordable as possible to farmers (Dent, 1991). Since farmers better appreciate and know their needs, bulk purchases arranged by the farmers themselves through their associations could enhance timely distribution of inputs at reduced cost.

Accessibility to credit

Farmers recognize accessibility to credit as one of the advantages of forming groups and associations. Among some of the early activities of cooperative societies in the 1930s was the granting of loans and credit to farmers for farm maintenance and what they termed as useful and necessary purposes, such as payment of school fees, funerals and marriage expenditures. As noted above the first Cooperatives Bank in Ghana was set up by farmers. By building up savings, bank reserves, and assets such as warehouses, farmers could become more credit worthy. The collective responsibilities in loan repayment that permeates such associations are assets that will benefit the membership and enable them obtain credit for the purchase of farm inputs when needed.

Collective responsibility in pests control

The nature of cocoa farming is such that many small holder farms are located side by side in contiguous stretches that resembles plantations (Thresh et al., 1989). Thus when pests and disease attack one farm it becomes a threat to all adjacent farms. In cases where a farmer has to make a choice of treating his affected farm in the midst of disease or pest affected cocoa farms, the prospect of pest re-invasion or disease re-infection could serve as a disincentive to the application of effective pest and disease management strategies. This calls for community action in pests and diseases control. Farmers who are organized in groups with enhanced access to farm inputs could empower one another to apply disease control measures together. Such collective action not only ensures effective use of control measures against pests and diseases but also makes the process cost-effective.

Forum for dissemination of technological innovation

Because many cocoa farms are scattered, the problem of providing extension and other services directly to farmers
poses difficulties and tends to be costly. However this could be circumvented if farmers can be contacted in convenient groups and locations. Farmers associations provide a convenient medium through which extension and research can interact with farmers and disseminate technological information to farmers. The Ministry of Food and Agriculture (MOFA) which provides extension services to farmers applies a strategy whereby field officers organize periodic farmer rallies at which information is shared and identified for onward submission to research. Researchers at CRIG also apply this method occasionally to interact with farmers to identify problems facing them. To be able to carry out the above functions to the benefits of all their members, the organizations should be resourced and empowered. In addition, the capacity of the associations must be improved through continuous education to increase their professionalism (Carney, 1996; Chamala and Shingi, 1997); corruption, mismanagement and conflicts must be dealt with (Chamala and Shingi, 1997); cooperate or link up with NGOs to enhance their group-organizing skills (Farrington, 1997) and lobby for policies and services appropriate to their needs (Whiteside, 1998).

Conclusions

The development of farmer associations in Ghana has passed through difficult phases but out of these have emerged new types of associations based on farmer initiatives. There are many farmers associations in the cocoa sector in Ghana furthering the interests of members and guided by the main objective of assisting members to acquire farm inputs to improve the productivity of their holdings. However, they are constrained by their low resource base and limited managerial capacity. Nevertheless they offer great potential as channels for information delivery and exchange and also as platforms for demanding policies and services that will enhance the attainment of their objectives. Their potential can be enhanced through capacity building including provision of organizational, financial management and advocacy skills. If these are done, farmers associations in the cocoa sector in Ghana could be harnessed to assist farmers to raise productivity on their holdings.

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