

CREW Project

Liberalisation of Maize procurement in Ghana and implication on Women’s Economic Empowerment: Case study of Market Queens in Selected Regions

I. Focus Group Discussion with Maize Wholesalers and Sellers in Techiman- Brong Ahafo

S.N	Questions	Response
1.	How is the Maize market in Techiman structured/ governed?	<p>The Techiman Maize Market has been operating in the Brong Ahafo region for 40 years. The Techiman Maize Market Buyers and Sellers Association (TMMBSA) was established 25 years ago to regulate the activities of the maize sellers and buyers in the town. It is the most dominant maize market in Ghana and West Africa. Maize traders from other countries in West Africa such as Cote d’voire, Togo etc come to buy maize from the market. The association is registered with the Techiman Municipal Assembly and the Registrar General. TMMBSA is headed by a chairman and this person is usually a man. The chairman is elected by voting and the desired candidate must have been an active member of the association between (10 years and above) before contesting. The chairman in the Techiman maize market has no linkages with other chairmen in maize markets in the surrounding communities. There are smaller subgroups within the larger TMMBSA. For example “Nkabomu kuo”(Unity group)</p> <p style="text-align: center;">Roles/ Duties of the TMMBSA Chairman:</p> <ul style="list-style-type: none"> • Performs administrative roles and duties such as calling for meetings to discuss prevailing problems and passing on any relevant information to members. • Serves as a liaison between members of the association and government officials. • Regulates the prices and quantities of maize sold on the market in order to prevent market distortions. • Works together with the other executive members to maintain the rules and regulations of the association.
2	How do you set your prices and what factors do you take	Prices are determined independent of the farmers, that is farmers are price takers. The Association determines the prices by the quantity of maize available on the market. The prices thus follow a simple

	into consideration?	supply and demand model, where when maize is in high demand the price is lower and vice versa. Another factor that determines price is the type of maize available. For example yellow maize is sold at high price than the white maize.
3	Who do you buy your maize from?	Members indicated that they buy their maize from the farmers in the Techiman township. Other farmers from neighbouring towns also come to the market to sell their maize. They also travel to other parts of the country to bring maize when there is scarcity of maize from farmers in the Techiman and its environs. This they do in order to ensure constant supply throughout the year since the market is well noted throughout the sub-region
4	Who are your buyers?	The maize market in Techiman is an open market meaning maize is sold to all sort of buyers. Maize is sold usually to prisons, schools, poultry farmers and traders. The participants indicated that NAFCO used to purchase maize from the market but recently they have noticed that representatives from the NAFCO have not been coming. Individually, some wholesalers also have their own networks they sell to. The maize are sold in a bags or sacks that weigh normally between 130 to 140 kg
5.	What challenges do you face?	The participants listed these are the main challenges faced : <ul style="list-style-type: none"> • Financial constraints, mainly the lack of funds to buy more maize during the peak season • The non-standardization in the weighing of maize both by farmers, wholesalers and buyers (traders). • Storage facilities: currently the storage facilities available are very small and unable to accommodate all the maize available. Some are compelled to keep the maize under the sheds in the market • High Interest rates on loans from banks coupled with high and unreasonable collateral demand from banks • Lack of car parks for cargo cars to load and off load maize • Stealing of maize because the market is not fenced and there is only one security man as such cannot guide the place alone at night is the market is bigger than one security man
6.	How can government help in addressing your challenges?	The government should partner up with the association and assist to build appropriate storage facilities and also expand the market. The participants mentioned that they have some lands and desire to build warehouses on these lands in order to preserve the maize from moisture. Government should also set a weight standard in the measuring maize for selling. This will ensure uniformity in measurement across the country so that cheating in terms of weighing will be eliminated

7.	Do you think the Ghana Commodity Exchange (GCX) will be beneficial to you?	<p>The GCX was explained to the participants by the MOFA representatives. The participants mentioned that the GCX will have both negative and positive impacts.</p> <p style="text-align: center;">Positive Impacts:</p> <ul style="list-style-type: none"> • This will help standardize the weighing of maize to eliminate the current distortions in weighing. • The warehouse receipt system will provide good storage assurance. • The warehouse receipts system will enable farmers to be more “bankable” : they will be able to use the receipts to access loans. • This will reduce price fluctuations. • Farmers will be able to get value for money and will thus trust the wholesalers • The marketing of maize will now be more competitive <p style="text-align: center;">Negative Impacts:</p> <p>Many involved in the maize trade are illiterates and have little education on how to navigate the GCX. Currently the government has not been able to educate the beneficiaries of this system so many of them are ignorant of the GCX. A lot would have to be spend on education of all stakeholders. Some also sensed that their business could not survive in the future due to the fact that the farmers will be able to sell to the warehouse system.</p>
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Summary of the key take away message from the FGD with the Wholesalers, Buyers and Sellers

1. The participants bemoaned the poor storage facilities available to them in the town. Currently they are unable to store all the maize they purchase from the farmers. There are therefore faced with the dilemma to either sell maize to buyers at very low prices or allow the maize to develop mould.
2. Participants stated that in the past NAFCO representatives would come to the market to purchase maize from the market. However, NAFCO representatives disguise themselves as “ordinary buyers” and they purchase maize from them using the same unfair methods like non-standardized weights .

3. The standard bag and scale used for measuring maize is currently not fixed. Due to this, buyers unfairly use large bags and different scales to weigh the maize on the market.
4. The government through the Ghana Cocoa Board (COCOBOD) is able to distribute fertilizer to farmers at low cost, no price variations, without delays and challenges. The participants welcome such a model in the food crop sector especially maize subsector to aid the farmers produce quality maize and in a timely manner.

II. List of Participants

S.N	Name of Participant	Designation
1	Adam Omar	Chairman of the Techiman Maize Market buyers and Sellers Association (TMMBSA)
2	Elder Koffi	Assistant Secretary of TMMBSA
3	Master Awudu	Member of TMMBSA
4	Obiri Yeboah	Secretary
5	Augustine Kunu	Ministry of Food and Agriculture (MOFA) representative-Facilitator
6	Ofosu Martin	MOFA representative
7	Salamatu	Member of TMMBSA
8	Gilbert Kumbio	Member of TMMBSA
9	Du Johnson	Member of TMMBSA
10	Issah Asuma	Member of TMMBSA
11	Fati Ibrahim	Member of TMMBSA
12	Fadula Issah	Member of TMMBSA
13	Adiza Adam	Member of TMMBSA

14	Kweku Asamoah	Member of TMMBSA
15	Abdulai Adam	Member of TMMBSA
16	Seidu Sulley	Member of TMMBSA
17	Apure Albert	Member of TMMBSA

III. Focus Group Discussion with Maize Farmers in Fiaso- Brong Ahafo

S.N	Questions	Responses
1.	What is the governance structure of the Maize farmers in this community?	The maize farmers in the community have an association called the “Oda Nkunim” Maize Farmers Association. This association was set up with the help of an NGO that seeks to build the financial and marketing capacity of farmers. The objective of this association is to produce maize on a large scale for high incomes. The association has a chairman, a secretary and treasurer. The association has been in existence for two years.
2.	What are the challenges faced by farmers in marketing their maize?	The farmers indicated that they face many challenges in marketing their maize. These challenges are: <ul style="list-style-type: none"> - Lack of proper storage facilities for the harvested maize. - Low prices for maize from buyers and traders (Less value for labour). - Non-standardization of the maize measurement leading to loss of money by farmers. - Inaccessible roads from the farms to markets. - NAFCO has not been transparent in their dealings with them. Some participants indicated that NAFCO representatives disguise themselves and don’t reveal their true identity to the farmers. - Wholesalers finance some of the farmers activities and as a form of payment, have to provide a specific number of maize bags to the wholesaler in return. This number of bags to provided is normally too much in excess of the amount borrowed - Middlemen in the maize marketing stream provide insufficient information on selling prices from various markets. This done to short chain the farmers on the price they offer them - Buyers also dictate the price with considering the cost of production. You are to take the price given or you let your produce go bad.

3.	What are the factors taken into consideration when setting prices?	The farmers indicated that they don't set prices. Instead the buyers quote their prices. Due to the inability of farmers to network with farmers from different communities they rely on middlemen to market their maize. These middlemen don't provide sufficient information to farmers about the market prices of maize. This forces them to sell to the middlemen at prices lower than the market price, making them get less value for their produce. Despite the negative effects of the middlemen, some of the farmers also mentioned that the middlemen also give them loans , supply inputs and provide financial supports to their families. For example on farmer indicated that when he was in serious financial problem to meet the needs of his family and he went to all his friends but they did not help even though he believe they were in the position to assist, however when he went to middle man he was given the money.
4.	How do you finance your operations?	With the help of a financial capacity program named Banking for the Poor, which was introduced by an NGO, the farmers have been able to organize themselves into a small financial group, where a monthly contribution is made by each member. Members are provided with loans from this contribution when needed, they pay a small interest on the loans. Though good, they still will want assistance from the government in this regard.
5.	What forms of support do you need from the government and other stakeholders?	<p>How the government could help:</p> <ul style="list-style-type: none"> • Restructuring of the fertilizer subsidy program to ensure that the prices of fertilizer is low and can be afforded by farmers. • Government should construct roads from farms to the markets -for easy access to the markets. • MOFA should be providing some sort of financial assistance program that will enable farmers get loans or access to credit facilities • Government could provide capacity building trainings for farmers on how best to cultivate, harvest and store maize. • Standardization of weighing maize during purchase must be tackled head on. For example a farmer can weigh the maize in the house and have 20 bags only to get to the market and it is weighed again and it turn to 15 bags. There is a lot of cheating and distortions in the current system of measurement.
6.	Do you think the Ghana Commodity Exchange will help you in the marketing of your maize?	The farmers believe that the GCX is a great initiative that will help them get value for money. They mentioned that with the GCX they will not have to rush in selling their maize to wholesalers, buyers and the government at low prices since they will be assured a safe and large storage facility under the GCX. They also believe that the warehouse receipts system will enable farmers to be more “ bankable”, since they will be able to use the receipts to access loans from banks. It will also bring a lot high standard to the sector to reduce or possibly eliminate the current discrepancies.

Summary of the key take away message from the FGD with the farmers

1. The presence of the middlemen in the maize procurement chain is a hindrance to farmers, since these middlemen inhibit the farmers from reaching buyers from the Greater Accra region and also getting more value for their money.
2. Farmers lack adequate financial trainings and resources to help them finance their activities.
3. High cost of fertilizer is hampering maize production.

II. List of Participants

S.N	Name of Participant	Designation
1	Sumalia Mumuni	Maize farmer
2	Fusainu Iddris	Maize farmer
3	Alhaji Hanina	Maize farmer
4	Osman Siadu	Maize farmer
5	Ismael Kweku	Maize farmer
6	Nuhu Shiabu	Maize farmer
7	Mohammed Hanina	Maize farmer
8	Dong Steven	Maize farmer
9	Issaka Malik	Maize farmer

10	Swala Alidu	Maize farmer
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