

**Report on a Workshop on Maize Marketing Held at Damongo Secondary School, Damongo,  
Ghana on Wednesday 5th May 1999**

*Present:*

5 Traders (4 from Damongo, all women, and 1 from Tamale)  
 26 Farmers (all men, from Kotito, Yipala, Burutu and Gyamfara villages)  
 Mr Abbas Bamba, Assemblyman from Damongo Central,  
 Mr Ben Wilson, Director of Agriculture, Damongo District  
 3 MoFA Extension workers  
 Mr Amos Mahama Seidu, Chairman, Economic Development Sub-Committee, Damongo District  
 Assembly (Chairman)  
 Dr Saa Dittoh, University of Development Studies, Tamale  
 Mr Benjamin Tetteh Anang, University of Development Studies, Tamale  
 Dr Ramatu Al-Hassan, University of Ghana at Legon  
 Mr Colin Poulton, Wye College  
 Dr Andrew Dorward, Wye College  
 Total: 42 participants

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1. Mr Amos Mahama Seidu (Chairman, Economic Development Sub-Committee, Damongo District Assembly) welcomed participants, emphasised the importance of the topic to all present and to the economy of the district, and encouraged full participation and sharing by all present. Mr Shiraz (MOFA) then outlined the importance of maize to farming and the problems of low production and prices facing farmers. He outlined how research had been conducted through discussions with farmers and traders and in a questionnaire survey by Dr Al-Hassan and the research team, leading up to this workshop. All participants then introduced themselves before Mr Wilson (Director of Agriculture, Damongo District) encouraged participants to agree during the workshop on how to work together to address the very significant problems facing both maize farmers and traders in Damongo. He then formally declared the meeting open.
2. The purpose of the meeting was then outlined in the context of a research study being carried out in Tanzania and also in Afram Plains. The objective of the research is to gain understanding of the maize marketing problems faced by farmers and traders in remote areas. The workshop followed on from field work conducted by Dr Al-Hassan, and its purpose was to allow sharing of information about marketing issues in order to identify particular actions that might be taken to address these problems. Dr Al-Hassan would therefore present the results of her study and this would lead on to a wider discussion of problems facing farmers and traders, and to consideration of action that farmers, traders, Agriculture Department, Local Government, NGOs and the research team could take to address these problems.
3. Continuing the theme of the importance of all those involved in the maize sector in Damongo working together to increase volumes produced and marketed, traders (and farmers) were asked to identify the characteristics of a good farmer (or trader) with whom they would like to work. The discussion laid open the considerable distrust that exists between the two groups. In particular, some farmers' representatives suggested that they only deal with traders under duress and really hanker after a return of GFDC to the market place, enabling them (they imagine) to sell maize at a more stable and remunerative price for clearly defined, standard measures.

Traders reported that a 'good customer' was one who was reliable in repaying loans, trustworthy in keeping agreements, able at times to extend credit to traders (for example by selling produce to the trader with later payment), and who is flexible and able to negotiate with the trader to take account of the business problems that traders face. An important aspect of the farmer-trader relationship was that money should flow both ways between farmers and traders, with both trading and credit relationships. Traders also reported that they preferred trading with farmers who could sell larger volumes. There was some difference of opinion regarding the relative merits of traders going into villages to buy maize as compared with farmers bringing maize to them, but it was agreed that in either case good communication between farmer and trader was important.

Farmers reported that they preferred dealing with traders who used standard measures (standard sacks filled to a standard capacity), who stick to agreements regarding the terms of repayment of loans (for example as prices of maize change, repayment in kind or in cash are very different), who do not 'grab' sales for loan repayment immediately at harvest when prices are very low, and who

pay reasonable prices. One farmer indicated that farmers have little choice as to the characteristics of traders. Farmers have to take traders as they are, as there is no alternative. Another farmer suggested that most problems between farmers and traders arise because of farmers taking credit from traders. If farmers could avoid taking credit from traders, then a lot of the relationship problems between farmers and traders would not arise. Credit, therefore, needs to be obtained from other sources.

4. Dr Al-Hassan presented a summary of the results of her field work. Over the last ten years there was a widespread view that maize production had declined, and participants suggested that this was an absolute decline across the District as well as a decline in per capita production. Farmers suggested a number of reasons for this:

- The current high cost of fertilisers and tractors makes them difficult to afford.
- The current high cost of fertilisers makes them less profitable.
- Fertiliser is also very difficult to obtain in Damongo and needs to be bought from Tamale.
- MoFA and farmers no longer work together as closely as they used to.
- Farmers lack working capital to buy fertiliser.
- There is reduced demand for maize from Damongo on the wider market.
- GFDC no longer buys maize and so does not influence prices.
- The low productivity and profitability in the system mean that farmers and traders are competing for their share of what profit there is.

In further discussion farmers accepted that continued maize production on the same plot led to reduced yields, even with fertiliser use. A wider perspective on the fertiliser supply and finance problem is, therefore, needed if maize yields are to be addressed. As a means of addressing tractor cost and availability problems, ox ploughing and transport is becoming more common. There is, however, a need for training, and the capital costs of equipment can be a constraint for some farmers. Transportation problems with regards to local roads is an issue that should be looked into by the District Assembly, with possible assistance from the Village Infrastructure Project. Farmers also indicated that they face high storage losses.

In conclusion to this discussion it was noted that lower maize production put pressure on all the players in the marketing system. Better co-ordination, among farmers and between farmers and traders, is an important way in which the competitive position of Damongo maize might be improved.

5. Dr Dittoh then raised two issues with farmers. First, field work suggested that many farmers who had lived in the district for many years still considered themselves 'temporary' settlers, and had not invested in the area with housing, tree planting, and soil management. Farmers were asked if this short term commitment to the area was realistic. Secondly, the field work had not provided any clear indications on the extent to which new traders could enter a village to buy maize. Farmers and traders reported that there were no restrictions on new traders entering a village to do business.

6. It was noted that, with the major and difficult problems facing maize production and marketing in the District, it is important to assess the importance of maize to farmers and traders before committing resources to attempt to address these problems. In general discussion it became clear that for many farmers earnings from cassava and guinea corn (sorghum) had increased to the extent that they are now greater than earnings from maize. The switch to these crops was largely because they do not require fertiliser. The situation for groundnuts was less clear: eight farmers indicated that groundnuts is a more important crop for them than maize, but it was not clear if this was a recent phenomenon or not. Yam production is also very important, particularly in more remote areas on previously uncultivated land where fertility is high but where monkey damage makes it difficult to grow maize.

7. After lunch discussion broke up into four groups: two groups of farmers, a group of traders, and a group of Assemblymen and MoFA and Assembly Officials. Farmers were asked to:

- (a) prioritise their crops according to importance in consumption,
- (b) prioritise their crops according to importance in their cash income,
- (c) identify and prioritise their problems in agricultural marketing.



Traders were asked to:

- (a) prioritise crops according to importance in trading (by volumes handled)
- (b) identify and prioritise their problems in agricultural marketing.

Assemblymen and Officials were asked to consider mechanisms by which the discussions at the workshop could be taken forward to lead to action to address some of the broader problems of agricultural marketing in the district.

#### 7.1 Farmer and trader crop prioritisation

Prioritisation of crops by the two farmer groups and traders was as follows:

Rank	Farmers' ranking of crop importance for consumption		Farmers' ranking of crop importance for cash income		Traders' ranking of crop importance
	Group 1	Group 2	Group 1	Group 2	
1	Maize	Cassava	Groundnuts	Groundnuts	Groundnuts
2	Cassava	Maize	Sorghum/ millet	Yam	Guinea corn (sorghum)
3	Yam	Yam	Beans	Guinea corn (sorghum)	Maize
4	Beans		Yam		Cassava
5	Guinea corn (sorghum)		Maize		Millet
6	Millet		Cassava		
7	Groundnuts				

Although there was not complete agreement in crop prioritisation between the two farmer groups, what is clear is that maize is an important food crop (first or second for both groups) but is much less important as a cash crop. This is confirmed by traders' ranking of it third, after groundnuts and guinea corn. Local traders reported that they did not deal with yams. These were dealt in by other traders from outside the area.

#### 7.2 Farmer and trader marketing problems

Traders identified and prioritised their problems as follows:

Rank	Problem
1	Transport difficulties (availability of vehicles rather than cost)
2	Capital shortages
3	Difficult to finance farmers due to capital shortages - brings mistrust from farmers
4	Storage: high costs and lack of facilities
5	Lack of credit/ loans
6	Large bag sizes and the 'cap' arises because traders need to pay council levies (ticket), transport charges, sewing fees, etc.

Farmers identified and prioritised their problems as follows:

Rank	Problem
1	Lack of buyers at times when different crops are not abundant and prices are higher
2	Storage: lack of facilities and high losses from insects
3	Transport: lack of transport facilities from farm to house and from house to market, and high costs on bad roads
4	Low prices offered by buyers

Only one of the two farmer discussion groups formally presented a table of prioritised problems, but in discussion members of the other farmer discussion group broadly agreed with these conclusions. Traders commented that the lack of buyers when crops are not abundant is due, partly at least, to their inability to afford to buy and store when prices are high.

There was not sufficient time to discuss how these problems might be solved, but it was pointed out that improved co-ordination was one means by which some of these problems might be addressed. This in turn required farmers to work together, traders to work together, and farmers and traders to work together. Practical difficulties, such as farmers' need to make small distress sales, do make farmer co-operation in marketing very difficult, but there could be benefits in drawing on experience from successful farmer groups to see how these problems can be addressed.

### 7.3 Mechanisms for taking forward the workshop discussions to lead to action

Assemblymen, Officials and the Research Team discussed possible mechanisms to stimulate action to address some of the broader problems of agricultural marketing in the district. It was agreed that a Steering Committee on Agricultural Marketing Development would be formed to address agricultural marketing problems in the district. Membership would consist of

- the Chairman of the Economic Development Sub Committee of the District Assembly,
- The District Director of Agriculture,
- farmer representatives of the four communities present at the workshop,
- trader representatives (from Damongo and Tamale),
- interested NGO(s) (Technoserve was identified as being most appropriate initially), and
- Dr Al-Hassan and Dr Dittoh.

The Committee would clarify its name and terms of reference at its first meeting, the date of which would be set following distribution of the report of the workshop. The purpose of the committee would be to identify and facilitate key actions needing to be taken to promote agricultural marketing development in the district. Such actions might include animation and training, further research, or specific projects, and the committee would need to prepare proposals where appropriate. Limited funding for committee activities would be available in the short term from the research project funding that had funded the workshop and preceding research.

The proposal for a steering committee was agreed by the workshop, and farmer and trader representatives chosen from among workshop participants, as follows:

Traders:

- Amiame Issah (Damongo) and Alhaji Ali Issah (Tamale).

Farmers:

- Zacharia Sode (Damongo), Saka Seidu (Kotito), Alfred Penheh (Yipala) and Almatio Fassima (Burutu/ Gyamfara).

8. Votes of thanks were then made to those attending and organising the workshop, before the Chairman closed the meeting.

### *Commentary*

Following the workshop the research team noted the following points:

- Maize does not seem to have such a predominant role in the livelihood system and district economy as the researchers had been led to believe at the start of their work. At current prices there would seem to be little prospect of production and marketing innovations that can make it a viable major crop for cash income generation.
- In analysing the causes of poor maize prices in the past two years it is difficult to identify and separate out the effects of long term trends from the results of short term influences.
- Despite the tensions that exist between farmers and traders over issues of price, bag sizes, and timing of loan repayments and sales, it is important that they work together if the volume of maize produced and marketed in the District is to increase.
- A major problem in the maize and other markets is low volume of production. This depresses the involvement of outside traders and hence both reduces competition between traders and increases farmers' difficulties in finding buyers. Attention, therefore, needs to be given to addressing both production and marketing problems, as even if marketing efficiency could be improved dramatically, this might lead to only relatively small price improvements for farmers.
- The low profitability of maize at present, with high costs and low prices, means that diversification into other crops should be given consideration. Immediate action on this could be to commission a study of opportunities for diversification, with examination both of the business and marketing opportunities for different crops suited to the area agronomically and of the potential socio-economic benefits to farmers from production of these crops.
- Further considered recommendations will be made in the case study report on maize marketing in Damongo, where findings from the field study and the workshop will be analysed and presented together.