



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative

GHANA FEED THE FUTURE AGRICULTURE POLICY SUPPORT PROJECT (APSP)

Report on Farmer Based Organizations (FBOs) Strategy

Contract No. 641-C-14-00001



USAID
FROM THE AMERICAN PEOPLE

GHANA FEED THE FUTURE AGRICULTURE POLICY SUPPORT PROJECT (APSP)

Report on Farmer Based Organizations (FBOs) Strategy

Contract No. 641-C-14-00001

April 2017

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc. The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Table of Contents

LIST of ACRONYMS	iii
EXECUTIVE SUMMARY	iii
1.0 INTRODUCTION	1
1.1 Background Information	1
1.2 Terms of Reference (ToR)	1
1.3 Methodology	2
1.4 Organization of the Report on the FBO Strategy Document	3
2.0 ANALYSIS AND FINDINGS ON FBO LANDSCAPE	3
2.1. Typology of FBOs	3
2.2 Formation and Development of FBOs	8
2.3 FBO Development Strategies and Approaches by MoFA and Other Stakeholders	9
2.3.1 FBO Strategy by MoFA	9
2.3.2 FBO Development by the Department of Co-operatives	10
2.3.3 FBO Strategy by Development Partners (DPs)	12
2.3.4 FBO Strategy by NGOs	12
2.3.5 FBO Strategy by Private Sector Operators	13
2.4 Challenges Associated with FBOs in Ghana	14
2.4.1 Limited Capacity of Extension Agents to Facilitate Effective Formation and Development of FBOs	14
2.4.2 Inability to Satisfy the Needs of Members of the FBOs	15
2.4.3 Absence of Conflict Resolution Mechanisms	15
2.4.4 Weak Managerial Capacity of FBOs	15
2.4.5 Weak Leadership and Governance	15
2.4.6 Weak Market Opportunities	15
2.4.7 Inadequate Funding for FBOs	16
2.4.8 Non-Compliance of MOUs signed between FBOs and Processors/Marketing Intermediaries/Input Sellers	16
2.4.9 Weak Bargaining Position of the FBOs	17
2.5 Best Practices in FBO Formation and Development	17
3.0 CASE STUDIES OF SOME SUCCESSFUL FBOs in GHANA	17
3.1 Introduction	17
3.2 Ejisu /Juabeng Pig Farmers and Processors Association	17
3.2.1 Description of the Case	17
3.2.2 Key Success Factors	19
3.3 Yilo-Krobo Mango Farmers Association	19
3.3.1 Description of Case	19
3.3.2 Key Success Factors	21
3.4 Rubber Outgrowers and Agents Association (ROAA)	21
3.4.1 Description of Case	21
3.4.2 Key Success Factors	23
3.5 Adoye Farmers Association/High and Mighty Agro-processing Co Ltd	23
3.5.1 Description of Case	23
3.5.2 Key Success Factors	24

4.0 PROPOSED FBO STRATEGY	24
4.1 Objectives of the FBO Strategy	24
4.2 Strategies to Achieve Objectives	24
4.2.1 Strategic Objective 1: Develop Business Oriented Farmer-Based Organizations	24
4.2.2 Strategic Objective 2: Promote Private Sector Participation in FBO Development and Extension Delivery	28
4.2.3 Strategic Objective 3: Strengthen FBOs through Value Chain Development	28
4.2.4 Strategic Objective 4: Strengthen Extension Delivery System through involvement of Key Stakeholders, who will address Multiple Issues of interest to Farmers.....	29
4.2.5 Strategic Objective 5: Promote the Development of FBOs Networks	29
4.2.6 Strategic Objective 6: Promote PPP in FBO Development to Ensure Cost Effective and Sustainable FBO Financing	31
4.2.7 Strategic Objective 7: Strengthen Collaboration among Key Actors in the FBO Development Process	31
4.2.8 Strategic Objective 8: Propose the Requisite Policy and Legislative Framework that can Enhance Formation, Development and Sustainability of FBOs	32
4.3 Strategy Implementation Arrangement	33
BIBLIOGRAPHY	34
APPENDIX: INTERVIEW GUIDES FOR STAKEHOLDERS	35

List of Tables

Table 1: Characteristics of FBOs by Stage of Development.....	11
Table 2: Placement of FBOs Surveyed by Stage of Development.....	13
Table 3: Development Stage of Groups and Proposed Interventions	44
Table 4: Levels of Apex FBOs, Their Roles, Activities and Interventions.....	50

LIST OF ACRONYMS

AgSSIP	-	Agricultural Services Sub-Sector Investment Project
CLUSA	-	Co-operative League of the United States of America
CIDA	-	Canadian Development Agency
DAES	-	Directorate of Agricultural Extension Services
DoC	-	Department of Cooperatives
FASDEP II	-	Food and Agriculture Sector Development Policy II
FBOs	-	Farmer Based Organizations
GFAP	-	Ghana Federation of Agricultural Producers
GAP	-	Good Agricultural Practices
GNAFF	-	Ghana National Association of Farmers and Fishermen
GIZ	-	German Agency for International Cooperation
MiDA	-	Millennium Development Account
METASIP	-	Medium Term Agricultural Sector Investment Plan
MMDA	-	Metropolitan/Municipal/District Assembly
MOAP	-	Market Oriented Agricultural Programme
MoFA	-	Ministry of Food and Agriculture
MPAN	-	Market Policy Action Node
NGO	-	Non-Governmental Organization
PFAG	-	Peasant Farmers Association of Ghana
ROAA	-	Rubber Outgrowers and Agents Association

EXECUTIVE SUMMARY

Introduction

Ghana's agriculture is predominantly practiced by small-holder, family-operated farmers using rudimentary technology. Reaching these small holder farmers individually with improved technologies and extension services is inefficient, not to mention the inability of these individual farmers to take advantage of economies of scale in accessing inputs and marketing of their produce. Both the Food and Agricultural Sector Development Policy (FASDEP) and the Extension Policy of MoFA recognized the need to deliver services through farmers' groups to ensure efficiency and effectiveness. In this regard, there have been various interventions from MoFA and NGOs in the past to develop viable farmer groups. Yet the documentation and research on activities of FBOs point to minimal impact in terms of extension service delivery, linkages along the agricultural value chain, policy formulation, and influence on inputs and outputs markets through collaboration with agribusinesses. This raises the fundamental question as to how to form and develop viable and sustainable FBOs that are business-oriented and capable of providing services required by its members along the agricultural value chain and to be a major player in policy formulation in the agricultural sector. It is against this background that the Feed the Future Ghana Agriculture Policy Support Project engaged consultants to develop a comprehensive FBO strategy that can guide stakeholders in their efforts to develop strong, cohesive and capable FBOs.

Objectives of the Assignment

The main objective of the assignment is to investigate the missing links in the formation and development of sustainable FBOs, identify success factors and best practices that have made some FBOs successful and utilize these findings in the development of a comprehensive FBO strategy document.

The specific objectives of the assignment are:

- Review the current FBO development strategy.
- Review the current FBO development and strategies/approaches used by key civil society organisations, NGOs and other development partners, MOFA, Department of Cooperatives and the private sector and indicate lessons that could be learnt from their approaches for replication in the new strategy document.
- To provide three case studies of successful FBOs in the food crop, tree and livestock sub-sectors explaining the internal and external factors key to effective collective action and successful performance over the past three years.
- Delineate the respective roles and responsibilities of key actors in FBO development efforts.
- To make recommendations regarding the most viable business models/ strategies/ approaches for the effective development of FBOs.
- Through detailed analyses of policy and regulatory framework make suggestions that can enable the sustainable development of well-functioning FBOs in the country.

Methodology

Participatory approaches were used in the execution of the assignment. Consequently, there were active consultations and involvement of various categories of people to capture their perspectives, concerns, limitations and potentials to guide the design of the FBO strategy.

The specific activities and methods that were employed to achieve the objectives of the assignment were:

- i. **Review of Relevant documents:** This involved the identification and collection of relevant documents for critical review to identify gaps and distill lessons towards strengthening FBOs.
- ii. **Preparation of Survey Instruments:** This involved preparation of interview guides, questionnaires and checklist along the thematic issues of interest.

- iii. **Field Work:** The consultants collected field data through key informant's interviews, focus group discussions and direct observations. The fieldwork covered Northern Region, Brong-Ahafo Region, Ashanti Region, Western Region, Eastern Region and Greater Accra. The fieldwork also involved the identification and study of four successful FBOs. These were the Ejisu/Juabeng Pig Farmers and Processors Association, Ashanti Region; the Yilo Krobo Mango Farmers Association, Eastern Region, Rubber Outgrowers and Agents Association (ROAA) at Agona- Nkwanta in the Western Region and Adoye Farmers Association/ High and Mighty Agro processing Co. Ltd., Techiman, Brong/Ahafo Region.
- iv. **Data Analysis:** The information gathered was analyzed under various relevant themes.
- v. **Development of Draft FBO Strategy Document:** The lessons and conclusions drawn from the information analyzed provided basis for the development of the FBO strategy document.
- vi. **Organize two validation workshops involving key stakeholders:** The draft document was presented and discussed at two stakeholders' workshops. One workshop was organized for stakeholders from the Northern Sector and another one for the southern sector to validate the findings and fill in any gaps.
- vii. **Preparation and submission of Final Report:** The feedback collated from the validation workshops were used to prepare the final strategy document.

Organization of the FBO Strategy Document

The report on the FBO Strategy Document is organized into four Chapters. After the introductory chapter, the findings from the field analysis are presented in two chapters. In chapter two is the presentation on the FBO Landscape in Ghana, whilst the findings on the successful FBOs used as case studies are presented in chapter three. The lessons distilled from these analyses formed the basis of developing the Strategy document in chapter four.

The FBO Landscape in Ghana

The term FBO is used loosely to mean various types of groups, which may be classified under various categories in terms of focus, form of registration and stage of development. A good understanding and consensus on the various types of FBOs will help determine the appropriate interventions for the various types of groups.

The analysis revealed that most FBOs are formed based on anticipated benefits from projects rather than self-help. Consequently, most of these FBOs cease to exist after the projects have ended. There is no uniform strategy to guide the formation and development of FBOs by various actors. FBOs that have been promoted by small to medium scale processors/marketing intermediaries tend to be vibrant and sustainable apparently due to the guaranteed market for their produce as well as other beneficial services received from the business operators.

Challenges identified with FBOs in Ghana include the following:

- Limited capacity of extension agents to facilitate effective formation and development of FBOs;
- Inability to satisfy the needs of members of the FBOs;
- Absence of conflict resolution mechanisms;
- Weak managerial capacity of FBOs;
- Weak leadership and governance;
- Weak market opportunities;
- Inadequacy of funding of FBOs;
- Non-Compliance of MOUs signed between FBOs and Processors/Marketing Intermediaries/Input Sellers;
- Weak bargaining position of the FBOs and,
- Absence of regulations to guide the operations of the DAES, FBOs and other stakeholders.

Lessons from the Case Study of Successful FBOs

The four case studies brought to the fore some critical ingredients for the viability and sustainability of FBOs as indicated below:

- Level of benefits – in the form of credit guarantee for members, cheaper inputs, connection of members to better markets, solidarity support to a member in crisis etc. –that members derive from the groups.
- Extent to which the rewards associated with collective action will be distributed equitably.
- Effective and transparent leadership
- Reliability of source of revenue from commission on sales of produce to buyers.
- Satisfaction with services provided by the association

The FBO Development Strategy

The long-term objective of this strategy is the emergence of vibrant and sustainable Farmer-Based Organizations.

The specific objectives are:

- i. To develop business oriented Farmer-Based Organizations
- ii. To promote private sector participation in FBO development and extension service delivery
- iii. To strengthen FBOs through value chain development
- iv. To strengthen the extension service delivery system through involvement of key stakeholders, such as processors and marketing intermediaries etc., who will address multiple issues of interest to farmers?
- v. To promote the development of FBOs network capable of influencing agricultural inputs and outputs markets as well as agriculture-related policies
- vi. To strengthen collaboration among key actors in the FBO development process.
- vii. To propose the requisite policy and legislative framework that can enhance formation, development and sustainability of FBOs.

The strategies to achieve the development of business-oriented FBOs may depend on factors such as the profile of the farmers, the type of commodity and nature of the market. For example, key activities for the formation and development of FBOs, whose members are small-scale farmers, may include taking the newly formed groups through the principles of co-operation. The groups may also be assisted to link up with private operators along the value-chain. The groups may be helped to identify and provide various services to their members at cheaper costs. Assessment of the stage of development of an FBO would enable facilitators to provide appropriate training interventions for each group.

The evidence from the field shows that private business operators like processors and marketers can form viable FBOs. It is, therefore, desirable to engage private business operators in the formation and development of FBOs. Viable agribusiness operators like nucleus farmers, small-to medium-scale processing companies and wholesale marketing intermediaries should be identified by MoFA and encouraged to form and support FBOs, under some contractual agreement that have been negotiated in a transparent manner, to produce the required commodities for them.

The survival and sustainability of FBOs largely depends on the relevance, competitiveness of the price of the service or product, and the overall profitability of the services offered by the FBO to its members. The linkage of FBOs along the agricultural value chains will enhance the benefits to FBOs, thereby making them more viable. Besides, value chain development will help various actors in the value chain to understand the needs of others and their mutual interdependence towards a win-win situation.

To strengthen the extension delivery system, the strategy calls for an extension service that is holistic in addressing multiple issues and involving various key stakeholders, including the private sector and research community.

To enhance the ability of farmers to participate and influence decisions affecting their welfare in the market and socio-political arena, it is strategic to support the formation of viable farmer networks (Apex bodies) from the grassroots to the district, regional and national levels.

To strengthen functional collaboration among key actors in the FBO development process, there is a need for an elaborate strategy to outline the complementary roles of various key organizations like MoFA, Department of Co-operative, NGOs and Development Partners.

There is also the need for the FBO strategy to be anchored on an appropriate policy and legal framework in various areas such as:

- i. Review of extension policy to reflect the pluralistic approaches used by key actors and to encourage private sector participation.
- ii. Review of curricula for the training of agricultural extension officers to include other dimensions like FBOs formation and development, market facilitation as well value chain development and business approach to farming.
- iii. Legal backing for FBO Secretariat which will perform following functions:
 - Develop guidelines for the formation of FBOs
 - Establish an Arbitration Committee to adjudicate between members of FBOs, between FBOs and other private sector stakeholders such as processors, input sellers, marketing agents and exporters
 - Determine the requirements for registration of FBOs
 - Outline the responsibilities of FBOs with respect to reporting
 - Ensure accountability of the leadership of FBOs
- iv. The strategy also calls for legislation that can enforce contracts between farmers and private operators as well as regulate the activities of FBOs and other stakeholders.

I.0 INTRODUCTION

I.1 Background Information

This introductory chapter provides background information to the study leading to the development of the FBO strategy. The chapter also captures the Terms of Reference for the assignment and the methodology.

Ghana's agriculture is dominated by smallholder, family-operated farmers using rudimentary technology. Reaching these smallholder farmers individually with improved technologies and extension services is inefficient, not to mention the inability of these individual farmers to take advantage of economies of scale in accessing inputs and marketing of their produce. Both the Food and Agricultural Sector Development Policy II (FASDEP II) and the Extension Policy of MoFA recognized the need to deliver services through farmer's groups to ensure efficiency and effectiveness. The formation and development of sustainable farmer groups will not only empower farmers, especially small-scale holders, to participate and influence decisions affecting their welfare in the market and socio-political arena, but also take advantage of economies of scale in accessing farm inputs, credit and markets for their produce (Stringfellow et al., 1997). This ultimately leads to reduction in transaction cost and competitiveness, vital for survival in today's competitive market place. Viable FBOs can play a central role in the transformation of Ghana's agriculture.

Farmer-Based Organizations (FBOs) have benefitted from several capacity building programs by both public and private agencies aimed at advancing their technical, organizational, managerial and business competencies. Yet, documentation and research on activities of FBOs point to minimal impact in terms of extension delivery, linkages along the agricultural value chain, policy formulation, and influence on inputs and outputs markets through collaboration with agribusinesses. This raises the fundamental question as to how to form and develop viable and sustainable FBOs that are business-oriented and capable of providing services required by its members along the agricultural value chain and being a major player in policy formulation in the agricultural sector.

It is against this background that the Feed the Future Ghana Agriculture Policy Support Project engaged consultants to develop a comprehensive FBO strategy that can guide stakeholders in their efforts to develop strong, cohesive and capable FBOs that can meet the needs of their members and assist to achieve national agricultural development goals.

I.2 Terms of Reference (ToR)

A critical analysis of the ToR revealed that the problem driving this study and the development of the FBO strategy is the recognition that the existence of vibrant, cohesive and capable FBOs is central to the transformation of Ghana's agriculture, yet the various previous attempts in this direction have not generated the desired results. This assignment, therefore, seeks to investigate the missing links in the formation and development of sustainable FBOs, identify success factors and best practices that have made some FBOs successful and utilize these findings in the development of a comprehensive FBO strategy document that outlines policies, principles and roles of different stakeholders which will guide their efforts to develop vibrant and sustainable FBOs in Ghana.

The specific objectives of the assignment are:

- Review the current FBO development strategy.
- Review the current FBO development and strategies/approaches used by key civil society organizations, NGOs and other development partners, MOFA, Department of Cooperatives and the private sector and indicate lessons that could be learnt from their approaches for replication in the new strategy document.

- To provide three case studies of successful FBOs in the food crop, tree and livestock sub-sectors explaining the internal and external factors key to their effective collective action and successful performance over the past three years.
- Delineate the respective roles and responsibilities of key actors in FBO development efforts.
- To make recommendations regarding the most viable business models/strategies/approaches for the effective development of FBOs.
- Through detailed analyses of policy and regulatory framework make suggestions that can enable the sustainable development of well-functioning FBOs in the country.

I.3 Methodology

Participatory approaches were used in the execution of the assignment. Consequently, there were active consultations and involvement of various categories of people in discussions to capture their perspectives, concerns, limitations and potentials to guide the design of the FBO strategy.

The specific activities and methods that were employed to achieve the objectives of the assignment are outlined below:

- i. Review of Relevant documents:** This involved the identification and collection of relevant documents for critical review to identify gaps and distill lessons towards strengthening FBOs. The client and others provided some of the documents that were reviewed by the consultants. Some relevant literature on the subject was reviewed.
- ii. Preparation of Survey Instruments:** This involved preparation of interview guides, questionnaires and checklist along the thematic issues of interest for focus group discussions.
- iii. Field Work:** The consultants collected field data through key informant's interviews, focus group discussions and direct observations. The questionnaires and the interview guides were used to interview key informants. The key informants who were interviewed included CSOs/NGOs, personnel of DAES, development partners, marketing intermediaries, service providers to farmers, processors etc. Focus group discussions were held with farmer groups in five (5) regions using the checklist prepared for the purpose. All the survey instruments are included in Appendix I. Purposive sampling was used to select the key informants and farmer groups for the study. This was to ensure that the sample of regions and respondents capture the diverse ecological zones and agricultural subsectors like crops, livestock and trees.

In this regard, the following regions were selected for the field work:

- **Northern Region:** Savannah ecological zone, where FBOs in food crops and livestock was the focus.
- **Brong-Ahafo Region:** Transitional zone, where food crops, livestock and Cashew dominate.
- **Ashanti Region:** Forest Zone, where oil palm and food crops dominate.
- **Western Region:** Rain forest, where cocoa, rubber and other tree crops dominate.
- **Greater Accra:** Coastal zone, where livestock and vegetables are predominant.

In addition, an official of a fruit processing company, Pinora at Asamankese in the Eastern Region, was also interviewed. Informal discussions were held with members of farmer groups affiliated with the processor.

The fieldwork also involved the identification and study of four successful FBOs, preferably those that are not currently supported by a project, to identify the factors that make them successful. Three of the four FBOs, selected for the case studies, are the Ejisu/Juabeng Pig Farmers and Processors association, in Ejisu, Ashanti Region; the Yilo-Krobo Mango Farmers Association, headquartered at Somanya, Eastern Region; Rubber Outgrowers and Agents Association (ROAA) at Agona Nkwanta in the Western Region.

All the three FBOs are registered with the Registrar- General's Department. The fourth FBO, Adoye Farmers Association based at Dweneho in the Nkoranza North District, Brong-Ahafo, was promoted by a small-scale agro-processor, High and Mighty Agro-processing Company Ltd., Techiman in the Brong/Ahafo Region. The Adoye Farmers Association, which has shown great promise within its short period of existence of three years, was selected for thorough investigation.

- iv. Data Analysis: The information gathered from the interviews, focus group discussions and from other documents and sources were analyzed under various relevant themes.** The themes include Typology of FBOs, Formation and Development of FBOs, FBOs Development Strategy and Approaches by MoFA and Other Stakeholders, Challenges Associated with FBOs in Ghana and Best Practices in FBO Formation and Development.
- v. Development of Draft FBO Strategy Document:** The lessons and conclusions drawn from the information analyzed provided the basis for the development of the FBO strategy document.
- vi. Organization of two validation workshops involving key stakeholders:** The draft document was presented and discussed at two stakeholders' workshops. One workshop was organized for stakeholders from the Northern Sector (Northern, Upper East, Upper West, Ashanti and Brong-Ahafo Regions) and another one for the southern sector (Greater Accra, Eastern, Volta, Central and Western Regions). The discussions at the workshops focused on validating the findings and/or receiving inputs to fill any gaps for review of the draft strategy.
- vii. Preparation and submission of Final Report:** The feedback collated from the validation workshops was used in the preparation of the final report.

1.4 Organization of the Report on the FBO Strategy Document

The report on the FBO Strategy Document is organized into four Chapters. After the introductory chapter, the findings from the field analyses are presented in two chapters. In chapter two is the presentation on the FBO landscape in Ghana, whilst the findings on the three successful FBOs used as case studies are presented in chapter three. An additional food crop FBO, the Adoye Farmers Association was also analyzed as a case study and the results presented in chapter three. The conclusions and inferences drawn from the findings in chapters two and three and best practices identified from the literature and other reports informed the development of the FBO Strategy presented in chapter four.

2. 0 ANALYSIS AND FINDINGS ON FBO LANDSCAPE

2.1. Typology of FBOs

Review of literature and observations on the field revealed that the term FBO is used loosely to describe various types of groups. Farmer groups are set up as cooperatives, saving and credit societies, commodity farmer associations, and other organizational forms. Farmer Organizations have been promoted as an element of strategy for agricultural modernization. These organizations play different roles and perform different functions depending on the purposes they are set up to serve. This makes it difficult to have a common definition of an FBO. However, a generally accepted definition of an FBO is, ***'institutions of participatory governance with grassroots structures constituted by smallholder farmers and processors as building blocks, representing their interests, and with a certain level of accountability to them'*** (Rwelamira, 2014).

It is important to have a good understanding of the various types of FBOs. This helps determine the suitability of the type and structure that are assigned a farmer's organization. The findings of the study showed the existence of diverse types of farmer associations, which play different roles and perform varying functions. The review of the literature shows attempts that have been made to classify FBOs.

Several characteristics have been used to classify FBOs. These characteristics include the type of industry, size, purpose, type of service, whether registered or non-registered (formal or informal) etc. The factors that have been used to classify the FBOs are based on the types of FBOs that were found to exist in the field and from the literature. Based on the findings, the FBOs in this study have been classified per focus, type of registration, and stage of development. In a study by Chamala and Shingi (2009), FBOs have been grouped into two types, the community-based and resource-oriented organizations and the commodity-based and market-oriented organizations.

Commodity-based and market-oriented classification is similar to the classification based on focus. The Chamala and Shingi (2009) classification, therefore, can be accommodated by the classification based on focus.

The focus classification is based on range of commodities (whether the members produce and market one commodity or several commodities) and purpose (whether single purpose or multi-purpose). FBOs may also be classified based on their registration status, whether registered or not, and if registered, the Agency that registered it. The last category is the stage of development of the FBO, whether it is at the start-up stage or mature stage. In this study, the FBOs were observed to be at different stages of development. The main importance of classifying the FBOs by stage of development is the recognition of the need to design different strategies for the FBOs at different developmental stages to improve their effectiveness.

i. **Classification Based on Focus of the FBO**

- **Single Commodity-based FBOs:** Tend to deal with only one agricultural commodity
- **Multi-commodity groups:** Deals with more than one agricultural commodity.
- **Single purpose Farmer Organizations:** Tend to engage in the provision of one service like supply of inputs for production to its members or marketing of members' produce.
- **Multi-purpose Farmer Organizations:** Tend to provide more than one service to its members.

It must be pointed out that the classification above is not that clear-cut. A single commodity FBO may also be put in either single or multiple purpose farmer organization categories.

ii. **Classification Based on form of Registration:**

Loose Association not registered with any Regulatory body: These are farmer organizations that have been formed by the farmers themselves or an input seller, or a processor or a produce buyer. These types of associations may not have any rules and regulations guiding their operations and their members may not even pay any dues. The members elect the leadership but invariably they are the ones who originate the formation of the organization. The associations do not report to any regulatory authority, such as Registrar Generals Department, DoC, FBO Secretariat and District Assembly. They come together either to enhance the marketing of their produce and/or for the acquisition of inputs for their farming activities. Some of these farmer associations that have been initiated by either by individuals within the communities or buyers of produce from the farmers or other service providers may team up with other similar associations to form an 'apex' body. The farmer associations that have formed the 'apex' association allow the apex association to negotiate with buyers of produce or sellers of inputs and providers of services to the farmers. These associations that are not registered with any regulatory body may with time formalize the association by adopting a constitution, develop rules and regulations and register and function as a recognized FBO.

Registration with FBO Secretariat /MOFA: The farmer organizations that register with the FBO secretariat mostly are organized by extension service personnel under specific MOFA projects, which deliver their services through groups of farmers. The leadership may initially come from those farmers who were first contacted by the extension service personnel on the formation of farmer associations as

part of mechanisms for the delivery of project services. In other cases, members of these farmer associations may elect their leaders. Each of the DAES-initiated farmer based organizations is expected to submit a constitution as a requirement for registration. It was observed though that some associations were registered without any constitution; however, it was not possible to estimate how many were in this category. MOFA gives a certificate signed by the district officer to the FBOs. They are not required to submit any returns of their activities to the FBO secretariat. The evidence on the ground shows that several of such farmer organizations collapse at the end of a project life. However, some of the MoFA-initiated FBOs have developed to become viable FBOs. They have constitutions, with their activities and operations guided by rules and regulations. They also have regular source(s) of income. The successes of these FBOs could be attributed to committed leadership, members and facilitators.

Registration with District Assemblies: Some farmer organizations, which have registered with FBO secretariat/MOFA, Department of Cooperatives and Registrar General's Department, may also register with the local governmental authority (MMDA). Others solely register with a District Assembly. Organizations that register solely with the District Assembly are mostly the ones who expect some benefits from the government through the District Assembly. The evidence from the field, according to some Extension Officers, is that such organizations do not last.

Registration with Department of Cooperative (DoC): The farmer groups, which register with the Department of Co-operatives, must meet the criteria and requirements for registration as stipulated by the Department. It was noted, however, that some of these groups that registered with the DoC do not operate as real co-operatives where shares are bought by members and operate under the constitution of the cooperatives. Several reasons were adduced for this situation. One of the reasons is the inadequate number of DoC personnel to take these groups through the principles of cooperative development. Thus, some members belonging to a society may not have a thorough understanding of the principles of cooperatives at the time of registration. The benefits associated with the registration with DoC include:

- no tax payment on income,
- possible grant of tax waivers on imports
- ability to borrow from mutual fund and credit unions and
- payment of dividend to members

Registration with DoC enhances good governance. DoC registered cooperatives are subjected to annual/regular audits to improve accountability and transparency. The DoC has the power to remove corrupt leaders from post and organize elections for selection of new leaders.

There are several advantages of farmer organizations registering with the department of cooperatives. However, some farmer organizations find the registration process tedious and time consuming. Some of the FBOs claim that they do not find Cooperative Officers at their offices. There are also some Districts without Cooperative Officers. It came out that these offices are under-manned. Posting of additional officers to these offices and or opening additional offices in new Districts may improve the accessibility of FBOs to Cooperative Officers, thereby enhancing the registration of FBOs with DoC.

Registration with Registrar General's Department (RGD): Some Farmer groups chose to register with the Registrar General's Department after meeting the latter's requirements. The RGD has separate registration guidelines for limited liability companies, civil society organizations, NGOs and other groups. Farmer organizations that register with the Department, however, have the least requirements for registration. Unlike limited liability companies that must file annual, audited reports, several of these farmer organizations do not do so.

Some of the farmer organizations that register with the Registrar General's Department claim that the procedure for registering with the Department of Cooperatives is cumbersome and that its personnel are not easily accessible. The DoC covers all industries and because of this broad coverage, personnel of the department may not pay that much attention to agricultural farmers' organizations. Most of the FBOs that were surveyed have registered with the Registrar General and/or with FBO Secretariat/MoFA or with a District, Municipal or a Metropolitan Assembly.

iii. Classification Based on Stage of Development

The GIZ- Market Oriented Agricultural Program (MOAP) has been working since to strengthen FBOs in selected districts in the Volta, Brong-Ahafo and Northern Regions of Ghana. Under GIZ-MOAP, FBOs in its operational areas have been classified based on their stage of development into four stages of Development. The factors that are used for the classification include attendance at meetings, familiarity of members with each other, membership list, acceptable constitution, clear objectives, bank account, turn over, elected leaders, networking with similar FBOs. The detailed characteristics which an FBO must meet to determine its stage of development are presented in Table I which has been adapted from a study report produced by MoFA/AGRA-Market Policy Action Node (MPAN)/ Festus Kwadzokpo (2013). The four stages of development presented in Table I are the Start-up Stage, Developing Stage, Consolidating Stage and the Mature Stage.

iv. Other Classification

Chamala and Shingi (2009) classified FBOs into two main categories, namely:

Community-based and resource-orientated organization: These are small-scale farmers who are more concerned with the acquisition of inputs to improve the productivity of their farming activities.

Commodity-based and market-oriented organization: These groups specialize in single commodities based on market requirements. They are more business oriented. The consultants find the classification of FBOs based on stages of development quite useful. If adopted, it will provide common understanding of the stage of development of an FBO among various stakeholders dealing with FBOs. The classification of FBOs into different stages of development will allow stakeholders to provide the required intervention appropriate to the stage of development of an FBO. Based on the evaluation of the observed characteristics of an FBO, it can be placed in its appropriate stage of development. The stakeholders such as MoFA, Development partners, NGOs/CSOs and others can develop interventions to address the needs of FBOs at different stages of development. The design of the interventions should be such that it will prepare an FBO to move from a lower stage of development through to the ultimate maturity stage.

Table I: Characteristics of FBOs by Stage of Development

STAGE	CHARACTERISTICS
Start-up Stage	<ul style="list-style-type: none"> • Start Up meetings (initial group meetings held with 70% of members, membership list etc.) • Establishment of Organizational structures and appointment/ selection of executives (Planning and Record keeping of income/expenses, Attending regular meetings, Bank Account, Acceptable Constitution, Clear business Objectives, Vision and Mission • Formal registration with DoC or MoFA • Needs Assessment and initial business plans for input procurement, production and marketing of produce
Developing Stage - Business development stage	<ul style="list-style-type: none"> • Linkage with agribusinesses – markets (traders, processors) for market requirements- volumes, quality (special attributes – organic, fair trade for niche markets

(access to markets and finance- value chain actors)	<ul style="list-style-type: none"> • Linkage with agribusinesses - inputs, • Linkage with service providers- capacity building on organizational development, production technologies and marketing strategies • Linkage with sector dynamics- networking with other FBOs, cooperate with certification programs, NGOs, local government, regional/national policy makers • Mobilization of financial resources – from delivery of services in collective input purchases, marketing and capacity building activities, grants, loans • Increased production and marketing by members through risk management tools • Administrative and Financial systems established and functional including database with farmer’s profiles & track record • Functional subcommittees of FBO and effective leadership • Increasing membership
Consolidating Stage- Increased Access to markets& finance	<ul style="list-style-type: none"> • Stable linkages with agribusiness, – input firms and marketing channels to off takers • Infrastructure (offices& storage) production and marketing facilities/equipment • Deepening/intensification of activities- Increased production through use of technological innovations and market diversification through established and new contracts • Enhanced resource mobilization – higher percentage of funds from commercial sources and internal generation and less from grants • Scaling up activities- geographical spread of FBO • Professional management and functioning administrative and financial systems • Substantial production and marketing increases by members over previous years leading very enhanced incomes • Increased implementation of risk management tools
Mature Stage- achieved business/ commercial/technical organizational and environmental sustainability	<ul style="list-style-type: none"> • Increased implementation of risk management system and tools • Enhanced resource mobilization – higher percentage of funds from commercial sources and internal generation and less from grants • Professional management and functioning administrative and financial systems

Each of the thirteen FBOs surveyed in this study were evaluated based on the characteristics outlined in Table 1 and placed in its appropriate stage of development. Out of the 13 FBOs surveyed in this study, two of them have been placed in the start-up stage; four are in developing stage; five in the consolidating stage; and two at the mature stage. The placement of the FBOs surveyed by Stage of Development is shown in Table 2.

The trend in Table 2 confirms statistics generated in a study of FBOs by Festus Kwame Kwadzokpo in 2013 which revealed that majority (69%) of the FBOs in Ghana are in the developing stage, with only a small percentage (0.9%) of them at the mature business stage, and sizable numbers are in the consolidating (15%) and start-up (15%) stages.

Table 2: Placement of FBOs Surveyed by Stage of Development.

STAGE	NAME OF GROUP
Start-up Stage	<ul style="list-style-type: none"> • Adoye Farmers Association

	<ul style="list-style-type: none"> • Gubkati Mali Farmers Group
Developing Stage	<ul style="list-style-type: none"> • Nkwaeso Zonal Federation of FBOs • Songtaa-Nongtaa • Sungzele Farmers Group • Suglon-Bori-Buni Farmers Association
Consolidating Stage	<ul style="list-style-type: none"> • Peace and Love Vegetable Growers Association • Ejisu-Juaben Pig Farmers and Processors Association • Ahafo-Ano Citrus Growers and Marketing Association • Techiman Maize Traders Association • Techiman Yam Producers and Marketing Cooperative
Mature Stage	<ul style="list-style-type: none"> • Yilo-Krobo Mango Farmers Association • Rubber Outgrowers and Agents Association

Note: Some of the FBOs, which have been placed in a stage of development, may have some of the characteristics for the next level stage but may not have adequate characteristics of that level to be placed in that stage.

Distinction between Farmer Groups (FG) and Farmer Based Organizations (FBOs): Though the word FBO has been used loosely to include all forms of farmer associations, groups, organizations, cooperatives, what is not easily discernable is what stage a farmer based organization is. A farmers' grouping can give any name to itself but there must be a commonly acceptable terminology for all stakeholders to guide the determination of the stage of development. It is suggested that farmer groupings at the Start-up Stage, which are loose groups, be referred to as Farmer Groups, but those in the Developing Stage, Consolidating Stage and the Mature Stage be given the designation Farmer-based Organizations. This suggestion would inform farmer groups of the minimum requirements to meet before they are given the recognition as farmer based organization. The title FBO should connote the existence of management systems and governance structures and the achievement of business/commercial objectives, which are often not available in loose farmer groups.

2.2 Formation and Development of FBOs

The Ministry of Food and Agriculture, the Department of Cooperatives, and /or Development partners, NGOs/CSOs and other stakeholders along the value chain have promoted FBOs as an instrument for cost effective extension delivery and the transformation and modernization of the Ghanaian agriculture. Our analysis revealed that most FBOs are formed based on anticipated benefits from projects, rather than self-help initiatives by farmers themselves to organize for collective benefits. Consequently, most of these FBOs cease to exist after these externally driven projects have ended. For example, several farmer groups formed by MoFA under the Millennium Development Authority (MiDA) in 2009 could not be traced during this study. However, a few of the MiDA project-based FBOs has stayed together and thrived after the project has ended, mainly due to the self-help drive and the useful services provided by the FBO to the group members. The study found that FBOs that have been formed based on need and self-help were more effective and sustainable. This situation contrasts with hurriedly formed groups by public extension agents.

The above findings are supported by Chamala and Shingi (2009), who observed that in several countries extension agents are given targets to form farmer groups, but may not have been given the necessary training in the theory and principles of farmer organizations. They reported that the field extension officers did not have many skills and not much experience in the process of establishing these organizations and adopted shortcut methods to establish Farmer Organizations (FO) and groups. They indicated that to get the farmers to form groups, in some instances, farmers were informed that unless they, the farmers organized farmer associations or groups, they will not get government subsidies or access to credit and technical services. Several FOs were established overnight on paper and many only remained active during

the period that government subsidies and services were available. The evidence regarding this development is reported by Asibey Bonsu (2012) who writes of significant investments in the development of FBOs in Ghana, especially by the World Bank from 2000 and then the Millennium Challenge Account (MCA) Compact from 2007, as well as by other development partners, such as GIZ, USAID, DFID and CIDA. These investments in FBO development have resulted in a drastic rise in the number of FBOs, yet several studies point to weak functioning of most FBOs.

The case studies of FBOs covered in the study shows that the FBOs were either initiated by the farmers themselves, MoFA field extension officers, and /or NGOs, Marketing Companies and Processors. The FBOs initiated by farmers themselves are the Rubber Outgrowers and Agents Association (ROAA), Yilo-Krobo Mango Farmers Association, Ahafo-Ano Citrus Growers and Marketing Association, Peace and Love Vegetable Growers Association in Kumasi and Ejisu-Juaben Pig Farmers and Processors Association. These FBOs initiated by the members themselves, have been more successful.

It is observed that there is no uniform strategy to guide the formation and development of FBOs by these actors. Besides, some of these facilitators interviewed in the field and who have been involved in the formation and development of FBOs, especially the agricultural extension agents, indicated that they do not have adequate knowledge and skills in this direction, which is consistent with the findings of Kwadwokpo (2013) and Chamala and Shingi (2012) on the Ghanaian and international scenes respectively.

2.3 FBO Development Strategies and Approaches by MoFA and Other Stakeholders

2.3.1 FBO Strategy by MoFA

Two Ghana Government agencies, the Department of Cooperatives (DOC) and the Ministry of Food and Agriculture, are responsible for the development and promotion of sustainable farmer associations. While the DOC deals with all associations or groups in all sectors of the economy and nurtures these groups into cooperative societies using the cooperative model, MoFA works with groups and associations engaged in the agricultural sector using the associative model.

The Directorate of Agricultural Extension Services (DAES) of the Ministry of Food and Agriculture is the main state agency responsible for providing agricultural extension services. It performs its role in collaboration with private partners, development partners, NGOs/CSOs and other stakeholders. The core functions of DAES include:

- Coordinating extension policy formulation and planning;
- Reviewing various extension approaches, framework document on RELCs, FBOs and private service providers in extension to improve on extension service delivery.
- Facilitating human resource development at all levels in extension delivery.
- Coordinating extension activities.
- Collaborating with a range of organizations/agencies, including NGOs, private service providers and public organizations in providing extension service.
- Disseminating information on appropriate approaches to all extension service providers.
- Collaborating with other agencies in facilitating the formation, sustenance and management of Farmer Based Organizations.
- Promoting strong research-extension-farmer linkages.
- Providing technical materials on agricultural technologies.
- Monitoring and evaluating of all extension activities under the Ministry of Food and Agriculture

MoFA and its partners have used different extension methods, such as T&V, Unified Extension System and FFS, to deliver extension services. These approaches previously concentrated on delivery of technical

information and supply of inputs to the farmers. The emphasis was on technology transfer to increase productivity but did not consider the links in the value chain as well as the formation and development of FBOs.

FASDEP II recognizes the critical role of viable FBOs in extension service delivery and the general agricultural development process. To buttress the importance MoFA attaches to the strategic role FBOs can play in the transformation of Ghana's agriculture and thereby improve the well-being of the Ghanaian farmer, MoFA has set up an FBO Secretariat to be responsible for the development of sustainable and viable FBOs.

The approach used by MoFA in the formation and development of FBOs seems to be ineffective as it focuses largely on farmer group formation linked to projects/ programs. The farmers who become members of the project /programme based FBOs mainly join these groups for the benefits that they expect from the project.

MoFA's extension service delivery to FBOs has concentrated mainly on production, with little attention to processing, quality standards, marketing, multi-stakeholder management, etc. Besides, the extension personnel, who were interviewed, mentioned limited knowledge of group formation and development skills as well as business development skills that can be useful in building strong FBOs.

It appears, from the responses obtained from respondents, that there is no coherent FBO development strategy by MOFA that has been adopted by key stakeholders on FBO formation and development. To fill this gap, the Directorate of Agricultural Extension Services had earlier prepared a draft FBO strategy.

However, this draft strategy was never completed and was not reviewed by stakeholders through formal consultations. The vision of the draft strategy is to promote viable farmer groups and farmer based organizations, but it fails to offer appropriate interventions for the different types of farmer groups. For example, the strategy has no road map on how to help farmer groups to progress into business oriented farmer-based organizations. Furthermore, it was not based on a thorough analysis of the FBO landscape in Ghana. Only a thorough understanding of the FBO landscape in Ghana will enable the identification of the undesired state and facilitate the development of clear and specific objectives for FBOs as well as appropriate interventions to address gaps and shortcomings.

The proposed strategies in the draft FBO strategy document were not adequate. The objectives of the strategy were general and did not address specific gaps or deficiencies in FBO formation and development. For example, objective three in the document was "to build partnership and linkages locally and internationally." The proposed strategy for this objective was "create a platform to co-ordinate activities." The intention for this objective is not clear as to what gap this sought to address. The proposed strategy was also inadequate to achieve the said objective. Again, the document had not outlined an implementation plan with timelines. Besides, the responsibility to implement some strategies were not clearly stated. For example, listing MOFA as responsible for some strategies was too vague as no specific Office in MoFA could be held responsible.

2.3.2 FBO Development by the Department of Cooperatives

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

- Registration of groups into Societies
- Audit and inspection of Societies
- Arbitration of disputes among Societies
- Liquidation of Societies

The Department pursues the policy of making all Cooperatives take care of themselves with little reliance on government. The DoC recognizes a cooperative as an entity made up of people who are united by the purpose of mutual self-help and are organized for other economic and social objectives based on equality and equity. They must provide the people with necessary goods and services or make joint use of their available resources to increase their income.

There are different types of cooperative societies in Ghana. The societies have been classified into four distinct categories:

1. Agricultural cooperatives engaged in food production, processing and marketing.
 2. Industrial cooperatives involved in rural cottage industries such as local alcohol distillation, handicrafts, Kente weaving, cloth dyeing and manufacturing, etc.
 3. Financial cooperatives engaged in savings mobilization in both rural and sub-urban areas; e.g. micro-loan banks, credit unions and “Susu” collectors.
 4. Service cooperatives involved in the service industry such as transport, consumer societies, etc.
- One key function of the DoC is the registration of groups into Cooperative Societies. This function requires that the DoC animates and nurtures groups to become cooperative societies. The formation of the groups may be initiated internally or externally. A group of people may voluntarily decide to form a cooperative; or an outsider group might act as an animator and talk to a group about the virtues of forming a cooperative. Potential members, at the animation process stage, according to Stringfellow (1997), will have to answer the following questions:

- Are present needs met satisfactorily?
- Can they be improved upon?
- Are these services not being catered, as they should?
- Are people concerned about the present lack of service?
- Would they be prepared to do something about their felt need?

The group members, after the initial formation of the group, are taken through the principles of cooperatives as well as how cooperative businesses are run and managed. The DoC usually works with the groups to meet the requirements, such as availability of a constitution, bank account, democratic leadership etc., before they are finally registered as a co-operative society. Upon registration, the group is given a certificate, which is renewable annually. The Department of Co-operatives (DoC) thus has a coherent strategy for the development of co-operatives generally.

However, the strategy does not appear to be farmer group friendly. Few of the farmer groups that were interviewed during the fieldwork stage have registered with the DoC. They indicated that the process of registering with the DoC is cumbersome. But beyond that, resource constraints, including limited personnel at the Department, make the staff to focus more on the registration of non-farmer co-operatives, which are perceived to be easier to nurture into viable societies.

Even though there is the Cooperative Societies Decree of 1968, to guide the operations of cooperatives in the country, this decree seems to be out of date and requires amendments to reflect the changing realities of the times. The Decree was promulgated in an era where the state played a major role in economic and social affairs of its citizens, contrary to the current paradigm that is challenging the private sector to lead in national development. By its nature, the decree stifled progressive initiatives of farmer organizations to grow as business entities. This could be summarized from a study report by CLUSA, which argued that “The Cooperative Societies Decree of 1968 gave the Registrar of Cooperatives substantial powers that impeded cooperative autonomy 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 checks is issued by a cooperative and to disallow an expenditure not considered justifiable. The Department of Cooperatives used its broad powers to interfere in the business affairs of individual cooperatives” (CLUSA Report, 2004).

Under the new dispensation of liberalization and market economy, the role of the state in the economic affairs of the citizenry has reduced drastically. Thus, there has been the need to promulgate a new cooperative law to reflect the realities of the times. The 2001 Cooperative Societies Development Bill has been prepared and it is aimed at supporting the autonomy and independence of cooperatives and reducing substantially the powers of the Registrar to intervene in cooperative decision-making. Unfortunately, the Bill is yet to be enacted.

2.3.3 FBO Strategy by Development Partners (DPs)

DPs tend to form FBOs around their projects in collaboration with the agricultural extension officers and some NGOs within the context of FASDEP II. Their emphasis is to help FBOs operate as efficient business entities. Accordingly, several DPs have worked to develop farmer groups and other stakeholders in the agricultural value chain. The major DPs include the Canadian International Development Agency (CIDA) now Global Affairs Canada (GAC), Department for International Development (DFID) of the United Kingdom (UK), German Development Agency (GIZ) and the Millennium Development Authority (MiDA). Some of these DPs, working through their different implementing organizations and in collaboration with extension personnel of MoFA, have succeeded in creating viable and sustainable FBOs and other agricultural related groups along the value chain. CIDA, for example, has been successful in nurturing two viable agricultural-based groups; the Techiman Maize Traders Association and the Techiman Yam Producers and Marketing Cooperative. These are still in existence after CIDA support had ended.

The GIZ-MOAP's strategy is to assess the needs of farmers and farmer groups, place them in one of the four stages of the FBO development and then target suitable interventions for their development. Under the MOAP project, FBOs are also linked to other stakeholders along the value chain. To highlight the importance of value chain concept in the development of FBOs, value chain committees have been constituted at the regional/ district levels and DAES is to assist by designating Regional/District Value Chain Coordinators. Through the Regional/District Agricultural Value Chain Committees, communication between the different stakeholders has been enhanced. The approach being used by GIZ/MoFA in implementing the MOAP is creating more sustainable and viable FBOs. Among the successful FBOs that have emerged under the MOAP project, which were interviewed in the study, are the Ahafo-Ano Citrus Growers and Marketing Association and the Yilo-Krobo Mango Farmers Association. The success of FBOs promoted under the MOAP project may be attributed to several factors. These factors include targeting high value crops, such as mangoes, citrus and other market oriented crops. Farmers are encouraged to produce crops that they have buyers for. In this regard, the market drives crops that are produced by the groups.

The USAID's Agriculture Development and Value Chain Enhancement (ADVANCE) Project's FBO development approach is almost identical to the approach used under the MOAP. They use the value chain approach and link smallholder farmers to markets, finance, inputs, equipment, and information, through larger commercial or nucleus farmers. A significant percentage of the small farmers engaged in the program are members of FBOs, most of who are linked to markets through the nucleus/commercial farmers.

2.3.4 FBO Strategy by NGOs

The approaches used by NGOs in the formation and development of FBOs tend to focus on promotion of business orientation and the self-help spirit among group members. The members of FBOs that are

being nurtured by NGOs tend to know each other, almost all the members live in the same community and the membership is small.

FBOs promoted by NGOs provide services that their members find it difficult to access individually, including access to funds, inputs, credit and markets. The NGOs who work with the FBOs try to help the farmer groups to solve these pressing problems. One of such NGOs interviewed is Concern Universal, which has linked its FBOs to agro-processing companies and input suppliers. It has also worked with the farmers to establish the rudiments of a saving and loan scheme. Members make contribution at each meeting, based on their ability and the amounts recorded in their passbooks in symbols that are understood by even illiterates. Members are given loans based on the level of their contribution at a minimal interest rate, which varies from group to group. This is useful as it pushes groups to help themselves with their own resources. Besides, the common pot of money for rotational borrowing tends to bind members together, based on the saying that a man's heart is where his treasures are". The savings and loans concept being implemented by Concern Universal is akin to the Grammeen approach, and may be initiated even during the initial stages of the group development.

2.3.5 FBO Strategy by Private Sector Operators

Some private sector operators for example, marketers and processors, form farmer groups to ensure guaranteed supply of produce or raw materials. The farmers are also assisted to produce products that either meets local and/or international quality standards. This is a market driven FBO development approach.

The private sector operator enters a community and, in some instances with the help of extension personnel from MoFA and/or an NGO identifies some opinion leaders who are preferably farmers and explain the purpose of their business to them. If the opinion leaders are interested in the mission, the modalities of forming a farmer's group is explained to them and charged to form the groups. Subsequent meetings are held with members of the group under guidelines provided by the private operator. The members of the group are encouraged to develop their own rules and regulations for the group. The farmer groups formed by private operators that were covered in the survey may be single commodity or multi-purpose. They were all invariably multi- functional FBOs.

Most of the FBOs promoted by private sector operators identified in the study are community based and have an apex body in a zone or district. It was observed that private operators and FBOs may sign MOUs to guide the actions of each of the signatories to the MOU. The following FBOs that were formed by private sector operators (Adaye Farmers Association and Nkwaeso Zonal Federation of FBOs) have signed MOUs with High and Mighty Agro-processing Co. Ltd and Sahel Grains Ltd respectively. The MOUs are normally negotiated between either each farmer group or an apex group of farmer groups in a zone/district and the private operator.

The MOU may cover:

- supply of inputs and provision of services to enhance productivity by the private sector operator;
- quality standards;
- prices of inputs;
- conditions and terms for the payment of inputs and services supplied by the private operator;
- quantities of produce to be purchased and periods of purchase by the private operator;
- provision for upwards adjustments of prices of both inputs and produce based on the prevailing market prices at the time of purchase.

In most cases the purchase price of the commodities is negotiated at the beginning of the season or during the season. Two of such FBOs found in the Techiman area were promoted by Sahel Grains Ltd. and High and Mighty Agro-processing Co. The FBOs that operate with Sahel Grains were assisted by Concern

Universal, an NGO, in its formation and operations. Both Sahel and High and Mighty Agro-processing Co provide inputs and other services to the FBOs in addition to buying the produce at negotiated prices. The apex body of the FBOs negotiates the price of maize and other produce sold to the private operators at harvest.

FBOs that have been promoted by small to medium-scale processors/marketing intermediaries tend to be vibrant and sustainable. The factors that have contributed towards the success of these FBOs that were found after discussions with members of these FBOs include:

- timely provision of services by the private operator which the individual farmer may find it difficult to obtain;
- guaranteed access to output market because the private operator purchases the produce at guaranteed price;
- small size of members --- not more than thirty – allows easy interaction of members and increases solidarity among members;
- sense of ownership of the group;
- transparency and accountability of leadership;
- respected and committed leadership;
- universal understanding of rules and regulations;
- understanding of the roles and responsibilities of members;
- understanding of the roles and responsibilities of FBOs and their Apex body and the private operator.

2.4 Challenges Associated with FBOs in Ghana

Several challenges faced by FBOs were identified from the findings of the study. Some of the challenges are internal and others are external. The most common challenges include:

- Limited capacity of extension agents to facilitate effective formation and development of FBOs;
- Inability to satisfy the needs of members of the FBOs;
- Absence of conflict resolution mechanisms;
- Weak managerial capacity of FBOs;
- Weak leadership and governance;
- Few market opportunities;
- Inadequate funding mechanism for FBOs;
- Non-compliance of MOUs signed between FBOs and processors/marketing and with intermediaries/input sellers;
- Weak bargaining position of the FBOs and,
- Absence of regulations to guide the operations of the AESD, FBOs and other stakeholders.

2.4.1 Limited capacity of extension agents to facilitate effective formation and development of FBOs

Extension officers are the major players in the formation and development of FBOs. Yet some of these officers noted that they are not well-equipped with the requisite knowledge and skills to facilitate the formation and development of FBOs to move from one stage of development to higher levels.

Traditionally, the training and focus of agricultural extension agents is on technology transfer but not how to help farmers and rural communities organize themselves to improve their operations and to establish links with other stakeholders along the agricultural value chain. Only few of the FBOs have linkages with other segments along the value chain.

Since field extension officers are sometimes assessed based on the number of farmer groups they can form or work with during a period, the extension officers resort to shortcut methods in establishing farmer groups to meet their targets. In a study by Assibey (2012), he quoted the FBO Secretariat of the Ministry of Food and Agriculture sources as indicating that there are currently 5,658 active FBOs which have been validated. How many of these validated FBOs are viable and sustainable is a question that is yet to be answered. A tracking or monitoring mechanism put into place at the FBO Secretariat may help the Secretariat to know the status of FBOs and thereby identify their challenges and determine the appropriate interventions to assist them with.

It must be noted that the DAES has put measures in place to upgrade the skills of its extension personnel so that they would be able to play their expected roles under the new strategy.

2.4.2 Inability to satisfy the needs of members of the FBOs

Some of the FBOs are unable to satisfy the needs of their members, especially in the areas of input acquisition, provision of services and access to markets, apparently due to limited resources and access to relevant information. The evidence on the ground shows that under such situations, some members may leave the group or stay in the group and act in ways that may not be in the collective interest of members of the group. This situation has occurred at the Yilo-Krobo Mango Growers Association and Ejisu-Juabeng Pig Farmers and Processors Association.

2.4.3 Absence of conflict resolution mechanisms

Currently, there is no formal mechanism to settle disputes among members of FBOs and between FBOs and other actors on the value chain. The disputes may also be between an FBO and its Apex body. An example of conflict between members of an FBO is the current in-fighting within ROAA. The resolution of the conflict is currently being pursued at the law courts, and may take a long time to settle, not to mention the high costs involved and the damage to relationships.

2.4.4 Weak Managerial capacity of FBOs

Voluntary management of FBOs by members at the initial stages may be alright, in terms of getting the FBO to form and start the norming process. However, as the group develops and expands the scope of their activities and services, there may be the need to improve the managerial and organizational capacity of the leadership of the FBOs to hire professionals to manage the affairs of the FBOs. Voluntarism in the management of a large FBO may not be ideal as this role requires that a lot of time is devoted to the running of the FBO. Besides time, organizational and technical skill sets are essential to forging a cohesive organization and providing technical/ business direction to ensure business growth of members' enterprises and the collective organization. Many FBOs are not able to discern when to bring in professional management and how to manage such a transition. Some of the current problems at the ROAA may be due to the inability to separate the board from management.

2.4.5 Weak Leadership and Governance

The effective functioning of FBOs depends largely on good leadership, which is lacking in many of the FBOs. During our study, we heard stories of some FBOs disintegrating because of ineffective and non-transparent leadership. Furthermore, even though there are some national Apex Farmer Organizations operating at the national level, they appear "hanging" as they do not have strong links with their membership at the local, district and regional levels. A case in point is the Ghana National Association of Farmers and Fishermen (GNAFF). This Apex farmers group was very active and influential in the late 1980s and 1990s but appears to have lost its influence partly because of non-adherence to its rules and regulations and weak leadership.

2.4.6 Few Market Opportunities

Several members of farmer groups interviewed still have the mentality of government regulating the marketing of farm produce and inputs to set prices in the market to their advantage. In the current market-driven economy in Ghana, farmer-based organizations must operate in a business-like fashion to respond

to market signals or perish. This requires that FBOs should produce what the market wants. Capturing an increasing share of the market demands guaranteed quantity and quality of produce, which are still difficult for many resource poor FBOs to meet. For example, buyers of oranges and pineapples may want to purchase these produce at an agreed brix level. Farmers out of ignorance or need for funds, may sell their produce which might not have attained the required brix level at a lower price than what a processor has agreed to pay. This situation was observed with the citrus growers at Asamankese and its environs. Strong and viable FBOs must understand the market structure of a commodity and position themselves to improve market access.

2.4.7 Inadequate Funding for FBOs

There are three main sources for FBOs to generate funds for their operations. These are dues levied on members; commission on sales of produce to buyers (especially those who have signed MOU with the FBOs); and revenue from services performed by the FBO for its members and others. Other FBOs obtain funds from investments, and from collaborating with entities such as buyers of produce, CSOs/NGOs and Development partners. The most reliable sources of revenues are commission-based revenues on produce that are sold to recognized buyers; and that is, if the members have no choice or limited choice other than selling produce to a contract buyer and if the buyer sticks to the agreement and buys produce from members of the FBO. Non-adherence on both sides has been observed in the mangoes and pineapples industries in times of shortages or glut. This situation impacts negatively the revenue received by the FBO and consequently the funding available to it.

It must be noted that most members of FBOs interviewed produce food crops that they sell to atomized marketing intermediaries and aggregators who offer lower prices thus affecting the level of funding that the FBOs can marshal. This is because members of most FBOs surveyed who pay dues are unable to pay higher dues or at all due to the low incomes/ revenues they receive from marketing their produce. In such circumstances, the dependence on dues does not appear to be reliable source of funding for the operations of FBOs. FBOs such as the Ejisu-Juaben Pig Farmers and Processors Association, ROAA and Ahafo-Ano Citrus Growers and Marketing Association which sell inputs to members at prices slightly lower than from other sources derive more stable revenue for their operations. The most successful and active FBOs are those who obtain regular revenues from transactions with members and processors. The Ejisu-Juaben Pig Farmers and Processors Association, ROAA and Ahafo-Ano Citrus Growers and Marketing Association are among the most viable and sustainable FBOs covered in this study.

2.4.8 Non-Compliance of MOUs signed between FBOs and Processors/Marketing Intermediaries/Input Sellers.

The field analysis found that there is wide spread non-compliance and weak enforcement of MOUs signed between FBOs and off-takers. The breach of contract was found to come from both parties, with no avenue for arbitration or enforcement. For example, some FBOs in Ashanti and Greater Accra Regions complained about frequent breach of contracts by processors. An FBO in Greater Accra and another in Ashanti lamented that the processor with whom they have an understanding on quantity of produce to purchase from the association, did not honour the agreement on several occasions but there are no avenues for enforcement. With perishable commodities, FBOs in such situation tend to panic and sell their produce at give-away prices, sometimes at a total loss. To make matters worse, the processor in the case cited went behind the association to purchase produce from individual farmers who are either members or non-members of the association, thereby weakening the association. The non-adherence to contracts may result in market uncertainty and loss of income which may also affect the ability of members of FBOs to plan for marketing and consequently for production and related operations. Similarly, some off-takers complained that some members of FBOs refused to adhere to the terms of the MOUs signed between the parties. The implication is the inability of the off-takers to obtain the required quantities and quality of raw materials for efficient and profitable operations.

2.4.9 Weak Bargaining Position of the FBOs

Generally, FBOs tend to have weak bargaining power when entering into contract with off-takers due to limited knowledge of the nature of the market for a particular commodity and also as a result of inadequate capacity in negotiation skills. Private operators most often have knowledge of the market and adequate skills in negotiation. The situation is worse for FBOs producing perishable commodities, as off-takers sometimes undermine the unity of the FBOs by buying from individual group members at prices lower than what has been negotiated by the leadership of the groups.

2.5 Best Practices in FBO Formation and Development

From the field study and literature review, the following best practices were identified as the key ingredients of viable and effective FBOs:

- Operating in a business-like manner;
- Generating benefits from collective action that exceed those from individual action;
- Linkage or accessibility to markets for their produce;
- Implementing technological innovations, such as GAP training;
- Institution of fair and transparent processes for the distribution of rewards associated with collective action;
- Balancing group needs with individual needs;
- Forging a sense of ownership and belongingness amongst group members;
- Effective and transparent leadership;
- Adoption of a constitution and bylaws that are understood and respected by members;
- Transparency in the management of funds, e.g. regular presentation of accounts, expenditures based on approved budgets and auditing of accounts;
- Consistency in enforcement of rules and regulations;
- Spirit of voluntarism;
- Delivery of beneficial services to members by the FBOs- e.g. assisting in selling produce of members, input acquisition, accessing credit etc.

3.0 CASE STUDIES OF SOME SUCCESSFUL FBOs in GHANA

3.1 Introduction

One of the tasks of the consultancy assignment is to prepare case studies off our FBOs, which have been successful. The object of the investigation of the selected successful FBOs is to find out what factors have made them so successful. Lessons of experience learnt from these cases inform the development of the FBO strategy in the next Chapter.

FBOs that have been selected have been operating as business entities for more than eight years on the average. They include those in livestock, fruits, food crops and tree crops sectors. They are the Ejisu/Juabeng Pig Farmers and Processors Association, Yilo-Krobo Mango Farmers Association and Rubber Outgrowers and Agents Association headquartered at Agona Nkwanta in the Western region. In addition to the selected FBOs, an additional FBO, which operates in the food crop sector and which has operated for less than three years, has also been selected as a case study. This FBO, the Adoye Farmers Group at Dwenewoho in the Nkoranza North District, has been selected based on its uniqueness and potential for success.

3.2 Ejisu /Juabeng Pig Farmers and Processors Association

3.2.1 Description of the Case

The association was formed in 1998 and registered with the Registrar General in 2000. The total membership is 82. However, about 42 members are considered very active and attend meetings regularly.

The decline in attendance of meetings is partly blamed on the inability of the association to fully assist members in the marketing of their animals.

The main functions of the association are acquisition of inputs, specifically procurement of livestock feed for sale to its members, as well as sourcing for market for members' animals. It also arranges training, both technical and managerial for members. Members of the group have the responsibility of monitoring the farms of other group members to identify possible disease outbreak and advice on how to prevent spread of the disease to other farms.

Most members of the association have a thorough understanding of the rules and regulations guiding the association and abide by them. Executive officers are elected to hold office for four years and can seek re-election for another four years. This arrangement for electing officers has been strictly complied with. There has not been a situation where members have voted to terminate the tenure of officer holders. The executives have good working relationship with their members. Though the executives are not paid, they are very much committed to the association. From discussions with members during the field study, it seems there is transparency in the management of the funds of the association. This is supported by evidence of regular presentation of audited accounts at the Association's general meetings. Copies of audited accounts were sighted and there was no evidence of dissatisfaction of members with management of funds by the executives of the association. There was also evidence of shared decision-making.

The association has constructed its own offices and a store where they sell pig feed and other inputs for pig farming and has in addition acquired a land with a building. The association has also started constructing a warehouse and additional offices on the acquired land. The association has financed these acquisitions mainly from its own revenues with some assistance from the AFD. The association employs seven people, made up of an administrative manager, marketing manager, credit officer, storekeeper and three laborers.

There are several benefits that members derive from their membership of the association. Among the benefits that members derive from the association are:

- Training provided by external agencies such EMPRETEC, Development Partners, and CSOs/NGOs. These agencies have provided technical, management and financial training to members of the association.
- Access to credit
- Buy inputs cheaper
- Training from MoFA and other governmental agencies.
- Access to market
- Access to veterinary services
- Advocacy for the interests of members.

The members of the association unanimously expressed their satisfaction with the benefits that they receive. There was sufficient evidence at the focus group discussion that the members are supportive of each other, committed to each other and the association, exhibit voluntarism and unity of purpose.

The association obtains revenue for funding its operations and activities from the following sources: margins from animal feed store operated by the association, monthly dues, development and sales levies.

The bulk of the association's revenue comes from margins from the operations of the animal feed store. Under the by-laws of the association, members are required to buy their feed supplies from the association's own stores. The members comply with this requirement, as the feed purchased from the association's store invariably is cheaper than those on the open market.

Members at the time of the survey were required to pay GHC10.00 monthly dues and an additional GHC 5.00 monthly for welfare activities. They also pay a one-time development levy of GHC300.00. The payment of the development levy may be spread over an agreed period with members through negotiation. The association used to levy a percentage on sales of animals by members and the amount obtained from it goes to the coffers of the association. The association abolished the levy on sale of animals. As there are no organized buyers who buy the animals through the association and members sell animals to individuals, enforcement of the levy became difficult. Some members of the association were not declaring all their sales.

In addition to funds generated by the association itself, it also received a grant from AFD to set up the office and to buy two vehicles. The financial sustainability of the association has contributed to the continuous survival of the association.

3.2.2 Key Success Factors

Several factors have been identified as accounting for the success of the Ejisu/Juabeng Pig Farmers and Processors Association. These include:

- Regular attendance at meetings which shows commitment of members to the association
- Understanding and abiding by the rules and regulations of the association
- Organized governance structure
- Committed leaders
- Financial transparency
- Stable sources of revenue, especially from services provided by the association.
- Members' commitment to the association by meeting membership responsibilities
- Cost of inputs and services obtained from the association is cheaper than the individual acquiring these.
- Satisfaction with services provided by the association
- Separation of Board and Management

3.3 Yilo-Krobo Mango Farmers Association

3.3.1 Description of Case

All members of this association produce mangoes that they sell to local processors, local buyers and engage in exports themselves or through exporting firms. The Yilo-Krobo Mango Farmers Association has been in existence since March 2004. The Association started when some mango producers in the area decided to come together to form an association through which they can enhance their farming businesses. They believe that the benefits of group action will be more beneficial to members than acting alone. It was registered as association with the Registrar General's Department in February 2005. Each member of the association operates his own farm ranging from 2.5 acres to over 200 acres. The area of operation of the association has been divided into three zones to decentralize the administration.

The membership of the association has grown from about 56 in 2004 to over 130 members currently. The membership at the zone level ranges between 30 and 50. The membership number could have gone up further if it had not been some marketing challenges faced by the association during the past few years. While some members have left the association for not being satisfied with the benefits derived from the association, such as inputs acquisition and supply as well as facilitation of marketing of produce, others have joined believing that the benefits from membership exceed operating alone especially with respect to marketing of produce at better prices and access to training opportunities. There has been a net gain in membership each year since the inception of the association. It must be noted, however, that there are mango farmers in the catchment area who are not members of the association. Among the

membership of the association are highly educated people including lawyers, retired military officers, accountants and public servants. These highly educated individuals went into mango production with the profit motive in mind. The mango producers regard mango farming as a business and will, therefore, support any cause that would enhance their business.

One of the main functions of the association is negotiation with fruit processors (e.g. Blue Skies), wholesale or bulk buyers, including exporters on prices, quality and volume of produce to be sold to these off-takers. The negotiations are concretized in an MOU signed by the Association and the parties. The experience gained by the association negotiating on prices and volumes with buyers has enhanced its bargaining power and this has enabled members to obtain higher prices than if they prices were negotiated individually. The association also facilitates acquisition of inputs for members. It obtains discounts on bulk purchase of inputs and could therefore sell at lower prices to members than they would have paid for the same inputs if they had purchased them individually. Generally, this leads to lower transaction costs, through economies of scale, and tend to increase the profits of the FBOs, thereby improving its viability.

The FBO arranges training from NGOs, MOFA, Development Partners (e.g. GIZ, USAID, and IFDC) and Processors. Technical, management and entrepreneurship training are offered by different agencies. Some members have obtained GAP certification because of training programmes arranged by the association. Over 80 members have benefitted from Good Agricultural Practices (GAP). Farmers who obtain GAP certification can export their produce and sell their produce to the processors, namely Blue Skies and others at a higher price than what prevails in the market. The group also undertakes advocacy to obtain some facilities and services from government.

The association operates as a business entity and has a well-organized office system where records are kept. The association has a constitution and rules and regulations to guide the operations of the association and actions of members. The association has a well-organized structure. There is the apex body and three zonal associations. The apex body comprises nine executive members with representation on the board from each of the zonal levels. The apex body takes major decisions affecting the association. Each of the three zones has a five-member executive. It is the apex body that formulates policies for the association and handles negotiations with buyers of produce and sellers of inputs. The apex association has some sub committees and there is also provision for ad-hoc sub-committees. The sub-committees are Production, Marketing, Finance and Disciplinary.

Both the executives at the apex and zonal levels are elected for a three-year term and can seek re-election for another term. The elections are transparent and elected members can be removed through a vote of no confidence if members believe that the executives are not serving the interest of the association. The executives are not paid. The executives are very much committed and are respected by members. They hold regular meetings and record of the meetings are kept. There are also good financial records. Audited accounts are presented at Annual General Meetings. The association has records of its members (e.g. farm size, condition of farms, sales). There is no governmental influence in the affairs of the association. The association has constructed its permanent offices with stores. The offices are well-equipped. The building was completed in 2012 and was jointly financed by the association and Blue Skies Company. The association employs three permanent staff.

The association obtains its revenue mainly from one source. It receives two percent of the gross sales of produce sold to the processors. Produce purchased by the processors is paid through the association's bank accounts and thus the association can easily deduct the two percent commission without any problem. This arrangement guarantees the association regular and reliable funds for its operations. The members of the association do not any pay dues. Membership of the association allows members to have access to:

- markets,
- better prices for both inputs and produce,
- access to good post-harvest handling facilities,
- training and networking.
- GAP certification allows members to export their produce and sell to processors, namely Blue Skies, Bomart and others.

The members are satisfied with the benefits that they obtain from the association and this is evidenced by the growing membership of the association.

3.3.2 Key Success Factors

Among the factors that have been identified as accounting for the success of the Yilo-Krobo Mango Farmers Association are:

- Stable and reliable markets
- Better prices
- Training opportunities which enhance their technical and managerial skills
- GAP Certification which attracts membership
- Regular attendance at meetings
- Adherence to rules and regulations of the association
- Organized governance structure
- Committed leaders
- Financial transparency
- Reliability of source of revenue from commission on sales of produce to buyers.
- Satisfaction with services provided by the association
- Transparency of the leadership,
- Committed leadership and
- Relationship with other stakeholders

3.4 Rubber Outgrowers and Agents Association (ROAA)

3.4.1 Description of Case

The association was founded in 1995 and registered with the Registrar General in 2002. It operates mainly in two regions (Western and Central). The main objectives of the Association are to defend and promote the economic and social interests of its members; to set up services for its members in the management of their farms and to seek for better market in terms of prices. The members of the association are engaged in the cultivation of rubber and extraction of cup lumps.

ROAA has a constitution and by-laws and regulations to guide its operations. It has an elaborate governance structure. At the top is the General Assembly and this is followed by the other levels as indicated below:

- General Assembly
- National Executive Council
- Executive Council
- Regional Executive Council
- District Executive Council and
- Community Groups

The National Council consists of all executive members, 2 regional chairmen, 2 regional secretaries and 2 women reps, one from each region. The other levels of the governing set up have designated officers. The General Assembly as its highest body comprises all rubber farmers and agents. There are some Standing and Ad-hoc Committees with specific functions.

The executives at each of these levels are elected for a 4-year term and are eligible for re-election for another 4-year term. Members get involved in decision-making through their attendance of meetings at different levels. ROAA operates within twenty districts in the Western and Central Regions. Group deputies are mandated to visit members and report to the Regional or National Executives.

ROAA performs the following functions in line with its objectives;

- Negotiate for good prices
- Purchase inputs at moderate prices for sale to its members at prices lower than what individuals would normally pay on the open market.
- Provision of training in agronomic practices through extension advisory services
- Welfare package for members

The total membership for the apex body stands at 7,865 at the time of the field study. However, recent infighting within the association has resulted in some members resigning their membership from ROAA to form a rival association. The association employs a total of 45 people comprising 16 permanent staff and 29 temporary staff. The day-to-day management of the association is in the hands of the top management of the permanent staff. There appears to be separation of the governing board from management. The organization has permanent offices at Ahanta-Nkwanta and this was constructed from its own revenues obtained from commission on sales of produce, investment and support from GREL and AFD. The association has also just about completed another office building at Assin Fosu.

The members of the association do not technically pay dues; instead, they are levied 1.5 percent of revenue from their sales, which is credited to the association by GREL. In 2014, these dues amounted to GhC569, 415.00. Other sources of funds for the association include commission on sales of inputs to members, sale of nursery stumps and interest on investment.

These sources of funding have provided the association with solid financial background. The extent of financial resources of the association has probably contributed to the current divisiveness in the association, as there are different perceptions about the effective use of such resources. This has resulted in GREL suspending payment of the 1.5 percent levy on sales to the association. In the scheme of normal operations, the association's annual budgets are approved at the AGM. The NEC disburses funds to the district associations for their operations. Accounts are audited yearly. At the district level, all purchases are certified by the chairman at that level.

The Association prepares an annual budget, which guides its annual expenditure. The budget is a consolidated budget which includes the expenses of the lower level councils. It is submitted for approval at an AGM after which the NEC disburses funds to the district associations for their operations. All revenues are paid to the Apex body. Accounts are supposed to be audited yearly.

Members have several benefits and rights. These include the following:

- Obtain solidarity support from the group when a member is in crisis.
- Training opportunities
- Availability of institutional loans ranging between GHC 10,000.00 and GHC 50,000.00 which may be guaranteed by the association

- Membership of Credit Union, which was registered under the Credit Union Association (CUA) of Ghana. About 18% of members of the association have signed up as members.
- Sale of produce at a negotiated price
- Timely availability of inputs
- Access to inputs at lower prices

Most of the members are satisfied with the services offered by the association.

3.4.2 Key Success Factors

Several factors have contributed towards the viability and sustainability of this Association. The following are among the key factors identified, which have contributed towards the success of ROAA;

- Provision of services by the Association which meet the needs of farmer members;
- Timely accessibility of inputs and services at competitive prices;
- Members financial contribution through agreed percentage deductions from gross sales of produce at source ensures financial stability of the Association;
- Transparency in the management of funds;
- Adherence to rules and regulations of the Association by both officers and members;

3.5 Adoye Farmers Association/High and Mighty Agro-processing Co Ltd

3.5.1 Description of Case

High and Mighty Agro-processing Co (HMA) was founded by a young entrepreneur to process agricultural produce, namely grains, tubers and peppers. He decided to work with farmer associations to ensure regular supply of produce for processing. He explained his approach to farmers in small communities and some of these farmers decided to come together as groups to work with HMA. The private operator implored the farmers to take farming as a business. At the time of the survey this entrepreneur has 13 farmer groups working with the processing company. One of these HMA promoted FBOs is Adoye Farmers Association in the Nkoranza North District.

The Adoye Farmers Association at Dweneho Village in the Nkoranza North District has been in existence for about three years. It was established in 2013. The initial membership was 20 but this has currently increased to 100. For ease of management, the membership has been split into two sub-groups, Adoye 1 and Adoye 2. The company has introduced members of the Adoye farmer groups to good agronomic practices. In addition, it supplies some inputs to the farmers and assists them in the performance of some farming operations. The increase in membership has been attributed to services offered to the members who have increased their productivity. The farmers in turn sell all their produce to the company at an agreed price, which is negotiated by the Apex body of the FBOs facilitated by the processor. No member of the FBO diverts produce to other buyers.

The group is not registered and has no constitution or written rules and regulations. However, all the members abide by the unwritten rules that guide their operations. There are elected leaders. The commitment of the leaders to the association is without doubt and is very transparent in their dealings with members. The group obtains its revenue from two main sources, namely dues and contribution of half a bag of maize by every member at the end of every planting season. It is bulked and sold to HMA and the proceeds paid into the account of the Association. Each member of the association meets its financial commitments so that he/she can continue enjoying the benefits of membership. The association thus has regular and stable source of income.

3.5.2 Key Success Factors

Some unique features about the HMA promoted FBOs which has made them effective are that all the members live in the same community, selflessness and respectability of leaders, members' monitoring of each farmer's operations, and the presence of a member when each farmer harvests his/her produce. When asked why they go to this extent of monitoring others' activities, they indicated that HMA has helped them to increase their productivity and earnings and therefore they do not want the company to abandon them through loss of produce by members engaging in side selling activities. The lesson there is that farmers will be committed to maintain partnership with private operators when the benefits of such partnership are higher than operating without the partnership.

4.0 PROPOSED FBO STRATEGY

Based on the analysis of FBOs landscape in Ghana and juxtaposing this with international best practices as well as the ingredients of successful FBOs in Ghana, as highlighted in the four case studies, there is clear need to revise the traditional approaches to FBOs formation and development in Ghana, as proposed in following sections.

4.1 Objectives of the FBO Strategy

The long-term objective of this strategy is the emergence of vibrant and sustainable Farmer-Based Organizations. The specific objectives are:

- i. To develop business oriented Farmer-Based Organizations
- ii. To promote private sector participation in FBO development and extension service delivery
- iii. To strengthen FBOs through value chain development
- iv. To strengthen the extension delivery system through involvement of key stakeholders, who will address multiple issues of interest to farmers
- v. To promote the development of FBOs network capable of influencing agricultural inputs and outputs markets as well as agricultural related policies.
- vi. Promote PPP in FBO development to ensure cost effective and sustainable FBO financing
- vii. To strengthen functional collaboration among key actors in the FBO development process.
- viii. To propose the requisite policy and legislative framework that can enhance formation, development and sustainability of FBOs.

4.2 Strategies to Achieve Objectives

The strategies to achieve each of the specific objectives are outlined in following sections.

4.2.1 Strategic Objective I: Develop Business Oriented Farmer-Based Organizations

In view of the findings that FBOs that are business oriented tend to be more vibrant and sustainable, there is need to develop business oriented farmer groups. The strategies to employ may depend on factors such as the profile of the farmers, the type of commodity and nature of the market, as discussed below.

Strategy for the Formation and Development of FBOs for Commodity-Based Market

Oriented Farmers: Farmers, who produce high value agricultural commodities that have ready markets, earn relatively higher incomes and to defend such interests understand the need for coming together to strengthen their collective bargaining power. For such category of farmers, the strategy may involve the identification of champions who will be assisted to initiate the group formation process. The animation process should focus on helping the individual commercial farmers to see the need to come together to enhance their benefits. For example, some cash crop farmers, especially those in tree crops, tend to have limited market or buyers who often dictate the prices for the products. The coming together of such farmers to form FBOs will offer them a countervailing power to bargain for better prices from both input

sellers and buyers of produce. Compared to the farmers generally, input sellers and produce buyers tend to dictate the prices at which inputs are sold or produce bought. Besides, coming together reduces the transaction cost of the buyer as purchases and payments could be done through the groups.

When the group is formed, the group facilitator, such as extension personnel or NGO, will then take them through the rudiments of formation and development of FBOs as well as linking them to stakeholders along the commodity value chain. The focus should be to get the group to operate as viable business entities that operate as a corporate body recognized by law. It was observed from the study that FBOs already operating as corporate bodies still have challenges such as non-adherence to MOUs by members and off-takers, and weak enforcement of rules and regulations. To help make such FBOs sustainable, measures should be put in place to address these challenges. Such measures may be internal and or external. The internal measures will require the facilitator helping the group members to be more transparent, accountable and recognizing that the success of the group is the success of the individual member. External measures may include enacting appropriate legislations to guide operations of FBOs and their relations with other stakeholders.

Strategy for the Formation and Development of FBOs for Small-Scale Farmers who go into Farming at Subsistent Level: Individual small-scale farmers, who go into farming at the subsistent level, have been found not to be business minded in their operations. Such farmers usually do not keep records on inputs, costs of production and value of total outputs. They are thus not able to properly determine profitability of their operations, based on which measures could be devised to increase their efficiency and profitability. Such farmers tend to depend heavily on external assistance, such as projects or government assistance, for their survival. For such category of farmers, the strategy may involve the following steps:

- Sensitization of the community members on the value of forming groups, using the community leadership structures.
- Interested members of the community who have bought into the benefits of forming groups should be encouraged to initiate the formation of groups based on self-selection of members.
- Taking the newly formed groups through the rudiments of group formation and development, with emphasis on self-help and mental orientation to be more business minded in their operations in terms of increasing their efficiency and profits.
- Linking the groups to various private business operators along the value chain will aid them to appreciate the needs and concerns of others and how they can work together for their mutual benefits. Furthermore, it is expected that the business orientation and practices of these private operators will rub off on the FBOs. In other words, the private business operators will act as mentors to the FBOs such that these FBOs can operate more efficiently for the mutual benefit of the private operator and the farmers.
- Helping the groups to identify and to provide various services to their members at cheaper costs. For example, by negotiating the bulk purchase of inputs for group members, it is expected that the group will be able to take advantage of economies of scale and possibly get such inputs at a lower cost and enjoy cheaper rates of transporting them.
- Helping such groups to engage in economic activities based on what the market demands. This requires that facilitators of FBOs, such as extension agents and NGOs, should themselves first understand how markets function and their requirements so that they can in turn reach out and help the FBOs to effectively participate in the agricultural market place.
- Facilitating the group to go through the registration process so that they can function as recognized business entities.
- Instituting Community Savings and Loans schemes, which have been found to promote self-help spirit and commitment amongst members of a group.

Development Stages of FBOs and Appropriate Interventions

Existing FBOs, especially farmer groups, whose membership are small scale farmers may be at different stages of development as already explained in the FBOs classification Table 1. This classification has been modified to capture five stages of development with the associated characteristics. Appropriate interventions required to move a group from a lower stage to the next higher stage have also been proposed as captured in Table 3.

Table 3: Development Stage of Groups and Proposed Interventions

DEVELOPMENT STAGE OF GROUP	CHARACTERISTICS	SOME APPROPRIATE INTERVENTIONS
Stage 0: Unorganized farmers	Farmers operating as individuals	Community sensitization on benefits of forming groups with emphasis on self-help and how group action can help members achieve more than can be achieved when operating as individuals
Stage I: Start-up Stage (Loose groups)	<ul style="list-style-type: none"> • Start Up meetings • Establishment of Organizational structures and appointment/ selection of executives (Planning and Record keeping of income/expenses, Attending regular meetings, Bank Account, Acceptable Constitution, Clear business Objectives. • Formal registration with DoC or MoFA • Needs Assessment and initial business plans for input procurement, production and marketing of produce 	<p>Help groups in the following areas:</p> <ol style="list-style-type: none"> 1. Internal organization and management – constitution/bylaws, organizational systems- record keeping, database, accounting systems 2. Objectives setting and Business orientation: Help group members identify key business and other objectives of the FBO as well as assessment of group needs, mobilization of resources for production and marketing 3. Governance: Democratic elections and training on leadership. <p>Nurture and facilitate the group to move to the next level of development</p>

<p>Stage 2: Developing Stage</p>	<ul style="list-style-type: none"> • Linkage with agribusinesses like input suppliers, marketing intermediaries and processors for various inputs and to supply required volumes and quality products • Linkage with service providers for various service like capacity building on organizational development, production technologies and marketing strategies • Evidence of progressive increased volumes of production and sales by members over the years. • Networking with other FBOs, and having engagements with cooperate with certification programs, local government, policy makers • Administrative and Financial systems established and functional including database with farmer's profiles & track record • Increasing membership 	<p>Help group in the following areas among others:</p> <ol style="list-style-type: none"> 1. Establishing business linkages with other segments of the value chain- from inputs to output market 2. Provision of inputs/ competitive technologies, finance to members for production based on assessment of individual needs 3. Monitoring system to ensure members are adopting best practices, for production/ yields 4. Collective action in aggregation of harvests and marketing. 5. Continued strengthening of organizational systems – database, administrative and financial systems 6. Continued strengthening of group dynamics 7. Review of operations at the end of the year – improvement at two levels- members level and at organizational level
<p>Stage 3: Consolidation Stage</p>	<ul style="list-style-type: none"> • Stable linkages with agribusiness – input firms and marketing channels to off takers • Infrastructure (offices& storage) production and marketing facilities/equipment • Deepening/ intensification of activities- Increased production through use of technological innovations and market diversification through established and new contracts • Enhanced resource mobilization – higher percentage of funds from commercial sources and internal generation and less from grants • Scaling up activities- geographical spread of FBO • Professional management and functioning administrative and financial systems • Substantial production and marketing increases by members over previous years leading very enhanced incomes • Increased implementation of risk management tools 	<p>Facilitate FBO development in the following areas:</p> <ol style="list-style-type: none"> 1. Professional management in place and effective leadership 2. Operational administrative and financial systems – operational sub committees 3. Enhanced collective action through input purchases and marketing 4. Established and sustainable contracts with input providers and off takers 5. Continued training of members in the organization 6. Increased mobilization of resources 7. Members deepen agricultural practices and scale up leading to higher yields and profitability/incomes 8. Application of risk management tools

<p>Stage 4: Mature (Business) Stage</p>	<ul style="list-style-type: none"> • Enhanced resource mobilization – higher percentage of funds from commercial sources and internal generation and less from grants • Professional management and functioning administrative and financial systems. • Increased implementation of risk management. 	<ul style="list-style-type: none"> • Help group to develop and implement a Strategic Business Plan • Help group to monitor and evaluate their operations to inform decision-making towards improved performance. • Help group to improve business operations with hired professionals on full-time basis • Continuous training of members in the Organization <p>Members deepen competitive agricultural practices (GAP), and scale up leading to higher yields and profitability/incomes</p>
---	---	---

4.2.2 Strategic Objective 2: Promote Private Sector Participation in FBO Development and Extension Delivery

Drawing from the field evidence that private business operators like processors and marketers can form viable FBOs to produce the requisite commodities for them, it is desirable to promote private business operators in the formation and development of FBOs. Viable agribusiness operators like nucleus farmers, small to medium scale processing companies and wholesale marketing intermediaries should be identified by MoFA and other organizations and encouraged to form and support FBOs to produce the required commodities for the former under some contractual agreement that have been negotiated in a transparent manner. For example, the business operators could supply inputs, tractor services and extension services to the FBOs to produce and sell the commodities per some desired quality specifications to the business operator who then pays the group after deducting the cost of inputs and services it supplied.

It is expected that by this arrangement, the nucleus farmer or private agribusiness operator, who is more business minded will act as mentors to the FBOs in the management, technical and business sense and thus help them to operate more productively and profitably than if operating as individuals. This will lead to a win-win situation and strengthen the relationship between the farmer groups, the other actors and stakeholders along the value chain. This arrangement to some extent exists between GREL and ROAA as well as between Prime Foods and some farmer groups. A legal framework that will guide and enforce contractual relationships between the various parties will be desirable.

4.2.3 Strategic Objective 3: Strengthen FBOs through Value Chain Development

The survival and sustainability of FBOs largely depends on the services members derive from the groups. The development of business relationships between actors in an agricultural value chain including farmers and their FBOs based on trust, will enhance the flow of benefits to the FBOs, thereby making them more viable. Besides, the value chain relationship will help various actors in the chain to understand each other's need and their mutual interdependence making it possible to develop a common vision towards upgrading the chain to attain a win-win situation. In this regard, the effort by some DPs and NGOs like GIZ, USAID, Concern Universal and ACDEP to develop district value chains committees to oversee the effective and efficient functioning of value chains should be supported, strengthened and expanded to other districts throughout the country. This committee should have representatives from the various actors along key agricultural value chains, such as farmers, input suppliers, processors, who can periodically meet to discuss ways of addressing the challenges/constraints facing the value chains and thus make them more efficient and effective. Progressive upgrading of the value chains will inure to the benefit of all, especially the farmers and their FBOs.

To achieve the above objective, there will be need to organize FBOs into federations starting at the zonal to the district and regional levels by selecting representatives of FBOs. Reliable and frequent information flow between the farmers, other actors and the District Value Chain Committee will promote vertical and horizontal networking.

4.2.4 Strategic Objective 4: Strengthen Extension Delivery System through involvement of Key Stakeholders, who will address Multiple Issues of interest to Farmers.

To effectively help farmers address their diverse challenges, extension service delivery should be holistic in order to address multiple issues such as effective formation and development of farmer groups, provision of managerial and technical training to FBOs to enable them function effectively and efficiently, linking FBOs to various actors of the agricultural value chain to work together towards mutual benefits, multi-stakeholder management etc. This requires that frontline agricultural extension agents should have broad knowledge and skills on various issues to help FBOs address their diverse needs and interests.

Where the issues are beyond the capacity of the extension agents, such issues may be referred to the appropriate sources of satisfying these specific needs, such as subject matter specialists and researchers. In this regard, public extension organizations should have validated information available from research about the effectiveness of different agricultural technologies or investments opportunities so that inquiring farmers can receive objective and validated information.

Furthermore, there is need for private sector participation in agricultural extension delivery. For example, agricultural marketing firms or processing companies should be encouraged to have field agents working with farmer groups on contractual basis. Such field agents will then deliver extension service and other necessary support to the farmer groups to enable them follow the specific production practices towards producing commodities that meet the quality specifications of the private operator. This requires that private extension and public extension agents as well as researchers work together to ensure that farmers receive consistent, up-to-date, and accurate technical information about how they can increase their agricultural productivity, as well as how they can diversify into new high value commodities that can increase farm household income. One important way of achieving this is for research, extension, and private sector extension agents to hold regular information-sharing meetings, at the district level, to discuss production problems, research findings, and recommended practices. It is, therefore, important to build strong public-private partnerships that will further enhance agricultural productivity growth, as well as to increase the incomes and improve the livelihoods of farmers.

An extension system that is interactive among multiple actors and addressing multiple issues is the way towards helping farmers to progressively diversify into higher-value crops, livestock, or other enterprises that will increase their income. This transition from a more linear technology transfer model towards a more holistic approach has implications for the training of extension agents. For extension officers, already in the system, it is desirable to re-orient them towards a more holistic extension delivery.

4.2.5 Strategic Objective 5: Promote the Development of FBOs Networks

To strengthen the ability of farmers to participate and influence decisions affecting their welfare in the market and socio-political arena, it is strategic to support the formation of viable farmer networks from the grassroots to the district, regional and national levels. In this regard, MOFA/DAES may initiate the process of bringing together farmer groups in nearby communities to form a zonal federation, possibly in line with the agricultural zones in a district. Representatives from the zonal federation of farmer groups will come together at the district level to form District Federation of Farmer Groups, with elected leaders. Representatives from the District Federation of Farmer Groups will come together at the Regional Level

to form the Regional Federation of Farmer Groups, which will in turn send representatives to the national level to form the National Federation of Farmer Groups.

MoFA/DAES and other FBO facilitators should support the Farmer group Federations at the different levels to identify and collaborate with various actors in the agricultural value chain, like input suppliers, transporters, processors, marketers etc., such that the various actors can work together towards providing complementary resources – inputs, finance and technologies to upgrade and scale up the value chains of various agricultural commodities to benefit chain participants and consumers. This situation, to some extent, exists in the Cocoa and Rubber sectors, and could provide some guidance in this direction. Other specific support that DAES may provide to the Farmer networks is to develop prototype constitutions and rules for the various levels of the networks to adapt. Additionally, capacity building of the leaders of these networks is also critical.

Financing the operations of FBOs and farmer group networks is critical for their sustainability. In this regard, it is proposed that various mechanisms should be put in place for the FBOs and their networks to generate internal funds. Such mechanisms may include service fees paid by members who benefit from some services delivered by the group/organization or network.

Furthermore, it will be important to build the capacities of these FBO Apex Bodies through various focused and customized training programs. Four levels of apex groups have been identified. These are Zonal, District, Regional and National. The type of interventions will depend on the roles and functions or activities carried out by the Apex body. The Directorate of Agricultural Extension Services in collaboration with AUSAID and AGRA has prepared training modules for Training and Development of Apex FBOs. Notable among these training Modules are the following:

- Group Dynamics and Development Module
- Leadership Skills Module
- Marketing Management Module
- Financial Management Module
- Advocacy and Negotiation Skills Module
- Policy Making Module
- Monitoring and Evaluation Module

Table 4 below lists some activities that will normally be carried out by Apex FBOs at different levels and the appropriate interventions

Table 4: Levels of Apex FBOs, Their Roles, Activities and Interventions

Level of FBO Apex Body	Some Roles and Activities	Possible capacity building support Using Modules Prepared by DAES
Zonal	Coordination of activities of member FBOs Input acquisition, provision of services Preparation of business plans, Representation at the district level, Negotiation of prices and marketing contracts	<ul style="list-style-type: none"> • Group dynamics and Development module • Leadership skills module • Marketing management module • Financial management module • Resource mobilization module
District	Coordination of activities of Zonal FBOs	<ul style="list-style-type: none"> • Group dynamics and development module • Leadership skills module

	Input acquisition, provision of services Preparation of business plans, Representation at the regional level, Negotiation of prices and marketing contracts. Policy making	<ul style="list-style-type: none"> • Marketing management module • Financial management module • Advocacy and negotiation skills module • Policy making module • Monitoring and evaluation module
Regional	Input acquisition, provision of services Preparation of business plans, Representation at the National level, Negotiation of prices and marketing contracts. Advocacy Policy making Monitoring and evaluation	<ul style="list-style-type: none"> • Group dynamics and development Module • Leadership skills module • Marketing management module • Financial management module • Advocacy and negotiation skills module • Policy making module • Monitoring and evaluation module
National	Input acquisition, provision of services Preparation of business plans, Representation at the National level, Negotiation of prices and marketing contracts. Advocacy Policy making Monitoring and evaluation	<ul style="list-style-type: none"> • Leadership skills module • Advocacy and negotiation skills module • Policy making module • Monitoring and evaluation module

4.2.6 Strategic Objective 6: Promote PPP in FBO development to ensure cost effective and sustainable FBO financing

For more efficient FBO development and extension service delivery, it is desirable for government to identify suitable private sector operators, such as nucleus farmers, processors, marketing intermediaries etc. and engage them on a PPP basis. For example, government, under some agreed terms and conditions, could engage nucleus farmers to organize his/her out-growers into viable FBOs and extension services delivered to them.

4.2.7 Strategic Objective 7: Strengthen Collaboration among Key Actors in the FBO Development Process.

This FBO strategy envisages functional linkages and complementarity of efforts among key organizations involved in FBO development. These key organizations and their complementary roles are elaborated below.

i. The Directorate of Agricultural Extension Service, Ministry of Food and Agriculture
The Directorate of Agricultural Extension Service should co-ordinate the process of FBOs development, with the other organizations providing collaborative support. The FBO secretariat, under the Directorate of Extension should provide overall co-ordination of the FBO formation and development efforts in the country. The secretariat should have up-to-date database on FBOs in Ghana and be the source of authentic information on FBOs.

The district extension Officers should provide overall co-ordination of FBOs activities in the district. They should therefore have up-to-date database of all farmer groups in the district and their stages of development which frontline extension agents and facilitators of farmer groups can tap into, to ensure that the interventions provided are appropriate to the stage of development of the group. It is therefore, required that NGOs and other actors forming farmer groups in a district should notify MoFA for the necessary documentation and possible support. MOFA should request District Assemblies to make bylaws that will require NGOs in the district working with farmers to provide requisite information to the Office of the District Directorate of Agriculture. The District extension office should play lead role in linking FBOs to other actors on the value chain and facilitate their interactions towards mutual benefits.

ii. Department of Cooperatives

The Department of Cooperatives should provide requisite training to FBOs, in collaboration with MoFA, to enable them develop from lower to higher levels. The DoC should supervise the operations of FBOs and carry out functional auditing of their accounts on behalf of members.

iii. CSOs/NGOs

CSOs/NGOs should be encouraged to pilot innovative FBO development models that can generate useful lessons to feed into the wider FBO development process. This requires that NGOs share information on their FBO activities with other actors they are operating within the district, especially the District Department of Agriculture. NGOs may provide training and other support services to FBOs to enable them become more viable.

iv. Development Partners (DPs)

DPs should collaborate with other actors in the field to ensure that assistance to farmer groups are targeted and appropriate to the development stage of the various groups so DPs should not form their own groups around projects. DPs may form groups in collaboration with MoFA, such that the FBOs can easily be integrated with the general MoFA FBOs after the DP's project is over. The DPs may provide training and other support services to FBOs to enable them become more viable. DPs should also be encouraged to commission periodic focused studies on FBOs so that relevant information may be generated to feed into policy decisions on the development of FBOs

v. Private Sector Operators (Agribusinesses)

Private sector operators should help in the formation of farmer groups as well as provide them with the necessary support to produce specific commodities for the private operators under some agreed terms and conditions. The private operators may provide requisite extension and business development services to their FBOs to enable them operate more efficiently and profitably for mutual benefit of the groups and the business operators. Such interventions may include linking the FBOs to other inputs and services providers along the value chain.

4.2.8 Strategic Objective 8: Propose the Requisite Policy and Legislative Framework that can enhance Formation, development and sustainability of FBOs.

There is need for the FBO strategy to be anchored on an appropriate policy and legal framework in various areas as indicated below:

- i. Review of extension policy to reflect the holistic/pluralistic approaches by key actors and to encourage private sector participation.
- ii. Review of curricula for the training of agricultural extension officers to include other dimensions like FBOs formation and development, market facilitation as well as value chain development and business approach to farming.
- iii. Legal backing for FBO Secretariat which will perform following functions:

- Develop guidelines for formation of FBOs
 - Establish Arbitration Committees to adjudicate between members of FBOs and between FBOs and other private sector stakeholders such as processors, input sellers, marketing agents and exporters at all levels
 - Provide guidelines for registration of FBOs
 - Outline responsibilities of FBOs with respect to reporting
 - Provide mechanisms for ensuring accountability of the leadership of FBOs to members
- iv. Legislation to enforce contracts between farmers and off-takers.

4.3 Strategy Implementation Arrangement

The DAES through the FBO Secretariat will be the key MoFA agency which will be responsible for the implementation of the FBO Strategy. A successful implementation of the FBO strategy will depend on three main factors:

First and foremost, the DAES must communicate the FBO Strategy document to MoFA for approval. This is necessary because it is the Ministry which can get the Attorney-General's Office to prepare the legislative instruments which may be required for effective implementation for the strategy and get necessary cooperation from the MMDAs through the Ministry of Local Government and Rural Development. The next stage is the responsibility of DAES to ensure all stakeholders have been properly sensitized and educated on the FBO strategy to improve their understanding, buy-in and commitment for the effective implementation of the strategy. The third factor is to ensure that resources are adequately mobilized and deployed for effective implementation.

Formation of FBO Strategy Implementation Oversight Committee (FSIOC)

In view of the interest of different stakeholders in the implementation of the strategy, it is important that an oversight committee is formed to oversee the implementation. The DAES should hold consultations with key stakeholders to determine the composition and membership of FBO Strategy Implementation Oversight Committee. This committee will approve the Terms of Reference prepared by DAES for the FBO Secretariat for the implementation of the FBO Strategy.

The committee will monitor and evaluate the implementation of the FBO Strategy by the FBO Secretariat. Some of the key activities that the FBO Secretariat may carry out in the implementation of the FBO Strategy may include the following:

- Finalize the FBO strategy document
- Launch the FBO strategy document
- Sensitize Stakeholders on the FBO strategy document at the national, regional and district levels.
- Re-orientation and training of extension agents towards FBO development and holistic extension delivery
- Facilitation of Agricultural value chain development, and establishment of district value chain committees.
- Promote the establishment of FBO networks from the zonal to district, regional and national levels
- Develop and lobby for passage of FBO legislation that will recognize FBOs as legal entities and to ensure that contracts between them and other entities are legally enforceable.

4.4 Conclusions

The eight strategic objectives outlined above have the common goal of building successful FBOs in Ghana that are vibrant and sustainable. The success factors of selected FBOs identified and discussed in this strategy hinged on one or multiple strategic objectives, but also underlying their success stories is the need to provide services to members. From the analysis, there is evidence to the effect that well-organized

and better managed farmer organizations can thrive in Ghana and the challenge for MoFA is to consider and adopt aspects of these strategic objectives to develop and grow strong, sustainable farmer organizations.

BIBLIOGRAPHY

AGRICULTURAL EXTENSION POLICY. Directorate of Agricultural Extension Services, Ministry of Food and Agriculture July 2002

DAES of MOFA, **Draft Strategic document for FBO development** Futures Agriculture: **Challenges and Opportunities for Strengthening Farmers' Organisations in Africa: Lessons from Ethiopia, Kenya and Malawi**, Policy Brief

IFAD, **Strengthening farmers' organizations in Sub-Saharan Africa – the Farmer Organization Support Centre in Africa(FOSCA):** Strategies for Strengthening Farmers' Organizations in Sub-Saharan Africa

JF Le Coq, **Farmers' and rural organizations capacity building: The case of the Agricultural Services Sub-Sector Investment Project (AgSSIP) and its producer organisation support component**, Ghana

Juliana Rwelamira, **BACKGROUND PAPER: Strengthening Farmers Organisations and Civil Society Organisations** prepared by: Dr. Juliana Rwelamira, Managing Director, Sasakawa Africa Association

Karim Hussein, **Farmers' Organisations and Agricultural Technology: Institutions that Give Farmers a Voice**

Kwadzokpo, F. K 2013.**Report on the Assessment of Capacity Needs of FBOs and Development of Training Modules.** A study commissioned by the Ghana Market and Trade Policy Node (MPAN) under the Ministry of Food and Agriculture.

MoFA (2009). Report on the National Consultative Workshop on the Development of FBOs, held at Forest Hotel, Dodowa, 27th – 28th May, 2009.

Report on Stakeholders' Validation Workshop on MPAN Study to Strengthen FBOs, held at Ampomaa Hotel on 15th November, 2013.

Report on the National Consultative Workshop on the Development of Farmer Based Organizations (FBOs), Farmer Based Organization Secretariat, Directorate of Agricultural Extension Services, MoFA, Forest Hotel, Dodowa (27th – 28th May, 2009)

Report on Validation Workshop on FBOs Study. MOFA, FASDEP **Policy Document** Rural Policy and Environment Group, ODI

Shankariah Chamala and P. M. Shingi (2009), **Establishing and strengthening farmer organisations**

World Bank (2010). **Strengthening Agricultural Extension and Advisory Systems: Procedures for Assessing, Transforming and Evaluating Extension Systems.** Agricultural and Rural Development Discussion Paper 44, The World Bank, Washington, DC.

APPENDIX: INTERVIEW GUIDES FOR STAKEHOLDERS

I. INTERVIEW AND FOCUS GROUP DISCUSSION GUIDE: MoFA

A. General

- What are your objectives for supporting FBOs?
- Are these objectives in line with MoFA's FBO objectives?
- Do you have organizational set-up for working with FBOs?
- What is your understanding of a Farmer Based Organisation?
- How long have you been working with FBOs?
- What type(s) of FBOs have you been working with?
- Why have you been working with these FBOs?
- Were the FBOs you are working with formed by you or they were already in existence?
- If you facilitated the formation of the FBOs, how did you go about it?
- If they were already in existence, do you know how they were formed?

B. Assessment of Current FBO Strategy

- Are you familiar with the FBO strategy developed by MoFA?
- If yes, what will you say are the strengths and weaknesses of this strategy.
- What are your perspectives in terms of content and operationalization?
- What are your suggestions to improve the FBO strategy?

C. Strategies (Approaches used by your organisation)

- What are the strategies that you use for achieving your objectives in working with FBOs?
- Do you use your own personnel in the implementation of your strategies?
- If yes, how do you ensure the sustainability of your interventions?
- What are your specific interventions with FBOs, especially along the value chain?
- How effective are these interventions, and where is the evidence?
- From your experience, what do you consider as the weakest link in the value chain?

D. Challenges encountered by your organization

- What challenges are faced by your organization with other agencies or companies in your work with FBOs?
- What challenges do you encounter in working with FBOs?
- Suggestions for addressing these challenges

E. Assessment of FBOs

- Do you have performance criteria for assessing the performance of FBOs?
- What are they?
- Based on your criteria, how do you assess the performance of FBOs?
- What measures do you think should be put into place to improve the performance of FBOs?

F. Role and Responsibilities of Stakeholders

- Based on your experience, what roles do you suggest for various stakeholders in the promotion of FBOs (e.g. DPs, Extension, District Assemblies, FBOs, Department of Co-operatives, NGOs etc.)
- What challenges do you encounter in working with other stakeholders?
- What relationship and links should exist between the stakeholders?
- How can such roles & relationships among stakeholders be developed?

H. Suggestions to improve FBO formation and Development

I. Lessons learnt that could be replicated in the development of effective and sustainable FBOs.

II. INTERVIEW AND FOCUS GROUP DISCUSSION GUIDE: DEVELOPMENT PARTNERS

A. General

- How is your organizational set up in relation to Agricultural development with specific reference to the FBO development?
- Which areas of the country do you work with FBOs?
- Why did you choose these areas?
- What is your understanding of a Farmer Based Organization?
- How long have you worked with FBOs?
- Have you had previous experience with FBOs outside the current assignment?
- Types of FBOs targeted by your organisation
- Why have you been working with these FBOs?
- Were the FBOs you are working with formed by you or they were already in existence?
- If you facilitated the formation of the FBOs, how did you go about it?
- If they were already in existence, do you know how they were formed?

B. Assessment of Current FBO Strategy

- Are you familiar with the FBO strategy developed by MoFA?
- If yes, what will you say are the strengths and weaknesses of this strategy.
- What are your perspectives in terms of content and operationalization?
- What are your suggestions to improve the FBO strategy?

C. Strategies (Approaches used by the Development Partner (DP))

- Does your organization have a policy/strategy in working with FBOs?
- If, yes what are the major highlights?
- Do you use your own personnel in the implementation of your strategies?
- If yes and your work is project based, how do you ensure the sustainability of your interventions at the end of your project?
- If you collaborate or use the staff of the AESD of MoFA to implement your strategy, what are the terms and conditions for working with them?
- How do you ensure that MoFA continue with your interventions at the end of the project?
- What are your specific interventions with FBOs, especially along the value chain?
- How effective are these interventions, and where is the evidence?

D. Challenges encountered by DP

- What challenges are faced by your organization with other DPs in your work with FBOs?
- What challenges do you encounter in working with FBOs?
- Suggestions for addressing these challenges

E. Assessment of FBOs.

- Do you have performance criteria for assessing the performance of FBOs?
- What are they?
- Based on your criteria, how do you assess the performance of FBOs?
- What measures do you think should be put into place to improve the performance of FBOs?

F. Role and Responsibilities of Stakeholders

- Based on your experience, what roles do you suggest for various stakeholders in the promotion of FBOs (e.g. Extension, District Assemblies, FBOs, Private Sector, Department of Co-operatives, NGOs etc.)
- What challenges do you encounter in working with other stakeholders?
- What relationship and links should exist between the stakeholders?
- How can such roles & relationships among stakeholders be developed?

G. Lessons learnt that could be replicated in the development of effective and sustainable FBOs

H. Policy Recommendations

Suggest any policy recommendations that can guide the formation, development and

sustainability of FBOs.

III. INTERVIEW AND FOCUS GROUP DISCUSSION GUIDE: NGOS

A. General

- How is your organizational set up in relation to Agricultural development with specific reference to the FBO development?
- Which areas of the country do you work with FBOs?
- Why did you choose these areas?
- What is your understanding of a Farmer Based Organization?
- How long have you worked with FBOs?
- Have you had previous experience with FBOs outside the current assignment?
- Types of FBOs targeted by your organisation
- Why have you been working with these FBOs?
- Were the FBOs you are working with formed by you or they were already in existence?
- If you facilitated the formation of the FBOs, how did you go about it?
- If they were already in existence, do you know how they were formed?

B. Assessment of Current FBO Strategy

- Are you familiar with the FBO strategy developed by MoFA?
- If yes, what will you say are the strengths and weaknesses of this strategy.
- What are your perspectives in terms of content and operationalization?
- What are your suggestions to improve the FBO strategy?

C. Strategies (Approaches used by NGO)

- Does your organization have a policy/strategy in working with FBOs?
- If, yes what are the major highlights?
- Do you use your own personnel in the implementation of your strategies?
- If yes and your work is project based, how do you ensure the sustainability of your interventions at the end of your project?
- If you collaborate or use the staff of the AESD of MoFA to implement your strategy, what are the terms and conditions for working with them?
- How do you ensure that MoFA continue with your interventions at the end of the project?
- What are your specific interventions with FBOs, especially along the value chain?
- How effective are these interventions, and where is the evidence?

D. Challenges encountered by your organisation

- What challenges are faced by your organization with other stakeholders in your work with FBOs?
- What challenges do you encounter in working with FBOs?
- Suggestions for addressing these challenges

E. Assessment of FBOs.

- Do you have performance criteria for assessing the performance of FBOs?
- What are they?
- Based on your criteria, how do you assess the performance of FBOs?
- What measures do you think should be put into place to improve the performance of FBOs?

F. Role and Responsibilities of Stakeholders

- Based on your experience, what roles do you suggest for various stakeholders in the promotion of FBOs (e.g. DPs, Extension, District Assemblies, FBOs, Private Sector, Department of Co-operatives, etc.)
- What challenges do you encounter in working with other stakeholders?
- What relationship and links should exist between the stakeholders?

- How can such roles & relationships among stakeholders be developed?

G. Lessons learnt that could be replicated in the development of effective and sustainable FBOs

H. Policy Recommendations

Suggest any policy recommendations that can guide the formation, development and Sustainability of FBOs.

IV. INTERVIEW AND FOCUS GROUP DISCUSSION GUIDE: PRIVATE SECTOR (Marketing Intermediaries, Input Sellers, Nuclear Farmers, Processors, Exporters)

A. General

- What are your objectives for supporting FBOs?
- Are these objectives in line with MoFA's FBO objectives?
- Do you have organizational set-up for working with FBOs?
- Which areas of the country do you work with FBOs?
- Why did you choose these areas?
- What is your understanding of a Farmer Based Organisation?
- How long have you been working with FBOs?
- What type(s) of FBOs have you been working with?
- Why have you been working with these FBOs?
- Were the FBOs you are working with formed by you or they were already in existence?
- If you facilitated the formation of the FBOs, how did you go about it?
- If they were already in existence, do you know how they were formed?

B. Assessment of Current FBO Strategy

- Are you familiar with the FBO strategy developed by MoFA?
- If yes, what will you say are the strengths and weaknesses of this strategy.
- What are your perspectives in terms of content and operationalization?
- What are your suggestions to improve the FBO strategy?

C. Strategies (Approaches used by your organisation)

- What are the strategies that you use for achieving your objectives in working with FBOs?
- Do you use your own personnel in the implementation of your strategies?
- If yes, how do you ensure the sustainability of your interventions?
- If you collaborate or use the staff of the AESD of MoFA to implement your strategy, what are the terms and conditions for working with them?
- Do you provide them with some incentives while working with them?
- If yes, how do you ensure that they continue with your interventions without the incentives?
- What are your specific interventions with FBOs, especially along the value chain?
- How effective are these interventions, and where is the evidence?
- From your experience, what do you consider as the weakest link in the value chain?

D. Challenges encountered by your organization

- What challenges are faced by your organization with other agencies or companies in your work with FBOs?
- What challenges do you encounter in working with FBOs?
- Suggestions for addressing these challenges

E. Assessment of FBOs.

- Do you have performance criteria for assessing the performance of FBOs?
- What are they?
- Based on your criteria, how do you assess the performance of FBOs?
- What measures do you think should be put into place to improve the performance of FBOs?

F. Role and Responsibilities of Stakeholders

- Based on your experience, what roles do you suggest for various stakeholders in the promotion of FBOs (e.g. DPs, Extension, District Assemblies, FBOs, Department of Co-operatives, NGOs etc.)
- What challenges do you encounter in working with other stakeholders?
- What relationship and links should exist between the stakeholders?
- How can such roles & relationships among stakeholders be developed?

H. Suggestions to improve FBO formation and Development

I. Lessons learnt that could be replicated in the development of effective and sustainable FBOs.

V. INTERVIEW AND FOCUS GROUP DISCUSSION GUIDE: FBOs

- Date of Interview
- Name of FBO
- Year of Formation
- Organisational setup: (executives elected/appointed/ controlling boards
- Names and offices of Key persons at the time of the Discussion:

Membership data:

1. Number of members.....
2. Number of paid up members..... list existing YES/ NO
3. Is basic data about the members available YES/NO.

Management of association:

1. Staff in head offices..... full time.....part time volunteers
2. Funding of the association (in % approximatively):
 - Donor organisations/government
 - Name of Specific Agency
 - Membership dues/fees
 - Members contributions
 - Income from use of trademarks/ dues on products/certificates
 - Other income (sales of documents, work as resource persons/trainers)

What kind of funding did your organisation benefit from in for five years ago?

Expectations/plans of FBO:

- What are the duties of your members.....?
- The rights of the members?
- What did you like/dislike about the type of funding you received?
- What should future support look like?

Services rendered and member expectations:

What kind of services do you render to you members?

- Changes during the last two years (after listening crosscheck.... trainings, technical information, marketing, trademarks/labels/standards, certification, newsletters, mailing/emailing, extension service/field visits, advocacy/legal support in which domains, facilitation/access of credit schemes)
- What do you think about your membership's expectations and satisfaction?
- Do you have tools to capture membership's satisfaction?
- (Have there been interviews, systematic feed-back from field service, fora to exchange point of views.....how is the membership drive

- Member in other organizations
- Size of the farm..... acres.....ha
- Main Commodities (please list)
- Name and function of person interviewed:
- Organizational and legal setup of the company (owners, management)

Management of the FBO

3. Staff: full timepart time volunteers
4. Main **input providers**/ role of association

Role of association in lobbying, liaising, networking, contacts

Validation of services

of satisfaction with services (marks from 1= very poor to 10=excellent)

-
- Future role/importance of the FBO (tick) *more less similar* importance
 - Relationship with other stakeholders (other FBOs, DPs, MOFA, Input Suppliers, Processors, Marketing Intermediaries NGOs etc)
 - Challenges Faced by FBO

D. Challenges encountered by your organization

- What challenges are faced by your organization with other agencies or companies in your work with FBOs?
- What challenges do you encounter in working with FBOs?
- Suggestions for addressing these challenges

E. Assessment of FBOs.

- Do you have performance criteria for assessing your FBO?
- What are they?
- Based on your criteria, how do you assess the performance of your FBO?
- What measures do you think should be put into place to improve the performance of FBOs?

F. Role and Responsibilities of Stakeholders

- Based on your experience, what roles do you suggest for various stakeholders in the promotion of FBOs (e.g. DPs, Extension, District Assemblies, FBOs, Department of Co-operatives, NGOs etc.)
- What challenges do you encounter in working with other stakeholders?
- What relationship and links should exist between the stakeholders?
- How can such roles & relationships among stakeholders be developed?

H. Suggestions to improve FBO formation and Development

I. Lessons learnt that could be replicated in the development of effective and sustainable FBOs.