



MARKET DEVELOPMENT PROGRAMME FOR NORTHERN GHANA (MADE) RESULTS SHARING SERIES

THE RICE SECTOR IN NORTHERN GHANA

This snapshot highlights the Market Development programme for Northern Ghana's (MADE) work with rural enterprises in the rice value chain. MADE supports enterprises to adopt new business models that can help them to expand as well as increase the incomes of smallholder farmers (SHFs).

WORKING WITH RURAL ENTERPRISES IN THE RICE VALUE CHAIN

Since its establishment in 2013, MADE has been working with rural enterprises in the rice value chain to improve the quality and volume of rice production. For these improvements to occur, SHFs cultivating rice require greater knowledge and understanding of the importance of good agricultural practices (GAP), such as different rice varieties, how to choose seeds and manage seedbeds, to obtain the best rice yields. Improved agricultural knowledge is helping SHFs to be more productive, increase the yields of their rice crop and earn more money.

INCREASING THE SUPPLY AND DEMAND FOR AROMATIC RICE VARIETIES

In Northern Ghana there is a growing demand from commercial buyers for aromatic rice rather than traditional rice. To meet this demand MADE has worked with rural enterprises that buy rice from SHFs (aggregators) to supply their SHF clients with certified aromatic rice seeds. These seeds are in high demand and allow SHFs to cultivate rice that commands a higher market price. MADE has played a pivotal role to build commercial relationships between major rice buyers and local rice aggregators to enable the aromatic rice varieties grown by SHFs to reach the market.

As a result of MADE's work, there has been significant increase in SHFs working with MADE business partners growing aromatic rice varieties. In 2014, 40% of registered SHFs were cultivating aromatic rice varieties. In two years this had risen to 69% of the registered SHFs. In the same period, 57.8% of males and 48.8% of female SHFs working with MADE partners experienced increased sales of aromatic rice varieties. SHFs now prefer to plant aromatic rice to traditional rice because they have seen the increase in yields the seeds produce and the higher market demand.

**Increasing supply
and demand,
brokering
relationships,
and working with
private sector**

**Partnered with 21
rice agribusiness,
which improved
services for
32,755 SHFs**

**% increase in SHF
using aromatic
rice varieties:
40% in 2014, to
69% in 2016**

RESULTS FROM MADE PARTNERS IN THE 2017-18 GROWING SEASON

MADE partnered with 21 rice aggregators in 2017 to help them deliver a wider set of services to 32,755 SHFs. These services included land preparation, provision of seed and fertilizer on credit, agricultural advice and collection, bagging and marketing of produce. The total value of the services provided to SHFs was GHS 24.14m (£3.95m).

In addition, these rice aggregators recruited and trained 185 Farm Enterprise Advisors to provide SHFs with agricultural advice and guidance on the correct use of their products and services, so the SHFs get the most value from their purchases. 28,554 SHFs have been shown the most effective techniques for planting through training on planting days given by Farm Enterprise Advisors. As a result of the agricultural advice and training received, SHFs have secured average yield increases of 108% and increases of average income earned of 116% over the 4 years of the programme.

DEVELOPMENT OF MADE'S WORK IN THE RICE VALUE CHAIN

Over the next 2 years MADE will collaborate with private and public sector agencies promoting the production of high quality aromatic rice to ensure all SHFs who wish to grow these varieties have access to the seeds in the quantity they require and at a price they can afford.

MADE will continue to co-invest with MADE business partners to enable them to offer SHFs a full package of products and services they require to grow and sell high quality rice. The products and services are:

- **Inputs** – quality seeds, fertilizers, weedicides etc
- **Services** – Farm Enterprise Advisors offering agricultural advice and monitoring of crop production; mechanised tractor services for ploughing, weeding, harvesting; access to irrigation services
- **Sales** – postharvest services such as cleaning, packaging, storing, transporting

To find out more about the MADE programme, please contact info@ghana-made.org

CASE STUDY: MADE NEW BUSINESS MODELS ASSIST THE GROWTH OF RURAL ENTERPRISES

Between 2013 and 2016 MADE facilitated a relationship between Excel Bit Com Ltd, an aggregator of rice, soy and maize crops, and SHFs in Northern Ghana. The MADE programme helped Excel Bit Ltd Com increase the number of SHFs it works with from 790 cultivating rice on a total of 1,080 acres to 3,191 SHFs cultivating rice on 5,894 acres.

As a result, Excel Bit Com Ltd has increased its rice sales revenue significantly. Their revenue rose from GHS 4.2 million (£675,000) in 2013, to GHS 15.7 million (£2,520,000) in 2016. In addition, Excel Bit Com Ltd recorded a 6% net profit (£174,444) in 2016 from its investment in provision of services to its SHFs.

In addition to helping Excel Bit Com Ltd grow the supply of rice from its SHFs, MADE helped the company to establish a commercial partnership with a major rice buyer. Through MADE's brokerage Excel Bit Com Ltd negotiated a supply contract with Avnash, the largest rice mill in West Africa. This contract offered the company and its SHFs (outgrowers) a lucrative market.

MADE's support to Excel Bit Com Ltd was a co-investment in the scale up of their operations in rice. For every GHS 6 (£1) invested by MADE in the initiative Excel Bit Com Ltd invested GHS 56.4 (£9.40).

In 2016-2017, the company offered 3,141 SHFs fertilizers, seeds, ploughing services and chemicals to help SHFs improve the quality and productivity of their rice crops. The company provided these products and services to the SHFs on credit at the start of the growing season using £994,341 of its capital to buy these goods and services. The SHFs repaid Excel Bit Com Ltd for the goods and services at the end of the growing season after the sale of their crops.