

SNAPSHOTS OF COMMERCIAL PARTNERSHIPS

ANTIKA COMPANY LIMITED

Antika is both an input retailer and a maize, rice, soya and groundnut seed production company. It produces foundation seed on its own farm and uses 145 farmers to multiply certified seed. In addition, the company has 4,000 out-growers supplying grains from 17,000 acres. Antika has 13 Farm Enterprise Advisors (FEAs) and an FEA manager, and owns mechanised services – including eight tractors and a combine harvester – and three warehouses, one of which is rented to the Ghana Commodity Exchange.



Business-to-business partnerships through MADE

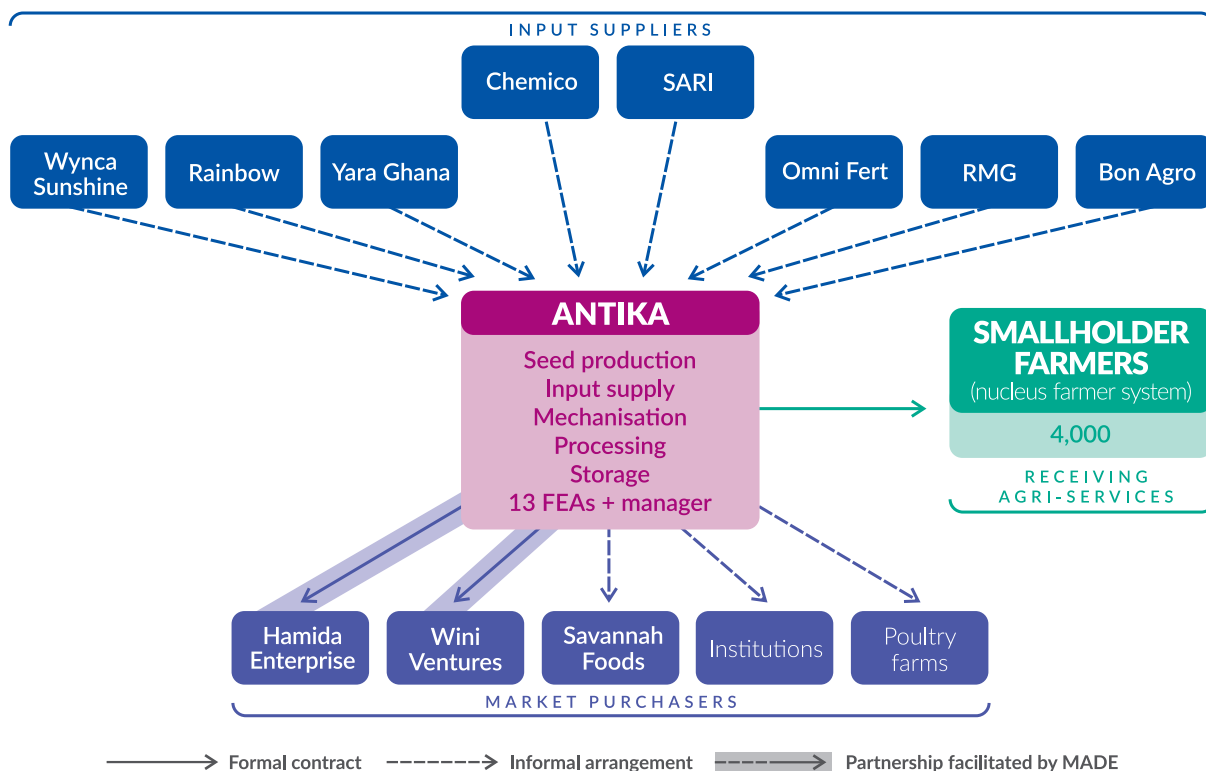
Antika is a lead firm with two MADE support enterprises, Iddrisu Hamida Enterprise and Wini Ventures, both of whom are aggregators and input dealers. Formal contracts between the companies set supply volumes. Antika supplies these companies with inputs on credit and has been able to extend its reach to new geographical areas as a result. The relationship with Hamida has been mutually beneficial, with Antika supplying fertiliser that Hamida was struggling to access and also buying back surplus grains from the company's smallholder farmers (SHFs).

Other business-to-business partnerships

Antika buys fertiliser and seed from Yara Ghana, Chemico, Omni Fert and RMG. It has no contracts with these companies but all provide credit for 30 days. In addition, Antika procures agrochemicals from Wynca Sunshine, BonAgro and Rainbow. The company has a wide range of markets, from school-feeding programmes to poultry farms, none of which are formalised by contracts.

Business-to-farmer relationships

The company provides a full service bundle to its SHFs, including delivery of inputs at market price. For grain production, Antika is setting up a system for working with farmer groups in which a nuclear farmer is assigned from 50 to 700 SHFs depending on their capacity. Some FEAs are also nuclear farmers and can be incentivised to meet crop recovery targets through commission paid as offtake. For seed production, the company has strategically



Business-to-business and business-to-farmer relationships for Antika Company Limited

moved to outsourcing 90% from SHFs – as opposed to producing seed at its own farms – so that it can focus on other business priorities. It sets the price of seed buyback in SHF contracts, capped at 50% of the market price of grain, and achieves a 97% recovery rate.

Smallholder farmer safeguarding

The company extended its crop insurance from the Ghana Agricultural Insurance Pool to its out-growers in high-risk areas last year. The plan is to extend to all farmers gradually, but the premium of 6% of the production budget is hard for many to accept.

Constraints and opportunities

The government policy to stimulate greater use of hybrid seed has led to import subsidies, and 70% of seeds sold are now imported rather than local, presenting a challenge to Antika. It will take time to switch from open-pollinated varieties to hybrid production, and it is proving difficult to access foundation seeds as research institutions do not have enough hybrid breeder seeds to produce them.

Growth potential

Antika sees aggregation and seed production as the most promising areas of growth. In three years, the company hopes to produce 2,000 MT of seed from 10,000 SHFs, increasing turnover from GHS 25 million to GHS 60 million. In addition, Antika also sees an opportunity to move into fertiliser importation.

Additional insights

The company has experimented with selling grains to the Ghana Commodity Exchange, but after a dispute over maize quality is wary of trying this again.



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This material has been funded by UK aid from the UK government; however, the views expressed do not necessarily reflect the UK government's official policies.