




**Ghana: Making
value chains work
for rural people**

There are three major poverty divides in Ghana: rural-urban, north-south, and between women and men. To meet these challenges, IFAD, the African Development Bank and the Government of Ghana are investing in rural northern Ghana to create viable economic opportunities – particularly for women – while improving market linkages with the south and neighbouring countries. The Northern Rural Growth Programme (NRGP) is spurring agricultural and rural growth and poverty reduction with innovative approaches like District Value Chain Committees (DVCCs).

IFAD-supported NRGP worked in partnership, for example, with the Association of Church Based Development (ACDEP), a local NGO in northern Ghana to establish the DVCCs. Today, DVCCs are responsible for the effective planning, implementation, coordination and monitoring of activities in the maize, soya and sorghum value chains. The committees include buyers, input providers (seeds and fertilizers), service providers (extension and tractor services), financial institutions like rural banks, and farmer-based organizations (FBOs).



A man with short dark hair, wearing a dark suit jacket, a light blue shirt, and a striped tie, is speaking. He is looking slightly to the right of the camera. The background is a wooden wall with a door handle.

“Many rural banks are coming to us to learn how the cashless model works. There are no ‘bad borrowers’ but rather ‘bad lenders’.”

Peedah Lincoln Winimi,
Project Officer at TRB

Smallholder farmers are bankable

Linking rural people to financial services is crucial. In 2010, NRGF with the support of the DVCCs and ACDEP approached the rural banks such as Toende Rural Bank (TRB) and BESSFA Rural Bank to facilitate credit for smallholder farmers participating in the value chains programme, many of whom opened bank accounts. NRGF introduced a cashless credit model allowing eligible farmers to receive fertilizer, seeds and services from vendors and service providers. Once the inputs and services are delivered, the rural banks make the necessary payments to providers or sellers. The model has built trusting relationships among farmer organizations, inputs dealers, service providers, buyers and the rural bank.

The cashless credit model is less risky than providing the farmers with cash, and ensures the money goes into agriculture. DVCC members pay regular visits to the farmers to remind them of repayment dates, and as an incentive farmers who pay back before the due date receive a discount.

“This model has yielded excellent results with 100% repayment rates”, says **Peedah Lincoln Winimi**, the Project Officer at TRB.”

Based on the cashless loan experience with the maize value chain, TRB is expanding the model to onion farming and guinea fowl production. TRB is also piloting weather index insurance – to help smallholder farmers get access to credit to recover from bad planting seasons – as well as life insurance.

With cashless credit, farmers are buying vehicles, and women no longer need to transport goods on their heads and walk long distances. Households can now pay children’s school fees, national health insurance and also invest in petty trading.

“Many rural banks are coming to us to learn how the cashless model works”, said **Winimi**. “There are no ‘bad borrowers’ but rather ‘bad lenders’. We at Toende Rural Bank are a good lender.”

Atambugri Abupoake, farmer and member of Garu DVCC, used to cultivate one acre of land, and when the season was bad, the family could not even afford one meal a day.

“With my four children plus four orphans of my late brother-in-law, our life was miserable. Since I joined the programme and became eligible for the cashless loan from BESSFA Rural Bank, my maize production has increased. I received the best farmer of my district award in 2014. I send three of my children to a private school. With the money earned from selling my products, I was able to buy two additional pieces of land. Thanks to NRGP, I was able to attend management training in Bolga. This has allowed me to build my skills and share what I’ve learnt with the women in the village and to outline to them, succinctly, their rights.”

“Now I would like to go to the night school where I will learn English,” says **Atambugri**. “This will help me to better understand my deals with the rural bank.”



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Atambugri Abupoake,
farmer and member
of Garu DVCC



“Today I produce 900 to 1,000 kilograms per acre. I doubled both my productivity and my income. This programme has transformed the lives of our community.”

Adanab Tonsul,
Chairman of the
Ateltaba Farmers Group

Adanab Tonsul, Chairman of the Ateltaba Farmers Group, says “I used to farm on my own. When I was working alone I produced 400 to 500 kilograms of maize per acre. Since I have linked up with NRGF and joined a formal farmers group, I am not only benefiting from access to cashless credits but also from training. As a result, today I produce 900 to 1,000 kilograms per acre. I doubled both my productivity and my income. And I am able to fully pay back my loan. This programme has transformed the lives of our community.”

Azalgolsit Awilba, member of Ateltaba Farmers Group, 51 years old, did not know how she would survive and feed her six children after her husband passed away. Three children were still living at home. She cultivated less than one acre of maize and it was not easy to feed everyone even one meal a day. “Through the farmers’ group and with the support of the NRGF, I started having access to cashless credit for fertilizer and improved seeds,” she says. “As a result, my productivity has improved. This season, I managed to farm five acres of maize. When the farming season is over, to diversify my activities and increase my incomes, I produce shea butter that I sell. My life has completely changed from desperate widow to small-scale business woman.”

Building successful rural businesses

Ayishetu Mbilla Mohammed, a 55-year old farmer and trader, got involved with NRGF in 2011 and received the 2015 Bawku award for best farmer. NRGF identified her as a potential buyer for the cereals of the smallholder farmers of the FBOs and asked her to join the DVCC. She presented a business plan to increase her capital and expand her business, and applied for a loan from the Toende Rural Bank. For the 2014-2015 marketing season, she was able to buy 1,500 bags of maize and 1,300 bags of soya from 34 FBOs supported by the NRGF. “Since I joined the DVCC, my business has increased,” she says. “I can send all nine children to school and guarantee at least three meals a day for all, including my husband when he is home. I also employ 15 women who work for me as sub-market operators. As a result, they have stayed in the village and do not need to migrate to Accra to look for jobs. I am also planning to buy a new and big house. I am also thinking to buy a truck so I can transport easily the produce I buy from the remote communities. I hope to receive the support from NRGF through the matching grant when I save enough.”

Alhaji Imoro Azure is Chairman of the Garu DVCC and an input dealer. “Our DVCC was created in 2011. Before we joined DVCC, the banks used to shy away from providing credit to the farmers due to the high risk, but NRGF and the DVCC have given the bank the confidence that farmers are creditworthy. On our side, using the farmer groups’ registration fees, we opened an account at BESSFA Rural Bank. Today, seven input dealers are providing their services to smallholder farmers instead of the one that we had back in 2010. In 2010 we had 15 FBOs participating in the DVCC. Today we have 74 groups for a total of 967 farmers of which 322 are men and 601 are women.

With the increase in cereals and legumes (maize, sorghum, rice and soya bean) in the district and with the support of the NRGF, we are now building warehouses for the storage of our products. More farmers continue to join the programme and they all pay back their loans to BESSFA Rural Bank.”



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Ayishetu Mbilla Mohammed,
farmer and trader



“Thanks to NRG, I benefited from several marketing trainings and study tours.”

Ajara Ibrahim Taimako,
farmer, processor and marketer of
the Kanvilli Women’s Shea Centre

Empowering women

Ajara Ibrahim Taimako is a farmer, processor and marketer of the Kanvilli Women’s Shea Centre.

The group grew out of a previous organization of 30 women from Kanvilli, mostly farmers, shea nut pickers and small traders. Due to the lack of access to markets, the earlier centre had closed, but in 2012, Ajara got involved through NRG. “To revive the group, I sensitized them, built their capacity in production and commercialization of the shea butter. More than 40 women came on board and we reopened the centre to process shea based on demand.”

“Thanks to NRG, I benefited from several marketing trainings and study tours,” Ajara says, one of which resulted in a memorandum of understanding with a major client, the Savannah Fruits Company which has a public-private partnership with an RGP for the development and processing of shea. The centre also sells the shea butter to Sundial, a New York-based cosmetics company.

Production has risen from 20 tons of shea butter in 2012 to 88 tons three years later. Income has correspondingly increased. During the off nut season, to diversify the women’s incomes, the centre helps them process moringa and baobab oil.

“Now my income has increased,” Ajara says. “I also produce soya milk and yoghurt that I sell to hotels, restaurants and private clients. I send my last two children to university. In the next five years, I want to see myself as a big business woman.” She hopes that her children will take over the business.


Kasoa Yakubu is an executive member and treasurer of the Kanvilli Women's Shea Centre.

“When our centre closed in 2010, I had no income,” she says. “I started processing again the shea butter manually. It was a hard job to crash the nuts with bare hands. To say that surviving was a struggle is an understatement.” With the revival of the centre, however, her life has changed. “Now, I have money not only to send my three children to school but also to buy them new uniforms. I also help my husband financially and this makes our relationship more stable and peaceful. I am planning to build a new house. I cook rich meals and we all have three meals a day without problem. My children now go to after school class that I pay without asking money from my husband.”



“My children now go to after school class that I pay without asking money to my husband.”

Kasoa Yakubu,
member and treasurer of the
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Nafisa Hardi,
member of Women Group of
Bumbongnayili

Nafisa Hardi, member of Women Group of Bumbongnayili, a mother of eight children, says that “we women of Bumbongnayili used to farm as individuals on plots less than one acre. We decided to get together as a group and joined the DVCC in 2011. This allowed us to have access to cashless credit. Since then, our maize production has increased. Today each of us cultivates at least six acres of maize or soya bean. With the money we earn, we’ve managed to pay back our loan without a problem.”

For 2014/2015, they realized that this planting season would likely yield a bad harvest due to the weather. “Thanks to the project and the training we received on how to use savings and credits, we were able to absorb the shock of the drought,” she says. She and other DVCC members have bank accounts and off-season activities such as cooking and selling food, cultivating vegetables, and making soap and shea butter.

“Our husbands, having seen the improved performance since we joined the DVCC, are giving us the good and fertile land to farm,” she says. “To make sure they keep pace with us women, they too have opened saving bank accounts and are asking for loans.”

“My life has changed completely and poverty is now history,” Nafisa says. “With my income and the loan from the bank, I helped my husband to build a four-bedroom house in Tamale city.”

“I was able to get the loan to build house in the town because the bank knows that I have money in my bank account. When I enter in the bank today, the employees call me with honorific title ‘Hajia’ attributed to a woman who has been in pilgrimage to Mecca because they know that whoever enters in the bank has money.”

Amadu Moli is a Village Committee Chief who appreciates what the project has done for women and the community.

“Our wives are now financially independent. They are now the pillar of the family and help their husbands. This is why we decided to give them land to farm because they are making a lot of money from farming. Since they are doing so much better than us, we go to them secretly to ask for money to buy cola, nuts and cigarettes. It is important that I acknowledge publicly the help we are receiving from our women.”

Bilanga Abraham, a 30-year old student in Tamale, says “I am grateful to the women’s group of Bumbongnayili and to the Northern Rural Growth Programme supported by IFAD. My parent could not pay my school fees so I left and came back to the village to farm. Since the group was formed and joined the DVCC in 2011, their living conditions have improved. So the group decided to send me to school. Now I am attending the Training College in Tamale. They want me to become a teacher and come back to the village to teach the children in our village.

To help my community I work for the group as their secretary during the weekends and holidays. I help them with their administrative issues including the accounting services for the group. I want to finish my studies as soon as possible so that other young people can also benefit from the sponsorship of the women’s group and benefit from the college education.”



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Bilanga Abraham,
student in Tamale



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