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The Traits of Ghanaian Commercial Farmers

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INTRODUCTION

Commercial agriculture in Ghana has over the years been receiving a lot of attention from both the government and donor agencies as a way out of poverty. The focus has been on small-scale farmers who have continued to struggle to feed themselves as well as produce a surplus. However, the good news is that there is a group of farmers who have broken the poverty cycle and found the right mix to become successful commercial farmers. With very little known about this group, we interviewed some of these farmers in four regions (Brong-Ahafo, Northern, Volta, and Greater Accra) to gain an understanding of their characteristics and how they became commercialized.

The Ministry of Food and Agriculture (MoFA) regional offices helped us to identify farmers with outstanding records of production and marketing of a particular crop or livestock and who managed to scale up their farm size and operations. A total of 16 farmers were interviewed of which 2 were females (Table 1). For this report, we used notes from 12 farmers because the other 4 farmers did not fit our definition of "successful".

All the 12 farmers interviewed had previously been crowned best farmer and/or commodity award winners in their districts or regions, with over half of them winning the award more than once. The recognition of these farmers as award winners is based on criteria set by MoFA. The criteria included scale of operations, level of commercialization, knowledge of farm husbandry practices, level of diversification, integration of farming operations, and adoption of new technology (http://mofa.gov.gh/site/?page_id=6845).

The two commercial female farmers started as traders and through the encouragement and assistance of their husbands and other farmers, who relied on them for input credit, they diversified into farming. One woman focused on maize (23acres) and the other on yam (50 acres). Also, both had been identified by MoFA as nucleus farmers for the block farming program and were helping other female farmers to grow their farms via the outgrower scheme.

CHARACTERISTICS OF GHANAIAN COMMERCIAL FARMERS

Initial farm size

All of the farmers interviewed started very small, cultivating just 1 or 2 acres of rice, maize, or yam; 100 backyard chickens for the poultry farmer; 12 cattle for the livestock farmer; and less than 4 beds measuring 6 by 6 feet for one of the horticultural farmers. Within 2–3 years, they were able to transition into commercial agriculture by scaling up their farm size and/or operations. For example, one farmer moved from a 1-acre rice field in 1994 to 10 acres within 3 years of farming and now has more than 250 acres of rice in Northern Region. The poultry farmer who started raising chickens as a backyard business acquired a piece of land and gradually scaled up production from as little as 100 to 5,000 birds. The horticulture farmer who started with 4 beds of onions in 1983 now has 10 hectares of horticultural crops: 2 ha of onions, 2 ha of okra, 4 ha of carrots, and 2 ha of tomatoes. He has also diversified into piggery and fish farming. The other horticulture farmer started with less than 1 acre of pepper in 1999, scaled up to 6 acres in 2002, and is currently growing about 21 acres of onion under irrigation.

Asset building

Most of the farmers have acquired a number of farm and nonfarm assets through income generated from their farms. For example, 7 of the farmers interviewed bought at least one tractor, the horticulture farmers in Volta Region purchased irrigation equipment, 3 owned their own cargo trucks, and 2 acquired cassava processing equipment.

Government assistance

With the exception of extension services, none of the 12 farmers received financial or in-kind government assistance when they started their farming businesses. They said that through their large scale of operations, level of commercialization, level of diversification, and technology adoption that convinced MoFA to actively support them. MoFA's support consisted of assisting them to expand their operations via the block farm program and helping them access subsidized farm equipment (tractors and

combine harvesters) on credit through bilateral agreements and other government or donor funded programs.

Educational level

Although we did not explicitly ask whether formal education played a role in their success, it was apparent that both formal and informal education were important for successful commercial farming. Three of the 12 farmers had only primary education and could not speak or understand English well, so the interviews were conducted in their local languages. However, the level of understanding of how they operated their farms was remarkable. This demonstrated that they had received adequate on-the-job training through their parents and other family members who introduced them to commercial farming, as well as continued assistance from their local extension workers.

Diversified enterprises

None of the farmers was a monocrop farmer—all of them cultivated more than one crop or raised livestock as a way to minimize risk in times of bad weather or low prices.

High land and labor productivity

Most of the farmers produced yields almost double those of average farmers. For example, interviewed farmers were averaging 2.9–3.7 metric tonnes (MT) of maize per hectare compared to 1.8–2.5MT/ha from the other farmers; 2.5–3.5MT/ha for paddy compared to 1.4–1.8MT/ha from the other farmers; and 200 bags of onions per hectare compared to 140 bags from the other farmers. Yield differentials stemmed from a combination of using hybrid seeds, more inorganic fertilizer, and use of hired labor or mechanical equipment to complete critical farming activities on time and with better management practices.

Technology adoption

All the farmers interviewed had embraced improved farming technology to raise their yields and profitability. However, none did any routine soil testing before fertilizing their crops. Instead, they relied mostly on government-recommended application rates or recommendations from companies that gave them inputs on credit.

INGREDIENTS FOR SUCCESSFUL COMMERCIAL FARMING

We asked each farmer what factors had enabled them to succeed in farming and why so many others continue to fail. In response, they identified the following.

1. **Interest and self-motivation.** They all mentioned that farming was not a part-time job. To become a successful commercial farmer, they said, one needed to have interest and self-drive. Although family farming background played a key role in jump starting their careers in agriculture, they did not consider this as a panacea for making them successful. It was mainly through individual initiative to take up farming seriously.
2. **Farming as a business.** All the farmers interviewed said that many aspiring farmers failed to become commercialized because they do not treat farming as a business. Treating farming as a business enabled them to adopt measures to effectively control costs and use marketing strategies that gave them the highest level of profit.
3. **Hard work and discipline.** The importance of hard work and discipline came through repeatedly. The farmers described themselves as hard-working, committed, and disciplined. Their business-like attitude, combined with their discipline to defer immediate consumption in favor of investing back into their farms enabled them to expand and succeed. They noted that commercial farming was not for everyone; only hard workers and disciplined individuals can establish successful commercial farming ventures.
4. **Good management.** The farmers said that the combination of good agronomic and financial management skills enabled them to achieve better yields and make their farming businesses more profitable. This was mainly through their skills to supervise crop production, hired labor, and good financial management. In addition, they said, to be successful, a farmer has to live near or on their farms, work in their fields and keep a close watch on their crops and workers.
5. **Scaling-up farm operations and diversification.** Through financial discipline and savings, the farmers said, they were able to scale up and diversify their farming enterprises. Starting farming with little savings from employment, an employee guaranteed loan from the bank, credit from a friend, or small grant from parents meant they had to be financially disciplined, save, and reinvest their proceeds into their small venture in order to expand as well as diversify into other crops. Over time, with the buildup of assets, they also managed to diversify into nonfarm activities such as providing tractor services, transport, processing, real estate, and trading. These activities enabled them to subsidize the farming operations in times of need.
6. **Innovation and productivity growth**. According to the farmers, the phenomenal growth rates in terms of farm size and yields did not come easily but the secret has always been to embrace improved technology in terms of planting materials, farming practices, mechanization, and technical advice from MoFA extension workers. One farmer said, “Most farmers who fail are resistant to change and will not adopt new technologies in favor of their old ways of production. Unfortunately, these old ways have failed to make them climb the

ladder." Two of the farmers indicated that although they listened to the advice given by the extension staff or companies that provide inputs on credit, they used their own experience and results from ad hoc experiments on their farms to determine how much fertilizer to apply. They said that for farmers to achieve higher yields, they need to know their land very well so as to use the right fertilizer in the right amount. However, unavailability of soil testing laboratories or services prevented them from soil testing.

7. **Land availability.** The farmers cited land availability as one of the key factors that enabled them to expand, especially for those who cultivated maize, rice, yam, and tree crops. Farmers in Brong-Ahafo and Northern Regions indicated that land was not a constraint because it was readily available as long as they were able to clear the fields and fully utilize the land to the satisfaction of the local leadership. On the other hand, the farmers of Volta Region indicated that land for expansion was scarce. The land pressure was a result of many farmers who were attracted to settle in their area because of the proximity to water, electricity supply, and markets (Accra).
8. **Risk** management. To some extent, the farmers said they were able to manage weather and price risks compared to the other farmers.
   - Diversification was one of the major risk management tools mentioned by the farmers. Most of them said, "Putting all your eggs in one basket is a recipe for disaster because farming is a risky business." For example, due to delayed harvesting, one farmer had his rice destroyed by fire and had to fall back on his maize farm to recover from the loss. Asked what he was planning to do to avert the occurrence of such events in the future, he replied that he would save and buy a combine harvester that can move in muddy conditions in order to harvest on time.
   - Other farmers reported that in managing price risk, they stored their grain and sold when prices were highest. Others preferred to travel to Accra in search of higher prices than those offered at the farmgate. One of the horticulture farmers said that he managed price risk by controlling the area under cultivation, especially during the rainy season, by calling colleagues in major production areas to know how much area had already been cultivated. The only wild card was the horticulture produce that came into the market from neighboring countries at different times during the season. In addition, he would defer some production to the dry season, taking advantage of his irrigation equipment which other farmers did not have.
   - The operations of the Buffer Stock Company have helped to raise farm prices for maize, rice, and soya at the beginning of the harvest. However, some farmers noted that since normal price movements were now regulated by the company, it was difficult to predict when prices peaked because the company could offload grain back onto the market when prices rise above a certain level. This means they have to be more careful and pay more attention to prices, especially when they decide to store the commodity.

Female farmers

The 2 female farmers said that to be successful commercial farmers they had to rely on the assistance and motivation from their husbands and would require their assistance to remain successful. This opinion was shared by one of the male farmers who indicated that for a woman to be successful she needed a male helper, especially for harder farm tasks such as land preparation, and embankment during floods. Nevertheless, he admitted that women were better in financial and human resource management compared to their male counterparts during floods. Nevertheless, he admitted that women were better in financial and human resource management compared to their male counterparts.

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