Chapter One

**1.1 Introduction**

Ghana is relatively small country which lies in the centre of West African coast. Its geographic locations is the latitude 4o44’North and 11o11’North and the longitude 3o11’West and 1o11’East. Ghana shares borders with three French-speaking countries in Africa namely: Cote d’Ivoire (Ivory Coast) (668km) in the east, Togo (877km) in the west Burkina Faso (549km) in the north. It is bordered on the south by the Gulf of Guinea and the Atlantic Ocean with a coastline of 550km (CIA-The World Fact book).

With a total land area of 239,460 square kilometres, Ghana is about the size of Britain.

The latest official census took place in 2000. Ghana’s population was estimated to be 23,008,443 in 2006 (World Bank, 2008), 22.9 million in July, 2007, and 23,832,495 in July, 2009. The population growth rate in 2006 is 2% (World Bank, 2008).

Life expectancy at birth for the total population is 59.85 years (2009 estimate); that is 60 years (Wikipedia, the free encyclopaedia). Life expectancy of the male is 58.98 years (2009 estimate); that is 59 years, and that of female is 60.75 years (2009 estimate); that is 61years (2000 estimate) (CIA-The world Fact book; Wikipedia, the free encyclopaedia). The economy group of Ghana is low income (World Bank, 2008).

The Ghana Government support for basic education is indisputable. Primary and Junior secondary is tuition-free and compulsory. Article 39 of the Ghana constitution authorizes the main tenets of free, compulsory, universal basic education initiative in Ghana. This system of education which was launched in 1996 is one of the most aspiring basic education programmes in West Africa (Demographics of Ghana- Wikipedia, the free encyclopaedia).

Basic Education occupies about 40%-60% of the total budget of the country. Since 1987, the government of Ghana has increased its education budget by 700% (Wikipedia-the free encyclopaedia). The six-year primary education starts at age of six. The students pass to the 3-year junior secondary school system of academic training in amalgamation with technical and vocational training. The successful students are allowed to continue their education into the 4-year senior secondary school programme. After completion, the successful completed students end up in one of the Ghanaian universities. School enrolment totals about 3 million (Demographics of Ghana- Wikipedia, the free encyclopaedia).

Ghana is divided into ten administrative regions, each headed by a regional secretary. The details of the ten administrative regions and their capitals are shown in the Table (1) below. The capital city of Ghana is Accra, with geographic coordinates of 5 33N, 013W, and a time difference of UTC O (5 hours ahead of Washington DC during standard time).

Ghana achieved independence from the British colonial rule in 1957 becoming the first Sub-Saharan nation to attain independence. Ghana has been a politically stable country since 1992 when democratic elections were undertaken after a decade of military dictatorship. The political stability of the nation amounts to its growing track record of stability in a region of political turmoil. Ghana is a unitary republic with a constitution based on the United States of America’s model. Peaceful presidential and parliamentary elections held in the years 1992, 1996, 2000, 2004 and 2008 marked a major milestone as there was smooth transition of power from the ruling governments to the opposition through the ballot box.

**1.2 Thesis Structure**

The study consists of twelve chapters. After the introduction, chapter two discusses the background of the study, and highlights the role played by poultry in rural livelihoods of Ghana. It reveals the structure of poultry sub-sector in Ghana, as well as the poultry production, consumption and trade. Chapter two finally deals with the challenges of poultry industry since the advent of market liberalisation, globalisation and global competition.

Chapter three reviews the literature of the factors that affect the growth and competitiveness of the small-scale poultry industry in Ghana. The major factors found in the literature as affecting the growth of the small-scale poultry industry in Ghana include competition from the poultry producers from advanced countries, especially, USA and EU member states. Other factors include lack of favourable government policies and supports, high input costs, inefficient production methods, lack of funds, inadequate knowledge in poultry management practices, marketing problems, socio-cultural factors and lack of information. Chapter three also discusses the nature of competition facing the small-scale poultry industry, as well as, the future prospects of the poultry industry in Ghana.

Chapter four emphasises on the factors that can influence the competitiveness of the small-scale poultry industry. It considers competitive advantage, government intervention and Poultry Farmer Movement (PFM) as an expression of social movement. This is followed by theories of agricultural co-operatives around the world, with particular emphasis on agricultural co-operatives and farmer based organisations in Ghana and Sub-Saharan Africa. Chapter five specifies the methodology used in the rest of the thesis, methods and techniques employed in the study. In particular, this chapter examines the objectives of the study, the rationale for the choice of the study, the problems of the research, theoretical framework, operationalisation and the choice of a sample frame. In particular it considers the research design of the study, piloting and screening, the administration of interviews and sampling procedure.

Chapter six focuses on data processing and analysis, editing, coding and categorising, reliability and validity of the research findings, as well as the problems encountered in the study. The data analysis begins in chapter six with the development of analytical framework of the study and identification of the themes emerging from the raw data, as well as content analysis. Cross-tabulation techniques were used to analyse the demographic variables and the characteristics of the poultry farmers. The variables discussed in the study include the gender of respondents, age of respondents, marital status, household size, employment status, educational level, regional distribution, access to infrastructure, income levels, respondents’ experiences, and sources of funds for working capital and system of rearing in poultry.

The qualitative data was categorised and coded according to some meaningful classification scheme, content analysis was performed and frequency counts taken. Causal network diagrams, matrices, tables, and charts were constructed to help make sense of the cause and effect relationships that appear in the data. Chapter seven deals with ethical standard followed in the study.

Chapter eight explores the previous research, and analyses the closed ended questions with the help of analytical cross-tabulation techniques. Chapter nine examines the factors that can increase the competitiveness of the small-scale poultry industry, and examines the factors in order of importance. The top factors were then considered.

Chapter ten deals with the proposing measures for addressing the most important factors needed to influence the competitiveness of the small-scale poultry industry. These factors included the provision of government subsidies; increase tariffs/ban imports of poultry into Ghana; and proposed social movement organisation. Several case studies around the world that shows successful social movements (agricultural co-operatives as an expression of social movement) were used to support the proposed measures to show that the factors (strategies) would work.

Analytical cross-tabulation technique was used to assess the characteristics of respondents in relation to their intention to join the social movement. Bar charts were used to present the results of the cross-tabulations. Chapter eleven considered the policy recommendations, summary of literature review and conclusion. A design of social movement was created to assist the poultry industry in Ghana to become competitive. The potential advantages and disadvantages of the above design were discussed. Chapter twelve discusses the research contribution and the limitations of the research.

**1.2.1 Conclusion**

The study investigates the factors that affect the growth of small-agribusiness in Ghana focusing mainly on small-scale poultry industry. The purpose of the study is to provide guidelines and recommendations for improving poultry farming at the level of small-scale poultry farmers in Ghana, through the organization of the social movement (Poultry Farmer Movement). The study further seeks to solicit government interventions through political arguments so as to sustain and strengthen the small-scale poultry industry in Ghana.

The purpose of the social movement is to bundle competencies and resources that are more valuable in joint effort than when kept separate by the small-scale poultry farmers in racing against competitors who are driving them out of business.

This is due to fierce competition from the subsidized poultry producers particularly, from USA and EU, as a result of unprotected market and political biases of trade liberalization, Structural Adjustment policies, and Deregulations on the part of the government.

**1.3 Vital Statistics of Ghana**

**Table: 1 The Population of Ghana and its ten (10) Administrative regions**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Region** | **Capital** | **Total population** | **Annual Growth Rate** | **Total (%)** | **Total population** | **% Rural population** | **Density (personal/km2** |
| Ashanti | Kumasi | 3,612950 | 3.4 | 19.1 | 1,685,405 | 46.6 | **148.1** |
| Gt Accra | Accra | 2,905726 | 4.4 | 15.4 | 358532 | 12.3 | **103.0** |
| Eastern | Koforidua | 2,106,696 | 1.4 | 11.1 | 1,378,782 | 65.4 | **109.0** |
| Western | Takoradi | 1,924,577 | 3.2 | 10.2 | 1,226,159 | 63.7 | **80.5** |
| Northern | Tamale | 1,820,806 | 2.8 | 9.6 | 1,226,159 | 73.4 | **25.9** |
| B-Ahafo | Suyani | 1,815,408 | 2.5 | 9.6 | 1,136,628 | 62.6 | **45.9** |
| Volta | Ho | 1,635,421 | 1.9 | 8.6 | 1,194,337 | 73.0 | **79.5** |
| Central | Cape Coast | 1,593,823 | 2.1 | 8.4 | 995,418 | 62.5 | **162.2** |
| Upper East | Bolgatanga | 920,089 | 1.1 | 4.9 | 775,807 | 84.3 | **104.1** |
| Upper West | Wa | 576,583 | 1.7 | 30 | 475,735 | 82.5 | **31.2** |
| Total or Av. |  | 18,912,079 | 2.7 | 100.0 | 10,637,809 | 56.2 | **79.3** |

**Source: Ghana Statistical Services (GSS): Based on 2000 Census**

From the Table 1 above the highest population growth rate of 4.4% is found in the Greater Accra region, followed by Ashanti Region of 3.4%. The lowest population growth rate of 1.1% is found in the upper East Region (GSS, 2000).

**Figure 1: Land area by region (%)**

The northern part of Ghana occupies the largest land area (29%), and the smallest land area of (1%) is the Greater Accra region. The northern part of Ghana is made up of the three administrative regions namely: Northern, Upper East and Upper West regions, and constitute the Guinea Savannah (the agro-ecological) zone (CIA-the World Fact book). This zone occupies 63% of the land area in Ghana, has an annual mean rainfall of 1,100 mm, supports the cultivation of grains and is home to most of the livestock population of the nation (SRID, 2001).

The remaining part of the country, with the exception of a coastal strip of savannah, extending from the southern-most part of the western region to the southern part of the Volta region at the Eastern border of the country is covered by Rain Forest, Deciduous Forest and a Transitional Zone between the Forest areas, Guinea Savannah, and Coastal Savannah. The agro-ecological zone influences largely the species of livestock and poultry production (Aning, 2006).

The rainforest zone covers 3% of the total land area, with a mean annual rainfall of 2,200 mm, supporting tree and root crops and low level production of livestock. The transitional zone covers 28% of the total land area, and has a mean annual rainfall of 1,300 mm which assist intensive food crops cultivation. Deciduous forest comprises 3% of the land area, and has a mean yearly rainfall of 1,500mm. The coastal savannah contains the remaining 2% of the country’s total land area, and has a mean annual rainfall of 800mm, and support cereals, vegetables and cassava production, and moderate level of livestock production.

English is the commonly accepted official language in Ghana, and dominates government and business affairs. It is also the standard language used for educational instruction in all fields of endeavour (Wikipedia, the free Encyclopaedia; CIA-the World Fact book).

**Chapter 2**

**2.1 Background**

Small-scale poultry is a vehicle for rural development, income generation and nutrition enhancement (Soniaya et al., 1999). In developing countries, small-scale poultry represent an appropriate system to feed the fast growing human population, and to provide income for the poor small-scale farmers especially, women. There are three main types of poultry production in Ghana namely: Backyard or Village, Commercial and Industrial poultry production.

Backyard Poultry producers are those who keep poultry at the homestead (Aning et al., 2008). Village Poultry is defined as small-scale poultry keeping by households using family labour and, wherever possible, locally available feed resources (Sonaiya & Swan, 2004). It can also be defined as a flock of less than 100 birds, of unimproved or improved breed, raised in either extensive or intensive farming systems. On the other hand, such farmers often keep a small number of exotic broiler or layer birds for commercial or semi-commercial purposes. Village Poultry can be described as “small flocks managed by individual family farms in order to ensure food security, income and gainful employment for women and children” (Sonaiya and Swan, 2004).

Village or Rural Poultry is mainly comprised of traditional village poultry (chicken, guinea fowl, ducks, turkeys, doves and pigeon) purposely raised to supplement household incomes, and consumption of animal protein (Aboe et al., 2006a; Karbo et al., 2003; Awuni, 2002).The birds may be used as payment for a dowry and in religious and cultural ceremonies or given as a gift to important visitors. This system is attributed to low-input of feeding and housing, which makes it lucrative (Aning et al., 2008). The local poultry production basically relies on indigenous non-descript dual purpose chickens of very low productivity (Osei unpublished).

The village poultry is the largest sub-sector comprising of an estimated 25million scavenging/free-roaming birds possessed by about 66% of the 3.7 million households in Ghana (Aning et al., 2008). The backyard and free-range poultry accounts for 60-80% of the national poultry population (FASDEP, 2002; Gyening, 2006; Awuni, 2002). Village Chicken of the Frizzle, Barred, Naked Neck varieties and their exotic crosses were estimated to be 12 million in 2002 (Amakye-Anim, 2000) and 20 million in 2005(FAOSTAT, 2005). Village Poultry rearing is not the main occupation of farmers, although it provides substantial support to rural households (Aboe et al., 2006b). The contribution of rural poultry to household security and income is shown in Table 2 below.

**2.2 Table 2: Role of village chickens in rural livelihoods**

|  |  |
| --- | --- |
| Factors | % Poultry keepers responding |
| 1. Use of Village Chickens  Income supplementation  Domestic meat supply  Domestic egg supply | 85  100  40 |
| 2. Use of Income from village chickens  Personal needs  Hospital bills  Supporting crop farming  School fees  Paying debts | 68  23  15  35  10 |
| 3. Point of sale  Farm gate  Market  Food vendors | 85  40  10 |
| 4.Constraints to increased production  Disease  Feed availability  Housing  Finance | 90  58  36  20 |

**Source: Aboe et al., 2003**

It has been estimated that about 2.5 million households benefit from village poultry production in Ghana (Aning, 2006; Aning et al., 2008). This semi-commercial poultry is considered as emerging rural livelihood diversification strategy, particularly in northern part of Ghana where poverty is endemic (Aning et al., 2008).

Commercial developments of the poultry industry began in the late 1960s and by the 1980s the industry had developed into a vibrant agriculture sector (ISODEC, 2004). Before the introduction of the commercial poultry industry in the early 1960s, poultry production in Ghana was mainly in the hands of small-scale part-time poultry farmers based largely in rural areas and hinterlands. Imports of poultry, if any, were to a large extent to fulfil the desires of government officials or policy makers, and expatriates, principally British colonial officers. Beginning fundamentally in urban areas of Ghana especially Kumasi and Accra, as well as other cities, commercial poultry production revolved around exotic and genetically developed breeds and strains imported from European member states and North America including Black Australorp, Rhode Island Red, White Plymouth Rock, White Leghorn, and what have you. It has gone through a checkered history (Osei, Unpublished).

The initially impediments raised against the patronage of the exotic chicken was based on its taste, with the consumers argument that broiler meat was too soft and not suitable for most Ghanaian dishes and soup making, and also commercial poultry egg yolk was too pale as compared to that of locally reared birds Furthermore, other hinderances were associated with procuring breeder stock and day-old chicks, feed ingredients especially vitamins, minerals and drugs.

Other stumbling blocks which discouraged potential entrepreneurs of poultry production include diseases like Newcastle, Coccidiosis and Chronic respiratory disease. The poultry industry progressively improved however, to become a significant part of the socio-economic development of the country, providing a source of livelihood for thousands of people, either directly or indirectly (Osei Unpublished).

The development of the commercial poultry industry came as a result of some committed pioneer poultry farmers such as Gyamfis, Darkos, Quarteys, Afariwaas and others to mention but a few. Importantly, the deliberate policy measures spearheaded by the government of Ghana between 1960s and 1980s played a key role to the success of the poultry industry. These policy measures were driven by a desire to make the country self-sufficient in meat production and food production in general. The promotion of the poultry production in Ghana in 1960s was mainly to solve the acute shortages of animal protein malnutrition of the populace in the country (Osei, Unpublished).

In 1970 the government intervention for the poultry industry was manifested through the support of production of local feed and raw materials such as maize, fishmeal and soya bean meal, as well as the importation of feed mill ingredients to meet supply gap. Government supported the importation of day-old chicks and breeder stock, and provided vaccinations at small fee, as well as provision of subsidies on imported animal feed and other raw materials. Setting up of a variety of the government-run poultry breeding poultry farms around the country were all part of Government’s initiative to sustain the fragile poultry industry (Osei, Unpublished). Again, the government of Ghana mobilize credit for agriculture at the rates below the commercial rates (Khor, 2006). The boom years were probably from 1970s to the late 1980s and the early part of 1990s.

Due to the increased production in 1980, Commercial Feed Millers Services like Feed Manufacturing (Darko feeds, Agricare, GAFCO, Marinote etc) as well as hatcheries (Darko, Akropong, Acme Glamour, KNUST, Topman, etc) sprung up (Osei unpublished) and by the 1990s more than 30 Commercial Feed Millers had registered under Ghana Feed Millers Association (ISODEC, 2004). The industry consumed about 30% of all maize produced in Ghana, and by-products from agro-processing relied on poultry farms for consumption (ISODEC, 2004). Companies including Darko Farms established their own breeding (parent/grandparent) stations to produce day-old chicks although the parent stock was imported. By 1992, the poultry industry had attained almost self-sufficiency, producing about 95% of all the poultry meat consumed in the Ghana (CorpWatch, 2005).

The Ghana National Association of Poultry Farmers (GNAPF) was established in 1995. The objective of this association is to plan the commercial development of poultry farming to ensure that the industry attain self-sustenance in poultry products. Its membership is open to all poultry farmers registered with the regional poultry farmers’ associations in all the regional capitals in Ghana (Chisenga et al., 2007 pp. 5). The total number of commercial poultry farms in Ghana (Large-Scale, Medium-Scale and Small-Scale) was estimated at 1372 in 2005 (Aning, 2006) with about 7000 workers (Aning et al. 2008).

Aning (2006) categorises the poultry farmers in Ghana into large-scale (above 10,000 birds), medium-scale (5,000-10,000) and small-scale (50-5000) and indicates that majority of poultry farmers’ sell whole dressed or live poultry, especially broilers to families and caterers. Some poultry farmers’ also raise birds to target for high demand during festivities including Christmas, Easter and Ramadan (Chisenga et al., 2007).

Currently, there are only five large-scale farms in Ghana and they are integrated with their own hatcheries, feed mills, processing units and marketing outlets (Aning, 2006; Aning et al., 2008). The small-scale and the medium-scale poultry farmers largely depend on the large-scale farms for day-old chicks (DOC) and supplementary feeds (Aning et al., 2008; Aning, 2006). They also purchase DOCs, drugs and feed supplements from importers or commercial feed millers.

On average a small-scale farmer employs about 12 workers and the medium to large-scale farmers employ between 50 and 120 workers (ISODEC 2004). Within ten years the country had moved from a position of near-self sufficiency to a net importer of poultry meat as a result of unfavourable government policies and market liberalization.

**2.3 Structure of the Poultry Sub-Sector in Ghana**

Poultry production in Ghana may be classified into three categories according to their installed capacity, marketing system and the level of integration of its operations namely: commercial/industrial, semi-commercial and backyard/rural producers (Aning, 2006) (see Figure 1). The FAO classification (1- 4), in addition to the above criteria includes the level of bio-security (Aning et al., 2008; Aning, 2006).

**Category 1: Industrial and Integrated –** According to FAO classification (1-4), this category is a high level with clearly defined and implemented standard operating procedures (SOPs) for bio-security (disinfectant/cleaning) (see Aning, 2006). The operations are part of an integrated enterprise (Aning et al., 2008).

**Category 2: Commercial –** This supports a moderate to high level of bio-security. Birds are kept indoors continuously and prevented from coming into contact with other poultry or wildlife (Aning, 2006; Aning et al., 2008).

**Category 3: Commercial** – In this system birds are kept in open sheds and may even spend time outside these sheds. Birds and eggs may be sold at live market in Ghana. This category has minimal bio-security (Aning et al., 2008; Aning, 2006).

**Category 4: Village or Backyard** – In this category, birds and eggs are consumed locally (Aning et al., 2008) but the surpluses are often sold at farm gates or live markets in Ghana in emergency situations when a farmer needs money for other purposes (Aboe et al., 2003). This system is attributed with minimal bio-security (Aning, 2006; Aning et al., 2008).

The number of different species of poultry in Ghana and their regional allotments are shown in Table 2 below. It can be deduced that the figures for layers, broilers and cockerels are for commercial purposes (Aning et al., 2008; Aning, 2006).

BACKYARD/VILLAGE POULTRY

Capacity

Sometimes no housing at all, Households may keep 3 - 200 local birds

POULTRY KEEPERS

SEMI COMMERCIAL

CAPACITY

Small capacity housing, rarely Largely than 7.3 х 3.7m to hold 150 birds. A farm can

hold up to 500 birds

**FIGURE 2 : Structure of the Poultry Industry in Ghana**

SMALL-SCALE

Capacity

Facilities for

50 birds - 1,000 birds

**Source: Ghana National Association of poultry Farmers (GNAPF)**

COMMECIAL FARMERS

MEDIUM-SCALE

Capacity

Facilities for

1,000 -5000 birds.

LARGE SCALE

Capacity

Facilities for 10,000 birds and above but may hold a lower number of birds

**Table 3: Number of the poultry species and their Regional Distribution (1996)**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Category | Upper East Region | Upper West Region | Northern Region | Brong Ahafo Region | Ashanti Region | Eastern Region | Greater Accra Region | Volta Region | Central Region | Western Region | National |
| Layers | 460 | 26,701 | **-** | 208,934 | 1,206,291 | **-** | 2,716,518 | - | 305,518 | - | 4,464,522 |
| Brollers | - | 23,861 | - | 53,680 | 115,803 | - | 22,180,934 | - | 88,124 | - | 2,462,402 |
| Cockerels | 2,056 | 27,097 | - | 28,824 | 101,776 | - | - | 596,428 | 60,668 | - | 816,849 |
| Local Fowls | 391,869 | 569,819 | 1,100,737 | 401,916 | 361,537 | 311,210 | 387,706 | - | 205,420 | - | 3,710,214 |
| Unspecified | - | - | - | - | 404,665 | 436,825 | - | 238,303 | - | 304110 | 1,383,004 |
| Ducks | 31,200 | 22,070 | 93,543 | 23820 | 37,164 | 52,885 | 33,216 | 75,560 | 16,504 | - | 385,962 |
| Turkeys | 5,267 | 45,364 | 11,440 | 9,861 | 19,358 | 14,288 | 16,575 | 13,922 | 5,918 | - | 141,993 |
| Guinea Fowls | 362,957 | 284,763 | 354,142 | 60,853 | 40,247 | 11731 | 21,483 | 46,632 | 2,526 | - | 1,185,334 |
| Pigeons | 18,116 | 6,061 | - | 9,237 | - | - | 4,379 | - | - | - | 37,793 |
| Parrot | - | - | - | 21 | - | - | 309 | - | - | - | 330 |
| Ostrich | - | - | 3 | - | - | - | - | - | - | - | 3 |
| Total | 811,926 | 1005,730 | 1,559665 | 797,146 | 2,266,841 | 826,940 | 5,341120 | 970,845 | 664,776 | 304,110 | 14,589,306 |

**Source: Livestock planning and Information Unit data (2006)**

**Table 4: Backyard poultry production (1996)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Species** | **Present in the country (2006** | **Significant** | **Numbers (1996)** | **Distribution-Geographical** | **Breed** |
| Cockerel | + |  | 816,848 | All regions, but concentrated in UE,UW,NR | Shaver Starcross 579, Hisex Brown, Starcross 288 |
| Layer | + |  | NA | NA |  |
| Local Fowl | + | \* | 3,730,214 | All regions | Frizzle,Barred,Nakes Neck Crosses |
| Turkey | + |  | 141,979 | All regions | White, Bronze, Buff locals California white |
| Duck | + |  | 385,962 | All regions | Muscovy |
| Geese | + |  | + | GAR |  |
| Guinea fowl Helmented | + | \* | 1,185,304 | All rigions except WR | Pearl |
| Quail | + |  | NA | GAR | NA |
| Dove/Pigeon | + |  | 37 | All rigions | NA |
| Song birds | + |  | 330 | AR, BAR | Parrots |
| Wild birds killed | + |  | NA | All regions | NA |
| Other | + |  | NA |  |  |

**\*Kept/exploited by 1 in 1000 people (GAR-Greater Accra Region; AR-Ashanti Region; BAR-Brong-Ahafo Region;UER-Upper East Region; UWR-Upper West Region; NR-Northern Region; WR-Western Region; Eastern Region); (NA-Not Availble).**

**Table 5: Distributions of Commercial Poultry Farms and Systems of Operation in Ghana**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Administrative FAO system Total**  **Regions** | | | | | |
|  | **1** | **2** | **3** | **42** |  |
| Greater Accra | - | 146 | 342 |  | 487 |
| Central | - | 8 | 24 |  | 32 |
| Western | - | 7 | 51 |  | 58 |
| Eastern | - | 6 | 27 |  | 33 |
| Volta | - | - | 6 |  | 6 |
| Ashanti | - | 169 | 329 |  | 498 |
| Brong Ahafo | 1? | 44 | 173 |  | 218 |
| Northern | - | - | 21 |  | 21 |
| Upper East | - | - | 3 |  | 3 |
| Upper West | - | - | 15 |  | 15 |
| Total | 1? | 380 | 991 |  | 1372 |

**Source: Aning, 2006**

**a-Comprises local chicken kept by the majority of almost all rural and peri-urban household (5 to 25 birds/household) and in a small number of cases, exotic birds (10-15 household kept in backyards). Current distribution data by region are not available. - Based on interview only.**

Research shows that there are few large-scale commercial poultry farms in Ghana, which are integrated with hatchery, production and feed-mill marketing and sometimes processing units but none of them practice bio-security standard that would qualify them for FAO category 1 status (Aning, 2006).

The medium and the small-scale operations fall under category 3 of the FAO classification. The commercial poultry industry in Ghana is concentrated in the Greater Accra, Ashanti, Brong Ahafo, Eastern, Central and Western regions, while village poultry is largely found in the three northern regions of Ghana (LPIU, 2006) where poverty is endemic (Aning et al., 2008). Majority of commercial farms are concentrated in the urban and peri-urban areas where a lot of supermarkets, wet markets and other retailers are found in large numbers. These traders buy poultry products from commercial and semi-commercial farms and sell them to consumers.

**2.4 Poultry Production, Consumption and Trade**

Poultry Production in Ghana is mainly a small-scale activity, with only a few large commercial farms. It is a significant source of local meat, contributing as high as 25% of the total local meat production (equivalent to cattle) between 2000 and 2004 (Aning et al., 2008).

Research shows that even though livestock and poultry contribute only 7% to the agriculture GDP (FASDEP, 2002), their contribution in the livelihoods of the poultry farmers and the rural folks in terms of food security, nutritional intake and ready cash for emergency needs cannot be over-emphasized (Aning et al 2008; Aning, 2006; Aboe et al., 2003)

**Figure 3: Average Contribution of Poultry to Domestic Meat Production (2000-2004)**

**Source: SRID, MOFA. Accra (2006)**

**Table 6**: **Potential sources of poultry meat (metric tons) in Ghana**

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Total** | **Domestic (%)** | **Imports, Frozen (%)** |
| **1995** | **13,803** | **12,112(88)** | **1,691 (12)** |
| **1996** | **18,201** | **14,519 (80)** | **3683(20)** |
| **1997** | **22,817** | **16926 (74)** | **5,891 (26)** |
| **1998** | **24,144** | **19,333 (80)** | **4,811 (20)** |
| **1999** | **32,517** | **21,740 (67)** | **10,776 (33)** |
| **2000** | **33,307** | **24,147 (72)** | **9,160 (28)** |
| **2001** | **56815** | **26,554 (47)** | **30,261 (53)** |
| **2002** | **48,947** | **28,962(53)** | **48,947 (41)** |
| **2003** | **59,166** | **31369 (53)** | **27,798 (47)** |
| **2004** | **72,864** | **33,776 (46)** | **39,098 (54)** |

**Source: LPIU, MOFA (2005).**

**2.5 Challenges of the Poultry Industry in Ghana**

Since 1999, the proportion of poultry meat has increased in Ghana tremendously due to poultry imports from subsidized farmers in EU and USA (CorpWatch, 2005; ISODEC, 2004; Chisenga et al., 2007; Issah, 2007; Aning, 2006; Aning et al, 2008). In 2003, an attempt was made by the government of Ghana to reduce the levels of imports to protect and promote the local production by the imposition of additional 20% import duty on poultry meat imports (Aning et al., 2008; CorpWatch, 2005).

Aning et al. (2008) study found that the domestic production increased to 53% in that year, but the policy was reversed when it came under pressure from the IMF and World Bank. The study confirms that the following year the domestic poultry production dropped to 46% and poultry imports rose to 54% (see Table 6 above).

According to the Food and Agriculture Organization (FAO) estimates, farming is the only source of income for an estimated 70% of the World Rural Poor, many of whom are small-scale farmers. Therefore, the agriculture sector which is the mainstay of the Third World Countries (TWC) that greatly supports the livelihoods of the resource poor small-scale farmers’ has been devastated by Trade Liberalization Policies, Structural Adjustment Programmes (SAPs) and Deregulations (Khor, 2006; Khor, 2008; Issah, 2007, TWN, 2006).

Ghana became a member of the World Trade Organization (WTO) in 1995 and is bound by the Agreement on Agriculture (AOA) which was negotiated in 1986-1994 Uruguay Round (Issah, 2007). This agreement and trade policies have promoted the reduction of tariff barriers of agriculture products from the original 99% to the present 20% (Issah, 2007 pp.8; Khor, 2006).

Current research shows that the liberalization of markets has resulted to an increase in imports surge that is not match by an equivalent increase in exports, thus leading to trade deficits (Khor, 2006). Research shows that trade liberalization did two things: first, it dimished border protection on importables, and second, it eliminated export taxes and restrictions on exportable commodities (Valdés & Foster, 2005). Valdés & Foster (2005) argued that market liberalization had the joint effect of reducing the bias against export agriculture improving the domestic terms of trade in favour of exportable commodities. The following imbalances in the liberalization policies have been identified:

(a) After many years of the implementation of the Agreement on Agriculture (AoA) policies, the developed countries have established high protection for their small-scale industries, especially those in agriculture sectors, whiles the developing countries have been subtly lured to remove such protections as a result of liberalization policies and loan conditions (TWN, 2006).

(b) There has been an increased in domestic support of the developed countries, whereas domestic supports, especially of agricultural products in the developing countries have been removed or reduced as a result of their weak bargaining power (TWN, 2006).

(c) Export subsidies in the advanced countries have been increased at an alarming rate to facilitate the imports of foreign goods to compete with the domestic producers in the developing countries including the small-scale poultry industry in Ghana being exposed to high cost of production and fierce competition as a result of the removal of agriculture subsidies (TWN, 2006).

Khor (2006) study revealed that the trade balance of the government was in deficits of US $253 million in 1995, with imports of $1,684 million exceeding exports of 1,431 million.

**Chapter Three**

**3.0 Literature Review**

Many researchers have posited that the main factors that affect the growth of small-scale poultry farms in Ghana are both external and internal (inherent) factors. The major internal factor is high cost of production (Aning, 2006; Aning et al., 2008; ISODEC, 2004; Khor, 2006; Khor, 2008; Issah, 2007; Chisenga et al., 2007; CorpWatch, 2005; Owoo, 2006; Akunzule, 2006; Asuming-Brempong et al., 2006) and the major external factor is unfair competition (Khor, 2006; Khor, 2008; Aning et al. 2008; Chisenga et al., 2007; Issah, 2007; Ghanaian Chronicles, 2005; Aning, 2006).

Other factors include: Inadequate Knowledge in Poultry Management (Aning, 2006; Aning et al., 2008; Akunzule, 2006; Amakye-Anim, 2000; Awuni, 2002), Lack of finance and credit facilities (ISODEC, 2004; Issah, 2007), Limited use of large scale production, and Lack of government incentives (ISODEC, 2004; Ghanaian Chronicles, 2005), Marketing problems (Aning et al., 2008), Socio-cultural constraints (Sonaiya and Swan, 2004; Colecraft et al., 2006; Aning et al., 2008; Naazie et al., 2007; Aboe et al, 2006; Awuni, 2002) and Lack of information needs on the part of the small-scale poultry farmers(Chisenga et al., 2007).

**3.1 Competition**: Poultry meat production in Ghana has suffered severely from competition with cheaper imports from subsidized poultry producers in advanced countries, particularly EU member states and USA (CorpWatch, 2005; Aning et al., 2008; Asuming-Brempong et al., 2006; ISODEC, 2004; Chisenga et al., 2007). The trend in poultry meat imports by the country has been tracked by a lot of researchers and institutions. In 1996 the first poultry imports of about 34,000 tonnes from the EU was recognized in Ghana (Agritrade, 2009 quoting USDA data (See Table 7 below). The poultry imports rose heavily to over 6500 tonnes in 1997, then 9,200 tonnes and 14,395 tonnes in 1998 and 1999 respectively. Since then there have been a declining imports from EU as a result of more imports from other countries including USA and Brazil (Osei, Unpublished).

It could be ascertained from the table below that while the imports from EU jumped again to 11,850 tonnes in 2002, Ghana imported 10,068 metric tonnes from USA (equivalent to 48% of all the poultry imports) in the same year (see table 8 on % share of poultry export to Ghana).

**Table 7: EU exports of chicken parts to West Africa, the ACP and globally (metric tonnes)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Country | **1996** | **1997** | **1998** | **1999** | **2000** | **2001** | **2002** | **2003** | **2004** |
| Angola | 608 | 4,830 | 4,389 | 1,465 | 1552 | 819 | 584 | 953 | 176 |
| Cameroon | 447 | 1,938 | 5,379 | 8,880 | 12,381 | 4,343 | 11,630 | 16,329 | 9,266 |
| Cape Verde | 25 | 46 | 120 | 362 | 1,670 | 1,662 | 2,162 | 2,327 | 1,793 |
| Congo | 662 | 476 | 1,265 | 2,025 | 7,585 | 6,884 | 9,742 | 8,186 | 1,472 |
| Comoros | 1,432 | 1,379 | 18,66 | 2,030 | 2,092 | 2,728 | 3,089 | 3,422 | 2,713 |
| DRC | 50 | 944 | 828 | 319 | 1,936 | 1,078 | 697 | 1,028 | 3,375 |
| Equatorial Guinea | 1,711 | 2,142 | 3,594 | 3,115 | 3,509 | 4,201 | 3,985 | 3,841 | 2,185 |
| Gabon | 3,998 | 5,678 | 8.506 | 7,856 | 8676 | 7385 | 6,791 | 8,873 | 4,054 |
| Gambia | 8 | 58 | 15 | 291 | 1,059 | 446 | 314 | 1,601 | 34 |
| Ghana | 3,399 | 6,523 | 9,260 | 14,395 | 8255 | 5826 | 11,850 | 12786 | 9,102 |
| Mauritania | 257 | 1,321 | 1,899 | 1,100 | 2,651 | 2,990 | 5,098 | 5,383 | 1,297 |
| Nigeria | 11 | 13 | 39 | 1,245 | 3,081 | 8,983 | 14,705 | 608 | 26 |
| Senegal | 184 | 413 | 712 | 730 | 1449 | 2,500 | 7314 | 9,183 | 4,031 |
| St Lucia | 1,064 | 1,260 | 1,034 | 1,138 | 1,019 | 1,052 | 772 | 1,583 | 633 |
| Togo | 714 | 863 | 942 | 908 | 1,127 | 18,00 | 2,208 | 2,357 | 1,458 |
| Total EU | **290,665** | **345,071** | **378,934** | **385109** | **423,283** | **417,100** | **534,408** | **453,901** | **256,095** |
| ACP Total | 14.570 | 27,846 | 39,848 | 45,759 | 57,952 | 52,701 | 79,752 | 78,464 | 41,615 |
| ACP share | 5.096 | 8.1% | 10.5% | 12.3% | 13.7% | 12.6% | 14.9% | 17.3% | 16.2% |

**Source: USDA EU Broiler Situation**

West Africa region has become a significant and booming market for EU exports of poultry meat and edible offal (Khor, 2006). The region imported 8% of total EU chicken exports in 2002, almost eight times higher than in 1996. The eight-fold increase in imports by West Africa was largely the outcome of tariff reduction under structural adjustment programmes and the West African Economic and Monetary Union (WAEMU) common External tariff (Khor, 2006). In 2001, over 11,000 tonnes of chicken were imported into Ghana with over two-thirds of this coming from Europe. In 2002, the level of imports more than doubled to 23,100 tonnes.

**Table 8: US Percentage Share of Poultry Export to Ghana (Table1)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Year Total** | **Poultry Import in Ghana (MT)** | **USA POULTRY EXPORT (QTY) MT** | **US percent share of Market** |
| **2002** | 20,752 | 10068 | 48 |
| **2003** | 34107 | 17377 | 50 |
| **2004** | 40357 | 15999 | 39 |
| **2005** | 42288 | 13509 | 31 |
| **2006** | 47794 | 12079 | 25 |
| **2007** | 66899 | 16360 | 24 |

The trend towards more imports has shown no limits and while the figure was 21,000 metric tonnes, it jumped excessively to almost 34,000 metric tonnes in 2003 (GAIN, 2008). It could be deduced from the table 8 that the decline of poultry imports between 2003 and 2005 was evidently due to the avian influenza alarm which brought the ban on poultry imports from various exporting countries.

However, in the year 2007, the tendency of poultry imports started again and over 67,000 metric tonnes was imported in the country. It can be forecast that the imports will reach over 80,000 metric tonnes in 2008 so far as USA is exporting nearly 22,000 metric tonnes (equivalent to a rise of almost 38%). The consequence of the uncontrolled imports has greatly affected the local poultry industry to such an extent that many poultry farmers have stop their operations.

**Table 9: Trend in domestic poultry meat production in Ghana**

|  |  |  |
| --- | --- | --- |
| **Market Year** | **Production, (x 1000 MT)** | **Percent change** |
| 1997 | 14 | NA |
| 1998 | 12 | 14.3 |
| 1999 | 14 | 16.7 |
| 2000 | 13 | -7.1 |
| 2001 | 14 | 7.7 |
| 2002 | 19 | 35.7 |
| 2003 | 21 | 10.5 |
| 2004 | 22 | 4.8 |
| 2005 | 22 | 0.0 |
| 2006 | 15 | -31.8 |
| 2007 | 11 | -26.7 |
| 2008 | 10 | -9.1 |
| 2009 | 10 | 0.0 |

**Source: Adapted from Index Mundi (2008)**

It is fascinating to observe from table 9 however, that between 2001and 2002 domestic poultry meat production increased by 36% to arrive at 19,000 metric tonnes and proceeded to a two consecutive years of increase to reach a peak of about 22,000 in 2005 (Index Mundi, 2008). According to Ministry of Food and Agriculture (MOFA) the figures quoted by FAO suggested that there was a 52% increase in bird numbers from 17 million to 26 million from 1998 to 2003. Since then, it has been a story of the “downward slide” attaining a lowest level of 10,000 metric tonnes in 2008.

Consequently, the country’s local meat production from both domestic and local sources between 1999 and 2001increased by an average of 39% per year compared to the Sub-Saharan Africa average of 49% for the same period (Earth Trends, 2003).

Many researchers and institutions have classified the competition facing the small-scale poultry industry from highly subsidized foreign producers of poultry as unfair competition (CorpWatch, 2005; ISODEC, 2004; Khor, 2006; Khor, 2008; Aning et al., 2008; Asuming-Brempong et al., 2006). Since the onset of the market liberalization the subsidies for most of agricultural products have been removed in the country, and similar issues are taken place in other developing countries. According to CorpWatch (2005) more than 26,000 tonnes of chicken were imported into Ghana in 2002, and in 2004, the figure was estimated to be as high as 40,000 tonnes, and 50,000 tonnes in 2005. In 2007, 63,276 tonnes of chicken and 3,514 tonnes of turkey were imported to Ghana (Aning et al., 2008).

The major exporting countries including USA, EU and Brazil account for 75% of poultry meat imports into Ghana (Aning et al., 2008). Some researchers have also described this phenomenon as “dumping” and stated that “developed counties such as the EU and the USA will often take excess subsidized products, and dump them in developing world at prices that are too low, they ruin the local markets” (CorpWatch, 2005; Issah, 2007).

Domestic broiler production in Ghana has become unprofitable and many poultry farmers have switched to egg production to enable them survive in the poultry business (Issah, 2007; Aning et al., 2008 pp. 18). However, many researchers argue that egg production alone could not sustain the farmers in the business (Issah, 2007; Aning et al., 2008; Aning, 2006). Aning et al. (2008) assert that volumes of imports increased by 1200% between 1995 and 2004. Issah (2007) notes that in the past the individual consumers and traders used to go to the poultry farmers to buy poultry products but this trend has gradually changed since the entry of imported chicken parts into the Ghanaian market.

Khor’s (2006) study on the three agricultural products in Ghana namely: tomato, poultry and rice also found that Ghana is a victim of unfair market conditions from subsidized products of advance countries. Khor’s study reveals that poultry imports rose by 144% between 1993 and 2003, and a significant share of this were heavily subsidized poultry products from Europe.

He declares that in 2002, 15 European countries exported 9,010 million tonnes of poultry meat to West Africa for Euro 928 million, at an average of Euro 809 per tonne, and the total subsidy on exported poultry (including export refunds, subsidies for cereals fed to the poultry, etc) was estimated to be Euro 254 per tonne. The study found that between 1996 and 2002, EU frozen chicken exports to West Africa rose eight-fold, and this situation has severely affected half a million poultry farmers in Ghana. Issah (2007) indicated that influx of tomato paste, poultry and rice has reached astronomical levels and the farmers, particularly the small-scale farmers are struggling to survive in the market.

**Figure 4: Imports of Chicken Parts, 1995-2004**

**Source: Asuming-Brempong et al. (2006)**

The imports of chicken has increased consistently since 1995, and with chicken thighs dominating, and rising top to almost 30,000 tons in 2001 and 2004 (Asuming-Brempong et al., 2006; Aning et al., 2008) (see Figure 4 above). This is due to the fact that it is easy to use chicken thighs in preparation of many Ghanaian sauce and soup, and therefore, was preferred to chicken wings and legs. Although a sizeable amount of the chicken legs and wings were also imported (Asuming-Brempong et al., 2006; Aning et al., 2008; CorpWatch, 2005; ISODEC 2004; Chisenga et al., 2007). These fatty chicken parts (Ghanaian including chicken wings, legs and gizzards account for up to 90%, while the remaining 10% comes in the form of whole chicken (Osei, unpublished).

Until the early 1990s, the local industry supplied all the chicken and eggs consumed in Ghana, and in 1992, 95% of the domestic poultry requirement was met through local production (ISODEC, 2004; CorpWatch 2005; Issah, 2007) but by the year 2000, their market share has dropped to just 11% (Kudzodzi, 2006; CorpWatch, 2005; ISODEC, 2004 Issah, 2007). Over 30% of imports of poultry parts into the West African region end up in Ghana (Christian Aid, 2005).

According to FAO-Sponsored study, imports increased from 4000 Metric Tonnes in 1998 to 40,000 Metric Tonnes in 2004, 710% increased, with chicken thighs making up between 50% and 90% of total imports (Asuming-Brempong et al., 2006). The study established a breach of the trigger volumes for import surges in 2002 and 2003 and in 2001 on an SSG (special Safe Guards) computation. The imports have negatively affected the local poultry industry by flooding the local markets, making it uncompetitive. It is common to see abandoned poultry farms as a result of the unfair competition with these imports (Issah, 2007; ISODEC, 2004). On the whole, since 1996, Ghana’s poultry meat imports have increased at an alarming rate of 2000% (Osei, Unpublished). The Food and Agriculture Organization (FAO) uses the term “import surge” to describe an increase of 30% or more over average imports in the previous three years (FAO-SOCO, 2006 and again in 2006 and 2007.

The implication is that more jobs are lost leading to unemployment problems (CorpWatch, 2005; ISODEC, 2004) and vicious cycle of poverty. This has also affected poultry feed production industries and hatchery operations in Ghana such that out of 17 hatchery operators that were active in 2005, only 6 are currently producing layer, broiler and guinea fowl day olds, and moreover, they operate between 10 and 25% of their installed capacity (Aning et al., 2008; Aning, 2006).

**Table 10: Hatchery Operations**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Types** | **Bread** | **Entreprises** | **Location** | **Production Capacity** | **Lifespan** |
| Hatchery | Nera | Topman | Ntensere, AR | 2.1 million | NA |
|  | Lohman | Mfum Farms | Mim, AR | 4.5 million | NA |
|  | Bovan | Akate Farms | Antoa Rd, AR | NA | NA |
|  | Isa Brown | Asamoah-Yamoa | Kegyasi AR | 4.2 million | NA |
|  | Hyline | Afariwaa Farms | Michael Camp, G-AR | 6 million | NA |
|  | **Abo-acres** |  |  |  |  |
|  | **Cobb** |  |  |  |  |

**Source: Ghana National Association of poultry Farmers (GNAPF) (AR-Ashanti Region)**

**Table 11: Hatchery operations in Ghana**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Hatchery  Company | Location  (Region) | Installed Capacity (per annum) | Estimated %  Operation (2005) | Day-olds produced |
| Darkoa | Ashanti | 5million | 10 | Broilers, Layers |
| Afariwaaa | Greater Accra | 6million | 17 | Broilers, Layers |
| Sydal | Greater Accra | 1million | - | Guinea Fowl, Broiler |
| Asamoah-yamoah | Ashanti | 4.2 | 25 | Layer  Guinea-fowl |
| Topman | Ashanti | 2.1 | 10 | Layer, Broilers |
| Kranyakoa | Eastern | 1million | Unknown | Layer |
| Jehu | Ashanti | Unknown | Unknown | Layer |

**Source: Stakeholder interview**

**a – Company had its own parent stock.**

For example, Pomadze Poultry Enterprise which had the capacity to produce 12,000 day-old chicks (DOCs) per day is one of such collapsed company (ISODEC, 2004). Darko Company which was producing about 100,000 chicks per week has ceased local production and has turned to imports of USA poultry for distribution on the local market (Agro-Ind., 2002). Ghanaian Chronicles (2005) report pointed out that, 150 employees of Afariwaa Farms Ltd. had been rendered jobless between December, 2004 and March, 2005. The report revealed that the closure of the chicken processing plant has rendered most small-scale poultry farmers whose poultry were sold under the brand name Afariwaa unemployed.

Many studies have confirmed that over-reliance on imported poultry has health hazards (CorpWatch, 2005).Christian Aid (2005) recent surveys revealed that local consumers in Ghana are not satisfied with the quality of the imported poultry meat, regarding it as tasteless and fatty. In certain cases the imported frozen meat is being reported to be unfit for human consumption (Khor, 2006). Furthermore, research conducted by “Importation massive et incontrolee des poulets congeles en Afrique: le cas du Cameroun” which was collaboratively published in 2004 by “service d’Appui aux Initiatives Locales de Development and Citizens Association for defence of collective show that up to 85% of the exported meat from EU that was tested revealed that it was infected with salmonella and other dangerous microbes.

**3.1.1 Increasing consumer preferences to imported chicken parts than local poultry**

In Ghana, the imported frozen chicken is processed into convenient ready-to-use parts and is cheaper; often half the price of domestic equivalent, giving it considerable merit over local poultry (ISODEC, 2004) (see Table 12). The imported chicken parts are sold at prices far below the prices of locally-grown broilers and below local costs of production (Issah, 2007; CorpWatch, 2005; Asuming-Brempong et al., 2006; Aning, 2006; Aning et al., 2008; ISODEC, 2004; Issah, 2007).

The table 12 below shows that imports of poultry is increasing annually at an alarming rate in Ghana. Most consumers of imported poultry are urban dwellers whose work schedules may not allow them the time to buy live poultry for consumption, so they prefer to buy imported poultry meat processed into convenient parts, which saves time during meal preparation (ISODEC 2004).

**Table 12**: **Comparing average market prices of locally-produced and imported poultry meat [Cedi (¢) × 100/kg]**

|  |  |  |
| --- | --- | --- |
| Year | Local1 | Imported2 |
| 2001 | 15.0 | 13.0 |
| 2002 | 17.0 | 12.5-13.5 |
| 2003 | 15.5 | 14.5-15.0 |
| 2004 | 21.0 | 14.5-19.5 |
| 2005 | 21.0 | 16.0 |

Source: 1. -ARI Technical Report

2. -LPIU data, 2006

According to the study conducted by ISODEC (2004) poultry imports are able to undercut the prices offered by the domestic poultry farmers in Ghanaian market due to subsidies provided to EU cereal farmers which turns into low costs of feed production, since supply of feed is the backbone of poultry farming. The study reveals that cereal constitutes around 70% of the cost of production in the EU and up to 90% in Ghana.

Between 1990 and 2002, the European Union producer price for common wheat was reduced through subsidies by 51.1% in real terms, fodder barley by 50.7% and grain maize by 49.6%, and in 2000 to 2001, these products constituted 54% of total tonnage of products used in feed production (ISODEC, 2004). ISODEC asserts that this situation has had a major impact on reducing feed costs of EU livestock farmers, enabling them to charge lower prices for their poultry.

The total costs of producing poultry, and the costs of the final products in Ghana are much higher as compared to the international level. In 2004, imports of chicken meat from EU were sold in Ghana for 1.50 Euro per kilo, whereas the domestically produced poultry was sold for 2.60 Euro. In 2005, the costs of broiler production averaged US$0.52 and US$0.55 in Brazil and USA respectively (FAO, 2006). The main cause has been the high cost of poultry inputs, mainly feed ingredients. Maize and fishmeal or soya-bean meals are the greatest composition of a typical formulated chicken diet constituting about 80% of the diets. Regrettably, Ghana is not self-sufficient in the manufacturing of these food items at affordable prices and every year imports have to be relied upon (Osei, Unpublished).

Furthermore, the FAO (2006) classifies the causes of import surges in two broad types: First, Country-specific factors like vagaries of the weather, fluctuating foreign exchange rates, and changes in trade policies, domestic market liberalization and changes in foreign direct investment. In Ghana, factors such as high production costs, consumers preference for ready, dressed and pre-cut poultry meat, proliferation of hotel and other hospitality establishments, fast food joints, especially in urban centres (Osei, unpublished) are the primary causes of consumers patronization of the poultry imports.

Second, exogenous factors either driven by policy or market circumstances. For developing countries of low income group such as Ghana and other West African countries, subsidized poultry from EU, Brazil and USA is the largest incentive for increased demand and importation (Osei, unpublished).

It can be argued that the period of drought which occurred in Ghana in the early 1980s would have led to short term down-turn of local poultry production and would have necessitated import surges to make up the meat shortages, such circumstances however, should not be taken for granted to enlarge the import surges and allow it to have permanent effects to the detriment of the poultry farmers. The recommencement of favourable weather in the late years would have rectified the situation considering other negative factors (Osei, Unpublished).

Moreover, the low value of the Ghanaian Cedi against the US dollar or the GB pounds and other convertible currencies should not have necessitated the import surges; all things being equal, one would expect rather that a weak Ghanaian Cedi would make imports relatively more expensive and discourage imports. The opposite should have been the case.

Therefore, the advantageousness of a ready-to-use poultry meat than local live poultry inspire the consumers, especially, those who live in urban centres in Ghana cities like Accra, Kumasi, Tema, Sunyani and many more to purchase the imported poultry at lower cost instead of the local poultry. Such urban dwellers have less time to prepare food as result of their busy-time work schedules. Again, over 90% of imported poultry arrives in processed parts, and it consists of parts that are not consumed in the EU, further reducing the cost.

According to Belgian NGO SOS Faim report “deep frozen chicken parts have no value within the EU as there is no demand and no market for these products. The exporting countries sell the “sub-standard quality” chicken parts to developing countries in order to save the cost for disposal of waste, earn some additional income and conquer new markets (Issah, 2007). **3.1.2 The Foreign Currency Spent on Poultry Imports from USA**

It could be inferred from the table 13 below that between 2002 and 2007, the country lost US$53,685,000 on USA poultry meat. By using the average price to deduce or estimate the total cost of poultry meat imports based on the table 7, it will look like in Table 13 below:

**Table 13: Foreign Currency that Ghana Spent on Poultry Imports from USA**

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Poultry Import (MT)** | **Poultry Imports** | **Price per kg (US$)** |
|  |  |  |  |
| 2002 | 10,068 | 4,549,000 | 0.45 |
| 2003 | 17,377 | 8,034,000 | 0.46 |
| 2004 | 15,999 | 9,742,000 | 0.60 |
| 2005 | 13,509 | 9,102,000 | 0.67 |
| 2006 | 12,079 | 7,668,000 | 063 |
| 2007 | 16,360 | 14,59,000 | 0.89 |
| TOTAL | 85,392 | 53,685,000 | 0.63 |

Source: Adapted from GAIN (2008) data

**Table 14: Estimated Cost of Imported Poultry meat in Ghana**

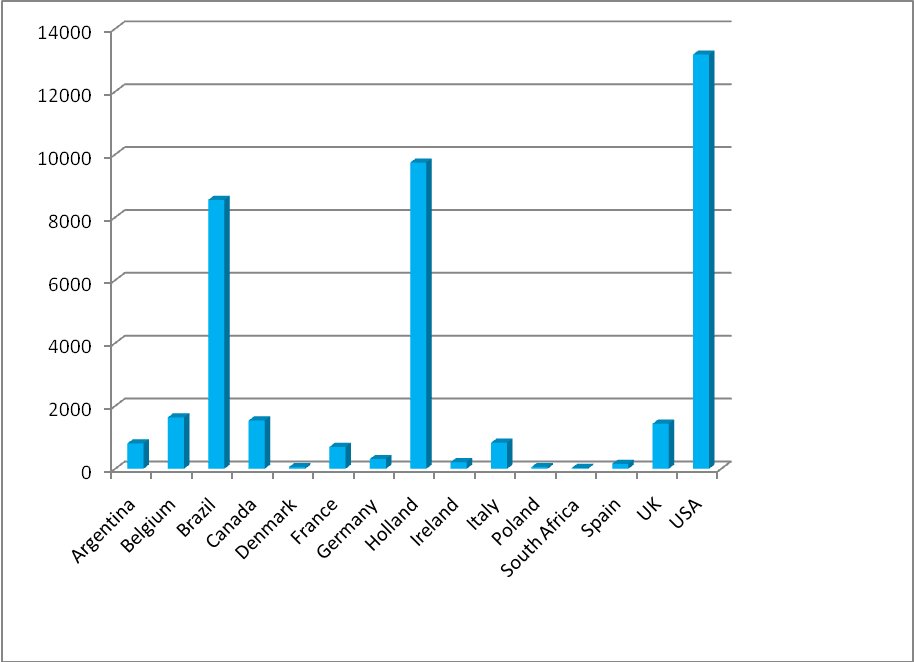
|  |  |  |
| --- | --- | --- |
| Year | Total Poultry Import, MT | Total cost, US$\* |
| 2002 | 20,752 | 13,073,760 |
| 2003 | 34,107 | 21,487,410 |
| 2004 | 40,357 | 25,424,910 |
| 2005 | 42,288 | 26,641,44 |
| 2006 | 47,794 | 30,110,220 |
| 2007 | 66,899 | 42,146,370 |
| TOTAL | 252,197 | 158,884,110 |

**Assume average price of US&0.63 per/kg (Table 3). US poultry likely cheaper than poultry from Brazil and EU**

GAIN (2008) estimated the demand for poultry meat in 2008 at 90,000MT of which only 10% would be obtained from local production. Based on this tendency it can be forecast that the demand will probably reach 100,000 metric tonnes in 2009. The term “poultry meat” comprises turkeys, Guinea fowls, ducks, bush fowl and even ostrich, the main source is the domestic chicken. In Ghana bush fowl can be found in rural areas through traps, but also hunted, whereas Guinea fowl and duck meat is almost ascribed for local production. Again, Ostrich meat has a limited clientele as it is not well known within local culinary circles in the country. That reserves the domestic chicken as the primary candidate for importation.

According to CorpWatch (2005) Holland alone accounts for 30% of all EU chicken exports. The CorpWatch states that “Ships laden with frozen chicken sail regularly from the Dutch port of Eernshaven to Ghana, and Nigeria. Packed into the giant containers on board are blue boxes with frozen chicken gizzards from Zevenhuizen in soth Holland, orange boxes with chicken legs from Nunspeet in central Holland and yellow boxes full of chicken wings from Epe in northeastern Holland” (CorpWatch, 2005).The containers are easily differentiated by their packaging: Blue boxes from Holland contain frozen gizzards; Orange boxes from Holland contain chicken legs; and Yellow boxes from Holland enclose chicken wings (CorpWatch, 2005). Furthermore, Brown boxes contain chicken from USA, whereas White boxes come from Brazil (GAIN, 2008).

**Figure 5: The Major Countries that Export poultry Meat into Ghana in 2004 (tonnes)**



**COUNTRIES**

**Source: Asuming-Brempong et al (2006)**

Overall, the countries that export poultry meat to Ghana include USA, Brazil, Holland, Belgium, Canada, UK, Italy, Argentina, France, Germany, Ireland, Spain, Denmark, Poland and South Africa, with USA being the largest exporter followed by the Netherlands and Brazil (Aning et al., 2008; Asuming-Brempong et al., 2006).

**3.1.3 What can be done to improve the competitiveness of the Local Poultry Industry?**

The research findings reveal that lack of government or donor financed support to farmers’ and cheap imports of poultry have adversely affected poultry production in Ghana.ISODEC (2004) argues that reducing tariffs will only be counter-productive to the Ghana’s small-scale poultry industry. ISODEC (2004) study found that the 20% tariff level is too low to protect the small-scale poultry industry from subsidized EU poultry imports and therefore, increased tariffs should be used to balance imports and domestic production. The committee appointed by the Ministry of Food and Agriculture (MOFA) for investigation recommended that a tariff between 30-85% be placed on imported chicken to increase its price to the level of local production. Some experts argue that even 40% increase in tariff which the farmers’ are demanding will not solve the problem, but it should be as much as 80% before the domestic poultry industry could compete with the foreign producers (CorpWatch, 2005).

ISODEC (2004) further argues that there is a positive relationship between increased tariffs to a level that cancels the subsidies provided by the exporting countries and the growth of the small-scale poultry industry, because this should allow the small-scale poultry industry to expand their production to take the shortfalls and hence prevent shortages.

The committee appointed by MOFA recommended that the Government of Ghana needs to support local production with the essential raw materials and make special long term low interest finance in Ghanaian currency available as foreign currency (ISODEC, 2004).

In individual and focus group interviews with poultry farmers in Ashaiman and Koluedor, near Accra by Issah (2007), the poultry farmers prescribed four main interventions namely: access to credit facilities, control of imports on the part of the government, provision of government subsidies on inputs to the poultry farmers, and the call of the government and the consumers to patronize domestic poultry produce. It is argued that the call of the consumers and the government to patronize the domestic poultry is more inclined to a joint effort of the government-private sector initiative, whereas the rest of the interventions largely depend on government policy initiatives (Osei, unpublished).

The government strategy with regard to the above suggestions can include subsidization of poultry inputs, feed production, poultry processing and the enhancement of bio-security measures so that the poultry farmers can produce in abundance for the various categories of poultry consumers including restaurants, supermarkets, wet market, farm gate buyers, prison services, schools, hospitals, security forces, police services and military forces and other government organizations, at lower prices.

Research findings do not seem to give confidence that government is ready to undertake any such intervention in official circles to be in contravention of the agreements of IMF and World Bank. At the moment there are no import quotas in the country with respect to the WTO Agreement on Agriculture (AoA). The AoA states that quantitative restrictions are not permitted in the country. The WTO Secretariat (2001) trade policy review of Ghana confirms that the country has no legislation that permits the imposition of anti-dumping, countervailing or safeguard measures on imports. However, there are few items that are subjected to restrictions particularly for health and safety issues. The government can further monitor the impact of unfair import competition on local companies and may take compensatory action against such imports (Khor, 2006).The government argues that tariff reforms work towards the enhancement of the external competitiveness of domestic industry, harmonizing tariff rates with regional levels, and removing distortions (Khor, 2006).

The argument in favour of tariff increase to ensure the competitiveness of the small-scale poultry industry has been highlighted by a variety of individuals, researchers’ and institutions (CorpWatch, 2005; Christian Aid, 2004; Issah, 2007; Khor, 2006; Khor, 2007). However, the country has had problems in making use of this policy measure due to the reactions of the IMF and World Bank. This reaction is based on the policy conditions attached to IMF loans (Khor, 2006). As already discussed the government decided to raise the applied rate from 20% to 45%, but both IMF and World Bank resisted the move by saying that they would withhold future loan disbursements and the parliament had to rescind to the original applied rate (CorpWatch, 2005; Khor, 2006).

The CorpWatch (2005) study reveals more detail information about the government’s failed attempts to the country’s applied tariff on poultry meat. The study confirms that in 2003, parliament of Ghana passed a legislation allowing an increase of 20% tariff to be applied on imported chicken, making the overall total tariffs to be 40%. Not very long days after the law was implemented, the Ghana Customs and Excise Preventive Services (CEPS) issue an order to turn the decision upside down. The Government of Ghana revert her decision to apply the new tariff of 40% as a result of the country’s policy agreement with the IMF to rescind the higher tariff on poultry imports during the Government Article 4 consultations with the IMF.

These powerful international financial institutions (IMF & World Bank) made it clear to the Ghana government that it opposed to the increase tariffs because it would thwart the Ghana’s poverty reduction strategy programme.

The Christian Aid (2005) research further clarifies that the GNAPF brought a court case against the CEPS in order enforce the implementation of the legislation based on tariffs increased. On the 11 March 2005, the judged ruled in favour of the GNAPF. The financed Minister and the Attorney General were informed to appear before the court at a later date to explain why the government refused to enforce an Act of parliament. The Christian Aid study found that the Parliament repealed the law (Act 641) that had forced the CEPS to raise the tariffs. The lawyers of the poultry farmers criticised the government to avoid having to comply with the high court ruling.

The Director of the Centre for Public Interest Law (CEPIL) and a lawyer representing the poultry farmers called Dominic Ayine stated that “the actions of the government show clearly the desperation with which they seek to please the World Bank and the IMF. The opposition of the Bank and the IMF to increased tariffs is based on pure ideological reasons and it has little or no connection at all to the welfare of Ghanaian poultry farmers or the consuming public.”

He further stated that “Cut-throat competition is not countenanced anywhere in the world, not even in the so-called industrialized market economies. These countries have spurned a spider’s web of elaborate anti-competition laws to counteract the effects of anti-competitive market behaviour.” Ayine contended that the decisions of the government, under the pressure from the IMF has greatly undermined the tenets of good governance and the rule of law, which are emphasized to be enhanced by the world financial institutions all over the world. He pointed out clearly that “Overriding a judgement obtained through normal judicial processes does nothing but undercut the confidence with which citizens perceive the judicial process.”

Ghana National Association of Poultry Farmers are anticipating that any package of policy measures to ensure competitive advantage on the part of the poultry industry should constitute “measures to neutralize the effects of producer and export subsidies on poultry products imported into Ghana-the implementation of a tariff and a tax structure that expedites trade, minimizes tax avoidance and penalizes dumping” (Khor, 2006). This line of action is backed by Ghana’s Poverty Reduction Strategy which states that “The current heavy reliance on imported frozen meat, dairy production and life cattle and sheep is a reflection of the lack of concerted efforts aimed at increasing productivity in the livestock sub-sector.”

Osei (unpublished) also argues that although the government of Ghana has a major role to play to improve the competitiveness of the poultry industry, the importance of “self-help” on the part of the poultry farmers is a significant contribution that cannot be over-emphasized. He posits that the removal of incompetence which indirectly increase the cost of production (such as the use of poor quality feed ingredients, improper feed formulations, lack of bio- security measures, poor management practice, etc) can assist to bring down the costs of production. He pin-pointed that, a large number of poultry farmers’ have little training in facets of poultry production and management, and may not be in a position to employ the services of well-trained manpower.

**3.1.4 Effects of Poultry imports in Ghanaian Economy**

The outcome of poultry imports can be categorized into two aspects: the gain of consumers and the threat of the poultry farmers. The benefits of the consumers include low prices of poultry meat and hence increased in affordability and purchasing power to the consumers. It could be explained that as a result of cheap chicken imports into the Ghanaian market and all things being equal, consumers of chicken are better, but the domestic poultry are worse off.

Furthermore, the poultry imports has opening jobs opportunities, especially for operators of cold stores and retailers, and an increased in Government revenue. However, these benefits pale out in comparison with the injurious consequences of the poultry industry and associated services, agriculture sector in general and in particular, the livelihoods of the resource poor farmers in rural areas (Osei unpublished).

The FAO employs the term “injury” to explain the detrimental effects of import surges on domestic industries and the livelihoods of people’s. According to FAO (2006) the main difficulties of injury quantification are as follows: First, reports on impact on sales, production, capacity and profits are often ambiguous and do not take a holistic look at all possible factors. Second, market analysis is fraught with imprecision as data on production and consumption of animal products are not as well observed as those for food security crops. Third, price data for poultry are frequently not available, or if available, are not accurate.

Despite the above limitation, the following disadvantages of import surges are summarized by the FAO (2006):

The liberalization of poultry imports has led to an influx of poultry products in Ghana, and this has had detrimental effects on poultry industry (CorpWatch, 2005) and the economy as a whole (Khor, 2006).

The influx of poultry imports has affected the poultry sector greatly to such an extent that the market share of the small-scale, medium-scale, as well as large-scale poultry farms, including Darko, Afariwaa and Sydals have been taken over by the foreign producers. There have been concrete evidences to prove that the number of mortalities in poultry industry is attributed to the effects of import surges. According to the CorpWatch (2005) the wholesale price of imported chicken is only slightly more than half of the wholesale price of local chicken. A study undertaken by Christian Aid (2005) also found the price of imported chicken much cheaper than the local poultry. Locally grown broilers were being sold at 28,000 cedi (£1.60) per kilo, but the imported poultry from EU was priced at only 16,000 cedi (92p) per kilo, less than the local cost of production.

Secondly, hatchery capacities reduced to only just 25%. Before the onset of import surges in the country, there were many hatcheries attached to almost all the big and medium-sized poultry farms. Presently, there are only seven hatchery companies and they produce well below their installed capacities due to low demand (Aning, 2006). Only three of these hatchery companies maintain a breeding flock while others hatch only imported eggs (GAIN, 2008).

Thirdly, feed mills now operate at a mere 42% and only 5 have survived in the midst of the fierce competition. The Agricare is the oldest surviving feed miller in the country. Furthermore, processing plants are now operating at 25% capacity and declination in their operations. At the moment, the only processing plant in Ashanti Region, the largest populated region in Ghana, has ceased to operate for the last five years ago.

More importantly, loss of employment and livelihoods has become numerous in poultry sub-sector and Agriculture sector as a whole. It was estimated that the loss of employment and livelihoods reached as high as 400,000 in 2005 (CorpWatch, 2005). The employees in most large-scale and medium-scale poultry farms have lost their jobs. For example, Darko Farms used to employ over 600 workers, but has slashed its labour force to a mere 260 workers.

Finally, it has already been tracked by many researchers that, negative health implications for deep frozen chicken parts for human consumption is associated with dangerous effects. Laboratory studies into samples of frozen poultry taken from a variety of markets and shipping centres attested to this point. Of 200 samples tested “83.5% did not match microbiological criteria and were unsuitable for human consumption (SOS Faim (2004). Again, to add more pain to the injury, 15% were infested with salmonella disease, indicating that the implication for food poisoning are obvious (Osei, Unpublished).The Christian Aid (2005) study confirms that local consumers in Ghana are dissatisfied with the quality of the imported poultry, and in some cases this meat is even reported to be unsuitable for human consumption. The CorpWatch (2005) study found substandard quality in imported chicken in the country posing health hazard to Ghanaian consumers.

The study undertaken by Nkansah (2004) on the impact of trade liberalization between EU and Ghana on the poultry industry as part of a joint NGO study investigating the potential effects of the EU-ACP economic partnership agreements found that reciprocal free trade with EU would further open the domestic market leading to a greater increase in the import surges of cheap chicken which in the process will completely destroy the domestic poultry production, feed-mill industry, the poultry processing plants and potential multiplier effects on Maize and agro-processing production activities and other feed mill ingredients production in the country in the country.

**3.2 Lack of Favourable Government Policies and Supports**

In 1960s the government of Ghana identified poultry production to have the adequate potential to supply and improve nutritional intake and consumption of animal protein (Gyening, 2006). Several government interventions and measures were put in place to establish commercial poultry projects in the country and private sector initiatives in commercial poultry production were encouraged (Aning, 2006).

Aning (2006) asserts that the government’s support for the poultry sector has been sporadic since 1970 by way of allowing poultry inputs such as machines, equipment and feed additives into the country without custom duties, and in the form of facilitating the capitalization and marketing of broiler birds through the Agriculture Development Bank. The government interventions were the imposition of special tax of 20% on poultry imports to protect local production in 2003, and supporting the poultry production to undertake scientific research into production constraints (Aning et al., 2008).

Trade liberalization in the early 1980s marked the genesis of import surges in the economies of the Developing Countries (DCs) (Issah, 2007). Liberalization policies were forced on the third world countries by the Bretton Wood Institutions known as IMF and World Bank during that period as part of Structural Adjustment Programmes (SAPs). During that period many developing countries were forced to reduce considerable protective measures and support from their small fragile industries (Issah, 2007) as part of loan conditionality (Khor, 2008). In 1981, the government of Ghana publicised a new set of reforms that the country was negotiating with the World Bank and IMF. The Economic Recovery Programme (ERP) was introduced in 1983 and was followed by SAPs which began in 1986.

This new framework of negotiations put much attention on the free market system to such an extent that the prices of commodities were centrally positioned in the allocation of resources, but the Government’s control and participation in the economy was restricted. Since agriculture is still the backbone of the Ghana’s economy, this sector was greatly affected during the reforms.

During the first era of the reforms in 1983-1985, the programme was set to attain the removal of major price distortions and restoring macro-economic balances by means of tight fiscal and monetary policies. The trade policy and exchange rate reforms were the main alterations to be made, and by 1986 Ghana had implemented a flexible exchange rate system.

In 1986, the removal of structural obstacles in the Ghanaian economy was adopted as the second phase of the programme, so that the economy could be directed towards sustained growth. A liberalization programme and deregulation of the commodity and service markets, reduced domestic price distortion and liberalization of imports were instituted (Khor, 2006). The common characteristics of these reforms included an increased growth rate, reduced budget deficit, devaluation of the Ghana currency (Cedi) and lower inflation rate. ERP promoted the trade policy towards an outward looking economy with much attention on enhanced export and diversified export base, as well as the boosting of non-traditional exports. The liberalization of market under the ERP was initiated with a tariff reduction in 1983 such that the tariffs were simplified to rates of 0, 25 and 30 percent. The import licensing system was abolished in 1986 giving way for the full effect of the trade liberalization. The influx of imported goods was tracked in Ghanaian market from that time onwards (Khor, 2006).

It must be noted that the SAPs followed the economic recovery programme (ERP) of the early 1980s as a result of macroeconomic crisis of that period (Aning, et al., 2008; Issah, 2007). Aning et al. (2008) indicate that this crisis made Ghana to join the “Heavily Indebted Poor Country (HIPC) Group” in 2002, as the GDP amounted to US $6.2 billion and the external debt increased tremendously to US $7.4 billion with high inflation and huge budget deficit. The Bretton Woods Institutions took that advantage to force the country into the liberalization policies (Issah, 2007) which has resulted in the drastic damage to agriculture sector particularly poultry, tomato and rice industries (CorpWatch, 2005; Issah, 2007; Khor, 2006; Khor, 2008). Ghana government sold its Tomato Processing and Canning Factories and relaxed import restrictions (Khor, 2006) as part of SAP.

Food imports have been on increased since 1999 (Aning et al., 2008). About 60-70% of meat, mainly poultry are imported to supplement the domestic meat demand (Aning et al., 2008). The poultry industry declined steeply in the 1990s after the withdrawal of the government’s support and the reduction of tariffs as part of the SAP enforced by IMF and the WB (Khor 2006). Prior to ERP and SAPs the government agencies were responsible for the production, import and distribution of farm inputs and equipment including seeds, fertilizers, insecticides, fungicides, small hand tools, motorized equipment, premix fuels, poultry drugs and medicines, as well as feed ingredients. The government ensured that the prices and inputs were directly subsidized and tariffs on imported agriculture inputs were reduced, some to zero (Khor, 2006). However, these subsidies were removed as part of the ERP and the SAPs.

Khor (2006) argues that due to trade liberalization policies the marketing role of the state on agriculture products was phased out, and applied tariff for most agricultural imports were reduced significantly to the present 20% even though the bound rate was around 99%. Khor’s study found that subsidies on agriculture products were eliminated and their prices rose very significantly and state’s supports were dismantled.

Aning et al. (2008) study found that the favourable agriculture policies were also reversed, and the interventionist measures and capacities of the state were withdrawn or withheld in the mid-1980s and 1999s under the auspices of World Bank and IMF during the bilateral or regional trade agreements. These resulted in the local farmers being unable to compete with imports that are relatively cheapened by high subsidies (Khor, 2008).

The dismantling of the state supports and subsidies to farm inputs made many farmers rely on themselves to shoulder the high cost of inputs (Issah, 2007), reflecting on the high prices of locally produce poultry products(ISODEC, 2004; Issah, 2007). This has retarded the growth of the small-scale poultry industry in Ghana, because consumers tend to patronize the cheaper poultry imports at the expense of the locally produced poultry.

Moreover, the poultry industry in Ghana in its throes of decline can also be traced from the early to mid 1990’s as a result of inconsistent policies emanating from government (Aning et al., 2008; Issah, 2007; ISODEC, 2004; Asuming-Brempong et al., 2006; Aning 2006; Khor, 2006). Aning et al. (2008) indicate that duties were imposed, removed, and then re-imposed on imported raw materials. They note that, preferential lending rates to agriculture or any policy that was deemed to subsidize agriculture sector especially, in poultry, rice and tomato sectors was revoked. The depreciation of the Ghanaian local currency also contributed immensely to the general declines in other sectors (Aning et al., 2008; Aning, 2006). Khor (2006) highlights the Economic Partnership Agreement between African, Caribbean and Pacific countries (ACPs) and EU, where ACPs are asked to eliminate their tariffs on 80% of their tariff lines over different time periods. The EPAs main purpose is to serve as the starting point for future economic relations between European Union member states and the 79 member countries of the African-Caribbean Pacific regions.

The main focus is the establishment of free trade between the EU and ACP with emphasis on the reduction and consequently the total removal of trade tariffs on imports from EU. The ACP is divided into six different blocs (4 in Africa and one each for the Caribbean and Pacific) with the aim of deliberations. Ghana belongs to the ECOWAS bloc. Each bloc is required to agree on a common external tariff for various imports, and once they concur, all the nations in the bloc are obliged to implement similar tariffs. It also indicates that members can no longer take the benefits of the WTO’s bound tariff for poultry which currently stands at 99%. This has additional suggestions for the Government’s enablement to intervene with policies to improve the domestic poultry industry in Ghana. Majority of the poultry farmers are anticipating that the implementation of the EPAs would further ruin the poultry industry.

Many researchers have criticised trade liberalization, Structural Adjustment Programme (SAP) and Economic Partnership Agreements (EPAs) between the Developing Countries and Developed Countries as the root factors behind the causes of import surges in developing countries (Sharma, 2005; Ghanaian Chronicles, 2005; Chisenga et al., 2007; Aning, 2006; Aning et al., 2008; Issah, 2007; ISODEC, 2004; CorpWatch, 2005).

Khor’s study in 2008 found that a major loophole in the World Trade Organization’s (WTOs) agriculture agreement is that the developing nations are asked or advised to lower their bound levels of domestic supports that are deemed “trade distorting” but there are no constraints on the amount of subsidies deemed non-distorting or minimally distorting which are placed in the “Green Box” (measures that are assumed not to have effects on production) (TWN, 2006).

However, many of Green Box subsidies are also trade distorting. The study observed that major subsidising countries can change the type of domestic subsidies they give while reducing the “trade distorting subsidies” and continue to provide similar levels of farm subsidies. However, developing countries are being asked to reduce their agricultural tariffs further. For example, the chair’s proposal at Doha negotiations is for a maximum of 36% tariff reduction for developing nations and 24% for small vulnerable economies. Contrary, the offers of the US and EU show that their overall trade support (OTDS) would be reduced at the bound level, but not at the applied level (Khor, 2006).

Khor (2008) argue that the impact of unfavourable policies has exacerbated the marginalization of developing countries, disregarded the socio-economic development of poor countries, undermine the capacity of national governments to undertake social policies, as public authorities in developing countries appear to be losing some of their policymaking autonomy. The negative impacts of the globalization and liberalization have been well-documented by many researchers (Ghanaian Chronicles, 2005; Chisenga et al., 2007; Aning, 2006; Aning et al., 2008; Khor, 2006; Khor, 2008; Asuming-Brempong et al., 2006; Issah, 2007; ISODEC, 2004).

However, the government’s finance minister refused to accept the idea that the use of high tariffs against poultry imports would contribute to growth of local small-scale poultry industry, arguing that experience in most developing countries in the past show that such protection mechanism did not engender the growth envisaged for the sector (Ghanaian Chronicles, 2005). In order to ensure the competitiveness of the poultry industry and realize the potentialities of the industry, there should be a change in trade policy with respect to imports of poultry that threaten the survival and growth of the poultry farming in the country.

This prevalence requires the government to be able to deliberate and negotiate the issues about the tariffs increased and the livelihoods of the resource poor poultry farmers with the international financial institutions to allow it make use of the flexibility available within the rules and regulations of the WTO to increase the applied tariffs to levels that go up to the bound rates (Khor, 2006).

**3.3 High Input Costs:-**Faced with inadequate government support, and difficulties in receiving loans, small-scale poultry farmers are struggling with very high production costs, particularly, for feed which requires some of its ingredients to be imported (Christian Aid, 2005). Over the last years the costs of production in poultry sector have been increasing as a result of increase in energy prices (gas, electricity and water bills) (Aning et al., 2008; Aning, 2006; CorpWatch, 2005; Khor, 2006; Issah, 2007; ISODEC, 2004; Chisenga et al., 2007; Owoo, 2006; Akunzule, 2006). The downturn of the Ghanaian economy has also greatly affected the availability of feed ingredients of livestock sector leading to high costs of production as most of the ingredients such as wheat bran, yellow maize, drugs, vaccines and feed additives have to be imported (Issah, 2007; Aning 2006; ISODEC, 2004).

The main cost factors affecting the small-scale poultry farmers include day-old chicks (DOC), feed, drugs, vaccines, housing, and labour (Issah, 2007; Aning et al., 2008; Aning, 2006; ISODEC, 2004; Akunzule, 2006). Aning et al. (2008) argue that the steadily increased costs of maize from Cedi139,390 in 1994 to Cedi 2,000,000 per tonne in 2005 had contributed immensely to the escalating cost of commercial poultry production in Ghana (see Table 15 below).

Furthermore, the inputs and services used by the poultry farmers attract Value Added Tax (VAT), and the local produce prices have not been commensurate with rises in production costs, this situation has greatly affected the growth of the poultry industry, especially the small scale farmers (Aning et al., 2008, Aning, 2006). The tendency towards high prices has been diversely explained, but in general, has been attributed mainly to structural adjustment policies of the IMF and the World Bank.

**Table 15 Producer Price of Maize in Ghana (1994-2005)**

|  |  |
| --- | --- |
| **Year** | **Producer price cedi/ton** |
| 1994 | 139,390 |
| 1995 | 258,190 |
| 1996 | 317,920 |
| 1997 | 666,660 |
| 1998 | 559,051 |
| 1999 | 361,244 |
| 2000 | 749,304 |
| 2001 | 1,201,304 |
| 2002 | 1,073,344 |
| 2003 | 1,497,000 |
| 2004 | 1,824,946 |
| 2005 | 1,992,989 |

**Source: FAOSTAT, 2005**.

Aning et al. (2008) argue that the demand for day-old-chicks has become low and far between now that most poultry farmers have shifted into sorely layer operations for egg production. They pointed out that per unit cost of day-old-chick has increased for both layer and broiler day-old-chicks due to the high operational cost of the hatchery which is forced by the circumstance to operate far below its installed capacity, and has no means of reducing most of its essential overheads such as electricity bills, cost of fumigants etc. Likewise, the cost of processing and storage has increased drastically on the basis of high electricity tariffs, and this is also adversely affecting local operators which in turn affect the poultry farmers. They found that there has been a modest annual increase in feed production between 2001 and 2005.

**TABLE 16: Price Changes of Inputs of Poultry Production [Cedi (ȼ)]**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Item** | **2001** | **2002** | **2003** | **2004** | **2005** | **%Increase on 2001** |
| Day-old chick(¢ х 1,000)  Broiler  Layer | 4.0  4.5 | 4.6  5.0 | 5.8  6.6 | 6.5  7.0 | 7.0  10.0 | 75.0  122.2 |
| Average cost of feed (¢ х 1000/45kg)  Broiler starter  Broiler Finisher  Chick starter  Grower  Layer | 84.5  78.3  75.0  65.5  72.0 | 93.7  90.3  83.3  66.7  77.0 | 103.0  95.7  93.0  75.7  87.3 | 121.7  109.8  112.8  89.8  107.5 | 166.0  158.0  155.0  130.0  147.0 | 96.4  101.8  106.7  98.5  104.2 |
| Average Cost of Medication/bird  Broiler (up to 6 weeks)  Layer (up to 16weeks) | 1.3  2.3 | 1.4  2.5 | 1.2  2.6 | 2.0  2.3 | 1.5  2.6 |  |
| Cost of maize(¢х 1000/kg) | 1.2 | 1.3 | 1.8 | 3.0 | 4.4 | 266.7 |

**Source:** Compiled from data from ARI Technical Reports

Changes in cost of inputs are shown in Table 16 above. The price of day-old chicks increased between 2001 and 2005 from 75% to 122% (Aning, 2006). Aning observed that all (types) poultry feed increased from 96.4% to 106%, and indicates that the increases in feed costs usually reflected the market price of locally produced maize, but often supplemented with imports.

Furthermore, the unit cost of eggs production rose from ¢367.3 to ¢762.0 from 2003 to 2004 over the 5-year period, representing a total increase of 107.5% with a slight change in return on investment (Aning, 2006). Similarly, the cost of production of poultry meat increase from ¢10,526 to ¢17,376 in the same period, with a total increase of 65.1% but annual increases between 6.8% and 21.2%, depicting the greatest increase between 2003 and 2004 (reflecting the market price of maize) (Aning, 2006).

**3.4 Inefficient production methods:** Agriculture in Ghana is basically a smallholder activity. Vast majority of poultry farmers in Ghana practice labour intensive method of production, which is carried out largely on small farms and house farms. Of the 1000 registered members of poultry farmers association, an estimated 80% are small-scale farmers, who face very high costs of production which translate into relatively higher prices for their chicken (ISODEC, 2004).

There is general lack of processing and packaging machines (ISODEC, 2004). Obsolete tools, equipment, machines and low input technology affect the small-scale poultry industry (Aning, 2006; Aning et al., 2008; ISODEC, 2004) by hindering the patronage of the local Poultry Industry, especially by restaurants who want to save as much time as possible in their meals preparation for sale, as domestic processing of poultry into parts to facilitate quick and easy to use by local consumers is virtually non existence (ISODEC, 2004).

Many researchers assert that there is limited use of large-scale production among the poultry farmers leading to low productivity and high costs of production (Aning, 2006; ISODEC, 2004). The minister of finance argues that although, the local poultry industry in Ghana has the capacity to produce to meet market demand but were unable to do so because of poor infrastructure and inadequate technological advancement necessary to create the required growth in the poultry sector (Ghanaian Chronicles, 2005). ISODEC (2004) argue that the small-scale poultry farmers are not the most efficient producers due to general lack of basic infrastructure, absence of education, training and investment.

**3.5 Lack of Funds**

Research shows that for financing and investment, small businesses in developing countries had to overwhelmingly rely on family resources rather than loans from the government or private financial institutions (Ozsoy et al., 2001; Issah, 2007). Liedholm and Mead (1999) argue that access to investment capital, and raw materials and intermediate inputs are the predominant problems facing the entrepreneurs of small businesses in developing countries. Small-scale poultry farmers in Ghana do not have access to credit facilities(Issah, 2007; ISODEC 2004, CorpWatch, 2005).

There is generally lack of finance and credit facilities and basic infrastructure for small-scale poultry farmers particularly, in the rural areas of Ghana such that an estimated 80% of the poultry farmers are facing financial problems that retard their growth (ISODEC, 2004; Aning et al., 2004; Aning, 2006).

Issah (2007) asserts that the banks can provide credit facilities to the small farmers’ but they require collateral security from them as a condition to access the loan, coupled with high interest rates. He notes that the alternative for the small-scale farmers is to borrow money from friends and family to either start the farm or replenish the stock, which greatly affect their growth.

**3.6 Inadequate knowledge in poultry management practices**: An in-depth knowledge, skills and strategies on the part of poultry farmers to solve practical problems in the areas of disease control, feeding, genetic improvement, housing, equipment and marketing of poultry products are essential for successful poultry keeping (Sonaiya and Swan, 2004). These include the utilization of locally available feed ingredients at reasonable prices to reduce about 70% input cost (Sonaiya et al. 1999; Sonaiya and Swan, 2004). The ability to detect and control diseases through skilful vaccination, good sanitation, construction of poultry shed and the predator protection are important management practices (Sonaiya et al. 1999).

Furthermore, the ability to identify highly productive indigenous birds (Matthur et al., 1989, Nwosu, 1979) and make selection to be used for crossing to improve production is an important task (Sonaiya and Swan, 2004).

Lack of skills to detect and control diseases, predation and breeding problems are common factors that retard the progress of small-scale poultry farming in Ghana and other parts of Africa (Awuni, 2002; Akunzule, 2006; Sonaiya and Swan, 2004; Soniaya et al., 1999; Matthur et al., 1989; Nwosu, 1979; Aning, 2006; Aning et al., 2008).

Awuni (2002) asserts that high mortality and low productivity in small-scale rural poultry in Ghana is due to mismanagement, malnutrition, diseases and predation. Research shows that some of the factors that impede the growth of poultry industry in Ghana include not only lack of access to cheap credit facilities but also poor managerial acumen of most poultry farmers and directors of these companies (Ghanaian Chronicles, 2005).

A survey conducted by Awuni (2002) reveals that the farmers interviewed rated Newcastle disease as the most devastating. The interviewees indicated chicken pox as major causes of mortalities especially, among chicks however, farmers never implemented any measures to control diseases except for using ashes in chicken houses against ectoparasites with little effect. He indicates that poor management practices such as poor housing especially for chicks exposed the hatch chicks to the adverse effects of weather (torrential rains) and predation.

Akunzule 2006 confirms that the supply of poultry products has decreased greatly in rural communities in Ghana due to uncontrollable outbreaks of Newcastle disease in Ghana. Newcastle disease is the main infectious disease of rural poultry, in which mortality is as high as 100% (Soniaya, 1995).

The majority of small-scale poultry farmers in Ghana, especially those in rural areas lack adequate knowledge in drugs and vaccines administration, provision of proper housing, feed preparation, and performance of bio-security activities (Aning, 2006; Awuni, 2002; Akunzule, 2006). The marketing system for small-scale poultry products is informal and poorly developed in Ghana and other parts of Africa, which greatly affects growth (Aning et al., 2008; Aning 2006; Sonaiya and Swan, 2004).

**3.7 Marketing Problems**

Generally, the marketing systems for small-scale poultry is informal and poorly developed in many parts of Africa (Sonaiya and Swan, 2004; Branckaert and Gueye, 1999). Likewise, marketing of small-scale poultry products in Ghana are ineffective and inefficient. The reasons being that majority of the small-scale poultry farmers’ do not belong to marketing co-operative organizations which can ensure ready market for their products.

Furthermore, there is lack of distribution chains and channel between the wholesale agents and the small-scale farmers, whereby poultry can be transferred from the poultry farms to the marketing shops or stores to be sold to consumers. Most of the small-scale commercial poultry farmers sell live birds at farm gate or whole dressed broilers to households and caterers (Aning, 2006; Aning et al., 2008; Chisenga et al., 2007).

Many farmers also raise birds to target for high demand in accordance with events and festivities such as Christmas, Easter and Ramadan (Aning, 2006; Chisenga, 2007).

Sonaiya and Swan (2004) argue that inadequate transport facilities are major constraints affecting the smallholders of poultry in Africa in terms of marketing. Many writers in Ghana argue that the down-turn of the poultry industry since the later part of 1990s was partly due to ineffective marketing on the part of the local farmers, as they fail to market out poultry products inefficiently (Aning et al., 2008; Issah, 2007).

It is argued that the role of traders or hawkers of poultry products is important as it makes selling from the farm easier, but these traders take up about 35% of the market value with a resulting lower profit from the poultry farmers who are responsible for the production (Sonaiya and Swan, 2004). This loss of income has encouraged poultry farmers in many places to organize marketing of their products through their own formal co-operative or marketing groups (Sonaiya and Swan, 2004).

However traditional marketing structure that makes use of dealers and middle men should also be stimulated (Sonaiya and Swan, 2004; Branckaert and Gueye, 1999). The existence of local market offering good sales opportunities and adequate transport are fundamental prerequisite for small-scale poultry development in Ghana and other parts of Africa. Branckaert and Gueye (1999) argue that due to the fact that most consumers with greater purchasing power live in cities, intensification of poultry production should be initiated in peri-urban areas or at least, in areas having a good road network.

Ghana consumption rates keep rising up, showing that the potential market for poultry products is enormous. The annually rising imports of subsidized poultry meat from abroad, which is approximately 42,500, 000 Metric Tonnes confirms this potentiality (Aning et al., 2008). Issah (2007) argue that the marketing structure for poultry farmers in Ghana should be repaired and modified by calling consumers and the government to patronize local produce through a common consensus. He further defends that government support in the field of advertisement and public procurement would go a long way to capture the lost market for the poultry farmers in Ghana.

**3.8 Socio-cultural factors**

The effects of socio-cultural factors have been posited by many researchers (Awuni, 2002; Aboe et al., 2006a; Naazie et al., 2007; Blackie, 2006; MOFA/DFID, 2002; Gyening, 2006; FASDEP, 2002; Amakye-Anim, 2000; FAOSTAT, 2005). Aning (2006) argues that livestock and poultry populations in Ghana have remained low perhaps because no ethnic group rely entirely on it for its livelihood, unlike some other parts of Africa.

The value placed upon poultry among the small-scale poultry farmers in Ghanaians for use at ceremonies and festivities or even as a source of income in times of need but not as a source of daily food, nor as a regular source of income is a great constraint (Soniaya and Swan, 2004; Aning et al., 2008; Blackie, 2006; Aboe et al., 2006b).

Olawoye & di Domenico (1990) argue that socio-cultural factors should be incorporated into development strategies, programmes and technologies to deal with socio-cultural constraints, so that training and development projects will be viable and less resistant especially, in rural areas where cultural practices often become constraint to developmental projects. Research indicates that development projects which combine local knowledge with Western Education yield fruitful strategies and techniques in Africa (Sonaiya and Swan, 2004), socio-cultural factors are therefore not seen as impediments, but rather as a stepping stone to be used in generating solutions (Olawoye and di Domenico, 1990).

**3.9 Lack of information needs on the part of small-scale poultry farmers:**

Mandal et al. (2006) argue that getting access to different sources of information influence knowledge, attitudes, and perceptions of the individuals’ towards any farming system. The communication and the information flow dimension of the agriculture activity have accelerated the diffusion and adoption of technologies, good methods and practices (Chisenga et al., 2007).

Access to agriculture knowledge in developing countries could play a major role in alleviation of poverty (Chisenga et al., 2007). The small-scale poultry farmers must be encouraged to rely on Farmers Associations, Veterinary Doctors, Agriculture Extension Services, Neighbours, Middlemen, Radio, Television, Newspaper, Mobile Phones and Internet to gain access to local and international market information (Chisenga et al., 2007).

In developing countries, the small-scale poultry sector represents the backbone on which a sustainable, well-adapted semi-commercial sub-sector could be progressively developed (Sonaiya et al., 1999). It is therefore, essential to nurture the small-scale poultry farmers about the sources of inputs for poultry farming activities; feedstuff supplies, equipment manufacturers, hatcheries, chick starting centres, pharmaceuticals, meat and eggs producers, marketers, slaughters, processing plants, caterers, and financial services (see Sonaiya, 1992) to ensure success and growth in this lucrative enterprise.

Previous empirical studies demonstrated that competition is the major external factor affecting the growth of the small-scale poultry industry in Ghana (CorpWatch 2005; Issah, 2007; Aning et al., 2008; Asuming-Brempong et al., 2006; ISODEC, 2004; Chisenga et al., 2007; Issah, 2007; Agritrade, 2008; Okantah et al., 2010). Many researchers’ and institutions have classified the “competition” facing the small-scale poultry industry in Ghana as “unfair” because, highly subsidised poultry producers from advanced countries are competing aggressively with cheap poultry meat as a direct substitute of poultry meat in Ghana (CorpWatch, 2005; ISODEC, 2004; Khor, 2006; Khor, 2008). Most of these advanced countries producers of poultry receive production and export subsidies that enable them to charge lower prices for their poultry meat which greatly affects the growth of the poultry industry in Ghana. The foreign imports of subsidised cheap poultry meat have negatively affected the growth of the local industry by flooding the local market leading to the death, stunted growth and abandoned poultry farms in the country (Khor, 2006; Khor, 2008; ISODEC, 2004; Issah, 2007).

**3.10 The Nature of Competition Facing the Small-Scale Poultry Industry in Ghana**

Porter (2008) explains that “rivalry is especially destructive to profitability if it gravitates solely to price because price competition transfers profits directly from an industry to its customers.”

The intensity of rivalry against the small-scale poultry industry is greatest because competitors are numerous, greater in size and power. The local poultry industry is earning a low returns as it faces a superior, lower-cost substitutes.

Porter (1980) explains that the extreme case of competitive intensity is the economist’s perfectly competitive industry, where entry is free to such an extent that the existing industries or firms have no bargaining power against suppliers and customers’ and rivalry is unbridled because numerous firms and products are all alike.

As a result of a low tariffs on poultry imports in Ghana due to multi-lateral and bilateral trade agreements which led to liberalisation of markets and globalisation, new players keep entering the Ghanaian market, competing vehemently with all sorts of lower price substitutes including turkey tail, pork, beef and mostly assorted chicken parts in the local market which has led to the demise of many poultry farms, stunted growth and diminishing returns.

The most influential analytical model for assessing the nature of competition facing an industry is Porter’s (1980) Five Forces Model described below:

These five forces include: threat of new competitors (entrants), bargaining power of buyers, and bargaining power of suppliers, threat of substitute products or services and, rivalry among existing competitors.

**Figure 6: The Five Forces That Shape Industry Competition**

Treat of New Entrants

Bargaining power of Buyers

Bargaining Power of Suppliers

Threat of Substitutes products

According to Porter (1980) these five forces determine industry attractiveness and long-run profitability. Porter (2008) argues that the “awareness of the above five forces can help a company to understand structures of its industry and stake out a positive position that is more profitable and less vulnerable to attack.” He explains that the strongest competitive force or forces determine the profitability of an industry and become the most important to strategy formulation.

The previous chapter reveals that the small-scale poultry farmers’ have become the least profitable industry in the local market owing to the forces operating against the industry. Firstly, the poultry producers from different advanced countries especially, EU member states and USA have entered the Ghanaian market competing strongly with cheaper poultry meat. The competition is fierce because all the competitors from the advanced countries received production and export subsidies that enable them to pursue aggressive growth strategies with the view of wiping-off the small-scale poultry farmers from the business, putting pressure on prices, production costs and the rate of investments necessary to compete. Secondly, the bargaining power of suppliers: The withdrawal of major government subsidies on poultry inputs had facilitated the suppliers of poultry inputs to capture more of the value on inputs for themselves by charging higher prices, limiting quality or services and shifting costs to poultry producers in the country.

Thirdly, the power of buyers: The poultry consumers generally patronise the cheap poultry imports from abroad and prefer to buy imported poultry as a result of price sensitiveness, and using their clout to pressure price reduction of the local poultry. Since most of the poultry consumers in Ghana are low income earners (World Bank, 2008) they are otherwise under pressure to trim purchasing costs of local poultry industry leading to high demand of imported poultry, at the detriment of the local poultry.

The imported poultry is a direct substitute of the local poultry thereby attracting consumers in large numbers as a result of its cheapened prices, hence limiting the profit potential of the local poultry industry and causing its stunted growth and failure. Furthermore, since the imported poultry is a cheaper direct substitute of the local poultry, it reduces the bonanza that the local poultry could have reaped during festivities like Christmas, Easter and Ramadan. The threat of substitute is high because it constitutes attractive price performances than local poultry, and competitions are numerous.

Finally, the rivalry among existing customers: The intensity of the competition against the local poultry industry is high because the imported poultry is engaged in price discounting, advertising campaigns and product processing, limiting the profitability of the local poultry industry in Ghana. Also the competitors are numerous and they are highly committed to business and have aspirations for global leadership.

According to Porter (2008) “the awareness of the five forces can help a company or an industry understand its structure and stake out a position that is more profitable and less vulnerable to attack.” He also emphasised that by utilizing the five forces framework, creative strategists may be able to spot an industry with a good future.

**3.11 Future Prospects for the Small-Scale Poultry Industry**

The potentiality for the competitiveness of the poultry industry in Ghana has been tracked by individuals as well as institutions (UK DFID and Government of Ghana, 2002; Offei Nkansah, 2004). The study conducted by the UK Department for International Development and Government of Ghana on “Trade Policy Project: Assessment of the competitiveness of Local Agriculture and Industrial Production” as quoted in Offei Nkansah (2004) noted that, only 23% of the country’s agricultural produce is processed within Ghana. This indicates that there is a significant potential and scope for expansion in processing.

The UK Department for International Development (DFID) and Government of Ghana (2002) study consists of projections that show the merits that can be derived from the expanded poultry projections. A summary of some of the projections provided by Nkansah (2004) makes assumptions that the level of consumption of chicken meat per person per year increase to 2.34kg in 5 years time when national population is estimated to be 24.5 million. The broiler demand would then be 57,477, 268 kilograms. A broiler reinvigoration or revitalization programme would result in domestic broiler demand of 43,812,793 kilograms, which could represent 76% of total demand.

Khor (2006) argues that such a satisfactory enhancement in consumption of chicken meat in Ghana to a level still less than half of Africa’s average could in collaboration with other policy measures like tariffs at levels compatible with WTO requirements, could be achieved in enlarged broiler production and various multiplier effects. This could also lead to higher level of feed milling activity, increased demand for feed ingredients, increased field crop demand, expanded hatchery activity for the production of day-old-chicks (DOC) and savings on scarce foreign exchange. The DFID and Government study further estimated that during the same period or 5 years ahead the market value for DOC would be US$31.9 million, which could greatly support employment and income, especially in rural areas as well as enhanced utilization of the otherwise under-utilized capital of hatcheries and feed mill activities. The equivalent broiler feed need would be195, 802 tonnes with a market value of US$56.7 million. This would utilize 117,481 tonnes of maize, 58,741 tonnes of vegetable proteins, 29, 370 tonnes of wheat bran and 11,748 tonnes of fish meal that would lead to positive cyclical effects to boost the feed mill industry.

Maize is a significant ingredient in poultry feed manufacturing and it is one of the most widely grown crops in almost all the regions. The Ghana National Association of Poultry Farmers estimate shows that for every 20,000 tons of feed ensures a market for 13,000 maize farmers in Ghana. At 1996 stock levels the poultry industry consumption of 25% of the country’s maize created direct employment for 85,000 maize farmers. Taking into account the average dependency rate of three for the maize farmer the poultry sub-sector generated income for 250,000 people (Offei Nkansah, 2004). The women who form about 70% of food producers in Ghana would obtain a direct benefit from competitiveness of poultry industry.

Khor’s(2006) assumption about a regenerated broiler programme show that the import substitution value of reincorporated broiler programme would be equivalent to US$28.4-US$43.8 million, assuming a per kilo value of chicken meat to between US$0.65-US$100. The positive outcome would be on regeneration of local income and adequate savings on foreign exchange. It is anticipated that more potential benefits would be achieved as a result of increased layer production, as well as backyard/rural poultry production.

The above literature is tabulated below:

**Figure 7: Framework of the Factors that Affect the Growth of Smallholders of Poultry**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Researchers  Factors | Aning et al., 2008 | Aning 2006 | ISODEC 2004 | Chisenga et al., 2007 | CorpWatch, 2005 | Akunzule 2006 | Khor,  2006 | Ghanaian Chronicle 2005 | Asuming-Brempong et al., 2006 | Awuni 2002 | Darko 1994 | Issah 2004 |
| Inefficient production methods | **√** | **√** | **√** | **√** |  |  | **√** | **√** |  | **√** |  |  |
| Lack of Credit facilities | **√** | **√** | **√** | **√** | **√** |  | **√** | **√** |  |  |  | **√** |
| Competition from imported poultry | **√** | **√** | **√** | **√** | **√** |  | **√** | **√** | **√** | **√** | **√** | **√** |
| Socio-cultural constraints | **√** | **√** |  |  |  | **√** |  |  |  | **√** |  |  |
| Inadequate knowledge in poultry mgt | **√** | **√** | **√** | **√** |  | **√** |  | **√** |  | **√** |  | **√** |
| Government support and policies | **√** | **√** | **√** | **√** | **√** |  | **√** | **√** | **√** |  |  | **√** |
| High costs of inputs | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** | **√** |
| Lack of information |  |  |  | **√** |  |  | **√** |  |  |  |  |  |

**Compiled by the Researcher**

**Chapter Four**

**4.0 Factors that can Influence the Competitiveness of the Poultry Industry in Ghana**

**4.1 Competitive Advantage**

Competitive strategy is deliberately choosing to perform activities differently or to perform more activities than competitors to deliver a unique mix of value (Porter, 1985). It is the formulation of strategic plans by a firm aimed at ensuring the firm is able to meet and beat its competitors in supplying a particular product (Pass et al., 1995). Thompson and Strickland (2001) argue that a company has a competitive advantage whenever it has an edge over competitors in attracting customers and defending against competitive forces. Competition refers to the process of active rivalry between the sellers or producers of a particular product as they seek to win and retain buyer demand for their offerings.

For a company to be competitively successful, its cost must be in line with those of close competitors. While some cost disparity is justified so long as the products of closely competing companies are sufficiently differentiated, a high cost industry market position becomes increasingly vulnerable as its cost exceeds those of close rivals (Thompson & Strickland, 2001).

The aim of competitive strategy for any business component in an industry is to find a position in the industry where it can best defend itself against the competitive forces or can influence them in its favour (Porter, 1980). Porter (1980) posits that the intensity of competition in an industry is neither a matter of coincidence nor bad luck. Industries compete because resources are scarce. To be precise, competition in an industry is anchored in its underlying economic structures and goes well beyond the behaviour of the present competitors (Porter, 1980).

The core of the local poultry industry’s competitive strategy will consist of its internal initiatives to deliver superior value to customers. It also involves offensive and defensive moves to counter manoeuvring of rivals, actions to shift resources around to improve the industry’s long term competitive capabilities and market position, and tactical efforts to respond to whatever market conditions prevail at the moment (Thompson and Strickland, 2001).

From the above, it can be argued that the social movement (Poultry Farmer Movement) would need to make defensive cost-cutting strategy (consolidation) and aggressive strategy that seeks to increase its market share, a high priority (Thompson & Strickland, 2001). These depend on its primary analytical tool of strategic cost and value chain analyses to identify the separate activities, functions, and business processes that will be performed in designing, producing, and supporting the poultry products (Thompson and Strickland, 2001).

Creating value that exceeds the cost of doing so is a fundamental objective of business. This will involve the value chain and cost analyses of assets associated with purchasing fuel, energy, raw materials, production, packaging, processing, picking and packing, advertising, promotion, market research, planning, distributor supports, research and technology, system development, HRM, and general administration (Thompson & Strickland, 2001).

Thompson and Strickland (2001) posit that assessing whether a company’s costs are competitive with those of its close rivals is a necessary part of company situation analysis. For local poultry producers in Ghana to be competitive there is a need for strategic cost and value chain analysis. The basic analytical tool of strategic cost analysis is a value chain identifying the distinct activities, functions and business processes that are performed in designing, producing and marketing and delivering.

Sonaiya and Swan (2004) posit that the following management and production activities which make use of available cheap local materials are effective cost-cutting techniques that can boost the competitive edge of the small-scale poultry producers. These include the following:

Firstly, the economic use of home-made heaters and fuels for artificial brooding and incubating systems reduces the cost of highly sophisticated incubator machines in commercial and semi-commercial poultry production.

Secondly, determination of the optimum construction and design of suitable low-cost brooder-rearing houses, using the raised slatted bamboo floor system, and the use of appropriate items of equipment for hatching and rearing of chicks by broody hens are effective cost-cutting techniques in poultry management for rural/village poultry production.

Thirdly, the provision of low-cost appropriate accommodation with security measures for exotic birds reduces a greater percentage of production costs.

Furthermore, the provision of low-cost lighting facilities for the model breeders and choice of low-cost suitable litter materials. Moreover, the determination of the optimum number of day-old chicks to be hatched for best manageable profitability by the Model Mini-Hatchery, by adopting improved appropriate technology devices, and conducting of density trials using different breeds or breed combination of optimum flock size, would go a long way to reduce production costs of small-scale poultry farmers.

Again, the ability to study the profitability of the broody hen for producing day-old chicks and as caretakers of exotic chicks, and the study of the effects on the model key rearers economy if hens are kept together for brooding purposes are means of reducing cost and improving semi-commercial poultry farming.

Finally the use of locally available feed ingredients in feed milling is a good method to reduce about 60%**-**80% costs of production.

In order to increase the competitive advantage of the local poultry industry, it was decided to adopt Porter’s generic strategy. Porter (1980) suggests that there are only two ways to beat the competition:

**4.1.1** **Cost based strategy** seeks to compete on the basis of low cost and low price. Such a strategy is associated with high relative market share, economies of scale, product standardisation and high levels of efficiency, low cost location, low cost suppliers and ruthless cost reduction (Porter, 1980; Thompson and Strickland, 2001). This could be made possible by means of a collective action of Social Movement (SM) or New Generation Co-operative Movement for Small-Scale Poultry Farmers (Chambo, 2009; Pinto, 2009; Fanatico et al, 2002). A cost based strategy will typically target highly price conscious consumers (Thompson & Strickland, 2001).

**4.1.2** **Differentiation based**: seeks to compete by offering a product or service perceived to be better or unique. Typically, such a strategy is associated with superior design or performance, strong brand image, high levels of flexibility and service, superior location, superior suppliers, product developments and innovations (Porter, 1980; Thompson & Strickland, 2001). Thompson and Strickland (2001) argue that the significance of a differentiation strategy is to be unique or distinctive in ways that are valuable or precious to customers and that can be sustained.

A differentiation based strategy would particularly target poultry consumers in the urban centres who are prepared to pay more for quality poultry products. Differentiation would provide insulation against the foreign competitors because of brand loyalty of the local poultry (such as taste, quality, healthy and fresh), and moreover, resulting lower sensitive to price. To be flourishing with a differentiation strategy, the social movement/new generation co-operative movement must study the needs and behaviour of the local consumers carefully to learn what they consider significant, what they think has value, and what they are prepared and ready to pay for. After this the small-scale poultry industry has to integrate buyer-desired features into its products offering that would set it visible uniquely apart from foreign competitors. Thompson and Strickland (2001) argue that the differentiation-based competitive advantage can be achieved through the following:

Firstly, the integration of product characteristics and user features that reduces the consumers overall cost of using the industry’s product. The social movement/new generation co-operative movement could achieve this competitive advantage in Ghanaian market by providing quality processed poultry, convenient and ready-to-use parts (ISODEC, 2004) cheaper than the imported poultry from abroad.

Secondly, the integration of characteristics that increase the performance of a consumer gets out of the products. The poultry farmers’ movement could achieve this by producing quality, fresh, tastier, healthier, cheaper locally bred poultry products than the imported frozen poultry (ISODEC, 2004).

Thirdly, another approach is the integration of characteristics that enhance consumer’s satisfaction in noneconomic or intangible ways. The social movement (SM)/new generation co-operative movement can achieve this competitive advantage through providing poultry products free from diseases and contamination.

Research shows that many scholars has found that over-reliance on imported poultry has health hazards because such poultry meat might accompany salmonella disease due to growth hormones injected into birds systems to speed up their growth (CorpWatch, 2005). For example, the study conducted by two local associations (The Service Assistance to Local and Developing Initiatives (SAILD) and the Association for the Defence of Common Interests (ACDIC) in 2004 in Cameroon, a net importer of frozen chicken, with ten participating countries to study a grouping of 200 chicken samples found that 15% of it was infested with salmonellae. These prove give the local industry more competitive advantage than the imported frozen poultry.

The fourth approach is to compete on the basis of capabilities. To achieve this strategy the local social movement/new generation movement can produce fresh and tasteful poultry meat which is difficult to be imitated by the foreign producers’ who are always supplying frozen poultry meat. The social movement/new generation co-operative movement can pursue differentiation strategy in many ways such as a unique local poultry meat taste distinct from the imported poultry, multiple features, including chicken parts, prestige and distinctive quality meat and always available in the Ghanaian markets (supermarkets, stores and wet markets).

Research shows that the foreign producers supply sub-standard quality frozen chicken parts, and moreover an outbreak of salmonella disease might accompany imported poultry (ISODEC, 2004; CorpWatch, 2005 pp.3). The foreign poultry producers might find it very hard to copy because, unlike the imported poultry which is frozen, the local poultry is always fresh and tasteful (CorpWatch, 2005; ISODEC, 2004; Issah, 2007).

Differentiation strategy based on quality improvement and product innovation can regenerate demand by generating significant new growth segments or inducing consumers to trade up (Thompson and Strickland, 2001). Furthermore, successful innovation would open avenue for the SM or NGCM to compete the poultry imports, in addition to meet or beat competitors prices.Featuring high on the development agendas is enhancing farmers’ access to markets especially, through the production of high value poultry products, by engaging in value-adding activities such as poultry processing, packaging and group marketing (Hellin et al., 2007). Due to rapid growth in demand from expanding urban populations in Ghana, local producers must now supply long and sophisticated market chains, and market processed branded products to mainly urban consumers at a competitive price in the local markets. This has become necessary as a result of changes in the retail system due, partly, to the growth and increasing concentration of supermarkets (Reardon, 2005). It is significant to note that the local poultry farmers’ organization must understand traditional Ghanaian taste values and their effects on market demand. By capitalizing the fact that the local poultry meat is tastier, stronger flavoured and healthier than the imported frozen poultry meat (ISODEC, 2004) give the local farmers a competitive edge than the foreign producers (ISODEC, 2004).

**Figure 8: Sources of Competitive Advantage**

**Cost Based Differentiation**

|  |  |
| --- | --- |
| **OVERALL COST LEADERSHIP** Seeking to compete on cost and price across the whole industry | **DIFFERENTIATION**  Broad  Nar r o w  O  Seeking to compete by offering a distinctive product range across the whole industry |
| **COST FOCUS**  Seeking to compete on cost and price in only part of the industry | **DIFFERENTIATION FOCUS**  Seeking to Compete by offering a distinctive product range to only part of the industry |

**Source: Adapted from Porter (1980)**

**4.1.3 Overall lower-cost leadership strategy**- This implies the act of appealing to a broad spectrum of customers based on being the overall lower-cost provider of a product (Porter, 1980; Thompson & Strickland, 2001). It is essential to develop poultry farmer movement which gives members access to cheap, essential inputs such as feed, improved breeds, medicines/vaccines, credit and technical advice (Sonaiya et al., 1999; Sonaiya & Swan, 2004) in continuous basis that will reflect greatly on the lower prices of their (poultry) products (Hellin et al., 2007).

Endeavouring to be the industry’s overall low-cost provider is an influential competitive method in markets with many price-sensitive consumers (Thompson and Strickland, 2001pp 151). Thompson and Strickland (2001 pp.151) argue that a low-cost leader’s basis for competitive advantage is to lower overall costs than competitors. Research shows that many Ghanaians prefer the locally bred poultry because it is tastier, but cite price as a determining factor in their choice of imported poultry meat (ISODEC, 2004). Therefore, this strategy would be well applicable in Ghanaian market where most of the consumers’ habit is centred on lower price products. The local poultry producers can use the lower-cost edge to under price competitors and attract price sensitive buyers in great enough numbers to increase total profits (Thompson and Strickland, 2001).

It has been argued that “the trick to profitable under-pricing rivals is either to keep the size of the price cut smaller than the size of the firm’s cost advantage in order to reap the benefits of both a bigger profit margin per unit sold and the added profits on incremental sales or to generate enough added volume to increase total profits despite thinner profit margins, since larger volumes can make up for smaller margins provided the price reductions bring enough extra sales”(Thompson & Strickland, 2001).

The organized Social Movement for the small-scale poultry farmers’ could achieve overall lower-cost leader through the availability of cheap labour, collaboration and coordination to achieve economies of scale in their transactions with input suppliers and buyers (Hellen et al., 2007 pp. 4). The social movement or the new generation cooperative for the small-scale poultry would enable the farmers to overcome barriers to assets, information services and ready markets (Chambo, 2009) to facilitate low-cost production of poultry products.

Furthermore, the social movement would create the ability for the supply of needed poultry inputs so that production of poultry products is done timely to enhance more cheapened productivity in a large-scale to ensure bulking. This would enable them to spread out certain costs such as R&D and advertising campaign and training, buying of new processing machines and new distribution facilities and consolidating underutilized production facilities over a greater sales volume (Thompson and Strickland, 2001).

The poultry farmers’ movement could also improve profit margins and return on investment by pursuing innovative cost reduction year after year by adding more distribution channels to ensure that the unit volume needed for low cost production are secured. By means of collective action the Social Movement of the small-scale poultry farmers’ would provide assured market for poultry products through various channels including distribution chains, wholesalers, supermarkets, shops, retailers, farm gates, middlemen, and hawkers.

To ensure quality and consistent supply of cheap poultry products, supermarkets can push the poultry marketing network towards more vertical coordination, allowing retailers to standardize quality of poultry products, improve bargaining power, and achieve economies of scale (Gulati et al., 2007; Boehlje, 1999). The growth of supermarkets has seen a shift from reliance on spot markets (such as farm gates trading, wet markets and hawkers retailing on poultry products) towards the use of specialized wholesalers (Berdegué et al., 2007; Shepherd, 2005), contracting (Stockbridge et al., 2003; Key & Rusten, 1999), and the development of private quality and safety standards and private enforcement of public standards (Pingali et al., 2005) to achieve value-added in bulking, economies of scope or scale, and finally, lower-cost production and pricing of local poultry products in the Ghanaian market.

**4.1.4 Focused or market niche strategy based on differentiation**

The local poultry producers in a collective action could concentrate on a narrow buyer segment to out-compete the foreign rivals by offering niche members customized attributes that meet their taste and requirements better than their rivals. This strategy would target the rich and the middle class.

Sharma et al, (2003) posit that relative competitiveness is the ability to produce at a lower unit cost of production than one’s competitors. The fact that large farms in EU and USA are producing livestock at a lower unit and subsidized cost than the small-scale poultry industry in Ghana, they will clearly drive them out of the market over time. The market price that applies to both large farms and small farms will fall as large scale poultry farmers increase production, and the small-scale poultry farmers will be squeezed out of market (Sharma et al., 2003). Sharma et al (2003) argue that the one way for smallholders to survive then will be if they produce poultry products for a few higher priced niche markets that are not economically feasible for larger farms to serve, and to cut cost by remunerating labour force at a wage lower than that a large farmer pays to hired labours. Small-scale farmers are able to stay in business and possibly, gain market share if they are more effective users of poultry farming resources, both in technical sense and allocative sense (Sharma et al., 2003). If the small-scale poultry farmers’ movement are more efficient users of farm resources, and put more care in producing per unit of input, then they have a competitive advantage over large-scale foreign producers that will be difficult to outperform. All things being equal, small-scale farmers that are more efficient users of farm resources to accrue profits per unit of output are more likely to be able to maintain market share than larger producers who are less efficient in their use of resources. As time goes on, the more efficient poultry producers are in a better position to invest more in their poultry enterprise and to grow, despite their initial size (Sharma et al., 2003).

The target segment or niche can be defined by geographic uniqueness and by specialized requirements in using the product, or by special product attributes that appeal only to niche members (Thompson & Strickland, 2001). Responsive to local tastes would make the poultry products of the Social Movement (SM) more appealing to local consumers. Furthermore, the net benefit of selling poultry products to supermarkets would tend to much higher in niche/quality products.

**4.1.5 Focused market niche strategy based on lower-cost**

This strategy is to offer lower costs than rivals in serving the market niche (Thompson & Strickland, 2001).This strategy must be applied to spreading well beyond the rich and the middle class to penetrate deeply into the lower-class consumers (Reardon, 2005) of poultry meat marketing. In applying this strategy the SM should customize their poultry products to match the tastes and preferences of the local consumers.

Issah (2007) argues that high demand of local poultry meat could be achieved by calling consumers and the government to patronize local produce in the field of advertisement, promotion, market research, planning, wider distributions, and public procurement.

The promotional activities such as branding, new product development, advance negotiations, good timing, improved bargaining power, the use of specialized wholesalers, supermarkets and retailers, and the growth of private and safety standards as well as meeting the consumers’ standards (Pingali et al., 2005), and building linkages with supermarkets in a value chain, in a wider business environment would go a long way to boost the competitiveness of the small-scale poultry farmers in Ghana. There are many success stories of farmer movements leading to active and effective farmer participation in value chains. Examples include coffee producers in South America (Hellin & Higman, 2003).

**4.2 Government Interventions**

Many advocates of trade liberalization argue that it would lead to economic development (Issah, 2007). This approach to economic development has gingered the trade relations between the advanced countries and the developing countries of Africa, as well as policies of IMF and WB towards countries such as Ghana (Issah, 2007).

Issah (2007) argues that while these policies have promoted the large-scale agriculture production for export, small-scale producers in Africa have been the worst affected. Furthermore, it is true that the liberalization may ensure cheaper imports for consumers of poultry, rice and tomatoes etc. However, the benefits are highly limited. Promotion of domestic production, whether for export or for local consumption has multiplier effects such as creating of jobs, support the growth of new sectors, contribute to social welfare, as well as public finances (Kachingwe, 2004).

Prior research shows that the beneficiaries of trade liberalization tended to be producers in export-oriented sectors and in particular consumers (Valdés & Foster, 2005). Valdés and Foster (2005 pp. 11) posit that the policy issues show that producers of “importable commodities” are normally better-organized, more vocal and strongest lobbyists than producers of “exportable commodities.”

In Ghana, trade liberalization policies have contributed to an imports surge of poultry meat, rice and tomatoes. An imports surge is considered as a situation in which the quantity or value of imports suddenly exceeds a “normal level” (Grethe and Nolte, 2005).

Grethe and Nolte (2005) argue that such a sudden increase has become a great problem for food securities because imports would replace domestic production. Arguments raised against imported poultry meat is that it has depressed local market prices and therefore create a disincentive for domestic poultry production and growth of feed processing and hatchery industries, and maize producers and other crops farmers, leading to unemployment and vicious cycle of poverty.

WTO rules allow countries to impose anti-dumping duties on foreign commodities that are being sold cheaper than at home, or below the cost of production, when domestic producers can show that they are being harmed (The Economist Newspaper and The Economist Group, 1998). Therefore, the IMF and WB must allow Ghana and other affected developing countries a chance to apply anti-dumping measures to protect their fragile industries due to the following advantages:

Firstly, anti-dumping measures will check unfair “predatory pricing” in which foreign poultry producers, especially those in EU and USA that earn fat profits in protected home markets use to undercut domestic small-scale poultry producers so as to drive them out of business, and then raise prices and recoup their losses.

According to the Economist Newspaper and the Economist Group (1998) the second alleged justification is political: that is anti-dumping measures is a safety-valve for countries that are otherwise opening up their markets. The Group argue that the aim should not be to ease adjustment of freer trade, but to bring back protection by the back door.

Kachingwe (2004) argues that the greatest problem is that the playing field is not level, especially because so many agricultural imports entering the Ghanaian market enjoy subsidies. He posits that the hope of influencing change in global trade rules to tip the scales in favour of the small-scale farmers is slim, but we can find ways to work around the rules through well thought domestic policies so that the agriculture sector can thrive.

He emphasized that the policies of WTO, World Bank and IMF policies is a questionable path if the end result is the death of agriculture sector as a result of free for all imports. He argues that the emphasis on exports may make sense on paper, but much more beneficial for developing countries like Ghana to focus on local and regional markets, rather than international markets only.

Khor (2008) argues that the economic and trade policies followed by Ghana and many third world countries often at the advice of international financial institutions, or as part of multilateral and bilateral trade agreements has contributed to the stunting growth of poultry industry in Ghana and other agriculture sectors in many developing countries. He suggests that Ghana (and other affected developing countries) should be allowed to provide support to their agriculture sector and to have a realistic tariff policy to advance their agriculture, since the developed countries’ subsidies are continuing at a high level.

Offei-Nkansah(2004) expressed that the direct and indirect employment creation by the poultry industry, its implications for food security (combating malnutrition which in Ghana stands at 40% mark) and stimulating income generation and redistribution, especially in rural areas show why the government of Ghana must support the poultry industry.

The General Agricultural Workers Union of Ghana Trade Union Corporation (TUC) report justified that a revitalised poultry sector could mean creation of a market for 85,000 farmers in Ghana, the stimulation of other agricultural produce and industrial products, and approximately saving of some 22 to 35 million Euros per annum on poultry imports (Offei-Nkansah, 2004).

Research shows that the companies that were most likely to succeed in exports were those that performed well in their domestic markets (Kachingwe, 2004). Therefore, the national policies should be geared at promoting local producers in local domestic markets, and that would be the launch pad for growth in the export sector (Kachingwe, 2004).

Many researchers’ have posited that there was a complacency in the recent years about national food-security and self-sufficiency as international financial institutions (IMF and World Bank) promoted the view that cheaper imports would be available, and local food production was not necessary (TWN, 2006; Khor, 2006; Khor, 2008).

Many researchers argue that the agriculture policy paradigm in Ghana and other developing countries must be allowed to change and should have the policy space to expand public expenditure on agriculture, particularly poultry industry where the adverse effects of the competition is very severe (TWN, 2006; Khor, 2008). Khor’s study recommends that the government should place high priorities on expanding local poultry production so that necessary accompanying measures and policies should be put in place to enforce IMF and the World Bank to allow Ghana to calibrate its agriculture tariffs (especially poultry imports tariffs) in such a way as to ensure that the local poultry products can be competitive and the poultry farmers’ livelihoods and incomes are sustained and national food security and self-sufficiency is assured.

Many researchers contend that the policies of the World Bank, IMF and regional development bank (RDB) should be reviewed as soon as possible, so that they do not continue to be impediments to agriculture development in Ghana and other developing countries, and that countries in the West African sub-region need to develop their own strategies for developing nationally and regionally integrated economies on the basis of locally grown agenda (Offei-Nkansah, 2004; Khor, 2006; Khor, 2008; TWN, 2006).

Third World Network (TWN, 2006) commented that import liberalization has already led to import surges of many agricultural products in many countries across the developing world. Case studies show damaging consequences for small farmers in terms of revenue losses, loss of livelihoods, and negative social effects and therefore, an urgent need to address this problem by taking measures, international and national, to avoid it or at least drastically reduce its incidence in the future is a necessity (Christian Aid, 2002; FAO, 2002; Action Aid, 2002; Christian Aid, 2003).

In many mainstream agitations on trade and development, the emphasis has been on the benefits to farmers taking part in international trade and in their having access to international markets. While small-scale poultry farmers in a few developing countries could take advantage of this, the reality is that poor small-scale poultry farmers in Ghana find it hard to market their surplus in their own local markets, due to lack of infrastructure, storage facilities, transport and marketing facilities coupled with a fierce competition of import surges (TWN, 2006; Khor, 2008). Increasingly, these poultry farmers also find that their local markets are being limited or taken away by poultry imports because of tariff reduction from 99% to just 20%, or imported poultry products that replace alternative local poultry products because of change in consumers taste and demand. This problem has to be resolved as a matter of priority, before there can be hopes of exporting poultry products to the world market (TWN, 2006).

TWN asserted that the success of the implementation of many International Funds for Agricultural Development (IFAD) projects is to a significant extent influenced by the global framework and the decisions on liberalization taken at global, regional and national levels. It is important for IFAD to take into consideration these issues in its policy and advocacy work as well as in the planning, implementation and evaluation of its projects.

TWN insisted that so far as IFAD has assisted a number of projects that helped small farmers in developing their marketing, in producing products (such as organic poultry meat or eggs) to meet “niche markets”, and in seeking new uses of products, it would be appropriate for IFAD to expand in this direction to benefit the small-scale poultry farmers in Ghana and other African countries who are experiencing similar problems.

The TWN (2006) recommends that IFAD should collaborate with NGOs, IMF, WB, WTO and Social Movements and the stakeholders that are involved in these issues, and consider increasing its assistance to those groups since they can play a significant role in the process of improving the situation.

ter Horst (1987) argue that the distribution of the hatching eggs to farmers based on the member of improved day-old chicks is the most cost-effective method which the government can undertake to improve small-scale poultry farming, especially, backyard/rural poultry. He asserts that in operation the hatching eggs are sold to small-scale farmers at cheaper prices from the government, so that local broody hens hatch the eggs. The chicks are raised by the hens to adapt easily to the environment. The distribution of the hatching eggs is thus the least costly and most efficient method of genetic upgrading which reduces the cost of buying DOCs.

**Table 17**

**Efficiency of strategies for improving poultry production**

Strategy Percentage increase

Distribution of pullet 15

Exchange of cockerels 17

Distribution of day-old chicks 67

Distribution of hatching eggs 100

**Source: ter Horst, 1987**

Furthermore the government must create an ad hoc committee to determine the level of production shortages and quotas to be imported and establish regular meetings with the stakeholders and demand targets for the small-scale poultry industry (FAO, 2006).

Finally, the imbalances that curb or limit the ability of developing countries to provide subsidies to their farmers’ as a result of loan conditionality, trade liberalization, and Structural Adjustment Programmes (SAP) must be corrected by WTO, IMF and WB (Khor, 2008; Khor, 2006; TWN, 2006).

Research shows that there are three priorities areas for the government to manage externally induced economic shocks such as fierce competition against the small-scale poultry farmers and other agribusinesses as a result of market liberalization. These include the following:

Firstly, the government should develop a long term food security policy in Ghana. Chambo (2009) argues that many countries in Africa do not have food security policies, but rather have agricultural development policies. He posits that food security policies should be regulated by food self-sufficiency framework and food security development strategy that would include all critical stakeholders such as small-scale poultry farmers and all household farms.

Secondly, the government should review the national plan and put the fast growing sectors of the economy at the centre of attention. In the agriculture sector, the mass production of food and poultry meat should be the focus of concentration and the centre of priority, with a progressive reduction of poultry and food imports to boost the local farmers who produce such commodities. This would encourage the consumers to consume more of local poultry meat at the expense of imported poultry.

Thirdly, government should embark upon deliberate strategy to support the construction sector, because the improvement of this sector has great impact in boosting internal demand for consumer goods such as food including poultry products. This short term and long term strategy would begin to improve internal structures of demand and progressively begin to project the economy to begin to depend on itself (Chambo, 2009).

Under such circumstances, the government should intervene to commercialize semi-commercial poultry and food crops as major businesses. By so doing there is the need to enhance poultry marketing and food crops marketing cooperatives at grassroots level through the introduction of the SM/NGC (Chambo, 2009; Andrea et al., 1995; Ortman et al, 1999; Fanatico et al., 2002; Pinto, 2009). The new generation cooperative has the capacity to transform the traditional participant cooperative into investments or resource mobilization cooperative movement.

Empirical studies have demonstrated that the rise and fall of the poultry industry in Ghana since 1990s was due to the removal of government subsidies (Khor, 2006; Khor 2008; Aning, 2006; Aning et al., 2008 Issah 2007; ISODEC,2004; CorpWatch, 2005; Ghanaian Chronicle, 2005), In those days favourable agricultural policies and the interventionist measures of government that support poultry industry and agriculture in general were withdrawn under the guidance of World Bank and IMF(Aning et al., 2008; Khor, 2006 Khor, 2008) as part of the trade liberalization and bilateral agreements. Input subsidies were phased out and their sale was privatised (Khor, 2006) leading to the inability of the poultry farmers’ to compete with highly subsidised cheap imports of poultry from the advanced nations because of high cost of production (Aning et al., 2008; Issah, 2007; Khor, 2006; Khor, 2008; ISODEC, 2004; Corpwatch, 2005) resulting in the closure of many poultry farming operations and retarded growth.

**4.3 Agricultural Co-operative as an Expression of Social Movement**

Social movements are collective actions guided by a similar ideology initiated by a leader to bring about social transformation. Co-operative movement was one of the first Social Movement in modern times (Singhvi, 2011). Singhvi, (2011) notes that many social grassroots movements have turned to co-operatives because of the damage caused as a result of globalisation and worldwide recession to improve living conditions of people and to empower them. Co-operatives in the form of movements start when an autonomous group of people unite voluntarily to meet their common economic and social goals.

Research shows that different countries in Africa followed different paths, models or traditions of agricultural co-operatives that were greatly determined by their colonial history (Wanyama et al., 2009) which has been described as unified co-operative model, the social economy model, the social movement model, the producers’ model and indigenous model (Develtere, 2008). The unified models found particularly in Anglophone countries built up a single cooperative movement along a legal framework that provided for primary co-operatives at the bottom, secondary co-operatives in the form of unions and federations in the middle for the horizontal and vertical integration of the movement and a single apex body at the top.

The social economy model identified co-operatives as just one of the many legal or institutional entities that brought together people sharing the same social and economic objectives. Unlike the unified and economy models, the social movement model differed in the sense that an interest group or established social organisations like a farmer’s organisation bring members together to form an agricultural co-operative as an instrument, among many others, of collective action. The Belgian system of co-operation was very much rooted in this tradition and promoted co-operative thinking and practice in Central Africa (Wanyama et al., 2009).

However, the producers’ tradition viewed cooperatives as economic vehicle for agricultural production and to market their produce. The economic role of such agricultural co-operative was primary and was considered to be a stepping stone towards achieving social objectives (Wanyama et al., 2008). Finally, the indigenous agricultural co-operative model was not introduced by the colonial powers, and was found in countries that were only to a limited extent exposed to colonialism such as Ethiopia, Sierra Leone, Liberia and Egypt. In these nations modern agricultural co-operatives were initiated by local agents who experimented with a blend of borrowed ideas from other countries and local adaptations to solve socio-economic problems (Wanyama et al., 2009).

Smith (1984) reveals that in 1914 there was farmer meeting in Western Australia convened to discuss strategies to address the fierce economic conditions confronting farmers. At the meeting, it was agreed by the farmers that a political interest group would be formed to lobby government on the matters as far as the plight of farmers were concerned (Smith, 1984). At that particular meeting, it was also accepted by the farmers that a different strategy would be implemented to focus on farmers helping themselves economically leading to the formation of Westralian Farmers Co-operative (Smith, 1984).

In order words, the political activism and agricultural co-operative activities were to be undertaken as two separate pursuits, which removed the co-operative from the agricultural industry political activism, in line with the co-operative philosophy of political neutrality (Cheong, 2006). Craig (1993), and Mooney and Gray (2002) argue that the shared linkage of political and economic action by the Western Australian farmers can be viewed as a form of farmer initiated social movement.

Furthermore, the formation of United Farmers Co-operative Company (UFCC) as a social movement in 1990s provides an alternative insight to the motivation for this type of co-operative action. The passionate language of the Chairman of UFCC to explain the circumstances facing farmers in the early 1990s demonstrates that it was possible to develop strategies to alleviate their situation. Craig (1993) defines a social movement as “a collective attempt to bring about or resist change in social institutions or to create an entirely new order by non-institutionalised means.”

Craig (1993) points out that the following three factors ought to be present in a social movement. These three factors include: (1) a shared frustration with the existing condition is obvious. The farmers’ meeting of early 1990s organised to address the economic demerits and plight of farmers demonstrate a potent discontentment with the prevailing conditions. Nevertheless, Craig (1993) argues that this type of frustration is insufficient to clarify the emergence of a social movement. The second factor is the “development of a vision or a belief in the possibility of a different state of affairs, which leads to the articulation of a goal or ideology” (Craig, 1993). The formation of UFCC co-operative illustrates Craig’s (1993) argument. Madden and his colleagues championed the collective action and advocated and promoted a different strategy for the farmers to help themselves, through the co-operative business structure. (3) Craig (1993) express that “the emergence of organisations that are devoted to realising the vision or the mission of the social movement” becomes the ingredient in the in the ongoing expression of the idea and gathering the support of others. The formation of UFCC can therefore be expressed as a means for a farmer initiated social movement.

Craig (1993) emphasised that there must be the “development of a vision or a belief in the possibility of a different state of affairs which leads to the articulation of a goal or ideology.” The Chairman of UFCC called Madden and colleagues mirrored the early agricultural co-operative champions, advocated and promoted an alternative strategy for farmers to help themselves through co-operative structure and also lobby the government of Australia for support. Craig (1993) argues that the “emergence of organisations that are devoted to realising the vision or the mission of social movement” becomes the catalyst in the ongoing expression of the idea and gather the support of others. The factors that contributed to the formation of the UFCC in the early 1990s repeat many of the factors leading to the formation of Westralian Farmers Co-operative 80 years earlier and pointed out that both co-operatives can be viewed as the vehicle for a farmer initiated social movement (Cheong, 2006).

The agricultural co-operatives in U.S.A. have in part been organised farmer reactions to changes in government policy or relations with large enterprises like banks and processors including railroad companies, and other agribusiness that have affected them negatively.

According to Johnston et al (1994) and Beuchler (1995) “new social movements are oriented to “enlarging the systems of member participation in decision-making.” Generally, the new social movements tend to give priority to democratization, and are based on actions and interests beyond those of simple (farmer) class position. Beuchler (1995) refers to this broadening aspect of new social movements as a search for other logics of action.

Agricultural co-operatives contain attributes of new social movements or at least, potential incubators of new social movement (Mooney and Gray, 2002). Mooney and Gray (2002) indicate that the basic co-operative principles of user-ownership, user-control, and user-benefit and their ties to democratic relations open the door to the other logics of action that characterise the new social movements. In line with a new social movement perspective, co-operation is no longer seen as merely a means to a given end (improving the financial solvency of farming / co-operative business). However, the means and ends of co-operative are fused, indicating that there is a value inherent in the very process of co-operating (Mooney and Gray, 2002).

Historically, and from an old social movement viewpoint, agricultural co-operatives have been formed around issues of production and class/farm, and resistance to the concentration of decision-making and control in the hands of experts and administrative apparatus would reflect this new social movement quality within the co-operative movement (Mooney and Gray, 2002). Mooney and Gray (2002) posit that tension arise to provide a positive source of organisational development, without it, an organisation would still exist, but not as a co-operative. It is only in the context of democratic governance (a new social movement perspective) that these tensions are maintained and can serve as a source of long-term co-operative adaptation.

**4.3.1 History of Co-operative Movements**

During the beginning of the industrial revolution in 1844 in the western world, 28 workers in Rochdale England formed the first successful co-operative. These weavers, shoemakers, cabinetmakers, tailors, printers, hatters, and engineers wrote down a set of principles to their food co-operative which contributed to their success and spread to other co-operatives around the world (International Co-operative Alliance, 2010).

In spite of the fact that co-operative societies had existed earlier, the successful establishment of the co-operative in Rochdale (England) marks the starting point of the modern co-operative movement. The principles of the Rochdale co-operative were simple and straight forward, but greatly transformed the traditional producer/consumer relationship and created a route for small-scale and large scale community based economic and social development (International Co-operative Alliance, 2010). Today, over 150 years from the pioneered Rochdale Co-operative Movement in England this principles and heritage still affect the lives of millions of working people worldwide. Throughout late 19th and 20th centuries, co-operatives sprung up sporadically in America, especially in times of economic hardship and recession. For example, in 1922, Congress passes the Caper -Volstead Act, allowing farmers to collectively market products without being held in violation of the nation’s anti-trust laws.

Furthermore, with the establishment of the International Co-operative Alliance (ICA) in 1895 there has been persistent growth of co-operative movement all over the world today. The ICA was originally established by co-operative organisations from 12 countries however, co-operative movements have expanded to the extent that there are over 200 national co-operatives organisations that represent over 92 countries belonging to ICA – the umbrella organisation of all national co-operative movements around the world. The main objective of ICA is to promote the co-operative development and trade worldwide (ICA, 2010).

Over the years the co-operative form has extended to credit unions, wholesale and/or retail consumer groups, and residential organizations, producer enterprises, and associations (Kings, 2011), farm supply input or post farm activity.

**4.3.2 The Meaning and Principles of Agricultural Co-operative**

The International Co-operative Alliance (ICA) is the peak organization of the international co-operative movement. The 1995 Centennial Congress of the ICA adopted a statement on the Co-operative Identity that widely accepted definition of a co-operative as “an autonomous association of persons united voluntarily to meet their common economic, social and cultural need and aspiration through a jointly-owned and democratically-controlled enterprise.” The

ICA has redefined the values, principles and philosophy that form the basis of co-operatives. The ICA values state that: Co-operatives are founded on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. The ethical values which uphold every type of co-operative within members include honesty, openness, social responsibility and caring for others (International Co-operative Alliance, 1995).

The principles are general rules of co-operatives which govern the application of values. The principles according to International Co-operative Alliance are as follows:

Firstly, voluntary and open membership – Co-operatives are voluntary organizations open to all people prepared to take responsibilities of membership without gender, social, political or religious discrimination, and able to utilize their services.

Secondly, democratic member control–co-operative is a democratic organisation controlled by the members, who actively participate in setting their policies and making decisions. Co-operatives have equal voting rights (one member, one vote) and co-operatives at other levels are likewise organised and controlled in a democratic way. Men and women can serve as elected representatives and are accountable to the membership.

Thirdly, Member economic participation – members contribute equitably to and democratically control the capital of their co-operative. At least part of that capital is normally the common property of the co-operative. Members of co-operative normally receive limited compensation, if any on capital subscribe as a condition of membership. Members assign surpluses for any or all of the following objectives: developing their co-operative by setting up reserves, part of which at least would not be divided or separated, benefiting members in proportion to their transactions with the co-operative; and promoting other activities approved by the co-operative members.

Fourthly, autonomy and independence – Co-operatives are autonomous organisations controlled by their members in agreements with other organisations, including governments, or raise capital from external sources, negotiated on terms that maintain democratic control by co-operative members and ensure their co-operative autonomy. ‘Self-help’ is the fundamental rule which guides the co-operatives.

Fifthly, co-operative provide education and training for members, elected representatives, managers and employees so they can contribute effectively to future development of their co-operatives. They inform general public about the nature and benefits of co-operation.

Sixthly, co-operatives serve their members and strengthen the co-operative movement by working together through local, national, regional and international structures.

Finally, co-operatives work for sustainable development of their communities through policies approved by their members.

The values and principles of co-operatives are a unique nature of co-operative model and an important component in comprehending the distinctive nature of the co-operative structure. The degree to which agricultural co-operative definitions include the ICA principles shows some variations in views about the main values of some agricultural co-operatives.

The University of Wisconsin Co-operative employs the ICA definition of a co-operative and adds a complementary one of a co-operative. According to the University of Wisconsin Co-operative Centre definition a co-operative is a “business voluntarily owned and controlled by its member patrons and operated for them and by them on a non-profit or cost basis. It is owned by the people who use it (University of Wisconsin Centre for Co-operatives Webpage, n.d.).

Also, from a social sciences perspective Craig (1993) firstly, defines co-operation as a verb, as “any joint or collaborative behaviour that is directed towards some goal and in which there is common interest or hope of reward.”

Craig (1993) further elaborates the above definition to include an organisational structure by saying that “co-operation is the free and voluntary association of people to create an organisation which they democratically control, providing themselves with goods, services and/or a livelihood rather than profiting from others, with an equitable contribution of capital and acceptance of a fair share of risks and benefits generation by the joint activity.

To sustain their endeavour they must develop individuals and build a solidarity relationship with other co-operators and like minded people. Critical examination of the above definitions reveals some common themes. In the first place, it is obvious that a co-operative movement has an affiliated organisational structure, many a time with an economic component, normally as a business. Co-operative members come together in an organised manner, collaborate and jointly own and control their co-operative. The gains, returns, proceeds, surpluses and profits are shared among the group.

As part of the commission to the United States Department of Agriculture (USDA) report to advance agriculture co-operatives theory Staatz (1987a) argues that an agricultural co-operative is a business with the following attributes:

Firstly, the stockholders (farmers) are the major users of the co-operative services.

Secondly, the benefits a stockholder receives from contributing capital to a co-operative are greatly tied to patronage based on the reasons below:

(1) The co-operative business pays a strictly limited dividend on equity capital invested in the co-operative (organisation).

(2) Net margins are distributed among stockholders (farmers) proportion to their patronage with the business rather than in proportion to their equity ownership in the form.

(3) Stock of co-operative firms does not appreciate because there is a very limited or non-existent secondary market for it.

Thirdly, formal governance of the co-operative business by the stockholders (farmers) is structured democratically because (a) voting power is not proportional to equity investment since the limitations of voting a member’s equity may be in the form of one member, one vote mandate, or voting may be proportional to patronage or stock ownership but subject to some confinement such as restricting any one member from having more than 5% of the total votes.

Fourthly, there are strict restrictions on the number of non-stockholders who may serve as the board of directors (Staatz, 1987b). Staatz (1987b) definition for co-operative provides important information about agriculture as a business organisation. Whilst Staatz (1987b) definition indicates the views of the first four ICA co-operative values, it does not express the latter values concerning education and training, co-operation among co-operatives and concern for community. Also according to Cobia (1989) co-operative refers to “a user-owned and user-controlled business that distributes benefits on the basis of use.” Cobia (1989) views co-operative as a business used by the stockholders (owners) who fund and control the co-operatives and as such the benefits are distributed to them. Reynolds (2000) confirms the 1987 USDA restatement of the co-operative as the central user basis of agricultural co-operatives and those which were deemed operational rather actual principles. He indicates that the USDA interpretation of the co-operative principles encouraged members to maintain a longer-term connection with their agricultural co-operative.

Furthermore, United States Department of Agricultural (2002) highlighted this definition by restating the 1987 report on the fact that agricultural co-operative is featured by the three main principles namely: user-owner, user-control and user-benefits. The USDA supported its statement with a definition that appears to be the most cited definition in USA papers on agricultural co-operative in both academic and non-academic literature. This definition states that “a co-operative is a business that is owned and controlled by the people who use its services and whose benefits (services received and earnings allocations) are shared by the users on the basis of use. Only an enterprise conforming to the spirit and intent of this definition should be labelled a co-operative (United States Department of Agriculture, 2002).

USDA definition is broad and more acceptable to define agricultural co-operatives by intellectuals across western industrialised countries. For example van Bekkum and Nilsson (2000) adopted the 1987 USDA definition of an agricultural co-operative in a European context. Australian Agricultural council (1998) cited in Krivokapic-Skoko (2002a) explained agricultural co-operative as “an association of primary producers who have collaborated to achieve some similar commercial objectives more successfully than they could as individual.” Some intellectuals in Australia have also defined the agricultural co-operatives in terms of its functions like supply co-operative or marketing co-operative (Langdon, 1991) or by analysing prior or powerful role in the agricultural industry (Lawrence, 1987; Pritchard, 1996).

Many scholars have used the term traditional to describe co-operatives in the context of differentiating the existing agricultural co-operatives from a relatively current improvement in agricultural co-operative models which utilise characteristics more commonly identified in Investment Owned Firms, especially the New Generation Co-operative model (O’Connor and Thompson, 2001; Clarke, 1999; Pinto, 2009; Chambo, 2009). With diverse kinds of definitions for agricultural co-operatives, the scope in definition is connected to how strongly the ICA co-operative principles have been embedded into the definition with a majority of them being framed in business or economic language, indicating the various academic fields of the researchers and the economic focus of agricultural co-operatives.

**4.3.3 Co-operative Movement and Classical Firms**

Advocates of producer co-operatives claim more comparative merits over what is generally called a classical firm. The suggested merits expand to a lot of theoretical issues including labour economics, industrial management and organisational theory, investment and finance, and property rights theory (King, 2011).

The intellectuals have allocated significant amounts of research and analysis to such issues like absence of neglecting by workers in producer co-operatives, superior productivity rates that result from the extension of democratic principles into the co-operative workplace, the lack of unnecessary supervision due to the “horizontal monitoring” performed by members of co-operative, and the pursuit of co-operative employment and output strategies that are less sensitive to business cycle fluctuations (King, 2011).

King (2011) notes that “compared to classical firms, producer co-operatives suffer from interrelated investment demerits. Firstly, there is the problem of intra-firm finance or underinvestment. According to King (2011) this problem arises when the disparity between a worker member’s anticipated profit share of income and what they could earn by investing outside the firm such as a bank rate of interest becomes problematic. The second problem identified by King and related to underinvestment concerns the apprehension of non-member financiers to lend to co-operatives. In order not to risk their funds within a co-operative form where they have little control, outside financiers are reluctant to lend except on terms not favourable to co-operatives. King’s (2011) analysis reveals that reluctant to borrow on terms exceeding the going interest rate and wary of relinquishing management control to outsiders who might not share a same commitment to co-operative forms of organisation.

The firm theory grounded on neoclassical economic theory propounds that the principal aim of investment owned firm is profit maximisation on behalf of its shareholders (Cobia, 1989). On the other hand, co-operative theory specifies that a co-operative movement may have other aims or objectives like maximising a benefit or service to the co-operative members who actually own and control it and recompensing them with a patronage rebate, instead of striving for profit maximisation (Cobia, 1989).

The significant relationship between the roles of co-operative members in terms of owner and user is a distinguishable characteristic of a co-operative. Apart from economic advantages, the principles of a c o-operative also enhance social objectives including democracy, member participation and education. However, the striving, service or good instead of profit by a co-operative does not suggest that the co-operative should operate at a loss. Co-operative organisations must be economically and financially sound to attain its benefits, but profit is not its primary objective.

Cobia (1989) asserted that as agricultural co-operative aims at maximising member farm business profitability it may pay as high a price as possible when buying member commodities. On the other hand, supply co-operative will aim at selling inputs like fertilizer to its members at cost (Cobia, 1989). Unlike co-operatives, classical firms will set a high price when selling a product, or seek to minimise the cost of purchasing a product, in order to maximise the level of profit to satisfy its stakeholders.

Unlike co-operative structure which is based on the collective ownership, classical firms are grounded on individual property rights (Chaddad and Cook, 2002). Again, in co-operatives the shareholder is a member whereas, in classical firms the shareholder is usually an investor. The members of co-operatives are the owners, and as such have much more direct and closer relationship with the co-operatives, since they are the users of the co-operative. Members of agricultural co-operatives are often confined to farmers actively involved in the commercial production of commodity. This is different from classical firms since, there are no restrictions on who can purchase a share or how many shares they may buy (Cobia, 1989). Moreover, where a company is listed on the external stock exchange, shares can be purchased and sold in the open market and shares can increase or decrease in value depending on the market. However, shares in agriculture co-operatives are nominal in value and usually fixed and can only be sold to the co-operative at the value which they were originally bought.

In terms of voting the democratic principle of one member one vote hold in co-operatives and that all members have equal vote and share in the election of board of directors. This is not the same in classical firms where voting powers are proportional to the number of shares owned by an investor, and also investors with big share portfolios will obtain special voting powers (Craig, 1993).

Control of agricultural co-operatives in particular remains with the farmers themselves due to the principle of one member one vote, whereas in classical firm structure this is not the case. To make the co-operative acceptable to farmers with small enterprises control of the business by one shareholder or group of shareholders on the basis of their investment is not acceptable. Both classical firms and co-operatives have elected boards of directors and employ staff, the difference is that managing a co-operative needs special mindset called co-operative logic (Craig, 1993), but the style of managing a classical firm is highly limited and dominated economy focusing on profit maximization as the main purpose of the organisation.

Also, in classical firms profits are often assigned between reserves for the expansion of the business and a dividend, whereas investor shareholders obtain a return on their shareholdings (Hansman, 1996), but in co-operatives profit or surplus is apportioned between retained equity to finance future co-operative activities and patronage rebate (Fulton, 1995; Cobia, 1989; Cook and IIiopoulos, 2000). Moreover, a co-operative does not assigned surplus on the basis of shareholdings, but on the grounds of member patronage. A rebate is a share of the surplus of co-operative business that is calculated proportionally, and determined by the amount of business (patronage) a co-operative member conducts with the cop-operative.

Co-operatives and classical firms differ in capital raising methods. Co-operatives raise capital from its membership, and extra funds needed by the group are often borrowed from the banks (Hansman, 1996). However co-operatives cannot raise investor shareholder funds because they cannot lists on the stock exchange. Unlike co-operative organisations, classical firms raise capital through listing on a stock exchange and selling shares to investors, hence agricultural co-operatives may be restricted in its funds raising strategies. According to Schrader (1989) some practices of agricultural co-operatives, State and Federal legislation affect agricultural co-operatives to such an extent that co-operatives experience lack of capital for their day-to-day activities.

**4.3.4** **Theories of Agricultural Co-operatives**

Agricultural co-operative literature demonstrates powerful and dynamic inclination towards economic theory. Economic analysis of agricultural co-operatives reveals two main schools of thoughts (Cook, 1995; Togerson et al., 1997; Krivokapic-Skoko, 2002a). The first area concerns macro-economic theory. This theory tries to expound the existence of the agricultural co-operative as an organisational form in the market. The focus of this theory is on the capacity of the co-operative model to play a part to the efficiency of market and therefore to streamline some form of public policy intervention in support of the co-operative model (Togerson et al., 1997). Micro-economic theory to internal organisational behaviour has driven theoretical development over the past years. Micro-level analysis has a tendency to be influenced by neoclassical theory, new institutional economic theory. Property rights and principal agent theories are modern methods to analyse problems featured to the agricultural co-operative structure.

Sapiro,s theoretical contribution was in the form of argument to promote the formation of regionally based monopolistic marketing co-operatives as a market instrument to achieve economy of scale and scope thereby guaranteeing the best and orderly marketing (Sapiro, 1920, cited in Togerson et al, 1997) price for products or commodities for the members of the co-operative. According to Cook (1995) these forms of post-farm co-operatives were able to compete with, or avoid the classical or investment owned firms in charge of controlling, managing, and marketing of commodities.

Nourse’s concept of the competitive model (Nourse, 1922, cited in Cook, 1995, Togerson et al., 1997) was against Sapiro’s monopolistic assertion of the agriculture co-operatives, arguing that the function of an agricultural co-operative was to guarantee a competitive market place for co-operative business. Nourse argued that the purpose of forming an agricultural co-operative was to rectify some kind of market failure. Formation of co-operatives may also be to get rid of the monopoly power of classical or investment owned firms that supply a lot of costly or insufficient goods or services in the market (Mooney and Gray, 2002). Nourse asserted that the creation or restoration of a competitive market by the existence of the co-operative organisation should not go to the extent of dominating the market, but should adopt a maintenance capacity of keeping the classical firms and the market competitive. Nourse contended that in some circumstances, once the classical firms are competing effectively among themselves it may be necessary for co-operative to wind up (Mooney and Gray, 2002). Nourse ‘competitive yardstick’ is of great interest to this thesis as it explores how the agriculture co-operative can become competitive and influence its environment.

A remarkable conceptual shift from the analysis of the macro-economic function of agriculture co-operative to investigate their internal operations was Emelianoff’s contribution (Emelianoff, 1948, cited in Torgerson et al, 1997). Emialianoff asserted that the purpose of forming a co-operative was not to strive for profit for the co-operative sake, but for the members farming enterprises. Emelianoff introduced the idea of principal and agent in agriculture co-operative to serve as a guide to co-operative business strategies. The modification of a classical firm concept into the agriculture co-operative was the contribution of Helmberger and Hoos, 1962, cited in Torgerson et al, 1997.

Helmberger and Hoos emphasised that the classical firm theory supports the view of making as much as possible profit however this should not be so in co-operative business, co-operative ought to assume many objectives in order to achieve its goals. They pointed out that the objective of agricultural co-operative was not to make profit alone, but to make as large as possible benefits and gains to its members such as reducing costs and patronage refunds. When the USA agricultural industry started industrialisation in the later part of 1960s, Helmberger (1966, cited in Cook, 1995) argued that modifying the structure of agriculture and technology would degrade the principles of co-operative movement and the objective of co-operative formation.

In contrast to the Helmberger’s formulated theory, Abrahamson (1966, cited in Cook, 1995) argued that agricultural industrialisation was a favourable moment for agricultural co-operatives to involve farmers towards the changes in agricultural industries.

Fulton (1995) revisited the Hamberger’s concept in 1995. He adopted a property right procedure by using Helmberger’s theory as a starting point to investigate whether or not co-operatives (with collective structures could endure in a wider society which favours classical firms that emblazes ‘isolated ownership and use). Fulton (1995) argues that the modification of societal values in relationship to industrialization of agricultural industry would make co-operative more difficult to deal with and put agricultural co-operatives at risk. The theory of property rights in agricultural co-operative has been supported by many scholars including Condon (1987), Fulton (1995), Cook (1995), Cook and IIiopoulos (2000), van Bekkum (2000), Chadad and Cook (2002), in their theoretical analysis of co-operative movement. Condon (1987) was an early advocate of the property right approach.

Fulton’s (1995) analysis is of great importance to this study because the thesis adopts the New Generation Co-operative Movement structure which is characterised with societal values of co-operation and unity to address the problems of market failure and competition facing the small-scale poultry farmers in Ghana.

The principal agent theory of co-operative movement has also been accepted by scholars of European agricultural co-operative movement (van Bekkum and Nilsson, 2000; Rokholt and Borgen, 2000) and Australian co-operative academics like Mathews, (1999), Plunkett, (1999), and Clarke (1999) such that they have employed it in their co-operative analysis.

The work of Shaffer (1987) presents an important study to co-operative movement. Shaffer (1987) employed transaction cost analysis to investigate the ability of the agricultural co-operatives to harmonise macro-economic activity. According to Shaffer (1987) the vertical linkages set up by agricultural co-operatives in an economic structure did not just rely on a co-operative capacity to create economies of scope and scale to tackle monopoly power which threatens the co-operative business, but also on the costs related to transactions to carry out this harmonising role of co-operatives. Shaffer (1987) indicated that the effectiveness of executing these coordination role to a certain extent hinge on the internal organisation between the co-operative’s principals and agents. Shaffer’s theoretical contribution demonstrates a determination to take account macro-economic factors and the interaction of these factors with the organisational factors to interpret the difficulties of internal and external components of agricultural co-operatives.

**4.3.5 Non-Economic Theoretical Facets to Co-operative Movement**

From a social viewpoint, Craig (1993) provides a distinct theoretical approach to describe why people collaborate to form a co-operative. He asserted that these theories connect co-operative movement and actions to biological, psychology and cultural sources. He elaborates the theory of mutual help, socio-biological theory, behavioural theory, and exchange theory as descriptions for collaboration and co-operative formations. Craig (1993) asserted that none of the above-mentioned theories thoroughly describe agricultural co-operative entity and behaviour.

Craig (1993) analysis of agricultural co-operative shows that co-operative business development, as well as its success and failure are built around the concept of co-operative “logic.” He indicates that co-operative “logic supposes that each individual member of agricultural co-operative comprehend co-operative values. Co-operative “logic” allows the internal conflicts and tensions in the group in order to streamline the economic and social objectives within co-operative entity (Craig, 1993). The logic within the co-operative movement shows that the desire, wants, needs, and expectations of each group are distinct and therefore, co-operative members usually define a co-operative model that matches their special needs. He pointed out that the agricultural co-operative logic accept decisions made by members through democratic means such that non-members or outsiders may find it hard to comprehend, but the actual members of the group would understand (Craig, 1993). Craig’s analysis demonstrates that agricultural co-operative logic is not easy to explain to those who have no hands in that particular logic. He argues that people who are more inclined to classical firms or investment owned firms may find it difficult to comprehend the “logic” of agricultural co-operative and its implications to the structure of a co-operative entity. Craig (1993) asserted that agricultural cooperative is one of the means to empower farmers in political and economic manner in order to promote the democratic features of the co-operative entity, and the community in which it operates.

Agricultural co-operatives act as a means for developing organisational networks, trust, and norms that promote collaboration and co-operation for mutual aid (Putnam, 1993) known as social capital. Social capital is one of the significant features in a civil society. It is also one of the fundamental prerequisite for democracy in a civilized society. Hence, the farmers collaborate in a co-operative movement and work together in a collective action to establish networks and trust among their groups in order to create social capital in the midst of the rural community where the agricultural co-operative has been established. Therefore, agricultural co-operative movements are structures that supports and enhance democracy and social capital and connect social and economic aspirations in communities (Cavaye, 2000; Coleman, 1988; Cox, 1995; Putnam, 1993; Putnam, 1995; Winter, 2000; Woolcock, 1998.

Agricultural co-operative structures in rural communities see to it that the profits or gains made by the co-operative business is kept in the community and employed to the development of the community. In contrast, a classical firms or invested owned firms may decide to leave to other areas (United States Department of Agriculture, 1990). Therefore, agricultural co-operative provide a system for controlling local communities.

Craig (1993) argues that external decision makers or policymakers are more likely to accept collective voice of the agricultural co-operative than the views of individual farmers’, further developing local communities. Also, the agricultural co-operative movement structure can enhance an entrepreneurial spirit among members who may not have such a chance to obtain the required skills had it not been their involvement in an agricultural co-operative (Craig, 1993). The internal funding of co-operative through the contribution of membership distinguishes co-operative as an independent external investment. Therefore, co-operative provides sources of employment to members of the community and socially marginalised people by helping local community to participate in a globalised capital.

Cobia (1989) analysis of co-operative movement indicates that social factors realised through the members of agricultural co-operative are part of intrinsic and satisfying benefits and gains resulting from having a hand in relationship with peers, participating in membership co-operative with one goal and involving in the democratic type of electing co-operative board members. Cobia (1989) further argues that although the social benefits of an agricultural co-operative are essentially needful, the cooperative must place its economic objectives as its utmost priority in order to make sure that it survives in business.

Mooney and Gray (2002) note impacts of historical and sociological factors in recent agricultural co-operative operations. They recognise the internal contradictions within the value of agricultural co-operative revealed by Craig (1993) distinct from trained academics in economics. Mooney and Gray (2002) pointed out that the tensions and contradictions in agricultural co-operatives are positive, as it generates better decision-making by co-operative board members. The above literature has discussed the agricultural co-operative as an expression of social movement, history of co-operative movements, meaning and principles of agricultural co-operatives and theories of co-operative movements around the world and its influence in the community development and also, the distinction between Co-operatives and Classical Firms/Investment Owned Firms. The next section investigates the major problems inherent in the traditional co-operatives.

**4.3.6 Major Problems Inherent in Traditional Agricultural Co-operatives**

Several studies show that there are many inherent problems and difficulties associated with traditional co-operative structure (Cook, 1995; Cook and IIiopoulos, 2000; Chambo, 2009; Pinto, 2009). The perspective of the modern institutional economics demonstrates that the traditional agricultural co-operatives are characterised with some established problems in relationship to the unique user-driven nature of the co-operative model. These include the following:

Firstly, “free rider” occurrence as a result of internal and external factors (Cook, 1995; Chambo, 2009). The internal problem of free riding is usually associated with the common property of a co-operative. This occurs when new members of agricultural co-operative straight away enjoy similar benefits or gains as long standing or old members (Cook, 1995). As new people become members of agricultural co-operative and have a hand in the co-operative activities. Co-operative refunds and group profits are distributed among all members (Cook and IIiopoulos, 2000). When this occurs the new comers become “free riding” on the achievements and subscriptions of the old members. This powerfully generates interpersonal jealousies (Key and Runsten, 1999) and internal generating conflicts and is deterrent for old members to invest in the co-operative business (Cook and IIiopoulos, 2000).

Furthermore, the external “free rider” problem occurs when outsiders or independent members gain or benefit from the collective efforts and contributions of the co-operative members without any contribution in the costs incurred by the co-operative members (Fulton, 2001; Cook, 1995). When non-members consequently enjoy or benefit from the collective action of the agricultural co-operative “free riding” on the collective achievement of the co-operative members has occurred.

Secondly, another difficult situation or problem is the “horizon problem” which occurs from a discrepancy in some agriculture co-operative members’ expected membership period and the time frame required to gain from the future investments engaged in by the co-operative. In such circumstances agricultural co-operative members who may be nearer to go on retirement would not have a desire to contribute for co-operative funds into projects that would not achieve financial gain for them in persons, although the suggested investment might be a benefit for the group (Cook and IIiopoulos, 2000). When this happens, some of the members, especially those who are nearer to go on retirement may opt for co-operative surpluses to be channelled back to members as refunds, instead of investing it for the sustenance of the co-operative.

This attitude can strongly strip a co-operative business of capital for future privileges (Cook and IIiopoulos, 2000). This problem may position the agricultural co-operative structure very weak in performance and efficiency as compared to classical firms due to unreached decisions and unsuccessful decision making of the agricultural co-operative concerning future investment on projects needed to be undertaken (Cook and IIiopoulos, 2000).

Thirdly, another related difficulty is the “portfolio problem” which usually happens when some of the co-operative members’ personal strategy for risk taking and side views are incompatible with the suggested master plans and strategies of the board of directors of the agricultural co-operatives. This problem can generates interpersonal jealousies (Key and Rusten, 1999), mistrust between farmers (Masakure and Henson, 2005), membership driven agenda (Stringefellow et al., 1997) among those who have a different side views and profiles leading to unreached decisions and unfavourable co-operation among members (Cook and IIiopoulos, 2000).

Cook and IIiopoulos (2000) argue that there are other inherent difficulties or problems associated with costs of control. They asserted that the costs of control issue is connected to the principal agent theory that investigates the difficulty of inspiring the agent to act on behalf of the principal to make the best use of principal’s goals for agricultural co-operative business. Unlike the classical firms, the management control problem is ascribed to the internal features of the agricultural co-operative structure despite the fact that both co-operative and classical firms separate ownership and management.

As a democratic entity, agricultural co-operatives demand the dynamic involvement of its members. Each co-operative member has an equal voice in deciding management affairs. Since the benefits of the agricultural co-operative business are divided equally among the members there are little motivation or rewards to members to accept management positions. On the other hand, classical firms have control over the management activities depending on the number of shares they possess because the investors with greater share portfolios would powerfully generate larger profits. It is therefore, in their own delight to oversee the functioning of the management thereby making the classical firms more effective and efficient as compared to the agricultural co-operative.

The measurable indicators employed by the classical firms/investment owned firms in terms of the share price in the open market to investigate its success or growth are not found in agricultural co-operative businesses. Due to the problem of costs control in agricultural co-operatives there is a concern with lack of measures to examine its achievements. The absence of measurable indicators in agricultural co-operative business is deemed to hinder management from achieving high level of management skills.

Finally, “influence costs” problems may happen in agricultural co-operative as it can generate multiple and conceivable conflicting aims and objectives. On the other hand classical firms or investment owned firms has the profit maximisation as its main objectives. The wider the operations and activities of agricultural co-operative the greater the chances to influence higher transaction cost occurrences (Stockbridge et al., 2003). The influence cost difficulties may take place when the interest or desire of co-operative members’ become unrelated and diverse to influence membership driven agendas (Cook, 1995; Stringefellow et al, 1997). The distinct groups may wish to have influence and power over co-operative master plans and management for self-developed interests which can be disincentive and destructive to the financial status of the co-operative (Cook, 1995). The above has shown the major inherent problems found in the traditional agricultural co-operatives, the next section discusses the new or modern generation co-operative.

**4.3.7 New Generation Co-operative**

Recent changes and modifications in technology, local and international markets and trading arrangements have generated difficulties, problems, challenges and opportunities for the agricultural industry and rural communities (Stefanson and Fulton, 1997). The long history of agricultural co-operative model regarded co-operative businesses as a type of farmer initiated social movement (Cheong, 2006).Modifications in agricultural sectors due to industrialisation enhancement and identified problem areas with the traditional agricultural co-operative model have gingered to current literature that examines the modified agricultural co-operative structure that bring in attributes of classical firms or investment owned firms model, called the “new generation co-operative model”(Cheong, 2006), which has been adopted in this thesis to influence the competitiveness of the small-scale poultry farmers in Ghana.

Cheong (2006) asserted that unfair demerit in agricultural industry is stimulating a renewed interest among farmer groups in some sectors of agricultural industry to investigate the agricultural co-operative model as a strategy to alleviate hardship. Their activities can be viewed as an expression of a farmer initiated social movement.

Agricultural co-operatives have a special long history as a strategy to address the accumulation of market power by other potential organisations in the agricultural supply chain by providing farmers with a mechanism to attain economies of scale in farm supplies or commodity marketing (Cobia, 1989; Craig, 1993; Hansmann, 1996). The subsequent superiority of the agriculture co-operative structure in Europe and North America indicates that agricultural co-operative fits the agricultural industry particularly well (Cheong, 2006).

The New Generation Co-operative (NGC) was developed during the 1990s in the Mid West of the United States of America. The traditional agricultural co-operative business model was altered to absorb components of the classical firm or investor-owned firm structure into the co-operative movement structure. The purpose of the NGC was to address inherent problems of traditional agricultural co-operative model including “free rider”; “horizon”; “portfolio”; “control”; and “influence cost” (Cook, 1995).

New Generation Co-operatives share a lot of the key features of traditional co-operatives like: democratic control, based on one-member, one vote, distribution of earnings hinged on use of services or sales to the co-operative, and a board of directors elected by the membership (Stefanson and Fulton, 1997).

However, unlike majority of agricultural co-operatives, NGC enhances vertical integration by focusing its activities and actions further along the supply chain. By adding value to their agricultural products, the NGC allows farmers to gain greater earnings through selling processed products rather than raw commodity. Therefore, farmers can co-operatively achieve a level of market control that cannot be attained by individual farmers (Stefanson et al., 1995).

The NGC model has a lot of distinct features but the model can be varied to meet specific requirement to which it is applied (Cheong, 2006). The two main attributes that distinguish the NGC model from traditional co-operatives are delivery rights and restricted membership (Stefanson et al., 1995). Unlike the traditional co-operative where the membership is open to all persons who are able to use their services and willing to accept the responsibilities of membership, in the NGC membership is restricted to only those who purchase delivery rights shares (Stefanson et al., 1995). Unlike traditional co-operatives that take on new members on a continual basis, membership in a NGC is restricted once the targeted amount of delivery rights shares’ are sold.

New members are accepted only when an existing member wants to sell some of their delivery rights shares to another producer, or if the processing capacity of the facility increases beyond what the current members can supply (Stefanson and Fulton, 1997). This provides a consistent level of supply of product for the NGC. Stefanson and Fulton (1997) explain that membership may change as a result of producers willing to sell some of their delivery rights shares, but does not change the supply of commodity being delivered to the co-operative. The sale of shares between producers normally needs approval from the board of directors.

Furthermore, a NGC requires members to make significant higher investment than for most traditional co-operatives, since, NGC raise between 30%-50% of their total capital requirements from selling shares. Usually, a minimum number of delivery rights shares must be bought in order to be eligible for membership. The reason is that if members’ investments are worthwhile they tend to remain more involved and dedicated in a NGC than in a traditional co-operative. Equity investment also expands the likelihood of a return to the members at the end of the year due to reduce financing costs (Stefanson and Fulton, 1997).

In traditional co-operatives members contribute equitably to and democratically control the capital of their co-operative. In contrast, the NGC members share in earnings according to their delivery rights, and higher equity contributions are required (Stefanson et al., 1995). To apportion the delivery rights and raise capital for the NGC, shares are sold in the co-operative. This share structure of the NGC has three levels of shares namely: membership, equity and preferred shares (Stefanson and Fulton, 1997). The producers of the NGC are only entitled to hold membership shares, and this type of share gives the farmer (producer) the right to vote. Members also buy equity shares. The equity shares are the means for raising sufficient capital needed to set up the production or processing plants. The number of equity shares available in each NGC is planned and calculated by dividing the cost of constructing the plant with the quantity or the amount of commodity needed to allow the processing machine to function at optimum capacity (Cheong, 2006). When NGC members have bought all the equity shares, the membership is closed.

Equity shares are also allocated delivery rights – where the producer (farmer) is dedicated to deliver commodities (products) to the NGC as according to the delivery right and the NGC is dedicated to taking delivery of the products or the commodities (Cheong, 2006).

Equity shares in NGC give the member both the right and obligation to deliver a certain amount of farm product to the co-operative each year or at a specific time. The use of delivery rights that are bought by the members’ mean that their investment is proportional to their use of the NGC. Delivery rights shares serve as a two-way contract between the producer-member and the co-operative. Delivery rights obligate the producer member to deliver product each year or specific time to the co-operative, and in turn the co-operative is committed to accept delivery of the product (Stefanson and Fulton, 1997). Thus the New Generation Co-operative assures farmer (producers) of a market for their product and the co-operative a steady supply of its primary input (Stefanson and Fulton, 1997).

The delivery contract usually contains special quality standards. In circumstances where a NGC member is incapable to deliver as determined by the delivery contract, the NGC must otherwise purchase the commodity elsewhere to fulfil the delivery requirements. Otherwise the co-operative will purchase the required product and charge the member the difference so as to ensure consistency in quantity and quality (Stefanson and Fulton, 1997). A distinct attribute of the equity share is that they are tradable and can appreciate or depreciate in value, leading to strong member participation and control and the chance for capital gain in shares (Cheong, 2006). Any patronage refunds that the NGC generates are distributed to members according to the level of product they delivered to the NGC. NGC share profits to members in proportion to their patronage. Usually, the profit generated from added-value activity is returned yearly to members as cash (Cheong, 2006).

The third type of shares is preferred shares. This ‘preferred shares’ is not a feature for all NGCs. These shares allow investment in the NGC from non-producers like local community members in order to create a vehicle for the community to support and benefit from the NGC. However, preferred shares do not comprise voting rights, ensuring that producer-members keep control of the NGCs. In order to abide by Capper-Volstead Act, dividends on preferred share are capped at eight percent (Volkin, 1995).

NGCs have been instrumental in other benefits at the local community level. Examples include economic diversification within the community by shifting into new value added products (Cook and IIiopoulos, 2000; Ergstrom, 1994), assisting rural development by providing income and employment opportunities and strengthening of the rural communities that foster their operations (Holmes et al., 2001; Stefanson et al., 1995). Nevertheless, to allow the NGC efficiently provide these numerous and multiplier benefits at the community level, the economic success of the NGC must be its main focus. Over 200 NGCs were started during the 1990s in many parts of the USA, and Canada (Fulton, 2001). The NGC model is very instrumental to overcome the economic limitations of traditional co-operatives (Cook, 1995), their organisational structure (Stefanson et al., 1995), their historical development and ability to replicate the model in other locations (Bielik, 1999) and their assistance and support to rural economic development (Fulton and Ketilson, 1992; Holmes, et al., 2001; United States Department of Agriculture, 2002). The principally economic approach to the analysis of NGC is undoubtedly a development of the literature on the traditional agricultural co-operatives. African work on NGC is greatly limited, and also the NGC activities have a predominantly economic orientation (O’Connor and Thompson, 2001; Plunkett and Kingwell, 2001). Research shows that the success of the NGC model has created much excitement, resulting to the term “Co-op Fever” (Patrie, 1998).

Several studies show that NGC is a better choice than partnership, incorporated companies, and joint ventures in the several ways. Especially, when equal membership control is important, a sense of co-operative effort is needed, when members would have a greater comfort level with the co-operative structure, and the co-operative structure is more easily explained and understood, and when community acceptance of the business is essential. Co-operatives have long standing commitment to education, local control and concern for local community and as such may be more acceptable to some communities than investor oriented firms (Stefanson and Fulton, 1997).

Many studies confirm that NGC is value added and advantageous (Stefanson and Fulton, 1997; Patrie, 1998; Stefanson et al., 1995; Fulton and Ketilson, 1992; Holmes et al, 2001; United States Department of Agriculture, 2002).

NGC has four key groups like the traditional co-operative as indicated by Stefanson and Fulton, 1997). Firstly, members’ as owner-users is the main reason why the NGC is organised. Secondly, the Board of Directors is a policy-making body elected by the members, who manages and oversee the NGC business affairs. The Board of Directors are trustees who make policies, report to members and give direction to the co-operative hired management, generally without involving in the daily operations. The third group comprise management who supervises and co-ordinates the day-to-day operations and are supervised by the board. The final group include the staff of the NGC, who report to the management (Stefanson and Fulton, 1997).

**4.4 History of Agricultural Co-operative/FBOs in Ghana and Sub-Saharan Africa**

**4.4.1 Introduction**

Small-scale farmers in Sub-Saharan Africa (SSA) face access barriers to market, information, credit and inputs, and their voices are not often heard in the policy formulation where decisions that affect their livelihoods are made (World Bank, 2007). A lot of policymakers and donors consider small-scale collective action (agriculture co-operatives/farmer organizations) as essential step towards national decentralization, devolution and privatization (Meinzen-Dick, 2009; World Bank, 2007). The economic theory of collective action involves the provision of public goods such as assets, resources and services that are collectively consumed through the collaboration of two or more persons and with the impact of externalities on group behaviour (Salifu et al., 2010). Salifu et al (2010) indicate that there are several instances in which individuals would be better off if they co-operated, however collective action often does not emerge. Difficulties and problems particularly happen over imbalances among contributions to the group effort and the distribution of benefits from the creation of public or collective goods, called free rider problem (Kirsten et al., 2009). The theory of Oslon in 1965 laid the foundation of modern theory on collective action. In the “Logic of Collective Action” Oslon (1965) analyses how co-operative members could overcome free-rider problems and fashion co-operative solutions for the administration of common resources or the provision of public goods (Salifu et al., 2010).

Sub-Saharan Africa in the past years, as a strategy to enhance credit recovery from small-scale farmers through peer pressure, empower farmers to advocate for governments and external supports, manage common natural resources like forest, pastures, water, and strengthens the position of small-scale producers, reduce transaction costs of exchanging goods and information with a large number of small-scale farmers, and improve value addition to agricultural production (Shifeaw et al., 2006).

Ghana has witnessed many governmental and non-governmental projects in the past two decades with the intention to enhance collective action among the farming communities. (Salifu et al, 2010). World Bank, for example, invested over US$9 million for development of farmer based organisations/co-operation of farmers during the year 2000 and 2007 as part of its development in the agricultural service sub-sector investment project (AgSSIP, 2007a). Ghana government recent policy on the growth and poverty reduction strategy (2006-2009) and the food and agriculture sector development policy (2007), places a great emphasis on organizing agricultural co-operatives/farmer based organisations to promote coordination among small-scale farmers in the country (Republic of Ghana, 2005, 2007).

In the past two decades several non-governmental organisations (NGOs) including Tecno-Serve Ghana, Heifer Ghana, Adventist Development and Relief Agency (ADRA), Association of Church Development Projects, Private Enterprise Foundation, German Technical Corporation (GTZ), Care International, Plan Ghana, and Netherlands Development Organisations and many others have also played an important role in promoting or organising agricultural co-operatives/farmer based organisations in order to improve farmers livelihoods among small-scale farmers in Ghana (Salifu et al, 2010).

Several studies indicate that the growing attention paid to rural collective action in Ghana reflects a global trend underpinned by the increase of market competition and integration, the marginalization of cultural minorities, and the overexploitation of natural resources (Meinzen-Dick, 2009; World Bank, 2007; Chaddad and Cook, 2004). The collective action is viewed by many expects as social elevator or a mechanism to achieve social mobility and leverage economic inequalities (Salifu et al, 2010). Salifu et al (2010) defined social mobility “as the way socioeconomic opportunities are distributed within a society, and measures the likelihood that current social elites emerged from low social classes (upward mobility) as well as the probability that the poorest and the illiterate were born from socioeconomic elites (downward mobility).”

The evidence available on collective action (agricultural co-operatives and farmer based organisation in Sub-saharan Africa continue to be scattered, incomplete, and often contrasting despite growing public interest and expectations) (Rondot and Collion, 2001). Despite the fact that the amount of evidence produced on Africa rural institutions and organisations has grown substantially in the past decade (Dorward et al., 2009; Kirsten et al., 2009), it seems still constrained by the paradigmatic perspective of development scholars (Salifu et al.,2010). Salifu et al. (2010) argue that in terms of structural adjustment and trickle-down theory, collective action in Africa continent is still commonly portrayed as either a plague to society or an institutional panacea due to community-driven, participative approaches.

History evidence indicates that farmer groups in Ghana might be as old as sedentary agriculture (Salifu et al., 2010). It is claimed that since the beginning of sedentary agriculture in the Rift Valley, farmers supported themselves in order to cope with unpredictable climatic occurrences (Ehret, 1979). There is also a proof suggesting that the present informal farmer groups and co-operations in Ghana started well before colonialism (deGraft-Johnson, 1958; Onumah et al., 2007). These farmer groups (called “nnoboa” is still a practice in rural Ghana) were commonly organised to provide reciprocal labour support from farm work, particularly, weeding (Onumah et al., 2007). In spite of scattered evidence from pre-colonial history, the evolution of co-operative actions in rural Africa (including Ghana) is widely associated with colonialism, during which the colonial governments vigorously pooled rural producers into agricultural co-operatives (Develtere, 2008, cited in Wanyama et al., 2008). Since the genesis of colonialism, rural Africa has observed three main waves of co-operative actions, identified with (Develtere et al., 2008) namely: (1) the colonial period, (2) the post independence period, and (3) the structural adjustment period.

During the colonial period, agricultural co-operatives became a means to enhance the production and to promote the collection of cash crops like cocoa, coffee, cotton and many others in Sub-Saharan Africa (Hussi et al., 1993). Therefore, the incidence of agricultural co-operative movement in Africa was not accidental (Chambo, 2009). Agricultural co-operative organizations were established by colonial masters in Ghana, Tanzania, Kenya, Uganda and Nigeria for the marketing of Cocoa, Coffee, Cotton, and Cashew Nuts etc. The main purpose of colonial masters to form agricultural co-operatives was to promote the implementation of their agricultural policies, to enhance agricultural export flow toward the European markets, and to ensure control and orderliness in remote rural areas (Wanyama et al., 2008; Develtere et al., 2008).

In Ghana, agricultural co-operatives were formally introduced by the colonial government in 1920s (Salifu et al., 2010; Oppong Manu, 2004). The colonial government was very sceptical about agrarian capitalism and as such searched for a different form of agricultural production (Salifu et al., 2010). Research shows that the colonial government search for alternative form of agricultural production ended up embracing the socialist co-operative model (see Buell, 1928/1965; McPhee, 1926/1971). The colonial administration saw this particular approach as a way for instructing Ghanaians through a “critical stage of mental and spiritual growth” without producing “destructive individualism” or “tearing the social fabric” (Strickland, 1933). Agricultural co-operative seemed capable of uniting Ghanaians from tribe to nation without producing market anarchism and Western individualism (Salifu et al., 2010).

Agricultural co-operative in Ghana started in cocoa sector (deGraft-Johnson, 1958; Oppong-Manu, 2004), serving as main instrument to help and control farmers in their activities (deGraft-Johnson, 1958) as well as to channel cocoa more efficiently toward United Kingdom (Miracle and Seidman, 1968). The British Colonial government, in its effort to get the best quality cocoa beans from Gold Coast (now Ghana) set up a group farm venture in 1928 through its Department of Agriculture (Oppong-Manu, 2004) at a small village called Atasomanso, near Kumasi in the Ashanti Region of Ghana. This brought about the formation of several Cocoa cooperative societies throughout the forest zones of Ghana (Oppong Manu, 2004). The success and prosperity of the cocoa cooperative movements in Ghana led to the formation of other agricultural cooperatives in other production sectors like maize, rice, peanuts and tomatoes and continued throughout the 1950 (Miracle and Seidman, 1968) as well as industrial and financial services in Ghana (Oppong-Manu, 2004).

In 1929, the colonial government in Ghana appointed Registrar of Agricultural Co-operative within the Department of Agriculture to provide co-operatives statutory recognition. Admiring the co-operative model in other British colonies and Asia, subsequent legislation were made in 1931, 1937. The legal recognition was given in 1937 during the promulgation of co-operative society’s ordinance.

During the post independence era, the second generation of agricultural co-operatives emerged in Sub-Saharan Africa with the independence from colonial governments (Salifu et al., 2010). Following their predecessors, the governments of the new sovereign states attached a significant role to agricultural co-operatives and looked on them as key instruments for rural development (Saifu et al., 2010). Nevertheless, the agricultural co-operative degenerated into political tools (Wanyama et al., 2008; Hussi et al., 1993).

After Ghana’s independence for instance, political events led to the illegitimate interference in the affairs and administrations of the cooperative movements in which finally, led to the possession of the Ghana Marketing Association by the government, the pillar of the cooperative movements. This greatly undermined the strength and independence of the Cooperative Movements (Oppong Manu, 2004). Following the independence in 1957, the new sovereign government of Ghana continued to enhance agricultural co-operatives, and by 1960 the government of Ghana was marketing about 40% of the total cocoa produced (Salifu et al., 2010). Nevertheless, the first president of Ghana, Kwame Nkrumah, developed distrust in agricultural co-operatives, which were later dissolved in 1961and their assets confiscated in favour of an organ of the ruling party, the Convention People’s Party (Young et al., 1981; Taylor, 2004, cited in Tsekpo, 2008).

Following the fall of Nkrumah’s regime the remaining agricultural co-operatives rose from their ashes under the new military rule led by the Provisional National Defence Council (PNDC) (Young et al., 1981). Nevertheless, the expected public support did not happen under the PNDC, and by 1985 the number of agricultural co-operatives started to decline once again (Salifu et al., 2010).

Thus, the new governments in Africa were directly and powerfully involved in establishing the co-operatives and endorsed legislation that tied agricultural co-operatives to the centralized input/output marketing systems. In some countries like Ghana, Tanzania and Zambia, the post-independence governments formally integrated agricultural co-operatives into government institutions (Onumah et al., 2007).

Post-independence governments utilized agricultural co-operatives as preferential channels for the provision of credit, often linked to the distribution of agricultural inputs (Hussi et al., 1993; Debrah and Nederlof, 2002). Farmers were often forced or induced to join agricultural co-operatives, and membership in agricultural co-operatives was usually a prerequisite for securing credit from the government (Holmen, 1990). In many times governments’ loans were repaid by agricultural co-operatives through political support or votes rather than money (Salifu et al., 2010). In reciprocation, governments kept the agricultural co-operatives on a tight corner, preventing them from accruing enough profit margins to develop into private and viable enterprises (Wanyama et al., 2008).

Generally, the principles of cooperative were perverted in African context decades after decades (Pinto, 2009). Traditional cooperatives in many parts of Africa functioned as extended arms of the governments. The policy-making and government strategic procedures on cooperatives were in any event restricting and restraining, instead of being participative (Chambo, 2009). The participants were forced to become compulsory members of the cooperative movements without much understanding, and therefore they were not prepared to defend it. Also, the members had less part to play to support it and never regarded it as their own organizations (Pinto, 2009).

Furthermore, it is the governments that manipulate, control, coordinate, organize and sustain all the affairs of the traditional agricultural co-operatives (DFID, 2008) in many parts of Africa including Ghana. The governments and their policymakers were using cooperatives as political platforms, utilizing them for short term gains at the expense of the farmers or members of the organizations (Pinto, 2009).

Furthermore, the type, disposition and the subject matter of cooperative education and training given to cooperative participants and the management did not reflect the needs, knowledge and empowerment required by members to enable them to transform into a new frame of competitiveness in order and aspire into higher levels of investments and sustainability. Moreover, these types of traditional cooperative movements were not capable to attract experienced and qualified workers and capital expansion (Chambo, 2009).

The cooperative members were not given enough training and education that open their eyes to issues of their rights and entitlements that would enable them participate in decision and policy making and resource allocation (Henricks, 1995). Neither do they receive training and education that empowers them to develop programmes of action to bring about changes they needed to mitigate unfavourable conditions.

However, such education was conceptualized and undertaken in plan and framework that was not geared towards the change process needed by the cooperative participants, but to inculcate into them the conventional and general knowledge about co-operative movement. Chambo (2009) argues that such education was more of an instrument of keeping the status quo of investigative ability to facilitate inside and outside cooperative movement relations, and therefore working against the co-operative movement. Due to much protectionism and greater controlling powers of the governments the traditional agricultural co-operatives were not effective and efficient as enterprises, but with very minimal capitalization from the participants.

**4.4.2 Legal Framework**

Few countries in Sub-saharan African have up-to-date legal framework that takes into account the challenges of co-operative action in an increasing market-driven scenario (Hussi et al., 1993). In many African countries, agricultural co-operatives have been operating under legal frameworks developed in the mid 1990s, through which management is made accountable to the state rather than membership (USAID, 2006). The first agricultural co-operative in Ghana dates back to 1929. Following the agricultural co-operative model in other British colonies in Africa and Asia, successive legislations were made in 1931, 1937, and 1968.

Ghana Co-operative Movement Decree of 1968 gave the registrar of co-operatives enough powers that hindered co-operative autonomy and development. Section 53 of the 1968 decree of Ghana empowered the registrar to dissolve the board of directors of a registered co-operative and appoint a caretaker to govern the co-operative businesses. Section 28 ensured that no distribution of surplus be effected unless the registrar approved the scheme. Section 46 gave the registrar power to countersign before any payments of checks were issued by a co-operative and to cancel an expenditure not considered justifiable. The registrar was not effective in the execution of statutory duties. A mandatory six-month probationary period to ensure that a co-operative could become a legal entity often stretched into two or more years.

**4.4.3 Governance Regime**

Farmer Based Organisations and Agricultural Co-operatives were commonly governed through both regular and extension services and ad hoc development projects in Sub-Saharan Africa. The extension services are referred to as the daily activities undertaken by the Ministry of Food and Agriculture’s (MoFA) at the level of rural communities to enhance agricultural production and commercialization (Salifu et al., 2010). These extension officers are more or less constant over time and are expected to have a nationwide coverage (Salifu et al., 2010).

In Sub-Saharan African countries a significant number of Farmer Bases Organisations and Agricultural Co-operatives have been created or supported through development projects undertaken by either government or non-governmental agencies.

During the structural adjustment period, the reforms in the 1980s and 1990s in Sub-Saharan ushered in a third wave of rural co-operative action with the view to move away from traditional agricultural co-operatives structure to more spontaneous, autonomous, and business oriented co-operatives (Onumah et al., 2007; Hussi et al., 1993). The growing awareness of the need to replace ineffective parastatal agricultural co-operatives with private, profit-oriented co-operatives ended in various attempts, not always successful, to reform rural governance and legislation across Sub-Saharan Africa (Hussi et al., 1993).

In its 1994 annual report of Ghana, the Department of Co-operatives (DOC) found that the main problem associated with agricultural co-operatives in Ghana during the post-independence period was that the farmers saw them mainly as a means to obtain public support rather than to promote competitive agribusiness. The traditional agricultural co-operative in Ghana remained prominent in Ghana till the end of the 1990s when the need for more independent forms of co-operative action finally appeared in official policy documents (Develtere et al., 2008). The DOC was formed in 1994 with the responsibility to register, monitor, and support co-operatives in Ghana.

It is only with the starting of the new millennium that Ghana observed a rapid emergence of both governmental and non-governmental projects seeking to enhance the development co-operatives/farmer based organisations and to liberalize existing agricultural co-operatives (Salifu et al., 2010). The government of Ghana through its recent policy documents about the Growth and Poverty Reduction Strategy (2006) and the Food and Agriculture Sector Development Policy (2007), attaches great importance on organising agricultural co-operatives and FBOs in the country to enhance coordination among rural smallholders (Republic of Ghana, 2005, 2007). With the liberalisation of the economy in most African countries through the adoption of Structural Adjustment Programmes (SAPs) in the 1990s, co-operatives entered a new era because they arguably afforded a beginning to run their affairs following the “retrenchment of the state from the development of co-operative activities.

As a result of the liberalisation, the government of Ghana allowed a new co-operative bill to be drafted by Department of Co-operative (DOC), with contributions from relevant stakeholders including the Co-operative Council, the Co-operative College, and some representatives of national agricultural co-operatives to replace the Co-operative Societies Decree from 1968. The primary objective is to enhance the autonomy and independence of co-operatives, thereby reducing the power of DOC to intervene in co-operative decision-making (Tsekpo, 2008). The bill also comprises a mandate for the establishment of Co-operative Development Fund to sponsor education and training of co-operative members and to promote co-operative activities (Tsekpo, 2008).

In line with the new economic environment that was sweeping across Africa in 1990s, many countries including Ghana introduced new policies and legislation ostensibly to liberalize the co-operative sector (Wanyama et al., 2008). According to Wanyama et al (2008) “the main content of the resultant framework was to facilitate the creation of commercially autonomous and member-based co-operative organisations that would be democratically and professionally managed, self-controlled and self-reliant.”

**4.4.4 Strategy to Enhance Agricultural Co-operatives/ FBOs in Ghana**

A handbook of the Ghanaian Ministry of Food and Agriculture (MoFA) and German Technical Corporation (GTZ) (2008) recognises the following strategy to promote the formation of Farmer Based Organisations/Co-operatives (FBO):

(1) Create awareness about the purpose of the envisaged collective action and its potential benefits.

(2) Hold group discussions with persons who are interested in participating to identify their needs and problems and how the FBO/Agri-Co-op can contribute to addressing them.

(3) Make a list of potential members who are eager to join the FBO/Co-operative, making sure that they all understand and agree on the objectives set for the group and the level of commitment required from their side. Facilitate the group of potential members in the process of identifying a name for the FBO/Agri-Co-op.

(4) Form an interim management committee selected by the group of potential members.

(5) Support the interim management in drafting a constitution for the FBO/Agri-Co-op.

(6) Finalize a membership list based on the payment of a registration fee, other financial commitments, or both.

(7) Facilitate the election of FBO’s/Co-operative’s leaders based on members’ preference and the rules identified in the constitution.

(8) Register the FBO/Co-op as a legal entity with the Registrar’s General Department, DOC, the district assemblies, or MoFA.

Moreover, TechnoServe’s Inventory Credit Programme presents valuable information about how FBOs and agricultural co-operatives are established in Ghana. Under this programme TechnoServe formed new FBOs/agricultural co-operatives and recognised the existing ones. All agricultural co-operatives set up or re-established under this programme were required to have 20 to 50 members. Only business-oriented FBOs/agricultural co-operatives were considered for this programme. In other words FBOs/agricultural co-operatives willing and able to produce surplus, collect it, store it, and sell it in the market at a competitive price were considered. Each FBO/agricultural co-operative was also needed to sign a formal management assistant agreement with TechnoServe and pay a fee for TechnoServe services. Groups were aided in drafting a formal constitution and democratically electing their leaders. Each FBO/agricultural co-operative was required to open a bank account. Lastly, each FBO/agricultural co-operative was required to collect contributions from the members to be utilized as a buffer in times of economic downturn.

**4.4.5. Supporting Agricultural Co-operatives/FBOs Projects in Ghana**

Salifu et al (2010) indicate that support to existing FBOs and agriculture co-operatives takes different forms as follows:

(1) Training- Significant training is often given to the leaders and members of agricultural co-operatives/FBOs on managerial techniques, leadership skills, and record keeping. Furthermore, they are also trained on how to use new technology including the use of new equipment, seed varieties, and other production inputs. In line with the support from Agricultural Services Sub-sector Investment Project (AgSSIP, 2002a; 2007b; 2007c), representatives of FBOs/agricultural co-operatives were trained at the co-operative college in Kumasi to enhance their managerial competence. Moreover, AgSSIP purchased gari (ground cassava) and palm oil processing equipment for some FBOs/agricultural co-operatives, and their members were trained on how to use them. Most projects provide training free of charge (Salifu et al., 2010).

(2) Grants/Subsidies. In Ghana, grants and subsidies can be provided to co-operative members either in cash or kind. The subsidies comprise major agricultural input like fertilizer, pesticides, livestock, storage facilities (for example silos, warehouses) and different kinds of equipment (for example mills, tractors, containers, vehicles). For example, Heifer Ghana provided cows, goats, sheep, and many things to farmer groups in Brong Ahafo and Eastern Region of Ghana. Ghana’s Millennium Challenge Account Programme helping members of some selected FBOs and agricultural co-operatives with improved seed varieties, fertilizer and insecticides, and funds to rent in tractors. Normally cash grants are also attached to the purchase of agricultural inputs or specific equipment ([www.mida.gov.gh/documents](http://www.mida.gov.gh/documents)).

(3) Credit: Loans to FBOs/agricultural co-operatives are usually attached to specific inputs or goods. A case in point is the ADRA project (2004-2006), where tractors were hired on credit to help members of FBOs/agricultural co-operatives in their land preparation. In communities where animal traction was practiced ADRA provided credit for the purchase of oxen. Again ADRA project presented agricultural inputs such as fertilizers, pesticides and other things on credit. Besides cash, ADRA accepted agricultural output as repayment for the loan. However, in few cases like Cashew Development Project, credit was provided to the farmers in cash. It is significant to note that the recovery rates of cash loans under ADRA are heterogeneous, stretching from a minimum of nine months to a maximum of 80%.

(4) Certification. The usual trend is for a FBO or agricultural co-operative to obtain a package comprising training, direct investments, and brokerage services (to establish contracts with buyers and sellers), mainly by NGOs accredited fair-trade, organic/biology, quality, origin, and/or other certifications (Salifu et al., 2010).

(5) Common Resources. Some projects assist agricultural co-operatives, FBOs, and communities through the rehabilitation of forests or pastures; the construction of terraces to control soil erosion; construction of wells, dams, and irrigation systems etc. In line with the Plan Ghana Livelihood Improvement Programme, eight dams were constructed in the Sisala district of the Upper West region. Communities benefiting from the dams have formed Water Users Association to manage the dams with respect to the needs of the local people.

**4.4.6. Projects Impact**

The study conducted by Salifu et al (2010) found two studies assessing the impacts of related interventions in Ghana co-operatives. The two studies evaluate the impact of the AgSSIP and ADRA projects.

AgSSIP supported projects include: provision of agro-processing equipment as well as technical and financial support for crops and animal production, training of members and leaders to enhance their managerial skills, and construction of storage facilities. The study identifies that the projects of AgSSIP had benefited 1300 executives (48% were women) from 320 FBOs/agricultural co-operatives.

The study found that the project had generated a significant and positive impact on the livelihoods of the members of the FBOs/agricultural co-operatives as well as on their communities. In particular, the provision of the processing equipment to the FBOs/agricultural co-operatives had a significant outcome with respect to the added values to the agricultural production.

Furthermore, the construction and improvement of storage facilities to the farmers assisted towards the reduction of post-harvest losses. The study also found that over 90% of the FBOs/agricultural cooperatives interviewed reported a significant improvement in their record keeping as a result of the training they obtained from the project (AgSSIP, 2007c). Also, the study revealed that the training contributed to an increase understanding and appreciation of collective entrepreneurship. The study further revealed that the training session created an opportunity for FBOs/agricultural co-operatives leaders to meet and exchange information, leading to the formation of four apex bodies in the form of district-level agricultural unions (AgSSIP, 2007b).

The study also shows that at the end of 2006 the ADRA projects had helped about 1,632 FBOs/agricultural co-operatives in the preparation of land, provision of agricultural technical assistance, the development of enhanced storage facilities, supply of agricultural inputs, and agro-processing equipment (ADRA, 2004, 2005, 2006a, 2006b). The impact evaluation report revealed that the support given to FBOs/agricultural co-operatives led to an (a) increased yields as a result of new and improved cropping technology; (b) reduced storage losses as a result enhanced storage units; (c) reduced months of household food shortages through higher production of annual and tree crops; and (d) enhanced agricultural revenues for members of agricultural/co-operatives/FBOs.

The report also shows that food shortages have reduced drastically on the part of beneficiaries, and interestingly, the programme beneficiaries were producing an average yield of 10 bags per acre (2.5 tons/hectare) of improved varieties, while similar farmers who did not participate in the project continued to grow an average of 3 bags of local varieties per acre (0.8 tons/hectare). The beneficiaries reported that the programme had contributed to reintroducing tree crops such as citrus, mango, orange and others that will enhance livelihood sustainability. Finally, the farmers justified that the project support on land preparation for farming was the most functional of ADRA’s intervention.

**4.4.7. Co-operatives/FBOs in Ghana**

Table 73, Appendix 46 shows the statistics produced by Department of Co-operatives (DOC) in Ghana on the number of registered agricultural-co-operatives. The statistics indicate that 4,777 registered co-operative existed in Ghana in 2008. Of these 64% (3,069) were agricultural co-operatives. Table 73 further shows that from 1998 to 2008 the number of registered co-operatives grew more than threefold. However, disaggregated figures differentiating agricultural co-operatives from others are available only from 2002 onward. It is obvious however, that agricultural co-operatives continuously represented majority of co-operatives in Ghana between 2002 and 2008. It is clear from the Table 73, Appendix 46 that in the latter period the number of agricultural co-operatives grew from 874 to 3,069, denoting an increase of about 251 percent. The census of co-operative entities presented by DOC appears reliable and accurate, and provides valuable insights on the growth patterns in relation to co-operatives in Ghana over time. Nevertheless, the main weakness of this source is that it includes only registered co-operatives neglecting others that were not registered.

Table 74, Appendix 47 shows the regional distribution of farmer-based organisations (FBOs) and agricultural co-operatives in Ghana. It can be observed that some of these estimations reported by MoFA in 2007 and 2008 during two workshops by 10 Regional Agricultural Development Units, report not the total number of FBOs and agricultural co-operatives in each region but only the number of new FBOs and agricultural co-operatives established in the year under consideration. Examples include central region for 2006 and 2007, Greater Accra region for 2006, and Upper West for 2006.

Irrespective of this error of measurement, Table 74 reveals that the total numbers of FBOs/agricultural co-operatives in 2006 and 2007 were, respectively, 8,285 and 8,751. The data from MoFA seems to be reliable in measuring the total population of rural co-operatives/FBOs. Nevertheless, the census reported by this source for 2006 and 2007 provides likely but not substantial information, since 3 regional agricultural development units reported only the number of newly established FBOs/agricultural co-operatives. Therefore, the data provided by MoFA through voluntary registration of agricultural co-operatives/FBOs does not give reliable or accurate figures about the size and growth of the population, but adds information about the attributes of the agricultural co-operatives/FBOs in the country (Salifu et al., 2010).

Also, since the groups were asked to come forward voluntary, self selection bias is likely to have affected the representativeness of the data collected. Hence, the total population of FBOs/agricultural cooperatives reported by MoFA is a likely under-estimation of the real population.

Furthermore, DOC reported a yearly growth rate of 28% for the period between 2005 and 2008, whiles MoFA’s annual workshops report a yearly growth of 6% between 2006 and 2007 making the growth rates unclear. Nevertheless, all the data sources are consistent in showing that under-estimation problems exist. This suggests that the total population of agricultural co-operatives/FBOs can be anticipated to be equivalent to 10, 000 units (Salifu et al., 2010).

Table 75, Appendix 48 presents a breakdown based on the collective activities undertaken by the FBOs/agricultural co-operatives, disaggregated by region. It can be observed in Table 75, Appendix 48 that the majority of these groups are categorised as production organisations, whereas the marketing category has the least number of the FBOs/agricultural cooperatives.

A hand book compiled by MoFA and GTZ (2008) defines the above classification as follows:

Firstly, Production FBOs/agricultural co-operatives are formed to give members access to credit and agricultural inputs, but not purposely to do collective farming. In many cases, the members of these agricultural co-operatives/FBOs join together only to cut the costs and share the risk associated with training, credit, and input procurement, but produce at the individual level on their own farms.

Secondly, Processing FBOs/agricultural co-operative are normally formed to support the processing of agricultural output. Examples include dairy processing co-operatives collecting milk and transforming it into butter, yogurt, and cheese, shea butter processing groups, palm oil processing groups, gari (ground cassava) processing groups, smoked fish processing groups, and so forth.

Thirdly, marketing agricultural co-operatives/FBOs are organised to ensure agricultural-food commercialization. The groups mainly purchase agricultural output from farmers to sell it to traders and retailers or directly to final consumers. Examples include fruit and vegetable marketing association that buys from farmers in irrigated rural areas and sells to regional traders or urban consumers.

Finally, the multi-purpose FBOs/agricultural co-operatives engaged in one or more activities mentioned above and at the same time undertake livelihood protection activities like external fund-raising, community work, or mutual support in illness circumstances, funerals, weddings and many others. Others also involved in the environmental management to regulate the use of common natural resources such as forests, groundwater basins, irrigation schemes, pastures, fish stocks etc.

**Chapter 5**

**5.0 Research Methodology**

**5.1 Introduction**

The previous two chapters have reviewed the background of the small-scale poultry industry in Ghana, and the literature on the factors that affects its growth and the factors that can positively influence its growth and competitiveness. Collectively these chapters provided the literature review for the study.

This chapter presents the research methodology and operationalisation and sets out the objectives of the study, rationale for the choice of the study, and the study area. The research question that the study examines has been stated and the research strategy explored. The data used for the empirical analysis were obtained from semi-structured interviews with the poultry farmers and stakeholders.

The study was conducted in five regions of Ghana where poultry farming is largely practiced. These regions include: Greater Accra Region (Accra Metropolitan area and Ga District); Ashanti Region (Kumasi Metropolitan area and Atwima District); Brong Ahafo Region (Sunyani Municipal area and Dormaa District); Western Region (Secondi-Takoradi Metropolitan area and Bibiani District); Northern Region (Tamale Metropolitan area and Tolon-Kumbungu District). The first four regions are in the southern part of Ghana, whereas the last region (Northern Region) is in the northern part of Ghana.

The data collection was undertaken between October, 2009 and February, 2010. Of the 1000 poultry owners sampled, 134 were short-listed for the interviews by a stratified random sampling for administrative purposes in the five regions. However, 129 poultry farmers were interviewed due to the absence of four farmers who informed the researcher about their busy times schedules.

Of the 129 responses, 9 were eliminated because their poultry farms were found outside the selection criteria. In total 120 useable responses was achieved representing 89% of the response rate. In addition 92 stakeholders were contacted through snowball chain, which started from several different people from different social groups in the five regions where the study took place. However, 80 respondents were interviewed, because 5 respondents were inconsistent, and 7 respondents were found outside the selection criteria of the stakeholders’. In total, 75 useable responses were achieved denoting 83% response rate.

**5.2 Objectives of the study**

The study examines the factors that affect the growth of the small-scale agribusinesses in Ghana, focusing mainly on the small scale poultry industry. The main objective of the study is to provide guidelines and recommendations for improving poultry farming at the level of small-scale poultry farmers’ in Ghana through the organised Social Movement (NGC). The specific objectives of the study are:

1. To solicit government intervention or support through lobbying, campaigning and political arguments in order to sustain and strengthen the failing small-scale poultry industry in Ghana.

2. To bundle the competencies and the resources of the small-scale poultry farmers’ that are more valuable in a joint effort than when kept separate by the individual farmers, in racing against foreign competitors who are driving them out of business. This is due to the result of severe competition facing the local small-scale poultry industry as a result of unprotected market, trade liberalization and globalisation of markets, structural adjustment policies, deregulations and indifferent official (government) policy direction.

3. To identify the factors that affect the growth of the poultry production and the intervention required to eliminate them.

4. To investigate the business decision making process of the poultry farmers in order to increase poultry productivity, withstand the present competition facing the poultry industry, and improve the competitiveness of the poultry industry using the organised Social Movement under NGC approach.

**5.3 The rationale for the choice of the Study**

Research shows that poultry farming contributes immensely towards the nutritional needs of Ghanaians, and acts as a safety net for the rural and peri-urban populates in all parts of Ghana, particularly, northern part of Ghana where poverty is endemic (Aning et al., 2008; Aning., 2006; Aboe et al., 2003). The birds and eggs provide income for about 2.5 million households in Ghana, and support farmers’ in the payment of their children school fees, hospital bills, payment of debts, personal needs and supply of domestic meat and eggs (Aning et al., 2008; Aboe et al.,, 2003; Okantah et al., 2010; Okantah et al., 2005). Poultry farming is the source of livelihood to both commercial and backyard (rural) poultry farmers.’ Poultry farming as a business go beyond the basic needs of individual farmers’ and play an important role towards national development by acting as employment avenue to over 400,000 poultry farmers (CorpWatch, 2005), 85,000 farmers’ of maize and other cereals (Offei Nkansah, 2004). It is therefore a backbone of the Ghanaian economy.

However, evidence from various research shows that liberalisation and globalisation of markets have paved way for severe competition against the poultry farmers’ in Ghana, and other developing countries especially, the resource poor small-scale poultry farmers over two decades ago and had left some of the farmers’ out of their businesses and others, stunted growth (Khor, 2008; Aning et al., 2008; Chisenga et al., 2007; Issah, 2007; Corpwacth, 2005 Ghanaian Chronicles, 2005). However, many critics and outspoken intellectuals from across the African continent has not been able to come up with clear alternatives to enhance the competitiveness of the small-scale poultry and food crops farmers despite several meeting and forums (Baxter, 2002).

In an attempt to contribute to the growing knowledge of the poultry industry and to influence policy initiatives in Ghana and other African countries, where almost certainty, little empirical research have been conducted in this area concerning the strategies that would benefit the small-scale farmers, motivated the researcher to choose this topic for this dissertation.

**5.4 Problem Statement**

According to MOFA, chicken constituted about 13 000 tons of meat production in 1998, and provides about 20% of Ghana’s annual consumption of animal meat, estimated at an annual 65000 tons/year (Agro-Ind., 2002). The official document of MOFA (FASDEP, 2002) estimates the annual poultry production (all birds) to be 14, 000MT. of meat and 200 million eggs, respectively. However, the domestic Ghanaian meat demand (all types) is estimated at an annual 200,000 tons. Therefore, the national production lags well behind this level, resulting in Ghana being a major importer of meat including chicken, turkey, beef and pork, etc (Agro-Ind., 2002; Aning, 2006; Aning et al., 2008).

**Table 18: Estimated local poultry meat production in tons (1995-2005)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Exotic Layers** | **(Commercial Broilers** | **Birds Cockerels** | **Sub-Total** | **Local chickens** | **Grand Total** |
| 1995 | 5,738 | 2,474 | 305 | 8,517 | 3,595 | 12,112 |
| 1996 | 5,804 | 3,201 | 1,062 | 10,067 | 4,452 | 14,519 |
| 1997 | 5,870 | 3,928 | 1,818 | 11,617 | 5,309 | 16,926 |
| 1998 | 5,936 | 4,655 | 2,575 | 13,167 | 6,167 | 19,333 |
| 1999 | 6,002 | 5,383 | 3,332 | 14,716 | 7,024 | 21,740 |
| 2000 | 6,068 | 6,110 | 4,088 | 16,266 | 7,881 | 24,147 |
| 2001 | 6,135 | 6,837 | 4,845 | 17,816 | 8738 | 26,554 |
| 2002 | 6,201 | 7,564 | 5,601 | 19,366 | 9,595 | 28,962 |
| 2003 | 6,267 | 8291 | 6,358 | 20,916 | 10,453 | 31,369 |
| 2004 | 6,333 | 9,018 | 7,114 | 22,466 | 11,310 | 33,776 |
| 2005 | 6,399 | 9,746 | 7,871 | 24,016 | 12,167 | 36,183 |

**Source: LPIU, MOFA (2005).**

The Table 18 above shows the contributions of the poultry industry (both commercial and village poultry) to domestic poultry meat production in Ghana. From the above it could be inferred that although, there is assumption that the village poultry forms about 80% of the national poultry populations, however, the greater percentage of poultry meat consumed in Ghana is of exotic origin and that domestically produced poultry meat is unable to meet demand of the consumers (Aning et al., 2008).

With high local demand for poultry meat and eggs coupled with the government’s unwillingness to increase import tariffs to protect and improve domestic production (Aning et al., 2008; Aning, 2006; CorpWatch, 2005; Issah, 2007; ISODEC, 2004; Khor, 2006), due to consumers welfare, and with her commitment in multilateral and bilateral arrangements, it is a necessity, not a choice to carry out this research to strategize for the strengthening of the small-scale poultry production to save jobs and enhance employment avenues in this sub-sector and beyond (Aning et al., 2008; CorpWatch, 2005).

**Table: 19 Poultry Meat and Egg Demand and Supply in Ghana (x 1000 tonnes)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year | Meat (chicken, turkey, guinea fowl. etc.) | | | | Eggs | | | |
|  | Production | export | Import | Demand | production | Export | Import | Demand |
| 2001 | 20.96 | 0 | 12.26 | 33.22 | 22.26 | 0 | 0.10 | 22.36 |
| 2002 | 23.40 | 0.79 | 27.30 | 49.91 | 23.32 | 0 | 0.08 | 23.40 |
| 2003 | 25.55 | 0.79 | 38.18 | 62.94 | 24.38 | 0.2 | 0.17 | 24.35 |
| 2004 | 28.27 | 0.39 | 48.0 | 75.88 | 25.18 | 0.17 | 0.14 | 25.15 |

**Source: FAOSTAT, 2006**

The Table 19 above indicates the figures of poultry meat, egg production, import and demand for poultry meat in Ghana. It could be ascertained that the demand of poultry products keep rising annually reflecting high population growth in Ghana, showing the significance of this study. Furthermore, the study of the three products in Ghana, namely: poultry, tomato and rice by Khor (2006) shows that Ghana is a victim of unfair market conditions as it faces competition from subsidized products of advanced countries.

Many African outspoken critics including farmers’ groups, women’s associations, non-governmental organizations (NGO’s), trade union leaders and intellectuals from across the continent had organized several Social Forums, and had criticised the World Bank, International Monetary Fund (IMF), Structural Adjustment Programmes and the economic ideology called “neo-liberalism”(Baxter, 2002).

These did seem to mark steps toward a better organizations and coordination’s among Africa’s movement on basic development issues. However, many critics and participants of Social Forums have not come up with clear alternatives, and as at now the alternatives remain elusive (Baxter, 2002). Baxter (2002) argues that Social Forums in Africa have had many slogans against prevailing economic policies and problems, and agreed on a firm rejection of “neo-liberal globalization” which in many ways, is affecting the resource poor small-scale farmers in many parts of Africa, but had more difficulty in developing a common voice on specific policy alternatives.

**5.4.1 Research question**

The situation of the small-scale poultry industry in Ghana poses an important question for investigation into the unfair and stiff competition which is knocking down the small-scale poultry industry in Ghana in more than two decades, without any solution. Therefore, the research question for the study is:

*What alternatives are there to explore to enable the Ghanaian Small-Scale Poultry Industry to grow*?

A full analysis of the above question would involve developing a complex understanding of the small-scale poultry industry in Ghana and the things needed to strategically strengthen the industry to survive and grow.

**5.5 Theoretical Framework**

**5.5.1 Introduction**

Current research shows that there are two main factors that affect the growth and competitiveness of the small-scale poultry industry in Ghana, namely: external and internal. The major external factor is the unfair competition from highly subsidised imported poultry producers from mainly EU and USA, causing sale prices below costs of production against the domestically produced poultry in Ghana. The major inherent (internal) factor is high cost of production (Aning, 2006; Aning et al., 2008; Issah, 2007). Another study also found that Ghana is a victim of unfair competition (Khor, 2006). Khor (2006) contends that although, the country is legally able to protect its fragile industries from unfair competition from advanced nations under WTO rules by raising its tariffs, but has been deprived by IMF and WB due to loan conditionalities.

The government argues that, her inability to increase tariffs is due to its obligation to adhere to international treaties, referring to WTO Agreements on Agriculture (AoA) (CorpWatch, 2005; Issah, 2007). Therefore, in order to find the best alternatives that would benefit the local small-scale poultry industry, it was decided to organize a Social Movement to unite the poultry farmers to undertake collective actions to enable them to combine their resources to compete with the foreign imports from EU and USA poultry farmers, and also, seek for government intervention by means of political arguments through the media, Parliament, NGOs, FAO, International Fund for Agricultural Development (IFAD), World Trade Organization (WTO), Technical Assistant Programme (TCP), International Network on Family Poultry Development (INFPD), and International Financial Institutions etc.

The participants of the social movement/NGC will constitute rational poultry farmers, stakeholders, interests groups, and well-integrated individuals who will develop strategies or tactics in pursuit of their interests. The poultry farmers and stakeholders have suggested that the government of Ghana should impose realistic tariffs whilst giving the necessary assistance in terms of infrastructure to support local industry to take off, and provide subsidies, incentives and loans with low interest rates for small-scale poultry farmers and organize poultry farmers into co-operatives to take advantage of other facilities (ISODEC, 2004). This shows that the poultry farmers are yearning for a collective action, indicating that the idea of forming the Social Movement (SM)/NGC is essential to the farmers and stakeholders.

In order to provide answers to the research question, the theoretical framework of the study is classified under three main headings:

1. Competitive Advantage

2. Government Support

3. Social Movements (Producer Associations)

**5.5.2 Competitive Advantage**

Previous empirical studies demonstrated that competition is the major external factor affecting the growth of the small-scale poultry industry in Ghana (CorpWatch 2005; Aning et al., 2008; Asuming-Brempong et al., 2006; ISODEC, 2004; Chisenga et al., 2007; Issah, 2007; Agritrade, 2008; Okantah, et al., 2010).

Many researchers’ and institutions have classified the “competition” facing the small-scale poultry industry in Ghana as “unfair” because, highly subsidised poultry producers from advanced countries are competing aggressively with lower cost poultry meat as a direct substitute of poultry meat in Ghana (CorpWatch, 2005; ISODEC, 2004; Khor, 2006; Khor, 2008).

Most of these advanced countries producers of poultry receive production and export subsidies that enable them to charge lower prices for their poultry meat which greatly affects the growth of the poultry industry in Ghana. The foreign imports of subsidised cheap poultry meat have negatively affected the growth of the local industry by flooding the local market leading to the death, stunted growth and abandoned poultry farms in the country (Khor, 2006; Khor, 2008; ISODEC, 2004; Issah, 2007).

The previous chapter reveals that the small-scale poultry farmers’ have become the least profitable industry in the local market owing to high production costs and fierce competition from the advanced countries. The poultry producers from different advanced countries especially, EU member states and USA have entered the Ghanaian market competing strongly with cheaper poultry meat. The competition is fierce because all the competitors from the advanced countries received production and export subsidies that enable them to pursue aggressive growth strategies with the view of wiping-off the small-scale poultry farmers’ from the poultry business putting pressure on prices, costs and the rate of investment necessary to compete.

In order to withstand competitive pressures and strengthen the market position of the small-scale poultry industry the study employs the Porter’s (1980) Generic Competitive Strategies, the formation of social movement (which sought to bundle material and immaterial resources of the poultry farmers), and the solicitation of government intervention to ensure competitiveness and growth of the poultry industry in short, medium and long-terms.

In order to achieve the objectives of the study in a short term, the generic competitive strategies were linked with the solicitation of government support, especially the provision of Government subsidies to promote the poultry industry within a specific period, so as to make sure that the poultry industry is competitive. The study highlights the importance of the above generic strategies and draws the attention of the small-scale poultry farmers to employ the generic strategies in order to achieve competitiveness in their local market.

The study further shows the necessity of the Poultry farmers to form social movements (that will allow them to combine their resources together, and work together as producers, processors and marketers) in order to add value to their products and attain economies of scale and scope to withstand their competitors in a long term. Belonging to the social movement also means that, they can lobby the government as a group for support and policy changes, and allow farmers’ voice to be heard in policy implementations.

In order to achieve these objectives, respondents were asked questions which concerns the strategies to increase their competitiveness in the local market. The data was then tabulated and categorized, then entered into a computer for frequency analysis. Rank–order priority analysis was performed using frequency of occurrences of respondents’ recommendations of factors that can influence the competiiveness and growth of the small-scale poultry industry in Ghana in order to obtain the most important strategic factors (top factors) for consideration and focus.

**5.5.3** **Provision of Government Support**

Empirical studies have demonstrated that the rise and fall of the poultry industry in Ghana since 1990s was due to the removal of government subsidies (Khor, 2006; Khor 2008; Aning, 2006; Aning et al., 2008; Issah 2007; ISODEC, 2004; CorpWatch, 2005; Ghanaian Chronicle, 2005).

In 1980s favourable agricultural policies and the interventionist measures of government that support poultry industry and agriculture in general were withdrawn under the guidance of World Bank and IMF (Aning et al., 2008; Khor, 2006; Khor, 2008) as part of the trade liberalization and bilateral agreements. Input subsidies were phased out and their sale was privatised (Khor, 2006) leading to the inability of the poultry farmers to compete with highly subsidised cheap imports of poultry producers from the advanced nations because of high costs of production and unfair competition (Aning et al., 2008; Issah, 2007; Khor, 2006; Khor, 2008; ISODEC, 2004; Corpwatch, 2005) resulting in the closure of many poultry farming operations and retarded growth.

The study examines those strategies that could be adopted by the government to increase consumption of the local poultry in order to enhance competitiveness and growth of the small-scale poultry industry.

Furthermore, the study aims at uncovering the major protection that the government could provide to sustain the growth of the poultry industry. To achieve these objectives the researcher asked the poultry farmers and stakeholders (key informants) open-ended questions through face-to-face semi-structured interviews.

The questions include the following: firstly, ‘what do you want the government to do to improve the consumption of the local poultry?’ Secondly, ‘what is the major protection that the government can give to sustain the growth of the small-scale poultry industry?’ Thirdly, ‘what strategy can positively influence the competitiveness and growth of the (1) small-scale commercial poultry industry (2) backyard/rural poultry industry in Ghana?’

The data was categorized and coded, and the variables were then entered into the computer for frequency analysis. Rank-order priority analysis was performed using frequency of occurrences of respondents’ recommendations of factors that can influence the growth and competitiveness of the small-scale poultry industry in order to determine the top factors for consideration and focus.

**5.5.4 Social Movement**

Previous studies have showed that trade liberalisation and globalisation of markets have greatly affected the growth and performance of the resource-poor small-scale farmers in developing countries, in particular, poultry farmers and food crops farmers (Pinto, 2009; Aning et al., 2008; CorpWatch, 2005; Chisenga et al., 2007; Mekay, 2008; Asuming-Brempong et al., 2006; ISODEC, 2004; Christian Aid, 2002; Christian Aid, 2005; Christian Aid, 2003; Ghanaian Chronicles, 2005; Agritrade, 2010; Gains 2008; Juhasz and Rouse, 2003).

Several studies in recent years have shown that majority of social movements (agricultural co-operatives) that were business oriented have been able to withstand these shocks, waves and competitions since the advent of liberalization of markets and globalisation (Chambo, 2009; Pinto, 2009; Fanatico et al., 2002; Juhasz and Rouse, 2003).

Social Movements (agricultural co-operatives) represent effective mechanisms for combating globalization and liberalization competitions that are threats to the livelihood of poor small-scale farmers in developing countries (Juhasz and Rouse, 2003; Pinto, 2009; Chambo, 2009). The University of Wiscinsin (Undated) pointed out that in this era of globalisation and liberalization when many small businesses throughout the whole world are facing competition to such an extent that they feel powerless to compete and survive their businesses social movements (agricultural cooperatives) symbolize a strong, vibrant and viable alternative (University of Wisconsin Webpage, undated).

The potentialities of Social Movements include prevailing over barriers to assets, inputs, information services processing and marketing of products (Holloway et al., 1999). Other services include financial service (savings and loans), technology services (businesses skills, health, general) welfare services (health, safety nets) policy advocacy, and managing common property resources (water, incubator, processor, hatchery and packaging) (Stockbridge et al., 2003).

Therefore, in order to answer the research question: “what alternative is there to explore to enable the small-scale poultry industry to be competitive and grow?” The researcher decided to adopt “strategic formation” of Social Movement (poultry farmer movement) to strengthen the position of the poultry farmers in the following ways:

(1) Motivating and encouraging the small-scale poultry farmers to combine their material and immaterial resources and work together as members of social movement in order to attain economies of scale and scope, and obtain other merits of the social movement to enable them to compete, survive and grow.

(2) To encourage the poultry farmers and stakeholders to collaborate so as to get a “bigger voice” to lobby the government for favourable policies and support. The study adopted strategic formation of the Social Movement in terms of performance of situation analysis, self-evaluation and competitor analysis (Strategic management-Wikipedia the free encyclopaedia, undated; Porter, 1980; Thompson and Strickland, 2001).

The literature review has showed that the small-scale poultry industry cannot compete on the basis of individual farmers because of severe competition, retardation, and low profit; rather they have to compete as a group due to the strength of their foreign competitors. The study utilizes Porter’s “Five Forces Analytical Model” to explain the nature of competition facing the poultry industry, and sets the achievable visions through semi-structured interviews with the poultry farmers and stakeholders. Frequency counts of the responses of the respondents’ recommendations were undertaken and the rank order priority analysis was performed to obtain the top factors.

The study adopted Porter’s Generic Strategy to guide the social movement (poultry farmer movement) to compete the foreign rivals strategically on the following approaches:

1. Cost-based approach which concerns economy pricing - an overall lower cost and price leadership strategy in the local market.

2. A differentiation approach which concerns serving the local market with unique poultry: fresh, tasteful, quality, processed poultry).

3. A focus (or niche) approach, that means social movement will supply quality fresh, processed and pre-cut poultry meet to target rich/higher income consumers. Focusing on supplying of poultry meat and poultry products to institutions, festivities, and also export processed poultry to neighbourhood countries. The study also adopted Johnson, Scholes and Whittington (2008) “Evaluation Model” to evaluate the effectiveness of the formation of Social Movement (poultry farmer movement) in three (3) key success criteria:

(i) Suitability (would it work?)

(ii) Feasibility (can it be made to work?)

(iii) Acceptability (will they work it?).

In order to ensure suitability the study utilised the following tools:

(1) Ranking strategic options

(2) Decision questionnaire: To achieve these objectives the researcher asked the interviewees a series of questions concerning:

(a) The factors that can likely enhance the competitiveness of the Backyard/Rural Poultry

(b) The factors (strategies) that can likely enhance the competitiveness of the small-scale Commercial Poultry Industry.

Based on the above frequency counts were undertaken after coding and categorising the responses of respondents and then the data was ranked to determine the top factors. The next step involved questions to find out the decision of the two interviewee categories on the following:

(1) Decision of poultry farmers and stakeholders to collaborate to form Social movement (poultry farmer movement); (2) Decision of the respondents to contribute their material and immaterial resources to support the expansion of Poultry Industry through the formation of Social Movement; (3) Decision of the poultry farmers and stakeholders to contribute to buy machines and equipment for use by the group and; (4) Decision of the respondents to engage in political campaign against unfair competition.

To ensure suitability of the Social Movement, the characteristics of the participants (age, gender, educational level, income level etc) were cross-tabulated with their decisions or intentions to join the social movement in order to assess the relationship between variables. Feasibility studies was carried out in the study to find out whether the resources required to implement the Social Movement were available, could be developed or obtained by the contributions of the farmers and stakeholders. It was observed that the resources required basically include funding which the poultry farmers and stakeholders and other investors such as government and NGOs could support willingly, the time of the participants and information needs.

To achieve this farmers and stakeholders were asked to indicate their incomes. The income of the poultry farmers were compared with the data from the literature review to obtain a general idea of the cash flow and the forecast, as well as the break-even point.

The researcher asked the respondents a series of questions to determine whether or not the individual poultry farmers and stakeholders were willing to: (1) join the Social Movement; (2) Collaborate and work together with a group of farmers and stakeholders, (3) Contribute funds or raise capital for business (4) Contribute funds to purchase equipment and machines for the group use, and (5) Engage in political campaign against the unfair competition. The characteristics of the respondents (age, gender, marital status, and educational level etc) were cross-tabulated against the decision of the respondents to assess the relationship between variables.

Acceptability is concerned with the expectation of the poultry farmers and stakeholders in terms of the expected performance outcomes, which can be a return, or risk on the part of stakeholders or farmers. In order to ensure acceptability a series of questions were asked to examine the decisions of the farmers and the stakeholders in terms of whether or not they want: to join the social movement, collaborate to buy equipment for group use, collaborate to lobby the government, and contribute their maximum quota to support the activities of the social movement and the growth of the poultry industry.

**Table 20: Definition of Variables examined in this study**

|  |  |
| --- | --- |
| VARIABLES | DEFINITIONS |
| Subsidies | Financial assistance given to poultry farmers by the government for the purpose of stabilising the price of poultry meat and eggs, ensuring plentiful supply of meat at all times guaranteeing the basic income of farmers and generally strengthening poultry industry and agricultural segment of national economy for example, feed, drug and vaccines subsidies |
| Information Dissemination | The circulation or wide dispersal of information to benefit poultry farmers for example, information on competition, price of inputs, cheap loans, disease of birds, and others |
| Infrastructure expansion | The basic physical and technical structures needed for the successful operations of poultry farming and agriculture production in general for example road construction, water supply, transportation and communication systems, bridges, electricity and all forms of energy |
| Advertising campaign | Typically, broadcasting through several media or channels such as radio, television, magazine, direct mail or websites focussing on the need for consumers to patronize local poultry meat |
| Employment security | The reliability of poultry farmers and their employees that they will be able to stay in the same job until retirement |
| Modern trends and technology in poultry | The application of modern science to poultry production. For example scientific control of poultry diseases, cross-breeding and the use of modern machinery such as hatchery plants. |
| Diversification of poultry Industry | The ability of poultry industry to make various changes, modifications and alterations in poultry production. For example rearing and producing different kinds of improved breeds of birds in the general direction |
| Social Movement | They are large informal groupings or organizations focused on specific political or social issues, resisting or undoing a social change. It also a group of people with common ideology who come together to achieve certain goals. |
| Collaborative training and education programme | In service training and education programme provided to a group of poultry farmers working together as a group to improve their skills and technological knowledge in poultry farming |
| Collaborative Advertising Campaign | Typical broadcasting through several media or channels by a group of farmers & stakeholders to promote the consumption of poultry meat and eggs |
| Strategic Cost-Cutting | Production cost reduction arising out as a result of judicious and economical use of resources used by poultry farmers |
| Best farming practises | The ability of poultry farmers ‘ to follow all instructions and practices considered prudent and responsible by local extension agents and certified veterinary service consultations |
| Quality improvement of local birds | It is the act of crossing indigenous and exotic birds and then leaving the hybrid offspring to natural section. Pure-bred or hybrid to natural cockerels (or pullets) selected for greater meat or egg productions are introduced into local flocks usually in order to increase egg production. Crosst breeding with the improved breeds followed by selection in the composite population |
| Stakeholders involvement | Stakeholders are asked to participate in some aspects of planning and policy initiatives or concern in poultry industry. They are persons with interest in poultry farming |
| Financial support | Financial resources provided to make poultry farming activities possible. The provision of monetary resources including money or capital and credit |
| Advocacy | Advocacy is a set of actions whose main objective is to sensitize with a view of influencing decisions about a cause or through pleading or arguing in favour of something |
| Guidance and counselling support | A detailed plan or explanation to guide the poultry farmers in setting standards or determining a course of action. Counselling is going through a problem and needs professional help to overcome it. |
| High tariffs or ban poultry imports | A tax or duty to be paid on poultry imports must be increased to reduce poultry imports or placing a ban to cancel all forms of poultry meat imports into the country. |
| Education and training | Government sponsored in-service training and education to improve the skills and technological know-how of poultry farmers. It Is expected that any form of in-service training and education would be sponsored by the social movements’ groups or through government support. |
| Expansion to self sufficiency | An increase or enlargement or development of the poultry industry so as to provide poultry products (meat & eggs) to Ghanaian populace without poultry meat imports from other countries. |
| Self sufficiency of made-in-Ghana poultry feeds | Ability of the poultry industry to produce made in Ghana poultry feeds without the help of other countries |
| Competitive industry | Ability of the local poultry industry by offering consumers greater value by means of lower prices or by providing quality poultry meat and eggs that justifies higher prices. |
| Imports restrictions | Methods employed by the government in controlling the volume of poultry meat imports or poultry products coming into Ghana |

These definitions were provided in an attempt to standardise interpretations and reduce variations.

**5.6 Operationalization**

The study examines the factors that affect the growth of small-scale agribusinesses in Ghana, focussing mainly on the small-scale poultry industry. The main objective of the study is to provide guidelines and recommendations for improving poultry farming at the level of small-scale poultry farmers in Ghana through the organised social movement. The study further seeks to solicit government intervention or support through political arguments in order to sustain and strengthen the failing small-scale poultry industry in Ghana. The purpose of forming the social movement is to combine the resources and the competencies of the small-scale poultry farmers and the stakeholders which are more valuable in a joint effort than when kept separate by the small-scale poultry farmers in racing against their competitors who are driving them out of business. This is due to an on-going severe competition as a result of unprotected market, political bias of trade liberalization, structured adjustment policies and deregulations on the part of the government.

This section outlined the research paradigm and research strategy, the reasons for using face-to-face semi-structured interviews, the reasons for rejecting other methods, and the use of qualitative research method. This section also outlined the reasons for the choice of research site and sample population, criteria for sample size selection, and procedure for gaining access to the sample population.

The study was conducted by the researcher in his role as a freelance consultant for a number of agribusinesses in Ghana. The study utilises a semi-structured approach to collect and analyze data, (Somekh and Lewin, 2005, pp. 27) and compares the similarity and dissimilarity between the responses of the farmers and stakeholders (Rubin & Rubin, 1995). Interviewees were chosen to find out how the interpretations or accounts of homogenous located respondents match, as well as to discover how those interviewees with dissimilar attributes, or in a different circumstances contradict (Klandermans and Staggenborg, 2002). Furthermore, in considering the alternative that would benefit the small-scale poultry farmers in Ghana, more interviewees were added until the topics such as the importance of social movement, competitive advantage and government intervention were saturated or fully completed (Klandermans and Staggenborg, 2002).

**5.6.1 Qualitative and Quantitative Approaches to Social Research**

Quantitative research is empirical research where the data concerned can be analysed in terms of numbers. On the other hand, qualitative research is empirical research where the data are not in the form of numbers (Punch, 1998).

Advantages of quantitative research include ability to produce causality statements, through the use of controlled experiments. It also allows sophisticated analyses through statistical techniques. Disadvantages of quantitative research are the following: Firstly, because of complexity of human experiences, it is difficult to rule out or control all the variables.

Also, because of human agency, respondents do not respond in the same ways. Furthermore, quantitative approach is associated with mechanistic ethos which tends to notions of freedom, choice and moral responsibility. Moreover, this approach fails to take account of people’s unique ability to interpret their experiences, construct their own meanings and act on them. Furthermore, quantitative research leads to assumption that facts are true and the same for all people of all the time (Hughes, 2006).

In qualitative research events can be understood adequately only if they are seen in context, therefore a qualitative research immerse itself in the setting. Secondly, the contexts of inquiry are natural and, nothing is predefined or taken for granted. Again, qualitative researcher wants the respondents to speak for themselves in order to provide their perspective in words and actions. Qualitative research is interactive process in which the respondents to be studied teach the researcher about their lives.

Moreover, qualitative researcher attend to experience as whole, not as separate variables, with the objective to comprehend experiences as unified. Specifically, advantages of qualitative research include the following: Firstly, the close researcher’s involvement enables him to gain an insider’s view of the field, allowing him to find issues that are often missed by scientific, more quantitative enquiries. For example subtleties and complexities of the insiders can be known to a qualitative researcher. Secondly, qualitative approach descriptions can play the significant role of suggesting possible relationships, or associations, causes, effects and dynamic processes. Qualitative research adds flesh and blood to social analysis (Hughes, 2006).

Many research methods such as structured questionnaire, postal questionnaires, telephone surveys, internet surveys can be adopted in research to collect data. Each of these research strategies would provide the researcher with several approaches in gathering data, as well as the techniques in data processing and analysis. The key is to understand which type of data that would be more applicable to reaching ones goal of research. For asking the participants what type of content they want more of, qualitative data is more advisable because it potentially inspires new ideas and gets to the heart of participants to recognise what they really want.

Qualitative approach is more applicable for deeper research because objective questions tend to miss out on subjects who are passionate about the subject matter and are willing to fill out subjective answers.

In order to address the research question and the research design, the researcher considered the purpose of the inquiry, what information would be most useful, and what information would have the most credibility. Base upon these the researcher sets out qualitative approach that can yield rich information to better understand the strategies that can influence the competitiveness and the growth of the small-scale poultry industry. Qualitative approach was adopted to gain new perspective and more in-depth information that may be difficult to convey quantitatively. Well structured qualitative research provides rich in-depth data loaded with insights which cannot be found from quantitative research strategies (Denzin and Lincoln, 1994).

Furthermore, in order to obtain unrestricted opinions from the respondents and asked questions that would enable the researcher to better understand the various dimensions of these opinions and the reasons for them (Burns and Bush, 2006) it was decided to adopt qualitative research method for data collection. Despite the fact that qualitative data takes more time to analyse and interpret, it is the key to find useful insights and inspired creativity. Quantitative research separates the researcher from the respondents, and focuses on the object in an effort to understand reality. However, subjective research puts the researcher and subject into the context of situation to understand it.

**5.6.2 Research paradigm**

In order to obtain unrestricted opinions from the respondents, and ask questions that would enable the researcher better understand the various dimensions of these opinions as well as the reasons for them (Burns and Bush, 2006, pp.221) it was decided to choose qualitative research as a means of collecting data. As the objective is “to provide strategic guidelines and recommendations for improving poultry farming at the level of small-scale poultry farmers in Ghana through the organized social movement, and solicitation of government intervention through political campaign and arguments” the study adopts a transformative paradigm, aimed to transform the unfavourable predicaments and the livelihoods of the small-scale poultry farmers in Ghana.

Furthermore the study utilises explorative and descriptive approach to collect and analyse data, and to examine the factors and concepts that would potentially lead to the development of theoretical constructs, so that clear meanings could be given to the phenomenon under investigation, and the research question being answered.

**5.6.3 Selection of Research Paradigm**

The choice and selection of a research paradigm is based on the philosophical assumptions or theoretical paradigm about the nature of reality which are critical to the understanding of the overall perspective from which the search is designed and carried out (Krauss, 2005). It is therefore, important to give a due consideration to the preferred philosophical perspective (Strauss and Corbin, 1990) that suit the underlying investigation, as well as the type and form of data that is available or that is being sought by the researcher and the scope of the study itself. These components can come together in many distinct ways with each different combination prescribing a different and unique pattern. It is this paradigm, and not solely one of its elements that should guide decisions about the choice and selection of research methodologies.

Therefore, a theoretical paradigm can be defined as “the identification of the underlying basis that is used to construct a scientific research.” In other words, it is a loose collection of logically held together assumptions, concepts and propositions that aligns thinking and guides the investigation. Also, a paradigm is the basic belief system or world view that regulates the research (Guba and Lincoln, 1994, pg.105).

Based on the research objectives and the empirically derived research question, as well as the research needs, the researcher adopted transformative paradigm (Mertens, 2005; Creswell, 2003, pg. 9) also known as a critical theory paradigm (Chritie et al., 2000; Guba and Lincoln, 1994) as appropriate for this research. The research problem under investigation requires a paradigm that is emancipated, participatory, advocacy, empowerment-issue oriented, change-oriented, interventionist, and politically-oriented (Mertens, 2005; Creswell, 2003) and has the elements of positivism and constructivism (Perry et al., 1997), as well as pragmatism (Mackenzie and Knipe, 2006, pg.4). This paradigm is called transformative(Mackenzie and Knipe, 2006 pg.4), which is also known as critical theory paradigm (Christie et al., 2000. pg. 6). Transformative researchers believe that inquiry needs to be intertwined with politics and a political agenda (Creswell, 2003, pg.3) and contain agenda for reform that may change the lives of participants, the institutions in which the individuals work or live, and researcher’s life (Creswell, 2003 pg.9-10).

Transformative or critical theory paradigm is the most appropriate because the study attempts to intervene in the transformation of the small-scale poultry farmers from their mental, emotional and social structures (Guba and Lincoln, 1994).

Furthermore, transformative researchers seek to critique and change social, political, economic, ethnic, and gender values (Christie et al., 2000 pg.6). Thus this study does not seek to identify causal relationships, but instead considers the complex nature of the research problem (Christie et al., 2000) through the organized social movements and solicitation of government intervention to improve the competitiveness of the small-scale poultry farmers in Ghana.

Transformative researchers may employ qualitative and quantitative data collection and analysis methods in much the same way as the constructivist (Mackenzie and Kinpe, 2006, pg. 3), however, some researchers argue that, a mixed methods approach provides the transformative researcher structure for the development of more complete and full portraits of our social world through the application of multiple perspective and lenses (Somekh and Lewin, 2005, pp.275), allowing for understanding of greater diversity of values, stances and positions (Somekh and Lewin, 2005 pg. 275). Therefore, this study adopts a mixed methods approach throughout the project.

Based on the research problem under investigation and the selected research paradigm, the following research was undertaken throughout the research process.

**5.6.4 Exploratory Research:**

This is mostly unstructured informal research. This type of research was undertaken to gain background information about the general nature of the research problem (Burns and Bush, 2006, pg.117). This method assisted the researcher to better comprehend the nature of the small-scale poultry farmers’ problems (Sekaran 2003) and the identification of the farmers who have interest in the organized social movements.

**5.6.5 Experience Survey:**

This refers to the act of gathering special information from those thought to be knowledgeable or have experience on issues relevant to the research problem (Burns and Bush, 2006). This research design method was used to gather special information from the public authorities and managers, Veterinary Service Department (VSD), Extension Officers and the Ministry of Food and Agriculture (MOFA), Ghana National Association of Poultry farmers (GNAPF), etc, to investigate the root causes of the research problem and how the study would benefit the poultry farmers in Ghana.

**5.6.6 Longitudinal Studies:**

This research design method repeatedly measures the same sample units of a population over a period of time (Burns and Bush, 2006). The longitudinal research was undertaken to examine the future needs of the small-scale poultry farmers and stakeholders to ensure systematic, rational, and pragmatic approach to planning, implementation, managing, monitoring, viability and the evaluations of the social movement/NGC, as well as the technology transfer to poultry farmers.

**5.6.7** **Choosing a research strategy**

A research strategy is a plan of action that gives direction to researcher’s efforts, enabling him/her to conduct research systematically rather than haphazardly. It is about the data collection techniques used in collecting research data. The research strategy must explain the method to be employed in carrying out the study. The most suitable responses that answer the research question(s) and the cost-effective approach of collecting data were taken into consideration before the research strategy was decided. The choice of research strategy and the selection of research method were based on the nature and content of the issue under investigation, as well as the objectives of the study. However, since the researcher seeks to observe and interpret meanings of context, it was neither possible nor appropriate to finalize research strategies before data collection begun (Patton, 1990).

**5.6.8 Reasons for choosing face-to-face semi-structured interview**

The face-to face semi-structured interviews was adopted to interview the poultry farmers and stakeholders based on the following, merits: The face-to-face semi-structured interview gives a researcher more insight into the imaginations, visions, hopes, expectations, critiques and the needs of the respondents. Face-to-face semi-structured interview approach gives respondents ease and convenient atmosphere to give informative and honest answers without fear. Unlike the other methods, the selected approach encourages respondents to express their thoughts, ideas and views freely.

Face-to-face semi-structured interviews enable a researcher to gain instant feedback because respondents are usually motivated to reveal their emotional thoughts, and respondents respond favourably when they are confronted in persons, and also, they participate fully, honestly and actively involved in the interview process. Unlike other approaches, the selected approach ensures rapport building, quality control and adaptability of the interviewees’ situations.

Face-to-face semi-structured interview enables a researcher to clarify and rephrase questions to the level of respondents understanding, and researcher can seek clarification on unsatisfied responses provided by the interviewees. This approach allows for a comparison of interviewees’ responses.

The use of face-to-face semi-structured interview provides the interviewer with a detail understanding of why respondents provide certain responses, as well as the meaning and significance of respondents’ responses. It provides a greater framework for respondents to express themselves in their own terms according to the way they understand a question, and give detail answers to support their claims. Unlike other approaches, if a respondent misunderstood or do not follow directions, they may not become frustrated and quit because with the face-to-face semi-structured interview, the interviewer is around to explain questions and monitor directions to get rid of any frustration which can easily occur in other methods like postal questionnaires, mail questionnaires and computer assisted interviews.

With face-to-face semi-structured interview approach, information is captured directly and indirectly. For example, negative impressions respondents have against any specific question can be captured. Also interviewees thought processes, emotions and feelings can be captured to help the interviewer identify reasons behind their opinions by asking questions, probes and investigates into deep thoughts and issues.

Furthermore a researcher can add new aspects to every research which uses face-to-face semi-structured interview approach because it has the capability to catch information and probes into new factors which have been introduced by the interviewees. This method is flexible and allows interviewees a greater opportunity to adapt to the flow of the interviews by adjusting questions during the process of interviews. This approach is characterised with its ability to enable the researcher to explore into new previously unknown areas of research, and can also reveals new unidentified ideas or factors.

**5.6.9 Key Informant Interviews**

A key informant is someone who can unlock key information to a researcher. Key informants were selected to be interviewed with the face-to-face semi-structured interview approach on the following advantages. Key informants allow information to come directly from knowledgeable people who have a working relationship with the farmers and have the professional training in the topics for discussions.

Semi-structured interviews approach with the key informants is known to provide in-depth and rich data and insight about topics that cannot be obtained from other methods to interview them, such as personally administered questionnaire, mail questionnaires, electronic questionnaires, observations and other survey methods. It gives opportunity for the researcher to explore causes of a problem and can be used with all groups.

Furthermore, the key informants interviews provides flexibility to explore new ideas and issues that had not been expected in planning of a study but important to the purpose of the study. Key informant interview permits personal contact and provides an opportunity to build or strengthen relationships with important community leaders. Again this approach was adopted because it is generally easy to find stakeholders with necessary skills and interview them, because most stakeholders want to express themselves face-to face to justify their professional training and experience, and they always want to give relevant contributions.

Furthermore, to interview key informants face-to-face is among the least expensive methods of social service research methods, relatively easy and inexpensive as compared to the other methods.

Also, interview key informants are not without limitations based on the following: findings can be biased if the informants are not carefully selected, especially when the interviewer is not familiar with the local conditions of informants on the basis of their social and economic standing. Again, the findings can be susceptible to interviewer biases especially if the views of the elites are given more credence than those from lower socioeconomic strata.

Finally when only a few people (fewer than 15) are interviewed, it may be difficult to demonstrate the validity of the findings. Although face-to-face key informant interviews approach is more time consuming and time intensive as it requires additional scheduling and logistical planning, but was adopted because it provides a free exchange of ideas and tend to be asking more complex questions and getting detail instant responses.

**5.6.10 Reasons for rejecting the other methods**

The reasons for rejecting the other methods are as follows: Firstly, in Ghanaian culture postal and mailing questionnaires, as well as telephone interviews are not well patronized by the local people for fear of furnishing a stranger like a revenue or tax collectors with some vital information which could turn against interviewees for paying more taxes in the near future, or could lead to any other unexpected eventualities and misfortunes. Such methods mentioned above usually distract entrepreneurs and stakeholders if they are asked to complete postal questionnaires or other self-administered interviews. On the other hand discussing the purpose of the interviews in a face-to-face introduction, and clearly explaining the reasons why an interviewee was selected is one of the best approach to build rapport in Ghana, and to clear all doubts, fears and distractions of the respondents.

Furthermore, not all poultry farmers and stakeholders have access to reliable telephone network in Ghana, particularly poultry farmers in towns, villages/rural areas as well as peri-urban areas, are very difficult to get in touch on telephone. Telephone directories are not dependable in Ghana, and therefore, many poultry farmers and stakeholders prefer using mobile phones, whose reach are equally difficult, and many at times impossible.

Secondly, some of the poultry farmers especially those in rural areas and hinterlands have low educational backgrounds and therefore, they require assistance of the interviewer or an interpreter to explain the questions to their level of understanding to enable them give good responses.

Moreover, as far as the telephone interview is concerned the researcher is not sure who may be providing the responses, and he is not able to decide if the interviewee is not given honest answers. Specifically, the sort of personality of the researcher is very important in interviews of this kind where the rapport building is indispensable and therefore, mail questionnaire, structured questionnaire, and telephone interviews were rejected. Even though e-mail and postal questionnaires are less time consuming, and less expensive methods of data collection, but they are associated with delays in responses, and moreover, many poultry farmers and stakeholders do not have access to internet in their premises or houses, as well as dependable postal addresses and email addresses due to unavailability of post code numbering in Ghana. Therefore contacting them through emails and posts was going to be very difficult, if not impossible.

Also, there is a high rate of non-response rate regarding emails and postal questionnaires in Ghana. This low rate response is likely to bring a bias into the sample because most of the answers may not be true representative of the poultry farmers and stakeholders. Again, where a respondent find it difficult to understand, or cannot read a question well, the researcher may not be there to interpret or give explanation or guidance to ensure honest and true responses. Poultry farmers and stakeholders with low educational background would also affect responses negatively if structured questionnaires had been posted to the respondents.

Finally, the focus group interview was rejected because the focus group dynamic might prohibit the researcher from candidly discussing sensitive topics, or getting depth of information needed. This is because sometimes the group dynamic can prevent some participants from voicing their opinions about sensitive topics. The researcher was not going to have the personalised interaction in focus group interviews that is otherwise possible through face-to-face interview and therefore, focus group method was rejected.

Practically, the prime reason for the study is to help solve the problems of the unfair competition and high cost of production facing the small-scale poultry farmers. The researcher observed that the needs of the poultry farmers could be better served through the semi-structured interviews to elicit recommendations and suggestions from poultry farmers themselves who know the details of their businesses, and stakeholders who have a direct working relationship with the poultry farmers, and have professional knowledge in the field of the study and can influence the government to implement favourable policies than by an in-depth quantitative study of subjects.

**4.6.11 Choosing a site or area for the study**

Ghana has an agrarian economy (Aning et al., 2008). In other words, the domestic economy of the country revolves around agriculture (CIA- the World Fact Book), making this sector the backbone of the Ghanaian economy (TUC, 2004). Agriculture has been the dominant sector in Ghana since 1990 (Aning et al., 2008) Research shows that agriculture accounts for about 35% of GDP in Ghana, and employs about 55% of the labour force mainly small-scale farmers (CIA-The World Fact Book).

Ghana is a developing country with low income economy group (World Bank, 2008). It is anticipated that the country can rise to middle income economy group if agribusinesses are promoted and well positioned by the policymakers in the country. Poultry farming is a type of agribusiness which is practiced in all parts of Ghana. Research shows that poultry industry is considered as semi-commercial diversification strategy which provides employment to many people in the country, especially in rural and peri-urban centres in Ghana where unemployment is increasing at an alarming rate. Therefore, choosing Ghana as a site or an area for conducting this study is worthwhile.

Furthermore poultry industry provides employment to over 400,000 people in Ghana, including commercial and backyard rural poultry farmers, over 85,000 maize growers, hatchery operators, feed mill operators, soya bean producers and other cereal producer.s (Offei Nkansah, 2004). Therefore, promoting the growth of the poultry sector will contribute to the economic growth of the country.

In summary, choice of Ghana for the research was as a result of the following reasons:

1. Poultry farming is practiced in all parts of Ghana and its contribution to the Gross Domestic Products (GDP) and employment is important.

2. Poultry industry in Ghana is failing as a result of the fierce competition from advanced countries’ producers of poultry due to the introduction of market liberalization and globalization of the world economy. However, policymakers have not come up with a specific policy to aid these farmers’ and other food crops farmers who are facing similar problems. Therefore, the researcher decided to conduct this study in Ghana to contribute in developing an efficient policy measures in reducing the plight of small-scale farmers, and also to protect and enhance livelihood, particularly those of smallholder producers in Ghana and other developing countries in Africa, who are and will remain the majority of livestock and food crop producers in Ghana and beyond for some time to come.

In particular, Ghana was chosen as a research area to provide information to assist the formulation of national strategies for minimizing the impacts and threats of the competition facing the poultry farmers’ and other agribusinesses in the country, and to enhance the livelihoods of resource-poor smallholder farmers’ in Ghana and Africa, since Poultry farmers have suffered from competition with cheaper imports and some have terminated their poultry production operations.

3. Since the last livestock census took place in Ghana over two decades ago, there is a dearth of reliable statistics, as well as general lack of rigorous statistics and scientific research results on the poultry sector in the county. Therefore, in order to contribute to the filling of research gaps in poultry industry which constitutes one of the major sources of livelihoods in rural Ghana, Ghana was chosen as the study area.

4. Finally, the researcher had had some considerable experience as a poultry farmer, and also a freelance consultant to small-scale agribusinesses in Brong- Ahafo region in Ghana for more than 5 years. Furthermore, the researcher is a Ghanaian and will have upper hand in terms of access to information and data sources when conducting a study in his native country.

**5.7. Choosing a Sample Frame**

One of the challenges faced by researchers conducting study on small businesses in developing countries is the selection of a suitable sample frame (Liedholm and Mead, 1999). The study on small-sale agribusinesses in Ghana, especially, small-scale poultry industry is complicated by the inadequate availability of data. Over the past two decades no census on livestock (poultry production) has ever been conducted in Ghana. Current research shows that there is lack of adequate information on the number of people employed in poultry farming in Ghana (Aning et al., 2008) therefore, selecting a sample size involving all categories of small scale poultry farmers ( commercial and backyard/village poultry farmers) without adequate information has been very difficult.

Therefore, in order to overcome this problem multi-pronged approach was adopted (Sharma et al., 2003). Firstly, lists which contain names and addresses of poultry farmers were obtained by consulting Ministry of Food and Agriculture (MoFA) in Regional offices of the selected regions (Greater Accra, Ashanti, Brong Ahafo, Western, and Northern) where the study took place. Ministry of Food and Agriculture (MoFA) is the branch of Government that has a direct working relationship with the poultry farmers.

Furthermore, a snowball technique was also adopted where by poultry farmers who where visited on their farms identified other poultry farmers and stakeholders in the area who where then visited and interviewed. Some poultry farmers and stakeholders in the study were also identified with the help of members of the Ministry of Food and Agriculture (MoFA) and Ghana National Association of Poultry Farmers (GNAPF).

**5.7.1 Criteria for sample size selection**

The poultry farmers were selected based on the following criteria:

1. The poultry farmer must have been in the poultry business for at least 1 year, and must be a registered poultry farmer in the regional or district office level with MoFA or GNAPF.

2. The poultry farmer must have a site (farm) and a shelter to show that he was actually a keeper of poultry.

3. The poultry farmer must be the owner/founder or major partner in a partnership venture.

4. The poultry farm (enterprise) must be privately owned or independently owned by the farmer.

5. The poultry farmer must be located within the five regions in Ghana where the research took place.

The stakeholders were also selected based on the following criteria:

1. A stakeholder must possess an intimate knowledge and professional training in poultry farming or animal science.

2. A stakeholder must be a representative of the farmers in government policies or must occupy a position that allows him to have influence on government policies at national, regional or district, and rural levels.

3. A stakeholder must be a member of MoFA, GNAPF or Poultry Development Board (PDB) who can advice the government on the development of poultry industry.

4. A stakeholder must be a person who had previously made substantial contribution to agriculture at his/her community or had supported the development of an important project (For example, assisted in construction of a feeder road, building of a village market or public latrines and the like).

5. The stakeholder must be a member of the national house of chiefs, regional house of chiefs, district chief or assembly man.

**5.7.2 Gaining Access**

There are several challenges and major obstacles to conduct small-agribusiness study in developing countries (Liedholm and Mead, 1999). These challenges and obstacles emerge from inadequate lists of small-agribusinesses. Typically, complete or dynamic data on small-agribusinesses are not captured on government statistics (Liedholm and Mead, 1989). The challenges become more complicated when specific criteria are used to collect data from small-agribusinesses in developing countries.

In order to overcome these impediments and make successful negotiations anmd arrangements, the researcher requested an introductory letter from Durham University Business School. Also, the researcher attached an introductory letter which introduces the topic for the study, its objectives, purposes, the significance of interviewing some poultry farmers and stakeholders, what the collected data would be used for, the benefits to the poultry industry, and the warrant of confidentiality of respondents.

To gain access to the poultry farmers and stakeholders the researcher initially consulted the heads of the Ministry of Food and Agriculture (MoFA), Ghana National Association of Poultry Farmers’ (GNAPF) and Poultry Development Board (PDB), Feed mill and Hatchery operators’ groups who have direct working relationships with the poultry farmers and stakeholders to request for their permission to conduct the interviews. The researcher also requested for supporting documents including letters, introductory notes, and lists of poultry farmers in each region from the above-mentioned officials. The documents from MoFA, GNAPF and other groups were very important as they paved way for the researcher to get access to and attention from the poultry farmers and stakeholders.

The lists obtained from the regional offices of MoFA and GNAPF contained the names of some poultry farmers, the names of their farms (enterprises), their locations, post addresses, and mobile phone numbers/contacts.

**5.7.3 Ministry of Food and Agriculture (MoFA)**

The Ministry of Food and Agriculture (MoFA) was the first organization to be consulted. MoFA is the government agency responsible for the development and growth of agriculture in Ghana. The MoFA is made up of three divisions:

(a) National Secretariat

(b) A group of eight technical directories

(c) Regional and District Directories

Agriculture Extension officers who work for the district directories are perhaps the MoFA’s greatest strength. They are well established within the farming communities in Ghana and work in partnership with local farmers to address challenges and implement technology transfers. Their work links the country’s small-scale farmers (including poultry farmers, food and cash crops farmers, cattle, goat, sheep and pigs keepers etc) directly to the ministry that is formulating policies that impact farming communities. The MoFA is headed by the Minister for Agriculture and his three deputies. The deputies are the following:

1. Deputy Minister in charge of livestock (Poultry, Cattle, Sheep, Goats and Pigs)

2. Deputy Minister in charge of fisheries

3. Deputy Minister in charge of food crops

MoFA has approximately 7000 employees, of whom nearly 6000 are located in districts and regional offices. Department of directories include finance and administration, human resource, development and management, policy, planning, monitoring and evaluation, statistics, research and information. The technical directorate of MoFA include agricultural engineering services, agricultural extension services, animal production, crop services, veterinary services and women’s in agricultural development. The primary roles of MoFA are the following:

Firstly, MoFA is responsible for the formulation of appropriate agriculture policies to aid agricultural sector in Ghana. Secondly, MoFA is in charge for planning and coordinating various development projects in the agriculture sector.

Thirdly, the ministry is responsive for monitoring and evaluation of the projects and programmes instituted to assess their progress. The ministry’s mission is to promote sustainable agriculture and agribusiness through research and technology development, effective extension and support services to farmers, processors and trades to improve local livelihoods.

The primary objectives of MoFA are to:

* Ensure food security in Ghana
* Facilitate the production of agricultural raw materials for industry
* Facilitate effective and efficient inputs supply and distribution system.
* Formulate and coordinate the implementation of policies and programmes for the food and agriculture sector.

**5.7.4. Ghana National Association of Poultry Farmers (GNAPF)**

The Ghana National Association of Poultry Farmers was the second association to be contacted. GNAPF was established in 1995. Its main objective is to plan the commercial development of poultry farming in Ghana to ensure that the country achieve self-sufficiency and self-sustenance in poultry production. Its membership is open to all poultry farmers registered with the regional poultry farmers association in all regional capitals in Ghana.

**5.7.5. Poultry Development Board (PDB)**

The third source of contact was the Ghana Poultry Development Board (PDB). The poultry Development Board is an umbrella organization for the poultry industry. Poultry development Board (PDB) was inaugurated on September 9, 2005. Membership of the board takes into account the various stakeholders in the industry. It includes poultry farmers, hatchery and processing plant operators, grain (especially,) maize farmers’, feed millers, animal health specialists, researchers and officials of banking institutions in the county. PDB is made up of 11members. The board has been mandated to perform the following:

(a) Advice the government on the development, growth, modernization and sustainability of the poultry industry.

(b) Ensure adequate and continuous supplies of essential ingredients, quality day old chicks (DOC) and veterinary medicaments, vaccines and diagnostic equipment and reagents.

(c) Establish procedures for hatchery practice and quality control of the old chicks and feeds.

(d) Promote rigorous modernization of the poultry industry and the production of processed poultry products to meet culinary demands for the citizens and tourists and also for export.

(e) Establish procedures for the regulating and monitoring placements with the view to avoiding seasonal shortages of eggs and chicken which have hitherto been perennial events.

(f) Advice government on sound policies for monitoring and reviewing of duties and taxes on imported raw materials, as well as poultry so as to maintain the competitiveness of locally produced poultry and poultry products vis-a-vis imports.

**5.7.6 Hatchery Operators**

The fourth source of contact was hatchery operators group. This group involves commercial producers of day-old chicks and guinea fowl keets for sale to small-scale poultry farmers. These groups include Darko Hatchery, Afariwaa and Kranyako, Mfum, Akate, Sydal, Asamoah Yamoah, Topman and Jehu.

**5.7.7. Feed Mill Operators**

The fifth source of contact was Feed Mill operators. Feed Mill operators are concentrated in Greater Accra region, Brong Ahafo region and Ashanti region where almost all large-scale and medium scale commercial poultry production occurs. There are 18 feed mill operators in Ghana. Apart from these organizations, bodies or associations, lecturers of Animals science, District chiefs, consultants of poultry industry, and chief Executive officers were also contacted. Having specified the criteria for sampling the population surveyed and the mode of getting access to the poultry farmers and stakeholders, the next section addresses the research design.

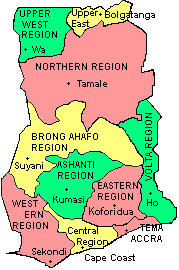
**5.8 Research Design**

In other to make sure that the survey sampling was the representative of the population of the poultry farmers the researcher grouped the population into a stratum. The benefits of this grouping was to give the researcher upper hand of selecting different categories of poultry farmers’ from any of the groups, to ensure sufficient representation of all sub-groups of poultry farmers in each selected region for administrative expedience, and to meet the time schedule, to achieve costs reduction and to attain an increase in precision of estimates.

The survey of the study demarcated 10 major poultry concentrated areas, (including two major areas in each region). Accra Metropolitan Area and Ga District were selected in Greater Accra region; Kumasi Metropolitan Area and Nkawie District were selected in Ashanti region; Sekondi-Takoradi Metropolitan Area and Bibiani District were selected in Western region; Sunyani Metropolitan Area and Dormaa District were selected in Brong Ahafo region; and Tamale Metropolitan Area and Tolon-Kunbungu District were selected in Northern region.

The metropolitan Areas with a population of between 150,000-400,000 were classified as urban centres and the areas with a population of between 100, 000-250,000 was also classified as peri-urban centres.

**Figure 9: The map of Ghana showing the 10 administrative regions**



The poultry farms (enterprises) were also stratified into sizes using the number of birds kept by the poultry farmers. In accordance with the official definitions of small-scale holdings in Ghana, farmers who had facilities to keep 1000 birds were classified as small-scale commercial, and those who had facilities to keep 200 and above local birds were classified as Backyard/village poultry farmers (GNAPF). The stratification of the poultry farms (enterprises) in sizes were used to follow the criteria and also to determine the type of poultry farmers needed to be interviewed.

From the lists of poultry enterprises (farms) provided by the MoFA and GNAPF and those identified by the help of the Feed millers and Hatchery operators Group, a stratified random sampling of 1000 poultry farms was drawn up. From the drawn up sample, 134 poultry farmers decided to participate in the interview based on the researcher’s petition.

Moreover, selecting a sample size for the stakeholders was more challenging. In order to improve the relevance of data obtained from the semi-structured interviews with the poultry farmers; consideration was given to identifying the types of stakeholders which were likely to be important to the research question posed, have direct working relationship with the poultry farmers and can influence government policies.

In order to achieve this purpose it was decided to adopt a sample strategy which should be judged on the basis of rationale for the study and should yield valid and reliable information. Therefore a snowball sampling technique was adopted to draw an adequate number of stakeholders with a minimum costs. The stakeholders and the poultry farmers who were visited identified the other stakeholders in their areas who were then visited and interviewed. The targeted numbers for the stakeholders were 20 each for Greater Accra, Ashanti and Brong Ahafo Regions, and 15 each for Western and Northern Regions. The final number of Stakeholders interviewed was 75.

**5.8.1 Data Collection Instruments**

**5.8.2 Semi structured Interviews**:

Considering the purpose of the study and the significance of providing answer to the research question, the study adopted semi-structured interviews approach to obtain detail information from the farmers and key informants (stakeholders), instead of structured questionnaire. Many studies emphasised that semi-structured interviews are very useful for understanding and organising Social Movement (Morris, 1994; Klandermans and Staggenborg, 2002). Klandermans and Staggenborg (2002) posit that semi-structured interviews are particularly useful for getting a clear understanding in mobilization of social movement for the perspective of movement actors or audiences.

Several researchers commonly agreed that in the field of social movements semi-structured interview is a common methodological tool, especially, very useful in research where the goals are interpretation and analysis of social events and processes (Klandermans and Staggenborg, 2002; Morris 1994). It is further argued that semi-structured interviews are even useful in studies that explore issues for which it is difficult to gather data through structured questionnaire, field observations or documentation of analysis.

In constructing the semi-structured interview schedules the study took into consideration the wording, the structure and the sequence of the questions. The questions were made short, straightforward and clear in order not to lose their focus. In order not to run out of time, especially with people whose job might require them to end the interview early, the most important questions were asked first. The interview guides therefore focused on the major questions the interviewer wished to addressed such as the strategies to eliminate the impacts and threats of the competition facing the small-scale poultry industry, the protection that the government can give to support the small-scale poultry industry, the vision statements for the poultry industry, the strategies to increase the consumption of the local poultry, and the strategies to increase the competitiveness of the local poultry industry.

Secondly, the wordings of the questions were made clear. In wording questions three major considerations were taken: questions should be simple worded, questions should be kept short, and should be phrased in vernacular if a respondent had low educational background.

The questions were clearly constructed to prevent the respondents from getting lost or confused. The time to finish the interviews with each poultry farmer and each stakeholder was taken into consideration. That is the length and duration it would take to interview respondents. The questions with the poultry farmers were finished in 60mins (1 hour) and that of the stakeholders 50mins. The questions were addressed in a practical form and simple language words to ensure clear responses from the respondents. The sensitive questions relating to the income levels, marital status, household size, age, level of education, geographical and occupation locations were asked in the later part of the interviews in order not to turn off the respondents desire to participate fully in the interviews.

There were two sets of interview questions, each for poultry farmers and stakeholders. Two sets of interview “guides” or “schedules” were prepared to insure that basically the same information was obtained from each person, but using the semi-structured interviews made the researcher free to probe and explore within the predetermined inquiry areas. Interview guides were used to ensure good use of limited interview time and allowed the researcher to interview multiple subjects more systematically and comprehensively, and kept interactions focused.

The questions for the poultry farmers comprised forty-two (42) closed ended questions and eleven (11) open-ended questions. On the other hand, the questions for the stakeholders consist of six (6) closed-ended questions and eleven open-ended questions. Closed questions were asked to help the respondents to make quick decisions to choose among the several alternatives before them, and also to help the researcher to code the information down easily for subsequent analysis. Also, closed questions were used to tap simple answers and information from the respondents. These include information about the poultry farmers’ activities, from the start-up of their farms to the time of the interview. For example, sources of funding, type of flocks they kept, whether or not they were facing direct or indirect competition with the imports of poultry, their accessibility to equipment/machinery, their talents and visions etc. The closed questions were also used to examine their interest, intentions and their convictions and to find out whether or not they would like to work with their colleagues as a group.

Open-ended questions allow respondents to answer in a way they choose (Sekaran, 2003). The open-ended questions were used to ensure individual variations (Hoepfl, 1997) and to capture the deep thoughts, ideas, plans, strategies, visions and aspirations of the poultry farmers and stakeholders for the local poultry industry.

Also, the open-ended questions were used to tap the feelings, emotions, instincts, insights, and differences of respondents, and their perspectives about the situation of the poultry farmers regarding the issues of competition.

The poultry farmers’ interview “schedule” contained six parts. Part one contained questions relating to their previous employment, how they started their poultry farms (enterprises), sources of start-up capital, the type of birds they kept, and sources of the chicks they rear.

Part two contained questions relating to the issue of competition facing poultry industry in Ghana, the quality and price of their products as compared to their rivals in advanced countries. Part three had questions relating to the farmers’ decision-making or intention to work with their colleagues in order to withstand competition facing the industry, or work on their own. Part three also deals with questions relating to how and where farmers market their poultry. Part four contained questions relating to the assets of poultry farmers’ and their willingness or unwillingness to share the costs and risks with their colleagues. This part also concerns the training the poultry farmers had had before, as well as the type of training they were looking forward to undertake.

Part five contained questions relating to strategies that the farmers were required to recommend with all assurance that it would increase the consumption of the local poultry, their market share, and competitiveness of the poultry industry. It also includes their perception on government strategic supports, stakeholders’ involvement and the visions they had for the industry.

Part six had questions relating to the characteristic of the poultry farmers, their demographic characteristic including gender, marital status, household size, income level, age, length of service, and their levels of education, as well as geographical and occupational locations.

The second interview “schedule” contained questions for the stakeholders, and this was made up to four parts. The first part contained questions relating to the perception of the stakeholders concerning the competition issues, and the Government supports for the farmers in the past years. Part two comprised the stakeholders and the poultry farmers’ strategies to increase competitiveness of the small-scale poultry industry, as well as their visions for the poultry industry.

Part three contained questions base on the stakeholders decision to work with the poultry farmers to ensure the competitiveness of the poultry industry, to help the farmers to get access to cheap loans, equipment, machinery, and to engage in political campaign or lobby the government to ensure support for the industry.

Finally part four concerned questions relating to the demographic characteristics of the stakeholders including: gender, age, income level, educational level, marital status, household size, and length of service, geographical and occupational locations.

**5.8.3 Dependent Variable**

**5.8.4. Introduction**

The dependent variable is the variable of primary interest to the researcher (Sekeran, 2003 pp. 88). Growth is the dependent variable of this research. Growth in small businesses is of great importance to governments, policymakers and economists because of its contribution to economic growth of a country through wealth creation, provision of jobs and employment avenues (Colley et al., 2008). Growth is not measured in profit maximization and financial performance alone, because they are some aspects of it, but do not determine it. Growth is measured in terms of resources employed by a firm, denoting employment level and value of assets of a firm or output produced (Barkham et al., 1996). Growth matters a lot to economist than profitability and financial performance because it generates competition in industry (Colley et al., 2008).

To examine the growth of the small-scale poultry industry, the poultry farmers were asked to indicate their income levels and their poultry farming assets such as feed mill, truck, land and storage facilities. For the purpose of forming a social movement to help the poultry industry to survive and become competitive, the stakeholders were also asked to indicate their income levels. To achieve the results of the income levels the poultry farmers’ and the stakeholders were presented with two income levels to choose from: Below Cedi500 (low income) and above Cedi 500 (high income). Poultry farmers and stakeholders who reported low incomes (below Cedi 500) were allocated a score of ‘1’ and those who reported high incomes (above Cedi 500) were allocated a score of ‘2’ (Cedi 1.420 = 1 US Dollar in October 2009 when the data were collected).

Each poultry farmer was asked to indicate whether or not he/she owned a feed mill machine, a truck/van, a storage facility, hatchery machine, processing machine, packaging machine, and land. Respondents were asked to report a ‘yes’ or ‘no’ answers to these questions and those who reported ‘yes’ were allocated a score of ‘1’ and those who reported ‘no’ were allocated a score of ‘2’.

**5.8.5 Independent Variables**

An independent variable is one that influences the dependent variable in either a positive or negative way (Sekeran, 2003 pg. 89).

**4.8.6** **Demographic Variables**

**5.8.7 Age of Respondents**

Older entrepreneurs or workers normally have gained knowledge and skills over time (Aldrich, 1999). More often than not the experience and knowledge gained over time can enable more mature people to gather skills needed for enterprise ownership (Bates, 1990; Cooper et al., 1994). Disengagement theory views aging as a process of gradual withdrawal between society and older people.

However, many older people desire to remain occupied and be involved with the activities of their communities. Whilst young adults usually struggle with intimate relationship, middle aged adults generally try to make a difference in other peoples’ lives. The age of the participants were coded into three binary indicators of age as follows: young (less than 33 years), middle (33-47years) and old (more than 47 years). The motive behind the adoption of this age groupings was that, in Ghanaian culture it is quite difficult to have poultry farmers and stakeholders indicating their exact age because people are long down upon if they are not grown-up in years, but they were willing to indicate their age group.

During the interview respondents were asked to mention their age groups. Those who reported less than 33 years were grouped as young age and were allocated with a nominal numerical value of ‘1’, those who reported 33-47 years were grouped as middle age and were allocated with a nominal numerical value of ‘2’, and those who reported more than 47 years were classified as old age and were allocated with a nominal numerical value of ‘3’.

**5.8.8 Gender**

In Ghana, men are the main bread winners for the family but their wives are involved in their farming activities. Majority of the poultry farmers in Ghana are men but their wives are involved in the poultry enterprise (Okantah et al., 2010). A male or female poultry farmer (entrepreneur) in this research refers to a person who has started a poultry farm, is actively engaged in its administration and possesses a greater share of the enterprise or the farm (Marlow and Patton, 2005). Also, a male or female stakeholder in this study refers to a key informant who is a member of one of the selected groups including the MoFA, GNAPF, PDB, Hatchery Operators, and Feed Mill Operators. Respondents who reported as being males were allocated with a nominal numerical value of ‘1’ and those respondents who reported as being females were allocated with a nominal numerical value of ‘2’.

**5.8.9 Geographical location**

One way a company can beat another in getting sales is having a superior business location. Location is absolutely vital to the success of any poultry farming enterprise. Geographical element is extremely important in poultry production, especially, where the overall operations involves distribution channels, suppliers accessibility and supply of workers.

Geographical locations of stakeholders such as extension and veterinary officers are also important for the success of poultry farming activities because the closer they are to the farmers, the more they can support them. Respondents were asked to indicate their geographical locations. Each respondent who indicated Greater Accra was allocated with a score of ‘1’; Ashanti Region was allocated with a score of ‘2’. Brong Ahafo Region was allocated with a score of ‘3’, Western Region a score of ‘4’ and Northern Region was allocated a score of ‘5’.

**5.8.10. Occupational location**

Poultry farmers’ and stakeholders’ who live in the same areas usually have good relationships, because the veterinary and extension officers of MoFA in Ghana have a direct working relationship with the poultry farmers. In the same way, poultry farmers’ and stakeholders who live very close to their work places or live in the same location where they work have certain advantages such as low transportation costs. Respondents were asked to mention their occupational locations during the interviews. Each respondent who indicated Greater Accra Region was allocated with a score of ‘1’, Ashanti Region was allocated with a score of ‘2’, Brong Ahafo region was allocated with a score of ‘3’, Western Region was allocated with a score of ‘4’ and Northern Region was allocated with a score of ‘5’.

**5.8.11. Experience**

Experience of a poultry farmer determines his/her ability to manage growth, and how to deal with and anticipate bad time. During the interviews, respondents were asked to mention their level of experience. The level of experience of both interviewee categories were coded in 3 binary indicators of their years of experiences: ‘less than 5 years’, ‘5-8 years’, ‘9 years and above’. The age of experience groupings were adopted because some of the poultry farmers stopped their businesses along the line, and came back to continue again, and were not sure of their exact years of experience but were able to indicate their age experience in groupings. Each respondent who mention ‘less than 5 years’ was given a score of ‘1’, ‘5-8 years’ was given a score of ‘2’, and ‘9 years and above’ was given a score of ‘3’.

**5.8.12. Educational level**

Education is one of the most significant factors which accelerates growth and development of any business (Mandal et al., 2006). Education increases the managerial capacity of farmers or important stakeholders like extension and veterinary officers, and thus improves their ability to understand complicated information related to modern livestock production and their ability to determine the best management’s skills to use (Chilonda and Huylenbroeck, 2001). In this study the primary, middle junior secondary school leavers and illiterates/those without formal educational were classified as ‘primary/none. GCE ‘O’ levels and GCE ‘A’ levels were classified as secondary, diplomats, certificate in agriculture, degree and above were classified as tertiary educational levels. Those who reported ‘none/primary’ was allocated with a score of ‘1’, those who reported secondary were allocated with a score of ‘2’, and those who reported tertiary were allocated with a score of ‘3’.

**5.8.13. Previous employment**

A previous employment of a poultry farmer or stakeholder is important by influencing poultry farming decisions and determines the management skills of a farmer or an important stakeholder. To examine the previous employment of respondents they were presented with five options to choose from ‘run another business’, ‘employed wage work’, ‘self-employed’, ‘unemployed’, and ‘new entrants to labour’ and there was another category as a safeguard. Poultry farmers and stakeholders who reported ‘run another business’ were given a score of ‘1’, ‘employed wage work’ were given a score of ‘2’, ‘self-employed’ were given a score of ‘3’, ‘unemployed’ were given a score of ‘4’ and ‘new entrants to labour’ were allocated with a score of ‘5’. Other sources which were not reported were scored as ‘0’.

**5.8.14 General characteristics of poultry farmers**

**4.8.15. How the poultry farms of the poultry farmers had started**

The foundation of a business determines its culture, competitiveness and growth. To investigate how the poultry farms of the farmers had started, the farmers’ were asked to indicate how they started or form their businesses. The poultry farmers were presented with four options to select from: ‘from scratch’, ‘purchased as a going concern’, ‘inherited’, ‘partnership’ and there was another category as a safeguard. Respondents who indicated ‘from scratch’ were allocated with a score of ‘1’, ‘purchased as a going concern’ were allocated with a score of ‘2’, ‘inherited’ were allocated with a score of ‘3’ and ‘partnership’ were allocated with a score of ‘4’. The other sources not reported were allocated with a score of ‘0’.

**5.8.16. Sources of working capital**

The setting up and growth of small-businesses are reliant on their access to working capital (Curran and Blackburn, 1993). Agribusinesses that lack access to working Capital and fixed capital are more likely to become retarded in growth. To investigate the sources of working capital capital, poultry farmers were asked to indicate their sources of working and fixed capitals. The poultry farmers were presented with 4 sources of working capital to choose from ‘savings from personal income’, ‘loans from family and friends’, ‘loans from the banks’, ‘loans from private lenders’ and there was another category as a safeguard. Each respondent who reported ‘savings from personal income’ was allocated with a score of ‘1’, ‘loans from family and friends’ were allocated with a score of ‘2’, ‘loans from the banks’ were allocated a score of ‘3’ and ‘loans from private money lenders’ were allocated with a score of ‘4’. The other sources not reported were allocated with a score of ‘0’.

**5.8.17. System of Rearing**

The system of poultry rearing is essential to assess intervention measures suitable for poultry farmers. System of rearing in poultry also determines the areas of future diversification. To investigate the system of poultry rearing, the farmers were asked to indicate their system of poultry rearing. The respondents were presented with 2 options (backyard/village/rural poultry farmer and small-scale commercial poultry farmer) to select from. Respondents who indicated small-scale commercial were allocated with a score of ‘1’, and those who reported backyard/rural/village were allocated with a score of ‘2.’

**5.8.19. Flock Type**

Frock type is an important feature of poultry farming because it determines the type of birds which has more market value and profitability. It also generates diversification strategy when a farmer becomes aware of the type of poultry which is highly admired by consumers’ or preferred by consumers to others. To determine the flock type of farmers they were asked to indicate their flock type. Respondents were presented with 4 options to choose from (chicken, turkey, duck, and guinea fowl) and there was another category as a safeguard. Poultry farmers who reported ‘only chicken’ were given a score of ‘1’, those who reported ‘only turkey’ were allocated with a score of ‘2’, those who mentioned ‘chicken and turkey’ were assigned with a score of ‘3’ and those who mentioned ‘chicken, turkey and duck’ were given a score of ‘4’. The other flock types not reported were allocated a score of ‘0’.

**5.8.20. Source of Chicks**

To ascertain the sources of chick for the poultry farmers, the poultry owners were asked to mention their sources as of chicks. The respondents were presented with 3 options to choose from (natural hatchery, government hatchery, and private hatchery). Those farmers who indicated natural hatchery were given a value of ‘1.’ The other sources not reported were allocated a score of ‘0.’

**5.8.21. Sources of water to the farms**

The availability of good drinking water largely improves the poultry farming activities and prevents birds from disease contaminations. In order to examine the sources of water to the poultry farmers, the respondent were asked to indicate their main source of water. They were presented with 5 options to select from (Pipe borne water, river/carnal, dug out well, hand-dug well and borehole) and there was another category as a safeguard. Each respondent who indicated pipe borne water was allocated with a score of ‘1’ river/carnal was allocated with a score of ‘2’, dugout well was given a score of ‘3’, hand dug well was given a score of ‘4’ and borehole was given a score of ‘5’. The other sources not reported were allocated with a score of ‘0’.

**5.8.22. Accessibility to infrastructure**

The expansion of infrastructure generates enhanced accessibility of poultry farmers to information services, training centres, source of chicks, input markets, veterinary and extension services and quality birds’ production. To investigate the government support on infrastructural development to poultry farmers’they were asked a series of questions. Respondents were asked to indicate whether or not they had access to pipe borne water, electricity, internet and telephone systems. Respondents were asked to report a ‘yes’ or ‘no’ answer to the questions and those who reported ‘yes’ to these questions were allocated a score of ‘1’, and those who reported ‘no’ were allocated a score of ’2’.

**5.8.23. Sources of information**

Sources of information are significant characteristic of high performance work system (Thompson & Strickland, 2001).Without access to information the farmers cannot perform well even if all other needs are provided. To examine the support of government as far as information dissemination to the poultry farmers were concerned they were asked to indicate their sources of information. Respondents were presented with 7 options to select from (Relatives, Newspapers, Radio, Television, MOFA, GNAPF, Neighbours) and there was another category as a safeguard. Respondents who reported relatives were allocated with a score of ‘1’ Newspapers were scored as ‘2’, Radio were scored as ‘3’, Television were scored as ‘4’, MoFA were scored as ‘5’, GNAPF were scored as ‘6’ and neighbours were scored as ‘7’.The other sources not reported were scored as ‘0’.

**5.8.24. Government Support for poultry farmers**

The respondents were asked to indicate the support which the government has offered to the poultry farmers’ to enable them withstand their rivals in advanced countries. Respondents were presented with four options to choose from (increased tariffs on poultry imports, granting of loans and subsidies to farmers’, international campaign for suitable trade agreements, organised the farmers into producer associations/social movements) and there was another category as a safeguard. Each respondents who answered ‘increased tariff on poultry imports’ was allocated with a score of ‘1’ ‘granting of loans and subsidies to poultry farmers’ was scored as ‘2’, ‘international campaign for suitable trade agreements’ was scored as ‘3’ and organising of poultry farmers into producer associations/social movement was scored as ‘4’. The other options not reported were scored as ‘0’.

Moreover, a question was asked concerning any of the 5 regions in Ghana where the poultry farmers’ needs more government support. The farmers were presented with 5 options to choose from (Greater Accra Region, Ashanti Region, Brong-Ahafo Region, Western Region, and Northern Region). Each respondent who answered Greater Accra was allocated with a score of ‘1’, Ashanti region was allocated a score of ‘2’, Brong-Ahafo Region was allocated a score of ‘3’, Western Region was scored as ‘4’ and Northern Region was scored as ‘5’.

Respondents were asked to indicate their opinions concerning the issue of competition facing the small- scale poultry industry in the local market, from the subsidised producers of poultry from the advanced countries. They were presented with three options to choose from (fair, not fair, and normal). Respondents who reported ‘normal’ were allocated with a score of ‘1’ and those who reported ‘not fair’ were allocated with a score as ‘2’ and those who reported ‘fair’ was allocated with a score of ‘3’.The other sources not reported were allocated with a score of ‘0’.

**5.8.25. Social Movement**

A series of questions were asked to investigate the intention or decision of poultry farmers and stakeholders concerning their willingness or unwillingness to join the social movement (NGC). The respondents were asked to indicate whether or not they wanted to collaborate or work together in the following ways:

(a) Share the costs of buying equipment/machinery for the benefits of the members of Social Movement. They were presented with ‘yes’ and ‘no’ answers to choose from. Each respondent who reported a ‘yes’ answer was allocated with a score of ‘1’ and each respondent who reported a ‘no’ answer was allocated with a score of ‘2’.

(b) Respondents were asked to indicate whether or not they wanted to contribute funds to support the social movement. They were presented with ‘yes’ and ‘no’ answers to choose from. Each respondent who reported a ‘yes’ answer was allocated with a score of ‘1’ and those who reported with a ‘no’ answer was allocated with a score of ‘2’. (c) Respondents were asked to indicate whether or not they wanted to join the social movement in order to benefit from the association. They were presented with a ‘yes’ and ‘no’ answers to choose from. Those respondents who reported a ‘yes’ answers were allocated with a score of ‘1’ and those who reported a ‘no’ answers were allocated with a value of ‘2’.

(d) Furthermore, respondents were asked to indicate whether they wanted to contribute their maximum quota towards the growth/expansion of the poultry industry. They were presented with a ‘yes’ and ‘no’ options to choose from. Each respondent who reported ‘yes’ was allocated with a score of ‘1’ and each one who reported ‘no’ was allocated with a score of ‘2’.

(f) Finally, respondents were asked to indicate whether or not they wanted to engage in political campaign against the unfair competition. They were presented with a ‘yes’ and ‘no’ options to choose from. Each respondent who answered ‘yes’ was allocated with a score of ‘1’ and those who indicated ‘no’ answers were scored as ‘2’.

**5.9. Coding and categorising the open-ended questions**

This section explains the procedure which the researcher followed during the coding and categorising of the answers for the open-ended questions in the study.

The first basic step taken during the analysis of the answers to the open questions by the researcher was to list the answers of samples of 35 poultry farmers as they were provided (adding the number of each interview question sheet in order to avoid losing the connection with the poultry farmers’ other data).

After revising the purpose of the question, the researcher then read the whole lists of the answers several times to identify key themes or emerging ideas, and used abbreviated codes to tag the key themes. The abbreviated codes were placed next to the identified themes in order to make it easy for the researcher to organise the data into coherent categories (see Appendix 44, Sections A and B). For example, the question “what major protection can be provided by the government to support the poultry industry?” was supposed to guide the researcher to develop recommendations which can be employed by the government to improve the competitiveness of the small-scale poultry industry in Ghana.

The researcher then itemised all answers again but now per code. After reading carefully through the whole lists, the answers with similar codes (or answers that seem to belong together) were grouped together in one category to obtain a short lists, and these codes were typed in the left margin. Using the basic word processing (Microsoft Word 2007) on the computer, the data were sorted and organised into categories to identify patterns and brought meaning to the responses.

In the first place the researcher backed-up all files on a regular basis. By cutting and pasting, the researcher then created a different computer file for each different category, and numbered each segment of the data in the original file so that each respondent could be identified. The researcher ended up with 4-8 meaningful categories with a characteristic key word after reading through each category of answers (See Appendix 44 Sections A and B).

After categorising the responses of 35 poultry farmers’, the researcher further read through another batch of a sample of answers of 25 stakeholders of a different question to identify key themes and emerging ideas. Following the above procedure, the answers of the 25 stakeholders were also categorised to check if the labels work (See Appendix 45, Sections A and B).

At this stage some of the categories were refined, combined, changed and new categories were added to standardise interpretations and reduce variations. For example, the researcher observed that some of the categories including: ‘training and education’, ‘increased tariff and ban placement on imported poultry meat’, ‘award and incentive’ were needed to be implemented together or matched together and therefore, the researcher combined them in order to obtain a short lists of categories to ensure easy analysis.

Lastly, the researcher made the final list of labelled categories of all data of the poultry farmers’ and stakeholders, and then coded all data including the data that had been already coded and entered the codes in the computer**.** The above details show how the content analysis of the open-ended questions was done. The next sections considered the details of the questions asked by the researcher, the answers provided, details of the content analysis, coding and categorising as well as further re-coding and categorising of the open-ended questions.

**5.9.1. Consumption Strategy**

A question was asked concerning a strategy that can be employed by the government to increase consumption of the local poultry meat. The purpose of asking this question was to develop effective recommendations to influence government policy initiative, since an increase in consumption of local poultry would directly influence competitiveness of the small-scale poultry industry in Ghana. With reference to this question, all responses were numbered and given label to capture the idea(s) in each comment. The researcher then sorted and organised these data into their categories to identify patterns and to bring meaning to the responses.

Nine (9) themes emerged from the participants’ recommendations of the factors that can increase consumption of the local poultry meat. These themes include: provision of government subsidies *(subsi),* increase tariffs on imported poultry *(intar),* ban placement on imported poultry *(imban),* granting of low interest rate loans to poultry farmers *(softloan),* advertising campaign to educate consumers’ to patronise local (made in Ghana) poultry *(adcamp),* training of poultry farmers *(trg),* education of poultry farmers’ *(edu),* information dissemination *(infodis),* and provision of infrastructure to support poultry production *(infras).*

The researcher then refined and combined these themes into 7 categories to obtain a short list. To standardise interpretations, minimise variations and to achieve a short list ‘education’ and ‘training’ to improve the knowledge and skills of the poultry farmers’ were paired together as one factor called ‘education and training’ (edutrg).

On other hand ‘education of consumers’ to patronise local poultry through ‘advertisement’, and ‘advertising campaigns to influence consumption of local poultry meat’, were reclassified as ‘advertising campaign and abbreviated as (adcamp). Also ‘high tariffs’ (heavy duties on poultry imports, quotas, increases on import duties) and ‘imposition of ban on poultry imports’ were combined as ‘imposition of ban/increase tariffs on poultry imports’ and given abbreviation (tariban).

For example, in cases where a respondent combined two factors such as “the government should subsidise poultry farm inputs and give loans to support farmers”, the researcher probed the respondent to select the top factor according to his/her opinion. For example respondents were probed like this: “Which one of these factors needs urgent attention from the government?”

Once the researcher was satisfied with the discrimination among these categories, the poultry farmers’ and stakeholders’ responses were then coded as follows: subsidies *(subsi)* was coded with a nominal numerical value of ‘1’, increase tariff/ban on poultry imports *(tariban)* was coded with a nominal numerical value of ‘2’, low interest rate loans *(softloan)* was coded with a nominal numerical value of ‘3’, advertising campaign *(adcamp)* was coded with a nominal numerical value of ‘4’, education and training *(edutrg)* was coded as with a nominal numerical value of ‘5’ information dissemination *(infodis)* was coded with a nominal numerical value of ‘6’ and infrastructure *(infras)* was coded with a nominal numerical value of ‘7’.

**5.9.2. Vision Statements**

The next question checked for differences in opinions, knowledge levels and perceptions of poultry farmers’ and stakeholders’ concerning “a specific vision” each respondent wants the Poultry industry to achieve in the near future (short-term, medium-term and long term) as a result of government support and/or self-help of the poultry farmers’. With reference to this question, all responses were numbered and given label to capture the idea(s) in each comment. The researcher then sorted and organised these data into their categories to identify patterns and brought meaning to the responses. Based on this question 7 themes emerged from the respondents recommendations of visions that the poultry industry could achieve in the near future and abbreviations were given to the answers.

Each respondent who answered self-sufficiency in poultry production *(selfpoultry)* was assigned a nominal numerical value of ‘1’, self-sufficiency in feed production *(selffeed)* was assigned with a nominal numerical value of ‘2’, employment security *(empsecurity)* was assigned a nominal numerical value of ‘3’, competitive industry was assigned a nominal numerical value of ‘4’, well established in modern trends and technology in poultry production *(moderntech)* was assigned a nominal numerical value of ‘5’ the adoption of import restriction *(importrest)* was assigned a nominal numerical value of ‘6’ and diversified industry was assigned a nominal numerical value of ‘7’.

**5.9.3. Government’s major protection for small-scale poultry industry**

Furthermore, in order to develop strategies for competitiveness and sustainable growth for the small-scale poultry industry in Ghana, an open question was asked concerning a major protection that can be provided by the government to support and sustain the growth and competitiveness of the small-scale poultry industry. Based on this question the following eleven (11) themes emerged: ‘subsidise the cost of production’ *(subsi)*, imposition of ban on imports of poultry meat *(imban),* increase tariff on poultry meat imports*(intar)*, granting of low interest rate loans *(softloan),*government’s collaboration with stakeholders and poultry farmers to make policies *(colla),*Training of poultry farmers *(trg)*, education of poultry farmers *(edu),* cooperate advertising campaign to influence consumers *(cadcamp),* provision of infrastructure to support the poultry industry *(infras),* provision of awards to motivate the farmers *(awa),*and provision of incentive to hardworking poultry farmers *(incent)*.

The researcher further re-organised, refined and combined some of the obtained categories to obtain eight themes (8) or categories in order to achieve a short list for subsequent analysis. These themes were obtained as follows: ‘imposition of ban on imports of poultry meat *(imban)*’ and ‘tariffs increase on poultry meat imports *(intar)*’ were combined and reclassified as ‘imposition of ban/increase tariff on poultry meat imports *(tariban)’, ‘*training of poultry farmers *(trg)’* and ‘education of poultry farmers *(edu)*’ were also combined to obtain ‘education and training of poultry farmers’ *(edutrg).*

Finally, ‘provision of awards to motivate poultry farmers *(awa)’* and ‘provision of incentives for poultry farmers *(incent)’* were combined to obtain ‘provision of awards and incentives’ *(awacent).* After re-categorisation, the themes were re-coded with nominal numerical values as follows: ‘subsidise the cost of production *(subsi)’* was allocated with a nominal numerical value of ‘1’, ‘increase tariffs/ban imports of poultry *(tariban)’* was allocated with a nominal numerical value of ‘2’, ‘low rate interest loan to support poultry farmers’ *(softloan)* was allocated a nominal numerical value of ‘3’, government’s collaboration with poultry farmers and stakeholders’ to initiate policies *(colla)* was allocated a nominal numerical value of ‘4’, ‘education and training of poultry farmers *(edutrg)* was allocated a nominal numerical value of ‘5’, ‘advertising campaign to influence consumers to patronise local poultry *(adcamp)* was allocated a nominal numerical value of ‘6’, ‘provision of infrastructure to support poultry industry *(infras)* was allocated a nominal numerical value of ‘7’ and provision of awards and incentives to motivate the farmers *(awacent)* was allocated a nominal numerical value of ‘8’.

**5.9.4. Competitiveness of small-scale commercial and backyard/rural poultry industry**

Again, a series of open-ended questions were asked to investigate strategies that would enable the poultry farmers’ to become competitive so as to withstand the fierce competition that the poultry industry in Ghana is currently facing.

The questions asked about a strategy that would enable the commercial poultry farmers’ to become competitive, withstand the fierce competition, and attain a sustainable growth. Based on this question thirteen (13) themes emerged from participants’ responses during the first cycle coding, and were refined and combined to obtain four (4) themes during the second cycle coding as follows:

(A) Strategic cost-reduction through collaboration (stracostred), (B) Adoption of local materials to prepare poultry feeds in order to reduce production cost *(Alomp)*, (C) Good management practices to prevent poultry diseases in order to avoid waste of money as a result of birds mortality *(gomgtprac)*, (D) Formation of producer associations to share risks and potential returns together (proassoc), (E) Formation of marketing associations among poultry farmers (*maktassoc)*, (F) Formation of poultry farmers co-operative in order to pull their resources together to help themselves and fight for their rights *(cofopret),* (G) Formation of unions/groups to get one voice and put pressure on government (*formunion)*, (H) Farmers should collaborate to buy machines to process their poultry meat *(collabuy),* (I)Farmers should improve upon the quality of their products through training and education *(quaproduct),* (J) Small-scale commercial poultry farmers should make contributions to get experts to organise periodic training and workshop for them (*peritrg),* (K) Poultry farmers should come together and organise national campaign to improve local birds consumption *(gradcamp),* (L)‘farmers should upgrade themselves in terms of modern technology *(trgtech),* and (M) Farmers should be educated to improve upon their bio-security practices *(edubio).*

From the above, themes A, B and C were refined, combined and reclassified as “Strategic cost-reduction *(stracostred*), themes D, E, F, G and H were refined, combined and reclassified as Formation of social movement *(socmove),* and themes I, J, L and M were refined, combined and reclassified as collaborative training and education programmes for farmers *(colltrg*), and finally, theme ‘K’ was refined and reclassified as co-operate advertising campaign and publicity to enhance consumption of the local poultry meat *(coadcamp).* The researcher then assigned nominal numerical values to the obtained categories as follows: formation of social movement to get a bigger voice *(socmove)* was allocated a nominal numerical value of ‘1’, strategic cost reduction through collaboration *(stracored)*was allocated a nominal numerical value of ‘2’, ‘training and education’ programmes for poultry farmers *(edutrg)* was allocated with a nominal numerical value of ‘3’ and cooperate advertising campaign and publicity to enhance the consumption of the local poultry meat *(coadcamp)* was assigned with a nominal numerical value of ‘4’.

The next question was asked to investigate a strategy that can enhance the competitiveness and growth of rural/backyard poultry farmers’. Based on this question fifteen (12) themes or ideas emerged from the answers of respondents concerning the strategic factors that can increase the competitiveness and growth of the rural/backyard poultry farmers’.

However, to standardise interpretations, reduce variations, and to obtain a short list, the researcher refined, combined and reclassified the emerged themes into four categories or themes and gave each theme an abbreviation. These themes include the following: Formation of social movements *(socmove),*formation of local producer associations to benefit the group *(proassoc),* poultry farmers should organise marketing associations for themselves to obtain direct market for their products *(markeassoc)*, farmers should form local co-operatives to help themselves *(coptihelp)*’ ‘farmers should work together to fight against competition *(againstcomp),* best poultry farming practices *(bepofap),*bio-security practices *(biosec)*, high knowledge in poultry management *(knowmgt)*, quality improvement of local poultry breeds *(qtyimbred),* rearing of diseases resistant birds *(resibirds)*, creation of marketing links with consumers and restaurant operators through advertising *(linkmarket),* and advertising campaign *(coadcamp).*

Following from above, formation of local social movements *(socmove),* poultry farmers must form local producer associations to benefit the group *(proassoc),* poultry farmers should organise marketing associations to obtain direct market for their products *(markeassoc),*’ farmers should form local co-operatives to help themselves *(coptihelp)*, and poultry farmers should work together to fight against competition *(againstcomp),* were refined combined and reclassified as “formation of social movements *(socmove).”*

Furthermore, best poultry farming practices’ *(bepofap),* bio-security practices (cleaning and disinfectant *(biosec)*, and high knowledge in poultry management *(knowmgt)* were refined, combined and reclassified as “best poultry farming practices *(bepofap)”*

Again, quality improvement of local poultry breeds *(qtyimbred)*, and rearing of diseases resistant birds *(resibirds)* were refined, combined and reclassified as “quality improvement of the local breeds *(qtyimbred).* Finally, poultry farmers should create marketing links with consumers and restaurant operators through advertising *(linkmarket),* and advertising campaign *(coadcamp)* were refined, combined and reclassified as “co-operate advertising campaign (coadcamp).

After recategorisation and recoding, each respondent who answered ‘formation of local producer associations (social movements) *(socmove)*’ was assigned with a nominal numerical value of ‘1’, ‘best farming practices *(bepofap)*’ was assigned with a nominal numerical value of ’2’, ‘quality improvements of local poultry breeds *(qtyimbred)* was assigned with a nominal numerical value of ‘3’, and co-operate advertising campaign *(coadcamp)* was assigned a nominal numerical value of ‘4’.

**5.9.5. Strategies to increase market share**

Furthermore, in order to develop strategies that can increase the market share of the small-scale poultry industry, each respondent was asked to mention a strategy that can be adopted by the poultry farmers’ to increase their market share in the local market. With reference to this question, fifteen (17) themes or ideas emerged from the respondents’ answers regarding strategies that can increase the market share of the local poultry farmers and were given abbreviations.

However, in order to standardise interpretations, minimise variations and achieve a short list the themes were refined and combined into ‘6’ themes or categories.

Firstly, ‘production of lower cost poultry for lower income group *(loinco)*’, ‘production of lower price poultry meat for poor people *(lopripp)*’, ‘production of lower price processed poultry for all consumers *(lopriprop)*’, ‘production of overall lower price poultry for lower income earners *(loppflie)*’ and ‘production of cheap poultry meat for people of low socioeconomic status in the country *(chepolses)*’ were combined and reclassified as “overall lower cost and lower price processed poultry for lower income earners and the poor *(ovelocloppp)*”.

Secondly, ‘production of low cost poultry meat for middle income consumers *(polocpomic)*’, ‘production of low price poultry for middle income earners *(poloppofmie)*’, and ‘production of low price processed poultry meat for middle income group *(polopmid*)’ were combined and reclassified as “production of quality processed poultry meat parts at low cost and low price to target the middle income consumers *(midigroup)”.*

Thirdly, ‘production of quality poultry meat to target schools, universities, and colleges, hospitals, police and army services *(pominst*)’, ‘production of processed poultry meat parts to target supermarkets and stores *(propsup)*’, and ‘production of processed and quality poultry meat for restaurants and food vendors *(pomrestau)*’, were combined and reclassified as “production of lower cost and lower price, quality and processed poultry meat parts to target organisations and institutions *(poufoisti)”.*

Fourthly, ‘production of quality poultry meat for rich people’ *(qtyporich),* ‘production of high quality and processed poultry for high income consumers *(pohicom)*’, and ‘production of quality ready-to-use poultry meat to target higher status poultry consumers *(pohista)*’ were refined, combined and reclassified as “production of quality, processed poultry meat to target the high income group and the rich consumers *(pohighinc).”*

Fifthly*, ‘*production of lower cost poultry meat to target Christmas, Easter and Ramadan seasons were classified as “production of lower cost and lower price poultry meat to target festivities, such as Christmas, Easter and Ramadan *(pomfofesti)”.*

Lastly, ‘production of poultry meat for export *(poexport)’,* and ‘processing poultry for export to neighbourhood countries *(poneigh)*’ were combined and reclassified as “production of poultry meat for export to neighbourhood countries *(poexpnei)”.* After recategorisation, the variables were recoded as follows:

Each respondent who mentioned ‘production of overall lower cost and lower price processed poultry for low income earners and poor consumers *(ovelocloppp)*’ was assigned with a nominal numerical value of ‘1’, ‘overall low cost and low price processed poultry for middle income group *(midigroup)*’ was allocated with a nominal numerical value of ‘2’, overall low cost and low price processed poultry to target organisations and institutions *(poufoisti)*’ was allocated with a nominal numerical value of ‘3’, ‘production of low cost and low price processed poultry to target festivities *(pomfofesti’)* was allocated with a nominal numerical value of ‘4’, ‘production of quality processed poultry to target the rich and high income earners *(pohighinc)’* was allocated with a nominal numerical value of ‘5’, and production of processed poultry for export to neighbourhood countries *(poexpnei)* was allocated with a nominal numerical value of ‘6’.

**5.9.10. Stakeholders Involvement strategies to increase competitiveness of small-scale poultry industry**

Finally, in order to develop strategies for stakeholders’ involvement and contribution towards the growth of the poultry industry each respondent was asked to mention a strategy that can be employed by the stakeholders to improve competitiveness of the small-scale poultry industry. Regarding this question the following thirteen (17) themes emerged from the answers of the respondents and were abbreviated.

These themes include the following: ‘Stakeholder should engage in national debate on effects of poultry imports on the economy and help promote policy changes *(econeffects*)’, ‘form groups with poultry farmers to put pressure on the government *(pressuregroup)*’, ‘come together and infuence the policymakers for change *(preopm)*’, ‘stakeholders should invest in poultry farming *(stainvest)*’, ‘help farmers to get access to loans *(graloan)*’, ‘stakeholders should intervene and finance poultry farming *(shfinance)*’, ‘help the poultry farmers in terms of advocacy *(advoc*)’, ‘create awareness campaign about the plight of poultry farmers *(awarecamp)*’, ‘promote local poultry meat on several media *(mediaprom)*’, ‘educate the public to patronise locally produced poultry meat *(pompatron)*’, ‘campaign against imported poultry products *(camp)*’, ‘dissemination of information *(infodis)*’, ‘sharing information and planning with poultry farmers as groups *(socmove)*’, ‘organise training for poultry farmers *(trg)*’, ‘assist the farmers to process their own birds *(probird)*’, ‘train poultry farmers to prepare and use locally produced poultry feeds *(feedpre)*’, and ‘organise seminars and workshops to upgrade the skills of poultry farmers *(skillsupdate)*’.

To standardise interpretations, minimise variations and to achieve a short list for subsequent analysis, the following themes were combined, refined and reclassified as follows: ‘stakeholder should engage in national debate on effects of poultry imports on the economy *(econeffects)*’, ‘form groups with poultry farmers to put pressure on the government *(pressuregroup)*’, ‘come together and influence the policymakers *(preopm)*’ were refined, combined and reclassified as “collaboration of stakeholders with the poultry farmers’ and the government to implement poultry production policies *(stacolla).”*

Furthemore, ‘stakeholders should invest in poultry farming *(stainvest)*’, ‘help farmers to have access to soft loans *(graloan)*’, and ‘stakeholders should finance and intervene to support poultry farming *(shfinance)*’ were refined, combined and reclassified as “financial support *(finasup).”*Also ‘stakeholders should help the poultry farmers in terms of advocacy *(advoc)*’, ‘create awareness campaign about the plight of poultry farmers *(awarecamp)*’, ‘promote local poultry to become commercialised on several media *(mediaprom)’*, ‘educate the public to patronise locally produced poultry meat *(pompatron)*’, and ‘campaign against imported poultry products *(camp)*’ were refined, linked and reclassified as “co-operate advertising campaign and advocacy on behalf of the poultry farmers *(coadcampa).”*

Moreover, dissemination of information *(infodis*)’, ‘sharing of information and planning with poultry farmers as a groups’ were refined, linked together and reclassified as “dissemination of information to poultry farmers *(shinfodis).*

Finally, ‘organise training for poultry farmers *(trg)*’, ‘assist the farmers to process their own birds *(probird)*’, train poultry farmers to prepare and use locally produced poultry feeds *(feedpre)*’, and ‘organise seminars and workshops to upgrade the skills of poultry farmers *(skillsupdate)*’ were refined, combined and reclassified as “collaborative training and education for the poultry farmers *(collatrg).”*

After the above categorisation, ‘stakeholders collaboration with the poultry farmers and the government to initiate policies’ was allocated with a nominal numerical value of ‘1’, financial support was allocated with a nominal numerical value of ‘2’, ‘advertising campaign and advocacy’ was allocated with a nominal numerical value of ‘3’, ‘information dissemination to poultry farmers’ was allocated with a nominal numerical value of ‘4’, and lastly ‘training and education to poultry farmers’ was allocated with a nominal numerical value of ‘5’.

**Table 21: Summary of the Key Features of Respondents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Job Type** | **Job Title** | **Gender** | **No. of respondents interviewed** |
| 1 | Politicians | Members of parliament | Male | 4 |
|  | Shadow Politicians | Shadow member of parliament | Female | 1 |
| 2 | Staff from Ministry of Food and Agriculture (MoFA) | Veterinary officers | Male | 20 |
| Extension officers | Male | 20 |
| Agric Economics | Female | 5 |
| Statisticians | Female | 2 |
| 3 | Consultancy | Freelance Consultants (Agribusinesses) | Male | 2 |
| 4 | Chief Executive (Administrative) | Chief Executive officers (poultry Enterprise) | Male | 3 |
| 5 | Commercial Feed miller | Commercial Feed millers (Agriculture) | Male | 8 |
| 6 | Commercial Feed Milling | (Managers) commercial Feed millers Agric. | Female | 2 |
| 7 | Chieftaincy Affairs | District chiefs | Male | 4 |
| 8 | Lecturing | Lecturers ( Animal science) | Male | 2 |
| 9 | Commercial poultry Farmers | Poultry Farmers (Owners) | Male | 78 |
| 10 | Commercial Poultry Farming | Poultry Farmers | Female | 5 |
| 11 | Backyard/village poultry farming | Poultry Farmers | Male | 11 |
| 12 | Backyard/Village Poultry Farming | Poultry Farmers | Female | 26 |
| 13 | Poultry Development Board | (Bankers) | Male | 2 |
| Total Number of Respondents (Poultry farmers and Stakeholders) | | | | 195 |

**5.10. Piloting and Screening**

The pilot study was conducted with 5 experienced stakeholders (staff of MoFA) and 5 experienced poultry farmers prior to carrying out the actual interviews. The purposes of the pilot study were: (1) To use their responses to determine whether or not the study would produce usable data or has areas that need correction, (2) to obtain advance warning about where the main research project could fail, for example, to find out whether or not the proposed methods and instruments were inappropriate or too complicated (Atkinson and Flint, 2001; University of Surrey, 2001).

The choices of persons were not random, but it included persons who were acquaintances of the researcher. The respondents made a few suggestions concerning the length, typing errors, content, and the length of the questions. Modifications were made to improve the content, and the length of the questions, and the typing errors corrected. After piloting and screening, the actual interviews were carried out. The next section discusses the methods used for the administration of the interviews.

**5.11. Administration of Interviews**

The study adopted a face-to-face semi-structured interview approach to interview the poultry farmers and key informants (stakeholders). Patton (2002) provides a more detailed classification of open-ended interviews, differentiating three basic approaches: (a) the informational conversational interview, (b) the interview guide approach, and (c) the standardized open-ended interview. The format that was applied in this study is the interview guide approach, with the wording of the questions predetermined, but the sequence was determined during the conversational flow. The merit of this approach is that it makes data collection more systematic and ensures that certain topics and issues of interest to be covered (Patton (2002).

**Table 22: Classification of open-ended interviews**

|  |  |  |
| --- | --- | --- |
| **The informational conversational interview** | **The interview guide** | **The standard open-ended interview** |
| Unstructured | Semi-structured | Semi-structured |
| Question flow from immediate context; no predetermination of questions, topic or wording  Conversational flow as a major tool of fieldwork | The interview guide provides topics or subject areas in advance, in outline form  Within the framework of the guide, the interviewer is free to explore, probe, and ask questions  However: focus on a particular predetermined subject | The exact wording of questions and their sequence are predetermined  Each respondent gets to answer the same questions in the same way and in the same order, including standard probes |
| Data gathered will be different for each person interview | Data collection more systematic | Enhanced comparability of data |

**Source: Patton (2002)**

Furthermore, it ensures that the same general ideas are collected from each respondent. Based on the research question and the purpose of the study the interview guide approach was adopted to obtain a detail understanding of the research problem, as well as the feelings, thoughts, opinions, attitudes and behaviours of the respondents.

Postal questionnaires, telephone interviews, and internet surveys were rejected because they are not culturally accepted methods of data collection in Ghana, as poultry farmers and stakeholders may be unwilling to give certain information for fear of not knowing what is going to come out of an interview.

In order to achieve the purpose of the study the researcher collected the introductory letter from the University of Durham Business School and submitted it with an introductory letter to the leaders of MoFA, GNAPF, PDB, Hatchery and Feed Mill operators to request for their permission to conduct interviews with the poultry farmers and stakeholders.

The approval from the leaders of the above-mentioned organizations and associations enabled the researcher to get access to the respondents, as their rubber stamp received acceptance from the poultry farmers and stakeholders. Without the consent of the leaders some of the respondents would have turned down the request of the researcher to conduct interview with them due to fear or suspicion.

Having received the approval and backing from the leaders, the farmers who could be reached through mobile phones/telephones were contacted for appointments, requesting them to participate in the interview. Those, who could be reached through their postal addresses, were contacted through letters, with the copies of introductory letters from the leaders attached. Other poultry farmers who could not be reached through letters or phones were visited and appointments booked for subsequent interviews.

In booking appointments, the respondents were informed about the process and the importance of their participation and contribution. Explanations were given to the respondents about the reasons why they were selected for interviews. The researcher emphasised to them that their responses would be treated in confidence.

In order to get in touch with the stakeholders, the snowball technique was adopted, whereby the stakeholders and poultry farmers visited identified the other stakeholders’ (extension officers, veterinary officers, chief executives, consultants, feed mill operators and hatchery operators) in their area. The stakeholders who were visited for appointments also identified other stakeholders in their area. In all cases the researcher introduced himself and informed the participants about the objectives of the study, assuring them that the results of the research would benefit the poultry industry through better research planning and favourable policy initiatives.

The objectives and the method of the questions on the interview ‘schedules’ or ‘guides’ were rehearsed before the actual interviews started. The respondents were interviewed in English and vernacular. The questions were simply worded, kept short and phrased in English for educated informants and farmers, and vernacular for those with low educational background. However, in Northern Region, the interviewees who could not speak English were interviewed by the help of the translator. In order to avoid lost of information, the translator was given one day training before he was allowed to assist the researcher to interpret the interviews to four local people in “Dagwani” (one of the local languages in the Northern Ghana). The interpreter gave instant feedback to the researcher throughout the process of the interviews. All the interviews were conducted between October, 2009 and March, 2010.

In order to ensure efficient and cost effective interviews, the interviews were conducted on a regional basis. The researcher travelled from one region to another, conducting the interviews, ensuring that appropriate numbers of poultry farmers and stakeholders were drawn up. In order to achieve the objectives of the interviews, the researcher considered the individual circumstances of all the interviews and customised the conduction of the interviews to suit their circumstances. For example, some respondents asked the researcher to wait for them for a while, visit them at their office instead of their homes and vice versa. Every effort was made by the researcher at all costs and times to ensure a smooth conduct of the interviews with the interviewees.

Poultry farmers were given the option to be met at the premises of their poultry farms, at home or another location that was convenient for them. About 80% of the poultry farmers chose to be interviewed at the premises of their poultry farms and the remaining at their homes. Likewise, the stakeholders were also given the option of meeting at their workplaces, at home or any convenient location. About 90% of the stakeholders chose to be interviewed at their workplaces and the rest were interviewed at their homes. An interview time was scheduled and the meeting places were booked with each participant.

When respondents arrived to the interview during the session, the researcher explained to them about the purpose of the study, the right of the respondents to withdraw from the study at any time, the expected length of the interview, and the fact that the interview was taped recorded, and an assurance of confidentiality. It was also clarified that the study is part of the academic work and that the outcome would benefit the poultry farmers, stakeholders and food crops farmers in general. The introductory address by the researcher allowed for some social conversation aimed at creating a relaxed atmosphere for the respondents. To guide the conversation, an interview guides were used with both interviewee categories, and also the researcher used probe questions to obtain detail information when necessary. Detail notes were taken during the interviews. In order to describe the sample of respondents the gender of each one was noted and then demographic questions were asked at the end of the interviews.

At the end of the interview permission was requested to contact the respondents at a later date so that they could review the transcript of their interviews and particularly a draft of the research paper. After the permission, the researcher read through his notes and added details based on his memory of the interview. This enabled the researcher to capture as much of the interview as possible on paper to support the tape recordings. Finally, the researcher kept a book for reflecting upon the interviews and the data collected from them.

**5.12 Sampling Procedure**

From the sampling list of 1000 poultry farmers provided by MoFA and other organizations, a stratified random sample of 134 poultry farmers was drawn. In total, 129 poultry farmers were interviewed. Of the 129 responses, 9 were eliminated because their poultry farms/enterprises were found to have fallen below the criteria used for the selection of the poultry farmers. A final response of 120 poultry farmers was used for this project denoting 89% response rate.

**Table 23: Survey of poultry farmers by regions**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Region | Urban Areas | No. of poultry farmers | % | Peri-urban/rural Areas | No. of poultry farmers | % | Total |
| Greater Accra Region | Accra Metropolitan Area | 10 | 8.33% | Ga District | 20 | 16.67% | 30 |
| Ashanti Region | Kumasi Metropolitan Area | 15 | 12.5% | Nkawie District | 16 | 13.33% | 31 |
| Brong- Ahafo Region | Sunyani Metropolitan Area | 12 | 10% | Dormaa District | 20 | 16.33% | 32 |
| Western Region | Sekondi-Takoradi Metropolitan Area | 5 | 4.17% | Bibiani District | 10 | 8.33% | 15 |
| Northern Region | Tamale Metropolitan Area | 5 | 4.17% | Talon-Kumbungu | 7 | 5.83% | 12 |
| Total |  | 47 | 39.17% |  | 73 | 60.83% | 120 |

In a nutshell the survey of 120 small-scale poultry farms produced 53 village/rural poultry/backyard poultry farmers (44.17%) and 67 small-small-scale commercial poultry farmers (55.83%) in all the five regions. Taking location into consideration, the study produced 47 (39%) poultry farms located in urban Areas and (regional capitals and suburbs) and 73 (61%) poultry farms located in peri-urban/rural areas.

In Greater Accra Region, 10 poultry farmers (8.33%) were interviewed in Accra metropolitan area, and 20 poultry farmers also took part in the interviews in Ga District (16.67%) representing 25% of the total population of poultry farms surveyed. In Ashanti Region, 15 poultry farmers (12.5%) were interviewed in Kumasi Metropolitan area and 16 poultry farmers (13.33%) were interviewed in Nkawie District, representing (25.83%) of the total population of the poultry farms surveyed in the five regions.

In Brong–Ahafo region,12 poultry farmers (10%) were interviewed in Sunyani Metropolitan Area and 20 poultry farmers (16.33%) interviewed in Dormaa District, representing (26.33%) of the total population of the poultry farms surveyed in the five selected regions.

In Western Region 5 poultry farmers (4.17%) were interviewed in Sekondi-Takoradi Metropolitan Area, and another 10 poultry farmers (8.33%) interviewed in Bibiani District denoting 12.5% of the total population of the poultry farms surveyed in the selected regions.

Finally, in Northern Region 5 poultry farmers (4.17%) were interviewed in Tamale Metropolitan Area, and another 7 poultry farmers (5.83%) interviewed in Tolon-Kumbungu District representing (10%) of the total population of the poultry farms surveyed in all the selected regions.

In order to maximise the relevance of semi-structured interviews conducted with the poultry farmers, consideration was given to identify the types of stakeholders (key informants) which have direct working relationship with poultry farmers, and have detail knowledge on poultry production and have influence on government policies. In selecting the key informants the following organizations, associations and people were contacted and held with those concerned.

1. MoFA

2. GNAPF

3. Feed mill companies

4. Hatchery Operators

5. Government officials

6. Chiefs

7. Academic Scholars (in the field of Animal sciences)

8. Chief executive officers (CEO’s)

9. Consultants.

To achieve this purpose a snowball sampling technique was adopted to draw an adequate sample of hard to reach stakeholders (experts) with a minimum costs to the researcher. The target numbers of stakeholders were 20 each for Ashanti, Brong-Ahafo and Greater Accra Regions and 15 each for Western and Northern Regions.

The farmers who were visited on their farms, as well as stakeholders of the organizations and association consulted at the initial stages indentified the other stakeholders in their respective areas. To avoid getting similar opinions from the stakeholders the researcher started the snowball chain from several people from different academic backgrounds, different academic disciplines and distinct socioeconomic strata.

Furthermore, the above technique was used to avoid respondents proposing stakeholders who share their own views, or with similar qualifications, jobs, professions, or know them very well.

With the help of the introductory letters obtained from the University of Durham (Business School), and the supporting documents from the leaders of the organizations and associations, the stakeholders were visited and appointments made. In booking the appointments the researcher was very flexible to allow the respondents prescribed their own suitable time. The researcher informed them that the interviews would last for approximately 60 minutes. The day before the interviews the researcher send a telephone reminder. Through the snowball approach 111 stakeholders were contacted through personal visits by the researcher. The purpose of these visits was to highlight the objectives of the study and the motive behind their selection to participate in the interviews, and finally to give them assurance of confidentiality of their responses. Of the 111 stakeholders visited, 92 accepted the researcher’s request to participate in the interviews and to give responses. In total 80 stakeholders were interviewed in the five regions because, 12 of them fell below the selection criteria.

Also, 5 responses were eliminated due to inconsistencies and incompleteness of their responses. In total 75 useable responses were achieved in the study yielding (67.57%) response rate.

In conclusion the study used 195 responses representing 72% response rate of the population surveyed. The reasons behind such a significant response cannot be overemphasized. It is possible that the poultry farmers and stakeholders accepted that the research is of great importance, because the situation and the problems of the farmers have continued for a long time without solution, and therefore the study merits research. It is also possible that the respondents were highly impressed and were more inclined to participate in the survey than usual because they believe the researcher is patriotic and cares about the resource poor farmers in the country.

**Table 24: Survey of Stakeholders by regions**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Region** | **Urban Area** | **No.** | **%** | **Peri-Urban** | **No.** | **%** | **Total** |
| Greater Accra | Accra metropolitan Area | 3 | 4% | Ga District | 3 | 4% | 6 |
| Ashanti | Kumasi Metropolitan Area | 9 | 12% | Nkawie District | 21 | 28% | 30 |
| Brong Ahafo | Sunyani metropolitan | 15 | 20% | Dormaa District | 17 | 22.67% | 32 |
| Western | Sekondi-Takoradi metropolitan Area | 2 | 2.67% | Bibiani District | 2 | 2.67% | 4 |
| Northern | Temale metropolitan Area | 1 | 1.33% | Tolon Kumbugu District | 2 | 2.67% | 3 |
| Total |  | 30 | 40% |  | 45 | 60% | 75 |

Snowball sampling is a technique for finding subjects; that is respondents give the researcher the names of other subjects who in turn provide the names of the rest (Gilbert ed. 2001; Atkinson & Flint, 2001; Vogt, 1999; Salganik & Heckathorn, 2002; Heckathorn, 2002).

Some researchers argue that this technique is not a highly promoted form of quality sampling, although, it is commonly used as a qualitative technique (Senese, 1997, pp.131). Other scholars also argue that snowball sampling limits the validity of the sample and encourage selection bias (Van Meter, 1990; Kaplan et al., 1987). Griffiths et al. (1993) argue that in snowball approach elements are not randomly drawn, but rather depend on the subjective choices of the respondents first accessed, and as such snowball samples are biased and do not allow a researcher to make claims to generality from a particular sample.

Finally, it is argued that interviewers may encounter initial hostility and suspicion from targeted individuals (Gilbert (ed.) 2001).

However, snowball technique created an immense opportunity in this study which utilizes organized social movement as one of the recommended strategy to enhance the competitiveness of the small-scale poultry farmers in Ghana. Snowball technique was utilized by the researcher to rely on the expertise of the poultry farmers’, agriculture officers and other stakeholders to identify prospective units, including the senior members of GNAPF and Ministry of Food and Agriculture (MOFA), and others thought to be knowledgeable about the research problem, the formation of social movements and agricultural co-operative ventures to ensure adequate representative sample for the study.

Furthermore, the researcher was introduced by some group members of the poultry industry in order to have access to other group members by means of snowball techniques (Salganik & Heckathorn, 2004; Heckathorn, 2002). This technique was adopted in the study to take advantage of the social networks of identified respondents to provide the researcher with an ever expanding set of potential contacts (Thompson, 1997). It was therefore, decided that since a ‘bond’ or ‘link’ exist between the poultry farmers and the experts such as members of Veterinary Service Department (VSD), Extension Officers, Chief Executive Officers and Members of GNAPF, and Politicians in the Ministry of Agriculture and others in the same target population, a series of referrals could be made within a circle of acquaintances by means of snowball technique in order to attain the least bias data to increase dependability of the findings.

This approach offered practical advantages during the interviews in the process of making contacts with particularly, hard to reach politicians, government officials, and bosses of GNAPF in the study country and other key informants, with some degree of trust (Gilbert (ed.) 2001). Under these circumstances snowball approach facilitated a “chain of referrals” and also, imbued in the researcher with attributes associated with being an insider or group member. This paved a special way of entry to settings where structured questionnaires, phone interview and other conventional approaches may find it difficult to succeed (Gilbert (ed.) 2001).

In conjunction with face-to-face techniques, the snowball approach offered economical, practical and effective trust development, as referrals were made by acquaintances rather than more complex formal methods of identification of top members. In order to attain logical interpretation the data was compiled, tabulated and subjected to frequency distributions, percentages and rankings.

Participatory action research technique involves all relevant parties actively investigating together, the current predicament which the poultry farmers’ were experiencing, in order to change and improve their competitiveness. It is a recognized form of experiment research that centres on the effects of the researcher’s direct actions of practice within a participatory community with the purpose of enhancing the performance quality of the community or an area of concern. It was decided that the best way to understand what was going on and around the respondents is to become immersed in the affairs of the poultry farmers and enter into the culture of the poultry industry being studied and experience what it is like to be a part of it.

Participatory action research is an explicitly political, socially-engaged approach to generation of knowledge (Brydon-Miller, 2002, pp.2) to solve a particular problem, such as the fierce competition against the small-scale poultry farmers in Ghana from their rivals in advanced countries (EU Member States and USA), as a result of trade liberalization context. This technique allowed the researcher to play simultaneous roles as a scholar and an activist (Brydon-Miller, 2002).

This technique of data collection was very instrumental in the organized social movement, because the researcher embarked upon a systematic cyclical method of planning and taking action, observing, evaluating and critically planning the next stage.This action assisted very much in tackling or addressing the problem of poultry industry. The researcher collaborated with some members of GNAPF, poultry farmers, extension officers, veterinary officers, politicians, lecturers and other related interest groups to generate new ideas and implement action for change.

The whole activities involved direct participation of the researcher in a dynamic research process, while monitoring and evaluating the researcher’s actions with the purpose of improving the practice of small-scale poultry farming in Ghana. This technique increased the understanding of the researcher about how the organized social movement could mutually benefit the small-scale poultry farmers and their networks in Ghana, such as Feed mill and Hatchery Companies.

Furthermore, apart from smoothening the way for the researcher to gain access to the poultry farmers, stakeholders and other related interest groups in the study country, the technique also, fostered trust and mutual understanding between the researcher and the participants necessary for collecting sound data and reliable information.

This technique also, promoted a kind of ideological compatibility between the researcher and the respondents (Klandermans and Staggenborg, 2002) and cultivated rapport building, strong affinity, close relationship, empathy and trust between both parties. The above explanation has examined the detailed structure of the interviews and techniques adopted to reach the hard to reach participants. The next section deals with the data processing and analysis.

**6.0 Data Processing and Analysis**

In qualitative research, data analysis is not a distinct phase of the research process. It is a cyclical and reflective activity that forms the data collection, writing, and further data collection (Coffey and Atkinson, 1996; Tesch, 1990). Bogdan and Biklen (1982) define qualitative data analysis as “working with data, organising it, breaking it into manageable units, synthesising it, searching for patterns, discovering what is important and what is to be learned, and deciding what you will tell others”. The data analysis for this research comprises three major steps; data preparation, descriptive data and interpretive data. Data preparation comprised the editing, coding and categorising, and entering the data into the computer which was then transformed into a database structure. Descriptive data means “what the data says.” The researcher presented the data clearly in a descriptive way, making references to field notes and other data sources in order to describe the basic characteristics of the data in the research to show a simple summary of the data.

The interpretive data comprised the researcher’s interpretation of what the data means, and finding causal linkages, making inferences, attaching meanings, and dealing with cases that disconfirm or contradict the analysis. At this stage causal network diagrams, flow charts, and simple matrices were constructed to summarise and to help make sense of the cause and effect relationships that appear in the data.

**6.1 Editing, Coding and Categorising the Open-ended questions**

After obtaining the data from semi-structured interviews the data was checked and edited, and sorted into two groups (one for the small-scale poultry farmers’ and the other for the stakeholders) on the same day of each interview, so as to contact the respondents for further information and clarification as needed.To facilitate subsequent processing and analysis of data, the data were sorted right after collection into two groups (small-scale poultry farmers and stakeholders) that the researcher was to compare during data analysis.

The researcher performed quality control checks during the field work to ensure that all the information needed has been properly collected and recorded. However, the information was checked again for completeness and internal consistency before and during the data processing and analysis. Some inconsistencies which could logically be corrected were immediately done, and others were referred back to the respondents for clarification either through phone contacts or by revisiting their premises or their work places. This exercise was made possible by the fact that the interviewees had their contact numbers written on the back of the interview questions.

Two sets of interview questions were used, one for the poultry farmers and the other for the stakeholders. The interview questions belonging to each group were numbered separately right after they were sorted. Each region where the poultry farmers’ were interviewed was given the identity number as follows: Accra metropolitan area and Ga district-10,000; Kumasi metropolitan area and Nkawie district-20,000; Suyani metropolitan area and Dormaa district-30,000; Secondi-Takoradi metropolitan area and Bibiani district-40,000; and Tamale metropolitan area and Tolon-Kumbungu district-50,000.

On the other hand, each region where the stakeholders were interviewed was given identity number as follows: Accra metropolitan area and Ga district-60,000; Kumasi metropolitan area and Nkawie district-70,000; Sunyani metropolitan area and Dormaa district-80,000; Sekondi-Takoradi metropolitan area and Bibiani district-90,000; and Tamale metropolitan area and Tolon-Kumbungu district-100,000.

After reading through each interview several times, the field notes and tape recordings were transcribed into a well organised set of notes. All important information noted by the researcher in a hurry was deciphered to ensure a systematic categorisation and coding of the data. It was check that every question which was supposed to have only one answer does not have more. Organising the data in this manner allowed the researcher to explore the connections and relationships between questions and answers.

After editing the data were initially typed into computer system using the basic word processing programme (Microsoft Word 2007). A wide margin was created on the left of every page to ensure enough space for recording labels of the responses. Another margin was created on the right side of every page to keep notes on emerging ideas from the data. The texts were separated into short paragraphs length units with a line break in-between subtopics which appeared to change. Hard copy and electronic files were made and kept at a secured place to ensure one copy to work from and another for safekeeping.

The statistical Package for Social Sciences (SPSS), the best known statistical programme which is widely used in universities and research companies around the world, was used in entering the set of coded data (from the word processor) into the computer to form the data base. SPSS was chosen because the researcher has a thorough knowledge of how to use it, and also it was found that the quality of the analysis would benefit from it. Secondly, SPSS is mostly used by professional organizations, speeds up data entry and minimises error.

Finally, this software has data management and data documentation, and permits data entry, retrieval, assembly, viewing and can be used in setting up data files and descriptions.

For categorical variables that were investigated through closed-ended questions the categories were decided upon beforehand. On the other hand, the categorical variables that were examined through the open-ended questions, the categories were decided upon after reading through the answers several times to identify the recurring themes in the data. This approach allows the categories to emerge from the data. In order to ensure accurate coding of the data, the coding of the data started as soon as the data was collected after each interview.

The development of the analytic framework of the study began with identification of the themes emerging from the raw data, a process sometimes called “open coding” (Strauss and Corbin, 1990). Gray (2004) indicated that qualitative analysis constitutes a rigorous and logical process through which data are given meaning. He emphasised that through data analysis, the researcher can progress through an initial description of the data and then, through a process of disaggregating the data into smaller chunks, observe how these connect in to new concepts, thus providing the basis for fresh description (Gray, 2004).

The data processing and analysis of the study adopted grounded theory and general inductive approaches. This entails comparing themes within the data according to broad categories, combining and refining categories and theoretical concepts. During open coding, the researcher identified and tentatively name the conceptual categories into which the phenomenon investigated will be grouped. The purpose of the open coding is to create descriptive, multi-dimensional categories which form preliminary framework for analysis (Hoepfl, 1997).

During the open coding, the researcher also devised a scheme for identifying the data chunks that were created according to their respondents and the context. The next stage comprise re-investigation of the categories identified to find how they were connected, a complex process sometimes called “axial coding” (Strauss and Corbin, 1990).

Coding is a process that enables a researcher to organise and group similarly coded data into categories or “families” because they share some characteristics-the beginning of pattern. It is a process that allows data to be segregated, grouped, regrouped and re-linked in order to consolidate meaning and explanation.

The purpose of coding is to describe and acquire new understanding of the phenomenon of interest. Coding enables the researcher to manage data by labelling, storing, and retrieving it according to the codes. Hence, causal events contributing to the phenomenon, descriptive details of the phenomenon itself and the outcome of the phenomenon under study must all be identified and explored. Lastly, the researcher translated the conceptual model into the story line that would be read by others (Hoepfl, 1997).

Titcher et al. (2000) indicate that coding within grounded theory is usually developed in two phases. Coding in this study begun with the identification of the themes emerging from the raw data (open coding) (Strauss and Cobin, 1990) after the researcher had read the data several times (Bogdan and Biklen, 1992) with the goal to create descriptive, multi-dimensional categories to form a preliminary framework for analysis. The researcher then developed a scheme for identifying these data chunks according to their respondents and the context. The next phase of the analysis of the study involved “axial coding (Strauss and Cobin, 1990). During this stage, the researcher re-examined the identified categories to determine how they were linked or connected, and then revised, refined and combined some of the identified categories to obtain short lists.

**6.2** **Reliability and Validity of findings**

In other to reduce most common sources of bias and errors in the interviews and thereby help to improve the accuracy of the findings of the study the following steps were followed:

(a) Checking for representativeness: In order not to overlook certain groups or organizations in the study design, a second look was taken at the list of key informants and poultry farmers to ensure that it is fairly representative. Efforts were made to involve all different interest groups in the five selected regions of Ghana where poultry farming is well commercialized. All categories of poultry farmers including small-scale commercial, backyard, and rural/village poultry farmers were interviewed.

(b) Assessing the key informants: The reliability of key informants was assessed in terms of the following criteria: Firstly, knowledge-ability – a great care was taken to select key informant who had a direct working relationship with farmers or have professional training of the subjects of study. Furthermore, all other key informants who were selected occupied special positions that enable them to give accurate information.

Secondly, credibility- the good key informants answers questions thoughtfully and candidly. To avoid respondents’ reluctance to speak in the presence of others and bias responses, the interviews were conducted in-doors and one participant was interviewed at a time. Furthermore, the words and direct quotes of respondents were used to reduce chances of bias and improved credibility.

Again, in order to avoid untrue statements or partially true statements, the researcher applied probing questions and asked for clarifications. The presence of outsiders during the interviews can seriously influence responses therefore interviewees were interviewed alone at their premises, homes or in their offices. Care was taking to avoid the intimidation by other groups of farmers or their acquaintances and friends.

The researcher ensured that greater weight was given to the information provided by high rank officials, as well as those of low socioeconomic strata, especially the farmers. Particular attention was given to the fact that researcher adheres to total objectivity and not ignore the contradictory ideas of respondents.

Furthermore the data was given to the researcher’s supervisors to examine the conclusions they drew from it.

In other to draw meaningful inferences, the researcher sought for consistency and coherence in the disparate and irreconcilable remarks of respondents in all stages of the study whiles looking for evidences that were inconsistent with the findings of earlier interviews. In any case premature conclusion was not drawn. In order to control bias with high government officials, university lecturers and high ranking officials who tended to be articulate and have a sense of authority to attract more weight to their opinions than to those of low socioeconomic strata, the findings were reinvestigated to ensure that the researcher was not partial to the views and comments of the elite respondents.

In order to reduce concreteness bias, the researcher was cautions not to attach great importance to respondents who provided vivid description than respondents who made substantive points without providing concrete illustrations. Conscious efforts were made to look for data that questions preliminary findings of the study. This activity was undertaken to bring to the surface issues that were earlier ignored or overlooked by the researcher to make the analysis more cogent and rigorous. The key respondents were promised to be furnished with the details of findings of the study, and were given opportunity to clarify their points.

The adoption of the face-to-face semi-structured approach to interview the key informants and poultry farmers was highly supportive to the researcher in obtaining information, ideas, insights, and recommendations for the study, especially, the research design. To achieve this purpose, a well-written scope of work was done to explain the description of the purpose of the study, the background of the study and the research question was clearly spell out.

Furthermore, a broad ideas of the number of interviews to be conducted, the type of key informants who were most appropriate and the needed skills and expertise on the part of the researcher were ensured to attain the objectives of the study.

The respondents were made to understand that any information they provided would be anonymous, and the agreement of the protection of their confidentiality were justified. The introductory letter from the University of Durham was given to each respondent to emphasise the objectives of the study, and what would be done to the information they provided. The dependant variable and the independent variables were defined to provide standardised interpretations and minimize variations (Turkson, 2008). In choosing the respondents for the study special criteria was followed. This specification was employed to ensure fairness in the distribution of interviewees and maintain impartiality in the selection.

Using face-to-face semi-structured approach to interview the poultry farmers’ and key informants to collect data effectiveness of the research was improved and maximum impact was achieved. The interviews were given similar open-ended questions to ensure comparison and inter-relationships between variables or responses. In booking the appointments with the respondents, convenient times to the respondents were agreed to avoid scheduling conflicts so as to improve the number of participants. Again the choice of privilege locations for the interviews was greatly influenced by the respondents to ensure that the interviewees were ready, prepared and willing to provide candid information.

To avoid changing the dynamics of the interviewees the researcher used vernacular to interview the respondents who could not speak the English language, except only four respondents in the northern region who were interviewed by the help of a trained translator, because the researcher did not understand that Ghanaian language. However, training was given to the translator, and he was well-monitored to such extent that the researcher received instant feedback to avoid bias.

**6.3. Problems Encountered**

The first problem encountered during the field was the difficulty related to the location of the poultry farms, and the access to their premises. This was due to the impact/substandard houses/premises numbering system which is common in developing countries and the lack of post code numbering in Ghana, making it difficult to identify the location of some poultry farms, and houses of some stakeholders and poultry farmers. Locating the offices of some stakeholders was also very difficult, and also sometimes the researcher had to wait for almost half an hour before the start of the interview. These problems were overcome when some identified respondents who were visited on their farms and offices directed the researcher to other farms and stakeholders. Furthermore, the researcher’s ability to speak the local language always made it possible for him to consult people from the local area who were always ready to help in terms of cultural norms and behaviour of the people.

The second problem encountered was the unwillingness of some respondents to participate in the interview. The reasons behind this problem in many instances were due to the fact that they wanted to be sure that the visit had been approved by concerned officials and that the purpose of the interviews would be very useful. To overcome these problems the researcher gave each poultry farmer and stakeholder a copy of approval letters from MOFA and GNAPF. The letter from Durham University made all of them to be convinced that the study was purely academic work. However, the researcher further convinced such respondents that the findings would help the government in policy formulation towards the upgrading of the growth and competitiveness of the poultry industry.

The third problem to be encountered in the fieldwork was concerned with inability of few poultry farmers to speak the English language well as a result of low level of education. With the poultry farmers and stakeholders in Southern Ghana, almost every respondent was able to speak the local language, so it became easy for the researcher to administer the interviews in the vernacular language to those who could not speak the English Language. However, with the poultry farmers in the Northern Region, who could not speak English Language, the researcher had to seek for assistance of interpreter/ translator to interpret the questions to the respondents, and vice versa. In order to ensure that the translation was done accurately, the interviews were recorded as in all other locations, and given to another person who understand that local language, who later interpreted the interviews on tape recorder from Dagwani” to English, and the researcher compared it to the interview notes. In cases where there was a significant difference between the two interpretations, a final translation was undertaken for the acceptance of the final interpretation.

Finally, it was discovered that most of the small-scale poultry farmers that were interviewed did not keep records at all due to negligence and ignorance. Those who were found to keep records on their farms were found to be inconsistent, and in several instances their paper works were inaccurate and inadequate.

Therefore majority of the farmers were not able to release data on profits or losses, sales and productivity, and as such a considerable portion of data collected for the analysis was based on the opinions of the poultry farmers and stakeholders (experts).

**7.0 Research Ethics**

Ethics can be defined as a field of inquiry into controlling the type of behaviours considered suitable under certain situations as stipulated by codes of conduct that are set by society (Burns and Bush, 2006 pp. 63).

In order to ensure that this study is based upon the good conduct and code of ethics of the University of Durham, the researcher endeavoured not to interfere with the physical, social, and mental welfare of all the respondents throughout the research process. In other words the participants were not exposed to any physical or mental stress, or pressurized to participate in the interviews through coercion of any kind or social intimidation (Sekaran, 2003).

Neither was there any question asked for the purpose of diminishing or demeaning the self-respect of the participants. None of them were misled or deceived as to the true purpose of the research, as well as the organized social movement which is the recommended strategic cornerstone of this study. The participants were totally allowed to withdraw from being interviewed or from participating in the organized social movement when they wanted to (Sekaran, 2003 pp. 165). The researcher strongly agreed with the participants not to use the research results to demerit them or for any other purpose not to their appreciation (Sekaran, 2003, pp. 165) before they committed themselves to be interviewed.

Furthermore, in compliance with the code of ethics of the University of Durham, and the British Educational Research Association the study was kept away from sugging and frugging under the guise of conducting research (Burns and Bush, 2006).

In particular, sugging happens when the researcher gains the respondents cooperation to take part in a research study and then uses the opportunity to attempt to sell the participants a good or service. Frugging is the act of raising funds under the guise of conducting a research (Burns and Bush, 2006, pp.64).

Since Social Movements or the New Generation Cooperatives advocate resources and funds contribution for the purpose of strengthening the members to become competitive and marketable, the researcher endeavoured to avoid sugging and frugging, a widely unethical behaviour, during the process of collecting and analyzing data (Burns and Bush, 2006, pp. 64) for the purpose of the organized social movements.

More to the point, the researcher’s integrity was maintained by performing research study that adheres to accepted standards through refraining from unethical acts such as withholding information, falsifying data, altering research results, or misrepresenting the research findings in a manner that makes the participants more consistent with predetermined points of view (Burns and Bush, 2006, pp. 65).

Again, the research commitment, responsibility and requirement to shield the respondents from harm, hurt or pain made the researcher to warrant the confidentiality of the participants that their revelations, secrets or responses would not be made public in a way that individuals could be identified. Therefore, the names of the interviewees were numerically identified without any evidence of traceability. The researcher refrained from the act of utilizing their emotional vulnerabilities, simply to gain data.

This means that the interviewer did not unnecessarily arouse painful or disturbing emotions and memories of the respondents (Klandermans and Staggenborg, 2002)). The welfare and safety of the participants necessitated the researcher alone to have access to the raw data of the research. However the organizations of the respondents were promised to be furnished with summary reports of the data in aggregated and non-traceable form.

Finally, the researcher completed the form for the code of ethics of the University of Durham and abided by all rules and regulations.

**8.0 Data Analysis**

The research method used in data collection has an important effect on the type of data analysis used (Hussey and Hussey, 1997; Curan and Blackburn, 2001). In conducting the data analysis, the study used descriptive cross-tabulation tables to describe the demographic variables of the respondents including age, gender, marital status, educational status and income levels, as well as occupational and geographical distributions and employment status etc.

Furthermore, the study employed analytic cross-tabulation tables to examine the differences and relationships between the small-scale poultry farmers and stakeholders in terms of their decisions to promote: the social movement, financial contribution to support the small-scale poultry industry, expansion of the small-scale poultry industry and political campaign against the unfair competition facing the small-scale poultry industry in the study country.

**8.1. Previous Research**

Issah (2007) used focus group interview with 41 poultry farmers to investigate whether the right to adequate food of tomato and poultry producing communities has already been negatively violated by trade policies. Issah (2007) found four main interventions which the poultry farmers thought would make them competitive. He found that government should:

(1) Create credit facilities that farmers can have access to for investment

(2) Take measures to control import volumes of poultry meat into the country

(3) Subsidise inputs into poultry production

(4) Educate to encourage patronage of made in Ghana poultry.

Issah’s study contributes well to the interventions which border largely on government policy initiatives, but limited to the significant contributions of the poultry farmers themselves. Although Issah’s (2007) study provided important information that would assist policymakers in the formulation of national strategies for minimising the impacts of the threat of competition, particularly on the livelihoods of the resource poor small-scale poultry farmers, it did not point to the significant contributions (self-help) of the poultry farmers themselves. For instance, farmers’ unwillingness to work together in collaboration, lobby the government as a group, access credit as a group, help themselves in diverse ways and bear their risk together in groups.

Furthermore, despite the fact that Issah’s study is inspiration to policy formulation on the part of the government or policymakers intervention measures, one should also not forget about the term “self-help” on the part of poultry farmers to remove the sources of inefficiency which directly or indirectly increase production costs. These bad practices include the use of poor quality feed ingredients, improper feed formulations, lack of bio-security measures and other poor management practices, etc that can be eliminated to avoid high costs of production. Since best management practices and diverse experiences could be derived through co-operation and working together because the experienced farmers can transfer the skills they have to the new or inexperienced poultry farmers.

Moreover, a large number of poultry farmers, for example were aware of the fact that they could not compete and survive individually, but never bordered to team up with colleagues because of ignorance, greed or selfishness. Many farmers also, have little training in aspects of poultry management and production and may not be in a position to employ or utilise the service of well-trained manpower.

Secondly, the findings of Issah’s (2007) investigations do not claim to follow academic standards of research. The intention is rather to share findings from the discussions he had with the poultry farmers and present his assessment from human rights perspective.

Finally, in spite of the significance of Issah’s work, it is limited to only two communities in one region of Ghana known as Greater Accra Region.

Aning et al. (2008) study was the first step of the project which has compiled and assessed the current state of knowledge of poultry systems and their place in the larger economy of Ghana. Aning et al.(2008) study contribute greatly to the revelation of the background information of the poultry industry in Ghana, but the purpose is to aid decision makers in developing evidence-based, pro-poor HPAI ( and other diseases with epidemic potential) control measures at national and international levels. Aning et al.(2008) study identify cost-effective and efficient control measures in reducing disease risk, so as to protect and enhance livelihoods, particularly those of smallholder producers in developing countries, who form the majority of livestock producers in Africa.

Chisenga et al. (2007) interviewed twenty eight poultry farmers who have experienced the impact of globalisation and liberalisation on the poultry industry in Accra-region, Ghana, to examine the impact of globalisation on the information needs of farmers in Ghana: a case study of small-scale poultry farmers. They reported the following information needs of the poultry farmers in Ghana: Avian Influenza, local markets (including prices and demand for poultry products), poultry and poultry imports into the country, available government incentives that have an impact on poultry farming, government policies regarding poultry farming and sources of finance and credit for poultry farming. They found that the poultry farmers were actively seeking information on local available markets, prices for local poultry and poultry products, mainly to be used in their strategic approach to the conduct of their business. The study concluded that the globalisation process and liberalisation have had an impact on the information needs and flow of information on small-scale poultry farmers in Ghana.

Integrated Social Development Centre (ISODEC) (2004) used in-depth interviews to examine the economic partnership agreements using poultry, rice and tomatoes industries as case studies. ISODEC (2004) looked at the impact of liberalisation on tomato, rice and poultry farming in Ghana. They found that cheap imports through reduced import tariffs and lack of government or donor financed support to poultry farmers have already negatively affected poultry production. They pointed out that further liberalisation of the sector without increased financial support to poultry farmers could only make the situation worse.

**8.2. Results of Cross-tabulation**

A total of 195 respondents were involved in the study. Of these, 120 were small-scale poultry farmers and 75 were stakeholders.

**8.3. Demographic Characteristics of Respondents**

**Table 25: Gender of Respondents**

|  |  |  |  |
| --- | --- | --- | --- |
| Respondents | Male | Female | Total |
| Poultry Farmers | 89 (74.2%) | 31 (25.8%) | 120(100) |
| Stakeholder | 66 (88%) | 9 (12%) | 75 (100%) |
| Total | 155 (79%) | 40 (20.5%) | 195 (100%) |

X2= 5.42; P < 0.05

The result of cross-tabulations from Table 25 shows that of the 195 respondents that were involved in the study, 155(79%) were males and 40(20.5%) females. The poultry farmers were 89(74.2%) males and 31(25.8%) females, and the stakeholders were 66(88%) males and 9(12%) females. Majority of the poultry farmers in Ghana are males, whilst female poultry farmers form the minority. Males and females may have different responsibilities in their social lives and think differently about the growth of the poultry industry. The results confirm earlier study reported by Okantah et al, (2010) where 93% of the poultry farmers’ were men compared with only 7% women as owners of poultry farms (See Appendix 9 Figure 46).

In Ghana men are the main income earners for the family, but their wives are involved in the poultry enterprise (Okantah et al., 2010). For holding responsibility as the main breadwinners in the family, men often occupy greater managerial positions compared with women, however, most of the women support their husbands as house wives and household keepers and therefore, their voices are not often heard at the decision-making levels. This assertion is supported by the 2000 census and living standard survey data, which puts the number of women in managerial and administrative positions at 0.2% (9,543 persons) in Ghana (GLSS4, 2000). According to the GLSS4 (2000) Census data, about 7% of women had jobs but did not work. Women are therefore, mostly in the lower echelons of economic activity in Ghana.

Female entrepreneurs (poultry farmers) in developing countries, particularly in Ghana face a lot of challenges in obtaining start-up capital (Verheul and Thurik, 2001) due to the types of businesses they do, managerial styles and levels of their education and experiences. Therefore, most of the start-up initiatives in poultry farming and other businesses come from the males in Ghana, whereas the majority of females are mostly traders, retailers and household keepers.

**Table 26: Age of Respondents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Young(less than 33yrs) | Middle (33-47yrs) | Old (more than 47yrs) | Total |
| Poultry Farmers | 33 (27.5%) | 58 (48.3%) | 29 (24.2%) | 120 (100) |
| Stakeholder | 43 (57.3%) | 20 (26.7%) | 12(16.0%) | 75 (100) |
| Total | 76 (39%) | 78 (40%) | 41 (21.0)% | 195 (100) |

X2 = 17.42; P < 0.0005

The age of respondents were categorised into three binary indicators of age as shown above. An inspection of Table 26 shows that 76 (39%) of the respondents belonged to the young age group, 78(40%) belonged to the middle age group and 41(21%) hailed from the old age group. Of the 120 small-scale poultry farmers, 33(27.5%) belonged to the young age group, 58(48.3%) belonged to the middle age group and 29(24.2%) hailed from the old age group. Also, of the 75 stakeholders, 43(57.3%) belonged to the young age group, 20(26.7%) belonged to the middle age group and 12(16%) hailed from the old age group (See Appendix 10 Figure 47). It is predicted that respondents’ intention to join the social movement will be dependent on their age groups. Different age groups may have different responsibilities and different thoughts about the growth of the poultry industry through the social movements and the benefits they stand to gain through their involvement.

**Table 27: Marital Status of Respondents**

|  |  |  |  |
| --- | --- | --- | --- |
| Respondents | Married | Non-married | TOTAL |
| Poultry Farmer | 92 (76.7%) | 28 (23.3%) | 120 (100) |
| Stakeholder | 62(82.7%) | 13 (17.3%) | 75 (100%) |
| Total | 154 (79%) | 41 (21%) | 195 (100%) |

X2 =1; P > 0.05

In this study non-married members include single (never married,) legally separated, divorced, and widowed. Table 27 indicates that 154 of the respondents were married, whilst 41(21%) were non-married. The result of the cross-tabulation shows that 92 (76.7%) of the small-scale poultry farmers were married, whereas 28(23.3%) were non-married. On the other hand, 62(82.7%) of the stakeholders were married, whereas 13 (17.3%) were non-married (See Appendix 16 Figure 53).The assumption for this variable is that the intention of the respondents to say ‘no’ to the social movement will be dependent on marital status.

It is predicted that being married as a poultry farmer or stakeholder will result in a higher percentage of respondents not intended to join the social movements. This may be due to greater responsibilities of marital couples; they have a spouse and may have children to think of when considering the need to join the social movement.

**Table 28: Regional distribution of respondents**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Respondents | Gt. Accra Region | Ashanti Region | Brong Ahafo Region | Western Region | Northern Region | Total |
| Poultry Farmer | 30(25%) | 32(26.7%) | 31(25.8%) | 15(12.5%) | 12(10%) | 120(100%) |
| Stakeholders | 6(8%) | 30 (40%) | 32(42.7%) | 4(5.3%) | 3(4%) | 75(100%) |
| Total | 36(19%) | 62 (31.8%) | 63 (32.3%) | 19 (9.7%) | 15(7.7%) | 195 (100%) |

X2=18.45; P< 0.05

One way a farmer can become competitive in getting sales is having a superior business location. Location is absolutely vital to the success of any poultry farming enterprise. Geographical element is extremely important in poultry production, especially, where the overall operations involves distribution channels, suppliers accessibility and supply of workers. On the other hand occupational status is very essential to farmers because they can save money and get easier access to their farms if their place of occupation is very near to where they live. During the survey it was observed that all the participants live in the same regions where they work, and therefore, the occupational/geographical locations of respondents were combined for the purpose of ease analysis.

From the above Table 28, it could be observed that majority of respondents were found in Brong-Ahafo Region, 63(32.3%), followed by Ashanti Region 62(31.8%), and Greater Accra Region 36(18.5%) while the least were from the Northern region 15(7.7%). Of these, most of the poultry farmers included 30(25%) from Accra region, 32(26.7%) from Ashanti region, and 31(25.8%) from Brong-Ahafo region (See Appendix 15, Figure 52). It is assumed that the geographical/occupational distribution of respondents may influence their intention to join or refuse to join the social movement since some of the regions are more developed than others. It is also believed that marketing centres in Ghana are usually found in the cities and this may also influence respondents’ decision to join the social movement.

**Table 29: Working Experience of Respondents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Less than 5 years | 5-8 years | 9 years and above | Total |
| Poultry Farmer | 19 (15.8%) | 51 (4.5%) | 50 (41.7%) | 120 (100%) |
| Stakeholder | 36 (48%) | 16 (21.3%) | 23(30.7%) | 75 (100%) |
| Total | 55(28.2%) | 67(34.4%) | 73 (37.4%) | 195 (100%) |

X2 =24.44; P< 0.0005

The working experience obtained as an entrepreneur or a worker has relevant effects on the growth of the small-scale businesses (McPherson, 1996; Rauch et al, 2005; Lee and Tsang, 2001). Previous experience of a worker is one of the most persistent indicators of the growth/expansion of small-scale businesses (Barringer et al, 2005).

Experience of a poultry farmer determines his/her ability to manage growth, and how to deal with and anticipate bad time. It is often said that “experience is the best teacher” and it is assumed that the more the experienced poultry farmers and stakeholders have would likely promote the social movement when it is been organised. Many studies show that entrepreneurs (poultry farmers) and workers with previous experiences are more likely to execute their duties effectively and efficiently than those without experience (Westhead, 1995; Storey, 1997; Baron and Ensley, 2006). The experience of an entrepreneur (poultry farmer) improves his/her access to and application of important business information (Lord and Maher, 1990).

It could be observed from Table 29 that majority of respondents 73(37.4%) had 9 years and above experience in their chosen carriers, while 55 (28.2%) had less than 5 years experience. Among those who had 9 years and above experience, poultry farmers constituted 50(41.7%), whereas the stakeholders constituted 23(30.7%). Of those who had less than 5 years experience poultry farmers were 19(15.8%) while the stakeholders were 36(48%) (See Appendix 28, Figure 65). It is predicted that respondents who had less working experience would be highly motivated to join the social movement in order to learn from the experienced workers/farmers.

**Table 30: Employment Status**

|  |  |  |  |
| --- | --- | --- | --- |
| Respondents | Part Time | Full Time | Total |
| Poultry Farmer | 53 (44.2%) | 67 (55.8%) | 120 (100%) |
| Stakeholder | 0 (.0%) | 75 (100%) | 75 (100%) |
| Total | 53 (27.2%) | 142 (72.8%) | 195 (100%) |

X2 = 45.49; P< 0.0005

In developing countries like Ghana majority of farmers often try to embark on different farming activities including livestock rearing (poultry farming, sheep rearing, goats rearing, pigs rearing etc) and other labour in order to obtain their daily food. Only few farmers use one farming activity such as poultry farming as their only occupation. Therefore, in order to ascertain the main jobs of respondents they were asked to reveal their employment status during the interviews. The results from Table 30 above show that 142(72.8%) of the respondents were full time workers, while 53(27.2%) were part time workers. Of the full time workers, poultry farmers constituted 67(55.8%) whereas, all the stakeholders were full time workers (See Appendix 25 Figure 62). It is predicted that the full time respondents may not have intention to join the social movement as a result of their busy time schedules.

**Table 31: Educational Level of Respondents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | None/Primary | Secondary | Tertiary | Total |
| Poultry Farmer | 54 (45%) | 41 (34.2%) | 25 (20.8%) | 120 (100%) |
| Stakeholder | 3 (4%) | 10 (13.8%) | 62 (82.7%) | 75 (100%) |
| Total | 57 (29.2%) | 51 (26.2%) | 87 (44.6%) | 195 (100%) |

X2 =73.75; P < 0.05

Education is one of the most significant factors which accelerates growth and development of any business (Mandal et al., 2006). Education increases the managerial capacity of farmers and important stakeholders like extension and veterinary officers, and thus improves their ability to understand complicated information related to modern livestock production and their ability to determine the best management skills to use (Chilonda and Huylenbroeck, 2001).

The educational levels variable in this study was created with nominal numerical values of ‘1’ for primary/none-formal, ‘2’ for secondary and ‘3’ for tertiary educational levels. In this study non-formal education/primary level included illiterates/non-formal education respondents, primary school leavers, middle school leavers and junior secondary school leavers. The secondary educational level respondents involved the Senior Secondary School (SSS) leavers, General Certificate of Education Ordinary Level holders’ and Advanced Level holders’. The tertiary educational level respondents included the Degree and above holders, Diplomats, and Certificate in Agriculture holders.

Table 31 shows that, of the 120 poultry farmers that took part in the study, 54(45%) belonged non-formal education/primary school leavers, 41(34.2%) were secondary school leavers and 25(20.8%) had completed tertiary institutions. Also, of 75 stakeholders, 3(4%) belonged to non-formal education/primary school category, 10(13.3%) were secondary school leavers, and 62(83%) had completed tertiary institutions (See Appendix 22 figure 59). It is predicted that the high level educated respondents would not likely had intention to join the social movement because majority of them were full time workers, and may have numerous responsibilities in their work places which could prevent them from joining the social movement.

**Table 32: Household Size of Respondents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Respondents** | **Small(less than 5 members)** | **Medium (5-8 members)** | **Large (more than 8 members)** | **Total** |
| Poultry Farmers | 36 (30%) | 69 (57.5%) | 15 (12.5%) | 120 (100) |
| Stakeholder | 42 (56%) | 26 (34.7%) | 7(9.3%) | 75 (100) |
| Total | 78 (40%) | 95 (48.7%) | 22 (11.3)% | 195 (100) |

X2 = 13.15; P < 0.05

In Ghana household size comprises family members, or family members and other relatives (extended family) who live together in one house in unity under a family head (breadwinner). It is even a common practice for family head to live together with his/her children, nephews, nieces and even a friend or a friend’s child. The family head takes care of all his/her dependants, and they also help him/her in the farming and household activities. Table 32 shows that of the 120 small-scale poultry farmers that took part in the study 36(30%) had small (less than 5 members) households’, 69(57.5%) had medium (5-8) members household, and 15(12.5%) had large (more than 8 members). Also, of the 75 stakeholders that took part in the study, 42(56%) had small (less than 5 members household), 26(34.7%) had medium (5-8 members household) and 7(9.3%) had large (more than 8 members household) (See Appendix 13 Figure 50).

It is predicted that respondents with large household sizes may not want to join the social movement as a result of their great responsibilities and numerous activities in their households.

**Table 33: Income Level of Respondents**

|  |  |  |  |
| --- | --- | --- | --- |
| Respondents | Low income(below cedi 500) | High income(above cedi 500) | Total |
| Poultry Farmer | 74 (61.7%) | 46 (38.3%) | 120 (100%) |
| Stakeholder | 61(81.3%) | 14 (18.7%) | 75 (100%) |
| Total | 135 (69.2%) | 60 (30.8%) | 195 (100%) |

X2 = 8.38; P< 0.05

The significance of funds in supporting the growth of small-scale businesses have been confirmed by many researchers (Abor and Biekpe, 2006; Berry et al., 2003; Kasekende, 2001). In order to examine the income levels of respondents they were asked to mention their monthly income. From Table 33 above, it could be observed that 135 (69.2%) of respondents belonged to the low income group, while 60(30.8%) were found in high income group. Of those that belonged to high income group, the poultry farmers were 46(38.3%) whereas stakeholders were 14(18.7%) (See Appendix 19, Figure 56). It is predicted that respondents with low income would likely be influenced to join the social movement in order to enjoy the benefits of co-operation and increase their income levels.

**Table 34: The use of electricity by poultry farmers at their premises in relation to their access to pipe borne water**

|  |  |  |  |
| --- | --- | --- | --- |
| Access to electricity | Yes access to pipe borne water | No access to pipe borne water | Total |
| Yes Electricity | 37(78.7) | 65(89%) | 102(85.0%) |
| No Electricity | 10(21.3%) | 8(11%) | 18(15.0%) |
| Total | 47(100%) | 73(100%) | 120(100%) |

X2 = 2.39; P > 0.05

Lack of adequate infrastructure has been recognised by many researchers as an impediment to the competitiveness and growth of small-scale businesses in Africa continent (Reinikka and Stevensson, 1999; Rankin et al., 2002; Wolf, 2004; Aning et al., 2008). Aning et al. (2008) observed that per unit cost of a day-old-chick increases for both layer and broiler day-old-chicks as a result of high operational cost of the hatchery which is partly due to high electricity bills and cost of fumiganmts and this greatly affect the poultly industry in Ghana. Wolf (2004) also recognised that high cost of utility charges affect the competitiveness and growth of manufacturing businesses in Ghana on international market. In the past few years, power interruptions have affected many businesses in Ghana.

It could be observed from Table 34 that, 37(78.7%) poultry farmers had access to electricity and pipe borne water. On the other hand, 65(89%) had access to electricity but no access to pipe borne water. Also 10(21.3%) had access to pipe borne water but no electricity, and finally 8(11%) had no access to both pipe borne water and electricity (See Appendix 35, Figure 72). During the interview majority of the farmers complained that “*lack of good drinking water and electricity is retarding their progress in several ways.”*

**Table 35: Sources of funds for working capital in association with how the poultry farms had started**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Sources of funds for working capital | How the poultry businesses had started | | | | |
| From scratch | Purchase as going concern | Inherited | Partnership | Total |
| Personal Income | 80 (100%) | 6(60%) | 0(.0%) | 0(.0%) | 86 (71.7%) |
| Loans from family members, friends & relatives | 0(.0%) | 4(40%) | 14(100%) | 2 (12.5%) | 20 (16.7%) |
| Loans from banks or government institutions | 0(.0%) | 0(.0%) | 0(.0%) | 13 (81.3%) | 13 (10.8%) |
| Loans from private lenders/private institutions | 0(.0%) | 0(.0%) | 0(0%) | 1 (6.3%) | 1 (0.8%) |
| Total | 80 (100%) | 10 (100%) | 14 (100%) | 16 (100%) | 120 (100%) |

The result of the cross-tabulation in Table 35 shows the sources of funds for the poultry farmers in relations to how their businesses had started. Access to funds is one of the major obstacles that constrained the growth of the poultry industry in Ghana. The root cause of this problem is lack of collateral security on the part of the entrepreneurs (poultry farmers) to secure loans and credit in the banks (Issah, 2007; Binks and Ennew, 1996). As a result majority of the small-scale poultry farmers started their businesses through personal savings.

It could be observed from the Table 35 that, all farmers who started their business from scratch 80(100%) used their personal income as a source of working capital. Also, 6(60%) of those who purchased their businesses as a going concern used their personal income, whereas 4(40%) secured loans from their family and friends as sources for working capital. Among those who inherited their businesses all 14(100%) obtained loans from friends and family as sources of their working capital. Among those who started their businesses as partnership the majority 13(81.3%) obtained loans from the banks as sources of their working capital whereas only 1(6.3%) borrowed funds from private institutions (See Appendix 38, Figure 75).

Apart from personal savings, borrowing to start-up businesses or to boost production is a common practice in Ghana where entrepreneurs often borrow funds from family members, friends and banks to start-up businesses or increase production to gain profit (Issah, 2007), after which repayment is made to the owners who gave them out. In UK family members can borrow money from other rich family members to start-up businesses and accrue more profit or gains (Curran and Blackburn, 1993). The result suggests that those small-scale poultry farmers who used bank loans as their sources of working capital were more likely established in poultry farming, and may have proven track records, good credit history, and good financial statements, and may have assets or properties that were used as collateral security to access bank loans.

Such small-scale poultry farmers were more likely to have a greater dependence on partnership investments, overdrafts and bank loans compared with small-scale poultry farmers’ who relied on personal incomes/savings, and gifts from family members, friends, and relatives as their sources of start-up capitals.

The results suggest that it is very important to encourage the small-scale poultry farmers to join the social movement so that group members could have access to bank loans and government support.

**Table 36: System of rearing of the poultry farmers in relation to their flock types**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| System of Rearing | Flock Type | | | | Total |
| Only chicken | Only Turkey | Chicken and Turkey | Chicken, Turkey and Ducks |
| Small-scale commercial | 66 (57.9%) | 0 (.0%) | 1 (25%) | 0 (.0%) | 67 (55.8%) |
| Backyard/Rural | 48 (42.1%) | 1 (100%) | 3 (75%) | 1 (100%) | 53 (44.2%) |
| Total | 114 (100%) | 1 (100%) | 4 (100%) | 1 (100%) | 120 (100%) |

The number of different species of poultry in Ghana and their regional distributions are reported in Table 3. The result of the cross-tabulation in Table 36 shows the system of rearing of the poultry farmers in relation to their flock types. It could be observed from Table 36 that 67(55.8%) of the poultry farmers belonged to small-scale commercial, whereas 53(44.2%) were backyard/rural/village poultry farmers. It could also be noted that, of the farmers who kept ‘only chicken’ majority 66(57.9%) were small-scale commercial poultry farmers, whereas 48(42.1%) belonged to backyard/rural/village poultry farmers category.

However, only one farmer was found to keep ‘chicken, turkey and duck’ together at the same time, and four kept ‘chicken and turkey’ (See Appendix 33 Figure 70). The result suggests that it is very important to start the social movement with all kinds of small-scale poultry farmers, but the backyard/rural poultry farmers should be encouraged and supported to be commercialized, and the commercial ones should also be encouraged to diversify, since only one small-scale commercial poultry farmer was found to keep chicken and turkey at the same time.

**Table 37: System of rearing by the poultry farmers in relation to their sources of day-old chicks**

|  |  |  |
| --- | --- | --- |
| System of rearing | Sources of day-old chicks | Total |
| Private hatcheries or importers |
| Small-Scale Commercial | 67(55.8%) | 67 (55.8%) |
| Backyard/Rural | 53(44.2%) | 53 (44.2%) |
| Total | 120(100%) | 120(100%) |

The poultry management system comprises of those components specific to the production and supply of products within a market sector. These components usually include suppliers, producers, intermediaries and consumers. The system of rearing is also important to assess intervention measures appropriate for poultry farmers. System of rearing in poultry also determines the areas for future diversification or improvement in poultry operations.

Table 37 shows the system of rearing of the poultry farmers in relation to their sources of day-old chicks. It could be observed from Table 37 that all the small-scale commercial poultry farmers 67(55.8%) and all the backyard/rural poultry farmers purchased day-old chicks from the large-scale poultry farms (hatcheries) or importers (See Appendix 34, Figure 71). This result is in agreement with Aning et al. (2008). Aning et al. (2008) found that large-scale poultry farms obtained all their day-old chicks from their own hatcheries, whereas medium and small-scale farmers purchase day-old chicks from the hatcheries or importers. However, none of the farmers said they obtain birds from either government or natural hatcheries.

During the interviews one of the farmers summed it as thus “*I spent about 50% of my yearly income for buying day-old chicks, so if more birds die it takes a couple of months before I’m able to start again.”*

The result suggests that it is important to encourage the farmers to collaborate and contribute funds to buy their own hatchery machines that can serve them at reduced costs in order to increase their competitiveness in the local market.

**Table 38: Access to telephones by the poultry farmers in relation to their sources of information**

|  |  |  |  |
| --- | --- | --- | --- |
| Access to information | Yes Telephone Access | No telephone Access | Total |
| Other poultry farmers in the area | 41 (36.6%) | 0 (.0%) | 41 (34.2%) |
| GNAPF | 36 (31.1%) | 0 (.0%) | 36 (30%) |
| MOFA | 32 (28%) | 0 (.0%) | 32 (26.7%) |
| Television | 3 (2.7%) | 2 (25.0%) | 5 (5.2%) |
| Radio/FM | 0(.0%) | 3 (37.5%) | 3 (2.5%) |
| Newspaper | 0(.0%) | 2 (25%) | 2 (1.7%) |
| Relatives | 0 (.0%) | 1 (12.5%) | 1 (0.8%) |
| Total | 112 (100%) | 8 (100%) | 120 (100%) |

At the heart of poultry farming operations and management is the requirement for information about the sources of day-old chicks, marketing centres, and sources of inputs, customer and the environment in which the farmer operates. In the marketing of birds and eggs, poultry farmers utilise a number of diverse sources of information including production and sales records, published market reports and a variety of techniques to approach buyers.

Table 38 shows the distribution of poultry farmers’who had access to telephone/mobile phones in relation to their souces of information. It could be observed that, of the 112 farmers who had access to telephones/mobile phones, 41(36.6%) hinted that they had access to major information from other poultry farmers, 36(32.1%) had access to major information from GNAPF, and 32(28.6%) said they obtained their major information from MoFA, and only 3(2.7%) mentioned television as a source of information. However, of those who said that they had no access to telephone/mobile phones, 3(37.5%) obtained major information from radio, 2(25%) had access to information from television, another 2(25%) also reported having access to information from newspapers, and finally 1(12.5%) reported that he obtained information from relatives (See Appendix 37 Figure 74).

**Table 39: Access to internet at the poultry farmers’ premises in relation to their sources of information**

|  |  |  |  |
| --- | --- | --- | --- |
| Access to Information | Yes Internet Access | No Internet Access | Total |
| Other poultry farmers in the area | 1 (100%) | 40 (33.6%) | 41 (34.2%) |
| GNAPF | 0 (.0%) | 36 (30.3%) | 36 (30%) |
| MOFA | 0 (.0%) | 32 (26.9%) | 32 (26.7%) |
| Relatives | 0 (.0%) | 1 (0.8%) | 5 (4.2%) |
| Radio/FM | 0 (.0%) | 3 (2.5%) | 3 (2.5%) |
| Newspaper | 0 (.0%) | 2 (1.7%) | 2 (1.7%) |
| Television | 0 (.0%) | 5 (4.2%) | 1 (0.8%) |
| Total | 1 (100%) | 119 (100%) | 120 (100%) |

Access to important information helps the poultry farmers to track consumer behaviour and attitudes within the dynamic environment. Unfortunately, majority of farmers, especially those in the remote areas do not get access to necessary information as a result of lack of infrastructure or poor infrastructural systems in developing countries like Ghana. At times the cost involved in obtaining information often means that a farmer is not able to get important information needed.

Table 39 shows that only one small-scale poultry farmer had access to internet at his home or premises to access information for poultry farming operations, whereas the rest had no access to internet at their homes/premises. Among those who had no access to internet, 40(33.6%) relied greatly on other poultry farmers (colleagues) for major information, 36(30.3%) depended mainly on Ghana National Association of Poultry Farmers (GNAPF) for information, 32(26.9%) obtained major information from Ministry of Food and Agriculture (MoFA), and the remaining 5(4.2%), 3(2.5%), 2(1.7%) and 1(0.8%) said they had access to major information through television, radio, newspapers, and relatives (who are poultry farmers) respectively (See Appendix 36, Figure 73). Since most farmers needs to develop access to information but lacks the resources, there is the need to develop strategic alliances with other farmers in a social movement in order to obtain group support.

The results of the Tables 38 and 39 suggest that farmers should be encouraged to access all sources of information, especially, internets in community centres in Ghana to enable them to improve their farming operations. Also, it further suggests that in accessing major information for the social movement projects, colleagues (other poultry farmers), GNAPF, and MoFA should not be disregarded. The above analyses show the results of cross-tabulation and its implication for this research. The next chapter demonstrates data organisation, displaying and interpretations.

**6.0 Data Presentation and Display**

The Table 40 below shows how the data obtained from the interviews with the poultry farmers and stakeholders were organised and displayed to bring meaning and understanding to the analyses and the research. The next section depicts the interpretative data to facilitate analyses and theory formation in the study.

**Table 40: Example of Data Organization and Display**

|  |  |  |  |
| --- | --- | --- | --- |
| **RESPONDENTS** | **GOVERNMENT STRATEGY TO INCREASE CONSUMPTION OF LOCAL POULTRY MEAT** | **SMALL-SCALE COMMERCIAL POULTRY FARMERS COMPETTITIVE STRATEGY** | **RURAL/BACKYARD POULTRY FARMERS COMPETITIVE STRATEGY** |
| POULTRY FARMERS |  |  |  |
| **RESPONDENT 1** |  |  |  |
| **AGE: 49**  **GENDER: Female** | Government should provide inputs at a subsidised price to increase production | Seek to produce at high quality and try to eliminate any sub-standard product from the marketthrough groups formation | Form co-operatives and fight a common course |
|  |  |  |  |
| **RESPONDENT 2**  **AGE: 55 GENDER: Male** | Reduce or stop the importation of EU and USA poultry meat | Farmers should pull resources together to help themselves and also put pressure on Government through co-operatives | Form co-operative or social movement and work together |
|  |  |  |  |
| **RESPONDENT 3**  **AGE: 50; GENDER: Male** | Assist the farmers with loans to take good care of birds in order to increase the quantity and quality of birds production | Adoption of local materials to increase quantity and quality of poultry meat/eggs | Local co-operatives should be formed by poultry farmers |
|  |  |  |  |
| **RESPONDENT 4**  **AGE: 48 GENDER: Male** | Government should import poultry feeds at subsidised prices | Farmers should undertake advertising campaigns to educate the public | Formation of co-operative by the farmers to seek for group support |
| STAKEHOLDERS |  |  |  |
| **RESPONDENT 15**  **AGE: 29 GENDER: Male** | Government should remove all taxes on imported poultry drugs and feed | They should try to use local feeds in order to reduce costs of production | The farmers should attach great importance to good housing and cleaning |
|  |  |  |  |
| **RESPONDENT 16**  **AGE: 25 GENDER: Male** | Government should give loans to promising /successful farmers to increase productivity | Collaborate to import machines to process the meat | Improve upon quality |
| **RESPONDENT 17**  **AGE:50**  **GENDER: Female** | Government should organise training and education to farmers | Farmers must form associations and put pressure on government | Farmers should form co-operatives to support each other |
|  |  |  |  |
| **RESPONDENT 18**  **AGE: 18**  **GENDER: Female** | Government should produce poultry feeds at a subsidised price | Farmers must update their skills through training and education | Aim at enhancing quality and high productivity |

**Source: Researcher**

**EXAMPLE OF DATA ORGANIZATION AND DISPLAY CONTINUE**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **RESPONDENTS** | **STAKEHOLDERS INVOLVEMENT STRATEGY** | **POULTRY FARMER STRATEGY TO INCREASE MARKET SHARE** | **VISION FOR SMALL-SCALE POULTRY INDUSTRY** | **GOVERMENT PROTECTION FOR THE SMALL-SCALE POULTRY INDUSTRY** |
| POULTRY FARMERS |  |  |  |  |
| **RESPONDENT 1**  **AGE: 25**  **GENDER: Male** | Organise workshops, seminars and visit the farmers at base level to encourage and motivate them | Farmers must aim at producing quality and quantity birds at lower price to enable every consumer to buy | Promote and increase poultry production at low costs to meet the needs of the population | Provide incentives to poultry farmers who produce quality birds |
|  |  |  |  |  |
| **RESPONDENT 2**  **AGE: 48 GENDER: Male** | Stakeholder must be an intermediary between farmers and the government and work together with both parties | Produce high quality processed poultry to target the rich consumers and consumers of higher socio-economic status | To meet the protein requirement by the year 2015 using the local poultry industry in Ghana | Encouraging the start-up of more local poultry industries by way of giving loans and technical advice to encourage large scale farming |
|  |  |  |  |  |
| **RESPONDENT 3**  **AGE: 25 GENDER: Male** | Organise in-service training for poultry farmers | During Christmas and Easter, demand of poultry increases so it is good to produce more birds at such times to increase farmers income | To help most of the poultry farmers to reach middle income status through job security and an increase production capacity | Government should take very bold decision to revamp poultry industry through high tariffs on imported poultry |
|  |  |  |  |  |
| **RESPONDENT 4**  **AGE: 52 GENDER: Male** | Organise training, seminars, and fares to showcase poultry products | Poultry farmers should produce more birds to schools, colleges, universities and food vendors, supermarkets and restaurants at cheaper prices | That the local poultry farmers would be able to produce their own feeds, inputs and chemicals without importing them | Granting long term loans with low interest to assist the small-scale poultry farmers |
| STAKEHOLDERS |  |  |  |  |
| **RESPONDENT 15**  **AGE:39**  **GENDER: Female** | Ministry of Food & Agriculture should give standard training to all poultry farmers | Farmers should think about the low income and poor consumers and produce low costs and price poultry to satisfy them | That within some few years there will be high productivity under intensive mechanization | Provide infrastructural support like feeder roads to link farmers in the villages to cities and marketing centres |
|  |  |  |  |  |
| **RESPONDENT**  **16**  **AGE:45**  **GENDER: Male** | Organise education & training programmes to poultry farmers | If production is high farmers can export poultry meat to other countries in order to become financially sound | Expansion and increase in productivity and become competitive industry | Subsidising poultry input, drugs and feed additives |
|  |  |  |  |  |
| **RESPONDENT 17**  **AGE: 29**  **GENDER: Male** | Advice farmers and extend their grievances to the government | Produce ready to use birds cheaper than imported ones to attract more buyers | The small-scale poultry industry to match up with increasing competition from EU and USA | Give awards and incentives to deserving poultry farmers |
|  |  |  |  |  |
| **RESPONDENT 18**  **AGE: 31**  **GENDER: Female** | Spread information to poultry farmers | Local poultry farmers must produce organic, tasteful poultry to target the niche market at a very low costs and price | Adoption of highly mechanised system of poultry production in the Ghana | Tax exemption for a period of ten years |

**Source: Researcher**

**Figure 10: Interpretive Data**

**Summary of Recommended Strategies to Increase Competitiveness /Growth of poultry industry**

Major Government protection for poultry industry

Strategies to increase market share

**CODES**

Government strategies to increase consumption

Subsidies

High Tariff on poultry imports

Ban on poultry imports

Training & Education Program

Information dissemination

Infrastructure

Social movement

Strategies to increase competitiveness of commercial poultry production

Strategic cost-reduction

Training/Education program

Advertising Campaign

Self-sufficient in poultry

Strategic vision for small-scale poultry industry

Self-sufficient in feed

Employment Security

Restriction on imports

Technology Development

Diversification

Theory

Themes/Concepts

Stakeholders’ involvement strategies to increase consumption

Production of lower cost &lower

price poultry for low income

consumers’

Production of lower cost & Social movement

lower price poultry for middle Financial investment

income consumers’ Advocacy & campaign

Information dissemination

Production of lower cost &

lower price poultry for

organisations e.g. Schools

Production of quality poultry for

rich consumers

Production of lower costs & lower

price poultry for festivities e.g. Social Movement

Good farming practises

Strategies to increase competitiveness of rural/ backyard poultry production

Production of poultry for export to Local Bread Development

Neighbourhood countries Advertising Campaign

Subsidies

Increase tariffs/ ban inputs

Low interest rate loans

Collaboration/SM

Training & Education

Advertising Campaign

Infrastructure

Awards & Incentive

**Source: Researcher**

**Chapter 9**

**9.0 Assessment of Strategies (factors) that can increase Competitiveness of the Small-Scale Poultry Industry in Rank Order**

**9.1 Introduction**

The previous chapter has provided the results of the cross tabulation study. This chapter is the first of the findings related to strategies to increase consumption of the local poultry recommended by the poultry farmers and stakeholders (who have direct working relationship with the poultry farmers).This section presents the strategies (factors) perceived by the poultry farmers and stakeholders as being significant or crucial to increase the consumption of poultry meat produce in Ghana in short term, medium term and long term ventures.

**9.1 Government Strategies to Increase Consumption of the local poultry meat**

**9.1.1 Introduction**

Consumption is the scale to measure the total amount of goods bought for any economy. It is the value of goods and services bought by people. Consumption is generally the largest GDP component, and therefore many people judge the economic performance of their nation particularly in terms of consumption level and dynamics (Piana, 2001). There are various factors that affect consumption of a product. For example if prices are high then consumption will be low because consuming will use up a higher percentage of a person’s income. Also, if taxes are very high on goods then consumers may object to this and not buy goods out of protest or they may not be able to afford goods. Meiselman (1992) assert that “there are consumption influences at a basic level of which people are not aware or do not monitor.” Understanding these drivers of consumption volume has immediate implications for research, nutrition education and consumer welfare (Wansink, 2004; Rozin and Tuorila, 1993).

If consumption is directed to products or goods produced abroad, an increase of consumption will immediately push up imports. Since usually the country separately tax consumption (such as a VAT tax and import duties). An increase of consumption of imported products will also boost this type of the country’s revenue. The growth mechanism of consumption income will also provide country revenue through income taxes (Piana, 2001).

Piana (2001) asserted that if an industry decides to invest, forecasting future demand and comparing it to the present production capacity, an increase in consumption may generate new investment. In addition, increase consumption increases the production capacity utilization with positive effects and improves expectations on future demand. Furthermore, it also develops the financial conditions for funding investment by means of profits and loans.

From Table 41 and Figure 11, it could be observed that 42.5% of the poultry farmers identified provision of government subsidies as an important or crucial strategy (factor) to increase consumption of the local poultry meat in Ghana, and this was ranked first, in order of importance. However, it could be observed from Table 42 and Figure 12 that 25.3% of the stakeholders mentioned the provision of government subsidies as important factor that can enhance consumption of local poultry, but this was ranked second, in order of importance. Overall, about 36% of all respondents (farmers and stakeholders) mentioned this factor.

The results confirmed the findings of a study engaged by Issah (2007) that involved the focus group interviews with 41 poultry farmers in two communities in Greater Accra region known as Koluedor and Ashaiman. Issah’s (2007) study found four main interventions the farmers thought would make the local poultry farmers competitive, of these factors, provision of government subsidies on inputs into poultry production was found as one of the important factors that could promote the poultry industry and this is in agreement with the findings of this study in relation to an increase consumption of the local poultry meat in Ghana.

The provision of Government subsidies would likely lead to lower production costs, input costs reduction, and an increased productivity on the part of the poultry farmers that could yield substantive consumer satisfaction through cheap quality poultry products (meat and eggs).Subsidising the costs of local poultry production by the government to benefit poultry farmers would increase consumption of local poultry meat and eggs in the country to enhance the competitive advantage of the small-scale poultry industry.

The poultry industry in Ghana started growing in the 1950s, and reached its top quality in the late 1980s and then declined steeply in the 1990s (Khor, 2006). The rise and fall of the poultry industry can be attributed to the changing policies on subsidies towards agriculture in general and in particular poultry, rice and tomato sectors (Khor, 2006; Khor, 2008; ISODEC, 2004; CorpWatch, 2005; Aning et al., 2008; Aning, 2006).

Therefore, if the government subsidise the poultry industry it would act as a deficiency payment to the small-scale poultry farmers to make up the differences between target prices of the poultry and input costs reduction and protect the poultry farmers’ businesses (job security). On the other hand provision of government subsidies to the poultry farmers will likely reduce the price of local poultry meat and eggs to enhance consumption to benefit consumers as well, with positive effects on the economy.

Subsidies increases poor farmers’ ability to compete, manage poultry diseases and facilitate their economic viability to ensure national food security (self-sufficiency in meat production).

The factors that could increase consumption of the local poultry were evident from the field interviews carried out by the researcher in the study. When the interviewees were asked to mention one major strategy which could increase the consumption of local poultry meat in Ghana, most of the farmers mentioned similar strategies as indicated in the Table 41 and 42.

One of the poultry farmers interviewed expressed deep concern about the economic situation of the poultry farmers and the issue of competition leading to the failure and mortalities of many poultry farms in the country. He commented that “*the poultry farmers were moving financially and economically backwards rather than forwards. Government is no longer supporting us with low price inputs, and has allowed cheap poultry meat from abroad to compete with the local poultry in the local market. It is something which all poultry farmers do not understand. If government will provide subsidies again we will be able to increase the quality and quantity of birds and eggs at a lower cost and lower prices to make poultry meat affordable to all income groups.”*

Generally, a greater number of farmers who mentioned subsidies had opinions that provision of subsidies by the government would encourage the expansion of their farms to ensure an increased productivity that would in turn result in lower prices of local poultry meat and eggs to improve consumption and also enable them compete the imports of poultry from abroad.

One of the stakeholders commented that *“government supports like provision of subsidised poultry feeds, tools, processing plants, hatcheries, feed mill machines, packaging machines, grinders and feeders to farmers would enhance the consumption of the local poultry meat in Ghana.*

During the interviews, one of the poultry farmers asserted that *“if government removes taxes levied on poultry feeds, drugs, poultry tools and equipment, and minimise imports of subsidised poultry meat into the country poultry farmers can produce chicken at lower costs and lower price to enhance consumption of local poultry meat.*

One of the senior members of Ministry of Food and Agriculture, a stakeholder commented that *“the government decision to stop subsidies almost overnight was not supportive to the farmers, because poultry farmers and other farmers like maize growers who support the poultry production in the country had lost vital sources of supplementary income and their businesses have been sabotaged.”*

Another stakeholder suggested that *“government must support the farmers with subsidised inputs so that the poultry farms which were about to collapse could be revived, and those who had lost their jobs must be given cheap loans to start it again.”*

During the interviews a stakeholder argued that *“subsidies would act as a form of protection* *or trade barriers by making domestic poultry products artificially competitive against imports of poultry from abroad.”*

The next factor identified by the poultry farmers and stakeholders as having positive effects to increase consumption and competitiveness of the local poultry industry in Ghana was that the government should either ‘increase tariffs or ban poultry imports into the country’ which was mentioned by about 23% of all respondents (farmers and stakeholders) in both categories. This strategy (factor) was recommended by 16.7% of the farmers and was ranked second, in order of importance (see Table 41). However, the majority of stakeholders’ were more concerned that the government should either increase tariffs or ban imports of poultry to increase consumption (see Table 42) and this factor was recommended by 33.3% of the stakeholders, and was ranked first in order of importance in stakeholders’ category.

The tariff system in Ghana is based on the Harmonised System (HS). In 2001, there were about 5,500 tariff lines in the Ghanaian custom schedule, with the tariff schedule having 4 main columns, giving the ECOWAS preferential rate if applicable; the MFN rate; the VAT rate; and the special import tax rate, applied on some goods. Over the years, the Ghana government has minimised the country’s applied tariffs. The WTO review of Ghana in 2001 reveals that Ghana applies the MFN duty to all non-ECOWAS nations, whether or not they are WTO members (Khor, 2006).

The four-tier tariff structure of Ghana includes rates of 0, 5%, 10% and 20%. The government of Ghana had placed a special import tax on some products. In the year 1999, the government removed special import tax of 17.5%, but in April 2000 it introduced another special import tax of 20% on consumer goods, covering 7% of tariff lines, which efficiently added a fifth tariff rate of 40% (WTO, 2001: Pt. III Para 2).

Ghana’s simple average applied MFN tariff rate was 13% in early 2000. If the special tax is included the rate was 14.7%. This compares with the 17% at the time of the last trade policy review in 1992 (Khor, 2006). The above figures demonstrate an important applied tariff reduction in Ghana, as a result of liberalisation process.

The government of Ghana indicates that tariff reforms are aimed at improving the external competitiveness of local industries, harmonising tariff rates with regional levels, and removing distortions (Khor, 2006). Khor (2006) study found that in 2000, the average applied MFN tariff rate for agricultural products was 20.2%, compared with 13.8% for industrial products. The current bound rate for poultry in Ghana is 99%, while the applied rate is 20%.

The Poultry farmers and Stakeholders who mentioned that the government should increase tariffs or ban imports of poultry blamed the government’s decision to withdraw import tariffs on poultry products and its accompanying influx of cheap imported poultry meat into the country to compete with local poultry farming that supports the livelihoods of many inhabitants in the peri-urban and rural areas.

In a stronger language, one of the poultry farmers argued that *“government’s decision to withdrawal import tariffs on poultry shows that government was more or less responsible for the collapse of the local poultry industry and that lack of adequate import tariffs on poultry has had a negative impact on the survival of the poultry industry in Ghana.”*

All stakeholders who participated in the interviews expressed varying degrees of dissatisfaction with the competition facing the local poultry farmers as a result of the market liberalisation. Some stakeholders and poultry farmers suggested that government need to campaign against imported poultry meat as being likely contaminated.

Generally, numerous respondents were of the view that the *“Government support in the form of an increased tariff is a protective measure for the small-scale poultry industry, since an increase tariffs would raise the prices of imported poultry and allows domestically produced poultry to compete against imported poultry.”* Also, other respondents commented that “*increased tariffs would raise enough revenues for the government to be used to support farmers’ in the form of subsidies, loans, awards and incentives to promote the small-scale poultry industry and ban on imports could also protect the small-scale poultry industry until it becomes competitive before the ban is lifted.”*

Granting of low interest rate loans to support the poultry farmers is the third factor in order of ranking in both categories and was recommended by 14.2% poultry farmers and 12% of stakeholders as an important or a crucial factor that can positively increase the consumption and competitiveness of the local poultry industry in Ghana. Overall, about 13% of all respondents (poultry farmers and stakeholders) in both categories mentioned this factor.

Research shows that investment capital or funds is one of the major problems facing entrepreneurs of small-scale businesses in developing countries (Liedholm and Mead, 1999; Khor, 2006; Issah, 2007). Issah (2007) noted that the small-scale poultry farmers in Ghana could not access loans from the banks as a result of lack of collateral security and high interest rate. Wolf (2004) also found that 62% of the respondents in her study indicated high interest rates as the major problem affecting their businesses in Ghana.

However, the State of the Ghanaian Economy study found that the average commercial bank lending rates declined by considerable amount from a rate of 47% in 2000 to 36% in 2002, and further declined to 28% as at February, 2005 (Bank of Ghana, 2005). This suggests that lack of collateral security on the part of the farmers may be the main problem hindering them from accessing loans from the banks.

Prior research shows that credit to the poultry sector has dropped from 25% in 1998 to 7% in 2007, a situation which many players and stakeholders are demanding critical attention to save the poultry sector from collapse (Ghana web, 2006).

The following statement describes the comments made by many respondents with respect to granting of low interest rate loans to the farmers to increase consumption of poultry meat in the country, “*loans should be affordable and the payment should be long term with low interests rate to enable the farmers to increase the quantity and the quality of birds at lower costs and lower prices”.*

Some of the stakeholders commented that *“as a result of high interest rate of Agricultural Development Bank poultry farmers could hardly borrow to enhance their operations and therefore government’s support on this issue is very crucial.”*

The next group of strategies (factors) were mentioned by about 28% of the respondents in both categories. These strategies (factors) included the advertising campaign to educate consumers to patronise the local poultry meat, education and training of poultry farmers, dissemination of information to farmers, and the provision of infrastructure to support poultry production.

Advertising campaign to educate consumers to patronise the local poultry meat was mentioned by 10% of the poultry farmers and 10.7% of stakeholders, and this factor was ranked fourth, in order of importance in both categories. About 8% of the overall total respondents in both categories identified this factor.

Many experts attributed one of the problems of poultry industry to ineffective marketing, indicating that local poultry farmers fail to advertise and campaign for their products (Aning et al., 2008). Some of the stakeholders recommended that if “*the government supports in advertising about the high nutritional content, good tastes, low fat, and also the fact that there is no hormone injection in the local poultry, it would increase the consumption rate of the local poultry meat in the country.”*

Using savvy advertising campaign could be used as part of government support to generate consumer awareness to promote an increase consumption strategy of the local poultry meat. Also, strategically savvy advertising campaign in poultry production increases the brand name recognition and creates consumer awareness, increases sales to poultry meat and eggs, and resulting in large market share, profitability and competitive advantage. Incorporating several forms of advertising campaign such as television, radio, internet, and print media are standard strategies to entice consumers, and develops consumer loyalty to improve consumption of meat.

The more the effectiveness of an advertising campaign, the more poultry consumers it will likely draw and with greater frequency to increase market share, profitability and competitiveness of the local poultry industry. Advertising campaign would enable the local poultry industry in Ghana to thrive in a competitive market by surpassing the competitors through effective market research. Instigating consumer awareness about nutritional value of the local poultry, its good taste and low fat, and without growth hormones would lead to an increase in competitive advantage of the local poultry industry.

Some of the poultry farmers commented that “*government should educate the general public about the nutritional and health values of the local poultry meat in order to attract consumers’ patronisation.”*

Furthermore, one of the stakeholders also hinted that *“health hazards implications of the imported poultry products as a result of hormone injection into the birds must be clearly explained to consumers and general public to ensure some sanity into the local poultry.”*

Education and training of poultry farmers is a strategy (factor) which was mentioned by about 8.3% of the poultry farmers and 8% of the stakeholders as important or crucial factor that could increase the consumption of the local poultry meat in the country. Strategic importance of training and education has not gone unnoticed. The relationship between the level of education of a business owner and the performance of the business has almost always established positive relationship (Mead and Liedholm, 1998; McCormick et al., 1997; Bates, 1990). Kilkenny et al. (1999) asserted that the business success is positively associated with the entrepreneur’s educational level, training, and business experience. Many studies support the view that training could enhance the performance of the small-scale entrepreneurs (Cosh et al., 2000).

One of the stakeholders commented that “*training and education is a significant investment for the small-scale poultry farmers to achieve an industry standard, commercialization, self-sufficiency in feed preparation, poultry diseases prevention, as well as becoming self-reliant in poultry production.”* Linking the small-scale poultry farmers’ to training/education centres, and supporting them to undertake regular training/education are sources of competitive advantage. Training and education is required at both the poultry farmers’ and extension officers’ levels to improve competitiveness in the poultry industry.

Most of the poultry farmers hinted that *“if the government supports them with training and education in the areas of poultry feed preparation, diseases control, suitable housing for birds, genetic improvement, marketing centres and marketing of birds, and the provision and use of poultry equipment/machinery at regular intervals it would ensure successful poultry farming operations.”* Therefore, an increase market share, profitability and competitive advantage cannot be achieved without adequate training and education on the part of the small-scale poultry farmers.

Training and education in a continuous fashion are significant when a poultry farmer shifts to a strategy requiring different skills, competitive capabilities, managerial approaches, and operating methods of poultry production (Thompson and Strickland, 2001).

Furthermore, training and education are also strategically important in poultry farmer’s effort to build skills-based competencies. They are key activities in poultry businesses where technology is changing so rapidly that, an industry loses its ability to compete unless its workers have cutting-edge knowledge and expertise (Thompson and Strickland, 2001).

Increase market share, profitability and competitive advantage in poultry farming demands new skills, deeper technology capability, building and using new capabilities and which could only be achieve through constant training and education on the part of poultry farmers’.

The results indicate that small-scale poultry farmers and their employees at all levels should be encouraged and motivated to take an active role in their own professional development, assuming responsibility for continuous learning in order to achieve competitive advantage.

Dissemination of information is a strategy (factor) which was mentioned by about 6% of all respondents (farmers and stakeholders) in both categories as important to increase consumption of local poultry meat in Ghana. From Table 41, it could be observed that 5% of the poultry farmers mentioned this factor as important to increase consumption of local poultry and was ranked sixth in order of importance in poultry farmers category, whiles from Table 42, it could also be noticed that 4% of stakeholders identified this factor as important to increase consumption of local poultry and was ranked seventh, in order of importance in the stakeholders category.

In developing countries like Ghana information dissemination to farmers is often difficult because many farmers live in remote areas that are hard to reach, coupled with insufficient communication directories and rough roads that are inaccessible by some vehicles. These hard to reach areas include villages and hinterlands. It is usually the stakeholders (extension and veterinary officers) that have direct working relationship with the poultry farmers who would be capable to provide information to the farmers.

Therefore, strong involvement of the stakeholders in the strategic decisions-making of the poultry farmers through producer associations (social movements) will identify critical information needs in the small-scale poultry farmers’ decision-making processes. This requires stakeholders’ interactivity and professional knowhow to enhance the competitive advantage of the poultry industry. Information needs on available local markets; prevailing prices for the poultry products as compared to imported poultry are very useful to farmers’ for strategic planning and vital decision-making to enhance the survival of their businesses.

Information is significant to a poultry farmer’s opportunity identification and exploitation. The process and employment of business information will not only improve the entrepreneur’s chances but will facilitate business opportunities (Shane and Venkataraman, 2000). More efficient poultry management plans based on specific information decrease costs; increase profits and mitigate environmental externalities generated from poultry production.

Furthermore, information on finance, government incentives, government policies, subsidies etc., are needed by the farmers to keep abreast with their strategic approaches and poultry market situations in the country, for both local and imported poultry in order to remain competitive. The above-mentioned information to farmers is essential components of high performance work systems towards an increased market share, profitability and competitiveness.

Communicating to farmers’ conveys to them that they are needed and worthwhile in the country. In conclusion, making information accessible to all small-scale poultry farmers through radio, television, text messages, extension and veterinary officers, internet etc. in systematic and continuous fashions is an important source of competitive advantage.

The importance of information dissemination to enhance the consumption of local poultry in Ghana was summed-up by one farmer as “*we need information on available local markets, prevailing prices for local poultry as compared to the prices of imported poultry in order to make a strategic planning for poultry business.”*

One stakeholder also emphasised that “*farmers need information on sources of financing and credit for poultry farming business.”* Chisenga et al. (2007) pointed that “before liberalisation, small-scale poultry farmers in Ghana had a guaranteed market for their poultry and poultry products, and therefore they never actively sought market related information, nowadays this is no longer the case.” They noted that farmers need information on poultry and poultry imports into the country, as well as government policies regarding poultry farming.

Another strategy (factor) which was mentioned by 4% of all respondents (poultry farmers and stakeholders) as important to influence consumption of local poultry was provision of infrastructure. It could be noticed from Table 41 that 3.3% of poultry farmers mentioned this factor as important to influence consumption of local poultry and was ranked seventh, in order f importance in poultry farmers category, whereas from Table 42, it could be seen that about 6.7% of stakeholders’ indicated this factor as important to influence consumption of local poultry, and it was ranked sixth in order of importance in stakeholders category.

Lack of adequate infrastructure has been identified by many researchers as impediment to the growth and competitiveness of small-scale businesses in Africa, particularly energy and telecommunication (Reinikka and Svensson, 1999; Rankin et al., 2002; Wolf, 2004). Wolf (2004) found in Ghana that high cost of utility charges affect the growth and competitiveness of the Ghanaian businesses on the international market. Also, Reinikka and Svensson (1999) identified that as result of frequent power interruptions majority of Uganda businesses spent more than 16% of their initial investment on energy. Buame (1996) noted that irregular supply of essential utilities retard the operations of small-scale businesses in Ghana.

Another import dimension of government support pertains to basic infrastructure development such as linking rural and peri-urban areas to cities by constructing feeder roads and extension of electrification projects to benefit majority of poultry farmers, maize growers and other food crops farmers.

Basic infrastructure development would directly influence small-scale poultry farmers’ accessibility to veterinary services, input markets, training and education centres to benefit them through well-planned constant training and education programmes. One of the stakeholders commented that “*it is expedient that the government improve communication and telecommunication system in the villages so that farmers could use televisions, internet and mobile phones.*

Expansion of rural infrastructure in villages and peri-urban areas where a lot of poultry farming businesses are concentrated would result in reduced production costs, and improved efficiency and productivity, lower costs and lower prices of poultry meat and eggs, and increase market share, profitability, competitiveness and growth of the small-scale poultry industry in the country. Coupled with a reduction in wastages and transportation costs, an infrastructure development generates improved accessibility of poultry farmers’ linkages to services, extension and veterinary officers, training and education centres. It also links or connects the farmers’ to credit development institutions such as banks to influence capital formation and farm machinery operations like hatcheries, incubators, processors, and feed millers to support poultry production.

Furthermore strengthening rural infrastructure by the government would yield better exposure to improve modern technology and best farming practices as a result of improved accessibility to input markets. It also supports economic activities of farmers’ and assist with delivery services in diverse ways, and provide access to good drinking water, electricity, telephone directories, internet services and ensures farmers security. One of the poultry farmers asserted that “*government should endeavour to construct feeder roads in the remote areas to improve transportation so that farmers produce would not get wasted.”*

**Table 41: Poultry farmers recommended strategies to increase the consumption of Local poultry in Ghana (N=120)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Variable** | **Frequency of Indication** | **Percentage** | **Rank** |
| 1 | Provision of government subsidies | 51 | 42.5 | I |
| 2 | Placing a ban or increase tariffs on foreign poultry imports | 20 | 16.7 | II |
| 3 | Granting of low interest rate loans to poultry farmers | 17 | 14.2 | III |
| 4 | Advertising campaign to educate consumers to patronize local poultry meat | 12 | 10 | IV |
| 5 | Education and training of poultry farmers | 10 | 8.3 | V |
| 6 | Dissemination of information | 6 | 5 | VI |
| 7 | Provision of infrastructure | 4 | 3.3 | VII |

**Figure 11**

**Source: by Researcher**

**Table: 42**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Stakeholders recommended strategies to increase the consumption of the local poultry (N=75)** | | | | |
| **No.** | **Variable** | **Frequency of Indication** | **Percentage** | **Rank** |
| 1 | placing a ban or increase tariffs on foreign poultry imports | 25 | 33.3 | I |
| 2 | provision of government subsidies | 19 | 25.3 | II |
| 3 | granting of low interest rate loans to poultry farmers | 9 | 12 | III |
| 4 | advertising campaign to educate consumers to patronize local poultry | 8 | 10.7 | IV |
| 5 | education and training of poultry farmers | 6 | 8 | V |
| 6 | provision of infrastructure to support poultry production | 5 | 6.7 | VI |
| 7 | dissemination of information to poultry farmers | 3 | 4 | VII |

**Figure 12**

**Source: by Researcher**

**Table 43:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Poultry farmers recommended visions for small-scale poultry industry (N=120)** | | | | |
| **NO** | **Variable** | **Frequency** | **Percentage** | **Ranking** |
| 1 | Expansion to self- sufficiency | 75 | 62.5 | I |
| **2** | Self-sufficiency in feed production | 14 | 11.7 | II |
| 3 | Employment security/reliability | 11 | 9.2 | III |
| 4 | Competitive industry | 7 | 5.8 | IV |
| 5 | Utilization of import restriction | 6 | 5 | V |
| 6 | Well established in modern trends and technology | 5 | 4.2 | VI |
| 7 | Diversified Industry | 2 | 1.7 | VII |

**Source: by Researcher**

**Figure: 13**

**Source: by Researcher**

**Table 44:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Table 57 Stakeholders recommended visions for small-scale poultry industry(N=75)** | | | | |
| **No** | **Variable** | **Frequency** | **Percentage** | **Rank** |
| 1 | Expansion to self-sufficiency | 48 | 64% | I |
| 2 | Self-sufficient in feed production | 7 | 9.3% | II |
| 3 | Competitive poultry industry | 6 | 8% | III |
| 4 | Employment security/reliability | 5 | 6.7% | IV |
| 5 | Utilization of import restrictions | 4 | 5.3% | V |
| 6 | Well established in modern trends and technology in poultry industry | 3 | 4% | VI |
| 7 | Diversified industry | 2 | 2.7% | VII |

**Figure: 14**

**Source: by researcher**

**Table 45: Poultry farmers recommended strategies to increase market share (N = 120)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Variable** | **Frequency of Indication** | **Percentage** | **Rank** |
| 1 | Production of quality processed, ready to use poultry meat parts at overall lower cost to target the lower income group and the poor | 48 | 40% | I |
| 2 | Production of quality processed poultry meat parts at low cost and low price to target the middle income group | 27 | 22.5% | II |
| 3 | Production of quality, processed poultry meat parts to target organizations e.g. School, Hospitals etc at lower cost and lower price | 26 | 21.7% | III |
| 4 | Production of quality, processed poultry meat to target the high income group and the rich | 9 | 7.5% | IV |
| 5 | Production of low cost and low price poultry meat to target festivities e.g. Christmas, Easter and Ramadan | 7 | 5.8% | V |
| 6 | Production of poultry meat for export to neighbourhood countries | 3 | 2.5% | VI |

**Figure: 15**

**Source: by Researcher**

**Table 46**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Stakeholders recommended strategies to increase market share of the small-scale poultry industry (N=75)** | | | | |
|  | Variable | Frequency | Percentage | Rank |
| 1 | Production of processed, ready-to-use poultry meat parts at overall lower cost and price for lower income group and poor | 26 | 34.7% | I |
| 2 | Production of quality poultry meat at low cost and low price to target the middle income group | 20 | 26.7% | II |
| 3 | Production of quality, processed poultry meat to organizations e.g., Schools, Hospitals, Forces etc, at low costs and low price | 14 | 18.7% | III |
| 4 | Production of quality, processed poultry meat for high income group or the rich consumers | 7 | 9.3% | IV |
| 5 | Production of lower cost and lower price poultry meat to target festivities e.g., Christmas, Easter, Ramadan | 5 | 6.7% | V |
| 6 | Production of poultry meat for exporting to neighbourhood countries | 3 | 4% | VI |

**Figure 16**

**Source: Researcher**

**Table 47:**

**Poultry farmers recommended strategies to promote the rural/backyard poultry industry (N = 120)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Variable** | **Frequency** | **Percentage** | **Ranking** |
| 1 | Formation of social movement | 97 | 80.83% | I |
| 2 | Best farming practices | 9 | 7.5% | II |
| 3 | Quality improvement of local breed | 8 | 6.67% | III |
| 4 | Collective advertisement and campaign | 6 | 5% | IV |

**Figure: 17**

**Source: by Researcher**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Stakeholders recommended strategies to promote the backyard/rural poultry industry in Ghana (N=75)** | | | | |
| No | Variable | Frequency | Percentage | Rank |
| 1 | Formation of Social movement | 54 | 72% | I |
| 2 | Best poultry farming practices | 10 | 13.3% | II |
| 3 | Quality improvement of the local breeds | 6 | 8% | III |
| 4 | Collective advertisement and campaign | 5 | 6.67% | IV |

**Table: 48**

**Figure 18**

**Source: by Researcher**

**Table 49:**

**Poultry farmers recommended strategies to increase competitiveness of the small-scale commercial poultry industry (N = 120)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Variable** | **Frequency of Indication** | **Percentage** | **Ranking** |
| 1 | Formation of Groups (Social Movement) | 51 | 42.5% | I |
| 2 | Strategic cost-cutting through collaboration | 45 | 37.5% | II |
| 3 | Collaborative training and education programmes for farmers | 13 | 10.8% | III |
| 4 | Co-operative advertising campaign, and publicity to enhance the consumption of the local poultry meat | 11 | 9.2% | IV |

**Figure 19**

S**ource: by Researcher**

**Table 50**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Stakeholder recommended strategies to increase the competitiveness of the small-scale commercial poultry industry(N=75)** | | | | |
|  | Variable | Frequency | Percentage | Rank |
| 1 | Formation of local cooperative movement/social movement | 50 | 66.7 | I |
| 2 | Strategic cost cutting through collaboration | 14 | 18.7 | II |
| 3 | Collaborative education and training for farmers | 6 | 8 | III |
| 4 | cooperate advertising campaign and publicity to enhance local poultry consumption | 5 | 6.7 | IV |

**Figure 20**

**Source: by Researcher**

**Table 51 Stakeholders Involvement strategies to increase the competitiveness of the small-scale poultry Industry (Recommended by poultry farmers N=120)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Variable** | **Frequency of Indication** | **Percentage** | **Ranking** |
| 1 | Collaboration of the stakeholders with the poultry farmers and government | 50 | 41.7 | I |
| 2 | Financial support | 39 | 32.5 | II |
| 3 | Co-operative advertising campaign and advocacy | 14 | 11.66 | III |
| 4 | Dissemination of information to poultry farmers | 12 | 10 | IV |
| 5 | Collaborative training, guidance and counselling support | 5 | 4.2 | V |

**Figure 21**

**Source: by Researcher**

**Table 52**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Stakeholders involvement strategies to increase competitiveness of the small-scale poultry industry (recommended by stakeholders) (N=75)** | | | | |
| **No.** | **Variable** | **Frequency** | **Percentage** | **Rank** |
| 1 | Collaboration of the stakeholders with the poultry farmers and government | 35 | 46.7 | I |
| 2 | Financial support | 14 | 18.7 | II |
| 3 | Co-operative advertising campaign and advocacy | 13 | 17.3 | III |
| 4 | Collaborative training, guidance and counselling support | 7 | 9 | IV |
| 5 | Dissemination of information to poultry farmers | 6 | 8 | V |

**Figure 22**

**Source: by Researcher**

**Table: 53**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Major Government protection for the poultry industry (recommended by poultry farmers) (N=120)** | | | | |
|  | **Variable** | **Frequency of indication** | **Percentage** | **Ranking** |
| 1 | Subsidise the cost of production | 61 | 50.8 | I |
| 2 | Placing ban or increase tariffs on poultry imports | 21 | 17.5 | II |
| 3 | Granting of low interest rate loans to poultry farmers | 13 | 10.8 | III |
| 4 | Collaboration with the stakeholders and poultry farmers | 9 | 7.5 | IV |
| 5 | Training and education of poultry farmers | 7 | 5.8 | V |
| 6 | Co-operate advertisement and campaign to influence consumers | 4 | 3.3 | VI |
| 7 | Provision of infrastructure to support the poultry industry | 3 | 2.5 | VII |
| 8 | Provision of awards and incentives | 2 | 1.7 | VIII |

**Figure 23**

**Source: by Researcher**

**Table: 54**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Major government protection for the small-scale poultry industry (recommended by stakeholders) (N=75)** | | | | |
| **No** | **Variable** | **Frequency** | **Percentage** | **Rank** |
| 1 | Placing a ban or increase tariffs on poultry imports | 20 | 26.7 | I |
| 2 | Subsidise the costs of poultry production | 15 | 20 | II |
| 3 | Granting of low interest rate loans | 12 | 16 | III |
| 4 | Government’s collaboration with the famers and stakeholders in a coordinated efforts | 8 | 10.7 | IV |
| 5 | Collaborative training and education of the poultry farmers | 7 | 9.3 | V |
| 6 | Provision of infrastructure to support poultry industry | 6 | 8 | VI |
| 7 | Co-operate advertisement and campaign to influence consumers | 4 | 5.3 | VII |
| 8 | Provision of awards and incentives | 3 | 4 | VIII |

**Figure 24**

**Source: Researcher**

The above results have demonstrated how the recommended strategies of the poultry farmers and stakeholders to increase consumption of local poultry were analysed according to the frequency of indication in rank order. The next section discusses the results obtained in terms of the interviewees’ recommended perceived visions for the poultry industry (to motivate both the public and private sectors to promote small-scale poultry business).

**9.1.2 Short-term, medium-term and long-term visions for the poultry industry**

**9.1.3 Introduction**

An industry’s vision statement explains what the industry aspires to be in the future, normally from 3-5 years. The vision has the end result in mind and can provide the inspiration and reason for achieving its mission. It is fundamental prerequisite for any organisation to have a strategic plan as a roadmap for success. It is important to develop a strategic plan around a clearly defined and well written vision. The absence of, or poorly written vision and mission statements, are lost opportunities for attracting, engaging and retaining talent; building organisational culture; increasing productivity while leveraging all the available resources to successfully implement a strategic plan.

Many studies confirm that organisations that have clearly defined vision statement that are aligned with a strategic plan outperform those who do not (Thompson and Strickland, 2001). A strategic vision is a roadmap of an industry’s future, providing specifics about technology and customer focus, the geographic and product markets to be pursued, the capabilities it plans to develop, and the kind of industry that management is trying to create (Thompson and Strickland, 2001, pp. 7).

Thompson and Strickland (2001) study on strategy-making and strategy implementing process identified five main task of strategic management:

These include forming a strategic vision of where the industry is headed in order to provide long-term direction, delineate what kind of enterprise the company is trying to become, and infuse the organisation with a sense of purposeful action; setting objectives to convert the strategic vision into specific performance outcomes for the industry to achieve; crafting a strategy to achieve the desired outcomes; implementing and executing the chosen strategy efficiently and effectively; and evaluating performance and initiating corrective adjustments in vision, long-term direction, objectives, strategy, or execution in light of actual experience, changing conditions, new ideas, and new opportunities.

Thompson and Strickland (2001) hinted that during the very early in the strategy-making process, the management need to pose a set of questions: “What is our vision for the industry- where should the company be headed, what should its future technology-product-customer focus be, what kind of enterprise do we want to become, what industry standing do we want to achieve in five years?”

The above-mentioned strategists argue that drawing a carefully reasoned conclusion about what the industry’s long-term direction should be pushes the management to take hard look at the industry’s external and internal environment to form a clearer sense of whether and how its present business will change over the next five years and beyond.

The leaders’ views and conclusions about what the industry’s long-term direction should be, the technology-product-customer focus it intends to pursue, and its future business scope constitute a strategic vision for the industry. Therefore, a strategic vision reflects leaders’ or management’s aspirations for the organisation and its business, providing a panoramic view of “where we are going” and giving specifics about its future business plans, and spells out long-term business objectives and moulds the industry identity (Thompson and Strickland, 2001).

Table 43, Figure13 and Table 44, Figure 14 give the results of the short-term, medium-term, and long-term vision for the small-scale poultry industry in Ghana by the poultry farmers and stakeholders, ranking the visions from the greatest to the lowest importance to influence the Government and all stakeholders to promote the small-scale poultry industry to meet their business objectives in the next five years.

Using semi-structured interview guide approach to investigate the opinions of the poultry farmers and stakeholders concerning the visions of the poultry industry, the two respondent categories reported common themes. These include expansion to self-sufficiency, self-sufficient in feed production, employment security, competitive poultry industry, utilization of import restriction by the government, well-established in modern trends and technology in poultry production, and diversification of the poultry industry.

From Tables 43 and 44 and Figures 13 and 14, it could be observed that 62.5% of the poultry farmers and 64% of the stakeholders interviewed perceived the expansion to self-sufficiency of poultry as an important vision that can influence the support of both private and public sectors to support poultry industry in the country, and this was ranked first, in order of importance in both categories. The result confirmed the findings of a report of Ghana Budget Statement (2010) that the government was planning to cut down on imports of poultry and fish in Ghana through levy duties on those imports, and support local production to achieve self-sufficiency in poultry and fish by 2012. In 1980, the General Assembly in Ghana endorsed observance of the ‘world day’ in consideration of the fact that “food is the requisite for human survival and well-being and a fundamental human necessity.”

The 2010 budget in Ghana introduced several initiatives to support the poultry farmers and rural agriculture in general by increasing the scale of production and productivity, food security, creation of employment avenues and reduce the use of foreign exchange for food imports.

Food self-sufficiency is the ability to meet the food requirements of a population by the sole national production (Montfort, 2009). The most commonly accepted definition of the concept of food security is the one given at the 1996 World Food Summit: “Food security is guaranteed when, at all times, all people benefit from economic, social and physical access to sufficient, safe and nutritious food to meet their nutrition needs and food preferences, so that they can lead an active and healthy life.” The main goal of food security is to meet in the best production conditions possible, the various food needs of the population of a country, whereas food self-sufficiency places on similar grounds the goal of political independence, which gives it a more political significance.

Food sovereignty is also defined as the international right of populations, of their nations or unions, to define their agricultural and food policies without dumping towards third world countries (Montfort, 2009). Food sovereignty convey a more political perception in as much as it translates, according to its initiators, into the right of a country or people to implement agricultural policies that are best adapted to their populations. Poultry and Tomato sectors are strategic to Ghana and have a huge potential to ensuring the sustainable income to households and consequently their right to adequate food.

In the case of Ghana, as in most developing nations, small-scale poultry farmers and other groups of farmers comprise a group among the vulnerable in society and are likely to suffer from unemployment, hunger and malnutrition because of the fierce competition facing these small-scale farmers as a result of liberalization (Issah, 2007).

The second vision perceived by the some of the farmers and stakeholders as having the potentiality to influence the support of the small-scale poultry industry is self-sufficiency in poultry feed production, which was mentioned by 11% of all respondents in both categories. From Table 43, Figure 13 and Table 44, Figure 14, it could be observed that about 11.7% of poultry farmers mentioned this vision as important to be pursued by the farmers and all types of stakeholders in the country, and was ranked second, in order of importance. Also, 9.3% of the stakeholders recommended this vision as important to be pursued by the government and stakeholders and was ranked second in order of importance in both the poultry farmers and stakeholders categories.

The high cost of poultry feed were a source of worry for poultry farmers and stakeholders who explained that “*the high cost of poultry feed was one of the major problems facing the poultry industry in Ghana.”*

The following statements show some comments made by some poultry farmers and stakeholders with respect of poultry self-sufficiency and poultry feed self-sufficiency.

One of the poultry farmers asserted that “*within some few years the government must ensure that there is high productivity under intensive mechanization and current technology in majority of poultry farming operations in Ghana.”*

When this respondent was probed by the researcher to investigate the reason why he stated the above vision for the poultry industry, he commented that *“this will enable the small-scale poultry industry to match up with the increasing competition from the EU and USA.”*

A stakeholder who reported similar vision stated that “the *adoption of highly mechanized system of poultry production* *should be supported and emphasised by MoFA so that individual small-scale poultry farmers could own their bonafied feed mills, incubators/hatcheries, processing machines, trucks and storage facilities in the near future so as to produce their own poultry feed and meeting the poultry meat and eggs requirement of the growing populace in Ghana.”*

ISODEC (2004) study revealed that poultry imports are able to undercut the prices offered by the domestic poultry farmers in Ghanaian market due to subsidies provided to EU cereal farmers which turns into low costs of feed production, since supply of feed is the mainstay of poultry farming. The ISODEC study reveals that cereal constitutes around 70% of the cost of production in the EU and up to 90% in Ghana. Between 1990 and 2002, the European Union producer price for common wheat was reduced through subsidies by 51.1% in real terms, fodder barley by 50.7% and grain maize by 49.6%, and in 2000 to 2001, these products constituted 54% of total tonnage of products used in feed production (ISODEC, 2004).

ISODEC argues that this situation has had a major impact on reducing feed costs of EU livestock farmers, enabling them to charge lower prices for their poultry. The total costs of producing poultry, and the costs of the final products in Ghana are much higher as compared to the international level. In 2004, imports of chicken meat from EU were sold in Ghana for 1.50 euro per kilo, whereas the domestically produced poultry was sold for 2.60 euro. In 2005, the costs of broiler production averaged US$0.52 and US$0.55 in Brazil and USA respectively (FAO, 2006).

The main cause has been the high cost of poultry inputs, mainly feed ingredients. Maize and fishmeal or soya-bean meals are the greatest composition of a typical formulated chicken diet constituting about 80% of the diets. Regrettably, Ghana is not self-sufficient in the manufacturing of these food items at affordable prices and every year imports have to be relied upon.

From Table 43, Figure 13, it could be noticed that employment security/reliability is the vision which was mentioned by 9.2% of poultry farmers and it was ranked third in order of importance. Also, from Table 44 and Figure 14, employment security/reliability was mentioned by 6.7% of stakeholders and it was ranked fourth in order of importance. Overall, 8% of all the respondents in both categories mentioned this factor as important to be pursued to influence the promotion of poultry industry by public and private sectors. An individual who cannot either join an enterprise or create a job is unemployed. About 25 million people in the world’s 30 richest countries will have lost their jobs between the end of 2007 and the end of 2010 as the economic downturn pushes most countries into recession [Unemployment hits highest since 1995 “(<http://www.guardian.co.uk/business/2009/sep/16/unemployment-rises-recession)>”, September 16, 2009].

The small-scale poultry industry in Ghana has in the past 20 years undergone a drastic decline in fortunes that has diverted the industry from near self-sufficiency in the early 1990s to a net importer of a variety of poultry products leading to mortalities of poultry farms and loss of jobs in the poultry sector.

Ghana imports over 30% of the total EU chicken parts export to West Africa as a result of tariffs reduction under structured adjustment programmes and liberalisation of markets. Demand for local poultry has collapsed threatening the livelihoods of over 400, 000 poultry farmers in Ghana (CorpWatch, 2005).

In a 2011 News Story, Business Week reported that “over 200 million people globally are out of working, a high record, as almost two-thirds of advanced economies and a half of developing countries’ are experiencing a slowdown in employment growth (Wikipedia, the free encyclopedia, January 2009).

Poultry industry was a vital source of employment for many rural folks and peri-urban dwellers in Ghana and threat to poultry production has affected many farmers economic well-being (Aning et al., 2008). Although, the number of commercial poultry workers, as estimated from the commercial farms with the official records is about7000, however, it can be assumed that nearly 2.5 million households in Ghana benefit from poultry production. Policies that may cause job loss can inadvertently yield decrease wages, increases chances of unemployment and longer future unemployment spells for the vulnerable poultry farmers.

One of the senior members of MOFA also remarked that *“if the government strengthens its agriculture policies and develops good internal trading environment by providing ready market and maintain global competitiveness of poultry industry through subsidies and loans, employment security of the poultry farmers is likely to be achieved.”*

One of the farmers commented that *“government’s support in terms of infrastructure expansion such as transport and telecommunication, construction of good roads to link the peri-urban areas and the villages to link the main roads/highways, as well as provision of non-contaminated water and electricity to support the farmers will likely make the employment in the industry become secured in the years ahead.”*

Having looked at the visions which were mentioned by over 80% of respondents, attention is now focused upon the other important visions which were mentioned by few respondents. There were five main visions which were mentioned by respondents in both categories ranging from competitive industry, utilisation of import restriction, well established in modern trends and technology, and diversified industry. The remaining section examines all the visions in this group.

Competitive poultry industry was mentioned by about 5.8% of poultry farmers, and was ranked fourth, in order of importance, while 8% of the stakeholders mentioned this vision, and it was ranked third in order of importance in the stakeholders’ category. High cost of production and fierce competition from advanced countries including, EU and USA, Canada and Brazil etc, have been the main cause for the failing of the small-scale poultry industry in Ghana, as a result of the government liberalisation policies and common tariffs reduction of ACP countries.

Mead and Liedholm (1998) research on problems retarding small-scale businesses in Africa observed that lack of demand and shortage of working capital as the major causes for the mortalities of small-scale businesses. A study undertaking by World Bank to investigate the competitiveness of the small-scale businesses after liberalisation of markets in Ghana, Mali, Malawi, Senegal and Tanzania found that some small to medium scale businesses took advantage of the changed environment, whereas, others were driven by the waves of liberalisation (Parker et al., 1995).

Liberalisation in 1980s marked the beginning of import surges in Ghana and other developing countries. Policies aimed at liberalisation were forced on many developing governments by IMF and World Bank as part of Structural Adjustment Programmes. In Ghana, the economy was declining with high inflation and huge budget deficit that made the government under Jerry John Rawlings that made the government turned to the World Bank and IMF for their support (Issah, 2007). The assistance was conditional with SAP and liberalisation policies, leading to the reduction of the country’s bound tariffs from 99% to 20%. Cheap imports from advanced countries were promoted based on these liberalisation policies, which then impacted negatively on the local poultry industry by flooding the local markets. This has led to uncompetitive poultry industry from the past two decades.

During the interviews with poultry farmers and stakeholders most of the respondents mentioned that “*they expect the poultry industry to become competitive in the near future.”*

One of the poultry farmers commented that, *“I have never received any credit from the banks or any assistance from the government in the past 7 years, and I expect this situation to be changed by the government so that I can become competitive.”*

Utilisation of import restriction was mentioned by about 5% of all the respondents (poultry farmers and stakeholders) in both categories. From Table 43 and 44 it could be noticed that 5% of the poultry farmers and 5.3% of the stakeholders mentioned this vision as important to stimulate growth of the poultry industry, and it was ranked fifth in both categories. In 2003, an attempt was made by the policymakers of Ghana to reduce the levels of importation in order to protect and support the domestic poultry production through the imposition of additional 20% supplementary import duty on poultry meat imports (Aning et al., 2008). Aning et al (2008) found that in that year, local poultry production supplied 53% of total poultry meat in Ghana. However, the policy was reversed when it came under pressure from the IMF and other external donors.

The basic tariff imposed on imported poultry and other food items has not changed since 1990s. The tariff has remained 20% but VAT (12.5%), National Insurance Levy (2.5%) and Economic Community of West African States levy (0.5%) have been added over time (Aning et al., 2008). During the interviews with the poultry farmers and stakeholders, it became unanimous that *“the government was responsible for reduction of imports tariff leading to the fierce competition against the poultry farmers, making the poultry industry uncompetitive.”*

A poultry farmer in a strong voice said “*we beg the government to increase the tariffs on poultry imports so that we can survive and look after our children.”*

Another vision which was perceived by about 4% of all the respondents (poultry farmers and stakeholders) in both categories was that poultry industry should be ‘well established in modern trends and technology. From Table 43 and 44, it could be observed that 4.2% of poultry farmers and 4% of the stakeholders mentioned this vision as important to stimulate growth in poultry sector and was it ranked sixth in order of importance among the recommendations of the poultry farmers and stakeholders.

Research shows that food needs in Africa will increase in the years ahead, and it is undeniable that future improvement of Africa food self-sufficiency and food security situation depends critically on the sustainable growth in agricultural food production. This partly entails the assessment of existing research systems in developing technologies that the Africa agriculture sector needs and promoting agriculture mechanization (University of Pennsylvania webpage, undated).

It is an acceptable fact throughout the world that a thriving agricultural sector can be maintained only if technology and research keep track on a continuous basis, and as such increase in sustainable agriculture will call for an urgent need for higher investment in agricultural research and technology to ensure improvement and stabilization of produce (University of Pennsylvania, undated). During the interviews, an official of MoFA indicated that “*an expansion in fixed assets and infrastructure are needed to boost the industry within the shortest possible time.”*

Research shows that most of poultry farmers in Ghana practice labour intensive method of production, which is carried out largely on small farms and house farms (ISODEC, 2004). There is general lack of processing machines (ISODEC, 2004). Obsolete tools, equipment, machines and low input technology affect the small-scale poultry industry in Ghana (Aning, 2006; Aning et al., 2008; ISODEC, 2004) by impeding the patronage of the local poultry industry as domestic processing of poultry into parts to facilitate quick and easy to use by local consumers is virtually non existence (ISODEC, 2004).

One of the poultry farmers mentioned that “*if the government supports the poultry sector within some few years there will be high productivity under intensive mechanised poultry farming in the country.”* A stakeholder commented that *“he wants the industry to achieve an increase production capacity in 5 years to come.”*

Lastly, diversified industry was the vision which was mentioned by 2% of the respondents (poultry farmers and stakeholders) in both categories. From Tables 43 and 44, it could be seen that 1.7% of poultry farmers and 2.7% of stakeholders recognised this vision as important to facilitate growth in the poultry sector if it is pursued by the government, stakeholders and the poultry farmers, and it was ranked fourth among the recommendations of the farmers and stakeholders.

Research shows that when growth opportunities in the industry’s mainstay begin to peter out, diversification is often the most viable option for reviving the industry’s prospects (Thompson and Strickland, 2001). In agriculture sense, diversification can be regarded as the re-allocation of some of a farm’s productive resources, like land, capital, farm equipment and paid labour, into new activities (Agricultural diversification – Wikipedia, the free encyclopaedia, undated). These include new crops or livestock products, value-adding activities, provision of services to other farmers, and especially, in advanced nations, non-farming activities like restaurants and shops.

In developing countries, diversification is often ascribed to a substitution of one crop or one livestock for another or an increase in the number of enterprises, or activities, carried out by a specific farmer. However, the definition used in developed nations sometimes relate to the development of activities on the farm that do not involve agricultural production. One section of the British Department for Environment, Food and Rural Affairs (DEFRA) defines diversification as “the entrepreneurial use of farm resources for non-agricultural purpose for commercial gain.” By making use of this definition DEFRA found that 56% of UK farms had diversified in 2003. Moreover, the great majority of diversification activities simply involved the renting out of farm buildings for non-farm use, but 9% of farms had become involved with processing or retailing, 3% with provision of tourist accommodation or catering, and 7% with sport or recreational activities (DEFRA webpage, undated).

In developing countries like India, the concept is applied to both individual farmers and to different regions, with government programmes aimed at promoting widespread diversification. That is a shift from the regional dominance of one crop to regional production of a number of crops, taking into account the economic returns from different value-added crops, with complimentary marketing opportunities.

Factors leading to decisions to diversify in developing countries are numerous, but include: reducing risk, responding to changing consumer demands or government policy, responding to external shocks, adding value, changing marketing opportunities, improving nutrition, responding to changing marketing opportunities, responding to export market demand and adaptation to new farming techniques to meet the higher level of demand etc.

As it was indicated in Table 3 regarding the number of the poultry species and their regional distribution in Ghana during the last birds population census in 1996, the total number of chickens far outweigh ducks, turkeys, guinea fowls, and Ostrich (Livestock Planning and Information Unit data, 2006). Also, during the interviews with the small-scale poultry farmers (commercial and backyard) it was found that 95% of the poultry farmer interviewed rear ‘only chicken’ suggesting that there may be the need for the farmers to diversify in producing other popular birds like turkey, guinea fowl, ostrich and duck to target a niche market as a strategy.

Communicating the strategic visions of the poultry industry to the government by the stakeholders and the poultry farmers, is almost as important as setting the poultry sector long-term direction. Collaboration of the government, stakeholders and the poultry farmers in a concerted effort to rise to the challenges of pursuing the visions of the small-scale poultry industry to achieve self-sufficiency in poultry production will motivate all consumers to patronize the local poultry meat to ensure enhanced competitiveness.

Employment security is a tool for collaborating with the small-scale poultry farmers, stakeholders, and government to achieve long-term competitive advantage. It is fundamental to the implementation of high performance management practices which would promote the poultry farmers contribution of knowledge and high performance management practices. Repeating the visions often by the government, stakeholders and poultry farmers, and reinforcing its achievement through training and education, provision of subsidies, low interest rate loans, incentives and awards, and information dissemination would generate competitive advantage for the small-scale poultry industry in local market.

A well conceived and well-stated strategic vision would benefit the small-scale poultry industry in several respects: Firstly, it would help the industry to prepare for future. Secondly, it would crystallise the government, stakeholders and poultry farmers’ views about the industry’s long-term direction. Thirdly, it would convey the small-scale poultry industry’s purpose in ways that would motivate the government and stakeholders as well as the poultry farmers, to strive for industry’s competitiveness and sustainable growth within a specific time period (say three to five years).

**9.1.4 Strategies to Increase the Market Share of the Small-Scale Poultry Industry**

Market share is utilised by businesses to determine their competitive strength in a sector as compared to other companies in the same sector. An industry need to translate sales into market share because this will show whether forecasts are to be achieved by growing with the market or by capturing share from competitors. Market share is closely monitored for signs of change in the competitive landscape, and it frequently drives strategic or tactical action (Farris et al., 2010).

Increasing market share is one of the significant objectives of an industry, a business or a company. The merit of using market share as a measure of business performance is that it is less dependent upon macro-environmental variables such as the state of the economy or changes in tax policy. It allows an industry, a company or a business to assess its performance from year to year.

There are four basic ways businesses can improve their market share. These include product improvement that is better than a company’s competitors or change the price or offer special incentives for customers such as discounts or sales. Also, businesses can find new methods to distribute their products so people can buy it in more places. Lastly, advertising and promoting a business product may improve its market share. In some cases it can be to a firm’s advantage to decrease market share, if the lower costs of lower market share can improve profitability in the business. Therefore, managing market share is a very significant aspect of managing a business.

Research shows that in the early 1990s, the poultry industry in Ghana experienced the effects of Structural Adjustment Programmes whose policies involved removal of government support for drug costs, the cancellation of government importation and support for feed mill ingredients and the reduction of preference in credit rates for agriculture lowering of the preferential credit rates for agriculture (Khor, 2006; ISODEC, 2004; CorpWatch, 2005; Aning et al., 2008; Asuming-Brempong et al., 2006; Osei, Undated; Issah, 2007; Offei Nkansah, 2004).

The two major factors causing the decline of the local poultry industry’s market share were competition it faced from cheap subsidised imports of poultry from abroad and high costs of production (Aning et al., 2008; Khor, 2006; ISODEC, 2004). There are approximately 400, 000 poultry farmers in Ghana and the result of these imports is that only those operations with considerable improving production efficiencies have continued to operate (Khor, 2006).

This section presents an overview of the business strategies (factors) perceived by the small-scale poultry farmers and stakeholders as being important or crucial to regain the lost market share of the poultry farmers in the next five years. Table 45, Figure 15 and Table 46, Figure 16 present the frequency distribution and the percentage of the small-scale poultry farmers and stakeholders in the rank order.

It could be seen from Table 45 and 46 that one of the factors identified by the interviewees in both categories as needed to increase the market share of the poultry industry was ‘production of processed ready-to-use poultry meat at overall lower cost and price for lower income groups and the poor consumers, and this was ranked first, in order of importance. This factor was mentioned by 40% of the poultry farmers and 34.7% of the stakeholders during the interviews. Overall about 38% of all the respondents (poultry farmers and stakeholders) identified this factor as needed to enhance the market share of the poultry industry in Ghana.

Porter (1980) pointed out that achieving a low overall cost require some advantages like favourable access to raw material or a high relative market share. Furthermore, implementing the low cost strategy may require heavily upfront capital investment in state-of-the art equipment, aggressive pricing and start-up losses to build market share (Porter, 1980).

Porter (1980) explains that high market share may in turn allow economies of scale in purchasing, which lower costs even further. Once the high market share is achieved, the low cost position provides high margins which can be reinvested in new equipment and modern facilities in order to maintain cost leadership. Porter (1980) indicates that such investment may well be a prerequisite to sustain a low cost position. Many firms are known for successful application for lower cost leadership strategies such as Dupont, and Black and Decker.

The above strategy implies the act of appealing to a broad spectrum of customers based on being the overall lower-cost provider of a product (Porter, 1980; Thompson & Stricland, 2001). It is likely that a well-organised social movement will give members access to cheap labour, essential local cheap or discount inputs such as feed, improved breeds, medicines/vaccines, credit and technical advice (Sonaiya et al. 1999; Sonaiya & Swan, 2004) in continuous basis that will reflect greatly on the lower prices of their (poultry) products (Hellin et al., 2007).

Endeavouring to be the industry’s overall low-cost provider is an influential competitive method in markets with many price-sensitive consumers (Thompson and Strickland, 2001pp 151). Thompson and Strickland (2001 pp.151) argue that a lower-cost leader’s basis for competitive advantage is to lower overall costs than competitors. Research shows that many Ghanaians prefer the locally bred poultry because it is tastier, but cite price as a determining factor in the choice of imported poultry meat (ISODEC, 2004).

Therefore, this strategy would be well applicable in Ghanaian market where most of the consumers’ habit is centred on lower price products. The local poultry producers can use the lower-cost edge to under price competitors and attract price sensitive buyers in great enough numbers to increase total profits (Thompson and Strickland, 2001).

One of the poultry farmers interviewed described this strategy as follows: “*Since Ghana is low income economy most of the poultry consumers are always looking for lower prices chicken meat at all times, that is why the imported poultry is attracting many people in the Ghanaian markets. For the poultry farmers to attract the consumers in greater numbers the prices of the birds or chicken we produce must be cheaper than the imported ones because everybody likes cheaper meat and they don’t care very much if the taste is not like the local chicken.”*

It has been argued that “the trick to profitable under-pricing rivals is either to keep the size of the price cut smaller than the size of the firm’s cost advantage in order to reap the benefits of both a bigger profit margin per unit sold and the added profits on incremental sales or to generate enough added volume to increase total profits despite thinner profit margins, since larger volumes can make up for smaller margins provided the price reductions bring enough extra sales”(Thompson & Strickland, 2001).

The organized Social Movement for the small-scale poultry farmers will likely achieve overall lower-cost leader through the availability of cheap labour, collaboration and coordination to achieve economies of scale in their transactions with input suppliers (Hellin et al., 2007 pp. 4). The social movement for the small-scale poultry will likely enable the farmers to overcome barriers to assets, information services and ready markets (Chambo, 2009) to facilitate low-cost production of poultry products.

Furthermore, the social movement will likely create the ability for the supply of needed poultry inputs so that production of poultry products is done timely to enhance more cheapened productivity in a large-scale to ensure bulking. This would enable the farmers to spread out certain costs such as R&D, technology, advertising campaign and training, over a greater sales volume (Thompson and Strickland, 2001).

The poultry farmers’ also will likely improve profit margins and return on investment by pursuing innovative cost reduction year after year by adding more distribution channels to ensure that the unit volume needed for low cost production are secured. By means of collective action the Social Movement of the small-scale poultry farmers’ will enable farmers provide assured market for poultry products through various channels including distribution chains, wholesalers, supermarkets, shops, retailers, farm gates, middlemen, and hawkers in Ghana.

The second strategy (factor) recommended by the respondents as important to increase market share was ‘production of quality poultry meat at low cost and low price to target the middle income group.’ This factor was mentioned by about 24% of respondents (poultry farmers and stakeholders). It could be observed from Tables 45 and 46 that this factor was mentioned by 22.5% of the poultry farmers and 26.7% of the stakeholders, and it was ranked second in order of importance. The local poultry producers in a collective action could concentrate on a narrow buyer segment to out-compete the foreign rivals by offering niche members customized attributes such as fresh and organic poultry that meet their taste and requirements better than their rivals who supplies frozen poultry.

The focused strategy is to offer low costs and low price poultry than rivals in serving the market niche based on specific advantages that are available to local industry such as cheap labour, production of fresh poultry and organic poultry meat which cannot be copied by the foreign producers. Porter (2008) argues that no matter what their size, local or home industry may have cost or quality advantages not available to potential rivals.

‘Production of quality, processed poultry meat to supply organizations such as schools and hospitals at low costs and low prices,’ is the third ranked factor in order of importance among the poultry farmers and stakeholders, and was mentioned by 21.7% of the poultry farmers and 18.7% of the stakeholders. In total, about 21% of the respondents in both groups mentioned this factor as important to increase the market share of the local poultry industry in Ghana. In line with the low-costs and low price strategy, a collaborative poultry farmers’ will likely be in a position to supply large volumes of poultry meat and poultry products to institutions and organizations to increase market share of the local poultry farmers.

A poultry farmer reported that “*the quality and size of the processed, poultry meat to attract consumers of the middle income group must be a bit quality than the poultry meat that would be targeting the lower income category.”*

An example of a focus strategy that achieves a low-cost position in serving its particular target is seen in Martin-Brower, which is one of the largest food distributer in the United States (Porter, 1980). Martin-Brower has reduced its customer list to just eight leading fast food chains. Its entire strategy is based on meeting the specialised needs of the customers sticking only to their narrow product lines, order taking procedures in accordance to their purchasing cycles, locating warehouses based on their locations, and intensely controlling and computerising record keeping. Although Martin Brower is not the low cost distributer in serving the market as a whole, it is serving its special segment, and it has been rewarded with rapid growth and above-average profitability.

The next group of (strategies) factors are those which were mentioned between 3%-8% of the respondents in both categories. These factors include the ‘production of quality, processed poultry meat for high income and rich consumers’; ‘Production of lower cost and lower price poultry meat to target festivities such as Christmas, Easter and Ramadan’; and the last factor is the ‘production of poultry meat for export to neighbourhood countries.

Production of quality, processed poultry meat for the rich and high income consumers was mentioned by 8% of the respondents (poultry farmers and stakeholders) as important factor to increase market share, and it was ranked fourth in order of importance. It could be noticed from the Tables 45 and 46 that about 7.5% of the poultry farmers and 9.3% of the stakeholders mentioned this factor. The local poultry farmers in a collective action could concentrate on a narrow buyer segments to out-compete the foreign rivals by offering niche members customized attributes that meet their taste and requirements better than their rivals. This strategy would target the rich and high income consumers.

ISODEC (2004) study found that some of the restaurants and cooked food sellers use a combination of imported and local poultry and cite low price as a determining factor in their choice of imported poultry. ISODEC (2004) also found that a greater number of restaurants in the southern Ghana prefer the local poultry because it is tastier but for the sake of high prices of local poultry they use the imported poultry.

ISODEC (2004) study suggested that it is not in vain if Ghanaian poultry is promoted in the local market, and even commented that household in the northern Ghana prefer traditionally bred poultry and consume more of that than imported poultry parts. Health implications were a consideration in households’ choice of local poultry because the fat content of imported poultry is high, and others said local poultry looks healthier and is tastier (ISODEC, 2004). This indicates that the differentiation strategy will likely achieve a portion of a market share if it is embarked by collective action of poultry farmers.

During the interviews one of the common themes which emerge was that “*the rich and high income consumers often prefer the tastier fresh local poultry to the frozen imported poultry and therefore the poultry farmers must try to produce well-fed chicken to target rich consumers who do not bother much about high prices.”*

Porter (1980) argues that achieving differentiation may sometimes prevent obtaining a high market share as it usually requires a perception of exclusivity which is incompatible with high market share, and gave example that, despite high prices, Caterpillar has a dominant market share among the earthmoving equipment industries. Porter (1980) warns that as a result of profit pressures in transitional periods, there seems to a tendency for some companies to try to maintain profitability of the recent past, which is done at the expense of market share, research and development, and other needed investments which in turn hurts future market position. He emphasised that unwillingness to accept lower profits during transitional periods can be seriously short-sighted if economies of scale will be significant in the mature industry. He argues that a period of lower profits may be inevitable while industry rationalization occurs, and that a cool head is necessary to avoid overreaction (Porter, 1980).

Production of low cost and low price poultry to target festivities was mentioned by 5.8% of the poultry farmers and 6.7% of the stakeholders, and this factor was ranked fifth in order of importance in both categories (See Tables 45 and 46). It was mentioned by about 6% of all the respondents (farmers and stakeholders) as important factor that can influence the market share of the local poultry industry. Porter (1980) hinted that “in the case of an industry threatened by substitution, its response can take the form of forgoing profits by lowering prices or raising cost such as marketing or making R&D investments aimed at making threatened product more competitive.

One of the poultry farmers commented that *“since all consumers prefer quality and cheaper poultry it is better to produce more quality, processed, overall lower costs and price poultry meat to capture a larger share of the market during Christmas and at all times.”*

Sharma et al. (2003) posit that relative competitiveness is the ability to produce at a lower unit cost of production than one’s competitors. The fact that large competing farms are producing livestock at lower unit costs than the small farms, they will clearly drive them out of the market over time. The market price that applies to both large farms and small farms will fall as large scale poultry farmers increase production, and the small-scale poultry farmers will be squeezed out of market (Sharma et al., 2003).

Sharma et al. (2003) argue that the one way for smallholders to survive then will be if they produce poultry products for a few higher priced niche markets that are not economically feasible for larger farms to serve, and to cut cost by remunerating labour force at a wage lower than that a large farmer pays to hired labours. Small-scale farmers are able to stay in business and possibly, gain market share if they are more effective users of poultry farming resources, both in technical sense and allocative sense (Sharma et al, 2003). If the small-scale poultry farmer movement are more efficient users of farm resources, and put more care in producing per unit of input, then they have a competitive advantage over large-scale producers that will be difficult to outperform.

All things being equal, small-scale farmers that are more efficient users of farm resources to accrue profits per unit of output are more likely to be able to maintain market share than larger producers who are less efficient in their use of resources. As time goes on, the more efficient poultry producers are in a better position to invest more in their poultry enterprise and to grow, despite their initial size (Sharma et al., 2003).

The target segment or niche can be defined by geographic uniqueness and by specialized requirements in using the product, or by special product attributes that appeal only to niche members (Thompson & Strickland, 2001). Responsive to local tastes would make the poultry products more appealing to local consumers. Furthermore, the net benefit of selling poultry products to supermarkets would tend to much higher in niche/quality products. During the interviews, one of the poultry farmers asserted that *“It is good to produce birds to target Christmas, Easter, Ramadan and other special occasions because most of the consumers who use imported poultry even prefer to eat local poultry during festivities.”*

Lastly, ‘production of poultry meat for exporting to neighbourhood countries is the factor which was mentioned by about 3% of all the respondents (farmers and stakeholders) as important factor that can increase the market share of the poultry industry in Ghana. From Tables 45 and 46 it could be seen that 2.5% of the poultry farmers and 4% of the stakeholders identified this factor. One of the large-scale poultry farms in Ghana known as Darko Farms is well known for exporting poultry products and fertilised eggs to some African countries as a result of its expertise and a set of skills regarding both domestic and foreign markets.

The threatened local poultry industry can fight its competitors and stake out position that will enable it to grow and export poultry products to near-by countries. One way the local poultry farmers can fight their competitors who are threatening their business is through the regulatory or political arena, and another is at the collective table (Porter, 1980), or the social movement (Craig, 1993; Mooney and Gray, 2002). Market share is a key indicator of market competitiveness (Farris et al., 2010). A stakeholder indicated *“that it is possible for poultry farmers who have achieved efficiency and high productivity to export processed birds to some neighbour countries in Africa in order to increase their market share.”*

**9.1.5 Competitiveness of Backyard/Rural Poultry in Ghana**

Current Research shows that the backyard poultry production in Ghana is not directly affected by competition as a result of trade liberalization at the moment, because most of the traditional village poultry (chicken, guinea fowl, ducks, turkeys, doves) are raised mainly to supplement household incomes as well as household meat and egg consumption (Aboe et al., 2006b; Aning et al., 2008).

While backyard/rural poultry production appears to be on the rise, commercial, especially broiler production and the support services are on the down-turn (Aning et al., 2008 pp.32). However, the backyard poultry faces serious issues of low productivity and high mortality rates due the lack of technical knowledge and lack of access to key inputs which needs to be solved.

The backyard poultry in Ghana represents the foundation on which a sustainable, well-adapted semi-commercial sub-sector could be continuously developed to ensure its sustainability.

Table 47, Figure 17 and 48, Figure 18 shows the results of interviews with the small-scale poultry farmers and stakeholders in terms of frequency of indication of factors that can influence the competitiveness of the backyard/rural poultry industry in Ghana, and also the percentage of respondents who mentioned them. Thus, Table 47, Figure 17 and 48, Figure 18 represent the responses of both poultry farmers and stakeholders, ranking the strategies (factors) from the greatest to the least important to increase the competitiveness of the backyard/rural poultry industry in Ghana.

From Tables 47 and 48 as well as Figure 17 and 18, , it could be observed that about 80.8% of the poultry farmers and 72% of stakeholders mentioned ‘formation of social movement’ as important factor that can increase the competitiveness of the backyard/rural poultry industry, and this was ranked first, in order of importance in both categories. Overall 77% of the poultry farmers and stakeholders identified this factor. The result confirmed the findings of a study undertaken by ISODEC (2004). ISODEC (2004) study found that it would be advantageous on the part of the farmers if government helps them to form co-operatives or social movement, so that they can work together. Craig (1993) contends that the manner in which the Western Australian Farmers organised themselves in 1914, and convened to address the severe economic disadvantage of farmers can be viewed as a form of farmer initiated social movement.

Furthermore, the collective attempt leading to the birth of United Farmers Co-operative Company (UFCC) as a social movement provides an alternative insight to the motivations of this type of collective action (Cheong, 2006). The shared linkage of political and economic action by Western Australian farmers in 1914 and the Madden’s 1990s involvement in a political interest group leading to the formation of Western Australian Co-operative and UFCC respectively, demonstrates the potentialities of a farmer initiated social movement. Many studies confirm that an industry or a company can be transformed through regulatory or political actions (Thompson and Strickland, 2001; Porter, 1980) and at collective table (Porter, 1980) or social movement (Craig, 1993; Mooney and Gray, 2002).

Craig (1993) defines a social movement as “a collective attempt to bring about or resist change in social institutions or to create an entirely new order by non-institutionalised means.” A study undertaken by the University of Pennsylvania - African Study Centre found that the major missing ingredient that has been responsible for Africa’s poor economic performance is the lack of adequate indigenous capacity in several critical areas of human, institutional and infrastructural development (University of Pennsylvania, Undated). The study pointed out that special attention must be paid to institution building, popular participation, village associations and group, and an end to circumscribed freedoms to ensure food self-sufficiency.

Since the backyard/rural poultry production is not directly affected by the competition because of its lower production costs (Aning et al., 2008), the researcher decided to investigate the basic factors that could lead to its competitiveness separately from the small-scale commercial poultry industry. This was done so that majority of people in rural areas of about 3.7 million households who kept poultry as a semi-commercial farmers could also benefit from this research.

During the survey the factors that can increase the competitiveness of backyard/rural poultry production were evident from the interviews carried out by the researcher. The researcher asked the respondents to recommend one main strategy that could positively influence the competitiveness of the backyard/rural poultry farming. Based on this question respondents talked about *‘formation of local co-operatives, ‘best farming practices’, ‘quality improvement of the local poultry breeds’ and co-operate advertising campaign.’*

It was argued, by some participants that the *“formation of the local cooperative association (social movement) was an easy option that could increase the competitiveness of the backyard/rural poultry production in Ghana.”* When asked about the reasons why local cooperatives could influence the competiveness of the backyard/rural poultry farming, some poultry farmers raised a lot of advantages including *“group education, group training, access to bulk purchases, obtaining one strong voice to present their grievances to the local authorities and the government.”*

Social movements are oriented to enlarging the systems of member participation in decision-making (Johnston et al., 1994). They tend to give priorities to democratisation generally, and are based on actions and interests beyond those of simple class position. Many successful case studies of social movement and their benefit to small-scale farmers are discussed in the later part of this study.

Some stakeholders argue “*that forming the social movement would help the farmers to undertake education and training programmes together, give them access to bulk purchases, and benefit them to learn how to use the local materials to prepare their own poultry feeds in order to reduce the costs of production.”*

Furthermore, the respondents interviewed commonly revealed that *“collaboration would give the farmers access to affordable loans, help them to participate in meetings and agreeing on pricing and marketing strategies, and put their petitions forward to the Government to benefit the industry.”* One of the stakeholders commented that *“collaboration of the backyard/rural poultry production is a stepping stone to commercialization.”*

Secondly, strategy (factor) identified by the small-scale poultry farmers and stakeholders as important to increase the competitiveness of the backyard/rural poultry industry in Ghana is the ‘Best farm practices’ mentioned by about 10% of all the respondents (farmers and stakeholders together) in both categories, and this was ranked second, in order of importance in both categories. From Tables 47 and 48, it could be noticed that about 7.5% of the poultry farmers and 13.3% of the stakeholders mentioned this factor as essential to promote the competitiveness of the local poultry industry.

Identifying and implementing best poultry farming practices for strategy-critical where better quality, lower costs and lower price poultry meat significantly influence high consumption and market share is a necessity to achieve competitive advantage, an industry competitiveness and sustainable growth.

An in-depth knowledge and application of best poultry farming practices in areas of diseases control, bio-security, breeding, feed formulation, genetic improvement, housing, equipment use and marketing of poultry products at right time measure the efficiency and effectiveness of poultry farmers’ internal activities towards costs reduction, and sources of competitive advantage.

Best poultry farming practices aims at high productivity, efficiency, reduced costs, better product quality, greater consumer satisfaction, an increase in market share and competitive advantage. Sonaiya and Swan (2004) reported that better nutrition, vaccination programme, and good shelter are best farming practices to reduce chicks’ mortality.In favour of the collaboration, producer association or social movement, respondents who mentioned ‘best farming practices’ coined their statements to encompassed group formation. For example, *“good farming practices through group training,’ ‘farmers must learn to apply best management practices through local co-operatives’ and ‘friends association to enhance good management.”*

Quality improvement of the local breed is the third strategy (factor) in order of ranking and was mentioned by about 7% of the respondents in both groups as important factor to increase the competitiveness of the backyard/rural/village poultry production. From Tables 47 and 48, it could be noticed that 6.67% of poultry farmers and 8% of stakeholders mentioned this factor as important to enhance the backyard/rural poultry industry.

Sonaiya and Swan (2004) indicate that strategies to develop local poultry breeds for small-scale poultry farmers should focus on improving indigenous breeds while also making use of pure exotic and cross-bred chickens where appropriate. Sonaiya and Swan (2004) study found that farmers, livestock and environment form a delicately balanced but sustainable ecosystem, and thus the potential impact of any intervention to improve production in the traditional system should be predetermined.

The two main strategies identified by Sonaiya and Swan (2004) include the following: firstly, germplasm in the traditional conditions should not be modified until management and housing have been improved, and even then selection should be restricted to local breeds. Secondly, when technical conditions are optimum and a ready market exists for the products, then improved breeds, crosses and hybrid strains that have been selected for high performance can be introduced into the peri-urban system, even at small-scale levels.

Some participants who mentioned quality improvement of the local poultry argue that “*such improvement would make the local poultry meat more popular and acceptable in the market and serving high tables.”*

One of the members of the national poultry development board explained that “*if all poultry farmers would learn to comply with basic tenets of bio-security, the chunk of financial losses that they suffered each year would be reduced tremendously.”*

Lastly collective advertisement and campaign is the fourth strategy (factor) in order of ranking and was mentioned by 5% of all respondents (farmers and stakeholders) as a significant factor to increase the competitiveness of the backyard/rural/village poultry production.From Tables 47 and 48, it could be seen that 5% of farmers and about 6.7% of stakeholders identified this factor.

A stakeholder commented that *“backyard/rural poultry cannot become competitive without co-operative advertising campaign by the poultry farmers, stakeholders and the government to educate the public about its taste, flavour and nutrition.”*

**9.1.6 Competitiveness of the Small-Scale Commercial Poultry Industry**

The world economy is globalizing at an increasing speed pace as countries before now closed to foreign companies open up their markets as a result of widespread use of internet, and growth minded companies race to take out competitive positions in the market of many countries (Thompson and Strickland, 2001, pp.199). Thompson and Strickland (2001, pp.255) asserted that “competitive success in fast-changing markets tend to hinge on a company’s ability to improvise, experiment, adapt, reinvent, and regenerate as market and competitive conditions shift rapidly and sometimes unpredictably.”

Porter (2008) stated that “rivalry is especially destructive to profitability if it gravitates sorely to price because price competition transfers profits directly from an industry to its customers.” Research shows that the liberalization of poultry imports has led to a very significant rise in imports, which has had negative effects on the local poultry industry. There are approximately 400,000 poultry farmers in Ghana, who have been affected by the competition as a result of imported poultry and this has had a significant effect on the economy as whole and in particular, on livelihood opportunities.

The strategies recommended by the poultry farmers to increase the competitiveness of the small-scale commercial poultry industry were recorded on the schedule prepared for the purpose of the interview. The rank positions were decided on the basis of frequency indication of recommended strategies. This section presents the strategies (factors) perceived by the poultry farmers and stakeholders as being important to increase the competitiveness of the small-scale poultry industry in short-term, medium-term and long-term investments. Table 49, Figure 19, and Table 50, Figure 20 show the strategies recommended by poultry farmers and stakeholders respectively.

From Table 49 and Figure 19, it could be seen that 42.5% of the poultry farmers mentioned ‘formation of social movement’ as an important factor or a crucial strategy to increase the competitiveness of small-scale commercial poultry industry, and this was ranked first, in order of importance. In like manner, it could be found in Table 50, Figure 20 that about 66.7% of stakeholders recommended similar strategy (factor) to confirm the results of the farmers.

Farmers’ voice cannot be heard without social movement (co-operation). Social movement opens doors for healthy and complementary association between farmers, stakeholders and the government towards an achievement of visions on food self-sufficiency in a country. So far as the small-scale poultry industry in Ghana attributes its poor performance and inability to compete to Ghanaian political environment lobbying through the social movement is in order. Social movements (poultry farmer movement) will likely generate collaborative good relationships with government entities and stakeholders to likely influence legislation and policies in farmers favour.

Furthermore, the achievement of complementary competencies as a result of social movement would lead to easier alliances with partner companies and research institutions to ensure high investment that could yield competitive advantage.

Co-operation among small-scale poultry farmers is a function of local policies to enhance industry’s reputation, promote its brand name, improves client relations and distribution channels that allows the farmers to leverage their competencies to improve their chances of attaining competitiveness and becoming an industry standard. Also, social movement (producer association) acts as a springboard to technological knowledge, availability of venture capital funds (loans and grants) and the free movement of employees among the movement enterprises (farms) to foster start-up businesses that take advantage of new product ideas from incumbent poultry farmers.

Social movement can also strengthen the relationship between farmers and stakeholders to influence huge financial investment, strong advocacy, improved production, and information circulation to ensure a large market share and competitive advantage to benefit members of the group. It further enhances a chain of progressive achievement such as training and education in order to achieve self-sufficiency in feed preparation and poultry production.

Co-operation among farmers generate solutions to farmers problems through productive diversification, qualitative improvement in market share, judicious use of government subsidies, loans and incentives to ensure competitive advantage and sustainable growth. It represents the farmers’ interest in carrying out lobbying on local, national and global deals to enhance the competitiveness of the poultry industry and market accessibility.

Finally, social movement promotes the chances of poultry farmers to implement projects and provide development services on contractual basis, assume the role of lobbies, charities and development organisation to protect farmers’ income and benefit their local communities.

Some of the poultry farmers and stakeholders interviewed described social movement as *“forming associations and co-operative to put pressure on the government”, “form co-operatives”, “commercial poultry farmers should come together and fight for their rights”, “should work collaboratively by forming groups”, “should work hand in hand”, “forming association to fight against the competition” and “form co-operatives so that they can push their request to the government.”*

Some of the stakeholders asserted that *“the farmers should pull their resources together and help themselves and also put pressure on government because over the past two decades Ghana’s poultry industry has collapsed”. “Farmers are struggling to make a living and unemployed farmers flock to the cities to search for non existing jobs.”*

The findings of this study are in consonant with the reports of (Ghanaweb, 2006; Daily Express, 2006; ISODEC, 2004). Daily Express (2006) recommended that the players of the poultry industry should not sit down and fold their alms in despair, but rather wake up and form an effective and powerful lobby group to lobby government and also, appeal to NGOs, IFAD, WTO, World Bank and IMF to influence policies in their favour.

Ghanaweb (2006) also recommended that the poultry farmers should harmonise their resources to ensure price uniformity of their products. The Ghanaweb (2006) further indicates that uniformity in price would assist off-set imbalances in trading and excessive exploitation of consumers by middle people.

Many studies suggest that competitiveness of the poultry industry can be easily realized through cooperative group members who would harmonise their resources together to promote job specialization such as breeding, hatching, feed milling, and pullet raising, marketing of poultry products and processing (Fanatico et al., 2002).

One senior managers of MoFA commented that *“it is advisable for poultry farmers to purchase a group processing plants, hatcheries, storage facilities and packaging machines for use by the group members, and that is highly dependent on them forming the social movement/ producer associations.*”

Research shows that entrepreneur’s human capital like education, experience and financial capital are very essential to the exploit and employed several opportunities in their business ventures. Nevertheless, entrepreneur’s human capital alone is insufficient to ensure a successful venture without the collaboration and connectivity to other social ties such as family, friends, community-based or organisational relationships (Loury, 1987; Coleman, 1990; Bourdieu, 1986). Cohen and Prusak (2001) explain this type of relationship as a set of connections between people, which entails the trust, mutual understanding, and shared values and behaviours that binds the group. Coleman (1988) contends that collaboration facilitates the achievement of entrepreneurial goals for mutual acquaintances and recognition.

Craig (1993) contends that an organised group of farmers, agricultural co-operatives and social movement can be a vehicle for empowering farmers in political and economic debates, enhancing the democratic nature of the organisation and the society in which the co-operative functions. This type of democratic agricultural organisations can therefore contribute to the formation of social capital. Putnam (1993) defines social capital as attributes of social organisation, such as networks, norms and trust that foster coordination and co-operation for mutual benefit.

Putnam (2000) hinted that social capital is the connection between individuals, their social networks, their norms of reciprocity, and the trust arising from the connection. Social capital has been classified into two namely: Structural dimension which refers to the basic elements of the network such as types of social ties and connections (Coleman, 1988; Nahapiet and Ghoshal, 1998; Woolcock, 1998). Secondly, content dimension which includes the types of norms, trust, shared understanding and those variables that join the group together (Putnam, 2000; Fukuyama, 1999; Cohen and Prusak, 2001).

The next strategy (factor) recommended as important to increase the competitiveness of Small-scale poultry industry is ‘strategic cost-cutting through collaboration’ and this was mentioned by about 30% of interviewees in both categories and was ranked second in order of importance in both groups. About 37.5% of the farmers and 18.7% of the stakeholders mentioned this factor as important. Porter (1980) pointed out that declining industry may sometimes be reversed through innovation, cost-reduction, and shifts in order of circumstances. Porter (1980) suggests that sometimes assets can be acquired very cheaply as a result of the distress facing an industry or a firm. Porter (1980) suggests that a strategy of buying liquidated assets can improve margins and create a low-cost position if the rate of technological change is not too great. This strategy has been employed successfully by some companies such as Heiman.

Favourable access to local raw materials, cheap labour, favourable locations are cost advantages which will likely benefit the collaborative poultry farmers in Ghana in a strategic cost-reduction. Thompson and Strickland (2001) argue that linking with other activities in the industry value chain, when the cost of activity is affected by how other activities are performed, and making sure that link activities are performed in co-operative and coordinated fashion reduces cost greatly.

Some of the farmers commented that “*It is expedient for the poultry farmers to collaborate and make bulk purchases of raw materials, hatchery machines, and feed mill machines together so that poultry farmers can beat down the high costs of production.”*

Furthermore, during the interview with the stakeholders, a common theme which emerged was summed up by one as *“If costs of producing birds were less, farmers would be able to reduce prices to attract more consumers.”*

Thompson and Strickland (2001) study found that sharing opportunities with other organisational or business units within the enterprise can manage cost downward. For instance business units can often share the same order processing and customer billing systems, utilising a common sales force to call on customers, share the same warehouse and distribution facilities, or rely on a common customer service and technical support team. Thompson and Strickland (2001) contend that such combining of like activities and the sharing of resources across sister units can create significant cost-reduction in an industry.

Furthermore, ‘collaborative training and education programmes for farmers’ is the third factor in order of ranking, and this was mentioned by about 10% of the respondents in both categories as important strategy (factor) to increase the competitiveness of the small-scale poultry industry. From Table 49 Figure, 19 and Table 50, Figure 20, it could be observed that about 10.8% of farmers and 8% of the stakeholders recommended this factor as important.

It is often said that knowledge and intellectual capital are critical for success in a business. Some studies found that although knowledge and skill are critical for success but few organizations act on this insight (Thompson and Strickland, 2001). For example, studies of firms in USA and the UK continuously present evidence of inadequate levels of training and education focused on the wrong things such as specialist skills rather than generalist competence and organisational culture.

Barkham et al. (1996) observed no significant relationship between higher education and performance. Mead and Liedholm (1998) and McCormic et al. (1997) study in East Africa observed positive relationship between high education and performance. Sowa (1992) study in Ghana also found a significant and positive relationship between entrepreneurs with technical education and business performance.

Chrisman and McMullan (2004) also observed that low level of education of entrepreneurs could lead to the higher use of information to make up for the knowledge gap. In terms of training, many studies support the idea that training could indeed improve performance of businesses (Cosh et al., 2000; Thompson and Stricklans, 2001).

Thompson and Strickland (2001) contend that training can be a source of competitive advantage in many industries for firms with wisdom to use it. They also argue that training is a key activity in businesses where technical know-how is changing rapidly that a firm loses its ability to compete unless its skilled workers have cutting-edge knowledge and expertise. Training is essentially needful when a firm shifts to a strategy requiring different skills, competitive capabilities, managerial approaches, and operating methods (Thompson and Strickland, 2001, pp.359). The need for training and education on the part of the farmers was summed-up by one of the poultry farmers as “*if the veterinary officers train and educate farmers practically about how to quickly detect signs of poultry diseases, drugs administration and vaccine application, I think one of our major problems is solved.”*

Lastly, ‘co-operate advertising campaign’ is fourth factor in order of ranking and was mentioned by 8% of the all respondents in both groups as essential strategy (factor), to increase the competitiveness of small-scale poultry industry. A critical look at Tables 49 and 50 reveal that 9.2% of poultry famers and 6.7% of stakeholders mentioned this factor.

Research shows that the decline of the small-scale poultry industry in Ghana was partly due to ineffective marketing, indicating that local poultry farmers fail to market out products (Aning et al., 2008). Aning et al. (2008) contend that the annually huge rises in volumes of imports of subsidised dressed poultry meat of (approximately 42, 500,000 metric tonnes) in 2005 sold was achieved without any marketing promotion showing that the price of poultry might be the main reason why many people buy the foreign poultry.

The following statement which was made by one of the poultry farmers summed up the problem of advertising campaign, *“I want to advertise to show that mywell-fed broiler birds will be ready by next week, but I don’t have money to do radio or television advert because it will consume all my profits, that’s why we need government support.”*

Many studies confirm that advertising campaign is an essential programme needed to increase consumer awareness (Kotler, 2003; Aning et al., 2008). Kotler (2003) stated that “in developing a programme, marketing managers must always start by identifying the target market and buyer motives and make five major decisions in developing an advertising programme called “the five Ms’ Mission: What are the objectives of advertising? Money: How much can be spent? Message: What message should be sent? Media: What media should be used? Measurement: How the results should be evaluated?”

The objectives must therefore be turned into goals and can be classified according to whether their aim is to inform, persuade, remind, or reinforce. An advertising objective is a specific communication task and achievement level to be accomplished with a specific audience in a specific period of time (Kotler, 2003).

**9.1.7 Stakeholders Involvement**

Stakeholders are individuals, groups, or other organisations which have an interest in the organisation and can influence it. For a business organisation, examples include customers, suppliers, employees, shareholders, creditors, and the local and national state, pressure groups, and the community in which it operates.

The importance of stakeholders is based on the resources they provide to, and the constraints they impose upon the business. Stakeholders are sources of capital, labour, demand, physical inputs, a framework laws, public opinion and pressure groups, a source of information, and a source of regulatory requirements. In crisis situations, stakeholders are critical. The survival of the business depends upon whether its stakeholders are prepared to support it, or abandon it.

Kachingwe (2004) commented that the most significant concern of the national stakeholders is the excessive influence that the foreign trade partners have over the country’s policy making. Kachingwe (2004) argues that the development partners are protecting their national interests primarily and as such their policy prescriptions are based towards enhancing opportunities for their own multinationals and promoting their economies. He pointed out that, the policies that they advocate have not tended to promote the interests of local economy of Ghana and its small-scale producers, thus it is only national actors and stakeholders that can identify the national interests of the country.

This section presents the strategies (factors) perceived by the poultry farmers and stakeholders as being important and therefore, could be utilised by the stakeholders to promote the competitiveness of the small-scale poultry farmers in Ghana. The rank positions of the strategies (factors) were decided on the basis of frequency of indication of the factors mentioned by the respondents. Table 51, Figure 21 and Table 52, Figure 22, show the frequency and percentage of the poultry farmers and stakeholders who gave each of the five responses in both categories.

Tables 51 and 52 present the results of the responses from the poultry farmers and stakeholders, ranking the factors from the greatest to the least important as could be used by the stakeholders to improve the competitiveness of the poultry industry.

During the interviews the categories contributing to effective stakeholders involvement to minimise the competition were labelled ‘collaboration *of stakeholders with the poultry farmers and government’, ‘financial support’, ‘co-operative advertising campaign and advocacy’, ‘information dissemination to poultry farmers’ and ‘collaborative training and education.’*

From Table 51, Figure 21 and Table 52, Figure 22, it could be seen that 41.7% of the poultry farmers and 46.7% of stakeholders recommended ‘collaboration of stakeholders with the government and the poultry farmers as important to be used by stakeholders to support the competitiveness of poultry industry,’ and this was ranked first, in order of importance in both categories. In general 44% of all respondents (poultry farmers and stakeholders) mentioned this factor as important.

Most of the respondents argue that *“co-operation between the stakeholders, the government and poultry farmers’ to pool resources and expertise together will likely achieve competitiveness and growth of the poultry industry”.* The texts, which elaborated the meaning of this category includes:

(a) *‘Stakeholders should work co-operatively with the poultry farmers and government to form a common forum to save poultry industry in this country*’ ; (b) ‘*Stakeholder should come together with farmers and government to formulate favourable policies to help poultry farmers’*; (c) *‘Stakeholders should form co-operatives to put the request of the poultry farmers to the government’*; (d) *“Stakeholders need to share important ideas with the poultry farmers and government and planning as a group’;* (e) *‘Organise themselves into social movement and fight for the poultry farmers’.*

Collaboration is an assertive and co-operative approach where one party attempts to work with the other party as an effort to find integration and mutually satisfying solution. Several studies show that most associations turn out to be temporary, serving their purpose after a few years because the benefits of mutual learning have occurred and because the businesses of both partners have developed to the point where they are ready to go their own ways (Thompson and Strickland, 2001). Thomson and Strickland (2001) argue that co-operations are more likely to be long-lasting when: (1) they involve collaboration with suppliers or distribution allies and each party’s contribution involves activities in different portions of the industry value chain; (2) all parties conclude that continued collaboration is in their mutual interest, perhaps because new opportunities for learning are emerging or perhaps because further collaboration will allow each partner to extend its market research beyond what it could accomplish on its own.

The second strategy (factor) recommended by respondents as important to be employed by the stakeholders to enhance the competitiveness of the small-scale poultry industry is ‘financial support’ and this was generally mentioned by 27% of all respondents. From Tables 51 and 52 it could be seen that about 32.5% of the poultry farmers and about 18.7% of the stakeholders identified this factor as important.

This result is in consonance with the study of ISODEC (2004); CorpWatch (2005); Issah (2007) and Chisenga et al. (2007). ISODEC (2004) study found that the small-scale poultry farmers do not have access to finance due to general lack of credit facilities in the rural areas, leading to lack of investment, resulting in the use of obsolete technology. ISODEC (2004) estimated that about 80% of the poultry farmers are facing financial problems that retard their competitiveness.

Issah (2007) commented that the financial institutions can provide credit to the small-scale poultry farmers’ but they require collateral security from the farmers as a condition to access the loans, coupled with high interest rate, and short time for the repayment of the loans. Therefore, most of the poultry farmers borrow from friends and family to either start their farms or replenish their stocks, which greatly affect their competitiveness. Several studies have identified the necessity of finance in ensuring the competitiveness and growth of small-scale businesses (CorpWatch, 2005; ISODEC, 2004; Abor and Biekpe, 2006; Berry et al., 2003; Aning et al., 2008; Kasekende, 2001; Issah, 2007; Chisenga et al., 2007). The common themes which emerged from the interviews to support this category include: *“stakeholders should support the poultry farmers financially and also arrange negotiation with the financial institutions to make interest rates affordable to farmers.”*

(a) ‘*Grant loans to farmers’;* (b) ‘*Stakeholders should invest in poultry farming;*(c)*‘Should provide finance to support poultry farming’* (d) *Give loans to farmers with soft collateral security; (e)Motivate the farmers through soft loans.*

In Ghana the most important stakeholders of the poultry industry include the Ministry of Food and Agriculture (MoFA), Poultry Development Board (PDB), Hatchery and Feed mill operators. These bodies form part of the primary stakeholders because they are directly engaged in the poultry farms’ activities. For example, MoFA is charged with implementing agricultural extension policies and responding to agricultural priorities in Ghana. MoFA is mainly involved in a variety of initiatives to support all small-scale farmers including the poultry farmers in the country. Also, some of the members of PDB are bankers who have direct contacts with the bank of Ghana. From the above, it is indication that the stakeholders of the poultry industry in Ghana can promote the financial well-being of the small-scale poultry farmers through collaboration with the government and advocating for the poultry farmers.

Furthermore, co-operate advertising campaign and advocacy is the third strategy (factor) in order of ranking and this was mentioned by 8.7% of all the respondents in both categories as important to be used by the stakeholders to improve the competitiveness of the small-scale poultry industry. 11.6% of the poultry farmers and 17.3% of stakeholders mentioned this strategy (factor) (See Tables 51 and 52).

Using strategically savvy advertising campaign by the stakeholders will likely increase the brand name recognition and create consumer awareness, increase sales to poultry meat and resulting in an increase market share.

One of the stakeholders summed up the need of the stakeholders to help promote the local small-scale poultry industry as thus “*MoFA is in charge of the food production, food supply and food consumption in Ghana. Therefore, national stakeholders of the local poultry industry (especially MoFA) would be in the best position to take it upon them to instigate consumer awareness about nutritional value, flavoured taste and the low fat content of the domestic poultry meat in comparison with the high fat content of imported frozen poultry meat from abroad through advertisement, so as to increase the competitiveness of the small-scale poultry industry”.*

The respondents described this variable as follows: *(a) ‘Promote poultry products through adverts’ (b) ‘Create awareness campaign to support poultry industry’ (c) ‘promote local poultry products through media’ (d) ‘Educate the public to patronise locally produced poultry meat and campaign against the imported poultry products’.*

On of the poultry farmers commented that “*Since MoFA, PDB and GNAPF are in charge of poultry meat production in Ghana, it has much potential to support the poultry industry in Ghana through advertisement, publicity and public forums. The agreement between MoFA, PDB, GNAPF, Feed mill and hatchery operators with the government to support in advertising for small-scale poultry industry in Ghana will go a long way to ensure the competitiveness of the poultry industry.”*

Furthermore, dissemination is the factor recommended by the respondents in both categories as important to ensure effective contribution on the part of stakeholders. This factor was mentioned by 10% of poultry farmers and 8% of stakeholders as important strategy to be used by the stakeholders to promote the poultry industry. This factor was mentioned by 9.2% of all respondents who took part in the interviews and was ranked fourth in poultry farmers’ category, but was ranked fifth in stakeholders’ category (See Tables 51 and 52). With the globalisation and liberalisation of markets more organisations compete for the same customers across the globe, and as such the intensity of competition has escalated and therefore, the need for vital information becomes crucial for survival. *“Lack of information from the stakeholders”* was a common theme which emerged from the interviews with the poultry farmers and stakeholders.

Information is needed to co-ordinate the factors of production. Without information a business cannot survive. This applies to all companies irrespective of size. Some small companies have been able to achieve a competitive advantage as a result of their greater efficiency in information processing. The dissemination of information through the stakeholders to the poultry farmers on important things such as sources of finance and credit, government policies and incentives, local market prices of poultry, demand for poultry, and poultry imports help the farmers to operate strategically.

A common theme which emerged was summed up by one of the poultry farmers as thus “*there is lack of information about the government’s policies for the small-scale poultry industry and what the government is actually doing to support the industry.”*

One of the stakeholders (an extention officer) said that “*most of us don’t have motor bikes that will enable us to visit the farmers in remote areas, and I think this problem can affect the industry.”* The need for information about suppliers of certain inputs, government policies and supports as well as prices for poultry products are needed for successful operations in poultry farming.

Collaborative training and education was identified by 4.2% of the poultry farmers as important strategy that could be adopted by the stakeholders to enhance competitiveness of the poultry industry, and this was ranked fifth in order of importance, however, this factor was mentioned by 9% of the stakeholders and was ranked fourth in order of importance in the stakeholders’ category. This factor was mentioned by 6.2% of all interviewees in both groups.

Research shows that training and education of entrepreneurs and the performance of their enterprises have generally established positive associations (Mead and Liedholm, 1998; McCormick et al., 1997). Research also shows that many entrepreneurs doing businesses in developing countries or third world countries have little knowledge about their training needs (Schwartz and Bar-el, 2004; Trulsson, 1999).The need for stakeholders to train the farmers in groups was summed up by some of the poultry farmers as thus “*the officers are very few and they don’t visit us regularly.”* One stakeholder reveals that *“there is lack of appreciation on the part of the poultry farmers as they always try to do their own things without seeking for advice.”*

The need to strengthen education and training skills and analytical capacity within national stakeholders and poultry farmers to deal with problems facing the poultry industry must be emphasised. ‘Training and education’ is a significant investment to improve the skills of poultry farmers towards an industry standard; commercialisation; disease control; poultry feed self-sufficiency; genetic improvement and marketing efficiency. ‘Training and education’ is required at both farmers and extension officers’ level in order to ensure the competitiveness of the small-scale poultry industry.

The texts which describe this category include the following: (a) *‘Dissemination of information to poultry farmers by stakeholders’ (b) ‘Stakeholders should visit the poultry farmers and tell them what to do’ (c) ‘Stakeholders should open their doors to poultry farmers*.’

**9.1.8. The major Government protection to the poultry industry**

This section presents the strategies (factors) perceived by the poultry farmers’ and stakeholders’ as important strategies for the government to use to protect the small-scale poultry industry. The rank position of the strategies (factors) recommended by the respondents were decided on the basis of frequency of indication of the factors mentioned by the respondents.

To achieve sustainable food consumption Ghanaian farmers need government support. Ensuring fair deals for farmers and consumers is essential to reach a more sustainable diet, and backs Ghana government reform of the agriculture policy and poverty reduction programmes. Government support to poultry and food crops farmers would enable them to play a pivotal role in providing sustainable food for the future, and that to do this they will need support and help, for too often farmers’ needs is overlooked.

The focus for every country is to produce cheap and plentiful food to feed the growing populace. Returning a fair price back down the supply chain through government support is the best way to encourage farmers to improve efficient production, and lower costs. It is also advisable for government to encourage people to eat good nutritional food in order to achieve a healthier and more sustainable diet.

Table 53, Figure 23 and Table 54, Figure 24 show the frequency and percentage of the poultry farmers’ and stakeholders who gave each of the eight responses. The results of the study show the frequency distribution and percentage of the responses from the poultry farmers and stakeholders, ranking the factors from the greatest to the lowest important, and crucial to be utilised by the government to protect the small-scale poultry industry.

From Table 53, Figure 23, it could be seen that 50.8% of the farmers recommended ‘provision of the government subsidies,’ and this was ranked first, in order of importance, whereas from Table 54, Figure 24 it could be noticed that 20% of the stakeholders identified this factor as important, and this was ranked second in the stakeholders category. About 39% of all respondents in both categories mentioned this factor as important strategy for the government to protect the poultry industry. The results confirmed the findings of studies undertaken by many researchers including ISODEC (2004); Issah (2007); Khor (2006) in Ghana.

Porter (1980) argued that preferential government subsidies may give established firms’ advantages in some businesses. Thomson and Strickland (2001) study gave instances across the world where domestic companies, rightly or wrongly, have accused foreign competitors of “dumping” goods at unreasonable low prices and deliberately attempting to put them in dire financial straits and perhaps drive them out of business.

Thompson and Strickland (2001) pointed out that many governments have antidumping laws aimed at protecting domestic firms from “unfair” pricing by foreign rivals. For example, in the USA in 1999, the federal government imposed antidumping sanctions against Japanese steel companies for selling steel product at very low prices. On the other hand, some governments also provide subsidies and low-interest loans to domestic companies to help them compete against foreign-based companies (Thompson and Strickland, 2001, pp.203).

Some texts which elaborate the meaning of the category ‘subsidise the costs of production’ includes: (a) *‘Granting of subsidies on inputs of poultry to facilitate increase production and consumption;* (b) *Subsidise poultry inputs*; (c) *‘By giving farmers tax free on imports of poultry inputs; (d) ‘Subsidise poultry feed and equipment*’ (e) *‘Supply affordable subsidise drugs and vaccines’* (f) *‘Provide subsidise poultry feed and inputs to reduce high costs of poultry production so that the farmers can compete with imported poultry’*

The next factor recommended by respondents as important to be utilised by the government to protect the poultry industry is ‘placing a ban or increase tariffs on importation of foreign poultry meat,’ and this was mentioned by overall 21% of total respondents in both categories. It could be observed from Tables 53 and 54 that about 17.5% of farmers identified this factor and it was ranked second in order of importance, whereas about 26.7% of stakeholders mentioned this factor as significant strategy for the government to protect the poultry industry, and this was ranked first in order of importance in the stakeholders’ category.

The results confirmed the findings of studies undertaken by (Khor, 2006; ISODEC, 2004).

Some texts, which elaborated the meaning of this category, were: *(a) ‘Increase tariffs on poultry inputs.’ (b) ‘Government should institute a law to regulate importation of poultry’; (c) ‘Government should minimise the importation of poultry products’; (d) ‘Stop importation of poultry products or elimination of poultry importation.’*

National governments enact all kinds of measures affecting business conditions and the operation of foreign companies in their markets (Thompson and Strickland, 2001). For example, host governments may set local content requirements on commodities or goods made inside their borders by foreign-based companies, impose tariffs or quotas on imports, put restrictions on exports to ensure adequate local supplies, and regulate the prices of imported and locally produced goods.

Poultry farmers and industry stakeholders in Ghana have complained that poultry imports are seriously damaging domestic poultry production (CorpWatch, 2005). One of the stakeholders pointed out that some of the problems faced by poultry farmers include *“uncompetitive interest rates, lack of subsidies for maize production and tariffs to support poultry farmers to compete with producers coming from other parts of the world and these need urgent action from the government.”*

Despite the many calls from the local poultry farmers in Ghana, for a higher tariff rate, the import tariff remains at 20%. Côte d’Ivoire has chosen to put the emphasis on the development of poultry production, where this policy has proven successful in increasing output and employment in the poultry industry in the country (Agritrade, 2010).

The ‘granting of low interest rate loans to support the poultry farmers’ is the third factor in order of ranking, and this was disclosed by 14.4% of all respondents in both groups as important strategy (factor) to be utilised by the government to protect the small-scale poultry industry in Ghana. From Table 53, it could be noticed that 10.8% of the farmers mentioned this strategy and this was ranked third in order of importance, and also from Table 54 it could be found that 16% of stakeholders mentioned this factor and was similarly ranked third in order of importance.

The texts, which described the meaning of this category by the farmers and stakeholders interviewed during the survey, were: *(a) ‘Government should provide low interest rate loans to farmers’; (b) ‘Government should give loans to poultry farmers to enable them expand their businesses. (c) ‘Government should provide interest free or less than 5% interest loans to poultry farmers. (d) ‘Low interest rate loans should be made available to the farmers by the government.’*

A typical example of the application of loans to support poultry farmers was found in Cameroon where the government offered a low-interest loan of financial support worth one billion African francs in 2009 (XAF; Current US$ 2.4 Million) to poultry farmers to enable them to compete against imports of poultry from foreign producers (Agritrade, 2010).

‘Government’s collaboration with the stakeholders and poultry farmers’ is the fourth factor in order of ranking, and this was revealed by 8.7% of all interviewees in both groups as crucial factor that could be used by the government to protect the small-scale poultry industry. From Tables 53 and 54 it could be observed that 7.5% of the farmers made mention of this factor as needed by government to protect the poultry industry and this was ranked fourth while about 10.7% of the stakeholders identified this factor for similar purpose and was ranked fourth in order of importance. The respondents described the meaning of this category as follows:

*(a) ‘Government should collaborate with stakeholders and poultry farmers to institute favourable policies to improve poultry production.’ (b)’Government should work hand in hand with stakeholders and poultry farmers in order to come out with the right policies that would promote the rearing and production of local poultry’ (c) ‘Government should establish significant policies with the farmers and stakeholders to boost the interest of poultry production in the country’.*

Collaboration can be defined as an assertive and co-operative approach where one party attempts to work with the other party or parties in an effort to find an integrative and mutually satisfying solution. In order to gain a collaborative relationship in a situation where one person or group of people are of higher status than another, there needs to be a unity of direction between the groups of all people aspiring towards the same goals.

This integration would be largely reflected by the nature of the interactions, allowing mutual contributions and giving equal value to the suggestions, view points and opinions of the members of all ranks. Co-operation between the government, stakeholders and the organisation can help to stabilise a turbulent and competitive market place and reduce costs.

Furthermore, education and training of the poultry farmers is the fifth factor in order of ranking, and this was recommended by 7.2% of the respondents in both categories as critical factor that could be used by the government to protect the small-scale poultry industry in Ghana.

One of the stakeholders interviewed described this category as “*helping farmers to improve hygienic conditions in poultry production.”* Among the poultry farmers that recommended training and education as the major support needed from the government elaborated the meaning of this category as follows: “*train poultry farmers on how to improve poultry products.” “The government should train more veterinary officers to educate and train the farmers to produce birds at lower costs.”*

Some of the stakeholders who were concerned about diseases of poultry and they recommended that the “*the government should provide solutions to poultry farming diseases like Newcastle disease through education and training of poultry farmers.* Similarly, another stakeholder commented that “*government must organise training and education for local farmers to solve the problem of outbreak of diseases which has made people to lose interest in the local poultry.”*

Moreover, advertising campaign is the sixth factor in order of ranking in the poultry farmers’ category, and this was mentioned by 3.3% of the farmers as important strategy that could be adopted by the government to protect the small-scale poultry industry, whereas this factor was mentioned by 5.3% of stakeholders and it was ranked seventh in order of importance. Generally, 4.1% of all groups of respondents mentioned this strategy as important for government to use to protect the poultry industry (see Tables 53 and 54).

The stakeholders and the poultry farmers who recommended group advertising campaign by the collaboration of government, stakeholders and the poultry farmers elaborated the meaning of this category as follows: “*By increasing* *public education on the need for consumers to patronize locally produced poultry meat”;“educating the populace on the need and importance of local poultry meat consumption”; “intensive education on the need of local birds consumption so as to discourage patronization of imported poultry meat, “creating the awareness of health hazards of the imported birds”; and “educating consumers about the health state of the local birds and the need to consume them.”*

Aning et al. (2008) hinted that one of the causes of the decline of small-scale poultry industry in Ghana was due to ineffective marketing. Advertising is perhaps the most visible manifestation of marketing. However, whether the advertising is undertaken on a large scale or small-scale, it can consume a great amount of resources. Therefore, an organisation or a firm need to be clear about what they are trying to achieve by advertising, and whether advertising is appropriate promotional tool to employ.

Major decision areas needed to be considered before an enterprise involves in advertising campaign. This includes defining the objectives, amount to be spent on advertising, formulation of creative strategy to be used, selection of the media mix, scheduling of the advertisement and measurement of the campaign’s effectiveness.

‘Provision of infrastructure is the seventh factor in order of ranking in the poultry farmers’ category, and was raised by 2.5% of poultry farmers as significant factor that could be utilised by the government to protect the small-scale poultry industry, while this factor is the sixth factor in order of importance in the stakeholders category and was mentioned by 8% of the stakeholders. In general 4.6% of all respondents mentioned this factor.

Infrastructure is the means through which the government of a country or an organisation makes available resources to support people in their businesses or works. Respondents who mentioned the expansion of infrastructure as the major protection that support poultry production mentioned “*the government intervention on the telecommunication, electricity and road construction in the country.”* Despite the fact that the previous governments had done their best in the construction of feeder roads and extension of electricity to many towns in the country, there are still numerous areas in the country without good road networks, electricity, and telecommunication systems in the villages.

One of the poultry farmers summed-up the problem of infrastructure as thus, “*at times* *I have to carry birds and eggs from my farm to the main road before I can get transport to convey it to market centre, so by the time I would get to the market some of my customers who need birds and eggs might have bought from other producers.”*

Several studies have recognised lack of infrastructure or poor infrastructure as the causes of decline of businesses in Africa (ISODEC, 2004; Wolf, 2004; Rankin et al., 2002; Reinikka and Svensson, 1999). ISODEC (2004) study found that one of the shortcomings of Ghanaian farmers is general lack of infrastructure in rural areas of the country. Wolf (2004) recognised in Ghana that high cost of utility charges greatly affect the competitiveness of the manufacturing firms in Ghana on the international level.

The study undertaken by the University of Pennsylvania-Africa Studies Centre found that the main missing ingredient that has been responsible for Africa’s poor economic performance is the inadequate indigenous capacity in several crucial areas of human, institutional and infrastructural development (University of Pennsylvania, Undated).

Discontinuous power supply was recognised as one factor that affected the businesses in Uganda, and because of that many firms in the country spent over 16% of their working capital on energy (Reinikka and Svensson, 1999).

Lastly, awards and incentives is the eighth factor in order of ranking in both categories, and this was remarked by the respondents as one of the essential factors that can be used by the government as a strategy to motivate and protect the poultry farmers in the country. It could be observed from Tables 53 and 54 that 1.7% of the poultry farmers raised this factor, while 4% of stakeholders also raised the same factor. Generally, about 2.6% of all respondents in both groups mentioned this factor as important strategy for the government to use to protect the poultry industry in Ghana.

Government motivational practices and reward systems through incentives and awards to farmers are powerful tools for gaining co-operation and commitment of farmers in order to achieve national food security in the country. Government’s role of the reward system to farmers is to align the well-being of the farmers with realizing the country’s vision of achieving national food self-sufficiency and improving the competitiveness of the small-scale poultry industry, and agricultural sector in general.

Regarding this category the respondents were concerned about the motivation of the farmers. This category was simply described as: *“motivating farmers through incentives”* by a poultry farmer, whilst one of the stakeholders said *“government should give awards and incentive to motivate or appreciate what the farmers are doing.”*

**9.1.9. Conclusion**

Government support to influence consumption of local poultry meat could involve a lot of interventions that would lead to the competitiveness of the small-scale poultry industry. Government strategic policies on several dimensions would include the provision of subsidies to support the small-scale poultry farmers to reduce the costs of poultry production, advertising campaign, granting of low interest rate loans, education and training of poultry farmers, dissemination of information, and provision of infrastructure to promote poultry production, and imposition of high tariffs on imported poultry. An increase tariffs would likely raise enough government revenues, and the generated revenues from taxes, heavy duties and import quotas could be used to enrich the government subsidies to the small-scale poultry farmers. Through high tariffs imposition government could minimise competition and set local content requirement on poultry meat.

Using savvy advertising campaign could be used as part of government support to generate consumer awareness to promote an increase consumption strategy of the local poultry meat. Furthermore, low rate interest loans to support the small-scale poultry farmers, and information dissemination through extension and veterinary services are important government supports that would facilitate an increased consumption of the local poultry meat.

Furthermore, strategically savvy advertising campaign in poultry production increases the brand name recognition and creates consumer awareness, increases sales to poultry meat and eggs, and resulting in large market share, profitability and competitive advantage. Incorporating several forms of advertising campaign such as television, radio, internet, and print media are standard strategies to entice consumers, develops consumer loyalty to improve consumption of poultry meat. The more the effectiveness of an advertising campaign, the more poultry consumers it draws, and with greater frequency to increase market share, profitability and competitiveness of the local poultry industry. Advertising campaign would enable the local poultry industry in Ghana to thrive in a competitive market by surpassing the competitors through effective market research. Instigating consumer awareness about nutritional value of the local poultry, its good taste and low fat, and without growth hormones would lead to an increase in competitive advantage of the local poultry industry.

In developing countries like Ghana information dissemination to farmers is often difficult because many farmers live in areas that are hard to reach as a result of insufficient communication channels. These hard to reach areas include villages and some peri-urban areas. It is usually the stakeholders (extension and veterinary officers) that have direct working relationship with the poultry farmers. Therefore, strong involvement of the stakeholders in the strategic decisions of the poultry farmers through social movements and producer associations will identify critical information needs in the small-scale poultry farmers’ decision-making processes that require their interactivity and professional knowhow to enhance the competitive advantage of the poultry industry.

Information needs on available local markets; prevailing prices for the poultry products as compared to imported poultry are useful to farmers’ for strategic planning and vital to the survival of their businesses.

Furthermore, information on finance, government incentives, government policies, subsidies etc., are needed by the farmers to keep abreast with their strategic approaches and poultry market situations in the country, for both local and imported poultry in order to remain competitive. The above-mentioned information to farmers is essential components of high performance work systems towards an increased market share, profitability and competitiveness. Communicating to farmers’ conveys to them that they are needed and worthwhile in the country. Specifically, making information accessible to all small-scale poultry farmers through radio, television, text messages, extension and veterinary officers, internet etc. in systematic and continuous fashions is an important source of competitive advantage.

Market Share increases and decreases can be a sign of relative competitiveness of an industry. An increase in market share of the small-scale poultry industry can be influenced by the concerted effort of the government, stakeholders and the small-scale poultry farmers. As it has been discussed earlier, the provision of the government subsidies is one of the major government support identified to enhance efficient and higher productivity of poultry products (meat and eggs) at lower costs and price to improve consumption of local poultry that would likely lead to an increased market share. Another strategy that can boost the market share of the poultry industry is the social movement (producer association or poultry farmer movement) which could open doors for healthy and fruitful complementary collaborations between farmers, and could also be extended to the stakeholders and the government to work together in a concerted effort to achieve the visions of the poultry industry in the country.

Social movement would strengthen ties between poultry farmers, stakeholders’ and government to promote huge financial investment which could enhance an improved production or efficiency within the economies of scope and scale to achieve an increased market share and competitiveness in a long term. Whilst the government calculated subsidies to poultry farmers within a specific time frame could boost production of lower costs and lower price poultry products (in short and medium terms). Also, the social movement (producer associations or poultry farmer movement) among the poultry farmers would likely promote and maintained the long term market share and competitive advantage.

However, an increased market share of the small-scale poultry industry cannot be achieved in a competitive market without strategic approaches. An improved, quality, processed ready-to-use poultry meat production at overall lower costs and lower price to meet the consumption needs and levels of the poor, lower income earners, middle income earners, organizations, and festivities would likely enhance an increased market share in the competitive market.

Furthermore, production of high quality poultry meat to satisfy the consumption needs of the high income earners and the rich consumers would likely increase the market share of the local poultry industry, which would likely lead to profitability and competitive advantage in a long term.

Farmers’ voice cannot be heard without social movement. Social movement opens doors for healthy and complementary association between farmers, stakeholders and the government towards an achievement of visions on food self-sufficiency in a country. So far as the small-scale poultry industry in Ghana attributes its poor performance and inability to compete to government’s reduction of import tariffs lobbying through the social movement is in order. Social movements (producer Associations or poultry farmer movements) generate collaborative good relationships with government entities and stakeholders to likely influence legislation and policies in farmers favour. Furthermore, the achievement of complementary competencies as a result of social movement would lead to easier alliances with partner companies and research institutions to ensure high investment that could yield competitive advantage.

Co-operation among small-scale poultry farmers is a function of local policies to enhance industry’s reputation, promote its brand name, improves client relations and distribution channels that allows the farmers to leverage their competencies to improve their chances of attaining competitiveness and becoming an industry standard. Also, social movement acts as a springboard to technological knowledge, availability of venture capital funds (loans and grants) and the free movement of employees among the movement enterprises (farms) to foster start-up businesses (poultry farms) that take advantage of new product ideas from incumbent poultry farmers.

Social movement (producer association) also strengthens the relationship between farmers and stakeholders to influence huge financial investment, strong advocacy, improved production, and information circulation to ensure a large market share and competitive advantage to benefit members of the group. It further enhances a chain of progressive achievement such as training and education in order to achieve self-sufficiency in feed preparation and poultry production.

Co-operation among farmers generate solutions to farmers problems through productive diversification, qualitative improvement in market share, judicious use of government subsidies, loans and incentives to ensure competitive advantage and sustainable growth. It represents the farmers’ interest in carrying out lobbying on local, national and global deals to enhance the competitiveness of the poultry industry and market accessibility.

Finally, social movement promotes the chances of poultry farmers to implement projects and provide development services on contractual basis, assume the role of lobbies, charities and development organisation to protect farmers’ income and benefit their local communities.

Identifying and implementing best poultry farming practices for strategy-critical where better quality, lower costs and lower price poultry meat significantly influence high consumption and market share is a necessity to achieve competitive advantage, an industry competitiveness and sustainable growth. An in-depth knowledge and application of best poultry farming practices in areas of diseases control, biosecurity, breeding, feed formulation, genetic improvement, housing, equipment use and marketing of poultry products at right time measure the efficiency and effectiveness of poultry farmers’ internal activities towards costs reduction, and sources of competitive advantage. Best poultry farming practices aims at high productivity, efficiency, reduced costs, better product quality, greater consumer satisfaction, an increase in market share and competitive advantage.

Government protection and policy changes can force significant changes in the practices and strategic approaches of the poultry industry. The government can increase consumption of local poultry meat by driving competitive changes, and setting local content requirement of poultry meat through tariffs increased imposition or quota on imports of poultry into the country. Provision of subsidies and low interest rate loans, incentives and awards to support the small-scale poultry farmers would help the poultry farmers to compete against poultry imports into the country.

Furthermore government regulatory actions can force significant changes in the small-scale poultry industry practices and strategic approaches. The government can also close off the domestic market against poultry imports to protect resource poor small-scale poultry farmers. This can be achieved through restriction on exports of local poultry meat to ensure adequate local supplies whilst regulating the prices of locally produced poultry meat to increase consumption.

Training and education is a significant investment for the small-scale poultry farmers to achieve an industry standard, commercialization, self-sufficiency in feed preparation, poultry diseases prevention and medication, as well as becoming self-reliant in poultry production. Linking the small-scale poultry farmers’ to training and education centres, and supporting them to undertake regular training and education will likely lead to competitive advantage. Training and education is required at both the poultry farmers’ and extension officers’ levels to improve competitiveness in the poultry industry.

Providing training and education for the small-scale poultry farmers in the areas of poultry feed preparation, diseases control, the required housing for birds, genetic improvement, marketing centres and marketing of birds, and the use of poultry equipment/machinery at regular intervals ensures successful poultry farming operations. Therefore, an increase market share, profitability and competitive advantage cannot be achieved without adequate training and education on the part of the small-scale poultry farmers.

Training and education in a continuous fashion are significant when a poultry farmer shifts to a strategy requiring different skills, competitive capabilities, managerial approaches, and operating methods of poultry production. Furthermore, training and education are also strategically important in poultry farmer’s effort to build skills-based competencies. They are key activities in poultry businesses where technology is changing so rapidly that, an industry loses its ability to compete unless its poultry farmers’ have cutting-edge knowledge and expertise. Policy makers must see to it that effective training and education function are both adequately funded through subsidies, low interest rate loans and incentives (Thompson and Strickland, 2001).

Increase market share, profitability and competitive advantage in poultry farming demands new skills, deeper technology capability, building and using new capabilities which could only be achieved through constant training and education on the part of poultry farmers’.

Small-scale poultry farmers and their employees at all levels should take an active role in their own professional development, assuming responsibility for continuous learning in order to achieve competitive advantage.

Communicating the strategic visions of the poultry industry to the government by the stakeholders and the poultry farmers, is almost as important as setting the poultry sector long-term direction. Collaboration of the government, stakeholders and the poultry farmers in a concerted effort to rise to the challenges of pursuing the visions of the small-scale poultry industry to achieve self-sufficiency in poultry production would likely motivate all consumers to patronize the local poultry meat to ensure enhanced competitiveness.

Employment security is a tool for collaborating with the small-scale poultry farmers, stakeholders, and government to achieve long-term competitive advantage. It is fundamental to the implementation of high performance management practices which would promote the poultry farmers contribution to knowledge and best management practices.

Repeating the visions often by the government, stakeholders and poultry farmers, and reinforcing its achievement through training and education, provision of subsidies, low interest rate loans, incentives and awards, and information dissemination would generate competitive advantage for the small-scale poultry industry in the local market. A well conceived and well-stated strategic vision would benefit the small-scale poultry industry in several respects:

Firstly, it would help the industry to prepare for future. Secondly, it would crystallise the government, stakeholders and poultry farmers’ views about the industry’s long-term direction. Thirdly, it would convey the small-scale poultry industry’s purpose in ways that would motivate the government and stakeholders as well as the poultry farmers, to strive for industry’s competitiveness and sustainable growth within a specific time period, say five years.

Another import dimension of government support pertains to basic infrastructure development such as linking rural and peri-urban areas to cities by constructing feeder roads and extension of electrification projects to benefit majority of poultry farmers, maize growers and other food crops farmers. Basic infrastructure development would directly influence small-scale poultry farmers’ accessibility to veterinary services, input markets, training and education centres to benefit them through well-planned constant training and education programmes.

Expansion of rural infrastructure in villages and peri-urban areas where a lot of poultry farming businesses are concentrated would result in reduced production costs, improved efficiency and productivity, lower costs and lower prices of poultry leading to an increase market share, profitability, competitive advantage and growth of the small-scale poultry industry in the country. Coupled with reduction in wastages and transportation costs, an infrastructure development generates improved accessibility of poultry farmers’ linkages to services, extension and veterinary officers, training and education centres. It also links or connects the farmers’ to credit development institutions such as banks to influence capital formation and farm machinery operators like hatcheries, incubators, processors, feed millers to support poultry production.

Furthermore strengthening rural infrastructure by the government would yield better exposure to improve modern technology and best farming practices as a result of improved accessibility to input markets. It also supports economic activities of farmers’ and assist with delivery services in diverse ways, and provide access to good drinking water, electricity, telephone directories, internet services and ensures farmers security (See Figures 26-34 from pages 363 to 371 for how matrices, charts and diagrammes were used to deduce the above discussions to support the analysis).

**Table** **55**

|  |  |  |
| --- | --- | --- |
| **Top 2 Competitive factors deduced from the poultry farmers and the stakeholders recommendations** | | |
| **Factors** | **Poultry Farmers recommendation** | **Stakeholders Recommendation** |
| Strategic Visions **(achievement factor)** | 1. Expansion to self-sufficiency in poultry production  2. Self-sufficiency in feed production | 1. Expansion to self-sufficiency in feed production  2. Self-sufficiency in feed production |
| Strategies to Increase Market Share **(achievement factor)** | 1. Production of overall lower costs and price, processed poultry to target the poor and low income group  2. Production of low cost and low price poultry to target middle income group | 1. Production of overall lower costs and lower price, processed poultry to target the poor and low income group  2. Production of low costs and price, processed poultry to target the middle income group |
| Increase Consumption Strategy **(competitive factor)** | 1. Provision of government subsidies  2. Ban or increase tariffs on poultry imports | 1. Ban or increase tariffs on poultry imports  2.provision of government subsidies |
| Government Major Protection Strategy **(competitive factor)** | 1. Subsidise the costs of production  2. Ban or increase tariffs on poultry imports | 1. Ban or increase tariffs on poultry imports  2. Subsidise the cost of production |
| Competitive Strategy for Small-Scale Commercial **(competitive factor)** | 1. Formation of Groups (Social Movement)  2. Strategic cost cutting | 1. Formation of Groups (Social Movement)  2. Strategic cost-reduction |
| Stakeholders Involvement Strategy **(competitivefactor)** | 1. Formation of Social Movement.  2. Financial Support | 1.Collaboration with poultry farmers and government in a social movement  2. Financial Support |
| Competitive Strategy for Backyard/ Village Poultry **(competitive factor)** | 1. Formation of local Co-operatives (Social Movement)  2. Best Farming Practices | 1. Formation of Local Co-operatives (Social Movement)  2. Best Farming Practices |

**Source: By Researcher**

After examining the factors that can influence the competitiveness and growth of the small-scale poultry industry and their rank order priorities, the top two factors were selected and grouped into two parts namely: (1) The achievement factors and (2) the competitive factors. The achievement factors are the factors needed to be achieved by the poultry industry when it becomes competitive in the local market in short, medium or long term ventures, and these include the market share and the vision statement factors that the poultry industry needs to pursue. The competitive factors are the factors that are likely to increase the competitiveness of the small-scale poultry industry when they are pursued diligently by the policy makers, stakeholders and the farmers (both public and private sectors). The competitive factors are as follows:

First, provision of government subsidies and increase tariffs/ban imports of poultry into the country were the two most important factors recommended by the respondents as factors that can influence consumption of poultry, and also serve as government protection of the poultry industry against fierce competition. On the other hand, factors such as dissemination of information, provision of infrastructure, advertising campaign and provision of awards and incentives were least mentioned, however, the data gathered and the literature showed that these factors are also important.

Second, formation of social movement (poultry farmer movement) and strategic cost-cutting were found as two most important factors that can likely influence the competitiveness of the small-scale commercial poultry industry, while education and training of poultry farmers and, advertising campaign were least mentioned, however, the gathered data and the literature showed that the least mentioned factors are also important.

Third, regarding the factors that can influence the competitiveness of the backyard/rural poultry industry formation of social movement (poultry farmer movement) and best farming practices were identified as the two most important factors, while quality improvement of local poultry breeds and, advertising campaign were least mentioned. However, the least mentioned factors were also found as important as far as the gathered data and the literature review are concerned.

Fourth, stakeholders’ involvement strategies (factors) to improve the competitiveness of the small-scale poultry industry also revealed that: (1) Stakeholders should work collaboratively with the poultry farmers and the government (through formation of social movement) and (2) Financial support, were the two most important recommended factors to improve competitiveness of local poultry industry, whereas factors including ‘training and education’ and dissemination of information were least mentioned but also found as important as far as the literature review and gathered data were concerned.

Some important observations can be drawn from the obtained results:

One, the results show that the poultry farmers and stakeholders were objective and unbiased in their approach towards the interview questions and in their recommendations for the factors that can influence the competitiveness and the growth of poultry industry. For instance, the farmers attached greater importance to provision of government subsidies’ and increase tariffs/ban imports of poultry as the two most important factors that can likely influence the competitiveness of the local small-scale poultry industry, while the stakeholders also recognised the same two factors, ‘increase tariff/ban imports of poultry meat’ and ‘provision of government subsidies’ as most important factors that can influence the competitiveness of the local poultry industry.

The readiness of each group of respondents in recommending similar factors to increase the competitiveness and the growth of poultry industry through increase consumption of the local poultry, and government protection of the small-scale poultry industry against severe competitions show high degree of objectivity and similar understanding to the factors that can solve the problems of the poultry industry and the poultry farmers.

Two, the relative high percentage scores from the results show that the poultry farmers’ and stakeholders’ share similar perception, consciousness and awareness of the factors that are most important to likely influence the competitiveness and the growth of the local small-scale poultry industry. In this regard, the poultry farmers and the stakeholders can be considered to be relatively consistent and uniform in their views pertaining to the solutions to the problems of the local small-scale poultry industry.

The merits of this consistency and uniformity are not farfetched. Firstly, the search for competitiveness can be focused on one, or a few factors to ensure adequate use of scarce resources within a limited period of time. Secondly, it is likely that the farmers and stakeholders would be more zealous and willing to contribute their material and immaterial resources in search of the competitiveness of the local small-scale poultry industry. Thirdly, the presence of agreement and like-minded groups should make it possible and easier, for the favourable adoption of measures that can be rightly considered as important to enhance the competitiveness and the growth of the local poultry industry. In particular, uniformity may lead to collaboration, strong support, empowerment and creativity and generate a considerable strength among the farmers and stakeholders to work together towards the achievement of the same goals and also influence government policies.

The results from Tables 53 and 54 demonstrate a convergent perception of the factors mentioned by small-scale poultry farmers and stakeholders suggesting that both groups share the same sense of obligation with respect to the problems confronting the small-scale poultry farmers and the local poultry industry in general. The absence of contrasting or opposing views between the farmers and the stakeholders should therefore, likely promote the search for, and adoption of suitable measures to save the failing small-scale poultry industry.

Finally, there is agreement among the small-scale poultry farmers and the stakeholders on what amounts to the key factors or strategies that would likely influence the competitiveness and the growth of the local small-scale poultry industry.

Provision of government subsidies, formation of social movement (poultry farmer movement), and increase tariffs/ban imports of poultry are considered to be the most important or critical factors to be focused first, as they were found in the first rank zone (See Figure 25 below).

This suggests that these are the factors or strategies needed to be focused in the first phase of policy implementations. The factors found in the second rank zone are important to influence the competitiveness and the growth of the local small-scale poultry industry, suggesting that they should also be considered in the second phase of the policy implementations. It could be observed that ‘provision of government subsidies’ and the ‘increase tariffs/ban imports of poultry were found in both the first rank and the second rank zones, suggesting that these two factors must still be considered in the second phase of policy implementation depending on the progress or successes of the first phase of policy implementations.

**Figure 25: Degree of Agreement in Perceived Level of Most Important Factors (Top 2 Factors).**

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First Rank Zone

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* Provision of Government Subsidies
* Formation of Social Movements
* Increase Tariffs/ban imports of poultry meat

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Second Rank Zone

**Source: By Researcher**

The above figure shows the most important factors (first rank) and the important factors (second rank) to be considered in the first and second phases of policy implementations depending on whether these factors were found in the first rank zone or in the second rank zone. The factors in the centre of the circle represent those found in the first rank zone indicating that they ought to be considered first, while those factors in the outer circle represent those found in the second rank zone, indicating that they ought to be considered during the second phase of the implementation of policies.

**Conclusion**

The results show that some factors (strategies) were perceived or agreed to be the ‘most important’, ‘important’ and ‘less important’ to influence the competitiveness of the local small-scale poultry industry as shown by the frequency of indications, percentage scores, as well as by their prioritised rank order position. The fact that provision of government subsidies, formation of social movement and the increase tariffs/ban imports of poultry are positioned at the centre of Figure 25 shows that they are considered by the small-scale poultry farmers and all stakeholders to have the greater influence on the competitiveness and the growth of the small-scale poultry industry in Ghana. The causal network diagrams, charts and figures such as matrices, flow charts were constructed in summary form to support the results of the study (see Figures 26 to 34).

**Figure: 26 Strategies to Increase Market Share of the Small-scale Poultry Industry**

Government Subsidies

Poultry Farmer Movements (Social Movements)

Production of quality, low cost and low price poultry products to target festivities e.g. Christmas, & Easter

Production of quality, low cost and low price poultry meat to target organizations e.g. schools, hospitals.

Production of quality low cost and low price poultry products to neighbourhood countries, eg. Togo

Production of high quality poultry to target the rich and high income consumers

Production of low cost and low price poultry meat to target the middle income consumers’

Production of overall lower cost and lower price poultry meat to target the low income group and the poor

Increased Competitiveness and Consumption of local poultry meat

Increased Market Share

Profitability

Competitive Advantage

**Figure 27: Reasons for social movement**

Recommended by poultry farmers

Increases political will of government to give subsidies, loans and incentives

Farmers’ voice to be heard for policy implementation

Alliances with research institutions, partner companies & Gov’t Entities

Productive Diversification

Huge Investments

Lobbying and Advocacy

Commercialisation and industry Standard

Collaborative relationship between the Government, stakeholders and farmers

Access to group loans & funding, training & education

**Social Movement**

Influence Legislation and Government policies

Increase Technology, Productivity & Efficiency

Recommended by stakeholders

Competitive Advantage

Enhance Reputation of poultry farmers & increase their brand name, Client relations and distribution channels

Production costs reduction /input costs reduction through bulk purchases

Increase consumption

Overall lower price of poultry meat & eggs

**Figure 28: Triangular Relationship between Farmers, Stakeholders and Government**

Farmers Social Movement

Goverment

Stakeholders

International level

Farmers Social Movement

Stakeholders Government

National level

Farmers Social Movement

Stakeholders Government

Local Level

**Figure 29: Impacts of Social Movement**

Influence

Effects

Key

Production cost reduction

Lower Prices of Poultry products

High Consumption of poultry meat

Competitive Advantage

Sharing of potential returns

Training and Education Programmes and best management practices

**Social Movements/New Generation Co-operative/Poultry Farmer Movement**

Gain Experts/Stakeholders support

Influence Government subsidies & low interest rate loans

Quality product Innovation to compete rivals in cost, price, taste, and health wise

Common Expense

Employment security

Undertake projects, contracts, charity, etc. to support local communities

Risk sharing

Increased market share

High Productivity of Poultry

Influence Favourable government policies such as tariffs to reduce poultry imports

**Figure 30: Best Farming Practices**

**The cycle of best farming management practices in poultry production**

Best poultry farming management practices

Improved productivity and efficiency in poultry products

Competitive advantage

Increase market share

Quality poultry meat and products

Cost reduction in poultry production

Greater consumer satisfaction

**Figure 31: Reasons for Stakeholders involvement**

Increased efficiency and productivity in poultry production

Increased tariffs/ban imports of poultry meat into the country

Policy changes through strategic approaches

Effect

Influence

Increased Government Revenue

Lobbying the government, advocating, & support advertising campaign

Provision of Subsidies to Poultry Farmers’

Collaboration between government, farmers and stakeholders

Provide needed human capital like extension and veterinary officers

**StakeholderInvolvement in the social movement**

Training & Education, Guidance and Counselling support for the poultry farmers

Financial support and huge investment

High Consumption of poultry products

Consumer Awareness, consumers’, enticement and loyalty

Influence advertisement & dissemination of information to support poultry production

New methods & technology to improve poultry production

Best Management practices in poultry production

Cost reduction, disease management & biosecurity

Profitability &

Large Market Share

Competitive Advantage of Poultry Industry

**Figure 32: Government Strategies to increase competitiveness of the small-scale**

**Poultry industry**

Government Support & protection

Government’s collaboration with poultry farmers and stakeholders’ to pursue the visions for the small-scale poultry industry

Policy changes through strategic approaches based on the Government’s Visions for the Small-scale Poultry Industry

Infrastructure expansion, such as feeder roads, telecommunication, pipe borne water, electricity

Training and Education programmes

High tariffs on poultry imports, Import quotas, & ban on poultry imports into Ghana

Subsidies, Low Rate Interest Loans, grants, awards and incentives to poultry farmers’

Advertising campaign and

(Lobbying the Government through, advocacy)

Increased Government Revenue

Consumers’ awareness and the influence of the government to subsidise the costs of production

Best farming practices, Improved Technology, and diversification

Input costs reduction & increased productivity

Accessibility to input markets and links to training & education programme centres, veterinary services, water, electricity etc.

Overall Lower costs and lower price poultry products (meat & eggs)

**Figure 33: Government Strategies to Influence Consumption of Local Poultry Meat**

Influence

Effects

Consumer Awareness/Consumer loyalty

Increased Consumption of local poultry meat/eggs

Lower price of poultry products (poultry meat/eggs)

Dissemination of information

Increase government revenues as a result of heavy taxes on poultry imports.

-High tariff (protective tariffs)

-Prohibitive tariff on import of poultry meat into the country

Low production costs/input costs reduction, higher consumer satisfaction through quality poultry products

Infrastructure support by government

Low rate interest loans

Setting the local content requirements by the Government

Advertising Campaign

1. Increased productivity

2. Increase efficiency in poultry production

Increase the brand name recognition

Training and education programmes for poultry farmers

Accessibility to services, input markets and training centres etc

Government Subsidies to poultry farmers to reduce the costs of poultry production

Government strategic policies to increase consumption of poultry meat

**Government support**

**Figure 34**: **The impacts of continuous Advertising Campaign to market local poultry produce**

Increase Market share

Advertising campaign Increase Brand Consumer Increased

Name Recognition Awareness Consumption

Coping strongly with large market share

Strategic advertising Consumer Develops Increased

Campaign enticement consumer Loyalty Consumption

Coping strongly with large market share

Effective Drawing more Increase Increased

Advertising Campaign Consumers with Consumption Market Share

Greater frequency

Coping strongly with large market share

More Effective Greater Consumer Thrive of local poultry surpassing competitors

Advertising Campaign patronization Industry through effective market

Research

First year

Second year

Third year

Time line

**10.0 Proposing Measures for Addressing the Most Important Factors (Top One Factors)**

The above chapter has examined the factors which are likely to influence the competitiveness of the small-scale poultry industry in Ghana, and has found that the three most important or influential factors recommended by the poultry farmers and the stakeholders as provision of government subsidies, formation of social movement and increase tariffs/ban imports of poultry into the country (See Figure 25). Following from the above findings, the next section of this study focuses on the three most important factors that have been identified.

**10.1 A focus on the provision of Government subsidies**

Agricultural subsidies in this study refers to any kind of financial assistance or support given to poultry farmers by the government for the purpose of stabilising the price of poultry meat and eggs, and other poultry products to ensure plentiful supply of poultry and poultry products in the country at all times, guaranteeing the basic income of farmers and generally strengthening poultry industry and agricultural segment of the national economy. Examples include feed subsidies, drugs and vaccines subsidies and veterinary service subsidies.

Some texts which elaborate the meaning of the category ‘subsidise the costs of production’ during the interviews were: (a) *‘Granting of subsidies on inputs of poultry to facilitate increase production and consumption;* (b) *Subsidise poultry inputs*; (c) *‘By giving farmers tax free on imports of poultry inputs; (d) ‘Subsidise poultry feed and equipment*’ (e) *‘Supply affordable subsidise drugs and vaccines’* (f) *‘Provide subsidise poultry feed and inputs to reduce high costs of poultry production so that the farmers can compete with imported poultry.’*

The poultry industry in Ghana started growing in the late 1950s, and reached its peak period in the late 1980s. However, the industry declined steeply in 1990s as a result of policy changes towards agricultural in general and the poultry sector in particular (Khor, 2006).

In 1960 the government of Ghana identified poultry production to have the adequate potential to supply and improve nutritional intake and consumption of animal protein (Gyening, 2006). Several government interventions and measures including the provision of subsidies were put in place to establish commercial poultry projects in the country and private sector initiatives in commercial poultry production were also encouraged (Aning, 2006).

Khor (2006) study found that in 1960s there was a significant government intervention to boost the poultry industry including disease control. Regarding these significant interventions the number of birds grew from one million in the late 1960s to ten million by the late 1970s. This significant growth of the poultry sector demanded the need for raw materials and feed supply by the government.

The government further intervened to support the sector with the supply of local feed raw materials like maize, fishmeal, soya bean meal, as well as the importation of feed mill ingredients to meet supply gaps. These policy initiatives were driven by government desire to make Ghana self sufficient in food production. The objective of the government intervention was mainly to respond in the short term acute animal protein malnutrition of the population.

Osei (Undated) study found that other policy measures adopted by the Ghana government include the importation of day-old-chicks (DOC) and breeder stock, government-provided vaccinations at a small fee, and subsidised imported animal feed and other raw materials. For example, the establishment of Pomadze Poultry Company was mainly to provide day-old-chicks and setting up of a variety of state-run poultry breeding farms around the country, were all part of government’s commitment towards the sustenance of the fledgling poultry industry in Ghana.

The development of the poultry industry was made possible by the commitment of pioneer poultry farmers like the Gyamfis, Darkos, Quarteys, Peprahs, Afariwass, etc and furthermore to a large extent by deliberate policy measures adopted by the governments between 1960s and 1980s. For example, companies such as Darko Farms set up their own breeding (parent/grandparent) stations to produce day-old-chicks (DOC). Afariwaa Farms and Akropong Farms developed their own breeding strains. Aning (2006) asserts that the government’s support for the poultry industry has been sporadic since 1970 by way of allowing poultry inputs such as machines, equipment and feed additives into the country without custom duties, and in the form of facilitating the capitalisation and marketing of broiler birds through agriculture Development Bank.

The promotion of the commercial poultry farming in Ghana was coupled with the establishment of ancillary services such as feed manufacturing (Darko feeds, Agricare, GAFCO, Marinote, etc) and hatcheries (Darko, Akropong, Acme, Glamour, KNUST, Topman, etc). The government of Ghana provided agricultural subsidies to livestock, food crops and Cash crops farmers before the introduction of Economic Recovery (ERP) in 1983, and Structural Adjustment Programmes (SAPs) in 1986. Before the ERP and SAP various government agencies were in charge of production, import and distribution of farm inputs like drugs and vaccines, seeds, fertilizers, insecticides, motorized equipment, hand tools and premix fuels. The prices and inputs to all kinds of farmers had been directly subsidised and tariffs on imported agricultural inputs were also minimised (Khor, 2006).

However, as part of the economic reforms (ERP and SAPs) the agricultural subsidies were removed. The government intervention towards production, distribution and marketing of agricultural outputs and inputs in the local market through minimum prices and provision of agricultural subsidies were reduced or removed. For example, the Ghana Seed Company (GSC) which was established in 1979 to produce and market improved seeds was shut down in 1989 and privatised (Khor, 2006). The provision of subsidies to farmers and the import control systems for tractors, equipment, drugs and vaccines were abandoned in 1983 during the reforms.

Input subsidies were phased out and their sale was privatised (Khor, 2006) leading to the inability of the poultry farmers to compete with highly subsidised cheap imports of poultry from the developed nations poultry producers because of high costs of production and unfair competition (Aning et al., 2008; Issah, 2007; Khor, 2006; Khor, 2008; ISODEC, 2004; CorpWatch, 2005) resulting in the mortality of many poultry farming operations and retarded growth (CorpWatch, 2005; Osei, undated; Khor, 2006).

Furthermore, the government food distribution corporation (GFDC) which provided market outlets for farmers in remote areas and hinterlands was abolished. The grain warehouse company (GWC) which was established in 1975 as a subsidiary to the bank of Ghana with the aim to store and distribute cereals and the livestock marketing board were brought to an end. The government intervention towards production, distribution and marketing of agricultural outputs and inputs in the local market through minimum prices and provision of agricultural subsidies were reduced or removed. For example, the Ghana Seed Company (GSC) which was established in 1979 to produce and market improved seeds was shut down in 1989 and privatised. The provision of subsidies to farmers and the import control systems for tractors, equipment, drugs and vaccines were abandoned in 1983 during the reforms (Khor, 2006).

The prices of inputs increased greatly after the removal of government subsidies on agricultural inputs leading to high production costs. The strategic agricultural programmes and the Medium Term Agricultural Development Programme (MTADP) for 1991-2000, as well as the Accelerated Agricultural Growth Development Strategy for 1997-2007 point to this change in strategy and policy of the government of Ghana (Khor, 2006).

Subsidised credit which benefited all kinds of farmers was stopped in 1987. The policy requirement in 1990 which showed that at least 25 percent of commercial bank loans should be given to farmers was brought to an end. Forty livestock farms were closed down in Ghana.

In fact, several studies have demonstrated that the decline of the poultry industry in Ghana since 1990s was due to the removal of government subsidies (Khor, 2006; Khor 2008; Aning, 2006; Aning et al., 2008; Issah 2007; ISODEC, 2004; CorpWatch, 2005; Ghanaian Chronicle, 2005).

Aning et al. (2008) study found that favourable agricultural policies and the interventionist measures of government that support the small-scale poultry farmers, the poultry industry and agriculture in general were withdrawn under the guidance of World Bank and IMF as part of the trade liberalization and bilateral agreements.

By the early 1990s the poultry industry had become almost self-sufficient, producing around 95 percent of all the poultry meat consumed in Ghana (CorpWatch, 2005) despite the production constraints such as escalating cost of inputs, especially feed ingredients. Since the later part of the 2001, Ghana poultry industry had moved from a position of nigh self-sufficiency, and the country now imports broiler meat and numerous chicken parts. The poultry industry is supplying only 11% of market demand in the country (CorpWatch, 2005; TWN, 2006), whereas 89% is coming from imports.

The above discussion has explained the rise and fall of the poultry industry in Ghana. The next section explains how the government can intervene or support the poultry industry to enable it to become competitive. Case studies from other African countries have been used to demonstrate how these countries supported their poultry industry and other food/cash crops industries to ensure competitiveness in the agricultural sectors.

**10.1.1 Countries where Subsidies have been used to improve the Competitiveness of Farmers**

**(a) Cameroon**

In order to strengthen the poultry industry in Cameroon, and to enable the poultry sector withstand the competition facing the poultry industry and survived, the government of Cameroon offered the poultry industry financial support worth one billion African francs in 2009 (XAF; Currently US$ 2.4 million).

The agreement was signed by Louis Paul Motaze (Minister of Economy, Planning and Regional Development) and Ahmadou Moussa (President of the poultry farmers’ Association, IPAVIC) (PoultrySite Latest News, 2008). The PoultrySite Latest News (2008) report indicates that the loan was for the importation of fertilised eggs to meet the demand gap for day-old-chicks by local farmers in Cameroon. Moreover, the government of Cameroon also offered a grant of XAF 221 million (US$ 530, 000) to poultry industry (IPAVIC). The Minister explained that the aim of the Cameroon government intervention was to reduce the price of 2 kg chicken to XAF 2000 ($4.80) by the end of 2008 in order to make the local poultry farmers competitive.

The president of the Chicken inter-profession association in Cameroon, Ahmadou Moussa readily acknowledged the resumption of the activities of poultry industry and its survival in the Country (PoultrySite News, 2008). In addition, the report from by PoultrySite News (2008) pointed out that the government of Cameroon also negotiated with Israel to ensure that 2 million Israeli Chicks of special Israeli breed resistant to high temperatures and disease to be commercialised in Cameroon in 2009.

In line with this support the government sponsored members of the Inter-professional Poultry Farmers to undergo training in poultry production in Israel. The report expressed that the temperature in Israel reach 45 degrees and yet in this hot weather and arid climatic conditions, 300 million chickens are produced yearly for the Israeli population of about 7.2 million. The report indicates that the conditions in Cameroon are similar but the population fluctuates between 15 and 18 million (PoultrySite News, 2008).

Head of Cameroon delegation, Dr Ebode Sylvain, Director of Development Productions and Animal Industries at the Ministry of Livestock, Fisheries and Animal husbandry emphasised that there is a political will to begin the poultry project with Israel. Also, Dr. Blaise asserted that the poultry sector in Cameroon has been disorganised and fragmented as a result of market liberalisation, and became impossible to get authorization to set up a poultry farm.

Finally, agricultural bank has been created in Cameroon to offer farmers the low-interest loans they require for farming to take off, survive and become competitive. Through its co-operation with Israel, Cameroon, aims to adopt similar successful systems that comprise the private sector working closely with government. The last but not the least, the Cameroon government has also provided FCFA 163 million for the re-launch of the country’s poultry industry. The information from the Inter-Ministerial Committee reveals that some 15 common initiative group from each of the ten provinces had benefitted from the FCFA 163 million (PoultrySite News, 2008). The signing of two convention of co-operation between the Cameroon government and promoters of micro poultry farming projects in the country marked the occasion. In addition, materials from donors were also available for the field staff of the ministries involved in the fight against bird flu. As a result of the above intervention, the poultry industry in Cameroon has become competitive.

**(b) Malawi’s Fertilizer Subsidies**

Africa Progress Panel Policy Brief (2010) entitled “Raising agricultural productivity in Africa” report reveals that the government of Malawi embarked on a national programme of subsidised fertilizer from 2005/06 to support maize production. The report indicated that in 2006/07, 2 million seed and 3 million fertilizer vouchers were distributed to targeted households. The vouchers enabled the farmers to purchase 50kg bags of fertilizer at what was then 28% of full cost.

A total of 175,000 tonnes of fertilizer and 4,500 tonnes of improved maize seed were distributed at a cost of US$91 million. The report indicates that since the introduction of subsidies maize production increased remarkably. In 2007, maize production was extremely above the amount required to satisfy domestic consumption.

The study further revealed that in 2008 and 2009, the maize harvest increased again, estimated to reach 3.77 million tonnes for 2009, giving a surplus over local requirements of 1.32 million tonnes (FAOSTAT data, 2010).

**Figure 35: Malawi: Maize Production, 1980-2007**

**Yield, tonnes/ha**

**Production tonnes**

0.00

0.50

1.00

1.50

2.00

2.50

3.00

**Source: FAOSTAT data, July 2010**

**(c) Abrabopa, Ghana: Supplying Cocoa Farms**

A special approach to the problem of farmers lacking credit to obtain inputs has been adopted in Ghana. The Cocoa Abrabopa Association provides a package of inputs including fertilizer, insecticides, and fungicides to groups of five and fifteen farmers on seasonal credit, to be used in April and May with repayment by mid-December, well after the cocoa harvest has begun. In 2008 the Africa Progress Panel (2010) reports that the farmers were able to repay their loans, while raising their productivity by 43%, with its positive effects such as employment of more labourers to apply the inputs, improved standard of living of the farmers households and economic growth to the nations.

African Progress Panel (2010) stated that “while the last five years have seen a new momentum towards a transformation of African agriculture, driven by national governments and multilateral institutions and supported by specialised civil society organisations like the Alliance for a Green Revolution in Africa (AGRA) enormous challenges remain”. The Africa Progress Panel study indicates that there is the need for national governments to subsidise the scarce resource poor farmers because agriculture is the main source of livelihoods in Africa (Africa Progress Panel, 2010).

There are some encouraging success stories, for example Malawi transformed itself from a food-deficit country to a food-exporting country when the farmers were subsidised, with excess production over national consumption for four years in a row; and similarly Rwanda’s agriculture grew by 13 and 17 percent, respectively, in 2008 and 2009 after the farmers received government support in terms of subsidies (Africa Progress Panel, 2010).

However, Africa Progress Panel (2010) study shows that there are serious concerns about offering public subsidies: Firstly, costs are likely to rise as the subsidy overcomes the unwillingness of farmers to use inputs such that they use more with a corresponding higher cost in subsidies. Also, subsidies sometimes benefit farmers who do not need them, who would have bought the input in any case and who are usually the better off. Furthermore, a subsidy programmes may influence government agencies to participate in the distribution of inputs, and there is the danger that political leaders influence the distribution of the subsidy towards their supporters.

Moreover, once in place subsidies can be very difficult to remove. Again, if care is not taken leakages can take place when subsidised inputs are moved across borders to neighbouring countries where inputs cost more. Finally, there are alternatives to solve market failures, through developing rural financial systems and logistics enhancement that lower distribution costs of inputs.

Based on the above factors African Progress Panel (2010) has outlined ways and means to use subsidies wisely and ideally in order to achieve the needed results: (1) Subsidies must be targeted to those that need them, for example poor farmers, or those in remote areas. (2) It is advisable to work with the market to help develop commercially viable supply chains. For example, it is needful to give the targeted farmers vouchers so that they can redeem from input dealers. (3) Limited time must be applied until the market failures that justified the subsidy have been overcome. The African Progress Panel (2010) study stated that “putting a time limit to subsidies is perhaps the most demanding condition, and setting subsidies within wider agricultural strategy makes it easier to withdraw subsidies subsequently.”

Therefore, decision-makers must consider the country context, the objectives of subsidies and alternative methods to achieve these objectives, and must also be aware of the potent dangers (African Progress Panel, 2010).

The above discussion has shown that subsidies have played an important role in successful agricultural in the past, offering major potential gain when effectively applied to overcome market failures constraining growth in poor rural and small-scale farmers. The above case studies justify that the benefits of subsidies to farmers far out-weight the costs of implementation if it is applied in cost-effective and efficient manner. Furthermore, the analysis also shows that subsidies have greatest potential in contributing to wider economic growth. Also, subsidies contribute to consumers’ welfare and real incomes through reducing food prices, while also benefiting the farmers to survive. The case studies that the researcher has included bring into view some agribusinesses that have survived as a result of government intervention in terms of subsidies.

Dorward (2009) argues that “it is important to identify the situations where input subsidies could work to take opportunities and overcome constraints facing African farmers”. It is therefore, essential that the government of Ghana employ this strategy to strengthen the local small-scale poultry industry to make poultry farmers competitive within a specific time period.

**10.1.2 Estimation of Market Potential for the Small-scale Poultry Industry**

An inspection of Table 41 and Table 42 show that the most recommended government strategy to enhance consumption of local poultry meat was the provision of subsidies by the government to reduce the costs of producing local poultry meat. This was found to be (43%) among the poultry farmers and 25% among the stakeholders. Of the 195 respondents, 35.9% indicated that provision of government subsidies would likely increase the consumption of poultry meat domestically produced in Ghana in the local market.

Therefore, an estimation of market potential for the small-scale poultry industry based on the above results can be computed as follows: Confidence interval = . Therefore, a 95% confidence interval for 35.9% is given by , where P = sample percentage, = z value for 95% confidence level ( = 1.96), = standard error of the percentage), n = sample size of the respondents (n = 195), and q = 100-p. A 95% Confidence Interval for individuals (who represent households in Ghana) who are very likely to patronize an upscale of poultry meat was found to be 28.9% to 42.9%.

The Ghana population is about 23,008,443 with a population growth rate of 2% (World Bank, 2008).With the national average household size of 4, the above figure translates to about 5,752, 111 households. Currently, the locally grown poultry is sold at Euro 4.95 (Cedi 6.66) per kilogram. (In April 2010, One Ghana Cedi was equivalent to Euro 0.743). Therefore, in case the Government subsidise 50% costs of production of local poultry meat, the market price will be reduced to about Euro 2.48 (Cedi 3.34) per kilogram. This will allow all income groups (including the poor and low income groups) to eat poultry meat, not to mention poultry eggs.

Assuming that if one out of ten households eats chicken meat and spend about Cedi 10 (Euro 7.73) of their income on average each month on poultry meat, three estimates of the market potential for an upscale of poultry industry can be established with these facts, findings, and confidence intervals. Market Potential can be expressed as follows:

Market Potential = population base x percent likely to buy x amount they are willing to pay (Burns and Bush, 2006). (a) Pessimistic Estimate: 575,211 x 28.9% x Euro €7.73 = €1, 285,004. (b) Best Estimate: 575,211 x 35.9% x €7.73 = €1,596,251. (c) Optimistic Estimate: 575,211 x 42.9% x € 7.73 = € 1,907,497.

Using the 95% confidence intervals and the sample percentage, the total market potential is found to be between about €1.0 million and €2.0 million per month which amounts to about € 12.0 million to € 24 million per year. The best annual estimate is about € 1.6 million based on the sample percent (that is the best estimate of the true population percent of the “very likely” households).

Such a potential market could together with other policy development measures such as increase in tariffs at levels with WTO obligations would result in a greater market share, competitiveness and growth of small-scale poultry industry in Ghana.

With a multiplicity of effects such as increase in feed production, increase demand for feed ingredients, high field crops demand, extension of hatchery activities, increase in egg consumption and savings on foreign exchange, the competitiveness of the small-scale poultry industry would lead to improved livelihoods of the small-scale poultry farmers and other crop farmers such as maize growers in addition to job creation, employment avenues and savings on foreign exchange, in short, medium and long terms government investments.

**10.2 A focus on an increase tariffs/ban imports of poultry into Ghana**

A high tariffs/ban imports of poultry in this study refers to a tax or duty to be paid on imports of poultry to reduce poultry imports, or a ban to cancel all forms of poultry meat imports into the country. Some texts, which elaborated the meaning of this category, were: *(a) ‘Increase tariffs on poultry inputs.’ (b) ‘Government should institute a law to regulate importation of poultry’; (c) ‘Government should minimise the importation of poultry products’; (d) ‘Stop importation of poultry products or elimination of poultry importation.’*

Research shows that in 2001, there were about 5,500 tariff lines in the Ghanaian custom schedule, with the tariff schedule having 4 main columns, giving the ECOWAS preferential rate if applicable; the VAT rate; and the special import tax rate, applied on some goods (Khor, 2006). Since 1990s, the Ghana government has reduced the country’s applied tariffs.

The four-tier tariff structure of Ghana includes rates of 0, 5%, 10% and 20%. The government of Ghana had placed a special import tax on some products. In the year 1999, the government removed special import tax of 17.5%, but in April 2000 it introduced another special import tax of 20% on consumer goods, covering 7% of tariff lines, which efficiently added a fifth tariff rate of 40% (WTO, 2001).

The country’s simple average applied MFN tariff rate was 13% in early 2000. If the special tax is included the rate was 14.7%. This compares with the 17% at the time of the last trade policy review in 1992 (Khor, 2006). The above figures demonstrate an important applied tariff reduction in Ghana, as a result of liberalisation process.

The government of Ghana confirmed that tariff reforms are aimed at improving the external competitiveness of local industry, harmonising tariff rates with regional levels, and removing distortions (Khor, 2006). Khor (2006) study found that in 2000, the average applied tariff rate for agricultural products was 20.2%, compared with 13.8% for industrial products. The current bound rate for poultry in Ghana is 99%, while the applied rate is 20%.

In line with the WTO’s agreement on agriculture (AoA) in which quantitative restrictions was not allowed, there are no import quotas in Ghana. Khor (2006) hinted that only a small number of items are prohibited or subject to permits mainly for health and safety grounds. As claimed by the WTO Secretariat’s 2001 trade policy review of the country, Ghana has no legislation allowing the imposition of anti-dumping, countervailing of safeguard measures on imports. In whatever way the government does monitor the impact of unfair import competition on domestic industries and may take compensatory action against such products.

The purpose of the government policy was to further minimise the average tariff rate gradually to less than 10%. The country increased its coverage tariff bindings during the Uruguay Round from zero to fifteen percent of tariff lines. As far as agricultural products were concerned all tariffs were bound at ceiling rate of 99%, effective in the year 2004. However, lower bound rates such as 40% and 50% were set on a few agricultural products, to apply from 1995. On the other hand very few industrial tariffs including 1% of tariff lines were bound at ceiling rates of mainly 30% and 40%, but also at 35% and 45%. Khor (2006) pointed out that these bindings were limited mainly to agricultural inputs like fertilizer, tools and equipment.

Ghana applied tariffs on all imports, except on most goods from Economic Community of West African States (ECOWAS) which are duty free since 1996, applying to a range of processed and unprocessed agricultural products as well as manufactured goods. Ghana retains many schemes in order to provide tariff concessions and exemptions on certain imports. These concessions are used greatly and have contributed to reducing tariff revenue as a share of government taxation receipts (Khor, 2006).

The country’s bound tariff for agriculture remains rather high at 99% for a lot of agricultural products since March 2006. As at now the applied tariffs of about 20% for many of Ghana’s agricultural products and less than 20% of some products is very low as compared to the 99% tariffs line for the country. This suggests that the country is able to increase its agricultural tariffs from the applied to the bound rates, in relation to its rights in the WTO. This tariff increase can be utilised in particular, when import surges of rise, tomato and poultry etc., adversely affect or threaten to wipe local farmers from their businesses. As indicated earlier the government has been constrained by the IMF from making use of the applied tariffs line.

Research shows that Ghana has had difficulties in making use of this policy as a result of conditions attached to IMF loans. When the problems of the poultry industry started in the country, the government decided to raise the applied rate, but faced impediments from the IMF and had to rescind to the original applied rate. For example, in the year 2003 budget Ghana’s Minister of Finance added an increase in the tariffs on poultry meat from 20 to 45%. To whatever extent, the threats from the IMF to withhold future loan disbursements, the new 45% tariff was cancelled in practice.

According to CorpWatch, (2005) the Ghanaian Parliament passed a law allowing an additional 20% tariffs to be imposed on imported poultry, but after 2 months later the Custom and Excise Preventive Services, the body responsible for the implementing tariffs, issued an order reversing the decision. The government of Ghana did not apply the new tariff of 40% as a result of its agreement with the IMF to suspend the higher tariffs on poultry during the government’s Article 4 consultations, an annual dialogue the IMF has with member countries. In spite of many calls from Ghanaian poultry farmers for a higher tariff rate, the import tariff still remains at 20%.

Research shows that Ghana’s neighbour, Côte d’Ivoire, has chosen to put the emphasis on the development of poultry production, where this policy has proven successful in increasing output and employment in the industry (Agritrade, 2010), and since the bound tariff for Ghana is 99% in WTO regulations the government of Ghana has the opportunity to undertake constant negotiations with the WTO, World Bank and IMF to ensure the application of the right tariffs line that will save the failing small-scale agricultural industries, especially poultry, tomato and rice industries.

For example, Poultry producers in Côte d’Ivoire (Ivory Coast) are enjoying growth as a result of tax imposed on imports of poultry products from the EU and South America. The Poultry Industry was under fierce competition in 1990s from imported products flooding the local market. Report of FAO (2003) reveals that the local industry in Côte d’Ivoire suffered multiple blows beginning in the 1990s. FAO review of import surges reported that in 2003 production of 7,500 tonnes was almost a third lower than that in 1997, however, imports grew during the same period from 4,815 tonnes to 17, 226.

Poultry Industry Association (IPRAVI) reported that 1500 producers went out of business, taking as many as 15,000 jobs with them. Farmers who were growing maize and other crops for animal feed were also affected as policies aimed at self-sufficiency were abandoned in the late 1990s, and therefore, there was a shift towards consumption of imported food. In line with a general liberalization of food policy the government of Ivory Coast lowered or eliminated import duty on many foodstuffs, and also, free import license for poultry were granted in 2002, concluding with an effort to avoid food shortages as agricultural production was hit by the outbreak of civil war.

In 2005 the Ivorian government imposed a new tax on imported poultry by-products. With this measure, the price per kg for poultry products imported from EU or Latin America rose from 500 to 1,000 FCFA (doubling to about $2 per kg). The goal was to discourage imports and increase local production.

Since then the Poultry Industry in Ivory Coast has been able to withstand fierce competition from the imports. According to Phillipe Ackah, the president of poultry industry (IPRAVI), there was nothing like price hike in the cost for chicken or eggs on the national market. According to one of the poultry farmers’ in Côte d’Ivoire, if the government had acted quickly, the local poultry would have developed very quickly and created a number of jobs across the country (Agritrade, 2010).

According to Ackah the new tax saw investment in the Poultry Industry increase by nearly $11 million over 4 years. From 9,000 MT of poultry in 2005, the Industry expanded to 20,000 tonnes in 2009 ($110 million). Egg production reached 800 million units versus 435 million over the same period, with approximately 39,000 new jobs created (Agritrade, 2010).

Ackah said, the industry generated 31.5 million dollars worth of sales for corn and other bird feed for producers between 2005 and 2009 (Agritrade, 2010). In January 2010, the Côte d’Ivoire government committed itself to maintain the import duties. Alain Bouabre, an Abidjan-based economist commented that “this regulation saved the Ivorian poultry industry from ruin.” He further stated that “the local poultry industry now needs to get better organised to truly benefit from the situation, since it is simply a matter of time before importers find a way around the policy and regain a footing on the market.”

**10.3 A Focus on Social Movement**

**10.3.1 Introduction**

Social movement refers to a group of people with common ideology who come together to achieve certain goals. Research shows that agricultural co-operative movement was one of the first social movements in modern times (Singhvi, 2011; Smith, 1984; Craig, 1993; Mooney and Gray, 2002).

Some of the poultry farmers and stakeholders interviewed described social movement as *“forming associations and co-operative to put pressure on the government”, “form co-operatives”, “commercial poultry farmers should come together and fight for their rights”, “should work collaboratively by forming groups”, “should work hand in hand”, “forming association to fight against the competition” and “form co-operatives so that they can push their request to the government.”*

Smith (1984) study found that a farmer meeting was convened in 1914 to discuss strategies to address the severe economic conditions confronting farmers. The deliberations of the farmers focused on the political and economic well-being of farmers, and representatives were elected to separate commercial activities of farmers from political lobbying, and hence Western Australian Country Party (Farmers Social Movement) was formed to address the political concerns of farmers, while the agricultural co-operative business model was adopted as a strategy to achieve the economic goals of farmers (Smith, 1984). The political activism and agricultural co-operative activities were undertaken as two separate pursuits, which removed the co-operative from agricultural industry political activism, in line with the co-operative philosophy of political neutrality.

Furthermore, analysing the birth of United Farmers Co-operative Company (UFCC) shows the theoretical and applied strength of the agricultural co-operative business structure as a social movement in a period of agricultural restructuring and market failure.

Madden’ 1990s involvement in a political interest group such as the Rural Action Movement and agricultural co-operative to address the economic disadvantage of farmers in Australia, demonstrate a powerful economic crisis of farmers during the existing unfavourable conditions. The chairman of UFCC called Rod Madden and his colleagues championed the course of advocacy and promoted alternative strategy for farmers to help themselves through the co-operative business structure. Research shows that the shared linkage of political and economic action by Western Australian farmers and UFCC can be viewed as a form of farmer initiated social movement (Craig, 1993; Mooney and Gray, 2002).

Prior research shows that liberalisation of markets and globalisation of markets have greatly affected the growth and performance of the resource-poor small-scale poultry farmers in Ghana (Aning et al., 2008; CorpWatch, 2007; Chisenga et al., 2007; Asuming-Brempong et al., 2006; ISODEC, 2004; Christian Aid, 2002; Christian Aid 2005; Christian Aid, 2003; Ghanaian Chronicles, 2005; Agritrade, 2010).

Several studies in recent years have shown that majority of social movements (agricultural co-operatives) that were business oriented have been able to withstand the shocks, waves and competitions since the advent of liberalization of markets and globalisation (Chambo, 2009; Pinto, 2009; Fanatico et al., 2002; Juhasz and Rouse, 2003).

Social Movements (agricultural co-operatives) are effective mechanisms for combating globalization and liberalization competitions that are threats to the livelihood of poor small-scale farmers in developing countries (Juhasz and Rouse, 2003; Pinto, 2009; Chambo, 2009).

The literature review shows that in this era of globalisation and liberalization when many small businesses throughout the whole world are facing competition to such an extent that they feel powerless to compete and survive their businesses, social movements (agricultural cooperatives) symbolize a strong, vibrant and viable alternative (University of Wisconsin Webpage, undated; Craig, 1993; Mooney and Gray, 2002; Cobia, 1989; King, 2011; Cook, 1995; Cook and Iliopoulos, 2000; Van Bekkum, 2000; Chaddad and Cook, 2002; Stefanson and Fulton, 1997; Wanyama et al., 2009; Pinto, 2009; Chambo, 2009).

**10.3.2 Impacts of Social Movement (Agricultural Co-operatives)**

Several studies have looked at trends in a long history of evolving co-operatives in developed countries that may show future for developing countries, example is the New Generation Co-operative which has been adopted in this study to help solve the problem of the small-scale poultry farmers in Ghana (Craig, 1993; Mooney and Gray, 2002; Stefanson and Fulton, 1997).

Several scholars have accepted the consensus and commitment from international donors and national policymakers about the significance of developing effective and sustainable Agricultural Co-operatives/Farmer Based Organisations (FBOs) to mobilize and elevate rural smallholders out of poverty (Salifu et al., 2010; Juhasz and Rouse, 2003; Chambo, 2009; Fanatico et al., 2002; Punklett and Kingwell, 2001; Stefanson and Fulton, 1997; Stefanson et al., 1995; Cook, 1995).

Salifu et al (2010) argue that farmer based organisations/agricultural co-operatives are nowadays advocated by many researchers as a means to resolving all kinds of rural problems, and therefore, development research needs to move beyond its paradigmatic boundaries and adopt new approaches and analytical tools. The above scholars further assert that industrial organization theory which has been embraced by the Western world needs to be imported to Africa if policymakers want Africa to participate and compete in the global market, but not without some fine-tuning. The new approaches and methods are essential to advance the current understanding of collective action as a means to enhance governance decentralization and agribusinesses in rural areas.

In this era of globalisation and liberalization when many small businesses throughout the whole world are facing competition to such an extent that they feel powerless to compete and survive their businesses and economic circumstances, social movements/agricultural co-operatives symbolize a strong, vibrant and viable alternative (University of Wisconsin, Webpage, undated).

As a result of liberalisation of markets and globalisation African governments and international donors and development scholars have been showing renewed interest in collective action, thus bringing agricultural co-operative and farmer based organisations on the policy agenda for Africa as preferential means to achieve a more equitable, inclusive and community-driven development of rural areas.

**10.3.3 Impacts of Agricultural Co-operative in Developed Countries**

**10.3.3.1 Introduction**

The international phenomena of agro-industrialization and the increasing globalization of food markets under WTO agreements are affecting national markets (Plunkett and Kingwell, 2001). Plunkett and Kingwell (2001) argue that co-operative have played a major role in many countries. Historically, farm communities have turned to co-operation as part of their coping strategy (King, 1995; Lang, 1995) and periods of structural change and adversity (Plunkett and Kingwell, 2001). A strong marketing, processing or purchasing co-operative can provide price competition against other marketers, processors and input suppliers (Plunkett and Kingwell, 2001).

Plunkett and Kingwell (2001) argue that although agricultural co-operative is unlikely to secure a price premium in a globalized, or even national, competitive economy it may provide secure market access, which is becoming a premium in itself. Furthermore, agricultural co-operative may be able to achieve bulk discounts and economies of size from which producer members can benefit (Plunkett and Kingwell, 2001).

Plunkett and Kingwell (2001) explain how 70% of the raw milk supply is processed by co-operatives in Australia. According to the above authors, the first factor is essentially defensive and is a function of the high degree of asset specificity associated with milk production. They indicate that capital equipment, like dairies and vats cannot be employed for other types of production and for that matter the raw product spoils. As a result of these factors, dairy farmers are put in a very weak bargaining position, and this underpins the significance of a strong, competitive processing co-operative sector in establishing a price floor.

Secondly, explanation for the co-operative dominance of the Australian dairy can be seen in co-operatives’ market place merits. A co-operative is able to guarantee supply and also, is in a position to comparatively reduce the transaction cost associated with quality control as a result of its proximity to its suppliers. For example, one agricultural co-operative called Snowbrand spokesman stated that “in our role of purchasing dairy products, the issue of quality, price and stability are the key issues.”

Agricultural co-operatives in Australia are engaged in a range of marketing, supply, and services provision including meat, dairy, wool, cotton and fish processing, rice milling, grain handling and storage, freight services and farm input supply. Plunkett and Kingwell (2001) study reveal that 2,120 co-operatives (excluding financial co-operatives) were in Australia, in 1995, and around 15% of these were agricultural co-operatives. In 1993/94 there were 102 agricultural co-operatives with a combined membership of around 50,000 and an asset base of $1.3 billion. Their turn-over was $2.4 billion which was 90% of the turnover of all co-operatives in the State and the value of their exports exceeded $6000 million.

The above discussion has expressed some advantages of Farmer based Organisation (FBOs)/agricultural co-operatives. The next section reveals the literature on case studies of successful agricultural co-operatives around the advanced and developing countries, as well as the strategies employed by the co-operative entities to achieve the desired success in an increasingly competitive globalised and liberalised markets.

**10.3.3 The United Co-operative Company (UFCC) (Australia)**

The United Farmers Co-operative (UFCC) is mainly a supply co-operative of fertilizer and agricultural chemicals, focusing particularly on the broad acre grains industry of Western Australia. In the past few years, UFCC has also supplied Agricultural Industries like horticulture and dairy industries with chemicals and fertilizer (UFCC Webpage, Undated). Recent developments at this agricultural co-operative have been the addition of value added services such as a grains pooling and marketing division and crop risk management (UFCC Webpage, Undated).

The UFCC started its commercial life in July 1992 with five farmer shareholders contributing $1,000 each (Madden, 2003a). The main objectives of forming this co-operative was to lower the price of farm inputs and improves the financial viability of the farm business. This idea was confirmed by Torgerson et al (1997) who refer to the study conducted by Emelianoff in 1940s. He emphasised that an agricultural co-operative is an “aggregate of economic units” denoted by its members and is not an acquisition of economic unit.

Torgerson et al. (1997) commented on Emelianoff’s understanding of the agricultural co-operative as an agent of its members who undertake collective action, and are the principals. Thus the goal of an agricultural co-operative is to increase the financial well-being of its members as producers, not as investors. Co-operative is therefore, an extension of a producer-owner’s farming operations (Cook et al., 1995).

The UFCC was incorporated as a co-operative in 1992 under the Co-operative Act 1943. By 2002, UFCC had grown to around 3000 farmer members (shareholders) denoting about 50% of broad acre farmers in Western Australia (Madden, 2003a). In a decade, UFCC had an annual turnover of around $100 million, assets of $20 million, and rebated over $34 million to shareholders (UFCC Webpage, Undated). The head office of UFCC is located at the Fremanle Port in Rous Head, Western Australia. Its membership is restricted to individuals who are engaged in some form of commodity production within agricultural sectors (UFCC Webpage, Undated). UFCC membership shares are $1.00 each, and the co-operative allow each member to hold up to 1000 shares denoting a $1,000 investment in the UFCC (UFCC Webpage, Undated).

Analysing the emergence of the UFCC as a social movement presents a different awareness to the motivation for this type of collective action to strengthen the local poultry industry in Ghana. Social movement is a collective attempt to bring about or resist change in social institutions or create an entirely new order by non-institutionalised means (Craig, 1993).

Ctraig (1993) point out that the following three factors ought to be present in a social movement. These three factors include: a shared frustration with the existing condition is obvious. The farmers’ meeting of early 1990s organised to address the economic demerits and plight of farmers demonstrate a potent discontentment with the prevailing conditions. Nevertheless, Craig (1993) argues that this type of frustration is insufficient to clarify the emergence of a social movement. The second factor is the “development of a vision or a belief in the possibility of a different state of affairs, which leads to the articulation of a goal or ideology” (Craig, 1993).

The formation of UFCC co-operative illustrates Craig’s (1993) argument. Madden and his colleagues championed the collective action and advocated and promoted a different strategy for the farmers to help themselves, through the co-operative business structure. Thirdly, Craig (1993) express that “the emergence of organisations that are devoted to realising the vision or the mission of the social movement” becomes the ingredient in the in the ongoing expression of the idea and gathering the support of others. The formation of UFCC can therefore be expressed as a means for a farmer initiated social movement.

**10.3.4 Tatura Milk Industries (Australia)**

Tatura Milk Industries was originally formed in 1907. Tatura co-operative can be taken over if 75% of its members vote to realise the company’s capital value (Plunkett and Kingwell, 2001). Tatura Milk Industries has adopted the NGC model that suit Australian business conditions. It has a defined member co-operative, and new members are invited to join when the inclusion of their milk supply permits the co-operative to pursue a new business opportunity.

By creation of a reputation as a high quality, low cost and reliable manufacturer, the industry has survived in spite of fierce competition in Australia, and market liberalisation, deregulation and globalisation. Exploitation of quality is essentially offensive as it is a strategy to add value. Its strategic alliances with major dairy companies allow each partner to exploit its own competitive advantage (Plunkett and Kingwell, 2001).

Tatura benefits from transport efficiencies because 80% of its supply is within a 20km radius of the plant. Tatura’s capacity to remain fully internally funded by means of shareholders equity and retained earnings are viewed by the co-operative as being of crucial significance. The NGC model allows Tatura to employ strategies that attract the necessary level of capitalisation to fund its innovation process. The NGC structure is designed to better facilitate the aggregation of start-up capital, and can facilitate farmers’ competitive advantage in efficiently delivering quality assured product (Plunkett and Kingwell, 2001).

Good governance is promoted by shareholders wishing to take a more active interest or role in the affairs of the company. This is made possible as a result of active membership criteria and wealth creating strategies employed by Tatura. Good governance is also re-enforced by the discipline imposed by the predominant use of retained earnings or debt to fund investment. Free rider problem is minimised as some of the group’s Net Asset Backing is capitalised into the value of redeemable preference shares. Active membership regulations drive away dry shareholders, which minimises the pressure for further redemption of unallocated capital.

Furthermore horizon problem is solved through active membership outcome in the co-operative remaining an extension of the farm business and this encourages a longer term view of Tatura’s activities. Also sufficient value is created in tradable redeemable preference shares for co-operative members to search for maximisation of long term returns from investment in shares. In solving portfolio problem, Tatura co-operative operates within a fairly narrowly defined business range. Again, investment is directly related to an extension of farm; and membership is fairly homogenous. Finally, influence problem is dealt with through undiversified company’s philosophy into other activities, plant and suppliers are centrally located, and company’s policy is to treat all suppliers equally and to maintain shareholdings that are roughly reflective of suppliers’ volumes (Plunkett and Kingell, 2001).

**10.3.5 Wisconsin Dairy Farmers**

In 1980s Wisconsin’s dairy farmers faced too much fallen prices, rising operational costs, fewer economic choice and severe competition. They observed that most farmers were going out of business. A small group of organic dairy farmers in the South-Western part of Wisconsin decided to work together to take some control over the processing and marketing of their milk. They felt that working together was the only way they could survive in the chaotic farm economy.

Today the collaborative movement has 160 farm family members throughout Wisconsin and the Upper Midwest. Their cooperative produces a wide variety of dairy products including twenty kinds of cheese, ice cream, butter, yogurt, “half and half” and fluid milk in addition to marketing eggs and vegetables. Presently Wisconsin’s Dairy Farming (CROPP) is the largest organic dairy co-op in the United States, and is planning to double its production over the next few years. Its headquarters is in “La Farge” (University of Wisconsin Webpage, Undated).

**10.3.6. North Dakota Farmers co-operative (America)**

Research conducted at North Dakota State University reveals the differences and similarities of agricultural producers who do and do not become members of the Social Movement (SM)/New Generation Co-operative (NGC). 505 members and potential members of four North Dakota were surveyed in 1996. Of these, 190 farmers were in the non-member category; and 230 were in the large, crop-related SM/NGC category; and 85 were in the small, livestock-related SM/NGC category (see Goreham and Kibbe, 1997; Oslon et al., 1998). Three broad categories of questions were asked about membership of SM/NGCs: First, do members have different farm and personal attributes than non-members? Second, do members have different perceptions and attitudes about SM/NGC than non-members? And third, do members have a greater level of co-operative involvement than non-members? The results reveal that members differed from non-members in different ways. Oslon et al., (1998) explain that on average members were younger than non-members (44 years old versus 48 years old, respectively). Also, the researchers found that crop SM/NGC members farmed more acres (2,140 acres), had more net income from farming ($60,192), and had a stronger financial condition, or debt/asset ratio (30%), than non-members. Overall, the above researcher indicate that both crop and livestock NGC members had more off-farm income than non-members, and both had higher net worth than non-members (Oslon et al., 1998).

In terms of perception, the researchers found that NGC/SM members felt more strongly than non-members that their role within the agricultural industry extends beyond production agriculture and into the food processing and distribution businesses. Furthermore, members more firmly believed that the time they spend in these new roles will enhance in the future. Again, both members and non-members believed that the agriculture co-operative will meet the following objectives: increase farm income and productivity, reduce marketing risk, increase market access, enhance member networking and knowledge, ensure new services, and improve membership share values. In a nutshell, NGC/SM members felt more strongly that these objectives would be achieved.

When survey participants were asked about their attitudes toward the NGC/SM organisation and position within the industry, the researchers found that members and non-members viewed the NGC/SM in the same ways, but the members had stronger attitudes. NGC/SM members felt more strongly that the NGC was not a get-rich-quick scheme, a last-ditch effort to survive, or benefited only the wealthy. Also, NGC/SM members more firmly believed that NGC/SM did not have inferior products, too strict contract terms, or too high an initial investment. Moreover, members disagreed more strongly that the managers had too much control, the NGC/SM could not compete with an investor-owned firm (IOF), or that farmers should not own food companies.

The outcome of the research suggests that NGC/SM is an economically viable way for farmers to expand their business or farm operations beyond raw commodity production. The fact that the members were more convinced that NGC was worthwhile venture suggest that they may be influenced by their level of education, positive view of the /SMNGC’s potential, and the aspiration to diversify beyond raw commodity production. The financial stability of members and larger managerial competence of the SM/NGC members than non-members also indicate that the NGC/SM scheme is competitive and can achieve potential benefits over long term investment, and this could have influenced them to accept the investment risk of membership (Oslon et al., 1998).

**10.3.7 The Label Rouge Poultry Farming in France**

The Label Rouge certification system in France is a typical example of small-scale poultry farmers’ working together, along with poultry consumers and government in a highly organized effort. The main unit of collaboration is a coordinated supply chain where poultry production is performed by many small-scale poultry farmers and marketed under the Label Rouge label. The supply chain is centred on a group of poultry farmers (producers) with associates upstream (breeding company, hatchery, feed mill) and with affiliates downstream (processor, distributer, and retailer).

The supply chain assists the farmers to have more control of their poultry products, helps them to spread the risk and able to meet the demand and price needs of consumers.

Furthermore, a national certification programme coordinates the marketing efforts of the supply chain and includes consumer education. Label Rouge is government supported certification system, created by farmers and driven by poultry consumers.

**10.3.8 American Crystal Sugar**

In Minnesota, the NGC concept has been in place since 1974. At that time, sugar beet growers were losing the market for their products because the company’s processing sugar beet was moving out of the State. In response, farmers (sugar beet growers formed a NGC called American Crystal Sugar (ACS), and purchased the processing plant after pooling their resources together. Since that time, ACS has been operating successfully, using characteristics we now associate with NGC. Sugar beet farmers recognized the benefits of this structure and replicated it across the State. Involvement in the sugar beet NGC continues to encourage local farmers to use this structure to add value to the products they once sold as raw materials.

Stories of NGC ventures have travelled beyond the area of sugar beet production and spilled into a wide range of commodities. It is not uncommon for a farmer to be a member and director in four or five producer co-operatives and active in development process of one or two (University of Saskatchewan, 2011).

The study conducted by the University of Saskatchewan (2011) reveals that farmers of NGC have a different mind-set and an optimistic attitude. The farmers confirm that co-operative processing operation is an extension of the farm operation. The farmers are able to retain ownership of their farm products as it proceeds along the food chain. As a result they are able to access the returns from the process and marketing of the food product that result from the processing of their raw commodity. The farmers of NGC recognise two profit centres: the raw commodity and the processed product. The farmers are able to make decisions and exercise control at both the production and the processing level. The producers (farmers) have learned that collective action in an efficient business structure can solve problems and create opportunity (University of Saskatchewan, 2011).

**10.3.9 Conclusion**

Several analysts believe that traditional co-operatives are at a crossroads (Lang, 1995; Fulton, 1995; Cook, 1995; Plunkett and Kingwell, 2001; Stefanson and Fulton, 1997; Stefanson et al., 1995). Plunkett and Kingwell, (2001) argue that “the pace and process of agro-industrialisation and de-regulation, combined with related technical and structural change in farming, is challenging many farm businesses and their traditional co-operatives.” Many researchers argue that the agency problems of free rider, horizon, portfolio, control and influence costs can be specifically acute if sufficient of the member base is nearing retirement and wishes to remove equity from the traditional co-operative (Plunkett and Kingwell, 2001).

Many academics accept that if performance of struggling, or under-capitalised co-operatives, cannot be sufficiently improved by lifting their management, service delivery and cost efficiency then one of the main option is evolution into a new generation structure (Lang, 1995; Fulton, 1995; Cook, 1995). The capacity of agricultural co-operative to achieve economies of scale, or break the power of monopolies is main factor that generates motivation and inspiration to farmers to form co-operative.

**10.4 Co-operative Experience in Africa**

**10.4.1 Introduction**

Since the liberalisation of market and globalisation in 1990, coupled with fierce competitions, new approaches to co-operative movement have helped a significant proportion of farmers and their household to access the market to sell their produce to earn an income through their co-operatives (Wanyama et al., 2008). 924,000 farmers in Kenya earned sustainable income as a result of their membership in agricultural co-operatives in 2004 (Wanyama, 2007), about 4 million farmers in Egypt could have gone without an income had they not been members of agricultural co-operatives in 2005 (Aal, 2007). In Ethiopia, about 900,000 members of co-operatives in agricultural sector fully or partially generate their income through co-operative activities (Lemma, 2007) and3, 130 in Ghana (Tsekpo, 2008).

Prior research has shown that the practice of neo-liberalism and globalization of markets have greatly affected the growth and performance of the resource poor small-scale and medium-scale farmers in Africa and beyond, particularly, poultry farmers’ and food crop farmers (Pinto, 2009; Chambo, 2009; Khor, 2006; Khor, 2008; Issah, 2007; CorpWatch, 2005).

Many developments in recent years has also shown that Social Movements (New Generation Cooperatives ) have been able to withstand these shocks, waves, competitions in the test of time situations since the advent of the liberalization of markets and globalization (Chambo, 2009; Pinto, 2009).

Therefore in order to ensure that the organized Social Movement (New Generation Cooperative for Small-Scale Poultry Farmers in Ghana) is practicable, it was decided to present some few examples of agricultural co-operatives in Africa that have achieved success as a result of their transformation into Social Movement (New Generation Cooperatives Movement) (Pinto, 2009; Chambo, 2009).

In spite of colonial skewing around specific activities, strong state control of post-colonial co-operatives and the market appropriation of co-operatives by neoliberal restructuring, co-operatives in Africa have survived. The co-operative sector with primary, secondary, sectoral, apex, and support organisations and social movement links has continued to thrive in spite of difficulties (Satgar and Williams, 2008). In this research, the researcher tries to reveal some of the dynamism in Africa’s agricultural co-operative sector.

Several studies and evidence from the field show that co-operatives in Africa have survived the market forces and continue to grow in number and membership (Satgar and Williams, 2008; Wanyama et al., 2008; Wanyama et al., 2009). Wanyama et al. (2009) confirm that agricultural co-operatives membership in African continent is increasing more than it was a decade ago when liberalisation measures were initiated. Agricultural co-operative sector has continued to grow in a number of countries in Africa, over the last decade. Even in countries where the co-operative movement was almost collapse due to other factor like conflict, such as Rwanda and Uganda, the growth of co-operative seem to be picking up (Wanyama et al., 2009). For example, whiles there were only 554 co-operatives in Uganda in 1995 data from the Uganda co-operative Alliance indicates that this figure has grown to 7,476 in 2005 (Develtere and Pollet, 2008). Rwanda was estimated to have 33,631 co-operatives of organisations despite still recovering from the impact of the 1994 genocide that brought to destruction of many economic activities (Develtere and Pollet, 2008).

Prior research shows that liberalisation seems to have facilitated the purification and revamping of the co-operative movement in many developing countries. One significant issue is the fact that there is proliferation of new co-operatives that are less dependent on governments support as was the case in the past. The truth is that some old co-operatives have revitalized to survive the liberalisation process while the insolvent and non-competitive ones have been abandoned (Wanyama, et al., 2009).

A large number of case studies the researcher has included in this study reveal some agricultural co-operatives that have survived all three periods of co-operative development in Africa continent. Some co-operatives have survived the extremes of state control, market liberalisation and globalisation. The most significant issue is that neither the state nor the market “rescued” these successful African co-operatives experiences (Wanyama et al., 2009).

Prior to the inauguration by the International Co-operative Alliance (ICA) in 1995 with the adoption of its statement on co-operatives identity, and the subsequent adoption of International Labour Organisation ‘recommendation 193 of 2002’ concerning the promotion of co-operatives, and defining co-operatives as having their own principles, values and attributes, a large number of African governments have been trying to redefine the relationship between the states, markets and co-operatives (Satgar and Williams, 2008). New national legislation for co-operatives have been passed in many African countries in line with the international standards emphasising autonomy, independence, and dynamic member-based and member-driven co-operatives to emerge on the African continent (Satgar and Williams, 2008).

In this section, the researcher document highly successful co-operatives in African continent in order to demonstrate that they can work and to try to show the necessary support environments. The ICA study shows that co-operatives are successful in all corners of the world (ICA, 2007). In much of the world the impact and success of agricultural co-operatives is better measured based on its social impact, rather than simple turn-over (Satgar and Williams, 2008).

Satgar and Williams (2008) set out the successful co-operatives based on 4 criteria: (1) the extent to which co-operative principles and values inform the working and life of the co-operative; (2) is a minimum of 5 years old; (3) has the capacity to meet objectives; and (4) the wider impact on the community. The Co-operative and Policy Alternative Centre (COPAC) study based on ICA and ILO criteria over a period of one year. Satgar and Williams (2008) found the following successful co-operatives:

**10.4.2 Oromia Coffee Farmers Co-operative Societies Union (Addis Ababa, Ethiopia)**

The Oromia Coffee Farmers Co-operative Union established in June 1999 with 35 coffee co-operatives representing 22, 691 members. By 2007 this agricultural co-operative had grown to 129 coffee co-operative societies denoting 128, 361 coffee farmers. Oromia co-operatives were among the first fair trade and organic certified coffee co-operative in Ethiopia. This agricultural co-operative is one of the largest coffee estates in Ethiopia, producing a significant share of the country’s coffee, and have proven to be the backbone of the new co-operative movement.

The co-operative union was entirely funded by the primary cooperatives. The original share price was Birr 25, 000 (approximately US$2,800) per share. Because many co-operative societies could not afford that price, the share was lowered to Birr 10,000 (approximately US$1,100) per share. This agricultural co-operative has been able to survive through serious challenges. The price of coffee collapsed in 2000, pressing a lot of coffee farmers into desperate situation and many were not able to settle their loans.

The problem was increased by the fact that the coffee trade had been liberalised, opening the market to severe competition. Liberalisation also brought market failure because export licenses were given to exporters many of whom did not have enough money. These exporters then purchased the coffee on auction and finally issued bad cheques to the coffee co-operative societies. Following this, the farmers bore the brunt of this market failure, and the co-operative formed partly in response to this situation. The total area under coffee production is 236,842 hectares with individual farm size averaging one to two hectares. Although the 129 co-operative societies have the capacity to produce 142,992 ton of coffee, but the co-operative societies have had problems in accessing international markets and only 2% of their coffee is sold for export. The local coffee market is also severely competitive and Oromia sells approximately 50% of its coffee locally with the remainder sold at the auction.

The primary role of the co-operative union’s is to help the co-operative societies with the difficult market conditions, by establishing market linkages, ensuring certification standards, packaging and distribution and farmer development programmes. One of the major roles of the co-operative union is its marketing and distribution centre. The Oromia co-operatives have found it difficult to access international markets, and as such the co-operative union has thus targeted the fair trade and oversees organic markets where it has been successful.

With the fair trade labelling organisations (FLO) premiums the co-operative get an extra .10 US cents per kilogram. The FLO premiums are used directly for grassroots social services like clinics, schools, electrification, and portable water, etc. The rest of the surplus is divided on the basis of transparent formula with 70% going to the co-operative societies. The co-operatives pay the individual farmers 70% of the money received based on the amount of coffee the farmer delivered. A few co-operatives have also been able to pay their members dividends. However, majority of co-operatives reinvest the surplus into the co-operative.

As a result of the marketing and distribution roles, the co-operative has eliminated two to three middlemen, making the coffee channel from the farmer to the farmers’ co-operative to the co-operative union and the directly to the markets. The outcome is that a greater percentage of the profits go directly to the coffee farmers and their co-operatives. The co-operative union has currently built a processing plant. As a result of difficulties in penetrating the international market, the co-operative union has found a niche market in organic and fair trade markets.

Like all success cases in this study, the most important factor accounting for Oromia’s Co-operative is the high calibre of its leadership in both the board and the management. The commitment of the managing director and deputy and its members with highly skilled and incredible vision have played the crucial role in promoting Oromia’s coffee and in accessing the overseas markets.

Secondly, the Oromia co-operative society is democratic, holds General Assembly meetings in which every co-operative is represented and has voting rights. Board members can serve two terms after which they must step down. The co-operative has taken further step of internal audits to ensure proper management of the unions on regular basis. During annual general meetings membership ratifies the audit report, which is done yearly by a certified chartered accountant that is appointed by government.

The success factors include high managerial capacity, common vision, commitment of the board, farmers’ efforts, learning from experience through study tours to help them to understand strengths and weaknesses of different models and what must best work for their conditions, and talking to co-operative members several times and training them, better organising of production, sustainable ecological farming, and higher quality coffee, provision of technical assistance to members, advances loans to the members and other forms of assistance based on the members’ needs. Also, bottom up development, and widespread support from inception, and finally, the Oromia co-operative principles is grounded in the international co-operative principles, and sees these principles as one of its significant strengths.

Challenges include shortage of capital because the mainstream financial institutions are inaccessible to many coffee societies. Another challenge is the general lack of awareness and education around co-operatives, although members need training, but leaders, government officials and other stakeholders also need training. Furthermore, because of political situation government official frequently change positions which make it very difficult for the co-operative movement to establish long standing relations with government and to find serious allies and champions in government. Despite the above challenges, the Oromia Coffee Farmers Co-operative Union has had tremendous impact on hundreds of people’s lives in one of the poorest regions of the world without any government support. It is a shining example of a successful co-operative (Satgar and Williams, 2008).

**10.4.3 Heiveld Co-operative Limited (South Africa)**

Heiveld refers to the area in which the rooibos tea is grown and translates into English as “heather field.” Heiveld co-operative is registered as a primary trading cooperative, which is a particular type of agricultural co-operative. The members own or rent small-scale farms either individually or in groups and cultivate organic rooibos plants on their farms. They cultivate and harvest rooibos tea plants themselves. This co-operative has overcome many impediments such as access to land problems and meeting fair-trade market standards.

This co-operative penetrated to the overseas fair-trade market in 2000 when 12 small-scale farmers determined to pool their efforts together and formed a co-operative after a year of deliberation. The decision of these 12 people to form a co-operative was that two NGOs called Indigo and the Environmental Monitoring Group (EMG) successfully explained the strength and significance of a co-operative as it could serve to further help other small-scale farmers in the area and the broader community.

Furthermore, with the help of Indigo and EMG, they went on two tours to learn how small-scale co-operatives should function. This encouragement motivated them to form a co-operative. Since the formation of this co-operative in June 2000, it has gone through a lot of challenges, but it has emerged successfully. The co-operative has grown steadily from 12 members in 2000 to 51 members in March 2007. Another indication of its success is its capacity to market its tea in the overseas fair-trade market, which demands difficult and highly regulated control to ensure organic fair trade standards are maintained. The Heiveld co-operative has also created 100 downstream jobs. The co-operative is open to farmers of smallholdings of land or rent land in the South Bokkeveld region. The condition for one to be accepted as a member include adherence to the rules and regulations of co-operative, get organic certification that ensures organic farming on the land for the past 3 years, pay R100 subscription fee, and sign a production contract that guarantees the farmer will only sell his/her rooibos tea to the co-operative.

The success factor include the following: The Heiveld co-operative is a legally registered entity with the registrar of co-operatives. Its mission is to produce and market the finest organic rooibos tea at fair prices on behalf of their members thereby creating a better life for small-scale farmers and other less privileged members of the community. It is democratically structured, holds regular meeting and yearly elections for leadership positions. It has two full-time employees, who are responsible for day-to-day administration, financial accounting, and marketing of the co-operatives. The co-operative has tea court, two tractors, one truck, and office equipment which include 2 computers, a fax machine, telephones, printers and a photocopier. The 5 member board monitors the overall co-operative and hold weekly meetings with the administrators.

The co-operative has both illiterate and educated members. The locally-based NGOs, Indigo and EMG support the co-operative in establishing links with academic research institutions, securing financial assistance from foreign donors for crucial implements, marketing and acquiring organic certifications and linking with fair trade organisations of the north.

**10.4.4 Kagera Co-operative Union (Kagera District, Tanzania)**

Kagera Co-operative Union (KCU) is an agricultural co-operative that has managed to overcome serious challenges in the 1990s. This co-operative has kept 125 societies with 60,000 members as its base throughout the liberalisation. In addition to the 60,000 farmers that have benefited from the co-operative, KCU has further employed 200,000 people through downstream jobs and approximately 40, non-member farmers. The negative conditions created by liberalisation changed the activities for KCU. Coffee price fluctuations and competition from private buyers who were trying to buy coffee directly from KCU farmers meant the co-operative had to change speedily to the changing conditions or risk the threat of closure. KCU identified the opportunity in the niche ethical markets of the north and became the first Fair Trade and Organic certified co-operative in Tanzania.

The main function of KCU is to cater for its primary societies. Its primary role is to collect and sell coffee for its members. Coffee market is complicated affair, because coffee is one of the traded commodities in the world making coffee prices to fluctuate unexpectedly within one day. With liberalisation the market became more difficult to penetrate because the co-operative unions were competing with private buyers including multinational corporations and have tremendous capital at hand. These private buyers approached the farmers and purchase coffee with instant payment. KCU raised capital and offers farmers slightly higher prices for their coffee, which forces the private buyers also to pay higher prices.

While some farmers might sell to private buyers periodically, majority persistently sell their coffee through KCU. KCU disorganises the market and weakens the solidarity of private buyers. KCU make sure farmers comply with fair trade and organic requirements in the growing and harvesting of coffee. The co-operative maintains transparency and farmers receive approximately 75% of the net profits.

The success of KCU lies in the calibre and commitment, innovative and capable leadership of KCU. The co-operative embraces democratic decision-making processes and ensures transparency in the organisation. The General Meeting approves a levy that must cover all costs of the KCU, give accounts to show how it has spent the past year’s money, and approves the amount of money the union is allowed to borrow and the maximum liability it can incur. The board members see to the day to day functioning and the strategic vision of KCU. The co-operative welcomes competition due to the fact that competition has helped KCU to survive and persistently innovates. The small-scale farmers of KCU are inherently fair trade and organic, and maintain good agricultural practices in accordance with EU standards.

KCU sees corruption and misuse of funds as a constant threat, but sees the democratic and transparent processes in the primary co-operatives and KCU as the best way to challenge corruption. KCU has a special child fund for farmers who need help paying school fees. KCU has survived without any government support.

In his study entitled “Agricultural Cooperatives and Farmers’ Organization-role in rural development and poverty reduction” Pinto (2009) presents a few examples of initiatives which revived traditional cooperatives into a new generation cooperatives (Social Movement), and these are found in the following section.

**10.4.5 Githunguri Dairy Co-operative Society: Africa**

Githunguri Dairy Co-operative Society (GDFS) was founded in 1961. Until early 1990, the GDCS excelled in its production and marketing of milk to Kenya Creameries Cooperative, a state controlled marketing agency, formed in 1931 which later could not cope with competition upon liberalization of markets.

There were a lot of alterations pertaining to the access of livestock services and marketing which greatly affected the roles of dairy cooperatives. This situation led to a reduction in membership and low productivity, low milk intake, low prices, delayed payments mismanagement and crushed capitalization. As a result most farmers went through financial problems. GDFS receive assistance from donors from 2002 to 2007 which empowered them to embark upon self-organizational assessment, visioning and strategic planning activities.

They came to realize that the only way to survive and be competitive to withstand their competitors was high quality, processed, farm fresh dairy products. An investment credit was obtained from OIKO Credit and the East African Development Bank as a result of strategic planning and feasibility studies.

Furthermore, training programmes were organized for Leaders and Managers, and development of cooperative business plans and policies were put in place. Membership education, regular inspection of membership duties, responsibilities and accountability, and good farming practices were adopted. A diary process plant was officially installed by the end of 2004, and by 2008 GDFS was one of the top three processors of milk in Kenya, controlling over 6% of market volume in Nairobi.

Another important result was an increased in membership by 77%, that is from 6065 in 2004 to 10, 742. An increased in share capital has been observed as 103% from SEK 7.3M to 14.8M. Moreover, a significant turnover improvement by 164% from SEK 44m in 2004 to SEK 116.7m has been achieved by 2008.

The high degree capitalization and retained earnings has ensured an increased in the processing plant from 130,000 litres of milk/daily. 37 Farm Input Stores are functional, and spread out in the zone. Producers receive double the average price of every 2.7/litre received outlets. A savings and credit cooperative has been put up to make financial management an easy going.

**10.4.6 Malawi Lake Basin Programme: Africa**

A new generation cooperative movement was organized by the Farmers’ Union of Malawi (FUM) and Malawi Union of Savings and Credit Cooperatives (MUSCCO) in the early part of the year 2006. In order to capture the benefits of collaboration, the individual organizations signed an agreement with the National Small-Scale Farmers’ Association of Malawi (NASFAM) to form a united consortium.

In collaborative with the Swedish Cooperative Centre (SCC), the consortium implemented the Malawi Lake Basin Programme. The programme is coordinated, governed and controlled through a consortium board in such a way that each organization has one vote. Each individual organization brings its specific experience and skills to the table as follows: FUM in national advocacy on agriculture issues, NASFAM in marketing issues, MUSCCO in member-driven financial services, and SCC is responsible for working farmers’ organizations.

The collaboration between the various organizations has allowed deeper partnerships and negotiation of positions. The major concern of the group is prioritization to achieve the best solutions in every venture, and not competition with one another. The Malawian organizations have become united in collaboration to such an extent that FUM and Nasfam work together as the groups’ advocacy and lobbying task, which would not have been in a few years ago.

Another great achievement is that the first stage of Malawian Lake Basin Programme has been evaluated in the later part of 2008 with a conclusion that the programme is highly relevant. With successful innovative strategies, poverty reduction in Malawi has been achieved with great success. The programme has greatly fortified the capacity of the Malawian Organizations and Farmer Cooperatives. The Consortium has provided an interesting model for collective learning.

**10.4.7 Small-Scale Farming in Arusha, Tanzania**

The Farmers’ organization called Mviwata in Arusha, Tanzania, in collaboration with small-scale farmers and livestock keepers, (incuding 80% women) has been able to enhance household incomes and improve food security through environmentally-friendly improved production and marketing of crop and livestock products.

The outcome of this great achievement was spearheaded by collaborative and income generating activities including the construction of grain storage facilities, poultry farming, bee keeping, animal skin collection and processing, tree nurseries and vegetable growing. Several members of the society have engaged in farming activities as a result of unfavourable climatic conditions. The task has greatly reduced vulnerability, and at the same time the climatic changed has been fortified.

**10.4.8 Organic Producers Association of Zambia**

The Organic Producers and Processors Association of Zambia (OPPAZ) is another success case as a result of collaboration. In the first place tha association contributed to poverty reduction among small-scale organic farmers of Zambia by raising their income through the regular payment or instalment generated from the sale of organic products. This achievement was made possible as a result of market accessibility, quality improvements and increseases in production.

The development in the welfare of the (farmers) ended in arousing interest among non-practicing farmers who have since adopted organic farming technologies. The volume of production considerably increased for most organic products. Collaborative farmers’ including 140 females and 212 males were capable to retain their organic certification. In a nutshell, there was enhanced accessibility to remunerative organic markets. Cotton farmers received 20% premium and groundnut farmers increased their income level by 29.4 % between 2006 and 2008.

**10.4.9 Sustainable Development in the Tawahka Asangni Biosphere**

The new generation cooperative organization in Honduras has been working together towards the sustainable improvement of communities in the Tawahka Asangni Biospere. Organized collaborative work and special training in sustainable management and the use of natural resources has been achieved by the participants in the communities. Campaigns in cleaning, reduction of forest fires, installation of tree nurseries and reforestation of degraded areas and public places took place among the participants in the communities. The achieved results include increased in food production and family incomes. Staple grain crop production has been increased by 60%. Systems for productive diversification were executed in 17 communities using sustainable practices to include non-traditional products and agro-forestry systems for coffee and cocoa. The forest area, especially the water producing zones is being protected by the organized collaborative communities’ guards. Deforestation of primary forest caused by extensive cattle ranching and migrant farming hahits has been diminished by 75%, and illegal timber extraction has been reduced by 79%. At the moment 58 farms are operating with intensive production systems.

**10.4.10 North East Ghana Agricultural Co-operative (Kanshegu Women’s Group)**

Seventy percent of Ghana’s poor people live in rural areas and poverty rates are highest in the drought-prone northern areas. In these poverty stricken endemic areas women are among the worst affected. Research shows that women who are heads of household in rural areas are among the poorest 20% of the population-the poorest of the poor (IFAD, 1995; Ghana Living Standard Survey, 1998/1999). These poor women bear heavy workloads and typically work at least twice as many hours in the day as men do (IFAD, 1995).

From 1986-1995, International Fund for Agricultural Development (IFAD) assisted Smallhoder Rehabilitation and Development Programme enabled poor rural women in the area to improve their livelihoods by helping them form groups (agricultural co-operatives/farmer based organisations) to raise sheep and goats. IFAD (1995) reports that in 1994 a women called Alimatou, who live in Kanshegu, a small village in the district of Savelugu/Nanton in the northern region of Ghana, helped create the Kanshegu women’s agricultural group with nine other women to explore ways to improve their livelihoods and lift themselves out of extreme poverty.

Programme staff met with the group and suggested they raise livestock to improve their incomes and overcome poverty. Alimatou commented that “for us, it was a very strange idea because raising livestock was a task that is generally reserved for men”. “What really motivated us is when project staff explained how livestock production could increase our incomes and help us become economically independent.”

On pilot basis, the 10 women began raising 21 ewes and 2 rams. Later, the Women’s Group included goat-raising, at their owned expense. Some of the technologies and skills that the programme introduced to the women’s group included better animal feeding and housing systems. The group also learn how to keep accounts and records for their business. Improve breeds of sheep and goats were imported from neighbouring Burkina Faso and Cote d’Ivoire and given to the group at an exchange ratio of one improved to two local breeds (IFAD, 1995).

The goat and sheep business has helped women in Kanshegu have better living conditions, purchase food and clothes and pay for medicines and school fees for their children and build houses. This women group business has been able to survive and withstand competition despite market liberalisation with its associate cheap meat imports into the country.

IFAD’s report revealed that news of the Kanshegu women’s group achievements quickly spread, and the programme received numerous requests for support from other women’s groups in the region and eventually sponsored 39 groups in the Savelugu/Nanton district. IFAD study found that livestock increased and members of the various groups took initiative of building their own sheds or pens. Although the Smallholder Rehabilation and Development Programme closed in 1995, but the women’s groups and other communities continued and the group has been registered as a co-operative society. The programme further successfully pioneered the concept of women extension volunteers which released three improved varieties of cassava, which were the starting point for the subsequent nationwide Root and Tuber Improved Programme.

**10.4.11 Kuapa Kokoo Agricultural Co-operative in Ghana**

The case of Kuapa Kokoo Limited in Ghana also provides a compelling argument in favour of the fortunes of liberalization for gricultural cooperative development. Having witnessed the decline of the cooperative sector under state control, the pioneers capitalized on the opportunities that were created following the liberalization of internal marketing of cocoa in the Ghana to set up a market-oriented cooperative organization.

In order to achieve maximum advantage of the new economic environment, Kuapa Kokoo, which was started in 1993 as a limited liability company using a cooperative model, was changed into an entity best described as a mix of agricultural cooperative, a limited liability company and a trust.

With a membership of 45,000 spread across 1,650 village societies, it functions as a multipurpose cooperative union comprising of (a) a farmers’ union - a production cooperative; (b) Kuapa Kokoo Limited – a farmer owned private licensed cocoa buying company that serves as the commercial trading wing of the farmers’ union; (c) Kuapa Kokoo Farmers’ Trust – a trust company for managing premiums from sales of cocoa to companies abroad through fair trade; (d) Kuapa Kokoo Credit Union – a SACCO promoting savings and making credit easily accessible to farmer members; and (e) Day Chocolate Company – a chocolate manufacturing wing of the organization.

The agricultural co-operative has a three-tier structure of elected officials at the village society, area council and national executive council that supervise its management. Seven members of the cooperative are elected as officers at the village society level and they in turn elect three of their numbers to the area council. In 2006, there were about 28 area councils. The national executive council then elects four of its members to the board of Kuapa Kokoo Limited and another four to Kuapa Kokoo Farmers Trust. While these elected officials deal with the policy issues in the management of the organization, the day-to-day administration is the responsibility of employed professional management staff. The organization had 261 employees in 2006.

This sophisticated agricultural cooperative organization provides a useful model for production and marketing cooperatives. Several activities have seen the cooperative sell 38,000 tons of cocoa per year. The credit union attached to the cooperatives gives financial power to members to secure inputs and also take care of their financial problems.

Also, education and training by the Research and Development Department of Kuapa Kokoo has helped primary societies to constantly enhance the living conditions of farmers. In addition to engendering high bonding and solidarity among cooperative members, the village societies also provide community service in the form of potable water and school blocks (Tsekpo, 2008). A combination of these services could not be provided by a single cooperative in the era of state control.

**10.4.12 Success Factors Deduced from the Above Cases**

Prior research shows that despite the fact that the initial implementation of liberalisation measures resulted into undesirable consequences for co-operatives in a number of countries in Africa, largely due to the poor or inadequate preparation of the hitherto monopolistic organisations for the competitive market, liberalisation has served well the interests of co-operative development on the African continent (Wanyama et al., 2009). Wanyama et al. (2009) note that those cooperative structures that have been redundant in Africa due to their inability to address the interests of the members are increasingly being abandoned and/or replaced by new ones while the old co-operatives that have adapted to the new environment come out stronger than they were before the liberalisation of the agricultural sector.

Like all the success cases of in this research government interference is greatly limited. The commitment of the leaders and the members were very great because they were the owners of their businesses and this affected their consecration and commitment. The managements have been very successful in translating their visions into firm commitments to the co-operatives and members. Training is mostly determined by the board and management and some co-operative sent members on study tours to learn about successful experiences in other places of the world. This helps them to understand the strengths and weaknesses of different models and what might best work or suit their conditions. These changes were easily made to improve success.

Majority of the successful agricultural co-operatives discussed in this study received no government assistance or limited government assistance. However, gaining governments support has not been easy at all for some of these co-operatives. For example, in Ethiopia, the co-operative movement promoters had to take key government officials on a study tour to Kenya and Tanzania where they visited the co-operative college and a number of co-operatives, before the promoters gain support from key government officials. This suggests that although it is good to seek for government support, but the agriculture co-operative should not rely on external support like subsidies and aids because external support is inherently unaccountable and volatile. For example Ethiopian government annually appoints a certified chartered accountant to audit Oromia co-operative societies.

Secondly, it could be observed that most of the successful agriculture co-operatives which have been examined in this study followed the social movement model and new generation agricultural co-operative structure or diverted to follow the social movement model. Smith (1984) attributed the initial success and breakthrough of Australian agricultural co-operatives to the formation of “farmer initiated social movement” in 1914. Smith (1984) asserted that the formation of political interest group of farmers to lobby the government on matters concerning the plight of farmers, as well as the farmers helping themselves economically led to the formation and success of Westralian Farmers Co-operative.

Also, the formation of the United Farmers Co-operative Company (UFCC) as a social movement in 1990s provides a great insight and inspiration to the motivation of this type of group action. The passionate language of the Chairman of UFCC to explain the circumstances facing farmers in the early 1990s demonstrates that it was possible to develop strategies to alleviate their situation and this strategy led to the success of UFCC.

The New Generation Co-operative structure was developed in 1990s to address the inherent problems of traditional agricultural co-operatives such as “free rider, horizon, portfolio, control and influence costs problems” (See 4.3.7). For example, NGC model allows Tatura Agricultural Co-operative to employ strategies that attract the necessary level of capitalisation to fund its innovation process. The NGC structure is designed to better promote the aggregation of start-up capital, and can enhance farmers’ competitive advantage in efficiently delivering quality assured product. Tatura Agricultural Co-operative solves its horizon problem through active membership outcome in the co-operative remaining an extention of farm business and this is encouraged by Tatura’s longer term view of its activities.

Furthermore, good governance is a strong attribute seen in the successful agricultural co-operative examined in the study. This is promoted by members wishing to take a more active interest or role in the affairs of the agricultural co-operative. This is made possible as a result of active membership criteria and wealth creating strategies found in the NGC structure.

Again, collaboration is an important factor in the cases examined in the study. Division of labour in the collaborative process allow an efficient operation system in the agricultural co-operative activities. For example, collaboration facilitate the supply chain of Label Rouge to be centred on a group of poultry farmers with associate upstream production (breeding, hatchery and feed mill) and affiliate downstream (processors and distributers). Collaboration between the farmers and the organisations promote deeper partnership and negotiation of positions that ensured success in the cases of agricultural co-operatives. Example is Malawi’s Lake Basin Programme.

Moreover, Good Leadership is one of the main attribute found in the cases of successful agricultural co-operatives in the study. The high calibre of good leadership in both the board and Management, common vision and the commitment of board, members, management and the farmers helped Oromia Agricultural Co-operative to be succeeful.

The legality of the agricultural co-operatives and democracy – that is whether or not the co-operative is registered with the registrar of co-operatives and embraces democratic decision-making processes. In all cases the successfulness of the agricultural co-operatives ensured transparency in their operations. For example, the success of Kagera Co-operative Union (KCU) is embedded on the fact that it sees democracy and transparent processes as the best way to challenge corruption, and sees corruption and misuse of funds as a constant threat.

All the successful agricultural co-operatives which have been examined in the study faced competition that strengthened them to be innovative and diversified. For example, KCU welcomes competition due to the fact that competition has helped KCU to survive and persistently innovates.

Another important success factor characterised the successful agricultural co-operatives around the world is a shift from unifunctional activity to multifunctional activities as demanded by the co-operative members as well as the market forces (Wanyama et al., 2009). For example, the Menshat Kasseb agricultural co-operative in Giza, Egypt, for example, does not only process and market members farm produce. It also provides training courses, home economics lessons to female members, health care and special assistance to small and poor farmers (like subsidised shipping of produce to markets). The new and emerging agricultural co-operatives are inclined towards defending the individual and collective interest of the communities they represent (Defourny et al., 2001).

Some agricultural co-operatives in Ghana, Kenya and Egypt are diversifying their activities by venturing in the fields of saving and credit. Example is Kuapa Kokoo Co-operative in Ghana. For a Poultry Farmer’s Movement/Social Movement to be competitive in this era of liberalisation there is the need for diversification undertakings to produce different kinds of birds, processing activities and many others. The secret of success of some agricultural co-operatives is that they process their products so that their products will always remain on demand, and also avoid wastage. The activities of such co-operatives are in tandem with the new market economy and liberalisation, and they tend to respond to their impending needs in order to gain access to the poorer segments of the society. Others try as much as possible to reach out or follow-up members who would otherwise be excluded from the co-operative.

**10.4.13 Factors That Impede Success in Social Movement or Agricultural Co-operatives**

Several studies have shown that there are many inherent problems in traditional agricultural co-operative structure that impede success. These include “free rider” problem as a result of common property ownership. This problem takes place when new members straight away enjoy similar benefits as long standing members. External “free rider” problem occurs when outsiders or independent members benefit from the collective efforts and contributions of the co-operative members without any contribution in the costs incurred by the co-operative members (Fulton, 2001; Cook, 1995).

Two, another problem is the “horizon problem” which takes place from a discrepancy in some agriculture co-operative members’ expected membership period and the time frame required to gain from the future investments engaged in by the co-operative. In this situation members who want to go on retirement would not be zealous to contribute for co-operative funds into projects that would not achieve financial benefit for themselves, although the suggested investment might be a great advantage for the group (Cook and IIiopoulos, 2000). In this circumstance, some of the members, especially those who want to retire may ask for co-operative surpluses to be directed back to members as refunds, instead of investing it for the promotion of the agriculture co-operative ventures.

This problem can seriously affect a co-operative business of capital for future investments (Cook and IIiopoulos, 2000). This problem may cause the agricultural co-operative to become weak in performance and effectiveness (Cook and IIiopoulos, 2000).

Thirdly, another problem is the “portfolio problem” which normally occurs when some of the members’ personal strategies for risk taking are different from the suggested strategies of the management. This problem particularly creates interpersonal jealousies (Key and Rusten, 1999), mistrust between farmers (Masakure and Henson, 2005), membership driven agenda (Stringefellow et al., 1997) among those who have a different side views and profiles leading to bureaucracy (Cook and IIiopoulos, 2000).

Costs of control problem is connected to the principal agent theory that investigates the difficulty of inspiring the agent to act on behalf of the principal to make the best use of principal’s goals for agricultural co-operative business. As a democratic organisation, agricultural co-operatives require the active participation of its members. Each member has an equal voice in promoting management affairs. Since the benefits of the agricultural co-operative business are divided equally among the members there is little motivation to members to accept management positions.

As a result of the problem of costs control in agricultural co-operatives there is a concern with lack of measures to examine its achievements. The absence of measurable indicators in agricultural co-operative business is deemed to impede management from achieving high level of management skills.

“Influence costs” problems may occur in agricultural co-operative as it can create multiple and conceivable conflicting objectives. The wider the operations and activities of agricultural co-operative the greater the chances to influence higher transaction cost occurrences (Stockbridge et al., 2003). The influence cost problem may take place when the interest of co-operative members’ becomes incompatible to influence membership misunderstandings (Cook, 1995; Stringefellow et al, 1997). The different groups may wish to have influence and authority over co-operative strategies and management for self-developed motives which can be disadvantage and destructive to the financial status of the agricultural co-operative (Cook, 1995).

Cook and Chambers (2007) argue in their work on organisational life cycle that agricultural co-operatives /FBOs that are formed to pursue “defensive” purposes are likely to be short-lived. The above researchers defined defensive organisations as those that require fewer internal contributions and receive more external support such as subsidies, aids and other support, but their life cycle is also a more short lived because external support is inherently unaccountable and volatile. On the other hand, offensive organisations rely more heavily on internal investment made by members themselves and are usually more sustainable in the long run, due to active engagement in the market (Cook and Chambers, 2007).

The study conducted by Salifu et al. (2010) entitled “the review of collective action in rural Ghana revealed that memberships are often small and pretty homogeneous in Ghanaian farmer based organisations and agricultural co-operatives. For 16 out of 18 groups examined by the above authors they realised that membership size was less than 70 members, except in only two cases they did encounter larger memberships of 192 and 720. They emphasised that in most cases the agricultural co-operatives were formed by members from the same community or from neighbouring areas.

The above authors commented that kingship system associated with nonprofessional ties appears to be a major reason for participation in agricultural co-operatives or FBOs in Ghana, and members also appeared greatly homogeneous in terms of income and assets (example land, livestock etc) owned. Prior research shows that small and homogeneous agricultural co-operatives are as common in Ghana as in many other Sub-Saharan countries (Salifu et al., 2010). Research shows that in Ethiopia agricultural co-operatives have less than 100 members who are typically “better off” from a socioeconomic point of view and live in rural areas with high potential for agricultural production and commercialisation, and tend to institutionalise peri-urban elites and marginalize the “poorest of the poor” (Francesconi and Heerink, 2009; Bernard and Spielman, 2009; Bernard et al., 2008).

Since leadership skills are limited in rural Ghana their written constitutions and other proofs such as by-laws, rules of conduct etc., appeared vague or incomplete in defining the property and decision rights of members and often missed addressing key issues related to exit or entry procedures (Salifu et al., 2010). The major difficulty associated with collective action is the vaguely defined property and decision rights (Cook and Chambers, 2007; Sykuta and Cook, 2001; Chaddad and Cook, 2004) leading to uncertainty and tension within the group. Thus the members face very few incentives to invest in collective assets due to the fact that when they decide to quit the group they may not get anything back or that they may even be punished pointing to horizon problem.

Research shows that regardless of governance regimes, there are specific conditions at the market, social, or environmental level that ought to be in place for collaboration to emerge naturally (Salifu et al., 2010). In twentieth century, many scholars have generally agreed that “producer organisations” emerge naturally to confront market imperfections associated with monopoly power and asymmetric information (Staatz, 1987a; 1987b; Sexton, 1986; Sexton and Iskow, 1988). Prior research reveals that “user organisations” emerge purposely to protect social welfare, to better manage scarce resources rapidly and depleting common natural resources (Varughese and Ostrom, 2001; Meinzen-Dick, 2009).

Like many parts of Africa, Ghanaian agricultural co-operatives/FBOs are governed largely on egalitarian principles of “one member one vote” and “one member one share (Bernard et al., 2009; Francesconi, 2009). This explains that a lot of decision-making are democratically oriented, and as such economic contributions and benefits are equally shared among the members. Notwithstanding, strict egalitarian principles may at the initial stages appear fair, they usually denote major constraints to individual initiative and hence, affect collective entrepreneurship (Salifu et al., 2010).

The prevalence of equity principles in Ghanaian co-operatives allow progressive or active members to be naturally end up subsidising more opportunistic members (free riders) leading to social tensions in the midst of the agricultural co-operative members. On the other hand, equity principles may cause active members to refrain from investing their time or money in the group activities, generating underinvestment problem within the Ghanaian co-operative groups called “the portfolio problem.

Furthermore, when internal decision-making on the part of FBOs/agricultural co-operative are systematically made through general assemblies and democratic processes, it tends to be bereaucratic and costly, leading to “agency cost” problems or difficulties among the co-operatives in Ghana. Cook and Chambers (2007) assert that “whenever the degree of homogeneity of members’ socio-economic preferences is not aligned with the organisational framework, inefficiencies result in suboptimal performance and eventually the sustainable competitive advantage is forfeited.” Internal socio-economic preferences and bias can split as new members enter the group (change through bargaining) as well as due to the spontaneous development of individuals, households, markets, and communities over time (change through evolution) (Salifu et al., 2010).

On the other hand, as the distribution of property and the rights of control generate into efficiency, collective action weakens, and FBOs/agricultural co-operatives in Ghana by and by may turn into investor-owned firms.

Moreover, inefficiency in the distribution of property and control rights generates internal conflicts, which in the absence of resolute leadership can persist, and finally pushing the most active members to separate from the group (Karantininis and Zago, 2001). As a result this affect collective strength and general performance of the group, leading to exit, tinker, or reinvent (Cook and Chambers, 2007). Tinkering implies that no major decisions are made leading to procrastination and the organizations end up in a dormant stage. Also, exit of active members generates the group dissolution, and the reinvent option influence radical reshuffle with respect to both membership and rules governing the group (fresh start) (Salifu et al., 2010).

Since the poultry industry and other agribusinesses had relied on government subsidies for long time the sudden withdrawal of government supports had left the industries in shambles. Collective action and resource mobilisation ventures are needed among the FBOs/agricultural co-operatives in Ghana to enable them to avoid the pitfall of dependency.

For example, the retreat of the state and the emergence of private entrepreneurs in the marketing of agricultural produce resulted in the collapse of many co-operative societies and unions in Africa and other developing countries. As a result of private buyers of agricultural produce offering better prices and making instant or prompt payment to farmers for their produce, members, commitment, participation and loyalty to their agricultural co-operatives extremely declined.

Due to the fact that their members were receiving little incentive in the form of farm inputs, agricultural credit and bonuses from the co-operatives, all that members were looking for was buyers for their produce at a competitive price which the private entrepreneurs were offering relative to the bureaucratic, inefficient and at times costly co-operatives. The outcome was that members stopped to market their produce through co-operative societies.

Example, in Cape Verde the government had previously pronounced solemnly and subsequently the co-operative mode of production in the constitution, and controlled these organisations with a Marxist zeal, the sudden withdrawal of the government from co-operative affairs in the 1990s left the sector in shambles (Mendonca, 2007).

Cook and Chambers (2007) explain that defensive organisations rely more heavily on fewer internal contributions and receive more external support like subsidies, aid and other supports), but their life is more precarious since external support is inherently unaccountable and volatile. Salifu et al (2010) study found that some few groups in Ghana participate in agricultural co-operatives in order to gain access to external support only from either government organisations or NGOs. These supports include loans, subsidies and grants. A similar situation is found in many other Sub-Saharan countries (see Francesconi and Ruben, 2008; Francesconi and Heerink, 2009; Hoff and Stigglitz, 1993; World Bank, 2007, pg 154-155).

In order to answer the research question: “what alternatives are there to explore to enable the small-scale poultry industry to become competitive and grow?” It was decided to undertake a “strategic formation” of social movements (NGC) by organising the small-scale poultry farmers in a united forum to bundle their resources together in racing against their competitors in a collective action. Farmers’ voice can be heard through social movement (Pertev, 1990) and they would get a ‘bigger voice’ to lobby the government to initiate and implement policies in their favour. The above has shown how various agricultural co-operatives in the world (advanced and developing countries) has survived and succeeded in the era of liberalisation, as well as success factors and factors that impede success in agricultural co-operatives. The next section deals with the characteristics of respondents in relation to their intention to join the proposed social movement.

**10.5 Results of Analytical Cross-Tabulation**

**Table 56: Age of respondents in relation to their intention to join the Social Movement (Poultry Farmer Movement)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Age | Yes Social movement | No Social movement | Total |
| Poultry Farmers | Young (less than 33 yrs) | 30(28.6%) | 3(20%) | 33(27.5%) |
| Middle(33-47 yrs) | 52(49.5%) | 6(40%) | 58(48.3%) |
| Old (more than 47 yrs) | 23(21.9%) | 6(40%) | 29(24.2%) |
| Total | 105(100%) | 15(100%) | 120(100%) |
| Stakeholders | Young (less than 33 yrs) | 42(59.2%) | 1(25%) | 43(57.3%) |
| Middle (33-47yrs) | 20(28.2%) | 0(.0%) | 20(26.7%) |
| Old(more than 47 yrs) | 9(12.7%) | 3(75%) | 12(16%) |
| Total | 71(100%) | 4(100%) | 75(100%) |

The results of the cross-tabulations in Table 56 show the percentage distribution of the age of respondents in relation to their intentions to join the social movement. It could be observed that, of the poultry farmers who had intentions to join the social movement the majority 52(49.5%) belonged to the middle age group, whereas the least, 23(21.9%) were from the old age group. According to the above results, the middle age group (33-47 years) and the young age group (less than 33 years) were more likely to patronize the social movement than the old age group (more than 47 years) in the category of the small-scale poultry farmers (See Appendix, figure 48).

On the other hand, it could be noted that of the stakeholders that had intention to join the social movement the majority 42(59.2%) belonged to the young age group whereas the least, 9(12.7%) were from the old age group indicating that the young and the middle age groups were more likely to patronize the social movement (See Appendix 12, Figure 49).

Therefore the results suggest that it is advisable to start the social movement with the young age and the middle age groups because these age groups will be more malleable to change. The young and the middle age groups will obviously have more scientific orientation and consequently adopt the use of technologies.

Many reasons can be offered to explain the greater probability of the patronization of the social movement by young and the middle age respondents than the old age respondents. Firstly, older poultry farmers may have gained a considerable amount of experience and reputation from their past jobs and may be able to gather financial resources on their own to do their own poultry businesses. The older respondents over the years may have achieved previous good records and internally generated profit (Hall et al., 2004; Abor and Biepke, 2006) and may have acquired some properties to be used as collateral security to access bank loans to work on their own.

Also, some old age poultry farmers may have worked in the public sector and were more likely to use their pensions on their own businesses compared with the young and the middle age groups who rely on the savings of their earnings to boost their businesses.

Similarly, the old age stakeholders may have attained a considerable amount of experience and higher ranks in their professional jobs and may be more likely receiving dependable big salaries that cannot be compared to the young and middle age groups.

Furthermore, it could be assumed that as a result of higher ranks of some of the old age stakeholders they may find it too busy to be engaged in the social movement activities because of their busy working and time schedules.

**Table 57: Age of respondents in relation to their intention to contribute funds to support and secure the Social Movement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Age | Yes Financial Contribution | No Financial Contribution | Total |
| Poultry Farmers | Young (less than 33yrs) | 29 (30.5%) | 4 (16%) | 33 (27.5%) |
| Middle (33-47yrs) | 47 (49.5%) | 11 (44%) | 58 (48.3%) |
| Old (more than 47yes) | 19 (20%) | 10 (40%) | 29 (24.2%) |
| Total | 95 (100%) | 25 (100%) | 120 (100%) |
| Stakeholders | Young (less than 33yrs) | 42 (59.7%) | 1 (25%) | 43 (57.3) |
| Middle (33-47yrs) | 20 (28.2%) | 0 (.0%) | 20 (26.7%) |
| Old (More than 47yrs) | 9 (12.7%) | 3 (75%) | 12 (16% |
| Total | 71 (100%) | 4 (100% ) | 75 (100%) |

The need for funds in enhancing the competitiveness and growth of small-scale businesses has been recognised by many researchers (Abor and Biekpe, 2006; Berry et al., 2003; Kasekende, 2001). In social movement financial decision should be aimed at coherent objective of all members and judged according to how well it meets that aim. Contribution of funds to protect and secure the proposed social movement should be judged according to wether they create value, and how much. Also investment decisions are crucially a search for projects which are worth more than they cost to exploit and which thus create value.

It could be observed from Table 57 that, of the poultry farmers that had intentions to contribute funds to support the formation of social movement, the majority 47(49.5%) were found in the middle age group whereas the least, 19(20%) belonged to the old age group (See Appendix 3, Figure 40). Also, among the stakeholders who had intentions to join the social movement, majority 42(59.7) were found in the young age group whereas the least, 9(12.7%) belonged to the old age group (more than 47 years) (See Appendix 4, Figure 41).

**Table 58: Age of Respondents in relation to their intention to contribute funds towards the purchasing of equipment / machines to promote Social Movement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Age | Yes contribution to support buying of equipment/machines | No contribution to support buying of equipment/machines | Total |
| Poultry farmers | Young (less than 33yrs) | 30 (26.8) | 3 (37.5%) | 33 (27.5%) |
| Middle (33-47yrs) | 53 (47.3%) | 5 (62.5%) | 58 (48.3%) |
| Old (more than 47yrs) | 29(25.9%) | 0(.0%) | 29 (24.2%) |
| Total | 112 (100%) | 8 (100%) | 120 (100%) |
| Stakeholders | Young (less than 33 yrs) | 39 (59.1%) | 4(44.4%) | 43 (57.3%) |
| Middle (33-57 yrs) | 17 (25.8%) | 3 (33.3%) | 20 (26.7%) |
| Old (more than 47 yrs) | 10 (15.2%) | 2 (22.2%) | 12 (16%) |
| Total | 66 (100%) | 9 (100%) | 75 (100%) |

In social movement activities, members often face problems of achieving goals using the limited resources available to them. It is therefore advisable for members to deploy their resources to optimal effect and in augmenting those resources in order to achieve the goals of the movement. It could be observed from Table 58 that, of the poultry farmers who had intention to contribute funds towards the purchasing of equipment and machines to support the formation of social movement, the majority 53(47.3%) belonged to the middle age group (33-47 years) and the least, 29(25.9) (See Appendix 5, Figure 42). Also, among the stakeholders who had similar intentions, the majority 39(59.1%) belonged to the young age group (less than 33 years) (See Appendix 6, Figure 43). The expected relationship between the respondents’ intention to contribute towards the purchasing of equipment and machines to support the formation of social movement has been confirmed.

**Table 59: Age of respondents in relation to their intention to campaign against unfair competition facing the poultry industry**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Age | Yes Campaign | No Campaign | Total |
| Poultry Farmers | Young (less than 33yrs) | 33 (27.5%) | 0(.0%) | 33 (27.5%) |
| Middle (33-47yrs) | 58 (48.3%) | 0(.0%) | 58 (48.3% |
| Old (more than 47yrs) | 29 (24.2%) | 0(.0%) | 29 (24.2%) |
| Total | 120 (100%) | 0(.0%) | 120(100%) |
| Stakeholders | Young (less than 33yrs) | 43 (57.3%) | 0(.0%) | 43 (57.3%) |
| Middle (33-47yrs) | 20 (26.7%) | 0(.0%) | 20 (26.7%) |
| Old (more than 47yrs | 12 (16%) | 0(.0%) | 12 (16%) |
| Total | 75 (100%) | 0(.0%) | 75 (100%) |

The political system shapes decisions regarding the manner in which a country is organised. The political environment can heavily impact upon the operations of an industry and can offer opportunities and pose significant threats to an industry. Traditionally, the political system has been dominated by the politics of the country. It is therefore, advisable for producers and marketers to be aware of the impact of supra-state organisations and relations.

Bodies such as Economic Community of West African States (ECOWAS), Free Trade Associations, EU, World Bank, IMF, and WTO have been influential in shaping political policy across the borders of nation states. It could be noted from Table 59 that all the different age groups from the poultry farmers’ category and the stakeholders’ category had intention to campaign against the unfair competition from advanced countries poultry producers against the small-scale poultry industry in Ghana (See Appendix 7, Figure 44 and Appendix 8, Figure 45).

**Table 60: Age of respondents in relation to their intention to contribute their maximum quota to promote the growth of the poultry industry**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Age | Yes Contribution | No Contribution | Total |
| Poultry Farmers | Young (less than 33yrs) | 28 (28.3%) | 5 (23.8%) | 33 (27.5) |
| Middle (33-47 yrs) | 50 (50.5%) | 8 (38.1%) | 58 (48.3%) |
| Old(more than 47yrs) | 21 (21.2%) | 8 (38.1%) | 29 (24.2%) |
| Total | 99 (100%) | 21 (100%) | 120 (100%) |
| Stakeholders | Young (less than 33yrs) | 41 (59.4%) | 2 (33.3%) | 43 (57.3%) |
| Middle (more than 47yrs) | 20 (29%) | 0 (.0%) | 20 (26.7%) |
| Old (more than 47yrs | 8 (11.6%) | 4 (66.7%) | 12 (16%) |
| Total | 69 (100%) | 6 (100%) | 75 (100%) |

The important role that growing small-scale firms play with regards to the job creation and competitiveness have been noted by many researchers and policy makers in many countries (Storey, 1994; Beck et al., 2005; Davidsson and Henrekson, 2002).The counter-offensive defence strategy is reliant upon the ability of the industry to summon up sufficient resources to retake any lost market share and to retaliate effectively so that market share is taken from the attacker.

It could be seen from Table 60 that of the poultry farmers that had intention to support the growth of poultry industry, the majority 50(50.5%) belonged to the middle age group (33-47 years) whereas the least, 21(21.2%) belonged to the old age group (more than 47 years (See Appendix 1 Figure 38). Also, of the stakeholders that had intention to support the growth of the poultry industry, the majority 41(59.4%) hailed from the young age group (less than 33 years) whereas the least, 8(11.6%) belonged to the old age group (See Appendix 2, Figure 39). The results suggest that it is advantageous to start the social movement with the young and middle age groups.

**Table 61:** **Marital status of respondents in relation to their intention to join the Social Movement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Marital status | Yes Social Movements | No Social Movement | Total |
| Poultry Farmers | Married | 81 (77.1%) | 11 (73.3%) | 92 (76.7%) |
| Non-Married | 24 (22.9%) | 4 (26.7%) | 28 (23.3%) |
| Total | 105 (100%) | 15 (100%) | 120 (100%) |
| Stakeholders | Married | 59 (83.1%) | 3 (75.0%) | 62 (82.75) |
| Non-Married | 12 (16.9%) | 1 (25%) | 13 (17.3%0 |
| Total | 71 (100%) | 4 (100%) | 75 (100%) |

In this study non-married members include single (never-married,) legally separated, divorced, and widowed. It could be deduced from Table 61 that 154(79%) of respondents were married, whilst 41(21%) were non-married. The result of the cross-tabulation shows that 92 (76.7%) of the small-scale poultry farmers were married, whereas 28(23.3%) were non-married. On the other hand, 62(82.75%) of the stakeholders were married, whereas 13 (17%) were non-married. It is assumed that the intention of the respondents to say ‘no’ to the social movement will be dependent on their marital status.

It is predicted that being married as a poultry farmer/stakeholder will result in a higher percentage of respondents not intended to join the social movement. This may be due to greater responsibilities of marital couples; they have a spouse and may have children to think of when considering the need to join the social movement. Table 61 shows that out of the 105 small-scale poultry farmers that said ‘yes’ to indicate that they had intention to join the social movement 81(77.1%) were married, whilst 24(22.9%) were non-married. On the other hand, of the 15 small-scale poultry farmers that said ‘no’ to social movement, 11(73%) were married whereas 4(26.7%) were not married.

Moreover, of the 71 stakeholders that said ‘yes’ to social movement 59(83.1%) were married whereas 12(16.9%) were non-married. Also, of the 4 stakeholders that said ‘no’ to social movement 3(75%) were married, and only 1(25%) was non-married. Overall, 140 married and 36 non-married respondents had intention to join the social movement, whilst 14 married and 5 non-married respondents had no intention to join the social movement. Therefore, the results suggest that for the small-scale poultry farmers and stakeholders, intention to say ‘no’ to the social movement is not related to marital status (See Appendix 17 Figure 54 and Appendix 18 Figure 55).

**Table 62: Marital and Gender status of respondents in relation to their intention to join the social movement**

|  |  |  |  |
| --- | --- | --- | --- |
| Gender | **Do you want to join the social movement?** | | Total |
| **Yes social movement** | **No social movement** |
| **PF:** Married (male)  Non-married (male)  Total | 67(82.7%) | 6(75%) | 73(82%) |
| 14(17.3%) | 2(25%) | 16(18%) |
| 81(100%) | 8(100%) | 89(100%) |
| **SH:** Married (male)  Non-married (male)  Total | 55(84.6%) | 1(100% | 56(84.8%) |
| 10(15.4%) | 0(.0%) | 10(15.2%) |
| 65(100%) | 1(100%) | 66(100%) |
| **PF** Married (Female)  Non-married (Female)  Total | 14(58.3%) | 5(71.4%) | 19(61.3%) |
| 10(41.7%) | 2(28.6%) | 12(38.7%) |
| 24(100%) | 7(100%) | 31(100%) |
| **SH** Married (female) | 4(66.7%) | 2(66.7%) | 6(66.7%) |
| Non-married (female) | 2(33.3%) | 1(33.3%) | 3(33.3%) |
| Total | 6(100%) | 3(100%) | 9(100%) |

**PF-Poultry farmer; SH-Stakeholder**

The relationship of the marital status of the respondents and intention to join the social movement may differ for men and women. To examine this possibility another set of cross-tabulation was constructed to separate the gender inclusive married and non-married table into male and female tables in order to analyse the relationship between intention to join the social movement and the marital status while controlling for gender. An inspection of Table 62 shows that of the 81 male poultry farmers who said ‘yes’ to social movement 67(82.7%) were married and 14(17.3%) were non-married. Also, of the 8 males poultry farmers who said ‘no’ to social movement, 6(75%) were married whereas 2(25%) were non-married (See Appendix 42, Figure 79).

Furthermore, of the 24 female poultry farmers who said ‘yes’ to social movement, 14(58.3%) were married whilst 10(41.7%) were non-married, and of the 7 female poultry farmers who said ‘no’ 5(71.4%) were married, whereas 2(28.6%) were non-married (See Appendix 41, Figure 78). Overall, of the 73 married male poultry farmers, 67 said ‘yes’ and 6 said ‘no’. Also, of the 19 married female poultry farmers that took part in the study 14 said ‘yes’ and, 5 said ‘no’ to social movement. Therefore, it can be concluded that the decision to say ‘no’ to social movement for married male and female poultry farmers is not related to marital status, since the married male and married female farmers outnumbered non-married ones.

On the other hand, the result shows that of the 65 male stakeholders that said ‘yes’ to social movement, 55(84.6%) were married whilst 10(15.4%) were non-married. However, only one married male said ‘no’ to social movement, but none of the non-married stakeholders said ‘no’ (See Appendix, 44, Figure 81). Also, of the 6 female stakeholders that said ‘yes’ to social movement, 4(66.7%) were married whilst 2(33.3%) were non-married (See Appendix 43, Figure 80). A critical look at the overall results show that, of the 56 married male stakeholders, 55 said ‘yes’ to social movement, whereas only one said ‘no’ to social movement.

Again, of the 6 married female stakeholders, 4 said ‘yes’ and 2 said ‘no’ to social movement. Therefore, the results confirm that for the stakeholders’ males and females the intention to say ‘no’ to social movement is not related to the marital status, since, the married male and female stakeholders outnumbered the non-married ones.

**Table 63: Educational Level of Respondents in relation to their intention to join the Social Movement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Educational Level | Yes Social Movements | No Social Movements | Total |
| Poultry Farmers | None/Primary | 50 (47.6%) | 4 (26.7 %) | 54 (45%) |
| Secondary | 35 (33.3%) | 6 (40 %) | 41 (34.2%) |
| Tertiary | 20 (19%) | 5 (33.3%) | 25 (20.8%) |
| Total | 105 (100%) | 15 (100%) | 120 (100%) |
| Stakeholders | None/Primary | 3 (4.2%) | 0 (.0%) | 3 (4.0 %) |
| Secondary | 10 (14.1%) | 0 (.0%) | 10 (13.3%) |
| Tertiary | 58 (81.7%) | 4 (100%) | 62 (82.7%) |
| Total | 71 (100%) | 4 (100%) | 75 (100%) |

The result from Table 63 demonstrates the percentage distribution of educational levels in relation to the intention of respondents to join the social movement. The result shows that the small-scale poultry farmers who had intention to join the social movement include: None/Primary 50(47.6%), followed by respondents in the Secondary Educational Level 35(33.3%), and Tertiary Educational Level 20(19%) (See Appendix 23, Figure 60).

Also, among the stakeholders who said ‘yes’ to social movement, Tertiary Educational Level respondents were 58((81.7%), Secondary Educational Level were 10(14.1%), and none/ primary educational level respondents were 3(4%) (See Appendix 24, Figure 61). The result suggests that the decision or intention of the respondents to join the social movement is not related to the high levels educational status of the respondents in both categories.

The decision of an individual to undertake entrepreneurial activity is independently associated with his/her educational level (Van Der Sluis et al., 2003). However, the accomplishment of the entrepreneurial venture is directly influenced by the level of his/her education (Van Der Sluis et al., 2003).

Education is one of the key components of human capital needed for business success (Storey, 1994). Education generates cognitive skills (such as literacy and numeracy) which are useful in agriculture (Sharada Weir, 1999). Sharada Weir (1999) study on the effects of education on “Farmer Productivity in Rural Ethiopia reveals that at least years of primary schooling are required to have a significant effect upon farm productivity.”

The result suggests that the basic cognitive skills and the intellectual skills of the respondents may enhance poultry farm productivity directly by improving the quality of labour and the ability to adjust to disequilibria and through its outcome upon the propensity to successfully adopt innovations (Sharada Weir, 1999).

Also, since a greater part of the respondents have fair levels of education suggest that, popularization of the social movement would require less effort to motivate respondents to attract new start-ups and to adapt to new trends and rapidly changing technological or economic environment.

**Table 64: Employment Status of respondents in relation to their intention to join the Social Movement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Employment Status | Yes Social Movement | No Social Movement | Total |
| Poultry Farmers | Part Time | 50 (47.6%) | 3(20%) | 53 (44.2%) |
| Full Time | 55 (52.4%) | 12 (80%) | 67 (55.8%) |
| Total | 105 (100%) | 15 (100%) | 120 (100%) |
| Stakeholders | Part Time | - | - | - |
| Full Time | 71 (94.7%) | 4 (5.3%) | 75 (100%) |
| Total | 71 (100) | 4 (100%) | 75 (100%) |

Table 64 shows that of the 120 small-scale poultry farmers that participated in the study 53(44.2%) were part time poultry farmers, whereas, 67(56%) were full time poultry farmers. However, all the stakeholders were found in the full time category. Also, Table 64 shows that, of the 105 small-scale poultry farmers that answered ‘yes’ to social movement 50(47.6%) belonged to the part time group whilst 55(52.4%) belonged to the full time group. On the other hand, of the 15 small-scale poultry farmers that said ‘no’ to social movement, 3(20%) belonged to the part time group whereas, 12(80%) were found in the full time category. The findings are in consonant with Aboe et al. (2006) and Blackie (2006) reports.

As indicated in the Table 64, all stakeholders were full time workers. Of these, 71(94.7%) said ‘yes’ to social movement, whilst only 4(5.3%) said ‘no’ to social movement. The results suggest that since majority of the respondents said ‘yes’ to social movement it is advisable to start the social movement with the participants from both full time and part time groups (See Appendix 26 Figures 63 and Appendix 27, Figure 64).

**Table 65: Regional distribution of respondents in relation to their intention to join the Social Movement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Region | Yes Social Movement | No Social Movement | Total |
| Poultry Farmers | Greater Accra | 27 (25.7%) | 3 (20%) | 30 (25%) |
| Ashanti | 29 (27.7%) | 3 (20%) | 32 26.7% |
| Brong-Ahafo | 27 (25.7%) | 4 (26.7%) | 31 (25.8%) |
| Western Region | 14 (13.3%) | 1 (6.7%) | 15 (12.5%) |
| Northern Region | 8 (7.6%) | 4 (26.7%) | 12 (10%) |
| Total | 105 (100%) | 15 (100%) | 120 (120%) |
| Stakeholders | Greater Accra Region | 6 (8.5%) | 0 (.0%) | 6 (8.0%) |
| Ashanti | 29 (40.8%) | 1 (25%) | 30 (40%) |
| Brong Ahafo | 31 (43.7%) | 1 (25%) | 32 (42.7%) |
| Western | 3 (4.2%) | 1 (25%) | 4 (5.3%) |
| Northern | 2 (2.8% | 1 (25%) | 3 (4%) |
| Total | 71 (100) | 4 (100) | 75 (100%) |

Location of a poultry farm has a great effect on its growth. Many researchers in Africa confirm that businesses that are located in the rural areas have slower growth rate than those located in the urban centres (Liedholm, 2002; Sleuwagen and Goedhuys, 2002; McPherson, 1996). Hence, poultry enterprises located near or located in the urban centres are likely to grow faster than those in the rural areas. Liedholm and Mead, (1998) study of small and micro businesses in developing countries reported that location played a significant part in deciding the chances of survival of the businesses to such an extent that the businesses located in urban centres had a 25% larger chance of survival than those in the rural areas.

Furthermore, to keep distribution and transport costs down, and ensures availability of labour and other services, it is advantageous to establish poultry enterprises close to marketing centres and labour sources, with many of the largest operations within 50km of a capital city (ACMF, 2011). In establishing poultry enterprise, entrepreneurs look for locations where there is a nearby feed mill, guaranteed water supply, electric power supply, access for heavy transport for feed and live poultry, available labour and services, tradesmen, services men and veterinarians (ACMF, 2011).

Table 65 shows the regional location of respondents in relation to their intention to join the social movement. The results show that of the 120 poultry farmers that were involved in the study, 30(25%) were located in Greater Accra region, 32(26.7%) were located in Ashanti region, 31(25.8%) were located in Brong-Ahafo region, 15(12.5%) were located in Western region, and 12(10%) were from Northern region (See Appendix 29.1 Figure 66.1).

Also, of the 75 stakeholders who took part in the study, 6(8.5%) were located in Greater Accra region, 30(40%) were located in Ashanti region, 32(42.7%) were located in Brong-Ahafo region, 4(5.3%) were located in Western region and 3(4%) were located in Northern region (See Appendix 29.2, Figure 66.2).

The results also show that of 105 poultry farmers who said ‘yes’ to social movement, majority were from Ashanti region 29(27.8%), followed by Greater Accra region 27(25.7%) and Brong-Ahafo region 27(25.7%), and the remaining 14(13.3%), and 8(8%) belonged to Western, and Northern regions respectively. Of the stakeholders’ category, those who said ‘yes’ to social movement, the majority of 31(43.7%) were from Brong-Ahafo region, followed by 29(40.8%) from Ashanti region and then, 6(8.5%), 3(4.2%), and 2(2.8%) were from Greater Accra, Western, and Northern regions respectively. The expected relationship between those who had intention to join the social movement and those without intention to join the social movement seems therefore, confirmed.

**Table 66: Location of poultry farms in relation to the farmers’ intention to join the social movement**

|  |  |  |  |
| --- | --- | --- | --- |
| Poultry Farm Location | Intention to join the social movement | | Total |
| Yes Social Movement | No Social Movement |
| Located within urban area | 11(10.5%) | 3(20%) | 14 (11.7%) |
| Located near urban area (1-20km) | 60 (57.1%) | 5 (33.3%) | 65 (55.2%) |
| Located near main road or national highway (1-20km) | 27 (25.7%) | 4 (26. 7%) | 31 (25.8%) |
| Located within or near a capital town | 7 (6.7%) | 3 (20%) | 10 (8.3%) |
| Total | 105(100%) | 15(100%) | 120 (100%) |

Table 66 shows that the poultry farms located within urban areas were 11(10.5%), near the urban areas 60(57.1%), near the main roads or national highway 27(25.7%), and within or near capital towns 7(6.7%) (See Appendix 30, Figure 67). The result suggests that the surveyed poultry farms were located within the required areas since wholesale merchants and distribution centres are found in capital cities in Ghana (Aning et al., 2008).

**Table 67 Income Level of respondents in relation to their intention to join the Social Movement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Income | Yes Social Movement | No Social Movement | Total |
| Poultry Farmers | Low income (Below ¢ 500) | 68 (64.8%) | 6 (40%) | 74 (61.7%) |
| High income (Above ¢ 500) | 37 (35.2%) | 9 (60%) | 46 (38.3%) |
| Total | 105 (87.5%) | 15 (100%) | 120 (100%) |
| Stakeholders | Low income (Below ¢ 500) | 60 (84 .5%) | 1 (25%) | 61 (81.3%) |
| High income (Above ¢ 500) | 11 (15.5%) | 3 (75%) | 14 (18.7%) |
| Total | 71 (100%) | 4 (100%) | 75 (100%) |

Access to finance is one of the greatest problems facing the small-scale poultry farmers in Ghana. Lack of funds as a major obstacle retards the growth of the small-scale poultry industry, and greatly affects the income levels of the poultry farmers. The root cause of financing problem is lack of collateral security on the part of entrepreneurs to secure loans and credit in the banks (Binks and Ennew, 1996).

Table 67 shows the relationship between the income levels of respondents and their intention to join the social movement. One can see from the Table 67 that of the 120 poultry farmers that took part in the study, 74(61.7%) were low income earners, whereas 46(38.3%) were high income earners. Also, among the stakeholders, 61(81.3%) were low income earners, whilst 14(18.7%) belonged to high income group. It could also be seen that of the 105 poultry farmers that said ‘yes to social movement, the majority 68(64.8%) belonged to the low income group, whereas 37(35.2%) were from high income group. Among those 15 poultry famers who said ‘no’ to social movement’, 6(40%) were low income earners, whereas, 9(60%) were high income earners (See Appendix 20, Figures 57 and Appendix 21 Figure 58).

Furthermore, in the stakeholders category, 71 respondents said ‘yes’ to social movement whilst, only 4 said ‘no to social movement. Of the stakeholders who said ‘yes’ the majority, 60(84.5%) were low income earners, whereas 11(15.5%) were high income earners. Among those who said ‘no’ to social movement, 1(25%) was from low income category, whereas 3(75%) belonged to the high income category. The expected relationship between the income levels of respondents and their intention to join to the social movement seems therefore, confirmed.

**Table 68: Religious Background of Respondents in Relation to their intention to join the Social Movement**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Respondents | Religion | Yes Social Movements | No Social Movements | Total |
| Poultry Farmers | Christian | 92 (87.6%) | 14 (93.3 %) | 106 (88.3%) |
| Muslim | 13 (12.4%) | 1 (6.7 %) | 14 (11.7%) |
| Traditionalist | 0 (.0%) | 0 (.0%) | 0 (.0%) |
| Total | 105 (100%) | 15 (100%) | 120 (100%) |
| Stakeholders | Christian | 53 (74.6%) | 4 (100%) | 57 (76.0 %) |
| Muslim | 16 (22.5%) | 0 (.0%) | 16 (21.3%) |
| Traditionalist | 2 (2.8%) | 0 (.0%) | 2 (2.7%) |
| Total | 71 (100%) | 4 (100%) | 75 (100%) |

Religion is the human response to the understanding of something of power and authority which is supernatural and super sensory (Mandal et al., 2006). The religious beliefs, forms of worship, objects of worship and ceremonies of the people can influence any category of farming activity.

Table 68 above shows the religious backgrounds of respondents in relation to their intention to join the social movement. It could be observed from Table 68 that of the poultry farmers that said had intention to join the social movement, majority 92(87.6%) were Christians, 13(12.4%) were Muslims and none of the farmers belonged to the traditional religion (See Appendix 39, Figure 76). Also, of the stakeholders that had intention to join the social movement the majority, 53(74.6%) were Christians, 16(22.5%) were Muslims and 2(2.8%) were Traditionalists (See Appendix 40, Figure 77). The relationship between the religious backgrounds of the poultry farmers and the stakeholders seems therefore, confirmed.

**11.0 Recommendations and Conclusion**

The Figure below shows the necessary ingredients needed to start a social movement to ensure the production of economies of scope and size in the local small-scale poultry farming operations in Ghana in order to ensure competitive advantage in the local market.

**Figure 36**

Sources of Inputs (Feed mills, Breeders, VSD, Animal health (drugs vaccines,) hatcheries

Central Negotiation (Negotiate for credit and discount for inputs)

CO-OPERATIVE BODY (Comprising Elected members, and Executives and full time workers)

Central Marketing: Supermarket, Institutions (school, hospital, Food Vendors, Hawkers, Farm gates, Forces etc).

Commercial and Payment (Terms and payment)

**To Produce Economy of Scope and Size**

During the interviews with the small-scale poultry farmers and stakeholders’ one of the common themes which emerged out of their recommendations of the strategies that can make the small-scale poultry industry to become competitive was “*the formation of social movement.”* Some of the reasons for the above recommendation were as follows: “*In order to share the cost of production, increase production and produce quality and quantity poultry products at cheaper cost, in order to compete with imported poultry, and to avoid the risk of collapse of the poultry business.”*

It was also commonly recommended that “*the formation of social movement will enable the farmers to help themselves, advice themselves and impart knowledge and skills to one another in the areas that will benefit the poultry businesses.”*

Figure 36 above shows a design that has been created by the researcher to help the local small-scale poultry industry in Ghana to follow to organise a social movement. There are two options to start a basic social movement (poultry farmer movement) namely: (1) social movement (poultry farmer movement) for service and (2) social movement (poultry farmer movement) with facilities.

(1) Social movement (poultry farmer movement) for service can be started while negotiating with local/state government for abandoned farm implements, or other investors for support.

(2) Social movement (poultry farmer movement) with facilities can be started depending upon the initial capital or investment. At the initial stages it is advisable to begin with (social movement) agricultural co-operative for service, while negotiation for support before the social movement can proceed onto the co-operative with facilities.

It was reported by many interviewees that *“helps that the government and stakeholders can render to the poultry farmers and the poultry industry is to collaborate and work together with the farmers, support the industry with loans and subsidies, educate and support through advertising campaigns.”* This shows that negotiation with the government is always important and success can be possible.

**11.1 Social movement for service**

To ensure successful co-operative for service the following steps must be considered (See Figure 36 above):

1. Sources of inputs must be identified. Always negotiate for bulk quantities with discounts and credit. These include sources of feed-mill, breeding stocks, veterinary services, storage facilities, processing facilities, hatcheries, and transport systems. For example, Veterinary services are provided in Ghana by government free of charge. Bulk quantities of inputs should be negotiated with suppliers for discounts and credits to ensure cost-reduction.

2. Identification of central location in target areas or location (niche). For example, warehouses, sheds, or buildings with road networks, central market, electricity, telephone, water, and internet are the major priorities in the selection of central location or locations.

3. Identification of core group. These core groups include:

(a) Investors such as church members, church missionaries, traditional chiefs, local government, state government, cultural groups and other interest groups.

(b) Government agencies – Permit should be obtained from local, regional, and national government agencies for the purpose of registration, insurance, opening of bank accounts with rural banks, commercial banks and co-operative banks etc.

(c) Go-out Farmers (labour) – these include poultry farmers who will be supplied with inputs such as day-old chicks, feed, vaccines, veterinary services, transport and other important assistance to yield output. Such farmers must have land, shelter of their own or may be helped to acquire land or shelter. The output of the “Go-out farmer” would then be sent to the central collection point for onward transmission to the central market for sale. The advantages of being a “Go-out Farmer” (labour) is that such a poultry farmer is free from looking for funds, inputs, logistics, marketing, payment and pricing, and veterinary services while enjoying the surplus after he/she has performed the required labour. This allows the “go-out” poultry farmers to concentrate on the rearing of the birds alone to achieve specialisation in this aspect of poultry production.

(d) Staff – There should be at least one permanent staff at the central collection point that would be responsible for-day-today activities of the social movement to support the executives or managers.

4. Identification of central marketing including supermarkets, stores, institutions (schools, hospitals, and force workers etc), food vendors, and restaurant operators who will provide constant markets for the poultry produce.

5. Commercial Payment – negotiate for suitable terms of payment.

The figure below shows the vertically and horizontally integrated operation of the social movement with members from various socio-economic strata including: church members, missionaries, state/local government, traditional chiefs, cultural groups, interest groups, and politically interest groups and many others.

**Figure 37: Operations of Social Movement**

Breeder Farms

Veterinary Services

Feed-mills, hatcheries, storage facilities, transport systems, grinders &equipment

Central Location of the social movement

Central purchasing: drugs, vaccines, feed materials, implements, etc

INPUT

Individual members of various holdings or sizes

Central

Negotiation

Individual members

OUTPUT

Eggs, replacement pullets, old layers,

Cockerels, broilers, poultry products

Processed meat, ready-to-use parts etc.

Distribution and Commercial Payments

**11.2 Social Movement (Poultry Farmer Movement) with Facilities**

In order to organise social movement (poultry farmer movement) with facilities, it is important to ensure that social movement (poultry farmer movement) with services have been well established and gone a long way with an increased turn-out of at least fifty (50) membership. The following steps should be followed in order to ensure a successful social movement (poultry farmer movement) with facilities:

Firstly, aim to go in for government abandoned poultry farm implements or settlements. If the government settlements or implements are not available, it is advisable to rent the necessary inputs such as feed mill, hatchery, veterinary services, storage facilities, processing machines, etc. Porter (1980) comments that sometimes assets can be acquired very cheaply as a result of the company distress that is caused by transition to competitiveness or maturity. He pointed out that a strategy of buying liquidated assets can improve margins and creates a low-cost position if the rate of technological change is not too great. Through negotiation and co-operation with the poultry farmers, stakeholders and the government, “*the cost of production can be subsidised by the government to ensure that citizens get jobs to reduce urban migration, and also to ensure that citizens consume local poultry products.”*

Equipment can also be used at a bargain prices to cut cost down. Most of the successful agricultural co-operatives examined in this study received none or little government or nongovernmental organisations assistance (Satgar and Williams, 2008). However, gaining governments supports were not easy at all for some of these successful co-operatives. For instance some of the agricultural co-operative promoters in Ethiopia (Oromia Coffee Farmers) had to take key government officials on study tours to Kenya and Tanzania where they visited the co-operative college and a number of co-operatives before the promoters gain support from key government officials.

Secondly, approach Agricultural Development Bank (ADB) or Rural Banks for loans to renovate equipment and other facilities. Note: normally, the Agriculture Development Bank can request the agricultural co-operative to go for more negotiations to obtain 10 to 20 years for the repayment of the government abandoned implements or other assets. Usually, the government charges affordable rate of about half of the commercial interest rate. In order to enable the poultry farmers to produce poultry at lower cost many respondents recommended that “*the government can subsidised the prices of equipment such as hatcheries, produce feeds at a subsidised price or reduce cost of feeds, import more machines or establish government or state hatcheries to help produce more birds.”*

Other respondents recommended that “*the government can help train farmers well on how to detect infection or diseases among birds and how to treat it, and also train the farmers on the preparation and formulation of feeds.”*

Thirdly, approach Commercial Banks for working capital or for agriculture scheme loans. Literature review reveals that majority of successful co-operatives borrowed from banks and gave the funds to farmers specifically for farm improvements. At this level, it is supposed that the movement can employ its own veterinary doctor(s), accountant(s), and create employment avenues. The poultry farmer movement can also purchase its own land, hatchery machines, storage facilities, feed mills, transport systems, and other necessary equipment.

Many respondents also commented that “*through collaboration small scale poultry farmers can have access to cheap loans, processing plants or hatcheries and lawyers through negotiations with the stakeholders or the government.”*

Others also commented that “*the* *government can give financial support to farmers in order to increase production and educate the public on the need to consume more locally produced birds.”*

There are a lot of advantages to the members of a social movement (poultry farmer movement) and multiplier effects on the general economy. In the first place the social movement will create employment avenues for both skilled and unskilled labour, permanent and casual workers thus contributing to poverty reduction in Ghana. The literature review on the agricultural co-operatives around the world revealed that co-operative business contribution in terms of provision of employment or job creation in both advanced countries and developing countries cannot be overemphasised (Plunkett and King well, 2001; Tsekpo, 2001; Wanyama et al 2009; Mooney and Gray, 2002).

There are other multiplier effects such as outsourcing of labour, food canteen, transport and delivery system, payment of taxes and food production. By so doing, it will significantly contribute to the mobilisation and distribution of financial capital, create employment and income-generating opportunities, constitute a forum of education and training by setting up solidarity schemes to cater for unexpected expenses in times of sickness, social welfare and community support, as well as other socio-economic problems.

The adopted model is based on the New Generation Co-operative Structure but it can be modified to suit the Ghanaian situation. By recognizing the low income majority in the Ghanaian communities, the model seeks to operate or function among both poor and rich farmers. The model ensures that the “go-out farmers” and other members can join the co-operative even with a suitable fee, but receive surplus on the basis of their delivery rights, and once the required number of farmers are attained there is no room for free riders unless the management want to spread the tentacle of the businesses, or a member want to sell his/her delivery rights. In this way, the free rider problem is dealt with effectively in the business.

Secondly, the design ensures a central purchasing, central negotiation, central marketing, and central sources of inputs to facilitate easy administration and effective management among the co-operative body. Also, the application of social movement in this design is very significant in Africa situation where rules and regulations are often malleable as a result of corruption. Like the United Farmers Co-operative company, the design will enhance lobbying, and negotiations in favour of the Ghanaian community to help farmers and investors.

Furthermore, the membership and investment is open to homogeneous groups such as the church members, missionaries, cultural groups, local/state government and different kinds of people. This is different from the most of African small-businesses where kinship is the prerequisite for membership in farming businesses. The activities of this design can be viewed as a strategy to alleviate hardship, and can also be expressed as a farmer initiated social movement to promote success of other agricultural co-operative business structures in Ghana.

Moreover, the design is structured on vertical and horizontal integration where by niche markets will likely be served effectively through special links between the producers, marketers and consumers in Ghanaian communities. It was commonly recommended by the poultry farmers and stakeholders that *“the formation of social movement will facilitate poultry meat and poultry products to be supplied to the ‘niche’ including schools, hospitals, and organisations at lower costs and lower prices.”* The commitment of membership will also be stronger as a result of co-operation and unity, with one vision, one mission.

As a social movement this design has a shared characteristic of traditional co-operatives like democratic control, based on one member, one vote, and distribution of services based on the use of services or sales to the co-operative, and a board of directors elected by membership. However, unlike the majority of agricultural co-operative, this model enhances vertical and horizontal integration by focusing its activities and actions further along the supply chain (Stefanson et al., 1995).

To ensure a successful operation of the social movement an agricultural co-operative body must be formed to involve many people including local/state government, church members, church missionaries, farmers, Traditional chiefs, cultural groups, elected members and executives. Some of the executive members should work full time for the social movement. This type of co-operation is more advantageous than the kingship based agricultural co-operatives in some rural Ghana which yield partiality, nepotism and free riding to impede success.

Unlike the mechanical structure which typically arises in rural Ghana as a result of kingship system and homogeneity in terms of income and assets, the proposed design of social movement adopts new generation co-operative model structure which has two main distinct attributes that distinguish it from traditional agricultural co-operatives known as restricted membership and delivery rights (Stefanson et al., 1995).

Unlike the traditional structure where membership is open to all persons who are able to use their services and willing to accept the responsibility of membership, the new generation social movement membership is restricted to only those who purchase delivery rights shares (Stefanson et al., 1995). Unlike the traditional co-operative that accept new members on regular or continual basis this design of social movement is restricted once the targeted amount of delivery right shares are sold, thus defying the popular kingship and homogeneous system that prevails in Ghana and other Sub-Saharan countries leading to lack of investment, tensions and cohesions and unfruitfulness among group members and co-operative businesses.

Membership may change as a result of producers willing to sell some of their delivery rights shares but does not change the supply of commodity being delivered to the social movement of the agricultural co-operative (Stefanson and Fulton, 1997). During the survey, poultry farmers and stakeholders were asked several questions regarding their willingness to contribute funds and equipment for use by the proposed social movement and based upon these questions out of 195 participants, 166 people including 95 farmers and 71 stakeholders had intention to join the proposed social movement. This suggests that the farmers and stakeholders had intention to join the social movement for collaborative purposes.

The social movement is designed to be democratic with organised member-based agricultural co-operative in which every member has voting rights and board members can serve two terms after which they must step down. To ensure the success of the social movement, the poultry farmer movement must be a legally registered entity with the Registrar of Co-operatives/Farmer Based Organisations, and must be democratically structured. It is essential to choose core group members such as investors, and government agencies from local or regional government for permit and agricultural insurance, and the movement must also open account with the rural banks or commercial banks.

Unlike traditional co-operatives, the designed social movement (poultry farmer movement) will require members to make significant higher investment than for most traditional co-operative, since the movement must obtain between 30%-50% of its total capital requirements from selling shares. Usually, a minimum number of delivery rights shares must be bought in order to be eligible for membership. The main reason is that if members’ investments are worthwhile they tend to remain more involved and committed in the group activities than in traditional co-operative where members contribution is nil or minimal. Equity investment will also increase the likelihood of a return to the members at the end of the year due to reduce financing cost (Stefanson and Fulton, 1997).

In traditional agricultural co-operatives members contribute equitably to and democratically control the capital of the agricultural co-operative. When equity principles prevailed, active members inevitable end up subsidising other more opportunistic members leading to free riding problem, fuelling social tensions within the group, and alternatively causing serious members to refrain from investing material and immaterial resources like time and money in the group, leading to underinvestment (portfolio problem).

In contrast the social movement (poultry farmer movement) members will share in earnings according to their delivery rights, and higher equity contributions are required. To apportion the delivery rights and raise capital for the poultry farmer movement (social movement), shares will be sold in the co-operative. The “go-out” farmers or producers will be entitled to hold membership shares and this type of share will give the farmer the right to vote.

Members also will buy equity shares which are the means for raising sufficient capital needed to set up the production or processing plants. The number of equity shares for the social movement will be planned and calculated by dividing the cost of constructing the plant(s) with the quantity or the amount of the commodity needed to allow the processing machine to function at optimum capacity.

Equity shares in the social movement or the poultry farmer movement will give the members both the right and obligation to deliver a certain amount of poultry products such as poultry meat and eggs to the movement at a specific time. The use of delivery rights that will be bought by the ‘go-out members’ mean that their investment will be proportional to their use of the poultry farmer movement or social movement. Delivery rights shares serve as a two-way contract between the go-out farmers and the poultry farmer movement. Delivery rights obligate the “go-out” or producer member to deliver products on specific times to the social movement, and in turn the social movement is dedicated to accept delivery of the poultry products. Thus the social movement will assure poultry farmers (producers) of a market for their poultry in turn and the social movement a steady supply of its primary inputs to the farmers.

The delivery contract usually contains special quality standards. In circumstances where a poultry farmer is incapable to deliver as determined by the delivery contract, the social movement must otherwise purchase the poultry elsewhere to fulfil the delivery requirements. Otherwise the social movement will buy the needed poultry and charge the farmer the difference so as to ensure persistency in quantity and quality of poultry.

A distinct attribute of the equity share is that they are tradable and can appreciate or depreciate in value, leading to strong poultry farmer participation and control and the chance for capital gain in shares. Any patronage refunds that the social movement generates are distributed to members according to the level of poultry they will deliver to the social movement. Social movement will then share profits to members in proportion to their patronage. Usually, the profit generated from added-value activity or processed poultry into other products will be returned yearly to members as cash.

The third type of shares for the social movement will be the preferred shares. These preferred shares will allow investment in the social movement from non-producers like local community members in order to create a vehicle for the community to support and benefit from the social movement. However, preferred shares do not comprise voting rights, ensuring that poultry farmers keep control of the social movement.

Social movement have been instrumental in other benefits at the local community level. Examples include economic diversification within the community by shifting into new value added products (Cook and IIiopoulos, 2000; Ergstrom, 1994), assisting rural development by providing income and employment opportunities and strengthening of the rural communities that foster their operations (Holmes et al., 2001; Stefanson et al., 1995).

Nevertheless, to allow the social movement to efficiently provide these numerous and multiplier benefits at the community level, the economic success of the social movement must be its main focus. The NGC model is very instrumental to overcome the economic limitations of traditional co-operatives (Cook, 1995), their organisational structure (Stefanson et al., 1995), their historical development and ability to replicate the model in other locations (Bielik, 1999) and their assistance and support to rural economic development (Fulton and Ketilson, 1992; Holmes, et al., 2001; United States Department of Agriculture, 2002). The principally economic approach to the analysis of NGC is undoubtedly a development of the literature on the traditional agricultural co-operatives.

Several studies show that NGC is a better choice than partnership, incorporated companies, and joint ventures in the several ways. Especially, when equal membership control is important, a sense of co-operative effort is needed, when members would have a greater comfort level with the co-operative structure, and the co-operative structure is more easily explained and understood, and when community acceptance of the business is essential. Co-operatives have long standing commitment to education, local control and concern for local community and as such may be more acceptable to some communities than investor oriented firms (Stefanson and Fulton, 1997).

Many studies confirm that NGC is value added and advantageous (Stefanson and Fulton, 1997; Patrie, 1998; Stefanson et al., 1995; Fulton and Ketilson, 1992; Holmes et al, 2001; United States Department of Agriculture, 2002).

Social movement in the form of NGC has four key groups like the traditional co-operative as indicated by Stefanson and Fulton, 1997). Firstly, members’ as owner-users is the main reason why the NGC is organised. Secondly, the Board of Directors is a policy-making body elected by the members, who manages and oversee the NGC business affairs. The Board of Directors are trustees who make policies and negotiate with the government, nongovernmental organisations and other important bodies, report to members and give direction to the co-operative hired management, generally without involving in the daily operations. The third group comprise management who supervises and co-ordinates the day-to-day operations and are supervised by the board. The final group include the staff of the NGC, who report to the management (Stefanson and Fulton, 1997).

The adoption of social movement in the form of new generation co-operative structure is advantageous in several ways. Firstly, it is efficient due to the integration of production and processing, and members can alter practices at one step in relation to the other needs of the other, thereby improving the overall system. Like all the successful cases, the social movement will diversify into other processing activities and services for members such as wholesale shops for farming equipment, the sale and distribution of farming inputs and other necessary activities in order to survive.

Secondly, the control membership creates a stable business environment which increases efficiency. The design of the social movement in the form of new generation co-operative movement places great emphasis on members’ education about market conditions, the importance of strong co-operative and organic poultry meat production. Social movement will seek to eliminate bribes and corruptions within ranks and farmers will be encouraged to constantly question and interrogate the leadership. The leadership commitment to strengthen co-operative principles through the social movement activities will be greatly emphasised. The social movement embraces democratic decision-making processes and ensures transparency in the organisation.

Since the designed social movement will produce poultry to satisfy the market niche, market niche producers can gain ownership in further processing, and because delivery shares specify quality and production standards farmers can satisfy niche markets that require identity preservation and high quality. The leaders will ensure compliance with organic production and promote best farming agricultural practices in accordance with the national and international standards of poultry production, following a code of conducts that farmers’ or producers must comply with. Ultimately, power lies with the social movement and its members with the line of accountability following from the bottom up.

Another important advantage for the proposed social movement is that equity investment will increase members’ commitment, dedication and consecration. Also, tradable equity shares will create a capital base which will increase the attractiveness to other lenders and investors. Finally, the social movement will generate rural development and community investment and renewal in agricultural co-operatives.

On the other side, just like any other organisation the new designed social movement cannot operate without disadvantages. Some of the disadvantages include the following:

Firstly, while high quality poultry production should not be regarded as a disadvantage it can be a challenge for some poultry farmers. Secondly, a high level of initial investment that suits Ghanaian situation is required and this will serve as a hindrance to some rural farmers. There is a required fee which any person who wants to join the new social movement is obliged to pay before the person can be accepted as a member. This will make it difficult for poor farmers to join unless they receive support.

Furthermore, unlike the traditional agricultural co-operatives higher levels of risk are involved, and therefore a failure can result in a substantial loss for investors. Also, a higher level of expertise is needed in the processing side of the venture, both in management and marketing. It can be a challenge in terms of funding and attracting this level of ability.

The major disadvantages include restricted membership and delivery rights. Many researchers argue that the restricted membership put much pressure on the members, especially if the required delivery rights are not achieved (Stefanson et al., 1995).

However, it can be argued that this model is worthwhile due to the following advantages: Firstly, the restricted membership generates commitment for people who need business to join and discourage those who are not sincere. Secondly, with respect to fee, the model will be modified in Ghanaian context to accept a suitable fee to ensure that both poor and rich people benefit from the proposed social movement.

**Figure 38 : The Structure of Proposed Poultry Farmer Movement (PFM)**

GHANA POULTRY FARMER MOVEMENT IN MEMBERSHIPS

POLICY COMMITTEE

POULTRY PRODUCTS COMMITTEE

GENERAL CONFERENCE

CONSTITUTION AND MEMBERSHIP COMMITTEE

REGIONAL REPRESENTATIVES

EXECUTIVE COMMETTEE

BUDGET AND FINANCE COMMITTEE

SECRETARY GENERAL

SECRETARIAT IN GHANA

* Preparation of meeting and conferences
* Relation with intergovernmental organizations and NGOS
* Development Programmes
* Publications & Documentations
* Administration & Finance

**Source: Compiled by the Researcher**

Furthermore, it was found that government subsidies contribute to competitiveness of poultry industry. Government should therefore enhance consumption of local poultry meat and eggs through the provision of subsidies, incentives and awards and support the farmers to work in groups. By so doing the prices of poultry products will be cheaper and affordable. This will make the consumers to patronize the local poultry meat and eggs to increase consumption, and consequently the competitive advantage of the poultry industry. Many farmers and stakeholders recommended that *“in order to increase consumption of local poultry, government should supply abundant poultry inputs (feeds, hatcheries, processing plants etc) at subsidised prices to ensure quality and quantity poultry at lower cost and lower price.”* It was emphasised that “*low prices will help Ghanaians to eat more of local poultry.”*

Government should subsidize poultry inputs such as feed and drugs which constitute the greater proportion of the costs of poultry production in the country. Other inputs like hatcheries, feed-mills, processing plants, mixers, grinders etc, should also be subsidized by the government to reduce the costs of production. Government should promote the production of maize, sorghum and fish etc, since these ingredients are used in the preparation of feed for poultry and support these farmers also to work in collaboration in order to enable them enjoy the benefits of co-operation.

Secondly, government should either place a ban on poultry imports or increase tariffs on importation of poultry meat to regulate the influx of sub-standard poultry meat into the country through negotiations with the World Bank and IMF. During the interviews many farmers and stakeholders suggested “*that government should increase tariffs on imported poultry meat so as to improve the competitiveness of the local poultry industry and also the government should subsidise the production of poultry and help the farmers to join the social movement or new generation co-operative so that the poultry industry should be competitive in a long run”.* Promoting local poultry production for domestic consumption, or for export in the future has a multiplier effects including the creation of jobs, support the growth of new sectors, contribution to social welfare and public finances. On the other hand, when the poultry industry collapses, the consequences will be widespread and go well beyond the poultry sector which is directly affected.

Thirdly, there is the need for the farmers and stakeholders to form a social movement to enable them work together, lobby the government, and enjoy other benefits of cooperatives, such as strategic cost-reduction, access to cheap loans/credits, economies of scale, access to lawyers and poultry management experts, good accountability, and the ability to spread the risks among group members. This will enhance good farming practices, quality improvements, and cheap poultry products to attract consumers in great numbers. Many interviewees commented that “*farmers should form social movement so that they can push their resources together to produce economy of scale and size at lower costs and lower prices to achieve large market share.”* Others also said that *“this will enable them to get one voice to lobby the government and put their request through to the government.”*

Sub-standard quality products must be eliminated, since collaborators often seek to produce quality products. The SM/PFM should engage in cooperative advertising campaign to enhance consumption, since consumers are likely to patronize the cheap, but quality poultry products. Many respondents commented that “*advertising campaign will ensure that the public and consumers are well educated to admire the good taste and health of the local poultry and thereby consume more of local poultry.”*

The group can also embark upon education and training of poultry farmers in order to capture the new trends and technology in the poultry industry in order to regain and maintain their market share. Government should therefore encourage veterinary and extension agents through provision of incentives such as in-service training and scholarship, exchange programmes, and better salaries so that they could in turn train the poultry farmers.

The Government should encourage the poultry farmers to improve their education by establishing Poultry Technical Colleges and adult literacy programmes in all regions, especially in rural areas within the reach of poultry farmers. Respondents in both categories emphasised greatly on the importance of education and training in order “*to keep and maintain birds in good condition and overcome poultry diseases such as Newcastle disease, and also achieve the standard for bi-security practices in poultry production.”*

Fourthly, poultry farmers in a given locality should pull their resources and skills together to form a social movement. Within the members of the social movement they should allow more job specialization such as poultry-feed producers, hatchery companies, processing associations, producer education, breeding specialists, pullet-raising and marketing of poultry products to ensure a lasting and permanent social movement. Almost all farmers who had intention to join the social movement mentioned what they can do to support the group including: “*serving as a resource person, serving as a liaison between the group and other contacts, give productive ideas to help other members in the group, leadership role through education and training, payment of money to support the group, share ideas, skills, experiences on how to manage and produce effectively etc.”*

The SM will ensure a regular supply of cheap feed, cheap chicks, cheap processing of their birds, ready market and establishment of marketing channels. Private sector participation in rural feed-mill industry is also necessary. The above comments from the farmers suggest that the policymakers should provide their support for the farmers to enable them work together through the formation of social movement.

Fifthly, the poultry farmers should be given more access to subsidised loans and credit. This could be done by encouraging them to join the organized social movement to act as one body. The loans given to them by Ghana Agriculture Development Bank (ADB) should be increased by government grant to the bank, and the payment should be made in a long term so that the farmers could benefit from the loan.

Furthermore, the government should collaborate with the stakeholders and the poultry farmers in a coordinated effort so as implement policies that could benefit the poultry farmers and other agricultural co-operatives. This is due to the fact that the stakeholders and the poultry farmers would be in the best position to communicate the needs of farmers to the government and what will suit the industry.

The Government of Ghana should intensify its negotiations with the World Bank and IMF, IFAD, WTO and NGOs in terms of the plight of the resource poor small-scale farmers in the country so that favourable policies could be implemented to benefit the small-scale farmers in the country.

Moreover, government should provide infrastructure to support the poultry industry and other small-scale agricultural sectors. These include the road construction to link the rural areas to major market centres, provision of electricity, water facilities and telecommunication in rural areas. These will enhance information flow to poultry farmers, especially those in remote areas and villages.

The significant role played by small-scale poultry industry in the life of people and the economy cannot be over-emphasized. Encouraging local production of poultry products and promoting the competitiveness of the small-scale poultry industry would create jobs, support the growth of other sectors, contribute to social welfare and public finances.

In addition to income generation for poultry farmers, the poultry industry has nutritional, cultural and social functions through the provision of meat and eggs, as well as being valued in the religious activities of the Ghanaians. Low quality and substandard quality poultry imports demerit local producers that have a competitive advantage in quality, and affect consumer health and safety.

Therefore, improvement in the competitiveness of the small-scale poultry industry is a worthwhile venture. Like all other success cases examined in this research, government interference is greatly limited. This makes the commitment and consecration of the leaders and members become strong because they owned the business. For a successful agricultural co-operative to prevail in Ghana the co-operative organisations must be given full autonomy. The democratic aspect of agricultural co-operatives as a principle is fundamental to the continuous success, both internally in terms of effective management and externally about the role various associations can play in revitalizing and sustaining a democratic society and culture (Mooney and Gray, 2002).

Cook and Chambers (2007) argue in their work on organisational life cycle that co-operatives that are formed to pursue defensive purposes are likely to be short-lived. Cook and Chambers (2007) defined defensive organisations as those that require fewer internal contributions and receive more external support such as subsidies, aids and other support. Their life cycle is also a shorter lived because external support is inherently unaccountable and volatile (Salifu et al, 2010). On the other hand, offensive organisations rely more heavily on internal investment made by members themselves and are usually more sustainable in the long run due to active engagement in the market (Cook and Chambers, 2007).

The evidence collected through the focus groups by Salifu et al. (2010) reveals that most Ghanaian farmer-based organisation may fall into the category of defensive organisations. Many studies also reveal that most of the agricultural co-operatives that were not successful in Sub-Saharan African countries were due to their attribute of being so-called “defensive” organisations (Francesconi and Ruben, 2008; Francesconi and Heerink, 2009; Hoff and Stiglitz, 1993; World Bank, 2007) where external governance (enforced by either governmental or nongovernmental developing agencies) appears to be rather invasive, rewarding shirking and inducing dependency at the community level and thus compromising organisational sustainability over time (Cook and Chambers, 2007; Hoof and Stiglitz, 1993; World Bank, 2007, pp.155-155).

The literature review reveals that the most important reason to create or participate in agricultural co-operatives or farmer based organisations in Ghana is to gain access to external support from either government organisations or NGOs. This implies that as a result of lack of full autonomy of agriculture co-operatives in the country people participate not as owners of the business, but as means to obtain loans, grants, investments, and training (Tsekpo, 2008).

Prior research suggests that user organisations emerge mainly to protect social welfare, to better manage scarce or rapidly and evidently depleting natural resources (Varughese and Ostrom, 2001; Meinzen-Dick, 2009). Mooney and Gray (2002) assert that in the context of an increasing global economy, co-operatives provide opportunities to participate in local economic life and can even function to lay the sort of moral claims upon members as fundamental to the building of community. Mooney and Gray (2002) argue that such moral claims are excluded from neoclassical models that are grounded in individual self-interests.

Although, it is important for the Government to support the poultry industry with subsidies and other assistances to enable the industry to survive, government support should be given within a specific time to ensure economic use of the country’s scarce resources. Policy makers must see to it that effective training and education function are both adequately funded through subsidies, low interest rate loans and incentives (Thompson and Strickland, 2001).

The United Nations (1998) provides guidelines for member countries to help in creating a supportive environment for the promotion of co-operatives. The guidelines are a worthwhile contribution to follow to establish a public policy framework for agricultural co-operatives in Ghana, since the country has an agrarian economy.

The guidelines deal with issues associated with public awareness for co-operative structure in terms of its legality, judicial and administrative provisions for co-operatives research, data collection and statistics on co-operatives, information concerning co-operatives; the provision of public funds to promote co-operative development programmes and the linkages of affairs to enhance collaboration and partnership between the co-operative movement, the government and stakeholders. Some of the key points are as follows: Based upon these guidelines the government of Ghana is required to perform the following functions to support the co-operative movement in the country.

Firstly, the government must recognise that a co-operative has a unique businesses structure on the basis of co-operative principles and values which are needful and beneficial to society.

Secondly, government of Ghana is obliged to provide a supporting good atmospheric environment for co-operatives and working in a concerted effort with co-operative entities.

Thirdly, the government of Ghana must recognise and enhance the role of co-operatives in the economy and society.

Fourthly, co-operative legislation should involve and strengthens the co-operative principles, and for that matter all other laws, either judicial or administrative practices are in consonant with co-operative legislation and principles.

The government of Ghana must recognize co-operative structures self regulatory nature, as well as the autonomy of the co-operative movement. Therefore the government of Ghana should not be engaged in the internal affairs of individual co-operatives or the co-operative movement. The government of Ghana must work in collaboration with the co-operative movement through the apex co-operative body towards the promotion of co-operative movement.

Sixthly, a single government department should be in charge of co-operative registration and regulatory functions. At the industry level, government agencies such as the ministry of Agriculture should control promotional activities in consultation with the co-operative movement apex body.

Furthermore, government of Ghana funding to the co-operative movement or co-operative business should be the equivalent to the funding arrangement between the state and business sector. The government of Ghana should endeavour to encourage public government support for co-operative structure as any other form of business enterprise.

Finally, the government of Ghana has a role in enhancing knowledge and understanding of co-operative movement and co-operative business structure, in particularly, by dealing with prejudices and misconceptions (United Nations, 1998).

The Canadian co-operative association takes a significant role in the development of public policy for the co-operative sector and states that “if government policies, legislations, and regulation are able to enable co-operative to thrive, a national voice for co-operatives must be heard within the corridors of power.”

**11.3 Summary of Research Findings**

The study has reviewed the literature on poultry industry in Ghana, the agriculture co-operative around the developed countries and developing countries with specific examples or cases. The study found that the main factors that affect the small-scale poultry industry in Ghana are both internal and external factors. The major internal factor is high cost of production and the major external factor is competition from producers of poultry from abroad (Aning et al., 2008; Khor, 2008; ISODEC, 2004). Other factors include, lack of funds and credit, limited use of large scale production, lack of government incentives, marketing problems , socio-cultural factors and lack of information.

The study has also found that the co-operative movement has been practiced since time immemorial, and it has been a safety net for farmers around the world when they are inflicted with uncontrollable problems and circumstances. History attests that in times of predicament farmers join hands together to help themselves in co-operation. Theories of co-operatives was reviewed to gain understanding of the nature and types of co-operative movements around the world and to understand the in and outs of co-operative entities, and the political position of co-operatives around the world. The study has involved interest groups of farmers to form agricultural co-operatives to lobby and campaign against unfavourable government policies and help themselves in their businesses as an expression of social movement. This strategy was adopted in the study to influence the competitiveness of small-scale poultry industry in Ghana.

The study further found that there are inherent problems associated with traditional co-operatives namely: “free ride problem, portfolio problem, horizon problem, control problem, and influence costs problem (Cook, 1995). In seeking for solution to solve the above problems which are very common in Africa, the study adopted the NGC which provides solutions to all these problems. The factors that can make the poultry industry to become competitive and grow were also reviewed, as well as how the industry can become competitive through government support.

This thesis has presented an exploratory study of the Ghanaian agribusinesses, focusing mainly on small-scale poultry industry during a period of economic turbulence and liberalisation of markets which is a threat to resource poor smallholder farmers. Firstly, the thesis has investigated detail factors affecting the small-scale poultry industry and other agribusinesses in Ghana.

Through case studies and examples of successful co-operatives in Africa and other co-operatives around the world the thesis has demonstrated that New generation co-operative movement that has the attributes of social movement would be a stepping stone to alleviate the hardship of the resource poor small-scale poultry farmers and other agribusinesses in Ghana, and other parts of Africa that have similar experiences. The study concludes with recommendations for governmental policy for Ghanaian agribusinesses to undertake collective action in order to survive in this era of liberalisation.

The thesis has examined a lot of challenging issues for small-scale agribusinesses in Ghana. Many issues justify the promotion of co-operative activities in the form of social movement/new general co-operative movement to alleviate the small-scale poultry farmers from the present competition facing them in local market. There have been a lot of arguments regarding the type of strategy that would relieve the small agribusinesses in Ghana and other African countries facing the problem of market liberalisation. This study has found that the liberalisation has open a new wave of co-operative movement that has rejuvenated most of the dormant co-operative businesses in Africa and developed countries, suggesting that the social movement/new generation co-operative movement is one of the important solution for the small-scale businesses to withstand the global competition.

**12.0 Research Contribution**

The most significant contribution to theory that this study makes to the theory emerges from the derivation of the “alternative” that is social movement that would benefit the small-scale poultry industry in Ghana. Similar representations have not been encountered in the literature on the small-scale poultry industry in Ghana. The organised Social Movement (SM) or the Poultry Farmer Movement (PFM) is a type of new generation cooperative movement that present a framework or structure designed to empower the local poultry farmers in a collective action. It serves as foundation, bedrock and springboard that would unite and strengthen the local poultry farmers to become competitive, sustainable, survived and grow in the long term.

The organized Social Movement aims to bundle the powers and competencies of the poultry farmers to enable them compete with their foreign producers of poultry as a united front or forum. It therefore suffices as a benchmark and recommended strategy for exploring or comparing other necessary avenues to benefit the small-scale poultry farmers and other agribusinesses in Africa.

The passage of the small-scale poultry industry in Ghana from the condition of exploitation or frustration to collective action aims at reversing the circumstances is an important contribution that emanates from this study. This type of collaboration or working on the part of the rational, integrated small-scale poultry farmers and its stakeholders in Ghana to achieve a common interest is an achievement of this research study.

The seeking of the government intervention by poultry farmers in a collective action through the organized Social Movement without a confrontational stance, but instead seek to build partnership with the government of Ghana, stakeholders and businesses is also an important initiative derived from this study. The solicitation of government intervention could help create public spheres in which issues linked to competition against poultry farmers become the subject of debate in which a broad range of poultry farmers and its stakeholders could participate in policy development from which they have been historically denied in Ghanaian politics context.

Through the study the organized Social Movement (SM) or Poultry Farmer Movement (PFM) campaign, issues about the competition from the advanced poultry producers especially, European Member States and USA against the small-scale poultry farmers might be moved into the popular press, and produce publications that become available and promote discussions. Another contribution of the study is that through the organized Social Movement (SM) the poultry farmers may create new spaces for their own in which debates and political arguments could take place or materialized.

Likewise, the derivation of the Social Movement would contribute to the efforts of organizations, scholars, advocates and a number of NGOs, could turn the signing of the free trade treaty or agreement between African, Caribbean and Pacific) (ACPs) countries, including Ghana and advanced countries into a public and international debate. The debate would comprise the trade liberalization treaties and poverty in Ghana and affected developing countries.

**12.1 Empirical Evidence:**

The variables elicited from the literature review confirm the factors deemed to affect the growth of small-scale poultry industry and other agribusinesses in Ghana. This shows that the study is instrumental to the current knowledge, and plays greater part in supporting what is already known to affect the growth of small-scale poultry industry in Ghana and other developing countries.

Secondly, the variables obtained in this study as factors that could influence the competitiveness of the small-scale poultry industry in Ghana also contribute to current knowledge, and can be recommended as a benchmark to solve similar problems in other agribusinesses in Ghana, as well as the affected small-scale businesses in other developing countries. Both variables identified in the literature and the study can serve as foundation and benchmark for additional empirical research to assess the general applications beyond the context and limitations of this study. Likewise, they can be used as a guiding principle to compare the factors obtained from other research studies.

In practice, the factors identified in the literature can act as checklist that would alert the poultry farmers in Ghana, and the other poultry farmers in the affected developing countries to “watch out” and bring under control in their day-to-day poultry management activities.

On the other hand, the variables identified in this study can also be used as a benckmark to be implemented in order to ensure competitiveness and sustainable growth in small-scale agricultural businesses, and enable small businesses to withstand competition from advanced producers in the developed countries.

The findings of the research attest to the assertions made by other researchers that in this era of globalization, where many people feel powerless to alter their lives, Social Movements or New Generation Cooperative Movements represent a strong, vibrant, viable and economic alternative. Thus, the organized Social Movements in this study supports the view that new generation cooperatives provide a unique tool for achieving economic goals in an increasing competitive global economy, as well as potent mechanism for combating many problems as a result of globalization and liberalization.

The findings of the study further confirm the claims found in the literature that damaging consequences have happened to the resource poor small-scale farmers, especially, poultry, rice and tomato farmers in Ghana and other developing countries, in terms of loss of livelihoods, revenues and negative social effects. Hence, there is an urgent necessity to combat this problem through the organized Social Movement that would assist the farmers to attain a collective action and competitive spirit to solicit government intervention in national and international levels.

Apart from contributing to current knowledge in terms of presenting more evidence about the factors that could influence the competitiveness of the small-scale poultry industry in Ghana, the findings of the study recommends best farming practices, strategic cost-reduction techniques, government intervention and access to group loans that could be made possible through the Social Movement (SM) or collective action on the part of the small-scale poultry farmers. This finding of the study is also a contributory factor towards the academic knowledge. It can therefore be applied in other research studies to tackle similar problems.

Moreover, while the literature on the government intervention emphasized the most significant dimensions in the areas of tariffs increased/ban imports of poultry into the country, granting of loans and subsidies etc to support the poultry farmers, this study claims that “self-help” on the part of the farmers through the formation of social movement is the way forward. Given the findings obtained in this study, it is suggested that the Social Movement (SM) or the Poultry Farmer Movement (PFM) is one of the most significant strategy to tackle the complicated research problem revealed in this study that has affected many small businesses in developing countries as a result of liberalisation and globalisation.

The findings of the study show that the individual poultry farmers’ efforts cannot prevail under any circumstances, considering the weight of the competition from the poultry producers in the advanced countries. Therefore, this research study is a suggestive or propositional study to the government in the study country to review her visions for the resource poor smallholders of poultry, to promote the organization of Social Movement (SM) or New Generation Co-operatives to enhance the competitiveness of the small-scale poultry industry in Ghana.

Finally, the empirical contribution is one of the prime concerns of this study and as such, this research study provides future researchers with the weighted consideration of the perceived significance of the recommended “alternative” Social Movement to improve the competitiveness of local agriculture industries to enable them withstand the liberalization and globalization problems.

(i) Therefore, the study provides new information on the sensitivities considered to have a significant effect on the shaping of public policy-making in Ghana concerning the small-scale poultry industry and other agribusinesses.

(ii) Secondly, the study also presents an opportunity for comparing and contrasting the sensitivities among the government policies in the context of all agribusinesses in Ghana, especially, the small-scale poultry industry. Hence, it promotes the similarities and differences in the implementation of government policies in all agribusinesses for better understanding and continuous assessment in this sector, since agriculture is the backbone of the Ghanaian economy.

(iii) Thirdly, the study contributes to practice because it would boost the morale of the practitioners in the poultry industry to pull their efforts, resources and time to embark on projects through the implementation of the Social Movements (SM) or the New Generation Cooperative Movements.

(iv) Given the fast pace of ever changing global economy, and ever increasing crowded agenda on globalization and the so-called “neo-liberalization”, the study presents to the practitioners and managers the opportunities to manage and operate with the collective action through the Social Movements (SM).

Finally, the study provides important lessons for all industries and businesses in developing countries, one of the most effective ways to be prepared for unfair competition in the long run.

**12.2 Methodological Approaches**

The interpretation and the analysis of data in this data makes a significant contribution to research on how social movements affect social change in the livelihoods of the resource poor small-scale poultry farmers in Ghana, and among other small-scale agribusinesses that are facing similar problem in developing world.

The methodological triangulation approach undertaken by the researcher to develop the interpretation of data collected by means of semi-structured interviews with poultry farmers and key informants, through the systematic procedure of coding, categorizing, and analysing allowed two sets of data to be compared, cross-tabulated and contrasted so that the top factors influencing the competitiveness of the small-scale poultry industry in Ghana could be considered by policy-makers.

The establishment of the two sets of database in this study to facilitate the coding, categorizing and analysis contributed to the enhancement of the dependability of this research study, and therefore present a chain of evidence for audit purposes. Therefore, the information found in the database of this research study can further be utilized for replication purposes in future research or be used as additional data to similar research.

**12.3 Contribution to Practice**

The study would contribute to the enhancement of poultry farming at the small-scale farmers level to enable them get access to the economies of scale, access to marketing services, input supply, output marketing and processing, and marketing information and networks, thus strengthening the industry to compete, survive and grow. In particular, the participants of Social Movement (SM) or the Poultry Farmers’ Movement (PFM) would benefit from the value of producing poultry products with ready markets of high quality, processed farm fresh poultry meat and eggs on daily basis, and absorb transaction costs which would otherwise cripple the small farmers from market and production integration.

The inculcation of the Social Movement (SM) or the Poultry Farmer Movement (PFM) would deal with the marketing issues facing the small-scale poultry farmers, creating ways and means for better access to both domestic and global markets, and removal of market hindrances imposed by low economic growth. This would enable the participant poultry farmers to capture the benefits of value added because of bulking as they take the opportunity to produce grades and standardized poultry products. This would also allow processing value addition for the members of SM to enhance demand for quality poultry products.

The collective action of Social Movement (SM) participants would create the capacities and capabilities for commercialization of smallholder poultry production and negotiations of better prices for poultry products. This would also influence new generation cooperative issues with the government to establish a long term competitive programme for poultry production, and affiliating the poultry industry with the Fair Trade Labelling Enterprises to protect the poultry farmers in Ghana. This cannot be possible with the individual poultry farmers.

The collective action of the members of the Social Movements would improve the training of leaders and managers within the poultry farmers, who would be capable to develop business plans, strategic policies and guidelines necessary to cultivate the habit of good farming practices. Such activities of the social movement participants would ensure significant improvement of turnover to the poultry farmers, leading to a high degree of capitalization and retain earning to improve the availability of the capacity of the processing plants for the poultry farmers.

Another practical contribution of this research is that the organized Social Movements would serve as an interesting model for joint learning which would lead to the formation of deeper partnerships and strong membership driven financial services. The poultry farmers would get enough perspective through the social movements to form strategic alliances with large enterprises, leading to achievement of both material and immaterial assets to create decentralized system of food security and employment avenues for all members and non-participants, including accountants, book keepers and managers as part of the direct or additional employment to both rural and urban dwellers in Ghana. For example, agriculture cooperatives and other cooperatives have an international association called International Cooperative Alliance which has the chance to guide global cooperative businesses. The initiative of the Social Movement would involve articulating the African Cooperative Movement with fair trade organization in Europe and USA, thereby creating an opportunity of innovative performances of joining African cooperatives with technology developed agricultural cooperative patterns in Asia, EU, Australia and USA etc.

In working together as a group the poultry farmers would have access to sufficient land and affordable credit, knowledge development and techniques on good poultry farming practices. The collective action would empower the poultry farmers to partner with the government and function as national advocacy on poultry farming ventures.

The social movement would create the capacity for the poultry farmers to influence, and hold accountable, those who make policies. Hence, the government would be influenced by the poultry farmer movements to act as a promoter and facilitator to generate policies and programmes to improve the competitiveness of the small-scale poultry industry in Ghana. These would include the infrastructure development, adequate social services and modernization of cooperative laws to eliminate the existing hindrances to the social movement or the new generation cooperative movement.

**12.4 Limitations of the Study**

In particular, data on small poultry farms are very scarce. Typical data are not captured in government statistics. Even when dynamic data are collected they are scanty and frequently, incorrectly specified. Majority of the farmers especially, those in the villages and towns do not keep written records of their farms. Such limitations were catered for during the face to face interviews with the poultry farmers, other members of GNAPF, stakeholders, and members of MoFA. However, there were limited published materials including government statistics and therefore, projections based on 1996 Livestock Census and grey literatures had to be employed.

Since the last Livestock Census took place over a decade ago, there is a scarcity of dependable statistics. Moreover, there is general lack of rigorous scientific research results on the poultry industry in Ghana. It is of great significance to fill these gaps through a detail survey of the poultry industry, in particular with regard to rural/village/backyard poultry industry, which has become a semi-commercial diversification strategy to improve the livelihoods of the rural folks in the country.

Furthermore, the contribution of the commercial poultry industry to the Ghanaian economy also needs to be investigated in detail with respect to the local maize production, soya beans production , maize prices, soya beans prices and fish production and the livelihoods of the small scale farmers, especially cereal producers in the country. Since the absence of reliable data has had an impact on the policy formulation and policy development, as well as the controversy over the contribution of the poultry industry to the GDP of the agricultural products in the country among end users of statistical data on the poultry industry.

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**Appendix 1**

**Figure 38: Age of farmers in relation to their intention to contribute**

**their maximum quota to promote the growth of poultry industry**

Yes Contrbution towards Growth Promotion

No Contribution towards growth

**Appendix 2, Figure 39: Age of stakeholders in relation to their intention to contribute**

**their maximum quota to promote the growth of poultry industry**

No contribution towards growth

Yes contribution towards growth

**Appendix 3, Figure 40: Age of farmers in relation to their intention to contribute**

**funds to promote the growth of poultry industry**

No Contribution

Yes Contribution

**Appendix 4, Figure 41: Age of stakeholders in relation to their intention to contribute funds to promote the growth of poultry industry**

Yes Contribution

No Contribution

**Appendix 5, Figure 42: Age of farmers in relation to their intention to contribute**

**to the purchasing of equipment to promote the growth of poultry industry**

Yes Contribution

No Contribution

**Appendix 6, Figure 43: Age of stakeholders in relation to their intention to contribute**

**to the purchasing of equipment to promote the growth of poultry industry**

Yes Contribution

No Contribution

**Appendix 7 Figure 44: Age of farmers in relation to their intention**

**to campaign against unfair competition facing the small-scale poultry industry**

Yes Campaign

No Campaign

**Appendix 8, Figure 45: Age of stakeholders in relation to their intention**

**to campaign against the unfair competition against poultry industry**

Yes Campaign

No Campaign

**Appendix 9 Figure 46: Gender of Respondents**

Stakeholder

Poultry Farmers

**Appendix 10 Figure 47: Age of respondents**

Poultry Farmer

Stakeholders

**Appendix 11 Figure 48**

**Age of poultry farmers in relation to their intention to join the social movement(SM)**

Yes SM

No SM

**Appendix 12, Figure 49**: **Age of stakeholders in relation to**

**their intention to join the social movement**

No SM

Yes SM

**Appendix 13 Figure 50: Household size of respondents**

Poultry Farmer

Stakeholders

**Appendix 14 Figure 51: Household size of poultry farmers in relation to their intention to join the social movement**

Yes SM

No SM

**Appendix 15 Figure 52 Regional Distribution of Respondents**

Stakeholders

Poultry Farmers

**Appendix 16 Figure 53: Marital status of respondents**

Stakeholder

Poultry Farmer

**Appendix 17 Figure 54: Marital status of poultry farmers in relation to their intention to join the social movement**

No SM

Yes SM

**Appendix 18 Figure 55:**

**Marital status of Stakeholders in relation to their intention to join the social movement**

Yes SM

No SM

**Appendix 19 Figure 56: Income Level of Respondents**

Stakeholders

Poultry Farmers

**Appendix 20 Figure 57: Income level of poultry farmers in relation to their intention to join the social movement**

No SM

Yes SM

**Appendix 21, Figure 58**

**Income level of stakeholders in relation to their intention to join the social movement**

No SM

Yes SM

**Appendix 22 Figure 59:** **Educational Level of Respondents**

Stakeholders

Poultry Farmers

**Appendix 23 Figure 60**

**The educational level of poultry farmers in relation to their intention to join the social movement**

Yes SM

No SM

**Appendix 24, Figure 61**

**The educational level of stakeholders in relation to their intention to join the social movement**

No SM

Yes SM

**Appendix 25, Figure 62: Employment Status of respondents**

Poultry farmers

Stakeholders

**Appendix 26, Figure 63: Employment Status of poultry farmer in relation to their intention to join the social movement**

No SM

Yes SM

**Appendix 27, Figure 64: Employment Status of stakeholders in relation to their intention to join the social movement**

Yes SM

No SM

**Appendix 28, Figure 65: Working Experience of Respondents**

Stakeholders

Poultry farmers

**Appendix 29.1 Figure 66.1**

**Regional location of farmers in relation to their intention to join the social movement**

No SM

Yes SM

**Appendix 29.2, Figure 66.2: Regional location of stakeholders in relation to their intention to join the social movement**

No SM

Yes SM

**Appendix 30, Figure 67**

**Location of farms in relation to the farmers’ intention to join the social movement**

No SM

Yes SM

(N-Near)

**Appendix 31, Figure 68: System of rearing of poultry farming in relation to the farmers’ intention to join the social movement**

Yes SM

No SM

**S-Small; SM-Social Movement**

**Appendix 32: System of rearing of poultry farmers**

**(S-Small; SM-Social Movement)**

**Appendix: 33, Figure 70**

**System of rearing of poultry farmers in relation to their flock types**

Backyard/Rural/Village

Small-scale commercial

**Appendix 34, Figure 71: System of rearing of the poultry farmers in relation to their sources of day-old-chicks**

Backyard/Rural/Village

Small-scale commercial

**Appendix 35 Figure 72: The use of electricity by the poultry farmers in relation**

**to their access to pipe borne water**

Use no electricity

Use electricity

**Appendix 36 Figure 73: Access to internet at poultry farmers home/premises in relation to their sources of information**

No access to internet at home

Access to Internet at home

**PF- poultry farmers**

**Appendix 37, Figure 74: Access to telephone/mobile phone at poultry farmers home/premises in relation to their sources of information**

No access to telephone/mobile phone

Access to telephone/mobile phone

**PF- poultry farmers**

**Appendix 38 Figure 75: Sources of funds for working capital in relation to how the poultry farms had started**

Loans from Banks

Purchase as a going concern

Loans from private lenders

Started from scratch

**Appendix 39, Figure 76**

**Religious background of poultry farmers in relation to their intention to join the social movement**

No SM

Yes SM

**Appendix 40, Figure 77**

**Religious background of stakeholders in relation to join their intention to join the social movement**

No SM

Yes SM

**Appendix 41, Figure 78**

**Marital and Gender status of poultry farmers in relation to their intention to join the social movement**

No SM

Yes SM

**SM-Social Movement; PF-Poultry Farmers**

**Appendix 42, Figure 79**

**Marital and Gender status of poultry farmers in relation to their intention to join the social movement**

No SM

Yes SM

**SM-Social Movement**

**Appendix 43, Figure 80**

**Marital and Gender status of stakeholders in relation to their intention to join the social movement**

No SM

Yes SM

**SM-Social Movement**

**Appendix 44, Figure 81**

**Marital and Gender status of stakeholders in relation to their intention to join the social movement**

No SM

Yes SM

**(SM-Social Movement)**

**Appendix 44, SECTION A: Example of Labelling Data from an End-of-Session Questionnaire for 35 poultry farmers:** Based on the question “What major protection can the government provide to support the small-scale poultry industry?

**Categories**: Subsidies **(subsi**), Advertising campaign **(adcamp**), Collaboration (**colla**), Cheap Loan (**chloan**), High tariffs/imports ban (**tariban**), Awards & Incentives **(incent**), Training & Education (**Trg/Educ**), Infrastructure (**infra**)

**Table 69**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| (1) Government must subsidies poultry feed  and equipment | subsi |  | (11) Grant soft loans with minimum interest to poultry farmers | Chloan |  | (21) Advertise to create ready market for the poultry farmers | Adcamp |
|  |  |  |  |  |  |  |  |
| (2) Give subsidies to poultry farmers | subsi |  | (12) By giving subsidies to support local poultry production | Subsi |  | (22) Motivate the poultry farmers through incentives and awards | Incent |
|  |  |  |  |  |  |  |  |
| (3) Remove or reduce tax on inputs for local production | Subsi |  | (13) Give loans and financial support to poultry farmers | Chloan |  | (23) Collaboration with stakeholders and farmers to form producer associations so that they can work together | Colla |
|  |  |  |  |  |  |  |  |
| (4) Gov’t should stop the importation of poultry production | Tariban |  | (14) Gov’t should increase tariffs on poultry imports | Tariban |  | (24) Govt should listen to farmers and cooperate with them in their resolutions | Colla |
|  |  |  |  |  |  |  |  |
| (5) Gov’t should give loans of low interest to poultry farmers to enable them to expand their businesses | Chloan |  | (15) Gov’t should form cooperatives with the farmers to discuss issues together | Colla |  | (26) Protect the farmers from unfair competition through ban or high tariff on imports of poultry | Tariban |
| (6) Gov’t should provide interest free or less than 5% interest loan to support poultry farmers | Chloan |  | (16) Gov’t should ban the imports of poultry products | Tariban |  | (29) Government must organise training and education for farmers | Trg/Educ |

**Source: Interviews data**

**Example of an end of session questionnaire continue**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| (7) Educate the farmers on modern sustainable methods of keeping poultry | Trg/educ |  | (17)  Govt should organise the farmers into productive associations | Colla |  | (28)It will be great if farmers are trained to prepare their own poultry feed | Trg/Educ |
| (8) Subsidies prices of poultry inputs | subsi |  | (18) Govt should enact laws to reduce imports of poultry meat | Tariban |  | (31) High tariffs on poultry imports | Tariban |
| (9) subsidies feeds and drugs for poultry farmers | Subsi |  | (19) increase tariffs on poultry imports | Tariban |  | (33) Government can give low interest rate loans to support poultry farmers | Chloan |
| (10) Low interest rate loans should be made available to all poultry farmers in every corner without political interference | Chloan |  | (20) Massive or strong campaign to encourage the production and consumption of local poultry | Advcam |  | (32) Government should provide good water, feeder roads and electricity to remote areas so that it can benefit farmers | Infra |
| (25) Enter with better trade agreement to stop poultry imports | Tariban |  | (27) Increase tax on importation of poultry | tariban |  | (30) Support farmers with feed, drugs and subsidies | Subsi |
| (35) Provision of credit facilities to support farmers | Chloan |  | (34) Government should subsidise all poultry equipment and machines | Subsi |  |  |  |

**Source: Interviews data**

**APPENDIX 44, SECTION B: Table 70**: **GROUPINGS OF THE VARIABLES PER CODE FOR POULTRY FARMERS INTERVIEWS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Subsidies (Subsi)** | **Cheap Loans (chloan)** | **Increase tariffs/ban imports (tariban)** | **Training and Education (Trg/educ)** |
| 1.Government must subsidise poultry feed and equipment | 5. Gov’t should give loans of low interest to poultry farmers to enable them to expand their businesses | 4. Government should stop the importation of poultry products | 7. Educate the farmers on modern sustainable methods of keeping poultry |
| 2.Give subsidies to poultry farmers | 6. Government should provide interest free or less than 5% interest loan to support poultry farmers | 14. Government should increase tariffs on poultry imports | 29.Government must organise training and education for farmers |
| 3.Remove or reduce tax on inputs for local production | 10. Low interest rate loans should be made available to all poultry farmers in every corner without interference. | 18.Government should enact laws to reduce imports of poultry meat |  |
| 8.Subsidise prices of poultry inputs | 11. Grant soft loans with minimum interest to poultry farmers’ | 16. Government should ban imports of poultry products | 28. It will be great if farmers are trained to prepare their own poultry feed |
| 12.By giving subsidies to support local poultry production | 13. Give loans and financial support to poultry farmers | 19. Increase tariffs on poultry imports |  |
| 9. Subsidise feeds and drugs for farmers | 35.Provision of credit facilities to support farmers | 31. Higher tariffs on poultry imports |  |
|  | 33. Government can give low interest rate loans to support poultry farmers | 27. Increase tax on importation of poultry |  |
| 30. Support farmers with feed, drugs and subsidies |  | 26. Protect farmers from unfair competition through ban or high tariffs |  |
| 34. Government should subsidise all poultry equipment and machines |  | 25. Enter with better trade agreement to stop poultry imports |  |

**Source: Interviews data**

**Continuation**

|  |  |  |  |
| --- | --- | --- | --- |
| **Advertising Campaign (Advert)** | **Collaboration (Colla)** | **Awards & incentives Incent** | **Infrastructure (infra)** |
| 20. Massive and strong campaign to encourage the production and consumption of local poultry | 15. Government should form co-operatives with the farmers to discuss issues together | 22.Motivate the poultry farmers through incentives and awards | 32. Government should provide good water, feeder roads and electricity to remote areas so that it can benefit farmers |
| 21. Advertise to create ready markets for poultry farmers | 17. Organize farmers into co-operatives or productive associations |  |  |
|  | 23. Collaboration with farmers and stakeholders to form producer associations |  |  |
|  | 24. Government should listen to the farmers and co-operate with them in their resolutions. |  |  |

**Source: Researcher**

**Appendix 45, SECTION A: Example of labelling data from an end of session questionnaire for 25 Stakeholders**

**Based on the question:** What major strategy would enable the small-scale commercial poultry farmers to become competitive and withstand the fierce competition from abroad? Categories: (1) strategic cost-reduction **(stracostred)** (2) Formation of social movement **(socmove)** (3) collaborative training and education **(colltrg)** (4) co-operative advertising campaign **(coadcamp**).

**Table 71**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| (1)Strategic cost-reduction through collaboration | Stracostred |  | (11) Form groups to enjoy economies of scope and scale | socmove |  | (12)Formation of unions or groups to get one voice and put pressure on government | Socmove |
|  |  |  |  |  |  |  |  |
| (2)Adoption of local materials to prepare poultry feeds in order to reduce production cost | Stracostred |  | (7)Improve upon quality of their products through training and education | Colltrg |  | (13) Farmers should engage in advertising campaign to attract consumers | Coadcamp |
|  |  |  |  |  |  |  |  |
| (3)Good management practices to prevent poultry diseases in order to avoid waste of money as a result of birds mortality | Stracostred |  | (8)Form co-operative and fight a common course | Socmove |  | (16)(Farmers should collaborate to buy machines to process their poultry meat | Stracostred |
|  |  |  |  |  |  |  |  |
| (4)Formation of producer association to share risks and potential returns together | socmove |  | (9) Farmers should make contributions to get experts to organise periodic training and workshops for them | Colltrg |  | (14) Form groups to purchase machines and equipment | Socmove |
|  |  |  |  |  |  |  |  |
| (5) Formation of marketing associations among oultry farmers | Socmove |  | (10) Farmers should be educated to improve upon their biosecurity practices | colltrg |  | (15) poultry farmers should update themselves in terms of modern technology | Colltrg |
| (6)Formation of poultry farmers co-operative in order to pull their resources together to help themselves and fight for their rights | Socmove |  | (17)poultry farmers should come together and make national campaign to influence consumers | Coadcamp |  | (18) Poultry farmers should rely on local materials to prepare poultry feed to beat down production cost | Socmove |

**Source: Interviews data**

**Example of an end of session questionnaire continue**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| (19) Form co-operatives so that they can push their request to the government | Socmove |  | (22) Learn how to use local materials to increase the quality and quantity of poultry meat and eggs | colltrg | (24) Form social movement to fight against the competitors | Socmove |
|  |  |  |  |  |  |  |
| (20) Form joint ventures | Socmove |  | (23) The farmers need to do group advert to entice more consumers | coadcamp | (25) Farmers should make bulk purchases in group to save money | Stracosted |
| (21) Form co-operatives to support each other | Socmove |  |  |  |  |  |
| **Interview Data** | |  | | |  | |

**APPENDIX 45 SECTION B: Table 72**: **GROUPINGS OF THE VARIABLES PER CODE FOR STAKEHOLDERS INTERVIEWS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Strategic cost-reduction(Stracostred)** | **Social movement (socmove)** | **Collaborative training and education (colltrg)** | **Coperative advertising campaign (coadcamp)** |
| 2. Adoption of local materials to prepare [poultry feed in order to reduce production cost | 4. Formation of producer association to share risks and potential returns together | 7. Improve upon quality of their products through training and education | 17. Poultry farmers should com together and make national campaign to attract consumers |
| 1. Strategic cost-cutting through collaboration | 5. Formation of marketing association among poultry farmers | 9. Poultry farmers should make contributions to get experts to organise periodic training for the group | 13. Farmers should engage in education campaign to attract consumers to local poultry |
| 3. Farmers need to adopt good management practices to prevent diseases in order to avoid high percentage mortality of birds | 6. Formation of poultry farmers co-operative in order to pull their resources together to help themselves and fight for their rights | 10. Farmers should be educated to improve upon their biosecurity practices | 23. Poultry farmers need t do group advert to draw consumers attention to local poultry meat |
| 18. Farmers should rely on local feeds to save much money | 8. Form cooperative to fight a common course | 15. Poultry farmers must update themselves in terms of modern technology |  |
| 22. Adoption of local materials to increase quality and quantity of poultry meat and eggs | 12. Farmers should Form unions or groups to get one voice and put pressure on government to change unfavourable policies |  |  |
| 25. Make bulk purchases as a group to to save money | 16. Farmers should collaborate to buy processing machines so that they can process their poultry meat |  |  |
|  | 14. Poultry farmers should should form groups to buy equipment and machines together so that they can produce birds at large-scale and become competitive |  |  |
|  | 19. Farmers should form co-operatives in order to to their request to the government |  |  |
|  | 20. Farmers must form joint ventures to |  |  |
|  | 21. Farmers should organise themselves and form social movement in order to fight against competitors |  |  |
|  | 11. Form groups to enjoy economies of scpe and size. |  |  |
|  | 24. Form social movement and fight against competitors |  |  |
|  | | | |
|  | | |
|  | |
|  | |
|  | |

**Appendix 46 Table 73**: **Agricultural Co-operatives in Ghana**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Ghana’s registered cooperatives** Year | Agricultural Coops | Financial Coops | Industrial Coops | Service Coops | Total |
| 1998 | — | — | — | — | 1,020 |
| 1999 | — | — | — | — | 1,197 |
| 2000 | — | — | — | — | 1,406 |
| 2001 | — | — | — | — | 1,613 |
| 2002 | 874 | 223 | 731 | 203 | 2,031 |
| 2004 | 1,080 | 241 | 740 | 205 | 2,266 |
| 2005 | 1,463 | 277 | 815 | 297 | 2,852 |
| 2008 | 3,069 | 382 | 822 | 504 | 4,777 |

**Source: Salifu et al., 2010**

**Appendix 47 Table 74: Activities of Co-operatives/Farmer Based Organisations in Ghana**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Distribution of farmer-based organizations and agicultural co-operatives according to region and activity, Ghana** | | | | | | |
| Number of FBOs/Agricultural Co-operatives by activity | | | | | | |
| Region | Production | | | Processing | Marketing | Multipurpose |
| Ashanti | | 167 | 25 | | 13 | 38 |
| Brong Ahafo | | 220 | 29 | | 13 | 6 |
| Central | | 128 | 34 | | 14 | 62 |
| Eastern | | 552 | 21 | | 8 | 83 |
| Greater Accra | | 122 | 6 | | 1 | 33 |
| Northern | | 280 | 31 | | 8 | 121 |
| Upper East | | 124 | 15 | | 7 | 155 |
| Upper West | | 66 | 9 | | 3 | 29 |
| Volta | | 291 | 28 | | 11 | 120 |
| Western | | 127 | 20 | | 14 | 18 |
| Total | | 2,077 | 218 | | 92 | 665 |

**Source: Salifu et al. (2010)**

**Appendix 48, Table 76: Ghana’s regional distribution of farmer-based organisations and agricultural co-operatives**

|  |  |  |
| --- | --- | --- |
| Region | Number of FBOs/agri–coops  2006 | Number of FBOs/agri–coops  2007 |
| Ashanti | 1,017 | 440 |
| Brong Ahafo | 1,368 | 892 |
| Central | 78\* | 216\* |
| Eastern | 203 | 896 |
| Greater Accra | 82\* | 400 |
| Northern | 1,588 | 1,520 |
| Upper East | 1,098 | 856 |
| Upper West | 17\* | 596 |
| Volta | 1,966 | 2,067 |
| Western | 868 | 868 |
| Total | 8,285 | 8,751 |

**Source: Salifu et al. (2010)**

**Appendix 49: Poultry Farmers Interviews**

**Introduction**

Since 1999, the proportion of poultry meat has increased in Ghana tremendously due to poultry imports from subsidized farmers, mainly, poultry producers in EU member states and USA, as a result of unprotected market, trade liberalization, and loan conditionalities, which prevent the government of Ghana from increasing tariffs of agricultural products. The implication is that more jobs are lost leading to unemployment problems.

This has also affected the hatchery and poultry feed production industries and maize farmers (growers) in Ghana. However, a revitalised poultry sector in Ghana could mean creation of a market for over 85 000 farmers in Ghana, the stimulation of other agricultural produce and industry products and an estimated savings of about 22-35 million Euros per annum on poultry products imports (Offei-Nkansah, 2005).

Furthermore, many studies confirm that over-reliance on imported poultry has health hazards due to growth hormones/growth promoters injected into the birds (Atarah, 2005).

This research seeks to provide guidelines and recommendations for improving and sustaining small-scale poultry farming in Ghana, through organized social movements. The purpose of the social movement is to bundle the powers, competencies and other resources of the poultry farmers, stakeholders and related interest groups together to form a common forum/front. Such a joint effort, it is perceived, can positively influences policies, programmes and activities and also enable the industry withstand adverse competition from foreign imports than when the small-scale poultry farmers and other stakeholders work individually in racing against competitors who are driving them out of business.

The study further seeks to solicit government interventions through political arguments to help formulate national and local strategies to minimize the impacts and threats, especially, on the livelihoods of resource-poor smallholder poultry farmers etc.

The results of this interview will be analysed by Francis Akosah-Darteh, a student of the University of Durham. All data collected will be combined for the purpose of analysis so that no individual can be identified.

**Please give your valuable opinion about this issue.**

1. What did you do before starting this business?

a) Run another business

b) Employed (wage work)

c) Unemployed

d) New entrant to labour force/just out of school

e) Other (Specify)…………………………………………………………………….

2. How was the business started?

a) From scratch

b) Purchased as a going concern

c) Inherited

d) Other (Specify)…………………………………………………………………….

3. What was the principal source of money to start the business?

a) Household and personal income

b) Loans from family and friends

c) Loans from formal financial institutions

d) Loan from money lenders

e) Other source of finance (Specify).................................................................................

4. What type of birds do you rear? a) Chicken b) Turkey c) Duck d) Guinea Fowl

e) Other (Specify)……………………………………………………………………………

5.0 How do you see the competition facing the small-scale poultry farmers in Ghana from subsidized poultry products from EU, USA etc?

a) Fair) b) Not fair c) Normal d) Other (explain)..........................................................

5.1 Do you face a direct competition? a) Yes b) No

5.2 How does your quality compare with your competitors?

a) Excellent b) Very Good c) Good d) other (specify)…………………………………..

5.3 How does your price compare with your competitors?

a) Low b) High c) Normal d) Other (Specify)..........................................................

6. Working together with other poultry farmers, stakeholders and government in a coordinated effort can help the farmers to produce cheap and quality poultry to under-price competitors? a) Agree b) Strongly Agree c) Not Agree d) None of these

7. Do you want to expand your business through collaboration and make more profit?

Yes/ No

If yes, what can you do for the group? .............................................................................

8. Do you want to have access to cheap loans, processing plant(s), incubators, hatcheries, and lawyers through collaboration? Yes/No

Please explain…………………………………………………………………………

9. Do you need financial protection and security through collaboration? Yes/No

Please why? ......................................................................................................

10.0 Do you market your birds to customers directly? Yes/No

10.1 Do you market your products in a supply chain? Yes/No

10.2 Would you prefer a supply chain that can help a group of producers to stay more control of their products? Yes/No

11.0 Do you use packaging for your products? Yes/No

11.1 Do you like to share the cost of packaging with other producers? Yes/No

12.0 Do you need to transport your products to the market? Yes/No

12.1 Do you have a truck? Yes/No

12.2 Do you like to work together with other poultry producers to share the costs of transportation?

13.0. Do you mill your own feed? Yes/No

13.1 Do you like to share the cost of feed milling with other poultry producer? Yes/No

14.0 Do you like to work with other producers and stakeholders to solicit government intervention? Yes/No

15.0 Is your goal supplemental income or farm centrepiece that supports you?

16.0 Have you received any training since start-up? Yes/No

16.1 Whattype of training would you wish to receive?

17.0 What support is the GNPFA giving to the poultry farmers to enable them withstand the competition? a) Putting pressure on the government b) Famers training c) Information dissemination d) Organized the farmers into cooperatives (social movements).

e) Other (Please specify)…………………………………………………………………

18.0 What do you want to the government do to improve the consumption of the local birds? ……………………………………………………………………………………………………………………………………………………………………………………………………..

19.0 What region(s) in Ghana do you think needs more of the government intervention? Please explain why? .....................................................................................................

20.0 What strategies can you recommend to help minimize or eliminate the impacts and threats of the competition facing small-scale poultry farmers in Ghana?

National/Government strategies..................................................................................................

Rural Poultry farmers’ strategies................................................................................................

Commercial Poultry Farmers strategies......................................................................................

Stakeholders’ strategies...............................................................................................................

21.0 Is the discussion of the issues of the competition facing the poultry farmers still pending in parliament? a) Yes b) No c) Other (Specify)........................................................................................................................

If yes, explain the outcome.............................................................................................

22.0 How can the debate about this competition issues be strengthened in parliament?

a) Political arguments by means of collaboration on the part of the farmers

b) Individual farmers fighting and arguing with government on their own

c) Other (specify)..................................................................................................................

23.0 What are the major protections that the government can give to the small-scale poultry farmers? .....................................................................................................................................

…………………………………………………………………………………………………

24.0. What do you want the government to do to improve the competitiveness of the poultry industry?

……………………………………………………………………………………………………………………………………………………………………………………………………

25.0 What are your medium and long terms visions for the small-scale poultry industry? .................................................................................................................................................................................................................................................................................................................................................................................................................................................................

**Gender:** Male ( ) Female ( )

**Marital status**: Married ( ) Single ( ) Divorcee ( ) Widow(er) ( )

**Household Size** ( ) **Income** ( )

**Age ( )** **Length of service:** ( )

**Level of Education**: **Primary School** ( ) **Middle School** ( ) **Junior Secondary** **School** ( ) **O-Level** ( ) **A-Level** ( ) **Diploma** ( ) **First Degree and above** ( ) **Othe**r ( )

**Location** (Geographic).................................................................................................

**Location** (Occupational)................................................................................................

**Appendix 50: Stakeholders Interviews**

**Please give your valuable opinion about this issue.**

1. How do you see the competition facing the small-scale poultry farmers in Ghana from subsidized poultry products from EU, USA etc?

a) Fair b) Not fair c) Other (explain)............................................................................

2. What support is the GNPFA giving to the poultry farmers to enable them withstand the competition? a) Putting pressure on the government b) Famers training c) Information dissemination d) Organized the farmers into cooperatives (social movements).

e) Other (Please specify)…………………………………………………………………

3. What can the government do to improve the consumption of the local birds? ……………………………………………………………………………………………………………………………………………………………………………………………………..

4. Which of these measures has the government taken to protect the poultry farmers to enable them survived in the presence of this fierce competition?

a) Increased tariffs on poultry imports b) Granting of loans and subsidies to poultry farmers c) International campaign and suitable trade agreements d) Facilitating the organisation of farmers into co-operatives/social movements.

e) Other (Please specify)...................................................................................

5. What strategies can you recommend to help minimize or eliminate the impacts and threats of the competition facing small-scale poultry farmers in Ghana?

National/Government strategies..................................................................................................

Rural Poultry farmers’ strategies................................................................................................

Commercial Poultry Farmers strategies......................................................................................

Stakeholders’ strategies...............................................................................................................

6. Which region (s) do you think needs government intervention most? ……………………...

Please explain why? ...................................................................................................................

7. How can the debate about this competition issues be strengthened in parliament?

a) Political arguments by means of collaboration on the part of the farmers

b) Individual farmers fighting and arguing with government on their own

c) Other (specify)..................................................................................................................

8. What are the major protections the government can give to the small-scale poultry farmers? .....................................................................................................................................

…………………………………………………………………………………………………

9 What can the government do to improve the competitiveness of the poultry industry?

……………………………………………………………………………………………………………………………………………………………………………………………………

10 What are the medium and long terms visions of the government for the small-scale poultry industry? .................................................................................................................................................................................................................................................................................................................................................................................................................................................................

**Gender:** Male ( ) Female ( )

**Marital status**: Married ( ) Single ( ) Divorcee ( ) Widow(er) ( )

**Household Size** ( ) **Income** ( )

**Age ( )** **Length of service:** ( )

**Level of Education**: **Primary School** ( ) **Middle School** ( ) **Junior Secondary** **School** ( ) **O-Level** ( ) **A-Level** ( ) **Diploma** ( ) **First Degree and above** ( ) **Othe**r ( )

**Location** (Geographic).................................................................................................

**Location** (Occupational)................................................................................................