

Poverty is bitter, pineapples are sweet

Pineapple, the most important export crop in Ghana, is predominantly grown by small farmers. When a change in crop variety resulted in a collapse in exports, the PINEX cooperative was able to survive thanks to a well functioning organisation based on trust and good leadership.

Martin Afenyo is a civil engineer. Like most Ghanaians, he comes from a subsistence farm in a rural area. "In 1998 I didn't have a single job with my building enterprise" he says, "and so I decided to invest a part of my savings in a mango plantation to diversify my sources of income".

So he set up a 13-acre farm that was planted partly with mango trees and combined with pineapples. The farm became the nucleus of PINEX, a pineapple cooperative in the Volta Region in Eastern Ghana which started as a loose group of eight members in 2005 with the objective of pooling their efforts to enhance the competitiveness of their pineapple produce on the national and international markets. In pursuance of this vision, the group took a decision in 2006 to become a legal entity by registering with the cooperative department.

By June 2010, membership had grown to 23, including six women, and many

Mawuli Agboka

Export Marketing Quality and Awareness Project
Accra, Ghana

Rüdiger Behrens,

Kofi Biney, Lothar Diehl

Market Oriented Agriculture Programme
Accra, Ghana
Ruediger.Behrens@gtz.de

applications from candidates are currently being vetted. The cooperative has grown from an initial 13 acres producing the 'smooth cayenne' pineapple variety to the current 50-acre farm in three locations. Arrangements have been made with land-owners to acquire an additional 100 acres in the coming season. Current annual sales amount to 1,250 metric tons (mt) at 250 GHC (Ghanaian cedi; 1GHC=0.54 euro) per ton. The quality of the pineapple has risen to 70 percent grade A, and 20 percent grade B, all sold to the fruit processing company Kingdom Fruits at Kpandu near by. The 10 percent grade C pineapples are sold on the local market.

On the basis of progress made in terms of production volumes, quality of fruit, democratic internal group governance, good record keeping – proven by certification – and presentation of a good business plan, to expand their fields and build a pack house, the group obtained credit of 200,000 US dollars from the Millennium Development Authority – an institution set up by the Ghanaian government with US support. This confirms that PINEX is in line with the goals of NEPAD (New Partnership for African Development) and CAADP (Comprehensive Africa Agriculture Development Programme), both of which focus on rural development as the prime driver in the fight against poverty, which still persists in rural areas.

■ Surviving the collapse of the export market

With agriculture employing 60 percent of the population in Ghana, a debate has begun about whether non-traditional export crops can play a significant role in the development of rural communities because of their limited scope and outreach to smallholder farmers. The pineapple export sector in particular had seen a rise and dramatic fall due to the change in export variety from 'smooth cayenne' to 'MD2', which resulted in exports slumping by 55 percent (from 71,000 mt in 2004 to 30,000 mt currently). Most smallholders dropped out of production because they were unable to readjust their production. By contrast, the smallholders in the PINEX group were able to adjust their pineapple production to the new variety and remained linked to the export market.

PINEX group members have an equal say and equal rights during discussions and decision-making. Membership is open to everyone who commits to growing pineapples by adopting good agricultural practices to produce high quality fruit. For PINEX, the integration of smallholders is a must because it deals with poverty in the way envisaged in Ghana's national policy (GPRS II) and does justice to MDG 1.

■ Success factors and challenges

The fundamental principles of PINEX include:

- strong internal group governance to create trust;
- demand-oriented services for members;
- policy of good agricultural practice, focusing on high quality production;
- record keeping and data collection for decision-making;
- enhanced negotiation and pricing skills;
- participation in the regional pineapple/mango value chain committee.



Photo: R. Behrens

Martin Afenyo, the founder of the PINEX cooperative, and Kofi Biney in a ten-month old 'MD2'-field, planted in line with modern standards (GAP).

Leadership is critical for the effective functioning of farmer-based organisations. For PINEX these are Madam Victoria Tsegzah as chairperson and Mr. Martin Afenyo, the technical manager and founder of PINEX.

Trust is a big issue in Ghanaian horticulture. The negative experiences of the recent past are not conducive to forming reliable business relationships. PINEX, making use of the national Market Oriented Agriculture Programme (MOAP), forged links with the processor Kingdom Fruits, based in Kpandu. All the cooperative's fruits are sold to the company.

At the point when the international market suddenly required 'MD2' instead of 'smooth cayenne' mainly

the cooperative traces its breakthrough point to the introduction of the 'MD2' sucker multiplication programme by the Ministry of Food and Agriculture and the joint implementation of capacity development in good agricultural practices within the framework of GlobalGAP option 2 (group certification) by MOAP, in cooperation with projects run by the World Bank and USAID. Martin Afenyo has chosen GlobalGAP option 1 (individual) for his mango farm, while the pineapples are all under option 2.

■ Impacts achieved

Transforming livelihoods. PINEX members can already sense a change in their livelihood. For example, Mr. Ameko Agbenuga who has three chil-

dren and could not afford the school fees before. Now he has a regular income from his farm and all three children are in school. His wife sells C-grade pineapples on the local market and thus has a regular income. Ameko suffers from malaria, but he is not in despair, as he can now afford to buy the necessary medication.

Employment creation. The cooperative currently employs 34 permanent workers and 16 temporary workers for harvesting.

In addition to the female group members (25 percent), the wives of male members also have access to third grade fruits which they sell on the local market. Employment will further expand with the expansion of farm acreage and the pack house becoming operational.

Development of skills and expertise. Farmers and processors depend on each other. Both need expertise, both technical and economic. Skills are provided through the value chain committee. Self-confidence is key for effective negotiation. This is acquired and developed through the facilitation role played by MOAP and SNV (Netherlands Development Organization).

PINEX invites other farmer groups to learn from their business and practical experiences. In doing so, a great number of pineapple smallholders in the district and their households benefit and expect to make a better living.

Zusammenfassung

Ananas ist die wichtigste Exportfrucht in Ghana und wird vorwiegend von Kleinbauern angebaut. Als es durch die Hinwendung zu neuen Sorten zu einem Zusammenbruch des Exports kam, konnte die PINEX-Kooperative dank einer funktionierenden Organisation, die auf Vertrauen und guter Leitung basiert, trotzdem überleben. In der Gruppe mit mehr als 23 Mitgliedern gelang es den Bauern, ihre Produktion anzupassen und sich auf dem Exportmarkt zu behaupten. Eine Partnerschaft mit der Kingdom-Company

in Kpandu und die starke Unterstützung durch das ghanaische Landwirtschaftsprogramm MOAP (Market Oriented Agriculture Programme) hat es den PINEX-Mitgliedern ermöglicht, ihre Produktion und ihre Vermarktung zu verbessern.

Resumen

La piña, el principal producto de exportación de Ghana, es cultivada principalmente por pequeños agricultores. Cuando un cambio en la variedad utilizada para el cultivo trajo consigo un desplome en las exportaciones, la asociación PINEX

sobrevivió gracias a la organización funcional de la cooperativa, basada en la confianza y el liderazgo ejemplar. Este grupo de más de 23 miembros pudo modificar la producción de sus parcelas y mantener sus conexiones con el mercado de exportación. Gracias a una alianza con la empresa frutícola Kingdom en Kpandu y el sólido apoyo del Programa de Agricultura Orientada al Mercado de Ghana (Market Oriented Agriculture Programme – MOAP), los agricultores de PINEX pudieron mejorar su producción y sus estrategias de mercadeo.

Rural territorial development – the return to a regional view

Over the last ten or twenty years, the institutional set-up in most of our partner countries has changed tremendously. Decentralisation processes have contributed to the formation of “territorial” self-governed bodies at municipal and sometimes at district level as well. Civil society is better organised than in the early 1990s, giving citizens a clearer voice. Agricultural producers have started thinking in terms of value chain development and are better linked to processors and traders. The private sector is growing and is seeking to build sustainable economic partnerships with national and local institutions. Although the new institutional landscape is not yet fully effective in structuring the social and economic life of the rural population, a solid basis has been established.

At the level of policy, national governments have started to implement programme-based approaches and are increasingly gaining ownership of their development strategies. As a result of the Paris Declaration, donor coordination has become more effective.

The key questions relating to the development of rural areas in this new era of co-operation with our partner countries are:

1. How can we design rural policies so that their implementation is based on ownership at all levels?
2. How can we ensure that citizens are able to articulate their needs and take their development into their own hands?

■ A new approach to developing rural regions

Rural territorial development (RTD) focuses on the spatial dimension and is aimed at improving the well-being of the rural population on the basis of both existing and newly emerging potential. Territories are areas which are defined by shared development characteristics as well as development objectives and have a common institutional frame. They are not necessarily administrative units but may be characterised by shared economic, natural, cultural or traditional factors.

RTD assists actors in creating synergies and pooling their resources and capacities for the purpose of creating sustainable development bodies. Institutions which represent the shared interests of user and producer groups as well as those of municipalities and civil society organisations are important in order to ensure the effective participation of citizens; they are essential when it comes to the use of resources. Municipalities located near to each other have the option, for example, of organising more efficient means of waste disposal and of regulating other issues of common interest. Doing so enables them to overcome structural and regional constraints. At district and national level, associations and networks are important for managing shared natural resources such as rivers or coastal zones. Joint organisational endeavours can help to reduce conflict.

■ Six key aspects

Put in specific terms, territorial development projects should function according to six key aspects of RTD:

1. They should follow a **systemic and multisectoral approach**.
2. They should be designed as lean project units with a focus on **process facilitation**. The identification of development goals for a single region or territory should be done in a participatory way, involving all population groups – even those not permanently resident in the territory. The measures identified as necessary can be put out to tender as projects and implemented by local executing organisations (private sector and civil society).
3. Projects should be based on the philosophy of **inclusion**. A project should not be directed at a single marginalised group but rather at the

whole population of a region. However, marginalised groups can still be identified as target groups for special measures within the project.

4. New actors and structures should be taken into account in the **structuring of the institutional landscape** in this new context.
5. **Interaction with other regions** (rural-urban, rural-rural and links with neighbouring countries as well as world-wide) is of great importance in today's interconnected world and should be taken into account when implementing a project or a strategy.
6. Projects should be **focused on implementation** rather than having too great an emphasis on planning. Advisory services on their own are good, but can be much more effective if combined with budgets to enable development measures to be realised.

In a context of programme-based approaches, donors and partners should not only insist that there is partnership at national level, helping to harmonise interventions between several ministries and with partners, but should also urge the “territorialisation” of programmes. Rural territorial development is an approach that helps partner countries to re-invest efficiently in the development of rural areas.

Martina Wegner, Armin Klöckner
Sector programme
“Rural Territorial Development”
GTZ, Eschborn, Germany



Photo: J. Chabbert