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The Performance of Ghana's Papaya in the Export Industry

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Abstract

Papaya is an important non-traditional agricultural export commodity in Ghana. It is one of the commodities which is now gaining grounds in the Ghanaian export. It is a fruit which is in high demand in the export market due to its delicacy as a natural fruit and its other importance. Comparing the export volumes of papaya to other commodities in the non-traditional agricultural sector shows a very big difference since the contribution papaya makes to the sector is significantly low although it continues to increase per annum.

This study therefore examines the export of Ghana's papaya in the export market in terms of the volume that is exported per annum, the number of exporters engaged in this business and the contribution papaya makes to Agricultural Horticultural Export Earnings (AHEE). The study also examines the main determinants of export demand of Ghana's papaya and estimates quantitatively the magnitudes of these determinants as well as finding the logistic constraints to the industry.

The growth rate formula was used to determine the trends in the volume of export, number of exporters and the percentage contribution of papaya to Agricultural Horticultural Export Earnings (AHEE) after which the determinants of export demand were estimated quantitatively using the multiple linear regression model.

From the study, it was discovered that the demand for Ghana's papaya is highly price elastic meaning a decrease in real price of papaya results in an increase in quantity demanded. An average trade weighted income of major importing nations was also elastic but population as well as taste and preferences do not affect demand for Ghana's papaya. Pack house, trained staff and transporters are the major constraints to the papaya export industry.

It is therefore recommended from the study that the logistic constraints be provided to enable exporters meet Global-GAP standards as well as implementation of irrigation schemes to boost production. There is the need to put in place policies that will serve as inducement for more people to enter into production and export of papaya as well as reducing cost to bring down product prices.

Keywords: Determinants of export demand, export industry, global-GAP, horticultural export, non-traditional agricultural export, papaya, policies