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Marketers Consciousness for Quality Loss Reduction: A Case from Maize Marketers in Ghana

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Abstract

Quality conscious markets are crucial for a sustainable and integrated approach to post-harvest loss (PHL) reduction. Farmers in sub-Saharan Africa (SSA), where informal markets exist, have often assessed rewards for the supply of good quality grains as unattractive and insufficient. Such informal markets lack standard grades, thereby relying on subjective grading (which is individual and criteria specific) and aspects of visible quality loss (which is based on search and experience dimensions of quality), to determine the extent of quality loss during and after purchase. This study investigates consciousness for visible quality loss reduction among maize marketers, and consequently, the rewards that accrue to farmers, following a case study approach in two districts in the Brong-Ahafo region of Ghana. Grain acceptability and the value placed on visible quality loss reduction are proxies used to assess quality consciousness. Assessment is based on two scenarios – the first is the current market situation based on subjective grading; while the second scenario involves the use of a hypothesised grade to capture potential premiums in a situation where defined grades are to exist. Data was collected through in-person interviews using structured questionnaires, and responses from 288 marketers were used for the study.

With subjective grading, marketers' acceptability of poor quality grains is assessed as low (44%), however, with the hypothesised grade; results show that the number of marketers willing to accept grains with high visible quality loss (VQL) almost doubled. Also, the subjective grading scenario shows a price overlap for both good and poor quality grains. Both results of the disparity in acceptability between the two scenarios and the price overlap in the current market scenario highlight the effect of subjective grading in markets, which results in the difficulty in exactly differentiating quality loss levels and consequently estimating incentives for better quality supply. Conversely, results from the hypothesised grade scenario show that where clearly defined standards or grades exist, marketers offer significantly different premiums on average over quality levels. Variables that describe collective action positively influence potential premiums for quality loss reduction. These results highlight the importance of standard grading systems and market groups in maize quality loss reduction.

Keywords: Ghana, maize, marketers, quality loss reduction, value