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Perspectives on the Performance of Farmer Cooperatives in Northern Ghana

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Abstract

Ghana has a history of cooperative development since 1928, but the capacity of farmer cooperatives in Ghana has been found low. It was necessary, therefore, to find out measures to address the current problem facing the farmer cooperatives. The research attempted to answer three questions: 1) How should success of farmer cooperatives be measured in the Ghanaian context? 2) What determines the success of the farmer cooperatives? and 3) What should be done to strengthen the capacity of the farmer cooperatives? Panel data were collected from 281 farmer cooperatives in 21 districts of Northern, North East, Savannah, Upper East and Upper West Regions for the periods of 2016 and 2019/2020. Additionally, 99 officers and 24 private agribusiness entities were interviewed to inform the analysis of cooperative policy in Ghana. A profile analysis was conducted to test whether the eight success indicator candidates (revenue, net surplus, asset, dues (periodic membership fee), member satisfaction, membership size, community service, longevity (years of existence)) are distinct with significance over three clusters of farmer cooperative namely Success, Neutral and Failure. The analysis resulted in the Wilks lambda of 0.4613, approximately 32.594 of F statistic at a highly significant level. Therefore, the eight success indicators were found to explain differences in performance of the three clusters. An ordered probit model was established to identify determinants of success of farmer cooperatives in northern Ghana. Each of the eight success indicators were estimated as dependent variables over nine independent variables namely number of meeting, number of training, paid staff, joint sale or buying, joint commodity, contribution to community, number of extension service visit, project beneficiary and gender composition. All the success indicators except longevity were explained with significance by the independent variables. Government agencies and development partners are recommended to use the seven success indicators as a diagnostic tool to assess performance of farmer cooperatives and subsequently inform policy decisions.

Keywords: Farmer cooperative, Ghana, performance, policy, succes determinants