



FROM LABOUR DEMAND TO BUSINESS PROSPECTS FOR RURAL YOUTH:

A study in the Fanteakwa district of Ghana

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INTRODUCTION





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Question to cocoa farmers
(Wagner et al., 2015)



- Would you like your child to be a **Cocoa Farmer**?
- Often respond: '**NO!!** 😞'.
- Would you like your child to go into **Cocoa Business**?
- Often respond: '**YES!!** 😊'.



INTRODUCTION

- Are there cocoa business opportunities for the youth in cocoa growing communities?
- What cocoa business opportunities do the youth see for themselves?





OBJECTIVES

- To determine whether there are business opportunities within the local cocoa production chain for the youth.
- To assess the willingness of the youth to take up these opportunities



STUDY SITE

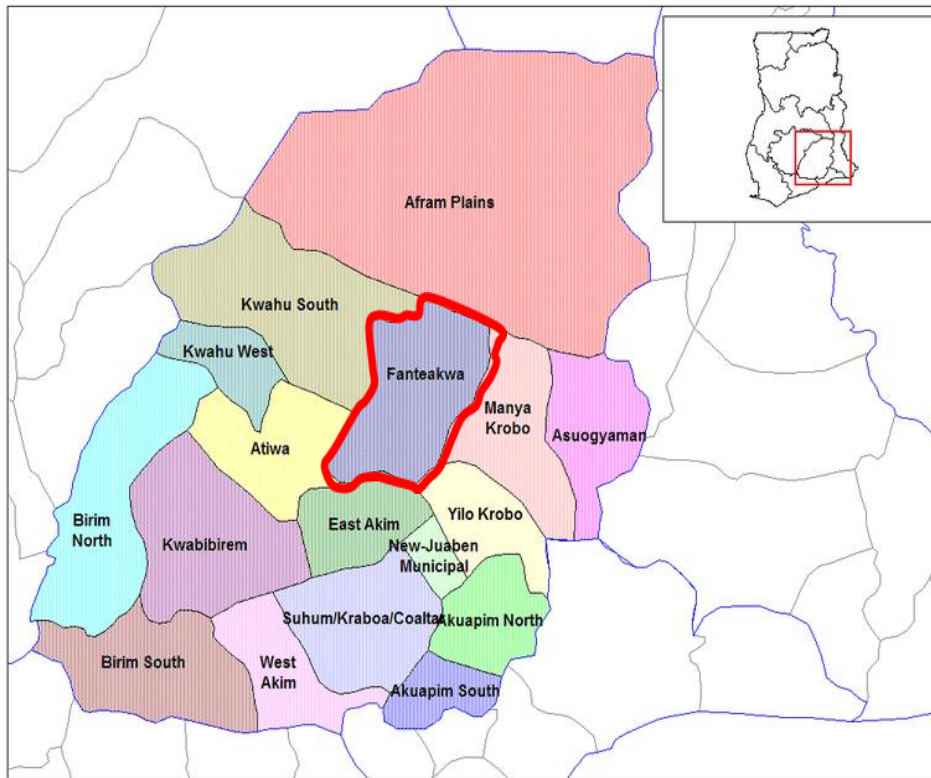


Figure 1: District map of Fanteakwa

Source: Ghana Statistical Service, 2014

- Multistage sampling was used in the study.
- In the first stage three cocoa producing villages: Bususo, Owusukrom and Ehiamankylene.
- At the second stage a sample of respondents was drawn, which involved obtaining Fanteakwa Cooperative Cocoa Farmers list with their ages.



RESPONDENTS

Table 1: Distribution of respondents by sex and category

Respondent	Sex		Total	Total (%)
	Male	Female		
Adult farmer	93	34	127	50.6
Youth cocoa farmer	55	8	63	25.1
Non-cocoa farmer youth	28	33	61	24.3
Total	176	75	251	100.0

Source: Survey data, 2016.



DATA

Table 2: Activities within cocoa production chain in Ghana (multiple responses)

Land preparation activities	Farm maintenance activities	Post-harvest activities
Land clearing – tree felling	Weeding	Heaping of pods Pod breaking and placenta removal
Land clearing – weeding	Pruning	Carrying of wet beans to fermentation site
Lining & pegging	Removing mistletoes	Fermentation
Holing & planting of plantain suckers	Removing black pods	Carrying of fermented beans to drying site
Holing & planting of cocoa seedlings	Spraying (pesticide)	Drying of beans
	Harvesting and gathering of pods	Carrying of dried beans to cocoa shed



RESULTS

Table 3: Willingness to pay for activities by older farmers versus the business interest of the youth

Cocoa value chain activities	Farmers' willing to pay			Youth interested		
	Responses (%)	M %	F %	Responses (%)	M %	F %
Land clearing	111 (88.1)	73.0	27.0	14 (12.2)	92.9	7.1
Spraying (pesticides)	104 (82.5)	69.2	30.8	30 (26.1)	90.0	10.0
Regular weeding	84 (81.7)	72.8	27.2	18 (15.7)	77.8	22.2
Pruning	83 (66.7)	64.3	35.7	35 (30.4)	88.6	11.4
Holing and planting (cocoa)	81 (65.9)	73.5	26.5	60 (52.2)	66.7	33.3
Harvest and gather pods	80 (64.3)	74.1	25.9	45 (39.1)	88.9	11.1
Remove and manage black pods	80 (64.3)	66.3	33.8	6 (5.2)	100.0	0.0
Heaping of pods	66 (52.4)	78.8	21.2	20 (17.4)	25.0	75.0



Table 3 CONT'

Cocoa value chain activities	Farmers' willing to pay			Youth interested		
	Responses (%)	M %	F %	Responses (%)	M %	F %
Carry wet beans to fermentation site	36 (28.6)	80.6	19.4	9 (7.8)	33.3	66.7
Manage fermentation process	4 (3.2)	100.0	0.0	1 (0.9)	0.0	100.0
Drying of beans	6	83.3	16.7	14	64.3	35.7

Table 4: Effect of some demographic characteristics of youth on the interest in two business opportunities of interest

Demographic variables	Pruning Business			Harvesting and Gathering of cocoa Business		
	Beta	Sig.	Odds ratio	Beta	Sig.	Odds ratio
Age	-0.055	.396	.947	.059	.325	1.061
Sex(Male)	2.910	.001**	18.354	1.694	.007**	5.440
Type of youth(CF)	0.015	.980	1.015	.384	.495	1.468
Marital status (M)		.162			.951	
Marital status(S)	1.426	.036	4.161	-.424	.495	.655
Marital status(W)	-1.745	.264	.175	18.524	.999	110884929.738
Marital status(D)	-	.999	.000	20.268	.999	633996476.778
Marital status(C)	1.534	.189	4.637	.288	.759	1.334

Table 4 CONT'

	Beta	Sig.	Odds ratio	Beta	Sig.	Odds ratio
Number of dependants	0.169	.096	1.184	-.239	.020*	.788
Education (NF)		.845			.983	
Education(B)	0.326	.730	1.385	.473	.609	1.605
Education(JHS)	-0.283	.683	.754	.195	.755	1.216
Education(SHS)	-.721	.392	.486	.404	.605	1.498
Education(PS)	20.518	.999	814318934.8	20.418	.999	736826592.9
Migration status (BG)		.187			.128	
Migration status(BNG)	-1.869	.032	.154	.827	.341	2.286
Migration status(G)	.016	.980	1.016	.246	.687	1.279
Migration status(JM)	-.561	.392	.571	-1.033	.081	.356
Constant	1.158	.572	3.185	-.638	.745	.528



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Offer – Ask price difference

Cocoa production chain activities

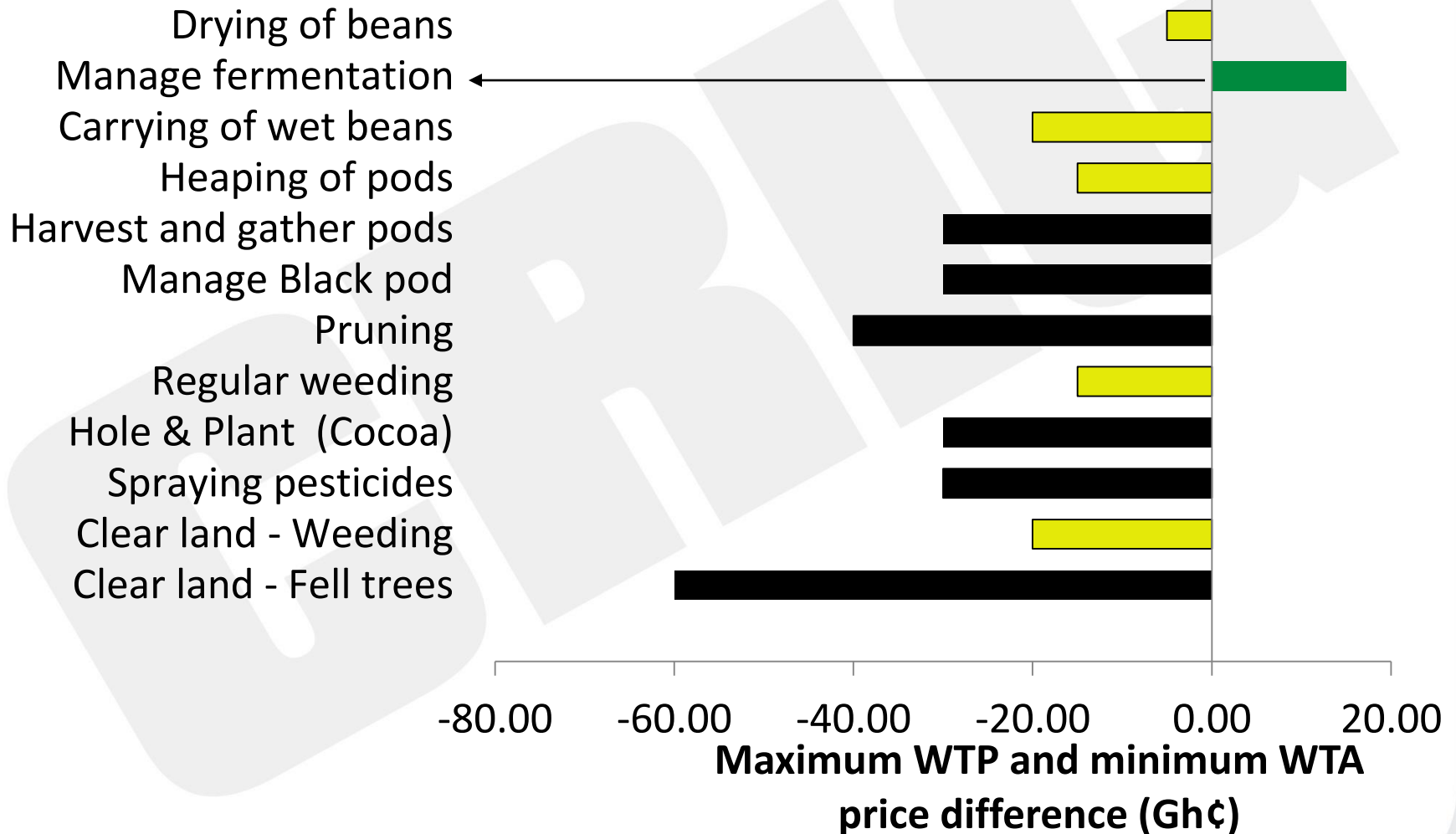


Figure 2: Price difference (Gh¢) (maximum amount willing to pay by farmers minus minimum amount demanded by youth) for each activity. Exchanged rate for US dollar to Ghana Cedis used is 3.9735 as at 30th September 2016



TAKE HOME

- ❖ There is obvious demand on the side of farmers, mostly for land clearing and maintenance activities in the fanteakwa district.
- ❖ However, in general, the level of business interest among the youth for these activities was very low considering the low expressions of interest for each category.
- ❖ Reasons for young people's relative disinterest call for further research.



RECOMMENDATIONS

- ❖ Mechanisms to structure agricultural labour into professions for rural youth can be introduced in the district.
- ❖ For instance, in setting up potential cocoa business for the youth:
 - ❖ Co-finance to allow farmers to pay for services in advance at the time of the cocoa sales (or 50/50 between current and coming season).
 - ❖ Farmers can also receive services as a group and make group payments, as suggested by Ajayi (2006).

