



ASSESSING THE IMPACT OF CONTRACT FARMING ON SMALLHOLDER FARMERS' LIVELIHOOD IN GHANA: THE CASE OF CASHEW FARMERS IN TECHIMAN IN THE BONO EAST REGION.

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List of Acronyms:

ACi- African Cashew Initiative

CF- Contract farming/ Contract farmer

NCF-Non-Contract Farmer/Non-contract farming

GSS-Ghana Statistical Service

GDP- Gross Domestic Product

FAO- Food and Agricultural Organization

USD- United States Dollars

MOFA- Ministry of Food and Agriculture

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ABSTRACT

Although contract farming has been widely promoted to link smallholder farmers to the market and enable them to access critical inputs and hence improve their livelihoods and incomes, how and to what extent and in which contexts these materialize requires further empirical investigation. This study examines the ways and the extent to which contract farming affects the household income and livelihood of cashew farmers in the Bono East region of Ghana. The study examines the livelihood of these contract farmers by comparing their livelihood to the non-contracted farmers. It is based on data collected through qualitative interviews and a survey. The study demonstrates that the need to gain access to markets for their produce is one of the key drivers for cashew farmers to join contract farming. Through contract farming arrangements, cashew farmers envisaged better prices for their produce, which, in turn, contribute to enhancing their household income and livelihoods. It showed that not all cashew farmers are producing under contract. Due to the entry barriers/requirements, some interested farmers could not join contract farming arrangements, while others chose not to join to protect their autonomy and independence regarding what to produce and when to sell it, at what price, and to whom. The study underscores the importance of contract farming for smallholder farmers while highlighting its challenges.

Keywords: contract farming, rural livelihoods, smallholder farming, Cashew nut, Bono-East region, Ghana

RELEVANCE OF THE STUDY TO DEVELOPMENT STUDIES

I believe studies centered on development has to do with the major contributions and reflections done in academia which concerns the social and economic livelihood of the people who live in a society. Farmers play a major role in the context of food security which contributes to the development of a society. Farmers who are mostly on the disadvantaged end are smallholder farmers who find difficulties with achieving their goals. These smallholder farmers contribute a lot to the Global Value Chain. With my research therefore delving into the lives of smallholder contract farmers and non-contract farmers, it will contribute to the existing literature on contract farming which can be used to advance the academic and policy debates and discussions on the topic.

CHAPTER ONE: INTRODUCTION

1.1. BACKGROUND TO THE STUDY:

Apart from cocoa being a major contributor to Ghana's GDP, cashew production has also become one of the cash crops that generates much income for the country. According to the FAO, the Gross Production index number of cashew nuts for the year 2021 and 2022 were 174.03 and 181.21 respectively (FAO Stat 2024). In addition, as stated by Akoto (2010) and quoted in Wongnaa et al., raw cashew nut exports in Ghana contributed 6.1% of GDP and 18.2% of agricultural GDP (Wongnaa et al., 2013). Cashew production in Ghana started in the 1960s in the Central, Greater Accra, Brong Ahafo and Northern Regions of Ghana (Dubbart, 2019. p.751). Since then, these regions have been widely noted as the main regions for cashew farming. Even though cashew production started in the 1960's, its exports started in 1991 with 15 metric tons and rising to 3, 571 metric tons in 1997 (MOFA 2007).

According to the Ghana Export Promotion Council (2005), the country was able to export 3,893 metric tons of cashew valued at USD1,450,306 which increased by 79.15% in 2003 to 6,338 metric tons which was valued at USD 1, 598, 636 (MOFA 2007). Cashew farming came to a standstill along the way, where farmers could not make much profit from it due to the lack of expert knowledge on cashew production (Danson et al. 2021). There was a major setback in the production of cashew nuts all over the country. The Government of Ghana in trying to increase its export base from cocoa production, decided to implement policies and programs to economically recover cashew nut production in Ghana (Dubbart, 2019).

These programs implemented by the government helped the production of cashew nuts in the country; therefore, production increased as the country contributed about 171,924 metric tons of nuts to the world production volume signifying the importance of cashew production (Akyereko et al., 2022). Most cashew farmers got engaged in cashew farming because of how less intensive it was when it came to labor required for harvest and post-harvest as compared to cocoa farming (Boafo, 2019).

Most farmers who engaged in cashew production are smallholder farmers. It is estimated that about 88% of cashew farms are owned by smallholders with farms which ranges from minimum of 0.8 ha to 3.0 ha (Wongnaa, 2013. p.19). Since most smallholder farmers engaged in cashew farming as a

source of livelihood it served as an avenue for most individuals to be occupied with it as their jobs. According to Reddy et al as cited by Yeboah et al (2023) cashew production is very important as it can provide a source of livelihood for farmers who cultivate it (Yeboah et al., 2023). Cashew production is also capable of offering more than 5,000 permanent and seasonal jobs annually (MOFA, 2009). This increase prompted some firms to invest in cashew production and processing by entering contract with cashew farmers in the regions that cashew production is on the rise.

The Ghana Nuts Company Limited is one of the firms to penetrate the Bono East Region to engage in contract farming in cashew nuts production. The provision of inputs and other support services as well as guaranteeing market for Ghanaian cashew farmers through contract farming, helped to increase farm performance and improve farmers' welfare (Danso et al., 2022. pp. 295).

This research therefore examines the livelihoods of those cashew farmers producing under contract. This will help to critically analyze the impact that contract farming has on the livelihood of these farmers, especially cashew farmers in Techiman.

1.2. PROBLEM STATEMENT

Most Ghanaians especially those in rural communities, engage in farming or agricultural activities which is mostly for their families; they cultivate their farms primarily to feed their families (Beyuo et al., 2013. p.61). Although agriculture is a crucial source of subsistence for most rural people in Ghana, access to critical resources remain a key challenge. These smallholder farmers finance their agricultural activities, but they are mostly poor and lack access to resources that can help increase their output (Yahaya et al. 2016. p.103). These smallholder farmers who farm for subsistence are not financially stable. This financial instability prevents them from having access to resources.

Contract farming therefore serves as an avenue whereby capital is invested in the rural economy (Vicol et al., 2021. p.13). When farmers in the rural community are being contracted, most of their income for sustaining their livelihoods are from the corporate organization that has contracted them. The capital of this agribusiness is what is used to pay the farmers, purchase farm tools, fertilizers etc. By this, the funds are indirectly invested into the rural economy and "the contract relations enable contractors get access to cheap labor" (p.13). Most corporate organizations (Capitalists) aim at making huge profits from their businesses while indirectly accessing cheap labor of the households contracted to produce crops. This is where the exploitation of the contracted farmers sets in.

Contract farming is to integrate smallholder farmers to have access to the formal agricultural sector to improve their livelihood. Smallholder farmers in the rural areas are mostly faced with a lot of challenges when it comes to having access to the market and having a more stable income. “Contract farming arrangements provide farmers with access to a wide range of services that otherwise maybe unattainable” (Yahaya et al., 2016. p.103). In other words, it is an initiative to help these smallholder farmers attain certain levels which are difficult to be achieved as independent smallholder farmers. It is also realized that these smallholder farmers who get themselves into contract do not reap the benefits of their work as compared to the non-contracted farmers. The purpose of contract farming is not realized fully as it should in certain parts of the world especially in Ghana. According to Azumah et al (2016) farmers who are under contract face challenges such as the companies buying their produce at a lower price than the existing market prices (Azumah et al., 2016). As farmers are encouraged to get involved in contract farming to enjoy some benefits, it is also coupled with the corporate firms and agribusinesses wanting to buy the farm produce at a very lower price which brings losses to the contract farmer who would want to gain profits from selling the farm produce.

Another challenge is the fact that, most contract agreements are not upheld for its purposes (Azumah et al., 2016) it is either the contractor or contracted can go contrary to the terms of the agreement and this can result in the purposes of the contract not being achieved. There are a lot of challenges that contract farmers face especially in the Ghanaian society where there is the issue of inheritance, land ownership, kinship etc. All these challenges in one way or the other affect the main purpose of contract farming. Although contract farming has been widely promoted to link smallholder farmers to the market and enable them to access critical inputs and hence improve their livelihoods and income. This study will therefore look at the ways and the extent to which contract farming affects the household income and livelihood of cashew farmers.

1.3. OBJECTIVES OF THE STUDY

The objectives of the study are outlined below as follows:

- i. To investigate the factors that drive cashew farmers in Techiman to engage in contract farming.
- ii. To describe some of the entry barriers put in place which prevents cashew farmers from engaging in contract farming.
- iii. To examine how contract farming affects the livelihood of cashew farmers in Techiman.

- iv. To examine smallholder cashew farmers access to the market.
- v. To highlight the challenges that smallholder contract farmers face in fulfilling their contract agreement.

1.4. RESEARCH QUESTIONS

The following is the main research question that this study seeks to address: How and to what extent does contract farming affect the livelihoods of smallholder farmers?

SUB QUESTIONS:

1. What factors influence smallholder farmers' decision to engage in contract farming?
2. What are the entry barriers for cashew farmers to join contract farming arrangements?
3. How does contract farming arrangement affect smallholder farmers' access to the market?
4. How does cashew contract farming contribute to household livelihood?
5. What challenges do smallholder farmers face in fulfilling the needed requirements of a contract and the effect it has on their livelihood?

1.5. SIGNIFICANCE OF THE STUDY

The main purpose of contract farming is to enable smallholder farmers to access certain resources, adopt technologies, commercialize their agricultural produce and benefit from markets. It is perceived that smallholder farmers engagement in contract farming is the best option for smallholder farmers, given the limited capacity of the government to provide the support the farmers need. However, these contract farmers also face problems or issues with those who contract them. It has become necessary that the livelihoods of the contracted farmers are compared to those who do not engage in contract farming to know if contract farming is the best option for smallholder farmers or independently farming or producing crops is better. In doing so, this study contributes to ongoing academic and policy debates and discussions around the role of contract farming in enhancing the incomes of smallholder farmers and transforming smallholder agriculture and hence to reducing poverty.

1.6. ORGANIZATION OF THE RESEARCH PAPER

This research paper is organized in five chapters. The first chapter presents the general introduction of the entire research paper. This chapter details the issues that surround contract farming specifically in Ghana. The introductory chapter is followed by the review of literature in the second chapter. This Chapter specifically reviews the empirical works done by other scholars which throws more light on the objective of my research paper. The Third Chapter focuses on the research methodology that was used in this study. The Fourth chapter focuses on the analysis of the research findings. It discusses the findings gathered on field and focusing on the descriptive statistical analysis of the findings as well as the comparison of the livelihood of the contract cashew farmers to the non-contract cashew farmers. Finally, the fifth chapter presents the conclusion and recommendations.

CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1. INTRODUCTION

This chapter provides a review of the literature on contract farming. It begins with a brief description of contract farming as well as the reasons why smallholder farmers engage in contract farming. This is followed by a review of the empirical studies regarding the challenges and benefits of contract farming. Finally, the theoretical framework through which the research findings are analyzed.

2.2. THE CONCEPT OF CONTRACT FARMING

Contract farming is defined as “a form of vertical coordination between growers and buyer-processors that directly shape production decisions through contractually specifying market obligations (by volume, value, quality, and at times, advanced price determination); provide specific inputs; and exercise some control at the point of production (i.e., a division of management functions between contractor and contracted” (Little and Watts, 1994. p. 9). It is characterized by particular social relations between growers/farmers and companies/corporations through which commodities are produced and marketed. For agribusinesses and corporate firms, the ability to use capital in the rural economy gives them access to cheap labor. The commodities produced under contract farming can change anytime and any season based on the levels of profits that the agribusinesses (capitalists) are making. Contract farming is a form of capitalism in the sense that private businesses get the opportunity to make investments in a farmland and at the back of their minds, the sole aim is to gain huge profits out of it.

The management and control are basically from the contractors; this control is directly or indirectly exercised over an “unorganized class of growers” (Little & Watts, 1994. p.71). These unorganized classes of growers are being referred to as the contracted smallholder farmers. In another way, as contract farming can be an avenue to have access to cheap labor, it is through CF that a lot of casual laborers can be recruited (Oya, 2012. p.26). Through contract farming, smallholder farmers who do not gain much from farming are assured of a stipulated income being theirs at the end of a planting or farming season. A lot of casual laborers are recruited into this venture, which is in a sense, providing employment for farmers.

Prowse in his review of contract farming gives an overview of what contract farming is all about in three different scenarios. The first scenario being a “market specification contract which guarantees a farmer a marketing outlet, time of sale and price structure if some degree of quality is met” (Prowse, 2012. p.11). This form of contract according to Prowse is when the firm or agribusiness specifies

exactly what the farmer must do when it comes to accessing the market. Having access to the market includes and it is not limited to setting the price level for the farm produce. The other form of contract is the kind of contract whereby “certain physical or technical inputs are provided by the firm with the requirement that the produce is marketed through that same firm; the firm is assured of quality produce and usually repayment” (Prowse, 2012. p.11). This contract is the form whereby the firm provides every input that the farmer will need on the farm, and it is expected that the final product when harvested meets the expectations of the firm that has initiated the contract. If in any case the farmer does not meet the expectations of the firm there is the need for a reimbursement to the firm. I believe this reimbursement will be for the inputs the firm provided for the farmer.

The third form of contract is where “the firm stipulates and enforces conditions of production and farm-based processing” (Prowse, 2012. p.11). From the three forms of contracts as reviewed by Prowse, it is realized that contract farming arrangements are mostly initiated by the firms who set conditions for the smallholder farmers to uphold. These conditions as set by the firms can in a way or two not be in favor of the smallholder farmers. This not being in their favor can affect their livelihood in trying to meet the needed requirements of the contract. These forms and definitions on contract farming is being summarized in Rehber (2007) as “a contractual arrangement between a farmer and a firm whether oral or written which provides resources and specifies one or more conditions for production”. (Rehber, 2007.p.5). In addition, it is given as “a vehicle to transfer technology, modernization of peasant smallholders and the creation of a stable and politically conservative class of family farmers” (Rehber, 2007.p.9). In other words, contract farming serves as an avenue to be able to infiltrate the livelihood of smallholder farmers with modernization, technology etc.

However, according to Bijman (2008) contract farming arrangement is a form of commitment whereby farmers produce commodities in a specified quantity stated by the contractor who on the other hand provides the needed support when it comes to the production and its purchase. (Bijman, 2008. p. 8). In addition, “contract farming is an agreement between farmers and processing/marketing firms for the production and supply of agricultural products under forward agreement which is mostly at predetermined prices”. (Eaton & Shepherd, 2001. p.2). From this definition by Eaton and Shepherd it confirms the fact that contract farming always involves two parties who have an agreement concerning a venture. For this venture to be successful both parties must perform their roles to achieve the expected results for the benefit of both parties.

2.3. THE BENEFITS OF CONTRACT FARMING

From the research of Binpori (2021) contract farming has a positive impact on the income and food security of smallholder farmers (Binpori et al., 2021). As Binpori et al's (2021) study show smallholder rice farmers who engage in contract farming having easy access to technology it helps with the yields of the farmland. Contractors who contract smallholder farmers mostly provide the necessary resources which helps with the yielding of the farmland. In this sense, if the contractor finds it important to include technology in its farm activities, it will do so that the farm can have higher yields. In this case, the smallholder farmer who is under contract will benefit from the use of these technological initiatives. The use of these technological initiatives can cause improvement in the yields of the farmlands which can lead to food security.

For a country like Ghana, wanting to attain food security for its citizens, there is the need to incorporate technology in the agricultural activities of farmers especially smallholder farmers. From the findings of Yakubu et al (2022), the Mion yam farmers in the Northern Region of Ghana responded positively to contract farming as compared to the non-contracted farmers. According to him, the contracted farmers had an increased income, improved access to health and nutrition, improved food security, reduced poverty, and the ability to pay for the fees of the school going children of the contracted farmers (Yakubu et al. 2022.p.18).

With comparing the livelihood of the contracted yam farmers to the non-contracted farmers, there were a lot of features or qualities that the contracted farmers possessed that the non-contracted farmers did not possess so this provides reasons why contract farming is a profitable venture that smallholder farmers can engage in. With the smallholder farmers' engagement in contract farming, they are assured of having better living conditions. This assertion from Yakubu et al, is evident in Amanor's (2019) work that smallholder farmers in their quest for "participating in Global Value Chain through contract farming is a way of upgrading production, lifting farmers out of poverty and enabling them to adopt modern technology" (Amanor, 2019. p.3). Under contract farming, having access to the market is easier than in non-contract farming, having your income improved is somewhat assured in the sense that, farmers do not struggle to get buyers for their farm produce and the use of technological initiatives in contract farming makes smallholder farmers' productivity levels increase from time to time. This productivity goes a long way to help contractors make higher proceeds from the market and this in turn helps the farmers as well to gain income for their livelihood.

In addition, in the work of Abdulai on contract farmers' income in the Eastern Corridors of the Northern Region of Ghana, it is affirmed that smallholder farmers are likely to participate in contract farming because it provides them with the technical training on how to manage their farms for better yields (Abdulai, 2016. p.108). Since the agribusinesses have the main motive of making higher profits from their businesses, it becomes very important and necessary to provide the necessary tools and technical know-how to these farmers to increase productivity which will enable them to make higher profits. The contracted farmers are more likely to benefit from this initiative as compared to the non-contracted farmers. Another important benefit discovered in Abdulai's work is the fact that the contracted farmers have access to credit, and this is the reason why most farmers engage in contract with the agribusinesses (Abdulai, 2016). The smallholder farmer who finds it difficult to access credit to support his or her farm activities will be tempted to join the agribusiness in contract to have easy access to credit which the non-contract farmer do not have access to. However, access to credit for these smallholder contract farmers is "limited by the lack of collateral and high interest rates demanded by formal and informal lenders" (Abdulai, 2016). Even though these contracted farmers have access to credit, they face the issue of not being able to pay for the high interests that lenders put on these credits that are being accessed.

2.4. THE CHALLENGES OF CONTRACT FARMING

According to Little and Watts, the use of authoritarian actions to regulate the work conditions in contract farming renders household labor unfree (Little et al. 1994. p.64). The household labor is rendered unfree because of the power that has been acquired by the contractors by virtue of the resources that they possess. The farmer under contract cannot take actions which are not approved by the farmers; every action that concerns the improvement and growth of the farmlands must be communicated to the contractors before it can be carried out on the farmlands. At a point that these smallholder farmers feel they are being exploited or are not treated fairly, they tend to fight for their rights which leads to conflicts between the farmers and their contractors.

A contract is a written document that binds two or more parties on the terms stipulated in the document both legally and politically (Goodell, 2009). Most smallholder farmers under contract farming instead of having a written document to bind both parties are seen going under contract verbally. In this sense, there is no evidence of negotiation (Kudadjie-Freeman et al. 2008). The issue of engaging in contract farming without a binding document also contributes to the failure of contract farming.

Most of the conditions set in the contract are conditions that favor the contractors rather than the smallholder farmers but since there is no written document, the farmers do not even know if the terms in the contract are benefiting them or exploiting them.

To some scholars, for contract farming to be successful, it depends on the kind of crop, farm size, types of input provision, contextual factors and contractual arrangements (Prowse, 2012). There are a lot of factors that needs to be considered when it comes to the issue of contract farming in the sense that, apart from land and labor being the major contributors to contract farming, other factors also contribute to either the success or failure of it. For him, it is not every crop that is able to survive or make higher yields under contract farming. There are different types of crops that we have namely annual, biennial and perennial crops. These crops have different times and periods that they can be sown and harvested; some crops take longer years than others to grow and others take very short periods to grow for it to be harvested. The results from having a contract arrangement on an annual crop will be different from a perennial crop and vice versa. The contract arrangement can also be a contributing factor to the success or failure of contract farming.

The effects that contract farming arrangement have differ from country to country and these are based on different factors like the type of crop; being labor intensive or less labor intensive (Oya, 2012. p.14). Every country has its own experience of how contract farming has either promoted or decreased the growth of the agricultural sector. This promotion and decrease are attributed to several factors like the kind of crops planted and the expert knowledge needed for its processing, harvesting and distribution. Contract farming comes with a lot of risks both for the contractor, the buyer and the contracted (Oya, 2012. p.19). It is expected that, through contract farming, there is high levels of productivity which results in high profits accrued. In situations whereby the farming season or period is affected by for example climate, it goes a long way to affect the yields. Some farming seasons result in lower yield and harvest failure (Oya, 2012). When such happens, the investment made by the agribusiness is affected badly which also affects the income of the contracted farmers. In a contractual arrangement whereby a contracted farmer's income is based on the profits made by the corporate firm, it will automatically affect the income of the smallholder farmer.

Contract farming should not be seen as a way of making profits only but as losses are incurred, it also affects the agribusiness or corporate firm. The issue of class also comes to play in the concept of contract farming. In most African countries for example Ghana, there is the issue of inheritance that is, farmlands are mostly inherited customarily by virtue of being a member of a particular family.

In dealing with contract farming, there is the need to also consider the power structures that exist in the local community. In Ghana, there is matrilineal and patrilineal inheritance (either you inherit properties from your mother or father's family). In our society, there is the upper, middle and lower class of people and this is determined by the properties and resources that the individual has. Contract farming in the context of class can create entry barriers for farmers who do not have enough resources (Niño, 2016. p. 17). Households who employ other farmers to work on their farms on casual and seasonal basis will be able to enter a contract form of farming based on its capability to pay the contracted farmers, provide the needed farm equipment and tools which are able to increase its productivity. In other words, class and the power structures that exist in our local communities are very important when dealing with contract farming. Some researchers are of the view that, contract farming can also be a form of land grabbing. Land grabbing in the political economy lens refers to "the capturing of control and authority over lands and other resources by the agribusinesses and corporate bodies who through capital invest in the various lands" (Edelman et al., 2013). In land grabbing, the expelled people are not absorbed into other activities which would generate income. Most of the people who are affected by land grabs are not forced to give out their lands they do so willingly. Most smallholder farmers give off their lands willingly because of the profits that they can make from giving out their lands. As contract farming is also about agribusinesses and corporate firms investing in farmlands, it is a bit slower here, because farmers at the initial stages of the grabbing are not in control of the inputs and they end up selling their lands gradually (Adams et al., 2019).

The process of land grabbing can lead to dispossession of the lands and in the same way, in contract farming as farmers are moved to give out their lands (farmlands) in a gradual process, it later ends in the dispossession of the farmlands. In most of our local communities in Africa, the custodians of the lands are primarily the traditional leaders of the community. Before any land can be bought and used for any activity, it must be channeled through the traditional rulers who are made custodians of the lands. According to Adams et al, when the ownership of lands change from being a common property of the community to being private, it excludes a lot of actors who had access to the lands (Adams et al., 2019). As I have already mentioned, the lands of most communities are being controlled or managed by the traditional rulers of the community. Before any private company can get access to a land in the community, it must contact the traditional rulers for the necessary documentations on the ownership of the land. After this exchange, the land can be used for whatever activity that is deemed fit for the buyer (private company) therefore if it is decided that the land is used for contract farming,

the traditional rulers do not have much to say because the land is no longer ‘common to the State’ but it is now owned by a private entity. It is therefore suggested that strategies are put in place to study the impact that a new institutional setting will have on the local people, land rights etc. before any institutional change is made (Adams et al., 2019. p.19).

2.5. THEORETICAL FRAMEWORK

Bernstein has presented the key political economy questions which concerns the social relations of production and reproduction. According to Bernstein the four key political economy questions are who owns what? Who does what? Who gets what? and What do they do with it? (Bernstein, 2010.p.23). In a social environment where there is the exercise of power, it becomes very crucial when dealing with issues of land tenure and ownership especially in Africa. Land tenure system is a major problem in agricultural production in Ghana (Bannor et al., 2022). Due to the issue of land tenure and others, it becomes difficult for peasants to have a long-term land ownership in Ghana (Bannor et al., 2022).

In the context of contract farming, the questions to be asked relating to the topic of political economy will be Who owns the land, who works the land, and who provides the farm inputs, and who gets what from the contract? Contract farming takes different forms in the sense that, it is based on the contract arrangements and the ownership of the land that will determine who benefits most from the terms of contract. In other words, there are a lot of conditions or factors that determine why an individual will decide to engage in contract farming owning a land is a reason but one’s ability to have access to land, capital, equipment, which are resources that help in engaging in contract farming is important. Contract farming according to Bernstein is an avenue through which capital is pushed into the rural economy and by so doing, it gains access to cheap labor (Bernstein, 2010. p.13). As it has already been discussed in the previous sessions that contract farming gives way for corporations to put huge sums of money into an economy which is poor (rural). The process of pushing money into the economy will obviously lead to using the rural community dwellers as labor to work on the farms. The ability to infiltrate money into the rural economy makes it easy to access labor cheaply and this might in a way lead to exploitation which has already been highlighted. The Marxist theoretical tradition of Who owns what? Who does what? Who gets what?

According to Marx, as cited by Levien et al (2018), there is the struggle of class between the Lower, Middle and Upper class (those who own the means of production) (Levien et al., 2018). The Class structure is mainly about those who have resources available in their possession and those who have

little or no resources in their possession. The possession of resources determines the class one finds himself in. The class differentiation is what leads to social differentiation whereby in contract farming, the Upper Class (contractors) can engage lower class (smallholder farmers) because of the resources they have in their possession. The possession of resources determines who can engage in contract farming and those who cannot engage in it. According to Bernstein, the question of who owns what concerns how “the means of production and reproduction are distributed” (Bernstein, 2010). Land is a very important commodity when it comes to farming. Gaining access to land is the first step to starting a farm which leads to the production and reproduction of commodities for human consumption. In the context of contract farming there is always an entity or individual who have access to the land and through the invasion of private firms the lands are exchanged to other owners. In the context of contract farming practiced in the Techiman community it is the form whereby these smallholder farmers have their own lands which they use for their cashew production. In other words, the owners of the lands are the smallholder farmers who have the right to access the lands whenever necessary.

The Ghana Nuts Company which is a private firm who identifies these cashew farmers and approach them concerning their intention to have them produce for the company based on a stipulated timeline. Apart from the timelines set there are other conditions set by the firm to the farmer to uphold when it comes to planting, nursing and harvesting of the crops. This is what Bernstein refers to as the “Social Divisions of labor” whereby the contract agreed on stipulates who does what in the contract. Then the question of who works the land comes to play. With contract farming in Techiman as can be seen from the findings, the smallholder cashew farmers are those who work on the land to make sure that the farm produce meets the exact expectations of the private firm that has contracted them.

Based on the conditions of the contract, the farmer with working on the land (farm) must make sure that the expectations are met otherwise there could be repercussions for the farmer as the contract has stated. The Ghana Nuts Company Limited is a firm which is “resource providing” (Prowse, 2012). It provides all the farm inputs ranging from fertilizer to farm tools, technical advice etc. to ensure that the farmer do not face challenges which will result in the farm products not yielding. This answers the question of who provides the farm input? The agribusiness firm provides the farm inputs for the farmers to use on the crops and provides expert knowledge too when it comes to nursing and nurturing the crops into fruition. In the context of smallholder cashew farmers who have contracts with the Ghana Nuts Company Limited, the questions of who owns the land? Who works the Land?

and Who provides the farm inputs had results of the smallholder farmers owning the land, the smallholder farmers working the land and the agribusiness firm providing the farm input.

CHAPTER THREE: RESEARCH METHODS AND OVERVIEW OF THE RESEARCH AREA

3.1. INTRODUCTION

This chapter provides a detailed description of the area that the research was conducted that is, the Bono East Region of Ghana and the Techiman township where the interview and survey was conducted. This chapter also discusses the research methods used to gather data for the purposes of this research. It also presents a brief description of the tasks and contributions of the research assistant in data collection.

3.2. DESCRIPTION OF THE RESEARCH AREA

The Bono East Region is part of the vegetation belt of Ghana whose capital town is Techiman. It covers a total land area of 39,557 km squared (Boafo et al., 2022). The population is 880,921 as of 2021 with the Techiman Municipal having 243,335 (GSS, 2024). The region experiences 2 rainfall seasons which allows for 2 farming seasons each year; March to July is the major farming season while August to December is the minor season (Amanor, 2013)

The Bono East Region of Ghana is a region that was recently carved from the Brong Ahafo Region (Bono East RCC, 2024). This region is notably an agricultural area. Most individuals who reside in this part of the country are mainly reliant on farming for their livelihood. “The economic population in the Bono East are involved in agriculture with the majority involved in food and cash crops” (Bannor et al, 2022. p.6). The area is highly agricultural with the primary occupation being farming (Danso et al., 2024. pp.295). The Brong Ahafo Region of which the Bono East Region was carved from is the largest producer of cashew in Ghana (Boafo et al, 2019). In addition, majority of the cashew that is produced in Ghana originates from the Bono and Bono East Regions of Ghana (Bonsu, 2022). Since most of the farmers engage in farming and it is a region where agricultural activities predominate, the region attracts agribusiness companies and other agricultural entrepreneurs. It becomes easier for corporate firms to penetrate the areas to engage the rural farmers in contract. As it has already been discussed, contract farming has a lot of benefits and the reasons for contract farming is to help farmers to get easy access to the market. The farmers in the Bono East Region who engage in contract farming are seen facing a lot of challenges which goes on to affect their livelihood and the welfare of their households. There are approximately eleven Districts and Municipals in the Bono East Region.

The Techiman Municipal is part of the Districts and Municipals with Techiman North District and Techiman District. Techiman which is the capital of the Bono East Region of Ghana is selected as the area where the population size for data collection was done.

3.2.1. Below is a Map of the Bono East Region of Ghana showing Techiman:



Photo credit: <https://lgs.gov.gh/bono-east-2/>

This Research Paper purposely focuses on the cashew farmers in the region specifically the Techiman Municipality because most farmers are engaged in the cultivation of cashew. According to the African Cashew Initiative (2010) as cited by Von Freyhold (2013), cashew production in Techiman is mainly characterized by smallholder farmers who do not have much land and do not have access to the commercial farm sector (ACi, 2010). The support from state and non-state actors has made the region the current largest producer of cashew in Ghana (Boafo et al, 2022). The Ghana Nuts Company is not the only firm in Techiman that engages in contract farming or cashew production and processing. There are other big firms such as Olam Company Limited, Almajaro Company etc. The presence of these companies in the Techiman Municipality makes it highly industrious and appealing for investors to penetrate the area. In other words, there are a lot of commercial activities that go on in the Municipality.

The Ghana Nuts Company Limited started as the first ever commodity trader in cashew nuts, soya etc. and exports over 30,000 tons of these products annually (Amponsah, 2021.p.178). It is noted for the processing and production of cashew nuts and shea butter into refined oil for consumption. “Ghana Nuts Company Limited is Africa’s fully mechanized processing plant for drying, roasting and shelling of raw cashew nuts” (Von Freyhold, 2013). This company assisted farmers financially and this

financial assistance was to help growers expand farm size and plant crops, so the firm purchases them at the farmgate as raw materials (Amponsah, 2021.p.180). It also provides technical support for farmers and assist them with improved seedlings that boost yields (Amponsah, 2021). The firm is into manufacturing edible oils from the raw materials purchased from the farmers. “Within 5 years of its operations it has moved from the export of raw soya, cashew, groundnuts etc. and entered into manufacturing edible oils” (Amponsah, 2021).

In addition, the Ghana Nuts Company Limited signs contract with its farmers which protects their respective interests (Amponsah, 2021). The contract is signed so both sides of the contract come to an understanding of the terms and conditions set in the contract. These contracts signed are supposed to be fulfilled from both sides of the contract otherwise it can go to court for settlement (Amponsah, 2021. p. 187). This firm does not deal in only cashew nuts but other nuts which can be refined into oils. The technical support, expert knowledge and farm tools are provided by the firm to the farmers who also make sure that the best yields are obtained for the firms who also get access to the produce for further processing. Since cashew is a very important commodity for the country, it is expected that farmers who work in cashew farms reap greater benefits from it. Most issues that the farmers face trigger them to engage in contract farming which is to help them when it comes to providing fertilizers, farm tools, pesticides etc. Gaining access to the market is also difficult for these smallholder farmers therefore engaging in contract farming helps them gain easy access to the market. In Techiman, it is not every cashew nut farmer who engages in contract; some cashew farmers are also seen producing independently without engaging in any contracts with the corporate firms and agribusinesses.

3.3. RESEARCH DESIGN

This research is mainly based on a qualitative case study design. The case of the contracted farmers in the Techiman township under the contract of the Ghana Nuts Company Limited was used to unravel the challenges and benefits that these cashew farmers get through an interview. The same approach was also used to draw insights regarding the challenges of the non-contracted farmers relative to the contracted farmers to see if contract farming is good for the livelihood of smallholder farmers or not. The mixed method approach used to gather data was through a semi-structured interview and survey. This semi-structured interview was employed for both contracted and non-contracted cashew farmers to share their personal experiences, views and opinions about contract farming and cashew production. In view of that, the questions asked were open-ended where respondents

could fully share their opinions without being restricted. In other words, the qualitative approach helps provide a deeper understanding of the livelihood of the smallholder contract farmers and those who do not engage in contract farming.

3.4. SAMPLING METHOD

This research made use of a purposive sampling approach to identify the contracted farmers in the Techiman enclave. Through a purposive sampling approach, fifteen farmers were engaged in an interview individually. These fifteen contracted farmers were those who were willing and interested in the interview. Through a purposive sampling approach also, fifteen non-contracted cashew farmers were also interviewed on their perceptions on contract farming and cashew farming in general. For the survey it was done through a purposive sampling approach whereby farmers were selected to answer few questions on contract farming. 20 contract farmers and 20 non-contract farmers for the survey. The survey was conducted to complement the data collected through the interviews. Since the farmers were scattered across Techiman and were not at one place, the researcher had to depend on referrals that were being made by the farmers. One farmer could lead or direct the researcher to the other farmer to participate in the interview and survey. One contract farmer who was at that moment doing a taxi business was very helpful with contacting other farmers in the community who had contracts with Ghana Nuts Company Limited. Locating farmers to do the survey was tedious so the researcher had to depend on referrals that were being made. For the survey, the questions asked were a few that was why the targeted number was achieved. This survey was purposely done to add more ink to what the farmers who were interviewed had given as their responses especially on the challenges and factors that discouraged farmers from engaging in CF.

3.5. INSTRUMENTS USED FOR GATHERING DATA

3.5.1. SEMI-STRUCTURED INTERVIEW:

This research employed an open-ended semi structured interview questions to gather data from the participants who were identified. On 21st July 2024 the area in which the research was to be conducted was scouted by the research assistant. The essence of this scout was to familiarize with the area and the people who could be identified as participants for the interview and survey. The interview started first by capturing the general well-being of the participants. Questions about their age, the number of years engaged in contract farming and other personal information were asked to understand the livelihood of these farmers.

3.5.2. SURVEY:

Respondents were sampled using a snowball sampling technique as a non-probability sampling technique. The targeted group to answer these questions were contracted and non-contracted cashew farmers who resided in Techiman in the Bono East Region of Ghana. Through this survey 20 responses were gathered from each of the contract and non-contract farmers to validate the data that was gathered from the 30 other farmers who were interviewed.

3.6. DATA COLLECTION:

The data collection period started from 31st July 2024 to 25th August 2024. This research made use of both primary and secondary data. For the primary data, semi-structured interviews and surveys were used. The secondary data on the other hand was gathered from journals, reports, the Municipality Head office and the Regional Coordinating Council website. In the collection of data one farmer who was contacted was able to assist with locating other farmers who were dispersed across the town. Every participant who accepted to take part in the interview process scheduled their own time of convenience, date and the place to have the interview. Some interviews were had in the market, taxi stations, farms and some farmers, in their homes. The non-contracted farmers were easier to be identified therefore their interviews were conducted first with each interview taking 25 minutes maximum. These thirty farmers who were interviewed did not take part in the survey that was conducted. Other farmers who were identified to be engaging in contract farming in Techiman were given questionnaires to answer some few questions pertaining to some of the challenges, benefits and the nature of contract farming as were raised by the participants who were interviewed.

The responses of these farmers were audio recorded with their consent for the interview sought. Before the start of the interview, each farmer was assured of their responses being kept anonymous and confidential. This assurance made them more comfortable to share their opinions and views when questions were asked. The interview was conducted in the local language (twi) even though some farmers were able to communicate in the English language. The survey on the other hand saw to the administering of questionnaires to the farmers. Participants who could not read were assisted as the questions were read to them in the local dialect for them to answer in the local dialect. As the answers were being recorded the research assistants interpreted the answers to the English language on the question sheets.

3.7. ROLE OF THE RESEARCH ASSISTANTS:

The primary data collection was conducted through a research assistant. The Research Assistant is an expert at the Forestry Research Institute of Ghana of the Council for Scientific and Industrial Research (CSIR-FORIG), which is in Fumesua in the Ashanti Region of Ghana. This Research Assistant was assisted by one Technical Officer from his Division with the interview sessions and the survey that was conducted. In other words, the role of the research assistant was to assist me conduct interviews and administer questionnaires to the contract and non-contract farmers who resided in Techiman. After the collection of data, the research assistant sent the responses of the participants for me to transcribe from the local language to the English language. The responses from the survey were also gathered in such a way that I could interpret and use in the analysis. The role of the research assistants included identifying participants to partake in both the interview and survey, recording the responses of the participants, giving ideas on how best to gather the data from field, submitting progress reports and collating the responses for analysis

3.8. DATA ANALYSIS:

This Research Paper made use of the qualitative method of gathering data. A few of the farmers were able to respond to the questions asked in English language but most of them expressed their opinions and views in the local dialect (twi). The primary sources of data gathered were transcribed verbatim in other words, every single word used by a respondent in the local dialect was translated into the English language. After the transcription and translation, the responses were grouped under the research themes (research questions). The themes under which these responses were grouped are explained into details in the subsequent chapters. Under each theme there is a comparison between the responses of the contracted farmers and the non-contracted farmers.

This research paper employed the use of a descriptive statistical analysis procedure to analyze the responses that were gathered from the survey that was conducted. To quantifiably analyze the responses from the survey there was the need to statistically measure the association between the livelihood of the contract farmers to confirm whether they are statistically significant for the analysis. This analysis was done to know the extent to which CF arrangements has impacted their livelihood.

3.9. INFORMED CONSENT:

Before the start of the data collection and after explaining the purpose of this research to participants, it was important to assure the participants that their participation in this research procedure will be anonymous. No participant was forced against their will to participate in this study; it was voluntary, and each participant was assured of the information gathered being kept confidential and anonymous.

3.10. LIMITATION OF THE STUDY

Some limitations and challenges that were encountered during the data collection was the fact that most rural farmers do not have formal education therefore having to answer questions in the English language was difficult for them to understand and answer the questions properly. The interview as well as the survey was therefore conducted in the local language. At the time of conducting the interview, cashew was out of season therefore most of the farmers were dispersed across the township doing other jobs like cab driving, shop attendance etc. Since they were not at one area, the research assistant had to travel from one village to the other to get into contact with these farmers. Another limitation was the fact that some farmers were not in support of the research assistant taking videos or pictures of them. Amidst all these limitations, it must be noted that the data I was able to gather was reliable enough to generate the necessary outcome for this research.

CHAPTER FOUR: RESULTS & FINDINGS

4.1. INTRODUCTION

This Chapter discusses and describes the results and findings gathered from the interview and survey which was conducted with both the contract and non-contract cashew farmers. It makes use of the primary data gathered on field which is in line with the research questions that this research paper seeks to address.

Table 1: **The Demographic Characteristics of Respondents for Interview:**

Contract Cashew Farmers

Demographic Category	Description	Number of Respondents
Gender	Male	10
	Female	5
	Total	15
Age Range	30-39	3
	40-49	2
	50-59	10
	Total	15
Marital Status	Single	1
	Married	12
	Widowed	1
	Divorced	1
	Total	15
Years of Farming	5-10 years	8
	15-20 years	7
	Total	15
Livelihood Strategies	Farming only	12

	Farming & other Livelihood Strategies	3
	Total	15

Source: Field data Interview 2024

Table 1.1. Non- Contract Cashew Farmers Demography:

Demographic category	Description	Number of Respondents
Gender	Male	14
	Female	1
	Total	15
Age Range	40-49	4
	50-59	11
	Total	15
Marital Status	Single	1
	Married	13
	Widowed	1
	Divorced	0
	Total	15
Years of Farming	5-10 years	5
	15-20 years	10
	Total	15
Livelihood Strategies	Farming only	15

Source: Field data Interview 2024.

Both tables presenting the demographic features of both the contract and non-contract cashew farmers of the Techiman Municipality showcases that most of the cashew farmers are male who have easy access to land in the community to engage in cashew farming. Another point to note from both tables

is the fact that majority of these farmers are married with children who depend on them for their daily livelihood. Even though majority of the farmers depend solely on farming for their livelihood, some farmers also engage in other livelihood strategies to support their homes.

4.1.2. Household Livelihood of Contract Cashew farmers:

The main objective that this research seeks to achieve is to examine the impact that contract farming has on the livelihood of smallholder cashew farmers in Techiman of the Bono East Region of Ghana. The household livelihood of individuals is not only centered on income; there are a lot of details and aspects that forms part of a person's livelihood. For the purposes of measuring the association between the livelihood of the farmers and contract farming, their average income was used as a proxy variable to quantifiably measure their livelihoods.

A significantly positive association has been found between contract farming and the livelihood of smallholder cashew farmers in the region, attested by a test statistic value (9.868) being greater than the critical value (2.203) (see this in tab 1.1). The association has been found to be positive. The results are presented in the table below (tab 1:1).

Tab 1.2. This table presents the results of the association between the livelihood of smallholder cashew farmers and contract farming in the survey taken for this study.

Pearson coefficient (r)	Test Statistic (t*)	Critical Value
0.9613	9.8677	2.305

The positive association that exists between them is statistically strong at a 5% level of significance with Pearson correlation being 0.96 approximately. This positive association implies that encouraging the engagement of these smallholder cashew farmers in contract farming will increase their income level (livelihood) in Techiman and vice versa. The tentative statement (null) therefore states that there is no relationship existing between contract farming and the livelihood of the farmers which is rejected at 5% confidence level because of the test statistic value (9.8677) being greater than its critical value (2.203). We can hypothesize (see tab 1.1) that the positive association that exist between the intervention (contract farming) and the livelihood of smallholder cashew farmers in Techiman is statistically significant at 5% level of significance. And that inference can be drawn that to increase farmers livelihood (income), smallholder Cashew farmers should engage in contract farming in Techiman. In other words, the household livelihood of smallholder farmers in the Bono East Region of Ghana is a

topic that cannot be overlooked when considering their livelihood in general. There are a lot of contributing factors as to why most smallholder farmers would want to engage in contract farming. From the interview conducted, one contract farmer explained:

I am a 54-year-old cashew farmer who has lived almost all my life in Techiman. I am a married man with three children who are all in school. My eldest child has completed Senior High School, and he is yet to further his education, my second boy is in Senior High School while my youngest daughter is in primary school (CF 01-M)

Considering this farmer who has lived most of his life as a farmer and at his age almost retiring, the dependency is very high as most of his children are still not at the age where they can fend for themselves. He is married too that means the wife in addition to his three kids show the higher responsibility that he has as a farmer in his household. Apart from taking care of his children the issue of rent and other housing responsibilities like food, clothes are all his responsibility.

He continued to say that:

...At first my wife supported the household when it came to financing the children's school fees but now that she is home, hmmm...it is not easy... but comparing my livelihood before engaging in contract farming to now, my income has increased which I am able to use to cater for my family (CF01-M)

Another farmer also noted that:

I am a 52-year-old taxicab driver who recently decided to engage in farming to increase my household income as the head and caretaker of my home. I am married with 4 children who are all at school going age. My wife is a fish seller in the market who supports me when it comes to taking care of the children and the household. We have divided the responsibilities between us where she takes care of stocking the house with foodstuff. She works in the market, so it becomes affordable since she is friends with most of the market women (CF02-M)

Comparing the two responses of both contract farmers, it can be realized that the 1st farmer when it comes to household living, it is a burden as compared to the 2nd contract farmer who is being supported by the wife. Sharing of responsibilities at home can reduce the higher dependency that affect the household income. It can be realized that when it comes to the household livelihood activities, the CF02 is at a greater advantage than the CF01. The CF02 is younger, has more than one income source, responsibilities shared, the dependency ratio is higher for CF01 as compared to CF02. These farmers are both contract farmers, but their household livelihood differ therefore the extent to which it will

benefit one farmer will not be the same as the other. “Contract schemes are associated with higher household income but with different livelihood strategies” (Ruml et al. 2022.p. 27). This assertion by Ruml in relation to the findings in this research shows that contract farming schemes can bring higher household income but that does not guarantee that the livelihood will be perfect. It also depends on a lot of factors ranging from the dependency ratio, the age of the farmer and other livelihood activities that the farmer engages in.

Livelihood encompasses a lot of entities in other words a lot of materials come together to constitute an individual’s livelihood as well as household. The typical Ghanaian household consists of the parents and children and in extreme cases, just a parent with children or parents without children. Farmers were asked to compare their livelihood while in contract farming to when they were not engaged in it. Some made mention of the different livelihood strategies engaged in, Income improvement, healthcare access and being able to afford the necessities like food, shelter etc. Out of the 15 contract farmers interviewed 80% of the respondents had other livelihood strategies that generated income for their household apart from cashew farming. This is confirmed in the work by Mwambi et al (2016) which found that the household income of the avocado farmers in Kenya depended on the various activities that the household is engaged in (Mwambi et al. 2016). These households who have more than (1) livelihood strategies are more likely to gain income from the different activities as compared to those who do not engage in other activities.

The improvement in income by the contract farmers was confirmed by 9(60%) respondents while 6 (40%) of the respondents were of the view that income is based on the price levels in view of that, increase in price increases income while the decrease in price level reduces income. This finding from the interview is also evident in Mwambi et al (2016) where the farmers interviewed in her work attested that the change in price levels of the farm produce has the potential of increasing or decreasing their household income (Mwambi et al. 2016).

Easy access to healthcare had 6 respondents representing 40% while the rest of the respondents 9 (60%) gave responses that it depends, and it is not every day that they get easy access. On the access to the necessities of life like food and shelter, 5(33.3%) respondents said they could access these necessities easily as compared to when they had not engaged in contract. The remaining 10(66.7%) respondents were those who said household living changes from time to time depending on how businesses and harvest yields go. The findings made in this interview is in line with the work of Yakubu et al (2022) whereby the contract farmers confirmed that they can easily access healthcare, buy necessities and live a more comfortable life as compared to the non-contract farmers (Yakubu et al. 2022).

The dependency of the household also becomes an issue as the dependency ratio of a household when high can have a toll on the livelihood of the household. From the responses gathered 12 respondents had a higher dependency while 3 farmers were not densely depended on. These 12 respondents having a higher dependency in their household livelihood can cause difficulties in the household when it comes to acquiring income and keeping the home.

4.1.3. Household Livelihood of Non-Contract Cashew farmers

The non-contract cashew farmers who do not have any contract with Ghana Nuts or any other firm were also interviewed to get their perspectives on their livelihood and their thoughts on contract farming. These non-contract cashew farmers had similar livelihood as the contract farmers interviewed. An opportunity was had to interview a cashew farmer who was a female who engaged in farming to take care of her home. One female farmer who was interviewed was a widow who had children to cater for.

I am a 48-year-old who had lived here in Techiman for almost 20 years with my husband. I relocated here with my husband after our union. Since cashew production was booming here, we decided to purchase a farmland together and cultivate to cater for ourselves and children. Losing my husband has made me the sole caretaker of my home. My children are all of school going age hence their school fees and other basic stuff are there for me to take care of (NCF01-F).

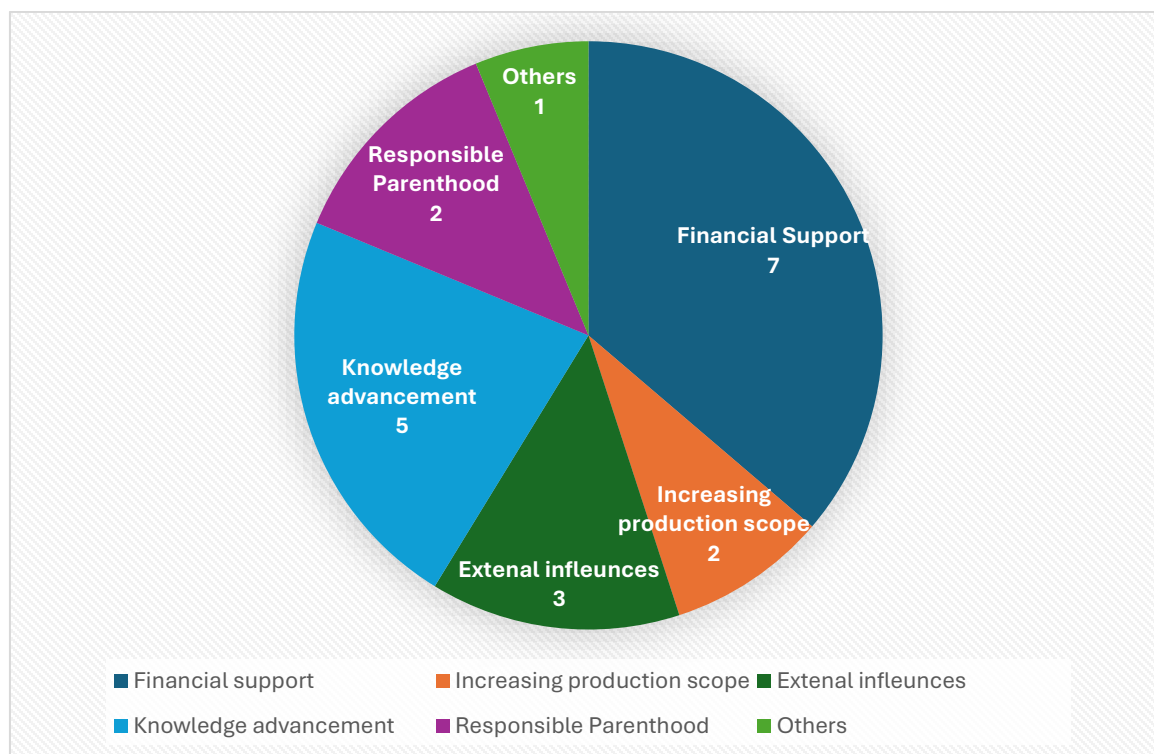
From this response given by this non-contract farmer gaining access to land for her cashew farming was possible because the husband had died and left it for her. In other words, getting the land to farm as a female would not have been an easy task for her. Looking at the household livelihood of this woman, the dependency rate is very high as she must pay school fees for the children, feed them and pay for house rent and other social obligations as a single parent. This is in line with Jackson (2003) that most rural women do not have lands readily made available to them unless through marital and natal family land inheritance (Jackson, 2003). This could be a contributing factor to why only 1 female was recorded to be a non-contract farmer. The men have easy access to land unlike the women.

The responses given by most of the contract farmers showed that the household livelihood of the farmers depended on a lot of factors which can make and unmake the income generated in the household. For the non-contract farmers all 15 farmers interviewed, depended solely on farming for their livelihood. 13 respondents representing 87% talked about the higher dependence experienced in their various households while 2 respondents representing 13% of the respondents had a lower dependence in their household.

4.1.4. Factors that influence cashew farmers to engage in contract farming

Another question that this research seeks to answer is “what factors influence smallholder cashew farmers to engage in contract farming?”. Out of the 20 respondents surveyed, 35% said because of financial support (Credit accessibility) they ended up engaging in contract farming, 25% said they engaged in contract farming because they wanted to improve their knowledge in cashew farming so as to increase their yielding capacity, 15% said they were influenced by their peers, 10% engaged in contract farming so that they can take care of their children and families, 10% said it was to increase their production scope, and 5% who were being indecisive(they could not pin point the exact reason for engaging in contract farming). From these statistics, we can express that financial support is the paramount factor causing majority of the smallholder cashew farmers to engage in contract farming in Techiman. This can be validated from the figure below.

Fig 1.1. Distribution of the factors causing smallholder cashew farmers to engage in contract farming in Techiman.



From the figure above knowledge advancement and financial support have the highest number of responses from the farmers. This means that apart from financial constraints, many of these cashew

farmers also engage in contract farming because they want to improve their knowledge in cashew farming so that their yielding capacity can be maximized in the cashew industry. Moreover, some also said they were introduced to contract farming because of the influence they had from their peers, and this accounted for 14% in our survey. The increase in production scope and indecisiveness has the limited response rate (9% and 6% respectively). This correlates with Audi et al (2022)'s work whereby farmers who were interviewed confirmed that they could access loans easily by being contract farmers (Audi et al. 2022). Apart from the loans that they can easily access farmers under contract could get financial assistance on their farms more than the non-contract farmers.

However, the findings that were made from the interview conducted attested to the fact that small-holder farmers have various and different reasons or factors that pushed them to choose contract farming.

One farmer said that:

...I decided to join the Ghana Nuts Company Limited as one of their contract farmers because of how difficult it was for me to handle my farm singlehandedly. I heard also that the farmers had a lot of benefits as they engaged in contract with them.... I wanted to also enjoy some...laughs (CF01-M)

From this assertion made by this contract farmer it gives more evidence of the fact that getting into contract with the agribusiness firms eases certain difficulties that comes with farming. He also attested to the fact that there are a lot of benefits that come with being a part of the contract farmers.

Followed by another contract farmer:

...There are a lot of factors that made me choose to work with Ghana Nuts. The reason was that I did not have much knowledge when it came to cashew farming. I was really interested in cashew farming too. I decided to join so that I can gain knowledge on how to care for my cashew. Do you know you can access a loan by just working with them? this also attracted me because it was difficult to get a loan from the bank if you do not have a pay slip...(CF02-M)

This contract farmer throws more light on the benefits one is likely to enjoy being in contract with the Ghana Nuts Company Limited. According to him apart from getting expert knowledge on how to farm or work on his cashew farm, to have access to credit is also easy with being under contract. In Ghana, being able to get a bank loan for any activity one must be a government worker or show proof of having a stable and regular income. This is done to ensure that the loan which has been accessed can be paid without difficulties. The Ghana Nuts serve as a “guarantor” for the farmer when he or she wants to access a bank loan. It is more like a safe space to get access to funds even for other

livelihood activities not related to the contract cashew farming. These findings of this research relate also with Audi et al (2022) who identified that farmers have easy access to loans in Kuria. The findings made on field correspond with the work of Abdulai (2016) who asserts that respondents in his study were more likely to engage in contract farming because it provided them with the technical training on how to manage their farms and having access to credit (Abdulai, 2016.p.108).

4.1.5. Factors that discourage/hinder cashew farmers from engaging in contract farming

This subsection discusses the findings made on field with the non-contract cashew farmers who were interviewed. With the conversations had with some non-contract farmers, it was realized that some of them had made up their minds not to engage in contract the reason being that it is their personal choice. Others also expressed the interest of joining the companies as a contract farmer but do not meet the needed requirements of working with them.

According to one farmer:

...I have heard of contract farming, but I cannot be one because my farmland doesn't meet the needed specifications that the company looks out for (NCF01).

The response of this participant corresponds to the work of Nino (2016) who asserted that entry barriers are created when farmers do not have enough resources. According to this respondent there is the willingness to join but due to his inability to possess a specific farm size, he cannot do so. This reaffirm the assertion that farmers not having enough resources can be prevented from being contract farmers. It is also confirmed in Ruml et al (2022)'s findings that the contractors decide on who to accept and involve in a contract and the farmers can also decide whether to engage in it or not based on their own personal reasons (Ruml et al. 2022).

...Even though I have heard of contract farming, I am not a contract farmer I prefer to work on my own with no restrictions. I heard the contract restricts you in a whole lot of ways I don't like the restrictions and besides I can purchase my farm inputs, so I am okay and doing well with my cashew farming (NCF02)

Another farmer interjected that:

...I decided not to engage in contract farming because it involved a lot of documentations and if care is not taken and you falter somewhere it can go a long way to harm you as a farmer so to avoid that I will rather farm and not engage in contract (NCF03)

The findings made in this research on the factors that hinder or discourage cashew farmers from engaging in contract farming is being highlighted by Ruml. According to Ruml the contracting companies when selecting farmers to work with will select locations that are suitable for the specific crop (Ruml et al. 2022. p.31). That means it is not every farmer that can get the opportunity to be a contract farmer. One must meet a particular criteria set by the contracting companies. In the case of this research, non-contract farmer 1 could not be a contract farmer because of the size of his farmland. The companies may choose farmers with certain characteristics, but farmers decide whether to accept the contract offer based on individual characteristics” (pg.31). In the case of the non-contract farmer 2, it is a personal decision not to engage in contract farming based on the conditions that are set. He believes that the conditions will limit his productivity so he will rather not engage in contract farming; the same applies to the non-contract farmer 3. The actions of the contract companies are termed as authoritarian which regulates the work conditions of the farmers which render them unfree (Little et al. 1994). Due to the nature of the contracts as said by Little et al (1994) which is authoritarian, the farmers prefer to farm individually without contracts.

The responses by the non-contract farmers on their reasons for not engaging in contract farming are summarized in the table below.

Table 1.3: Reasons behind farmers’ non-engagement in contract farming:

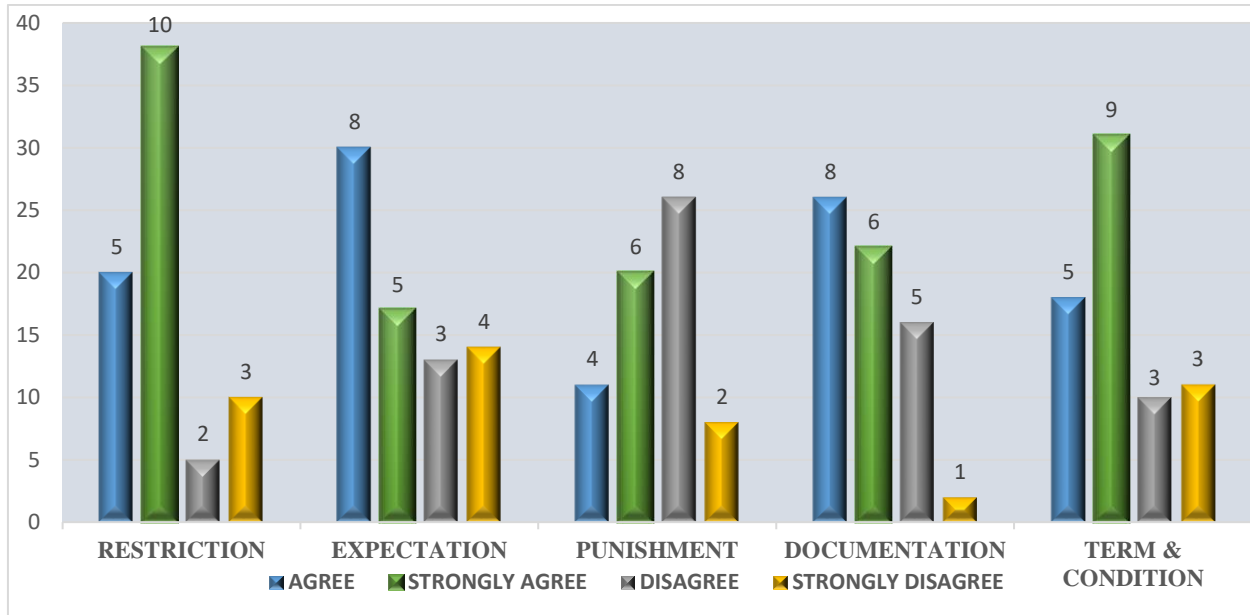
No	Reason	NO. Of Respondents
1.	Land Requirement	4
2.	Restrictions/Lots of instructions	6
3.	Long process/Documentations	3
4.	Fear of legal issues	2
	TOTAL	15

Source: Field data (Interview 2024)

From the table, most of the non-contract farmers who were interviewed had their reasons for not engaging in contract farming as the restrictions set by the companies which in one way or the other makes them not engage in contract farming. The second highest response was the fact that most companies require the farmers to own a specific hectare of land before one may be permitted to take part.

Below is a contingency table which will help us know whether there is a significant association between these issues and the preferences of the smallholder cashew farmers not to engage in CF. The graph below is the distribution of their preferences on each factor. Preference is categorical which consists of Agree, strongly agree, Disagree, and strongly disagree. Let's consider fig 1.2 below.

Fig1.2 Responses on the reasons of non-contract farmers to engage in contract farming in Bono East Region (Techiman).



Source of data: primary data from survey.

From the graph above on the responses given by non-contract farmers on their reasons for not engaging in contract was evidenced in a survey, 5 people representing 25% strongly agreed that contract farming is associated with a lot of restrictions and that hindered them to engage in it. 10 of the respondents representing 50% also agreed that per the restrictions in contract farming it is undesirable to engage in it. A few which is 2 people (10%) disagreed that contract farming restricted farmers while 3 respondents representing 15% strongly agreed that the restrictions set by the contract is part of the reasons why farmers do not want to engage in CF Techiman. It can be deduced that based on the data gathered from the survey the higher percentage of the total number of people surveyed strongly agreed that restrictions set by the contract is a reason not to engage in CF.

In addition, another reason which comes up is the higher expectations demanded from these farmers after they have been engaged. From fig 1.2, 8 respondents representing 40 % (highest percentage) agreed that engaging in contract farming was not a good decision because of its higher expectations

from farmers. 5 respondents representing 25% being the second highest percentage said they strongly agreed that its associated expectations from contractors discourages them from engaging in CF. 3 respondents representing 15% disagreed with this claim while 4(20%) respondents strongly disagreed with the claim. From these responses it can also be concluded that the number of people surveyed, the large portion of the farmers agree that the contracts set by the contractors demand a lot of expectations therefore it becomes a reason why the non-contract farmers would not want to engage in CF.

Moreover, due to the legal issues/ punishments attached to the contracts most of the farmers fear to engage in it. The survey therefore showed that 8 respondents representing 40% disagreed, followed by 6 respondents representing 30% strongly agreeing, 4 respondents representing 20% agreeing and 2 respondents representing 10% of the farmers surveyed strongly agreeing. Under the issue of punishments or legal actions being taken against cashew farmers, most of the farmers surveyed disagreed to it being a reason not to engage in CF.

It has been hypothesized that majority of the smallholder cashew farmers are not willing to engage in contract farming because it involves a lot of documentations. From the survey, 8 respondents representing 40% being the highest response rate said they agreed that a lot of documentations are required in contract farming making them hesitant to accept its intervention, followed by 6 respondents representing 30% strongly agreed, 5 respondents representing 25% disagreeing, with only 1 respondent representing 2% strongly disagreed. From these responses CF involving a lot of documentations discouraged other farmers from engaging in it.

Furthermore, the terms and conditions set in the contract is also a challenge for the contract farmers as well as a discouragement for the non-contract farmers to become contract farmers in cashew production. 9 respondents representing 45% strongly agreed, 5 respondents representing 25% agreed, 3 respondents representing 15% for disagree and strongly disagree respectively.

To answer the research question, of what hinders and discourages cashew farmers from engaging in CF in Techiman, the high level of restrictions associated with contract farming was the key reason. The high expectations demanded from these farmers by these contractors, discouraged farmers to engage in CF. Another reason which cannot be overlooked is the scope of documentations associated with CF arrangements. Since majority are illiterates, a lot of documentations associated with CF is a big challenge and a reason not to engage in it.

To know whether these factors affect the smallholder cashew farmers significantly or not, this research uses chi-square independent test. Contingency table (tab 1.4) shows the distributions of Fig 1.2 in a tabulated form in percentages.

Tab 1.4 contingency table showing distribution of factors that discourage/hinder farmers from engaging in CF.

Challenge	Agree	Strongly Agree	Disagree	Strongly Disagree
Restriction	25%	50%	10%	15%
Expectation	40%	25%	15%	20%
Punishment	20%	30%	40%	10%
Documentation	40%	30%	25%	5%
Terms & Condition	25%	45%	15%	15%

Data source: primary data from survey 2024

A goodness of fit test was performed to know whether the percentages in the contingency table (tab1.2) are statistically significant or not. To check the significance of the table, this research used chi-square distribution to perform the fit test. If the test gives a significant result, it means that the outlined factors truly affect the smallholder cashew farmers and that percentages recorded in the contingency is exactly what is going on in the entire population in the Techiman. The chi-square test is given in the table below (tab1.3.)

Tab1.5. Goodness of fit test of the contingency table.

Chi-square test statistic	critical	Decision rule	Result/outcomes
47.6801	21.026	Sig if test statistic is greater than critical and vice versa	significant

Data source: primary data from survey 2024

From the interview and survey, it can be concluded that the difficulties raised by the CF when fulfilling the contract is also evident in the survey whereby the non-contract farmers also gave similar reasons as to why they do not engage in CF.

4.1.6. Contract Cashew farmers access to market:

Contract farming as most smallholder farmers engage in are much of a greater advantage gaining easy access to the market for buyers to purchase the farm produce that has been cultivated. According to a contract farmer who was interviewed she talks of her experience with the Ghana Nuts Company Limited. According to her she asserted that:

...The cost of transporting the harvested cashew nut is no longer my burden because the company comes over with its own vehicle to transport the harvested crops...Having buyers to buy the harvested cashew nut is not an issue because the company mostly does that, and it even helps with selling my cashew nuts (CF04-F)

...For me my main reason for joining Ghana Nuts as one of their farmers was the fact that as a smallholder farmer who do not have much...hmmm it was difficult for me in a way to send my cashew nuts to the market for people to buy. Sometimes they even think you are a needy person wanting to dupe. ... I was tired of all this so I decided to join Ghana Nuts also so that I can at least get buyers easily for my cashew nuts...and truth be told...laughs it has been good so far (CF08-M)

...Eii are you asking of getting buyers for your farm produce? It is not easy especially in this Techiman area. Everybody seems to have someone that they do business with so if you do not have such, it becomes difficult for you as an individual smallholder farmer. I have been working with Ghana Nuts for some time and I don't have an issue when it comes to getting buyers for my produce. I see my colleague cashew farmers who do not have contracts always complaining about getting buyers for their farm produce, but it is not so with my friends who have contracts with other companies like OLAM (CF06-M)

One of the major goals that contract farming seeks to achieve for smallholder farmers is the ability to access the market and get buyers for their farm produce. One of the major challenges that smallholder farmers experience is the problem of getting access to the market and finding buyers. From the participants who were interviewed; Farmer 6 makes mention of smallholder farmers finding it difficult selling their products or farm produce in Techiman which is a very big city in the Bono-East Region of Ghana. To be able to have easy access to market and buyers, smallholder farmers tend to join the corporate firms to get access to that. As mentioned by Farmer 4, the cost of transporting your farm produce from the suburbs in Techiman to the capital city is very expensive and the roads are not in

good state. Drivers tend to charge higher fares for transportation which affects the farmers' profits made from selling the farm produce. Farmer 4 makes mention of the firm taking care of the transportation cost as the farm produce are being transported by the company itself. In other words, the Agribusiness or firm comes over to transport the cashew nuts that has been harvested.

4.1.7. Non-Contract Cashew farmers access to market:

Market access in farming is very important as the harvested crop by a farmer needs to be able to reach consumers. The ability to reach consumers in and across borders is what makes farming achieve its goal. Smallholder farmers in their quest to take care of their livelihood mostly engage in contract farming to get access to market. This section will examine non-contract farmers' access to market based on the findings made from the interview conducted with some non-contract cashew farmers in the Bono East Region of Ghana.

Getting access to buyers is not difficult for me but I can't speak for my other farmers. For me getting buyers is not difficult (NCF04).

I wish to join the firms as a contract farmer but the prices that the firms set for the cashew nuts differ from time to time based on the weight of the cashew that you get for them after the harvest season. Now that I am handling my farm with no external force, I adjust the prices anyhow I want it and getting buyers is not a problem for me (NCF05).

From the responses of these farmers, getting access to the market and finding buyers to purchase their farm produce is not a problem. To them every smallholder farmer who is into the cashew farming have their own set of people who come over to purchase from them. According to the farmers, some customers prefer buying their cashew from the farmers on an individual basis rather than buying from the Company. Their responses have been tabulated below as:

Table 1.6. Non-Contract Cashew Farmers responses on Access to market.

ACCESS TO MARKET	DESCRIPTION	NO. OF PEOPLE
Easy Access to Market	Farmers have their customers already who always buy from them directly, buyers are readily available	8

Medium Access to Market	Farmers have their own customers but not always. Access to the market differ from time to time.	4
No Access/Difficulty in access to Market	Farmers experience difficulties when it comes to finding buyers for their produce.	3

Source: Field data Interview 2024

The responses of these non-contract cashew farmers presented in the table above shows that most of the non-contract farmers have access to market which in percentage terms represents 53% followed by those whose access to market is not consistent representing 27% followed by 20% which represents those farmers who have difficulties accessing the market. It can be concluded that the ability to access the market based on farmers' responses vary from time to time. The responses gathered from these farmers contradict with my initial assumption which says that non-contract farmers have difficulties accessing the market. Majority of the cashew farmers in Techiman who were interviewed have access to the market in their own ways. This in my opinion can cause issues when there are inconsistencies in the price level of the market. The contract farmers are well cushioned than the non-contract farmers when there are inconsistencies in the market price level.

4.1.8. Socio-Economic Impact of contract farming on household livelihood

This sub-section analyzes the social and economic impact that contract farming has on the livelihood of smallholder farmers in the Techiman community specifically farmers who have contracts with the Ghana Nuts Company Limited.

...I have been able to access credit and farm tools. As young as I am I have been able to build my own house and I have my own two taxi cabs as well, so it is not bad at least I have been able to do this through farming not only farming but contract farming (CF04-F)

...this is what I have been using to take care of my 3 children who are in school. One has completed Senior High School, and the others are in Senior High School and Junior High School respectively. Even though the economy is not good, and prices of stuff are high, I am still able to provide the basic stuff for my family, so it is good (CF01-M)

...ohh I am okay because at first things were difficult for me but now that I have a contract with them, I can perform my social duties like giving donations when I attend funerals and weddings of loved ones...at first, I was hesitant when it came to making contributions to help a friend who was in need. My friends thought I was being stingy but that wasn't the case. Now I can contribute also when certain situations of such pops up. This is because things are better now with my farming business and finances (CF-10-M).

The responses from some of the contract farmers who were interviewed showed that as they join Ghana Nuts as contract farmers, they can perform their household duties as well as social duties in the community that they find themselves in. Their responses do not guarantee that their lives are perfect but if they can perform their social obligations in the family and the community, it is a good venture for them. These findings tally with Yakubu's work in comparing the livelihood of the contract farmers to the non-contract farmers, of which most of the contract farmers have access to healthcare, education etc. due to the stable income that they have as compared to the non-contract farmers (Yakubu, et al. 2022).

4.1.9. Socio-Economic Impact of non-contract farming on household livelihood

The socio-economic impact on the household livelihood of the non-contract cashew farmers is an area that needs to be discussed as well. The comparison between the socio-economic impact of both contract and non-contract cashew farmers is what will help us know whether contract cashew farming is better or not. Some points made during the interview of the non-contract farmers were that from their responses, life as a non-contract farmer was not bad since they could afford the necessities for their household.

Cashew farming is not that bad apart from it being a seasonal crop that has its own season, I have a family that I cater for with this farming that I do. Even when cashew is out of season, I still grow other crops in place of cashew, so I don't make a loss when it is out of season. All my life this is what I have been using to take care of my family, so it is good (NCF07).

Another farmer said that:

...I have been engaging in cashew farming close to 5 years now and this is what I have been using to take care of my family. Even though yields are not the same with every season, I still manage to feed my family from that. I am a taxi driver too so that also supports when it comes to my finances. I am currently building my own house, and I believe I will be able to complete it as soon as possible (NCF03)

From the responses of the participants under the non-contract; one cannot conclude that their basic livelihood is poor. According to the farmers if they can provide food, shelter, clothes and basic education for their children they are good. Comparing both contract and non-contract farmers' socio-economic impact, the responses from the contract farmers are more optimistic and assuring than the non-contract farmers.

4.2. Challenges faced by Contract farmers in fulfilling a contract

Contract farming with its advantages has its own disadvantages and challenges as well. With the data gathered on field, some contract farmers pointed the challenges that they face with being contract farmers and meeting the requirements of the contract. Even though some expressed dissatisfaction about the terms of contract, most of their responses were similar when it came to the challenges that they face as contract farmers.

...At first, I had the freedom to decide what and what not to do in my farm with no restrictions. After joining this company as a contract farmer, the firm decides for me what to do and what not to do. hmm... The restrictions are too much but it is better than working singlehandedly and not reaping benefits (CF01-M)

Every good thing or venture comes with its challenges as well, so I am surprised. This company is investing a lot, so it is just right to expect a lot. There is a saying that goes like to whom much is given, much is expected so for me I am not bothered by their strict rules and restrictions. I just do as they say and make sure I meet their expectations that's all (CF09-M)

Sometimes their term of contract is too strict...come on we are humans and mistakes can happen anytime and with the current climate change issues the weather is not something that can be relied on so they should be a little considerate...Because how can you say I will have to bear the cost of the loss when expectations are not met? These terms are what makes it difficult for us contract farmers...you do not want to falter and face the law so you will go to every extent to meet the terms of the contract (CF07-M)

...I remember one time I mistakenly misused one of they brought for me use on the crops...Eii that day hm I cried because I can't go back and report that this is what I have done, and the supervisory team also comes around for inspection and supervision. So, I had to find a way to correct this mistake by any means necessary and ended up spending 10000.00 cedis to correct my mistake before it affects the yields of crops which would go against me in the long run (CF02-M)

Contract farming is good oo but one thing I do not like about it is the fact that after signing the contract you cannot get out of it unless the agreed contract requirements are met ...They call it breach of contract and when the contract is breached as a contract farmer you will face the repercussions of it (CF11)

From the responses given by some contract farmers when it comes to the challenges that they face, there is a similar issue that runs through which is the fact that the term of contract places a lot of restrictions on them. The contractor has its own expectations to meet to gain higher profits. Due to this reason the contractor tries as much as possible to put measures in place so that the investment made yields much profit. According to these farmers the restrictions are too much, and a little mistake somewhere can be detrimental to the farmer. I believe these farmers can apart from breaching the contract when one does not meet the expectations of the company, he or she could be ripped off his job without any compensation. One farmer who was interviewed recounted an incidence where a colleague was sacked and made to repay the loss incurred

...this was sad because they sacked him and made him pay which as well will go against him in so many ways. How would he feed his home now that he has lost the contract, and the payment of the loss will affect his pocket too (CF11)

The household livelihood will be affected because of the repercussions that this farmer faced because he failed to fulfill the requirements of the contract. Contract farming is good but according to these farmers the restrictions, documentations, punishments that come with the terms of the contract makes their life a bit difficult. These challenges of the contract farmers are being reechoed by Kojo Amanor in his work where he states that “smallholder farmers participating in these schemes are obliged to cultivate their crops according to the prescriptions of the project and failure to do so could lead to the eviction from the project” (Amanor, 2019.p.249). This eviction can cause a lot of changes in the livelihood of the farmer from better to worse as the income acquisition would be cut short.

4.2.1. Challenges faced by Non-contract Cashew farmers

Farming as a smallholder farmer comes with its own challenges and difficulties and the same applies to smallholder farmers who do not engage in contract farming. Some of the non-contract cashew farmers who resided in Techiman were interviewed. In summary the challenges captured from these farmers centered on the inability to financially support the activities of the farm.

ohh for the challenges there are a lot, but my greatest challenge right now is the fact that it is not every farming season that I get a bumper harvest. For some seasons the crops do not yield much as expected and I end up running at a loss (NCF08)

Cashew farming is very intensive so if you do not have the financial capabilities you will end up giving up someday somehow. The problem is that getting access to credit becomes difficult unlike the contracted farmers who have easy access to it (NCF10)

...the challenge I am facing right now is transportation. The roads we have here in the suburbs are very poor especially during the rainy season. Apart from the roads not being good, the cost of transporting the farm produce from one place to another to sell is very costly. I don't have my own vehicle, so I must hire for goods to be transported, and this takes a huge toll on my finances (NCF05)

The challenges that these smallholder non-contract cashew farmers are common amongst smallholder farmers. Most smallholder farmers complain about not having the financial capabilities to work on their farms. Most farmers complained about the lack of good roads and vehicles to transport their farm produce. All these challenges bores down to the financial incapacibilities of some of the farmers. Comparing the challenges of the non- contract farmers to the contract farmers, the responses of the contract farmers on the factors that influence them to engage in contract farming are in line with the challenges of the non-contract cashew farmers who were interviewed. For farmers to be able to farm and benefit from it, African States should invest more in agriculture by providing roads for transporting farm produce and other incentives (Amanor, 2019. p. 252). The Government by investing so much in farming especially cashew farming will help the non-contract farmers in the region to be more independent to overcome such challenges.

4.3. SUMMARY OF FINDINGS.

This section of the study summarizes all the findings generated from the analysis section. One of the objectives of this study was to examine the linear relationship between contract farming and the livelihood of the smallholder cashew farmers in Techiman of the Bono East Region of Ghana. To do this, this study made use of the Pearson correlation coefficient to measure the strength and magnitude of their association. The coefficient generated was approximately 0.96 showing a strong positive association between contract farming and the livelihood of the cashew farmers in Techiman located in the Bono East Region of Ghana. A significant test was performed using t-distribution. At 5% significance level, contract farming was found to have a significant effect on the livelihood of these farmers.

From the interview conducted, the livelihood of the contract farmers depended on a lot of factors but from their responses it can be summarized that the farmers' household livelihood is not always

smooth as the income generated is affected by a lot factors. In as much as the income is affected, farmers confirmed that their livelihood has improved as compared to their previous livelihood before contract.

Factors which influenced the farmers to engage in contract farming were also addressed in the analysis. Access to credit was the main factor influencing the cashew farmers to engage in contract farming and it being the highest response rate out of the 20 contracted cashew farmers surveyed. Advancing their knowledge in cashew farming through the contract farming was also another factor influencing their preference to be contracted. They ended up saying that new insights are gained to maximize their yielding capacity through contract farming.

Another objective this study sought to achieve was finding out the factors that hindered and discouraged farmers from engaging in contract farming. It was of great concern because these challenges as a result prevented the farmers from engaging in contract with the agribusinesses. The inability to meet the criteria and the restrictions associated with contract farming were the key factors which halted them from engaging in it. It has also revealed that majority of the cashew farmers do not appreciate contract farming because of its higher expectations. The ability to access a land as a female in the African setting was also discovered through this study. The issues of gender when it comes to land access attributed to this study recording more men as farmers as compared to females.

Contract farming also involves a lot of terms and conditions in the contract agreement. A goodness of fit test was performed using chi-square distribution to know whether these factors have a significant effect on the preference of the farmers to engage in contract or not. A significant association between contract farming challenges and the decision to engage in it or not was obtained. It was expedient to know that the contract farmers in both the survey and interview raised challenges which were also factors that did not encourage farmers to engage in CF.

On the issue of access to the market by both contract and non-contract farmers in the survey, the farmers did not talk about access being a reason for engaging in CF, but it is realized in the interview that a few non- contract farmers had access to the market. The NCF from the interview mentioned that access to market was not a big problem for them as it was hypothesized at the beginning of the study.

Lastly, through this study the socio-economic impact of CF was evident through the responses that the farmers gave from the interview. It can be concluded that when it came to the socio-economic impact of CF, farmers were optimistic that it has improved their socio-economic impact in the society.

However, there was no significant difference between the contract and non-contract farmers. While the CF experienced significant improvement, the NCF remained satisfied with their impact in society.

CHAPTER 5.- CONCLUSION AND RECOMENDATION

5.1.1 CONCLUSION

In conclusion, this study has revealed significantly a positive association between contract farming and the livelihood of the smallholder cashew farmers situated in Techiman in the Bono East Region of Ghana. The positive association between them is statistically significant at 5% level which means that contract farming is an increasing function of cashew farmers' livelihood in the city. The higher the contractors increase their scope of operation, the higher the aggregate livelihood of the smallholder cashew farmers increases and vice versa. The study also delved into the household livelihood of the farmers which ranged from income, income sources, dependency ratio and other factors which affects the wellbeing of the household.

This study covered the various factors that hinder and prevents farmers from engaging in contract and these factors raised by the NCF were confirmed by the CF as some of the challenges that they face in fulfilling a contract

It has revealed the factors which can possibly influence smallholder cashew farmers to undertake contract farming. Access to credit, knowledge advancement, desire to become responsible parents, and the increase in their production scope were the major factors which convinced them to engage in contract farming. In addition, the study revealed the challenges which are associated with contract farming despite its positive impact on the livelihood of cashew farmers. Majority said that contract farming helps to easily transport farm produce (cashew nuts) to the market during the harvesting period. Thus, the contract farming arrangements ensure that there is easy access to the market after the harvesting of the crops. Other findings made was the fact that the NCF did have a few numbers of respondents having issues with access to the market.

5.1.2 RECOMMENDATIONS

This section of the study suggests strategies needed to be executed to ensure the maximization of cashew production since contract farming has been found useful in the cashew farming. Through this study, the various ways to improve upon its intervention and operation in the Region has been stated in this section as:

Contractors should alter the nature of their contract policies. Thus, limit the level of restrictions, documentations, expectations, and the terms and conditions assigned to their contracts before entrusting them to smallholder cashew farmers. This could be possible through administering flexible contract policies.

Non-contracted cashew farmers should be encouraged to engage in contract farming through a well-informed and proper demonstration of its importance in the cashew industry on the various media platforms in the region.

Ensuring proper logistic channels through construction of roads, restructuring damaged roads to enhance easy access to the market during the harvesting period in the Bono East Region of Ghana. Smallholder cashew farmers should be subsidized by the government, giving grants, and making loans accessible with manageable interest rate.

It is recommended that the agribusinesses who engage smallholder farmers in a contract create an avenue through which these contract farmers can give their feedback on how they feel and think about the terms of contract. This will help the agribusinesses do better when it comes to setting up conditions in the contract agreement.

Lastly, contract farming should be made accessible to every smallholder farmer who wishes to engage in it. The specifications like the farm size etc. should not be used to block farmers from having the opportunity to engage in it.

5.1.3. RECOMMENDATIONS FOR FURTHER STUDIES

I recommend that further studies or research is done by comparing the livelihood of both contract and non-contract farmers who engage in cashew farming. This will enable readers to know and have more knowledge on the effects that contract farming has on the income and livelihoods of cashew farmers who engage in it. Knowing this and comparing the livelihood of CF and NCF will help to make constructive conclusions about contract farming and its intervention.

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APPENDIX 1: QUESTIONNAIRE FOR INTERVIEW

QUESTIONS-CONTRACTED FARMERS

1. What were you doing before engaging in contract farming?
2. What factors made you decide to engage in contract farming?
3. Who determines the terms of the contract?
4. How is the arrangement of the contract terms done?
5. Is the contract agreement documented or verbal?
6. How many years have you been engaging in farming?
7. How does the contract farming arrangement affect your livelihood like food, basic amenities etc.
8. What is your general impression about contract farming in cashew production?
9. Is cashew farming in contract helpful?
10. Is it easy to access to buyers?
11. Comparing previous work to contract farming which one is better in your opinion?
12. Comparing life now to life without contract farming, how will you rate it?
13. Will you recommend contract farming to other fellow farmers?
14. Why will you recommend it or not recommend it?
15. Under the contract who provides the land, the farm inputs, and tools?
16. Do these contractors give specific instructions as to how they want you to produce?
17. How does it affect your work as a farmer?
18. How does the details of the contract affect you?

NON-CONTRACTED FARMERS

1. How has your experience with farming being like?
2. Have you heard of contract farming?
3. If yes, what is it?
4. Why do you choose to farm independently and not engage in contract farming?
5. How do you get access to buyers?
6. Is getting buyers difficult?
7. How do you cope?

8. If you get the opportunity, will you engage in contract farming?
9. If yes, why?
10. If no, why?
11. For how long have you been farming?
12. How has farming affected your livelihood?
13. What will be your advice for farmers? Will it be to engage in contract farming or farm independently?
14. Why?

APPENDIX 2- QUESTIONNAIRE FOR SURVEY

QUESTIONNAIRE

1. Is contract farming able to improve the livelihood of smallholder cashew farmers in Bono East Region of Ghana?
 - a) Yes
 - b) No
 - c) Others

2. What extent do you think contract farming helps to improve the livelihood of farmers in the Bono East Region?
 - a) High
 - b) Very High
 - c) Low
 - d) Very Low
 - e) Neutral
 - f) Others

3. Do you want to be a beneficiary of contract farming?
 - a) Yes
 - b) No
 - c) Others

4. Which of the following will influence cashew farmers to take a decision of engaging in contract farming? Respondent were asked to tick only one of the following responses.
 - a) Credit access
 - b) Knowledge advancement
 - c) Financial Support
 - d) Increment of production scope
 - e) Responsible parenthood
 - f) None

If none justify yourself in the space provided

This section of the question deals with challenges which hinder people from engaging in contract cashew farming.

5. Contract farming system sometimes associated with certain difficulties on smallholder cashew farmers.

- | | |
|----------------------|------------|
| I. Agree | IV. Others |
| II. Strongly Agree | |
| III. Disagree | |
| V. Strongly Disagree | |

6. Answer the following using A) Agree B) strongly agree C) disagree, D) strongly disagree, and E) none.

In contract farming, smallholder cashew farmers are restricted.

- | |
|----------------------|
| A. Agree |
| B. Strongly agree |
| C. Disagree |
| D. Strongly disagree |
| E. None |
-
- | |
|--|
| a) More expectations are required from farmers |
| A. Agree |
| B. Strongly agree |
| C. Disagree |
| D. Strongly disagree |
| E. None |
| b) Involving a lot of terms and conditions |
| A. Agree |
| B. Strongly agree |

- C. Disagree
- D. Strongly disagree
- E. None

c) Punishment upon breaching the contract

- A. Agree
- B. Strongly agree
- C. Disagree
- D. Strongly disagree
- E. None

d) A lot of documentations are involved

- A. Agree
- B. Strongly agree
- C. Disagree
- D. Strongly disagree
- E. None

e) Resources scarcity

- A. Agree
- B. Strongly Agree
- C. Disagree
- D. Strongly disagree
- E. None

f) others

Respondent can tick more than one from question six responses above

Socio-economic impact on smallholder cashew famers.

Question eight centers on Contracted smallholder cashew farmers.

7. What's your average income per month before and after contracted in the cashew farming?

Write it in the space provided below.

Average income

APPENDIX 3- PHOTO GALLERY.



Photos from some cashew farms visited in Techiman: 2024