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**FACTORS AFFECTING SMALLHOLDER PADDY RICE FARMER'S  
CHOICE OF MARKETING CHANNEL IN THE NORTHERN REGION  
OF GHANA**

**A thesis submitted in partial fulfilment of the requirements for the degree  
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## **ABSTRACT**

The scientific community advocates that enhancing smallholder farmers' access to reliable, ready and direct market channel is a prerequisite to the attainment of sustainable food supply and poverty reduction in the developing world including Ghana.

However, the smallholder farmers' access to direct marketing channels in Ghana has been a critical challenge; therefore, this study aims to analyse the factors that influence smallholder paddy rice farmers' decision to participate in either the direct marketing channel specifically processors or the indirect marketing channel specifically, middlemen in the Northern Region of Ghana. Purposive sampling was used to select farmers from three rice growing districts in the Northern Region of Ghana. The study employed the Binary Logit regression model in the analysis of the factors affecting farmers' choices of marketing channel. A t-test was also used to compare the mean yields and revenues generated by farmers who marketed their paddy rice outputs in the direct and indirect marketing channels. A five-point Likert scale was used to rank the constraints that affect the production and marketing of rice output among rice farmers. The study revealed that a lower percentage of farmers sold their paddy rice output to processors (direct channel). The Logit model showed that farm size, the price of paddy rice output per 85kg bag, access to market information and access to credit increased the farmers' participation in the direct marketing channel whereas payment period and ownership of bicycle reduced farmers' their participation. The t-test result revealed that the participation in the direct marketing channel raised farmers' revenue. The study further showed that limited access to credit, poor climatic condition, the high cost of labour, the high cost of farm inputs and low mechanisation were the top five production challenges they encountered in their rice production. Low market prices, post-harvest losses, the high cost of transportation, limited market option and low demand for local rice were the top-ranked marketing constraints reported by farmers. The study concludes that it is more profitable for farmers to sell their paddy rice output to processors instead of middlemen. Therefore, policymakers need to incorporate the significant factors of farmers' choices of marketing channels in the formulation of agricultural policy that seeks to promote farmers' access to direct marketing channels in developing countries including Ghana.

## **DEDICATION**

I dedicate this thesis to my fiancé, Emmanuel Kwame Donkor, for his encouragement, support, patience and love and my beloved mum, Madam Hannah Takyiwaa, for all the spiritual support and advice. Their constant motivation has contributed significantly to all this success. I love them very much, and I pray God's abundant blessings upon their lives.

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## Table of Contents

ABSTRACT.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
1.2 Problem Statement.....	2
1.3 Research Questions.....	4
1.4 Research Objectives.....	4
1.5 The Significance of the Study.....	4
1.6 Outline of the Thesis.....	5
Chapter Two: Ghanaian Agriculture and Rice Sector.....	7
2.1 Introduction.....	7
2.2 An Overview of Ghana.....	7
2.3 Agriculture in Ghana.....	9
2.3.1 An Overview of the Ghanaian Agricultural Sector.....	9
2.3.2 Starchy Crops.....	11
2.3.3 Cereal Crops.....	12
2.4 Ghanaian Rice Sector.....	13
2.4.1 The Rice Sector Development Policies in Ghana.....	13
2.4.2 Rice Production.....	16
2.4.3 Consumption and Marketing of Rice.....	18
2.4.4 Rice Distribution Network in Ghana.....	19
2.4.5 Price Trends.....	21
2.5 Summary.....	22
Chapter Three: Literature Review.....	23
3.1 Introduction.....	23
3.2 The Concept and Theories of Decision Making.....	23
3.2.1 Decision-Making Theories.....	24
3.2.1.1 The Descriptive Approach.....	24
3.2.1.2 The Normative Approach.....	25
3.2.2 Application of decision making theories in Agriculture.....	25
3.3 The Concept of Agricultural Marketing.....	27
3.3.1 Marketing Channel and their Roles.....	29
3.3.1.1 Types of Marketing Channels.....	29
3.3.1.2 Decision Making on Marketing Channel Choice.....	31
3.4 Challenges by Smallholder Farmers to Participate in the Market.....	32

3.5 Empirical Literature on the Factors Affecting Smallholder Farmers Choice of Marketing Channel.....	34
3.6 Factors Affecting the Choice of Marketing Channel in Agribusiness .....	38
3.6.1 Farmer Demographics Characteristics.....	39
3.6.2 Farm Characteristics and Asset Endowment Factors .....	41
3.6.3 Transactional/Marketing Costs Factors .....	44
3.6.4 Institutional Factors. ....	46
3.7 Conceptual Framework .....	48
3.8 Summary .....	49
Chapter Four: Research Methodology .....	50
4.1 Introduction .....	50
4.2 Research Philosophy and Approach.....	50
4.3 Research Strategy.....	51
4.4 The Study Area.....	53
4.5 Sampling Approach and Sample Size .....	54
4.6 Questionnaire Development.....	55
4.7 Data Collection.....	56
4.8 Data Analysis .....	56
4.8.1 Data Cleaning, Coding, and Entry.....	56
4.8.2 Descriptive Analysis.....	57
4.8.3 Inferential Analysis.....	57
4.8.3.1 Choice of Model .....	58
4.8.3.2 The Theoretical Model (Binary Logistic Regression) .....	59
4.9 Empirical Model Specification, Variable Description, and Expected Signs.....	60
4.9.1 The A Priori Expectations .....	63
4.9.1.1 Farmer Demographic Characteristics .....	63
4.9.1.2 Farm Characteristics and Household Assets Endowment .....	63
4.9.1.3 Transactional/Marketing Factors .....	64
4.9.1.4 Institutional Factors .....	65
4.9.2 Effects of marketing channels on farmers’ revenues.....	66
4.10 Ethical Considerations.....	66
4.11 Limitation of the Study .....	67
4.12 Summary .....	67
Chapter Five: Results of the Study .....	69
5.1 Introduction .....	69

5.2 Descriptive Analysis of the Sample .....	69
5.3 Dependent Variable.....	69
5.3.1 Marketing Channels for Paddy Rice Farmers.....	69
5.4 Explanatory Variables .....	71
5.4.1 Farmer Demographics Factors.....	71
5.4.1.1 Age of Farmers .....	72
5.4.1.2 Educational Level of Farmers.....	72
5.4.1.3 Gender of Farmers .....	73
5.4.1.4 Household Size of Farmers.....	74
5.4.1.5 Farmers' Experience in Rice Production .....	75
5.4.1.6 Participation in an Off-farm Employment .....	76
5.4.2 Farm Characteristics and Asset Endowment Factors .....	77
5.4.2.1 Farm Size .....	77
5.4.2.2 Communication Asset Ownership .....	78
5.4.2.3 Transport Asset Ownership.....	79
5.4.2.4 Livestock Ownership .....	80
5.4.3 Transactional/Marketing Factors .....	81
5.4.3.1 Period of Payment.....	81
5.4.3.2 Access to Market Information .....	82
5.4.3.3 Costs of Transportation.....	83
5.4.4 Institutional Factors .....	84
5.4.4.1 Farmer Access to Credit.....	84
5.4.4.2 Farmer Access to Extension Services .....	85
5.4.4.3 Membership of Farmer Group .....	87
5.5 Factors Affecting Rice Farmers' Choice of Marketing Channels: The Binary Logit Regression Analysis .....	88
5.5.1 Significant Variables .....	89
5.5.2 Insignificant Variable .....	91
5.6 Effects of Rice Farmers' Choice of Marketing Channel on Revenue.....	92
5.7 Challenges Faced by Farmers in Rice Production and Marketing .....	93
5.7.1 Production Challenges .....	93
5.7.2 Marketing Challenges.....	96
5.8 Summary .....	99
Chapter Six: Discussion.....	100
6.1 Introduction .....	100



6.2 Factors Affecting Farmer's choice of Marketing Channel .....	100
6.2.1 . Farm Characteristics and Asset Endowment Factors .....	101
6.2.2 Marketing/ Transactional Factors .....	102
6.2.3 Institutional Factors .....	104
6.2.4 . Farmer Demographic Characteristics .....	105
6.3 . Effect of Marketing Channel Choice on Revenue .....	106
6.3.....	106
6.3.1 Production Challenges .....	107
6.3.2 Marketing Challenges Faced by Farmers .....	109
6.4 Summary .....	110
Chapter Seven: Conclusions and Recommendations.....	111
7.1 Introduction .....	111
7.2 Summary .....	111
7.2.1 . Characteristics of the Farmers .....	111
7.2.2 . Factors Influencing Farmers’ Choice of Marketing Channels and Effect of Marketing Channel Choice on Farmers’ Revenue .....	113
7.2.3 . Constraints Encountered by Rice Farmers .....	114
7.3 Recommendations .....	114
7.4 Future Research.....	117
REFERENCE .....	118
APPENDIX 1. QUESTIONNAIRE FOR HOUSEHOLD SURVEY .....	132
APPENDIX 2. ETHICS APPROVAL FORM .....	138
APPENDIX 3. INFORMATION SHEET .....	139
APPENDIX 4. CONSENT FORM.....	141
APPENDIX 5. BINARY LOGITIC REGRESSION RESULT.....	142

## List of Tables

Table 2.1. Production of selected starchy crops ('000 mt) .....	12
Table 2.2. Production of cereal crops ('000 mt) .....	13
Table 4.1. Summary description of the variables to be included in the binary Logistic regression model .....	62
Table 5.1. Marketing Channels used by Farmers .....	71
Table 5.2. Age of farmers .....	72
Table 5.3. Educational level of the farmers .....	73
Table 5.4. Gender of rice farmers .....	74
Table 5.5. Household size of the farmers .....	75
Table 5.6. Farming Experience .....	76
Table 5.7. Off-farm employment .....	77
Table 5.8. Rice Farm Size .....	78
Table 5.9. Communication assets ownership .....	79
Table 5.10. Transport asset ownership .....	80
Table 5.11. Livestock Ownership .....	80
Table 5.12. Period of payment .....	82
Table 5.13. Access to market information .....	83
Table 5.14. Cost of Transportation .....	84
Table 5.15. Farmers' access to credit .....	85
Table 5.16. Access to Extension Services .....	86
Table 5.17. Farmer Group Membership .....	87
Table 5.18. Binary Logit results on the determinants of farmers' choice of marketing channel .....	89
Table 5.19. Comparisons of rice output, price, and revenue between participants of processors and middlemen marketing channels .....	92
Table 5.20. Production Challenges faced by Rice Farmers .....	94
Table 5.21. Marketing Challenges faced by Rice Farmers .....	97

## List of Figures

Figure 2.1. The map of Ghana(Ghana Quest, 2017).....	7
Figure 2.2. Sector contribution to GDP in Ghana from 1998-2016 (Food and Agriculture Organization, 2017a).....	10
Figure 2.3. Milled rice production and importation from 1990-2014 (Food and Agriculture Organization, 2017a).....	17
Figure 2.4. Production output and area harvested for paddy rice (Food and Agriculture Organization, 2017a).....	18
Figure 2.5. Rice per capita consumption (Food and Agriculture Organization, 2017a).....	19
Figure 2.6.The local rice marketing in Ghana (modified based on (Amanor-Boadu, 2012))..	20
Figure 2.7. The imported rice marketing in Ghana (modified based on (Amanor-Boadu, 2012)).....	21
Figure 2.8. Prices of rice per kg (Food and Agriculture Organization, 2017a) .....	21
Figure 3.1. Types of marketing channels (Armstrong et al., 2015). .....	30
Figure 3.2. Conceptual framework .....	48
Figure 4.1. The map of the Northern region of Ghana (Ghana Quest, 2017).....	53
Figure 5.1. Marketing Channel Options Available to Rice Farmers .....	70