



## FEED THE FUTURE ALL-IN PROJECT IN BRIEF

# REDUCING POVERTY AMONG WOMEN BY STRENGTHENING THE SHEA VALUE CHAIN IN NORTHERN GHANA

### Lead Principal Investigator

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### Project Partners

Presbyterian Agricultural Services (PAS), META Foundation, Netherlands Development Organisation (SNV), Northwestern University, USAID Ghana

### Development Innovation

Training and pre-financing arrangements

### Commodity

Shea

### Targeted Population

Women shea producers and processors

### Country/Location

Northern Ghana

### Timeline

2021-2024

### Funding

\$450,000 (USAID)

The shea value chain in Ghana is dominated by women, from picking shea nuts to processing them into commodities for a growing global market. Shea presents a powerful opportunity to address poverty and food insecurity but a lack of training and financing keep women from achieving the full profits from their efforts. This ALL-IN project is testing a package of training and financing that will vertically integrate local shea markets in northern Ghana, increasing the sector's overall profitability while empowering women producers to receive the full benefits of their work.

### The Challenge

Northern Ghana is generally poorer than the southern part of the country in multiple dimensions, but particularly with respect to income, assets and infrastructure. Solutions to these challenges should be mindful of opportunities to also bridge gender gaps with a focus on women's economic and social outcomes.

The shea tree is an important cash crop in the northern regions of Ghana where poverty is highest and increasing.<sup>1</sup> Shea butter is an important local commodity. Families can use shea butter as cooking oil and can process it into local cosmetic products such as pomades and soaps. The shea value chain provides many families a supplementary household income between harvests of staple crops.

The production of shea nuts and butter are among the most accessible income-generating activities for rural women in Northern Ghana and contribute immensely to household food security.<sup>2</sup> More than 80 percent of activities in the region's shea value chain are carried out by women,<sup>3</sup> including shea nut picking, processing and marketing.

The upsurge of globalization in the shea sector presents new opportunities to integrate shea into national and international value chains. However, constraints across the sector, including

### RESEARCH INNOVATION

In shea markets across producing countries, power asymmetry and exploitation are prominent features of the commodity chain.<sup>1</sup> Women's gains from participating in shea markets are also limited by a lack of investment capital or market power.<sup>2</sup> Inadequate picking, processing and storage practices further lower their revenues and profits. Credit and general cash constraints compel many women to sell their shea kernels and butter immediately after processing, even when market prices are very low.

Resolving two critical market failures could significantly improve the profitability of women's participation in the shea value chain. Providing training through associations could increase the adoption of appropriate production, processing and storage practices required to achieve premium standard kernels that can be more easily commoditized and internationally traded. A forward sales arrangement that includes pre-financing could enhance the profitability and welfare of women participating in the shea value chain.

<sup>1</sup> Wardell, A. et al. 2013. "Globalisations in a nutshell: Historical perspectives on the changing governance of the shea commodity chain in northern Ghana." *International Journal of the Commons*.

<sup>2</sup> Adams et al. 2016. "The Shea Industry and Rural Livelihoods among Women in the Wa Municipality, Ghana." *Journal of Social Science Studies*.

low quality shea kernels and butter for sale as well as a lack of negotiating power, severely limit how much the shea value chain can reduce women's poverty and food insecurity. These constraints keep higher shea-related incomes and profits out of reach.

### Research Design

This ALL-IN project, led from the Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana, seeks to integrate high-impact segments of the shea value chain in Northern Ghana. This mixed-methods research pairs a randomized controlled trial (RCT) with a full-scale qualitative study. The project includes 4,125 rural households across 165 communities selected in collaboration with Presbyterian Agricultural Services (PAS), META Foundation and the USAID Ghana office.

The project includes two core interventions. The first is to provide training to shea kernel processors to increasing the quality and yield of the shea butter they produce. In collaboration with PAS and MEF, the research team is training leaders in selected communities who will then provide training for their local women's groups. The second intervention is a pre-financing contract with commercial buyers for up to one bag of shea kernels (about 85kg), which is worth approximately US \$34.

The RCT tests the two interventions' impacts on community-level profits, producer price, women's empowerment, food security, subjective welfare and other outcomes. To measure the true impact of these interventions, the 165 communities are randomly selected into three groups:

- T1. Training: Participants receive training intervention only
- T2. Training and marketing contract: Participants receive training plus a pre-financing-based marketing contract with shea kernel aggregators

- Control: Participants receive neither intervention

### Development Impact

Over the past decade, the shea value chain has consistently featured in initiatives from the Government of Ghana, USAID and other development partners seeking to bridge the north-south divide in poverty and food security. This project could increase the profitability of shea processing by improving the coordination of supply and demand, which in turn could increase investments in the sector.

Women in particular will benefit from strengthening the shea sector. Right now, women involved in the shea butter value chain do not derive the full value of their efforts because they often do not have the needed knowledge to produce kernels and butter that meet market standards. Strengthening a sector that can increase women's access to cash income and overall social and economic empowerment could also bridge gender gaps in economic and social outcomes.

This project seeks to address two key challenges that keep women and their communities from higher profits and incomes related to the shea value chain. The training could increase the adoption of production, processing and storage practices required to meet those standards. Better prices for productivity, a greater total quantity of marketable shea products and better market coordination should all increase shea value chain profits, while also increasing women's social and economic empowerment.

<sup>1</sup> Ghana Statistical Service, 2018

<sup>2</sup> Hatskevich et al. 2014. "Shea butter processing as an engine of poverty reduction in Northern Ghana: Case study of four communities in the Bolgatanga Municipality." *African Journal of Agricultural Research*.

<sup>3</sup> Yayah, A. 2020. "Investigating the sustainability of the shea industry among rural women in Northern Ghana." Stellenbosch University.

## FEED THE FUTURE ADVANCING LOCAL LEADERSHIP & INNOVATION NETWORKS (ALL-IN)

This research is funded by the Feed the Future Advancing Local Leadership & Innovation Networks (ALL-IN) initiative, an innovative collaboration between the Kenya-based think tank International Centre for Evaluation and Development (ICED) and the U.S.-based Feed the Future Innovation Lab for Markets, Risk & Resilience at the University of California at Davis.

Launched in 2020, ALL-IN advances host-country leadership in defining and implementing research projects and to deepen host-country networks. The initiative funds research to develop and test financial and market innovations that take the most promising agricultural tools for rural families in developing economies from the lab to the field.

Historically, Feed the Future Innovation Labs have built their research programs on partnerships between researchers at U.S. universities and researchers at host-country universities and institutions. Historically, these partnerships have been led, in both program administration and the ideas that drive the research, from the U.S. ALL-IN shifts this leadership role to researchers and institutions in Africa.

ALL-IN builds on research capacity in African countries by inverting the traditional model of research collaborations led from U.S. universities. With funding through ALL-IN, researchers at African institutions lead these collaborations, defining research priorities and leveraging their local knowledge, skills and ideas to build actionable evidence for effective policy with U.S. university research partners to supplement their own skills, talents and ideas. ALL IN also addresses capacity gaps among many research institutions in managing large and complex awards.

[Learn more at www.iced-eval.org/all-in/](http://www.iced-eval.org/all-in/)

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## ABOUT FEED THE FUTURE

As the U.S. Government's global hunger and food security initiative, Feed the Future works to give families and communities in some of the world's poorest countries the freedom and opportunity to lift themselves out of food

insecurity and malnutrition. By equipping people with the knowledge and tools they need to feed themselves, Feed the Future addresses the root causes of poverty and hunger, helping people end their reliance on aid and creating important opportunities for a new generation of young people—all while building a more stable world.