

**INTERVENING IN THE GRAIN VALUE CHAIN FOR QUALITY
PRODUCTIVITY AND PROFITABILITY**



**PRESENTATION AT THE UNCTAD INITIATED REGIONAL
CAPACITY-BUILDING WORKSHOP
“ENHANCING THE FUNCTIONING OF CEREALS MARKETS IN
WEST AFRICA”**



Introduction to GGC

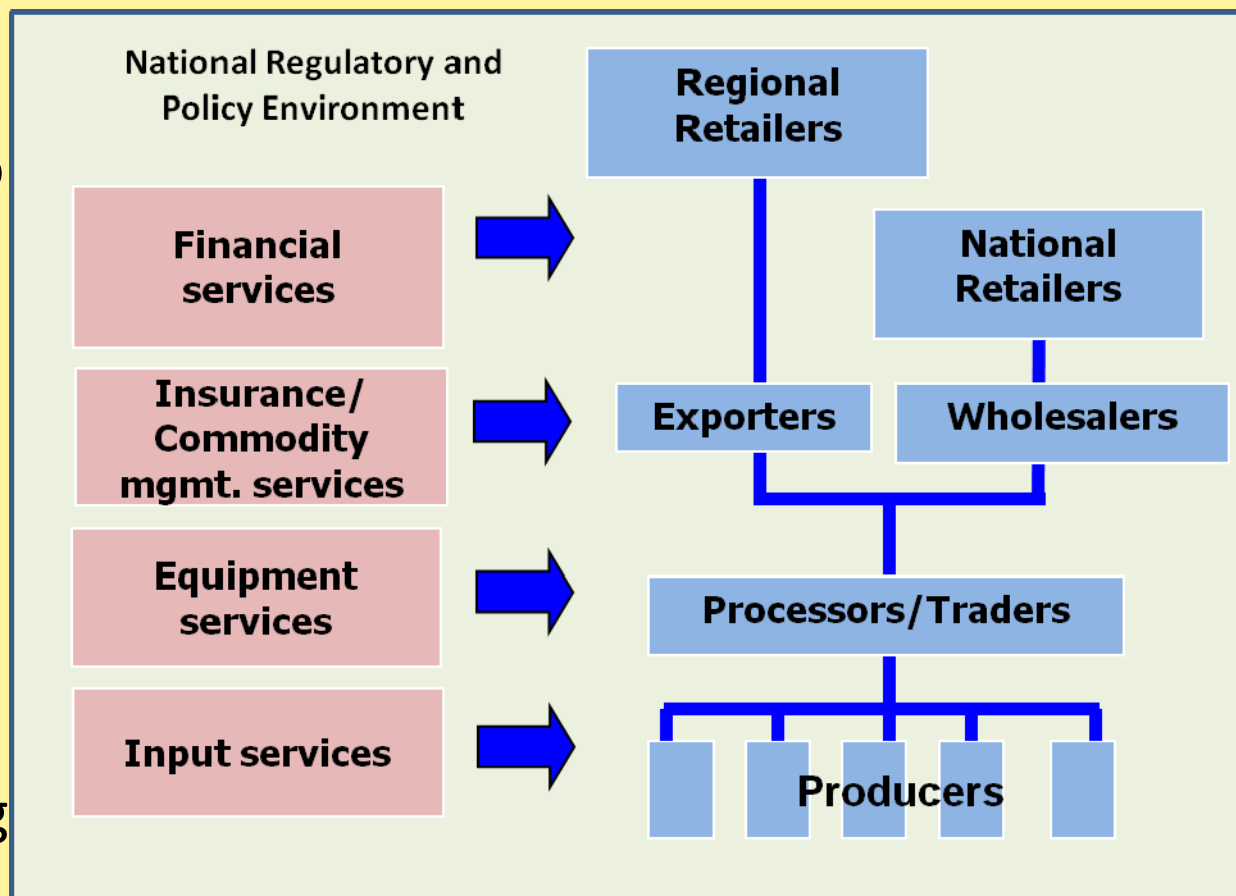
Ghana Grains Council (GGC) established as legal private sector entity on 18th March 2010 with support from USAID through the ATP and ADVANCE projects.

Pursuing a three pronged mandate in the first year, focusing on:

- ✓ Warehouse Receipts Project**
- ✓ Integrating small-holders into more competitive markets.**
- ✓ Advocacy and public –private dialogue**

Business Model

- **Limited by guarantee.**
- **Membership open to all value chain participants and service providers**
- **Industry self regulatory body**
- **Cost recovery through fees** (certification, training etc)



■ Initial financial and technical support from USAID Ghana ATP West African Mission and (ADVANCE).



Key Elements of a viable WRS

1. Warehousing infrastructure;
2. Standards for certification of warehouses
3. Legal / Formal grades and standards for grain quality
4. Regulatory framework
5. Financial Institutions willing to trust the system
6. Collateral Management services
7. Trained and skilled warehouse operators
8. Insurance
9. Indemnity fund
10. Arbitration system



Achievements to date

- **Interim board of directors in place**
- **Office and staff on board**
- **Seven warehouses selected for pilot**
- **Twenty-one (21) warehouse operators** trained in warehouse management, grades and standards
- **Draft warehouse regulations** completed and under review.
- **Equipment procurement** for upgrading underway
- **Membership drive** (on going)
- **Coordination with MOFA and other DPs to ensure effective private public collaboration** (on going).

Ghana Grains Council Certification Levels

GGC	Certification Level	Warehousing Structure in Ghana Strategic Objective	Time		
			Short Year 1	Med Year 2-3	Long By Year 5
Certification Process	1 Commercial Warehouse				
Warehouse Receipts	2 Aggregators/ Traders				
Regulatory Framework	3 Village Level collection and storage				
Standards and Grades	Farm level Small holders				
Arbitration					
Training					

Strengths

- Not dependent on a commodity exchange
- Eventual Commodity exchange should provide a new value proposition.
- Strategies to integrate smallholders into the system are being integrated in the initial design (AGRA support)
- Volume and scale criteria
- Private sector board and open (tiered) membership
- Initiatives to link traditional markets linked into the GGC system for grades, standards and financing access.

Challenges

- Keep **membership inclusive** of all the players in the value chain especially **small producers and traders**
- **Where's the money? Who owns?** Fee income critical to “ownership”
- **Grow and Sustain demand** for traders to use the GGC services to attain the volumes needed for sustainability
- **Do not build system on single buyer** demand e.g. WFP
- Need to convince government that the **GGC can protect and complement the public interest (food security) without drawing down scarce public budgetary resources**
- Ensure **small holder access to the benefits of a GWR** i.e.

Sustainability plan



Pilot Phase	Strategic Growth Phase	Scale up and Sustainability
Year 1 to Year 2	Year 2 to Year 4	Year 4 onward
Start Up Strategic Mgmt Plan Pilot project Business Plan Membership Drive Platform for public private dialogue	Integrate WR into Development of CX Strategic Investment Fund Industry uniformity Standards/food safety Donor leverage to warehouse development. Inclusivity	Expanding volume Regional platform for trade Majority of grain through WRP



Conclusion

- A reliable GWR system is a necessary element to control for product quality in the grains sector.
- It is not a sufficient condition to ensure small holder participation and benefit flow.
- Striking the balance between efficiency and scale and including smallholders in the process will be critical for our success
- Success of the GGC GWR depends on the value proposition created and sustained.