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Millennium Development Authority (MiDA)

EXPRESSION OF INTEREST

PROVISION OF SMALL-SCALE POST-HARVEST FACILITIES FOR THE STORAGE OF GRAINS AND STAPLE FOODS

Introduction

Ghana signed an Agreement with the Government of the United States of America on August 1, 2006, under which a grant of US\$547 million will be used for the transformation of her Agriculture Sector, under the Millennium Challenge Account Programme, over a period of 5 years. The overall goal of the Ghana Compact is poverty reduction through economic growth, led by Agricultural Transformation.

The Agricultural Transformation Programme has three key components namely: Agriculture, Transportation and Rural Development Projects.

The Agriculture Project

The Agriculture Project has six key components, namely; *Farmer and Enterprise Training in Commercial Agriculture; Post-harvest Handling and Value Chain Services; Irrigation Development Activity; Agricultural Credit, Land Tenure Facilitation; and Feeder Roads Activity*. The first three of these key components constitute the Agricultural Commercialisation Project or what has been entitled by MiDA as the Commercial Development of Farmer Based Organisation (CDFO).

The CDFO Programme

The CDFO Programme under the Ghana MCA Programme, encompasses the first three of the six components of the Agriculture Project mentioned above. The objective is to improve the business and commercial skills of smallholder farmers, assist them to enhance their technical and marketing skills and enable them to be highly productive and competitive in the local, regional and international markets. The CDFO programme is expected to reach out to 1,200 FBOs, (*made up of 60,000 farmers*), spread over the 30 beneficiary Districts of the Ghana MCA Programme.

MiDA has already trained over 300 FBOs, (*comprising 15,000 farmers*), raising their business skills and is currently following up the initial training with improved agricultural practices. The Training Programme encompasses practices that will increase farm productivity and improve product quality. MiDA expects that these trained farmers will become effective partners in the supply chain.

Chain Services.

of the Agricultural Project. The objective of MiDA is to reduce risks associated with product losses in order to improve the value of various commodities and the marketability of export crops. Proposed investments include:

- ❖ Improvement of existing Nucleus farm Pack-houses, in the form of forced-air cooling and temporary cold storage units;
- ❖ Construction of Public Pack-houses for storage of fruits and vegetables;
- ❖ Support to FBOs to procure Grain Storage Facilities and other Value-added Processing Equipment, based on their request and the economic viability of the investment, among others

Post Harvest Facilities for Storage of Grains and Staple Food Crops

Under the CDFO Programme, MiDA is required to equip 1,200 FBOs and their members with the capacity to improve on their business and technical skills to ensure that they become highly productive and profitable. It is expected that through this intervention, the productivity of FBOs will improve significantly.

However, if productivity increases and post-harvest handling and marketing needs are not addressed, there is the high probability that the increases in productivity will not be converted into revenue. It is for this reason that MiDA is initiating a number of post-harvest interventions. These include the provision of facilities for storage of grains and other staple food crops; christened *Agribusiness Centres*, throughout the 30 Beneficiary Districts.

Objectives of the Agribusiness Centres

The proposed Agribusiness Centres (*yet to be designed and constructed*), will support grain marketing and enhance the value of staple food crops throughout the supply chain.

The objectives of the proposed Centres include but are not limited to the following:

- i. To simplify grain farming for farmers within the FBOs and other small scale farmers; through the provision of services such as shelling, drying, cleaning, grading and storage.;
- ii. To ensure value addition to grains and pulses and to link the smallholder to industrial buyers;
- iii. To introduce weights and measures to verify the quantity and quality of grains and pulses, improving the potential of grain marketing and thereby enhancing profitability;
- iv. To leverage the Centres' role in these markets to obtain Agricultural Credit for the Smallholders.

Centres The proposed Agribusiness Centres could

- for the sustainability and continuous patronage of the Facility;
- ii. Equipment; which may include mobile-shellers for maize, rice mills with de-stoners, weighing scales, sorting and grading equipment;
 - iii. An area for drying and handling of grains and pulses;
 - iv. A Dock for loading and unloading goods;
 - v. A Shop: for selling farm input to farmers;
 - vi. Offices and Rest- rooms.

Ownership and Management of the Agribusiness Centres

After the construction of the Agribusiness Centres, it is MiDA's intention to transfer the ownership and management of these facilities to private sector firms or individuals who are:

- i. dealers in grain marketing or intend to be dealers in grain marketing
- ii. dealers in agriculture inputs or interested in dealing in input distribution
- iii. industrial buyers or their representatives
- iv. Have enough resources to invest in personnel from the onset
- v. Have enough assets/credibility to access Credit to operate the Centre
- vi. Have the ability to invest in transportation (a truck, motorbikes, etc.)
- vii. Are willing to arrange an Equity Stake (up to 20%), to the local FBOs, after year one of operation
- viii. Are willing to operate an Input Shop and where possible, sell to FBO membership on credit

Invitation

MiDA hereby invites Private Sector Operators (*Individuals/firms/FBOs*), which are interested in owning and managing such facilities, (*yet to be constructed*), to apply and express interest in these Centres, by providing the following information which will serve as the basis for evaluation. Interested Persons should:

1. Indicate the selected Districts and specific areas they intend to operate in and briefly explain the objectives and rationale for their operations
2. Indicate the crops they intend to trade in; highlighting their current volumes and growth projections
3. Provide evidence of their own financial capacity, (*with respect to Private Sector Operators*), to cover financial transactions and their capacity to access Credit from a Bank to run the Centre
4. Evidence of past experience/or interest in grain and/agriculture input trading
5. A brief description of how they intend to manage and operate the Centre in a sustainable manner. (*The average investment cost per facility is in a range of US\$100,000 – US\$150,000*)

or above out of a total of **100 marks**, would be
tion..

Table 1: Ghana MCA Programme Districts

Intervention Zone	Metropolitan/Municipal/District
Northern Intervention Zone	<ol style="list-style-type: none"> 1. Savelugu Nanton 2. Tolon Kumbungu 3. Tamale Metro 4. Karaga 5. West Mamprusi
Afram Basin Zone	<ol style="list-style-type: none"> 1. Ejura Sekyedumasi 2. Kwahu South 3. Kwahu North 4. Kwahu East 5. Fanteakwa 6. Sekyere East 7. Sekyere Afram Plains 8. Sekyere Central 9. Mampong Municipal
Southern Horticultural Belt	<ol style="list-style-type: none"> 1. Gomoa East 2. Gomoa West 3. Awutu Senya 4. Effutu Municipal 5. Akwapim South Municipal 6. Upper Manya Krobo 7. Lower Manya Krobo 8. Yilo Krobo 9. Dangme West 10. Kpando 11. Hohoe Minicipal 12. Ketu North 13. Ketu South 14. Keta Municipal 15. South Tongu 16. Akatsi

Interested Private Sector Operators and FBOs, must respond to this advertisement, three weeks from the day of publication to the address below.

The Chief Executive Officer
Millennium Development Authority
PMB 56
Stadium Post Office
Accra

For the Attention of: Commercialization of Agriculture Project Manager