

MILLENNIUM CHALLENGE ACCOUNT (MCA), GHANA PROGRAM
DISTRICT ADVISORY COMMITTEE (DAC) MEETING.

MEETING DATE : 25 th March 2010				
DISTRICT : HOHOE MUNICIPAL				
CAPITAL : HOHOE				
NUMBER OF DAC MEMBERS PRESENT : 14				
PROJECT	QUESTIONS ASKED	RESPONSE	CONTRIBUTION FROM MEMBERS	REMARKS
Farmer and Enterprise Training	Farmers are complaining that the timing for the delivery of the farm inputs they received as Starter Pack was not favorable and are asking for delivery time to be watched.	As we speak the starter pack for this year is being distributed. There were challenges the first time the starter pack was distributed. We learnt lessons so this time, the distribution is being done in good time to meet the rainy season. The key thing however is ensuring that the farmers contribute the one bag of maize each which they were supposed to contribute to their respective FBOs. Emphasis is being made that farmers make sure the one bag contribution is done because this is money being given to them free by way of inputs. If they make the one bag contribution, it will help them build their capital base as FBOs and they can on their own raise their own capital or even use the stock as collateral for loans.	As we speak about the need for farmers to build their capacity I wish to state as the Presiding Member of the Assembly that, there is a need for farmers in the Hohoe District to have bigger and contiguous farms like what goes on at Aveyime. Even if they are individual farmers, there is land available for them to move on to in an organized way, so that their farms though individual and small will be contiguous which will make it large enough for them to benefit from the economics of scale in maximizing tractor services, irrigation facilities and even farm spraying. As things stand, it will be difficult to provide any large scale spraying or irrigation because the farms are scattered.	
	Access beyond River Dayi is a big issue for the farmers in the area. What will MiDA do to help?	One of the feeder roads to be constructed in this area is to provide that access beyond the river.		
	In the future, invite pineapple farmers because they have numerous problems.	There was recognition of pineapple and mango farmers but they did not have a recognized group that is why they were not part of the program. But that has now been dealt with.		

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<p data-bbox="69 90 233 123">Agric Credit</p>	<p data-bbox="344 90 701 370">GBI rural Bank is the only Bank which has disbursed all they had to disburse. Now they are required to pay some money back to the Bank of Ghana. So the bank is appealing to the farmers to repay.</p> <p data-bbox="344 483 701 760">The trouble is, the credit takes too long in coming. And when it does the interest charged on the loan is very high for the poor farmers. MiDA should do something about the high interest rate.</p> <p data-bbox="344 1198 701 1507">Mango farmers had a problem with repaying their loans because they had a loan but they did not have inputs. By the time they had the inputs they had already started repayment which left a lot of them in debt.</p>	<p data-bbox="701 90 1241 370">It must be noted that the MCA loans are not free government money. Anyone who takes a loan will be required to pay it back with interest. Some farmers today have been refused loans because they defaulted in other loans they took in the past. They must also know that the banks will chase them for the money.</p> <p data-bbox="701 483 1241 1149">The project is helping to build a good relationship between farmers and the banks so as to reduce the perceived high risk the bankers associate with the agricultural industry. If farmers are able to access the credit and payback on time it will be helpful to they themselves in the long run. In fact though the interest is seemingly high, it is comparatively the lowest prevailing market rate because it is based on Bank of Ghana Prime Rate for medium term credit or the 91 day Treasury Bill rate for seasonal credit which is the lowest one can get. The credit has been structured in a way which makes it possible for the poor farmers to learn to operate competitively in the market place by learning to borrow at market rates, and with the training do well enough to repay.</p>	<p data-bbox="1241 1198 1682 1474">It looks like Hohoe came to be part of the MCA because of the Mangos and pineapples. So if they are facing a challenge MiDA should be able help in addressing it. In any case they are not beneficiaries of the starter pack</p>	

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<p>Information Dissemination</p>	<p>Gbi rural bank must do well to use their project officers to ensure repayment. Pleading with farmers to repay loans alone might not help.</p> <p>What measures have the Bank put in place to ensure people repay?</p> <p>It does not appear to me like the DAC in this District has been meeting. I say so because as a member, I have never attended any such meeting.</p>	<p>The issue is, across the country a lot of Banks are reluctant to be part of the Program to advance loans to farmers. Some of them do not even have the capacity so MiDA helped in training them. We understand, that some personnel after the training are beginning to seek “greener pastures” in bigger banks. So it will be a combination of strategies which will be adopted to make the farmers repay.</p> <p>The Farmers details were taken and if it comes to the worse they might be taken to court but the Bank is considering that to be a last resort</p> <p>The DAC has indeed been meeting. There were meetings in 2008. Last year, there was one meeting. As explained earlier, this meeting should have been held in November last year as the second meeting for 2009. But the Assembly wasn’t ready when we came for the meeting.</p> <p>Recently, the district decided to add a representative of mango farmers. Since the district did not have a substantive mango farmers association, yet had a lot of mango farmers, it was decided that we should invite the pioneer farmer in the district, which is you.</p>	<p>As Director of Agric in the District I will plead with the District Assembly to help in the education of the farmers to repay. When the PFIs were listed, GBI Rural Bank was not among them. But one of their Board members helped in getting the Bank to become part of the program. Now they are among the leading Banks in processing the loans, so there should be a concerted effort to instigate repayment otherwise if the bank becomes reluctant like other banks are said to be doing, it is the farmers themselves who will suffer.</p>	