

TOWARDS ADDRESSING THE CHALLENGES IN THE SHEA NUT INDUSTRY IN THE SAVELUGU/NANTONG DISTRICT OF NORTHERN REGION, GHANA

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Abstract

The study was set out to investigate the prospects of the Shea nut industry in the Savelugu/Nantong district of the northern region of Ghana. Challenges facing the Shea nut industry were identified and measures aimed at ameliorating them were proposed. Relevant information was obtained from both primary and secondary sources. Primary data was solicited through a field survey whilst the secondary information was obtained from published and unpublished sources. To reduce bias, the simple random sampling technique was used to select the respondents from among the Shea nut business operators in the district. The study made use of descriptive techniques such as frequencies and percentages to present the field results. In spite of the huge potential of the Shea nut industry in the region, there exist a number of challenges militating against the production and extraction of Shea products in the study area. The removal of the barriers in the Shea nut sector would increase productivity and alleviate poverty especially among rural women who form a chunk of the poor population in the country.

Keywords: Shea products, Economic significance, challenges, exploitation, middlemen

INTRODUCTION

Shea nuts are grown in Africa and primarily in West and Central Africa in the semiarid Sahel, referred to as the "Shea Belt". The main varieties include *Vitellaria paradoxa* and *Vitellaria nilotica*. According to Ferris (2001), European explorers first recorded Shea nuts in the early 18th century and by the 1920s, a flourishing trade was developing between West Africa and Europe. Several other countries, including Israel and Germany, have attempted to grow Shea nut plantation in their economies without success, especially *Vitellaria nilotica* type, which has superior quality and preferred by the cosmetic firms in Europe, and the world over. In recent years, the World economies, including Ghana have experienced decline in traditional exports such as cocoa, timber and gold. The prices of these export products especially cocoa have always faced with serious fluctuation on the World market as producers have little power in the price setting. These problems lead to unfavorable balance of payment hence the need for Ghana to explore and cast its export net wide. This resulted in the inclusion of non-traditional export products in Ghana's export base. One of such non-traditional export products is the Shea nut, which serves as a source of employment and business venture to majority of rural women in the northern half of the country.

Economic significance of the Shea nut industry

The Shea nut industry is quite a lucrative one especially among rural women and children who are the key players in the industry value chain process. The Shea nut business serves as a source of seasonal employment for young girls and women in the Savelugu/Nanton District. The industry generates income for large number of women as it is traditionally seen as women's business. The Shea nut industry employs many individuals who are involved in all of its value chain processes.

Most women either work individually near their homes or are organized into small business cooperatives. Moreover, Shea fruit is one of the few natural resources accessible to the landless poor. There is significant demand for Shea nut products both within Ghana as well as on the international market, which is important for the generation of foreign exchange to support the balance of payment position of the country. The Shea trees are truly multi-purpose and are of high impact value not only for the socio-economic and dietary value of the cooking oil, but also for the fruit pulp, bark, roots and leaves, which are used in traditional medicines and the wood and charcoal, used for building and cooking fuel respectively.

Problem Statement

In spite of the huge potential of the Shea nut industry to the socio-economic development of local communities and the country at large, the industry is bedeviled with a number of challenges. Amoah (2000), has observed that the factors which have hampered widespread Commercialization of the Shea nut products are centered on three main issues as follows:

1. Irregular fruiting cycle of the Shea nut tree makes commercial dependence on its produce less predictable and this feature discourages some of the commercial processors. The tree takes ten years to grow after which it bears fruits once every year.
2. The gummy substance, which the nuts contain, is alleged to have the potential of clogging the sieves and other parts of the machines used to process nuts thereby making it very difficult to process the nuts,
3. The difficulties associated with establishing Shea nut tree plantations serve as disincentives for expansion of commercial production of Shea nut. With regard to those trees growing in the wilderness, the activities of farmers have affected the growth of the plant. Most of the Shea nut trees around villages have been cut and used as firewood. The use of the plant in making charcoal has further contributed to a decrease in the stock of the plant. The introduction of mechanized farming in the northern part of the country and bush fires have also led to further depletion of the trees.

According to Yidana (2009), the women, who are engaged in the Shea nut industry, face a daunting task in collecting the nuts. They wake up early in the morning in search of the valuable nuts that have fallen from the Shea trees which grow in the wild. This exposes them to all sorts of risk such as snake bites, and they endure thirst and the scorching sun. They have to swim through the Savannah high grass, from tree to tree, looking for nuts and sometimes fall down in the process. They are most often left at the mercy of nature as the rains, sunshine and cold decide the extent to which they should be punished. The sad news, however, is that these women end up not enjoying the full benefits of their labour. According to Salifu (2011), the women are neglected and cheated by middlemen who play on their ignorance, infiltrate the industry and act as front men of the produce buying companies (PBCs). Their action not only denies the women their fair prices but also the incentives provided by the produce buying companies (PBCs). Adam (2011) lamented the exploitation of the rural women by the middlemen most of whom are town dwellers, well equipped with all the necessary information invade the rural areas at the start of the Shea nut season. He noted that the awards from Produce Buying Companies (PBCs) for the poor Shea nut pickers rather find their way into the pockets of these economic “vampires” instead of the poor Women who work in the scorching sun for long hours. The exploitation the women go through does not encourage further effort to

increase production in the sector. Another problem identified with the industry is the laborious processes used by the rural women to extract Shea butter. Yidana (2009) observed that the method, which involves hand kneading and produces only about 25-30% of the nuts, is very tedious. It also requires the use of large quantity of water which is mostly inadequate for the rural woman. Another problem worthy of mentioning is the non-existence of ready-made market for Shea nut and its associated products. Globally, unlike coffee and cocoa, Shea nut has a very limited world demand in terms of its major user, Amoah (2000). According to Dogbove (2009), in rural areas prices offered for Shea products are generally lower than those of better road-connected and urban areas. As mentioned by Carette (2009), in harvest season (raining season) Shea nut is generally priced between 0.11USD/kg and 0.14USD/kg and in off season (dry season) it increases to between 0.31 and 0.36USD/kg.

RESEARCH METHODOLOGY

Data Sources

The survey made use of both primary and secondary data. The Primary information was obtained through direct observation, focus group discussions and the administration of questionnaires. The Secondary information was obtained from library materials, newspaper reports and published research works.

Sampling

A sample size of one hundred (100) Shea nut business women within the Savelugu/Nantong catchment area was selected for this study. The sampled population included individuals and groups in the Shea nut business that were identified and interviewed using the structured questionnaires to gather the relevant data for the study.

In the case of this research, the simple random sampling was used to allow every Shea nut business woman in the district have equal chance of being selected for the study. Respondents were selected randomly without following any special order. With an estimated population of 71,752 women (2010 census) and about 22,520 Shea nut business women in the Savelugu/Natong district, the sample size of 100 was mathematical arrived at as shown below.

$$n = N / (1 + N (\alpha)^2)$$

Where n = Sample size, N = target population of the District and α is the sampling error.

If the sampling error is 10%, i.e. $\alpha = 10\% = 0.1$, it implies that,

$$N = 22520 / (1 + 22520 (0.1)^2) = 99.98 = 100$$

FINDINGS AND DISCUSSIONS

Sources of Funding Shea nut operations

Women in micro and small-scale enterprises have become a target of microfinance programmes. Providing micro credit for women in small scale enterprises is considered a pre-condition for improving their livelihoods. Findings from the study agrees with ILO (1998) that the provision of sustainable access to financial services for women has become a core component of many microenterprise programmes, governments, social partners, civil society organizations and international donors. The study revealed four major sources of funding to the women in Shea nut business, namely, personal savings, National Board for Small-Scale Industries (NBSSI)/District Assembly Common Fund (DACF), NGOs microcredit, and Commercial Banks/Rural Banks.

Table 1: Sources of Funding for respondents (N=100)

Sources of Funding	Frequency	Percentage
Person Savings	40	40
NBSSI/DACF	3	3
Comercial Bank/Rural Bank	2	2
NGOs Microcredit	55	55

From table 1 above, it was established that most of the respondents had their funding through NGOs Microcredit. This is the main source of finance for women entrepreneurs who do not have collateral but enjoy group solidarity. 55% of the respondents finance their business through the NGOs Microcredit. This was closely followed by 40% of respondents who had their support through personal savings and the remaining 5% was shared between NBSSI/DACF and Commercial Banks/Rural Banks. This indicates that besides microcredit facilities, many small scale businesses invest their own funds into starting their own business, some invest through inheritance, others through friends and relatives, some make their own savings and some also sell their personal assets to start their own business.

Significance of Shea nut business on the livelihood of Shea nut Business Women in the district

This study measured the impact of the Shea nut business in relation to the living standards of beneficiaries in particular. The Ghana Living Standards survey (GLSS) with its focus on the household as a key social and economic unit, provides valuable insight to living conditions in Ghana (welfare). This study uses the following indicators as yardsticks for measuring living condition: asset ownership, health, education, employment, women empowerment and nutrition status.

Rien (2010) noted that empowering women to set goals, organize themselves and make decisions about their lives and communities is a key part of poverty alleviation and socio-economic development. Financial institutions including Micro-credit institutions often give “credit” for empowering women. The assumption is that participation in peer borrower groups and access to credit enables women to build a financial base of their own, enhance their skills, access peer support and gain social recognition. In my opinion, empowerment as a concept is very difficult to define, yet it is seen as a power that comes from within a person in the form of self-confidence, faith, and courage; it can also be derived from working with others to achieve more collectively than could be done individually.

The study revealed an improvement in the socio-economic status of the women. An overwhelming majority (97%) experienced some improvement in their living conditions. The study revealed that assets, whether pre-finance or post finance are items that women need in their lifetime, and as such could be used as variables to depict the income levels of respondents. This was done by comparing the different periods of the life of respondents before and after engaging in the Shea nut business. Table 2 shows the various impacts on the lives of the respondents.

Table 2: Impact of Shea nut business on the lives of respondents

Impact indicator	Frequency	Percentage
Increased Income	52	52
Increased access to healthcare	39	39
Increase access to education	9	9
Total	100	100

Data from the field shows that 52% of respondents achieved increase in income for personal growth and development through their enterprises. They are now self-confident, creative, and high self-esteem, as well as developed social networks and leadership skills. The respondents also confirmed that the improvement in their Shea nut enterprises helped them to achieve a sense of autonomy. The respondents' could now afford some of the basic necessities that were unattainable due to hitherto lack of meaningful sources of income. The Women are now beginning to approach problems more analytically in search of solutions such as health, education, water and sanitation. It is obvious that women are now waking up to the clarion call to get involved and take control over their destiny at the community level. The survey also revealed a considerable amount of improvement in access to health care and education among women engaged in Shea not business.

Table 3 below shows the levels of socio-economic improvement in the lives of the Shea nut Women in the district.

Table 3 Impact indicators at the Family Level

Categories of improvement	Percentage of Positive outlook	Percentage of Negative outlook
Increase in household income.	94	6
Improvement in standard of living (education, health, Food, etc).	100	0
Improved Relationship between respondents and family.	72	28
Economic employment and contribution to decision-making in the family	100	0
Future aspirations about the family.	100	0

From table 3 above, majority of the respondents representing 94% reported an increase in their household income. The study also show that all the respondents (100%) reported of an improvement in their family's standard of living; have had the ability to contribute to decision-making in the family; and, also had positive dreams about the family's future, especially peace in their marriages, better children's education, and acquisition of household assets. 72% of the respondents asserted that their relationship with the family has greatly improved because of their economic independence. It was also revealed that 76% of the respondents attest that their families were satisfied with the business since it serves as employment to the family members. In sum, it is evident to say that Shea nut business has an appreciable positive impact on the livelihood of the women in the Savelugu/Nantong district.

Problems of the Shea nut Business

After a careful interaction and discussion with the women, it was revealed that the activities they undertake have a positive effect on their livelihood. However, they indicated that they usually face some challenges in the business. The respondents identified competition from other firms and unfavorable weather conditions, lack of ready market, snake bites suffered by the nutpickers; long distances to get the Shea nut and many others as some problems they face. Poor market for Shea products was one of the problems confronting their ability to meet their expected profit levels. Further discussions with respondents revealed that credit facilities provided by supporting organizations are inadequate and are sometimes untimely. Weather

vagaries, ill health, inadequate protective materials and inadequate support from families to undertake their businesses are some problems militating against their operations. They also confirmed that the problem with inadequate credit results from the fact that some women are not able to pay back loans on time and some do default. Interest charges on loans also pose a challenge on the women in Shea nut business. The interest rates fluctuate upwards due to unfavorable economic patterns the country is facing.

Table 4: Challenges of the Shea nut business

Challenges	Positive Response	Negative Response
Snake bite	90	10
Lack of Financial Support	70	30
Inadequate Protective Material	100	0
Lack of ready markets for Shea products	75	25
Difficult in getting Shea nut from the bush (depletion of Shea trees).	82	18

In terms of the challenges, 90 respondents (90%) hold the view that they suffer snake bites. This goes to confirm the claims by Yidana (2009a) that the women are exposed to all sorts of risk such as snake bites, thirst and the scorching sun. Also 70%, 100%, 75% and 82% of the respondents had challenges of lack of financial support, inadequate protective materials, lack of ready market for Shea products and difficulty in getting Shea nut from the bush respectively. Out of the 82 respondents (82%) who lamented over the depletion of the Shea tree, 40% attributed the dwindling of the tree population to fanning, 25% attributed it to bush fires, and 23% attributed it to the activities of commercial farmers and estate developers and the remaining 12% also attributed it to rain storms & charcoal burning in the area.

Table 5: Economic engagements during off season of Shea nut.

Business	Frequency	Percentage
Petty trading	26	26
By-day (hired labor)	17	17
Nothing	57	57
Total	100	100

From table 5, 26% of the respondents do engage in petty trading during the off season of the Shea nut business, 17 % engage in “by day” (hired labor) and 57% of the respondents were just

idling during the off season. The economic implication is that a whopping 57% of the women engage in Shea business become jobless during the lean season of the product.

Measures to Boost the Shea nut Industry

Over the last decade, government and non-governmental bodies have made conscious effort to introduce appropriate measures to augment existing policies in the Shea nut industry to make it more attractive. These measures include the formation of groups of women in the industry, introduction of machines for processing of Shea nut (Shea nut mechanization), increase attention of government in the industry. Table 6 shows the suggested measures required to boost the Shea nut industry.

Table 6: Suggested measures to boost the Shea nut industry in the district.

Measures	Frequency	Percentage
formation of formal groups	22	22
Modern processing machines	24	24
Political will (government)	54	54
Total	100	100

Table 6 shows the suggested measures to improve the Shea nut industry in the Savulugu/Nantong area. Out of the total respondents, 54 of them representing 54% of the total responses held the view that, Shea nut business can only be improved in the district and Country at large if the Government of Ghana show commitment and invest in the industry. Without Government commitment (political will), the industry will continue to suffer as they (rural women) have no control of market forces and other factors outside their control, they opined. Also, 24 respondents representing 24% of total responses suggested the formation of formal groups among the rural women to attract attention from supportive agencies locally and internationally. The remaining 24 respondents representing 24% suggested the provision of modern processing machines to facilitate the operations of the Shea nut business.

Table 7: Institutions needed in the Shea nut business

Institutions	Frequency	Percentage
NGOs	30	30
Financial Institutions	10	10
Chiefs/Opinion leaders	4	4
Government	56	56
Total	100	100

The study also tried to find out from the respondents who ought to play what role in improving the Shea nut industry. It came out that 30 respondents (30%) said NGOs should invest in the industry and 10 respondents (10%) went for the involvement of financial institutions in the industry. The remaining 60 respondents representing 60% opted for active involvement of Governments and Chiefs/opinion leaders. That is, 56 respondents (56%) and 4 respondents (4%) respectively supported the contribution of government and chiefs/opinion leaders in improving the Shea nut industry. It came out also that with the participation or involvement of Government in the industry, a lot of sanity would be injected into the industry and this will go a long way to mitigate the challenges confronted by those in the business. Involvement of NGOs and financial institutions is very crucial in resolving the financial and technical needs of the women in the industry. Thus, Shea nut business women will get some form of training and financial assistance in the form of credit to boost their business operations.

CONCLUSION

The research was under taken to assess the economic significance of the Shea nut industry in the Savelugu/Nanton district, the problems facing the women in the business and the way forward for improving the industry in the district. It is clear from the findings that the Shea nut industry plays a significant economic role on the lives of the women in the District. The women are able to improve their household income and standards of living and that of their families and as such were able to provide the education and healthcare needs of their families. For the social level, there was a rise in the confidence level of the women and increased degree of socialization. The much talked about women empowerment is gradually being achieved through the Shea nut industry in the Savelugu/Nanton district.

In spite of all the economic significance of the Shea nut industry and huge potential to boost the Gross Domestic Product (GDP) of the entire country, the survey findings indicate that there is little or no support for the women from either the central government or the District Assembly. Besides poor capital formation, the women also face problems of snake bites as a result of lack of protective materials coupled with inadequate Anti Snake Venom (ASV) at the health centers.

RECOMMENDATIONS

From the research findings, the following recommendations are made to ensure access to financial and other material support from Government and other institutions for women in the Shea nut industry. This way, they will be able to boost their Shea nut business and trade in

other business ventures during the off season so that they will contribute their quota to national development:

- In order to address the problem of financial support confronting the women, Government of Ghana and other institutions should provide subsidized credit facilities for the women. Protective clothing and other logistics should be made available for these women to reduce the snake bites in particular.
- The District Health Management Team (DHMT) should make a deliberate effort of providing Anti Snake Venom (ASV) for the women who are normally bitten by snakes.
- Individuals and firms should go into the cultivations of Shea nut rather than relying on those growing in the wild. Those trees growing in the wild should also be given attention in terms of maintenance. This can take the form of weeding under the trees in order to reduce the effect of bush burning and its consequent reduction in the tree stock.
- Government, in collaboration with traditional rulers should come out with guidelines that will regulate the activities of people who burn the bush, fell trees to produce charcoal or firewood so as to protect the trees and the environment as a whole. Those who violate the rules should be punished severely to deter others.
- The women in the industry should organize themselves into groups or societies. These groups may enable them to raise huge capital either in the form of individual contribution or a loan facility from banks at favorable terms.
- The Government should use the Savanna Accelerated Development Authority (SADA) to encourage farmers to go into full scale plantation and production of Shea nut trees. Better still; a Presidential initiative could be launched in the Shea nut industry similar to those of Guinea fowls, Cotton, and Cassava in the country. This will serve as secured job avenues for the hard working rural women in particular.
- The Government and Shea nut firms should undertake vigorous research and development (R&D) to enable them identify better and easier processing methods, machines and more uses for Shea products. This will not only boost quality and quantity of the Shea products, but also reduce production cost. Furthermore, an identification of more uses to which the product can be put will create a new market for it, both locally and internationally.

LIMITATIONS OF THE STUDY

A research of this nature could not be carried out successfully without some limitations. Because of time, financial constraint and the vast nature of the catchment area, the study was limited to the operations of Shea nut in the Savelugu/Nantong district. As a result of this, the findings from this study may not apply to other towns/villages outside the Savelugu/Nantong catchment area. There was also the limitation of data collection since most of the respondents were uneducated with a cross section of them unwilling to volunteer information. The fear of bias was always haunting as some women were influenced by their husbands on what information to give out to researchers. The survey also suffered the problem of inadequate up-to-date data on various issues concerning the industry, though this did not seriously compromise on the quality of the study.

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