SUPPORTING WOMEN FARMERS’ ACCESS TO FINANCE

THE FEATS PROJECT

MEDA

In partnership with Canada
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ACRONYMS

FEATS  Farmers’ Economic Advancement Through Seedlings
GAC    Global Affairs Canada
VSLA   Village Savings and Loan Association

ABOUT THE FEATS LEARNING SERIES

The FEATS Learning Series is carrying on the Mennonite Economic Development Associates (MEDA) tradition of sharing lessons learned during project implementation. This new series covers MEDA’s learnings in the tree crop industry in Ghana during a seven-year period (2015 - 2022). Topics include:

1. Building Sustainable Small-scale Cashew Nurseries: Key Results and Lessons from the FEATS Project
2. Establishing the Model for SME Operations: Designing the Benchmarks for Growth
3. Scaling Up Farmers’ Capacity Building: The Use of Technology on the FEATS project
4. Use of Groundwater in Tree Crop Irrigation: A Case of Cocoa in Ghana
5. Building the Capacity of Women Entrepreneurs: The FEATS Women-led SME Story
6. Gender Messaging through Talking Books: The FEATS Project
7. Supporting Women Farmers’ Access to Finance: The FEATS Project

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1. ABSTRACT

This study identified challenges faced by women entrepreneurs, such as low levels of technical and business knowledge, labour-intensive production processes, insufficient linkages to markets, lack of access to information, and inadequate understanding of the state of their enterprises, including its financial status. These challenges negatively affected the profitability of women-led SMEs in the cashew and shea value chains.

To address these challenges, the FEATS project launched a capacity strengthening initiative and introduced a mentorship program, which was tailored to the unique needs of each participant (selected cashew and shea women working with FEATS). Topics covered included business and finance, gender, advocacy and leadership. In addition, the training provided knowledge on avenues for alternative livelihoods to enhance their income from cashew or shea.

Women supported by this initiative have improved their entrepreneurial skills, which in turn, has enabled them to enhance their businesses and grow their profits. This has increased their savings and financial contributions to their families, resulting in a significant shift in gender and social norms. Women are not only acknowledged but also valued in their households. Women are also increasingly being included in decision-making at both household and community levels.

2. BACKGROUND

The Farmers’ Economic Advancement Through Seedlings (FEATS) project is a seven-year (2015-2022) initiative funded by Global Affairs Canada (GAC) that aims to improve the economic wellbeing of men and women farmers in tree crop industries of Ghana. The FEATS project was designed in collaboration with GAC to address three key areas critical to improve economic well-being of farmers, namely increased supply of quality tree crop seedlings, increased business and financial capacities of tree crop nursery operators and farmers, and improved business environment for cashew, shea, rubber, and cocoa farmers.

The shea and cashew value chains are important sources of employment and income for women farmers in Ghana. Despite this, an assessment study conducted during the initial stages of the FEATS project found that women-led businesses within the shea and cashew value chains, including cashew nurseries and shea nut processing enterprises, faced challenges relating to technical and business knowledge, infrastructure, production processes, and linkages
As part of its intervention with women farmers in the shea and cashew value chains, the FEATS project sought to provide integrated support through the provision of matching grants for production facilities (agricultural equipment such as shade nets, fencing, scion banks), capacity strengthening training and improved market linkages.

In addition to improved production facilities, this integrated support included the provision of a mentorship program. The mentorship program was tailored to the unique needs of participating cashew nurseries and shea groups and covered topics such as gender, advocacy, and leadership in addition to business and finance related themes. A key aspect of the training was centred on business management and financial services. Six mentors provided direct support to 41 women as direct participants across the shea and cashew value chains. The 41 women, in turn, provided step-down training to approximately 4000 women.

with markets and information, ultimately impacting the profitability of their businesses. In order to address these gaps, in 2019, the FEATS project entered into a co-funding arrangement with 16 women-led cashew nurseries and 10 women-led shea groups. The co-funding arrangements, called Matching Grant Agreements, outlined funding contributions to be made by each party, activities to be carried out including facility improvement, and capacity strengthening training to be provided, with timelines for delivery and reports to be submitted.
3. INSIGHTS FROM PROJECT CLIENTS

In-depth interviews conducted with 40 participants (20 direct mentees from the shea and cashew value chains, along with 20 step-down training participants) found that the project’s capacity strengthening efforts positively impacted their businesses and personal lives, as described in the following sections. The project also conducted a post-training evaluation exercise. Clients provide the following insights.
3.1 Improvements in Financial and Business Management

The Financial and Business Management training covered themes such as costing, understanding operational costs, revenue, assessment of income, and understanding profit and loss, as well as building skills such as record-keeping. In the interviews, women reported that this was particularly useful in helping them to understand if they were breaking even, earning a profit or losing money through their business endeavours. When costing their products, they tended not to factor in production costs, such as tools and utensils, and did not account for their labour and the time they must spend gathering firewood and water, as well as parboiling, roasting and processing (in the case of shea). In the post-training evaluation, all participants indicated that before the FEATS training, they did not know how to effectively utilize their capital or understand how much profit they were making (if any), including understanding the amount of their initial investment. This would especially cause challenges at the beginning of the production period, as without this financial knowledge relating to their savings and capital, they could not accurately determine their financial status, i.e., whether they are operating at a loss or earning profit. In the FEATS training, they learned about savings, understanding the capital they have left after their investments or purchases, and budgeting and planning business finances, as well as effective procurement.

Building record-keeping skills also bolstered women’s ability to run their businesses more effectively, preparing them to identify and then address areas where their expenses were high, and determine how to reduce their costs, price appropriately, and ultimately make their businesses more profitable. Moreover, record-keeping, business management, and budgeting skills equipped them to separate their business and personal finances and to start taking salaries themselves as entrepreneurs. This, in turn, enabled them to use their salary for personal and household expenses, including children’s school fees. Seven women-led cashew nurseries interviewed during the post-training evaluation also reported buying motorcycles for themselves, further increasing their mobility and ultimately their ability to facilitate operations of their businesses.

3.2 Greater Awareness of Formal Financial Systems

In addition to building a better understanding of business management, a greater awareness of operational costs, and enabling participants to better define profits, the training also enabled women to build on their savings by
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accessing formal financial institutions. Several participants reported being able to better access banks and other formal financial service providers because of the training; the training led to a shift in thinking and enabled them to understand that banks are also accessible and available to them as rural clientele. Earlier, women participants reported thinking that banks are accessible only to educated and/or urban clients. During the post-evaluation interview, one shea group member stated that she was excited and enthusiastic after learning about how to save her money by putting it into a bank – this helped her to acquire the habit of saving every week. One cashew participant reported starting to contribute towards her social security/pension, while also working towards building a house for herself.

3.3 Efficiencies in Production and Marketing, and Diversification of Income

The training also enabled women farmers to benefit from improved processing and production knowledge. Specifically, this training helped women in shea groups to understand an alternative method for processing raw nuts into butter, without sacrificing quality and yield. Traditional techniques involve parboiling shea nuts before processing, which is difficult and expensive. The alternative method, which is more environmentally friendly, avoided use of firewood (a necessary component for parboiling) which is difficult to procure, especially in the Tamale region. Additionally, participants were also able to benefit from improved storage practices; with the new knowledge, women can store the

Goyiri Te-Pagra-Olu Co-Operative holding a Village Savings and Loan Association (VSLA) meeting at Goyiri
shea nuts for longer periods of time (up to three years), thereby being able to process, market, and sell them when prices are favourable, rather than having to sell the nuts immediately. In July 2021, the average price of a bowl of shea nuts was GHS 3.00 in Kusanaba; this increased over nine months, in April 2022, to an average price of GHS 5.30 for a bowl of shea nuts.

The FEATS training also empowered women to negotiate more effectively. Previously, women producing cashew seedlings had to rely on men to bring their seedlings to the market, but now they are more confident speaking in public and marketing their products, allowing them to make faster sales. One cashew nursery operator reported that now she gets up early in the morning and proceeds to the community centre to market her seedlings herself.
Moreover, the training also provided information on avenues for alternative livelihoods to mitigate the impact of seasonality on women’s income and smooth their income. Shea and cashew participants were able to explore alternative sources of income such as rice processing, meat and poultry selling, or engaging in commerce such as mobile money, selling clothing and snack items. The training also included how to advertise on social media platforms such as Facebook and WhatsApp.

4. SHIFTS IN GENDER AND SOCIAL NORMS

The FEATS team found that the provision of business support and financial services training led to the several preliminary shifts in gender and social norms. As women began to bring money into the household, that changed husbands’ perceptions of them. Women started relieving men from some of their responsibilities, like paying of school fees and medical bills. Relieved men started appreciating women.

“The training has increased my level of confidence. I now run a clothes boutique to supplement my income during the off season. The income diversification aspect of the training was the most important to me as it gave me the ability to stand up for myself. Earlier, when I used to go to procure items for selling, I used to accept whatever the suppliers gave me; but now I negotiate for myself and procure only the items I need for my business. I have also begun mentoring young women in my family and neighbourhood and involving them as employees in my business.”

—Participating cashew nursery operator from Wenchi in the Bono region
4.1 Household and Decision-Making Dynamics

Women's increasing income and savings, as well as greater economic contribution to their households, are leading to a shift in household dynamics. Husbands have an improved respect for their wives and are more willing to listen to them because of their financial contribution, as reported by all participants in the post-training evaluation. Women from shea cooperatives indicated that their husbands were now able to borrow money from their wives and were also listing their wives as guarantors or as collateral support for loans from banks or from women's cooperatives. As a result of these improved relationship dynamics and norms, husbands are also including their wives in key decision-making around how these loans will be used as well as what the repayment plan will be.

Marriage and Money

Anecdotally, the FEATS team heard that many men feel insecure when women earn money. The perception is that when women are financially self-sufficient, they will disrespect their husbands and even divorce them. Many men restrict their wives' income generating opportunities to maintain control of the household. However, as women earn money, they take on many household costs and husbands can see concrete benefits to their wives' incomes. In many households, this has resulted in greater recognition of women's contributions.

4.2 Family Support and Cooperation

Most participants interviewed during the post-training evaluation reported that husbands and family members are now more supportive of their wives as a result of the positive business outcomes from the FEATS support and training. Husbands who were informally interviewed during the process also reported feeling greater support and understanding from their wives. In this way, the training has supported greater cooperation and harmony at the household level. Husbands are now more cognizant of the positive financial potential of women's businesses and are therefore helping their wives to run their businesses, as well as supporting with household chores. In some cases, husbands have joined
their wives full-time in their businesses, as they were profitable enterprises. Other ways in which husbands have been more supportive include facilitating animal ownership for women to further diversify income, supporting business procurement, and accompanying their wives to their business locations or training meetings. Women are no longer merely being seen as the “property” of men, but rather partners whom their husbands consult, indicating larger normative shifts in this socio-cultural context.

Key to the FEATS project’s success was the integrated support, including capacity strengthening and infrastructure development. Business training yielded positive results, but the real transformation was catalyzed by training components delving into themes at the spousal and household level. These enabled the project to begin tackling root causes of gender inequality and catalyze transformation within gender and social relations. Community men now do not see anything wrong with allowing their wives engage in businesses if women are taking on financial responsibility in the family.

“Previously, people didn’t appreciate or know the value and importance of women. Women are really important and resourceful, they are able to turn the little things into big things …..they work with very few resources to turn them into something big.”

—Husband of participating shea farmer from the Kohuo located in Upper West Region

A cashew woman farmer enjoying support from her husband
This study complements another paper in this series, Building the Capacity of Women Entrepreneurs: The FEATS Women-led SME Story, which focuses more directly on the project interventions to build the capacity of women-led SMEs.

5. CONCLUSION

The FEATS team observed many positive outcomes from women’s increased economic engagement in tree crops, including increased income and increased involvement in decision making at the household and community level. However, an unintended consequence was that women’s workloads increased significantly. In addition to the economic activities, women’s domestic labour burden had not reduced. For example, it is compulsory for a woman to work in the husband’s farm, but she only controls the yield from her own farm. This finding is not unique to FEATS, but should be incorporated into future programming wherever possible. In addition to increased workloads, women’s responsibilities in the household increased: they became responsible for the family’s health, nutrition/feeding and education.

The FEATS team observed positive changes in household dynamics that may begin to mitigate the increase in women’s workloads. In particular men have begun to share household responsibilities, as they see their wives’ business activities making positive contributions to the household. The team hopes these changes will continue even after the project has closed.
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