NEWENERGY

ENHANCING GHANA SCHOOL FEEDING PROGRAMME THROUGH LINKING LOCAL PRODUCERS
OF GROUNDNUT OIL TO SCHOOLS IN NORTHERN REGION

END OF PROJECT REPORT APRIL 2009 TO MARCH 2010

1.0 Introduction

NewEnergy entered into partnership with SIGN Netherland in 2009 to facilitate the implementation of Groundnut oil and paste processing with two women enterprise groups in Damankunyili and Zosali respectively. This was aimed at enhancing the Ghana School Feeding Programme (GSFP) through linking local producers/processors to the caterers of the GSFP. The one year project ended in April 2010 and this report encompasses the achievements, challenges, impact and recommendations.

2.0 Goal

The overall goal of the project sought to enhance the income of producers of groundnuts, processors of groundnut oil, and improve the nutritional status of school children through increased production and consumption of quality groundnut oil.

2.0.1 Specific Objectives

The specific objectives of the project are to:

1. Promote increased groundnut production and incomes of farmers within the project area through regular and bulk purchase
2. Improved income levels of 35 women undertaking groundnut oil production
3. Improved health and nutritional status of beneficiary schools through the provision of quality oil.

3.0 DESCRIPTION OF ACTIVITIES

3.01 The main activities undertaken to achieve the project objectives included the following;

Community sensitization and mobilization, Construction of two buildings for processing centers, Procurement of machines and equipment, Training of Groups (Management and technical), Loan disbursement, Stakeholder Roundtable Meeting and Monitoring and evaluation, (see annex I for detail results)
4.0.0. Utilisation of Service

Processing of groundnuts oil and paste started in November 2009 after the project was commissioned by the Chairman of SIGN Mr. Rutgers Schilpzand. Follow-up visits were made to the groups throughout the year to interact with them and assess their performance. However, their production activities have been slow due to a number of factors including limited market for their products and increasing cost of raw groundnuts, and the engagement of most of the women in farming activities. Between November to March 2010 the group at Zosali processed up to fifty five maxi bags (55) 4,840kgs of ground nuts with a total cost Ghc6,100.00 at Ghc100 and GHc120 per bag respectively. The 4,840kgs yielded 2,860 bottles/1,787.5 liters of oil at prices of Ghc 2.24 to 2.40 per liter. The same quantity of groundnut processed also yielded one thousand, three hundred and twenty (1,320) bowls of fried paste flour (after extracting the oil, the paste left is fried and milled into flour, which is a delicacy and seasoning for various meals). The fried flour was sold at Ghc1.80 and Ghc2.50 per bowl during the two quarters. At Damankunyili, the Group processed up to one hundred and twelve maxi bags (112) /11,440kgs of groundnuts within the same period. The yield of oil was seven thousand and twenty 7020 bottles/4475.5 liters at a price of Ghc2.2 to 2.40 per liter and three thousand one hundred and twenty (3,120) bowls of fried paste flour sold at Ghc1.80 and Ghc2.50 per bowl respectively. This is summarized in the table below.

<table>
<thead>
<tr>
<th>Community/ Group</th>
<th>Period</th>
<th>Investment</th>
<th>Quantity processed oil/paste</th>
<th>Revenue</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zosali</td>
<td>Nov 2009-</td>
<td>4,840Kgs</td>
<td>1,787.5 liters</td>
<td>Ghc 7,040.00</td>
<td>Ghc 394.00</td>
</tr>
<tr>
<td></td>
<td>March 2010</td>
<td>Ghc 6,646.00</td>
<td>1,320 bowls.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Damankunyili</td>
<td>Nov 2009 to</td>
<td>11,440kgs</td>
<td>4,475 liters</td>
<td>Ghc 16,972.00</td>
<td>Ghc 1,529.00</td>
</tr>
<tr>
<td></td>
<td>March 2010</td>
<td>Ghc 15,443.00</td>
<td>3120 bowls.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.0.0 Impact/Change

The Project has made some modest impact on the beneficiary Women’s Groups after six months of active processing as follows;

Time and labour spent in processing has drastically reduced. The women who would normally use one day for milling a maxi bag (88kgs) of groundnuts into paste and a second day for kneading to extract oil
are now spending less than an hour to go through the process of milling and kneading of the same quantity of groundnuts. The time saved is used for other profitable ventures.

The quantity of oil extracted from the machine has proved to be more efficient compared to the manual system. Previously, the quantities of oil extracted manually from a quarter maxi bag (22kgs) were eleven (11-12) bottles/ 6.87 -7.5 liters. Currently, with the use of the machines, the women can extract between 13 to 14 bottles (8.125 to 8.75) liters from the same quantity of groundnuts. By this analysis, it is evident that, there has been an average improvement of about 4% increase in income on every bag of groundnuts processed through the mechanized system.

There has also been a significant improvement in processing quantities using the mechanized system. The women in Zosali processed an average of 10 bags a month while Damankunyili women produced 26 bags on average per month.

The respective groups have so far accumulated the following net amounts from their operational charges. Damankunyili – GHC60.00 and Zosali - GHC 132.00 for the five months in operation. This money, according to them is banked in their respective groups accounts towards the repayments of the machines and the equipment.

Reports from the bank indicate that both groups pay their loans promptly and regularly. They have paid up to six months without any default.

6.0.0 Challenges

Key challenges encountered during the period under review include the following;

- Unexpected increased of 62% in construction materials for the two buildings compared to the original budget. This was due in part to the collapsed building at Zosali by a storm during the construction process, and primarily as a result of increased prices of cement, zinc, earth materials and wood.

- The abrogation of contracts of Caterers and appointment of new ones after the change of Government in 2009 was one of the major challenges the project encountered. This delayed the stakeholders meetings that were planned for the second quarter.

- Power connection to the Damankunyili Processing center encountered procedural delay with the main service provider- Volta River Authority (VRA) which eventually affected the early commencement of processing of oil and paste.

- Limited market access for Groundnut oil and paste affected the processing activities of the women as they competed with assorted and cheap imported cooking oil in the open markets.
Caterers were unable to purchase groundnut oil from the Women Groups in large quantities due to insufficient cash holdings. Their reimbursement funds from the Central Government are also irregular. They are therefore compelled to buy from the market Queens on credit. narrow

7.0.0 Lessons Learnt

Some few lessons learnt during the period under review include the following;

1. Regular monthly and quarterly monitoring by both NewEnergy and the Officials from Borimanga – Rural bank have enhanced the confidence level of the women. They are very comfortable now in transacting business with the bank. They have also developed a good sense of accountability; revenue earned from the processing charges is always kept by the treasurer before it is banked.

2. The five women who benefitted from the technical training at Damankunyili are confidently operating the electrical machine themselves. They travel to the VRA office in Tamale regularly to purchase their ‘power units’ any time they run out of units from the pre-paid meter. An average of Ghc10.00 is spent weekly on power usage.

3. The quality of oil is also enhanced because the machines are restricted to the production of only groundnut oil and paste. This however is to be confirmed through the analysis of the Drugs and Food Board.

8.0.0 Recommendation

Funding support could be extended to cover Shea butter and rice processing for the two groups.

Loans should be extended to cover Caterers of the GSFP to ensure that they are financially resourceful to patronize the home grown food.

More awareness creation on the project is required to include neighbouring communities

9.0.0 Exit strategies

- Periodic follow-up visits will continue to reinforce the best business practices in the groups

- We will collaborate closely with Ghana Food and Drug Board to analyse the oil and paste processed by the two groups to enable the groups explore profitable and wider market for their products.

- We will facilitate a link-up of groups to the Assemblies to be registered with the Department of Cooperatives and the National Board for Small Scale Industries and business entities.
➢ Lobby with the Assemblies to enforce purchase agreement between the Caterers and Processors.

➢ Facilitate the mobilization of caterers into association to hasten the acquisition of loans

➢ Further negotiate with the Borimanga Rural Bank to continue with their financial and educational support to the groups.

➢ Disseminate/share this model with National secretariat of GSFP and Ministry of Local Government and Rural Development (MLGRD).

➢ Liaise with world food programme to have oil fortified with vitamins.

Conclusion

Despite the challenges the project encountered in the first year as stated above, it has potentials to achieve its long term objectives. For sustainability, we will continue to explore better market opportunities beyond the Caterers of the GSFP to promote increase in processing quantities and income.

9.0.0 Financial Update

<table>
<thead>
<tr>
<th>Activity</th>
<th>Budgeted Amount (Gh¢)</th>
<th>Actual Expended - Gh¢</th>
<th>Variance - Gh¢</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical Repairs</td>
<td>-</td>
<td>327.00</td>
<td>327.00</td>
<td></td>
</tr>
<tr>
<td>Follow-up visits</td>
<td></td>
<td>250.00</td>
<td>250.00</td>
<td></td>
</tr>
</tbody>
</table>

Summary Expenditure in Ghana Cedis (Gh¢)  35394.5

Total Project Budget A  38,000
Expenditure for Q1 B  14,244
Expenditure for Q2 C  17573.50
Expenditure for Q3 D  427.00
Expenditure for Q4 E  3150.00

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Balance A – B +C+D+E = \textbf{2606.50}