



---

**CONFRONTING CHANGE: CONTRACT FARMING AND PRODUCTION  
RELATIONS IN PERI-URBAN AREAS OF SUB-SAHARAN AFRICA<sup>1</sup>**

**Peter D. Little, University of Kentucky  
and Institute for Development Anthropology**

Copyright 2000 by Peter D. Little. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

A Research Paper prepared for the Broadening Access and Strengthening Input  
Market Systems-Collaborative Research Support Program (BASIS-CRSP).

Institute for Development Anthropology  
Binghamton, New York

October 1999

## **CONFRONTING CHANGE: CONTRACT FARMING AND PRODUCTION RELATIONS IN PERI-URBAN AREAS**

### **INTRODUCTION**

In the metropolitan area of Accra, Ghana in West Africa, cultivated plots of vegetables and maize exist among suburban housing projects and office blocks and present a stark contrast with the rapidly urbanizing region. A similar scenario is found on the other side of the continent, in Kampala (Uganda), where urban and agrarian land uses are interspersed within easy distance of the city's center. In backyard plots, along the sides of roads, and on the edges of schoolyards, this scenario of urban and peri-urban agriculture is prevalent throughout sub-Saharan Africa (see Egziabher et al. 1994; UNDP 1996). While often a survival strategy to compensate for consumption shortfalls and low incomes, its importance demonstrates the extent to which informal economic activities characterize African economies. The increased significance of peri-urban agriculture vividly shows just how much recent structural adjustment programs have turned urban waged employees into part-time farmers, as well as raised prices of certain foods (e.g., import commodities) (Little and Lundin 1992).

In many respects, this picture of peri-urban agriculture is an anomaly: it entails the production of low-value crops on a relatively scarce and valuable resource, suburban land. Yet, the depiction of peri-urban agriculture is more complex than this. For example, high-value crops are significant in some peri-urban areas, where access to export markets is favorable and contract farming and agribusiness are involved. In these instances, peri-urban agriculture often includes the cultivation of highly perishable exports, such as horticultural products, that may be grown under a range of

different contractual arrangements. Thus, the economic reform (structural adjustment) programs of the World Bank and others that ‘downsized’ government employment in Africa and, inadvertently, encouraged subsistence agriculture also opened up opportunities for contract farming around major cities. These enterprises capitalize on relatively good access to air transport and markets; the availability of ‘winter’ markets for fresh produce in Europe; and a range of private sector services and development programs to diversify exports (see Little and Dolan, forthcoming). The latter point is not without consequences, as millions of dollars of development funds in the Third World are currently chasing ‘non-traditional commodity (NTC)’ programs, in the hopes of diversifying exports, increasing trade revenues, and enhancing the so-called “private sector” (Barnham et al. 1992; Meerman 1997; World Bank 1989).

The decades of the 1980s and 1990s witnessed a rapid increase in the involvement of low-income farmers in the production of NTCs, especially in peri-urban areas close to market infrastructure (see Little and Dolan, forthcoming). As prices for classical export crops, such as sugar and cocoa, fell throughout this period, many farmers with the active encouragement of governments and development agencies pursued such high-value, "niche" crops as spices and select vegetables. Confronted with declining incomes from traditional export commodities, governments and international development agencies initiated active campaigns to diversify export production among smallholders and other producers; and many of these efforts were felt directly in the peri-urban areas. In many cases, this meant significant transformations in the organization of production and marketing among smallholders, including in many cases the promotion of agribusiness and contract farming (see Little and Watts 1994). These changes have been a part of larger transformations in global commodity systems and trade, where high-value exports and foods have

partially compensated for declining traditional exports in much of the Third World, including the poorest region—Africa.<sup>2</sup> Non-traditional export activities found a prominent place in economic reform programs that promoted export diversification. In the Banjul area of The Gambia, for example, strong fiscal and infrastructure incentives to encourage investment in niche-market activities by private firms and farmers have been important components of these programs.

In The Gambia the export of horticultural produce has received considerable attention from government and development agencies and is a prominent element of the state's export diversification program (The Gambia 1993:17-18). However, it is almost strictly under the control of a few private companies and individuals who operate in the peri-urban zones of Banjul. The government has eliminated export taxes on horticultural produce and tariffs on certain inputs, and with donor funding has subsidized infrastructure near Banjul and marketing services. Some of the NTC export farms received funding from the IFC, the Commonwealth Development Corporation (UK), and the African Development Bank (the latter is financed by the World Bank, USAID, and several other Western institutions).

In the three peri-urban economies--Maputo (Mozambique), Accra (Ghana), and Banjul (The Gambia)—that were covered under the 'Peri-Urban Economies in Africa' project (1991-1995), contract farming of horticultural products was done on a relatively large-scale basis only in Accra and Banjul.<sup>3</sup> In these two metropolitan areas production was mainly targeted to lucrative, international markets; pineapples in the Accra case and mangoes and seasonal vegetables (e.g., eggplants, peppers, and 'Asian' vegetables) in the Banjul location. In all three countries, however, the horticulture sub-sector was important to the peri-urban economy, but only in Ghana and in The Gambia was it a significant export activity.

In the remainder of this paper, I explore the nature of contract farming and agribusiness in peri-urban economies, with an emphasis on the Accra and Banjul regions. It will be shown how a range of different actors including smallholders, traders, local and international agribusiness firms compete in the lucrative horticulture business, often with volatile consequences. Despite ‘boom’ periods of prosperity, the production of high-value crops has witnessed wide swings in economic fortune especially for small-scale growers. Where possible, the analysis probes the factor market dimensions (land, labor, and capital) of peri-urban activities with the objective of addressing those areas of interaction and, in some cases, contradiction.

### **THE NATURE OF CONTRACT FARMING IN PERI-URBAN ECONOMIES**

The emergence of contract farming (CF) usually depends on the existence of one or more of the following conditions: (1) high-value, specialty crops with lucrative ‘niche’ markets; (2) the need for consistent, reliable supplies on the part of the buyer or supplier, the latter which may be a processing company; (3) a system of input and output markets that cannot be met through open market purchases; and (4) a labor-intensive commodity that smallholders can produce efficiently (see Little and Watts 1994). Most of these conditions were met in the Banjul and Accra cases, where the emergence of CF schemes depended on the introduction of labor-intensive, ‘niche’ commodities that could be processed or ‘airlifted’ fresh to seasonal markets in Europe. In CF areas contractual arrangements can range from informal buying arrangements by small-scale traders to formal, written contracts between producers and agribusiness firms. In both the Accra and Banjul cases written contracts were rarely used, a pattern that characterizes most CF ventures in sub-Saharan Africa (Little 1994). Instead, enforcement of terms are implemented by ‘cutting off’ inputs,

refusing to sell or buy in subsequent seasons, seeking assistance from local chiefs and government officials, and other means of pressure.

In both the Accra and Banjul areas there was significant agribusiness presence and its scale seemed to be increasing during the period of research, 1993 to 1995. The trend for firms in The Gambia was to increasingly rely on production from their own farms rather than contract with smallholders; but in the Ghana this was not so apparent. There some export companies did not have their own farms or they were insufficient, so they had to maintain relationships with outgrowers. Some of these farms are owned locally or by joint European/Ghanaian enterprises, and the use of smallholders is an important part of their business strategy. In short, it is meaningful to view contract farming and agribusiness sub-sectors as overlapping entities, since they often compete for the same factors of production, especially labor and land.<sup>4</sup>

Contract farming plays a greater role in peri-urban Accra than in the Banjul region. Surrounding the greater Accra region is the country's so-called 'pineapple belt', where smallholders, traders, and large and small firms all compete for the lucrative European export market, particularly to the United Kingdom.<sup>5</sup> It is a zone of well-drained, fertile soils with moderate slopes that are conducive to pineapple production. When field research began in 1994 there were approximately 500 farmers growing pineapples under contract in the Accra region; most of them had an agreement with a particular exporter (s) or large farm (see Daddieh et al. 1995).

Pineapple exports from Ghana have taken place since the 1950s but they received special attention in the 1980s and 1990s. In 1989 the government established the Export Finance Company Limited of Ghana to assist with the export of non-traditional commodities, such as pineapple (Daddieh et al. 1995:2). To quote Daddieh et al.:

Almost simultaneously, as an incentive to the export sector, corporate tax rebates were raised to a maximum of 60-75 percent for agriculture (from their previous highs of 30-40 percent), depending on the proportion of output exported. The Customs Duty Drawback rate was also increased to 100 percent (ISSER 1992:139-144). The Ghanaian government had hoped that the combination of these monetary, financial, and export promotion policies or the general thrust of its liberalization policies would unleash the productive energies of the rural Ghanaian population and lead to greater productivity and increased exports (ibid: 3).

Daddieh et al. (1995) show that the production response has been positive but not spectacular. "In 1989, 61 agricultural commodities [including pineapples] featured in the non-traditional commodities that were exported. . . . the foreign exchange earned rose from US\$21.17 million in 1989 to US\$28.78 million in 1990, an increase of about 36 percent" (ISSER 1992: 77, cited in Daddieh et al. 1995:3). The growth in pineapple exports, however, has been better than most other NTCs. From 1985 to 1989 pineapple exports grew at an annual rate of 36 percent (AMEC 1989:3). The active participation of numerous smallholders for both the export and the local markets is crucial to the long-term viability of the pineapple industry. In contrast to The Gambia, local resistance to land privatization means that large exporters must work with smallholders and their small landholdings in order to increase exports.

In the Banjul case the production of export horticulture is comprised of various production and institutional arrangements through which Gambian farmers are incorporated into international trade. These are highly diverse and range from operations of small-scale traders to those of large-scale corporations. There also is a growing trend toward increased market concentration. Since 1989 it is estimated that

the proportion of total horticultural exports accounted for by the two largest firms has grown by about 30 percent. Exports from these enterprises grew by more than 300 percent during 1989 to 1992, an increase well above the average for the sector. Based on estimated sales in 1992, the two largest farms accounted for about 75 percent of the country's total horticultural exports; the largest farm alone made up more than 50 percent of the country's total.<sup>6</sup>

Similar to the Ghanaian case, a small-scale grower in Banjul is compelled to grow for an export farm or firm if she/he wants to participate in the export trade. In the mid- to-late 1980s when investment in irrigated communal gardens was at a peak in Banjul, the use of contract out growers was higher than it was in 1994 (see Little and Dolan 1993). Interviews with exporters in 1994 indicate that many of them relied initially on the communal gardens for procuring export produce while they were developing their own farms. The most common contracted crops were aubergines (eggplants) and chilies; a few had grown French beans but stopped. Exporters indicated an initial preference for contracting with communal gardens to procure labor-intensive crops, such as chilies, but preferred to grow other crops on their own large farms. As the export farm sector grew in The Gambia in the early 1990s, attention shifted away from procuring supplies from contract gardeners to obtaining them from their own farms. Thus, while 45 percent of export firms and farms were contracting with communal gardens in 1989, the figure had dropped to as low as 25 percent in 1994.

### **THE ORGANIZATION OF PRODUCTION AND MARKETING**

Elements of contract farming are invoked in at least three different types of production arrangements in the Banjul region—with communal gardens, small commercial growers, and export farmers; and one type in the Accra area—with outgrowers of large export firms and farms. While there is some dissatisfaction with

aspects of the outgrower arrangement, Ghanaian smallholders can deal with a wide variety of buyers, including large exporter-farmers, private traders, and small export firms whose number exceeds 75 (ISSER 1992:68). This means that the relatively large number of buyers and traders in the pineapple commodity market provide Ghanaian smallholders with more options for selling their produce than growers in other West African countries. In The Gambia, for example, small-scale horticultural producers are bound to rely on no more than 4 or 5 exporters (Little and Dolan 1993). On the downside, there are unreliable free-lance buyers and exporters in the Ghanaian market that pose a problem to smallholders. Occasional stories are related by farmers about unbearably long delays in being paid, non-payments, or reduced payments based on false claims of product quality (see Daddieh et al 1995: 5). As a last resort, farmers can turn to local private juice factories and canneries in the Accra area, although prices are only about 50 percent of the export prices for fresh fruit.

### **Contracting with Communal Gardens**

The first type of contracting deals with links between communal gardens and export firms and farms. In The Gambia communal gardens are operated by a group of individuals (mainly women) who usually have been allocated land by the *alkalo* (chief), and who may have received external assistance from a donor or a non-governmental organization (NGO). The schemes have a structure of officeholders who allocate individual plots to local women for growing vegetables. The communal gardens, found in most peri-urban settlements around the capital city of Banjul, normally range in size from 2 to 15 hectares, with approximately 5 hectares allocated to vegetable production. They can have as many as 75 members.

From 1985 to 1989 when enthusiasm for communal gardens in The Gambia was at its peak and many of the current export firms were only just beginning to

establish farms, the involvement of communal gardens in the NTC business was higher than in 1994. Interviews with exporters indicated that many of them relied initially on the communal gardens for procuring export produce while they were developing their own farms. As the export farm sector grew, partially aided by liberal land policies and concessions (Roth et al. 1994), attention shifted from small-scale gardeners to production for export on large farms.<sup>7</sup> By 1994 the percentage of export farms that contracted with communal gardens had fallen by almost 50 percent from 1989 levels. In fact in 1994 communal gardens figured heavily in the export strategies of only one major firm, an enterprise that did not own its own farm.

When they purchase from gardeners, firms usually do not deal directly with individuals but, instead, they work through a management committee. The agreement, which usually does not entail a written contract, is made with the scheme committee of the communal garden and specifies the amount of land to be allocated to each contracted crop and the inputs that the exporter will supply. For example, an exporter might agree to buy all chilies from 0.8 hectares and all eggplants from 0.6 hectares of garden land. It is at the discretion of the scheme committee then to select individual growers and allocated quotas. Usually plot owners who want to grow a contracted crop will be allowed to do so, and allotments are usually distributed equitably. Each woman gardener, for instance, may produce contracted crops on less than 0.02 hectares and utilize the remainder of her plot for local vegetables. Seeds, fertilizer, and technical advice are provided by the exporter and the costs of inputs are subtracted from the final payout. Payments to the gardener usually occur only after the exporter is reimbursed, which can mean delays of up to 6 weeks. Under this arrangement the gardener is actually providing credit, as well as subsidizing the operation of the exporter.

In interviews with exporters several reasons were offered for why contracting with communal gardens has declined. The first and most frequent factor relates to timing. Most communal gardeners do not start work on their vegetable plots until late November after they have harvested their main food crop, rice. Thus, by the time they are beginning to reap their first crop of vegetables, it is already late January or February well into the winter export season in Europe. A second and related factor is the difficulty of coordinating their harvest schedules to coincide with the demands of the export market. Exporters frequently complain that even after agreements about harvest schedules are reached, gardeners may be delinquent because of other agricultural demands or a social commitment, such as a wedding. On more than one occasion exporters complained that they could not fill orders or meet commitments for air cargo space because vegetables were not harvested on time. Once cargo space is reserved, the exporter has a window of about two days to procure the required amount of fresh produce.

### **Contracting with Small Commercial Growers**

During 1991 to 1994 an important phenomenon was the emergence of small-scale commercial growers in The Gambia. These farmers concentrated almost strictly on production for the market. Their farms are referred to locally as "small commercial farms," and are distinguished from both the larger export farms and the smaller local gardens (communal or household). The small commercial producers grow a limited range of export crops under contract; the most common are eggplant, French beans, and a range of Asian vegetables. They are provided seeds, fertilizer, and in some instances diesel fuel by exporters, in return for selling produce at an agreed price. The small export producer has about 1 to 3 irrigated hectares under production.

While they represent a relatively small percentage of peri-urban farmers (less than 1 percent), small commercial growers are preferred by some horticultural firms. They are perceived as more reliable, market savvy, and controllable than communal gardeners. In contrast to the latter group, most of these producers are males with significant sources of non-farm income, including positions in government. They usually have farms in the Sukuta and Sinchu areas near Banjul, which may contain mechanized boreholes for irrigation. In many respects they operate like 'mini-export' farms, relying on hired farm managers and hired labor, and utilizing expensive farm inputs for market production. The difference is that they do not export directly, but only through export firms with whom they contract. In contrast to communal producers, these contract farmers are increasingly important in the export business.

#### **Contracting with Other Export Farms**

The export farms of the Banjul area range in size from about 10 to 400 hectares, and most control larger amounts of land than they cultivate. They rely almost solely on hired labor, which is supervised by field and farm managers. The laborers come from neighboring countries or nearby villages and urban centers. Virtually all of these farms utilize motorized boreholes, and some have introduced sprinkler irrigation systems. They also depend on improved seed varieties, fertilizers, and pesticides, and incur considerably higher capital costs per acre than other farms.

In 1994 there were approximately 15 export farms in the peri-urban areas, or about the same number that was recorded in 1988 (Daniels 1988). The average size of export farms, however, was considerably larger in 1994 than in the late 1980s. The aggregate land area covered by export horticultural production rose from about 200 hectares in 1989 to an estimated 723 hectares in 1993 ((Landell Mills Associates 1989:2; Little and Dolan 1993). This expansion squeezed the smallholder sector even

further and ignited some local resentment. At least 20 percent of export farms did not export at all during the 1992/1993 season, while another 20 percent exported only minimally (about twice per month that year). This uneven pattern, coupled with an approximate 25 percent dropout rate between 1988 and 1993, highlight the risks associated with export activities even among relatively wealthy exporters.

About 20 percent of export farms in the peri-urban areas of Banjul are vertically integrated into the marketing and investment operations of a transnational corporation. This arrangement guarantees an international market for output, as well as reduces production and procurement costs for the export farm. The local subsidiary farm is provided financial, technical, and marketing services from its European parent company. Most of the firms already have their own import and, in some cases, wholesale operations in Europe and, therefore, their Gambian partners have a guaranteed entry into the distribution chain. Large exporters with long-term relationships with European importers are better equipped to overcome stiff market impediments and risks. They also can invest in technologies that remain prohibitively expensive for small-scale exporters. The largest export farm in the country is fully integrated with a transnational company, while another is linked to a United Kingdom (UK)-based producer and importer of Chinese vegetables and fruits. Both of them market products through an elaborate network of wholesalers and retailers in the UK. While these farms confront some of the same problems that other horticultural enterprises encounter—such as air cargo and storage constraints—they hold a competitive advantage over most producers. Their trade and financial performances confirm this, since they perform measurably better than other exporters.<sup>8</sup>

More than 40 percent of all export farms--especially the smaller ones--also grow some export crops under contract for Banjul's two largest export farms (Little

and Dolan, forthcoming). Nearly one-third of export farms sell the majority of their export-quality produce through one of these large farms. This tendency grew during 1991 to 1994, as viable overseas markets and air cargo space became especially problematic for smaller firms. At least two export farms that were in serious financial difficulty in 1994 produced solely under contract for a large farm. In this respect they resembled the small commercial growers described in the previous section. Export production under contract minimizes their up-front financial outlays and allows them to maintain some—although minor—export activity. One of the smaller export farmers recalled a recent incident where they had "to feed French beans to their cattle" because they could not secure adequate cargo space and the local market was unable to absorb the produce. Acquiring cargo space at the airport often involves a series of "rent payments" to airport employees. The smaller export farmers are willing to sell produce at lower prices under contract, in order to avoid the problems of securing transport and overseas market contacts.

#### **Outgrowing for Export Farms and Firms (Ghana)<sup>9</sup>**

A fourth category of contract farmers is pineapple outgrowers in the Accra region, Ghana. During 1992 to 1994 a majority of small-scale pineapples farmers served part-time as outgrowers for more than one exporter. On average, they dealt with the same exporter(s) for more than 2.5 years, an indication that buying arrangements were relatively stable (Daddieh et al. 1995). As with the Banjul cases, very few smallholders had written contracts and prices were usually determined prior to the production season. The Accra farmers usually had small plots of less than 2 hectares around the perimeters of the export company's large farm. Like most outgrower operations in Africa (see Little and Watts 1994), the export firm often had a nucleus farm that was surrounded by small outgrower units. At the start of the season the exporter and outgrower usually

agreed on a price and fixed an amount that would be purchased, although there was some variability in this (see Table 1). In about 30 percent of the cases prices were negotiated a few weeks before harvest when pineapples were sprayed with a chemical to hasten the maturing process. However, farmers usually were not compensated until after the pineapples were exported and the exporters were paid (Daddieh et al. 1995: 42-43). (see Table 1; and discussion later in the paper).

Only about 15 percent of smallholders in the study indicated that they had significant marketing or other problems with exporters (ibid: 40). Exporters generally provide some inputs to growers, such as transport services (e.g., moving produce from the farm to the buying station), chemical sprays to accelerate ripening, and occasionally hired labor to assist with pineapple harvesting. In fewer than 25 percent of the cases did the Ghanaian exporters provide credit to smallholders.

In the pineapple belt of greater Accra slightly over 31 percent of contract smallholders are members of a farmer organization of one kind or another (ibid: 53). This is different than in The Gambia, where the main farmer groups in the peri-urban areas are organized around small communal gardens. The most important farmer organization in the Accra region is the Samsam Cooperative Pineapple Farmers and Marketing Society, which had a total membership of 50 at the time of its inauguration in 1969 (see Daddieh et al. 1995: 54-57). The members shared a common interest in the production of pineapples for the government-owned Nsawam Cannery, which exported most of its products. The relationship between the cooperative and Nsawam Cannery was severed in 1986, because of alleged cheating by the company through the practice of bulk weighing. Under this arrangement farmers felt compromised because they had to combine their products with those of other farmers, were paid on a bulk weight basis,

**Table 1. Payment and Price Arrangements in Accra, Region**

<b>Payment Arrangement</b>	<b>Percent</b>
1. Full payment at point of sale	4.08
2. Partial paid at point of sale	6.12
3. Paid after pineapples exported	65.31
4. Sometimes paid or partially paid at point of sale	2.04
5. Usually paid after pineapples exported	4.08
6. Other	18.37
Total	100.00
<b>When Price is Determined</b>	
1. Negotiated at time of sale	6.81
2. During growing season	9.09
3. Before harvest at time of spraying	29.55
4. At time of harvest	15.91
5. Fixed before season	38.64
Total	100.00

Source: Daddieh et al. 1995: 43.

and the processing factory often ‘rounded down’ weights (ibid: 55). In addition to the weighing controversy, the two sides could not come to terms regarding the appropriate unit for pricing. The association insisted on individual prices based on each farmer’s produce and the company was wedded to a group price based on bulk weights (which discriminated against the better farmers).

With the pricing issue unresolved, the association in the early 1990s severed its relations with the Nsawam cannery and, initially, turned to a privately-owned cannery in the region. This firm was willing to purchase their fruit at a better price. This cannery, however, also preferred to deal with the farmers on an individual rather than on a group basis, a factor that further weakened the cooperative and led some farmers to stop selling

to it (Daddieh et al. 1995: 55-56). In 1995 the Samsam association was still a local factor but accounted for an increasingly smaller proportion of marketed pineapple.

Overall contracted outgrowers in the Accra region have been able to raise their production to meet the demands of the export market. Among all pineapple growers, only 22 percent acknowledged difficulties in meeting production and marketing requirements of exporters (Daddieh et al. 1995: 43). Approximately 50 percent of the farmers blamed their supply problems on the fact that requests were made during the off-season when market prospects are generally diminished and, therefore, few farmers attempt any serious production for fear of not finding exporters. Additional responses from farmers about supply constraints included complaints about exporters who failed to come to harvest; did not meet their obligations; wanted to buy when fruits were immature; and only purchased the best fruits rather than the agreed upon quotas (ibid: 44).

At the same time (1994), the majority of farmers noticed an increase in the amount of pineapples supplied by export farms to the local market. About 78 percent of farmers view this development with concern because of unfavorable competition and the long-term implications for the profitability of their farms. Increased 'dumping' from large export farms was identified by at least 55 percent of farmers as posing a potentially serious threat to their market share (ibid: 45). Similar to the Banjul case, Accra's small-scale farmers also expressed concerns that the exporters would stop buying from them after they sufficiently expanded production to meet their export needs. This has already happened to some extent in Banjul's peri-urban areas, where export firms have sought out the local and lucrative hotel markets (see Little 1999). Thus, in both of the West African examples, the state's and international community's emphases on exports, diversification of exports, and support for the

private sector (i.e., large farms and enterprises) had the ancillary effect of squeezing smallholders out of export activities, as well as challenging their share of the domestic market. In short, because many of the large export farms have high cash flow requirements they often enter the local market—which is lower in value but more reliable than export markets—to meet revenue needs and to dump their non-export quality produce.

### **INCOMES AND DISTRIBUTION**

Generally CF has been associated with increased incomes, especially when compared with neighboring, non-CF areas. In a seven country, comparative study of CF in sub-Saharan Africa, Little notes that “incomes from contract farming increased for a moderate (30-40 percent) to a high (50-60) proportion of participants (1994:221).” He goes on to show, however, that income disparities were considerable and that in most cases revenues were “insufficient to meet household subsistence costs without additional sources of cash” (ibid:221). What do the data on income and income distribution from the peri-urban studies indicate?

Detailed crop income data were only available for the Accra study. In this case, farm income data show that the average annual crop revenue per household exceeded C930,000 (US\$ 979) or about \$122 per capita in 1994, a sum which is above the average for most crops in rural Ghana (see Alderman 1992).<sup>10</sup> Grower incomes, however, varied greatly from less than a few thousand Cedis to over C11.5 million (\$12,105). As can be inferred from Tables 2 and 3, income earnings from crop sales also are highly unevenly distributed. The picture that emerges is clear: the highest incomes are derived from contracted pineapple sales (C1,573,197), followed by maize sales at a distant second place (C459,409) (Daddieh et al. 1995: 47). Table 3 reveals that 21

percent of households earned more than C1.0 million per year from crop sales, while slightly more than 44 percent of households earned less than C100,000 (US\$ 105) per year. These figures demonstrate that the majority of growers earn relatively low incomes, while a minority earns very high revenues. This type of skewed income distribution is not unusual for contract farming schemes (see Little 1994).

---

**Table 2. Incomes from Different Crops: Accra**

Crop	Income (in Cedis)
Cassava	262,916.67
Pineapples	1,573,197.07
Maize	459,409.09
Cocoyam	38,700.00
Others	930,569.05

Source: Based on Daddieh et al. 1995: 47.  
\*Sample Size is 83 households; \$1=950 Cedi (in 1995).

The evidence is overwhelming that income gains accrue disproportionately to those who produce and sell pineapples to exporters. They earn on average 8 times as much income as other farmers. It is important to note, however, that pineapple growers also have access to significantly larger landholdings than their counterparts. While the average total number of farms per farmer is roughly 2.96, export pineapple producers own about 3.16 farms on average. Even more significant, the average farm size among those who sell pineapples under contract is considerably larger (17.45 acres), than those who do not (5.53 acres) (Daddieh et al. 1995:31). These findings are consistent with evidence from other studies of contract farming (CF) which indicate that CF does raise incomes for a "middle" stratum of growers, but does not reach the small landowner or low-income farmer (Little and Watts 1994). As with small commercial growers in

Banjul, CF in the Accra area has benefited the relatively prosperous ‘middle’ peasantry with above average land holdings and assets.

**Table 3. Distribution of Farm Incomes: Accra**

Range (in Cedis)	Percentage
< 100,000	44
100,000      500,000	18
500,000      1,000,000	16
1,000,000    1,500,000	7
1,500,000    2,000,000	5
> 2,000,000	10
Total	100.00
Source: Based on Daddieh et al. 1995: 48.	
* *Sample Size is 83 households; \$1=950 Cedi (in 1995).	

### **LABOR RECRUITMENT AND EMPLOYMENT**

As noted earlier in the paper, many CF commodities are labor intensive and require careful scheduling of planting, weeding, harvesting tasks during the year. Most peri-urban residents combine farm and non-farm sources of income and both smallholders and large farms must compete for the same pool of labor (see Table 4). The presence of high-value export commodities in the Accra and Banjul peri-urban areas heightens the importance of labor recruitment, and innovative sharecropping and other means are pursued to alleviate labor and, in some cases, land constraints.

From a sectoral perspective, horticulture (including its trading dimensions) accounts for a large proportion of employment in the Banjul and Accra regions. This includes both unwaged workers on small farms, as well as those who work for wages on large export farms. For example, small-scale pineapple production and other agricultural pursuits provide the bulk of the employment in the pineapple belt of greater Accra. Export farms provided employment for four percent of the sample in our study (Table 4).

In some cases contracted outgrowers worked on large export farms at certain times of the year. About 50 percent of all household heads in Accra were also pursuing non-farm occupations, such as weaving, tailoring, artisanship, food vending, and trading; and in the Banjul region more than 50 percent of household income derives from non-farm sources (Roth et al. 1994:45).

**Table 4. Summary of Occupations by Household Members: Accra Region, Ghana**

Occupation	Percentage of Total
Farming	61
Student	8
Non-agricultural trading	7
Fruit and vegetable trading	4
Laborer (on export farms)	4
Government employee	2
Tailor/weaver	2
Self-employed artisan	1
Other (teacher, food vendor, hairdresser, and so on)	5
Unemployed/No work	6
Totals	100
Source: Daddieh et al. 1995:49	

Employment in horticulture, both on smallholder and large export farms, is strongly determined by seasonal factors. In The Gambia the main season for horticultural export activities is during December to April, the main period of the winter vegetable market in Europe (see Little and Dolan 1993). These months also approximate the dry season in The Gambia. Overall employment levels during "off-season months (especially June to October), are about 40 percent of dry-season levels. With some slight seasonal differences, a similar pattern exists for the Accra region.

Differences in the use of hired labor by Banjul and Accra smallholders are revealed in the data. While few gardeners in The Gambia hired labor, most Accra

farmers employed workers. In fact, a majority of small-scale farmers (71 percent of total) in the pineapple belt hire labor, while another 23 percent rely on some type of reciprocal labor arrangement (called *nnoboa*) for assistance. It is not unusual for a farmer to utilize both hired and reciprocal labor. Considerable gender differences are also found, with about five times as many males as females hired as laborers. In the Accra sample, an average of 3.17 male laborers were hired per household, in contrast to only 0.63 females laborers (Daddieh et al 1995). Most of the employees work on pineapple production activities.

Various modalities for paying hired labor exist in the peri-urban areas, usually combining precapitalist and capitalist elements. No formal minimum wage legislation is adhered to, which actually may be advantageous for the worker since official minimum wages in agriculture are very low in both Ghana and The Gambia (less than US \$1.00). In a few cases, a contractual labor agreement may require the provision of boarding and lodging as partial payment. Alternatively, the worker might be lodged on the farm but not fed. Workers would then be expected to produce their own subsistence crop on a small part of the farm (see Daddieh et al. 1995). Most agreements call for weekly or monthly cash payments, but a combination of cash and crops as compensation does occur and reflects a form of sharecropping (see discussion in next section). Some laborers are migrants who regularly visit the peri-urban areas in search of work.

### **Land-for-Labor Exchanges and Sharecropping**

Unlike in the Accra area, waged employment on large farms in The Gambia often is tied to the original land concessions awarded by local chiefs. Because horticultural activities are concentrated in the Banjul region, where population and land values are highest, "surplus" land is not easy to acquire. With active intervention by government, large farms either directly acquired land by having it officially "titled" by

local government authorities or by "leasing" it from villages. The titling of land, especially in the export agricultural zones, was encouraged under the structural adjustment program implemented in the country beginning in the mid-1980s. Not coincidentally those who acquired titles for large plots often held important political positions. When an exporter approached a village to acquire land for export activities, they frequently arranged with the *alkalo* (chief) to employ local laborers in return for the use of land. Based on interviews with several chiefs the hiring of villagers was the main reason that they agreed to these transactions.<sup>11</sup> In at least 25 percent of cases such informal arrangements for hiring labor were an integral part of the local land acquisition agreement between the export firm and the local *alkalo*. In return for hiring villagers the company was allowed long-term lease arrangements, which in some cases are for more than 100 hectares of prime farm land.

The employment-for-land settlements did not always encourage stable relationships in the Banjul area. Disputes over land, both in the horticultural and coastal/tourist areas were frequent, and on more than one occasion villagers vehemently protested to government about land deals. In fact, the issue was so "hot" in 1993 that very few officials wished to discuss it, and coverage of land conflicts in the local newspapers occurred frequently (Little and Dolan 1993). In addition, villagers and chiefs complained that the skilled, relatively high-paying positions on export farms were usually allocated to outsiders, especially Senegalese, and that exporters often trucked in their own laborers rather than hire locally. "We have let the large farmers use our land to grow their crops, but they have not hired our people as they promised. When they do so they pay us wages that are lower than we can earn working on a local farm" (local elder, Pirang village, The Gambia). Some of the reasons for bringing in outside laborers are that: (1) they are not "involved with local politics" and will not complain to a local chief;

(2) local peasants, with their own farms, sometimes refuse to work on export farms, or are unreliable in adhering to a rigid work regime; and (3) outside laborers are willing to work for very low wages and their presence helps to deflate earnings for other laborers.

Other forms of land-for-labor exchanges included different forms of sharecropping. In the Accra region, as an alternative to leasing, a clan or lineage head may allow an individual who is not a member ("a stranger") to cultivate land and then either divide the crop when it is harvested or share the proceeds from the sale of the crop. This kind of sharecropping does not entail a loss of farmland by the lineage, since only crops or proceeds are shared.

Two kinds of sharecropping, locally known as *abunsa* and *abunu*, are practiced in the Accra area (see Daddieh et al 1995: 27). *Abunsa* is generally viewed as more equitable than *abunu* and is practiced more widely because it rewards the individual who brings the land into productive use with two-thirds of the harvest. The *abunu* arrangement, on the other hand, dictates a 50-50 split between land owner and sharecropper. According to Daddieh et al. (1995: 27-28), customary tenure in the pineapple belt has not been a major constraint to land use by large and small-scale pineapple farmers alike. On the contrary, it has been quite permissive of a variety of tenure arrangements, including short- and long-term leasing, borrowing, sharecropping, and, on rare occasions, even outright sales. As Table 5 reveals, 41 percent of farms were rented, while only 8 percent were owned and managed by households. Meanwhile, 18 percent were borrowed and 29 percent of farms were under "other" tenure status, including using a family member's land. Because of the nature of pineapple production, there is not much evidence for the widespread use of sharecropping. In our survey, only 2 percent of farms are under *abunsa*, while another 2 percent are under *abunu* (ibid: 28). Moreover, land sales are exceedingly rare, with only one farm purchase of consisting of

13 acres recorded in the household survey. The purchase price was C300,000 or roughly C23,000 (\$24) per acre. Overwhelmingly the data suggest that the customary land tenure system in the pineapple belt is characterized by a great deal of flexibility and accommodation over different forms of land use and access. The chiefs and other custodians of the land have been willing to entertain a variety of rental arrangements, some of which entail labor exchanges (ibid: 27-28). More importantly, these different modalities have been quite stable and secure and, in stark contrast to Banjul, have resulted in minimal conflict.

**Table 5. Tenure Status of Farms: Accra**

Status <sup>1</sup>	Farm 1	Farm 2	Farm 3	Farm 4	Percentage
Owned and managed by household	8.54	8.97	8.16	7.69	8.0
Borrowed	21.95	17.95	14.29	15.38	18.0
Rented	39.02	39.74	44.90	42.31	41.0
Sharecropped (Abunu)	2.44	2.56	0	0	2.0
Sharecropped (Abunsa)	1.22	1.28	2.04	3.85	2.0
Other	26.83	28.21	30.61	30.77	29.0
Totals	100.00	98.71	100.00	100.00	100.0

Source: Daddieh et al. 1995: 30.

Notes:

<sup>1</sup> Farmers were asked about the tenure status of up to four farms or plots. Tenure status was recorded for each farm that the farmer used.

Under tenure arrangements in peri-urban Accra, the tenant is responsible for informing the landlord when his or her land use pattern changes, particularly from food crops to pineapples and vice versa. Land rents are higher for lands under pineapple cultivation. According to informants, another attractive feature of the farmer-landlord relationship is that in the event of crop failure or financial distress, the landlord may work with the farmer on possible solutions. It was apparently not unusual for a tenant farmer to be in arrears for 4 years without having the land taken away (see Daddieh et al.

1995: 29-30). This type of flexibility, even in sharecropping arrangements, provides a measure of tenure security for the grower. In some cases, however, farms are leased on a long-term basis, usually for periods of 10 or more years. Although this was not found among smallholders in our study's sample, some large farmers who were interviewed had land leases of up to 99 years (ibid: 29).

As the paper has suggested, access to land for pineapple production was not generally problematic and few serious land disputes were recorded. In fact, only 12 percent of farmers felt land acquisition was a serious problem. This positive assessment of land relations does not appear to have changed dramatically over the years. Only about 10 percent of farmers felt that disputes over land were more severe in 1995 than they were in 1985; slightly more than 79 percent of farmers said they were the "same now [1995] as then [1985] (ibid: 30)." Even more significantly, very close to 70 percent of farmers stated categorically that land conflicts do not exist. Among those who said they had encountered some difficulty over land, 18 percent identified a cause, such as a dispute over inherited or borrowed land.

### **Employment on Large Export Farms**

The large export farms of Ghana and The Gambia rely almost solely on hired laborers, who are supervised by field and farm managers. The workers usually come from neighboring villages or urban centers. As discussed earlier in the paper, some of the Banjul exporters have worked with local leaders out land-for-employment 'swaps'. In the Banjul area most employment on large farms revolve around production and marketing activities, including the sorting and packing of produce. It mainly involves casual (temporary) unskilled labor, which is compensated at a rate of Dalasis 10 to 12 per day (US\$ 1.17 to US\$ 1.41). For harvest activities, however, workers are often compensated on a piece-rate wage basis, ranging from Dalasis 0.20 to 1.00 per kilogram

depending on the type of produce. In Ghana large-scale pineapple growers hire labor at a wage of about US\$ 1 per day.

Table 6 shows the number of wage laborers on export farms and firms in The Gambia. Where possible they have been disaggregated by category of job (skilled/unskilled) and gender. It should be noted that many unskilled laborers work on average only six to seven months per year. Because the figures in the table are "annualized" to account for seasonality, there are certain peak months when the number of employees are considerably higher than indicated in the table; and there are low months when employment drops well below the figures in Table 6.

There is a salient gender division of labor on export farms: women are hired especially for weeding, picking, and packing activities, and men for field preparation, irrigation work, and packing. On more than one occasion farm managers indicated that women are more reliable and diligent vegetable pickers, and are particularly favored for harvesting chilies and French beans, both extremely laborious and tedious chores. As the data in Table 6 show, women account for about 70 percent of unskilled farm labor, but less than 10 percent of skilled or management positions. Based on a sample of 600 employees (463 female and 137 male), both skilled and unskilled, Table 7 also shows average income differences by gender. As the data demonstrate, women who work full-time for 12 months earn average annual incomes of Dalasis 3,648 (\$429), while annual wages of men are about one-third higher at Dalasis 5,856 (\$688). This discrepancy is due at least in part to the higher frequency of males in skilled occupations.

Overall the large farms in Banjul accounted for about 1,806 annual employees in 1993/1994, which at the time compared very favorably with most other sources of employment in The Gambia. The horticultural sub-sector is the largest source of waged employment in the peri-urban areas and compares favorably with any single industry in

the country. Most employment, however, involves casual, low-paying positions at or below the minimum wage, and what skilled positions are available tend to go to non-Gambians. That employment on large farms tends to be a strategy of "last resort" for casual laborers implies that other options, such as small-scale gardening and trading, are more lucrative.

Over time employment has been increasingly concentrated among the two largest horticultural companies in the Banjul area, which in 1993 accounted for about 76 percent of total employment in the sample (see Table 6). The growth of these two companies during 1988 to 1993, as well as the demise of a number of smaller horticultural firms accounts for this concentration. While horticultural crops are extremely labor-intensive, the regional labor market seems to be able to meet the demand for workers. In Banjul the lack of alternative employment opportunities in rural and peri-urban areas and the displacement of small farmers ("potential laborers") by recent droughts and land appropriation help to explain this. Laborers are sometimes recruited from urban sources to meet farm labor requirements, as well as come from nearby countries, such as Senegal and Guinea.

The adequate supply of agricultural labor is also suggested by the wage levels and work arrangements. Under conditions of imposing labor constraints it is expected that: (1) wage rates on export farms above local farm wages; (2) incentives to labor recruitment, such as the provision of housing or land for growing food crops; (3) increased use of contract farming to shift the labor and production burden onto smallholders; and (4) widespread labor tenancies and other modalities of sharecropping to recruit and maintain laborers. In each instance, however, this was not found to be the case. Casual labor on large farms is not compensated any better than on small gardens and, in some cases, wages are actually lower. There are very few added incentives to

**Table 6. Estimated Annual Employment on Large Export Farms: The Gambia**

	Unskilled <sup>1</sup>	Skilled <sup>2</sup>	All
Female	429	4	433
Male	171	46	217
Both <sup>3</sup>	1,038	118	1,156
Totals	1,638	168	1,806
(estimated seasonal range 1,100-2,800) <sup>4</sup>			
% Accounted for by 2 largest farms	78	58	
% of Total accounted for by 2 largest farms			76

n = 12 farms

Notes:

<sup>1</sup> Includes farm laborers, packers, and casual laborers. The data are annualized to reflect the fact that most unskilled laborers are only hired six months per year. Some of the laborers may work on nonhorticultural activities, such as livestock herding on the farm.

<sup>2</sup> Includes technicians, supervisors, field managers, and other types of skilled employment. The data are annualized to reflect seasonal hiring practices. Unlike unskilled laborers, these employees are hired approximately nine months per year.

<sup>3</sup> Represents data that the farm manager or owners could not disaggregate by gender.

<sup>4</sup> The estimated range between the high (dry season) and low (rainy season) periods of hiring during the year.

**Table 7. Estimated Annual Wages and Incomes on Export Farms: The Gambia**

	Salaries (in Dalasis) <sup>1</sup>
1. Female worker (average annual)	3,648
2. Male worker (average annual)	5,856
3. Total unskilled wages	5,896,800
4. Total skilled wages	1,411,200
Total wages (total of 3 + 4)	7,308,000
N = 600 workers on 12 farms.	
Notes:	
<sup>1</sup> At the time of the survey (1993) the exchange rate was Dalasis 8.5 = US\$ 1.	

labor recruitment, except occasional transport and meals on some farms; while the use of contracting is actually decreasing in the region. Finally, labor tenancies, sharecropping, and other institutional means of maintaining farm labor are increasingly absent in the horticulture sub-sector.<sup>12</sup>

Under one donor agency's program the consulting firm of a well-known transnational agribusiness firm came to The Gambia to study the horticulture sub-sector and to make recommendations on how to improve it (Cargill Technical Services, Ltd. 1994). Their recommendations were that no export farm with less than US\$1.5 million in start-up costs and 100 hectares of irrigated NTCs should be encouraged, which in 1994 would have effectively excluded all exporters in the country but one. The study also suggested ways to modernize production techniques and labor relations on the export farms:

It should be noted that currently most labour in The Gambia is employed on a daily basis. It would significantly improve productivity if piecework payment was introduced (1994:65).

Most local chiefs have resisted having their villagers paid on a piece-rate basis ("it is not the local custom"), a form of labor relations that can be highly exploitive in a market as competitive as horticulture (for a case of this in Kenya, see Little 1994). Caught up in the liberalization and restructuring fever, the government did not dispute the conclusions of the international firm, although many local entrepreneurs strongly contested their findings about farm size and capital requirements.

## **INTERACTIONS AMONG LAND, LABOR, AND CAPITAL**

As the previous discussion has suggested, there are several junctures where land, labor, and capital relationships strongly interact in the context of contract farming. For household- and individual-level economic activities, it is sometimes difficult to disaggregate discrete land, labor, and finance relationships since they are so intricately interrelated. These factors of production are normally allocated along means other than formal markets. For example, contract farming entails a complex mosaic of factor market relationships: strong commitments of labor and land on the part of the grower and provision of credit and inputs by the buyer (in terms of inputs, cash, or credit). By extending inputs and other services (e.g., credit) to smallholders, contracting firms and buyers acquire access to the farmer's (and his/her family members) land and labor for the production of agricultural products. In the cases of both Banjul and Accra, these factors are allocated in the absence of well-established input markets, or at best thin markets where except for labor little buying and selling of factor inputs occur. And even for labor much of it is recruited through non-market mechanisms.

In the absence of integrated factor or input markets, access to land and labor in peri-urban areas still strongly determines critical production decisions. One of the most significant by exporters is whether to pursue on-farm (estate) production, or contract with peasants. As mentioned earlier in the paper, while the land tenure system of peri-urban Accra has been fairly accommodating to agricultural investment, continued expansion of pineapple production will probably mean increased use of outgrowers. This is because outright land purchases are problematic.

In the Gambian case, it has been documented that production has increasingly shifted from contacted outgrowers to large farm production, because exporters are able to carve out large chunks of land for export production either through outright purchase,

leases, or collusion with public officials. This has meant that they can bypass smallholders and communal gardens as sources of supply. In contrast, the situation in Ghana dictates that large farms usually lease land from local villages and, in contrast to The Gambia, the state rarely intercedes to facilitate transactions. With a tighter land market, large pineapple farms often contract with outgrowers to increase production.

The decision by firms to increase production from their own units rather than contract with smallholders also is influenced by labor availability. The use of contract farming by large firms is usually a means to reduce labor costs by pushing these costs upon the outgrower, and by not having to manage and rely on a hired work force. It has been shown in Banjul's and Accra's peri-urban zones that labor supply is generally favorable and a "buyers" market for labor exists. The influx of refugees and migrants into these areas, as well as the hiring of the urban unemployed has kept farm wages low. In the Gambian case, access to relatively cheap sources of labor and to irrigable land has facilitated the growth of large farms.

### **CONCLUSION**

The decades of the 1980s and 1990s witnessed a rapid increase in the involvement of low-income farmers in contract production in the Accra and Banjul areas. As prices for classical export crops, such as groundnuts (The Gambia) and cocoa (Ghana), fell throughout this period, many farmers with the active encouragement of governments and development agencies pursued high-value, horticultural crops. In The Gambia, for example, the share of groundnuts in total foreign exchange earnings fell from 45 percent in the early 1980s to 12 percent in 1991/92 (Hadjmichael et al. 1992). Confronted with declining incomes from traditional export commodities, governments and international development agencies initiated active campaigns to diversify export production among smallholders and

other producers. As the data presented here have revealed, this has meant significant transformations in the organization of peri-urban production and marketing, including the promotion of agribusiness and contract farming. These changes have been a part of larger transformations in global commodity systems and trade, where high-value exports and foods have partially compensated for declining traditional exports in much of the Third World, including the poorest region—Africa.

The peri-urban areas have been generally ‘hyper-sensitive’ to the effects of recent economic reforms. Compared with rural regions, peri-urban areas generally have better infrastructure, markets, and access to export facilities that can allow them to respond to market-based initiatives. But they also are areas that have felt the painful aspects of restructuring. These include reductions in government employment and higher food costs. In short, peri-urban areas are among the first regions of a country to feel the effects (positive and negative) of economic reform programs.

This paper has used the dual lenses of contract farming and labor to show how some segments of the Banjul and Accra populations have capitalized on export incentive programs and a favorable location, while others have suffered. It has been argued that many impacts of economic reforms have not been positive, since land has been increasingly alienated from villagers (The Gambia), income disparities have widened, and farm wages have stagnated. The differential impacts in the two peri-urban sites discussed here partially reflect land tenure differences, which in the Banjul case have done little to halt large farm encroachment.

Contract production in both study sites has been sustained by oral agreements or by other informal arrangements. Nevertheless, informality has been accompanied by a modicum of durability, even if it has not completely removed production and marketing uncertainties. Among the consequences of the lack of formal contracting is that inputs

often are not provided to farmers in required amounts or at appropriate times. Many smallholders find it very difficult to obtain inputs not because of unavailability, but because they cannot afford them. The liberalization and privatization of input markets have left most farmers vulnerable to price increases for agricultural inputs.

A final comment is in order about the recent enthusiasm for urban and peri-urban agriculture and the feeling by some practitioners that it will endure in many African states (see Tinker 1994). No doubt urban and peri-urban cultivation reflect important trends, as well as valued livelihoods for literally hundreds of thousands of low-income Africans. Yet, since urbanization is accelerating at an alarming rate there is little question that “the fringes of most African cities are unstable with respect to settlement patterns, population density, and land use (Ellis and Sumberg 1998:216).” This has led some scholars to suggest that the proliferation of urban and peri-urban agriculture may be historical moments that while important do not hold long-term solutions to Africa’s poverty and development problems (see Ellis and Sumberg 1998). At least part of this position is valid, since subsistence food production in urban and peri-urban areas is partially symptomatic of larger structural problems in the economy. These include poorly developed food markets and extraordinarily low levels of waged employment and industrial investment. However, the contract farming of high-value products may be an exception and this type of market-oriented production is most likely to occur near urban areas. In contrast to subsistence-based food production, contract farming responds to important niche markets and other opportunities that are likely to persist for some time in peri-urban areas. However, whether or not this is a favorable development for alleviating poverty has been shown to be questionable.

## BIBLIOGRAPHY

- Alderman, Harold. 1992. Food and Nutritional Adequacy in Ghana. Working Paper 27, Cornell Food and Nutrition Policy Program. Ithaca, NY: Cornell University Food and Nutrition Program.
- AMEC. 1989. Ghana: Pineapple and Citrus Growing, Processing and Marketing. Report submitted to The World Bank, Accra, Ghana.
- Barham, B., M. Clark, E. Katz, and R. Schurman. 1992. Nontraditional Agricultural Exports in Latin America. *Latin American Research Review* 27(2): 43-82.
- Cargill Technical Services, Ltd. 1994. Farm Strategies Study: Fruits/Vegetables and Flowers in The Gambia: Interim Report. Oxfordshire, UK.
- Carter, M., B. Barham, and D. Mesbah. 1994. Agroexport Booms and the Rural Resource Poor in Chile, Guatemala, and Paraguay. Unpublished Manuscript.
- Daniels, Lisa. 1988. The Economics of Staggered Production and Storage for Selected Horticultural Crops in The Gambia. Master's Thesis, Economics Department, University of Wisconsin at Madison.
- Daddieh, Cyril, Kwame Arhin, and Peter D. Little. 1995. Pineapple Production and Labor Relations in the Peri-Urban Area of Accra, Ghana. Binghamton, NY: Institute for Development Anthropology.
- Ellis, F. and J. Sumberg. 1998. Food Production, Urban Areas, and Policy Responses. *World Development* 26 (2): 213-216.
- Egziaher, Axumite G., Diana Lee-Smith, Daniel G. Maxwell, Pyar Ali Memon, Luc J.A. Mougeot. and Camillus J. Sawio. 1994. Cities Feeding People : An Examination of Urban Agriculture in East Africa. Ottawa: International Development Research Centre.
- Hadjmichael, M.T., T. Rumbaugh, and E. Verreydt. 1992. The Gambia: Economic Adjustment in a Small Open Economy. IMF Occasional Paper 100. Washington, DC: International Monetary Fund.
- ISSER. 1992. The State of the Ghanaian Economy in 1991. Legon, Ghana: The Institute of Statistical, Social and Economic Research (ISSER).
- Landell Mills Associates. 1989. A Market Survey for Gambian Horticultural Crops in the UK, Sweden, The Netherlands and the Federal Republic of Germany: Final Report. Commissioned by The Export Market Development Division of the Commonwealth Secretariat. Bath, UK: Landell Mills Associates.
- Little, Peter D. Contract Farming and the Development Question. *In Contract Farming and Agrarian Transformation in Sub-Saharan Africa*. P. Little and M. Watts, eds. Pp. 216-247. Madison, WI: University of Wisconsin Press.
- \_\_\_\_\_. 1999. Selling to Eat: Petty Trade and Traders in Peri-Urban Areas of Sub-Saharan Africa. Research Paper. Broadening Access and Strengthening Input Market Systems Collaborative Research Support Program (BASIS-CRSP). Binghamton, NY: Institute for Development Anthropology.
- Little, Peter D and Catherine Dolan. Forthcoming. What it Means to be Restructured: "Non-Traditional" Commodities and Structural Adjustment in Sub-Saharan Africa. *In Globalization and Commodities*. A. Haugerud, P. Little, and P. Stone, eds.

- Monographs in Economic Anthropology Series. Boulder, CO: Rowman and Littlefield.
- Little, Peter D., and Catherine S. Dolan, with Issatou Jack. 1993. *Labor Relations and Trading in the Peri-Urban Areas of Banjul, The Gambia*. Binghamton, New York: Institute for Development Anthropology.
- Little, Peter D., and Irae Baptista Lundin de Coloane. 1992. *Petty Trade and Household Survival Strategies: A Case Study of Food and Vegetable Traders in the Peri-Urban Area of Maputo, Mozambique*. Working Paper No. 70. Binghamton, New York: Institute for Development Anthropology.
- Little, Peter D., and Michael Watts, eds. 1994. *Living Under Contract: Contract Farming and Agrarian Transformation in Sub-Saharan Africa*. Madison, Wisconsin: The University of Wisconsin Press.
- Meerman, Jacob. 1997. *Reforming Agriculture: The World Bank Goes to Market*. Washington, DC: The World Bank.
- Mukumbu, Mulinge. 1995. *Impact of Export Horticultural Production on Rural Income Growth and Poverty Alleviation in Kenya*. Paper presented at the Workshop on "Poverty Alleviation through International Trade", 10-13 January, Santiago, Chile.
- Roth, Michael, Ben Carr, and Jeff Cochrane. 1994. *Land Rights and Intra-Household Employment and Resource Use in the Peri-Urban Area of Banjul, the Gambia*. Madison, WI: Land Tenure Center.
- The Gambia. 1993. *Task Force on the Formulation of a National Industrial Policy*. Banjul, The Gambia: Ministry of Trade, Industry, and Employment.
- Tinker, Irene. Foreword: *Urban Agriculture is always Feeding Cities*. In *Cities Feeding People: An Examination of Urban Agriculture in East Africa*. A. Egziabher et al. Pp. vii-xiv. Ottawa: International Development Research Centre,
- UNDP (United Nations Development Programme). 1996. *Urban Agriculture: Foods, Jobs and Sustainable Cities*. New York, NY: UNDP.
- World Bank. 1989. *Sub-Saharan Africa: From Crisis to Sustainable Growth*. Washington, DC: The World Bank.

## Endnotes

---

<sup>1</sup> Support for the write-up and comparative research for this paper was provided by a grant from the Broadening Access and Strengthening Input Market Systems-Collaborative Research Support Program (BASIS-CRSP). The field research component was carried out under the "Peri-Urban Economies in Africa" Project (1991-1996), a joint effort of the Institute for Development Anthropology, the Land Tenure Center, University of Wisconsin, and the Rural Finance Program, Ohio State University. In The Gambia research assistance and supervision was provided by Catherine Dolan and Isatou Jack; and Benjamin Carr helped with some of the interviews. Ben also provided considerable logistical support to the field research. In the case of Ghana Cyril Daddieh served as the principal field researcher and principal author of the field report. The Ghanaian materials presented here draw heavily on the unpublished report of the Ghana fieldwork (Daddieh et al. 1995). In Ghana I would like to thank Professor Kwame Arhim, Director of the Institute of African Studies, the University of Ghana at Legon; Ms. Irene S. Obeng and Mr. Edward Ackah; Dr. Dabba of the Ministry of Agriculture; and Drs. Peter Weisel and Jeffrey Lee of USAID/Ghana. This paper also has benefited from conversations and comments from Michael Roth and Douglas Graham, both Principal Investigators along with myself, on the "Peri-Urban Economies in Africa" Project. It also benefited from conversations with other colleagues on the project, including Richard Meyer and Geetha Ngarajan. Finally, thanks are due to Joan Atherton of the United States Agency for International Development (USAID) who provided input and support at critical junctures of the research. The author, of course, accepts full responsibility for the contents of this paper and opinions expressed here should not be attributed to the above institutions and individuals.

<sup>2</sup> The promotion of NTCs includes manufacturing as well as agricultural products. In Kenya, for example, both clothing and leather are sectors in which diversification has occurred. In Mauritius, clothing, jewelry, watches, and leather products are considered to be non-traditional exports. In The Gambia, progress has been made in diversifying the production and export base toward tourism, a non-traditional earner of foreign exchange, and trade services. Tourism doubled between 1985/86 and 1991/92, replacing groundnut exports as the most important source of foreign exchange earning (Hadjmichael et al. 1992).

<sup>3</sup> The research in Ghana focused mainly on agricultural production-related activities, while that in The Gambia and Mozambique focused both on production and trade. In the latter two countries detailed case studies of the self-employed trading sector were conducted (see Little 1999); and in all countries emphasis was placed on appropriate household and intrahousehold units (men/women) of analyses. The Mozambique research had several unique features because of the country's widespread security and political problems and the collapsed nature of its economy at the time data were collected (1990-1991), but it also revealed some similarities to the two other peri-urban economies. These include: the importance of horticultural production and trade; the proliferation of self-employed activities (the so-called "informal sector"), especially small-scale trading; and the relative unimportance of formal waged employment for the majority of people (also see footnote 1).

---

<sup>4</sup> In terms of capital, however, large export farms have considerably better access to capital and operate in distinctly different credit markets than smallholders.

<sup>5</sup> The survey instrument for the study of peri-urban pineapple growers was developed by Cyril Daddieh and Peter Little. Data collection was supervised by Daddieh and research assistance was provided by Ms. Irene S. Obeng and Edward Ackah.

<sup>6</sup> This figure may be slightly overstated because it was not possible to account for all the different exporters of fruits.

<sup>7</sup> This same phenomenon has been documented in Guatemala (Carter et al. 1994) and Kenya (Mukumbu 1995), both countries where small-scale growers initially played important roles in NTC exports. For some of the reasons for this change, see Carter et al. (1994) and Little and Watts (1994).

<sup>8</sup> It was obviously very difficult to gather financial data from large farms because of their reluctance to reveal the profitability of their operations. In comparing the economics of different firms, we often had to rely on indirect indicators, such as level of exports and size of land holdings, and qualitative information based on interviews.

<sup>9</sup> This section draws heavily on Daddieh et al. (1995).

<sup>10</sup> For example, Alderman (1992:16) shows that in 1990 the wealthiest quartile of farmers in the Brong-Ahafo region had household incomes of 745,844 Cedis.

<sup>11</sup> Most large farm owners did not perceive of insecure land rights as a problem, probably because they knew that the state could be invoked in cases where chiefs tried to repossess land on behalf of the villagers.

<sup>12</sup> This contrasts strongly with findings from other work on labor relations and horticultural production. In Kenya, for example, labor shortages are very severe in the main horticultural producing regions and wages paid to horticultural laborers are in some cases almost twice the prevailing farm wages (Little 1994). In addition, in important horticultural-producing countries, like Kenya and Senegal, widespread use of outgrowers to produce a wide range of labor-intensive horticultural products are also found (see Little and Watts 1994).