Large-scale land acquisitions for agricultural investments in Ghana - implications for land markets and smallholder farmers

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Abstract

The participation of large-scale agricultural investors in African land transactions raises concerns about the impacts on a rather hitherto local and smallholder dominated land market. However, there is still limited empirical study on how large-scale agro-investments have influenced changes in land markets and smallholder participation in agricultural land markets in West Africa. Hence, this study examined how large-scale land acquisitions in Ghana have influenced land market changes and impacted smallholders; and how institutional dynamics influence land markets. The study relied on village level surveys to examine the formation of land prices. Key stakeholders interviews were used to study institutional changes in Ghana's land markets. Focus groups discussions were used to identify winners and losers in land transactions, and to examine the nature of gains and losses.

Using stakeholder mapping, it was identified that linkages among the major institutions and stakeholders in large-scale agro-investments are weak, and the powers of the government are limited in customary grants. It was revealed that customary land transactions in Ghana are characterised by lack of - transparency, participation and accountability. The study also found that limited consultations with the village chiefs were inadequate in articulating the concerns of expropriated smallholders. Migrant farmers who use customary land without title were the most vulnerable for expropriation. Also, smallholders who are unable to prove their ownership of land are not compensated for land loss. It was revealed that total household farm size, land productivity, and trust were the main determinants of customary land prices. From the study, transaction costs of acquiring land are largely influenced by the nature of land tenure, social capital, geographical location of the land, and citizenship. For winners and losers, entrenched unequal power relations between land custodians and land users influenced who benefited more from land transactions. Chiefs and family heads entrusted with allodial titles were perceived to be gaining the most from recent land transactions, while sharecroppers, seasonal licensees especially women who cultivate land under insufficiently secure conditions were the most adversely affected.

The way forward is to undertake institutional reforms that make chiefs more transparent and accountable for their trusteeship, while limiting their enormous powers as the front-liners of land administration in Ghana. Proceeds from land transactions should be invested in social infrastructure and services for the benefit of the larger community. There is the need to deepen stakeholder consensus building, through consultations with affected communities and land users. Since land prices have tended to be discretionary, there is the need for the standardisation of *'drink money'.* Land sector reforms in Ghana should be geared towards building efficient institutional collaboration and consultation between the formal and informal sectors, while improving transparency and accountability among the major stakeholders at all levels.

Zusammenfassung

Der Handel mit landwirtschaftlichen Flächen in Afrika durch große Investoren gibt Anlass zur Sorge angesichts des Einflusses auf den von kleinbäuerlichen Strukturen geprägten ländlichen Raum. Zum jetzigen Zeitpunkt gibt es kaum verfügbare empirische Studien, die den Einfluss von großen Agrarinvestitionen auf den Handel mit landwirtschaftlichen Flächen und die Beteiligung von Kleinbauern in Westafrika untersuchen. Aus diesem Grund untersucht diese Studie, wie großflächiger Landerwerb (LSLAs) in Ghana Veränderungen des ländlichen Grundbesitzmarktes sowie die Beteiligung von Kleinbauern am Marktgeschehen stimuliert, unter Berücksichtigung institutioneller Dynamiken. Des Weiteren ermittelt sie Gewinner und Verlierer von LSLAs und die generellen Veränderungen im Handel mit landwirtschaftlichen Flächen. Hierbei stützt sich die Erhebung auf gezielte Umfragen auf Dorfebene bezüglich der Festsetzung von Landpreisen. Interviews wurden mit den Hauptakteuren geführt, um institutionelle Veränderungen im Handel mit landwirtschaftlichen Flächen in Ghana zu ermitteln. Gruppendiskussionen mit Fokusgruppen auf Gemeindeebene wurden genutzt, um Gewinner und Verlierer von Grundstückstransaktionen zu identifizieren und das Ausmaß von Gewinn und Verlust zu bestimmen.

Die Nutzung von Stakeholder Mapping belegt die schwache Ausprägung von Verbindungen zwischen relevanten Stakeholdern in LSLAs und zeigt, dass die Eingriffsmöglichkeiten des Staates sich auf marktübliche Kredite beschränken. Übliche Flächenverkäufe in Ghana sind von einem Mangel an Transparenz, aktiver Beteiligung und Verantwortung gekennzeichnet. Außerdem wurde festgestellt, dass die einfache Konsultation mit dem Dorfoberhaupt nicht ausreichend ist, um die Sorgen von enteigneten Kleinbauern adäquat widerzugeben. Kleinbauern, deren Landnutzung auf saisonal begrenzten, oftmals gemeinschaftlichen, Pachtverträgen beruht, sind am meisten gefährdet durch Zwangsenteignung. Kleinbauern, die ihren Grundbesitz nicht nachweisen können, erhalten keine Kompensation für den Verlust dieser Flächen. Landeinheiten, Flächenproduktivität, und Vertrauen die Haupteinflussfaktoren auf die Flächenpreise sind. Transaktionskosten verbunden mit Landerwerb werden stark beeinflusst von den Besitzverhältnissen, dem sozialen Kapital, der geographischen Lage und der Nationalität. Für Gewinner wie Verlierer gilt, dass die fest verwurzelten ungleichen Machtverhältnisse zwischen Landbesitzern und Landnutzern bestimmten, wer vom Handel mit landwirtschaftlichen Flächen profitierte. Dorf- und Familienoberhäupter, die über Landbesitztitel verfügten, haben am meisten von jüngst getätigten Landtransaktionen profitiert, während Landpächter, saisonale Arbeiter und insbesondere Frauen, die das Land unter unsicheren Bedingungen bearbeiten, am stärksten negativ betroffen sind.

Zukünftige Bemühungen müssen institutionelle Reformen unterstützen um die hierarchischen Strukturen rund um die Dorfoberhäupter, die als wichtige Hauptakteure in der Bodenverwaltung in Ghana auftreten, zum einen transparenter zu gestalten und diese zum anderen durch die Begrenzung des Machtmissbrauchs haftbar für ihre treuhänderischen Tätigkeiten zu machen. Einkünfte aus Landtransaktionen könnten durch Konsultationen mit betroffenen Gemeinden und Landnutzern zum Wohle der Gemeinschaft in die soziale Infrastruktur und Dienstleistungen investiert werden. Landpreise weisen oftmals einen willkürlichen Charakter auf, weswegen die Standardisierung von „drink money“ nötig ist. Die Landreformen in Ghana sollten auf den Aufbau effizienter institutioneller Kollaborationen und Beratungen zwischen formellen und informellen Sektoren orientiert sein, und dabei Transparenz und Verantwortlichkeit zwischen den Hauptakteuren auf allen Ebenen verbessern.

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Dedication

I dedicate this thesis to my lovely children
Cleantha Eliana Mwintribu Kuusaana and Ethan Carwyn Sungmaale Kuusaana

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List of Abbreviations

AAGDS	Accelerated Agricultural Growth and Development Strategy
AFRCD	Armed Forces Revolutionary Council Decree
ATC	Agogo Traditional Council
CLS	Customary Land Secretariat
CSR	Cooperate Social Responsibility
TCPD	Town and Country Planning Department
EIA	Environmental Impact Assessment
EPA	Environmental Protection Agency
FASDEP	Food and Agriculture Sector Development Policy
FC	Forestry Commission
FDI	Foreign Direct Investment
FGDs	Focus Group Discussions
GFZB	Ghana Free Zones Board
GCAP	Ghana Commercial Agriculture Programme
GIDA	Ghana Irrigation Development Authority
GIPC	Ghana Investment Promotion Centre
GPRS	Ghana Poverty Reduction Strategy
GSS	Ghana Statistical Service
GWRC	Ghana Water Resources Commission
ITFC	Integrated Tamale Fruit Company
LAP	Land Administration Project
LGAF	Local Government Assessment Framework
LI	Legislative Instrument
LRD	Land Registration Division
LSLAs	Large-Scale Land Acquisitions
LVD	Land Valuation Division
METASIP	Medium Term Agriculture Sector Investment Plan
MIDA	Millennium Development Agency
MOFA	Ministry of Agriculture
MOU	Memorandum of Understanding
MTADP	Medium Term Agricultural Development Programme
NPP	New Patriotic Party
OASL	Office of the Administrator of Stool Land
OMOA	Organic Mango Outgrowers Association
PNDCL	Peoples National Defence Council Law
PVLMD	Public and Vested Land Management Division
RGD	Registrar General's Department
SADA	Savannah Accelerated Development Agency
SAP	Structural Adjustment Programme
SIA	Social Impact Assessment
TTA	Tamale Traditional Council

Definition of Local Terminologies

Abunu	: Literally means to break into two in Twi language
Abusa	: Literally means to break into three in Twi language
Abusuahene	: Land administrator
Akyedie	: Used to refer to gifts or gratuities offered out of one's volition
Asante	: State/Kingdom of the Asantes of Ghana
Aseda	: Appreciation
Dagbon	: State/Kingdom of the Dagombas of Ghana
Dipale Na	: Chief of Dipale
Guaha	: A testimonial or witnessing system involving to breaking of a twig
Gundaana	: Village chief of Gushie
Landguards	: Informal security or armed men used to guard land from encroachment
Makajia	: Women leader at the village level
Mapabua sika	: Sandals money, in payment for showing someone a piece of land
Nanton Na	: Chief of Nanton
Nkanidue	: Jatropha
Nkotokoano	: This implies a sack filled to the brim
Nnoboa	: Corporative farming system among rural Akans
Nsa sika	: Drink money
Odikro	: Refers to village chief in Twi. It may also refer to the head of house/village
Okyeame	: Refers to the chief's linguist or spokesperson of a chief among the Akan
Omanhene	: Paramount Chief. It is used to refer to the chief of Agogo Traditional Area
Tendaana	: Singular for of the term Tendaamba, meaning landowner
Tendamba	: Used literally to refer to landowners or the first settlers of communities
Ya Na	: Title of the Paramount chief of the Dagombas (Dagbon state)

Chapter One : Agricultural Land Markets and Smallholder Farmers in West Africa

1.1 Introduction

It is generally argued that the food, fuel and financial crises of 2007/2008 fostered renewed momentum for land acquisition and agricultural investment in lower and middle income countries (Cotula *et al*., 2009; Deininger and Byerlee, 2011; Deininger *et al*., 2011). Though the food prices have eased down since 2009/2010 (Deininger and Selod, 2011), global demand for land for agricultural investments remain on the ascendancy and may continue into the future due to population growth, rising incomes, and urbanization (Deininger *et al*., 2011; Cotula *et al*., 2014). Reports from the Land Matrix Global Observatory indicate that both private and public investors are seeking suitable lands for investment globally, and so are local and foreign investors. According to Väth and Kirk (2014), this demand is largely driven by the desire for food and fodder, industrial raw materials, biomass or purely by financial speculation. Also, most foreign governments are striving to secure reliable water and food supply as insulation against tighter and more volatile markets, while the private sector expects to cash-in on promising positive returns from agriculture (Badiane, 2011; Cotula, 2011). On the other hand, it is believed that most governments' enthusiasm to supply land in Africa for agro-investments are hinged on bountiful promises and expectations for ancillary investments in technology, employment creation, infrastructural development and many other spill over effects.

Even though the commercialization of agriculture is identified to be central to rural development and for poverty alleviation, the process has stagnated in many developing countries in the last decade especially in Africa (Dixon, *et al*., 2001; World Bank, 2005). As indicated by von Braun and Meizen-Dick (2009:1), large-scale agro-investments have the potential to inject the much-needed investment into agriculture and rural areas in poor developing countries. Besides the huge capital injection, anticipated opportunities

of agro-based foreign direct investments include stabilization of global food prices, if the momentum of investments is sustained over time. On the contrary, the spate of recent agricultural investments raises concerns about the negative externalities on the poor, who risk losing access to and control over informal land rights. Also, it is feared that the high level demand for land may entice smallholders to resort to distress sale[1] of land to foreign and local investors and speculators due to the potential attractiveness of local land prices (Platteau, 1996; Platteau, 2000; Jin and Jayne, 2011).

Generally, agro-based foreign direct investments (FDIs) have targeted developing countries with large amount of arable land especially countries in Africa, Latin America, Central Asia and Southeast Asia. At the end of 2011, the International Land Coalition (2011) estimated that about 80million hectares of land were already under foreign acquisition globally and about 50 percent of these are in Africa. Africa has become the hotspot for agricultural investments because of its huge potential for investment and agricultural growth (Deininger and Byerlee, 2010). The World Bank (2009:2) highlighted that expansion in land supply is possible in Africa's Guinea Savannah Zone. They indicated that the region comprises 600million hectares of land, of which 400million hectares are suitable for agriculture and smallholders currently crop only about 40 million hectares. Even though the World Bank (2009) report insists that smallholders in Africa are practically unable to cultivate all the available arable land in the region due to technology and capital constraints, the estimation of total cultivated lands under recent LSLAs are yet to exceed 30 percent of their concessions.

From our compilation of all LSLAs in 14 West African countries (from 2005-2014), 4,503,542 hectares of land have been acquired in recent large-scale land acquisitions, and 130,975 hectares (about 3 percent) are currently cultivated (see Table 1.1). From this compilation, very little of the recently acquired agricultural lands are actually committed to production in West Africa. It is therefore probable that recent private and

[1] A distress land transaction in this context is used to refer to lands rented out in order to obtain income to resolve difficulties at the household level due to distresses such as food shortage, death of a household member, sickness of a household member, debt, damage of house, bush fires, and court cases).

public sector participation in LSLAs in Africa may not be driven solely by resource-rich investors who are targeting agriculture, but could be motivated by a myriad of other unexamined factors.

Table 1.1 LSLA in West Africa showing signed contracts and operated sizes of land

Country	Signed Contracts Size (ha)	Operated Parcels Size (ha)	Cultivated Size (%)
Ghana	904,016	12,790	1.50
Liberia	1,340,777	26,397	2
Mali	169,286	-	-
Sierra Leone	1,183,274	6,365	0.50
Senegal	254,200	206	0.08
Nigeria	187,419	31,000	16.5
Burkina Faso	200,644	644	0.32
Cote d'Ivoire	68,101	53,573	79
Guinea	107,215	-	-
Niger	19,600	-	-
Guinea Bissau	210	-	-
Gambia	30,000	-	-
Benin	36,800	-	-
Mauritania	2,000	-	-
Total Acquisition in West Africa	**4,503,542**	**130,975**	**3 percent**

Source: Compiled by Author from Land Matrix Global Observatory (2014)

Also, in as long as agriculture in the region remains smallholder-based, it is very unrealistic that the remaining 360 million hectares of land can be completely put to productive use within current limited government investment in agriculture. Agriculture in Africa remains largely traditional in nature (i.e. relying on the hoe and cutlass), and with limited inputs. African smallholders lack access to credits, technology, market access, and extension services. With the low-level production capacity of African smallholders, recent foreign direct investment in agriculture presents an opportunity to commit the outstanding uncultivated lands to productive use in a region that is already food insecure, and requires job creation for its youth. The most approved land

transactions to recent agro-investors were documented in Africa between 2006 and 2009 in Madagascar, Ethiopia, (Cotula *et al*., 2009), Congo, Mozambique, Zambia, Tanzania and Sudan (IFPRI, 2009). In West Africa, countries such as Liberia, Mali, Ghana, Senegal, Sierra Leone, Burkina Faso, and Nigeria have all recorded huge land acquisitions. Although, many of the reports on these land acquisitions are largely speculative, evidences of signed and operational investments do exist. Recent estimates and distributions of foreign direct agricultural investments in West Africa are captured in the Table 1.1.

1.2 Problem Statement

The participation of large-scale agricultural investors in African land transactions raises concerns about the impacts on a rather hitherto local and smallholder dominated land market. However, due to data lapses, data inaccuracies and data hoarding at various national levels across the region, the impact of LSLAs on land markets and smallholders is yet to be empirically studied in much of sub-Saharan Africa. Existing studies have largely focused on exploring the risks of land investments on the rights and livelihoods of the rural poor. Others have pointed out potential opportunities for food security and rural development arising from the new investments in an already long-neglected sector (Haralambous *et al*., 2009; Cotula *et al*., 2009; Odhiambo, 2011; Deininger and Byerlee, 2011; Deininger *et al*., 2011; Dessy *et al*., 2012). There are also some studies on large biofuel investments and food insecurity (Cotula *et al*., 2008; Daniel and Mittal, 2009; Boamah, 2011). Some researchers have delved into the implications of large-scale investments on water rights and local livelihoods (Smaller *et al*., 2009; Smaller and Man, 2009; Bues, 2011; Williams *et al*., 2012). It was also identified that several policy papers have mainly focused on how to attain responsible agricultural investment and devising voluntary win-win principles and strategies (FAO, 2005; von Braun and Meinzen-Dick, 2009; Schutter, 2009; Cotula and Leonard, 2010; FAO, IFAD U. a. t. W. B. G., 2010; Harold, 2010).

Following persistent concerns about the welfare impacts of LSLAs in Africa, many case studies and reports that examined land investment deals and their welfare implications in Africa that found mixed impacts in different case scenarios (Deininger and Songwe, 2009; Daniel and Mittal, 2009; Cotula *et al*., 2009; Dossou, 2011; Dessy *et al*., 2012). Deininger and Songwe (2009) have highlighted some potential positive impacts of agricultural investments. They were, however, quick to caution that the ensuing modernization of these investments may not necessarily improve the welfare of local people unless diligently harnessed. Daniel and Mittal (2009) have critiqued the viability of the win-win argument describing it as a strategy promoted to stall the large-scale agro-investments criticisms, and lamenting the relegation of food security of the poor from the forefront of the international debate. Cotula *et al*. (2009) have also acknowledged the potentials of land investments, but warn these may not be handy if host governments fail to build capacities necessary to negotiate better terms for their people. Dessy *et al.* (2012) have expanded this literature by revealing the conditions that are sufficient for land investment deals, to improve the experiences of local communities from which land is leased or purchased.

Characteristically, these studies largely focused on media reports and expert opinions, with limited empirical research due to limited access to data. Generally, there are still limited empirical studies on how large-scale agro-investments have influenced changes in land markets and influenced smallholder land transactions in West Africa. Also, empirical studies on how institutions and institutional changes influence land markets in Africa is limited. It is against this backdrop that this study aims to assess the implications of large-scale agricultural investments on land markets and smallholder farmers with emphasis on Ghana. Ghana is an important destination for large-scale land acquisitions in Africa because the government markets it as the gateway to Africa (Anseeuw *et al*., 2012); and it is also characterised by a reasonable degree of macro-economic and political stability with access to sea transportation (Mehler *et al*., 2012). Existing road network in the cocoa producing areas of Ghana, provide a further boost for agricultural investments. According to MoFA (Interview, 2013), Ghana has large tracts of fertile

lands with a growing demand for major staples like maize, rice and soybean. The availability of significant water resources for all year irrigation farming makes Ghana a target for LSLA. Water resources further boost opportunities for the cultivation of water-base crops such as sugarcane. In Ghana, these demand-driven land transactions may as well be driven by colonial relationships, population growth (Cotula *et al*., 2004), socio-economic changes (Ellis and Allison, 2004) and political process (Cotula, 2007).

The study looks at LSLAs within Ghana's customary tenure arrangement in four different papers. It is largely a qualitative study and tells the story behind land transactions. The first empirical chapter examines how land management institutions and institutional changes have impacted on land markets from both customary and statutory land tenure perspectives. The second examines land rental approaches in Ghana, including the direct and the indirect (transaction costs) costs of acquiring land. The third examines the determinants of land prices (rents), particularly the considerations taken by landowners in fixing land rents or charging a price for agricultural land. The forth-empirical chapter identifies losers and winners in land transactions in Ghana and narrates exactly how these gains or losses are emerging.

1.3 Main Research Objective and Questions

Within the above research problem and identified knowledge gaps, this study examines how large-scale agricultural investments in West Africa have influenced land markets and smallholders through land price dynamics; and how institutions and their change influence land price formation. In line with the above main objective, specific research questions necessary to address the above research objectives include the following in Table 1.2.

Table 1.2 Main research question and specific objectives of the study

Main Questions and Specific Research Objectives
1. How have institutions and institutional changes influenced land markets in Ghana?
• *Identify the formal and informal institutions that regulate land transactions.*

- *To assess changes of these institutions in the last decade.*
- *Examine how these institutional changes have influenced land markets.*

2. How are land prices formed in Ghana?
    - *To look at the complications of land price formation.*
    - *To examine smallholder land transaction processes.*
3. What determines agricultural land price levels?
    - *To examine the nature of land rents to smallholders and large holders.*
    - *Examine farmers' liabilities and entitlements, and the influences on land prices.*
    - *Examine the factors that determine land prices (rents).*
4. Who are the winners and losers when land prices change?
    - *Identify who benefits from land price changes.*
    - *Identify who loses when land prices change.*
    - *To see how these people benefit or lose when land prices change.*

1.4 Significance of the Study

This study is relevant in understanding the emerging impacts of large land acquisitions in Africa on smallholders in Africa. Besides the land market changes studied, this research is relevant in assessing the processes and costs of accessing land in the study area, and how systems are changing with the heightening of large-scale investments. This study is to inform policy making and public opinion about agricultural investments. Already, existing data from the Land Matrix Global Observatory project points to the fact that large-scale agricultural investment in Africa is not just a bubble, but has come to stay and the trends may continue into the near future (Anseeuw *et al*., 2012a). Under the current global economic dispensation and the enormous potential of agriculture to promote growth, the agricultural sector in Africa indeed requires huge investment. Such investments need to be studied because they have the potential to trigger many positive impacts such as improving smallholder productivity and expansion of marketed surplus (von Braun *et al*., 1989; von Braun *et al*., 1994; FAO, 2009).

Furthermore, an understanding of the impacts of LSLAs on land markets will enable policy formulation on how to insulate poor and landless peasants from exploitation. Land markets in Africa have recently been found to be more widespread with wide variance in the nature of transactions and contractual arrangements among countries (Otsuka *et al*., 1998; Holden *et al*., 2009). African land markets have become more complex and globalized because of the foreign interest in agricultural land. Though the increasing marketization of African farmlands has largely been attributed to the gradual disintegration of the system of communal property rights towards individualized rights (Bruce and Migot-Adholla, 1993; Otsuka and Place, 2001), recent market trends are driven by surging interest in large-scale commercialization of agriculture in Africa. This new land market structure has numerous benefits for smallholders, if they are able to participate effectively in it. Therefore, this study is significant to examine the nature and extent of impacts of large-scale investments on land markets and smallholders.

Also, this study will enable the understanding of how recent large-scale agricultural investments in West Africa are influencing land market dynamics – land price formation and costs of access to land. Large-scale agro-investments in Africa are expected to inject considerable liquidity. With an emerging vibrant land market, land-poor households can acquire extra land, while land rich households can alienate excess land. According to Deininger and Binswanger (2001), land rental markets can help to improve land use and access by the poor. On the contrary, large agricultural estates may result in land rent and price hikes, and consequently, hamper poor-landless farmers who rely on the land market in accessing productive space. Since the positions of various researchers' remain different about the impacts of the new land markets in Africa, there is the need for empirical research to posit the debate in proper perspective.

Furthermore, the findings of this study will contribute to the understanding of land institutions and their evolution under large-scale land acquisitions in Ghana. It is believed that large-agro investors are targeting countries with weak governance, corruptible politicians, and weak land rights of existing users both in law and practice

(Deininger, 2011; Hall, 2011; Arzeki *et al*., 2011). Global land demand opens up opportunities for corruption for both formal and informal land institutions. Typically, these institutions and institutional changes have influences on the current land market operations and land tenure. Hence, how these institutional changes are influencing land pricing in Ghana are examined in this study. This study therefore, is in line with the broader goal of undertaking development research necessary for poverty alleviation, enhancing sustainable development and improving development-oriented policy making with relevance to developing countries.

1.5 Research Methodology

The study adopts a case base approach to critically examine from the community level the impacts of large-scale land acquisitions on land markets and smallholder farmers.

1.5.1 Case studies

Two large agro-investment projects were purposely selected for this study out of a number of companies operating in Ghana. The selection was made from a list of registered agro-companies obtained from the Ghana Investment Promotion Centre (GIPC) in 2012. A number of factors were taken into consideration in selecting the two projects. Firstly, the two companies are located within two different agro-ecological zones of Ghana, but with a similar land tenure system. This allowed for comparisons to be made in terms of the processes and costs of land acquisitions, and the unique roles of various stakeholders and institutions in those regions of Ghana. Also, due to the nature of data required from the Companies regarding processes, costs and operational impacts, it was imperative to select only agro-companies that offered approval to be studied. In order to assess the impacts of these projects on local communities, the proximity of these investments to neighbouring communities was a major requirement for the selection of studied cases. Furthermore, the sizes of the investments (exceeding 1,000 acres), the operational status of the companies (operation or non-operational), and the nature of business operations were also taken into consideration. Since some registered large agro-companies had already collapsed or did not start operations at the

time of the study, only projects that were actually operational were targeted for this study. Using these criteria, the ScanFarm (Gh) Ltd located in the Ashanti Akim North District and the Integrated Tamale Fruit Company (ITFC) Ltd in the Savelugu-Nanton District were selected for the study.

A. ScanFarm Ltd (Gh) Ltd, Agogo – Ashanti region

ScanFarm (Gh) Ltd formally ScanFuel (Gh)[2] Ltd came to Ghana in 2008 through the efforts of a native of Agogo, resident in Norway. The Norwegian investors were convinced they could obtain about 400,000ha[3] of idle and underutilised farmland from the *Omanhene* [Paramount Chief of the Agogo Traditional Area] for the commercial production of *Jatropha curcas* for export. However, after negotiations, a parcel of 19,058 hectares was granted through a Memorandum of Understanding (MoU) in 2009. At the commencement of registration of the lease agreement at the Lands Commission in 2010, it was realised that a lease of about 6,000 hectares had already been granted to one Bernard Ofori. Upon ceding this portion, ScanFarm's concession currently stands at 13,058 hectares.

ScanFarm (Gh) Ltd entered Ghana to produce *Jatropha curcas*, but after 1year of cultivation, diverted into the production of maize, soybeans, and sorghum[4]. Various factors accounted for this. First the discovery and extraction of crude oil in Ghana implied that the local economic viability of Jatropha crude was less competitive. Secondly, since 2009 the global prices of crude oil continued to witness huge declines. Also, it was realised that to enhance commercial viability of *Jatropha curcas* there was the need for extra land, which was impossible to acquire around the Agogo area. Lastly,

[2] ScanFarm Ghana Ltd is a subsidiary of ScanFuel AS based in Norway. The name was changed from ScanFuel (Gh) Ltd to ScanFarm (Gh) Ltd in 2010 following a shift of company focus from *Jatropha curcas* in 2009 to food crops largely maize, soybeans and sorghum.

[3] This figure was hugely reported by the media and variously described as land grabbing by foreigners, accompanied by displacements and evictions with no compensation. However, on the ground, this planned acquisition never materialised. Earlier upheavals against agro-investments were largely due to these sensationalised reporting by the media and spearheaded by a few prominent groups. See http://bit.ly/1a3KPg2 and http://bit.ly/9dZ09p

[4] ScanFarm Ltd is currently nurturing plans to add upland rice and teak production in future to their portfolio.

it was realized that the global projection of *Jatropha curcas* as a magic plant and the panacea to mankind's energy challenges was exactly not the case (interview with ScanFarm Manager, 2012). Per the Ghana Free Zones Board certificate (GFZB) it meant that *Jatropha curcas* products had to be exported and not sold locally, yet marketing was also a problem. Though currently operating based on a Memorandum of Understanding (MoU), ScanFarm's lease under registration with the Lands Commission is for 50yrs[5] in two streams of 25yrs each and the second subject to re-negotiation and renewal. A lump sum of US $23,000[6] was paid to the Agogo Traditional Council (ATC) for the land, subject to annual ground rent payment of US $1 per acre per annum with upward reviews by UD $0.50 every twelve months to a maximum of US $3.50 in the 60th month (that is in 2014). Other issues that are documented in the lease agreement include the granting of unrestricted access to water on the land for agricultural production. Land disputes are to be resolved at the Agogo Traditional Council (ATC). Also, investors are obliged per the MoU to promote development and provide employment in the operational communities.

The Agogo area operates a Stool land tenure system with families who hold various usufruct rights (village surveys, 2013). The ScanFarm (Gh) concession dispossessed some 75 usufructs together with migrant farmers (Wisborg, 2012). This subsequently triggered demonstrations in Agogo town in 2010 and required compensation payments to disposed usufructs. Compensation was paid subsequently in 2011 at Gh¢ 33 per acre or Gh¢80 (US$ 41.6 as of 1st April, 2013) per hectare (Interview with ScanFarm Manager, 2012). Some families who refused compensation had their lands severed for them. Migrant farmers from the northern regions of Ghana constitute about 70 percent of the population in the seven communities around ScanFarm Ltd. They pay a pre-season rent

[5] According to Article 266 (4) of the 1992 Republican Constitution of Ghana, no interest in, or right over, any land shall be created which vests in a person who is not a citizen of Ghana leasehold for a term of more than fifty years at any time. It is also generally the rule that agricultural leases should not exceed 50yrs at any time.

[6] Implying an average of $1.75 per ha based on the lump sum payment and the size of plot that was rented-out. This figure is not different from reported averages of $1 to $ 2 per ha of agricultural land rentals globally.

of Gh¢ 40 (US$ 20.8 as of 1st April, 2013) for an acre of land farmed or the value of 1 to 3 bags of maize after harvest depending on agreements with their usufruct landlords (Interview ATC Registrar, 2012). Amanor (2006) described this practice as *nkotokoano*, which implies a sack filled to the brim. Figure 1.1 shows the location of the ScanFarm concession and surrounding communities.

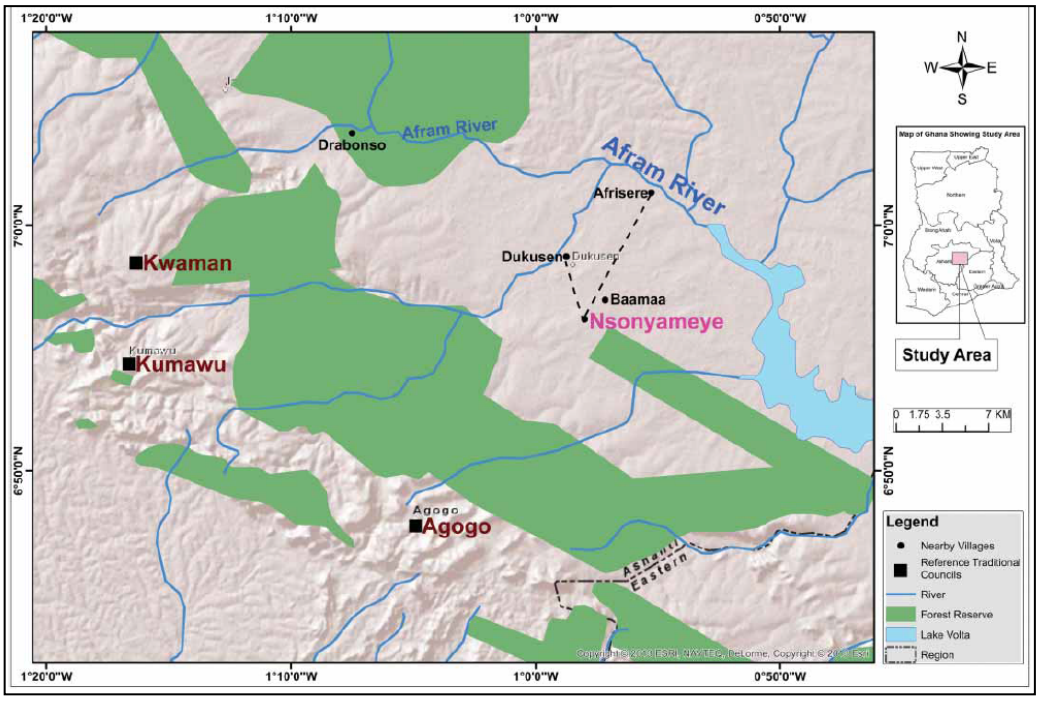


Figure 1:1 ScanFarm Project showing communities in Ashanti-Akim North District

Source: Boamah, 2014

B. Integrated Tamale Fruit Company (ITFC), Tamale - Northern region

ITFC is a Limited Liability Company Incorporated in 1999 under the Ghana Company Act 1963 (Act 179). It commenced business in the year 2000. Ghanaian and Dutch shareholders own the company on 70/30 bases respectively – Wienco (Ghana) has 50percent, the Nanton Chief owns 10percent, African Tiger Mutual Fund owns 5percent, Tamale Investments owns 5percent and 30 percent is owned by Komma BV (Dutch) (Osei, 2007). It was established to produce mango for both export and the local market. The company's nucleus farm of 1,363 acres (568 hectares) is located between Dipale and Tunayili. ITFC also operates outgrower schemes, where individual farmers or

families produce mango on their own plots with the logistical assistance of the company, especially water, seedlings and bushfire prevention. Currently ITFC has 1,200[7] outgrowers over 1,200acres (500hectares) of land (i.e. 100 mango trees/acre/outgrower farmer). The company initially targeted 2000 outgrowers but realised that output fell below expectations and hence it suspended expansion in order to address low yields. The land for the nucleus farm was obtained from the *Ya Na* with the assistance of the *Nanton Na* and *Dipale Na*. Unlike the constitutionally specified tenure of 50yrs for commercial agricultural land, ITFC holds a long-term lease of 99 years. In an interview with ITFC (2013), it was revealed that initial payments amounted to GH¢ 6,000 (part-payment for the land in 1999) for the 1,363 acres (552 hectares). The company in 2004 acquired an additional 205acres (83 hectares) at Gushie for its office accommodation and mango processing plant. This additional land was acquired at a cost of GH¢ 10,000 with an annual rent of GH¢ 100 per annum subject to periodic reviews. An amount of GH¢ 5,000 was paid as compensation to dispossessed farmers through the chief of Gushie (Interview with ITFC manager, 2013).

ITFC uses a micro-irrigation system that places a sprinkler per plant to receive the required amount of water. The water is pumped directly from the White Volta River for which water rights were expressly included in their lease agreement as well. Upon harvest, the cost of mango seedlings, water, water tank, field education, and fire control are deducted seasonally and the profits paid to farmers. Other key issues that were agreed between ITFC Ltd and the community stakeholders included; the reservation of 70 percent of employment opportunities for the people of the four operational communities (Gushie, Tunayili, Tigla and Dipale), provision of potable water, electricity, roads, school infrastructure and scholarships schemes. ITFC Ltd also operates a mango pack house and processing factory. Besides organic mango, they are also into maize

[7] Each farmer in the outgrower scheme is limited to owning an acre of mango farm but in a continuum with other farms of up to 20acres (8hectares) and there may be several or few of such holdings in a village depending on land availability and how many small farmers may have embraced the out grower idea.

production, bee keeping and butternut squash farming. The company also plans to start a citrus plantation in the future.

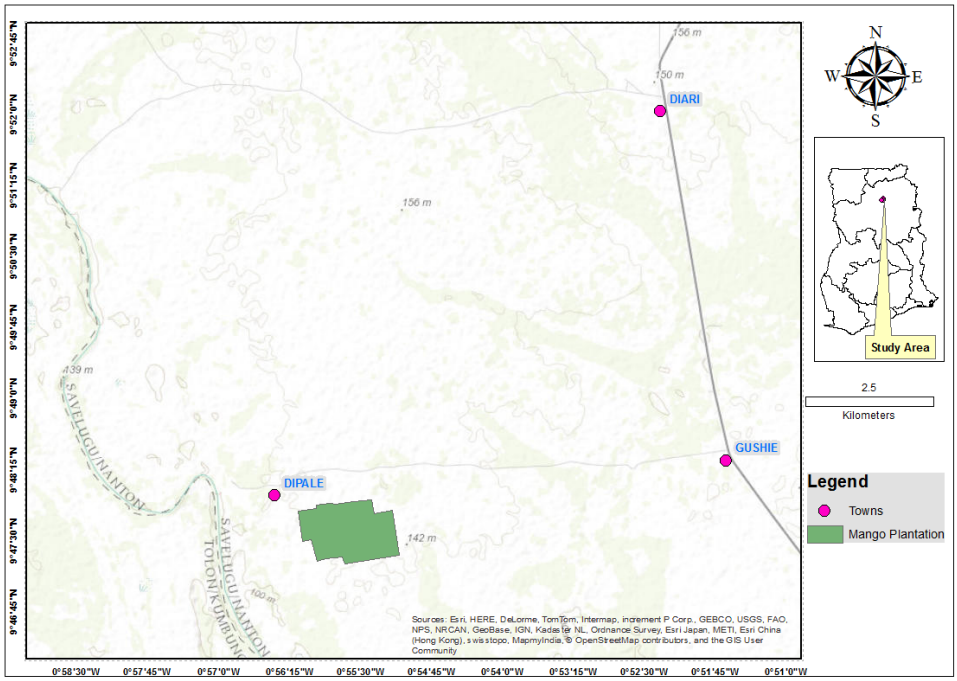


Figure 1:2 ITFC project - showing focus communities in the Savelugu-Nanton District

Source: Own illustration

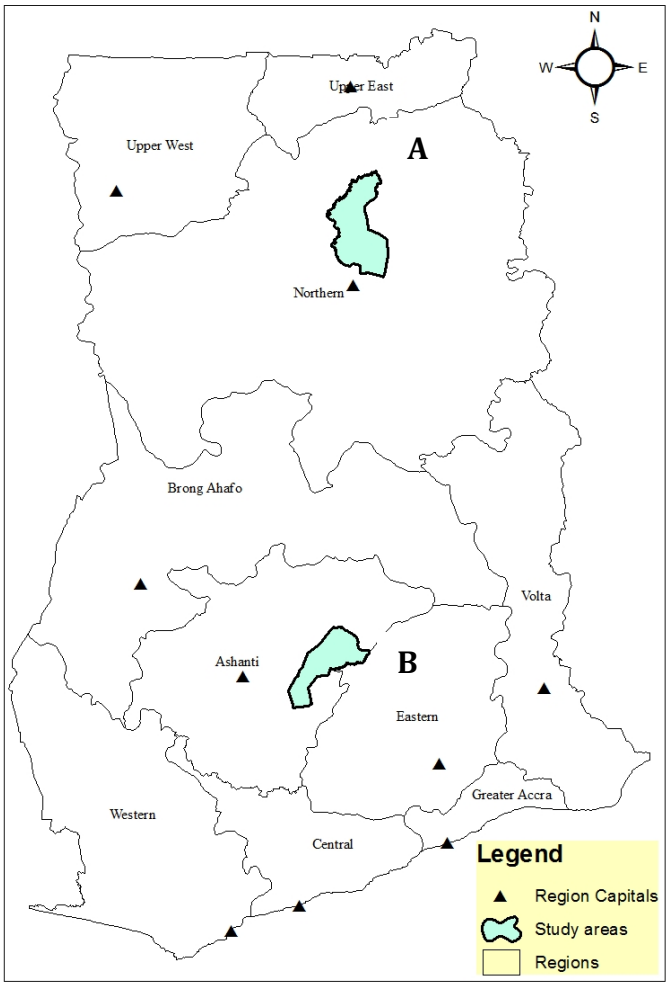
1.5.2 Data collection

The study is based on village survey data collected from smallholder households in four (4) selected communities in Ghana. The data was both qualitative and quantitative in nature collected between September 2012 and April 2013. Qualitative data sources included Focus Group Discussions (FGDs), stakeholder interviews, reports and policy documents. Focus Group Discussions (FGDs) were conducted in Dukusen, Afrisire, Gushie, and Tunayili to gather community level information on land markets. Focus groups at the respective villages consisted the village chief, village elders, the village secretary, two women representatives, a youth representative, the assemblyman, village development committee chairman (or member), and the *Tendaana* (spiritual head/landowner). Since the study centred on the impact of large-scale land acquisitions on land markets, interviews were conducted with the two (2) managers of both

ScanFarm (Gh) Ltd and ITFC (Gh) Ltd projects, using interview guides. Four (4) separate interviews were also conducted with the chiefs of the study communities; to understand the land market dynamics, land pricing and rents agreed upon at the time of the grants. Institutional data on land acquisition and investment legitimisation was collected using institutional surveys through snowballing and purposive sampling. The study also undertook critical review of existing legal documents as well as key stakeholder interviews with regional officials of the Lands Commission, officials of the Ministry of Food and Agriculture (MoFA), and the Office of the Administrator of Stool Lands (OASL). Two (2) officers each from the Lands Commissions in Kumasi and Tamale were interviewed on the leasing arrangement of the studied agricultural estates. These in-depth interviews were necessary to obtain essential supplementary qualitative data on the processes of land acquisition and transaction costs. At the national level, secondary data was gathered from the Ghana Investment Promotions Centre (GIPC), Ghana Free Zones Board (GFZB), Water Resources Commission, and Ministry of Food and Agriculture (MoFA). A combination of both qualitative and quantitative data enabled the study to go beyond the legislative prescriptions of land administration in Ghana, to include evidences on actual practices of land acquisitions on the ground.

Quantitative data was collected from a total of 175 agricultural households using questionnaires. The survey questionnaire gathered information on household composition, household characteristics, type of farming activity, land ownership, type of landholdings, land tenure security, ownership of main agricultural assets and values, access to credits, access to water and water rights. The data also included distress land transactions, land rentals, changes in land rents/land prices, determinants of land rents/prices, and use of agricultural inputs. In addition, some other essential data, related to the recent large land deals – nature, processes of acquisition, rents/prices paid, consultations, recruitments and employment opportunities, expectations, promises and disappointments, were gathered. Together with the agricultural household surveys, a community survey was also undertaken to assess the level and nature of land transactions, community characteristics, farming practices, land market

activities, prevailing land tenure systems, land rents/prices and costs of labour. The locations of selected study districts and communities in Ghana are shown in Figure 1.3.



A. Savelugu District
- Gushie
- Tunayili

B. Asante-Akim North District
- Dukusen
- Afrisire

Figure 1:3 Map of Ghana showing administrative regions and study districts

Source: Own Illustration

1.6 Land Tenure – Interests in Land in Ghana

Ghana operates a hybrid system of both customary and statutory land tenure systems (Ubink and Quan, 2008). The customary tenure system operates under the customs, rules, norms and traditions of the community. Statutory lands comprise of state lands and vested lands. State land refers to lands held by the state for public purposes or acquired through the state's powers of eminent domain [acquired under the State Lands Act 1962 (Act 125)] in the interest of the public. There are also vested lands [acquired

under the Administration of Lands Act, 1962 (Act 123)] – referring to lands owned by customary authorities but administered in trust by the state for the beneficial enjoyment of the owners. It is estimated that about 80percent of all landholding in Ghana is under customary tenure while the remaining 20percent is held by the state for public purposes (Kasanga and Kotey, 2001; Mahama and Baffour, 2009). The various types of interests that exist in Ghana over customary land are: allodial title, freehold title (customary freehold or common law freehold), leasehold; and a lesser interest created by sharecropping e.g. *abunu and abusa* tenancies (Ollennu, 1962; da Rocha and Lodoh, 1999; Ghana Land Policy, 1999).

The allodial interest is the highest customary title in land in Ghana and is held by stools (skins)[8], sub-stools, clans, families, as well as individuals (see Bentsi-Enchill, 1964; da Rocha and Lodoh, 1999). In Akan and in some Ga communities, stools and sub-stools hold the allodial title. In some parts of Adangme (Greater Accra), the Anglo (Volta region) and Adjumaku (Central region), families and clans own land. In the Upper East and Upper West regions and in some parts of the Northern region, *Tendaamba* hold the allodial interest (Kasanga, 1988; Bentsi-Enchill, 1964). Incidental rights of allodial interest include exclusive possession, use and enjoyment, proprietorship in perpetuity and right of alienation. The position of every allodial interest holder in Ghana is titular, holding land in trust for the whole community (Kasanga, 1988) as well as in trust for the family or clan as the case may be. The person in whom the allodial interest is vested has complete and absolute power to use the land in a manner so desired but only subject to local customs (da Rocha and Lodoh, 1999). However, these absolute land ownership powers of allodial holders are limited by the presence of usufructs and other lesser interests.

[8] The use of the terms stool and skin represents the symbols of authority of chiefs in Ghana. Whilst the stool is the symbol of authority for chiefs in the southern part of Ghana, the skin (of an animal) is the symbol of authority for chiefs in the northern part. There is often the tendency in Ghana to refer to the chieftaincy of a particular area as the stool or skin. There are even verbal forms created: to *enskin*, to *enstool*; and derived nouns: *enskinment* and *enstoolment*.

The freehold or usufructuary interest[9] is the highest interest that an individual can hold in land through outright purchase or gift. Individuals and families from the allodial landholding group hold the *customary freehold* – denoting the near maximal interest in land (Bentsi-Enchill, 1964). Chiefs and *Tendaamba* belonging to families also have inherent interest in family or communal land (Kasanga 1988; Kasanga and Kotey, 2001). Both members of the land owning group *(subject usufruct)* or strangers[10] *(stranger usufruct)* can hold the customary freehold interest. This interest is secure, alienable and inheritable (Ollennu, 1962). It is instructive to state that the creation of freehold interest over lands in Ghana is currently prohibited over stool land per the operation of Article 267 (5) of the Fourth Republican Constitution of Ghana (1992). This provision prohibits the creation of all manner of freeholds in stool land but not family and private lands (Asiama, 2008). The freeholder continues to hold the land and even upon death, the land is passed unto his successors (Sarpong, 2006). The usufructuary right is said to have emanated from the fact that migrants and subjects require land for their economic activity and housing (Asante, 1969), hence compelling the allodial entities to disburse land to them for farming and settlement.

The leasehold is a modern day addition to the land tenure system in Ghana that allows one to acquire land for a particular use over a specified timeframe. A valid lease must have a date of commencement and a date of expiration. The leasehold is a landholding right that emanates from the allodial title or the usufruct interest and is backed by contractual agreements (see Ollennu, 1962; da Rocha and Lodoh, 1999:29). Leaseholds can be classified into customary or common-law leaseholds depending on whether they are derived from the customary or common law freehold. Indeed both lease forms co-exist in Ghana especially for agricultural land. Leases in Ghana are registered with the

[9] The term *Usufructuary* right is synonymous to English Common Law freehold. It is the highest interest in land to which members of the landholding community, clan or group of the allodial community are entitled. It is usually acquired by allotment from the landholding clan or group or by first cultivation. It can exist into perpetuity and is alienable to ones descendants (as *fee life estate*).

[10] A stranger is a non-subject of a tribe, clan, skin or stool. Strangers who wish to acquire land must first seek the permission of the chief to settle in his area. If permission is granted, the stranger may then contact any landholder, or most frequently the family he may be residing with for land on a contractual basis, such as on sharecropping terms.

Lands Commission as land title (Land Title Registration Division of the Lands Commission) or as deeds of transaction (Public and Vested Land Management Division of the Lands Commission). Different timeframes accrue to the lease of land for different land use types. At the end of the lease period, the land reverts to the allodial group, the usufruct holder or the lessee that sub-let it. Under lease arrangements, the lessee also pays annual rents on the land to the landlords. In the absence of any prohibition within the lease agreement, the leaseholder is allowed to sub-let the land to a third party within the confines of the main lease instrument.

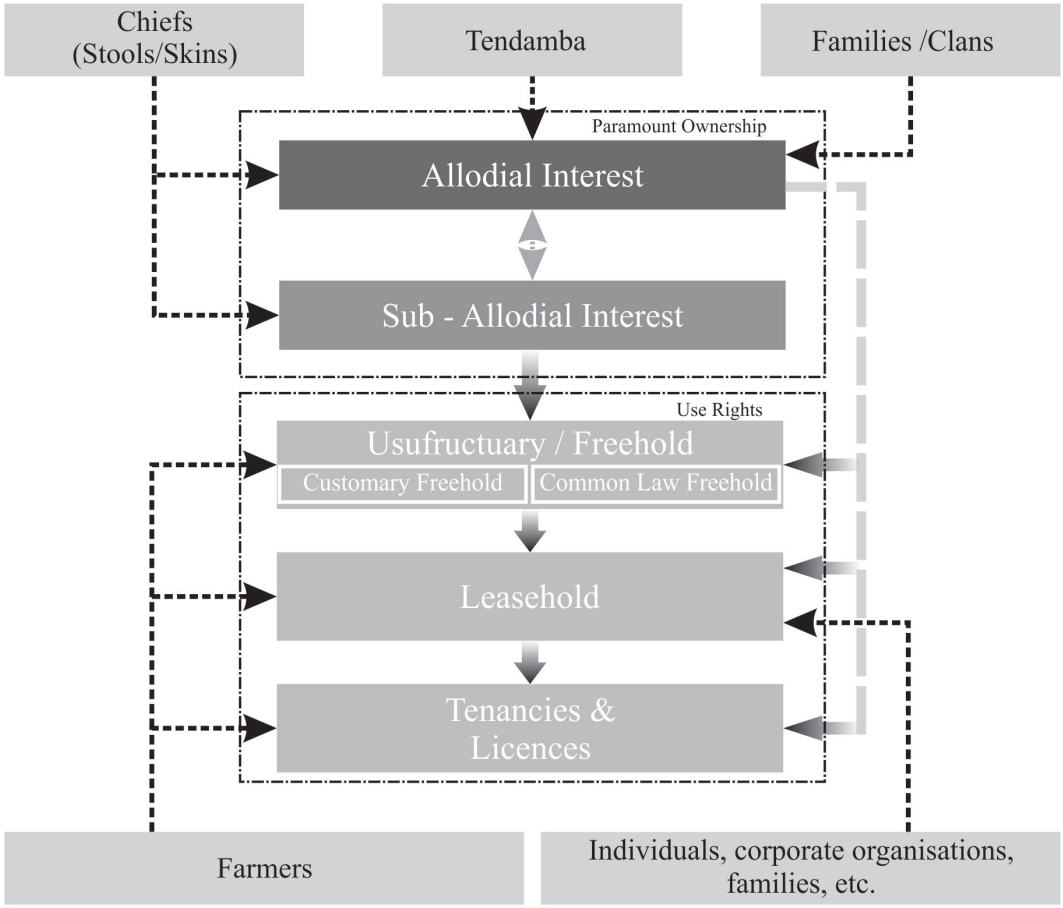


Figure 1:4 Interests subsisting in land in Ghana

Source: Own Illustration

The last category of land interests in Ghana is customary tenancies. Da Rocha and Lodoh (1999) identified two main types of customary tenancies in Ghana. These are *tenancies*

for valuable consideration and *gratuitous tenancies*. A gratuitous tenancy is created when the landlord gives out his land to the tenant to use free of any charge. The only known *gratuitous tenancy* in Ghana is a license – seasonal, annual or indefinite licenses. The license can either be for farming (farming license) or building (building license). Tenancies for *valuable consideration* are granted in majority of cases for agricultural purposes for the cultivation of food crops or cash crops such as cocoa and oil palm. The payment takes the form of yearly or seasonal rents (cash) or produce sharing arrangement in the case of *abusa*[11] *and abunu*[12] (ibid). Abusa and abunu sharecropping agreements are the commonest customary tenancies and are mostly in respect of tree crops (Blocher, 2006) but can also be in respect of seasonal food crops. The relationships of these interests in land pertaining to Ghana are illustrated in Figure 1.4.

1.7 Organization of Chapters

The remaining parts of this thesis are structured into four empirical chapters with the general conclusion in chapter six. Chapter two examines institutions and institutional changes and how these impacted on land markets in Ghana. Chapter three examines land rental approaches and transaction costs in order to understand the complexities of agricultural land pricing in Ghana. Chapter four examines the determinants of agricultural land prices, the nature of smallholder and large holder rental payments, and liabilities and entitlements of large agro-investors in Ghana. In Chapter five, the thesis presents a detailed description of the winners and losers of large land transactions and from price. This chapter also looks at the nature and extent of gains and losses in the study communities in order to answer the research question three. Chapter six concludes the thesis with a summary of the major findings and policy interventions.

[11] In the case of *abusa*, the sharing proportions are two-thirds to the tenant farmer and one-third (1/3) to landlord. Under the arrangement, the tenant farmer bears the expense of clearing and cultivating the virgin forestland allocated by the landlord. The tenant is then rewarded with a two-third share of the returns for his investment in the land.

[12] Under the *abunu* system, the farm proceeds are shared equally between the tenant farmer and the landlord (da Rocha and Lodoh, 1999). With this tenancy, the landlord does not only provide the land but also contributes to the establishment and management of the farm. It suffices to mention that, under the *abusa or abunu* system, the farm itself may be what is shared and not the produce.

Chapter Two : Impact of Institutions and Institutional Changes on Land Markets

2.1 Introduction

Land institutions are intricately intertwined in their functions to promote efficient land delivery. The increasing commoditization and commercialization of land puts immense pressure on customary land institutions to reposition themselves properly in order to remain dynamic yet relevant in handling land administration in Ghana. Customary land institutions remain essential in Ghana's land administration system since they are estimated to control the majority of the total landholding (Kasanga and Kotey, 2001; Sarpong, 2006; Agbosu *et al*., 2007). A number of state institutions have also been established to complement the efforts of these customary institutions. Efficient customary institutions are considered essential in ensuring land tenure security (Migot-Adholla *et al*., 1994; Kasanga and Kotey, 2001 and Anyidoho *et al*., 2008:1). They are also identified to be flexible, open and responsive to changing socio-economic circumstances (Platteau, 1992; Delville *et al*., 2002a; Deininger, 2003; Arko-Adjei, 2011) but may be unable to deal with recent land demand trends. For this reason, increase in demand and commercialisation of land may create room for manipulation and the advancement of personal parochial interests (Ubink and Quan, 2008). Increasing land marketization may also push customary land custodians such as chiefs and family heads to commence charging fees on gratuitous land users, increase existing fees, or motivate them to resort to evictions (Cotula, 2013). Such fees, according to Delville *et al.* (2002b) can be very high, and almost equivalent to the market value of the land especially in peri-urban areas (Cotula and Chauveau, 2007).

According to Berry (1993), African land tenure is founded on adaptive arrangements, which are negotiable, fluid, open and ambiguous. African land tenure has transformed severally over generations, and emerging social relationships tend to redefine customary land relations (Kasanga *et al*., 1996; Berry, 2001). Juul and Lund (2002) are of the view that the dynamism of customary land tenure in Sub-Saharan Africa is

attributable to the fluidity of customs, institutions and legal pluralism. These characteristics of customary land tenure may, however, open the floodgates for powerful social groupings to *"renegotiate identities and social relations in order to either confirm existing land tenure arrangements"* (Amanor, 2006:11) or *"change them in their favour"* (Ubink and Amanor, 2008:12). Furthermore, the customary custodianship concept also allows for the politically powerful, and unscrupulous elites within the community to manipulate communal interests for their own selfish benefits. Even though lands in Ghana are administered under both statutory and customary tenures, increasing pressures of population growth, migration and urbanization have caused significant changes in the informal system as they respond to market forces (Kasanga, *et al*., 1996; Gough and Yankson, 2000; Yankson and Kala, 2008; Aryeetey *et al*., 2007). These institutional changes to a larger extent have an impact on agricultural land markets (Ciaian, *et al*., 2010).

One key advantage of the operations of customary land tenure systems in Africa is that it presents opportunities for land to be held and managed by traditional authorities as trustees (Ubink and Quan, 2008), in direct consultation with the local land users. This customary conception of communal land presents opportunities for local people to take centre stage in land ownership, and fosters the sense of belongingness with minimal state interferences. However, this has also opened up the Pandora's Box to a myriad of challenges as the economic, demographic and environmental pressures on land increase. Some of these structural challenges of customary tenure account partly for reasons why large-scale agro-investors are acquiring lands directly from sovereignties (i.e. governments and chiefs). More importantly, acquiring land directly from governments and chiefs cut down on transaction costs. The targeting of particular countries could also be because land institutions are weak, corruptible and exploitable in these areas.

A study by Montford and Birner (2013) examined the role of customary land tenure in large-land acquisitions in Ghana and found that political and spiritual powers bestowed

upon chiefs, insulated them from legal tussles for infringements on smallholder rights. However, the study did not examine changes in these institutions and how these changes have impacted on land markets in Ghana. MacInnes (2012) in a study on corruption and large land acquisition found that corruption of local elites in large land transactions undermine transparency and accountability. In a desktop study, Verhoog (2013) reviewed literature on the politics of land deals, and critiqued the global, regional and national guidelines. Even though German *et al*., (2011) already studied some of the institutional dimensions of large land acquisitions based on theory and largely media reportage, empirical studies on how institutional dynamics affect land markets remain limited.

This study is premised on the fact that institutions (i.e. formal/statutory and informal/customary) are relevant to enhance land investment, improve benefits and reduce losses from emerging land market and losses to smallholders. Indeed it is believed that efficient institutions will protect the interest of the vulnerable including the youth, women and migrants (see Kasanga and Kotey, 2001; Wily and Hammond, 2001; Ubink, 2007; Amanor, 2008). This study therefore, examines how institutional changes have impacted agricultural land markets in allocating land resources between large and smallholder farmers, and how customary land tenure systems and institutions are faring amidst the growing demand for commercial agricultural land in Ghana. The specific objectives of this study are therefore embedded in the following research questions: (a) what are the processes through which agricultural lands are acquired in Ghana? (b) Which are the main institutions (formal and informal) involved in these land transactions and how do they interrelate? (c) Have these institutions changed with the recent demand for large lands in Ghana? (d) What are the weaknesses within the existing customary institutional governance structure that regulate these large land acquisitions?

2.2 Customary land institutions, actors, responsibilities and constraints

2.2.1 Traditional institutions and actors handling LSLA in Ghana

Historically, land administration and institutions in Ghana have undergone series of changes through colonial and post-colonial regimes into their present structures. Some of these interventions involved direct government interferences with customary land management structures (Anyidoho *et al*., 2008; Ubink and Quan, 2008) in frantic efforts to improve, regulate, and streamline customary institutions and their activities, which were regarded as anachronistic and non-progressive. Many of these interventions in Ghana that permeated both cephalous and non-centralized societies, saw chiefs consolidating their positions over land and set the foundation for the transformation of communal land into titled private land for investment purposes (Bugri, 2008). According to Arko-Adjei (2011), wars, conquests, religious conversions, state policies, and technological changes have also historically tended to influence changes in land institutions. Conflicts and HIV/AIDS are also major agents of change in land tenure relationships, with implications for land rights and customary practices due to distress transactions (Cotula, 2007).

In pre-independent Ghana, the government revised severally the role of chiefs and their land relations, as a means to establish control over essential resources. Prior to 1900 when indirect rule was adopted, the Land Bill (1894) entrusted all identified *idle, un-owned and unused* land in the then Gold Coast under the control of the colonial government. According to Amanor (2006), the Land Bill restricted land from the local authorities and disenfranchised many smallholders and migrant farmers. These colonial initiatives repressed the development of land markets. Contrary to the colonial views on *idle* land, Sarbah (1968) held there was no land in the Gold Coast without an owner. Various contentions on *idle and un-owned* land raised tenure insecurity concerns.

In 1928, the Native Administration Ordinance (NAO) was passed seeking to administer the Colony under indirect rule through native authorities who managed communal land. In many instances customary land management practices were subjected to

interpretations and inventions (Rathbone, 1993). Before independence, reports from the Watson (1948) and Coussey (1949) Committees further consolidated the position of the native authorities (chiefs) in the control of customary land. Since the immediate post-independence era, the position of native authorities as trustee of customary land has been consistently retained and enhanced in all four Republican Constitutions of Ghana. Since 1962, successive governments made various critical interventions into Ghana's land market through various legislations to accelerate land privatisation and commoditisation.

The Figure 2.1, Nkwae (2006: 26) illustrates the evolution of land tenure in Africa from communal to the private tenures especially in urban areas. From the Figure, land tenure has evolved significantly from an era of political and social relations through the era of economic pressures to the era of population pressure. This economic and population pressure driven tenure evolution at the macro-level has impacted on the redefinition of land right as well, from communal/group rights to usufruct rights at the household level, to private proprietary rights with clearer boundaries. Consequently, the level of ownership by centrally placed authorities like community or tribal chiefs has also seen disintegration into small unit families and even in some cases among individuals in the urban areas where rising land values allow for commercialisation.

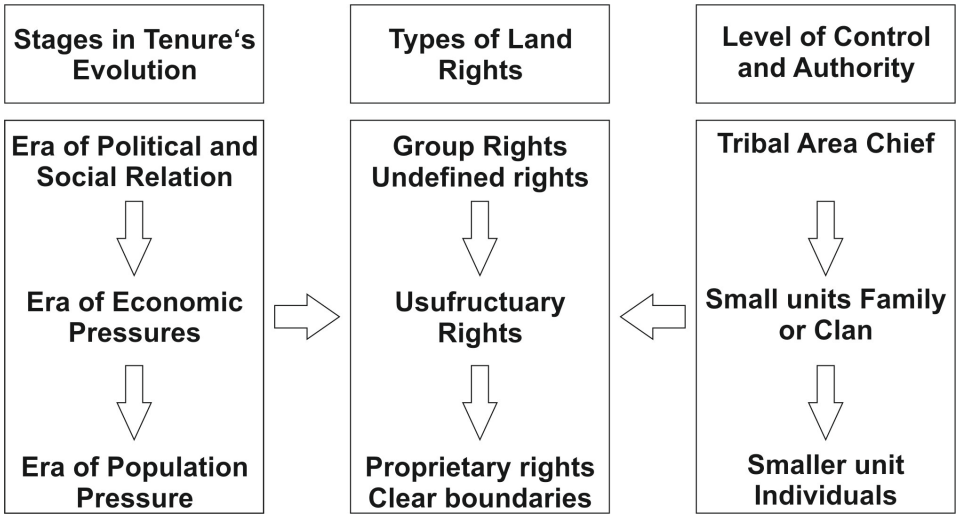


Figure 2:1 Evolution of land tenure in Africa - communal to private rights

Source: Nkwae (2006:29)

Much of the land privatisation witnessed in Ghana and in most of Sub-Saharan Africa followed the World Bank's promotion of land title registration programmes to secure rights and improve investments under private ownership in the 1980s. Following the World Bank's land title registration programme, Ghana promulgated the Land Title Registration Law, 1986 (PNDCL 152) and started its implementation in Kumasi, Accra and Tema. However, due to the limited implementation of the Land Registration Law in only a few cities, communal land administration in Ghana remains bedevilled with many challenges. For example, a greater part of customary land is still un-surveyed, unmapped and unregistered. As a result, land ownership and land use disputes have arisen in many urban and peri-urban communities where land values for housing have appreciated considerably due to population growth and urbanisation. Wily and Hammond (2001), Chauveau *et al*. (2006), Agbosu *et al*. (2007) and Amanor (2008) in their works, however, pointed out some of the damaging impacts of land privatisation on vulnerable social groups such as women, youth and migrants.

In order to resolve these persistent land use and land market challenges in Ghana, the Ghana Land Policy was drawn in June 1999. As part of measures to implement the Ghana Land Policy, the Land Administration Project (LAP) is being implemented since 2003 to restructure land administration in Ghana. It also aims to clean up legislative and institutional challenges that persist in the land market. So far, the Project has succeeded in merging four of the previously six independent land sector agencies into the Lands Commission[13] as part of efforts to streamline land administration nationwide and avoid duplication of functions (World Bank, 2011). The LAP also spearheaded the promulgation of the Lands Commission Act, 2008 (Act 767) and the setting up of Customary Land Secretariats (CLSs) across the country. Customary land boundary demarcation and harmonization of customary land laws were also undertaken under the project to minimize the incidences of land disputes and to expedite resolutions. Before

[13] The newly restructured Lands Commission is sometimes referred to as the *New* Lands Commission to differentiate it from the *Old* Lands Commission, which was rechristened as the Public and Vested Land Management Division (PVLMD).

2004, large-scale land acquisitions were not topical to the legislative and institutional reforms of the LAP and hence, these were never incorporated into its agenda.

Over the last decade, attempts at improving the land administration system in Ghana have focused on state institutional and legislative reforms. These institutions operated on non-structured linkages with existing customary land administration structures. Recognizing the crucial role that customary institutions play in land management, the LAP earmarked the Customary Land Administration Unit to be responsible for customary land issues. The Unit was tasked to establish Customary Land Secretariats (CLSs) in all major land owning communities. The CLSs were supposed to come under the direct control of the traditional authorities to facilitate their participation in streamlining land management and administration practices across the country. They are also meant to strengthen the institutional capacity of customary land administration systems (Interview with Lands Commission, 2012). The CLSs operate within the jurisdictional area of traditional leaders, where common customary laws apply in administering the land. The LAP in 2004 began with ten (10) pilot CLSs, one in each region and currently has 37 CLSs throughout the country.

Notwithstanding these interventions in customary land administration, Whitehead and Tsikata (2003) and Amanor (2006), have doubted customary institutions' abilities to improve equitable land delivery to socially disadvantaged groups. This, in their view, is due to the skewed social and power relations inherent in the local political entities. It is feared that inefficient customary institutions may worsen equitable land access and land tenure insecurity of vulnerable groups. Customary land in Ghana remains communal and entrusted to lineage, clan or family heads to manage on behalf of their people. These actors are entrusted with powers at the community level to drive change and lead in development endeavours (Ubink, 2006). Customary institutions, especially chieftaincies have remained resilient despite the numerous government interventions to curtail the powers of chiefs. The establishment of the Regional and National Houses of Chiefs further consolidated the position of chiefs in the national political structure. By

and large, customary institutions have acted as '*autonomous*' entities in land administration and have not collaborated much with state agencies for fear of interference and power usurpation (see Anyidoho *et al*., 2008; Ubink and Quan, 2008).

Table 2.1 Land sector agencies in Ghana and their major functions

Name of Land Sector Agency	**Major Functions**
Public and Vested Land Management Division - Lands Commission Act, 1994 Act 483 and Lands Commission Act, 2008 (Act 767).	Public land management, provides land delivery services, maintains stool and public land records, manages deeds registration records, aids in private land management, formulates and recommends land policies and land use preferences.
Land Valuation Division (LVD) - Section 43 of the PNDC Proclamation (Supplementary and consequential Provisions Law, 1982 (PNDCL 42).	Capital valuation for sale or purchase of property by government, rating valuation, rental valuation for government, compensation valuation, stamp duty assessments, and, collecting data for government land values.
Town and Country Planning Department (TCPD) - Town and Country Planning Ordinance, CAP 84.	Help Assemblies (MMDAs) to prepare and implement settlement plans to promote harmonious development, aid in implementing development controls.
Survey and Mapping Division (SMD) - Survey Act, 1962 (Act 127).	Survey and demarcate land boundaries, demarcation and preparation of composite plans, engineering survey for construction works, advise the Local authorities on survey and mapping.
Land Registration Division (LRD) - Land Title Registration Law, 1986 (PNDCL 152).	Responsible for land title registration. But only operational in Accra, Kumasi and the Tema registration districts.
Office of the Administrator of Stool Lands (OASL) - Office of the Administrator of Stool Lands Act, 1994 (Act 481).	Responsible for the Collection and disbursement of stool land revenue, by operating a stool land account. Also empowered under Article 267 of the Ghana Constitution (1992).

Source: Own Compilation, 2013

Consequently, stools and heads of families dominate land transactions in Ghana (Kasanga and Kotey, 2001; Sarpong, 2006; Agbosu *et al*., 2007). Governments have also used legislative instruments such as the State Lands Act 1962 (Act 125) and the Administration of Lands Act 1962 (Act 123) to compulsorily acquire customary land for public purposes including agriculture. Colonial and some post-independence

governments of Ghana used compulsory acquisition to acquire land for infrastructural development and to catapult economic development. The abuse of the power of eminence domain in some instances, however, resulted in conflicts regarding outstanding compensation across the country. In order to resolve, formalise and streamline land administration in Ghana, several statutory institutions were set up to perform various land administrative functions. Some of these institutions and their core legislative functions are summarized in Table 2.1.

2.2.2 Responsibilities and constraints of chiefs in land administration in Ghana

Prior to colonization, traditional authorities[14] all over Africa functioned as religious, political, judicial and the spiritual authorities of the community, and performed various responsibilities in the management of communal resources (Appiah-Opoku and Hyma, 1999). Their authority hinged on land. Land is a source of power and an embodiment of socio-cultural (Crook, 2005), and spiritual identity (Lentz, 2006). The chief is also the custodian of cultural and community values (Lars, 1999). It is believed that before colonization in the then Gold Coast, various forms of patriarchal social organizations existed in the then northern protectorates of the country (Mohammed-Katerere, 2004). These societies were governed through norms and values (Platteau, 2000). In the *Asante* and *Dagbon* areas, chiefs own and manage land as fiduciaries. However, chiefs in the Upper West and Upper East regions remain political-administrative heads, with limited roles in land administration. In these areas, the *Tendaana*[15] is the ultimate authority over community land (Kasanga, 1995), and is responsible for religious and spiritual issues (Abu and Millar, 2004). Though chiefs wield enormous power to propel local level development including natural resource management and dispute resolution, they have

[14] The term traditional authorities is used to refer to Chiefs, Tendaamba, Clan heads, Family heads, Magazias (women leaders), and Soothsayers, Diviners, Rainmakers, indigenous groups, and organizations as well as the societal norms, values, beliefs, cosmovision and practices such as festivals that ensure community natural resource management (Millar, 2003). They are self-identified human groups and structures characterized by peculiar socio-politico-cultural systems, languages, cultures, values and beliefs, by a close relationship with the land and natural resources as a whole in their territory (Goodin, 1996).

[15] The *Tendaana* (plural –*Tendaamba)* are the descendants of the pioneer migrants and they are the ultimate authorities regarding land in their respective villages and towns (Kasanga, 1995).

always performed these roles together with community elders who constitute the traditional council.

In the post-colonial era of Ghana, some powers of chiefs were restricted while new roles were imposed, invented or re-invented. For example, all the lands in the northern protectorates (now Northern, Upper East and Upper West regions) were vested in the government under the Land and Native Rights Ordinance, 1931 (CAP 147) in trust for the people of Ghana. This remained so until the institution of the Fourth Republican Constitution of Ghana (1992), which returned these lands. The return of these lands redefined land relations of chiefs and the roles of *Tendaamba.* Though the role of chiefs as custodians of customary land remains the same in the States of Dagbon, Asante, Akyem and Abuakwa states, Kunbuor (2002:11) reports, *"the role of the 'Tendaana' is fading into oblivion"*. This is because land is gradually reduced to family use in northern Ghana (Bugri, 2013). From the above narrative, the authority of chiefs is derived from legislative powers (Acts, Laws, and Decrees), customary rules and regulations; and precedents from judges, customary courts, communal meetings, and traditional councils.

According to Crook (2005), chiefs are also development agents. In their position, they lead in attracting investments into their communities by illuminating opportunities in their localities, as heads of the traditional council. The Chieftaincy Act, 2008 (Act 759) mentions the functions of the traditional council to include the management of stool [skin] land, and the review and modernisation of customary laws considered obnoxious. Even though some of these roles have been embedded into the Fourth Republican Constitution of Ghana (1992) as well, the rights of chiefs to administer land, and the extent of community consultation that is required prior to land alienation, remain succinctly unexpressed in the statutes (Adarkwah, 2006). The chiefs' rights to administer communal land has been gravely influenced by national politics (Sarpong, 2006), rising population pressures, growing demand from commercial investors (Berry, 2001; Ryan, 2006), and the extraction of new agricultural frontiers (Ubink, 2008). In the view of

William *et al*. (2012), the excessive powers of chiefs to negotiate the terms, price, and conclude land transactions need to be regulated.

Table 2.2 Land transfer restriction by land use, size and years

Land to Individuals	Lower Size Limit		Upper Size Limit		Upper Year Limit
	Km^2	Acres	Km^2	Acres [d]	Years
Residential	-	-	-	-	99 [a]
Commercial Agriculture [b]	2.59	640.0	7.77	1,920.0	50
Poultry and cereals	2.59	640.0	7.77	1,920.0	10
Mining	5.80	1,433.2	155.40	38,400.0	60
Timber	103.4	25,550.6	621.60	153,600.0	30
Land Grant [c]	12.95	3,200.0	25.90	6,400.0	-

[a] Non-Ghanaians are restricted to 50year residential leases
[b] Ranching, mixed or permanent crops
[c] Body Corporated or unincorporated
[d] 1acre is equivalent to 0.4047hectares

Source: Kasanga *et al*., 1996

To curtail these enormous powers of chiefs to administer customary land in Ghana, the state instituted checks on the extent to which these powers can be exercised to avoid misuse. The Fourth Republican Constitution of Ghana (1992) specifies the limits in years and sizes of various acquisitions by nationals and non-nationals and for various land uses. For example Article 266 (1) of the Constitution prevents non-Ghanaians from holding freehold interests. Furthermore, Article 267 (5) prohibits the creation of freehold interest over any stool land in Ghana in favour of any person or group of persons. The Administration of Lands Act (Amendment) Decree 1979 (AFRCD 61) further details various land uses with the respective limitations on land sizes and duration of tenure. As shown in Table 2.2, non-citizens can acquire land for residential purposes, for a period of not more than 50years, while Ghanaians can acquire residential land for a period of 99years. In the same way, there exist upper and lower limits to the sizes of parcels that can be acquired for residential, commercial, mining and agriculture. Even though sizes of recent land acquisitions in Ghana have exceeded these upper limits, they are condoned within the current economic and agrarian landscape of Ghana. These excesses are permissible under Section 12 [4] of the Administration of Lands Act, 1962 (L.I. 232) that allows for the President to waiver restrictions, when the limits in Section 3

are prejudicial to national interest.

The major obligation of chiefs towards their subjects is embedded in Article 36(8) of the Constitution of Ghana (1992), that:

> *"the State shall recognise that ownership and possession of land carry a social obligation to serve the larger community and, in particular, the State shall recognize that the managers of public, stool, skin and family lands are fiduciaries charged with the obligation to discharge their functions for the benefit respectively of the people of Ghana, of the stool, skin, or family concerned and are accountable as fiduciaries in this regard".*

Hence, traditional leaders entrusted with communal or family land have obligations to live up to their duties and expectations, else risk being *destooled*[16]. In performing all these duties, chiefs may be constrained with the know-how in negotiating complex land transactions, sometimes amidst widespread land litigations.

Based on the enormous customary and legislative powers bestowed on chiefs, they play very important roles in land market activities from negotiations through to signing land deals. There are variations between the ideal powers of the chief and in reality, the powers they exercise in relation to land (Tsikata and Yaro, 2011; Bugri and Coulibaly, 2012). There are numerous reports of abuse of powers by chiefs in many parts of Ghana, and the general unscrupulousness and disingenuousness in administering customary land. Examining this is even more critical as most chiefs are seeking complete autonomy and legitimacy from the state. In Ghana, chiefs continue to refute accusations of land sales. They insist all payments amount to '*drink money*'/'*kola money*'/'*aseda*'[17]

[16] To '*destool*' a chief means to remove from office. Since the symbol of authority of the chief is the 'stool', to '*destool*' will mean to recall the stool from the chief and all his traditional authorisations. It is used in contrast of '*enstool*' – to install a chief.

[17] The term *'drink money'* is used to refer to the lump sum payment made for the allocation of customary land in Ghana. In the past, acquiring land required greeting the chief or family head with a drink mostly

as part of customary protocol fees to symbolise political allegiance (Platteau, 1993). Albeit *drink money* in some cases may appear exorbitant within local standards (Alden Wily and Hammond, 2001), it only transfers land use rights and not outright ownership. Furthermore, *drink money* as a social fee has come to stay across Ghana, without standardisation for these payments. According to Amanor (2006), payment of *aseda* is instrumental to accessing farmland in economic crop frontier areas, even if one is a family member. However, the discretionary charging of *drink money* leaves room for exploitation.

2.3 Institutional innovations, land tenure and land market linkages

Within the institutions and institutional change discourse, institutions according to North (1990:4) are formal rules and laws*...“human beings devise to shape human interaction”.* Williamson (2000) defines institutions as the informal rules within which formal institutions are embedded. Institutions may be intentionally formulated or evolve extemporaneously. Greif (2006:30) expands the definition of an institution to include system of rules, beliefs, norms and organizations that together regulate social behaviour. Within this context of Grief's definition, institutional change implies marginal adjustments to the complex rules, norms, and enforcement that constitute the institutional framework (North, 1990:83). In line with North (1990), land institutions must achieve basic objectives including the following: protect their people from exploitation, promote their welfare and development, ensure tenure security for all, enhance equitable access to land by all, promote peace and tranquillity, and improve dispute resolution and tenure security.

Institutions and institutional changes are relevant in shaping customary land administration in Ghana. Efficient institutions have the potential to influence the

schnapps. Over the years as the demand for land increased, it became a practice that money was preferable to schnapps. Subsequently, the practice metamorphosed into presenting 'drink money' to chiefs. These amounts however, vary across space and time in Ghana and may amount to cash payment equivalent to the economic value of land (see Delville *et al*., 2002b). Nevertheless, chiefs still maintain that this does not amount to a sale price or even a rent for land but a gift to use agricultural land. The story may be different in urban estates, where land market activities are quite brisk. It is common to have both the drink and drink money paid these days as well.

welfare contribution of land transactions. Failure of customary land administration systems to secure the expected benefits from large-scale land deals may thus be a reflection of poor governance systems. Wallis and North (1994) already identified that changes in the production process induce changes in institutions. Similarly, agricultural commercialisation has potential influences on changes in both formal and informal land institutions, and the efficiency or inefficiency of these institutions can impact the level of benefit to host communities.

Following the general challenges *informal* land tenure systems pose to land administration in Africa, various institutional innovations have been devised to improve it. Since the 1980s, emphases are made for the transformation of communal-customary landholdings into formalized private titles. The works of de Soto (1989) motivated many governments in developing countries to adopt land privatisation through land titling as a panacea to wealth creation. Due to the uniqueness of various informal tenure systems, many African governments adopted various land formalisation models, as a remedy to urban land administration challenges. Unfortunately, most of these programmes in Africa have either completely failed or are partly implemented in the urban centres. De Soto (2000:171) has attributed the failures of land formalisation programmes to the disregard for pre-existing social and collective contracts that underpin landholding arrangements. In Ghana, land title registration could not be scaled up nationwide since 1986 due to funding and logistics constraints, and the total disregard for customary systems that existed before (Kasanga, 2002).

In the urban and peri-urban areas of Africa, central and local governments have devised various tools and approaches to regulate land administration. Modelled along colonial ideologies, most land management approaches were fashioned to meet the needs of colonial agricultural production modules (Durand-Lasserve *et al*., 2002). In the French West African colonies, various legislations were deployed to emphasise individual access to and ownership of land, while nationalising *idle* lands. The French colonial states further ensured that private rights were documented and registered. In Benin, Burkina

Faso and Senegal, portions of land that were deemed *vacant and unclaimed* became state lands, as the state provided opportunities for the registration of customary lands. According to Mabogunje (1992), these centralised land management procedures enabled large tracts of unoccupied customary lands to be nationalised in the name of social justice, equitable access to land and prevention of speculation.

Land supply to the urban poor remains dominated by customary interests (Benton, 1994) and this has remained resilient to pressures of radical state reforms and market pressure (Durand-Lasserve *et al*., 2002). For example in Benin, Burkina Faso and Senegal the state monopoly on land is gradually softened due to pressure from civil societies. In Benin, informal practices regarding the provision of land for housing have been successfully integrated into formal structures, and informal institutions are offered a considerable level of legitimacy. On the other hand, Mali, Mauritania and Cote d'Ivoire have remained adamant to liberalise their land markets. Mauritania for example continues to postpone land market privatization, while Senegal and Guinea adopted land privatization in principle, but have not implemented these policies (Payne, 2002). Burkina Faso, however, managed to create land development agencies with financial autonomy, but still operate under government control. In the urban and peri-urban regions of Africa, central governments continue to hold grip to customary land under the pretext of protecting them from improper use, speculation and for public service and infrastructure planning purposes.

2.4 Methodology

2.4.1 Sources of data

A case study approach was adopted since it is conducive for the study of the interaction between a social phenomenon and social actors (Yin, 2003). The empirical analysis of this chapter is based on multi-level qualitative data collected between August 2012 and April 2013 in Ghana using institutional surveys through snowballing and purposive sampling. The qualitative studies also involved the critical review of existing legal documents as well as interviews with chiefs, elders, officials of the Lands Commission,

officials of the Ministry of Food and Agriculture (MoFA), and the Office of the Administrator of Stool Lands (OASL). To be able to understand the nature of land acquisition between community smallholders and large-scale investors, household interviews were also conducted in four (4) communities – Dukusen, Afrisire, Gushie and Tunayili around the ScanFarm (Gh) Ltd (Asante-Akim North District) and the Integrated Tamale Fruit Company (ITFC) Ltd (Savelugu-Nanton District). Some officials of the selected investment companies were also interviewed. Interviews were conducted using semi-structured interview guides. In studying institutional governance, 17 key stakeholders comprising 4 village chiefs, 2 Assembly members, 4 village secretaries, 2 officials from the Lands Commission, 2 officials from the Ministry of Food and Agriculture, 1 from the Office of the Administrator of Stool Lands, 2 managers of the agro-companies, were interviewed on designed land indicators. The responses of these stakeholders are displayed in Appendix 6 and 7.

2.4.2 Analytical framework

Descriptive narratives were used to present and analyse qualitative data in this chapter. Narratives are preferred because they vividly tell the story behind the phenomenon. Data on the key institutional stakeholder relationships was analysed using institutional mapping. Institutional mapping is a strategic tool that examines the stakeholder's powers, interest, influences and relationships among them (Morris and Baddache, 2012). The analysis of institutional governance was undertaken based on the Land Governance Assessment Framework (World Bank, 2010). Key stakeholders with knowledge on the studied LSLAs and land tenure undertook the ranking of land governance, and these responses were compared with existing literature (World Bank, 2010; Bugri, 2012). Experts interviewed on land governance issues were asked various questions on the land indicators, which were developed by the study, based on the literature on the various governing principles of LSLAs. The responses were presented in Likert Scale of 4 to 1 in descending order to correspond with A to D as adopted from Bugri (2013) and Hilhorst (2014) in Table 2.3.

Table 2.3 Scores of land governance based on global experiences

Dimension	Assessment Scale
Brief Description of Dimension	**A** - Best option towards a good land governance scenario. Scored greater than 90 percent.
	B - Second best set of options for making progress towards good land governance. Scored between 70 percent and 90 percent.
	C - Generally struggles to meet the criteria for good land governance however some attempts are being made. Scored between 50 percent and 70 percent.
	D - No attempts in this area towards good land governance. Scored less than 50 percent.

Source: Bugri (2013); Hilhorst (2014)

The averages of all scores for each indicator from the key respondents were then used to represent the overall score of that indicator in the respective communities. Indicators that scored an average of 4 were rated A to indicate that it was the best option towards good land governance and could possibly attract an overall score above 90 percent. An average score of 3 corresponds to B, indicating the indicator was the second best option towards good land governance. A C rating denotes that the indicator scored fairly well and lies in a percentage range of 50 percent and 70 percent. All indicators that scored 1 on average and fall below 50 percent and rated D; imply they are the worst performing in terms of good governance. A positive picture of good land governance will be one that increases more of A scores and with no or few D scores. Any score in-between, represents a fair assessment on governance.

From Table 2.4, Bugri (2013:67) sought to reflect in 16 land governance indicators (LGI), the assessment of the activities of LSLAs in Ghana and the procedures for land acquisitions. After identifying the risks associated with dispossession of title-less holders, LGI 1 assesses the score for the mapping and registration of forests lands at the disposal of various communities. Land mapping and registration goes a long way to reduce land conflicts and compensation challenges. Also, since various literature have reported on emerging conflicts over land, LGI 2 assessed if avenues exist to address conflicts generated during LSLAs. Other issues that were assessed included the availability and accessibility to information relating to land availability, land ownership,

land value, land use by both community and investors. In addition, Bugri (2013), examined incentives for investors, opportunities for profit sharing, social responsibilities of investors, land use restrictions, safeguards against environmental and contractual abuses, transparency in negotiations, and availability of procedures for complaints. Even though the land governance indicators formulated by Bugri (2013) formed the basis for this sub-section of the study, it was identified that these indicators were broad and covered a range of other possible indicators. Hence, as part of the contributions of this study, we developed our own list of indicators based on the review of literature on the guidelines of LSLAs.

Table 2.4 Land Governance indicators formulated for LSLA in Ghana

Large-scale Acquisition of Land Rights		
LGI	#	Indicator
LGI	1	Most forest land is mapped and rights are registered
LGI	2	Conflicts generated by land acquisition and how these are addressed
LGI	3	Land use restrictions on rural land parcels can generally be identified
LGI	4	Public institutions in land acquisition operate in a clear and consistent manner
LGI	5	Incentives for investors are clear, transparent, and consistent
LGI	6	Benefit sharing mechanisms for investments in agriculture
LGI	7	There are direct and transparent negotiations between right holders and investors
LGI	8	Information required from investors to assess projects on public/community land
LGI	9	Information provided for cases of land acquisition on public/community land
LGI	10	Contractual provisions on benefits and risks sharing regarding acquisition of land
LGI	11	Duration of procedure to obtain approval for a project
LGI	12	Social requirements for large scale investments in agriculture
LGI	13	Environmental requirements for large scale investments in agriculture
LGI	14	Procedures for economically, environmentally, and socially beneficial investments
LGI	15	Compliance with safeguards related to investment in agriculture
LGI	16	Procedures to complain if agricultural investors do not comply with requirements

Source: Bugri (2012); Bugri (2013:67); World Bank (2010)

Since several non-mutually exclusive indicators from UNDP (1997), FAO (2007), FAO (2007:12), World Bank (2010) exist relating to the ascertainment of the quality of land governance, 7 main good governance categories were adopted for this study - effectiveness and efficiency, transparency, community participation, accountability, rule of law, sustainability and equity. These indicators are preferred because of their wider

application to customary land tenure (Arko-Adjei *et al*., 2010); they overlap (Kaufmann *et al*., 2007) and allow for many governance issues to be considered. Based on these categories, 30 LGIs were developed for the study. Efficiency and effectiveness relates to the proper application of rules, regulations and procedures relating to land acquisition, mapping, registration and institutional collaboration. Also, transparency assesses land negotiations, feedbacks on revenue, access to information and arbitrariness in the use of custodian powers by chiefs. Detailed discussions on all the selected good governance indicators relating to Ghana and the study areas are presented in section 2.5.4 of this chapter.

2.5 Analysis and Findings

In this section, the findings of the study are discussed in line with the objectives outlined in the last paragraph of section 2.1. The discussions are structured on a case-by-case basis, and on the peculiarities of each selected case study community, region and the respective large-scale agro-project. This section is structured under four main sub-heading: processes of land acquisition, stakeholders and their relationships in land acquisition, changes in institutional setups, and land governance assessment.

2.5.1 Processes of land acquisition by investors and subsisting farmers

From the studies of ScanFarm (Gh) Ltd (2012), the land was acquired through the Agogo Traditional Council (ATC) for *Jatropha curcas* production. A member of the Agogo royal family facilitated the process of land acquisition. According to the facilitator, such an investment is an opportunity to stimulate development in the area (see Wisborg, 2012). Subsequent negotiations between ScanFarm (Gh) Ltd and the Agogo Traditional Council (ATC) led to the payment of the necessary customary *'drink money',* and an agreement on annual land rents. ScanFarm (Gh) Ltd proceeded to demarcate the whole concession, mapped it and drafted a lease document in conjunction with the ATC. During this process ScanFarm (Gh) Ltd dealt with the Agogo Traditional Council (ATC), with no direct discussions with the eight (8) communities whose communal lands were deemed affected by the concession. There were also neither community consultations nor

sensitizations meetings to inform and educate people on the impacts of such a *'development opportunity'* in their locality as was being promoted.

The exclusion of the local people from the ScanFarm land acquisition process caused initial upheavals by the residents of Agogo in 2010. For example, it was unclear at the community level how the *'drink money'* was arrived at and no formula is available for assessing it. Ordinarily, *'drink money'* which is payment grounded in custom should be negotiated between the investor(s) and the granting stool, but the actual amount paid in cash, depends on the respective negotiation powers of the parties. From the focus group discussions conducted in Dukusen and Afrisire, the communities are not aware how much was paid for the land according to local customs, and the chiefs did not declare or account for money accruing from that land transactions (FDGs, 2012). According to Belden (2010:12), traditional authorities always remain adamant to declare and account for land revenue because they are not obliged to reveal the amount involved in land transactions. Contrary to this, Article 36(8) of the Fourth Republican Constitution of Ghana (1992) and Section 1(1-3) of the Head of Family (Accountability) Law, 1985 (PNDC Law 114)] both require accountability for fiduciary roles of chiefs and family heads respectively. Also, since no crops were destroyed, there was no compensation for crops. In ScanFarm's proposed lease agreement, they were granted interrupted water access for the purposes of farming (Interview with PVLMD, 2012).

For the Integrated Tamale Fruit Company (ITFC) Ltd, the land was acquired from the *Ya Na* through the local chief of Dipale and with the assistance of the *Nanton Na*. Community meetings and site inspections to ascertain fallow and actively cropped lands preceded the acquisition. *Kola money* was agreed with the *Ya Na* and his council. The community and ITFC Ltd also agreed on developmental projects and job creation as part-payment for the land, and not just as a form of Corporate Social Responsibility (CSR). From the FDGs (2013) held at Gushie and Tunayili around the ITFC project, it was revealed that communities did not know how much the land cost and by custom they are not permitted to request such details from the *Ya Na*. ITFC Ltd reported holding

community discussions in all four (4) affected communities and no community upheavals have been recorded since the start of the project in 2001. Since water is necessary for mango production especially in its early years, the lease of ITFC required uninterrupted access to water from the White Volta, which borders the communities. The details of the two land contracts in Agogo and Gushie are summarised in Table 2.5.

Table 2.5 Summary of lease details for both ScanFarm Ltd and ITFC Ltd

Detail	**ScanFarm (Gh) Ltd**	**ITFC (Gh) Ltd**
Location of Investment	Agogo, Ashanti Region	Tamale, Northern Region
Investment Ownership	Norwegian	Ghana and Dutch partnership
Year of Inception	2009	2001
Crop Produced	Maize, soybeans and sorghum	Mango and biodiversity field
Future crops in mind	Upland rice and teak	Butternut squash, citrus, maize
Total land Acquired (acres)	13,058hectares	1,363acres (552ha) nucleus farm
Area cultivated (acres)	About 1,300hectares (10percent)	1,000acres (405ha) (73percent)
Declared Payments	US$ 23,000	Gh¢ 6,000
Duration of Lease	50years (25yrs two streams)	99years
Rent per acre per year	From US$ 1/p.a/acre in 2009 to US$ 3.5/p.a/ha in 2014	Gh¢100 (US$ 52 as of 1st April, 2013) p.a. for whole parcel
Form of Compensation	Cash and free tillage	Cash through chiefs
Who was Compensated	Family usufructuary holders	Active Fallow land owners
Water Inclusion	Uninterrupted water access	Uninterrupted water access
Community Expectation	Jobs and Development	Jobs and Development
Promised Development	Jobs, school, toilets and help in development	Jobs, scholarships, schools, teachers, water, accommodation, teachers and allowances

Source: Field Survey, 2013

In the Agogo traditional area where ScanFarm (Gh) Ltd is located, smallholders can acquire agricultural land through the village Chief (*Odikro*) or directly from the *Omanhene* depending on the size of land required. From the interviews with the *Odikro* of Dukusen (interview, 2012), the *Omanhene* directly administers lands above 5acres (2 hectares) while the village chiefs handle smaller land acquisitions. For an acre of land, consultations are first held with the *Okyeame* (linguist and secretary of the Chief) who then leads the farmer to the chief. Subsequently, payment is made for *mpaboa sika* (sandals money) to enable the chief or the *Okyeame* (linguist) or a delegated community

elder walks the farmer to a vacant piece of land. Upon the grant of land, one is mandated to pay land rent to the *Omanhene* through his *Odikro* annually either in cash or kind.

In the Savelugu area where the ITFC Ltd is located, smallholders, who are indigenes, acquire farm or building land through first settlement, inheritance and explicit grants from previous family usufruct holding. For settlers, land is acquired from the local chief by presenting *kola nuts* or *kola money* through the *Gundaanaa* (village Chief of Gushie). According to the Chief of Gushie (in an interview, 2013), a village in the ITFC Ltd operational area,

> *"kola money is never fixed, it depends on the use of the land, the person involved, the chief at the time, and the way you approach him. Obviously, agricultural land is less expensive than building land"*.

The presentation of *kola nuts* or *kola money* by potential tenants to the chief and elders is not equivalent to payment for land according to the land custodians. A grant of agricultural land is seen as *akyedie* (*gift* in Akan according to Amanor, 2006) to feed oneself. A grantee may subsequently, voluntarily show *appreciation* to the chief by presenting him with favours annually (e.g. a portion of produce). Even though this is not compulsory in principle, an elder in Tunayili (2013), a village in the ITFC Ltd operational area remarked:

> *"failure to perform this gesture has consequences. If the chief is not getting anything from you, and there is any development coming to his area which requires some land, I am sure your land would be the best place to start with"* (interview with village elder at Tunayili, 2013).

Approaching a chief to request for land may cost 12 pieces of *kola nuts*[18] or cash equivalent or both as *greeting fee*. After obtaining an agricultural parcel, a farmer's *appreciation* to the chief for the land, may be equivalent to a bag of the maize, millet, beans or groundnuts one produces seasonally. Though the chief in Gushie insists annual rents are optional for indigenes and settlers, annual *appreciations* are always welcomed. Agricultural lands are generally not registered in the Savelugu area. This notwithstanding, tenure systems are reported to be very secure with few recorded cases of land disputes.

2.5.2 Stakeholders in land acquisition processes and their inter-relationship

The main stakeholders identified in large land transactions in Ghana are the chiefs, the investors, the government and the host communities. However, to facilitate these transactions, the Lands Commission has played a critical role in formalising and registering the deeds of land transactions. The Town and Country Planning Department (TCPD) also play a role in assessing the suitability of the investment according to local zoning regulations. The Survey and Mapping Division of the Lands Commission was reported to be responsible for vetting and approving surveyed lands, while the Environmental Protection Agency (EPA) assisted in providing environmental audits, permits and sanctioning of environmental sanity breaches. Based on empirical work from a multi-country study in Africa, Cotula *et al*. (2011:104) stated that: *"several countries require an Environmental Impact Assessment (EIA) or an Environmental and Social Impact Assessment (ESIA) to be carried out prior to project approval".* In line with this, Ghana requests an environmental auditing report as part of the requirements for issuing environmental permits. However, no Social Impact Assessment (SIA) is required to grant operational certificates to the investors, as both companies studied have no SIA reports.

[18]Twelve pieces of kola nuts cost about GH¢ 20 (US$ 10.4) to GH¢ 30 (US$ 15.6) as of 1st April, 2013 depending on the type and sizes.

The current structure of the main institutions that regulate land management in Ghana is illustrated in Figure 2.2. Under the Ministry of Lands and Natural Resources, the Lands Commission and the Office of the Administrator of Stool Land (OASL) are the institutions directly into the administration of large acquisitions in Ghana. The Lands Commission is a reconstructed body under the Lands Commission Act 2008 (Act 767) comprising the Public and Vested Land Management Division (PVLMD), the Survey and Mapping Division (SMD), the Land Valuation Division (LVD) and the Land Registration Division (LRD). Before the passage of the Lands Commission Act 2008 (Act 767), which merged these institutions under an umbrella body, these institutions operated independently with limited collaboration with the others.

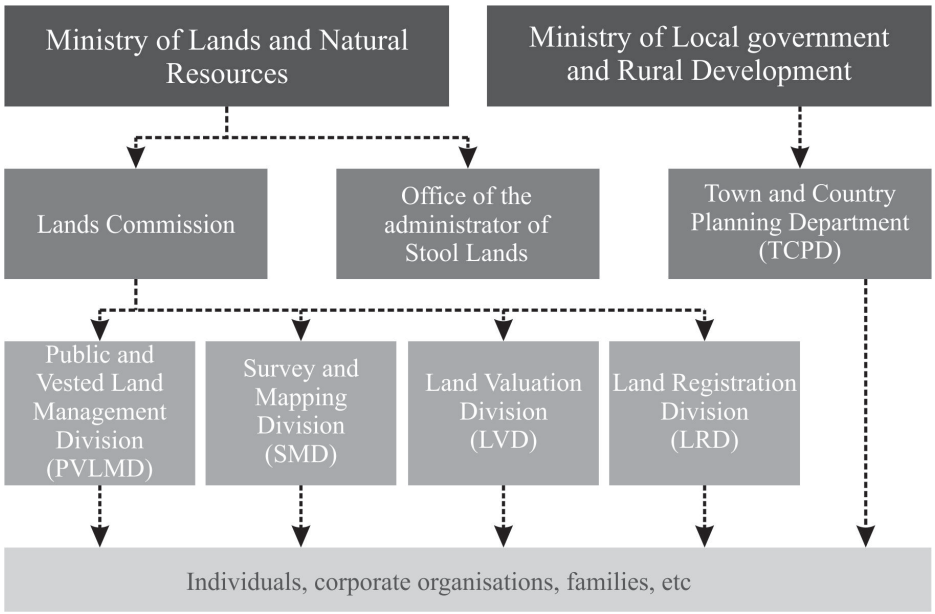


Figure 2:2 Institutional frameworks of land sector agencies in Ghana

Source: Own illustration

The Office of the Administrator of Stool Lands remains an independent organisation because its mandates were already captured in Article 267 of the Fourth Republican Constitution of Ghana (1992) and the Office of the Administrator of Stool Lands Act 1994 (Act 481). Under the Ministry of Local Government and Rural Development, the Town and Country Planning Department (TCPD) functions as a decentralised local level planning authority through designated District, Municipal and Metropolitan Assemblies

(MMDAs) across the country. Together, these organisations provide various services to individuals, families, groups, and cooperate organisations.

Beside the above mainstream formal land administrations institutions, the Ghana Investment Promotion Centre (GIPC) and the Ghana Free Zones Board (GFZB) have also played vital roles in promoting, regulating and legitimizing large-scale land investments. The GIPC and the GFZB directly attract these investors by offering various incentives including land and tax exemptions. The Water Resources Commission (WRC) regulates large water body access and use in Ghana. However, at the time of the study, both ScanFarm (GH) Ltd and ITFC Ltd did not acquire water resources certificates, yet they contracted with host communities' leaders to have uninterrupted water access from the rivers Afram and White Volta respectively. The Ministry of Food and Agriculture (MoFA) contributes to large-scale land acquisitions by providing assistance on how to access suitable agricultural land and other advisory services to investors. Under the Ghana Commercial Agriculture Project (GCAP), the Ministry of Food and Agriculture (MoFA) plays critical roles in assisting, facilitating and promoting access to appropriate agricultural lands. Chiefs are encouraged under the project, to contribute agricultural lands to a *land bank* through the Ghana Investment Promotion Centre (GIPC) for investment attraction. Also, the Land Valuation Division (LVD) provides valuation services to the public on behalf of the state. It could assist in the assessment of compensation for affected usufructs.

Figure 2.3 is an illustration of the current arrangement of all the institutions that play various roles in administering large-scale land acquisition in Ghana, and their relationship within this network. From Figure 2.3, it was identified that there existed strong alliance between some of the institutions, a weak connection between mainstream land organisations and certification authorities; and no connection between land agencies and other agencies that have critical roles to play in enhancing responsible land acquisition. From the illustrations in Figure 2.3, traditional authorities

remain as fiduciaries of customary land in Ghana, and have direct and regular contact with large agro-investors as suppliers of the bulk of agricultural land. In both case study agro-investment projects, the chiefs together with their traditional councils directly negotiated land prices and liabilities with the agro-investors. Subsequently, these investors contacted the formal land agencies – the Lands Commission, to receive approval for the transaction, and to register their rights if no legal injunctions, encroachments, expropriation or land use planning breaches are raised. These arrangements, besides being essential, are also prudent to prevent fraud, litigation and to legitimize the transaction. Deeds registration with the Public and Vested Land Management Division (PVLMD) of the Lands Commission for instance helps *to* legitimize land transactions and secures government's endorsement.

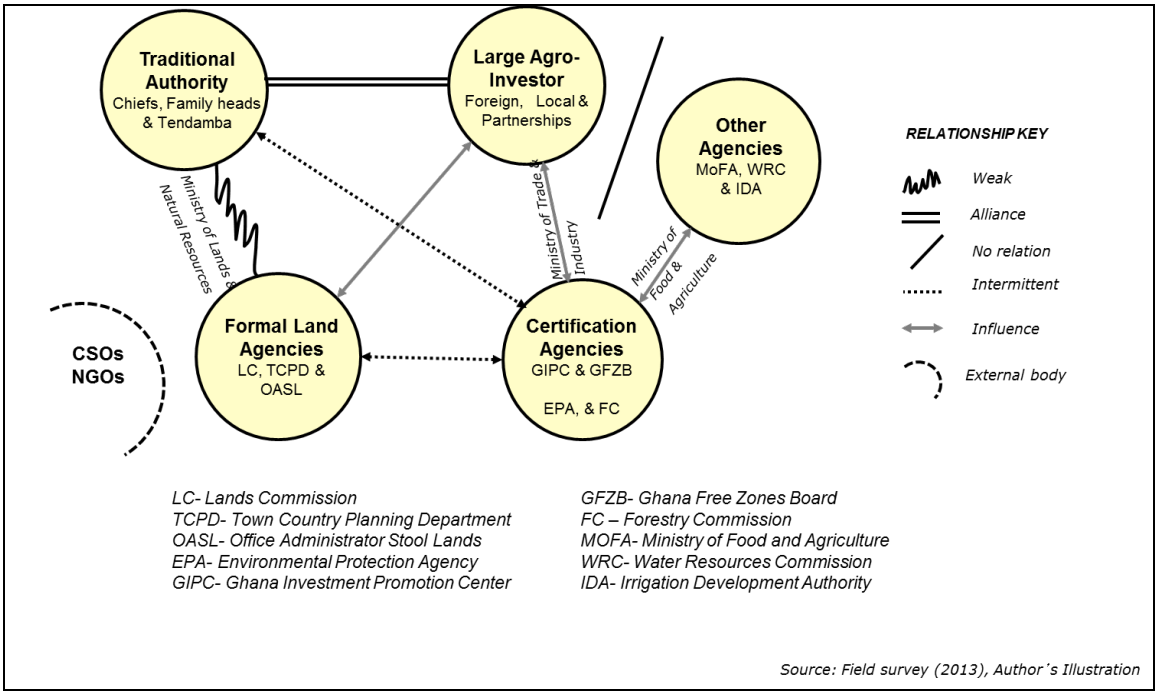


Figure 2:3 Current stakeholder relationships in formalising large agro-investments

Source: Own Illustration

The relationship between the Lands Commission and the traditional authorities is a weak one, since the chiefs are autonomous in their negotiations. Besides the mandates of the PVLMD to give "*consent and concurrence"* (according to Article 267[4] of the Constitution of Ghana, 1992) to stool land transactions in Ghana, and the Office of the

Administrator of Stool Lands (OASL) to collect and disburse stool land revenue (according to Article 267[6] of the Constitution of Ghana, 1992)[19], the chiefs and traditional councils have handled land transactions with minimal interference by the state. The Town and Country Planning Department (TCPD), which is responsible for assessing the appropriateness of the particular investment within local land use planning requirements, remains constrained since many towns and villages in Ghana remain un-surveyed, un-mapped and un-planned. Consequently, allodial owners continue to be the main initiators of local level planning. The prevailing *non-interference* stance of government in chieftaincy and stool land management, sometimes creates the lingering disconnect between the traditional authorities and formal land agencies. Even though opportunities exist to govern the processes of large-scale land acquisitions in Ghana, positive results are impossible if the current arrangement persists.

From Figure 2.3, there also exist weak relationships among the certification agencies, the traditional authorities and formal land agencies. The functions of these organisations though essential in regulating the activities of foreign investments in Ghana, are not collaborative in carrying out their respective functions. Albeit this expected relationship is not mandated by any legislation, information from the institutions that manage land registration should be pivotal in issuing operational permits to agro-investment companies. From the case studies in Ghana, these certification agencies do not have any direct operational relationship with the traditional authorities that administer customary land. There, however, exists a strong alliance between the investment companies and the certification companies since obtaining the necessary certificates implies governmental approval of their operations.

[19] Article 267(6) prescribes that: "Ten percent of the revenue accruing from stool lands shall be paid to the Office of the Administrator of Stool Lands (OASL) to cover administrative expenses; and the remaining revenue shall be disbursed in the following proportions- (a) twenty-five percent to the stool through the traditional authority for the maintenance of the stool in keeping with its status; (b) twenty percent to the traditional authority; and (c) fifty-five percent to the District Assembly, within the area of authority of which the stool lands are situated".

The Ghana Investment Promotion Centre (GIPC) and the Registrar General's Department, in issuing operational certificates to agro-investment companies, strongly collaborate with other agencies like the Ministry of Food and Agriculture (MoFA), the Water Resources Commission (WRC) and the Ghana Irrigation Development Authority (GIDA). From the study, however, the MoFA, GIDA and WRC do not directly relate with the agro-investors, the traditional authorities and the Lands Commission. The complete disconnect of the certification companies with the WRC and GIDA is what may be raising serious concerns about *water grabbing*. Mann and Smaller (2010) have insisted that water is the main motivation for large land acquisition in sub-Saharan Africa. The lack of involvement of statutory agencies such as the Water Resources Commission (WRC), Lands Commission and the Environmental Protection Agency (EPA), for technical knowledge and information throughout the land negotiation stages of the projects, means that vital information on long-term impacts of investments vis-à-vis water requirements is completely lost. Both companies studied did not obtain water extraction certificates.

2.5.3 Changes in institutional set-ups that influence land transactions

Agricultural policies play a major role in promoting LSLAs. Following the persistent difficulties of the agricultural sector in Ghana since independence, various governments have formulated policies and programmes as means to improve the productivity of smallholders who are highly resource-constrained. The Ministry of Food and Agriculture (MoFA) among other things, has formulated various policies and programmes intended to improve access to financial services, appropriate technology, improved infrastructure, access to markets, enhance human resource development, institutional capacities (interview with MoFA, 2013), and to facilitate investor access to land through the establishment of *land banks* (see Aryeetey and Udry, 2010; Schoneveld *et al*., 2011).

After the implementation of the Structural Adjustment Programme (SAP) in Ghana in the late 1980s through to the mid-1990s, the Medium Term Agricultural Development Programme (MTADP, 1990) was implemented to improve agricultural development. As

part of the programme strategies, the Accelerated Agricultural Growth and Development Strategy (AAGDS, 1996) was formulated to promote selected products through improved access to markets, technology for sustainable natural resource management, agricultural financial services, improved infrastructure, and to enhance human resource and institutional capacity. In order to accelerate the sector's growth rate, the Government of Ghana committed to invest in a series of actions: provide logistics and post-harvest infrastructure, improve planting material availability, invest in applied research and development programs, provide quality management and food safety systems, support industry and farmer owned organizations, and provide strategic information systems - that will set the basis for future agricultural developments.

In 2001, the New Patriotic Party (NPP) under the Growth and Poverty Reduction Strategy (GPRS I, 2001) formulated the Food and Agriculture Sector Development Policy (FASDEP I). FASDEP I (2002) was necessitated by the urgent need to modernise agriculture in fulfilment of the then President's vision of transforming Ghana into a leading agro-industrial country in Africa by the year 2010. FASDEP I was to enable the agricultural sector adapt to rapid structural changes in the domestic and global economy, to help increase its contribution to the overall development and growth of the national economy. It was also to bring out the linkages in the food system, production, storage processing, preservation, packaging and marketing, as well as linkages among the various agricultural and other non-agriculture sub-sectors. FASDEP I also emphasised the optimum and sustainable utilisation of all resources and commercialisation of the agricultural sector with market-driven growth in mind. This was necessary to provide a framework for modernising the agricultural sector and making it a catalyst for rural transformation.

Notwithstanding the diversified policy priorities of the FASDEP I, it failed to achieve the desired agricultural transformation for agricultural commercialisation, improve smallholders' productivity and impact on poverty for a number of reasons. For example, the expectation of modernising poor smallholder agriculture was unachievable because

of improper targeting of the poor within an environment where the fundamental drivers of agricultural modernisation, access to credit, technology, infrastructure, and markets remained very limited. It was realised that the problem analysis was weak and did not sufficiently reflect smallholder perspectives, needs and priorities. Also, the specific approach through which the Ministry of Food and Agriculture (MoFA) could stimulate responses from other ministries, departments and agencies for interventions that fell outside the domain of MoFA was not specified.

Due to the shortfalls in FASDEP I, the Food and Agriculture Sector Development Policy (FASDEP II, 2007) was formulated. FASDEP II sought to improve the environment for all categories of farmers, while targeting poor, risk-prone and risk-averse smallholder producers. It also targeted fewer commodities for food security and income diversification, especially for resource-poor farmers. Under FASDEP II, a number of policies were also formulated to shape agro-investment in Ghana. For example, in 2011, the Medium Term Agriculture Sector Investment Plan (METASIP, 2011) was formulated as an investment plan to support the implementation of the medium term plans in FASDEP II (METASIP, ibid). Under the Plan, the government committed expending 10percent of its expenditure towards agricultural development and targeting to achieve a 6percent GDP growth rate[20]. METASIP is supposed to finance linkages between smallholders and agribusiness, to facilitate access to input, research, technology and product markets, as well as other essential services.

In 2012, the Ministry of Food and Agriculture (MoFA) commenced the Ghana Commercial Agriculture Programme (GCAP, 2012) aimed at increasing smallholder access to land, private sector finance, inputs, and output markets through public-private partnerships in the Accra Plains and the Northern Savannah Ecological zone (see interview with MoFA, 2012). The programme targets the private sector in transforming

[20] Note that the targeted 6 percent growth rate in agricultural development is in accordance with the ECOWAS Agricultural Policy and NEPAD's Comprehensive Africa Agricultural Development Programme (ECOWAS/CAADP).

agriculture from a low-productive subsistence-based sector to one characterized by high-productivity, integrated value chains, and extensive value addition (GCAP, ibid). Ghana's current agricultural policies are shifting focus from a subsistence-based smallholder system to a stronger market-oriented system that aims at integrating smallholders with larger commercial enterprises, along a functional value chain through contract farming and outgrower schemes. Since 2012, the GCAP remains in its initial stages with few nucleus farms established in the Accra plains while encouraging foreign direct investments (FDIs) into designated agricultural projects in the Savannah regions.

It is believed that implementing these policies will completely transform the agricultural sector in Ghana, yet insulate smallholders from agricultural shocks and challenges. In another dimension, it is probably due to these policies that the numbers of large-scale land acquisitions in Ghana have grown significantly in the last decade. In Ghana's case, the focus of agricultural policies has always been towards promoting large producers and agro-businesses, and subsequently using these as hubs to enhance smallholder production through sustained value chains. However, it remains unspecified in all these policies about how the land of smallholders can be protected even amidst attempts to facilitate large-holders' land access through established *land banks*. It is uncertain, if these *land banks* are being stocked with *idle or unoccupied* lands as is generally claimed, or these include lands already cultivated by smallholders. An improper targeting of these policies may invariably influence *land grabbing* in Ghana.

Following the high demand for agricultural land, the Lands Commission (2012) formulated guidelines to govern the processes of LSLAs in Ghana. Through the guidelines, the Lands Commission (2012) reveals that, the new spate of land and water demands in Ghana, require tact in order to curtail potential ramifications on smallholders. The guidelines also allude to the inexperience and incompetence of some traditional institutions in managing the magnitude of land demand. The Lands Commission's land acquisition guidelines acknowledged that large-scale land acquisitions have possible environmental implications; that most land acquisitions do

not conform to land use regulations, and that some acquisitions are speculative in nature. The various Regional Lands Commissions are allowed to administer lands of 1000acres (405ha) or less, but refer larger acquisitions to its head office in Accra.

Table 2.6 Changes in customary land tenure in Ghana per case studies

Before-2000 Customary Land Tenure System	**Contemporary Tenure System (in 2012)**
• Allodial title with Chiefs and *Tendaamba*	Multiple access routes: Allodial with Chiefs, family heads and individuals.
• Land largely remained communal land in Ghana	Ownership in peri-urban areas is being individualized and leased
• Family heads controlled family lands and members' land access and use rights were guaranteed upon request at both rural and urban areas	Commercialized exchange systems (leases, subleases, sales and mortgages)
• Grants were largely oral with no structures for proper documents, maintaining and recording land information	Formalized land transaction characterised by land registration
• Equitable and non-monetary access to land • Migrant farmers were encouraged to settle in farming communities as tenant/share-farmers • Women were marginalized in land ownership but had assured use rights to family land or borrowing from other owners	Access is restricted by lack of money, gender, citizenship status, and ethnic connotations, (land is controlled by the money market). Unequal benefits from land resources between custodians and the people.
• Bush lands were available and accessible to all based on kinship and social networks	There is no *un-owned land* in Ghana, patches of unoccupied land still abound
• Non-monetary commercial transactions were commonplace	Drink money is now equivalent to market values of lands
• Easy access, control, guaranteed security, unlimited term and secured livelihoods	Restricted access, land tenure insecurity, restricted term and livelihood threats

Source: Field Survey, 2013

At the community level, we also examined the changes in customary land tenure systems in the last decade and the field observations (as of 2013) are summarised in the Table 2.6. The major change observed was that land transactions in the last decade have transformed from largely gratuitous grants to market-led land allocations in Ghana. Government agricultural policies encourage chiefs to make agricultural land available to large investors, with little emphasis on smallholders. The promotion of *land banks* have

rather disproportionately affected smallholder access to agricultural land; by facilitating a land market that targets allocating *problem-free* lands to large investors, instead of protecting the fragile rights of smallholders. Also, notwithstanding the numerous opportunities for community consultations, chiefs are abusing their custodianship roles for monetary considerations. According to Bugri (2013), chiefs in the last decade have begun to reconstruct their roles as landowners in their own right. Yeboah (2014) describes this emerging trend of large-scale land acquisitions since 2009 as a form of *market-driven expropriation,* because it is motivated by the desire of chiefs and family heads to benefit from emerging land market opportunities.

2.5.4 Assessment of land governance systems in Ghana

According to Kasanga (2001), agricultural development in Ghana will remain impaired without an institutional arrangement that guarantees smallholders' land use rights, secures title to land, distributes land resources equitably and promotes fair landlord and tenant relations. The Ghana Land Policy (1999) already acknowledged the existence of land governance challenges pertaining to both customary and statutory tenure, and the smooth functioning of land markets. Kasanga and Kotey (2001), and Deininger (2003) have argued that customary tenure institutions are a preferable option, to reinforce accountability and equity, and to ensure that low-cost land delivery is achieved. In line with this background, this sub-section of the chapter discusses the governance system of land tenure in the studied communities and juxtaposed these within the broader national land governance framework published by the World Bank (2010) and Bugri (2012 and 2013). The scores of our assessments are displayed in Table 2.7. In addition, the selected principles of good land governance are thoroughly discussed in line with available literature. The good land governance principles used included effectiveness and efficiency, transparency, community participation, accountability, rule of law, sustainability and effectiveness.

i. **Effectiveness and Efficiency –** Land tenure institutions can be described as efficient and effective, if they promote sustained tenure security for all land users across

space and time, and for all social classes. According to Arko-Adjei *et al*. (2010), efficiency and effectiveness is determined by how customary laws are implemented, how tenure insecurity is addressed, the competence of land administrators, the simplicity and clarity of land delivery processes, convenience and access to essential information, and how resolutions from land disputes are enforced. These factors are essential to curb the incidences of corruption and put competent persons in charge of land delivery. In line with these expectations and from the scores obtained from key stakeholders interviewed, it was established in the study areas, that rules and procedures for land acquisition though simple, are not documented. Land acquisition procedures are ad hoc and one must rely on established networks to acquire information and negotiate terms in land transactions. In terms of time, it was reported that acquiring customary land may take up to a year or more because of the delays in resolving interjections from both immediate and remote land right users especially usufructs holders.

In the registration of agricultural land, it takes a minimum of 3years to complete, according to the Lands Commission, due to the numerous processes involved – from allocation, surveying, valuation and registration. These delays sometimes compel investors to commence development of land even when it is unregistered. Customary lands are generally not mapped, and both allodial and usufruct rights are unregistered in all study communities. In the Agogo area where ScanFarm Ltd is located, only 3 farmers documented allocation contracts through the Customary Land Secretariat (CLS). After 5years of operations, ScanFarm (Gh) Ltd still relies on an initial MoU signed because they are still in the process of registering their lease. The process of lease registration has been very slow and plagued with a lot of objections from various usufruct families, who are purporting ownership of some portions of the ScanFarm concession. In total, the Kumasi office of the PVLMD as of December 2012 received 15 objections (data from PVLMD, 2012). The average score given to efficiency and effectiveness by the key stakeholders was a C, implying that customary land allocation for agricultural purposes have performed fairly well notwithstanding the lapses observed.

ii. Transparency - Transparency is the bases for assessing participation, accountability and equity (UN-HABITAT, 2007). Transparency is enhanced when access to information is guaranteed to all persons, even if it is at a fee. At the community level, the existence of consultative meetings and clarity in customary rules and regulations pertaining to land is a sure way to improve transparency. Transparency will go a long way to enhance efficiency and accountability (Piotrowski and Van Ryzin, 2007), if information on all land allocations and the use of land resources are accessible by all people to enhance their free, prior and informed consent. In this way, bribery and corruption will be controlled considerably. To improve transparency, the customary land secretariats were establishment to improve information capturing and storage, so as to provide the interface for land users and trustees to interact. Subsequently, land negotiations are expected to be transparent with feedbacks on expenditure, so as to avoid embezzlement and arbitrary expending. In the assessment framework, study communities performed abysmally in transparency. In the ITFC Ltd case study there appeared to be some level information dissemination to the communities concerned through periodic community meetings. The story of ScanFarm (Gh) Ltd was the opposite. Even though, the establishment of the Agogo Customary Land Secretariat offers opportunities for farmers to access information about land ownership and rent, the secretariat does not offer any data on income from land transactions. The various scores on transparency indicators are shown in Table 2.7. With a score of D, transparency continues to be a major area of concern of customary land administration.

From the interview with the registrar of the Agogo Traditional Council (2012), it was apparent that there are no benchmarks in deciding land rents. Rents are decided at the traditional council meetings with no advice from the Land Valuation Division (LVD) or other professional valuation experts, who understand the dynamics of local land value systems. The processes adopted by chiefs to negotiate and balance potential benefits and risks remain unknown to the local population. According to Bugri (2013), chiefs are negotiating land privately and these are worked out on a case-by-case basis with no laid

down procedures. These loopholes in land negotiation result in poor or ambiguous contracts, which fail to represent the interests of local communities, and permit their rights to be flouted. It is even worse when these interests are undocumented.

iii. Community Participation - Participation enables land-owning groups, women and other stakeholders to be involved in the land governance process through consensus building, freedom of expression, freedom of association and engagement with civil society without media gagging (FAO, 2007). Since it may be extremely complex to engage the entire community, their appointed representatives should be included at all levels to take critical decisions on the use of communal land. It is viewed that, emerging conflicts from LSLAs are usually a reflection of poor community engagement in the land delivery process (Bugri, 2013). Community participation can improve accountability; reduce social clashes, increase legitimacy, and foster confidence in customary land custodians. In line with this, the study advocates for community dialogue, consultation, participation, benefit sharing and use of land revenue to meet critical community development needs. According to Amanor (2006: 9), the existence of chiefly frameworks as trustees of customary land:

> *"establishes a process of community participation and stakeholder negotiation over land in which the masses of cultivators, women and youth are noticeably absent, and the community representatives are dominated by traditional authorities and the rural elite clientele of government development agencies and NGOs".*

In Ghana, the study identified limited community participation through village chiefs and with no opportunities for profit sharing or use of land revenue to address the numerous community challenges facing the people. The study observed that community members in all four study communities had limited knowledge about the provisions of the land contract, especially on *drink* or *kola money*, duration of lease, boundaries, rights and responsibilities of the investors. Community participation remains limited due

to the lack of opportunities for broad-base discussions such as community meetings. Community participation in the negotiation process of the ScanFarm (Gh) Ltd concession was deliberately limited to the Odikro's and not the entire community. Community participation scored an average of D, implying that consultation remains an area that needs a lot of attention for policy intervention. This is evident in the following quotations during the household interviews.

As one farmer (38 year old male) in Afrisire put it,

> *"their workers had a tent here, along the road. They were surveyors, and every day, they went into the bush to do measurements but we did not know what they were doing"* (FGDs, 2012).

According to another farmer (42 year old male) in Dukusen,

> *"we woke up one morning and saw bulldozers clearing the land; they started from where we cultivated yam. When we asked, they said Nana asked them to do it. And if Nana owns his land and gave us part to farm and now he asks someone to come and clear it, what powers do we have to stop them? We later heard it was a foreign company that needed the land to grow akaneadua [twi translation of Jatropha curcas]. That is all we know"* (FDGs, 2012).

iv. Accountability – Since chiefs and family heads hold family land as fiduciaries and not as owners, they ought to account for their stewardship. According to the FAO (2007), accountability is the surest means for reducing bribery and corruption. Accountability and transparency are closely intertwined as they both emphasize the necessity for institutions to be open to their subjects (Schultz, 2008) at all levels of stewardship. In the view of Arko-Adjei (2010), frequent interaction between trustees and community members, frequent feedbacks, record keeping and publicity of financial statements are important to measure accountability in customary tenure institutions. It is also believed that external independent bodies should periodically audit such

accounts so as to prevent squandering of income through corrupt and arbitrary spending. The lack of external scrutiny and appropriate legislations allow for some chiefs to exploit land price negotiations for personal enrichment. In the study areas, accountability for land revenue was totally missing in all respects. Though the study could not establish concrete evidences of corruption and financial misappropriation, it can point to the secrecy with which money is discussed. In the view of Belden (2010), such secrecy and weak linkages between chiefs and their people in the negotiation of land investment contracts may be signs of rent seeking. The average score of accountability was a D due to the secrecy with which money is discussed with virtually no record keeping.

v. Rule of law – By rule of law, the study implies the impartial enforcement of land regulations, clear contracts, opportunities to raise complaints about activities of large investors, and to seek redress for grievances against other land users (see details in Table 2.7). Legal frameworks should be fair and enforced impartially, particularly the laws that protect minority or vulnerable groups. Impartial enforcement of all laws requires an independent and unbiased judiciary and an incorruptible political body to oversee enforcement. The lack of willingness of power holders to enforce the law breeds corruption and nepotism (Zimmermann, 2006). Bell (2007) attributes bribery and corruption to poor remuneration. The study identified that some oral agreements were adopted to create beneficial opportunities for host communities and smallholders especially in the case of ITFC Ltd. There also exists a general consensus that land disputes or grievances on land use, should be directed to the local chief for resolution. Since land litigation in Ghana could last 15years in the Courts (see Cook. 2005a), the requirement to use ADR strategies is commendable. Even though community chiefs emphasised that customary rules are impartially enforced, there is no documentation of these customs, and this makes it extremely difficult to assess the efficacy. Rule of law obtained C as its average score.

Table 2.7 LGAF Indicators and how they apply to large land acquisition

LGAF Indicators and how they apply to Large Land Acquisition	ScanFarm Ltd		ITFC Ltd	
	Dukusen	Afrisire	Gushie	Tunayili
Efficiency and Effectiveness				
▪ Rules and procedures of land acquisition are simplified for all farmers	C	C	C	C
▪ Duration of procedures to obtain land approval are not laborious	C	C	C	C
▪ Data capture on new acquisitions and vacant parcels are up-to-date	C	C	D	D
▪ Customary and statutory agencies coordinate in all functions	C	C	C	C
▪ Community agricultural land is completely or largely mapped	D	D	D	D
▪ Rights are registered – through formal or semi-formal procedures	C	C	D	D
Transparency				
▪ Land negotiation between right holders and investors are transparent	D	D	C	C
▪ Feedbacks on procurements and expenditure of land revenue	D	D	D	D
▪ Unrestricted public accessibility to land information at the CLS	C	C	---	---
▪ Avoidance of arbitrariness in expending land revenue	D	D	D	D
Community Participation				
▪ Dialogue with community representatives in deciding land prices	C	C	C	C
▪ Consultation allows active participation of all stakeholders	D	D	C	C
▪ There exist benefit sharing mechanisms for investments in agriculture	D	D	D	D
▪ Land revenue is used for community needs	D	D	D	D
Accountability				
▪ Declaration of total expected identified and realised rent/ revenue	D	D	D	D
▪ Revenue from stool land accounts are published annually	D	D	D	D
▪ Land revenue management is void of bribery and corruption	---	---	---	---
▪ Stool/family land accounts are independently audited periodically	D	D	D	D
Rule of Law				
▪ Customary land use rules and regulations are impartially enforced	D	D	D	D
▪ Clear contracts on costs/benefits sharing by investors and community	C	C	C	C
▪ Free access to the court to redress grievances for rights abuse	B	B	C	C
▪ Opportunity to raise complaints on land acquisitions to authorities	C	C	C	C
Sustainability				
▪ Land revenue (rent) is adequate to finance development projects	B	B	B	B
▪ Cost of monitoring land use is sustainable/self-financing	C	C	C	C
▪ Corporate Social Responsibilities are clearly defined and documented	C	C	A	A
Equity and Fairness				
▪ Equal access to land information for all groups of farmers	D	D	D	D
▪ Fair assessment of land values to both large and smallholder farmers	C	C	C	C
▪ Availability of competent and unbiased valuation professionals	D	D	D	D
▪ Few land conflicts generated are quickly resolved	C	C	A	A
▪ Existence of equal rights of all persons in customary or statutory courts	D	D	D	D

Source: Field Data (2013) NB. Dash implies lack of information or non-applicable

vi. Sustainability – Sustainability implies balancing the economic, social, and environmental needs of both the present and future generations (FAO, 2007:9). Curry (2001) conceptualizes sustainability as *intergenerational equity*. It requires the spreading of returns to land beyond the current generation to cater for the needs of the future generation. By extension, sustainability should imply spending land revenue to finance development projects that meet the needs of the people across generations. It also involves monitoring land use to ensure that investors are using it in a sustainable manner. It is emphasized that Corporate Social Responsibilities (CSRs) should be clearly defined and enforced to the core. In the ITFC project, proposed CSRs are undocumented, though these were orally agreed upon among the stakeholders.

ScanFarm (Gh) Ltd reported some CSRs activities around their project area. However, these CSRs are vaguely documented in the land leases and not enforced by the authorities. They also differ significantly from the actual needs or expectations of host communities. For example, while the people of Dukusen around the ScanFarm concession desired water urgently, the Company was investing in waste disposal bins as part of their sanitation drive. The chiefs, the Lands Commission or even the local government authorities do not monitor and enforce agricultural land use preferences in the studied communities. Even when opportunities exist for local communities to benefit from investments, they are usually neither clearly documented in the contracts nor enforced by community leaders. In the case of ScanFarm Ltd, an assessment of the performance of the investor can only be reviewed after the first 25years of operations as indicated in the drafted lease agreement. In the case of ITFC Ltd, there is no window for investment review.

vii. Equity and Fairness - Curry (2001) describes equity as the distribution of rights fairly and across the contemporary population. This ensures that all members of an identifiable group are represented and not excluded from the group's activities. In this regard, all members of the entity are equal and are active stakeholders. They are offered opportunities to improve or maintain their wellbeing as individuals or as a

group. Similarly, both indigenes and migrants have equal stake in community affairs especially on issues that affect both groups. In the view of Kaufmann *et al*. (2007), equity implies all people should have equal possibilities to access the same quality of service. Customary tenure institutions are expected to deal fairly and impartially with large investors, indigenes and migrant farmers by providing non-discriminatory access to land, information and justice (Arko-Adjei *et al*., 2010). In addition to this, this study anticipated land rent to be fair among farmers and that equal rights exist before the customary courts. In the assessment, it was established that land rents were arbitrarily fixed, and social capital informed the rent one paid. Equity and fairness was scored a C on the average, representing a fairly performing indicator in a range of 50 and 70 percent.

2.6 Conclusions

Institutions remain essential in land transactions. In this chapter, the study examined how institutional changes have impacted agricultural land markets in allocating land resources between large and smallholder farmers; and how customary land tenure systems and institutions are faring amidst the growing demand for land for commercial agriculture in Ghana. The study contributes to the literature of large-scale land acquisitions by setting out the institutional basis of land transactions, changes in institutions, and in revealing how the land governance systems have performed. The study designed governance indicators as the bases for land governance assessments. Though these indicators are unique to the study in Ghana, they can be applied to similar studies in other countries where customary land markets dominate.

Using a survey of various land sector agencies and key stakeholder interviews, the study found that statutory agencies since 2008 have been consolidated into the Lands Commission, while the customary institutions are organised into customary land secretariats and traditional councils. At the customary level, stools/skins and heads of families, clans and lineages continue to lead in all land transactions in Ghana. Customary custodians maintain the position that customary land is unsellable but may be granted

as *akyedie* (*gift)* for which *drink money* is paid. Even though both formal and informal land institutions continue to play relevant roles in promoting large-scale land acquisitions in Ghana, there remains limited collaboration between these institutions in the execution of their respective duties. The government of Ghana continues to promote LSLAs at the national level, while local chiefs coordinate the actual transactions. Indeed, institutional linkages between the customary sector and the statutory agencies are weak, and do not promote broader participation of local communities in the process of large land transactions. Over the last decade, there have been marginal adjustments to the customary rules, norms, and enforcement that appear to project chiefs as landowners in many instances and not just custodians. It was also observed that customary land institutions and processes of land acquisition have changed from oral-gratuitous grants to monetised-semi-formalised transactions. Existing customs and legislations remain silent on transparency, equity and accountability for returns to land transactions. Failures of the rule of law undermine opportunities to address grievances and may result in community upheavals. The efficiency and effectiveness of customary land institutions have been constrained by government's unwillingness to directly interfere with land transactions.

Agro-investors in Ghana have targeted areas that present minimal negotiation challenges. They have so far operated on stools/skin lands because of the magnitude of land required, and immunity by chiefs. Recent, government advocacy and promotion of agricultural investments in Ghana through *land banks*, has tilted the allocation of land towards resourceful investors rather than smallholders. Gradually, a market driven dispossession and re-allocation is emerging due to the high demand for land. Documented difficulties with compensation further reveal the extremely vulnerable position of smallholder farmers in Ghana, in the use of customary land without title. Following this, there is the need to promote collaboration between statutory and customary institutions in order to better manage the pressures of large-land acquisitions. At the local level, there is the need to further improve upon the capacities of customary land institutions to handle large land transactions in rural areas.

Chapter Three : Land Rental Approaches and Transaction Costs

3.1 Introduction

In Ghana, over 70 percent of all farmers are operating on informal land leases – fixed rentals and sharecropping due to huge capital requirements in purchasing land (Delville, *et al*., 2001; Amanor, 2008). On the other hand, the absence of a vibrant credit market especially for agriculture, and high transaction costs involved in accessing loans in rural areas of Ghana, put most smallholders away from land purchases. Since a major part of the land holding is already in the hands of the informal sector, the customary land market remains the biggest outlet through which farm plots are procured in the form of gifts, fixed cash or kind rentals, or sharecropping. Within these customary structures, land transactions have tended to operate in a closed-circle of friends and extended family systems, and relying extensively on trust, relationship and social connections.

Though several evidences of cash transactions exist in the cocoa and oil palm producing areas of the wet forest regions of West Africa, many of the land transactions documented are based on various informal oral-leasing systems (see Amanor, 1994; Migot-Adholla *et al*., 1994; Quisumbing *et al*., 2001). Following the recent re-emergence of large-scale land acquisition in Ghana within the customary landholding threshold, the Ghanaian agricultural land market is increasingly monetized. According to Bohannan and Dalton (1962), when money is introduced and accepted as a universal medium of exchange, it will naturally dissolve traditionally instituted barriers existing between different categories of goods and services and their legitimate modes of exchange. This is the fate customary land tenure is prone to following growing commercial demand for rural agricultural land in Ghana. Additionally, monetisation is creeping into most land transactions due to population growth and growing governmental incentives for agricultural development.

Since the last decade, various investors are acquiring large tracts of land for agro-investment in regions that were hitherto dominated by smallholders and medium-sized

farmers. The emerging trends and magnitude of these cash-based land transactions have raised pertinent concerns about the current and future implications for smallholders. Since these new acquisitions are fast transforming informal agricultural land markets into monetised and semi-formalised land markets, it has certainly resulted in the changes in modes of land transactions in host communities in various dimensions. In this chapter, the study sought to understand land rental approaches and transaction costs in Ghana, and the complications of land price formation within the customary tenure system.

Since the last two decades, many farmers in West Africa entered into private and largely undocumented rental or sharecropping arrangements so as to be able to participate in high-value agriculture especially in cocoa and oil palm. In recent times, population growth coupled with the near non-existence of a vibrant off-farm economy in rural areas rather resulted in more and more widespread land rentals, driving towards individualisation and formalisation of tenures (see Deininger and Mpuga, 2003). As population increases and the competition for scarce land become more pronounced, land markets become prevalent (see Boserup, 1965). Other reasons why land marketization has become widespread in West Africa is the attribution to poorly managed farms due to the lack of agricultural capacities, aging farmers, increasing apathy of the youth towards agriculture and absentee landowners (Atwood 1990; Bruce, 1993; Brycenson, 2002).

In Ghana, the growth in cocoa, rubber and oil palm production frontiers in the early 1950s compelled land tenure to evolve from communal or family control at the village level to more individualised ownership (see Amanor, 2006). These trends, though more pronounced in the middle belts of the Ashanti and Brong Ahafo regions of Ghana, are also widespread in the eastern and western corridors of the country. Benneh (1989) revealed that wealthy investors were the main drivers of these changes from the old customary order since they procured large bundles of land from community land stocks for their exclusive private use. Benneh (ibid) added that such investors moved into

vacant unallocated communal land or procured land use rights from the communal land stock. Even though some of these land acquirers may not directly be participating in production, they may rent-out these lands to smaller holders or engage caretaker farmers as sharecroppers or as paid labourers. Following this background, the customary conception of land belonging to the entire community/social group and not to individuals in Africa must always be posited carefully in the context of specific communities where the land markets remain largely underdeveloped or un-monetised.

3.2 Land rental approaches and transaction costs

A previous study by Abdulai *et al*. (2008:5) identified four main types of land tenure arrangements in the middle belt of Ghana – *"owner-operated with full property rights, owner-operated with restricted property rights, fixed-rent and sharecropping contracts".* Owner-operated parcels with full rights in this sense refers to customary usufructs who have use, management and alienation rights including the rights to sell, rent, sharecrop or offer seasonal licenses to other land users. In the case of family land, prior family approval is required. Owner-operated with restricted rights refer to lands acquired through express grants but on fee-life terms (*limited to the lifetime of a grantee*) which cannot be inherited or alienated. A fixed-rent agreement implies a contractual arrangement such as leaseholds between landlords and their tenants involving a parcel of land for a definite period of time and at periodic rent either in cash or in kind.

Sharecropping are farmland contract arrangements between landlords and tenants to cultivate farmland by contributing various proportions of inputs including land; and to share proceeds in halves or one-third to two-third proportions, depending on their individual amounts of input contributions (see Abdulai *et al*., 2008). In the view of Vranken (2012), sharecropping is important in smallholder land acquisition as a means to circumvent land market imperfections by reducing risks, resolving liquidity problems and providing non-tradable inputs. According to Jacoby and Mansuri (2008), fixed-rent contracts may end up with tenants with sufficiently high wealth and who are in the position to offer rent in advance, while tenants with wealth constraints will take up

sharecropping contracts. This is usually the case because of the somewhat huge transaction costs either emanating from existing customs or enshrined in national legislations, or both.

Vranken (2012) has conceded that rural land markets in transition countries remain characterized by huge transaction costs and hence, constrict access to land by rural households willing to start up or enlarge existing farms. She listed transaction costs to include information costs, registration costs, negotiation costs, cost of contract enforcement, withdrawal costs and other administrative costs. Hence, transaction costs remain a major impediment of land marketization everywhere, especially for poor households who do not have the financial muscle to compete with more resourceful households. Poor households continue to battle with inefficient credit and insurance markets in most parts of rural Africa. Coase defines transaction cost as the *"cost of using the price mechanism"* (Coase, 1988:38) such as discovering prices, negotiating, closing a contract; and enforcing it. In the view of Benham and Benham (1998), transaction cost is the cost of exchange or the opportunity cost of individuals to acquire a commodity. According to Allen (1999), transaction costs in relation to property rights refer to the costs of establishing, transferring and enforcing property rights.

Land rental approaches and transaction costs are therefore interconnected. So long as property rights need to be acquired, secured and maintained within existing information asymmetries, there is always a transaction cost to property ownership (Cheung, 1992). If property rights were to be secured, the transaction costs will be zero (Allen, 1999:7; Cheung, 1992). Thompson (1999) in his institutional transaction cost model explained transaction costs to include enactment costs as well as implementation, monitoring and enforcement costs as part of transaction costs. McCann *et al*. (2004) extended Thompson's (1999) model to include initial information costs and contracting costs. McCann and Easter (2004) further added that social norms and social capital also affect transaction costs of informal markets and the implementation of formal markets.

North (1990) puts transaction cost under three (3) categories; contact, contract and control relating to the determination of the valued characteristics of a good (North, 1997). Contact relates to costs of accessing information; contract relates to costs of engaging legal or expert services; while control relates to costs of enforcing contracts. In previous studies, de Soto (1989) documented transaction cost of doing business formally in Peru to include the cost of legal requirements and informal costs such as bribing public officials, resources spent waiting and cost of cutting down on red tapes in getting business permits (cited in Wang, 2003). Though transaction costs remain fundamental for the rural poor in land allocation, with increasing population growth and accompanying increase in the demand for land, transaction costs are expected to reduce drastically.

For the purposes of this study, transaction cost included both the formal and informal costs incidental to inspection, searching, contacting, negotiating, contracting and enforcing transactions from the perspectives of both large-investors and smallholders. Enforcement costs incidental to real property rights included the cost of protecting property such as the use of *land guards (use of illegal armed men to protect land)*, fencing, frequent clearance of land boundaries or the costs of securing court orders and dispute resolution. All things being equal, these costs are eventually reflected in the pricing of land. Also, the cost of securing and enforcing tenure security for the beneficial enjoyment of property subsequently become pre-determinants of land prices.

3.3 Description presentation of data

The study was undertaken in the Northern and Ashanti Regions of Ghana and centred around two large agro-investment companies operating in these areas. Recall data technique was used to capture land prices for the 2005 base year and the 2012 study year. Subsistence agriculture remains a major characteristic of the farming systems in these communities especially in the Northern region. The region has a single rainy season with farmers farming averagely 5 hectares even though most households in this locality hold user rights over very large tracts of land. The temperature, soil and rainfall

pattern in these areas are favourable for mango plantations. On the other hand, the Ashanti region benefits from bi-annual rainfall, allowing for all year farming. Production in this area is highly commercial though a majority of farmers retain large portions of their produce for household consumption.

The sample, which was randomly drawn, represents smallholder households producing a variety of crops such as yam, maize, sorghum, millet, beans, cassava, and groundnut in the study areas. Male household heads representing 93percent of respondents, with a very high illiteracy rate of 73percent dominated the rural agricultural households. This figure is not significantly different from the national figure of 72percent as reported by UNICEF (2013). The people depend on farming as a major source of livelihood, with limited options for non-farm employment. The average household size was 10 people due to the highly polygamous nature of rural communities and the extended family systems. Sale of farm produce and the renting-out of labour to both neighbours and large agro-investment companies provide the main source of wage-based employment for the local populace. In the Savelugu-Nanton area where ITFC Ltd is located, it is characteristic for most young people to migrate to the Metropolitan capital (Tamale) or to other urban centres in the long dry season for menial non-farm jobs. Seasonal migration is very relevant in influencing agricultural land use decisions in rural Ghana.

Due to the non-existence of financial organizations in these rural communities, only 6percent of the households have reported to apply for credits and only 4percent obtained agricultural loans in the last decade. Some of the reasons underlying this trend are the high interest rates charged, the lengthy nature of loan access, the tedious paper work involved, the risk of non-payment due to poor harvest and the delays in obtaining these credits, when the farming season is over. Some 22 household heads reported they were uninterested in loan facilities, and never applied for it. Figure 3.1 shows some of the reasons that underscore the low-level use of agricultural credits in the selected study communities. The absence of land certification in the study areas further explains why access to agricultural credits from micro-finance companies is complicated. Titles to

land and landed properties are often preferred as collateral for formal agricultural credits in developing countries due to the risk levels associated with rain-fed agriculture. Farmers with larger amount of formally owned land have lower costs of borrowing from formal credit markets (Chavas (2001) as cited in Deininger *et al*., 2011). The absence of well-coordinated farmer cooperatives in most rural communities of Ghana further makes it even near impossible to access cooperative credits. In terms of infrastructural endowment, Gushie around the ITFC Ltd project is more developed than the other study communities.

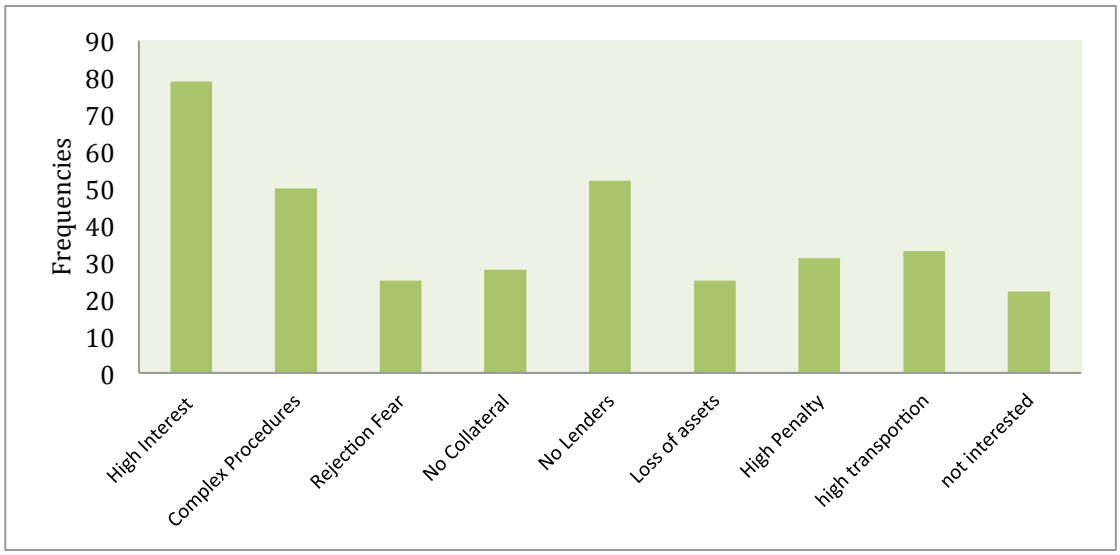


Figure 3:1 Reasons accounting for the low level credit use in the study communities

Source: Field Survey, 2013

In 2005, average land rent reported for the Agogo area where ScanFarm Ltd is located was Gh¢ 30 per acre (Gh¢ 74 per hectare) and this increased to an average of Gh¢ 78 per acre (193 per hectare) in 2012 in nominal terms. When adjusted for inflation using the CPI table in Appendix 6, average land rents increased by only Gh¢ 5.58 per hectare, from Gh¢ 74.12 to Gh¢ 79.7. Average land holding for all four communities increased marginally from 20 acres (8 hectares) per household in 2005 to 21 acres in 2012 among the respondents. In terms of employment, 66percent of the studied households reported participating in employment opportunities offered by large agro-investors. Other identified benefits from large investments in operational communities included

the provision of social services and infrastructure. A summary of other relevant variables from the household data is displayed in Table 3.1.

Table 3.1 Descriptive summary of variables used in analysis

Variable	Definitions	Means	SD[b]
Household Characteristics			
Age	Age of household head (years)	45.77	12.72
Age Squared	The square of the age of household head (years)	22260.56	1324.13
Gender	Gender of household head (1=Male, 0=Female)	0.84	0.37
Formal Education	Literacy of household head (1,0)	0.26	0.44
Household Size	Total number of household members	9.21	6.78
Asset Value	Total value of household agro-assets in (Gh¢ cedi [a])	771.43	1558.71
DistressExp	Experience of distress in the last decade (1, 0)	0.69	0.47
Land Characteristics			
Plot Size	Total household landholding in 2012 (acres)	21.16	35.15
Interest	Nature of household land interest	4.81	2.12
Distance to Road	Distance of house to motorable road (km)	4.04	2.59
Distance to Market	Distance to output and input markets (km)	3.22	2.09
Credit Access	Household access to agro-credits (1,0)	0.04	0.19
Household Labour	Total Household members working on the farm	3.84	2.75
Tenure Security	Security of tenure on the household landholding (1,0)	0.90	0.30
Slope	Relief of household land in the study community (1,0)	0.49	0.50
Land Conflict	Experienced land conflict in the last decade (1,0)	0.06	0.24
Proximity Irrigation	Location close to water body or irrigation scheme	0.18	0.38
Proximity to Road	Farmland location close to motorable road (1,0)	0.54	0.69
Soil Texture	Texture of soil on farm (black or otherwise 1,0)	0.86	0.35
Soil Fertility	Soil fertility on farmed parcel (fertile, not fertile 1,0)	0.95	0.22
Erosion	Level of erosion on parcel (eroded, not eroded 1,0)	0.39	0.49
Institutional Factors (Transaction Costs)			
Travel Cost	Cost of travel to landlords when acquiring land (Gh ¢)	5.91	13.15
Parcel Protection	Measures taken to protect parcel (1, 0)	0.03	0.18
Land Secretariat	Existence of land institution in the District (1, 0)		
Village Dummies			
Village	Gushie (1), Tunayili (2), Dukusen (3), Afrisire (4)	2.34	1.11

Gh¢ 1.9214 is equivalent to US$ 1 as of 1st April, 2013 during field work

[b] SD is Standard Deviation

Figure 3.2 displays responses on expectations of host communities on large-scale agro-investment companies in their areas. From these multiple responses, employment opportunities come out prominently. Over 140 of the respondents were expectant that the operations of agro-investment companies would offer jobs to a majority of the people in these areas especially for the youth and women. Indeed employment was used as an anchor to promote the siting of these companies in these areas. This was followed by expectations on the provision of social amenities and services in the form of potable water supply, health facilities, school buildings, health insurance, and scholarships among others. Also, due to the rural nature of these communities, some of the respondents expected major infrastructural developments in the form of improved roads and the setting up of agro-industries. Even though at a low level, there were also expectations that the operations of large agro-companies would facilitate access to fertilizer, improved seeds, access to markets, irrigation and agricultural loans. About 20 of the respondents were not expectant of any benefits.

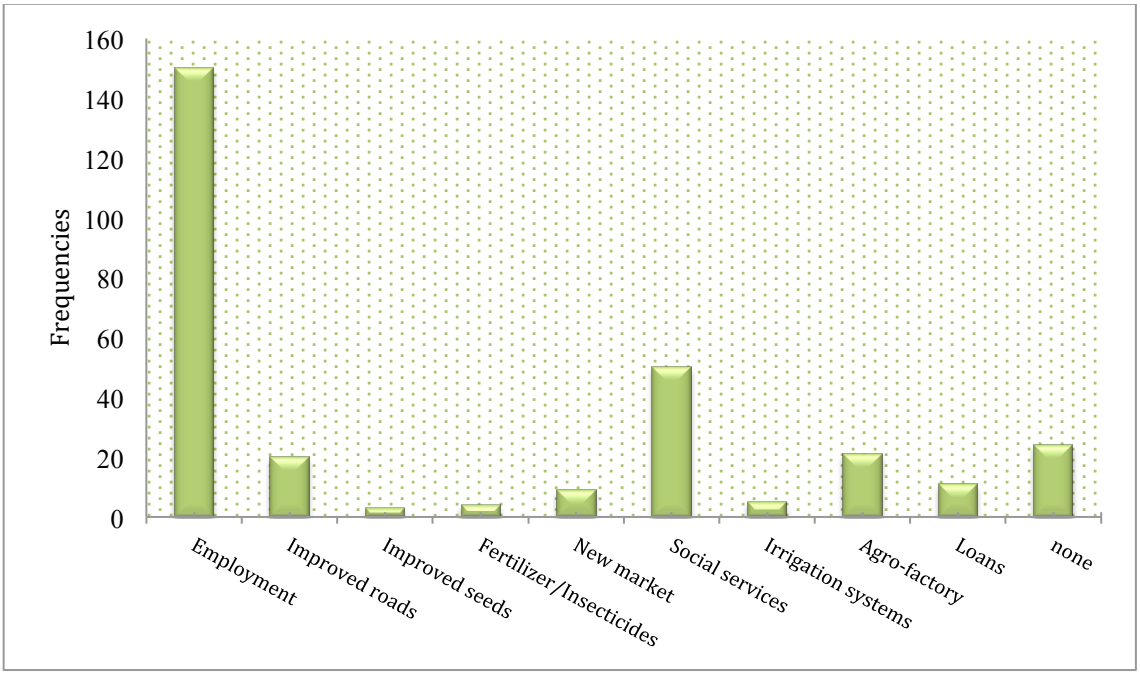


Figure 3:2 Community expectations from Agro-investment Companies in Ghana

Source: Field survey, 2013

Figure 3.3 displays the actual benefits households reported in connection with large agro-companies in Ghana in line with the expectations in Figure 3.2. Employment was reported as the most met among the expectations from agro-investment projects. Though some households had family members already unengaged at the time of the study, they reported being offered jobs in the past. This was followed closely by social services which were provided in some of the host communities especially water, health screening, waste disposal bins, scholarships, school buildings and remuneration of teachers in these deprived schools. The setting up of the mango processing plant in Gushie by ITFC Ltd and the maize drier at Dukusen by ScanFarm Ltd were reported as some of the interventions in agro-industry. Some respondents were of the opinion that these expectations were not met because they did not directly benefit, and also because the level of opportunities highlighted by the chiefs was far below their expectations. Other expectations, which were met marginally, included improved roads, fertilizer access, irrigation, loans especially to outgrower farmers and markets.

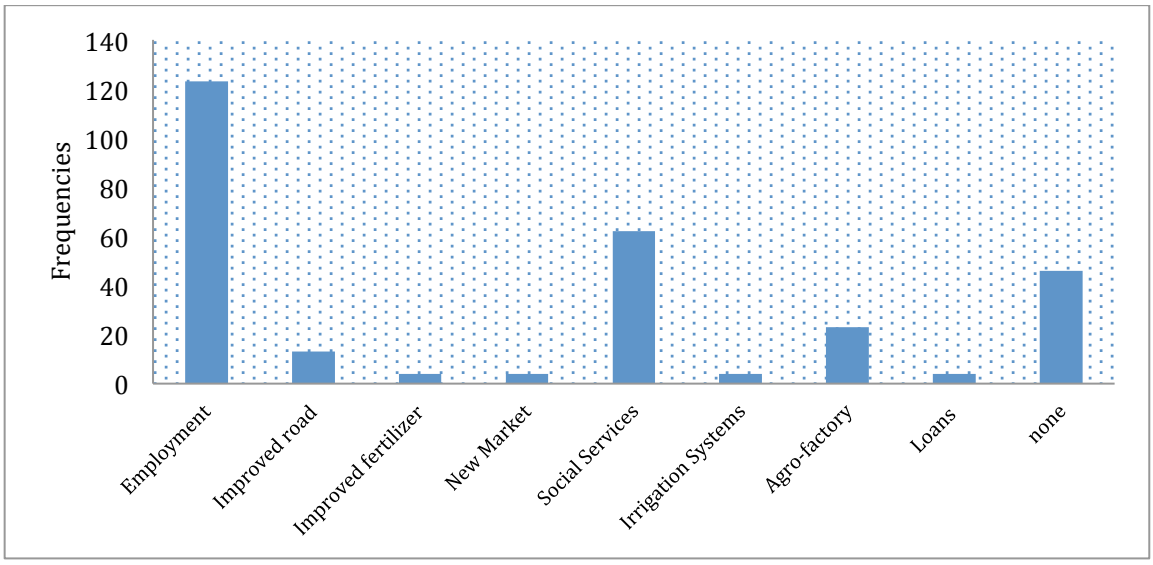


Figure 3:3 Met expectations from large-scale agro-investments in study communities

Source: Field Survey, 2013

3.4 Analysis and Findings

3.4.1 Land rental approaches

Customary land transactions in Ghana are often regulated by the *nemo dat rule*. The *nemo dat rule* is captured in the Latin phrase - *Nemo dat quod non habet*, literally meaning *no one gives what he does not have*. This phrase is used to communicate the capacity of a person to make a valid grant of customary land. This would usually depend on the nature of interest the person has in the land in question. As discussed earlier in section 1.6, five main forms of customary rights exist in Ghana i.e. the allodial interest, the freehold/usufructuary interest, leasehold, sharecropping, and customary licenses[21]. From Figure 3.4, we sought to examine the forms of interests being held by smallholder farmers as basis to understand what forms of land rental approaches they adopt in the study communities. Out of the 175 respondents, 105 of them reported holding usufruct rights. These were largely households whose natal homes are in these communities, and hence entitling them to some share of the community's customary land. Also, some migrant households who were among the foundation layers of settler communities enjoyed usufruct/freeholder rights.

Leaseholds were reported by 29 of the studied households. Leaseholds usually take the form of cash and kind based leases. They may also be allocated for rental payments seasonally or annually depending on the agreements between the grantor and grantees. Sharecropping was used by 21 of the households to access agricultural lands. Sharecropping may be seen as a form of land leasing where the produce of the farm or the farm itself is shared between the farmer and his/her landlord in various proportions as may be agreed between them. Some farmers were also found to be operating customary licences in the study areas. Licences may be limited to the right to use land for just a season, after which the land reverts to the owner automatically.

[21] Detailed discussions of these forms of interests in customary land in Ghana are in section 1.6.

Usually, customary freeholders/usufructuary holders have the capacity to create leaseholds, sharecropping contract and licences out of their parcels of land without the prior permission of the chief who may be entrusted with the allodial interest. Leaseholders may also be able to sharecrop portion or whole of rented farms or grant seasonal farming licences with permission from the allodial or usufruct landlord. Even though it is not common for sharecroppers to make grants of lands, it is possible according to local customs to grant seasonal licenses to new settlers. Seasonal licenses are the least interest that can be held in land. They are also largely associated with high-level tenure insecurity beyond a farming year or farming season.

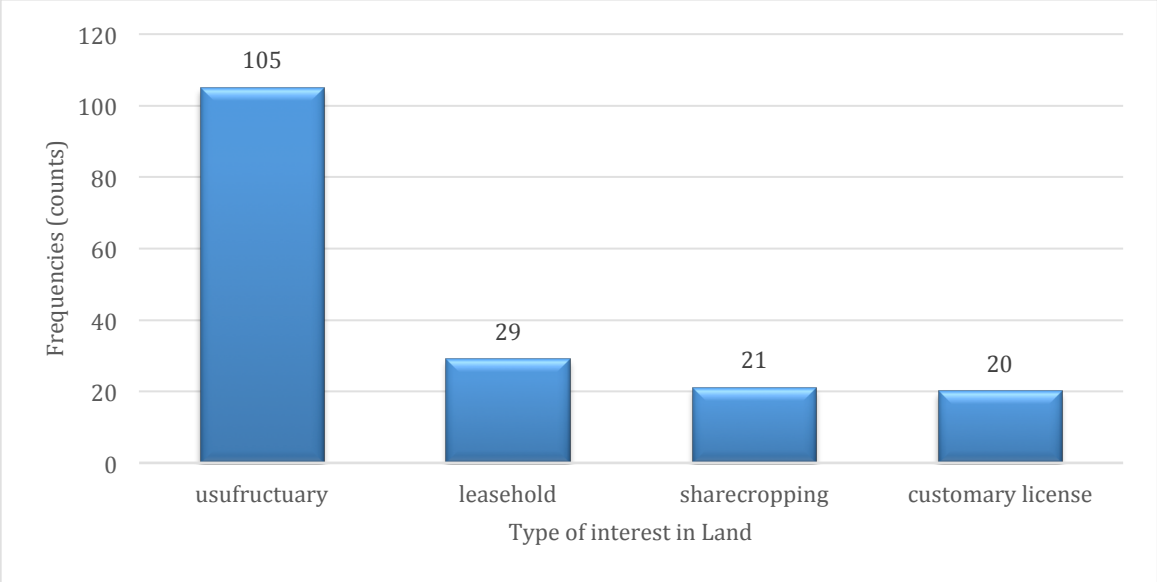


Figure 3:4 Forms of land interests held by studied households

Source: Field Survey, 2013

From Figure 3.5, out of the 48 respondents for the question, 16 of them reported operating farm lands on fixed rental bases where they either paid a fixed amount of money every season or every year for the use of the grantor's land or paid rent in the form of a fixed quantity of the main crop produced, mostly maize. Also, 19 respondents reported using discretionary payment arrangement. In this type of rental arrangement, landlords and tenants do not outrightly agree on the nature or amount of land rent.

Tenants are given the discretion to make payments to the chief or usufruct landlord on their own volition. Such rental arrangements are, however, very risky as tenants are never certain about what amount of money or portion of crop harvested may be satisfactory to the landlord as land rent. On the other hand, landlords are uncertain about the returns to land rented out. Furthermore, 10 respondents reported operating sharecropping contracts where they share the produce of the farm with the landlord in a proportion of 1:1 or 1:2 depending on which of the parties contributes the most to the production.

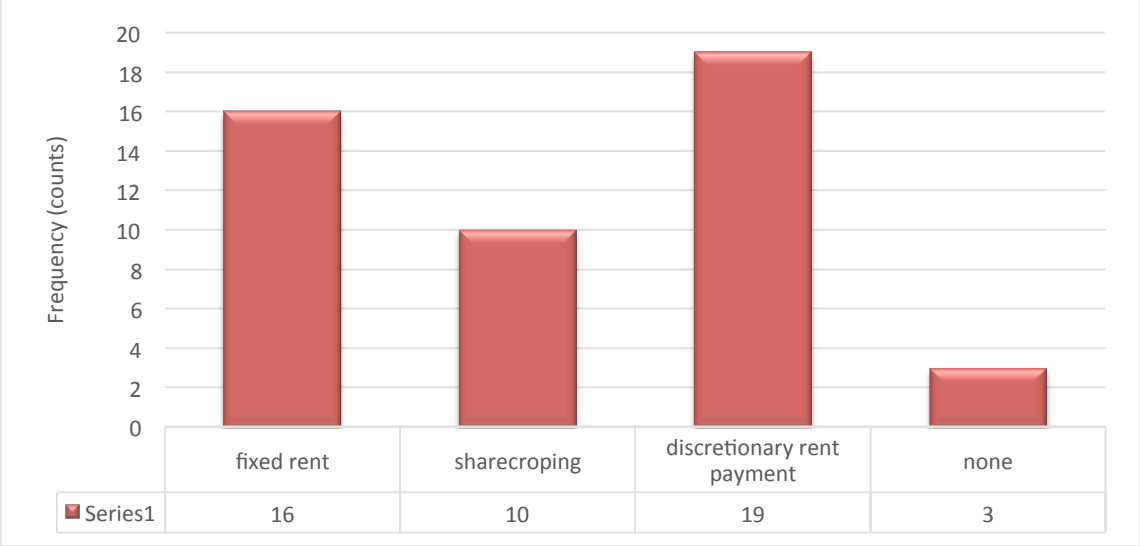


Figure 3:5 Nature of land rental in study communities

Source: Field Survey, 2013

Land rental systems in Ghana are informed by how much *idle* lands a land owning household or stool has, and the risk level associated with leaving these lands *idle*. For farmers who may not want to lose family land to community land stock if it is deemed customarily abandoned due to lack of use (see Ollennu, 1962: 85; Hill, 1970; Arko-Adjei *et al*., 2009), they prefer to rent them out, even if it is at lower rents or on seasonal licences. Also, as farmers are too old to farm at all, land rentals/sales become the main source of income or food to the farmer, and hence rented lands may come with considerably high rents. According to Ollennu (1962) when individuals or households

abandon portions of customary land they hold, such lands will return to the communal stock to be reallocated to other land-poor households. However, Simpson (1976) observed that the individualization of communal land rights prevents communities from exercising their traditional rights to re-possess customary land, if it was construed to be abandoned. This is especially applicable to peri-urban and urban land markets of Ghana where the individualisation of land rights is more pronounced.

For a majority of rural communities in Ghana, the customary principle of abandonment is still applicable especially following population growth and the quintessential entitlement of all community members to usufruct rights. In line with this, Quisumbing *et al*. (2001) observed that land fallowing under emerging land tenure regimes tend to weaken tenure security. Fallowing of land for longer periods of time may be construed as abandonment. Hence, farmers who intend to fallow some portions of their land, rent these lands at lower rents or grant seasonal licenses to mostly women or migrant farmers who would produce legumes temporarily on them as a means of improving soil fertility (see Goldstein and Udry, 2005). Short-term rentals or seasonal licenses are more preferable to smallholders than long-term fallow periods.

It is also worth mentioning that most customary land grants in rural Ghana remain oral, with limited written evidence. This notwithstanding, one must be careful not to quickly equate oral grants to tenure insecurity. Data collected from our household surveys revealed that 98percent of all grants in the study area were orally made, yet only 6percent of the respondents reported various levels of land disputes. Smallholders have therefore adopted various measures to enhance their tenure security even without formal title registration. For example, usufructs and leaseholders are allowed to embark on planting tree crops, fencing, sinking of wells or the registration of title that connote secure possession or ownership of alienated land with the consent of their grantors (see Place and Hazell, 1993; Sjaastad and Bromley, 1997; Otsuka *et al*., 2001, Brasselle *et al*., 2002).

Tree planting has always been used as a way of securing land rights and can be construed as actual ownership. Hence, parcels that are protected by tree fencing are already classified more secure than those that are not (Besley, 1995). Since farmers do not want to rent lands that are under litigation and risk their investments through protracted court cases, they demand rentals from secure tenures. The major means of parcel protection in rural Ghana is tree planting along the boundaries of the parcel as reported by 29percent of the respondents. In areas, where land tenure is perceived to be secure, smallholders adopt no form of parcel protection. For instance, 50percent of the respondents have not used any form of parcel protection at all in the study areas. From the household surveys, some farmers protected their lands from encroachment by simply farming on them regularly, while others reported they used spiritual invocations to protect their ancestral lands. See details on security of tenure in Figure 3.6.

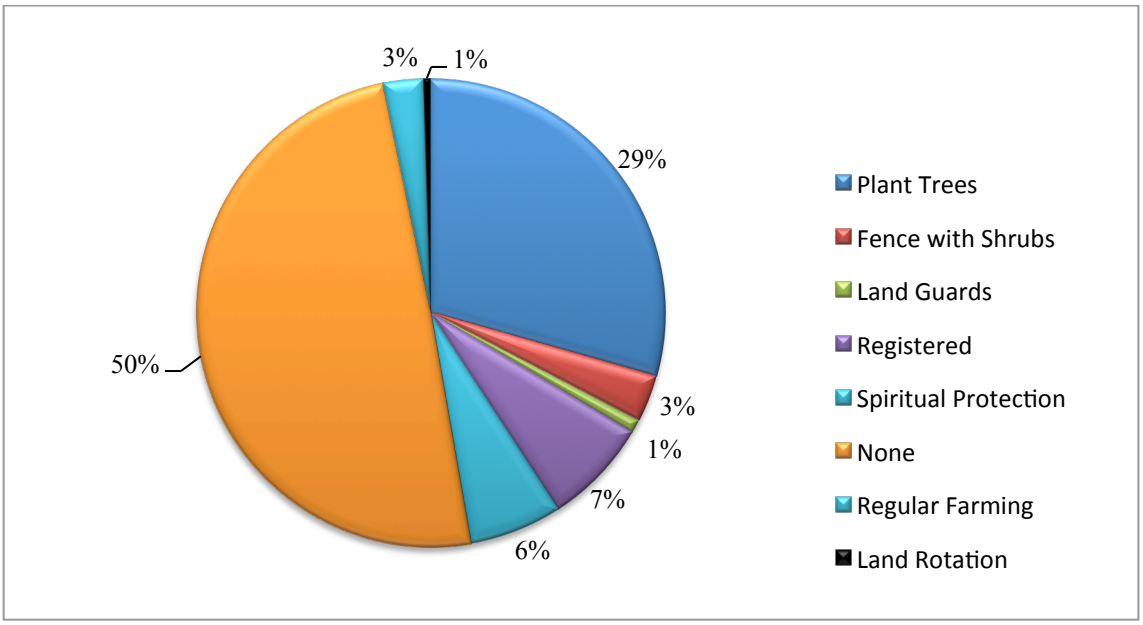


Figure 3:6 Measures taken to protect households' farmlands from encroachment

Source: Field Survey, 2013

3.4.2 Processes of customary land acquisition and transaction costs

In the process of land market development, various transaction costs are incurred. These transaction costs relate to lengthy, but essential processes needed to guarantee

tenure security for the investor on one hand; and to maximize returns from land transactions in the interest of the larger community on the other hand. In Ghana, these processes differ from community to community and costs involved at each stage are also never the same. Figure 3.7 outlines processes pertaining to the acquisition of agricultural parcels in rural settings in Ghana. Also, the processes and costs presented in this study merely represent the situation in the study communities and may significantly differ from those of other communities around Ghana.

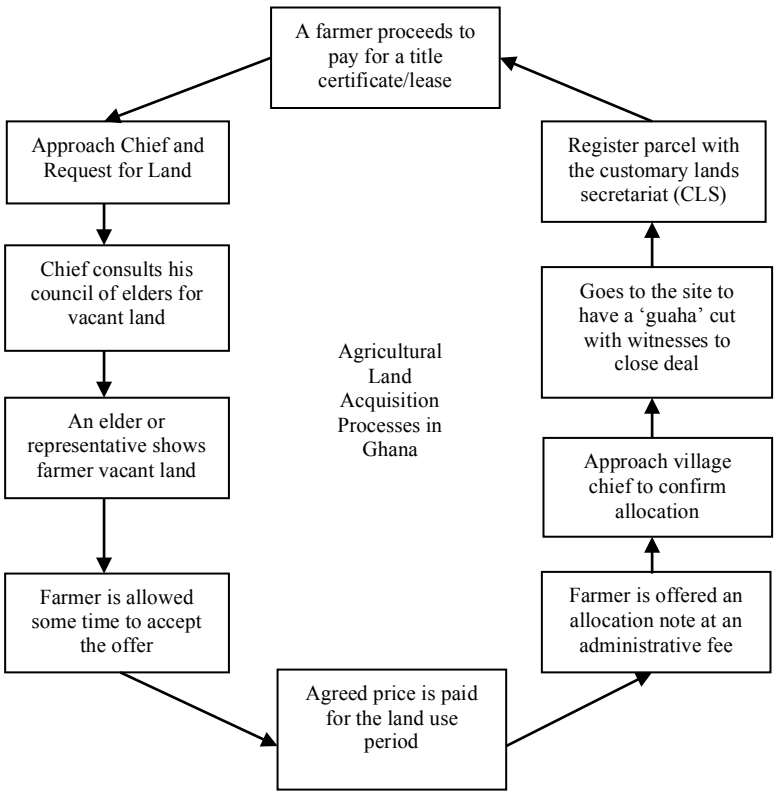


Figure 3:7 Processes of agricultural land acquisition in Ghana

Source: Own Illustration based on village surveys

A person who desires agricultural land must first approach the chief or any of the customary custodians including family/clan heads or their authorized representatives to make a request for a specific parcel or suitable unoccupied land. This can be done

directly by the investor or his authorised agents. The chief is then allowed considerable time to consult with the *sub-chiefs and elders* about vacant and suitable land for the investor's particular requirements. It may take a meeting or more to arrive at a decision of a suitable location. After this, a *messenger* is nominated to lead the investor to the selected parcel for his consideration. The investor is allowed some time to examine the site and assess its suitability for his particular purpose. The next stage involves the negotiation of rent/price between the grantor chief or family head and the new tenant. If the purchase/rental amount is agreed upon, payments are made directly to the stool, after which the *rentee* is offered an allocation note subject to the payment of administrative fees to the Stool's Lands Secretariat. In cases where the parcel is located in the vicinity of a sub-chief (*Odikro*), the lessee will have to approach the particular *Odikro* to have his grant acknowledged. The customary process is concluded with the cutting of the *tramma/guaha*[22].

The cutting of the *tramma/guaha* signifies the grantor has finally severed rights to the land and vested these rights in the grantee. The *guaha* cutting involves both parties and their witnesses, cutting a twig or a leave at both ends into halves (see Ollennu, 1962:115/116). Witnesses are usually paid a witness-fee (Amanor, 2006). Typically, the grantee and grantor each nominates a younger representative to cut the *guaha,* to keep the event in their memories for a longer time. This, according to the focus group discussions (in 2012), is followed by the performance of libation and invocation of the

[22] According to Allott (1960:243), some of the Akan customary laws provide for the sale of land as cutting *guaha*. After the agreement to purchase has been reached, the land has been inspected, the price fixed, the boundaries cut and marked with special trees (themselves as evidence of the extent of land conveyed), the parties return to the land after some days. The *guaha* ceremony then takes place before many witnesses for both sides. Vendor and purchaser each provide a representative, usually a young boy to cut *guaha*. The vendor provides a piece of fibre on which are threaded six cowry shells. The two persons cutting *guaha* then squat; each passes his left hand under his right leg and grasps one end of the string of cowries, holding the three cowries nearest to him. The respective parties keep the cowries used in the ceremony forever, in order that in case of dispute between them or others over the sale, the cowries may be produced as evidence. In fact, the production of the cowries is an essential piece of evidence to the sale. After the ceremony, the purchaser offers a drink (or drinks) and sheep to the vendor (the stamping or the aseda). This may vary significantly across the country. In the Northern regions of Ghana, a typical *guaha* will involve the breaking of kola-nuts, the sharing of tobacco or the sacrificing of a ram. See also Ollennu (1962: 115-121).

spirits of the gods and ancestors to seal the deal. The ceremony also strips the grantor of all interests in the said land, for the entire sale or lease period. Since writing is considered alien in the customary land system in rural Ghana, the cutting of the *guaha,* according to the respondents, sealed the grant.

This notwithstanding, the defects of the *guaha* (*such as the death of parties or their witnesses, and possibilities of sabotage and manipulation*) have made written deeds more preferable in peri-urban regions. Thus, with the insurgence of land conflicts and the need for land securitisations, many grantees of customary land, proceed to translate the oral grants into formal deeds. It is, however, noteworthy that majority of lands granted to smallholders are still thriving on oral, negotiable and flexible terms of references. Out of 175 households surveyed, only 2 percent reported registering their grants with the Customary Land Secretariat (CLS). The majority of smallholders are operating on oral leases, sharecropping and seasonal licenses especially in the Savelugu-Nanton area of the Northern region of Ghana.

All these processes leading to the acquisition of a parcel of land come with some forms of transaction costs. From the focus group discussions and interviews with chiefs, it was revealed that though some of these costs are not mandatory, they are generally unavoidable. Table 3.2 displays some of the land acquisition processes especially the stages at which payments (either cash/kind or mandatory/optional) are made to a chief and/or his nominated representative. In terms of time, it was reported in Dukusen and Afrisire around the ScanFarm Ltd project that access to land was becoming difficult because the agro-investment company had taken a greater part of the community land, and households desiring new farms must travel outside the communities. The time spent sourcing information regarding these vacant lands had increased from 2 weeks in 2005 to between 1 to 2 months in 2012. From the village surveys (2012), community members benefit a lot from social capital and hence, access to information is not paid

for, even though one may show appreciation in cash or kind (*drink*[23]*)* for such assistance. The cost of access to information was therefore estimated to be Gh¢ 10 (US$ 5.3) in 2012 using the price of a bottle of schnapps in the local market at the time. Recall data on how much information cost in 2005 was unavailable from the focus group discussions.

Since land contracts among smallholders are largely oral, none of the respondents reported engaging legal services in drafting a land use agreement with their landlords. Three respondents who contracted land from family usufructs, however, hold some form of written agreements prepared and signed with their landlords. These allocation documents merely specified land use terms and seasonal ground rents. In the ITFC Ltd operational communities, land information is obtained after offering the chief 12 pieces of kola nuts. This was estimated to cost Gh¢ 20 at the time of the study (2012). With respect to travelling cost(s), migrant smallholders did not recollect how much was involved in travelling to the village to obtain farmland. In Agogo, around the ScanFarm project, migrant farmers travelled into the community after obtaining information about vacant lands, soil fertility and farming terms from friends and relatives. In the Tamale area, over 90percent of the respondents held inherited usufruct rights and did not incur travelling costs. For cost of protecting acquired parcels of land, the major approach used was fencing, by planting hedges or other edible tree crops such as mango, cashew and *Jatropha curcas*.

From Table 3.2, farmers who desire to enhance tenure security through title or deed registration, incurred additional transaction costs of between Gh¢ 650 - Gh¢ 800 (US$ 338 – US$ 416 as of 1st April, 2013) in land surveying and deed registration fees (interview

[23] 'Drink' or 'drink money' is a moral token offering in some parts of Ghana, traditionally paid to chiefs (stools) in the southern part of Ghana, in the form of cash or a bottle of schnapps, to start negotiations on the terms of the lease. However, as demand for land has grown, this 'drink' or 'drink money' is no longer just a pre-negotiation fee, instead, it is now requested by the chiefs in huge sums of cash. Customarily, though this cash is supposed to be used for the development of their local communities and for the 'maintenance of the stool', this is not always the case. It is common to hear a similar terminology as 'kola' or 'kola money' for the Northern, Upper West and Upper East regions of Ghana.

with Lands Commission, 2013). Since these costs are optional, most transactions remain informal – oral, un-surveyed, unmapped and unregistered. Also, this cost is out of the reach of many smallholders in the study communities. This revelation may explain why over 90percent of landholdings remain informally founded and tree fencing remains the popular means of ensuring tenure security.

Table 3.2 Transaction costs of access to land in study communities

Process/Activity	**Reported Costs**				**Mandatory and Optional payments**
	Gushie	**Tunayili**	**Dukusen**	**Afrisire**	
1. Approach the chiefs and elders with local/foreign schnapps or kola nuts. Local gin costs Gh¢ 4 and foreign gin, Gh¢10. Kola nuts cost approximately Gh¢ 20. Drink (*nsa*) or kola *(monetary equivalent of both [nsa sika])* is used to greet the chief and serves as pre-negotiation fee.	Gh¢ 30	Gh¢ 30	Gh¢ 20	Gh¢ 20	**Mandatory**
2. Odikro personally shows you vacant agricultural land if it is less than 5acres (2ha). The *Agogomanhene* may also enquire from him about the availability of vacant lands in his community. Grantee pays a showing fee [*mpaboa sika]* depending on how far the land is.	Gh¢ 10	Gh¢ 10	Gh¢ 10	Gh¢ 10	
3. An allocation note is issued from the Agogohene's Secretariat for leases or parcels above 5acres (2ha). Amount and nature of rent payable is specified in the allocation note depending on the particular grant.	n/a	n/a	Gh¢ 150	Gh¢ 150	
4. Optionally, a surveyor is engaged to pick boundary details and prepare site plans.	Gh¢ 250 per acre	Gh¢ 250 per acre	Gh¢ 300 per acre	Gh¢ 300 per acre	**Optional**
5. Register parcel with the Chief's Lands Secretariat. Fees depend on the tenure required.	n/a	n/a	Gh¢ 100	Gh¢ 100	
6. Optionally, one may proceed to register a lease with the Lands Commission for parcels larger than 5acres (2ha). Fees are dependent on the nature of lease registration required and associated professional services to be procured.	Gh¢ 400 per acre	Gh¢ 400 per acre	Gh¢ 400 per acre	Gh¢ 400 per acre	
7. Mandatory payment of annual or seasonal rent	Gh¢ 50	Gh¢ 50	Gh¢ 100	Gh¢ 100	**Mandatory**
Total Cost of access to land (TC)	**Gh¢ 740**	**Gh¢ 740**	**Gh¢ 1,080**	**Gh¢ 1,080**	**M = Gh¢ 280 O = Gh¢ 800**

NB. Gh¢ 1.9214 was equivalent to US$ 1 as of 1st April, 2013 during fieldwork

Source: Field Survey (2013)

The non-use of allocation papers in the northern parts of Ghana reduces cost of access to land considerably from Gh¢ 180 (US$ 94 as of 1st April, 2013) in Dukusen and Afrisire around the ScanFarm project, to Gh¢ 40 (US$ 21 as of 1st April, 2013) in Gushie and Tunayili around the ITFC project. Also, the nature of informal transactions reduces the cost of access to land by Gh¢ 800 (US$ 416 as of 1st April, 2013). Hence, the mandatory transaction cost of access to customary land is approximately Gh¢ 280 (US$ 146 as of 1st April, 2013).

In Gushie and Tunayili around the ITFC project, total transaction costs were estimated to be Gh¢ 740 (US$ 385 as of 1st April, 2013), while the figure for Dukusen and Afrisire around the ScanFarm project was comparatively higher and estimated at Gh¢ 1,080 (US$ 562 as of 1st April, 2103). These differences in transaction costs can be attributed to the different stages of land market development between the northern and southern regions of Ghana. Land market development is more advanced in southern Ghana than in the north in terms of the extent of monetization and land tradability. The emergence of monetary transactions in northern Ghana is still relatively new and local customs and practices have always frowned upon cash-based land transactions. Due to these customary restrictions, even local chiefs have tended to shroud land transactions in secrecy in the Northern region of Ghana. It is also the general observation that the returns to agriculture are comparatively higher in southern Ghana than in northern Ghana due to the different agro-ecological and climatic characteristics. The demand for land in the southern regions of Ghana for the commercial production of economic trees such as cocoa, teak, oil palm and rubber, makes land prices more expensive than in the northern regions where gratuitous grants are still accessible.

3.5 Conclusions

Land markets in Ghana continue to evolve, and different processes and costs are involved in smallholders' participation in the land market. The main objective of this study was to examine the complications of land price formation in respect of the processes and costs involved in land transactions in Ghana. The study identified that the

remoteness of the communities limited land transactions to usufruct holdings through inheritance, seasonal cash-based or kind-based rentals and sharecropping to mostly relatives, friends and trustworthy migrant farmers. Since different processes are involved in acquiring land, the related transaction costs were also identified to be different in the two study areas. From the transaction cost tabulation, it is cheaper to acquire land from skin land areas in northern part of Ghana than in stool land areas in southern Ghana where the land markets are relatively developed for commercial production of highly economic crops.

Transaction costs from the study are largely influenced by the nature of land tenure (formal/informal), social capital (relationships and trust), geographical location of the land (north/south ecological zones) and citizenship. Citizens of the farming community can acquire new farmlands or additional farmlands without paying anything for them, because access to land is an entitlement according to local customs. The costs of performing customary ceremonies such as the *guaha* cutting also ultimately influence land pricing. Notwithstanding the implications of *guaha cutting* on land pricing, the ceremony continues to be relevant in customary land administration, as a means of securing tenure to land. However, to enhance land tenure security and improve smallholder land securitisation, it is recommended that pro-poor land registration systems be introduced. For example, simple land use contracts between tenants and their landlords, which spell out the rights of the land user for a specified period of time, may allow for the collateralisation based on such rights. Also, since employment and social services provision appear to be the points at which the expectations of smallholder communities, and the deliverable promises of large-scale agro-investors seem to merge, emphasis should be made at these point to deepen benefits to host communities in Ghana.

Chapter Four : Determinants of Agricultural Land Prices in Ghana

4.1 Introduction

Land markets in Africa are recently more pronounced with wide variations in the nature of transactions, extent of acquisitions and contractual arrangements. African land markets have become more complex and globalised in response to recent economic changes and pressures. Though the emergence of land markets has largely been attributed to the gradual disintegration of the system of communal property rights towards individualized rights (Bruce and Migot-Adholla, 1993; Otsuka and Place, 2001; Ubink and Amanor, 2008), recent market trends are dominated by surging foreign interest in large-scale[24] commercial agriculture in Africa. The common land market activities[25] identified in most parts of Africa are in the form of rentals, sharecropping, inheritance, borrowing and usufructs. Outright sale[26] of agricultural land is prohibited in most customary land tenure regimes in Africa. This explains why much of the literature on African land markets (see Binswanger and Rosenzweig, 1986; Hayami and Osuka, 1993; Otsuka, 2007) appear to concentrate on land rentals and not sales.

In the urban and peri-urban areas of West Africa especially in Burkina Faso, Côte d'Ivoire and Ghana, some evidence of land sales were documented since the early 1900s. In Burkina Faso, Kevane and Gray (1999) and Ouedraogo (2002) found that urban and peri-urban land markets were dominated by developers and civil servants buying large

[24] Large-scale agro-investment is used to refer to agricultural landholdings extending up to 1,000acres and the farms operated as a private, public or joint investment. This is not to imply that smallholders are not agricultural investors (see Lipton, 2006). The term is used cautiously. This study prefers to call these kinds of landholdings agricultural investments and not *'land grabs'* as they are popularly so called in the media.

[25] Most agricultural transactions in Ghana remain oral in nature unlike urban land transactions, which are documented and registered with the Lands Commission. This situation is not however, synonymous to tenure insecurity though it may provide a leeway for multiple transactions, indiscriminate expropriation and interruption of quiet enjoyment of land.

[26] In Ghana, traditional custodians of land, especially chiefs and *Tendaamba* are fast to emphasise that land is not for sale. However, various transactions such as – leases, gifts, freeholds, share tenancies, seasonal licences and pledges are taking place with both cash and kind considerations. For example most land grants made to migrant farmers are disguised as *gifts* but these tenants are asked to pay all sorts of customary fees for the land or offer a share of their produce at each harvest or even work for their landlords free of charge every farming season. These at best can be described as leases and not gifts as usually reported.

portions of these areas. The ownership of land is increasingly concentrated in the hands of few wealthy elites and agro-business entities (Ouédraogo, 2002; Mathieu *et al*., 2003; Wouterse and Taylor, 2006). Also, the immigration of returnee farmers from Côte d'Ivoire and western Burkina Faso led to the development of agricultural transactions in the Comoe province in southwestern Burkina Faso (Lavigne Delville *et al.*, 2002). In Côte d'Ivoire, newcomers obtained property rights through *guardianship arrangements* or by purchasing land use rights from exiting migrants. It is also reported that the booming pineapple production in Southern Côte d'Ivoire led to the emergence of land rental markets in that area (Chauvea *et al*., 2006).

Amanor (1994) reported that land markets emerged in Ghana in the 1890s at an era of immense prospecting for gold. It was also found in the densely populated cocoa producing areas of Ghana that land sales accounted for 18percent of all landholdings while land rentals accounted for 41percent of landholdings (Migot-Adholla *et al*., 1994). Quisumbing *et al*. (2001) revealed that while 5percent of land transactions in the Western region of Ghana emanated from purchases, about 19percent of lands were acquired through rentals in migrant communities, particularly in the oil palm belt. Since these areas are both densely populated and vibrant agricultural zones for the commercial production of cocoa, rubber, citrus, and oil palm, such evidences of actual sales are not surprising. Over the last two decades, these figures on land sales and rentals might have changed tremendously in West Africa. The customary perception that land is not for sale may therefore need to be reconsidered following some evidences of land sale in highly prospective agricultural frontiers across West Africa.

Several studies exist on the emergence of land sale and rental markets in West Africa, which were all largely driven by the production of high value economic crops and minerals. However, in the last decade, there has been a re-emergence of medium to large-scale land acquisitions for agricultural investments in the region. Even though the drivers of these recent agro-investments have been thoroughly studied by Arezki *et al*. (2011); Deininger *et al*. (2011), Anseeuw *et al*. (2012, 2012a) among others, what

remains completely missing is how these recent large land acquisitions across the sub-region have impacted on customary land markets. This study therefore sought a deeper understanding of the functioning of customary land markets in West Africa particularly, Ghana, following recent large-scale agricultural land acquisition across the country. The study examined the factors that inform a *rentor* and *rentee* about agricultural land rents to charge or to accept, in a sector that is highly constrained with information and power asymmetries, and where money is not always the underlying medium of exchange in land transactions. The study contributes to a better understanding of the functioning of land markets in West Africa, within a dominant customary tenure land ownership system, where informal transactions abound and records on land prices are almost non-existent. The findings of this chapter are relevant for policy formulation towards protecting smallholders against adverse impacts of land market transactions that go beyond their local capacities.

4.2 Literature Review

4.2.1 Differing trends of land markets in Africa – Are recent transactions new?

Land markets in Africa are traced back to the 1900s (Holden *et al*., 2009). Various evidences of land transactions were discovered earlier in the last Millennium in many African countries. In many parts of Africa, land ownership rested in the hands of a few ruling classes like the Kings (Stool/Skin) of Asante in Ghana or in families who were among the first settlers (*Tendaamba*) of the land (Kasanga and Kotey, 2001). While indigenes obtained usufructuary rights over un-appropriated communal land as a right, strangers obtained land through locally arranged oral transactions where land rent amounted to a share of produce depending on the extent of cost sharing between landlord and tenant. Such rents ranged from one-third share of proceeds to the landlord (*abusa*) to a half share (*abunu*). These arrangements differed among farming communities and sometimes even among households.

Historically, several forms of land transactions were recorded in many sub-Saharan countries. In Ethiopia, peasant farmers served as caretakers of land owned by wealthy

urban landlords who then managed them through intermediaries (Rohmato, 1984 as cited in Holden *et al*., 2009). This landlord and tenant arrangement persisted till 1975 when a land reform illegitimated land and labour rentals, but rather centralised land ownership in the state in order to commence land redistribution. This position remained until 1991 when a new political regime permitted short term land rentals and hiring out labour (Deininger *et al*., 2007; Holden *et al*., 2007). In Malawi, the introduction of tobacco transformed land relations from largely European controlled farms to smallholder tenancies for tobacco production (Place and Otsuka, 2001). Land markets in Uganda were largely influenced by regional imbalances in population density and migration (Holden *et al*., 2009). Beside land markets being dominated by usufruct holders, the granting of land titles formed the basis for the commencement of land markets including illegitimate land sales in customary areas (see Deininger and Ali, 2008). In Kenya, land privatization resulted in some evidence of land sales (Place and Migot-Adholla, 1998) though the magnitude was low in Central Kenya (Pinckney and Kimuyu, 1994).

Alongside these recorded evidences of land transactions in Eastern Africa, similar markets emerged in West Africa as well especially in the tropical rainforest regions of Ghana, Cote d'Ivoire, Sierra Leone, Benin, and Nigeria (Quisumbing *et al*., 2001; Adesina and Chianu, 2002; Delville *et al*., 2002). Otsuka (2007) and Holden *et al*. (2009) particularly noticed that land transactions were prevalent in areas notable for high population density and massive in-migration. Land transactions in Ghana date back to the early days of cocoa and oil palm in the 1950s; and appear widespread in the middle belts of the country (Amanor, 2006). Following the above, it is apparent that recent cash-based land transactions are not new in form, but may be different in the extent of land under negotiations or acquired. Also, unlike previous land transactions that revolved around households seeking to improve their productive resources (Deininger and Binswanger, 2001), recent land transactions involve large tracts of agricultural lands, owned by very resourceful investors – both private and public; and foreign and local entities.

4.2.2 Smallholder participation in land markets

Different factors influence the decisions of agricultural households to participate in the land market. The decision of smallholders to participate in the land market could be two staged: decision to participate and the actual participation in the land market. Most literature have cited factors such as the initial land and labour endowments of the household, income levels, access to credit and other factor markets, extent of non-farm livelihoods, land tenure security, transaction costs in market participation and the cost of land as being key to determining the nature of land market participation (Holden and Ghebru, 2005). Other factors such as trust, reputation and availability of potential tenants are also essential in the functioning of land markets (Pender and Fafchamps, 2006). It is believed that the emergence of land markets offers an effective opportunity for the transfer of land from land rich agricultural households to land-poor households. It is also contrarily argued that land markets only allow the wealthy class to concentrate land by enticing the poor who lack agricultural credits and insurance to sell land out due to distresses (Platteau, 1996; Platteau, 2000; Jin and Jayne, 2011) such as climate, economic or health related adversities (Holden *et al*., 2009:19).

A study by Andre and Platteau (1998) between 1988 and 1993 found land-poor households in Western Rwanda selling out land to meet their subsistence and medical expenses. In 1998, studies in Kenya (Place and Migot-Adhola, 1998), on the contrary, found that land-poor households rather bought land from land rich households to support their sustenance. Contrary to the position of Andre and Platteau (1998), von Braun *et al*. (1991) argue that so long as land remains the most valuable asset of poor agricultural households; they are more inclined to use it productively by marshalling all their other resources. In respect of land rentals, several studies in Rwanda (Andre and Platteau, 1998); in Ghana (Migot-Adholla *et al*., 1994); in Ethiopia (Pender and Fafchamps, 2006) and in Malawi (Holden *et al*., 2006) have provided evidences that land rentals contribute significantly to more equitable land holding between the rich and the poor.

In a comparative study of Ghana, Kenya and Rwanda, Migot-Adholla *et al*. (1991) and Osuka and Place (2001) identified population growth and commercialization as generally associated with the individualization of land rights. According to Holden *et al*. (2009: 25), *"land markets and individualization of land rights seem to move in tandem".* It is also believed that high-value commercial enterprises and entrepreneurs can influence land tenure and land markets. For example, the booming cocoa production in West Africa is known to have stimulated share tenancies and land purchases in Ghana and the Côte d'Ivoire (Hill, 1963; Quisumbing *et al*., 2003, Amanor, 2006). It was argued that the activities of migrant farmers also sped up the development of land markets for both sales and rentals (Quisumbing *et al*., 2003).

From the above account, the general factors that may influence the formation of land markets include institutional factors (formal or informal norms, regulations and restrictions), demand factors (population growth, urbanisation and migration), and cost factors of access to land (transaction cost). Missing among these factors is large-scale land acquisitions as a demand side factor and how it influences land transactions at the community level. This study is premised on the fact that land markets in West Africa have indeed transcended local transactions into international and multinational deals. Large-scale agricultural investment projects are huge players in African land markets, which are dominated by smallholder farmers. This demand factor together with farmland supply, farmland location, farmland quality and socio-cultural factors, and non-price factors such as transaction costs, determines land sale and rental prices. Also, the activities of medium-scale farmers cannot be ignored as an influence on land markets.

4.2.3 Emergence of LSLA in West Africa

Africa is targeted for about 70percent of the global demand for land (Deininger and Byerlee, 2011) and the growing demand is not a flush in the pan, but may continue into the near future. In Ghana, while Schoneveld *et al*., (2011) reported that 1 million hectares of land were under biofuel production alone, the Land Matrix Global

Observatory as of December 2012 reported of 258,950 hectares for biofuel. Our estimation from various sources including the Ghana Investment Promotion Centre (GIPC) and the Land Matrix Global Observatory indicates that intended land acquisition in Ghana as of August 2014 was 2,172,440 hectares while the concluded acquisitions was 904,016 hectares. This puts actual land acquisitions at 42percent of all purported land acquisitions. Similarly, in Liberia, intended acquisitions were 1,408,048 hectares while actual acquisitions were 1,340,777 hectares (95percent) representing a shortfall of 5percent. In Mali, 438,286 hectares were targeted for acquisition; however, 169,286 hectares representing 39percent were finally signed. A lot of cross country evidences in West Africa point out that targeted and negotiated deals have always fallen short of completed and leased concessions.

There are also evidences that operational transactions are gravely different from negotiated deals. According to Cotula *et al*. (2014), a majority of land transactions in Africa for agricultural investments are operating less than 30percent of the allocated lands. Deininger and Byerlee (2011) estimated that only 21percent of the recently approved agricultural projects have begun actual production, and this scale is much smaller than planned and reported at the land negotiation stages. Our estimations from Ghana, Liberia and Sierra Leone also reflect a wide disparity between signed land acquisition contracts/leases and actual proportions of land put to production. In Ghana for instance, it was found that out of signed contracts of 904,016 hectares, 12,790 hectares (1.5percent) have been put into production. In Liberia, 1,340,777 hectares were contracted, while 26,397 hectares (2percent) have been put into production, representing just 2percent. In Sierra Leone, only 6,365 hectares (representing less than 1percent) of the contracted 1,183,274 hectares were put to cultivation. In Nigeria 16percent of the acquired land was put to use. Cote d'Ivoire recorded the highest percentage of 79percent usage of contracted land and is by far the highest proportion in the whole of West Africa. In the specific case projects in Ghana, it was observed that ScanFarm (Gh), after 4years of operation had used only 10percent of their concession of 13,058 hectares. In the ITFC Ltd case study, out of a concession of 1,363 hectares,

73percent (1000acres) was found already cultivated while the remaining 27percent (363acres) is preserved as a biodiversity zone. Further details of large-scale land acquisitions (LSLAs) in West African in terms of number of investments, investor countries, intention, and land size are shown in Table 4.1.

Table 4.1 Ghana - investors origin, intended use and contracted land size

Number of Investments	Investor Countries	Intention	Contracted Land Size (ha)
1	Italy	Biofuels	6699
2	India	Biofuels and food crops	404,360
1	Canada	Biofuels	10,000
9	USA	Biofuels, livestock and food crops	164,547
2	UK	Biofuels	50,700
1	Singapore	Edible oils	4,678
6	Norway	Food crops	55,923
1	Spain	Food crops	10,000
1	Netherlands	Carbon sequestration, Biofuels and carbon	3,500
3	South Africa	Sequestration	72,531
1	UAE	Wood/fibre	5,000
1	Brazil	Food crops	200
1	France	Food crops	3,500
1	Kenya	Food crops	1,070
2	Ghana	Food crops	1,258
1	Germany	Food crops	7,000
1	Dutch/Ghana	Fruits, food crops	1,568
1	Israel	Biofuels	100,000
1	Unknown	Biofuels	50
Total 37			**904,016**

Source: Compiled from GIPC (interview 2013), Land Matrix Global Observatory, 2014; Acheampong and Campion, 2014

According to the Land Matrix Global Observatory (2014), the majority of LSLAs in West Africa are registered in Ghana, Liberia, Mali, Sierra Leone, Senegal and Nigeria. In Ghana, the investors have included Norway, Canada, Italy, Netherlands, Singapore, Belgium, Britain, India, USA, Israel and China. It is also reported that some national elites, using their privileged positions, local know-how and extensive networks, have

secured access to fertile land on the continent for agriculture (Alden Wily, 2011). This explains why between 2004 and 2009, a majority of the investments in farmland in Africa were domestically initiated (Deininger and Byerlee, 2011). It is also observed from Table 3.1, that most of the new investments were not into food crop production. Deininger and Byerlee (2011:51) reported that 63% of the recent investments were in non-food agricultural products; such as biofuels (21%), industrial cash crops (21%) and conservation, game reserves, livestock and plantation forests (21%).

The focus on biofuels has been greatly influenced by country-level targets to reduce the use of fossil fuel. In Ghana, the cultivation of *Jatropha curcas* for biofuel production dominated the crops targeted by investors (29% according to Schoneveld *et al*., 2011). There are also high-level investments in oil palm, sugar cane and cassava. The case studies in this thesis showed that the interest and hype in *Jatropha curcas* had actually waned since 2010 due to poor performance of the crop with a shift towards food production. According to Schoneveld *et al*. (2011), most investors lacked the expertise to propagate and manage *Jatropha curcas* on commercial bases as a plantation crop. Also, the prospects and profitability of a crop may motivate investors to expand its production or diversify their portfolio.

4.3 Methodological Approaches

Two case studies were purposely selected for this study - ScanFarm (Gh) Ltd in the Ashanti Akim North District and the Integrated Tamale Fruit Company (ITFC) Ltd in the Savelugu-Nanton District. The study was based on survey data of smallholders in four (4) selected communities in Ghana using Focus Group Discussions (FGDs), key stakeholder interviews and policy documents. Together with the household surveys, village surveys were also undertaken to assess the level and nature of land transactions, community characteristics, farming practices, land market activities, and prevailing land tenure systems.

The analysis of data in this chapter, though largely qualitative, will be undertaken in line with rent theories on land transactions. The rent theories help to understand the functioning of land markets and factors that may be influencing prices determination at the local level**.** Land rent influences the allocation of land among competing uses, and hence, allows agricultural households to resolve their production constraints. However, different factors influence the fixing and interpretation of land rents. In analysing land rents, two main theories from David Ricardo and Heinrich Johann von Thünen have dominated. David Ricardo (1772–1823) developed the differential rent theory to explain agricultural land rents as *"that portion of the produce of the earth which is paid to the landlord for the use of the original and indestructible powers of the soil"* (Ricardo, 1996:45). He argued that rents arise on land only when increases in the demand for land necessitate the use of less fertile lands. Ricardo's emphasis was on the peculiar advantages of land in terms of its quality. He explained that the difference in yield that accrues to a fertile land reflects the rent payable for that land. In his view, fertility and yield of land, are the major determinants of agricultural land rents.

Differing from Ricardo's proposition on differential land rent, Heinrich Johann von Thünen (1783-1850) propounded the location theory to explain land rents, attributing land rent to location differentials. Von Thünen observed that when crops produced for a central city market are grown on farther lands, those located nearest the city enjoy a definite rent advantage over those located at the greater distance. The extent of this advantage corresponds with the differences in the transportation costs that arise in hauling products from the different locations to the market. Even though advancement in transportation technologies has brought tremendous changes to this thinking, transportation costs still have a significant effect on rent-paying capacity and define the siting of production. Heinrich Johann von Thünen's emphasis was on the location of agricultural land as a factor for determining land rents.

Due to the identified limitations of household data in explaining house level land transactions in Ghana, community level responses from focus group discussions and

interviews were mainly used to explain the factors that drive land prices in line with the Ricardian and Von Thünen agricultural land rent discussions. These responses are displayed in different tables in section 4.4.3. This study is built around telling the story behind land market arrangements in Ghana.

4.3.1 Descriptive summary on land characteristics

From the household data, the average age of household heads is 45years and dominated by males, with household sizes averaging 10 persons. Over 60percent of the households are holding between 2-5acres (2hectares). Only 4percent of households have accessed credits to purchase fertilizer, herbicides and insecticides to improve farm production. Generally, 90percent of household believe their tenure to land remains secure, while only 6percent have experienced land conflicts in the last decade. In terms of the physical characteristics of the household farmland, 54percent of the respondents have their parcels located near to all-weather motorable roads while 18percent have lands located close to pools of water for potential irrigation. Soil texture in both studied areas is reported to be dark brown and black and confirms a high level of soil fertility as was responded in the affirmative by 95percent of the respondents. The average travel cost reported for households who had to travel into these communities to acquire land was approximately Gh¢ 6 while only 3percent of the households have adopted various measures to protect their parcels from encroachment and trespass. Though erosion in the savannah and transition forest zones of Ghana is generally high, less than half of the farmers interviewed reported that their farmlands located on eroded areas.

Household land transactions in the Savelugu area where ITFC Ltd is located are limited extensively by inherited customary landholdings at the extended family level as usufruct rights. Land sales are prohibited in the area according to local customs. The *Ya Na,* through the sub-chiefs, manages the allodial rights as trustees of communal land in the area while family heads manage usufruct allocations. In the Agogo area where ScanFam Ltd is located, the Agogo Stool holds the allodial rights while families hold usufruct rights over various portions of communal land. Farmland transactions in the area have been

restricted to seasonal licenses, sharecropping and short-term land leases, with payments equivalent to a fixed quantity of crops produced or the cash equivalent of such produce in the market at the time of harvesting.

4.4 Analysis and Findings

4.4.1 Nature of land rents to smallholders and large holders

According to Goldstein and Udry (2005:11), approximately half of all agricultural land transactions in customary regimes are sharecropping contracts, and half are based on fixed-rent. In the study communities, it was revealed that 40percent of customary land transactions were based on fixed-rent contracts while 60percent were usufruct holdings. Fixed-rent land transactions comprised 17percent cash-based leases, 12percent sharecropping tenancies and 11percent seasonal licences (see details in Table 4.2). Majority of customary land transactions are often disguised as *akyedie (gifts),* though in reality they take the form of either a share-contract or a fixed-rent over a specified time or into perpetuity. Land rents may be in the form of seasonal or annual payments to landowners for the use of agricultural land. In Ghana, the nature of rent (cash or kind) and the amount of land rent differ from community to community depending on the prevailing customary practices and the nature of agreement.

Table 4.2 Land rights distribution in the study areas

	Response	Frequency	Percent (%)
Valid	Freehold/Usufructuary	105	60
	Leasehold	29	17
	Sharecropping	21	12
	Customary License	20	11
Total		**175**	**100**

Source: Field Survey, 2013

From the households surveys conducted in Dukusen and Afrisire around the ScanFarm Ltd project in 2012, about 70percent of the inhabitants are migrant farmers with less than 10percent of the farmers holding common law freeholds (stranger usufruct rights).

Stranger usufructs were identified to be the first migrants who laid the foundations of these villages and allocated to themselves various portions of the community land. These classes of migrants do not pay rent for land use but rather assist in settling new farmers on behalf of the *Omanhene (Paramount Chief)*. Agricultural rents are paid either in cash or in kind. For cash rentals, the average annual rent for leaseholders was quoted at between Gh¢ 40 and Gh¢ 100 per hectare per annum (US$ 20.8 and US$ 50.2 as of 1st April, 2013). Cash payments are usually made in advance. For farmers who opt for kind payments, a flat rate of 1 to 3bags[27] of maize may be accepted as rent in a farming year. For farmers cultivating yam, the rent paid was higher. In an interview with the *Odikros* of both Dukusen and Afrisire (2012), it was explained that soil depletion associated with yam cultivation is leveraged through higher rents per annum. Yam farmers were thus requested to make cash payments of Gh¢ 200 per annum (US$ 104 as of 1st April, 2013) (Interview with Dukusen chief, 2012).

Another form of tenancy most common in Dukusen and Afrisire around the ScanFarm (Gh) Ltd concession is sharecropping. Sharecropping may take the form of *abunu* or *abusa* tenancies. Under these sharecropping arrangements, the proceeds of the farm are usually shared for seasonal crops, but sometimes may involve the sharing of the farm itself for tree crops like cocoa, oil palm, citrus among others. Sharecropping, as a form of land access and land renting is conducive and acceptable to over 90percent of migrant farmers as a first means to access farmland in host communities. In many cases sharecropping serves as a means to obtain input support from resourceful landlords. As a reward for this sharecropping contract, the landlord takes two-thirds (2/3) share of the farm or proceeds. Since the *Odikros* (Village chief) are unable to monitor actual proceeds from every tenant's farm at the village level, they rely heavily on trust to sharecrop-out plots to new migrants. With these bases, social networks and goodwill in host communities significantly influences access to agricultural land and the amount of

[27] A bag of maize at the farm gate cost Gh¢ 50 in December 2012. Hence, 1-3bags of maize was valued between Gh¢ 50 - Gh¢ 150 in cash respectively. NB. US$ 1 is equivalent to Gh¢ 1.9214 as of 1st April, 2013.

rent paid. Table 4.3 shows quotations of various rents paid for the use of farmland in Agogo, Dukusen and Afrisire from the ScanFarm Ltd project area.

On the contrary, sharecropping has been widely criticized for its impacts on farmer inefficiency and low investment in soil conservation due to low expectations on returns and high cost of supervision (Goldstein and Udry, 2005; Otsuka, 2007). According to Quisumbing *et al*. (2001), smallholders under sharecropping contracts are unwilling to fallow land in order to improve its fertility due to tenure insecurity under traditional land tenure arrangements. Even though fallowing is very profitable for smallholder food producers (Goldstein, 2008), farmers find it risky to invest in soil conservation, when their tenure is perceived insecure. In a study by Acheampong and Campion (2014) in Ghana, it was revealed that less than one-third of the farmers studied were able to fallow their lands beyond three years after *Jatropha curcas* was introduced in their communities. They attributed this to land scarcity. From Afrisire around the ScanFarm project, it was reported that the tenure of a migrant farmer was secure so long as he has crops on the plot. For this reason, some usufructs do not trust that when they rent land to migrant farmers for a period beyond two farming seasons, they will take good care of the land and maintain its fertility. On the other hand, the migrants are sceptical that when they invest in soil fertility, they may not be allowed to reap the full benefits of their investments.

Wilks (1993:99) in his study of the Ashanti, quoted smallholders who reported that *afuo yɛ deɛ, asase yɛ ohene deɛ* - literally meaning the farm is ours; the land is the stool's. In a tenure regime where absolute ownership always rests with the stool, smallholders will be more strategic in their investment in land and soil conservation approaches. These uncertainties surrounding investment in soil conservation explains why some smallholders tend to mitigate their investment costs by either under declaring output or falsify poor harvest (see Yelsang, 2013). Examples of similar concerns exist around the Ashanti, Brong Ahafo and Western Regions of Ghana where migrant farming is widespread. In the Bono areas of Ghana, Adjei-Nsiah *et al*. (2004) found that

landowners accused their tenants of cheating by under-declaring their harvest. Following this, some tenants have been prosecuted in court or summoned before the *abusuahene* (*land administrator* as used in Amanor, 2006) for various infractions.

Table 4.3 Summary of land rents around ScanFarm (Gh) Ltd Project

Where	Data Source	What is presented	Value			
			Per Acre		Per Hectare	
Agogo	CLS, Agogo	For a parcel not more than 2acres, a farmer pays a rent of Gh¢ 50 to the chiefs per annum	Gh¢50	US$ 26	Gh¢100	US$ 52
Dukusen	FGDs	Migrant Farmers in Dukusen for lease parcels pay Gh¢ 40 for parcels less than 5acres. A fixed price value of 3bags of maize is acceptable from maize farmers per annum.	Gh¢40	US$ 21	Gh¢80	US$ 42
Afrisire	FGDs	One third of produce is acceptable per annum for sharecroppers.	Gh¢50	US$ 26	Gh¢100	US$ 52

Source: FGDs (2013). Exchange rate: US$ 1 to GH¢1.9214 as of 1st April 2013

In the study of land rents paid by ScanFarm (Gh) Ltd, it was revealed that a ground rent of US$ 1 per acre per annum was agreed for the first year of operations. Subsequently, this amount is increased by US$ 50cent every additional year till it stabilizes at US$ 3.50 in the 60th month for the remainder of the duration. Comparing the year-to-year rental payments of both ScanFarm (Gh) Ltd and the neighbouring smallholder farmers, existing land rents in the host communities at US$ 53, appear higher than those paid by ScanFarm (Gh) Ltd at US$ 3.5 (see Table 4.4), on the face of it. This probably explains why at a FGD in Afrisire (2012) around the ScanFarm project, the farmers were of the opinion that, the chiefs were increasing ground rents arbitrarily as an eviction tactic. However, the rent differentials may be tied to the risks and costs of administering smallholder rents. This is because, although smallholder land rentals in the area were

reportedly driven largely by trust[28], most smallholders were under-declaring their outputs and relocating to new communities or faking poor harvests to enjoy leniency from the chiefs. Following these risk assertions, it was apparent that total ground rent from ScanFarm (Gh) Ltd was higher, certain, cheaper to collect, and stable against inflation (i.e. it is paid in dollars or the dollar equivalent in cedis). The rent paid by ScanFarm Ltd also covered the entire concession and not just the cultivated area.

From Table 3.4 the rough estimation, in 2009 ScanFarm (Gh) Ltd paid an annual rent of US$13,058 to the Agogoman Council. In 2010, the rate per annum was adjusted from US$ 1 per acre to US$ 1.5 per acre and hence pushing total ground rent to US$19,587. Since the project is currently in its fith year, rents due in 2013 should be US$ 39,174 for the entire project site. However, these ground rents are to be paid to the traditional council through the Office of the Administrator of Stool Lands (OASL) to be disbursed according to the constitutionally approved formula as indicated in Article 267 of the Fourth Republican Constitution of Ghana (1992).

Table 4.4 Annual rental payments by ScanFarm (Gh) Ltd to the ATC

Year	Months	Basic Land Rent	Total Rents
1	01 – 12 months of Lease Contract	US$ 1.00 per ha	US$ 13,058
2	13 – 24 months of Lease Contract	US$ 1.50 per ha	US$ 19,587
3	25 – 36 months of Lease Contract	US$ 2.00 per ha	US$ 26,116
4	37 – 48 months of Lease Contract	US$ 2.50 per ha	US$ 32,645
5	49 – 60 months of Lease Contract	US$ 3.00 per ha	US$ 39,174
6 +++	60 until the end of Lease Contract	US$ 3.50 per ha	US$ 45,703

Source: Lands Commission (PVLMD), 2012

The story of land acquisition and rental payments by the ITFC Ltd and surrounding communities differs significantly from that of ScanFarm (Gh) Ltd due to differences in the existing land tenure. Unlike in Agogo, where some evidences of land sales and leases were available, the land market around the Savelugu area is relatively emerging. Three

[28] Trust is used to refer to strong believe that a farmer will fully declare his output and pay the mandated rents, which are tied to his output per annum without concealment or absconding.

main reasons could explain this observation. Firstly, though the *Ya Na* owns lands, land uses are determined at the community level where members hold usufruct rights on rent-free terms. The second reason could be attributable to the absence of a *Ya Na* (paramount chief) in the Tamale Traditional Area (TTA) to stimulate land rentals. The third reason could be the fact that agricultural lands are *gifted,* not sold. The large landmass of the Northern region of Ghana coupled with low rural population densities may also account for the low land commoditisation. Usufructs holders who need additional land are only required to offer twelve pieces of *kola nuts* to the *Gundaana (village chief)* according to local custom. However, non-indigenes are required to make one-time cash payments. In both Gushie and Tunayili, around the ITFC project site, such one-time payment for a hectare of land was quoted to be GH¢100 (US$ 52 as of 1st April, 2013) (FGDs, 2013). Land rents reported in the two study communities around the ITFC holding are shown in Table 4.5.

Table 4.5 Summary of land rents around ITFC (Gh) Ltd investment for non-indigenes

Where	**Data Source**	**What is presented**	**Value**			
			Per Acre		**Per Hectare**	
Savelugu	Districts, Savelugu	Kola nuts and money to great the chief and elders	Gh¢ 200	US$ 104	Gh¢400	US$ 208
Gushie	FGDs	Kola nuts and/or money to great chief and elders GH¢100	Gh¢ 100	US$ 52	Gh¢200	US$ 104
Tunayili	FGDs	Kola nuts and/or money to great chief and elders GH¢100	Gh¢ 100	US$ 52	Gh¢200	US$ 104

Source: Compiled from FGDs in Gushie and Tunayili (2013). Exchange rate: US$ 1 to GH¢1.9214 as of 1st April 2013

4.4.2 Farmers' liabilities and entitlements – influences on land prices

Through the interviews with the managers of ScanFarm Ltd and ITFC Ltd companies, it was discovered that the actual amount paid for land was tied to agreed liabilities and entitlements. For smallholders in the Savelugu area where ITFC Ltd is located, they are

required by local customs to avoid bush fires, avoid cutting economic tree species and to pay customary gratuities. In return, the local chiefs offer smallholders protection from the activities of unauthorized Fulani nomads. Chiefs also assist smallholders in resolving land disputes and maintaining community peace. After studying contracts of both ScanFarm (Gh) Ltd and ITFC (Gh) Ltd, the basic entitlements and liabilities identified are summarized in Table 4.6. It is noteworthy that the listed liabilities play a very significant role in determining how much a large agro-investor finally pays for land in Ghana. Ultimately, large agro-investment companies will negotiate for lower rents if they are mandated to stir up local level development and invest in infrastructural developments as well. In the case of ITFC Ltd, the company had an oral agreement with the chiefs of Gushie, Dipale, Tunayili and Tigla to improve education in these areas by investing in scholarships, infrastructure, teacher remunerations school uniforms, and study materials. In respect of these commitments, *kola money* was reduced considerably.

At the time of conducting this study, the ITFC Ltd was already extracting water directly from the White Volta for their mango plots through a sprinkler system. Though some smallholders were found cultivating rice, watermelon and maize along the same river, they did not interrupt the water demands of the Company. The Company also committed to establish outgrower schemes in their operational communities. As part of their investments into the outgrower schemes, ITFC Ltd reserved the sole right to supply mango seedlings, water, water storage tanks, manure, tools and other technical support to outgrowers, and to be sole purchasers of their proceeds until the cost of production was fully recovered. Under the outgrower scheme, ITFC Ltd fully pre-finances the cost of mango planting and management until the third or fifth year when it may be possible to commence harvesting and sale. According to Bugri and King (2013) this was essentially an interest free-loan. According to the Assemblyman of Gushie, the initial commitment to part-take in such an outgrower scheme was a bag of maize valued at Gh 50 (US$ 26 as of 1st April 2013) at the time of the study and a hectare of land. According to the manager of ITFC Ltd (interview 2013), the restriction to a hectare of land was to ensure

proper supervision by their trained field assistants, prevent production glut and also to ensure that participating outgrowers did not compromise on their food security when managing very large mango plantations. These entitlements were confirmed fulfilled satisfactorily, except that some farmers were neglecting their mango plots and sometimes the poor management affected mango outputs significantly.

Table 4.6 Entitlements and liabilities of large-scale agro-investors in Ghana

Agreed Issue	**ScanFarm (Gh) Ltd**	**Integrated Tamale Fruit Company (ITFC)**
Entitlements	1. Uninterrupted water supply from the River Afram 2. Beneficial enjoyment of land without trespass or encroachment 3. To bring in third party expertise, joint effort and technology to improve farming in the area	1. Uninterrupted water access from the White Volta 2. Quiet and beneficial occupancy 3. Sole suppliers of seedlings, manure, water, tools, water tanks and technical support to outgrowers 4. Sole purchasers of mango from farms till costs were fully recovered
Liabilities	1. Employment creation for people 2. Compensate affected usufructs 3. Construct roads – feeder roads 4. Assist in providing social services 5. Bring about developments 6. Not to use land for any illegal purpose besides crop production 7. Not to use parcel for housing except staff quarters 8. Surrender lease and hereditament upon the expiration of the lease	1. 70percent jobs to host Communities 2. Pay compensation to affected farmers 3. Implement outgrower Schemes 4. Supply water for domestic use 5. Offer educational support systems 6. Improve road network from Gushie to Tunayili and Dipale 7. Surrender land upon the expiration of the lease 8. Support in preventing bush fires

Source: Field Survey, 2013

In the ScanFarm Ltd case, the company confirmed their access to water from the River Afram for the application of insecticides on their farms, without any violent confrontations. They have also enjoyed considerable serenity with no reported encroachments from smallholders in the surrounding communities. However, during the study, the Manager of ScanFarm Ltd, reported some encroachments and crop

destruction by cattle belonging to some Fulani herdsmen operating in the area. At the time of the study, ScanFarm Ltd was yet to employ third party expertise, enter into partnerships or deploy modern technologies to improve smallholder productions in the area. This entitlement, which remains in both the MoU and drafted lease, allows the company to engage third parties if their efforts are needed to improve their production in the area.

In our assessment, the stated liabilities of ScanFarm Ltd and ITFC Ltd in Table 4.6 have been considerably met. These liabilities are discussed in detail in sub-section 5.4.3. Generally, the liabilities of the two Companies to provide employment and social services were considerably met according to data from community stakeholders and the managers of these companies. Even though the figures of employment tended to decline over the years notwithstanding the expansion of companies, such trends in the general literature of LSLAs are not strange (See Deininger *et al.*, 2011). At the time of the study, no misuses of the lands of ScanFarm Ltd and ITFC Ltd were reported. It is anticipated that, per the separate agreements between the two Companies and the host communities, the land will be returned to the people at the expiration of the investment period.

4.4.3 Qualitative presentation of factors that determine land rents

In examining the factors that determine land rents, it was found that village chiefs and tenant farmers at Dukusen and Afrisire around the ScanFarm project considered the size of land, the total output per each farming season and the prices at which the product sells in the Agogo market. Other factors such as the nearness to roads, irrigation and market outlets were found not to be instrumental in deciding land rents. From the farmers' perspective (FGDs, 2012), water for irrigation was not a major factor in deciding land prices since agriculture was largely rain-fed, and they enjoyed two farming seasons in a year. On the part of access to road, there is only one tarred road that runs through the two villages and is accessible to farming households who live along this road. However, the distance of a person's farm from this road, influences the cost of

transporting produce from the farm to the market or home. In finding out the motivation to be located farther from the village and from any main road and yet pay the same rent, a farmer in Afrisire (2012) remarked that:

> *"you see, when your farm is far in the bush, you enjoy a lot of benefits. For example you hardly have problems with thieves; the Fulanis don't take their cattle that far, so your crops are safe. And when the farm is new, it is very fertile and we get more harvest too. Sometimes you are also lucky Nana does not come this far to inspect the size of your farm. So if you can farm more land, you can get a lot of produce and yet pay the same rent as though you farmed a smaller plot" (Sabastian, 41year old male in Afrisire, 2012).*

On fertility, it was reported that soil fertility is generally uniform and the location of a person does not really matter. What matters to most farmers, is how much land the *Odikros* release and how much of it a farmer is able to put to use. Subsequently, he pays rent based on the farm output and if in cash, at the prevailing prices of maize in the local markets. These responses from the FGDs held in Dukusen and Afrisire around the ScanFarm Project are put in the Table 4.7.

Table 4.7 Determinants of land rents from FDGs in Dukusen and Afrisire

Core Factors	**Determinants**	**Yes**	**No**
Land Characteristics	Farm Size	√	-
Quality of land and fertility (yields)	Soil Colour	-	√
	Soil Texture	-	√
	Slope of Land	-	√
	Produce Prices	√	-
David Ricardo	Quantity Crop Output	√	-
Location	Nearness to Water Source	-	√
	Nearness to Road Infrastructure	-	√
Johan von Thünen	Nearness to Output Market Outlet	-	√

Source: FGD in Dukusen and Afrisire, 2012

The same questions were posed in the two separate FGDs in Gushie and Tunayili at the ITFC project to examine the determinants of land rents at a broader community level.

Even though fewer land transactions were recorded in this area, it was revealed that the most important factors considered in land rent fixing included land size, soil texture, product prices, and quantity of crop output. Soil texture came up strongly due to the comparatively poor soils of the region vis-à-vis soil quality of Dukusen and Afrisire in the Agogo area. Also relevant were farm sizes and the quantity of output of the major crop cultivated. Since the introduction of mango as a commercial crop in the district, land rents for mango plantations are usually higher than lands for seasonal crops. The reasons are that mango is a commercial crop and the owners of such parcels tend to hold them into perpetuity. To compensate for the possible loss of land, higher rents are requested. An elder in Tunayili revealed that an acre of land in the area will go for Gh¢ 200 (US$ 104 as of 1st April, 2013) on rental. However, they hardly have people requesting to rent land in the area for agriculture. Responses on the determinants of land prices are shown in Table 4.8.

Table 4.8 Determinants of land rents from FGDs in Gushie and Tunayili

Core Factors	**Determinants**	**Yes**	**No**
Land Characteristics	Farm Size	√	-
Economic Surplus	Soil Colour	-	√
	Soil Texture	√	
	Slope of Land	-	√
	Produce Prices	√	-
David Ricardo	Quantity Crop Output	√	-
Location	Nearness to Water Source	-	√
	Nearness to Road Infrastructure	-	√
Johan von Thünen	Nearness to Output Market Outlet	-	√
	Economic Viability of crop	√	-

Source: Field Survey, 2013

The descriptive responses from household surveys as shown in Figure 4.1 indicate similar trends as those of the FGDs in Tables 4.7 and 4.8. Land size remains paramount in deciding how much is paid for the use of agricultural land in Ghana. Also important to farmers in deciding land rents are trust between parties especially in sharecropping, land tenure security, level of output, relationship with the tenant/landlord, location and soil texture due to the decreasing soil quality in northern Ghana. Ollennu (1962:88)

argues that agricultural land rent in Ghana is based on the size of the farm and not output. Interestingly, some other responses that emerged paramount in determining land rents such as trust and relationship could be attributable to the risks associated with sharecropping contracts. Since landlords are unable to supervise tenants, they enter into sharecropping contracts believing that tenants will stick to their annual obligations and will not under declare outputs so as to pay low rents. Trust also helps to prevent the possibilities of counter claim of land ownership by tenants, since land transactions are largely informal in many rural areas. Even when sharecropping rights can potentially exist into perpetuity, they do not mature into outright ownership. In the Agogo area, there exists a sense of tenure insecurity between migrant farmers and the natives due to deepening mistrust among them following reports of eviction in some neighbouring communities.

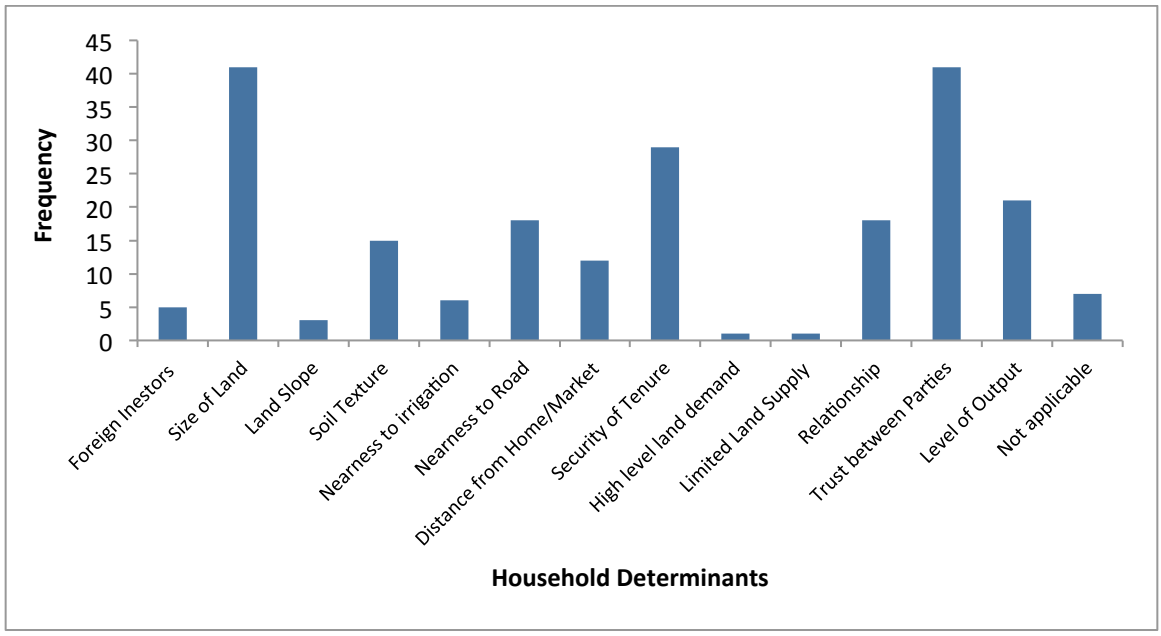


Figure 4:1 Subjective determinants of land rents from household survey

Source: Field Survey, 2013

From the multiple responses of smallholders in Figure 4.1 on the factors that are considered most important in land price dynamics, size of land, tenure security, trust, relationship between parties, level of output were found to be most relevant in land

pricing. It was also found that land quality, access to roads, distance to local market and operation of foreign investors in land were slightly important to farmers when they rent land. These factors are different from the general expectation that land rents would be largely driven by economic and agricultural factors. However, it must be appreciated that in customary land transactions, the rent paid for agricultural land goes beyond what may ordinarily be fixed by demand and supply. Social networks, relationships, trust and perceived tenure security are major social factors that may be left out in a majority of mainstream economic analysis. Berry (1993) highlights that rights to land and resources are related to social ties, with access to resources facilitated through social networks and patronage. Tenure security for instance is based largely on trust, and on the relationship between the parties. These factors are more aligned with Ricardo´s ideology on agricultural land prices based on land quality rather than von Thünen's proposition of location theory. For large-scale farmers, the price paid for land goes beyond the presentation of *drinks/kola* to the chiefs. It was found that land prices were hugely influenced by commitments to undertake developmental activities in their operational communities, and not just the land value per se.

4.5 Conclusions

The recent growing acquisition of large tracts of agricultural land in most parts of Africa requires critical review due to its apparent abilities to influence land markets and land prices at the host community level. The main objective of this chapter was to examine the factors that determine agricultural land prices. From the discussions so far, on the determinants of land prices in rural communities where large-scale land acquisition have emerged, the study concludes that land prices paid in the form of *drink/kola/drink money/kola money* are part of the mandatory customary protocols that need to be fulfilled. In addition to this, smallholders pay annual rents *as token of allegiance* in cash or as a share of output of the major crop cultivated. In many cases, a maximum of 3 bags of maize or the cash equivalent is paid to the local land custodian or the *rentor* usufruct seasonally or annually, as may be agreed. The rent paid by these smallholders especially by migrant farmers has largely been determined by the size of farmland

cleared, the quantity of output realised at each farming season and the price of the produce in the local market. It is concluded that the returns or expected returns to farming activities are major determinants of agricultural land prices in Ghana.

Furthermore, due to existing unequal powers between smallholders and large investors, smallholders tend to pay more for land rents than large investors per hectare of land. In our particular case study, this may be attributable to the risks of default in rent payment and associated high administrative costs, when dealing with smallholders. Various degrees and forms of land transactions were already recorded among smallholders in all the study communities. However, land transactions are still operating within informal land tenure with its peculiar challenges. Also, loopholes continue to exist in measuring the extent to which liabilities and entitlement of both small and large holders are met. This is attributable to the largely incomplete and undetailed nature in which these agreements were drafted. It is proposed that for large lands required for agricultural purposes, such transactions should be supported by national level task teams of legal, investment, tax, environmental, water and agricultural experts in order to secure communities' entitlements. Alternatively, the capacities of chiefs should be improved to directly administer large land deals in their localities with minimal interference of the state. Central governments, through her local agencies should put in place checks and balances to deal with matters arising in land allocation.

Chapter Five : Winners and Losers in Land Commercialisation in Ghana

5.1 Introduction

The agricultural sector has always received global research attention because of its role in sustaining rural livelihoods. In the last decade, many governments, including those from developing countries, have awakened in their interest to invest in agriculture. Most noticeably, the recent food, fuel and financial crises have sparked off increasing interest in large-scale land acquisition (LSLA) for agricultural investments in Africa by both foreign and local agro-investors. There are on-going discussions whether *land grabbing* should be regulated (FAO, 2012a and World Bank, 2010), discontinued (Nyari, 2008; Daniel and Mittal, 2009) or promoted. These positions are hinged on numerous evidences of both positive and negative socio-economic, cultural, political and even environmental implications of LSLAs for agro-investments in Africa.

Already, several research works have scrutinized the implications of the recent large-scale agro-investments in Africa and in other parts of the world. Some of these existing studies have focused on exploring the risks of land investments on the rights and livelihoods of the rural poor in the Global South. Other studies have pointed out potential opportunities for food security and rural development. Notwithstanding these works, the level of impact of these large-land acquisitions on local land tenure regimes and how these have resulted in winners and losers in host countries in sub-Saharan Africa are yet to be empirically studied. Ghana is used as a case study in sub-Saharan Africa because of its dual tenure regimes - customary and statutory systems. Following the above state of the art, it is necessary to examine how changes in land markets are benefiting or hampering the livelihoods of smallholders. This chapter specifically identifies the winners and the losers in customary land transactions; and seeks to examine the nature and extent of losses and gains, when land prices change. The last objective explores available opportunities to ensure win-win outcomes for both the large agro-investors and subsisting smallholders.

The study is significant because it examines the position that, agricultural modernisation that focuses on promoting elite, progressive and resourceful farmers, who deploy various agricultural technologies would eventually trickle down to poor peasants (von Braun *et al*., 1994; Dixon, *et al*., 2001; Ubink and Amanor, 2008). Notwithstanding the numerous positive promises of agricultural commercialisation for local land users, there are also potential negative impacts on local land markets. Already, recent agro-investors are demanding large tracts of customary land for modernized agriculture and these have raised lots of tenure concerns due to the unique conception of customary landholding; not just as a factor of production but also a cultural identity (Kasanga and Kotey, 2001). Customary land tenure systems and land rights have come under serious stress following growing demand for land in Ghana for agricultural investments. Since customary land tenure in Ghana constitutes a greater proportion of land, any disruption in such a local market will have vicious impacts on rural peasants who depend so much on land for their livelihoods. When smallholders are dispossessed of their land, they may be compelled to invent new forms of livelihoods when farming in the vicinity is no more an option (Cotula, 2013).

Ghana is an interesting location for this study because it has remained one of the major destinations for large-scale land acquisition in the sub-region. Particularly, the government of Ghana has directly promoted the commercialisation and modernization of agriculture as a means to sustaining national food security (see MiDA, 2006; Ahwoi, 2010). However, in promoting these land deals and investments, it should be realized that the livelihoods of host communities ought to be considered. With this in mind, Agbosu *et al*. (2007) emphasized that when dealing with people and their relationship with natural resources, issues of efficiency, equity, consultation and participation of all stakeholders, especially, the local communities whose livelihoods depend on natural resources should be key in the transactions. Notwithstanding this and similar cautions in the literature, there are still some evidences of community rejections of agro-investments in Ghana (see Nyari, 2008). Hence, there is the need to empirically take a

critical look at the nature of recent large-land acquisitions and operations of large-agro investments in Ghana, to identify the winners and losers.

5.2 Impacts of new large-land acquisitions in Africa

The agricultural sector in sub-Saharan Africa has historically been under-funded, leading to stagnation in agricultural growth over the last 2 decades (see Figure 5.1). Over the past two to three decades, it was established that public investment in agriculture in developing economies has either declined or has been stagnant (Fan and Rao, 2003; Fan and Saurkar, 2006) due to public sector resource constraints. Since agro-investments have potential opportunities for an already long-neglected sector (von Braun and Meinzen-Dick, 2009; Deininger and Byer-lee, 2011; Deininger *et al*., 2011; Dessy *et al*., 2012), they are worth the efforts of governments to promote. Narula (2013) argues that the recent agro-investments are a means to fighting hunger, generating economic growth and reducing poverty. This is because large-scale land and agricultural investments are attracting massive foreign capital investments in *idle/underutilised* lands in Africa (Badiane, 2011).

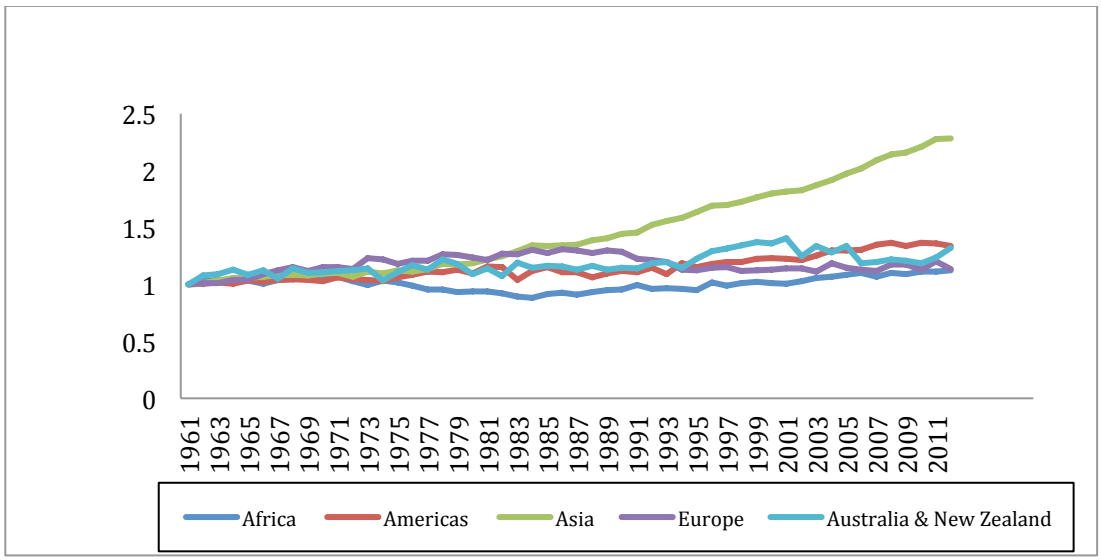


Figure 5:1 Regional trends in agricultural production

Source: FAOSTAT Data (2014)

Agricultural investments have the potential to improve the much-needed infrastructure and reduce poverty in host countries (Deininger *et al*., 2011). Besides generating employment, large-scale agro-investments offer new opportunities for contract farming, promote equitable growth, encourage the transfer of technology, improve local producers' access to credit and markets, and increase public revenues from taxation and export duties (von Braun and Meinzen-Dick, 2009; Deininger *et al*., 2011:131; FAO, 2012b; Narula, 2013). Commercial agriculture can also increase the production of local food crops for the local markets and supply other essential food needs to international consumers through the use of new technologies (Cotula, 2013).

For countries acquiring land abroad to grow staple foods, such investments can reduce over-dependence on international markets for food supply, and thus increase food security for investor countries (Narula, 2013). The Government of Ghana views the renewed inflow of agricultural foreign direct investments (FDIs) as a means of improving the fortunes of the agricultural sector and to serve as a key economic development strategy (Ahwoi, 2010). It is therefore not surprising that the efforts of large-scale investors are state-driven through policy formulation and making land available in safe and suitable locations. Ghana has also generally been liberal with agricultural FDIs, since renewed investment in agriculture is seen as an opportunity for poverty reduction and food security.

Unlike formalised agricultural land markets, agricultural land in Ghana is customary in nature, largely dominated by informal transactions and not completely commoditized. In the past, traditional authorities made grants to migrant farmers and other users under oral and non-monetary terms (see Hill, 1963; Amanor, 2008). In recent times, cash-based leases have become common. However, informal land alienation in the form of *abunu* and *abusa* tenancies continues to thrive especially in the Akyem and Ahafo communities (see Amanor, 2006). The increasing demand for productive land has potentials of worsening land tenure and livelihood insecurity, following competition among various land uses and users. It is the view of the FoodSPAN (2012:2) *"that the*

commoditization of land and the disposal of large tracts of land for investments pose increasing threats to customary land rights holders". Hence, there is the need to ensure that customary land management structures in Ghana prevent the two extremes of few winners and majority losers. The increasing demand for agricultural land may jointly be influenced by growth in smallholder population and the activities of medium to large agro-investors. Consequently, the existing land tenure enables few powerful-elites to usurp potential benefits, to the neglect of the larger vulnerable in society, who are merely viewed as subjects of allodial groups and not as co-owners of customary land. Such transaction may therefore result in winners and losers.

5.3 Analysis and Findings

Based on the qualitative data collected from the study of two large agro-investment companies in Ghana and from four operational communities, this section of the chapter discusses the perceptions of smallholders on winners and losers in large land transactions. It also documents actual gains and losses from large-scale land acquisitions in host communities, and opportunities that exist for win-win outcomes.

5.3.1 Perceptions about winners

There are varied conceptualisations of the winners when land prices change due to emerging trends in land markets in Ghana. From the case studies in Ghana, the study identified winners in land transactions to include chiefs and family heads entrusted allodial lands; resourceful local elites, politicians and speculators; local government institutions; and central government. From the sampled perceptions of households on the winners and losers when land prices change, 94 of the respondents reported that land rents had changed considerably due to the activities of large land acquisition. As shown in Figure 5.1, the majority of respondents believed that chiefs were the ones gaining from changes in land prices and large-scale land transactions. Two reasons could have influenced such perceptions. Firstly, chiefs in acting as trustees of customary land, front all land transactions with limited involvement of communities. Secondly, chiefs are not obliged by any custom to account for stool land revenue.

It is widely accepted that revenue from stool land transactions or rent accrued from stool lands is to be used for the *maintenance of the stool in keeping with its status* (see Article 267(6a), Fourth Republican Constitution of Ghana, 1992). In many instances, chiefs in Ghana have consistently implemented the constitutional provision of Article 267(6a), but blatantly disregard Article 36(8) that recognizes chiefs as *"…fiduciaries charged with the obligation to discharge their functions for the benefit respectively of the people of Ghana, of the stool, skin, or family concerned and are accountable as fiduciaries in this regard".* Payments for land or land related services through chiefs, has often been described as *drink/kola*. Since *drink monies* are best described as gifts to chiefs, one is not compelled to account for these gifts.

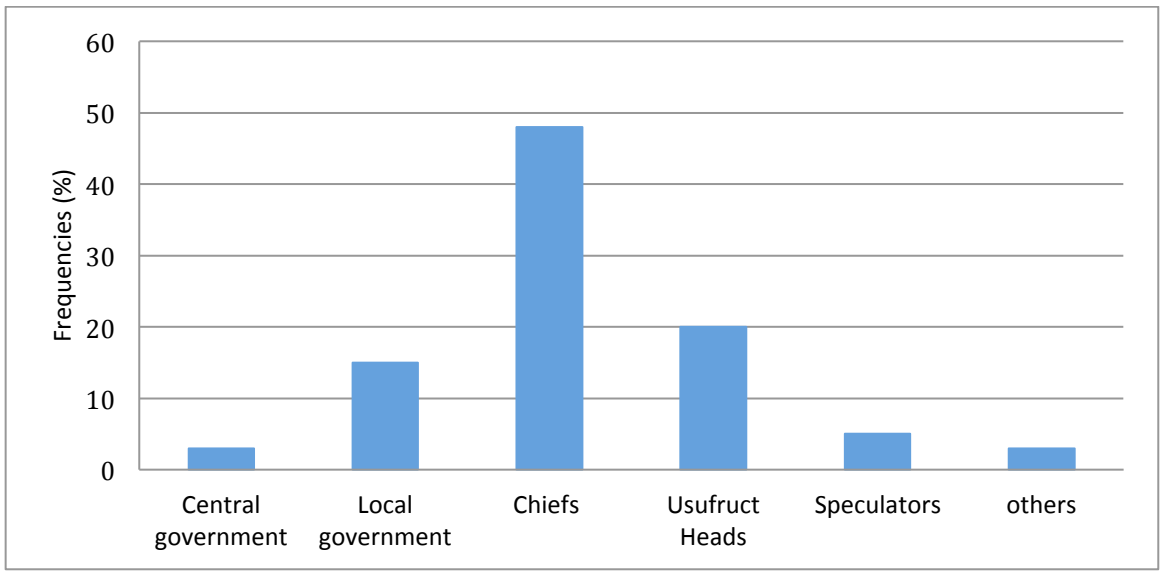


Figure 5:2 Households perceptions on winners in land price changes

Source: Field Survey, 2013

Following this constitutional empowerment, chiefs who hold allodial interest to land, as trustees, are major beneficiaries of land transactions in Ghana due to their privileged customary position. Chiefs also serve as negotiators of land prices, fixers of land rents, receivers of land revenues and the decision makers on the utilisation of the land revenue. According to Amanor (2008), the powers of chiefs in land transactions are

anchored in local customs. Even though culture is dynamic to changing needs, the roles of chiefs in land transaction have remained resilient. Several initiatives by governments in the past to strengthen customary tenure tend to reinforce the position for land to be administered by chiefs as trustees. In recognition of this, chiefs are entreated to be agents of land reforms and to make land available for investments that create employment opportunities and promote agro-industrialisation.

As was confirmed by the separate FGDs in Dukusen and Afrisire (2012), land transactions were negotiated and completed at the *Omanhene's* palace, and community chiefs (*Odikro*) were invited for few, short discussions. It was revealed that the payment of US$ 23,000 as *drink money* by ScanFarm (Gh) Ltd went to the Agogo Traditional Council (ATC) while the Gh¢6,000[29] *kola money* from ITFC Ltd went to the *Ya Na*. Besides the *kola money* paid to the chiefs, they are also entitled to a share of annual ground rent paid through the Office of the Administrator of Stool Lands (OASL)[30]. Communities around the ScanFarm project expressed disappointments during the FGDs (2012) about their limited involvement during the land and investment negotiations.

This is apparently contrary to the customary tenets on land ownership in Ghana that views land as a communal asset (see Ollennu 1962; da Rocha and Lodoh, 1999; Kasanga and Kotey, 2001), and as such its disposal must involve principal stakeholders (Sarbah, 1968:67). According to Odhiambo (2011:17), the lack of engagement of local communities in land negotiations is a missed opportunity towards the actualisation of promised benefits, to optimize public interest (see also Cotula *et al*., 2014). Allodial titleholders (i.e. paramount Stools) have by these actions, flouted the above basic customary principle regarding land alienation in Ghana. Following these revelations, customary land tenure in Ghana has been perceived as one that has disempowered

[29] As of 15th May 2014, US$ 1 is equivalent to GH ¢2.90 and 1euro was equivalent to GH ¢ 3.97

[30] The 1992 Fourth Republican Constitution of Ghana and the Office of the Administrator of Stool Lands Act, 1994, Act 841) both point to enforce the position of the Chief as trustee of communal or lineage land.

smallholders, while promoting an egalitarian system, which is unrepresentative of the interests of the community (Amanor, 2008:78).

In the northern regions of Ghana where family landholdings tend to dominate at the village level, family heads holding family land in trust for the family were also perceived to be benefiting from emerging land transactions. Usufruct families also benefit from land price changes through direct lump sum payments and annual ground rents from tenants. Besides chiefs, family heads also hold freeholds interests in trust for families especially in the three northern regions of Ghana. Around stool land areas, indigenous families and sometimes migrants may also own usufruct rights through long-loyal service to the *Omanhene* (paramount chief) or their usufruct masters.

Family heads are allowed the freedom to alienate family land, and the proceeds used for the benefit of the entire family. From the FGDs in Gushie and Tunayili (2013) around the ITFC project, proceeds from land transactions in the Tamale area are used to acquire family properties or pay for urgent family expenses (FGDs in Tunayili, 2013). While chiefs do not account for *drink money* under prevailing customs, family members can compel a family head to give detailed accounts of transactions and expenditures from family land revenue. Chiefs and families may, however, be compelled under Article 36(8) of the Fourth Republican Constitution of Ghana (1992) and Section 1(1-3) of the Head of Family (Accountability) Law, 1985 (PNDC Law 114), respectively, to account for land revenue. Unfortunately, these legislations are hardly applied. Where family land is severed or completely encumbered upon by any large land transaction, a family head may receive incidental compensation on behalf of the entire family. In a majority of the cases, however, families are entitled to a share of community land, and any reallocation by the allodial chief requires re-instatement on alternative land as a right or payment of compensation (FGD in Gushie, 2013).

However, where local customs do not recognise a people as owners of land, they are not entitled to compensation even when they are dispossessed. They may only be paid

compensation if their crops are destroyed. Following this loophole, most allodial custodians undertake land transactions in the dry season when no crops are destroyed and hence deny migrant farmers any form of compensation. Compensation to *title-less* farmers is paid for crops, not for the land (Cernea, 1988; Cotula, 2013:131). It is noteworthy that lump sum compensation per se is not a panacea to the risks of expropriation. According to Cernea (1988), the lump sum cash payments to expropriated land users without the capacity to convert such payments into productive investments with reliable income flow, risk losing such compensation.

Around the ScanFarm (Gh) Ltd concession, affected usufructs were offered cash compensation at a rate of Gh¢ 33/acre (Gh¢ 80/ha – equivalent to US$ 42 as of 1st April, 2013), while migrant farmers were not compensated for loss of farmlands (Interview with ScanFarm Ltd, 2012). In the case of ITFC (Gh) Ltd, a lump sum of Gh¢ 5,000 (US$ 2,602 as of 1st April, 2013) was paid to the chiefs to be disbursed to 23 affected farmers. During the data triangulation, it was not confirmed if this money was disbursed, and how much each received. From the household survey, 15 households from the ITFC project and 4 from the ScanFarm project were expropriated. Compensation was paid to 6 out of the 15 affected households in the ITFC project while no compensation was paid to the 4 affected farmers in the ScanFarm project. It was revealed that, uncompensated farmers are not pursuing outstanding compensation for fear of victimisation.

According to Fiadzigbey (2006:7), the head of Office of the Administrator of Stool Lands in Ghana,

> *"chiefs and heads of families collect huge sums of money which they term "drink" (premium) money, for every parcel of land leased. Such monies are not accounted for to the community members. Furthermore, many stools may not have proper records of what and how much money they receive from rents and royalty payment. Any records that may exist may not be accessible to the community members who might want verification of specific or general*

transactions undertaken by traditional authorities. They do not think it fit to inform their communities about receipt and disbursement of stool land revenues. The lack of absence of accountability is a source of agitation by the youth in many communities."

Schoneveld *et al*. (2011) and Wisborg (2012) believe that the strong customary system in Ghana enables large land acquisition through traditional authorities at the expense of the local citizenry. Chiefs have been very conspicuous in attracting, negotiating and alienating customary land, to large-scale agro-investors. Boamah (2014) has attributed the domineering stance of chiefs to efforts aimed at re-establishing authority over customary lands and boundaries in Ghana. Some chiefs are motivated by the fact that some customary lands over the years are occupied by *non-compliant migrants* who fail to pay customary tributes (see Boamah, 2014). Ubink and Quan (2008), Tsikata and Yaro (2011) and King and Bugri (2013) have identified that the lowering enthusiasm of chiefs towards transparency and accountability is compounded by the limited statutory compulsion for chiefs to deliver on their mandates. According to Cotula (2013), revenue accruing to chiefs from large land transactions presents an opportunity to consolidate their chieftaincy powers if such revenue is channelled into developmental projects. In another extent, if the grant by a paramount chief is uncontested by neighbouring chiefs, community members or government, it confirms his authority, boundaries and title (see Lund, 2011; Boamah, 2014).

Local and central governments were also perceived to be benefiting from new land transactions from Figure 5.2. According to Article 267 (6c) of the Fourth Republican Constitution of Ghana (1992), and the Office of the Administrator of Stool Lands Act, 1994 (Act 481), District Assemblies[31] receive 55% share of all revenues from customary lands in the form of rents, dues, royalties, revenues or other payments, whether in the form of income or capital. As local level planning authorities, local government

[31] District, Municipal or Metropolitan Assemblies are local government institutions established under the Local Government Act, 1993 (Act 462) to spearhead decentralised local-level administration and development.

authorities particularly help in legitimising large-scale land acquisitions by endorsing their conformity to local level land use and development of plans. Fiadzigbey (2006:7), however, describes the District, Municipal and Metropolitan Assemblies as *"worst culprits when it comes to accountability".* In her view, income accruing to local governments, as its share of land revenue, is not always used for the development of the districts. Yet, there are no monitoring mechanisms for how these monies are expended, and the District Assemblies are not obliged to account to the community for the use of this revenue or earmark it for infrastructure/services.

It is probably in line with these persisting shortfalls in the local governments that many of the respondents formed their perceptions. As of April 2013 when studies were conducted on ScanFarm (Gh) Ltd and ITFC (Gh) Ltd, the Asante-Akim North and Savelugu-Nanton Districts had both not received ground rents due them from the investors (Interview with OASL-Konongo, 2012 and Savelugu-Nanton District Assembly, 2013). ScanFarm Ltd had agreed with the Agogo Traditional Council (ATC) to commence payment after the lease registration is finalised with the Lands Commission. On the part of ITFC Ltd, they had agreed to pay ground rent directly to the *Ya Na* but since the Dagbon skin remains vacant; such annual rental payments have been deferred.

Central government according to 4percent of the respondents also benefit from large-scale land transactions because it was believed that government had been paid some money. According to the *land grabbing* literature, central governments of host countries stand to benefit from taxes especially in the form of corporate income tax and export duties (Cotula, 2013; FAO, 2012b). However, weak enforcement mechanisms from responsible tax agencies may leave these taxes uncollected. During the study, both ScanFarm Ltd and ITFC Ltd were operating under the licences of the Ghana Free Zones Board (GFZB)[32] and the Ghana Investment Promotion Centre (GIPC)[33]. Under many of these certifications, taxes are usually not payable until the investors' operations become

[32] Set up under the Ghana Free Zone Board (GFZB) Act, 1995 (Act 504)
[33] Established under the Ghana Investment Promotion Centre Act, 1994 (Act 478)

profitable. Government incentives, such as duty-free importations and special free zones for agricultural products also further decrease the government's sources of revenue. Possible benefits of large-scale land acquisition can also be subverted by speculative foreign investments, which may fail to materialize as envisaged. In Ghana, an example of such speculative investment is the Biofuel Africa project in Alipe in the Northern Region, which folded up in less than 3years of operation.

Also, 5percent of the respondents believed that, local elite and speculators (*called businessmen*) were benefiting from recent large land transactions in Ghana. Local elites and speculators, who acquired agricultural lands in the past, were reported to be cashing-in on increasing land rents to smallholders. Some of these acquisitions were made privately while anticipating secondary markets with foreign investors and new settler farmers. It is feared that land speculation will result in the dispossession of vulnerable rural populations and rent capture (Durand-Lasserve and Selod, 2012:11) by new medium to large landlords. According to Deininger *et al*. (2011), many investors acquire more land than they have the ability to develop and their speculative behaviour is detrimental to smallholders who may be evicted without alternative production lands. The village surveys in Dukusen and Afrisire (2012) revealed that some local investors from Agogo have also acquired and registered concessions for medium-sized tree plantations and are renting portions of this land to migrant farmers. Foresight about potential benefits from speculating in land may explain why *businessmen* are acquiring moderate tracts of land in both Agogo and Tamale for teak and mango plantations respectively.

5.3.2 Perception of losers

On the part of household perceptions on losers in land price changes, it was revealed that sharecroppers were greatly impacted as indicated in Figure 5.3. From the study, migrant farmers in the four study areas access land through express permission from the chief/family/clan heads or through share tenancy arrangements with local farmers or directly from the community chief. From the village surveys, both indigenes and

migrant farmers have informal and unregistered interests to the lands cultivated. They could only show evidence of use and consolidate these rights annually by paying appropriate customary rents to their landlords or rely on the affirmation of their neighbours. Evidence of use or continuous use of land has been identified as a major tenure security measure for informal tenures generally (Janvry *et al*., 2015), where the opportunities for title registration are unavailable. Following the commoditisation of land and recent demand-driven rent adjustment as was reported, one identified group of people losing out in large-scale land deals are migrant farmers. A study by Duncan (2000) documented that landlords arbitrarily changed the terms of share tenancies at will, due to the verbal nature of many of these arrangements.

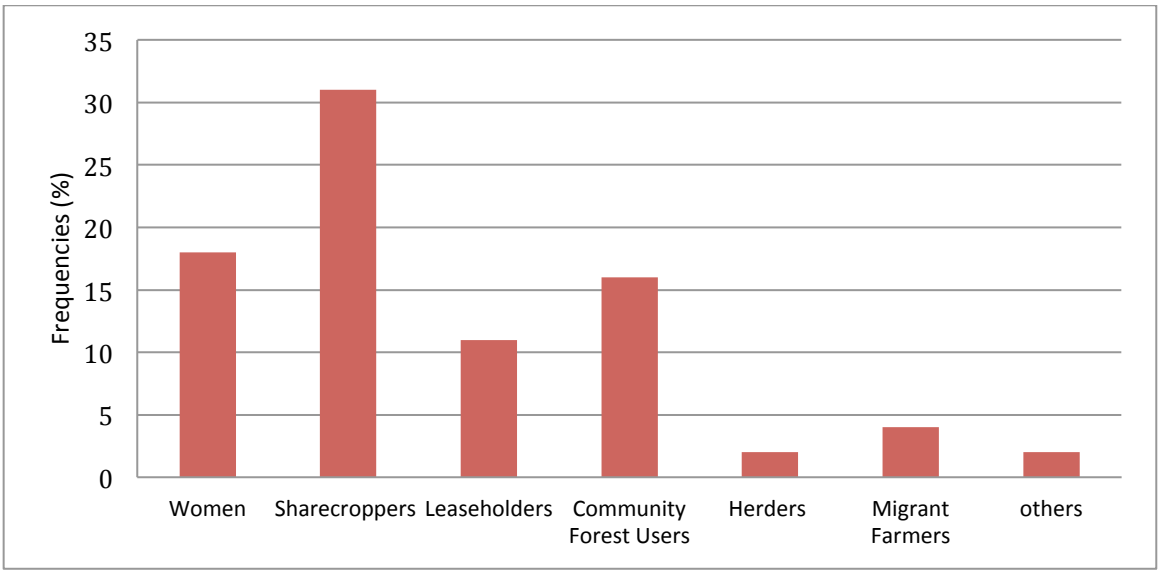


Figure 5:3 Households perceptions on losers in land price changes

Source: Field Survey, 2013

During the study, it was revealed that migrant farmers now have to cash-rent land, or pay more in crop-share for leased land around the ScanFarm (Gh) Ltd study communities (FGDs in Dukusen and Afrisire, 2012). Indeed the commoditization of land stands to favour greatly, those with purchasing power (Chimhowu and Woodhouse, 2006), and not those whose rights are customarily and legally insecure. Since sharecropping is generally seen as an opportunity for resource-poor farmers to access

productive land and to minimize their risks (Lavigne *et al*., 2002), increment in land rents or share of crops will be a major disincentive to engage in such land transactions. Two specific cases of migrant farmer dispossessions are captured in Box 1 and Box 2. From these narrations, land ownership and right to compensation are influenced significantly by the citizenship status of a farmer. Indigenes have better opportunities to access compensation than migrants. In these two dispossession stories, it can be deduced that the grievances of dispossessed settler farmers go beyond their wishes for cash-based compensation. Dispossessed migrants may only wish for advance notification in order to find alternative parcels before the next farming season in order not to be left stranded.

Box 1 and 2 – Dispossession Stories of a Two Migrant Farmers

Case 1

Francis Sey, Male (32years) migrated into Dukusen in 2003 after he dropped out of Junior High School to engage in yam production which is a very lucrative venture in the area. In 2008, after 5years of production on various plots on rotation bases, ScanFarm Ltd cleared all the lowland areas for Jatropha production. He lost these farmlands without any prior information. He conceded that he did not acquire this land from the Agogomanhene or from any native usufruct, but he paid annual ground rent to the Odikro. However, he expected to be informed in advance so that he could seek alternative farmland for his yam seeds since land preparations are usually done in the short dry season: the same time ScanFarm Ltd, cleared the Jatropha fields. As a settler farmer, Francis Sey, did not expect to be compensated, he only wished he had been informed ahead of time. At the time of the study, he was compelled to sell his yam seeds and take to maize production the next season.

Case 2

Felicia Nobi, Female (50years) and her late husband migrated from Nandom in the Upper West Region into Dukusen in 1993. They were in search of favourable farming conditions and an opportunity to start their new family together. They acquired 5acres (2hectares) from a native usufruct from Agogo on share-tenancy arrangement, to farm on his land while guarding the plot. In 2008, ScanFarm Ltd acquired the whole area including their parcel. Since her husband was sick at the time, there was nobody to stand up for her rights or communicate her grievances. She complained to the landlord who promised to seek redress. Subsequently, the landlord was singled out and compensated for loss of land as a usufruct but Felicia Nobi received no compensation for deprivation of use of land. As a settler farmer she received no compensation because she was a non-native of Agogo and her land use rights are subject to that of her landlord. Since she had no farmland at the time of the survey, she offered farm labour to ScanFarm Ltd and sometimes worked for her neighbours in return for cash or food.

Source: Field Survey, 2013

It was also found that women were affected by land market changes due to the widespread cultural discrimination in women's access to land. Behrman *et al.* (2011) indicated that the gender differentiated impacts of large-scale agriculture especially those targeting infertile lands (example to cultivate *Jatropha curcas* for biofuel) usually affect women the most due to already existing limitations to land ownership in sub-Saharan Africa (Gray and Kevane, 1992) and their restricted access to fertile plots. Quisumbing (1998) has stated emphatically that refocusing on large-scale commercial agriculture leads to changes in property rights - often to the detriment of women. The privatization and commercialisation of land in West Africa has resulted in the concentration of land in the hands of those who can assert their ownership, to the detriment of poor rural women or ethnic minorities excluded from the highly monetized land market (Lastarria-Cornhiel, 1997). Though it is believed that large-scale commercial agriculture will improve agricultural technology to smallholders, it is uncertain how this will impact on women employment opportunities generally.

According to Quisumbing (1998), new technologies will only increase women employment opportunities if these technologies make simultaneous demand for women-specific labour and if women control valuable resources. Unnevehr and Stanford (1985) explained that labour-demanding technological changes will increase demand for labour, but labour-saving technological changes will reduce employment opportunities in the host country. In the studied communities around ScanFarm (Gh) Ltd, *Jatropha curcas* cultivation offered more jobs for women in the seed nursery and planting fields than maize farming has done since 2010. Mango plantations in Gushie and Tunayili belonging to ITFC Ltd offered more jobs to women on the nucleus farm and in the park house while men were responsible for field clearing and bushfire controls. Losses to women under large-scale commercial agriculture are tied to tenure insecurity and not just employment discrimination. It was generally revealed that women's access to customary land in Ghana for agriculture is not a problem, but ownership of such land is highly constrained. In all four (4) communities studied, women can access customary land to support their own production but cannot assert ownership. Most of these grants

to women were regarded as *akyedie (gifts in Akan)*. According to the *Magazia* of Gushie (2013), women find it difficult to rent land due to limited resources and increasing rents. During the FGDs in Gushie (2013), it was reported that,

> *"For every piece of land we need for farming, we now have to acquire it from our husbands or from others who may need us to plant groundnuts, beans or other plants to keep their fields active and fertile" (FGDs in Gushie, 2013).*

The common practice of accessing *gifted* land for temporal use is also being impeded by large acquisitions while pushing communities to infertile lands, farther farms from the villages and from prime areas along major roads. Women who benefited a lot from economic trees such as *sheanuts (Vitellaria paradoxa)* and *dawadawa (Parkia biglobosa)* in the savannah belt of Ghana have been gravely affected. Such economic trees are either uprooted completely or are restricted from households.

Another identified group of perceived losers, as land rents change in investment locations are the extremely land and food poor households who depend on community forests for wild economic goods including sheanuts, dawadawa, game, mushrooms, snails and fruits among others; as a direct source of food, cosmetics and medicine. From these economic goods, the rural poor obtain both household provision and income. For example sheabutter is a very important product for the local people as a source of food and is also reported to have both cosmetic and medicinal functions (Elias and Carney, 2007). According to Quaye (2008:7), the eating of wild fruits and vegetables is a major coping mechanism for food insecurity in Ghana. Similar studies in Nigeria by Idrisa *et al.* (2008) found that 10percent of food insecure households often resort to eating wild fruits as a coping strategy.

For most communities in Ghana, poor households depend on the wild forest for a large proportion of their food needs. It is the case that most rural poor depend on subsistence

agriculture by eating what they produce and producing what they eat (Odhiambo, 2011). Hence, any disruption of their productive space will spell doom for poverty reduction initiatives. However, due to the huge demand for land by foreign investors and other medium-scale holders, existing usufructs are warding off intruders from their parcels as a means of enforcing their ownership and to preserve resources from exploitation. In commercial agriculture, large amounts of *flora* and *fauna* are lost due to clearance of vegetation to give way for mechanized farming. In most of these host communities in Ghana, large-scale agriculture is completely new, and biodiversity loss will impact on women the most. Rossi and Lambrou (2008) explain that women have specialised knowledge in gathering plant species for food, fuel and medicine. Many women also fall within the poorer segment of most societies.

In the case of ScanFarm (Gh) Ltd, about 200 hectares were initially cleared in the patchy grassland close to Dukusen for *Jatropha curcas* in the first year. Subsequently, *Jatropha curcas* was abandoned and an additional 600 hectares was cleared in one stretch towards the forest near Baamaa and Nsonyameye for maize and soybeans (Interview with Dukusen village secretary, 2012). This commercial farming approach raised a lot of concerns for smallholder farmers, especially with regards to hunting and collection of snails and mushrooms (FGDs in Dukusen and Afrisire, 2012). Hunting and trap setting, as ancestry activities to supplement household food and income, are now also constricted to farther belts or one's private farmlands. Also, charcoal producers reported restriction into parcels acquired by investors, to cut dead wood for charcoal (Interview with Charcoal producer, Dukusen, 2012). Such restrictions, according to ScanFarm Ltd (interview, 2012), were imposed as part of requirements of tree felling licence from the Forestry Commission (FC).

In the Agogo area where some cash rentals were reported, lessees reported significant rent adjustments. During the FGDs (2012) in Afrisire, a male member held the opinion that the increment in ground rent was an approach adopted by local chiefs to discourage them from using productive land in the area, in order for them to rent more

land to foreign investors who pay higher rents. According to Boamah (2014:412), such approaches by *Odikros,* who collect ground rents, are in retaliation to several years of migrant farmers' evasion of mandated ground rents together with agricultural tributes. Similarly, Cotula (2013:134) in his study of biofuel projects in the Yendi and Pru Districts of Ghana found that monetary transactions replaced hitherto gratuitous lands. Local chiefs have found it convenient and efficient to collect revenue from large-scale transactions vis-à-vis the numerous defaulting smallholder tenancies. Large land transactions present an opportunity for chiefs to receive higher revenues from investors than they would earn from smallholders. This is because the investment companies are more formalised to deal with. Herders at the village level were also impacted as confirmed by the respondents. Grazing lands in the open savannah are reportedly reduced due to the large tracts of land being used for maize farming.

Additionally, recent land commercialisation presents an opportunity for chiefs to rent-out *idle* land that hitherto was *freely* granted to indigenes. According to Amanor (2008), attempts at land commercialisation have not only pushed chiefs to sell land, community members especially the youth have been reduced to suppliers of labour. This skewed form of land allocation favours resourced farmers, especially foreign investors, to the neglect of community members. Considering that a majority of Ghanaian rural poor fall under the basic needs line (IFAD, 2006), land deprivation is debilitating. The situation is getting more complicated since new land transactions are formalized and significantly different from the largely oral customary grants to indigenes. Recent large-scale land grants from chiefs are being made under conditions apparently more legally secure, with clearly defined rights than those offered to indigenes. Though some portions of the new concessions in Agogo and Savelugu were appropriated from usufructs, they were hardly contested, since customary authorities with powers to define and redefine land rights, authenticated the transactions. Even though Article 36 (8), of the Republican Constitution of Ghana (1992) obliges chiefs to protect and represent their communities'

interests, the opportunities of government control[34] on local land transaction in Ghana have been reduced to issuing consent and concurrences and not to scrutinise land transactions. According to the King and Bugri (2013:10),

> *"The government has an implicit policy of non-interference with chiefs' affairs, therefore the relevant government bodies tend to merely rubber stamp land deals negotiated by chiefs, to provide their concurrence in accordance with the law rather than provide real checks and balances on the nature of these deals".*

5.3.3 Beyond Perceptions – actual gains and losses from LSLAs in Ghana

Besides land rental changes that have directly affected farmers, the operations of both ScanFarm (Gh) Ltd and ITFC (Gh) Ltd have impacted positively on host communities especially in employment creation. For example, at the commencement of the ScanFarm (Gh) Ltd project, smallholders gained employment in field clearance and de-stumping. At the time of the study, female employees are preferred. This wage-based farm employment has potentials to increase the influences of women in the home in major decision-making and contribution to household income. The interview with ScanFarm (Gh) Ltd (2012) revealed that the company employed 55 permanent workers and between 40 to 100 casual workers at peak operations. Following the Company's shift in operations from *Jatropha curcas* to maize and soybeans, they have become highly mechanised, and hence fewer agricultural labourers are used. ScanFarm (Gh) Ltd is currently resorting to more seasonal and casual workers for de-stumping, stone picking, manual fertilizer application, cob picking and sometimes manual harvesting, during heavy rainfalls when the use of combined harvesters is impeded.

[34] "The government has an implicit policy of non-interference with chiefs' affairs, therefore the relevant government bodies tend to merely rubber stamp land deals negotiated by chiefs, to provide their concurrence in accordance with the law rather than provide real checks and balances on the nature of these deals" (FAO, 2013:10).

From Table 5.1, the shift from *Jatropha curcas* resulted in a decline of permanent staff from 78 in 2011 to 55 in 2012 while increasing casual workers from 60 in 2011 to a maximum of 100 workers in 2012. According to Deininger *et al.* (2011:39), the distribution of employment opportunities has greater impact on the local population when local hiring policies are embedded in the land contract and when crops produced are labour intensive such as; sugar cane (700 per 1000ha), rubber (420 per 1000ha), oil palm (350 per 1000ha), and *Jatropha curcas* (420 per 1000ha) (see also Li, 2011:282). According to Rossi and Lambrou (2008), mixed labour and mechanised farming arrangements benefit women especially. Though ScanFarm (Gh) Ltd initially recruited farm labourers from local communities per the Memorandum of Understanding (MoU), host communities considered wages incommensurate to the workload and time involved and hence many withdrew their services after short engagements. Around the ScanFarm (Gh) Ltd project area, some women are further benefiting from small businesses in selling *pito*[35] and food to farm workers.

Table 5.1 Employment data of ScanFarm Ltd in 2011 farming season

ScanFarm (Gh) Ltd	**Employment Data**		**2008**	**2012**
	Male	Female	Total	Total
General Workers	25	4	29	*No details*
Farm Supervisors	6	1	7	*No details*
Technical Staff	35	3	38	*No details*
Management Staff	4	-	4	*No details*
Total Casual Staff	35	25	60	40 to100
Total Permanent Staff	70	8	78	55
Total Work Force	**105**	**33**	**138**	**Max - 155**

Source: Field Survey, 2013

[35] 'Pito is a local traditionally brewed alcoholic beverage in some parts of West Africa including Ghana. It is produced mainly from the grains of guinea corn (*Sorghum vulgare and Sorghum bicolor*) [1] and/or millet' (Duodu. et al, 2012: 1) See G. O. Duodu, E. O. Amartey, A. B. Asumadu-Sakyi, C. A. Adjei, F. K. Quashie, I. Nsiah-Akoto, G. Ayanu, Mineral Profile of Pito from Accra, Tamale, Bolgatanga and Wa in Ghana, *Food and Public Health*, Vol. 2 No. 1, 2012, pp. 1-5. http://dx.doi.org/10.5923/j.fph.20120201.01.

In the case of ITFC (Gh) Ltd, permanent and seasonal employees at the plantation, pack house, processing unit, nursery, offices, and the bee-keeping project collectively employed 458 workers, of which 195 are women and 273 are men as of 2012. At the peak of mango harvesting in April and May, the company employs about 2000 casual workers in the pack house and mango-processing units with majority of them being women. The outgrower scheme also employs 1200 small-scale farmers (Interview with ITFC, 2012). According to ITFC Ltd (2012), in years of good harvest, their labour demand usually overwhelms supply in the operational communities and they rely on extra labour supply from neighbouring communities such as Diare, Nabogu, Pong-Tamale, Nanton, Savelugu, and sometimes from Tamale and Nyankpala. The performance of the mango plantations of the ITFC Ltd and marketing opportunities in the Savelugu-Nanton District have further stimulated private investments into medium-sized mango plantations. Cotula (2013:160) describes this as *positive demonstration effect*.

From the household surveys, 66percent of the respondents ever gained employment with large agro-investment companies in the four study communities over the last decade. For respondents who gained employment in these agro-companies, various expenses were reported for the streams of income that helped augment family budgetary constraints. Some 32percent of the respondents reported expending wages on more food for household consumption. This could be explained by the seasonal food insecurity in the savannah region especially between April and July, when most households run out of food stocks. Hence, additional income from employment is useful in improving the food and basic dietary needs of rural households in this belt. In typical agricultural communities, it would be expected that additional income inflow would be committed to improve agricultural productivity. From the data, 22percent of the respondents reported committing their additional income to procuring various forms of agricultural inputs especially fertilizer, seeds and herbicides. Though this percentage may not be as high as one may expect, it is heart-warming that some households are transmitting their additional income into improving their productivity. Health and clothing expenditures were also reported by 14percent and 11percent of the

respondents respectively; while education, housing and transportation were reported by 9percent, 8percent and 4 percent respectively. These responses are displayed in Figure 5.4

From the interview with ScanFarm (Gh) Ltd (in 2012) and FDGs in Dukusen (in 2012), it was reported that the company had assisted with building materials to renovate a school building at Nsonyameye. ScanFarm Ltd also constructed a main road from the Company's farmhouse in Dukusen to their farm and through to Nsonyameye. At Dukusen, they assisted in creating a school park and provided some playing equipment for the pupils. In the past, they ploughed for some farmers without any charges. ScanFarm (Gh) Ltd also reported carrying out sanitation campaigns in Dukusen by providing waste bins in the community. They talked about further plans to provide a community toilet facility, solar lighting and borehole if they were offered suitable sites. ScanFarm's maize drying centre at Dukusen is also made available to farmers in surrounding communities to dry their maize after harvest.

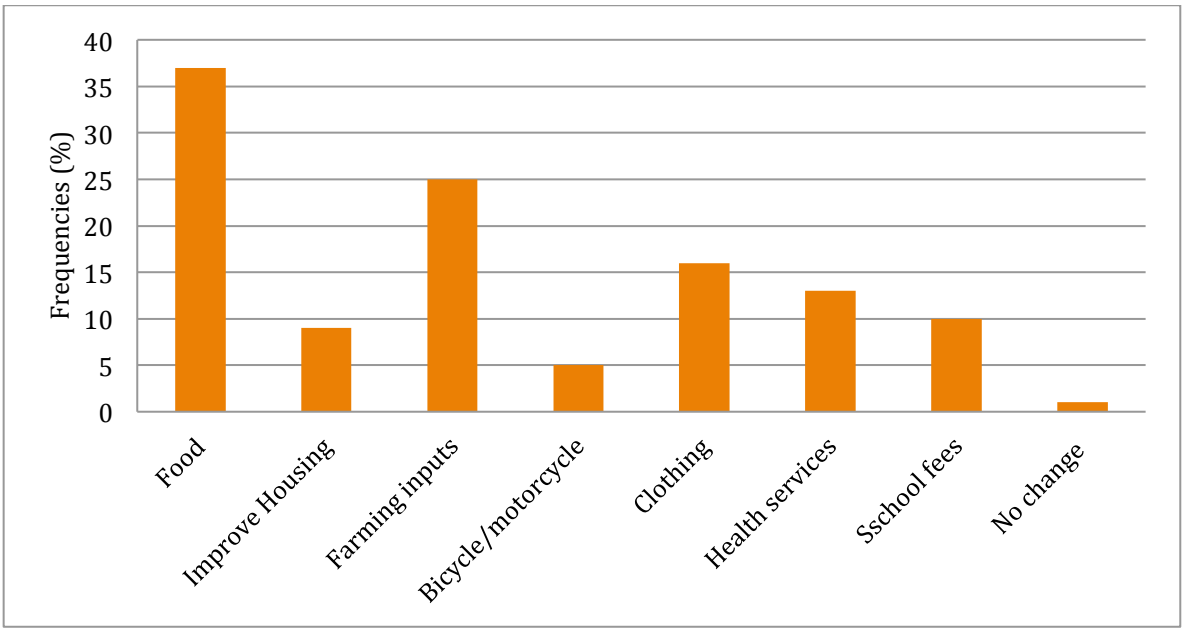


Figure 5:4 Agricultural household expenses of wages from employment

Source: Field Survey, 2013

On the labour front, ScanFarm (Gh) Ltd reported offering additional working incentives such as wellington boots, raincoats, overall vests and health insurance for their employees. They also provided working tools for all the labourers on their maize and soybean farms. Previous studies by Baron and Rello (2000) in Mexico, and Dolon and Sutherland (2002) in Kenya, however, revealed that these protective clothing may not be enough protection against risks when working with agro-chemicals. Hence, at the FGDs in Dukusen (2012), community members expressed preference for health and protective allowances instead of protective clothing that were supplied to them on hire purchase.

From the interviews with ITFC (Gh) Ltd (2013) and FGDs in Gushie and Tunayili (2013), the paramount chief, in the land lease, compelled ITFC Ltd to undertake developmental assistance in operational communities especially for education, water, electricity, health and sanitation. As part of these commitments, ITFC Ltd supported the construction of three (3) primary school blocks in Gushie, Dipale and Tunayili. They also set up the *Child-To-School Programme*[36] to improve school enrolment and enhance quality education. Under this education programme, the studied communities and ITFC Ltd confirmed the provision of scholarship schemes to needy but brilliant students, teachers' bungalows, teachers' remuneration, and also teaching and learning materials. In order to sustain the programme, ITFC Ltd established 2 hectares of mango plantation (200 mango trees) in Gushie, and the proceeds are used to support the programme. The Company also solely supports a school-feeding programme in the area. According to ITFC Ltd (interview, 2013), they also began a health-screening programme for their workers since 2008, as part of efforts to tackle HIV/AIDS and Hepatitis B.

[36] The '*Child-To-School*' was set up to improve deplorable educational conditions in the operational communities of ITFC. The programme is now a fully fletched educational NGO based in Tamale but has most of its activities in Gushie, Tunayili, Diare, Tigla and Tamaligo. They provide scholarships, educational materials – books, pens, pencils, chalk, playing kits; and cater for teacher remuneration by paying salaries of non-trained teachers and top-ups for posted trained teachers.

ITFC Ltd also reported of a biodiversity programme that has resulted in the conversion of part of their leased land into a forest and game reserve. Under the programme, they have also provided education on biodiversity conservation especially of economic and medicinal tree species; and also on bushfire prevention. Besides extending irrigation to outgrower farms, ITFC Ltd also reported providing potable water in Gushie, Dipale and Tunayili through a complex filtering system, using water pumped directly from the White Volta. According to the *Magazia* of Gushie (2013), water supply to the community has significantly reduced the distance women walked to access water for household use. According to Tsikata and Yaro (2011), convenience is essential in the access to resources by the poor. During the interviews (held in 2013), it was revealed that ITFC Ltd was also very instrumental in laying the foundation for the Organic Mango Outgrowers Association (OMOA) in their operational communities.

On the part of other losses, one area hardest hit was labour shifts and daily wage adjustment – what is popularly known to the locals as *by-day*. From Dukusen and Afrisire (2013) migrant farmers who mainly worked using the *nnoboa*[37] system now have to pay more for seasonal *migrant-labour* or lose them to the investors. Wages for labour in both Dukusen and Afrisire are reported to have increased due to comparatively higher rates offered by ScanFarm Ltd. From the interviews with the village secretaries of Dukusen and Afrisire (2012), while average daily farm wage was Gh¢ 5 (US$ 2.6 as of 1st April, 2013) in 2005, wages increased to Gh¢ 10 (US$ 5.2 as of 1st April, 2013) since 2010. Also, while smallholders were paying Gh¢ 40 for weeding an acre of land, ScanFarm Ltd was paying Gh¢ 45. This compelled smallholders to adjust their rates as well so as to attract labourers. The respondents were of the view that higher wages offered by ScanFarm (Gh) Ltd subsequently pushed up wages. Also, before ITFC Ltd pegged their daily wages at Gh¢ 10 (US$ 5.2 as of 1st April, 2013) in 2010,

[37] *'nnoboa'* is a farming system prevalent in most farming communities in Ghana where a farmer assists other farmers on their farms as a means to solicit their assistance on his farm as well. Farmers would form small groups to work on each member's farm, as and when he was ready for their assistance. This arrangement does not usually involve cash payments, just the provision of food and drink and sometimes transportation.

smallholders generally paid Gh¢ 7 (US$ 3.6 as of 1st April, 2013) for the same services. In Tunayili (2013), the *Gundaanaa* (village chief) reported:

> *"labour has become expensive these days because nobody wants to work for us, they all want to work for ITFC especially in April when they are harvesting mango and we are also beginning to clear the fields" (Interview, 2013).*

The Chief of Dukusen (interview in 2012) around the ScanFarm project reported of an increasing trend of alcoholism and teenage pregnancy in the community. Some of these vices he has blamed on influences from farm workers, whose camp is built in their community. Indeed, the Assemblyman of Dukusen insisted that two girls were pregnant for some workers of ScanFarm Ltd at the time of the study.

5.3.4 Opportunities for win-win outcomes in LSLAs

In line with the above findings, several opportunities exist within Ghana's agricultural and land policy frameworks to guarantee win-win outcomes for both investors and smallholders in host communities. These, however, need to be appraised and diligently applied. From the interviews with two (2) Senior Officers of the Lands Commission in Accra, the Customary Land Secretariats (CLSs) were proposed as the appropriate institution to collate data on all land transactions - both large and small, for easy monitoring. The CLSs are public entities at the community level where information can be accessed about land transactions at a fee. Currently, the CLS in Agogo is largely into urban land management and sometimes assists in land dispute resolution from farming communities. In principle, if CLSs were made the mandatory contact points for land transactions and if they were vigorously registering customary grants including seasonal licenses, difficulties surrounding displacement from fallow lands and compensations would be minimized.

Another opportunity exists in the recent Ghana Commercial Agriculture Project (GCAP – 2012 to 2017). Since the first component of the project seeks to facilitate access to secure agricultural land for investment, it opens an opportunity to collaborate more with traditional leaders in land transactions. This will present an opportunity to spell out various obligations and rights for government, investors and affected communities. Through the *land banks* promoted under the project (interview with MoFA, 2012), government can play a crucial role in obtaining fair pricing for land and optimize benefits to local communities. Since the advocacy of the *land banking* began in 2004 under the Land Administration Project (LAP) (see Aryeetey and Udry, 2010), there has not been any successful agricultural land quality or crop suitability mapping. Traditional authorities are simply encouraged to submit their lands to the *land banks* for onward transmission to potential investors. Though this study did not seek to assess the efficiency of *land banking* in Ghana, it was deduced from the reported complex processes of land acquisition that very little was achieved. Land prices continue to be unregulated. Opportunities abound, if a comprehensive agricultural census is undertaken in order to direct investments to areas that are more suitable; and where the negative impacts on host communities is minimal.

Subsequent to the international voluntary guidelines on responsible governance of land tenure (FAO, 2012a), Ghana, has formulated its tailored local guidelines to regulate large-scale land transactions. However, after interviews with the ATC (2012) and Chiefs of Dukusen, Afrisire, Gushie and Tunayili (2012 and 2013), it was apparent they were never aware of the existence of any such guidelines for land tenure. It is necessary to disseminate such policies to the stakeholders involved in order to empower them on large land acquisitions. As part of Ghana's land tenure regulatory framework, it is acknowledged that traditional leaders may be inexperienced and lack the capacity to manage land transactions of grave magnitude; and that smallholders and subsidiary rights holders are discriminated against because they lack formal rights to land (Lands Commission, 2012). Under the current guidelines, the regulatory frameworks seek to provide protection and safeguard the interests of all stakeholders including the genuine

interests of investors. The land acquisition processes outlined by the Lands Commission present a huge opportunity for minimizing smallholder losses if it is well disseminated and enforced. However, the absence of any concrete regulative framework allowing government to directly intervene in stool land affairs presents a major setback. It is uncertain if deploying the state powers of eminent domain is the way to go, since it may infringe on the independence of allodial groups to deal with their private properties in ways that they deem more profitable.

Another huge potential towards win-win land transactions in Ghana is the regional and national Houses of Chiefs. The national House of Chiefs has the capacity to improve returns of LSLAs to host communities. It is possible to blend the experiences of chiefs to arrive at frameworks on regulating LSLAs for agricultural investments in Ghana. Chiefs are constantly reminded of their roles in the execution of local development projects. Besides chiefs assisting in negotiating fair deals, it is prudent to commit the proceeds to social projects that benefit the larger community. If chiefs ensure that broader community consultations are held as part of the processes towards incorporating community concerns, this will help to deepen accountability and transparency in customary land administration. The risks of local people in large land acquisitions are worsened when they are not consulted.

It is a fact that these days almost all newly installed chiefs are elite (Ubink, 2008:16) and have medium to high-level formal education. Since chiefs also hold powers bestowed on them by custom, national laws[38] and the people, they may perform some land administrative functions without prior community consultations (see Ray, 2001; Ray and Reddy, 2003; Ubink, 2008). Provided chiefs conceive that concluding a development oriented land deal serves the larger interest of the people, community consensus may be secondary. In many cases, if the chiefs and traditional council do not have the personal capacity to handle huge land deals, they are allowed to engage local expertise.

[38] See Chieftaincy Act, 1971 (Act 370) and the Amended Chieftaincy Act, 2008 (Act 759)

In order to promote sanity in the land sector, a national investment priority tool kit will be relevant in setting minimum standards of an investment contract.

5.4 Conclusions

In this chapter, we examined how changes in land prices are benefiting or hampering smallholders. Specifically, we identified the winners and the losers in customary land transactions; and the nature and extent of losses and gains when land prices change. In the study of the winners and losers as land markets change due to large-scale agro-investments in Ghana, it is concluded that existing local customs unduly empower allodial trustees such as chiefs and family heads to benefit from land transactions. Local elites, speculators together with some government agencies all benefit in various degrees from land transactions. On the other hand, *title-less* groups such as migrant farmers and women with insecure tenures are losing the most on emerging land transactions. It was also found that existing customs and traditions, largely determine winners and losers in Ghana. Even though customs are dynamic, land tenure arrangements in Ghana do not permit the various stakeholders to demand accountability for land transactions. In this regard, traditional councils should endeavour to document various social responsibilities and entitlements under the lease agreement, and not just limit transactions to the land per se.

The lack of specificity and transparency of terms on large-scale land contracts and accountability for revenue thereof, allows land trustees to exploit their fiduciary roles and personally benefit from communal land proceeds. It is the informed position from the case studies in Ghana that large-scale land acquisition for agro-investments per se are not bad due to the benefits they stand to provide to local level development. However, inasmuch as there is widespread endorsement for large-scale agricultural investment in Ghana, there should also be efforts by government to rectify all signed contracts and monitor land transactions. Abuse of land acquisition procedures and corruption should be sanctioned. The land acquisition procedures proposed by the Lands Commission should not just exist as mere frameworks, but they should be able to

sanction malpractices, abuses and corruption. The formulation of the guidelines for large-acquisition alone will not be the panacea to land market challenges in Ghana, unless they are widely circulated and enforced to the letter.

To reduce the negative externalities of customary land transactions on vulnerable groups, public sensitization programmes and social impact assessments reports on host communities should be made a requirement for obtaining operational permits. There should also be platforms created for periodic deliberations on observed outcomes of large agro-investments by appropriate agencies after projects implementations. In the current spate of land demand, the Ghana Investment Promotion Centre (GIPC) merely connects investors to landowners without facilitating land negotiations directly. In the process, land deals are characterised by possible exploitations if customary land trustees lack the capacity to negotiate good deals. There may be the need to design simple land contract *template*s that offer basic assurances of benefits from large land transactions. Land custodians would then be required to rely on these as guides to design their own contracts based their local preferences. This may help to cushion vulnerable groups against expropriation and loss of livelihoods.

Even when such desirable social interventions are documented, they are sometimes left vague and unenforceable in any serious extent. For example, it may not be sufficient to document in a lease contract that jobs ought to be created by a particular investment project, but rather go ahead to spell out the details about the kinds of jobs to be created, number of jobs to be created, the timelines to achieve these and the sanctions for the failure to do it. Trusting on the goodwill of investors is not the way to go. The lack of specificity, transparency of terms on large-scale land contracts and accountability for revenue thereof, allows land trustees to exploit their fiduciary roles and personally benefit from communal land proceeds.

To maximize expected benefits from large-scale agro-investments in Ghana, it may also be proper to explore public-private partnership arrangements that allow for

government to directly contribute to the investment package and protect the rights of its citizens while securing the investors' investments and needs. It is also possible for land ownership to remain with the local population while use rights are transferred to the investors. Alternatively, chiefs could be directly involved as partners of these large investments and their equity contribution will be to the total estimated land value.

Chapter Six : General Conclusions

6.1 General Conclusion

The participation of large-scale agricultural investors in African land transactions raises concerns about the impacts on a rather local and smallholder dominated land market. Existing studies have focused on the risks of land investments on the rights and livelihoods of the rural poor. These studies have largely relied on media reports and expert opinions, with limited empirical research due to limited access to data. There are still limited empirical studies on how large-scale agro-investments have influenced changes in land markets and impacted smallholders in West Africa. It is against this backdrop that this study assessed the implications of large-scale agricultural investments on land markets and smallholder farmers with emphasis on the West African sub-region. The study focused on Ghana and looked at large-scale land acquisitions within its customary tenure system in four different empirical chapters. The first empirical chapter examined how land management institutions and institutional changes have impacted on land markets from both customary and statutory land tenure perspectives. The second empirical chapter examined land rental approaches and costs of acquiring customary land in Ghana. The third chapter studied the nature of land rents, entitlements and liabilities, and the determinants of land prices (rents). The last chapter identified losers and winners in land transactions in Ghana and narrates how these gains or losses are emerging.

Large agro-investors in Ghana have targeted areas that do not pose huge transaction costs – especially with disputes, compensation, accessibility, resettlement and negotiations, and where their investments are secured. They have so far operated on stool/skin lands because of the magnitude of land required and also because the chieftaincy institution provides immunity over possible community upheavals. Chiefs' involvement in large-scale land acquisitions is a form of security for large agricultural investors in Ghana. Unfortunately, traditional councils have not been able to capture fair prices for land due to failure to engage professionals in land transactions. From the

study, land survey and valuation professionals from the Lands Commission were not involved especially in the assessment of compensation. Also, government advocacy and promotion of agricultural investments in Ghana has influenced allocation of lands to resourceful investors rather than *undocumented* smallholders. Gradually, a market-induced dispossession is emerging due to the high demand for land. Farmers who are unable to show undisputable ownership of land are not paid compensation for land loss except for crop losses.

It was observed that customary land institutions and processes of land acquisition in Ghana have recorded some changes in the last decades from *oral-gratuitous-unregistered* grants to *monetized-individualised-semi-formalised* transactions to a broader extent. Yet existing customs are silent on transparency and accountability on land deals and accompanying benefits or costs. The constitutional provision that…*"the State shall recognise that the managers of public, stool, skin and family lands are fiduciaries charged with the obligation to discharge their functions for the benefit respectively of the people of Ghana, of the stool, skin, or family concerned and are accountable as fiduciaries in this regard"* has remained ineffectual and has hardly been enforced against any chief (see Article 36 (8), Fourth Republican Constitution of Ghana, 1992).

Also, the current institutional arrangements do no permit collaboration among the state agencies directly or indirectly involved in large-scale land acquisitions in Ghana. These institutional arrangements and identified changes have influenced the operation of land markets in Ghana and how land prices are fixed. At the community level, it was also found that consultations with the *Odokros* (village chiefs) alone were inadequate in voicing the concerns of smallholders whose land use rights were interrupted by large-scale land acquisitions. The study also revealed the extremely vulnerable position of migrant farmers in Ghana in the use of customary land without title and hence, confirms the position that the people without secure title stand to suffer from the marketization of land.

In addition, different processes were found to be involved in accessing land and at different transaction costs between the two investment projects. The estimated transaction cost of access to land at the ScanFarm project area was comparatively higher than that of the Integrated Tamale Fruit Company project area due to geographical differences in land market dynamics. From, the transaction cost tabulation; it is cheaper to acquire land from skin land areas in the northern part of Ghana than in stool land areas in southern Ghana where the land markets are relatively developed for commercial production of highly economic crops. Transaction costs from the study are largely influenced by the nature of land tenure (formal/informal), social capital (relationships and trust), geographical location of the land (north/south ecological zones) and citizenship. Citizens of the farming community can acquire new farmlands or additional farmlands at no fee, because access to land is an entitlement according to local customs. The costs of performing customary ceremonies such as the *guaha* cutting and customary protocols such as the *drink or kola money* also ultimately influence land pricing. The study identified that the remoteness of the communities limits land transactions to usufruct holdings through inheritance, seasonal cash-based or kind-based rentals and sharecropping to mostly relatives, friends and trustworthy migrant farmers.

In the study of the winners and losers as land prices change in Ghana, it was identified that existing local customs unduly empower allodial holders such as chiefs and family heads to benefit from land transactions. Local elites, politicians, speculators together with local and central government agencies also perceived to benefit both directly and indirectly from land transactions in Ghana. On the other hand *title-less* groups such as migrant farmers, herders and women with insecure tenures are perceived to be losing out the most from recent land transactions. The operations of large-scale agro-investments are also affecting local labour markets, which the local farmers depend on for their own farming operations. Farm wages have been hiked and labour supply to local farmers has dwindled, as immigrant-labourers now prefer to work for the companies, which offer comparatively better wages.

6.2 General Policy Interventions

Recent agricultural investments and large-scale land acquisitions have come to stay. The future of agriculture will most likely be driven significantly by large-scale farmers and resourceful investors who strategically want to harness the growing benefits in the sector; as population growth, urbanization and energy demands for industrialization all present major opportunities. The demand for food, renewable energy feedstock and industrial raw materials will certainly soar and smallholders, though efficient in the use of agricultural resources, do not have the capacity to meet these growing demands. Large-scale agro-investors will be central in this agricultural transformation process. To avert the negative implications of large-scale land acquisition on the poor, there is the need for agricultural and land policies that are geared towards achieving win-win outcomes in Ghana.

The increasing trends of foreign participation in African land markets may have dipped slightly in the last 3years, but the phenomenon may continue into the future. In order not to undermine the concerns of negative impacts of large-scale land acquisitions in Africa, efforts should be made towards improving land markets and enhancing potential benefits to land owning communities beyond customary custodians. Also, since some researchers are already worried about the implications of functioning land markets on distress land transactions, there will be the need to develop policies that offer alternative safety nets beyond land sales or rentals. In line with this, there is the need to deepen stakeholder consensus building, especially consultations with affected communities and land users even when they do not have any legal or customary title to land. Agricultural policies should be directed towards ensuring that large-scale investments do not dispossess desperate and helpless smallholders, but offer them opportunities for agricultural growth through integration into value chain systems. At the national level, pro-poor land policies will be necessary to protect the poor and vulnerable from abuse by powerful groups and prevent landlessness through exploitative land markets. Since land pricing has tended to be discretionary, there is the need for the standardisation of *drink money.* Agricultural business models that improve

the level of community participation in the large agro-investment projects should be encouraged.

Also important in regulating land markets in Ghana is to redevelop land-banking approaches. Already, the Ghana Land Administration Project (LAP) commenced agricultural land banking as a means to identify from stools and private landholders and to map out lands that are conducive for particular agricultural land uses and at various rents across the country. This idea was greatly supported and promoted by the Ministry of Food and Agriculture (MoFA) in order to identify parcels for large agricultural investments. Such forms of land banking will at one end facilitate easy access to land by investors and also assist to ameliorate the possible negative impacts of large-scale land acquisition on the landless and poor smallholder land users. However, until an efficient system is put in place to regulate the land banks, investors may still find tactics to evade government structures and deal with customary custodians directly. Since some chiefs themselves may leave openings for exploitation, there is the need for personal commitments to uphold high moral values and strive to lead their people efficiently.

For the land agencies in Ghana, one-stop-shopping, institutional collaboration and data interoperability should be the hallmark. Agro-investors seeking suitable lands should be able to acquire them from identifiable organisations. Land transactions should not be left entirely in the hands of chiefs and families to handle. There should also be effective collaboration among all land agencies and the institutions that offer the essential authorisations and certificates for the commencement of agri-businesses. All these agencies have critical roles to play in order to avert the potential negative impacts of large farms. Central governments, through the local government authorities, should put in place checks and balances to deal with grievances in customary land transactions. In the process, land markets within customary tenures should be operated transparently by requiring that community consultative, environmental and social impact reports are submitted before land deals are executed.

Customary land institutions have been accused of capacity weaknesses as well as legislative inconsistencies and incomprehensiveness. Since the customary sector suffers from poor linkages with the statutory agencies, it is crucial to further improve upon the Customary Land Secretariat (CLS) concept and improve their capacities to handle land transactions in peri-urban and rural areas as decentralized units of the statutory land agencies. The locally developed land administration concept may need further reframing with clearly defined mandates and the necessary legislative backing to undertake these mandates. Local consultative meetings should also be properly coordinated due to the apparent power imbalances among existing stakeholders. Inclusiveness and public deliberations will help improve transparency and accountability as well.

6.3 Limitations of the Study

The timing of this study limited the assessment of broader impacts of large-scale land acquisitions on Ghanaian land markets since most investments are still new and in their early stages of operations. The story could be completely different after some years of existence. It may be too early to see a complete impact of these investments in land price changes especially at the national level, apart from what was observed in host communities. The informal nature of customary land transactions significantly limits the building of a national database on land prices. The general absence of baseline survey data at both the national and regional levels on land prices made it difficult to observe changes in land prices over the last decade besides relying on household recall data, which may have its own limitations. The predominance of non-monetary transactions of customary land also made it tedious to outline and document non-monetary costs of land transactions. These non-monetary costs may differ to a great extent from village to village. Hence, what is captured in this study does not represent the national picture of land prices in Ghana.

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Appendices

Appendix 1: Household Survey Questionnaires

Large-Scale Investment in Agriculture in West Africa - Implications for Land Markets and Smallholder Farmers
August 2012 to April 2013
Research undertaken by Centre for Development Research (ZEF),
University Bonn,
Germany

Introduction Statement
I come in the name of a German Research Institute / University, which is examining how large-scale agricultural investments in this community have impacted on land markets and smallholder farmers. Your household has been randomly selected to assist in this study. Please we would be very grateful if you would spare some time to respond to our questionnaire. The information obtained will be treated with confidentiality and only for academic purposes. The interview should take about 30 -45min. We are grateful for your time and assistance in the study!

Section 1: Survey information

1.1	Name of Village (LC1)		1.2	Interview end time	
1.3	Name of interviewer		1.4	Questionnaire Number (filled during data entry)	
1.5	Date of interview (dd/mm/yy)		1.6	Data entry by (filled during data entry)	
1.7	Interview start time		1.8	Date of data entry (filled during data entry)	

General codes: wherever not further specified use: 90=other, specify_____,
99=don't know

Section 2: Respondent Data
We would like to ask you some questions about yourself, the head of the household

2.1	Name of Respondent		Q2.2 Gender of Respondent	1=Male 2=Female
2.3	Respondent's position in the household		1=household head; 2=spouse; 3=child; 90=other, specify_____	
2.4	Age		Years	
2.5	Any special role in the village?		1=no official role, 2=Village Chief 3=Village vice-chief 4= religious leader 5=healer/magician 6=policemen 90=other, specify----------	
2.6	Where were you born?		1= in this village [if 1 → Q2.7, continue if otherwise] 2=in another village near by 3=in another district in the region 4=outside the region 5= outside Ghana	
2.7	When did you move to this village?		Year	
2.8	Why did you move to this village? [multiple answers possible]		1=to do farming 2= to work as agricultural worker in agric investment; 3= to start a business 4= no job at home/ to find employment, 5= no land at home; 6=parents moved 7=marriage 8= resettlement program; 9= conflict/dispute at home 90=other, specify_____	

2.8	Religion		1=None 2= Protestant 3=Catholic 4= Traditional 5= Muslim 6= Pentecost 90=other religion
2.9	Ethnic group		1=Akan 2= Ewe 3=Ga-Dangme 4=Dagbani 5=Wali 6=Nzema 7=Gonja 8=Mamprusi 9=Guan 10=Kassena/Nankani 11=Konkomba 12=Nanumba 13=Builsa 1 90=Other(specify)----------
2.10	Education		0=no education 1= primary 1 2= O-level 3= A-Level 4= Diploma 5= Degree and more 90= other.....

Section 3: Household Size and Characteristics

3.1 List all person sharing the same kitchen space/ cooking area for most meals (=Household)

3.1.1	How many adults live in this HH? [age 18 and above]	[2] Total men		[3] Total women		[1] TOTAL adults	
3.1..2	How many children do you have in total (including children not staying with you)? [age 1-17]	[2] Total boys		[3] Total girls		[1] TOTAL children	
3.1.3	Sum up column 1and2	**NOTE:** *this number should be the also the number filled in the next table*!				TOTAL of HH	

3.2 Provide details of HH members. Start with the household head and spouse. Exclude children and relatives who already formed their own family and live independently

Member ID	3.2.1Name	3.2.2 Gender	3.2.3 Relationship with Respondent	3.2.4 Marital Status	3.2.5 Age	3.2.6 Education		3.2.7 Main Occupation
						Number of Yrs of Sch	Highest level of education	Name of profession
01								
02								
03								
04								
05								
		1=Male 2=Female	1=head 2=spouse (1st wife) 3=child 4=grandchild 5=parent	1=married (1 spouse) 2= married (2 or more spouse) 3= single			0=no education 1= primary 1 2= O-	0= none 1=farmer 2=business 3=labourer 4=officer 5=mechanic

			6=brother/ sister 7=relative 8= spouse (2nd or 3rd) 9=worker 90=others	(never married) 4=divorced /separated 5=widow(er) 90=other, specify			level 3= A-Level 4= Diploma 5= Degree and more	6=mason 7=carpenter 8=fishing 9=volunteer 90=other--------

Remember: To check with number of HH members stated on page 1 (3.1 .3) to make sure all are included.

4. Household Endowments/Agricultural Assets
4.1. Ownership of Agricultural Assets

Items	4.1.1 Did you own any of these items (tick)	4.1.2 How many Units do you own?	4.1.3 How much are they worth in money to you?			4.1.4 Did you lose or sell any of these assets?	4.1.5 If Sold?	
			2000	2005	2012		a. Why?	b. What was the price?
Car								
Ox cart								
Bicycle								
Hoe,								
Axe								
Cutlass								
Pangs								
House								
Motorcycle								
Hand spray								
Water pump								
Land								
Plough								
	0=no; 1=yes					0=none; 1=lose; 2=sell		

4.1.6 Does your household own any livestock?	If no, explain why you do not have any livestock? [multiple answers possible]	If yes, which Livestock do own?	4.1.7 How many (…) does the household own at present? [Include those away] [Put number, if nothing put 0]	4.1.8 How much did you own… [present and away]		4.1.9 How many of the (…) did you sell during the [last 12 months]?	4.1.10 Total amount obtained (gh cedis)	4.1.11 How many were slaughtered in the last 12 months?
				10 yrs ago?	5 yrs ago?			
0=no 1=yes	1= They were stolen; 2=struck by diseases;	1=Oxen 2=Cows 3=Bulls 4=Heifer						

	3=can't afford 4=no interest; 5=sold; 90=other (specify)_____	5=Donkeys 6=Goats 7=Sheep 8= Poultry 90=Other, ____						

4.2 Purchase and Sale of Agricultural Assets

Qn. Number	Questions	Response	Codes
4.2.1	Did you buy any of these in the last 5years?		1= Yes 0= No
4.2.2	How many did you buy?		
4.2.3	Where was your source of money to acquire these assets?		1. Sold land 2. Rented out labour for wages 3. Gift 4. Sold farm produce 5. Remittances from relatives 6. Other
4.2.4	What prompted the acquisition of these assets?		1. Needed to support production 2. Increase Social Status 3. Bought to sell at a later date 4. Gift 5. Obtained as payment for debt/labour rented out 7. Others
4.2.5	Did you sell any of these from assets in the last five years?		1= Yes 0= No
4.2.6	If Yes, what prompted the sale?		1. To buy a new one 2. To pay debt 3. To farm 4. To start a business 5. To treat Sickness 6. To pay school fees 7. To travel out of the region 8. Others
4.2.7	What was the price you obtained for it?		
4.2.8	Did you borrow money using any of these as collateral?		1= Yes 0= No
4.2.9	If Yes, how much did you borrow?		
4.2.10	Which property did you use as collateral security for the loan?		1= farm land 2= house 3= vehicles (car, motorcycle, bicycle, other) 4= salary 5= others
4.2.11	How long is the loan running?		1. 6months 2. 1 year 3. 2Years 4. 5years 5. More than 5years

5. Land Ownership, Sale and Purchase of Land

5.1 Land Ownership and Allocation of the Household

Qtn	Questions	**Response**	**Options**
5.1.1	Does the household own any land (including land rented-out)?		1=yes 2=no
5.1.2	If no, why not?		1=no land available 2=not interested in farming 3=land taken away 90=other, _____

5.1.3	If yes, how was the land acquired?		1=purchase 2=leasehold 3=gift 4=sharecropping 5=granted by government 6= self-cleared forest 7= inherited 8= usufructuary 9= borrowed 10= Squatting 90=others, specify----------
5.1.4	From whom was this land acquired?		1= Government 2= Chiefs/Stool 3= Tendamba 4= Family head/Abusuapanin 90= Other, specify.....
5.1.5	What kind of interest do you hold on this parcel?		1= freehold; 2=Usufructuary; 3=leasehold; 4=Sharecropping; 5=customary licence 90=others
5..1.6	Did you ever own/ cultivate land before?		1=yes 2=no
5.1.7	What happened to this land you once owned?		1= ceased by gov./chief 2= no more fertile 3= sold 4= leased 5= gifted out 6= fallow 90= others
5.1.8	Can you register this parcel?		0= no 1=yes
5.1.9	For how long can you register this parcel of land?		1= 1year 2= 10years 3= 25years 4= 50years 5= 75years 6= 99years 7= perpetuity
5.1.10	In whose name can this parcel of land be registered?		1=Sons 2=daughters 3=both (children) 4=brothers 5=sisters 6=Wife 7=husband 90= others (specify)

5.2. Size and Use of Household Land and Associated Changes

5.2.1	What was the size of all plots you were farming 10 and 5 years ago?		Size? 2000..... 2005..... 2012……
5.2.2	UNIT (please try to use local unit– if not, stick to the same unit for the remaining part of this page)		1= Dont know; 2=acre; 3=ha; 90=other, specify____
5.2.3	If there was change between 2000 and 2005: what accounted for this?		1= gave to children,

	[multiple possible]		2=bought land; 3=rented in land; 4= too old to farm the size; 5=started other job; 6=lost due to dispute; 7= taken by Government/ local leader; 8=Taken by Investor; 9= opened unused land; 10= no money to rent-in anymore; 90=Other_____
5.2.4	If there was change between 2005 and 2012: what accounted for this? [multiple possible]		1= gave to children, 2=bought land; 3=rented in land; 4= too old to farm the size; 5=started other job; 6=lost due to dispute; 7= taken by Government/ Chief 8=Taken by Investor; 9= opened unused land; 11= no money to rent-in anymore; 90=Other_____
5.2.5	Land use type:		1. Crop production; 2. Livestock 3. Grazing land/pasture land 3. Kitchen garden; 4. Farm forestry 5. Other (plse. specify)_____

5.3 Security of Tenure

Plot ID	5.3.1 Who will inherit this land from you?	5.3.2 Under what circumstances can you stop cultivating this plot	5.3.3 Who can grab the land away from you?	5.3.4 What are you doing to ensure that you don't lose the plot?	5.3.5 Have you had any conflicts on the plot?	5.3.6 What kind of conflict did you have?	5.3.7 Where was this conflict resolved?	5.3.8 Did you register this parcel of land?	5.3.9 In whose name did you register it?
01									
02									
03									
04									
05									
	1=Sons 2=daughters 3=both (children) 4=brothers 5=sisters 90=others	1=Divorce 2=Death of spouse 3=Emigration 4= end of contract 5= none	1=Village Chief 2=Brother 3=Brother in law 4=Sister in law 5=none 6= owner 7=government 8= uncle 90= others	1=Plant tree 2=Fence 3=Land Guards 4= registered 5= spiritual protection 6=none 90=others	0= no 1= yes	1=Border disputes 2=Plot ownership 90=others	1=Families 2=Village chief 3=Group village 4=TA 5=Magistrate court	0= no 1= yes	1=Sons 2=daughters 3=both (children) 4=brothers 5=sisters 6=Wife 7=husband 90= others (specify)

Source: Luduku (2009) and Tadesse (2010)

5.4 Sharecropping

	If the farmer sharecrop in plot (fill)					If the farmer sharecrop out (fill)				
Plot No	5.4.1 Why?	5.4.2 Input cost Share	5.4.3 Output share	5.4.4 From Whom	5.4.5 Contract Duration	5.4.6 Why?	5.4.7 Input Cost Share	5.4.8 Output share	5.4.9 From Whom	5.4.10 Contract Duration
01										
02										
03										
04										
05										
Codes	1= lack of labour 2= availability of labour 3= enough farm land 4= shortage of farm land 5= lack of money to purchase fertilizer and seeds 6= sick/age 7= to share risk 90= others	1= equal input share 2= tenant covers all the costs initially but Input get it back later; 3= landlord cover the initial cost but get it back later; 4=Tenant covers all costs; 5= Landlord covers all costs	1= equal share 2=equal share after subtracting input costs 90= others, specify Amount shared: specify amount obtained in Cedis	1= relative, 2= Close neighbour 3= outside my 4=outside my kinship 90= others, specify	1= written contract approved by LTR; 2= written contract by parties; 3= oral contract 90= others, specify----	1= lack of labour 2= availability of labour 3= enough farm land 4= shortage of farm land 5= lack of money to purchase fertilizer and seeds 6= sick/disable 7= to share risk 90= others,	1= equal input share 2= tenant covers all the costs initially but Input get it back later; 3= landlord cover the initial cost but get it back later; 4=Tenant covers all costs; 5= Landlord covers all costs	1= equal share 2=equal share after subtracting input costs 90= others, specify Amount shared: specify amount obtained in Cedis	1= relative, 2= Close neighbour 3= outside my3=outside my kinship 90= others, specify	1= written contract approved by LTR; 2= written contract by parties; 3= oral contract 90= others, specify----

Source: Luduku (2009) and Tadesse (2010)

6. Land Market Transaction and Land Price Determinants

6.1 Characteristics of Owned Land Parcel

Plot No.	6.1.1 Plot size in sq. Metres	6.1.2 Distance from home *time/km	6.1.3 Security of Land Tenure	6.1.4 Slope of land	6.1.5 Proximity to Irrigation	6.1.6 Proximity to road infrastr.	6. 1.7 Soil Texture	6.1.8 Soil Fertility	6.1.9 Changes in yield	6.1.10 Erosion	6.1.11 Access to Water
01											
02											
03											
04											

05											
Codes			1=Secure 0=Insecure	1=Steep 2=Gentle 3=Flat			1= Black, 2= Dark brown, 3= Red 4= White 90=others, specify ----------	1.Very fertile 2.Moderate 3.Poor 4.Very poor 5.Not productive at all	1=increased yields, 0=no yield change, -1= reduced yields	1=high, 2=low, 3=none	1= easy 2= difficult

6.2 Access to Water and Water Rights

	Questions	Responses	Codes
6.2.1	Do you have access to water in production on your parcel?		0= no 1= yes
6.2.3	If yes, what is the source of water?		1=Public irrigation system 2=borehole 3=Hand-dug well 4=Community reservoir 5=Pumping from river 6=Water harvesting 7=Rain fed 8=Other [please.
6.2.4	Is this water source always accessible		1= accessible 2=inaccessible
6.2.5	How far is this source of water?		1= very 2= not far 3= close by
6.2.6	How much does it cost to bring water to your parcel of land?		State in Gh cedis
6.2.7	How long, does it take to bring in this water for production?		1= few hrs/short time 2= several hrs 3= a long time 4= other, specify
6.2.8	What rights do you have to access this water source?		1= restricted 2= unrestricted
6.2.9	Do you have problems of water rights abuse in this community by the investors?		0= no 1= yes

6.3 Output in the Last 5years and 10years (Past and Present Output)

	6.3.1 Crop Type	6.3.2 How much did you Harvest?						6.3.3 Indicate the state of yield in the 10/5years	6.3.4 Indicate the major reasons for the change
Plot ID		Harvest							
		2000		2005		2011/2012			
		Quantity	Unit	Quantity	Unit	Quantity	Unit		
01									
02									
03									
04									
05									

	1=cocoa 2=palm 3=maize 4=yam/cassava 90= others	1= basket 3=pail 5=bags (50kg) 7= bowls 9= basin	2= oxcart 4=wheelbarrow 6=bags (90kg) 8=Olonka 9=others----------	0= increasing 1= decreasing 2= constant	1=soil fertility 2= fertilizer subsidy 3= others

6.4. Decision to Participate in Land Transactions (Demand and Supply)

Questions	Response	Codes
6.4.1 Are you interested in renting out some (more) of your land		0=No 1=Yes
6.4.5 Were you interested in renting out some land in last decade?		0=No 1=Yes
6.4.8 Are you interested in renting in some (more) land than you do?		0=No 1=Yes
6.4.11 Were you interested in renting in some land in the last decade?		0= No 1=Yes
6.4.14 Did you have many candidates to choose from?		0=No 1=Yes

6.4.2 If No, why?		1= rent is too low 2= no person to rent to 3= not allowed to rent out 90= Others.....
6.4.3 If Yes, how much more land to rent-out?		1= rent is too low 2= no person to rent to 3= not allowed to rent out 90= Others.....
6.4.6 If No, why?		1= rent is too low 2= no person to rent to 3= not allowed to rent out 90= Others.....
6.4.7 If Yes but actually did not rent-out, what are the reasons		1= rent is too low 2= no person to rent to 3= not allowed to rent out 90= Others.....
6.4.9 If No, why?		
6.4.10 If Yes, how much more land to rent-out?		In Ghana cedis…….
6.4.12 If No, why?		1= rent is too high 2= too many people seeking rented land 3= no credit to rent land 4= no fertile land 5=Others
6.4.13 If Yes but actually did not rent- in, what are the reasons?		1= rent is too high 2= too many people seeking rented land 3= no credit to rent land 4= no fertile land 5=Others
6.4.15If Yes, what criteria did you use to select your partner?		1. Reputation; 2. Trust; 3. Endowments; 4. Kinship; 90. Others, specify

6.5 Rented-in Plot of Farm Land

Plot ID	6.5.1 Did you rent in land in the last 10 or 5years?		6.5.2 Why did you rent in the plot?	6.5.3 For how long is this rent lasting/ed	6.5.4 What type of contract do you have?	6.5.5 Will the contract be renewed afterwards?	6.5.6 From whom was this land rented in?	6.5.7 What is rent paid for the parcel rented-in.	6.5.8 What is the current value of this parcel of land rented-in
	10yrs	5yrs							
01									
02									
03									
04									
05									

	0- no 1- yes	0- no 1- yes	1= availability of labour 2= need for more farm land 3= availability of fertilizer and seeds 4= affordable tractor/oxen services 5=increase in output demand 6= Reduction in land prices 7= in lure of debt payment 90= others, specify	1= Less than 5 years 2=More than 5 but less than 10 years 3=More than 10 but less than 50 years 4=More than 50 but less than 99, 90= Others, specify	1-Fixed rent 2-sharecroping 3-borowing free	0= no 1= yes 2=maybe	1= relative 2= close neighbour 3=outside my kinship 4= large investors 5=government 90=others, specify		

6.6 Rented-out Plot of Farmland

Plot ID	6.6.1 Did you rent out any plot of farm land?		6.6.2 Why did you rent out the plot?	6.6.3 For how long is this rent lasting/ted?	6.6.4 What type of contract did you offer?	6.6.5 Will the contract be renewed afterwards?	6.6.6 To whom was this land rented out?	6.6.7 What is the rent received for the parcel rented-out?	6.6.8 What is the current value of the parcel of land rented-out/retained
	10yrs	5yrs							
01									
02									
03									
04									
05									

Codes	0-no 1-yes	0-no 1-yes	1= lack of labour 2= retirement of farmer 3= need for less farm land 4= attractive price in the market 5= lack of fertilizer and seeds 6= sick/disable 7=to share risk 8= lack of oxen to weed 9= to pay debt 90= others, specify……	1= Less than 5 years 2=More than 5 but less than 10 years 3=More than 10 but less than 50 years 4=More than 50 but less than 99, 90= Others, specify……	1-Fixed rent 2-sharecroping 3-borowing free	0= no 1= yes 2=maybe	1= relative 2= close neighbour 3=outside my kinship 4= large investors 5=government 90=others, specify……..		

Source: Luduku (2009) and Tadesse (2010)

6.7 Rent Charged

	Questions	Response	Codes
6.7.1	How much is paid as rent agreeable annually		----------Gh¢/CFA
6.7.2	Which factors did you take into consideration when you were renting out the plot?		1= foreign investors 2= size of land 3= land slop 4= soil texture 5=nearness to irrigation 6= nearness to roads 7= distance from home/market 8= security of tenure 9= high level of demand 10= limited land supply 11= soil fertility
6.7.3	Has this rent changed since it was it first agreed upon?		0=No 1=Yes
6.7.4	What factors accounted for the change in the initial rent agreed upon?		1=increase in demand 2=Increase in output prices 3=inflation 4= time passage

Plot Bought and Plot Sold

Plot ID	6.7.5 Where did you buy the plot?	6.7.6 Why did you buy the plot?	6.7.7 How much did you pay for the plot?
01			

02			
03			
04			
05			
	1=same village 2=other village	1=Secure more land 2=grow cash crop 3=grow food crops 4= seek fertile land 90=others	In Ghana cedis
Plot ID	6.7.8 Where did you sell the plot?	6.7.9 Why did you sell the plot?	6.7.10 How much did you sell for the plot?
01			
02			
03			
04			
05			
	1=person from same village 2=other village 3=immigrant 4=urban dweller	1=cash 2=assist others 3=more land 90=others	Ghana cedis

6.8 Distress Land Rental/Sale

Plot ID	Question	Response	Coding
6.8.1	Did you experience any of the following in the last 10yrs?		1=Food shortages 2=Death of member 3=sickness of member 4=House damage 5=debt 6=high school fees 7=marriage 90=Others specify----------
6.8.2	Did any of these calamities compel you to sell/rent out land?		1= Yes 0=No
6.8.3	If No, how did you get money to tackle the problem mentioned in 1 above?		1=Borrowed from friends 2=Contributions from family/friends 3=Loan from the bank 4=Gifts/Donations 5=Remittances 90=Others, specify----------
6.8.4	If Yes, how?		1=Rent out more land 2=Rent out land for cash 3=Rent out land on long-term contract for cash 90=Others, specify
6.8.5	How many times (years) in the last 10years/5years did you sell /rent out land?		1=Never 2=Once, 3=2-3 times 4=4-6 times 5= >6 times 6=Every year
6.8.6	What were the reasons that accounted for the rent/sale of that land?		1=Food shortages 2=Out-dooring 3=Debt payment 4= Funeral Expenses

			5=Marry new wife 6=Pay school/apprentice fees 7=sickness expenses 8= meet travel expenses 9=Repair house 90= others, specify----------
6.8.7	How much land was rented out during this distress period(s)? (In locally known unit)		
6.8.8	Who took the decision to sell parcel?		1= government 2= paramount chief 3= Village Chief 4= HHH 5= Tendaana/Abusuapanin 90= others
6.8.9	How were the proceeds from the land distributed?		1= used to resolve family problem 2= used by HHH 3= given to wife for food 4= invested 90= others

7. Determinants of Land Prices

7.1 Factors that influence how much a parcel is sold or bought

Questions		Response	Codes
7.1.1	Which of the following factors do you consider most when you decide to charge a rent/ sell a plot of land?		1= foreign investors 2= size of land 3= land slop 4= soil texture 5=nearness to irrigation 6= nearness to roads 7= distance from home/market 8= security of tenure 9= high level of demand 10= limited land supply
7.1.2	Which of the following factors do you consider the least, when you decide to sell or rent a plot of land?		1= foreign investors 2= size of land 3= land slop 4= soil texture 5=nearness to irrigation 6= nearness to roads 7= distance from home/market 8= security of tenure 9= high level of demand 10= limited land supply
7.1.3	How would you rant the following factors according to their level of importance in influencing how much you decide to sell/rent land?		1= foreign investors 2= size of land 3= land slop 4= soil texture 5=nearness to irrigation 6= nearness to roads 7= distance from home/market 8= security of tenure 9= high level of demand 10= limited land supply

7.2 Estimating Non-Market Costs of Access to l and

7.2.1 Transaction Cost of land acquisition

Item	Cost Estimation	Comments
Cost of access to information		
Cost of drawing up contract		
Negotiating Cost		

Communication Cost		
Cost of property		
Legal services Cost		
Inspection Cost		
Cost of valuation		
Cost of survey		
Cost of titling		
Cost of policing boundaries		
Cost of enforcing contracts		
Cost of litigation		
Time it takes to acquire a parcel		

7.2.2 Which of the following is a barrier to entry into the land market (buy/sell/rent-in/rent-out land) in this community/country?

Item	Tick	Comments
cumbersome rules and regulations imposed by government		
Initial investment capital requirement		
Registration and licensing requirements		
Rules on sale or lease of property		
Taxes		
Barriers arising from complex traditional system		

7.2.3 Enforcement Cost

Item	Costs Estimates	Comments
Cost of Patrolling Cost of Fencing Cost of Litigation Cost Boundary clearance Cost Land guards		

8. Use of other Agricultural Inputs

8.1 Quantity of Agricultural Inputs used and Changes

	Questions	Responses	Codes
8.1.1	Do you use any of these inputs? (multiple answers)		1. Land 2. Labour 3. Credits 4. Fertilizers 5. Improved Seeds 6. Irrigation 7. Pesticides
8.1.2	Prior to 2005, how much of the following inputs did you use?		

Input	Quantity used before 2005	Quantity used before 2012	Quantity used now
Land			
Labour			
Credits			
Improved Seeds			
Fertilizer			
Irrigation			

8.1.3	How have these quantities changed in the last 5years?		1= Unchanged 2= Improved 3= Reduced

8.1.4	What factors have accounted for these changes in input use?		1. New available market 2. Government policy 3. Agricultural policy 4. Personal growing desire for profits in Agriculture

8.2 List of crops/parcels cultivated and the input use in the past farming seasons vis-à-vis current input use (for 10yrs ago and 5years)

Plot ID	8.2.1 Seeds					8.2.2 Pesticides			8.2.3 Fertilizer				
	a. Type	b. Source	c. Qnt	d. Unit	e. Cost	a. Type	b. Source	c. Cost	a. Type	b. Source	c. Qnt	d. Unit	e. Cost
01													
02													
03													
04													
05													
	1= own 2=bought 3= received 4=coupons 90= others					1= own 2=bought 3= received 4=coupons 5= others			1=CAN 2=Urea 3=23.21 0 +4s 4=20 20 0 5 =D compound 6= SA 90=others	1= own 2=bought 3= received 4=coupons 90= others			0=No 1=Yes

8.3 Access to and use of Agricultural Credits

	Question	Responses	Codes
8.3.1	Did you apply for credit in the last 10years?		0= no 1= yes
8.3.2	Did you apply for credit in the last 5years?		0= no 1= yes
8.3.3	Did you apply for credit in the last 1 yr?		0= no 1= yes
8.3.4	If Yes, did you obtain farm credit?		0=No 1= Yes
8.3.5	If you applied but not used credit in the last periods, what reasons accounted for this?		1= the fertilizer delivered very late 2= lenders asked me to co-sign with others not familiar with me 3= the cost of credit became so high, hence decided not to use. 4= due to health problem 5= fear of repayment 6=I do not need credit since my farm land is fertile 7=I did not know the benefit from using the credit 90= others (specify
8.3.6	Did you try to borrow in the past but was turned down?		1=yes 2=no
8.3.7	If yes, why were you turned down?		1=insufficient income 2=insufficient collateral security 3=previous debt problems

			4=inappropriate purpose of loan 90=other,_____
8.3.8	If no, why did you not attempt to borrow? [Rank the 3 most important reasons]	1. 2. 3.	1=borrowing is risky 2=interest rate is high 3=too much paper work 4=expected to be rejected 5=I have no asset for collateral 6=No money lenders in this area for this purpose 7=Lenders do not provide the amount 8=no credit association available 9= fear of loss of assets 10= didn't want my application to be rejected 11= too tough penalty for default 12= high transportation cost to get the credit 90= others_____

8.4 Purposes and Status of Credits

8.4.1 Purpose of credit is to Buy	8.4.2 Source of loan	8.4.3 Amt in Cedi	8.4.4 Duration	8.4.5 Collateral Yes/No	8.4.6 Kind of Collateral	8.4.7 Repayment status	8.4.8 Amount repaid	8.4.9 Amount Unpaid	8.4.10 Why failure to repay
1=fertilizer 2=seed 3=animal 4=traction 5=consumption 6=family problem 90=Others	1= government 2= credit unions 3= NGOs 4= money lenders 5= relations 6= neighbour 7=susu groups 8= shop keepers 90= others, specify.....		1= 6mths 2=1yr 3=2yrs 4=3yrs 5=more	0= no 1=yes		0=Unpaid 1=Paid			1= low yield 2=low prices 3=contract extended 4=want to pay later 5=did ask for credit 6=illness 7= undue date 90=other

8.5 Labour Changes

Number	Questions	Responses	Codes
8.5.1	Number of Adult Household members?		
8.5.2	How many Hours are spent by the adults in the household on family farm a day?		
	How many hours are spent on other on-farm activities?		
	Have some of your household members migrated out of this community in the last 10years? 5years?		0= No 1= Yes
8.5.3	What reasons accounted for such a migration?		1= non-attractive agriculture

			2= Farm land taken by investors 3= Search for non-farm jobs 4= search for education opportunities 90= others, state----
8.5.4	Do you use hired labour on family farm?		0= No 1= Yes
8.5.5	How many hired labourers do you use?		
8.5.6	Number of hours hired labour spent on your farm a day?		1= less than 2hrs 3= 2hrs 4= 5hrs 5= 8hrs 6= More, specify
8.5.7	Can your household get more hired labourers on the family farm if they wanted?		0= No 1= Yes
8.5.8	Where do these labourers come from?		1= the village 2= another village nearby 3= another district 4= another country 90= others
8.5.9	Have recent agro-investment in this area increased the cost of labour?		0= No 1= Yes 2= the same as ever
8.5.10	If Yes, what were average daily wages for agricultural labour for? 2000 2005 Now (2012)		

9. Recent Land Deals, Contracts and Consultations

9.1. Large investments and Land Acquisition

9.1.1	Have you lost land due to large agro-investor's activities in the area?		1=yes 2=no
9.1.2	How was the land acquired?		1= compulsory acquisition by state 2= grant by the chief 3= granted by family head 4= I sold it for a good price 5= I convinced it will create jobs for us 6= I wanted to assist in the development of my community
9.1.3	If you voluntarily sold your parcel, was the price offering an attraction?		0=no 1= yes
9.1.4	Was the price you were offered higher than what is generally paid for all other parcels in the community?		0=no 1= yes
9.1.5	If Yes, what accounted for this higher price offer?		1= because foreigners have money 2= because I did not know how the land was to be used 3= because I knew i won't get it back even f I wanted 4= because I needed a lot of money to solve a family problem 5= because I negotiated well 6= because I knew they were going to make more money from it 90= others

9.1.6	If yes: Have you ever been compensated for land you lost (e.g. due to resettlement or investors activities in the area)?		0=no 1= yes
9.1.7	If yes, what was the compensation?		1= cash 2= land replacement 3= settlement relocation 4= food restocking 90= others

9.2. Recruitment and Employment Opportunities with Large Investments
We would like to get some information about those members, looking actively for a job

9.2.1	Who in this household applied/ tried to get a job within the last 5 months from the large farm here?		1= Myself 2= spouse 3= son 4= daughter 5= grandson/daughter 6= some other relatives, name.....
9.2.2	What job position did he/she apply for with the agro-investment?		1= casual labour 2= daily labour 3= headman /Foreman 4= office and administration 5= cooking and cleaning 6= operator /Truck driver 7= mechanic / crafts man 7= guard 8= community liaison office 90= other, _____
9.2.3	Did he/ she get a job?		0=no 1= yes
9.2.4	If he/she did not get the job: What was the reason to be turned down?		1= too young 2= too weak/ old/sick 3= lack of education qualification 4= lack of practical experiences 5= lack of flexibility 6= could not agree on salary 7= lack of referees 8= discrimination of employer 9= did not need worker at that time 10= lack of discipline 90=Other, _____
9.2.5	If he/she got the job: What were the factors that worked in his/her favour?		1= more casual workers were needed 2= land contract required that we are employed 3= i was the only qualified candidate 4= i had some relatives who aided me 5= i am a political supporter 90= Others
9.2.6	Is this family member of yours still currently employed with this agro-investment?		0=no 1= yes
9.2.7	If no: What resulted in the household member from leaving the employment opportunity?		1= payment too low 2= conditions too hard/ not good 3= fight with employee (dispute) 4= more hands needed at family farm 5= more hands needed at home 6=got better job offer elsewhere 7= no transport / transport too bad 8= got sick / health problem 9= was sacked 10= investor did not need me anymore 11= competition by younger worker 12= migrated for better offers in the city 90; other,_____
9.2.8	If yes: For how long has he/she been working in the agro-investment?		1= 5yrs ago 2= 4yrs ago 3= 3yrs ago 4= 2yrs ago

			5= 2yrs ago 6= 6months ago 90= Others
9.2.9	How satisfied is he/she with the working conditions?		1= very satisfied 2=satisfied 3=neither satisfied nor dissatisfied 4=dissatisfied 5=very dissatisfied 99=don't know
9.2.10	How satisfied Is he/she with the payment and contract terms of the job?		1= very satisfied 2=satisfied 3=neither satisfied nor dissatisfied 4=dissatisfied 5=very dissatisfied 99=don't know
9.2.11	If the conditions of work are bad/dissatisfactory, is this family member of yours still working with the agro-investment?		1=yes 2=no
9.2.12	What type of working contract does he hold?		1=daily labour/ task-paid 2=permanent employment 90=other, please specify_____
9.2.13	How has this income helped to improve your living conditions?		1= buy more food 2= build additional house/room 3= buy farming inputs 4= buy a bicycle 5= buy a motor bicycle 6= clothing 7= health 8= education 9=others, specify..... 10= no change is noticed

9.3 Expectations/ Promises /Disappointments

	Questions	Responses	Codes
9.3.1	What have been the expectations of this village when you first heard that agriculture investors were coming into your community?		1= employment opportunities 2= improvement in our roads 3= improvement in seeds 4= improvement in fertilizer/insecticides supply 5= market for our produce 6= social services – schools/hospitals/water 7= development of irrigation sys 8= development of agro- factory 9= Loans to expand farms 90=others
9.3.2	Were any of these expectations met? (multiple answers are welcomed)		1= employment opportunities 2= improvement in our roads 3= improvement in seeds 4= improvement in fertilizer/insecticides supply 5= market for our produce 6= social services – schools/hospitals/water 7= development of irrigation sys 8= development of agro- factory 9= Loans to expand farms 90=others
9.3.3	Were there any particular promises that the investors made when they came to acquire land for farming here? List them?		1= employment opportunities 2= improvement in our roads 3= improvement in seeds 4= improvement in fertilizer/insecticides supply 5= market for our produce 6= social services – schools/hospitals/water 7= development of irrigation sys 8= development of agro- factory

			9= Loans to expand farms 90=others
9.3.4	Through whom did they make these promises?		1= Government 2= Agric Officers 3= Village chief 4= Abusuapanin 5= A village business man 6= Assembly member 90= Other
9.3.5	Did this source of contact and information convince you that good results could be expected from large investments?		0= no 1= yes
9.3.6	Were any of these promises fulfilled?		1= employment opportunities 2= improvement in our roads 3= improvement in seeds 4= improvement in fertilizer/insecticides supply 5= market for our produce 6= social services – schools/hospitals/water 7= development of irrigation sys 8= development of agro- factory 9= Loans to expand farms 90=others
9.3.7	If they were never fulfilled, what reasons were given for this happening?		1= no money 2= lack of government permission 3= money squandered by chief 4= lack of community support 5= cost too high for them 6= price of land was too much than expected at the beginning 90=others
9.3.8	Besides the above factors, will say the presence of large investors in this community has improved living conditions generally?		0=no 1= yes
9.3.9	If Yes, how has it improved your living conditions?		1= sale of food to workers 2= transportation provision to farm workers 3= provision of phone services 4= sale of local alcoholic brew 5= buying and selling land at better prices 90= others
9.3.10	If no, how has negatively affected you?		1= teenage pregnancy 2= high divorce/ infidelity 3= increase in alcoholism 4= snatching of more land for investors 5= increase in rent 6= increase in sharecropping ratios
9.3.11	How do you compare the overall economic situation of the HOUSEHOLD with 10 year ago, 5years ago and now?		1 =Much better now 2 =A little better now 3 =Same 4 =A little worse now 5 =Much worse now 99= Don't know
9.3.12	How do you compare the overall economic situation of the COMMUNITY with 10 year ago, 5years ago and now?		1 =Much better now 2 =A little better now 3 =Same 4 =A little worse now 5 =Much worse now 6 =Don't know

9.3.13	Do you think the advantages of the investment scheme out-weight the disadvantages?		1=yes 2=no
Please list up to 3 impacts you see the scheme have on the local people? (3 positive and 3 negative ones) Check Questions			
	Disadvantages		Advantages
1		1	
2		2	
3		3	

9.4. Changes in Land Prices – Beneficiaries and Losers (Recall)

Qnt. No.	Question	Resp	Codes
9.4.1	How much were land prices going for in 2000?		n/a
9.4.2	How much were land prices in 2005?		n/a
9.4.3	How much are land prices now?		n/a
9.4.4	Are there any changes in land prices between these periods?		0=no 1=yes
9.4.5	What accounted for these changes in land prices?		1= investor demand/offering high prices 2= government subsidy on agric 3= urbanization of the area 4= government fixed land prices 5= increase local demand for fertile lands 6= better prices for cocoa, palm nut, cashew, etc 90= others
9.4.6	Which people in your opinion benefit from this change in land prices? If it reflects an increase and multiple answer are allowed in order of severity		1= Central government 2= local government 3= tax agency 4 = chiefs holding village land in trust – sales and lease revenue 5= families holding farming land through sales and lease revenue 6= Business men who bought lands earlier in this village and are re-selling or renting 90= Others
9.4.7	Which people in your opinion are losing out as land prices have changed in this community? Multiple answer are allowed in order of severity		1= women have their gifts snatched 2= sharecroppers due increasing crop share 3= leaseholders have their rents adjusted upwards 4= villagers enjoying community forest have their rights invaded by land sales 5= herders lose grazing land to new sales 6= migrant farmers have to now buy farmlands 90= others

10. Institutions, Institutional Change and Impact on Land Prices

10.1 Changes in institutions attributable to recent large investments in the affected communities

10.1.1	Which local land institutions exist in this are to regulate agricultural land transactions?	
10.1.2	Customs and tradition	1.
		2
		3
		4
		5
10.1.3	Agencies	1
		2
		3
		4
		5
10.1.4	What exact roles do these institutions	1

	play in the recent large scale agro-investments?	2
		3
		4
		5
10.1.5	Are there any changes to these institutional structures in recent times following large land acquisition by investors?	0= no 1= yes
10.1.6	What are these changes recently being observed as changes to existing land institutions in this community?	1
		2
		3
		4
		5
10.1.7	What processes does one have to go through to acquire a parcel of agricultural land?	1
		2
		3
		4
		5
10.1.8	Have these processes changed in the last 10years?	0= no 1= yes
10.1.9	What customary practices will one need to fulfil before access to agricultural land?	1
		2
		3
		4
		5
10.1.10	Have these practices changed in the last 10years following the activities of large investors in this area?	0= no 1= yes
10.1.11	If Yes, what are these changes that are noticed in the customary practices due to recent land acquisition in this area?	1
		2
		3
		4
		5
10.1.12	Do people generally make land transactions from an informed position with information available?	0= no 1= yes
10.1.13	What information does one need to be able to sell/buy (rent in/rent out) land in this community?	1
		2
		3
		4
		5
10.1.14	From whom can you acquire such information?	1= government 2= paramount Chief 3= community Chief 4= abusuapanin/Tendana/Other.... 5= assembly man 6= customary land secretariat 90=other,_____
10.1.15	How much does it cost to access this kind/type of information concerning land transactions? (give range of costs).	In Ghana cedis….
10.1.16	After one acquires a parcel of land, are there instances under which his/her rights can be disturbed?	0= no 1= yes
10.1.17	How do people generally protect their rights in land in this community?	1= commit it to the gods 2= register it 3= fence it 4= use land guards to police it 5= use witch powers/ juju 90= others

Appendix 2: Community survey questionnaire

Large-Scale Investment in Agriculture in West Africa - Implications for Land Markets and Smallholder Farmers
August, 2012 to April, 2013
Research undertaken by Centre for Development Research,
University Bonn,
Germany

Introduction

Dear Sir/Madam,
I come in the name of the Centre for Development Research (ZEF), University of Bonn, Germany, which is examining how large-scale agricultural investments have impacted land markets and smallholders. You have been purposely selected to assist in this study. Please we would be very grateful if you would spare some time to respond to our questionnaire. The information obtained will be treated with confidentiality and only for academic purposes. The interview should take about 30-45min. We are grateful for your time and assistance in our study.

REGION: _____ DISTRICT: _____

NAME OF COMMUNITY: _____

DATE

DAY MONTH YEAR

NAME OF PERSON INTERVIEWED

NAME	SEX	AGE	TITLE	OCCUPATION	CODE

SECTION 1: COMMUNITY DEMOGRAPHIC INFORMATION

1. NUMBER OF PEOPLE LIVING 2010 POPULATION

IN THE COMMUNITY: FIGURE:

2. What are the principal ethnic groups represented in this community?

LIST IN ORDER OF SIZE

RANK

Akan 1
Ewe 2
Ga-Dangme 3
Dagomba.....4
Waala 5
Nzema 6
Gonja.....7
Mamprusi.....8
Guan.....9
Kassena/Nankani 10
Konkomba.....11
Nanumba 12
Builsa.....13
Other (specify) 90

1st ☐☐
2nd ☐☐
3rd ☐☐
4th ☐☐

3. What are the major religions practiced by the residents of this community?

RANK

Catholic.....1
Protestant 2
Charismatic/Pentecostal 3
Other Christians 4
Islam..... 5
Traditional..... 6
No religion 8
Other (specify) 90

1st ☐
2nd ☐
3rd ☐
4th ☐

4. For the past ten years (since 2000), have more people moved to your community, or have there been more people that moved away?

More arrivals..... 1
More departures..... 2
About the same 3
Neither arrivals nor departures 4

☐

SECTION 2: ECONOMY AND INFRASTRUCTURE

1. What are the major economic activities of the people of this community?

LIST IN ORDER OF IMPORTANCE

Farming 1
Fishing 2
Trading 3
Handicraft 4
Salt "winning" 5
Mining 6
Sand winning..... 7
Quarrying 8
Other (Specify).....90

1st ☐
2nd ☐
3rd ☐
4th ☐

2. Do you think that living conditions of the people in this community is better or worse off since 10 years ago (since 2000/2012)?

☐

i. Better 2
ii. Worse.....3 if no change, move to Q4
iii. No change

WRITE THE REASONS IN ORDER OF IMPORTANCE

BETTER

1 Provision of electricity
2 Provision of drinking water
3 Improvement in access roads
4 More jobs
5 Improvement/availability of other social amenities
6 Agricultural Investments
7 Construction/improvement in drainage systems
8 Peaceful environment
9 Improvement in business
10 Good prices for produce

1st ☐☐
2nd ☐☐

WORSE

11 Unemployment
12 Poverty

1st ☐☐

13 Deterioration in social amenities
14 Natural disasters/famine
15 Wars/conflicts
16 Migration
17 High prices of consumer goods
18 Diseases

2nd [ ][ ]

3. Does a motorable road extend to this community?
   YES .....1 (» 6)
   NO 0

[ ]

4. How far is a motorable road from this community?
   KILOMETRES: [ ][ ][ ]

5. Do most households have electricity, or only a few?
   Most households 1
   Only a few 2

[ ]

6. Do most households have pipe-borne water, or only a few?
   i. Most households 1
   ii. Only a few .....2`

[ ]

7. What is the major source of drinking water for most households in this community during the dry season?
   i. Indoor plumbing 1
   ii. Inside standpipe..... 2
   iii. Water truck/tanker service..... 3
   iv. Water vendor..... 4
   v. Pipe in neighbouring household 5
   vi. Private outside standpipe/tap 6
   vii. Public standpipe..... 7
   viii. Borehole 8
   ix. Protected well..... 9
   x. Unprotected well 10
   xi. River/stream 11
   xii. Rain water/spring 12
   xiii. Dugout/pond/lake/dam..... 13

[ ][ ]

xiv. Other (specify) 90

8. And during the rainy season?

i. Indoor plumbing 1
ii. Inside standpipe..... 2
iii. Water truck/tanker service..... 3
iv. Water vendor..... 4
v. Pipe in neighbouring household 5
vi. Private outside standpipe/tap 6
vii. Public standpipe..... 7
viii. Borehole 8
ix. Protected well..... 9
x. Unprotected well 10
xi. River/stream 11
xii. Rain water/spring 12
xiii. Dugout/pond/lake/dam..... 13
xiv. Other (specify) 90

9. Is there a communication network in this community?

i. YES 1
ii. NO.....0

10. Is there a bank in this community?

i. YES 1
ii. NO.....0

11. How far away is the nearest bank from this community?

KILOMETRES:

12. Is there a permanent (daily) market in this community?

i. YES 1
ii. NO.....0

13. Is there a periodic market in this community?

i. YES 1
ii. NO.....0

14. How often is this market?

TIME UNIT CODES:

NUMBER OF TIMES: [ ]

a. Weekly 1
b. Monthly.....2
c. Quarterly 3
d. Half-yearly.....4 PER TIME UNIT: [ ]
e. Yearly 5
f. Other (specify)...90

15. How far away is the nearest periodic or daily market?

KILOMETRES: [ ][ ][ ]

16. Does public transport pass by this community?

i. YES 1
ii. NO.....0 (» 18) [ ]

17. What is the major means of public transport?

i. Bus (OSA, City Express, STC, GPRTU, etc.)…1
ii. Mini Bus/Mummy truck/Trotro ..... ……2
iii. Car (Taxi, private)..... ……3
iv. Canoe/Ferry/Boat..... ……4 [ ]
v. Train..... ……5
vi. Tractor ..... ……6
vii. Other (specify)……90

18. How far away from this community must you go to board a public transport?

KILOMETRES: [ ][ ][ ]

19. How often does public transport pass by this community?

TIME UNIT CODES:

Daily .....1 NUMBER OF TIMES: [ ][ ]
Weekly 2
Monthly 3
Other (specify) … ……..90 PER TIME UNIT: [ ]

20. Do any of the people in this community leave temporarily during certain times of the
year to look for work elsewhere?

i. YES 1
ii. NO.....0 (» 25) ☐

21. Where do most of them go? (WRITE THE NAME OF THE PLACE AND COUNTRY AND WHETHER IT'S A VILLAGE, TOWN, ETC.)

i. Village in Ghana 1
ii. Town in Ghana 2
iii. Outside Ghana .....3 ☐

22. What type of work do they look for during these times of the year?

i. Self-employment (Agric.) 1
ii. Self-employment (Non-agric.) 2
iii. Employment (Private) 3
iv. Employment (Government) .. 4
v. Other (specify) ……..90 ☐

23. How long do they work before returning to the community?

TIME UNIT CODES:

Day(s) .....1 NUMBER: ☐☐
Week(s) 2
Month(s) 3
Other (specify) .....90 TIME UNIT: ☐

24. What are the ages of most of the people who find seasonal work outside this community?

i. Under 10 years.....1
ii. 10 – 14 years.....2
iii. 15 – 19 years.....3
iv. 20 – 24 years.....4
v. 25 – 29 years.....5
vi. 30 – 34 years.....6
vii. 35 and Above .....7 ☐

25. Do people come to this community temporarily during certain times of the year to look for work?

i. YES 1
ii. NO .....0 (» 30)

26. Where do most of them come from?

i. Village in Ghana 1
ii. Town in Ghana 2
iii. Outside Ghana 3

27. What two major types of work do they do in this community?

i. Farming 1
ii. Fishing 2
1st
iii. Trading 3
iv. Handicraft 4
v. Salt "winning" 5
2nd
vi. Mining 6
vii. Sand winning.....7
viii. Quarrying 8
ix. Other (specify) ……90

28. How long do they work in this community before leaving?

TIME UNIT CODES:

Day(s) 1
Week(s) 2
Month(s) 3
Other (specify).....90

NUMBER:

TIME UNIT:

29. What are the ages of most of the people who come here to do seasonal work?

i. Under 10 years.....1
ii. 10 – 14 years.....2
iii. 15 – 19 years.....3
iv. 20 – 24 years.....4
v. 25 – 29 years.....5
vi. 30 – 34 years.....6
vii. 35 and Above 7

30. Is it easier or more difficult to find work in this community compared to ten years ago (early 2000s)?

i. Easier 1
ii. More difficult 2
iii. No change 3

31. What are the major emerging jobs in this community?

i. Construction.....1
ii. Agricultural Investments..... 2
iii. Manufacturing 3
iv. Trading 4
Other (specify)..... 90

1st
2nd
3rd

SECTION 3: EDUCATION

1. Which of the following educational facilities does this community have:

Pre-school.....1
Primary School 2
Junior High School.....3
Senior High School.....4
Tertiary institution.....5

2. What proportion of the children in this community school going age is in School?

All attend school ..... 100.....1
Almost all ..... 90.....2
More than half, but not all..... 75.....3
Half of them ..... 50.....4
Less than half ..... 33 1/3.....5
Only a few ..... 10.....6
None ..... 0.....7

GIRLS:
BOYS:

3. What are the four most serious schooling problems from the point of view of the people in this community?

LIST IN ORDER OF IMPORTANCE

No problem	1	1st
Lack of school building	2	
Insufficient furniture	3	2nd
Lack of qualified teachers	4	
High cost of school fees	5	3rd
Lack of text books/stationery	6	
Lack of accommodation for teachers	7	
Lack of access roads/routes	8	4th
Poor teaching	9	
Facilities in bad condition	10	
Other (specify)	90	

SECTION 4: HEALTH

1. Which of the following Health Facilities is available in this Community?

Hospital	1
Drug/Chemical Store	2
Pharmacy	3
Maternity Home	4
Clinic or Health Post	5
Family Planning Unit	6
Traditional Herbalist	7

2. What are the four major health problems in this Community?

LIST IN ORDER OF IMPORTANCE

Malaria	1	
Hernia	2	1st
Guinea-worm	3	
Bilharzias	4	
Measles	5	2nd
Cholera	6	
Elephantiasis	7	
Cerebro Spinal Meningitis (CSM)	8	3rd
Goiter	9	
Burili Ulcer	10	
River Blindness/Oncho	11	
Tuberculosis (TB)	12	4th

HIV/AIDS 13
Other (specify) 90

3. What are the four major problems with health services delivery for the people of this community? 1st

Lack of health facilities 1
Lack of qualified health personnel..... 2
Inability to pay for health services..... 3 2nd
Health centre too far 4
Lack of medicine and medical supplies..... 5 3rd
Lack of accommodation for health personnel6
Inadequate health facilities 7
Other specify) 4th

SECTION 5: AGRICULTURE

1. What are the major crops grown by the people of this community? LIST IN ORDER OF IMPORTANCE	2. How many times per year is ..... planted in general? ONCE .....1 TWICE ....2 TREE CROP. ….3 OTHER …4	3. During which month(s) is it mainly planted? During which month(s) is it mainly harvested? (FOR TREE CROPS ASK HARVEST ONLY) JAN ....1 FEB ....2 MAR ..3 APR ....4 MAY ..5 JUN ....6 JUL .....7 AUG .....8 SEP .....9 OCT .....10 NOV ....11 DEC 12	4. How is the harvested ..... generally sold? Is it ..... At the local market .....1 At the market of another place .....2 To middlemen ……3 To public agencies ...4 To a cooperative ….

5. Is there an agricultural extension officer stationed in this community?

YES 1

NO.....0

6. What agency (ies) are they from?

Ministry of Food and Agriculture..... 1

NGO (Local)..... 2

NGO (Foreign)..... 3

Agricultural Cooperatives 4

Other (specify).....90

7. Is there a farmers' cooperative in this community?

YES 1

NO.....0

8. What is its name and what three major services does it provide?

Name of the Cooperative:

RANK

Provision of employment 1

Provision of credit facilities 2

1st

Provision of agricultural equipment 3

Provision of agric. inputs (seeds, fertilizer, fishing net, etc.) 4

Marketing 5

2nd

Records/Book-keeping 6

Provision of communal labour..... 7

Protect farmer land rights.....8

Other (specify).....90

9. Are there any irrigated fields in this community?

YES 1

NO.....0

SECTION 6: LAND OWNERSHIP AND LAND TRANSACTIONS

1. Which people in this community own land?

Government.....1

Chiefs/Stools/Skins……..2
Families……3
Individuals/Private Persons……..4
The gods……5
Others……90

2. What kind of interest can be acquired in land in this community?
Allodial/Freehold Interest ……1
Usufructuary Interest……2
Leasehold Interest……..3
Share Tenancy……4
Customary License……5

3. Do some people in this community buy and sell/lease farm land?
YES 1
NO.....0

4. What were the prices/rents of agricultural land in this community 10yrs?

5. What were the prices/rents of land in this community 5years ago?

6. What are current land prices/rents in this community?

7. Will you attribute the changes in land prices to the activities of investors in this community?
Yes……..1
No……0

8. If Yes, what are your reasons?
1…… ……
2……
3……

9. If No, what other factors could account for the change in land prices in your community over the last decade?

10. Are there any sharecroppers in this community?

YES 1

NO.....0 (» 12) ☐

11. What would be the proportion of sharecroppers?

All.....100……1

Most Farmers.....90……..2

Half.....50……..3 ☐

Less than half.....33 1/3……..4

Only a few people.....10……..5

12. Are there any leaseholders in this community?

YES……..1

NO……0 ☐

13. For how long is a leasehold interest granted in this community? ☐

14. What is the average farm size of a household in this community? ☐

15. How much money does an agricultural labourer charge for a day's work?

	CLEARING	PLANTING	HARVESTING	OTHER MAJOR ACTIVITY
AMOUNT FOR A MAN:				
AMOUNT FOR A WOMAN:				
AMOUNT FOR A CHILD:				

SECTION 7: RECENT LARGE AGRO-INVESTMENTS

1. When did the large-scale investor come into this community? ☐☐☐☐☐☐☐☐

2. From who was the land acquired? ☐

Government……,,….1

Chiefs/Stools/Skins……2
Families……..3
Individuals/Private Persons……4
The gods……..5
Others……90

3. What kind of interest was acquired?
Allodial/Freehold Interest ……1
Usufructuary Interest……..2
Leasehold Interest……...3
Share Tenancy……4
Customary License……5

4. For how long is this interest acquired supposed to last?

5. What kind of contract was signed with the investors?

6. Which of the following is included in the land contract terms for large investments?
Employment provision, ……..1
Infrastructure development……2
Services improvement ……3
Scholarships ……..4
Others……..90

7. Have you seen these things in the community?
YES……1
NO……0

8. If yes, what has been provided already or expected soon?.....

9. If no, what reasons have they given you for not fulfilling their promise?.....

10. What are your general impressions about agro-investors so far in this community?
1……
2…….

Appendix 3: Community Focus Group Discussion (FGD) Guide

Large-Scale Investment in Agriculture in West Africa
August 2012 to April 2013
Research undertaken by Centre for Development Research,
University Bonn, Germany

History and Emergence of Recent Agro-investments in Ghana

Account of Investment Arrivals

1. When did the large-scale investment come into this community?
2. What circumstances surrounded the coming of the investors into this community?
3. Where are these investors from?
4. What are the investors cultivating? What do your people commonly cultivate?

Land Acquisition procedures and associated costs – non-price costs of accessing land

1. Who owns land in this community?
2. Who can acquire land in this community and on what terms?
3. What kind of interest can be acquired in this community?
4. What are the processes involved in acquiring agricultural land in this community
5. What costs are associated with these processes – monetary payments, time taken, customary presents, etc? *(Estimates at this point but get details from HHS).*
6. What role do these costs play in influencing land prices eventually?
7. From whom can information regarding land prices/sale be accessed in this community?
8. From where can information regarding land prices/sale be accessed in this community?
9. What is the cost of accessing such information?
10. How does one protect his interest in land after it is acquired?
11. How much does it cost to protect a parcel of land through the above process (es)?

Contracts – nature, rights, responsibilities, consultations, promises, water issues, dispute resolution, compensation …

1. Do you know the nature of the contract that the land grantors signed with the investors?

2. Were community members consulted during the negotiation stages of the contract?
3. Are community land rights affected by the operations of large investors?
4. Do you know the responsibilities that came with the grant of these large investments?
5. Did the investors make any promises when they started operating in this community?
6. From where does the community obtain water for agricultural purposes?
7. Are there any issues with water rights and access between locals and foreign investors?
8. Are these issues resolved?
9. What measures have been outlined for dispute resolution between community members and investors if they arise?
10. Were community members compensated for land taken for investment?
11. If yes, was this compensation adequate, equitable and timely?

Opportunities and Threats of Investments

1. Is there evidence of concrete benefits from these investments so far since the recent re-emergence in Ghana? Enumerate
2. Specifically, how have local population in these investment locations benefited from the investment activities so far? Back claims with data
3. Has this benefit reached smallholder farmers in these communities?
4. If yes, in which ways are local smallholder farmers benefiting large investors?
5. Are there any groups of people marginalised or feared marginalised or who risk being marginalised because of recent land deals with large investors?
6. How have the government assisted in creating the enabling environment for agro-investments in your community?
7. How do you see the future of these investments?
8. How different are these investments from previous state farm concepts in Ghana?
9. Why do you think Ghana opted for large-scale investment in agriculture instead of encouraging and investing in improving smallholder productivity?

Effects of large acquisition on land market – prices and processes -Average

1. What determines land prices in this community?
2. How much are agricultural lands being sold in this community?
3. How much were they sold 10years ago?
4. What of 5years ago before the coming of these agricultural investments in this community?

5. What might have caused the change in land prices over the stated periods?
6. Would you attribute this increasing land prices or emerging land sales to recent activities of large agro-investments in this area?
7. Which people/groups of people are losing/ lose when land prices increase in this community?
8. Which people/groups of people win/are winning when land prices increase in this community?
9. How does each of these persons win or lose when land prices increase in this community?
10. What measures are put in place to reduce these losses of these people?

Access to Credits and Other Agricultural Inputs

1. Are there credit facilities in this community? Name them?
2. If no, where is the nearest credit facility to this community? Name of place and how far?
3. Do people in this community access these credits for agricultural purposes? If no, why?
4. What is commonly used as collateral for these agricultural credits?
5. Is land commonly used as collateral security in this community?
6. Has *the* change in land prices improved the grant of/access to agricultural credits in this community?
7. Has the recent agricultural investment led to an improvement in the access to agricultural inputs like improved seeds, fertilizer, pesticides, etc?
8. Have the investors attracted more people from nearby communities into this area for agricultural jobs?
9. Do some of your community members get to employ some of these people too?
10. How much are farm labourers generally paid in this community?

Impressions, Expectations and Disappointments

1. What have been the expectations of this village when you first heard that large agro- investors were coming into your community?
2. Were any of these expectations met? (Multiple answers are welcomed)
3. Were there any particular promises that the investors made when they came to acquire land for farming here? List them?
4. Through whom did they make these promises?
5. Did the personality of this contact and his information convince you that good results could be expected from large investments?
6. Were any of these promises fulfilled?
7. If they were never fulfilled, what reasons were given for this happening?

8. Besides the above factors, will you say the presence of large investors in this community has improved living conditions generally?
9. If yes, how has it improved your living conditions?
10. If no, how have these investments negatively affected you?

Institutions, Institutional Change and Impact on Land Prices

1. Which local land institutions exist in this area to regulate agricultural land transactions? – Customs/traditions and institutions
2. What exact roles do these institutions play in the recent large-scale agro-investments?
3. Are there any changes to these institutional structures in recent times following large land acquisition by investors?
4. What are these changes recently being observed as changes to existing land institutions in this community?
5. What processes does one have to go through to acquire a parcel of agricultural land?
6. Have these processes changed in the last 10years?
7. What customary practices will one need to fulfil before access to agricultural land?
8. Have these practices changed in the last 10years following the activities of large investors in this area?
9. If yes, what are these changes that are noticed in the customary practices due to recent land acquisition in this area?
10. What information does one need to be able to sell/buy (rent in/rent out) land in this community?
11. From whom can you acquire such information?
12. How much does it cost to access this kind of information concerning land transactions? (give range of costs).
13. After one acquires a parcel of land, are there instances under which his/her rights can be disturbed?
14. How do people generally protect their rights in land in this community?

Appendix 4: Interview Guide for Large-scale Agro-investment Companies

Large-Scale Investment in Agriculture in West Africa
August 2012 to April 2013
Research undertaken by Centre for Development Research,
University Bonn,
Germany

Questions for Large Investors

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1. What is the Size of your agricultural holding – planed/desirable - current holding – future expansion plans?
2. What kind of interest is being held in this holding?
3. For how long is the grant/lease/interest suppose the last?
4. What were the processes involved in acquiring this parcel?
5. What costs are associated with these processes above?
6. Did you have to use agents or local support system to go through these processes?
7. Did the use of agents change the expected costs for land acquisition processes? If yes, how?
8. Did the acquired land meet your expectations? - land size, fertility, water, infrastructure, community acceptance, government support and labour supply.
9. What influenced the choice of your location in this community?
10. To what use did you plan to commit this parcel into?
11. And is this planned use different from its current use?
12. If Yes, what factors have accounted for this change in plans?
13. What are the future plans of type of production or choice of crop cultivation?
14. What was paid for the land?
15. Did the community members whose lands are affected by the acquisition accept the price?
16. Did the acquisition require the resettlement of smallholders?
17. If Yes, how many smallholder households were affected by your land transaction?
18. Did the acquisition affect community land rights and access to common resources – water, dead forest wood for fire, wild fruits, grazing lands, etc?
19. If Yes, were these affected people compensated for the land acquired?
20. After the acquisition have community members complained about the land acquired?
21. If Yes,
    i. What were their complaints of the community members?
    ii. Why were they complaining or agitating?

iii. How were these agitations resolved?
iv. Where were these agitations resolved?

22. Have there been community upheavals/disputes over land since your acquisition?
23. Have you registered your lease over this parcel?
24. What kind of documentation has been registered?
25. What are the terms for the renewal of such a lease?
26. How much rent is agreed per hectare or over the land acquired per annum?
27. Which permits did you have to acquire in order to start operation in this area?
28. How much did it cost to obtain these permits?
29. To whom were these charges paid?
30. Were these charges official or unofficial (facilitation fee) in nature or both?
31. Was the acquisition conditional on company commitment to offer development projects, employment, services, scholarships, etc to the community to be allowed to enter into operation?
32. How do you plan to execute these commitments?
33. What has been done already for the people as part of these commitments?
34. What has been the level of reception of the community on your commitments to them?
35. What are the future plans for expansion in this investment? Land and Crop portfolio as well
36. How do your activities feed into the general agricultural policies of Ghana?
37. In which ways will you outline that your project/investment has directly or indirectly benefited smallholder farmers in your investment communities?
38. What subsequent investments in water and roads did you have to put up in this area to make it conducive for your operations and investments?
39. How are community members benefiting from these investments?
40. Did your acquisition in these communities attract other agro-investors into this area?
41. Do you think there is still land available for similar investors in this area?
42. For how much are lands now going for in this community?
43. Are there any exit plans after the initially agreed 50year lease period?

Appendix 5: Interview Guide for Ministry of Food and Agriculture (MoFA)

Large-Scale Investment in Agriculture in West Africa
August 2012 to April 2013
Research undertaken by Centre for Development Research (ZEF),
University Bonn, Germany

Ministry of Food and Agriculture

1. How important is agriculture to the people of Burkina Faso? In terms of contribution to GDP and employment provision
2. Before the last decade, how did the agricultural sector perform in Burkina Faso?
3. How will you describe the performance of agriculture in the country in the last decade in terms of GDP?
4. How much does the government of Burkina Faso spend on the agricultural sector annually? – In terms of research and innovation, outreach/extension services, etc.
5. What called for a re-focus on agriculture in Burkina Faso in the last decade?
6. Why was large-scale (commercialisation) agriculture then a choice?
7. How different are the recent large-scale agro-investments from past state farms in Burkina Faso?
8. How do you position the small-peasant farmer in this entire new agricultural development trend?
9. Which policies are put in place to aid smallholders expands their farms and produce profitably?
10. Which policies were put in place to attract the new investments in Agriculture in Burkina Faso? In terms of:
    a. Land access
    b. Access to improved seeds
    c. Fertilizer/herbicides supply
    d. Access to water/irrigation
    e. Access to market outlets
    f. Access to labour supply
    g. Access to agro-credits
11. Besides the policies above, which other factors account for the recent interest in foreign investments in Agriculture in Burkina Faso?
12. In your opinion why did some investors prefer Burkina Faso to other in West African countries?
13. Are there some investors who the Ministry of Agriculture pursued but who opted for other countries instead of Burkina Faso? Examples

14. What could have accounted for this change in interest in investing in Burkina Faso?
15. Does the Ministry of Agriculture keep a land bank to supply for large-scale investment?
16. If no, how do foreign agro-investors acquire lands?
17. From whom are they acquiring these lands for use?
18. What kinds of lands are they looking for?
19. How do they ascertain how much to pay for these lands?
20. Does the Ministry of Agriculture keep a price list of lands across the various agro-ecological zones in Burkina Faso?
21. How does government guarantee that local landowners get fair values for their land?
22. What is the future of the recent large-scale agro-investments in Burkina Faso?
23. How will large scale agriculture whether foreign or locally led stimulate smallholder productivity?

Appendix 6: Framework for assessing land governance in Ghana – ScanFarm Project

Assessment of Customary Land Management at the ScanFarm Project Area in Dukusen and Afrisire										
LGAF Indicators	**Stakeholders Scores**									
Stakeholders Notations	1	2	3	4	5	6	7	8	9	Average
Efficiency and Effectiveness										
• Rules and procedures of land acquisition are simplified for all farmers	2	2	2	2	2	1	1	2	2	1.7
• Duration of procedures to obtain land approval are not laborious	2	2	2	2	2	2	2	2	2	2
• Data capture on new acquisitions and vacant parcels are up-to-date	2	2	1	1	1	2	2	1	1	1.4
• Customary and statutory agencies coordinate in all functions	2	2	2	2	2	2	2	2	2	2
• Community agricultural land is completely or largely mapped	1	1	1	1	1	1	1	1	1	1
• Rights are registered – through formal or semi-formal procedures	3	2	2	2	2	2	2	2	2	2.1
Transparency										
• Land negotiation between right holders and investors are transparent	1	1	1	1	1	1	1	1	1	1
• Feedbacks on procurements and expenditure of land revenue	1	1	1	1	1	1	1	1	1	1
• Unrestricted public accessibility to land information at the CLS	2	2	2	2	2	2	2	2	2	2
• Avoidance of arbitrariness in expending land revenue	1	1	1	1	1	1	1	1	1	1
Community Participation										
• Dialogue with community representatives in deciding land prices	3	1	2	2	2	2	2	2	2	2
• Consultation allows active participation of all stakeholders	2	2	1	1	1	1	1	1	1	1.2
• There exist benefit sharing mechanisms for investments in agriculture	1	1	1	1	1	1	1	1	1	1
• Land revenue is used for community needs	1	1	1	1	1	1	1	1	1	1
Accountability										
• Declaration of total expected identified and realised rent/ revenue	1	1	1	1	1	1	1	1	1	1
• Revenue from stool land accounts are published annually	1	1	1	1	1	1	1	1	1	1
• Land revenue management is void of bribery and corruption	--	--	--	--	--	--	--	--	--	--
• Stool/family land accounts are independently audited periodically	1	1	1	1	1	1	1	1	1	1
Rule of Law										
• Customary land use rules and regulations are impartially enforced	1	1	1	1	1	1	1	1	1	1
• Clear contracts on costs/benefits sharing by investors and community	3	2	3	2	2	2	2	2	2	2.2
• Free access to the court to redress grievances for rights abuse	3	3	3	3	3	3	3	3	3	3
• Opportunity to raise complaints on land acquisitions to authorities	2	2	2	2	2	2	2	2	2	2
Sustainability										
• Land revenue (rent) is adequate to finance development projects	3	3	3	3	3	3	3	3	3	3
• Cost of monitoring land use is sustainable/self-financing	2	2	2	2	2	2	2	2	2	2

• Corporate Social Responsibilities are clearly defined and documented	2	2	2	2	2	2	2	2	2	2
Equity and Fairness										
• Equal access to land information for all groups of farmers	1	1	1	1	1	1	1	1	1	1
• Fair assessment of land values to both large and smallholder farmers	2	2	2	2	2	2	2	2	2	2
• Availability of competent and unbiased valuation professionals	1	1	1	1	1	1	1	1	1	1
• Few land conflicts generated are quickly resolved	2	2	2	2	2	2	2	2	2	2
• Existence of equal rights of all persons in customary or statutory courts	1	1	1	1	1	1	1	1	1	1

Scores: 4 – A; 3 - B; 2- C; and 1- D

1. Chief of Dukusen
2. Chief of Afrisire
3. ScanFarm Manager
4. Village Secretary of Dukusen
5. Village Secretary of Afrisire
6. Public and Vested Land Management Division of the Lands Commission
7. Land Valuable Division of the Lands Commission
8. Office of the Administrator of Stool Lands
9. Director of Ministry of Food and Agriculture
10. Assembly member

Appendix 7: Framework for assessing land governance in Ghana – ITFC Project

Assessment of Customary Land Management at the ScanFarm Project Area in Gushie and Tunayili								
LGAF Indicators	**Stakeholders Scores**							
Stakeholder Notations	1	2	3	4	5	6	7	Average
Efficiency and Effectiveness								
▪ Rules and procedures of land acquisition are simplified for all farmers	3	2	2	2	2	2	2	2.1
▪ Duration of procedures to obtain land approval are not laborious	2	2	2	2	2	2	2	2
▪ Data capture on new acquisitions and vacant parcels are up-to-date	1	1	1	1	1	1	1	1
▪ Customary and statutory agencies coordinate in all functions	2	2	2	2	2	2	2	2
▪ Community agricultural land is completely or largely mapped	1	1	1	1	1	1	1	1
▪ Rights are registered – through formal or semi-formal procedures	1	1	1	1	1	1	1	1
Transparency								
▪ Land negotiation between right holders and investors are transparent	2	3	2	2	2	2	1	2
▪ Feedbacks on procurements and expenditure of land revenue	1	1	1	1	1	1	1	1
▪ Unrestricted public accessibility to land information at the CLS	--	--	--	--	--	--	--	--
▪ Avoidance of arbitrariness in expending land revenue	1	1	1	1	1	1	1	1
Community Participation								
▪ Dialogue with community representatives in deciding land prices	2	2	2	2	2	2	2	2
▪ Consultation allows active participation of all stakeholders	2	2	2	2	2	2	2	2
▪ There exist benefit sharing mechanisms for investments in agriculture	1	1	1	1	1	1	1	1
▪ Land revenue is used for community needs	1	1	1	1	1	1	1	1
Accountability								
▪ Declaration of total expected identified and realised rent/ revenue	1	1	1	1	1	1	1	1
▪ Revenue from stool land accounts are published annually	1	1	1	1	1	1	1	1
▪ Land revenue management is void of bribery and corruption	--	--	--	--	--	--	--	--
▪ Stool/family land accounts are independently audited periodically	1	1	--	1	1	1	1	0.9
Rule of Law								
▪ Customary land use rules and regulations are impartially enforced	1	1	1	1	1	1	1	1
▪ Clear contracts on costs/benefits sharing by investors and community	3	3	2	2	2	2	2	2.3
▪ Free access to the court to redress grievances for rights abuse	2	2	1	2	2	2	2	1.9
▪ Opportunity to raise complaints on land acquisitions to authorities	3	2	2	2	2	2	1	2
Sustainability								

▪ Land revenue (rent) is adequate to finance development projects	3	3	3	3	3	3	3	3
▪ Cost of monitoring land use is sustainable/self-financing	2	2	2	2	2	2	2	2
▪ Corporate Social Responsibilities are clearly defined and documented	4	4	2	4	4	2	2	3.1
Equity and Fairness								
▪ Equal access to land information for all groups of farmers	1	1	1	1	1	1	1	1
▪ Fair assessment of land values to both large and smallholder farmers	2	2	1	2	2	2	1	1.7
▪ Availability of competent and unbiased valuation professionals	1	1	1	1	1	1	1	1
▪ Few land conflicts generated are quickly resolved	4	4	3	4	4	4	2	3.6
▪ Existence of equal rights of all persons in customary or statutory courts	2	2	1	1	1	1	1	1.3

Scores: 4 - A; 3 - B; 2- C; and 1- D

1. Chief of Gushie
2. Chief of Tunayili
3. ITFC Manager
4. Village Secretary of Gushie
5. Village Secretary of Tunayili
6. Assembly member
7. Ministry of Food and Agriculture Officer

Appendix 8: Adjustment for Inflation in Ghana

	IMF exchange rate	Consumer Prices, General Indices (2000 = 100), FAOSTAT					
	GHS/US$		Ghana	United States of America	Ghana	United States of America	1acre=0.4047ha
2000	0.544919176	2000	100	100			
2001	0.716305158	2001	132.91	102.85			
2002	0.792417084	2002	151.75	104.47			
2003	0.866764327	2003	193.31	106.85			
2004	0.899494854	2004	217.72	109.7			
2005	0.90627897	2005	250.74	113.41	0.543645115	0.910265671	
2006	0.916451773	2006	277.99	117.07	0.602727549	0.939642026	
2007	0.935247846	2007	331.93	120.41	0.719678245	0.966449956	
2008	1.057858333	2008	386.78	125.03	0.838601969	1.003531584	
2009	1.4088	2009	461.22	124.59	1	1	
2010	1.431025	2010	510.62	126.63	1.107107237	1.016373706	
2011	1.51185	2011	555.18	130.63	1.203720567	1.048479011	
2012	1.795816667	2012	607.17	133.33	1.316443346	1.070150092	
2013	1.95405	2013	677.96	135.28	1.469927583	1.085801429	

Source: FAOSTAT (2014)