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**FACTORS AFFECTING SMALLHOLDER PADDY RICE FARMER'S
CHOICE OF MARKETING CHANNEL IN THE NORTHERN REGION
OF GHANA**

**A thesis submitted in partial fulfilment of the requirements for the degree
of
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ABSTRACT

The scientific community advocates that enhancing smallholder farmers' access to reliable, ready and direct market channel is a prerequisite to the attainment of sustainable food supply and poverty reduction in the developing world including Ghana.

However, the smallholder farmers' access to direct marketing channels in Ghana has been a critical challenge; therefore, this study aims to analyse the factors that influence smallholder paddy rice farmers' decision to participate in either the direct marketing channel specifically processors or the indirect marketing channel specifically, middlemen in the Northern Region of Ghana. Purposive sampling was used to select farmers from three rice growing districts in the Northern Region of Ghana. The study employed the Binary Logit regression model in the analysis of the factors affecting farmers' choices of marketing channel. A t-test was also used to compare the mean yields and revenues generated by farmers who marketed their paddy rice outputs in the direct and indirect marketing channels. A five-point Likert scale was used to rank the constraints that affect the production and marketing of rice output among rice farmers. The study revealed that a lower percentage of farmers sold their paddy rice output to processors (direct channel). The Logit model showed that farm size, the price of paddy rice output per 85kg bag, access to market information and access to credit increased the farmers' participation in the direct marketing channel whereas payment period and ownership of bicycle reduced farmers' their participation. The t-test result revealed that the participation in the direct marketing channel raised farmers' revenue. The study further showed that limited access to credit, poor climatic condition, the high cost of labour, the high cost of farm inputs and low mechanisation were the top five production challenges they encountered in their rice production. Low market prices, post-harvest losses, the high cost of transportation, limited market option and low demand for local rice were the top-ranked marketing constraints reported by farmers. The study concludes that it is more profitable for farmers to sell their paddy rice output to processors instead of middlemen. Therefore, policymakers need to incorporate the significant factors of farmers' choices of marketing channels in the formulation of agricultural policy that seeks to promote farmers' access to direct marketing channels in developing countries including Ghana.

DEDICATION

I dedicate this thesis to my fiancé, Emmanuel Kwame Donkor, for his encouragement, support, patience and love and my beloved mum, Madam Hannah Takyiwaa, for all the spiritual support and advice. Their constant motivation has contributed significantly to all this success. I love them very much, and I pray God's abundant blessings upon their lives.

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