



INTRODUCTION TO AGRICULTURAL VALUE CHAINS

BY
DR. ISAAC ALVIN AMOAH



LEARNING OBJECTIVE

- Participants to understand value chain concepts and be able to identify constraints and opportunities in the various categories of agricultural value chains.

OUTLINE

- MEANING OF VALUE CHAINS
- CATEGORIES OF VALUE CHAINS
- VALUE CHAIN CONSTRAINTS
- VALUE CHAIN OPPORTUNITIES

VALUE AND VALUE ADDITION

Value

- Amount a good or service is worth in the market



VALUE AND VALUE ADDITION

Value addition

- The enhancement a company or an individual gives to products or services before offering to customers.



VALUE ADDITION - EXAMP

Value addition of Soya

Bean:

- Usually processed before being used as food (spice for soup), milk extraction, flour for pastries, extracted oil for cooking.
- Does not fit easily into the diets of the people who engage in cultivating it unless when processed.



VALUE ADDITION - EXAMPLE

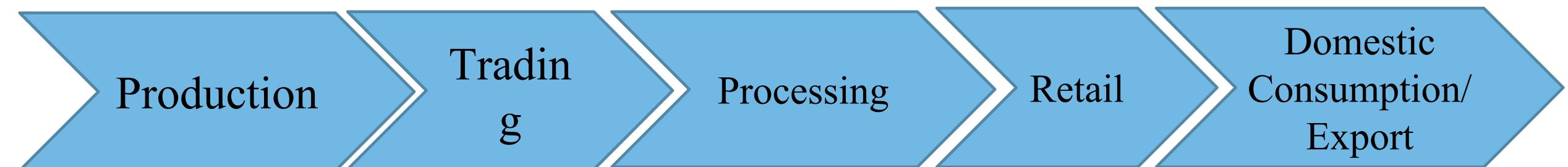
End products of soya processing in Ghana include:

- Full fat-soy flour (used in stews and soups and also in the preparation of pastry products)
- Soya bean paste
- Soymilk and
- Maize-soy blends (Tom Brown)



WHAT IS A VALUE CHAIN?

- A value chain is a set of linked activities that work to add value to a product.
- It consists of actors and actions that improve a product while linking commodity producers to markets, processors, and end user (consumers).



WHY AGRICULTURAL VALUE CHAI

- Adding value to products
- Food security
- Increase of production volumes
- Employment opportunities
- Generating higher incomes
- Reduce postharvest losses
- Upgrading technologies to use more efficiently natural resources and agriculture inputs

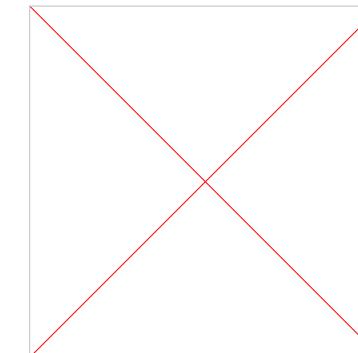


CATEGORIES OF AGRICULTURAL VALUE CHAINS

- **Crop Value Chains** – maize, cassava, rice, pineapple, cocoa, etc.

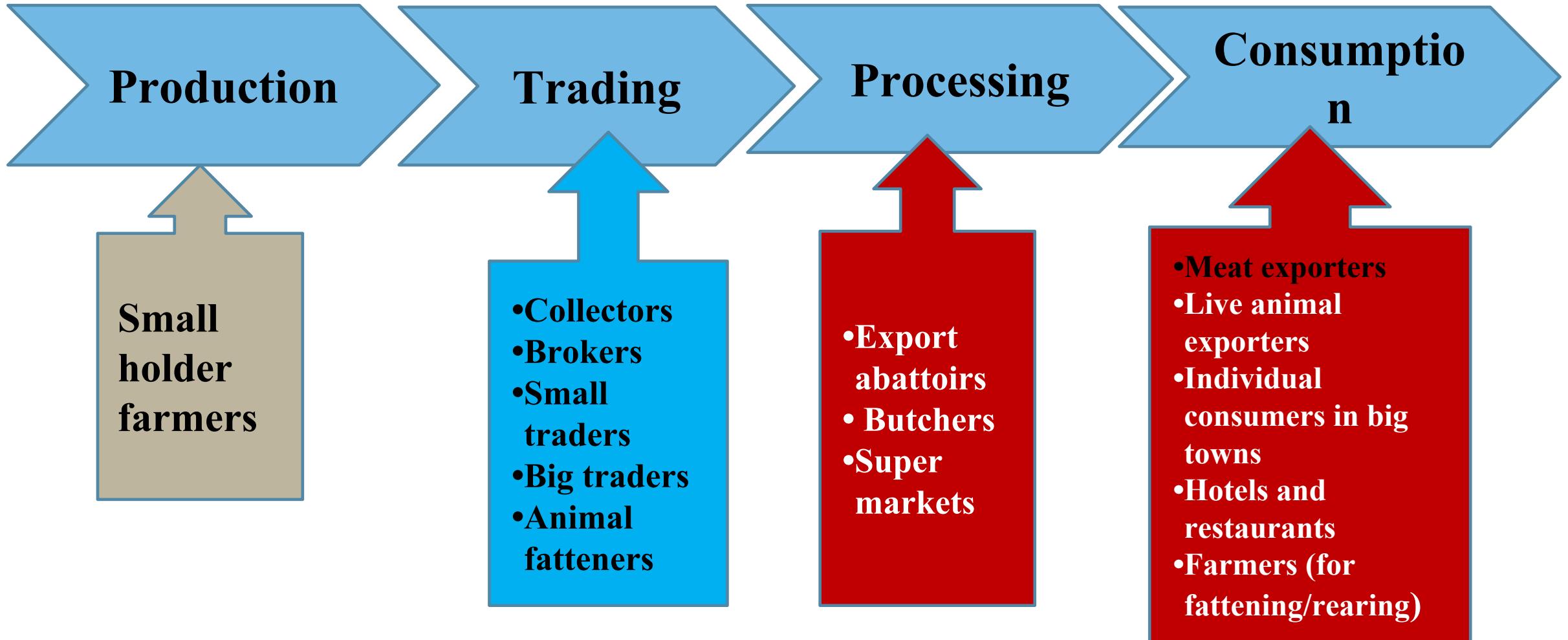


- **Animal Value Chains** - cattle, sheep, goat, poultry, pig, rabbit, fish, etc.



EXAMPLE OF A LIVESTOCK VALUE CHAIN

ACTORS ALONG THE CORE PROCESSES OF THE **SHEEP** VALUE CHAIN



A CROP VALUE CHAIN - MAIZE



Production

Wholesale

Processing

Trading

Consumption

VALUE CHAIN ACTORS

- Value chain actors are people directly involved in value chain activities.
- They include;
 - Producers
 - Marketers/Traders
 - Processors
 - Service providers
 - Consumers, etc.



PRODUCERS



WHOLESALERS



PROCESSING



RETAILERS



CONSUMERS



VALUE CHAINS

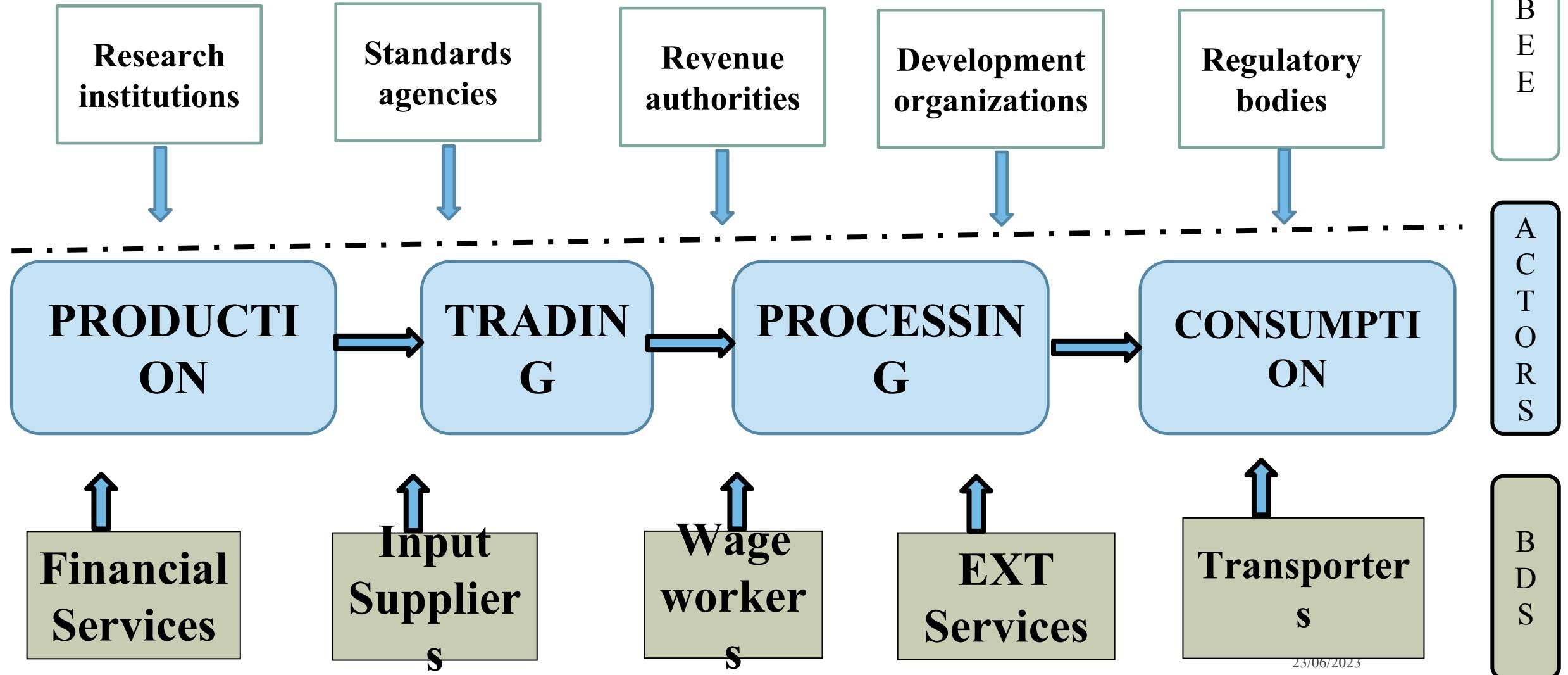


The typical agricultural value chain



- | | | | | | |
|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------------------|
| • Smallholder farmers | • Smallholder farmers | • Primary processors | • Secondary processors | • Packaging companies | • Grocery stores and supermarkets |
| • Farmer associations | • Farmer associations | • Machinery suppliers | • Machinery suppliers | • Logistics companies | • Food and beverage companies |
| • Input providers | • Logistics companies | | | | |

VALUE CHAIN MAP



COMMON VALUE CHAIN CONSTRAINTS

COMMON VALUE CHAIN CONSTRAINTS

- Small land holdings
- Low productivity or lack of access to productive technologies
- Limited range of finance or lack of investment capital and credit
- Lack of access to affordable inputs and BDS



COMMON VALUE CHAIN CONSTRAINTS

– TOOLS AND EQUIPMENT



COMMON VALUE CHAIN CONSTRAINTS

- Weak producer associations
- Weak market linkages
- Lack of access to market information
- Lack of coordination between public and private sector stakeholders
- Trust



COMMON VALUE CHAIN CONSTRAINTS

- Physical and social distance can hinder progress.
- Expenses associated with inputs, transport, and training may increase with distance from markets, reducing the profits from advancement.
- In some cases, the transport of products or cash payments over long distances may expose firm owners to increased security and market risks.



VALUE CHAIN OPPORTUNITIES

■ *Agricultural intensification – crops / livestock value chains*

■ *Value addition*

- Post-harvest handling
- Processing
- Packaging and labelling

■ *Service provision*

- Input supply
- Transport services
- Market linkages
- Extension/advisory services
- Financial service provision, etc.



VALUE CHAIN OPPORTUNITIES

Enabling Env.



ACTORS



BDS





Coconut 100g
For the LOVE of FRESH
@blueskiesfruit



Pineapple 200g
For the LOVE of FRESH
@blueskiesfruit



Watermelon 180g
For the LOVE of FRESH
@blueskiesfruit



Mango 100g
For the LOVE of FRESH
@blueskiesfruit

