

Improving the income of smallholder farmers in Ghana



From farmgate sales to more transparent agricultural markets

Agriculture accounts for around 20% of Ghana's GDP - but market inefficiencies and information gaps between farmers and traders have contributed to suboptimal pricing, mismatched supply and demand, and reduced market participation



40%+

of Ghana's workforce is employed in agriculture



70%

of these are smallholder farmers.



For many farmers, selling at the farm gate meant limited visibility over market prices and fewer options to negotiate. Since 2014, the IGC has funded research and events that explore solutions to these market frictions, and contributed to the design, implementation, and evaluation of the Ghana Commodity Exchange (GCX).

1. The insights

The IGC has supported a cluster of seven research projects and one event. This work:

- Provided new perspectives on the real-world effects of commodity exchange markets on smallholder farmers' behaviours and economic outcomes
- Highlighted that better data collection is essential to successfully measure the impact of agricultural policy innovations
- Suggested that the establishment of a commodity exchange could address development challenges faced by farmers

These findings helped build the evidence base for the Ghana Commodity Exchange by studying the data, technology, market structure, prices, quantities, transport information, and farmer and trader behaviour needed to design and evaluate a commodity exchange.

2. What changed?

The GCX was registered in October 2017 and launched in November 2018, creating a more structured market system that gave farmers and traders access to real-time market information, improved price transparency, supported produce quality, and offered solutions around storage

The IGC's evaluation recommended:

- Potential of centralised markets and the limits of a one-size-fits-all approach
- Commodity exchanges may need to coexist with decentralised local markets to maximise benefits for different participants
- Strengthen institutional capacity around commodity exchange design

As the GCX expanded, IGC-supported research continued to test how the model could better reach smallholder farmers through "nano commodities exchanges" and local markets.



"In the past, for most farmers the source of market was farmgate, now they trade in profitable supply chains, now they have broader options to trade, farmers are just not harvesting and selling, they now have a central point to negotiate prices, this has helped them improve livelihoods and reduce poverty"

Kadri Alfah; Former CEO, Ethiopia Commodity Exchange

3. The impact

350,000+

farmers have been integrated into the GCX network through training and membership programmes

8 warehouses

were operating across the country by 2024 (up from 1 warehouse during the launch of GCX)

31.3 million+

Ghanaian cedi

in total trade value by 2022

By helping Ghana move from fragmented agricultural trading towards more transparent, data-informed commodity markets, IGC research contributed to a system designed to give farmers better market access, fairer pricing, improved storage options, and stronger links to traders.