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STORY
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The Life of a Bird's Eye Chili Pepper

Diners across the world know the Bird's Eye chili pepper for the distinctive zing it brings to dishes. Members of one Ghanaian farmer-based organization know the pepper as “green gold”—and funding from the Millennium Challenge Corporation is helping them turn the crop into a profitable export.

MCC's five-year, \$547 million compact with Ghana included creating more than 1,200 farmer based organizations (FBOs), training more than 66,000 farmers in commercial agriculture, enhancing rural credit and banking services, and constructing new roads and post-harvest facilities. The investments are designed to generate economic growth and make Ghanaian agriculture more productive, including boosting the production of high-value exports like the Bird's Eye chili pepper.



The Kpando-Torkor farm, located on the east banks of Lake Volta, received MCC-funded training and has already begun capitalizing on the export market.

Prior to the compact, this 110-member group planted a variety of crops for sale in local markets but it did not grow export-quality chili peppers. Since 2009, the organization has expanded production and started growing and exporting Bird's Eye chili peppers. In their first two pepper harvest seasons, the farm cultivated nearly 29 metric tons of export-quality peppers from just 3½ acres. And the organization will begin harvesting 11 acres of Bird's Eye chili peppers this month to sell to international exporters.

The short distance and numerous daily flights to European markets give Ghana a comparative advantage, positioning it as one of the top five exporters of chili peppers to the European Union.

For the Kpando-Torkor farmers and others like them, the formation of an FBO and the cultivation of Bird's Eye chili peppers represent a new farming model. Buyers from Accra now travel to the farm and pay cash at export-commodity values. For the farmers, the “farm to pocket” approach provides a steadier income than competing for sales on volatile local markets.

An integrated investment

The MCC-funded training sought to improve smallholder farmers' productivity, increase their yields and teach them to integrate into the value chain and compete in export markets. In addition to the training, beneficiaries received a "starter pack" of fertilizer, seeds for one acre, Wellington boots, face masks, and gloves plus cash for land clearing; these starter packs provided an incentive to motivate farmers to participate in all the stages of training and help with initial investments.

The Weto Rural Bank, which facilitated the FBOs' purchase of a tractor for cultivation, received a technology upgrade through MCC's investments in the rural banking sector. With the addition of the Ghana Cheque Codeline Clearing and Automated Clearing House payment systems, the farmers' local bank should be able to offer greater access to more varied, more convenient, and cheaper banking services.

Similar stories can be told of other chili pepper FBOs, such as the Kua Community near Sogakope in southern Ghana or the Akwasiho community on the western banks of Lake Volta. Because of the MCC compact, smallholder farmers in Akwasiho switched from producing low-income cassava to high-income chili peppers. The farmers had four international buyers attend their maiden harvest.

From farm to market

While Bird's Eye and other export-quality chili peppers have the advantage of a week-long shelf life and suffer little bruising during transport, many of Ghana's other export commodities require additional investments. For example, pineapple and mango producers often experience high vehicle operating costs because of poor road quality. Lack of proper storage and cooling facilities can further compound post-harvest losses.

To overcome this, MCC constructed 357 kilometers of feeder roads, reducing road roughness and increasing traffic volumes. It also built three produce cooling facilities across Ghana, as well as the



Three Kpando-Torkor farmers, (L to R) Robert Mackenzie, Janet Ekor, and Set Gomenu, in front of the FBO's new tractor. As a result of their increased incomes, Robert Mackenzie is now able to pay for his children's school tuition without taking out a loan. Mr. Mackenzie is just one of an estimated 1.2 million Ghanaians who will benefit from the MCC compact.

1,200-square-meter Perishable Cargo Center at the international airport in Accra—facilities that will significantly increase export volumes.

MCC's investments in Ghana have strengthened its transportation network and expanded the agribusiness sector to unlock constraints to greater trade and investment. The integrated nature of MCC's compact activities—combined with Ghana's geographical proximity to European and U.S. markets—make Ghana poised to become a major economic hub in West Africa.

The Government of Ghana has demonstrated clear ownership of the MCC compact's development and implementation, and prioritized the kind of investments that will not only help to reduce poverty, but attract private sector investment.

The MCC partnership with Ghana is expected to provide economic opportunities for more than 1.2 million Ghanaians over 20 years.