

**IN THE FIRST SESSION OF THE SIXTH PARLIAMENT OF  
THE FOURTH REPUBLIC OF GHANA**

**REPORT OF THE**

**FOOD, AGRICULTURE AND COCOA AFFAIRS  
COMMITTEE**

**ON THE**

**ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF  
FOOD AND AGRICULTURE FOR THE 2014  
FINANCIAL YEAR**

**10<sup>TH</sup> DECEMBER, 2013**

**REPORT OF THE COMMITTEE ON FOOD, AGRICULTURE  
AND COCOA AFFAIRS ON THE 2014 ANNUAL BUDGET ESTIMATES OF THE  
MINISTRY OF FOOD AND AGRICULTURE**

**1.0 INTRODUCTION**

The 2014 Budget Statement and Economic Policy of the Government of Ghana ending 31<sup>st</sup> December, 2014 was presented to Parliament, by the Minister for Finance, Hon. Seth Tekper, on 19<sup>th</sup> November, 2013 in accordance with Article 179 of the 1992 Constitution. Pursuant to Orders 140(4) and 176 of the Standing Orders of Parliament, the Speaker referred the estimates of the Ministry of Food and Agriculture to the Committee on Food, Agriculture and Cocoa Affairs for consideration and report to the House.

**1.1 DELIBERATIONS**

The Committee met on 10<sup>th</sup> December, 2014 and examined the Draft Estimates of the Ministry. Present at the meeting were the following personalities:

1. The Minister for Food and Agriculture, Hon. Clement Kofi Humado and his two Deputies namely; Hon. Dr. Ahmed Yakubu Alhassan and Hon. Dr. Hanna Louisa Bisiw, as well as the Chief Director of the Ministry, Mr. M. T. Abisa-Seidu.
2. Directors and Project Co-ordinators of the following:
  - i. Human Resource Development and Management Directorate;
  - ii. Statistics, Research and Information Directorate;
  - iii. Crop Services Directorate;
  - iv. Ghana Irrigation Development Authority;
  - v. Irrigation Company of Upper Region;
  - vi. Grains and Legumes Development Board;
  - vii. Roots and Tuber Improvement and Marketing Project;
  - viii. Export Marketing and Quality Awareness Project;
  - ix. Afram Plains Agriculture Development Project;
  - x. Northern Rural Growth Programme;
  - xi. Rice Sector Support Project;
  - xii. Tsetse Eradication Project;
  - xiii. Plant Protection and Regulatory Services Directorate;

- xiv. Women in Agricultural Development (WIAD);
- xv. Veterinary Services Directorate;
- xvi. Animal Production Directorate;
- xvii. Agricultural Extension Services Directorate;
- xviii. Fisheries Commission;
- xix. Agricultural Engineering Services Directorate;
- xx. Policy Planning, Monitoring and Evaluation Directorate;
- xxi. Youth in Agriculture Programme; and
- xxii. National Food Buffer Stock Company.

The Committee is grateful to them for their insightful inputs and clarifications.

## **1.2 REFERENCE MATERIALS**

In considering the sector estimates, the Committee was guided by the following documents:

- I. The 1992 Constitution of Ghana;
- II. The Standing Orders of Parliament;
- III. The Budget Statement and Economic Policy of the government of Ghana for 2013 Financial Year;
- IV. The Budget Statement and Economic Policy of the government of Ghana for 2014 Financial Year;
- V. The Medium Term Expenditure Framework for 2013-2015 for the Ministry of Food and Agriculture; and
- VI. The Medium Term Expenditure Framework for 2014-2016 for the Ministry of Food and Agriculture.

## **1.3 MISSION STATEMENT**

The Ministry of Food and Agriculture exists to promote sustainable agriculture and thriving agri-business through research and technology development, effective extension and other support services to farmers, fishermen, processors and traders for improved human livelihood.

## **2.0 REVIEW OF PERFORMANCE FOR 2013 AND OUTLOOK FOR 2014**

### ***2.1 Food Security and Emergency Preparedness Programme***

The core objective under this Programme is to reduce food and nutrition insecurity through modernized agriculture, management of national strategic stocks for emergencies and the establishment of effective early warning systems.

During the year under review, it was noted that the Ministry implemented a number of interventions targeted at achieving the programme objectives. Among these interventions included:

- i. Construction and rehabilitation works on 640 hectares of irrigable area at Dawa, Ave Afiedenyigba, Tono Phase II, Akomadan, Dawenya, Zuedam/Tankase and Koori irrigation projects;
- ii. Procurement of 100 Cabrio agricultural tractors (50hp) on hire purchases to individual farmers for land preparation;
- iii. Distribution of 142,000 mt of fertilizers and 2,000 mt of maize seeds;
- iv. Provision of improved root and tuber crop planting varieties to 5,480 males and 3,478 females to plant 1,000 hectares of cassava and sweet potato;
- v. Provision of support to 40 farmers in Guinea fowl production;
- vi. Raising and distribution of 8,000 cockerels to 500 farmers in 5 Regions and 1,500 to National Service Scheme in Ashanti region; and
- vii. Production and supply of 1,117 improved stocks of various species of livestock to farmers.

For 2014 financial year, the Ministry intends to implement the following strategic interventions to sustain the gains made under this sub-programme:

- i. Provide support to 45,000 youth to cultivate 45,000 hectares of maize, rice, cassava, sorghum and cowpea;
- ii. Provide 2,500 guinea fowls and 5,000 broiler day old chicks and 27 metric tonnes of broiler feed and 35 metric tonnes of layer feed to Youth in Agriculture Programme;
- iii. Increase irrigated area to 20,605 hectares to enhance the production of cereals and vegetables to 120,153 metric tonnes;

- iv. Distribute 180,000 metric tonnes of subsidized fertilizers and 3,000 metric tonnes of improved seeds to farmers; and
- v. Support 100 medium to large scale farmers across the country on a pilot basis, to deliver 30,000 metric tonnes of poultry products. The target is to meet 45 percent of local poultry meat requirement and as well create 52,000 direct jobs and 100,000 indirect jobs for the youth by 2016.

## **2.2 Marketing of Agricultural Produce and Products Programme**

Under the above sub-programme, the Committee noted that some remarkable achievements were made during the year under review. Some of these achievements are:

- ❖ Establishment of 3 plant houses for mass production of bio-agents to control mealy bugs. As a result, the new papaya mealy bug has been put under control to ensure all year round export of papaya;
- ❖ Certification of 1,800 farmers and 15 mango farms to export fresh mangoes to Lebanon; and
- ❖ Establishment of 4 demonstration centres and construction and furnishing of biological laboratory complex to improve horticultural crops production.

In 2014, the Ministry plans to facilitate the linkage of agro-business firms with small holding farmers, design and launch a market promotion programme for made-in-Ghana commodities and facilitate the enforcement of anti-dumping regulations.

## **2.3 Management of Land and Environment Programme**

A sustainable land management technology is critical to addressing the negative impact of climatic change in the savannah zones. In this respect, the Committee noted that over 5,000 farmers in 8 Districts were trained and 400 farmers supported to implement land management technologies in their farming activities.

In 2014, the Ministry intends to strengthen its environment and climate change unit and regional environment desks to coordinate climate change adaptation. In line with this, it was noted that 80 Districts will be targeted and a grants scheme established for sustainable land and environment management to benefit 800 service providers and adopters.

## **2.4 Science and Technology in Food and Agricultural Development Programme**

To create enabling conditions for regional cooperation in technology generation and dissemination, the Committee noted that the Veterinary Services Directorate produced 5 million thermostable NDI-2 vaccines to control Newcastle diseases in poultry. So far 2 million doses of NDI-2 Vaccines are ready for supply to Niger while 850,000 doses of vaccines were administered in 7 regions of the country.

In line with the Ministry's resolve at ensuring availability of quality and certified planting materials all-year-round at affordable prices, the Committee noted that 3 out of the 5 national agricultural research stations will be rehabilitated and equipped with the necessary resources.

The Ministry also set up 27 new Agricultural Mechanization Services Enterprise Centres (AMSECs) in 2013, bringing the total Centres established so far to 89 in 62 MMDAs

In 2014, the Ministry intends to undertake the following under its mechanization programme:

- Expand the coverage to 148 MMDAs;
- Develop the skilled man power to handle,
- Manage and maintain farm power machinery/equipment;
- Intensify the use of animal traction as intermediate means of transport by smallholder farmers operating on fragile soils;

## **2.5 Cocoa**

### **2.5.1 Cocoa Purchases**

During the year under review, it was noted that an amount of US\$1.2 billion was raised in the syndicated loan market, as compared to the US\$1.3 billion drawn during the 2012 cocoa season. The amount is meant to facilitate the implementation of programmes and activities over the current cocoa crop season.

The Committee also noted that the producer price of dried cocoa beans was maintained at the previous price of GH¢3,392 per ton. This translated into GH¢212 per bag of 64 kilogram gross weight and represented 79.17 percent of the net Free-On-Board (FOB) price.

The Ministry in collaboration with COCOBOD continued the implementation of the Cocoa Hi-Tech and CODAPEC programmes during the year under review. The programme is to encourage fertilizer application and the use of improved planting

materials by farmers as well as to mitigate the risk associated with the incidence of disease such as swollen shoot, black pod, and pests such as capsid that attack cocoa.

The Seed Production Unit of COCOBOD also supplied early maturing and certified high yielding planting materials to cocoa farmers to ensure high productivity.

In 2014, the Ministry intends to collaborate with COCOBOD to continue the replanting and rehabilitation of cocoa farms in addition to providing planting materials that are drought tolerant, early bearing and high yielding. Specifically, a target of 20 million free seedlings will be supplied to farmers.

### **2.5.2 Cocoa Farmers Housing Scheme**

The Committee noted that an amount of GH¢838,000.00 was made available in 2013/2014 cocoa year to the Department of Rural Housing for the construction of houses for farmers under the Cocoa Farmers Housing Scheme initiated in 2004.

### **2.5.3 Scholarship to Farmers' Wards**

It was noted that a total of 7,500 wards of Cocoa farmers were provided with scholarships.

### **2.5.4 Corporate Social Responsibility**

As part of COCOBOD corporate social responsibility, the Committee noted that a state-of-the-art medical facility at Debiso (cocoa growing community) was commissioned to improve the health of the surrounding farming communities.

In 2014, the Ministry plans to continue the National Programme for the Elimination of Worst Forms of Child Labour in Cocoa growing areas by intensifying sensitization and educational programmes.

The Ministry also intends to launch the Cocoa Sector Scenario Planning Exercise to take stock of the sector and map its plausible future trajectory in order to identify priority interventions. In addition, the Cocoa Research Institute of Ghana and the private sector will be encouraged to continue with activities that lead to the utilization of products from cocoa, sheanuts and cashew.

### **2.5.5 Coffee and Shea**

In the area of Coffee production, specific interventions like replanting and rehabilitation of farms in addition to providing planting materials that are drought tolerant, early bearing and high yielding would be carried out. Support will also be given to the production of shea nuts as main cash crop for farmers in the North.

### 3.0 BUDGETARY ALLOCATION FOR THE 2014 FISCAL YEAR

*Table 1: Breakdown of the 2014 Budgetary Allocation by Expenditure Item*

<i>Expenditure Item</i>	<i>Sources of Funding</i>					<i>Percent Allocation</i>
	<i>GOG (GH¢)</i>	<i>IGF (GH¢)</i>	<i>ABFA (GH¢)</i>	<i>Donor (GH¢)</i>	<i>Total (GH¢)</i>	
<i>Compensation of Employees</i>	35,000,000	-	-	-	35,000,000	11.40%
<i>Goods &amp; Services</i>	10,935,152	1,614,142		35,753,428	48,302,722	15.74%
<i>Capital Expenditure</i>	27,833,184	561,778	52,180,591	143,013,712	223,589,265	72.86%
<i>Grand Total</i>	73,768,336	2,175,920	52,180,591	178,767,140	306,891,987	100%
<i>percentage</i>	24.04%	0.71%	17.00%	58.25%	100%	

Source: Ministry of Finance, 2013.

*Table 2: Breakdown of Allocation by Programme*

<i>Programme</i>	<i>Sources of funding</i>					<i>Percent allocation</i>
	<i>GOG (GH¢)</i>	<i>IGF (GH¢)</i>	<i>ABFA (GH¢)</i>	<i>Donor (GH¢)</i>	<i>Total (GH¢)</i>	
<i>Management and Administration</i>	26,983,871	402,150	2,850,000	61,559,364	91,795,385	29.91%
<i>Food Security &amp; Emergency Preparedness</i>	30,155,689	1,516,768	29,823,000	88,748,071	150,243,528	48.95%%
<i>Increased Growth in Incomes</i>	12,889,773	257,002	17,550,591	28,459,705	59,157,071	19.30%
<i>Marketing of Agric. Products at International Markets</i>	39,200	-	957,000	-	996,200	0.32%
<i>Management of Land and Environment</i>	19,600	-	1,000,000	-	1,019,600	0.33%
<i>Application of Science and Technology in Food &amp; Agric. Development</i>	3,680,204	-	-	-	3,680,204	1.20%
<i>Total</i>	73,768,336	2,175,920	52,180,591	178,767,140	306,891,987	100



For MoFA to undertake its planned programmes and activities for the year 2014, an amount of **Three Hundred and Six million, Eight Hundred and Ninety-One Thousand, Nine Hundred and Eighty-Seven Ghana Cedis (GH¢306,891, 987)** has been allocated to the sector. The allocation comprises of GOG component of **GH¢73,768,336** representing **24%** of the total allocation, a **donor element of GH¢178,767,140 (58%)**, an **IGF of GH¢2,175,920**, and **ABFA of GH¢52,180,591** representing **1% and 17%** respectively. The breakdown of the allocation is shown in table 1 and 2 above.

#### **4.0 OBSERVATIONS AND RECOMMENDATIONS**

##### **4.1 *Untimely Release of Funds***

As in previous years, the Committee expressed concern about the non-release and untimely release of the sector approved budget to implement planned programmes and projects. It was noted that only 51.9% of the sector allocation for 2013 had been released as at the end of September 2013. The situation is particularly worrisome because unlike other sectors where planned projects can be rescheduled without much loss, agricultural activities are time bound and seasonal, particularly in Ghana where most farms are rain-fed.

The Committee therefore recommends that a determined effort should be made in the coming years to ensure timely release of funds to the sector. As a remedial measure, the Committee recommends that the Ministry of Finance should allow for the Ministry of Food and Agriculture to retain all the funds generated by the Ministry to enable implementation of important projects on a timely basis.

##### **4.2 *Reduction in Donor Support for Pro-poor Interventions***

The Committee was informed that as a result of Ghana's attainment of the middle income status, some donors have decided to withdraw their support for some pro-poor interventions implemented by the Ministry. For instance, the Committee was informed that the World Bank and CIDA used to support the Ministry with about 50 million US dollars and 20 million Canadian dollars respectively in the implementation of critical projects like the fertilizer and seed subsidies and Youth in Agriculture Programme.

Unfortunately, the Committee observed that, 2014 ABFA allocation to the sector is tied to development of agricultural infrastructure and matching funds for projects. The available funds from GoG allocated for Goods and Services as well as Capital Expenditure is woefully inadequate to implement such major policy interventions.

The Committee further noted that currently, the Ministry is indebted to suppliers of subsidized fertilizers and seeds to the tune of 91 million Ghana cedis. These input suppliers might be reluctant to continue to collaborate with government to supply their products. However, the country's successes in registering surpluses in major staple crops like maize can largely be attributed to these interventions. The Committee therefore recommends that, as a matter of priority, the Ministry of Finance should make funds available to settle the outstanding amounts owed to the input suppliers.

#### ***4.3 Development of Ghana's Irrigation Infrastructure***

The Committee observed that attempts by successive governments to develop adequate irrigation system for reliable and continuous farming throughout the year has been seriously hampered by financial constraints. For instance, it was noted that the Accra Plains Irrigation Project has been on the annual budget of the Ministry for three years without implementation.

Given the importance of efficient irrigation system to increasing agricultural output and the huge capital outlay requirement, the Committee recommends that Ghana Irrigation Development Authority (GIDA) should be funded separately from the MoFA budget to enable GIDA function as an infrastructural development Agency. Part of the Infrastructure Development Fund could be used to provide the necessary irrigation facilities for sustainable farming in Ghana.

#### ***4.4 Increasing number of Agricultural Graduate Unemployment***

The Committee expressed concern about the rising number of graduates who are coming from the agricultural institutions in the country every year. These graduates are unable to find job in the formal sector.

To address this concern, the Minister for Food and Agriculture informed the Committee that the sector was collaborating with the Research Institutions to establish two centers of Excellence at Dawhenya and Vakpo for drip irrigation in high value crops for the youth who have the technical know-how for farming. The Committee urges the Ministry to

expedite the process in order to get the best value from these graduates who have been trained with state resources.

#### **4.5 National Food Buffer Stock Company (NAFCO)**

The Committee was informed that since its establishment in 2010 as a limited liability company fully owned by the government, it has not received any budgetary allocation apart from an initial seed capital of 15 million Ghana Cedis.

The Agency has two major social roles – first to store food and release them in times of emergency, and second, to mop up excess food surpluses from the market to stabilise prices for farmers and reduce post-harvest losses.

The Committee noted that currently, NAFCO has an arrangement with Heads of Senior High Schools where maize, rice and legumes are supplied to the schools on credit until government subventions are released to the schools.

NAFCO made an appeal to the Committee for a budget allocation of 10 Million Ghana Cedis to build 10 warehouses in each region of the country.

Given the important social role of the Company in national emergency food preparedness and food security, the Committee recommends that, the Ministry of Food and Agriculture should liaises with the Board of NAFCO to make recommendations to the Ministry of Finance in respect of the request for allocation of funds.

#### **4.6 High Importation of Fish and Meat Products**

The Committee expressed concern about high importation of meat and fish products into the country in spite of the comparative advantage Ghana has for the production and export of meat. It was noted that the Veterinary Services Directorate which is responsible for livestock policy formulation, implementation and regulation is confronted with many challenges including; inadequate staff, inadequate funds for vaccine procurement, obsolete veterinary laboratory equipment and absence of Hatchery and Meat Inspection Laws to ensure meat safety in the country.

The Committee was also informed that ECOWAS protocol on veterinary drugs has not been ratified by Parliament and that has affected the ability of the Ministry to check health status of animals that are brought into the country.

The Committee recommends that the Ministry of Food and Agriculture should give attention to the development of the livestock sub-sector to reduce the importation of meat and fish products.

#### 4.7 Extension Services Delivery

The Committee was informed that the Agricultural Extension Agent to Farmer Ratio in Ghana currently stands at 1:1500. However, global requirement according to the Ministry is 1: 500. The small number of Extension Officers coupled with lack of logistics (like vehicles) pose a major challenge to efforts to reach out to many farmers to educate them on improved farming technologies. The Committee recommends that the Ministry should take advantage of technology by adopting e-extension to be able to reach many farmers.

#### 5.0 CONCLUSION

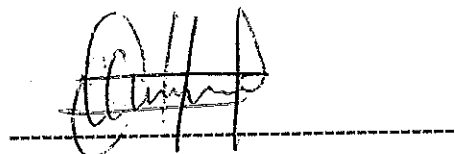
The Committee has thoroughly scrutinised the budget estimates of the Ministry of Food and Agriculture for 2014 fiscal year and is satisfied that the policies and programmes outlined for the year would go a long way to accelerate the achievement of the sector goals as set out in the Ghana Shared Growth and Development Agenda (GSGDA) as well as other international commitments such as the Millennium Development Goal-1.

The Committee accordingly recommends to the House to adopt this Report and approve the total sum of **Three Hundred and Six Million, Eight Hundred and Ninety-One Thousand, Nine Hundred and Eighty-Seven Ghana Cedis (GH¢306,891,987)** to enable the sector undertake its planned programmes and activities for the 2014 financial year.

Respectfully submitted.



HON. STEPHEN KUNSU  
VICE CHAIRMAN



KOFI MENKAH (MR.)  
ASSISTANT CLERK TO THE COMMITTEE

*November 2014*