

**IN THE THIRD SESSION OF THE THIRD
PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

**REPORT OF THE COMMITTEE ON FOOD,
AGRICULTURE AND COCOA AFFAIRS**

ON THE

YEAR 2003

OFFICE OF PARLIAM

DRAFT ANNUAL BUDGET

OF THE

MINISTRY OF FOOD AND AGRICULTURE



DATED: 25TH MARCH 2003

REPORT OF THE COMMITTEE ON FOOD, AGRICULTURE AND COCOA AFFAIRS ON THE YEAR 2003 DRAFT ANNUAL BUDGET OF THE MINISTRY OF FOOD AND AGRICULTURE

1.0 INTRODUCTION

The Minister for Finance, Mr. Yaw Osafo-Marfo, on Thursday 27th February, 2003 presented to Parliament, the Budget Statement and Economic Policy of the Government of Ghana for the 2003 financial year in accordance with Article 129 of the 1992 Constitution.

Pursuant to Standing Order 140 (4) and 175, Mr. Speaker, referred the draft Estimates of the Ministry of Food and Agriculture to the Committee for consideration and report to the House.

2.0 DELIBERATION

The Committee held a series of meetings with the following to deliberate on the draft annual Estimates.

1. The Minister for Food and Agriculture Hon. Maj. Courage Quashigah (Rtd).
2. The Deputy Minister for Food and Agriculture, Dr. M.K. Antwi.
3. The Minister of State responsible for Fisheries, Hon. Ishmael Ashietey.
4. The Chief Director of the Ministry of Food and Agriculture
5. Directors and Project Co-ordinators of the following:
 - a. Village Infrastructure Project (VIP)
 - b. Directorate of Planning, Budget, Co-ordinating, Monitoring and Evaluation

- c. Directorate of Statistics, Research and Information
- d. Human Resource Development and Management Unit
- e. Irrigation Development Authority
- f. ICOUR
- g. Grains, and Legumes Development Board
- h. Crop Services Directorate
- i. Root and Tuber Improvement Project
- j. Fisheries Directorate
- k. Animal Production Directorate
- l. Agricultural Extension Services
- m. Agricultural Engineering Services
- n. Plant Protection and Regulatory Services
- o. Veterinary Services Directorate
- p. Women in Agriculture Development
- q. Land and Water Management Project
- r. Special Programme for Food Security
- s. Lowland Rice Development Project
- t. Coconut Project
- u. Fisheries Commission
- v. LACOSREP
- w. UNADEP

The Committee is grateful for their support and co-operation.

3.0 REFERENCE DOCUMENTS

1. The 1992 Constitution of Ghana
2. The Standing Orders of Parliament
3. The 2003 Draft Annual Budget of the Ministry of Food and Agriculture
4. The Budget Statement and Economic Policy of the Government for the 2003 Fiscal year.
5. The 2003 State of the Nation Address.

4.0 MISSION STATEMENT

The Ministry of Food and Agriculture was established to advise the government of Ghana on sound policies that will ensure food security and promote sustainable agricultural growth and development. The Ministry is also to provide efficient technical and extension services to prospective and practicing farmers, fishermen, agricultural related Industries and Institutions, whilst ensuring that it addresses gender issues as well as the degradation of the environment.

To ensure that the Mission of the Ministry is achieved, it will monitor and evaluate all its programmes and maintain a highly motivated, efficient and dedicated staff.

5.0 OBJECTIVES OF THE MINISTRY

For the 2003 fiscal year, the Ministry will pursue the following objectives.

1. Formulate sound Agricultural Policies
2. Promote and provide efficient technical services, technologies and measures that will diversify and increase food and agricultural production for domestic use and export in an environmentally sustainable manner.

3. Ensure the availability of timely viable and relevant data on agriculture and information flow for efficient management.
4. Facilitate Farmers/Fishermen/Processors/FBOs access to credit, storage, market and other facilities.
5. Establish, strengthen, and maintain linkages within the sector and enhance the integration with the rest of the Economy.

6.0 PERFORMANCE OF THE 2002 BUDGET OF THE MINISTRY

A total budgetary allocation of ₱102,688,000,000 was made towards the activities of the Ministry in the 2002 financial year. Expenditure on Personnel Emoluments in the year 2002 was in excess of ₱13,627m due to salary increases and promotions. The release for Investment was woefully inadequate since it formed only 2.07% of what was appropriated to the Ministry. This, to a very large extent affected the investment programmes of the Units and Departments of the Ministry since they could not carry out most of their construction projects. Out of an appropriation of ₱16,418m made to Service Expenses, only ₱8,467.2m representing 55.99% was released. This also affected routine activities under services that the Units and Departments had earmarked for the year.

The breakdown of the Allocation and Expenditure for the 2002 fiscal year is as follows:

Expenditure of GOG Allocation

Table 1 Breakdown of GOG Allocation and Expenditure – 2002 (million)

Item	Allocation	Expenditure	% Released
Personnel Emolument	69,646	83,273	-
Administration Expenses	14,502	14,502	-
Service Expenses	16,418	8,457.2	55.99
Investment Expenses	2,122	.485,824	2.07
TOTAL	102,688	106,253.7	

Allocation

Table 2 Allocation by Sources (million)

Source	Allocation	Share In Allocation %
GoG	102,688	29.34
Donor	247,298	70.66
Total	349,986	100

Despite the shortfall in the budgetary allocation for 2002 with regards to Investments and Services, the Ministry was able to perform creditably under the Ghana Poverty Reduction Strategy. According to the Ghana Poverty Reduction strategy, the Ministry of Food and Agriculture is to modernize Agriculture based on rural development. In this regard, the Ministry in the year 2002 undertook to modernise agriculture by promoting farm mechanization, providing irrigation facilities, rehabilitating fish hatcheries, providing access to inputs for livestock, crop production and promoting high value crops.

To ensure a smooth take off of the programme of mechanization an amount of about **¢2.0 billion** was allocated to the Ministry by the Minister of Finance to rehabilitate about 1,000 broken down tractors. Rice threshers were also produced locally to improve the quality of local rice. Prototypes of cassava processors and sugarcane crushers were also produced, 16 dams were constructed and 82 hand-dug wells were excavated and lined.

In the fisheries sub-sector a survey of demersal fisheries resources was conducted within the continental shelf of Ghana in February 2002 with support from NORAD and JICA. A collection of data on fisheries statistics was also performed at selected sample sites in the sea and the Volta Lake.

Pilot agriculture centres expected to produce fingerlings for fish farmers in Ashanti, Brong-Ahafo, Eastern and Volta regions were completed.

With regards to crop production, it was projected that 1,100 hectares of land would be developed for the production of paddy rice. 1,088 hectares of paddy representing 99% of the set target was planted at Savelgu, Nanton, Tolon, Kumbungu, West Gonya and Tamale. Under the special project for Food security, the Ministry developed 120 hectares of land for the cultivation of millet, sorghum, rice, plantain and vegetables through improved water control systems in Bolgatanga, East Gonja, Tano, Jasikan and Dangbe East District.

Under the root and tuber improvement programme 50,000 farmers out of the 56,012 farmers selected were provided with improved cassava planting material for multiplication for their own use on 15,000 hectares of land by December 2002. 41,815 farmers representing 75% of the projected number of farmers also gained access to the improved cassava planting material and planted 2,936 hectares of land by August 2002 in 50 districts across the country.

In the livestock sub-sector, 6,000 improved guinea keets from Belgium were brooded and distributed to farmers in the Upper West Agric Development Project. 316 Sahelian Rams and Billies were also procured from Burkina Faso for distribution to some selected farms. Work is continuing on improving the breeding of the stock in indigenous cattle, sheep, goats and pigs at the six nucleus – breeding stations at Nungua, Amrahia, Ejura, Kintampo, Pong-Tamale and Babile.

Since there is the need to create market for farm produce and achieve import substitution in some areas of food production, the Ministry is

promoting the utilization of selected crops through, processing, value addition, packaging and presentation. Rice for instance is being processed into grits and flour for "omotuo" and porridge.

Finally in support of the policy of ensuring food security, the Ministry purchased 220,000 mini bags of white maize. This contributed to the stabilization of food prices in 2002.

7.0 PROJECTIONS FOR 2003

BUDGETARY ALLOCATION FOR THE YEAR 2003

To perform creditably and realize its projections for the year 2003, a total amount of **¢419,345,000,000** has been allocated to the Ministry. The allocation has a donor component of **¢282,662,000,000** and government of Ghana's contribution of **¢136,683,000,000**.

The breakdown of the Ministry's allocation is as follows:

ITEMS 1 - 4	GOG	DONOR
Personnel Emolument	100,291,000,000	-
Administration Expenses	15,032,000,000	33,000,000,000
Service Expenses	17,784,000,000	190,262,000,000
Investment	3,576,000,000	50,400,000,000
Total	136,683,000,000	282,662,000,000
Grand Total	419,345,000,000	

The President H.E. J.A. Kufuor in his State of the Nation Address indicated the government's determination to modernize agriculture centred on rural development. According to him "merchanisation of agriculture will take the back breaking drudgery out of farming and retain the interest of the youth on the land". The President's assertion was re-echoed in the budget statement delivered to Parliament, by the Minister of Finance, Hon. Yaw Osafo Marfo. According to the Hon. Minister, the Ministry of

Food and Agriculture would facilitate the establishment of tractor pools in nine (9) strategic areas on pilot basis and continue the development of selected processing machines. The Ministry will again increase production of cereals, legumes, roots and tuber crops through the rehabilitation of broken down irrigation facilities, dams and boreholes. It will further make available to farmers improved seeds and planting materials to ensure increased productivity.

In the fisheries sub-sector, adequate and quality fingerlings and all necessary inputs will be made available to fish farmers and 16 hatcheries will be rehabilitated. In addition land sites at 6 locations will be improved to ensure easy landing of catch. Fishponds at various locations in the country will also be improved to ensure increased fish production.

Post-harvest losses have been the bane of the agricultural sector for a very long time. To minimize losses therefore, the Ministry of Agriculture will promote the proper processing and presentation of selected commodities like root and tuber crops, grains, fruits, vegetables and oil seeds.

One of the priorities of the Ghana Poverty Reduction strategy is to increase production in the livestock sub-sector in order to reduce the importation of mutton, and other meat products. The Ministry will in this regard increase production of small ruminants through the improvement of indigenous breeds, development of improved forages and communal grazing grounds.

To give a boost to poultry production and minimize the importation of poultry products, into the country, an additional duty of 20% will be

added to the duties charged on poultry imports. This in the view of the government will reduce the competition from subsidized imports.

The Ministry will facilitate the marketing of agricultural produce through the construction of access roads and farm tracks. The Ministry will also promote the use of appropriate haulage vehicles for perishable crops and encourage the establishment of farmers based organizations.

8.0 OBSERVATIONS AND RECOMMENDATIONS

i. INVESTMENTS

Agricultural Services Sub-Sector Investment Programme (AgSSIP)

The Agricultural Services Sub-Sector Investment Programme (AgSSIP) is a long-term national programme covering public and donor expenditures in the agricultural sector. It covers the reforming and strengthening of agricultural technology generation and diffusion systems, Institutional reforms in terms of the restructuring and strengthening of the MOFA, development of farmers, based organizations and strengthening of agricultural education and training.

The Committee observed that, all the Units and departments under the Ministry of Food and Agriculture have charged their investment budgets to the AgSSIP Fund. AgSSIP has both GOG and donor components. Out of the **¢15b** budgeted under investment, only **¢3.6b** was approved by the Ministry of Finance under GOG as counterpart fund for the AgSSIP Project. The low allocation for investment was in anticipation of the finances that the donors will contribute towards the AgSSIP programme and government's macro economic projections for the year.

The Committee considers the funds inadequate to cover all the renovation and construction works of the units and departments of the Ministry for

the year although a donor component of \$15m is expected to supplement the provisions under GOG. The Committee recommends that, the construction and renovation works earmarked for this year be prioritized to ensure that, a fair number of the projects are carried out within the year.

The Committee further realised that most of the investment expenses charged to the AgSSIP programme in the 2002 financial year, delayed because of the relocation of the African Development Bank from La Cote d'Ivoire to Tunisia due to the war. Directors of the Units and departments in the Ministry did not also present their expenditure, performance and monitoring reports to the AgSSIP Secretariat on time. There were some units and departments who did not receive all of their investments allocation because they did not present their expenditure returns. The Committee urges all unit and departmental heads to ensure that they present their expenditure performance and monitoring reports timely to enable the AgSSIP Secretariat release their investment allocations on time.

ii. **RENUMERATION**

The Committee further observed that, the remuneration of personnel of the Ministry of Food and Agriculture like those in the Civil Service is very low, considering the allocation for personnel Emoluments for the year. The Committee thus recommends that, the Executive take a serious look at the remuneration of all Civil Servants to forestall the high staff turnover in the Ministry.

iii. **INTERNALLY GENERATED FUNDS (IGF)**

The Committee noted that the Ministry of Finance has a problem tracking Internally Generated Funds (IGF) paid into the consolidated fund and those used as revolving funds by some of the Directorates, Units and Departments. This is because while the operations of some of the units and departments who retain their Internally Generated Funds are backed of legislative instruments, others are not. The Committee urges all units and departments in the Ministry to provide the Ministry of Finance with information on how they manage their internally generated funds to ensure easy tracking of financial resources of the nation.

iv. **PLANT PROTECTION AND REGULATORY SERVICES DIRECTORATE**

The Committee again observed that, rates/fees charged for certain activities in the preceding year by the Plant Protection and Regulatory Services Directorate were very low. The Directorate charged a rate/fee of only ₵50,000.00 for goods exported in trucks and ₵45,000.00 for inspection of goods imported/exported. The committee considers these fees very low and recommends that, all units and departments of the Ministry who charge fees take a second look at their charges to ensure that they charge the right /realistic rates for their activities.

v. **AGRICULTURAL EXTENSION SERVICES UNIT**

The Committee lauded the Agricultural Extension Services Unit of the Ministry for incorporating education on HIV/AIDS into its activities for the year. The Committee recommends that the unit contact the Ghana Aids Commission for educational and financial support to make the programme more effective and elaborate.

The Committee observed that, the Motorcycle allowance, which was over the years part of the salaries of Extension Officers, is now captured under

Administration. The late release of funds for administration, delays the motorcycle allowances, which invariably impede the work of the Extension Officers. The Committee urges the Ministry of Finance to release the vote on Administration on time to ensure that Extension Officers are well resourced to perform their duty.

vi. **VILLAGE INFRASTRUCTURE PROGRAMME (VIP)**

The Committee noted that the Village Infrastructure Programme (VIP), which started five (5) years ago, is in its last year of operation and plans to mop up residual projects that may overlap are far advanced. To ensure that projects under the programme are sustained, the committee recommends that, an annual work plan, transitional arrangement and budget for the concluding year, should be prepared by the directorate of the project to serve as a guide to all stakeholders. This, the committee believes would provide an effective project legacy.

vii. **CASHEW PROJECT**

It was further observed that, most cashew farmers produce cashew in small quantities although buyers of the produce prefer them in large quantities. The Committee thus recommends that, cashew farmers form Farmer Based Organisations (FBOs) to co-ordinate and ensure the purchase and sale of cashew in large quantities to the buyers.

viii. **STATISTICS RESEARCH AND INFORMATION DIRECTORATE**

The Statistics, Research and Information Directorate of the Ministry, depends on personnel of the District Agricultural Directorates to collect data. However, the importance of data collection is down played because the officers charged to collect data are assigned other duties by the directorate. It is also regrettable that transport allowances due the personnel who collect data are not released on time. The committee

therefore urges the Ministry of Finance to release the transport allowances to the data collecting personnel on time.

ix. **HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT UNIT**

The greatest asset of every Institution is its human resource. The Human Resource Development and Management Unit of the Ministry has thus proposed to upgrade its institutions to award Diplomas. In this regard, the Committee recommends that enough funds should be released to the Human Resource Development Management Unit to upgrade its infrastructure since it is long overdue.

x. **FISHERIES DIRECTORATE**

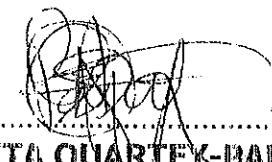
The Committee finally noted that the Nation cannot continue to rely on marine fishing. It therefore recommends that aquaculture should be improved and fish farmers supported to ensure maximum growth in the fisheries sub-sector.

9.0 CONCLUSION

If Agriculture will continue to be the backbone of our economy, then, there is the need to adequately resource agricultural development. The Committee therefore recommends to the House for approval the sum of **¢419,345,000,000.00** being the budget of the Ministry of Food and Agriculture for the year ending 31st December 2003.

Respectfully submitted.


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HON. A.K. KORANKYE
CHAIRMAN


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