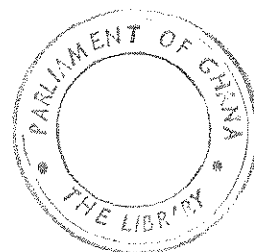


MINISTRY OF FOOD AND AGRICULTURE



**MEMORANDUM ON THE 2005 ESTIMATES OF THE
CONSOLIDATED FUND EXPENDITURE UNDER THE
HEADS CONTROLLED BY THE MINISTRY OF FOOD
AND AGRICULTURE**

MARCH, 2005

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EXPENDITURE UNDER THE HEADS CONTROLLED BY THE MINISTRY OF
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1. HEADS: 001 to 012

Mr. Speaker, I beg to move that this Honourable House approve the sum of Six Hundred and Thirty-Five Billion One Hundred and Seventy-Nine Million Cedis (**¢635,179,000,000.00**) for the services of Ministry of Food and Agriculture for the 2005 fiscal year.

Mr. Speaker, the Ministry of Food and Agriculture (MoFA) has the overall responsibility for the development and growth of the food crop and livestock subsectors.

MoFA's mission is to promote sustainable agriculture and thriving agribusiness through research and technology development, effective extension and other support services to farmers, processors and traders for improved livelihood.

To accomplish its mission, the Ministry has the following objectives among others:

- ❖ Ensure food security;
- ❖ Facilitate the production of agricultural raw materials for industry;
- ❖ Facilitate the production of agricultural commodities for export among others;

These functions are carried out through the promotion and provision of effective technical services to farmers and other primary producers and facilitation of access to needed inputs, credit, market and other facilities in collaboration with other Ministries, Departments and Agencies.

Mr. Speaker, the major policy thrust of MoFA is the transformation of the rural economy through modernization of agricultural production, processing, marketing and distribution. To achieve this, the Ministry is:

- ❖ Promoting the development, distribution and adoption of improved breeds of livestock and seed and planting materials for increased production and productivity;
- ❖ Collaborating with the private sector to fabricate and produce locally simple but modern equipment and machinery for production and post-harvest activities;
- ❖ Exploitation of underground and surface water for irrigation.

PROGRAMMES AND MAIN ACTIVITIES FOR 2005

Mr. Speaker, the Ministry of Food and Agriculture will continue to pursue its objective of modernizing agriculture based on rural development as stipulated in the Ghana Poverty Reduction Strategy (GPRS). The Ministry will also provide regulatory and technical services as well as co-ordinate and monitor the implementation of policies and development programmes in the sector.

The strategies of my Ministry towards increasing agricultural production for both domestic and external markets have been structured along its key functions of ensuring food security, facilitating the production of raw materials for industry and agricultural commodities for export.

CROPS SUB-SECTOR

Mr. Speaker, under the crops sub-sector my Ministry will promote the production of high value crops through the following specific interventions;

- ❖ Increasing the production and availability of quality planting materials and improved seeds to farmers.
- ❖ On-farm trials to review fertilizer recommendations for maize, cassava, sorghum and tomatoes
- ❖ Strengthen capacity of breeder seed producers of major cereals through training and monitoring visits.
- ❖ Promote the use of bio-agents and chemicals for pest control.
- ❖ Access to research and technology through improved extension services

LIVESTOCK SUBSECTOR

Mr. Speaker, the main objective in the livestock subsector in 2005, is to improve access to inputs and to reduce the incidence of diseases to enhance livestock production. The major activities are as follows:

- ❖ Rehabilitate of farm structures at six (6) breeding stations and restock them with improved breeds;
- ❖ Improve forage and communal grazing grounds through over-sowing with ***stylosanthes*** which is high in protein and fire resistant;
- ❖ Reduce incidence of diseases through routine vaccinations;
- ❖ Provide stock water to livestock water.
- ❖ Enhance farmers access to improved breeds

PRODUCTION OF RAW MATERIALS FOR INDUSTRY

Mr. Speaker, my Ministry will intensify its efforts of facilitating the production of raw materials both for industry and effort by carrying out the following activities:

- ❖ Strengthen the oil palm industry by supporting the Oil Palm Research Institute to expand germinated seed production.
- ❖ Among others, assist farmers through extension service delivery to increase hectarage of sorghum production to support the brewing industry.
- ❖ Facilitate access to credit by farmers, traders and processors in groups;

PRODUCTION OF AGRICULTRAL COMMODITIES FOR EXPORT

Mr. Speaker, the following major activities will be undertaken to revamp the export of agricultural commodities.

- ❖ Train farmers and exporters on food supply safety and quality management to ensure that export commodities meet international quality standards;
- ❖ Continue with the training of agricultural input dealers to gives appropriate advice to farmers.
- ❖ Construct a full-service perishable produce handling center at the Kotoka International Cargo Village to enhance export quality of horticultural crops; and Install cold storage facilities at the Tema port.

IRRIGATION

Mr. Speaker, to increase operational and cropping efficiency of existing irrigation schemes as well as put more area under irrigation, the following activities among others will be carried out:

- ❖ Rehabilitate non functioning irrigation schemes, small dams and dugouts;
- ❖ Provide supplementary irrigation by installing submersible pumps and sprinklers on boreholes;
- ❖ Protect lake front of selected irrigation projects;
- ❖ Continue the inventory of areas under informal irrigation.

MECHANISED SERVICES

Mr. Speaker, to enhance farmers' access to timely mechanized services and thereby increase agricultural production and productivity 800 Farmtrac 70 tractors with implements (in knockdown form) will be procured and distributed to farmers.

POST HARVEST MANAGEMENT

Mr. Speaker, the Ministry will enhance post harvest management by encouraging District Assemblies and NGOs to put community level storage facilities and promote its usage as well.

AGRICULTURAL FINANCING

Mr. Speaker, one of the bottlenecks to increased food production, processing and marketing is the unavailability of credit. The Food Crop Development Project, a total of ₦20 billion will be disbursed to 500 farmer groups for production, storage, processing and marketing in the eight (8) project districts.

The Cashew Development Project will also provide a total credit of ₦5.4 billion to Cashew farmer groups and processors in the ten (10) projects.

Mr. Speaker it is reassuring to note that my Ministry is having discussions with the Financial Institutions to ensure that timely credit is available to our hardworking farmers.

BUDGET FOR YEAR 2005

Mr. Speaker, to be able to implement policies and programmes outlined earlier, the Ministry has been allocated a total of ₦635.178 billion for the 2005 fiscal year. This is to be used for Personal Emoluments, Administration, Service and Investment expenditures for the year.

Table 1 MoFA 2005 Budgetary Allocation (GoG and Donor)

Item	2005 (₦ billion)	% of Total
1) Personnel Emoluments	98.569	15.52
2) Administrative Expenses	14.396	2.27
3) Service Expenses	228.982	36.05
4) Investment Expenses	293.31	46.16
Total	635.178	100.00

MoFA has been allocated a total amount of ₦635.178 billion this year. An amount of ₦98.569 billion representing 15.52% is for the payment of Personnel Emolument. The remaining ₦536.999 billion is for non salary expenditures – administration, service and investment (Table 1)

Table 2 MoFA's 2004 and 2005 Budgetary Allocation (GoG and Donor combined)

Item	2004 (¢ billion)	2005 (¢ billion)	% Change (2004-2005)
1) Pers. Emol	89.979	98.569	12.00
2) Administration	16.535	14.396	(12.94)
3) Service	166.657	228.982	37.40
4) Investment	123.205	293.232	138.00
Total	394.376	635.179	61.06

The Ministry's overall 2005 budgetary allocation of ¢635.179 billion shows an increase of 61.06% over the 2004 allocation of ¢394.379 billion. However, there is a decline in the amount allocated for administration in 2005. As table 2 indicates MoFA had a budgetary allocation of ¢16.535 billion in 2004 but this has declined by 12.94% to ¢14.396 billion in 2005.

DISTRIBUTION BY SOURCE

Table 3 Comparison between 2004 and 2005 ceilings by source

Source	2004 (¢ billion)	2005 (¢ billion)	% change (2004-2005)
GoG (Items 1-4)	142.707	212.847	49.15
Donor (Items 3-4)	251.669	422.332	67.81
Total	394.376	635.179	61.06

The total GoG budgetary support for MoFA increased from ¢142.707 billion in 2004 to ¢212.847 in 2005 exhibiting an increase of 49.15%. Similarly, Donor budgetary support to the Ministry shot up from ¢251.669 billion in 2004 to ¢422.332 billion in 2005 showing an increase of 67.81% (Table 3).

Mr. Speaker, if this estimate is approved, it will enable MoFA to implement its 2005 policies and development programmes which will not only help alleviate poverty but prosperity of our country of Ghana.

Thank you Mr. Speaker.