

AGRICULTURE MODERNIZATION THAT DOESN'T HURT

Mr. Emmanuel Nortei Kwablah

News Editor: The Economic Tribune Newspaper

e-mail: e_kwablah@yahoo.com

Cell phone: +233 244 956 389

Postal address: P.O. Box AN 12327, Accra North. Ghana

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By EMMANUEL KWABLAH

It's apparently an incongruous divide accepted by agricultural experts in Africa as a universal conundrum: how to improve agricultural yields to meet growing demand for food and industrial purposes without jeopardizing the livelihoods of smallholder farmers from whom expanded output is required.

"During bumper harvests our farmers are the worst off because prices of their produce plummet, thereby creating a disincentive for them to want to produce more," Mr. Kwesi Ahwoi, Ghana's former Minister of Agriculture has stated.

This dilemma ironically provides Ghana, a potential breadbasket for the West African sub region, the impetus to quickly modernize its agricultural sector to "lead the growth and structural transformation of the economy and maximize the benefits of accelerated growth", as captured in the country's long term agricultural policy objectives framework; the Food and Agriculture Sector Development Policy (FASDEP II)

Ghana's economy, the second biggest in West Africa and estimated by the World Bank at over US\$ 40 billion in 2011, is still heavily based on agriculture, which largely remains dependent on rainfall, rather than irrigation systems, just as that of most other sub Saharan African countries,.

The country's small-scale farmers, who account for about 80 percent of domestic agricultural production, have few resources to invest, both financial and technological, and farming remains 'low tech'.

Therefore, though Ghana is richly endowed with agricultural potential, including vast forest resources and agricultural land potential of 13.6 million hectares (ha) only 7.8 million ha is currently cultivated, while agriculture currently employs 50.6 percent of the country's labour force.

Years of droughts and declining harvests, coupled with growing poverty, saw successive governments pouring resources into efforts to help farmers become more productive; through the provision of technical services, high yielding seedlings, fertilizer and other agro-chemicals, in addition to finding them markets for their produce.

In a nutshell, the impulse for food security - without unduly compromising, but rather improving the livelihoods of smallholder farmers - as well as the need to enhance the country's foreign exchange earnings, is the motivation underpinning Ghana's investments in agricultural development. Declining harvests in West Africa, due to persistent drought, has added another dimension to Ghana's agricultural development where efforts seek to build resilience of farmers to the adverse impacts of global climate change.

Ghana's Ministry of Food and Agriculture (MOFA) facilitated the development of FASDEP11 and the Medium Term Agriculture Sector Investment Plan (METASIP), which is the investment plan to implement the medium term (2011-2015) programmes of the policy.

The METASIP, a pro-poor plan, has been developed to achieve a target agricultural GDP growth of at least six percent annually and halving poverty by 2015 in consonance with the first Millennium Development Goal (MDG 1).

It is also based on government expenditure allocation in the national budget of at least 10 percent within the Plan's period, which is consistent with the Economic Community of West African States (ECOWAS) Agriculture Policy and NEPAD's Comprehensive Africa Agriculture Development Programme (ECOWAP/CAADP) that provide an integrated framework to support agricultural growth, rural development and food security in the African region.

First, there is expected to be greater participation by the private sector for the growth and development of the agriculture sector and its transformation in service delivery, as well as investment and management of the sector as a whole. A second level of stakeholder participation is that between MOFA and other Ministries, Departments and Agencies whose policies impact on the agricultural sector. A third level of participation relates to service delivery to smallholder farmers, especially the poor, by reducing transaction costs.

In this regard, various types of linkages are outlined to be established between smallholders and agribusiness to facilitate access to input, research, technology and product markets, as well as other essential services.

Agricultural sector policies are supported with technical and financial assistance from development partners and financial institutions thus forming a fourth level of participation.

Prior to the current plan, Ghana's agricultural development had shown great promise. The World Bank notes that Ghana's agriculture sector was growing at more than five percent yearly, helping cut hunger levels by 75 percent between 1990 and 2004, while the share of the population living in poverty fell from 52 percent in 1991/92 to 28.5

percent in 2005/06. Ghana made the fastest progress in the world on reducing hunger and staying on track to achieve the UN MDG1.

Reforms in the country's most important cash crop, cocoa, along with rising yields in staple crops such as cassavas, yams, and sweet potatoes, helped increase incomes in the rural areas, reducing the percentage of the population living in poverty.

Cocoa, the major exported agricultural commodity in Ghana, fetched US\$1.9 billion in export revenue in year 2011, which amounts to seven percent of the GDP (or 20 percent of Agriculture GDP) and the subsector employs about 720,000 people, disclosed the African Development Bank in its Ghana Country Strategic Paper, 2012-2016.

Following the near collapse of cocoa production in the early 1980s, Ghana instituted new fiscal policies and reforms that revived the cash crop. The country doubled beans output from an annual average of 350, 000 metric tonnes to over 700, 000MT by 2007 and to one million MT, three years later.

Food crops output also improved. Cassava production soared from 3.3 million metric tons, grown on 446,000 hectares in 1989 to 9.7 million tons on 800,000 hectares in 2009. Roots and tuber production now, accounts for more than 40 percent of Ghana's agricultural GDP.

However, rice which has become an important staple and on which over US\$450 million is estimated to be spent annually on its importation has not registered much improvement in local production.

It is an open secret that key politicians in government, since 2000, owned firms that imported rice and other food products thus undermining any incentive to boost local production.

While the country's agricultural development efforts may have yielded positive results, major challenges still persist. The Alliance for a Green Revolution in Africa (AGRA) has observed that despite overall economic growth over the past decade, Ghana's agricultural sector has declined from 51 percent to 36 percent of GDP.

That notwithstanding, Ghana in recent years has had better harvests with some surpluses than other drought-stricken West Africa neighbours and though the country's surpluses may not be enough to meet required quantities to feed the Sahelian hungry, it is estimated that food aid bought locally is currently 15 to 20 percent cheaper than on the international market, thus the country could play a meaningful role in global efforts at ensuring food security, which virtually provides an assured market for the country's farmers.

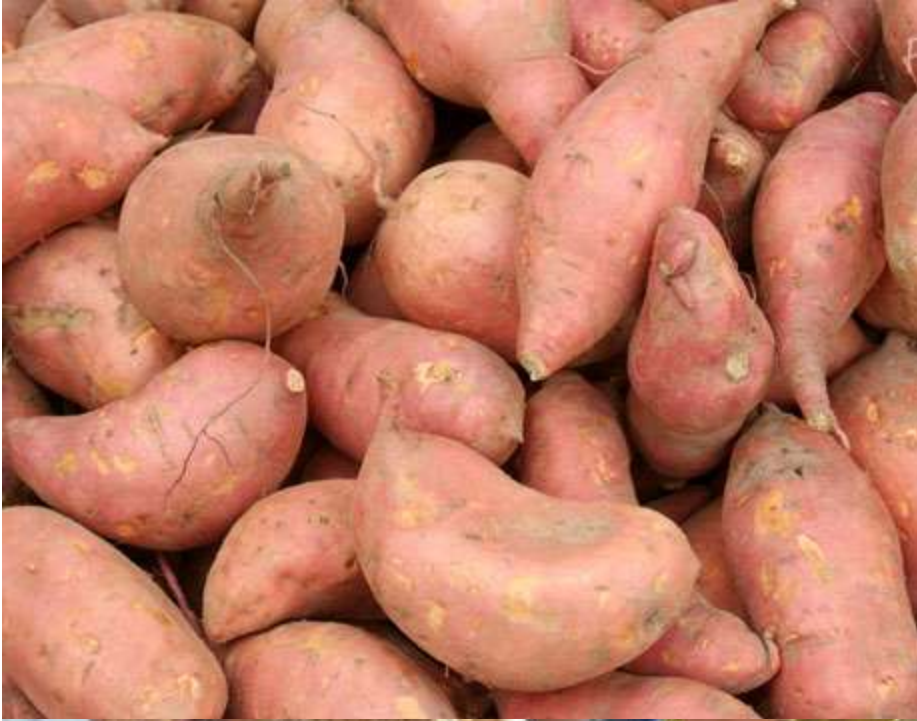
Significantly, Ghana's late-president Atta Mills was one of four African leaders invited to discussions on the acceleration of food security in Africa at the G8 Summit in May 2012,

at which Ghana was promised a minimum of US\$600 million, to implement the New Alliance for Food Security and Nutrition.

Such international support, properly situated within Ghana's home-grown agricultural development plan should complement government's efforts at modernizing the country's agriculture while simultaneously improving the productivity of small-holder farmers without undermining their earnings and livelihoods. It could be a model for Africa's long desired but illusive green revolution.



Government intervention produces higher cocoa pod yields



Smallholder farmers earn better income from improved yields of tubers

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