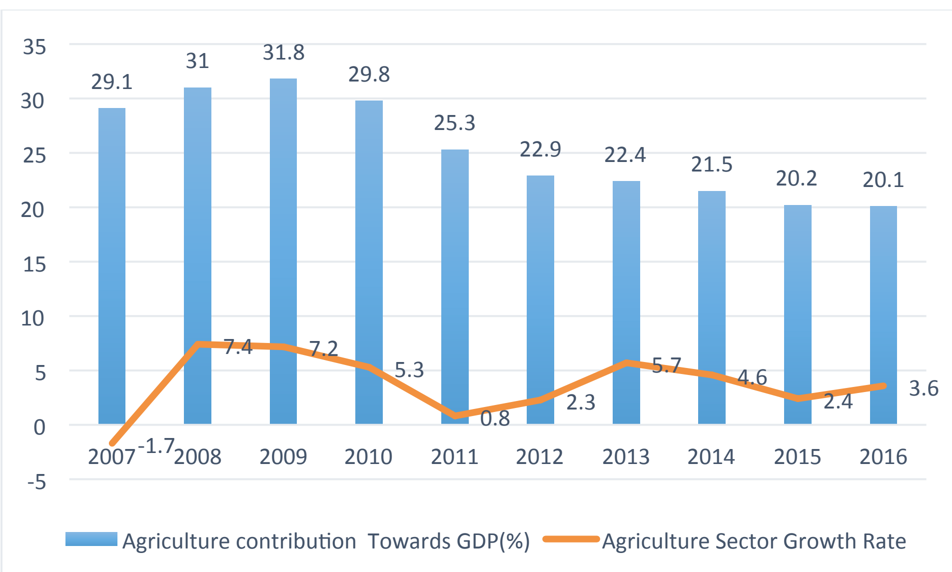
IMANI Report: The Highs and Lows of Government's 'Planting for Food and Jobs' Campaign & Recommendations

Agriculture has remained a central driver of Ghana's economy despite the structural modifications that have occurred over the years. For a sector that employs 35.95% of the active labour force as revealed in a recent report[1] by the Ghana Statistical Services and a major source of revenue for the government, a substantial growth is likely to have a huge impact on the economy. In 2015, Ghana's total revenue from non-traditional exports alone amounted to US$2.522 billion (GHs 9.210 billion)[2]. Though the sector's contribution has been enormous in the past, recent growth and performance statistics has not matched up to expectations. The contribution of the sector to Ghana's GDP has dwindled over time. From a leading contributing sector for several years with a percentage contribution of 56% as of 1980[3], the sector currently trails behind the Service sector with a contribution rate of 21% as of December 2016[4]. The annual growth rate in the sector has also been low as compared to the service sector while production levels of key crops have greatly varied. Lack of effective post-crop management schemes to handle the quantity produced among other factors has forced the nation to be a net importer of various basic foods and its associated pressure on the local currency.

Figure 1.1: Agricultural Sector's Contribution to GDP and Its Annual Growth Rate



[1] Ghana Statistical Service (2017), 2015 Labour Force Report
[2] Ibrahim R. (2016), Non-traditional exports see marginal growth …three years to US$5bn target – Available at: http://thebftonline.com/business/economy/20763/non-traditional-exports-see-marginal-growth-three-years-to-us5bn-target.html
[3] Fosu A. K, Emerging Africa: The Case of Ghana. Available at:https://www.oecd.org/countries/ghana/2674859.pdf
[4] The Budget Statement and Economic Policy of the Government of Ghana for the 2017 Financial Year. Presented to Parliament on Thursday, 2nd March, 2017

Source: Ghana Statistical Service (2016) and Ministry of Finance (2017)

In the face of these challenges, successive governments have carried out several policies, enacted a series of legislations aimed at revamping the sector to maximise returns, yet little has been accomplished. For instance, the fertiliser subsidy program was reintroduced in 2008 as a tool to incentivise fertiliser use and increase production but after almost a decade of implementation, fertiliser application has remained significantly low[5]. Food and Agriculture Sector and Development Policy (FADEP I& II) and Medium Term Agriculture Sector Investment Plan METASIP I &II (2014-2017) among others have been implemented as well. Access to finance, land tenure system and post-harvest management still remain a challenge[6]. Though some funds have been devoted in the past to build irrigation facilities, the number of schemes remains very low while others have been left unmaintained thereby negatively affecting production. It has been estimated that approximately 96% of all cultivated land in Ghana have no source of reliable water[7]. With the recent sporadic rainfall and the menacing effect of climate alteration, more investment is needed to ensure a dependable source of water for agriculture[8].

As an attempt to address these challenges, several promises were made on the campaign front in the run up to the 2016 general election. Precisely, the incumbent NPP government in their manifesto sought to "modernise agriculture, improve output efficiency, achieve food security, and profitability for our farmers, all directed at significantly increasing agriculture productivity[9]" After three months in government, an agricultural revolution campaign dubbed, "Planting for Food and jobs"(PFFJ) a program expected to mirror the erstwhile 1970 "Operation Feed Yourself" (OFY) programme was successfully launched at a symbolic location in the Brong Ahafo Region by the President. The campaign, as stipulated in the 2017 Budget Statement will be hinged on five (5) key pillars; **provision of improved seeds**; **supply of fertilisers**; **provision of dedicated extension services**; **marketing** and **e-agriculture and monitoring**.

The Government aims to create 750, 000 direct and indirect jobs which are debatable since no details on how these jobs will be created have been provided and especially when the campaign is targeting farmers who are already engaged in the sector. According to the 2017 Budget Statement with a corroboration in the Draft Concept Note of the campaign, a successful implementation is projected to result in an increase in the production yields of maize by at least 30%, rice production increased by 49%, Soybean by 25% and

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5 FAO Country Fact Sheet On Food And Agricultural Policy Trends

6 EU Development and Cooperation (2017), Joint Evaluation of Budget Support to Ghana(2000-2015), Draft Final Report Volume 1.

7 Oxford Business Group (2017), The Report: Ghana 2017

8 International Food Policy Research Institute (2009), Climate Change Impact on Agriculture and Costs of Adaptation, A Food Policy Report.

9 New Patriotic Party 2016 Manifesto

sorghum by 28%. A total of GHs 560.5 million ($140.1 million) has been allocated in the 2017 budget to cater for the estimated cost of the campaign (see Table 1.1 for the cost break down).

Table 1.1: Cost Summary of the Planting for Food and Jobs Campaign

Pillar	**Estimated Cost**	
	(GHS)	**(USD)**
Seed	74,785,875	18,696,469
Fertiliser	238,762,500	59,690,625
Extension Services	32,000,000	8,000,000
Marketing	200,000,000	50,000,000
E-agriculture	15,000,000	3,750,000
Total	**560,548,375**	**140,137,094**

Source: Draft Concept Note of the Planting for Food and Jobs

****These are provisional figures in the Draft Concept and there is a possibility it could be different from the final document which is yet to be issued**.

As part of the implementation, there are plans to create awareness to incentivise formal workers and institutions (both private and public) to have their own farms/backyard gardening where they can grow cereals and other vegetables with a total amount of GHs 200 million allocated for marketing. In the face of this movement, one key question lingers; is the campaign sufficient to achieve the stipulated goals of increasing production of selected food items easily and aid in addressing some of the numerous challenges in the sector?

A careful analysis of the five components of the campaign reveals that the campaign does not offer any new solutions/interventions, but rather is an assemblage of existing old policies which to a large extent failed to enhance development within the sector. It is unfortunate to note that such a flagship programme was launched without a comprehensive policy document/implementation plan. This does not augur well as far as the implementation of the project is concern. An attempt to get the final document, two months after launching the programme proved futile since only a draft report exists currently.

Provision of Inputs

It is an undeniable fact that lack of improved seeds and sufficient amount of fertiliser hampers productivity in the agricultural sector[10]. A critical review of past budget statements indicates a need for increasing fertiliser use at a subsidised price within the sector. And yet mixed outcomes have largely been achieved. In 2016 alone, 90,000 metric tonnes of subsidised fertiliser was procured and distributed to 650,000 crop farmers nationwide under the Fertiliser Subsidy Programme[11]. After almost a decade of implementation, fertiliser application has remained significantly low[12]. The implementation of the programme has also birthed several inefficiencies ranging from late delivery, politicisation of distribution, smuggling and other related corrupt activities. As an attempt to address these challenges, news broke recently about the NPP government's decision to slash fertiliser prices by 50% to replace the freebies thereby providing even grounds for farmers to access farm inputs.

However, under the PFFJ campaign, the government, as stipulated in the draft concept note intends to distribute these already subsidised fertilisers based on an instalment plan where farmers under the program are required to pay 50% of the subsidised price and then reimburse the rest after harvesting their produce. Past evidence of how government loan schemes have been managed suggest that such an arrangement is likely to generate negative consequences. With news of over GHs 135 million piled up debt at MASLOC and the GHs 35million loan saga at the Venture Capital Trust, it is imperative for the government to redesign this payment arrangement. Already, the Agricultural Development Bank has pledged support for the programme by allocating a total of GHs 450 million. It will be more efficient for the farmers to access soft loan from the bank to buy the input on the market to avoid non-repayment and unnecessary delays in supply.

Also the sustainability of such an approach is highly uncertain as research has established such an arrangement may be successful in the short run in raising food production, but budgetary costs, low loan repayment and sales into parallel markets makes it difficult to sustain. African countries, including Zimbabwe, Zambia, Tanzania, Nigeria, and Malawi, implemented such state-led fertiliser programs in the 1980s but were forced to scale back or halt the program altogether due to budgetary pressure[13]. The

[10] National Research Council (2008), Emerging Technologies to Benefit Farmers in Sub-Saharan Africa and South Asia, The National Academy of Sciences

[11] The Budget Statement and Economic Policy of the Government of Ghana for the 2017 Financial Year. Presented to Parliament on Thursday, 2nd March, 2017

[12] FAO Country Fact Sheet On Food And Agricultural Policy Trends

[13] The World Bank (2006), Alternative Approaches for Promoting Fertiliser Use in Africa, Agriculture and Rural Development Discussion Paper 22. Available at : https://siteresources.worldbank.org/INTARD/Resources/ARD_DP22_FINAL.pdf

targeted version of the program where only ‘proven farmers[14]’ qualify to be part of the programme may defuse the entire aim of launching the campaign. Ghana’s Agricultural sector is dominated by small grower farmers therefore setting a five-acre land requirement is an indirect attempt to exclude them from the programme which may constitute a formula for tragedy. It is thus not surprising to notice that the government has begun sounding off about low enrollment rate. The long term plan to support local companies to produce fertilisers locally using easily available biodegradable waste is however commendable.

Extension Services and Monitoring

One of the key pillars of the programme is government’s decision to employ a total of 3,200 extension officers already trained in the various agricultural colleges in the country. The Review Committee, tasked to review the erstwhile operation feed yourself as part of their concluding remarks admitted that the shortage of extension manpower could constraint the success of the programme[15]. Therefore, it was a relief to note that the government intends to add up to the existing extension officers in Country. These officers the government claims, will be well resourced with the required logistics and attached to the participating farmers in all 216 districts. On the average, one extension officer will be accountable to 6 farmers[16].

Though extension service is an important component in agriculture, its availability remains inadequate in Ghana. Government should aim at extending such crucial services to all farmers in the country rather than limiting it to only participating farmers in order to achieve sustained growth. If investing in manpower may bloat the wage bill and increase government spending, investment in technology such as mobile phones and Internet kiosks may offer an effective alternate approach which may be less costly. Establishing farmer training sectors in each district where farmers can get information on best farming practices could also be useful.

Marketing

Lack of access to market for agricultural goods has been a major problem for several decades. As part of the implementation plan, the government intends to play a facilitating role by connecting farmers to potential buyers. These buyers are supposed to exhibit certain characteristics such evidence of the

[14] According to the Draft Concept Note on the Campaign, A proven farmer is one that is recognized in his locality as a successful farmer. Someone that has operated in the locality and faced with the same challenges but has managed to deviate positively and as a result is deemed by peers to have some unique knowledge and experience worth sharing.

[15] Review Committee Report on Operation Feed Yourself and Operation Feed Your Industry (1977).

[16] Ministry of Food and Agriculture: Draft Concept Note of the Planting for Food and Job Program

capacity of managing buyback of a minimum of 1,000 Mt of cereals and legume. The sad truth is that, playing the role of a facilitator without the right infrastructure may yield little results or nothing at all.

The rural economy where most of the food items come from have been neglected for far too long. Most of these areas have little or no infrastructure to support private sector investment of such caliber. Bad roads, lack of electricity and other basic amenities makes it too costly and almost impossible for businesses to operate. It will be useful for government to focus on expanding infrastructure to such areas. Renewable energy technology is expanding and has been tested by various economies as an efficient off the grid energy for rural communities to address agricultural challenges. Ghana can take lessons from Kenya, where the government is using renewable energy (wind and solar) to extend electricity to rural communities.

Conclusion & Recommendations

Ghana's agricultural sector is bedeviled with several challenges which has over the years affected productivity and gains from the sector. The planting for food and job is one of the government's flagship programme, aimed at improving food security, reducing food importation and create employment for the youth. Aside from the commendable effort of listing quantifiable goals for easy tracking, other key ingredients are essential to complement the already outlined strategies to ensure sustained growth within the sector.

Access to finance remains a huge challenge within the sector yet the campaign is silent on it. It is needful for the government to roll out policies that will incentivise private banks to give credit to farmers at low interest rate. The high risk nature of the business makes it difficult for the financial institutions to give loans to those within the agricultural sector. The recently launched credit guarantee fund by the Bank of Ghana dubbed, "Ghana Incentive Based Risk Sharing System of Agriculture Lending (GIRSAL)" a value chain financing model aimed at relieving the sector's encumbrance of accessing credit is a commendable step that needs to be sustained and implemented effectively.

However, going forward, successive governments should help and promote the creation and sustainability of financial products for the agriculture sector. Such support can be in the form of flexible requirements and tax incentives. The government also has a bigger role in ensuring inclusive financing. With the right infrastructure in place, private financial institutions will be willing to extend financial services to most rural areas which will motivate the farmers to save part of their incomes against future expenditure.

The unreliable nature of the weather coupled with the effect of climate change makes it unproductive to depend on the rain as the main source of water for cultivation. It was imperative for the government to include a comprehensive water availability plan in the implementation strategy. Government has revealed its plan to implement the one village one dam promise by allocating some resources in the maiden budget but there is the need to speed up the implementation process.

The planting for food and job campaign in brief seeks to address challenges with farming inputs such as seed, fertilizer and extension services as well as the marketing of the food crops. However, the programme in its current structure fails to tackle the most critical challenge inhibiting productivity in the agric value chain: mechanization of the farming process. Incorporating significant agritech in the campaign to improve the entire value chain: from seed tracking, land preparation, irrigation, harvesting, storage and packaging can improve production and attract the youth into the sector as well.
Several opportunities exist for the country to use technology to solve most agriculture related challenges yet technology uptake and utilisation within the sector is very limited. The government should sensitise and also encourage the youth and the private sector to come up with technology driven innovations that can solve the issue of post-harvest losses, access to inputs, market etc.

Periodic technological programmes such as hackathons should be organized by the Ministry of Agriculture in collaboration with the Ministry of Environment Science and Technology to encourage and celebrate agriculture innovations. The agricultural technology departments in the universities must be linked with local farming communities to identify specific problems to encourage appropriate technology solutions. Science and which connects innovators with industry players should be organised and supported. Increase in budgetary allocation to the Science, Technology and Innovation sector as well as enforcement of copyright legislations are also required.

The campaign can be a golden opportunity for the government to generate more revenue from exports beyond the increase in food crops targeted so far. Non-traditional export products such as cashew, palm-nut, and fruits should be considered in the list of the targeted crops under the programme. Doing so will not only increase the revenue of the country but will create more jobs and improve the well-being of farmers.

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