

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

REPORT OF THE

**COMMITTEE ON FOOD, AGRICULTURE AND COCOA
AFFAIRS**

ON THE

**2013 ANNUAL BUDGET OF THE MINISTRY OF FOOD
AND AGRICULTURE**

March, 2013

**REPORT OF THE COMMITTEE ON FOOD, AGRICULTURE
AND COCOA AFFAIRS ON THE 2013 ANNUAL BUDGET OF THE
MINISTRY OF FOOD AND AGRICULTURE**

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2013 financial year was presented to Parliament, by the Minister for Finance, Hon. Seth Terkper, on Tuesday 5th March 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 draft 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 the 18th and 19th March 2013 and discussed the draft Estimates. Present at the meetings were the Hon. Minister for Food and Agriculture, Mr. Clement Kofi Humado, the Chief Director of the Ministry, Mr. M. T. Abisa-Seidu and the Directors, Coordinators and representatives of the 23 Directorates and Departments of the Ministry.

The Committee extends its appreciation and gratitude to the Hon. Minister and his staff for their input during the deliberations.

1.2 Reference

The Committee referred to the following documents during its deliberations.

- 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 the 2013 Financial Year
- IV. The 2012 Annual Budget Estimates of the Ministry of Food and Agriculture.

2.0 MISSION STATEMENT

The Mission of the Ministry of Food and Agriculture is 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.

3.0 REVIEW OF PERFORMANCE FOR 2012

3.1 Livestock Sub-Sector

A Livestock Demonstration Centre was established at Weija during the year under review and about 5,000 small-scale farmers received training and livestock production technologies from the Centre. In addition, 5,687 brooded cockerels were raised and distributed to 250 farmers at a subsidized rate in 25 Districts in the Ashanti and Brong Ahafo Regions. A total of 1,884 of breeding stock of sheep, cattle, pigs, rabbits and goats were also supplied to 1,500 farmers to increase productivity. Further to the above, 100 grandparent pigs were also imported for multiplication and distributed to pig farmers across the country.

3.2 Crop Sub-Sector

During the year under review, 44,000 cashew clones were produced for cultivation in 2,500 new cashew farms. Within the same year, 28,297 farmers produced 13,790mt of seed cotton and 5,383mt of lint. A total of 118 acres made up of 108 of cassava and 10 acres of sweet potato were established as community demonstration/multiplication sites in 64 Districts in all the Regions.

The construction and refurbishment of a Biotechnology Laboratory at the Crop Research Institute (CRI), Fumesua, in Kumasi was completed. New equipment and screen houses were also provided to a number of Institutes under the Council for Scientific and Industrial Research (CSIR) under the West Africa Agricultural Productivity Programme (WAAPP).

3.3 Fertilizer and Seed Subsidy Programme

The Ministry also recorded significant success under the fertilizer and seed subsidy programme. In all 300,000 farmers benefitted from 170,000mt of fertilizer and 20,000kg of improved seeds of maize, rice and soybean.

3.4 Agricultural Mechanization

In addition, an average of five (5) tractors with matching implements, maize shellers and water pumps were provided the Agricultural Engineering Services Centres throughout the country. One hundred and fifty (150) units of 50HP Cabrio compact tractors were imported and distributed to smallholder farmers. Also, 400 tractor and combine harvester operators were trained in proper handling, operation and maintenance of machinery and equipment. To enhance value addition and also reduce post-harvest losses in tomato value chain, the Ministry established a tomato-processing factory in Techiman in the Brong Ahafo Region.

3.5 Extension Services

During the year under review, 111 community demonstration sites for root and tuber crops were established in 64 Districts in the 10 Regions. In addition, 170 Farmer Based Organizations (FBO) were sensitized, trained and clustered along the agricultural value chain to form district networks in the Northern, Upper East, Upper West and Brong Ahafo Regions.

3.6 Irrigation Development

According to the Ministry, Phase 2 of the rehabilitation works on the Tono Irrigation Scheme was about 90% complete as at end December 2012. This brought current irrigable land under the scheme to 1,850ha. Rehabilitation works on the Tanoso, Weir and Ave Afiadenyigba projects were also completed resulting in an additional 84ha of arable land available to farmers at these irrigation sites.

3.7 Youth in Agriculture Programme (YIAP)

A number of activities were executed under the above Programme. A total of 45,000ha of land was cultivated in 2012 out of which 210,000mt of grains was produced. In addition, 450 youth were trained in aquaculture and 50 floating cages constructed and ready for distribution to 250 youth in six (6) Districts namely, South Tongu, Krachi East, South Dayi, Upper Manya Krobo, Lower Manya Krobo and Fanteakwa. One million (1,000,000) fingerlings were also distributed to

1,000 young fish farmers. In the same year, 500 youth were trained in pig and poultry production.

4.0 OUTLOOK FOR 2013 FISCAL YEAR

Some of the planned programmes and activities of the Ministry for 2013 are as follows:

4.1 Irrigation Development

The Ministry will commence the implementation of the Accra Plains Irrigation Project covering an area of 11,000ha. Work will also commence on the construction of four (4) dams at Mprumen in the Central Region and at Koori, Zuedem and Tankasa in the Builsa District of the Upper East Region. Feasibility studies will be undertaken on the design of a model irrigation system at the Katanga Valley in the Northern Region. The Vea Scheme, Dawa dam and the 10 dams in the Volta and Greater Accra Regions have also been programmed for rehabilitation during the year.

4.2 Agricultural Mechanization

The Ministry intends to increase the Agricultural Mechanization Service Centres (AMSEC) to cover at least 170 Districts in order to provide mechanization services to farmers who cannot afford to own these machines. Two thousand (2,000) tractors, 100 maize planters, 50 seed drills, 50 boom sprayers, 10 maize/soya harvesters, 50 rice threshers, 100 shellers and 50 dryers will also be procured to support the Agricultural Mechanization Service Centres (AMSECs), individual farmers and processors across the country. Furthermore, 500 boreholes are programmed to be drilled on farmers' fields for irrigation, animal watering and agro-processing.

4.3 Fertilizer and Seed Subsidy Programme

The Ministry will develop a National Seed Policy in conformity with regional seed and planting material policy under the ECOWAS Agricultural Policy (ECOWAP) in an effort to promote the use of fertilizers and quality seeds in Ghana.

The year will also see the procurement and distribution of 180,000mt of subsidized fertilizer to farmers. In addition, web-based software will be introduced for the

smooth and efficient implementation and management of the fertilizer and seed subsidy programme.

4.4 Livestock Development Programme

The livestock sub-sector will support 1,500 farmers in 10 Regions with 30,000 brooded cockerels. Forty (40) enterprising guinea fowl farmers in 40 Districts across the three (3) Northern Regions will also be supported with 40 incubators and 30 Livestock Demonstration Centres will be established in livestock dominant districts for the benefit of 50,000 livestock farmers.

4.5 Youth in Agriculture Programme

The Youth in Agriculture Programme targets to cultivate 60,000ha of arable land for the planting of maize, cassava, rice, yam, sorghum and cowpea. A 100,000 birds and pigs will be purchased and distributed to 60,000 young farmers within YIAP operational areas.

4.6 BUDGETARY ALLOCATION FOR THE 2013 FISCAL YEAR

Table 1: Breakdown of the 2013 Budgetary Allocation

Expenditure	GOG (GH¢)	IGF (GH¢)	ABFA (GH¢)	Donor (GH¢)	Total (GH¢)
Compensation of Employees	80,338,583	-	-	-	80,338,583
Goods & Services	2,565,997	1,511,960	-	27,296,507	31,374,464
Assets	70,828,750	751,896	20,000,000	109,186,029	180,766,675
Total	133,733,330	2,263,856	20,000,000	136,482,536	292,479,722

The Ministry has been allocated a total GH¢292,479,722 for its programmes and activities for the year 2013. The allocation comprised of a GoG component of GH¢133,733,330 representing 45.7% of the total allocation, a donor element of GH¢136,482,536 or 46.7%, an IGF of GH¢2,263,856 or 0.8% and ABFA of GH¢20,000,000 representing 6.8% of the total allocation.

5.0 OBSERVATIONS AND RECOMMENDATIONS

5.1 District Agriculture Offices Budget Separated From the Main Ministry Budget

The Committee noted that the budget for the operations of the offices of the Ministry at the District level have been placed under the Local Government Service as part of the decentralization and composite budget programme. The Committee applauds the Government for taking a bold decision in deepening the decentralization programme embarked upon since 1988. The Committee hopes that this initiative will enhance quick decision-making and facilitate rural agricultural development across the country.

5.2 Fertilizer and Seed Subsidy

The Committee was informed that the fertilizers and seeds subsidy programme were putting serious financial strain on the Ministry. For instance, it was noted that in year 2012, the Ministry paid out a total of GH¢117million as subsidies on fertilizers and seeds. The Committee therefore recommends that Government should either review its policy on the subsidies or make available to the Ministry adequate funds to support the subsidies.

5.3 Irrigation Development

The Committee noted that Governments over the years have not been able to develop sufficient irrigation systems for reliable and continuous farming even though it is recognized that irrigation is a very important strategic infrastructure for agriculture. Given the huge capital outlay required for irrigation development, it is being proposed that Government establish an Irrigation Development Fund for the purpose of financing irrigation development given that agriculture is the backbone of the economy. The Committee recommends that the Ministry should engage the Ministry of Finance and other stakeholders towards developing a proposal for the establishment of the Fund.

5.4 Loan Recovery Rates

The Committee also observed that the loan recovery rate for the Youth in Agriculture Programme was below 50% as compared to the Northern Rural Growth Programme (NRGP) where recovery rate was close to 100%. The

Committee recommends that managers of the Youth in Agriculture Programme should consult their counterparts in NRGF and institute measures to improve the loan recovery rate.

5.5 Local Production of Yellow Maize

The Committee was informed that as part of measures to stabilize the price of yellow maize for poultry farmers, the National Food Buffer Stock Company (NAFCO) imported yellow maize from Ukraine in 2012. The initiative, according to NAFCO, did not only ensure that yellow maize was available in 2012, but also reduced the pressure on locally produced white maize resulting in sufficient supplies of the latter for human consumption. The Committee however expressed concern about the arrangement considering the fact that Ghana has the resources and the required varieties to produce enough yellow maize for local consumption and possibly for export. The Committee therefore recommends that as a matter of priority, the Ministry institute policy measures to encourage farmers to produce yellow maize locally.

5.6 Extension Services Delivery

The Committee was informed that the extension service officer-to-farmer ratio in the country currently stands at 1:1500 as against the global standard of 1: 500. This implies the country needs to triple its current extension staff strength in order to meet the global requirement. The inadequate number of Extension Officers, coupled with lack of logistics such as vehicles, poses a serious challenge in providing extension services to farmers across the country. The Committee recommends that efforts be made to train and engage more extension officers.

5.7 Ageing of MOFA Staff

The Committee was informed that about 50% of MOFA Staff in the three Northern Regions are due to retire within the next two (2) years. The Committee found this situation quite alarming and recommends that as a matter of urgency, the Ministry should commence the process of filling the vacancies when they fall due. The Ministry should also improve on its succession planning and human resources deployment to ensure that a greater percentage of staff do not retire at the same.

5.8 Sustenance of Donor Funded Projects

The Committee noted that there were a number of donor funded Projects under the Ministry that were at various stages of completion. The Committee however observed that many donor-funded projects fail when they are handed over to the respective Ministries after completion. The Committee was assured by the Hon. Minister for Food and Agriculture and his staff that the Ministry would put in place measures to ensure that the gains from the projects are sustained after the handing over.

5.9 Application of Standard Grading and Weighing Systems

The Committee observed that in spite of the development of standards for grading and weighing of agricultural commodities, the application of the standards were not encouraging. The Committee therefore recommends that MOFA, in collaboration with relevant bodies should enforce the standards as best practice that enhance commodity trade and agri-business transactions.

5.10 Low Publicity by the Ministry

The Committee noted that awareness creation by the Ministry on showcasing its activities and products to farmers and the public was quite low. For instance, it was observed that the CSIR and Agriculture Faculties/Departments in the various Universities have developed improved varieties of crops but farmers rarely knew about these developments. The Committee recommends that the Ministry step up its public relations efforts to create awareness amongst farmers, the general public and the rest of the world, on these products.

5.11 Capacity of Policy, Planning, Monitoring and Evaluation Directorate (PPMED)

It was reported that the capacity of the PPMED to develop, implement and monitor the Ministry's policies was quite low. The Committee believes that achieving the sector goals set out in the Ghana Shared Growth and Development Agenda (GSGDA) as well as other development frameworks such as the Medium Term Agriculture Sector Investment Plan (METASIP) is dependent largely on the effectiveness of PPMED. The Committee therefore recommends


that as a matter of priority the Ministry should take steps to build the capacity of the Directorate to effectively deliver on its mandate.

6.0 CONCLUSION


The Committee has thoroughly scrutinised the budget estimates of the Ministry of Food and Agriculture for 2013 fiscal year and was of the view that subject to the recommendations above, the policies and programmes outlined for the year could achieve the sector goals set out in the Ghana Shared Growth and Development Agenda (GSGDA) and the Medium Term Agricultural Sector Investment Plan (METASIP).

The Committee accordingly recommends to the House to adopt this Report and approve the total sum of **Two Hundred and Nine-two Million, Four Hundred and Seventy-nine Thousand, Seven Hundred and Twenty-two Ghana Cedis (GH¢292,479,722)** to enable the sector undertake its planned programmes and activities for the year 2013.

Respectfully submitted.



HON. ALHASSAN AHMED YAKUBU (DR.)
CHAIRMAN



CAMILLO PWAMANG (MR.)
CLERK TO THE COMMITTEE

21st March 2013