

URGENT STATEMENT ON THE ORDEALS OF POOR
CASHEW FARMERS IN THE BRONG AHAFO, AND THE
THREE REGIONS IN THE NORTH.

Thank you very much Mr. Speaker for giving me the opportunity to make this statement.

Mr. Speaker the Cashew Industry is critical for sustainable development, poverty reduction, and the development of this sector can be a powerful means of achieving inclusive growth.

The Cashew sector holds much promise and potential. Cashew productivity and rural employment can offer and indeed is offering increasing income to the poor and provide food security and income diversification to the vulnerable communities like Sampa, Banda, Hani, Debibi, Wenchi, Kintampo, Techiman, Bole-Bamboi and so on.

The Cashew sector has, however, suffered a major price reduction from GHØ4.50 per kilo to GHØ2.50 per kilo within one week, ostensibly as a result of a directive of the Hon. Minister of Trade and Industry. Mr. Speaker, with your permission I read the directive from the Ministry.

‘The Ministry of Trade and Industry with oversight responsibilities for Trade regulations and controls under the Import and Export Law Act (503) Section (13) of 1995 as amended in 2000 has issued the following Administrative

directives on the purchase and Export of Raw Cashew nuts. (RCN). Hence forth all traders and processors are to note that they are allowed to purchase Raw Cashew nuts during the main harvesting season from January – June but Export of Raw Cashew nuts is permitted only after 31st May onwards.

Any Raw Cashew nuts that are brought to the ports or borders of Ghana for Export between 31st March and 31st May 2016 shall be confiscated to the state.

The public is hereby obliged to take note and comply with this directive. It has been noted with concern that as much as 95% of Ghana's total production of Cashew nuts, estimated 68,000MT, in its raw form are sent to overseas for processing. Processing of Raw Cashew nuts into Cashew kernels in Ghana increased from 4250MT in 2009 to 17600MT, but very low figure of 2500MT in 2015. This implies that the Industry is operating with just 5% of its installed capacity of 6890MT.

Local processors are unable to obtain adequate supplies of raw material for processing due to intensive competition, with purchases from traders at the farm gate. This situation is stifling the Ministry's objective of promoting value addition under the National Export development programme. That is (NEDP) 2016-2020 which seeks to increase earnings from the non-traditional Exports (NTE) Sector.

The survival of the Industry which is processing Cashew in Ghana is on the brink of collapse and will only survive on the availability of adequate supply of raw Cashew nuts for processing”.

Mr. Speaker this directive by the Ministry is very weak and is illegal. Mr. Speaker, under what law is the Ministry going to confiscate raw cashew nut without any due process?

First the Cashew Industry is a Private sector with a liberalised environment.

This has attracted most of the youth into Cashew production due to high prices as a results of competition between local processing companies and their foreign counterparts.

Mr. Speaker if we want to protect the few processing companies in the country, it must not be at the expense of the poor farmers who constitute the majority.

Why do you diversify resources from the farmers to the few processing companies?

Honestly this directive has brought untold hardships to the poor farmers in the following ways.

1. The timing of the directive is wrong as most traders have already pre-financed farmers.

2. Lack of Education on the policy to the Industry players. There is the need for proper Education and sensitisation for such policies.

3. The possibility of processors taking advantage of the situation to enjoy monopoly.

4. The need for policy makers to study other alternative policies of the Cashew Industry will help.

Mr Speaker,

In conclusion, I urge the House to call on the Hon. Minister of Trade and Industry to suspend his directive as a matter of urgency.

It is a common knowledge that the Region is struggling to stabilise itself from the negative impact of the activities of fraudulent Micro finance institutions.

Thank you.
