



PBBS 206: Economy of Ghana

Lecture 2

Agricultural Sector

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Learning Objectives

After completing this lecture, you will:

- Identify the basic features of agricultural sector activities in Ghana
- State the importance of agriculture to economic activities in Ghana
- Identify problems and challenges faced in the agricultural sector and
- Outline some major decisions taken by Government to help agriculture.

Courtesy :

www.carlprosper4nugs.yolasite.com

Preamble

- The agricultural sector plays a crucial role to the sustenance and growth of the Ghanaian economy
- One cannot talk about economic activities in Ghana without looking at agriculture
- The Agric sector is made up of five sub-sectors:
 - Crops other than cocoa (61% of Agric GDP)
 - Cocoa sub-sector (14%)
 - Livestock (7%)
 - Fisheries (5%)
 - Forestry (11%)

Preamble Cont.....

- The major staple food crops grown in Ghana include
 - Cereals mainly rice and maize and
 - Starchy staples including yams, cassava and plantain
 - Industrial raw materials include cotton, oil palm, tobacco and best fibre
 - The main export crop is cocoa for which Ghana was for a long time the world's leading producer
 - Ghana lost its place as the largest producer of cocoa in the 1977/78 season to Ivory Coast
 - About 13.6 million hectares representing about 57 percent of the country's land area is classified as suitable for agricultural purposes

Courtesy:

www.carlprosper4nugs.yolasite.com

Basic Features of the Agricultural Sector in Ghana

- Agricultural production in Ghana is rain fed which is irregular in pattern
- This constrains the production of many crops to once a year
- Ghana's agriculture is dominated by small-scale production enterprises
- The system of cultivation of the predominantly small-scale farms is described as traditional with respect to technology and methods used

Courtesy :

www.carlprosper4nugs.yolasite.com

Basic Features of the Agricultural Sector in Ghana Cont.....

- Land preparation is accomplished by slash and burn methods
- Shifting cultivation and bush fallow have remained the dominant systems for natural restoration of soil fertility
- Mixed cropping predominates the crop layouts in the fields
- The use of modern inputs such as fertilizers, pesticides, improved seeds etc. and mechanization is not yet widespread.
- Simple cutlasses, knives and hoes are the predominant tools for cultivation and harvesting

Courtesy :

www.carboropen4rugs.mlasite.com

Basic Features of the Agricultural Sector in Ghana Cont.....

- The farming activities are highly labour intensive supplied by the farm households
- The use of institutional credit is very low either because they are unavailable or collateral requirement is not attainable

Courtesy :

www.carlprosper4nugs.yolasite.com

Contributions of Agricultural Sector to the Ghanaian economy

- Agriculture is a major contributor to the Ghana's Gross Domestic Product
- In the 1980s, the sector's contribution to GDP averaged 55%
- The contribution of agriculture to Ghana's GDP has averaged 35% since 1995 but now 22.7% (2012)
- The agriculture sector has absorbed on average 60% of Ghana's labour force since 1999 but now 50% (2012)
- The agricultural sector is the main source of food supply for the large non-agricultural and mainly urban population

Courtesy :

www.carlprosper4nugs.yolasite.com

Contributions of Agricultural Sector to the Ghanaian economy Cont.....

- This is reflected in the stable prices in Ghana in view of the fact that about 50% of the consumer price index is accounted for by food prices
- Agricultural sector produces raw materials for agro-based industries in Ghana, for example, textiles and soap manufacturing
- The agricultural sector contributes to Ghana's foreign exchange availability in two ways:
 - Through the export of agricultural commodities and
 - By producing import-substituted food and raw materials

Courtesy :

www.carlprosper4nugs.yolasite.com

Contributions of Agricultural Sector to the Ghanaian economy Cont.....

- Until 1992, when gold superseded cocoa, agriculture accounted for the highest proportion of the total foreign exchange earnings
- Cocoa was the highest foreign exchange earner
- Agriculture sector contributed US\$ 3,225 million in foreign exchange earnings to the economy in 2012
- The agricultural sector offers job avenues to the highest proportion of the economically active population mainly as farmers, fisherman, farm labourers and workers in other agricultural-related activities such as marketing, processing, distribution etc.

Constraints of Agricultural Development in Ghana

- The generally low level of land productivity can be attributed to poor farming practices such as shifting cultivation
- Physically exhausting agricultural practices are still largely the norm, the hand-hoe is still a widespread tool in use
- Population growth, in particular is also putting a lot of pressure on land use and productivity
- The land tenure system which is largely traditional with the use of usufruct rights predominating (i.e. the right to use and enjoy the profits and advantages of

Constraints of Agricultural Development in Ghana Cont.....

(something belonging to another as long as the property is not damaged or altered in any way)

- This system doesn't allow predominantly small-scale farmers to invest in long-term improvement of its quality
- This system also does not allow the land to be used as collateral for a bank loan
- Farmer education, the majority of the predominantly small-scale farmers in the country are illiterates (cant read and write)

Courtesy :

www.carlprosper4nugs.yolasite.com

Constraints of Agricultural Development in Ghana Cont.....

- The extension services provided has not been adequate to impart knowledge or technical know-how to farmers - the ratio of 3000 farmers to 1 extension officer is too large
- Weather conditions in Ghana causes production risks and uncertainties. Unreliable rainfall pattern limits the cultivation of many crops to once a year
- Bush fires are another serious risk factor in crop production in the country. They are prevalent during August to November each year

Courtesy :

www.carlprosper4nugs.yolasite.com

Constraints of Agricultural Development in Ghana Cont.....

- Farm theft is also widespread, both livestock and crops are stolen from farms and communities. Unfortunately no insurance scheme to cover farm theft and bushfires
- The storage losses of farm produce particularly food crops are quite high estimated to be between 15 – 30%
- Transportation problems – Poor roads and sometimes unavailability of transport
- Availability of credit to farmers is woefully inadequate , this has constrained the adoption and extensive use of modern agricultural inputs

Courtesy :

www.carlprosper4nugs.yolasite.com

Policy Initiatives and Implementation since 2010

- The government since 2010 identified agricultural sector as Ghana's greatest strength and as critical for industrial growth
- Some of the programmes and activities for the Agric sector planned by the government since 2010 includes:
 - Buffer Stock management
 - Fertiliser subsidy
 - Livestock and fisheries development
 - Irrigation development and mechanisation systems.

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Buffer Stock Management

- The National Food Buffer Stock Company (NAFCO) was established to hold security buffer stocks and to intervene in the market to ensure competitive prices at all times
- The company acquired and rehabilitated two warehouses for the storage of grains
- About 6,949 metric tonnes of paddy rice and 416 metric tonnes of maize were purchased and stored in 2011

Courtesy :

www.carlprosper4nugs.yolasite.com

Fertiliser Subsidy Programme

- The government in 2012 made available 170,000 metric tonnes of fertiliser to some 300,000 farmers
- The average cost of a bag of fertiliser was GH¢16.00 in 2011
- In addition, 20,000kg of improved seeds of maize, rice and soybean were distributed in 2012
- The programme faced implementation challenges in 2012 for which new security features were introduced
- These included use of Farmers' Passbooks, Daily Record Sheets (to be filled by retailers) and a quota system for the regions and districts

Courtesy :

www.eaprosper4nugs.yolasite.com

Livestock and Fisheries Development

- For fisheries and livestock development, the government began the construction of cold stores at Nyanyanor, Kromantsi and Apam in the Central Region and Half Assini, New Takoradi, Shama and Sekondi in the Western Region
- About 11.07 hectares (ha) of ponds and 192 cages were constructed as part of efforts to promote and develop aquaculture and cage culture
- To improve the performance of local breeds of livestock, livestock farmers were supplied with 2,584 livestock of various improved species in the Northern,

Livestock and Fisheries Development Cont....

Upper-East, Upper-West, Brong Ahafo, Ashanti and Volta
Regions

- In addition, 35,000 cockerels were distributed to 1,750 farmers in 25 districts at subsidised prices to improve the protein intake of Ghanaians

Agricultural Mechanisation

- In line with the government's commitment to increase farmers' access to agricultural mechanisation services, 84 service centres were operationalised by September 2010 as against 69 in 2009
- Each of these centres have been equipped with five tractors, maize shellers and water-pumps
- In order to boost its food security policy, the govt increased existing food storage capacity by purchasing pro-cocoons to store a total of 30,000 metric tonnes of grains.

Courtesy :

www.carlprosper4nugs.yolasite.com

Agricultural Mechanisation cont....

- 165 combine harvesters were assembled and deployed across the country in 2011 to support individual farmers to increase productivity
- The government commissioned a tomato factory at Techiman in 2012
- The factory which has begun operating is aimed at reducing the high post-harvest losses in tomato production in the country

Courtesy :

www.carlprosper4nugs.yolasite.com

Irrigation Projects

- The first phase of the rehabilitation of the Tono irrigation dam has been completed, making available 1,874 hectares of land for cultivation
- Additionally, the rehabilitation of 70 dams in the three Northern Regions which were breached was also completed
- The second phase of the Tono irrigation dam was completed in 2011 allowing two night storage reservoirs
- Rehabilitation works on the Tanoso Weir and Ave Afiadenyigba projects was completed in 2012

Courtesy :

www.camp4prosper4nigeria.com

Sustainable Management of Land and Environment

- The Agricultural Sustainable Land Management Strategy and Action Plan were launched in August, 2009 to ensure continued productivity of agricultural lands
- The strategy is to provide the framework for sustainable management of the country's land and water resources for higher productivity and growth

Youth in Agriculture Programme (YIAP)

- There are four components: crops/block farm, livestock and poultry, fisheries/aquaculture and agribusiness
- In 2012, under the crop/block farm component, a total of 45,000 hectares of land out of which 210,000 mt of grains were produced
- In the year 2011, under the livestock and poultry sub-programme, 19,300 day-old chicks were procured and brooded for distribution and rearing to 950 farmers in 60 districts in seven regions at subsidised prices
- In 2012, 450 youths were trained in fish farming, 50 floating cages were built to be distributed to 250 youth

Extension Services

- The Ministry of Food and Agriculture in 2012 established 111 community demonstration sites for root and tuber crops in 64 districts
- These sites serves as training centres for farmers, in a bid to encourage the adoption of technology by the farmers
- Out of the 111 demonstration sites, 11 of them are being used to train farmers on good husbandry practices for sweet potato production

Courtesy :

www.carlprosper4nugs.yolasite.com

Extension Services cont....

- The government has also trained and sensitized 170 Farmer Based Organisations (FBOs) along the agricultural value chain in order to form district networks in the Northern, Upper East, Upper West and Brong Ahafo Regions
- This is in the hope of enhancing the interaction among farmers and in improving farmer-to-extension officers ratio

Savannah Accelerated Development Authority (SADA)

- There exist a development gap between the north and the south of Ghana
- To bridge gap, SADA was born
- SADA envisions a 'Forested North' by 2030 where agriculture production is modernised and oriented towards a larger market
- The SADA initiative have six unique pillars
 - Development of a comprehensive regional and ecological strategy
 - A model for the modernisation of agriculture
 - Development of strategic infrastructure

Courtesy :

www.sadaprogram.org/ugssyola/site.com

Savannah Accelerated Development Authority (SADA) Cont.....

- Strong linkage between Northern Savannah and the Sahelian Countries
- A vigorous private sector initiative that strengthens existing private operators
- Active support for Civil Society Organisations (CSOs) and NGOs, to support the developmental programme of the SADA area.

Courtesy :

www.carlprosper4nugs.yolasite.com

Ghana Commercial Agriculture Project (GCAP)

- In the govt quest to increase agriculture production, it collaborated with the World Bank to develop GCAP.
- GCAP seeks to improve the investment climate for agribusiness and also develop Public-Private Partnerships (PPPs) aimed at increasing on-farm productivity and value addition in selected value chains
- This is aimed at advancing the commercial goals of the Medium Term Agriculture Sector Investment Programme (METASIP)

Courtesy :

www.carlprosper4nugs.yolasite.com