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(CAADP)

# GHANA

## Review of Ongoing Agricultural Development Efforts

***G***hana's recent development process is characterized by balanced growth at the aggregate economic level and the continued importance of agriculture as the backbone of the economy. In recent years agricultural growth has been more rapid than growth in the non-agricultural sectors, expanding by an average annual rate of 5.5%, compared to 5.2% for the economy as a whole. In terms of subsectors, crop production between 1995 and 2006 has expanded steadily.

With the exception of sorghum, millet and cassava, in the period 2000–2006, output of most crops has increased at a faster rate than population growth. In terms of industrial crops, the production of tobacco has all but ceased and that of cotton and coffee has declined very significantly over the years while the production of sheanuts continues to increase. Cocoa has experienced strong growth between 2003 and 2005 while oil palm has also been growing steadily. Growth rates for livestock have generally been low and in particular very poor in the case of cattle. Poultry production in urban and peri-urban areas has grown significantly partly as a result of the growing demand by a rapidly increasing urban population. Fish production, did not change significantly between 2000 and 2006.

Past agricultural growth has primarily been driven by external forces, weather conditions and land expansion, rather than increases in productivity. Agricultural production and productivity in Ghana is heavily reliant on rain-fed agriculture; there is a lack of good water management and soils are coarse with low water holding capacity and crop water stress during the growing season. The low level of agricultural productivity in Ghana is attributed to low soil fertility, which is partly due to limited use of fertilizers. Improved seed use is also limited as is the application of agro-chemicals such as insecticides. On-farm production intensity is constrained by reliance on family labor in the absence of mechanized equipment or services. Poor access to inputs and financial services are root causes of the low adoption of modern inputs. Access problems are in turn linked to poor quality of rural road infrastructure. Inadequate storage infrastructure also limits market access and the incentive to adopt productivity-enhancing technologies. Specific constraints in the livestock sub-sector are low performing breeds, poor feeding, high cost of feed for poultry; poor housing and husbandry management; competition from imports; and poor post-production management. In the fisheries sub-sector major constraints are over-fishing of natural waters, an undeveloped value chain (e.g. inadequate supply systems for fingerlings and feed) and lack of skills in aquaculture. Agriculture growth is associated with rising income inequality and the concentration of poverty in lagging northern Ghana, where most of the poor depend on staples rather than export agriculture for their incomes. Sustaining and accelerating Ghana's agricultural growth thus poses several challenges.

Despite the important role of the agriculture sector in the economy, its performance and share in most key socio-economic indicators has stagnated or even declined in the past decade. Output per hectare from the crop sub-sector has declined over the years with increases in output mainly due to the expansion of cultivated area. The poor performance of agriculture is due to a seemingly unbreakable cycle of erratic inadequate input supplies, inappropriate technology, low output and productivity growth, low incomes and an acute inability to generate savings for investment. However, significant potential exist to increase crop yields from their current levels: coarse grain yields can be increased to over 2,000 kg/ha with adoption of best practices and improved access to adequate production inputs and credit; rice yields from current levels to up to 6,000 kg/ha, and groundnut yields to over 2,000 kg/ha of current levels.

With a per capita income of US\$454 in 2005, Ghana is bound to become the first African country to reach the Millennium Development Goal (MDG1) of halving poverty and hunger before the target year of 2015. There are, however, also indications of growing inequality between

social groups, occupational groups and geographical areas in the country. In 2006, 28.5% of the population was considered poor. Poverty rates are much higher in the north, 62.7% compared to 19.7% in the rest of Ghana. Ghanaians consume substantial quantities of roots and tubers particularly cassava and cassava products as well as plantain. In the case of cereals, maize dominates, followed by sorghum and rice. The consumption of fish is almost four times that of meat and has been increasing steadily over the years. In 2003, about 30% of Ghanaian children were stunted, 7.1% wasted and 22% underweight. In the same year, as many as 83% of Ghanaian rural households and 56% of urban households did not consume adequate iodine and over 80% of children and about 48% of women were anemic. The three northern regions and the Central Region continue to be areas of high malnutrition. Stunting and underweight values in particular are very high in these regions compared to the rest of the country.

## LONG-TERM ECONOMIC DEVELOPMENT STRATEGIES & AGRICULTURAL DEVELOPMENT FRAMEWORKS

### **Agriculture in the Vision 2020**

In the Vision 2020, a major policy for agriculture is the application of science and technology to increase productivity without damaging the environment. Export diversification through price competitiveness is also to be pursued. The common theme that runs through the policy guidelines of Vision 2020 is sustainable natural resource management, including land and forest resources, and fish stock. An important aspect of the strategy for agricultural growth is the dependence of the sector on a program for rural development to achieve the desired higher growth rates. Rural development itself is to be stimulated through enhanced delivery of social and economic services and soft infrastructure such as public transport systems.

### **The Accelerated Agricultural Growth and Development Strategy (AAGDS)**

The AAGDS launched in 2001 was designed as a framework for policies and programs in the agricultural sector to support Vision 2020. The goal of the AAGDS is to increase agricultural growth from 4% to 6% over the period, 2001–2010, in support of the broader goals of Vision 2020. The two areas of focus of the AAGDS are a) the promotion of agricultural intensification in high potential areas using small-scale irrigation and modern inputs. Intensification is to be informed by appropriate policy, research and dissemination of technologies to enhance

adoption of improved methods of production and b) trade-led policies and export diversification. Based on these general directions, the strategic areas of the AAGDS are: (i) promotion of selected products through improved access to markets, (ii) development and improved access to technology for sustainable natural resource management, (iii) improved access to agricultural financial services, (iv) improved rural infrastructure, and (v) enhanced human resource and institutional capacity.

### **The Ghana Poverty Reduction Strategy (2003–2005) and the Growth and Poverty Reduction Strategy (2006–2009)**

The agriculture sector has been recognized in both PRS documents as key to rural development and poverty reduction. According to Ghana's first PRSP prepared between 2002 and 2005, the agricultural growth rate was to increase from 4.1% in 2002 to 4.8% 2004. The medium term priority for the agriculture sector was to modernize the sector as an integral part of rural development. This implied creating the necessary environment to develop rural agribusiness enterprises (farming and value addition). In addition to actions to enhance research, extension, credit, market access and production infrastructure (such as irrigation and roads), agro-processing enterprises were to be established to enhance value addition. Farmer organizations were to be developed and supported to enhance their capacity to access and deliver services to members. The preparation of GPRSII (2006–2009) was guided by practical lessons and experiences drawn from the preparation and implementation of GPRSI. The second GPRS places emphasis on growth-inducing policies and programs for wealth creation and poverty reduction. The agriculture sector goals as specified in the GPRSII are an agricultural growth rate of 6–8% per annum over the next 4 years; crops and livestock leading the growth at an average annual growth rate of 6%; forestry and logging, and fisheries growing at 5% per year and the cocoa sub-sector remains robust in support of other sectors.

In the short-term, the strategy for agriculture-led growth is to promote export-led growth by diversifying the country's agriculture from the traditional cocoa and timber to especially cereals and other cash crops, including mangoes, papaya, pineapples, cashew nuts and vegetables, and reverse the decline in Ghana's fisheries. Intervention areas for modernizing agriculture as specified in the GPRSII are: reform of land acquisition and property rights, accelerating provision of irrigation infrastructure, enhancing access to credit and inputs for agriculture, promoting selective crop development, improving access to mechanized agriculture, increasing access to extension services, provision of infrastructure for aquaculture and restoration of degraded environment.

### **The Food and Agriculture Sector Development Policy (FASDEP)**

FASDEP was developed as the framework for the modernization of agriculture, a strategic objective of the first GPRS. The strategic thrusts under FASDEP were the same as those of AAGDS. The specific strategies under each of the five strategic areas mentioned above had common objectives of improving access to technology, inputs, finance, irrigation, and markets. FASDEPII has been revised to respond to shortcomings in FASDEPI and its strategies are aligned to the requirements of agriculture in GPRSII. The value chain approach to commodity development in the policy should ensure that constraints are addressed comprehensively. FASDEPII aims to achieve: (i) food security and emergency preparedness; (ii) improved growth in incomes and reduce income variability (iii) increased competitiveness and enhanced integration into domestic and international markets; (iv) sustainable management of land and environment; (v) science and technology applied to food and agriculture development; and (vi) enhanced institutional coordination.

### **Agriculture Sector Plan (2009–2015)**

FASDEP II outlines six objective areas to address the goals for the sector and the Agriculture Sector Plan has been developed to implement the policy. The objectives of the policy therefore form the basis of programmes and activities in the sector plan, which serves as the operational framework of investment programmes for the period 2009 to 2015. The first two programmes are on food security and growth in incomes and directly support commodity growth and development interventions. Three other programme areas on market access, environmental sustainability and science and technology support the commodity interventions. A final programme on institutional coordination supports the framework for all interventions.

## **INVESTMENT PROGRAMMES UNDER FASDEP-ASP**

### **Food Security and Emergency Preparedness**

The programme for enhancing food security and emergency preparedness will increase productivity and total production and improve food distribution to vulnerable groups and enhance nutrition. The nutrition aspect of food security will also be promoted through research, education and advocacy on choice of foods, and handling for food quality and safety. Groups most vulnerable to food insecurity will also be supported with income

diversification opportunities to enable them cope better with adverse food supply situations and production risk and enhance their incomes for better access to food.

**Productivity improvement:** Opportunity exists to increase the production of selected commodities through intensive methods. Currently, yield gaps for various commodities average around 50% of achievable yields, eg. cassava at 12.4 mt/ha against potential of 28.0 mt/ha. Targets are: (i) improved technologies adopted by smallholder farmers and yields of maize, rice, sorghum, cassava and yam increased by 50% and cowpea by 25% by 2015; (ii) improved livestock technologies adopted by farmers and production of local poultry and guinea fowl increased by 20% and small ruminants and pigs by 25% by 2015; (iii) improved culture fisheries technologies adopted and production of cultured fish increased by 30% by 2015.

**Support for improved nutrition:** There are several nutrient-rich foodstuffs whose production and consumption can be promoted along side fortification technologies. This component aims to reduce stunting and underweight (in children) as well as Vitamin A, iron and iodine deficiencies (in children and women of reproductive age) by 50% by 2015.

**Support for diversification of livelihood options of the poor with off-farm activities linked to agriculture:** This component aims to support 5% of people falling below the extreme poverty line in off-farm livelihood alternatives by 2015.

**Food storage and distribution to reduce food insecurity:** The objectives of this component are: (i) to reduce post-harvest losses along the maize, rice, sorghum, cassava and yam value chains by 30%, 35%, 20%, 40% and 50% respectively by 2015; (ii) to develop private sector capacity (including FBOs) to warehouse 50,000 tonnes of grain annually and to process (mill and/or package) 25,000 tonnes of maize, cassava, yam, sorghum and cowpea products annually.

**Early Warning Systems and Emergency preparedness:** This component focuses on improving the ability of the country to respond to outbreaks, natural hazards and other calamities and timely forecasts, and strengthen preparedness with linkages to international centres. It aims to reduce the number of vulnerable households by 20% by 2015.

**Irrigation and water management:** Irrigated agriculture would be made viable by backward linkages to infrastructure, inputs and research and forward linkages to agro-processing and marketing. Targets: (i) irrigation schemes productivity increased by 25% and

intensification by 50% by 2012; (ii) 150 micro and 25 small-scale irrigation schemes as well as agricultural water management schemes developed to benefit 50,000 households in all regions of the country by 2015; (iii) support the private sector to establish mechanisation service centres (for production and processing) in specific areas where rain water harvest is the major source of water for farming (e.g. Fumbisi, Katanga, Nasia, Nabogu and Soo valleys); (iv) production and value of output of existing large-scale irrigation schemes increased by 30% to 50% respectively by 2015; (v) Feasibility studies for large-scale irrigation projects in Accra Plains, Afram Plains and northern savannah areas completed by 2010 and funds for implementation sourced by 2012.

**Mechanisation services:** There is scope to diversify mechanisation services to other farm activities such as planting, cultivation, harvesting and primary processing. Targets: (i) at least one (private sector-led) mechanisation centre established in each region by 2015 to provide diversified services to all types of farmers and agro-processors (small, medium, large, crops, livestock, fisheries men, women); a system of incentives established for private sector commercial production of agro-processing equipment; (iii) processes for tax exemption for importation of appropriate materials for fabrication of food processing equipment put in place by 2009.

## Improved growth in incomes and reduced income variability

Incomes will be enhanced through diversification and activities involving a range of commodities including cash crops, livestock, indigenous commodities and value addition would be promoted. This will be done through the value-chain approach and the application of science and technology to improve productivity. Enhanced incomes will reinforce food security through financial access to food and ensure that there is less variability from year to year and more equity within farming communities and between rural and urban areas.

### **Promotion of cash crop, livestock and fisheries production for income in all ecological zones:**

Opportunities exist for farmers to diversify from staple crop production. The targets for this component are: (i) income from cash crop production by men and women increased by 20% and 30% respectively by 2015; (ii) income from livestock rearing by men and women increased by 10% and 25% respectively by 2015; (iii) income from culture fisheries (production and processing) by men and women increased by 50% and 50% respectively by 2015; (iv) post harvest losses of

perishable commodities reduced by between 25% and 50% by 2015; (v) products from bee keeping, mushroom and snail farming and production of small stocks increased by 20 to 50% by 2015.

**Development of new products through value addition:**

This component aims to develop at least two new commercially viable products developed from each of staple crops, horticultural crops, livestock (including poultry) and fisheries by 2015.

**Development of pilot value chains for one selected commodity in each ecological zone:**

This component aims to develop efficient pilot value chains developed for two selected commodities in each ecological zone (pineapple and chilies in Coastal Savanna, commercial poultry and pig in Forest, maize and tomato in Derived Savanna and guinea fowl and tomato in Guinea/Sudan Savanna).

**Intensification of FBOs and out-grower grower schemes concept:**

The objective of this component is to intensify the development of out-grower schemes, to intensify FBOs and to achieve three-tier FBO structure achieved in all districts by 2015.

**Rural infrastructure:** Objectives are: (i) cost of transportation of agriculture produce in rural areas reduced by at least 5% in areas where infrastructure has been improved; (ii) rural industrial processing of cassava, oil palm, sheanuts, cashew nuts, soybeans and groundnut increased by 20%, 20%, 40%, 30%, 30% and 30% respectively by 2015; (iii) rural industrial processing of livestock and fish increased by 20% and 30% respectively.

**Support to Urban and Peri-urban Agriculture** aims to increase output from peri-urban agriculture by 20%.

**Increased competitiveness and enhanced integration into domestic and international markets**

This program aims to enhance the capacity of semi-commercial and commercial smallholders to produce for the international and expanding domestic markets, including agro-industry. The current escalation in food market prices presents an opportunity for higher level of commercialisation especially by smallholders. This programme complements interventions to be pursued under rural infrastructure, food storage and distribution, and mechanisation elaborated under the food security and emergency

Table 1: Output targets for selected commodities

Commodity (percentage increase)	Baseline yield (2000–2006) mt/ha	Baseline yield (2000–2006) mt	Target (mt)	
			2013	2015
Maize (50%)	1.48	1,165,329	1,714,284.00	1,714,284.00
Rice - Rainfed (50%)	2.05	230,380.6	348,316.00	348,316.00
Rice - Irrigated (50%)	2.80	14,705.14	0.00	0.00
Millet (25%)	0.84	161,814.3	206,808.00	206,808.00
Sorghum (25%)	1.00	302,957.1	397,162.50	397,162.50
Cassava (50%)	11.89	9,426,671	13,522,885.2	13,522,885.2
Cocoyam (Ach.Yield)	6.67	1,719,886	2,049,520.00	2,049,520.00
Yam (50%)	12.43	3,817,957	5,610,106.50	5,610,106.50
Plantain (Ach.Yield)	8.08	2,383,800	2,775,900.00	2,775,900.00
Sweet potato (30%)	8.50	102,127.5	132,765.75	132,765.75
Cowpea (Ach.Yield)	1.00	217,708	272,135.00	272,135.00
Groundnut (Ach.Yield)	0.75	353,513	438,295.00	438,295.00
Soybeans (Ach.Yield)	0.75	43,125	44,206.00	44,206.00
Pawpaw (50%)	25.00	863	0.00	0.00
Pineapple (50%)	60.00	15,684	720,000.00	720,000.00
Tomato - Rainfed (Ach.Yield)	25.00	681,250	953,750.00	953,750.00
Tomato - Irrigated (50%)	30.00	82,500	123,750.00	123,750.00
Cocoa (50%)	0.40	553,501	1,101,000.00	1,101,000.00
Oil palm (Ach.Yield)	12.00	1,804,118	4,995,000.00	4,995,000.00
Cotton	0.8	22,567	35,000.00	35,000.00

preparedness programme. Market access is private sector-led and government will provide infrastructure and services of a public goods nature.

**Marketing of Ghanaian produce in domestic and international markets:** Targets under this component are: (i) marketed output of non-export smallholder commodities increased by 50% by 2015; (ii) export of non-traditional agricultural export commodities by men and women smallholders increased by 50% by 2015; (iii) grading and standardization systems made functional by 2012.

## Sustainable management of land and environment

This programme integrates the Agricultural Land Management Strategy into the sector plan and addresses various barriers, including policy, legal/regulatory, institutional, incentive, and knowledge/information, for the adoption and up-scaling of sustainable land management practices.

**Implementation of the SLM strategy:** This component has the following targets: (i) policies and regulations to support SLM at all levels reviewed and strengthened by 2010; (ii) institutional capacity at all levels within the food and agriculture sector built to support the promotion of SLM; (iii) technology dissemination and adoption for scaling-up of SLM commences at the beginning of 2009; (iv) technical capacity at all levels built to support promotion and dissemination of SLM technologies by 2012; (v) SLM knowledge to support policy and investment decision making generated and adequately managed by 2012; (vi) an effective, efficient and motivating incentive system for SLM established by 2010.

## Science and technology applied in food and agriculture development

This program aims to support the vision for a modernised food and agriculture sector. Priority areas will be supported by improved technologies and client

**Table 2: Summary investment costs 2009–2015 FASDEP-Agriculture Sector Plan**

Programme	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
1. Food security and emergency preparedness	494.5	466.2	545.7	520.0	480.1	459.2	475.3
2. Increase income growth and reduced income variability	107.7	62.3	80.0	76.6	92.0	110.8	71.6
3. Increased competitiveness and integration into domestic and international markets	22.1	31.0	21.5	23.1	26.4	8.5	7.8
4. Sustainable management of land and water	5.4	5.5	5.5	5.2	4.6	4.5	5.1
5. Science and technology applies in food and agriculture	20.7	20.7	17.5	17.6	17.7	17.9	21.6
6. Improved institutional coordination and stakeholder engagement	29.9	22.0	26.3	17.1	19.8	18.8	20.9
<b>Unconstrained total (100%) requirement</b>							
GHc	680.2	607.6	696.3	659.7	640.6	619.7	602.3
US\$	469.3	419.2	480.4	455.2	442.0	427.6	415.6
Euro	340.3	303.9	348.3	330.0	320.4	310.0	301.3
<b>Unconstrained total (75%) requirement</b>							
GHc	510.2	455.7	522.2	494.8	480.4	464.8	451.7
US\$	352.0	314.4	360.3	341.4	331.5	320.7	311.7
Euro	255.2	228.0	261.2	247.5	240.3	232.5	226.0
<b>Unconstrained total (50%) requirement</b>							
GHc	340.1	303.8	348.1	329.8	320.3	309.9	301.1
US\$	234.7	209.6	240.2	227.6	221.0	213.8	207.8
Euro	171.3	152.0	174.2	165.0	160.2	155.0	150.6

# AGRICULTURAL FUNDING AND TECHNICAL INSTITUTIONS

linkage systems will be enhanced to ensure demand-driven research and utilisation of results.

**Enhanced application of science and technology by all economic agents:** This component has the following targets: (i) increase the adoption of improved technologies by farmers by 25%; (ii) increase agricultural research funding to at least 10% of agriculture sector budgetary allocation by 2010 (It is established as a trigger by 2009.); (iii) pass a bio-safety bill by the end of 2009; (iv) ensure that a MOFA Unit to coordinate research output of the agricultural sector is well resourced and made functional by 2010; (v) establish and operationalise a sustainable funding mechanism for RELCs by June 2009.

## Enhanced institutional coordination

This program aims to promote enhanced partnership and harmonisation of efforts in order to achieve maximum results in growth and development of the sector.

**Strengthen Intra-ministerial coordination:** Aims to (i) develop and implement a communications strategy within MOFA by 2009; (ii) develop and make functional a framework for communication between national, regional and district levels by 2010; (iii) resource and build capacities of all cost centres within MOFA for electronic financial data capture and reporting and asset management are built by 2009; (iv) strengthen the capacity of the HRDM Directorate in personnel management; (v) build the human, material, logistics, and skills resource capacity of all directorates of MOFA by 2010.

**Inter-ministerial coordination:** Aims to establish a joint platform for collaboration between MOFA and other MDAs by the end of 2009.

## Partnership with Private sector and Civil Society

**Organisations:** Aims to establish a platform for private sector and civil society engagement with MOFA established by end of 2009.

**Coordination with Development Partners (donors):** Aims to strengthen MOFA-DPs coordination and collaboration strengthened and for DPs and MDAs to fund a common agriculture strategy.

The Medium Term Expenditure Framework guides all public sector budgeting and planning in Ghana. The framework allows a three-year rolling budget based on activities for implementing a sector's strategic plan. One of the principles in the Maputo Declaration that Ghana is committed to achieving is the allocation of at least 10% of government expenditure to the agriculture sector. Several other interventions that support agriculture do occur outside the government departments directly responsible for the sector. Government expenditure on agriculture dropped from 12.2% in 1980 to 4.1% in 1990 when subsidies on agricultural inputs were completely phased out. Since the late 1990s, the share of government expenditure going through the Ministry of Food and Agriculture (MOFA) has been less than 2%; inclusion of expenditure on the cocoa sub-sector however raises this share considerably. The distribution of MOFA's expenditure has historically been biased towards recurrent expenditure. Yet, the share of development expenditure is growing, increasing from 30–35% in the period 1998–2000, to 46% in 2005–2006. The areas affected by low investment expenditure are irrigation infrastructure, land development, rural roads, and post-harvest infrastructure, the latter in partnership with the private sector.

## Private agricultural sector funding

**The Agricultural Development Bank (ADB)** was established in 1965 and is the lead bank for agricultural financing in the country. The share of ADB's agricultural loans in its loans and advances portfolio as of 2000 was 65%, reaching 70% in 2005. The areas of financing are agricultural production, export financing, agro-processing and marketing and cocoa financing with more focus on production and marketing and very little on agro-processing. The ADB provided only about 28% of the total demand for credit in the agricultural sector up to the year 2006, suggesting an excess demand for credit in the sector, a situation that does not favor investment and growth of the sector.

**Rural micro-finance institutions:** the Rural Financial Services Project (RFSP) has resulted in the growth of rural banking in Ghana, especially in the south. Rural banking has been quite widespread and successful in the south. It is also gradually growing in the north. Many rural people save at and obtain loans from rural banks; many are also shareholders.

## Parastatals and other public-sector institutions

**The Ghana Cocoa Board (COCOBOD)** is the oldest and biggest government parastatal in the country. It has been charged with the development of the cocoa, coffee, kola and sheanut industries. However because of the importance of cocoa to the Ghanaian economy, the activities of the COCOBOD with respect to other crops are limited.

### **Grains and Legumes Development Board (GLDB)**

exists to support research on new improved crop varieties as well as the improvement of existing varieties through production and distribution of seed and planting materials to farmers.

**Ghana Irrigation Development Authority (GIDA):** is an institution under MoFA, responsible for irrigation development in the country.

**Millennium Development Authority (MiDA):** focuses on increasing the production and productivity of high value cash and staple food crops in three selected regions of Ghana. Interventions are aimed at the marketability and competitiveness of Ghana's agricultural products in domestic, regional and international markets. The program has three projects: (i) development of agricultural productivity, (ii) transportation infrastructure development, and (iii) rural services development.

**National Agricultural Research System (NARS)** comprises nine research institutes under the Council for Scientific and Industrial Research (CSIR), the Cocoa Research Institute, and the faculties and schools of agriculture, as well as the departments of botany, zoology and food sciences of the country's universities. There are 29 agencies involved in agricultural research in Ghana, 15 of which are for higher-education. Most of the research is conducted at Ghana's five main universities. CSIR undertakes several collaborative research projects with various centers of the Consultative Group on International Agricultural Research (CGIAR). In 2001, public spending on research as a proportion of agriculture GDP was 0.44% having increased from 0.21% in 1981. Despite this improvement, the 2001 ratio was only half the average of 0.85% for Sub-Saharan Africa. The Agricultural Services Sub-Sector Investment Program (AgSSIP) was launched in June 2000 to facilitate and support the achievement of this shift toward commercialization. A key component of AgSSIP is sustainable financing of research by restructuring and strengthening agricultural research and extension and improving farmer and other stakeholder participation in the governance and financing of agricultural research.

## Producer organizations

**Farmers' associations:** Promotion of farmer organizations has been a key strategy of government to facilitate access of farmers, especially smallholders, to services and inputs. A Farmer Based Organisation (FBO) Development Fund was created under AgSSIP to support this strategy and a pilot FBO development project was implemented in a number of districts. The goal is to establish a network of commodity or activity based FBOs from the community level to district, regional and national apex bodies. Various types of farmer associations, which aim at furthering their various collective interests, exist. Most of them are single crop and single animal associations. There are, however, a few that are more general: the Peasant Farmers' Association of Ghana, National Farmers and Fishermen Award Winners' Association of Ghana (AFFAWAG), Ghana National Association of Farmers and Fishermen (GNAFF) and others.

**Produce Buying Agencies (PBAs):** are typical marketing intermediaries that bulk produce from villages for sale to bigger marketing companies such as the Ghana Cocoa Board or for export. PBAs also sometimes provide inputs required by farmers. They also function at times as quality assurance agents and are important in the grading of produce. PBAs are widespread in the cocoa industry, some are owned by farmer associations.

**Agricultural Marketing Companies:** Private companies for agricultural produce marketing, some of which are being promoted by non-governmental organizations, are beginning to emerge. A good example is the Savannah Farmers' Marketing Company Limited (SFMC) which markets sorghum, groundnuts, soybeans and sheanuts. SFMC works on the basis of a supply chain from farmers, who are scattered all over the three northern regions, to companies such as Guinness Ghana Breweries Ghana Ltd and others in and outside Ghana.

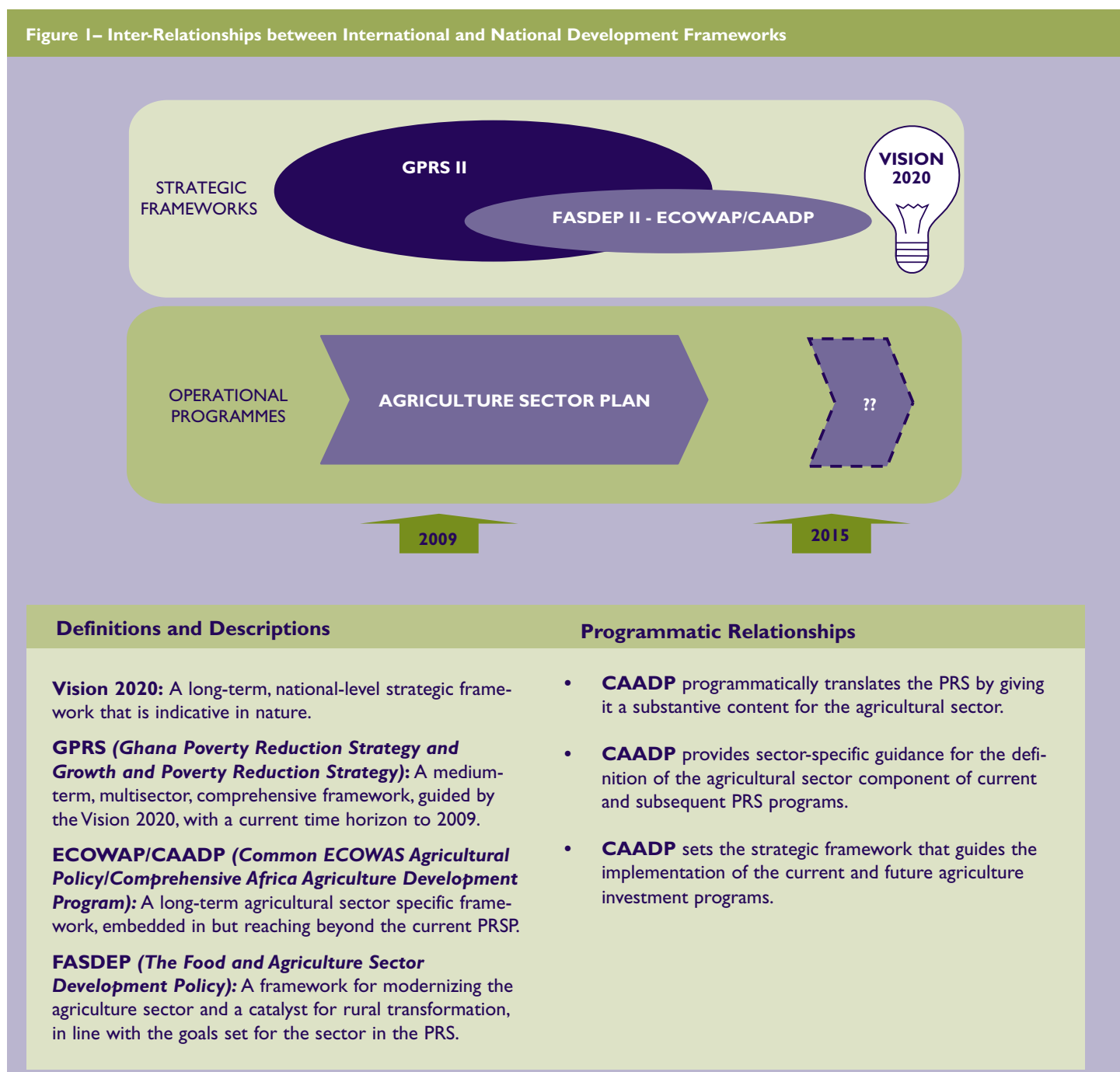
## RELATIONSHIP BETWEEN INTERNATIONAL AND NATIONAL AGRICULTURE DEVELOPMENT FRAMEWORKS (VISION 2020, GRPSII, FASDEPII AND CAADP)

The goal of the Comprehensive Africa Agricultural Development Programme (CAADP) and the Common ECOWAS Agricultural Policy (ECOWAP) is to serve



as a framework for intervention in agricultural policies and development strategies in Africa and in West Africa, respectively. These frameworks are also intended to be integral parts of national efforts to promote agriculture sector growth and overall economic development in the countries. The overriding goal of ECOWAP/CAADP is to help African countries increase their economic growth through agriculture-based development. This goal is in close harmony with Ghana's FASDEP and the GPRS. An important aspect of the GPRSII is that it seeks to make operational various international covenants, under which

CAADP and the MDGs, of relevance to the poverty reduction objectives of the strategy and of which Ghana is signatory. The agricultural sector has been recognized in both GPRS I and GPRS II as key to rural development and to poverty reduction. FASDEPI was developed to support the implementation of GPRS I; its revision into FASDEPII responds to the 'growth focus for poverty reduction' paradigm of GPRS II. The Agriculture Sector Plan is the operational framework for FASDEPII. The interrelationships between all of the above frameworks are schematically presented in Figure I.







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