

PRESS RELEASE

FOR IMMEDIATE RELEASE: GHANA FOOD SECURITY UNDER THREAT

In June 2023, the government of Ghana launched the phase II of the Planting for food and Jobs Program (PFJ2.0), a five-year master plan to renew and affirm its commitment to agriculture in Ghana with the overall aim of transforming and modernizing agriculture in Ghana through the development of selected agriculture value chains with active private sector participation. The program has six interrelated specific objectives of ensuring food availability, reducing food price inflation, promoting import substitution, promoting exports, creating jobs for small and medium sized enterprises and ensuring food security and resilience.

The success or otherwise of the PFJ 2.0 is largely dependent on the availability of quality agriculture inputs such as pesticides, fertilizers, seeds and machinery at affordable prices to farmers. In recognizing this, the 2024 national budget categorically captured Governments priority to grant tax exemptions on the importation of agriculture machinery and other inputs to promote and safeguard food security in Ghana and for the agriculture sector to remain the key driver of Ghana's economy, employing about 38.3% of the total works force and accounting for about 20% of National GDP over the past six (6) years.

The Executive Council and entire membership of CropLife Ghana, an association of importers and distributors of pesticides, fertilizers and other agriculture inputs in Ghana are extremely concerned about the actions of the Ministry of Finance and Economic Planning in granting tax exemptions for the importation of agricultural inputs and commodities such as pesticides as captured in the 2024 National budget. This posture by the Ministry of Finance and Economic Planning has dire consequence for the agriculture sector which is already fragile due to global price increases on agricultural inputs leading to high cost of production and could further worsen the food security situation in the

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country going forward. The high cost of inputs such as pesticides and fertilizers coupled with the escalating cost of agricultural services is making farming unattractive and unprofitable leading to low supply of food in Ghana. The situation is worsened by the high reference point values charged by the GRA at the ports on pesticides and this further exacerbates the cost of clearing these pesticides.

While we await the finance ministry to implement the tax exemptions through the Ghana Revenue Authority (GRA), members of CropLife Ghana and other service providers have their pesticides and fertilizers locked up in the ports due to exorbitant charges slapped on them by way of import duty. Others have gone ahead to clear their stocks at very high cost to include demurrages which will further push the cost of inputs above the weight of an ordinary farmer. There are several importers who are unwilling to make any shipment due to this development and farmers are already experiencing shortages in one way or the other which has a dire consequence on the country's food security initiatives.

The Executive Council of CropLife Ghana is therefore calling on the Ministry of finance and Economic planning to as a matter of urgency, grant the tax exemptions for the importation of pesticides as captured in the 2024 national budget if indeed food security is a national priority.

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