

Fertilizer Watch



Monthly Update on Fertilizer Subsidy Programme in Ghana Sept 2020



MONTHLY UPDATES ON FERTILIZER SUBSIDY CAMPAIGN BY THE PEASANT FARMERS ASSOCIATION OF GHANA (PFAG). September 2020



About Fertilizer Watch

This publication is a summary of findings from real-time on-field monitoring by selected PFAG member to address issues of poor targeting, untimely delivery and access to subsidized fertilizer being provided under government of Ghana's flagship Plating for Food and Jobs (PFJ).

Peasant Farmers Association of Ghana (PFAG) and SEND Ghana are jointly implementing a project that is harnessing the agency of farmers in demanding efficient and accountable utilization of budget resources for sustained improvement in subsidized fertilizer service delivery. Titled *"Efficient Fertilizer Subsidy Programme for Enhanced Food Production by Smallholder Farmers in Ghana"*, the project is being implemented in 7 Districts (Shai Osudoku, Hohoe, Pusiga, West Mamprusi, Sissala East, Mamprugu Magduri and Gushegu) across five regions in Ghana and it is funded by the International Budget Partnership.

Findings from Realtime Monitoring

Are subsidized fertilizer being distributed throughout the scheduled period of the farming season?

NO. According to the implementation strategy of the fertilizer subsidy programme in Ghana for the 2020 farming season, the distribution of subsidized fertilizer was scheduled to end in November 2020. That notwithstanding, the programme came to an abrupt end in the last

week of August 2020. This led to shortage of subsidized fertilizer in the country, especially in the Northern part of Ghana.

Are the subsidized fertilizer being distributed at the subsidized price across the country?

NOT REALLY. Though government funded fertilizer remained subsidized, it was sold at about 85% instead of 50% of market price

Quotes

"I have been having sleepless night when I think of the impunity with which officials who are supposed to police the subsidized fertilizer rather become agents of smuggling"
(Seth Akoto, Director of crops)

"PFAG monitoring activities in Yagaba has been very useful to the smallholder farmers. Last year, farmers had to travel to Fumbisi and Bolga to get fertilizer due to hijacking by big farmers but this year, your monitoring activities led to fair distribution of fertilizer sales"
(Hon. Tanko, MP of Yagaba)

"I am aware of security officers, officers from the district and regional department of agriculture who work with fertilizer distributors to smuggle fertilizer to Burkina Faso and Togo. We are working had to expose them one





per government policy and 2020 budget. During the second week of August when PFAG members were monitoring the fertilizer supply, the 25kg of NPK was being sold between GHC42 - GHC45 by many retailers depending on the area, instead of the fixed GHC42.

Are farmers receiving the targeted quantities for NPK, Urea and Organic fertilizers?

NO. Interestingly, Urea which forms part of the fertilizer subsidy programme and was in high demand in August was not supplied by most fertilizer companies, as at the time distributing companies were directed to stop supplying. Majority of smallholder farmers who were waiting to purchase urea for top dressing in September were highly disappointed since most of the fertilizer companies promised to supply urea in September. Plus this year it was open sales within need for identification so even non-farmers could easily exploit the subsidized fertilizer. This development may limit the impact of fertilizer subsidies since application of only NPK without urea could negatively affect crop yields.

Are the subsidized fertilizers distributed across regions according to a transparent formula?

NO. No information is available about the distribution across regions. According to the coordinator of the fertilizer subsidy programme, Mr. Seth Akoto, most fertilizer companies distributed more than the quotas allocated to them due to smuggling and hoarding. Unfortunately, these quotas are not made public and PFAG has not been able to obtain this data. The management of PFAG presented reports of fertilizer smuggling especially at border districts in Northern Ghana, limited access of fertilizer by smallholder farmers and fertilizer hoarding to the Director of Crops on 3rd September in his office. The Director of Crops, responsible for the fertilizer subsidy programme, corroborated the PFAG findings based on his own field assessment and key informant information.

Quick Facts from the Field

1. PFAG were able to identify some smuggled fertilizer and reported to the Crops Services Directorate
2. Some retailers have capitalized on the shortage of fertilizer to hike fertilizer prices

3. Security agents, fertilizer distributors and retailers, some staff from District Department of Agriculture and some politicians were identified by PFAG as key partners in the fertilizer hoarding and smuggling business
4. There is no information on fertilizer allocation to respective regions and districts and this gives room for diversion and smuggling by retailers and their accomplices
5. Some NABCO officials who have been deployed to supervise the retailing of fertilizer have been conniving with commercial farmers who wish to buy more than the 15 bags which has been allocated.

Actions & Responses

Based on the above stated findings and facts PFAG members raised the issues with MoFA for redress:

1. Government sent a committee (that included officials of MoFA and the Bureau of National Investigations) to follow up on issues raised by PFAG in the various districts (Sissala East and West, Kassena Nankana West, Bawku and Pusiga) in Northern Ghana where fertilizer smuggling is rampant.
2. Fertilizer companies were invited and questioned on the smuggling issues
3. There is reward system for communities to provide key informant information on smuggled fertilizer.
4. PFAG reported some NABCO officials conniving with retailers to increase prices leading to their dismissal from taken part in the fertilizer subsidy programme
5. PFAG presence in some districts led to price stability and availability of subsidized fertilizer for smallholder farmers.

Notes:

The Director of Crop Service expressed his displeasure with the level of smuggling of the subsidized fertilizer and was particularly disappointed with the partners who were mandated to police the fertilizer rather becoming agents of smuggling.

While PFAG acknowledges the efforts by the Director of Crops in ensuring smooth implementation of the Fertilizer Subsidy Programme, the Association was not happy with the Director for not allowing the fertilizer companies to supply urea as part of the fertilizer subsidy programme. For instance, only NPK was supplied while urea which is equally needed to guarantee maximum crop yields was never supplied.

PFAG attributed the smuggling of fertilizer to the connivance of security agencies in Northern Ghana, officers from District and Regional Department of Agriculture as well as some politicians who are diverting the subsidized fertilizer for rent seeking in the 2020 election.

after the other” (Abdul-Rahman Mohammed, President of PFAG).

“I have discussed with the minister and we have put a reward system in place. Tell your members that anybody who provides information leading to arrest of smugglers of subsidized fertilizer will be entitled to 10% of the value of the recovered fertilizer” (Seth Akoto, Director of crop services)

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