

**POSITION PAPER ON THE ASSESSMENT OF THE 2022  
IMPLEMENTATION OF THE PLANTING FOR FOOD AND JOBS  
PROGRAMME AND ITS IMPACT ON SMALLHOLDER FARMERS OF  
GHANA**



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Peasant Farmers Association of Ghana

## **1.0. PREAMBLE**

As part of the government's agenda to transform the agricultural sector to transform livelihoods and drive economic growth, the Ministry of Food and Agriculture in 2017 introduced the "Planting for Food and Jobs" (PFJ) aiming at modernizing the activities of smallholder farmers to increase food production, create jobs and provide raw materials for agro-based industries. The provision of input subsidies of about 50% especially on fertilizer under the PFJ program in 2017 was crucial and timely as inorganic fertilizer application in Ghana was as low as 8kg per hectare, far below the recommended rate of at least, 50kg per hectare (MoFA, 2017). While the implementation of PFJ has chalked some successes, the programme is berated with series of challenges ranging from difficulty in paying fertilizer and seed suppliers, smuggling, poor quality of seeds and fertilizer supplied under the programme and consistent reduction in the subsidy component to farmers.

To ascertain the effectiveness of the program over the last planting season to beneficiaries, especially small holder farmers and as part of PFAG's annual exercise of providing feedback to influence the implementation of the program, the PFAG carried out an assessment of the implementation modalities including a budget credibility analysis of the program for 2022. The findings were validated by different stakeholders from the agricultural value chains including officers from the various departments of agriculture from the decentralized to the national level. The findings were summarized to provide feedback to government for consideration and also contribute inputs for integration into the new direction and focus of the Planting for Food and Jobs. This Position paper is therefore to share the findings of the assessment and stakeholder recommendations on how to improve the implementation in going forward.

## **2.0. AIM OF THE ASSESSMENT**

The main aim of the assessment was to use evidence to influence the implementation modalities of the PFJ and provide input for consideration by the Ministry for its proposed "Enhanced PFJ". Specific objectives of the assessment were:

- To understand the connection between execution of the fertilizer subsidy budget and the actual delivery
- To understand farmers' experiences of fertilizer hikes and its effect on their activities in 2022

- To understand farmers' perception of quality of the 2022 PFJ fertilizer and seeds and role of regulatory agencies
- To understand farmers' experiences on the mode of distribution of inputs using ICT
- To understand the extent of investments in the other PFJ pillars apart from seeds and fertilizer
- To understand the effect of PFJ implementation on food supply for the 2022 farming season and its impact on the livelihoods of smallholder farmers
- To gather lessons from previous experiences and use the evidence and insights as recommendations for policy consideration

### **3.0. METHODOLOGY**

The assessment was carried out within the period of March and April 2023 covering twenty-six districts across nine regions of Ghana. Both quantitative and qualitative research method was used to source primary and secondary data. The primary data sourced was through Focus Group Discussions (FGD), individual interviews and key informant interviews. The target respondents were farmers, fertilizer and seed suppliers, input dealers and officers from the district and regional department of agriculture. At the farmer level, a total of one thousand one hundred and sixteen individual farmers participated in the assessment. At the national level, Plant Protection and Regulatory Services Directorate (PPRSD) of MoFA and Crops Services Directorate were contacted. The secondary data was sourced through documentary analysis of national budgets and expenditure statements from Ministry of Finance, Ministry of Food and Agriculture, PFJ implementation plans and food and agricultural policies of Ghana.

The report was validated at separate stakeholder validation workshops in Tamale and Accra where stakeholders ranging from farmers across Ghana, Civil Society Organisations, Development partners, officers from the Ministry of Finance, Ministry of Food and Agriculture and the media participated. The involvement of wider range of stakeholders was to ensure that suggestions and recommendations considered are diverse and inclusive of opinions of varied stakeholders.

## **4.0. SUMMARY OF KEY FINDINGS**

### ***4.1. ON BUDGET CREDIBILITY.***

- Food security is a major issue for Ghana as it builds on previous years of low budget allocations and underspending of the budget, which are linked with the inability of the MoFA to meet their own service delivery targets for agricultural support programs. These challenges are also reflected in Ghana's poor progress in achieving the sustainable development goal on ending hunger by 2030 (SDG 2) due to under investments in the sector.
- MoFA's budget implementation has been characterized by persistent underspending against both the initial and revised budgets in the last five years (2017-2021). On average only 70 percent of revised budgetary allocations to MoFA was disbursed for the execution of the ministry's planned activities over the period.
- MoFA's capital budget has the least credibility with significant spending deviations from the approved budget. MoFA's capital budget recorded the highest average deviation during budget implementation with nearly half of planned capital outlays not implemented as planned in the last five years (budget underspend of 51 percent).
- MoFA's budget implementation is hampered by cash management problems. Although the amounts released by MoF for the execution of MoFA's budget are often below the initial and revised budgetary allocations, the released funds seemingly are not fully utilized. This holds true for the goods and services and capital budgets. For instance, between 2018-2021, while the approved capital expenditure budget for MoFA was GHS 1,932 million, the amount released was GHS 1,106 million. However, GHS 924 million was utilized with a difference of GHS 182 million not used and perhaps returned to central government. Similarly, the goods and services budget recorded unused balance of GHS 292 million (difference between amount released and actual expenditure) over the same period.
- MoFA has consistently overspent the fertilizer subsidy budget by 148 percent on average between 2017-2020 and under-delivered its planned metric tonnes of subsidized fertilizer by 17 percent. The subsidy program is plagued with persistent accumulation of payment arrears to fertilizer and seed suppliers in spite of the expenditure overruns.

## ***4.2 ON FERTILIZER PRICES***

- About 92% of the respondents perceived the prices of fertilizer for 2022 to be beyond their purchasing power, with most farmers complaining of little or no differences between prices from the open market fertilizer and that of subsidized fertilizer for 2022. The prices for the PFJ fertilizer for 2022 was between GHS 320.00 for the 50kg NPK, while the open market fertilizer was going for between GHS 320.00 and GHS 340.00 for the same fertilizer type. Most farmers claim that the Yara promotional fertilizer of which the farmer need to buy two bags to get one bag for free was more effective in making fertilizer prices more affordable than the PFJ programme for 2022.
- In order to deal with the fertilizer price hikes conundrum, farmers resorted to a number of coping mechanisms. Thus, 85% of the respondents had to reduce their farm sizes, 99% had to reduce the quantity of fertilizer applied to their crops while 80% had to shift from the cultivation of food crops such as maize and rice that require high fertilizer application to other low fertilizer consuming crops such as soya beans and cashew. In addition, 15% totally abandoned their farms to look for other economic opportunities. The PFAG is concerned with this development, as substituting staple foods for industrial crops have dire consequences for our food and nutritional security situation.

## ***4.3. ON FERTILIZER QUALITY***

- The assessment found about 80% of respondents complained of poor quality of fertilizers, while only 15% agreed that quality of fertilizer met their expectations. Farmers definition of quality fertilizer are based on: their crops changing colour to green after application, the plant stalk becoming larger, crop yields without such fertilizer application yielder higher than other fields that did not apply such fertilizer, and others also attributes quality fertilizer to the product brand. The perceived poor quality led to dwindling interest in the PFJ fertilizer.
- State regulatory agencies such as the PPRSD are under resourced and under-empowered to undertake their monitoring and compliance duties

#### ***4.4. ON ORGANIC FERTILIZER***

- Due to the high price of inorganic fertilizer, government promoted the use of organic fertilizers in the 2022 season. However, there were mixed reactions about their performance. While some farmers perceived the performance of the organic fertilizer to be below their expectation, others said combination of the organic and inorganic fertilizer gave optimal results. Also, input dealers complained of low patronage of farmers leading to low sales, as some input dealers claimed they could not supply 10% of their organic fertilizer allocation.

#### ***4.5. ON SEED QUALITY***

- The assessment found about 80% of farmers perceiving seeds supplied under the PFJ as inferior while 15% agreed that the quality met their expectation. Farmers also reported that seeds supplied under the PFJ had poor germination rates and some seed suppliers packaging grains as seeds and supplying under the PFJ programme. The perceived poor quality of PFJ seeds led to many farmers relying on their own seeds for planting.

#### ***4.6. INVESTMENT ON OTHER PILLARS (MARKETING, EXTENSION AND E-GRICULTURE)***

While PFJ was anchored on five pillars, the assessment found that government focused on investing in only fertilizer and which was receiving more than 50% of the entire MoFA budget with fertilizer alone receiving more than 80% of PFJ budget. The marketing pillar for instance, only received government's attention during the food crisis prior last year leading to creation of plantain market at the premises of Ministry of Food and Agriculture.

#### ***4.7. STAKEHOLDER PERCEPTION ABOUT THE FUTURE OF PFJ***

The assessment found 17% of respondents wanted the PFJ to be completely scrapped, while 12% opted for it to be maintained in its current form with 71% opting for it to be modified. The reasons provided for its modification was due to over dependence on fertilizer and seeds, dwindling interest of farmers in PFJ inputs due to inferior quality and high prices of fertilizer and seeds even with the subsidies.

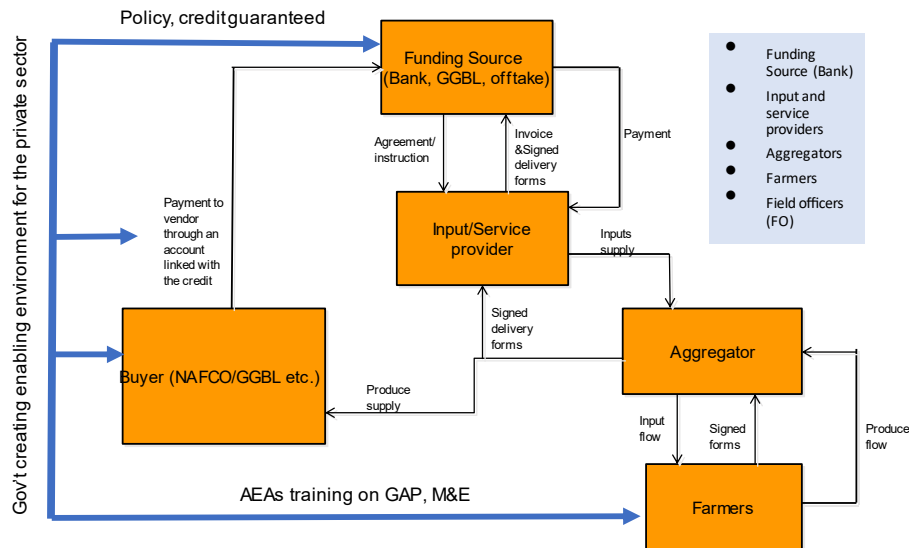
#### **4.7. CONCLUSION**

- Even though the PFJ had five main pillars, it was overly concentrated on fertilizer and seeds component which accounts for more than 80% of PFJ's total budget
- Issues of high prices, quality of seeds and fertilizers remain critical to farmers
- The switching from cultivation of food crops to industrial crops should be a matter of concern due to food and nutritional security implications
- The design, planning and roll-out of the program was not inclusive, thus did not involve the participation and inputs from relevant and key state and non-state institutions and key decisions was at the beck-and-call of the sector minister.
- Specific concerns of women and other vulnerable groups were not considered in the program design and lay-out
- The poor performance of PFJ contributed to low food supply and unprecedented high food inflation (61%)
- Given the above challenges, stakeholders were unanimous that the PFJ in its current form should either be modified or completely scrapped and replaced with value chain approach

#### **5.0. PFAG PROPOSED MODEL FOR CONSIDERATION**

Given the overly concentration of PFJ on fertilizer and seeds with little attention to the other value chains, the PFAG recommends a much more expansive approach that delivers other solutions along the value chain. This can be implemented through the outgrower model, which will be private sector led with government only playing a monitoring and regulatory role whiles providing the enabling environment for the private sector to deliver.

## SUGGESTED MODEL CURRENTLY IMPLEMENTED BY PFAG AND GGBL



## IMPLEMENTATION AND MONITORING ARRANGEMENT

- Employ temporary Field Officers ( FO) to undertake field control and monitoring (Input distribution, input application, pre-harvest and harvesting operations)
- Each FO will be in-charge of at least 250 farmers..
- This will be complemented by other FOs of the aggregators and GGBL Agribusiness Team.
- sign agreement to formally commit both the aggregators and the farmers .
- Temp. FOs will be located in communities within the same geographical area in order to make monitoring easier and more effective .

### Pre-harvest and Harvesting

- Periodic monitoring of field performance of the crops by temp- and aggregator FO .
- Supervision of harvesting by temp- and aggregator FO ensure the application of good agronomic practices during harvest
- Establish aggregation points in the FBO communities .
- Identify a dedicated truck to convey produce from community aggregation points to aggregator's site, and onward supply to GGBL .

### Inputs supply

- input delivery forms will be applied
- Inputs to be delivered at the farmer's community
- Each farmer will sign/thumbprint against their names upon receipt of the inputs and FBOs leaders will counter-sign input delivery forms
- Copies of signed forms to submitted to the aggregator and financier .
- Farmers will have access to the inputs *only* at the required time of application (to ensure farmers do not sell their inputs out).

### Application of inputs

- Input application to be monitored jointly by members of the FBOs/temp. FO/aggregator's FO
- Aggregators field personnel in conjunction with temp-w orkers to carryout spotchecks to validate the input application.
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## PRE-FINANCING RISK AND MITIGATION

Risks	Mitigation
<ul style="list-style-type: none"> <li>• Total crop failure</li> <li>• Low yield</li> <li>• Side-selling</li> <li>• Natural disaster</li> <li>• Default in repayment</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of a Crop Insurance policy</li> <li>• Institution of a binding agreement with aggregators/farmers (jointly and severally liable agreement)</li> <li>• Installation of a technical team to manage project</li> <li>• expand irrigation system</li> <li>• Monitoring to ensure on-time delivery and correct application of inputs</li> <li>• Amortize sorghum supply</li> <li>• GIS mapping of farms on the project</li> </ul>
<p>Project Management Team <i>(Implement project to achieve objective and ensure repayment of investment)</i></p>	
<p><b>Option 1</b></p> <ul style="list-style-type: none"> <li>• Recruitment of additional technical staff for the Agribusiness team (on contract, max 3yrs).</li> </ul>	
<p><b>Option 2</b></p> <ul style="list-style-type: none"> <li>• Engagement of an NGO (Comparatively expensive)</li> </ul>	

### 6.0. RECOMMENDATIONS:

Based on the findings, we make the following recommendations to improve the sector's budget implementation and overall performance:

1. To improve the country's food security situation, government should prioritize the agriculture sector and release funds timeously and in line with the approved budget.
2. MoFA should improve its cash management and ensure funds released for budget execution are efficiently and fully utilized.
3. MoFA should deepen accountability by providing explanations for spending deviations against the approved budget and how the delivery of promised key agricultural support services and programs are impacted in its sector performance reports.
4. The Ghana Audit Service should conduct a value for money audit of the fertilizer subsidy programme in view of the over-expenditure and the under-deliveries in addition to the payment arrears issues affecting the programme.
5. To address the issue of poor quality of PFJ inputs, PPRSD should be empowered and resourced to intensify their monitoring and compliance roles.

6. To ensure other pillars on the PFJ are supported, government should consider a value chain approach where support is not limited to only fertilizer and seeds, but to include mechanization, warehousing, extension and marketing services
7. While supporting the plans to introduce outgrower model as a replacement for the fertilizer and seed subsidies, PFAG strongly recommends government to allow private sector to lead value chain activities with government playing a monitoring and regulatory role. This can be achieved by adopting current outgrower scheme being implemented by Guinness Ghana Brewery Limited (GGBL).