



INTERNATIONAL FOOD POLICY RESEARCH INSTITUTE
sustainable solutions for ending hunger and poverty

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PRESS RELEASE

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Accelerating Growth and Raising Incomes through Agricultural Development: Experts, Farmers, and Policymakers Gather to Discuss Options and Strategies

Accra—Nearly 70 high-level Ghanaian policymakers, farmer representatives, and international experts convened a workshop today to discuss the role of agriculture in accelerating economic growth, with the goal of doubling Ghana’s per capita income within ten years. The workshop, “The Role of Agriculture in Achieving Middle Income Status,” is organized by the Ghana Strategy Support Program (GSSP), a collaborative initiative of the Government of Ghana, development partners, and the International Food Policy Research Institute (IFPRI). GSSP seeks to build the capacity of researchers, policymakers, and civil society members to better plan and implement agricultural and rural development strategies that improve the livelihoods of poor people.

Ghana is one of the few African countries that will likely meet the Millennium Development Goal (MDG) of cutting poverty and hunger in half before the target year of 2015. The Government of Ghana has now also declared the more ambitious development goal of reaching Middle Income Country (MIC) status—doubling per capita by 2015.

During his opening address at the workshop, Hon. Ernest Debrah, Minister of Food and Agriculture, noted the important connections between the workshop agenda and IFPRI’s recent global conference on “Taking Action for the World’s Poor and Hungry People,” held last month in Beijing, China, where he played a key role in presenting Ghana’s success story.

Drawing on lessons from other countries, workshop participants discussed growth and investment options for Ghana to reach its MIC goal, with a focus on three main themes:

1. the role of agriculture in achieving MIC status,
2. achieving inclusive agricultural growth, and
3. developing smallholder agriculture.

“Agriculture has grown at an annual rate of more than five percent in the last five years,” said Shashidhara Kolavalli, IFPRI senior research fellow and GSSP program leader. “The agricultural sector will likely remain the main driver of growth and thus play an important role in achieving Ghana’s MIC goal.”

Smallholder farmers overwhelmingly dominate agriculture in Ghana, and many commodities, including cocoa, are predominantly produced on small farms. Improving the productivity of smallholders is therefore essential for increasing the performance of agriculture, raising incomes, and spurring national economic growth.

Although cocoa has contributed significantly to agricultural growth and rural poverty reduction in the past, its ability to do so in the future is limited. Many of Ghana’s rural poor live in the North of the country, outside the cocoa producing regions.

According to IFPRI projections, accelerated growth on Ghana’s path to achieving Middle Income Country status will increase the income gap between different geographic regions, concentrating poverty in the North, where 45 percent of Ghana’s poor people currently live. Without appropriate policy interventions, two-thirds of the country’s poor people could live in the North by 2015, when Ghana expects to reach its MIC goal.

“Future efforts to reach poor smallholders will require a more comprehensive and targeted approach, especially since overall growth is likely to increase income inequality between the North and the South, leaving poor northern households behind,” explained Shenggen Fan, director of IFPRI’s Development Strategy and Governance Division. “To minimize trade-offs between rapid growth and further poverty reduction, growth needs to be more inclusive and supported by additional private and public investment.”

Investments that improve infrastructure and technology delivery to poor people and increase their access to credit, advisory services, and markets are particularly important. By bringing government closer

to the people, the decentralization reforms that Ghana is currently undertaking have considerable potential to improve the efficiency of public spending in these areas. However, according to a recent IFPRI study, public agricultural spending, which currently accounts for 8-9 percent of the government's total budget, needs to increase to 11 percent if Ghana is to achieve its MIC goal. In addition, more research is needed to determine how to provide better agricultural services to the rural poor, especially women.

Although the path to reaching MIC status differs from country to country, accelerated growth, economic structural change, and diversification of exports are common factors among successful countries. On Ghana's path to development, it will likely face increasing competition from imported foods and in foreign markets for both traditional and nontraditional exports.

"To meet these challenges, accelerated growth in agriculture needs to be driven by increased productivity and competitiveness among smallholder farmers, instead of land expansion, as in the past," noted Dr. Kolavalli. "Development of the food chain, from the farmer to the final market, is a priority for transforming the smallholder production system and the livelihoods that depend on it."

In tackling these issues, workshop participants will struggle with such questions as:

- What changes in public investment are required to enhance the role of agriculture in achieving Middle Income Country status?
- How can decentralization contribute to inclusive agricultural growth and which governance reforms will most improve delivery of services to poor people in rural areas?
- Which policies are needed to better target smallholder farmers and make them more competitive globally and regionally?

"Ghana's goal of reaching Middle Income Country status by 2015 is ambitious but not utopian," said Joachim von Braun, Director General of IFPRI. "The country's rapid reduction of poverty and malnutrition in the past 10 years is very impressive. Now, with appropriate policies and investments, particularly in the areas of agriculture, infrastructure, and education, Ghana can pursue sustained growth and further poverty reduction."

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