

GHANA

Strategy Support Program



Session 4: Seeds, Draft Animals and Machines

SESSION SUMMARY

Chair: Ramatu Al-Hassan

Panel: Robert Tripp, Xinshen Diao, Nazaire Houssou, Ben Kemetse, Alabi Bortey

Continuing the discussion of increasing agricultural productivity, we turned our focus to the potential of mechanization and the impact of seed policy reform for sustained improvement in agricultural production. Mechanization and animal traction have potential to improve labor productivity for land preparation and other operations [[GSSP Discussion Note #028](#)]. Since 2007, government has stepped up its support to mechanization through import and supply of subsidized tractors to Agricultural Mechanization Service Enterprise Centers (AMSECs). These centers are privately run, with the intention that the scheme will encourage private sector investment in mechanization service supply, but there are concerns regarding the sustainability of private sector provision without government assistance. IFPRI's analysis shows that under current conditions, very few tractors are run at a profit [[GSSP Discussion Note #012](#)]. Changes to the supply model could improve the quality of mechanization support services as well as promote the private sector's import of affordable and appropriate machinery for the Ghanaian market [[GSSP Discussion Note #011](#)]. A pertinent question was raised as to whether the government's AMSEC program has learnt lessons from a similar government-sponsored mechanization service provision scheme operated in the 1970s. The boundaries of the government's role in provision of mechanization services was debated with some suggesting that its only role should be the public goods of research and training on equipment. The social priority of securing adequate food supply for Ghana was suggested as a justification for more active government role, despite poor economic justification. It was agreed

that mechanization is increasingly important for Ghanaian agriculture as labor constraints become more pressing.

Considerable progress has been made in recent years to develop Ghana's seed sector including a newly enacted seed law. Additionally, a National Seed Council has been appointed and a handful of small, domestic seed companies have recently emerged. There is increased use of imported commercial seed and a new seed subsidy program has been established. However, participants heard from IFPRI research [[GSSP Discussion Note #010](#)] that a number of unknowns make it difficult to predict the future of Ghana's seed industry and to identify required policies. For farmers to demand new and more seeds, there needs to be strong output demand to incentivize investment in better seed technology. Despite the fact that there are 12-15 recently released new maize varieties, 98.5% of maize produced over the last five years has been the from the same seed variety. In addition, the seed price in Ghana is very low compared to other countries. Despite this, the government has announced a subsidy costing US\$1-2million per year. From the perspective of a small private seed company, the public institutions which should help them are creating obstacles and keeping profits too low to induce investment seed production. An example was highlighted by a private seed company at the session which has been trying to introduce their own-brand packaging in order to distinguish their products and build reputation among farmers, but there have been delays in gaining permission from the regulatory body.

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