

**SPEECH TO BE DELIVERED BY H.E. AMB. GINA AMA BLAY AT THE NEW
YEAR RECEPTION OF THE FEDERAL MINISTRY OF ECONOMIC
COOPERATION AND DEVELOPMENT (BMZ), BERLIN MESSE,
23RD JANUARY, 2018**

Dr. Gerd Müller, Federal Minister for Economic Cooperation and Development;

Mr. Christian Schmidt, Federal Minister of Food and Agriculture;

Excellencies, Colleague Members of the Diplomatic Corps;

Honourable Members of the Bundestag;

Representatives of Governmental Institutions, the Private Sector and Civil Society;

Distinguished Invited Guests;

Ladies and Gentlemen.

I feel greatly honoured to be invited as one of the speakers at this all- important event on the calendar of the Federal Ministry of Economic Cooperation and Development. I am particularly grateful to Federal Minister, Dr. Gerd Müller, for this privilege accorded me personally, and my country, Ghana. This no doubt, bespeaks the growing momentum which has characterized relations between our two countries in recent times.

Permit me to also commend the Ministry for its focus on coca and cotton this year, two crops whose importance in dealing with

hunger among farmers particularly in Africa and elsewhere remains immeasurable. Indeed, the emphasis on fair production and fair purchasing is equally apt since those are the areas deemed critical along the entire agricultural value chain in enhancing the well-being of our farmers.

Let me therefore use this occasion to share some perspectives with you on Ghana's cocoa industry and what we have been doing over the years as a nation to improve the conditions of our farmers. May I, however, hasten to add even though Ghana also produces cotton, its intensity as compared to the regional average is at a lower level.

Excellencies,

Ladies and Gentlemen,

As the second leading producer of cocoa in the world after Cote d'Ivoire, the industry has been the mainstay of Ghana's economy for over a century. It currently provides jobs for approximately 800,000 farmers and their families across six out of the ten regions in the country. The industry generates over two billion United States Dollars by way of foreign exchange annually to support our economy, thereby being a major contributor to Ghana's total revenue, and also to her GDP. In most cocoa-producing households, the crop accounts for over 67 per cent of household income.

Distinguished Ladies and Gentlemen,

Price volatilities on the international market, however, represents the greatest challenge of our industry. The prices of the commodity have declined by about 40 per cent over the past two years - from US \$3,000 per tonne to \$1,900. Indeed, data from the Bank of Ghana showed that between February 2016 and 2017 alone, Ghana's revenue from cocoa exports dropped by 10 per cent.

Notwithstanding these price fluctuations on the world market, the government of Ghana has taken the necessary steps to ensure that our farmers enjoy stable incomes from their produce. By 2004, for example, cocoa farmers in Ghana were receiving 70 per cent of the revenue being generated from cocoa exports. To ensure the sustenance of this arrangement, the government introduced a new mechanism by which the local cocoa purchase price would increase by 10 per cent every year. Additionally, it was decided that a bonus be paid to farmers twice a year.

It is important to note, however, that whereas these measures are aimed at shielding our farmers from the effects of the price fluctuations on the international market, they have been done at the expense of financing critical developmental programmes.

Ladies and gentlemen,

I wish to therefore urge you to use this platform to reflect soberly on the current pricing arrangement of cocoa and other

primary commodities on the world market which does not favour exporting countries, many of whom are in the developing world.

Excellencies,

Ladies and Gentlemen,

This situation cannot, however, be allowed to continue. We cannot continue to operate a system that makes us victims or pawns of a global cocoa industry that exploits the sweat of our farmers for profit.

Let me also use this opportunity to highlight what Ghana and Cote d'Ivoire, the two leading producing countries of the commodity have done in recent times to address the issue of price volatility, among other challenges. In October 2017, the two countries signed a Strategic Partnership Agreement (SAP) that will enable them to collaborate in exercising control over the international pricing of the commodity. It is however believed that the success of this initiative by the producers of the commodity will require the support of other stakeholders on the supply chain.

On the domestic front, the Government of Ghana is also churning out policies to promote cocoa production, processing and consumption. The introduction of the Cocoa Diseases and Pest Control Programme, otherwise known as mass cocoa spraying exercise, together with the provision of subsidised fertilizer to farmers, is expected to boost production.

Furthermore, the Government is also looking to increase domestic processing of cocoa from the current 15 per cent to 50 per cent of annual production by 2020. The processing of cocoa is expected to go beyond just grinding of the beans, to tertiary manufacturing for table consumption.

Additionally, under the Government's programme of establishing one factory in each district in Ghana, the private sector is being encouraged to roll out programmes to create small-scale cocoa processing industries across the cocoa-growing districts of the country. Chocolates and other cocoa products from Ghana should therefore be accessible everywhere on the globe.

Distinguished Ladies and Gentlemen,

I have attempted to give you an overview of the state of Ghana's cocoa industry in the hope that you will appreciate how price volatilities in the world market is directly affecting our cocoa farmers. It is important to appreciate that low and insecure incomes of farmers which emanate from the price fluctuations has serious social and environmental effects. For example, low incomes adversely affect investment in the cocoa industry. It leads to job losses and ultimately, poverty and hunger among employees in the industry.

The above therefore calls for action among all the key players, and it is my hope that gatherings such as this would come up with concrete ideas and initiatives to address the situation.

In conclusion, Distinguished Ladies and Gentlemen, I wish to state that the steps taken by Ghana and Cote d'Ivoire which is unprecedented need to be applauded by all and sundry who have the well-being of our cocoa farmers at heart. I can only hope that all the partners and players in the industry will join forces and work conscientiously to support the initiative of these two countries. This will go a long way to safeguard the interest of our farmers, and by so doing, contribute towards achieving the **United Nations Sustainable Development Goal (SDG) Two, of Ending Hunger.**

Excellencies,

Invited Guests,

Distinguished Ladies and Gentlemen,

Let me conclude by once again expressing my sincere gratitude to Dr. Gerd Müller and his Ministry for offering me this platform to speak; and thank you to all of you for your kind attention.