

Chamber of Agribusiness Ghana Urges Sector-Wide Collaborative Price Realignment & Calls on Government to Act.

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The Chamber of Agribusiness Ghana calls for nationwide collaborative price adjustments to bolster food Security & National Prosperity, the Chamber appeals to all Agribusiness and AgroIndustry Sector players, alongside a pressing demand for intensified government intervention. We address our members and partners in the entire Agro industry value Chain (inputs, commodities, aggregation, agro-food retail, and food transportation).

Ghana's food system faces unprecedented strain. Soaring food prices severely erode consumer purchasing power, pushing nutritious diets out of reach for millions and directly threatening our national goals of food security, improved nutrition, and balanced diets. While acknowledging the cost pressures on businesses, inaction is not an option. Collective responsibility is paramount.

Why Sector-Wide Price Reductions Are Critical & Tangible

- 1. Preventing Malnutrition & Diet-Related Disease:** High prices force consumers, especially low-income households, to shift to cheaper, calorie-dense but nutrient-poor staples, reducing intake of essential proteins, vitamins, and minerals (fruits, vegetables, legumes, animal products). This directly fuels malnutrition (stunting, wasting), micronutrient deficiencies, and increases vulnerability to diet-related NCDs. Affordable prices are fundamental to public health.
- 2. Preserving Farmer Viability & Incentivizing Production:** When input costs (seeds, fertilizer, pesticides) and post-farmgate margins become prohibitive, farmers face:
 - * Reduced Planting: Inability to afford inputs leads to smaller cultivated areas.
 - * Yield Decline: Suboptimal input use lowers per-acre output.
 - * Abandonment: Some may leave farming altogether.Lower farmgate prices for commodities, achieved through reduced margins downstream, are essential to keep farmers profitable and motivated to produce more.
- 3. Curbing Food Inflation & Broader Economic Instability:** Food is the single largest component of the Consumer Price Index (CPI). Persistent high food inflation:
 - * Erodes wages and savings.
 - * Forces central banks to maintain high interest rates, stifling overall economic growth. *Triggers social unrest. Reducing food prices is the most direct lever to cool overall inflation.

4. **Restoring Consumer Demand & Market Vitality:** When consumers spend an unsustainable portion of their income on basic food, demand for other goods and services collapses. This contraction hurts the entire economy, including non-food businesses that employ millions. Affordable food frees up disposable income, stimulating broader economic recovery.
5. **Mitigating Food Waste & Improving Efficiency:** High prices at retail often mask inefficiencies and losses earlier in the chain. Pressure to reduce end-prices forces a critical re-examination of operational waste (post-harvest losses, logistical inefficiencies, excessive margins), driving necessary innovation and cost discipline.

Concurrently, Government Must Step Up: Addressing Systemic Challenges

Skyrocketing & Volatile Input Costs

- Demand: Implement transparent, well-targeted, and digitally managed input subsidy programs (fertilizer, quality seeds) using e-vouchers or direct farmer transfers to minimize leakage and ensure affordability.
- Demand: Fast-track domestic fertilizer blending and seed multiplication capacity to reduce import dependence and FOREX exposure.
- Demand: Negotiate bulk regional/global input purchases and establish strategic reserves to buffer against global price shocks.

Crippling Post-Harvest Losses (Estimates 30–50%)

- Demand: Significantly increase investment in modern, climate-smart storage infrastructure (community silos, cold storage facilities) accessible to aggregators and farmers via PPP models or concessional leases.
- Demand: Promote and subsidize adoption of proven, affordable post-harvest technologies (hermetic bags, solar dryers, small-scale processing) at the farm and aggregation levels.

Dilapidated & Costly Transportation & Logistics

- Demand: Prioritize rehabilitation and maintenance of key feeder roads linking production zones to markets and storage hubs.
- Demand: Enforce axle load limits to protect road infrastructure and reduce vehicle damage/repair costs passed on as transport fees.
- Demand: Invest in rail transport for bulk commodities and explore incentives for fleet modernization (fuel-efficient trucks).

Limited Access to Affordable Finance

- Demand: Expand successful programs like the Ghana Incentive-Based Risk Sharing System for Agricultural Lending (GIRSAL) and develop new, de-risked lending instruments tailored for SMEs across the value chain (inputs, aggregation, processing, logistics).
- Demand: Enforce regulations to reduce lending rates for agribusiness and streamline loan application processes.

Market Information Asymmetry & Coordination Failures:

- Demand: Invest in robust, real-time national market information systems accessible via mobile platforms for farmers, traders, and transporters to improve price discovery and planning.
- Demand: Facilitate structured market linkages and contract farming models to reduce transactional friction and waste.

A Shared Imperative for National Survival

The Chamber of Agribusiness Ghana urges its members: Act Now. Adjust your margins. Streamline operations. Innovate for efficiency. Lower prices to reflect the economic reality faced by Ghanaian consumers and farmers. This is essential to sustain demand, support production, and safeguard national health.

To Government: We demand decisive action. The challenges outlined are not insurmountable but require political will, innovative policy, and significant, well-targeted investment. Implement the sustainable solutions demanded above. Create the enabling environment where price reductions by the private sector are feasible and impactful.

Only through this dual commitment – responsible pricing by industry and bold, innovative action by government – can we achieve affordable, nutritious food for all Ghanaians, unlock our agricultural potential, and build a truly food-secure nation.

Signed,



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Chief Executive Officer

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