



**National Dissemination Workshop  
On the Extent and Impact of Food Import Surges: The Case of  
Rice in Ghana**

**Coconut Grove Regency Hotel  
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**FAO Statement**

**By**

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*Mr Chairman,  
Distinguished Guests,  
Distinguished Organizers of this workshop,  
Member of the Press  
Ladies and Gentlemen,*

Permit me first to express my appreciation to *ActionAid International - Ghana* for inviting FAO to present a short address at this important Dissemination Workshop.

It is indeed a great pleasure and honour for us to be here today among this diverse group of development partners including civil society, producers, consumers, agri-services providers and policy makers who have always responded favourably in joining hands with FAO to fight hunger around the world and particularly in Ghana.

*Mr. Chairman,*

There is no doubt that agriculture is the sector that holds Ghana's economy. It contributes nearly 40 % to its GDP, 35 % to its foreign earnings and nearly 60 % to employment with over 80 % of the rural population having their main livelihood activities centred on it.

*Mr Chairman,*

For us in FAO the choice of this topic is most appropriate. For as we are assembled here, over 200 million of the region's population are chronically hungry, The situation is aggravated by the stark reality that imports of agricultural products have been rising faster than exports since the 1960s and the region as a whole has been a net agricultural importing region since 1980. Agriculture accounts for about 20 percent of total merchandise exports from Africa, having declined from over 50 percent in the 1960s. The progressive growth in food imports in the last years of the 20<sup>th</sup> century, with Africa spending an estimated US\$18.7 billion in 2000 alone attests to the fact that the food security situation in the region holds a very high position in the agenda of priorities of the region.

Rice presently constitutes a critical component in the food basket of over 70 percent of the population in West Africa. Consumption of the commodity rose from 1.7 million Tons in the 1960s to 7.2 million Tons in the 1990s with average per capita consumption per year also having increased by 85 per cent from 19.1 kg in the 1960s to 35.4 kg in the 1990. Imports of rice in the region have also shown significant increase by about 700 per cent from 2.4 million tons in the 1960s to 170 million tons in the 1990s. Rice as a commodity in the food basket of the region now represents about 16.5 per cent of total cereal production in the sub region, and about 42.3 percent of total cereal imports.

Rice has become a major source of livelihood to many smallholder farmers, processors and traders and is a major food for urban and rural dwellers in West and Central Africa, where the demand for it as a staple is growing at the rate of 6 per cent per annum – much faster than most places in the world. To meet the high demand for the commodity, SSA imports increased over the period 1995-2001 by 8.4 per cent per annum, making the region to account for 20 per cent of total world rice imports. Given this trend, SSA countries, including Ghana,

are spending more than US\$1.2 billion annually on rice imports, depriving the region of scarce foreign earnings that could have been used to import strategic developmental goods. Given the above statistics, availability of and access to the commodity are now priority considerations in national strategies to meet food security requirements in these countries, and a prospective input in key strategies directed at improving trade within the sub-region and outside.

It is therefore not surprising that it is rice which is bringing us together today for a focal discussion at this important workshop. It is our strong desire that the deliberations of this national workshop on rice imports will contribute to a better understanding of the rice economy in Ghana with a view to improving significantly domestic production and reducing the nation's reliance on imports to feed its people.

*Mr. Chairman, Ladies and Gentlemen,*

It is also our hope that a strong civil society as embodied here with the presence of national and international NGOs will continue to play their active advocacy roles in helping to shape policies and improve the debate on trade remedies and measures in the context of WTO agreements. Your inputs are valuable not only to those of us assembled here today but also in four months from now when the African negotiators meet with their counterparts in Hong Kong to hammer out the negotiating positions of the African group in order to establish appropriate trade remedies and measures of high interest to emerging economies such as Ghana. The damage which agricultural subsidy in the developed countries has done to agriculture in developing countries must be kept on the front burning during these negotiations.

As the Commission for Africa has aptly noted, "over the past few decades, the association between rapid economic growth and expanding trade is clear: the developing countries that have expanded trade more rapidly have also grown more rapidly. Yet while many developing countries have increased their exports dramatically in the last few decades, Africa has not. In fact, Africa has seen its share of world trade fall from 6 per cent in 1980 to less than 2 per cent in 2002. If Sub-Saharan Africa could manage to increase its share of World exports by just one per cent, it would generate over US\$70 bn – treble the amount it gets from all its

current aid flows and nearly a quarter of its total annual income". (Commission for Africa - Our common interest, 2005, p.116).

To be able to make appreciable improvement in her share of international trade, Africa needs investments and strengthened capacities, among other things. Besides, trading partners should remove the barriers restricting the export of African products.

I wish now to turn to the primary focus of our meeting this morning – Import Surge: the case of Rice in Ghana. At an annual growth rate of 12.84 per cent, Ghana's rice import grew from 121000 metric tons in 1993 to 507,600 metric tons in 2002, according to FAO Studies. Comparable figures for some of Ghana's neighbours in the Sub-Region are Togo: 30,100 metric tons in 1993 to 64,600 metric tons in 2002 at an annual growth rate of 14.93 per cent; Benin, 343,500 metric tons in 1993 to 124,200 metric tons in 2002 at an annual growth rate of -14.04 per cent and Nigeria, 350,000 metric tons in 1993 to 1,247,900 at an annual growth rate of 19.94 per cent during the period. A cursory look at the rice economies of 16 West African countries shows that only 5 (Benin, Burkina Faso, Guinea Bissau, Mauritania and Sierra Leone) had negative annual growth rates in terms of volume of import during this period. Ghana's growth rate of 12.84 percent when compared to the global annual rates of 4.28 per cent, no doubt attests to the appropriateness of the theme of this workshop. Like her neighbours, Ghana recorded no appreciable rice export during the period under review.

Obviously for Ghana, and indeed the other West African countries facing rice import surges, there is need to adopt pragmatic policies designed to move production up rapidly, set quality standards, improve processing and encourage consumption of locally produced rice and intra regional trade in the commodity and phase out or reduce substantially rice imports, in order to free scarce foreign exchange for development needs.

Besides low production and productivity, population growth is an important factor to consider in seeking understanding of the export surge. Between 1970 and 2001, while World population increased by 66 per cent, Africa's grew by nearly 130 per cent. Consequently Africa's share of global population moved from 4 to 13 per cent. In terms of agricultural production per'000 capita, rice output changed from 86 mt in 1970 to 97 mt for the world, while the corresponding figures for Africa were 21 and 20 mt, respectively. The unit production in Africa is obviously both low and stagnant. The decision of NEPAD to launch an initiative to promote the NERICA (New Rice for Africa varieties) holds great promise.

Another bold step is the decision of Heads of State and Governments of the Africa Union to allocate a minimum of 10 per cent of their national budgets to agriculture and rural infrastructure, as Africa is currently investing too little in agriculture and rural development to make the desired impact. The sad statistics about the decline in agricultural production in Africa over time should not dampen our enthusiasm. If the countries that have suffered from conflicts in the Region are excluded from the production data, the situation becomes more positive with agricultural output in the remaining countries growing faster than population. The obvious lesson here is the need for peace, good governance and social justice where Ghana has done quite well.

I hope that at the end of this workshop, you would have examined the case study on rice import surge in Ghana and proffered solutions that can help not only Ghana but other countries in the Region. Some of Ghana's neighbours have already developed strategies to address the problem. In Nigeria, for instance, the Presidential Initiative on Rice Production and Export launched three years ago has an ambitious programme aimed at rapidly improving local rice production and improving processing, with a view to achieving self-sufficiency and entering the export market in 5 to 7 years. Recent FAO crop forecasts predict a 14 percent growth rate in local rice production in that country this year.

FAO stands ready to support African countries, including Ghana, in the quest to increase rice production and eliminate costly imports. FAO is collaborating actively with other organizations to facilitate the implementation of the International Year of Rice (IYR) in 2004.

Once more I thank you for inviting me to give an address at this topical workshop.