



MINORITY CAUCUS

Parliament House - Accra (Ghana)



REPUBLIC OF GHANA

In case of reply, the number and date of this letter should be quoted.

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PRESS STATEMENT

MINORITY IN PARLIAMENT DEMANDS IMMEDIATE INCREASE IN FARM-GATE PRICE OF COCOA

The Minority in Parliament has taken notice of recent developments on the international market relative to the prices of cocoa. We have observed that global cocoa prices have been soaring in recent time, hitting an all-time high of \$10,000 USD per ton.

The recent increase in cocoa prices on the world market has been occasioned by the global shortage of cocoa owing to a significant decline in cocoa output in Ghana and Cote D'Ivoire, who contribute approximately 70 percent of the total volume of cocoa produced globally.

The NDC is deeply concerned about the sharp decline in Ghana's cocoa production volumes under the Akufo-Addo/Bawumia NPP government. This situation is set to get even worse, as Ghana's cocoa production for the 2023/2024 crop season is reported to be about 450,000mt; the lowest in the past two decades.

This sad situation is fast eroding the incomes and purchasing power of our already-impoorished cocoa farmers. As a matter of fact, the living conditions of Ghanaian cocoa farmers keep worsening by the day due to the sharp decline in cocoa output.

Clearly, this negative trend will persist if the farm-gate price of cocoa is not significantly increased, to compensate for the loss in income of farmers.

It is instructive to note, that the average international market price of cocoa currently stands at Ten Thousand United States Dollars (\$10,000) per ton (16 bags) of cocoa. This is equivalent to GHS130,000 per ton, at a conservative exchange rate of \$1 to GHS13. This means that a bag of cocoa is currently being sold on the world market at about GHS8,125, while the Ghanaian farmer is being paid a paltry GHS1,308 by the insensitive and corrupt Akufo-Addo/Bawumia NPP government.

This is a clear rip-off of our hard working cocoa farmers by the Akufo-Addo/Bawumia NPP government who continue to mismanage the cocoa sector.

The NDC caucus in Parliament therefore demands that the government immediately increases the farm-gate price of cocoa to reflect the recent unprecedented hike in the world market prices of cocoa.

We are appalled by the continuous mismanagement of the cocoa sector and the shortchanging of our hard working Ghanaian cocoa farmers by the ruling NPP government.

Last year, Ghana lost about 150,000mt of cocoa valued at almost \$400,000,000 to smuggling. This was occasioned by the fact that our hardworking cocoa farmers were not offered competitive prices by the insensitive Akufo-Addo/Bawumia/NPP government.

A recurrence of the above situation this year, will have dire consequences for the cocoa industry which is on the verge of collapse due to gross mismanagement and corruption.

It is sad to note, that while our hard working cocoa farmers continue to be shortchanged, COCOBOD's administrative expenses which stood at less than GHS500 million in 2016, increased to GHS1.7 billion in 2020, and ballooned further to GHS2.5 billion in 2021.

Only this week, we sighted an official document in which the Management of COCOBOD has granted approval for the purchase of fifteen (15) ipad keyboards for its Board of Directors at a staggering cost of GHS4,500.00 per unit.

This is the clearest evidence yet, that the management of COCOBOD have prioritized waste and the comfort of their offices at the expense of hard working cocoa farmers. Also, it is symptomatic of the recklessness and mismanagement that have plagued COCOBOD for the past seven years which accounts for the cumulative losses of GHS13.62 billion, recorded by COCOBOD since 2017.

It is the considered view of the Minority Caucus, that urgent steps must be taken to save our dying cocoa sector now. It is therefore imperative, that government significantly increases the farm-gate price of cocoa, in consonance with the current world market price of cocoa.

This we believe will incentivise our farmers and discourage the smuggling of cocoa beans amid all the challenges bedevilling the industry.

*****END*****

SIGNED.

ERIC OPOKU (MP)

(Ranking Member on the Parliamentary Select Committee on Food, Agric & Cocoa Affairs and Member of Parliament for Asunafo South)

