

Voluntary Report – Voluntary - Public Distribution

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Report Name: GHANA EXTENDS RESTRICTION ON GRAIN EXPORTS

Country: Ghana

Post: Accra

Report Category: Agricultural Situation, Agriculture in the News, Country/Regional FTA's, Trade Policy Incident Report, Trade Policy Monitoring, WTO Notifications

Prepared By: Josh Taylor

Approved By: Russell Nicely

Report Highlights:

The Government of Ghana (GOG) has extended its temporary restriction of corn and soybean exports from an initial three-month duration to a six-month duration, corresponding to the end of September 2022. In addition to extending the export restriction period, rice has been included as a third commodity.

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The Government of Ghana (GOG) has extended its temporary restriction of corn and soybean exports from an initial three-month duration to a six-month duration, corresponding to the end of September 2022. In addition to extending the export restriction period, rice has been included as a third commodity.

The extension of the temporary restriction on grains exports comes amid an anticipated food shortage crisis because of the Ukraine war and a poor harvest season in the country.

Announcing the extension of the exports restriction and seeking the support of the Ministry of Local Government, Decentralization and Rural Development in enforcing the directive, the official letter from the Ministry of Food and Agriculture (MoFA) stated: “On account of this directive, consequential action is being taken to ensure strict enforcement at all Metropolitan, Municipal and District Assemblies (MMDA’s),” in a letter dated May 16, 2022.

MoFA further requested that the Local Government Ministry issue the required directives to MMDA’s to take the necessary action with the involvement of the District Security Councils (DISECs) to disseminate information and intensify the monitoring of trucks carting grains from market centers to neighboring countries.

“We urge that prompt action is taken at all times with the involvement of the security agencies to give full effect to the directive of His Excellency the President,” the letter concluded.

Initial Restriction on Corn and Soybean Exports

It had always been a case of when, not if, since President Akufo-Addo issued Executive approval for a temporary restriction to be placed on corn and soybean exports in January this year (2022). Eventually, the temporary restriction on the exports of corn and soybean was initially announced in April 2022 and was expected to have been lifted at the end of June 2022.

Key reason for the initial restriction according to the GOG was that the government considered the two commodities (corn and soybean) as essential for the poultry industry. As such, the move was deemed as part of a broader plan to boost local livestock production while also ensuring food security.

Following the announcement by the GOG, the Plant Protection and Regulatory Services Directorate (PPRSD) halted granting phytosanitary certificates for corn and soybean exports, in line with a mandate from the Ministry of Trade and Industry (MoTI) to limit exportation of the two commodities, which are domestically produced with subsidized inputs. Also, the GOG acknowledged the nation lacked enough of the commodities.

In addition to the PPRSD, which is part of the Ministry of Food and Agriculture and certifies agricultural exports and imports, a seven-member Soybean Export Permit Committee has been established to operate as a regulatory task force that administers the Export and Import – Restrictions on Exportation of Soya Bean, Regulation 2020 (L.I. 2432).

Impact of Export Restriction on Trade

Outright ban is not an option because the GOG realizes that it cannot impose an explicit or direct ban on the commodities due to the ECOWAS Protocol on the free movement of people and products, so a temporary restriction seems the only resort in keeping stocks within its borders.

Ghana's export of the commodities is restricted to Niger, Sierra Leone, the Republic of Congo, the United Kingdom, Qatar, the United States, Italy, and Canada under the directive.

Market analysts and the GOG suspect that substantial amounts of commodities are being hoarded by some traders/aggregators with a view to exporting these for better prices. The export restriction is thus expected to discourage these individuals from hoarding and make supplies available on the domestic market.

Nevertheless, the rising prices of the affected commodities (corn, rice, and soybean) and the anticipated shortage by the GOG has more to do with reduced outputs from the previous season than it has to do with their exports. And Post does not anticipate a significant impact of this export restriction on imports of the affected commodities.

End of report.

Attachments:

No Attachments.