



## **CREW Project Meeting**

### *Competition Issues in the Transport of Fertilizer from Ports to Farmers*

As part of the CREW project activities, CUTS Accra on 23<sup>rd</sup> June, 2015 organized a stakeholder meeting to deliberate on the topic, *“Competition Issues in the Transport of Fertilizer from the Ports to Farmers.”* The meeting was attended by experts from the fertilizer sector, ministries, agencies and departments, port handlers and authorities and farmer association groups.

#### **I. Introduction**

From the CREW research findings, there seem to be the possibility of cartels in the local fertilizer transportation chain in the country. Anti-competitive practices such as this, exert upward pressure on prices i.e. inland-transport thereby making the cost of the subsidized fertilisers higher than they should be and in effect making it difficult for farmers to purchase the subsidized fertilizers during the planting period. Those farmers who purchase these subsidized fertilizers at a high price pass on the cost burden to consumers in the long-run.

In order to understand the fertilizer importation and distributing chain in Ghana, and the behaviours of the key players, CUTS Accra is undertaking a research study to understand some of the possible market distortions and anti-competitive practices that are being observed in the fertilizer transport market in the country.

#### **II. Objectives of the meeting**

1. To discuss the research methodology and design for the proposed study in the fertilizer transport from ports to farmers.
2. To seek stakeholder inputs on the research survey instruments.

### III. Inputs and Recommendations from Stakeholders:

*Participants provided advice on how well to design the research study and survey instruments and also gave recommendations.*

- 1. Adoption of the Ghana Cocoa Board Modus Operandi:** The government in 1947 established the Ghana Cocoa Board (COCOBOD) as the main government agency responsible for the development of the cocoa industry. The COCOBOD, since its establishment, has been able to distribute fertilizer to farmers at low cost, no price variations, without delays and challenges. Cocobod is able to control the price of its fertilizers across the country and the price is the same everywhere. It will be best to explore their mode of operations and adopt it in the distribution of subsidized fertilizer in the staple food sector. Some of the freight forwarders who came for the event also clear fertilizers for cocoa board and they also shared their experience.
- 2. Government regulating the fertilizer transport sector:** The transport of fertilizer in the country is dominated by the private sector. Individually owned vehicles transport the fertilizers from the ports to the various wholesale and retail centres in the country. Since the activities of these vehicles are not regulated, the drivers determine their own prices and these prices are usually very high, making it difficult for farmers to pay. The research study should look at ways of advocating for regulation in this sector to help prevent price differentials.
- 3. Government regulating the activities of extension workers:** Farmers present voiced their concern on how some extension workers and their fellow farmers hoard the subsidized fertilizers, creating artificial shortages in the communities and thereby causing the price to spike. The research study should examine if there is any evidence of this.
- 4. Ghana to learn from neighbouring countries:** Ghana is not the first ECOWAS member state to adopt the fertilizer subsidy program. Other states have adopted this program and have succeeded. Ghana should therefore learn from those states. The study should provide some evidence of on how well other ECOWAS states have

managed their subsidy program and how such practices could be replicated in Ghana. This should call for a literature review from other developing countries.

5. **Role of farmer associations:** CUTS should understand the roles that farmer associations play in the distribution chain of the subsidized fertilizers to end users during the study and then provide some policy recommendations on how best to involve them in the management of the subsidy program.
6. **Efficiency at the Ghana Ports and Harbours Authority:** All official ports charges should be made public. CUTS should explore the official charges to be paid by importers and also further explore the sources of unofficial charges being added to the bills of fertilizer importers.
7. **Freight Forwarders Association Charges:** Although, the Ghana Institute of Freight Forwarders agree on their charges for clearing goods like fertilizers, that fee ought to be approved by the Ghana Ports and Harbours Authority (GPHA) before it can come into effect. Even still, each member is able to negotiate with an importer on how much to charge for clearing. That is to say that the agreed fees does not necessarily bind. However, it would be helpful for us to find out in the course of the study.
8. **Establishment of logistic firm to manage the distribution of fertilizers:** To able to make sure that fertilizers are sold uniformly across the country, a holding firm like what the Cocobod does can be set up and this firm can contract truckers to cart the prices to the markets. In this case, price variations and needless hikes in the price of the fertilizer can be curtailed.

### Participants Present at the Meeting

Name	Organization
Mr. Eddy Akpong	Ghana Institute of Freight Forwarders
Mr. Kennedy Gedo Adams	Ministry of Food and Agriculture Agribusiness Unit)
Mr Fosu Gyedu	Frankatson Limited (Fertilizer/Agro Chemical Importer)
Dr. Gbadebo Odularo	FARA

Mr. Mathew Sackey	Ghana Shippers Authority
Mr. Jonathan Amanor	Ghana Institute of Freight Forwarders
Dr. Paulina Agyekum	Ablin Consult
Mr. Abraham Zaato	National Road Safety Commission
Mr. Charles Hombey	Peasant Farmers Association of Ghana
Mr. Akpoka Phillip	Peasant Farmers Association of Ghana
Mrs. Eunice Ankrah	Peasant Farmers Association of Ghana
Mr. Jordan Nyarko Aggor	Peasant Farmers Association of Ghana
<b>Kwadwo Boakye Frankastson Company</b>	