

THE GHANA SUGAR POLICY: INTENT AND DEVELOPMENT PROCESS

Introduction

The international sugar market is reputed as one of the most highly distorted agricultural commodities market. Raw and refined sugar markets are generally characterized by significant and widespread domestic support and trade garbling policies, such as guaranteed minimum payments to producers, production and marketing controls (quotas), state-regulated retail prices, tariffs, import quotas and export subsidies.

Although world sugar prices have largely recoiled from the 25-year highs reached in February 2006, the market remains particularly susceptible to large demand swings and price volatility. Generally, international sugar prices have largely trended downward as the production of traditional importing countries are increasing due to domestic support measures.

Historical Antecedents of the Ghana Sugar Industry

Commercial production of sugar in Ghana commenced in Asutsuare and Komenda in 1965 and 1967 respectively. The Asutsuare sugar plant was designed to crush 2000 tons of sugar cane a day whereas the capacity of the Komenda plant stood at 1000 tons per day.

The operations of the two factories halted by the end of 1981 owing principally to:

- Inappropriate factory designs and difficulty in obtaining back-up spares
- Inadequate irrigation facilities and farm machinery
- Excessive government controls
- Poor infrastructural state

Justification for the Ghana Sugar Policy

Ghana has seen a significant rise in sugar importation since 2001. In 2013, sugar imports chalked the eighth most valuable product and the fourth largest food import after rice, fish, and poultry. Ghana imported 463,000 MT of sugar in 2014 representing a 32.21% decline from 683,000 MT in 2013. There are however projections that the consumption of sugar in Ghana could rise to 872,000 MT in 2030. Similarly, the West Africa sub-region which is also forecast to experience rapid growth in sugar consumption also presents a potential sugar export market for Ghana. Amidst these market potentials and existing congenial climatic and lithospheric conditions, production of sugar remains at zero.

The need for the sugar policy is hinged on the increasing complexity and expanded stakeholder linkages in industry. The policy will seek to coordinate and regulate the relationships between different stakeholders, such as growers and millers, and ensure investors of commitment to the necessary publically provided infrastructures, such as feeder roads, water and electricity access, and funding for crop research institutes and out-grower schemes.

Ultimately, the policy will to provide the enabling infrastructural and institutional environment for a globally competitive private sector sugar industry, to help reduce foreign exchange expenditure on imported sugar, contribute to rural industrial development and provide supplementary electricity through co-generation for the national grid

Strategic Policy Framework

On the account of a Potential Opportunities Challenges and Constraint (POCC) analysis of existing sugar policies in other producing countries and domestic situation, the Ghana sugar policy is built on eight (8) strategic pillars as follows:

1. Provision of Land
2. Infrastructure Development
3. Human Resource Development
4. Processing and Manufacturing
5. Research and Development
6. Financing and Tax Framework
7. Institutional Capacity Development
8. Legal and Regulatory Framework

These policy pillars are expected to aggregately aid the development of a globally competitive sugar industry in Ghana.

Roll-out Regime

The roll-out of the Ghana Sugar policy is fractioned into short, medium and long term goals.

Short Term	Medium Term	Long Term
<ul style="list-style-type: none">➤ Establish institutional and regulatory support systems required to grow a globally competitive sugar industry.➤ Establish sugar refining capacity to process imported raw sugar	<ul style="list-style-type: none">➤ Expand capacity upstream to the growing and milling portion of the value chain.	<ul style="list-style-type: none">➤ Strengthen institutional and regulatory support systems, linkages and coordination along the sugar value chain

Policy Delivery

A Sugar Policy Delivery Unit (SPDU) will be established within the Ghana Investment Promotion Center (GIPC) with the remit and authority to coordinate and monitor the implementation of the Policy and act as a single reference point for sugar investors. The Sugar Policy Delivery Unit shall provide support services to such investors, coordinate state requirements of investors, and ensure that the Ghana National Sugar Policy addresses sugar investments.

Stakeholder Consultations

In view of the multi-faceted nature of the sugar industry, the Ministry of Trade and Industry has scheduled a four-staged consultative colloquia to engage key sugar and allied industry actors to deliberate and firm-up the various prescriptions of the draft policy. The identified locations for the aforementioned colloquia are:

- Accra – Greater Accra Region
- Tamale – Northern Region
- Sogakope – Eastern Region
- Elmina – Central Region

The intrinsic intent of the four-staged approach is to ensure substantially broad stakeholder consultation and buy-in for the National Sugar Policy. The colloquia will congregate key persons from the Policy Making Institutions, Industry Actors, Civil Society, Research Institutions, Investors, Arbitrageurs, Farmer Associations, and Traditional Leaders etc.

The first in the series of the sugar stakeholder interactive colloquia was held in Accra on June 24, 2015 at the Coconut Groove Regency Hotel. The forum saw the attendance of policy makers, academic and research institutions, civil society, farmers, and development partners etc.

In his opening remarks, the Hon. Minister for Trade and Industry, Hon. Ekwow Spio-Garbrah was optimistic that the new sugar policy would help reduce the importation of sugar into the country and strategically position Ghana as a net exporter of sugar.

The enthusiasm and optimism from the participants of the forum manifested in the comments, opinions and suggestions propounded. On an aggregate success measure, the sugar policy stakeholder forum in Accra, the first in the series of four interactive sessions has been successful.