

Alliance for Development & Industrialization proposes a \$2bn bond to boost agric sector

Ghana's economy has been largely supported by the agriculture sector, but this has not been exploited to the maximum.

Commodities, such as avocado, pineapple, coconut, sweet potato, cashew among others have huge value on the international market but they not been exploited due to lack of funds to support the sector.

The Alliance for Development and Industrialization, (ADI), a think tank, is proposing a \$2 billion Transformational Commodity Fund, (TCF) for the agriculture sector.

The \$2 billion fund is expected to support the complete value chain and adjoining structures such as roads infrastructure at community levels, farmer support and contracting, storage, processing, packaging and marketing.

The fund, according to ADI, can be raised through the issuance of bonds on the international market to support the country's five key commodities such as avocado, pineapple, coconut, sweet potato, and sweet potato, which have huge potentials offshore.

In a press statement issued in Accra, the ADI is optimistic that this should not be the burden of the government but rather the responsibility of the private sector which should be based on monitoring and structural system that could pay back the debt. It would also support the grass root development and expansion of the agricultural industry making sure that the value chain establishment for these industries is well established to pay for the facility.

According to ADI, "this is just a replica of the Sinohydro batter deal with Ghana's bauxite...what we need is the government guarantee to raise the money, since the cultivation of these crops would automatically pay for itself."



The export of these commodities would bring in the much-needed greenback to slow down the speed depreciation of the Ghana Cedi, support the country's balance of payment and also improve on the reserves.

According to the ADI, the bonds should have a 15-year tenor, which would be paid back to potential investors through the export of these commodities.

The cultivations of these five commodities on a large scale would also serve as a measure for import substitution and also feed the factories that the government is creating through the 1D1F program.

According to ADI's arithmetics, the cultivation of coconut for export over 130 thousand acres is expected to generate \$250 million per annum over a 10-year period with an expected 61,000 jobs.

The cultivation of avocado on 120 thousand acres of land over a six-year period is expected to generate \$700 million per annum with an expected 24000 jobs created.

Sweet potato cultivation on 35 thousand acres of land could generate \$200 million annually with an expected 14000 jobs.

Citrus can generate \$180 million annually on a 95 thousand acres of land with an expected 36000 jobs, cashew could generate \$40million annually in the next six years , mangoes could generate \$160 million annually with an expected 3100 jobs , pineapple could generate \$150 million per annum and also essential oils could generate US135 million per annum with over 25000 jobs.

The ADI has called on the Finance Minister to work assiduously to raise this bonds for the agriculture sector, since it is considered as the backbone of the country's economy.

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