

THE TOMATO INDUSTRY IN GHANA TODAY:

TRADERS' PERSPECTIVE

The Ghana National Tomato Traders and Transporters Association (GNTTTA) is a key informal economy player in Ghana. It is also a key player in regional integration because of its trade links with Togo, Benin and Burkina Faso, as well as the consequent massive flow of people and resources among players, partners and participating States, in line with ECOWAS protocols.

The Association is predominantly female. Partnered by its transport wing, which is strategically located in Kumasi, buyers use the services of cargo truck drivers owned by Ghanaian transporters to buy from farm gates in Ghana during the rain-fed period from June 15 to December 15. From December 15 to May 30, the lean season/cross border trade takes place, with supplies coming from farm gates in Burkina Faso and the Upper East.

The Upper East harvest periods run from December 15 to March 15, whilst production by Burkinabe producers run from the same period in December beyond May 15. In fact, this year, Burkina Faso stepped up production up to June 30.

Regrettably, since 2006, supplies from the Upper East have been running low, until last year, when the Region failed to supply even a single crate to the GNTTTA market, owing to production and marketing challenges. This is in spite of a DFID UK intervention to step into SADA's shoes and revamp production in SADA Zones nationwide and a media campaigns in that regard. Consequently, they have switched to soya, rice, maize etc.

For the local trade, the GNTTTA collects its supplies for the various markets in Ghana from farm gates in Nsawam, Suhum and communities in the Fantekwa District, also in the Eastern Region. Traders buy cargo as well from the Accra Plains (Ada and surrounding communities) and other towns in the South Volta. The rest of the supplies come from the Middle Belt in Ashanti and Brong-Ahafo communities, namely, Ashanti-Agogo, Afrantcho, Akumadan, Derma, Dormaa, Techiman-Tia, Tuobodom etc.

The Association is national in character, and has about 3000 members in the business of importing, wholesaling and distributing, with 300 transporter members. For every trader or distributor, there are about 15 retailers, pushing the number of economic actors doing trading to 45,000.

Traders ply their vocation on about 90 markets nationwide. A tomato market is a regular market facility or amenity; but also a point or centre where tomato is offloaded for distribution by a cooperative or group under the GNTTTA. Makola Market in Accra is one market, housing the national office. Traders or wholesalers and distributors on the Makola Market number 300. The mushrooming CMB Market, which is incidentally a satellite market of Makola Market by AMA standards, harbours 15 markets or tomato offloading points, also operated by 300 traders.

Looking at the proximity of Makola to CMB and the Agbogbloshie Market, we have a clear picture of how distorted the distribution network is in the metropolis. But it is also an indication of policy implementation deficit, for which the AMA is liable – as landlords and managers on the turf paid from public purse.

Out of the 3000, Accra has over 1000 traders as members of the GNTTTA and controls over 30 out of the 90 plus tomato markets in the country. Little wonder, that most of the cases of postharvest losses which the Accra Metropolitan Assembly (AMA) complains about, but does little to avert, are recorded in the CMB/Agbogbloshie enclave.

Drivers have an abiding, but unwritten contract with traders. They charge per crate, depending on distance. Traders make part payment before a tomato trip, paying the balance later – within one week, after the cargo had been disposed of. When a truck develops a fault and the cargo fails to reach base for the buyer to distribute the vegetable, a conflict arises in which the loudest mouth wins the argument, with the local government official on the market looking the other way.

Between transporters and traders, there is a conspiracy to over-speed to reach market earlier, causing carnage along the stretch. In two separate incidents recorded recently by the Ghana Embassy, truck drivers ran into a police motorcade, killing the public officers; and a donkey caravan was also run over, killing the donkey, the woman and

children she was carrying. Road safety laws are compromised by tomato truck drivers with impunity. An invitation to them by the Roads and Highways (Department of Safety and Environment for a meeting to discuss the way forward is lying on their desk, unattended to.

Porters who load and offload cargo also charge per crate at farm gate. On the market, however, the porter is content picking two pieces of tomato on each crate into container, which he later sells for fast cash to indigenous food caterers on the market.

Middlemen or traders largely determine prices both at the local or regional/cross border trade level – unless the vegetable is scarce or just beginning to ripen for harvest. They cream off hard cash on each crate for their services for lack of an official platform and contract.

At trade-producer level, the process of haggling can also be so violent, sometimes. In 2003, a male buyer was knifed at the back of the neck to death at Derma for annoying an intermediary; at Tafo, Koforidua, a year earlier, a driver attempting to intervene in a scuffle between a buyer and farmer, lost his life when he forgot to key in the right gear, after coming out of the truck to stop the fight; and in Burkina Faso in 2004, a woman was thrown into a pond in a similar instance by the usually tolerant Burkinabe producers for cheating, just to teach her a lesson.

Packaging is still old-fashioned and size largely determined by traders. Weight for a crate filled with tomato ranges from 110kg to 130kg, instead of the standard 50kg.

Local government agencies manage markets in Ghana. They are mandated by local government laws to act as managers of markets and regulate activities for the mutual benefit of stakeholders, in line with existing policies and standards. That is why they have desks on trade, agriculture, health, the environment, tourism etc.

These public officers are, by statute, first-line source of policy implementation, research, monitoring or national data collection. Unfortunately, this responsibility exists only on paper, and reminding them, as we have always done as lawful partners, only annoys them.

Additionally, the decision to modernize urban cities, including the Accra metropolis, is resulting in already tight space available for traders being parceled out to privileged persons. The argument for effective use of space in the Central Business District, for instance, is being unduly pushed to consider big-time investors over the legitimate demands of vulnerable women, who are contributing to the food security needs of this country.

Our markets, too, as they stand today are largely colonial in design and have no storage or preservation facilities. New designs drawn by the State are yet to see implementation under huge capital intensive Public-Private-Partnership arrangements in which largely unlettered traders, including most members of the GNTTTA or vegetable traders, generally lack clout to invest or participate in.

The AMA three years ago made a commitment to the GNTTTA in a meeting to rehabilitate the London Market in Central Accra for permanent use as a Vegetable Market. At another occasion, they pledged the Aflao Station, without walking that talk. As we speak, a parking lot for offloading tomato in the Central Business District of Accra has been sold out to a private developer. The result is long, winding queues of cargo trucks lining up daily along three ends of the Accra Polytechnic, unduly disturbing traffic in the morning rush hours just offload cargo.

To add insult to injury, traders are pestered with occasional rumours about intended AMA relocations that carry no legitimate notices and which the AMA itself is unwilling to own up to, when they are confronted.

The local government agencies we work under have never given a single reply to the thousand and one letters we have written them over policy and space, and the need for inclusiveness in managing markets. Our only relationship with them over inclusiveness has to do with clean up exercises and tax collection.

Commercial trade at the national level began over half a century ago, gathering momentum with the construction of the Tono, Veve and Pwalugu irrigation sites in the Upper East. That was the point at which Ghana became self-sufficient in tomato production, and actually began exporting at informal economy level to Togo, Benin, Mali, Niger and Burkina Faso.

By 1998, however, the producing communities in Upper East had lost out on the market to Burkina Faso, in spite of attempted interventions by Unilever and Heinz.

The 1998 decline in production among Upper East producers forced buyers from Accra to explore markets in the neighbouring countries, eventually settling for Burkina Faso for cheap and quality tomato. Other buyers from Kumasi followed suit, until the whole of Ghanaian traders began descending into Burkina Faso, in what has now become a vibrant regional trade, involving Togo and Benin.

Traders cite Burkina Faso tomato for its longer shelf-life and cheaper prices. They also argue that producers in Burkina Faso allow them to fill out crates to the brim and also grade and sort the vegetable to traders' taste.

This privilege, they claim, is not allowed them on farm gates in Ghana, though it is equally true to reveal that theft on Burkinabe farms through that practice worries Burkinabe State authorities. They have officially queried the Ghana Embassy over sorters and porters packing tomato they claim as low-grade into large black polythene sacks which the apprentices of the buyers illegally transport through the Paga border to Ghana for sale at the Bolgatanga and Navrongo markets.

The sorry state of the tomato industry in the Upper East today is vividly captured in a report from a study conducted by the International Food Policy Research Institute, (IFPRI) Washington, which was made public to stakeholders in Accra in 2010 at the Coconut Groove Hotel.

The IFPRI team of researchers included producers, buyers, processors and agronomists. Sites visited included irrigation facilities and farm gates, as well as seed-breeding laboratories and State institutions in Burkina Faso responsible for agriculture.

The team also visited vegetable markets and input shops for State-listed and licensed input dealers. The reason for licensing input dealers, the study revealed, is to ensure that imitation inputs do not enter the Burkina Faso market; but the idea is also aimed at ensuring standards and better output in line with set national targets.

In Ghana, the team visited the Tono Irrigation Project Site, and had extensive interaction with project managers and producers on the irrigation sites. At Pwalugu, where they

met farm-based union heads and the Tomato Factory management, it came to light during the study, that both factory managers and farm-based organization heads in the Upper East declined to agree on how much cash should be paid a crate of tomato, reinforcing the gnawing issue of lack of trust among producers and processors.

From irrigable land acquisition through seeding, credit and input to extension services and monitoring, the Burkina State was omnipresent through its regulatory mechanisms.

How disadvantaged producers in Ghana are, is expressed in the tale of the tape below:

1. Level of State support
2. Budget support for agric
3. Credit available to producers
4. Interest rate on loan (3% for agric and 8-13% for services and manufacturing for Burkina. In the case of Ghana, it is 30%)
5. Availability of irrigation facilities and maintenance
6. Regulation of input to avoid imitation seeds
7. Monitoring
8. Training of producers
9. Extension services
10. Business intelligence
11. Loan recovery strategies and repayment rate
12. Communication between producers and sector directors
13. Production standards
14. Best practices
15. Shelf life
16. Currency stability
17. Semi processing eg. Drying and vegetable khebab
18. Staggering of production as a matter of policy
19. Yield per acre
20. Business risk

The Ministry of Trade and Industry (MOTI), aware about this development in the industry, together with the Ghana Embassy in Ouagadougou and the Burkina Faso Government, agreed in 2010 on a framework for regional trade.

Major landmark proposals the Ghana Embassy introduced into the framework included

1. The need for Burkina Faso to share best practices with Upper East (Ghana) in tomato production
2. The creation of provincial markets in Burkina Faso, away from farm gates into the open to ensure transparency and harmony in trader-producer business relationships and standards

Benefits included retirement benefits for Upper East and Burkinabe producers as well as cargo insurance packages for traders funded out of levies on the commodity

The new regional trade framework was drawn by the Office of the Trade and Economic Counselor on behalf of the GNTTTA and producers and endorsed by MOTI, based on the IFPRI Report and the Embassy's appreciation of tomato trade issues.

Two key State officials spearheaded this intervention: Hon. Hannah Serwah Tetteh as former Trade Minister and, incidentally, Minister of Foreign Affairs and Regional Integration for Ghana, and Hon. Fatoumata Diendere, the most influential female legislator and politician in Burkina Faso today.

In Burkina Faso, the document has been given legislative assent and pushed through their Executive systems for implementation.

In Ghana, MOTI and MOFA have endorsed the deal and added a marketing initiative to it to benefit producers in Ghana. After series of consultative meetings among State and non-State GNTTTA actors, it was decided that, in the absence of preservation and semi-processing facilities on markets in Ghana, traders should move into farm gates on schedule basis to prevent waste and glut and also protect their investments.

Quotas were agreed upon by a tripartite committee of AMA, MOTI and GNTTTA, with the AMA being tasked to implementing the directive, because of their statutory landlord role, while MOTI (Domestic Trade) supervised the management of trade chits instituted to facilitate delivery.

The trade chit was designed to indicate cargo destination, details of trader and truck and cargo size, under a national electronic ID system of buyers in Ghana. Effectively, implemented, this system envisaged a realigning of the distortion in the distribution

network. Beyond that, it was a tool to facilitate data collection both in Ghana and Burkina Faso on the trade.

Unfortunately, the AMA failed to act out its, dragging the whole arrangement into chaos, as lawless ones took advantage of the laissez faire environment to bring in more cargo than the market can take. In the last three seasons, therefore, traders have merely been gambling – not doing profitable business. This fact is reflected in annual reports filed to MOTI, The Ghana Embassy in Ouagadougou and the Burkina Faso Chamber of Commerce through the Burkinabe National Assembly (Parliament).

Tomato traders in Makola have lost offloading space to a private developer, and are on the verge of losing current stalls in an arrangement in which nothing is transparent and traders are only told to write down their names for future allocation of stalls at a new undisclosed site.

We have seen porters crash down under the sheer weight of outdated wooden crates, with the crates disintegrating and tomato pieces falling on them; we have witnessed cases in which others have broken their backs in the effort to lift up the cargo from a truck onto the back of a fellow porter.

Deaths have occurred over haggling of prices because of the absence of referees on the turf in a trade tagged informal; and producers have, sometimes, have to carry measuring tapes on them because traders confuse them with different sizes of wooden crates.

As has been the case most of the time in Ghana, whilst we have been good at policy initiatives, the deficits in implementation, inclusiveness, space and infrastructure have been huge as far as traders are concerned.

Thank you.

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