



MINORITY CAUCUS

Parliament House - Accra (Ghana)



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INTERNATIONAL BANKS REJECT COCOBOD'S \$1.5 BILLION REQUEST FOR PROPOSAL

For the first time in 32 years, International Banks have rejected Ghana Cocoa Board's (COCOBOD) request for a prepayment loan to finance the purchase of cocoa.

In June 2024, COCOBOD issued a Request for Proposal of \$1.5 billion loan to purchase up to 650,000 metric tonnes of cocoa for the 2024/2025 crop year. But this request did not attract any interest from the international banks due to the poor health of COCOBOD and the collapse of the cocoa sector under its present management.

From a production level of 969,000 metric tonnes inherited from the NDC in the 2016/2017 crop year, cocoa production has declined to just a little over 400,000 metric tonnes for the 2023/2024 cocoa season. The significant decline in cocoa production in the last eight years and the mismanagement of the cocoa sector have impacted COCOBOD's ability to meet its contractual obligations.

COCOBOD is unable to supply about 250,000 metric tonnes of cocoa and has resorted to the roll-over of this contractual obligation due to the poor management of the cocoa sector which has resulted in significant decline in cocoa production under the NPP government.

COCOBOD was chased away from the market due to the fact that COCOBOD is no longer credit worthy, lacks credibility and are unable to produce enough cocoa to meet their contractual obligations.

Clearly, the banks came to the conclusion that out of the projected production of 650,000 metric tonnes of cocoa for the 2024/2025 crop year, which is doubtful, 250,000 metric tonnes will be used to service existing rolled-over contracts, leaving only 400,000 metric tonnes to honour COCOBOD's obligations for the 2024/2025 crop year. This raised the ability to pay question for the banks, hence their refusal to participate.

For seven consecutive years, COCOBOD has recorded huge losses amounting to over GHS11 billion under the Akufo-Addo/Bawumia government.

Year	Loss recorded (GHS)
2017	395 million
2018	78.2 million
2019	320.6 million
2020	426 million
2021	2.4 billion

2022	3.2 billion
2023	4.2 billion

The announcement by COCOBOD that it has taken a bold decision not to borrow from foreign banks to finance cocoa purchases after 32 years is false, unmeritorious, contrived and face-saving.

This is to hide the fact that COCOBOD is no longer credit worthy and that a 32-year-old tradition, which has consistently cushioned and provided Ghana's economy with the most reliable foreign exchange to support the Ghana Cedi, has been destroyed by the Akufo-Addo/Bawumia government.

Ghana's cocoa sector is in crisis, needs urgent attention, competent management and a new direction. The NPP government has completely mismanaged and destroyed the cocoa sector. After seven years of decline in production and consecutive losses, the government has shown clearly that it does not have the competence to manage the cocoa sector which has since independence been the mainstay of the Ghanaian economy.

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