Final

Ghana's Agriculture Sector Report

November 2022

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Why invest in Ghana

Why invest in Ghana
Country overview

- Formerly known as the Gold Coast, Ghana was the first sub-Saharan nation to gain independence from colonial rule in 1957.
- Ghana is credited as being one of the most stable democracies in Africa, having successfully conducted 8 national elections and recorded no incidence of a coup d'état since 1992.

Airports

- 1 international airport
- 5 domestic airports

Railway

- 3 major railway networks with a total track length of 1,300 km

Dry ports

- Tema Port
- Takoradi Port

Road network

- Main roads: 67,291 Km
- Main arteries : 12,800 Km
- Paved roads: 3,800 Km

Internal infrastructure

Total land area	**Overview:** Ghana has total land area of 238,537 sq.km Ghana has 16 administrative regions and 261 district assemblies.
Electricity supply	• Ghana's electricity supply is derived from hydropower generated from the Akosombo, Bui Power and Kpong dams, and 10 thermal plants at Aboadze in Western Region. • According to World Bank, Ghana has an 86.63% (2021) access to electricity rate.
Water supply	Water is provided to citizens through the Ghana Water Company Limited, Community Water and Sanitation Agency and private water producers.
Locational advantage	○ Ghana is geographically closer than any other country to the center of the earth. ○ Ghana has 2 harbors with one being the largest in West Africa, making Ghana the gateway to West Africa.

Source: Oxford Economics, Ghana Statistical Service, UNCTAD, Bank of Ghana, Doing Business Report (2020), World Bank

Why invest in Ghana
Investment attractions

2nd largest economy in West Africa

- Ghana has an active retail market and healthy consumption levels. Fitch reports, household spending is expected to increase from US$55bn in 2021 to USD81bn in 2025.
- AfCFTA presents an opportunity for intra-regional growth by leveraging access to common markets and knowledge transfer through labour mobility, thereby attracting foreign direct investments into the region.
- The AfCFTA secretariat is located in Ghana.

Rich in natural resources

- Ghana was the largest (No.1) producer of gold in Africa and 6th largest in the world in 2021.
- 13,000 metric tonnes of manganese reserve.
- 16.86 million tonnes of high-grade trihydrate bauxite mined since 1997.
- Newly discovered deposits of lithium in 2021 amounting to 30.1million tonnes, setting Ghana up to become West Africa's first lithium producer.

Preferred tourism destination

- International arrivals of tourist increased from 932,579 in 2016 to 1,130,307 in 2019, however 2020 saw a reduction to 355,108 due to lockdown measures in response to Covid -19.
- As at September 2021, international tourist arrivals increased by 18% while domestic tourists grew by 58%.

Youthful population

- Ghana is blessed with a very youthful population, about 67% of the population is within the ages of 15 to 64 years.
- Government initiative such as free basic and secondary has ensured a 69.8% literacy rate for citizens who are 6 years and older as at 2021.

Stable political environment

- Ghana is ranked the second most peaceful country in Africa and the 38th most peaceful country in the world as per the 2021 Global Peace Index.
- Due to provisions made in the constitution of Ghana (article 20) and Free Zones Act (Act 504) there is a reduced threat of nationalism of private businesses.

Investor-friendly government initiatives

- Government has initiated a plethora of incentives to ensure a conducive and enabling business environment.
- Government incentives include tax holidays, rebates, provision of industrial parks, provision of finance through partnering agencies and interest subsidies.
- Ghana has double taxation agreements with the United Kingdom, South Africa and other EU countries.

Top investment destination

- Foreign Direct Investment (FDI) has averaged $2.72b from 2017 to 2021, suggesting stability in the inflow of capital with investment focus in oil and gas, mining (including gold and manganese), and agriculture (cocoa).
- Ghana attracted US$2.65bn in FDI inflows in 2020, one of the highest amount in West Africa.

Agrarian economy

- Ghana is endowed with vast arable lands rich in agriculture.
- In 2020, Ghana was the **2nd** largest producer of cocoa in the world, the **4th** largest producer of cassava in the world.
- Ghana is blessed with fertile land for the production of maize, tomato, rice among many other food crops.

Source: Oxford Economics, Ghana Statistical Service, United States Geological Service, Global Peace Index, World Bank, Visit Ghana (Tourism Report 2020), Ghana Investment Promotion Centre, Ghana Bauxite Company Ltd

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Sector overview

Agricultural sector overview

The Ghanaian agriculture sector is largely subsistence-based and dominated by the crop subsector.

Sector composition

- **Crops**
  - Industrial crops (excluding cocoa)
  - Starchy staples, cereals and legumes
  - Fruits and vegetables
- **Cocoa**
  - Beans
  - Husk
- **Livestock**
  - Poultry
  - Cattle
  - Sheep
  - Goat
  - Pigs
- **Forestry and logging**
  - Wood
  - Game
- **Fishing**
  - Marine
  - Inland
  - Aquaculture

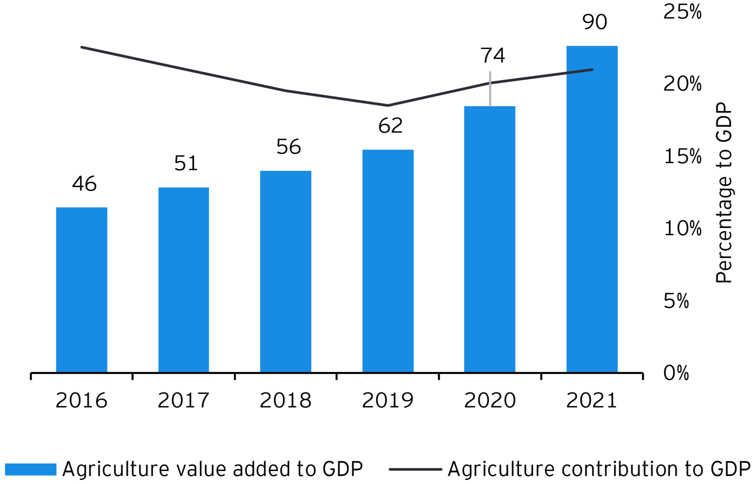
Regulators

- Ministry of Food and Agriculture
- Ministry of Fisheries and Aquaculture
- Fisheries Commission
- Food and Drugs Authority
- Forestry Commission
- Environmental Protection Agency

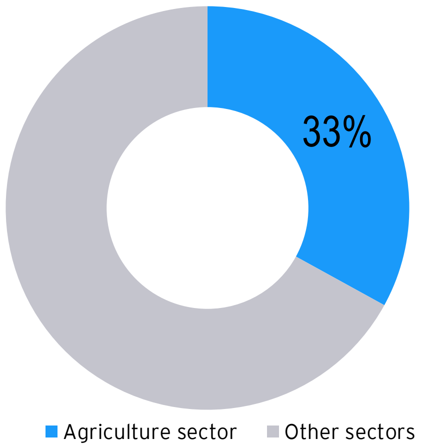
Source: Ministry of Food and Agriculture,

Agricultural sector overview

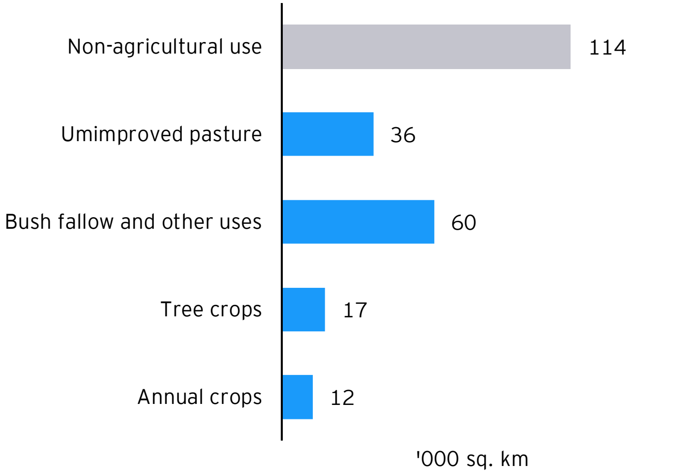
Value added from agriculture to GDP (GHS' b)



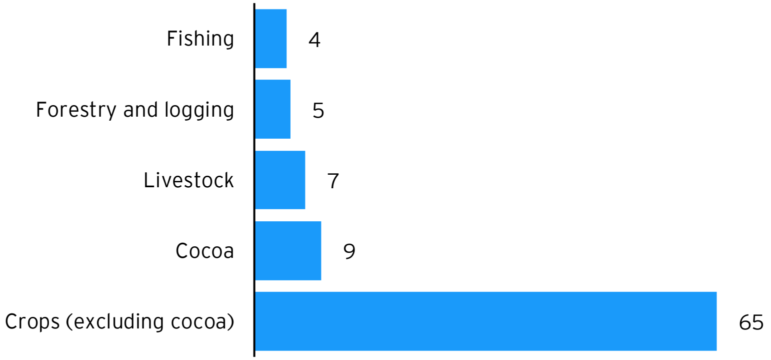
Percentage of labor force in agriculture (2021)



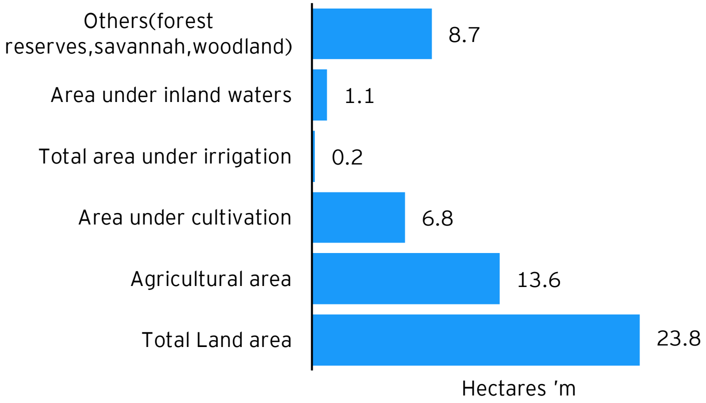
Agricultural vs non-agricultural land use (2018)



2021 value added of subsectors in agriculture (GHS' b)



Land in Ghana (2018)



Soil and climate (2018)

The terrain is mostly low plains with dissected plateau in the south-central area.

The Ghanaian climate is typical tropical.

The soils have predominantly light textured surface horizons in which sandy loams and loams are common.

Source: Ghana Statistical Service, Statista, Ministry of Food and Agriculture,

Agricultural sector overview: Crops

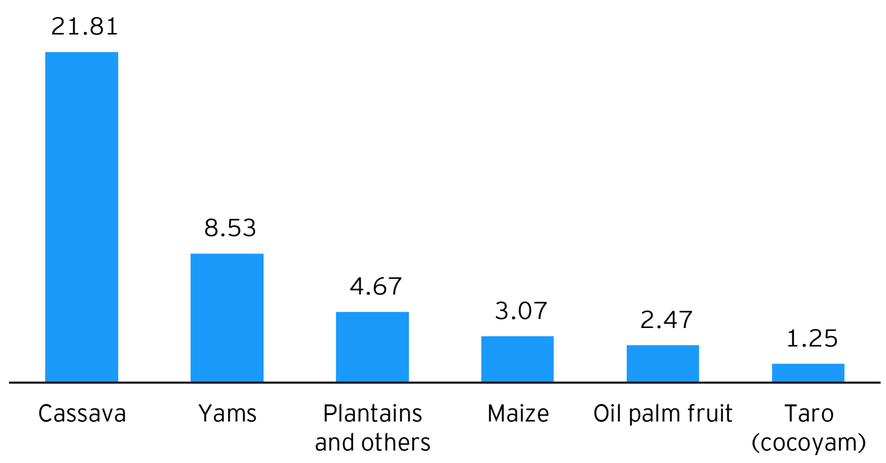
Food crop production

- With production of 22m tonnes in 2020, **Ghana is the fourth largest producer of cassava in the world.**
- Cassava is a very important root crop in Ghana with an estimated land area of 1 million hectares being used for cassava production and about 70% of farmers in Ghana are into cassava production.
- **Ghana is the second largest producer of yam in the world** behind Nigeria having produced 8.5 million tonnes in 2020. The variety of yam produced in Ghana include pona, larebako, asana, dente, and muchumudu. The unique taste and quality of the pona variety is most preferred by consumers.
- Ghana also produces large quantities of plantain, maize, rice paddy, oil palm, oranges, pineapples, groundnuts and coconuts.

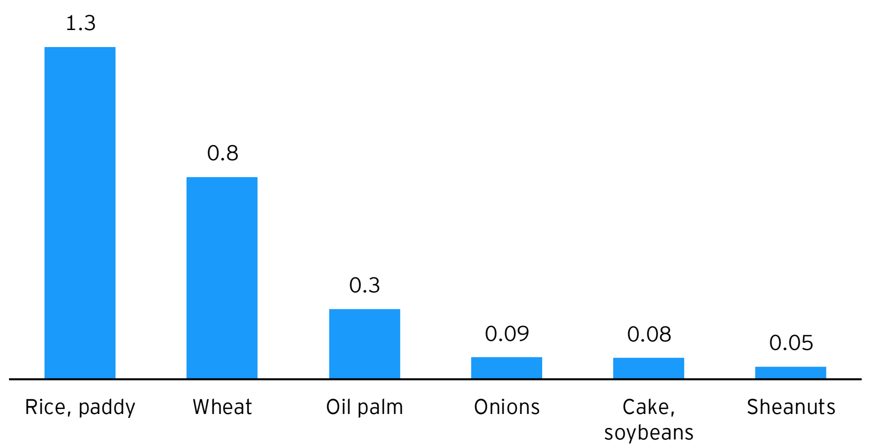
Food crop importation

- Ghana imports a large amount of rice paddy on an annual basis; 1.3 million tonnes of paddy rice was imported in 2020 as compared to 1 million tonnes produced locally. Aside paddy rice, a significant amount of internationally produced milled rice is imported to supplement local supply.
- Aside rice, Ghana imports other cereals into the country. Imported cereals in 2020 include wheat (873,000 tonnes), soybeans (84,333 tonnes), shea nuts (49,963 tonnes), malt (22,312 tonnes).
- Fruits and vegetables imported into the country in 2020 include apples (11,160 tonnes), garlic (7,081 tonnes), and tomatoes (4,000 tonnes).

Production of major food crops (tonnes'm) - 2020



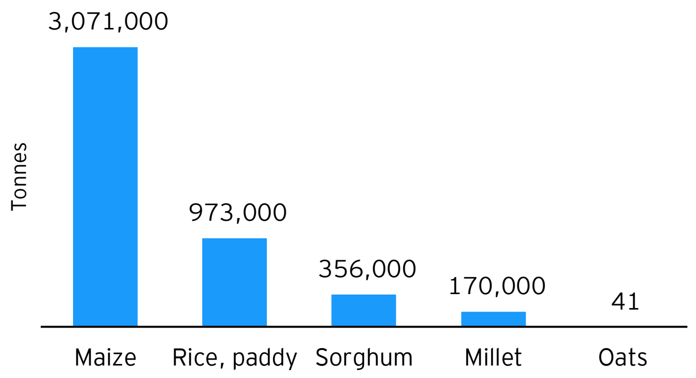
Top imported food products (tonnes'm) - 2020



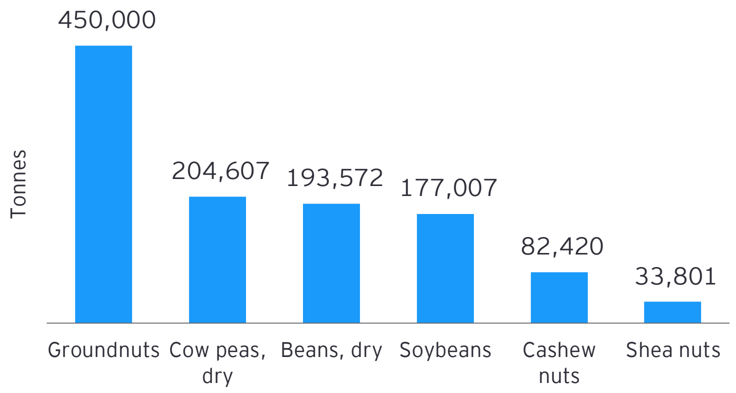
 Source: Food and Agricultural Organisation

Agricultural sector overview: Detailed production by sub-crop groups

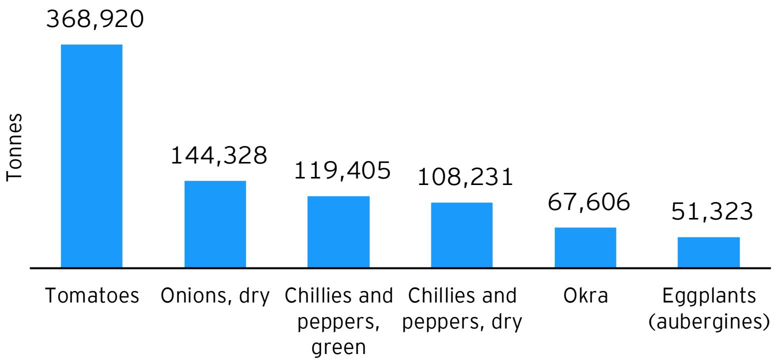
Top cereals grown (2020)



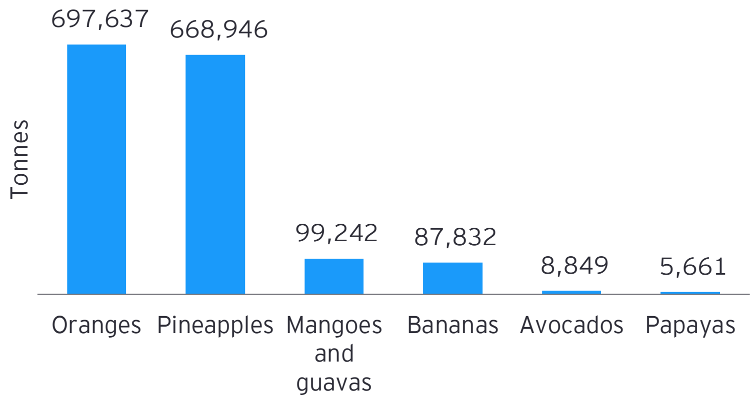
Top legumes grown (2020)



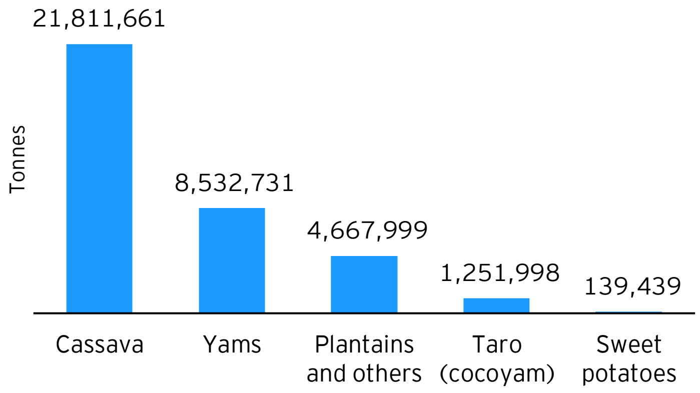
Top vegetables grown (2020)



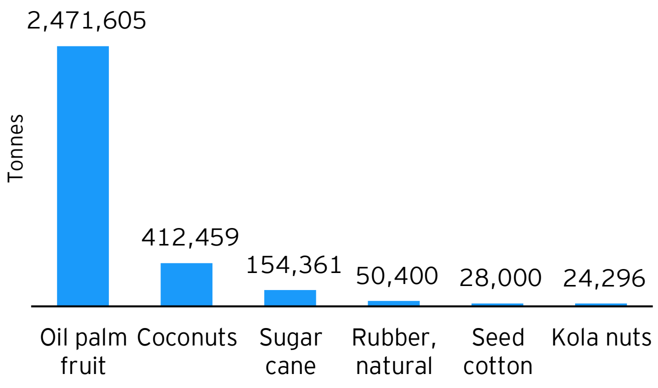
Top fruits grown (2020)



Top starchy staples grown (2020)



Other industrial crops grown (2020)



Source: Food and Agricultural Organisation

Agricultural sector overview: Cocoa

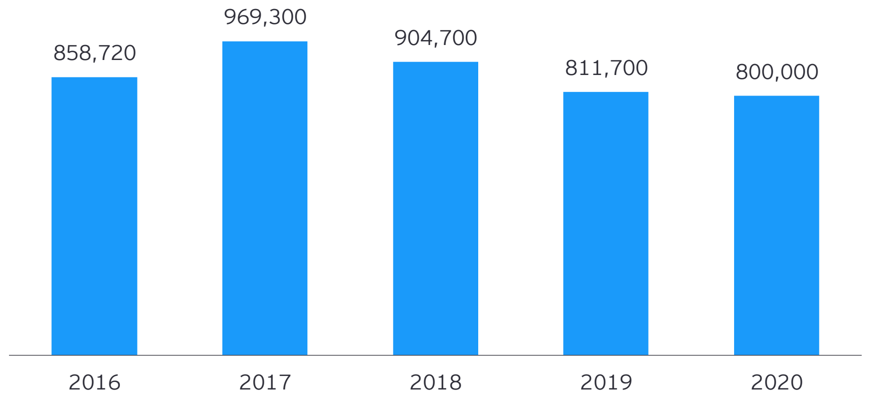
Cocoa production

- Cocoa production began in 1879 when Tetteh Quashie brought back Amelonada cocoa beans from Fernando Po (now Equatorial Guinea).
- Climate conditions in Ghana are suitable for cocoa trees; with an ideal mix of sufficient rain, sunshine, humidity and conducive temperatures.
- **In 2020, Ghana was the second highest producer of cocoa in the world behind Cote D'Ivoire.**
- Government-owned Ghana Cocoa Board (COCOBOD) serves as the regulator, price setter, and marketer of cocoa beans in Ghana. COCOBOD executes these responsibilities through its subsidiaries, Cocoa Marketing Company and Cocoa Processing Company.
- The gradual annual decline in cocoa yield since 2017 has mainly been due to the devastation of cocoa farms by the cocoa swollen shoot disease. Ghana Cocoa Board began the implementation of Production Enhancement Program (PEP) in 2016, amongst other objectives, to rehabilitate infected cocoa farms in order to increase annual production to a minimum of 1 million tonnes a year.

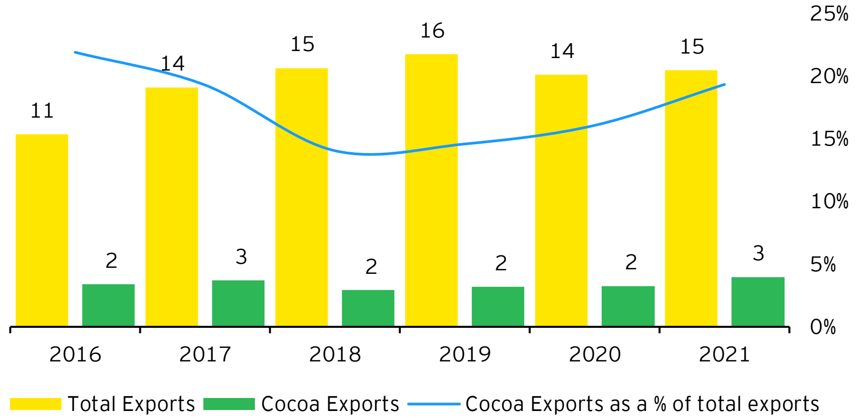
Exportation of cocoa

- The trade of cocoa and its products provides the country with significant amount of foreign exchange.
- In 2021, Ghana received US$ 2.85 billion from the export of cocoa products, representing about 19% of total export revenue.
- As per data from the Organization of Economic Complexity (OEC), cocoa beans exports represented about 60% of total cocoa export revenue in 2020.

Production of cocoa beans



Export revenue from cocoa (US$'b)



Source: Food and Agricultural Organisation, Bank of Ghana, OEC

Agricultural sector overview: Livestock and game

Livestock and game production

- The Rearing for Food and Jobs (RFJ) module of the flagship agriculture sector policy initiative, Planting for Food and Jobs, was launched in 2019. The initiative contributed the growth in the production of livestock in 2020.
- In 2020, production increased by 3%, 6%, 5% and 4% for cattle, chicken, goat and sheep meat, respectively.
- Chicken, one of the largest sources of livestock protein in Ghana, and game led the way in the production of meat recording 72,138 tonnes and 75,202 tonnes respectively.

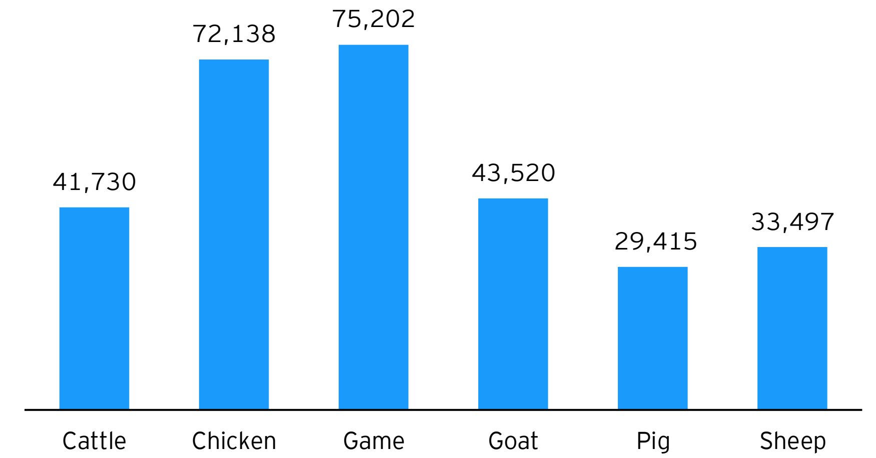
Importation of livestock and game

- Chicken formed about 84% of the total meat imports in 2020; chicken import was more than 500% percent of the combined imports of cattle, game, pig, and sheep meat.
- Importation of chicken was 212,000 tonnes more than local production. Such a significant dependence on the international market presents a significant opportunity for local production.
- In 2020, Ghana also imported 25,000 tonnes and 10,000 tonnes of cattle offal and beef & veal respectively to supplement local production of cattle.

***Note

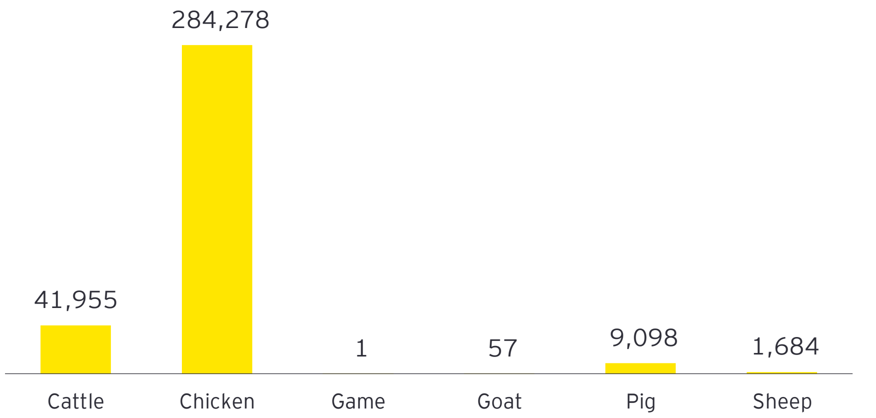
Cattle (meat, offal, hide, and fat), Goat(meat, offal, skin and fat), Pig (meat, fat, and offal), Sheep (meat, offal, skin, and fat), Chicken(meat) and Game (meat)

Production of livestock and game (tonnes) - 2020



Source: Food and Agricultural Organisation

Importation of livestock and game (tonnes) - 2020



Source: Food and Agricultural Organisation

Agricultural sector overview: Forestry and logging

Ghana forest area

- According to the Food and Agricultural Organization, Ghana has about 8 million hectares of forested land, with 7.7 million hectares being primary forest (naturally generating forest) and 290,000 hectares being planted forests.

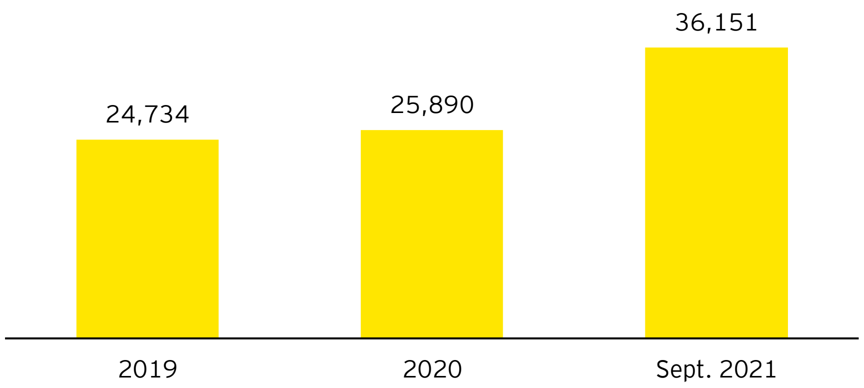
Natural regenerating forest ('000 Ha)	Planted forest ('000 Ha)
7,689	290
FY19 (FAO)	FY19 (FAO)

Total forest land ('000 Ha)	Grassland ('000 Ha)
7,978	9,357
FY19 (FAO)	FY19 (FAO- MODIS)

Export of timber billets

- The export of primary timber products (billets) increased from 24,734m^3 in 2019 to 25,890m^3 in 2020, indicative of a 4.7% growth.
- Export of timber billets as of September 2021 recorded a 40% growth over the total exports recorded in 2020.
- The significant growth recorded in 2021 is attributable to the pre-Christmas and New Year holiday stock build-up by international buyers.
- The increase in export quantity is reflected in the foreign exchange earned between 2019 and September 2021 as export revenue increased from US $ 7.5m in 2019 to US $ 13.4m as of September 2021.

Export of timber billets (m^3)



Source: Forestry Commission, Food and Agriculture Organisation (FAO)

Agricultural sector overview: Fishing and aquaculture

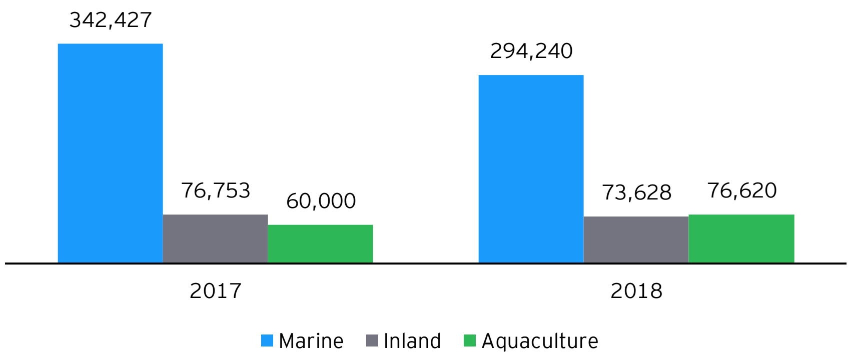
Fishing and Aquaculture

- Fish accounts for approximately 60% of the nation's protein needs.
- Ghana relies significantly on marine fishing for its supply of fish. Marine fishing between 2014 and 2018 contributed 80% of Ghana's total fish production.
- Fish production from marine and inland sources recorded 12% reduction in 2018 declining from 419,180 metric tonnes to 367,868 metric tonnes. The decline was mainly due to intense uncontrolled artisanal beach seining and harvesting of juveniles from lagoons.
- Significant reduction in the production levels from marine and inland sources has necessitated substantial investment in aquaculture to make up for the shortfalls in production levels.
- Aquaculture recorded 28% growth in 2018, increasing from 60,000 metric tonnes to 76,620 tonnes in 2018.

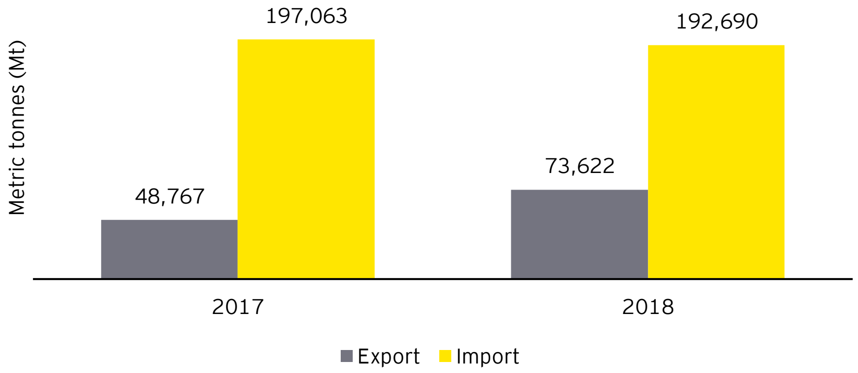
Import and Export of Fish

- Ghana has consistently run a trade deficit in the import and export of fish between 2009 and 2018.
- In 2018, Ghana imported 193,690 Mt and exported 73,622 Mt of fish culminating in a net import of 119,068 Mt.

Fish production (metric tonnes)



Import and export of fish (metric tonnes)



Source: Ministry of Food and Agriculture

Agriculture sector overview: Irrigation in Ghana

Irrigation in Ghana

- Ghana's agriculture sector is dominated by small-scale, traditional, and rain-dependent farmers.
- In 2017, the government of Ghana initiated the "One Village One Dam Policy" to reduce the sole reliance on rainfall and allow for year-round farming across the country.
- As of year-end 2021, 507 small earth dams out of the 560 targeted, under the One Village One Dam" had been completed. The government is also in the process of riprapping the upstream slopes of completed dams to increase the lifespan and safety of the dams.
- Significant investments have also been made to rehabilitate and revamp major irrigation schemes including the Tono, Kpong Irrigation Scheme and the Kpong Left Bank Irrigation Project (KLBIP) which were at 93%, 97%, and 90% completion rate respectively as of September 2021.
- KLBIP is located on the left bank of the Volta River downstream of the Kpong Hydroelectric Dam at Akuse and is expected to provide 2,100 ha of irrigation area.

Investment opportunities available at KLBIP

Service	Description
Production	Medium and large scale commercial farming.
Mechanisation	Mechanisation service provision.
Logistics	Provision of warehousing and aggregation services.
Marketing	Distribution of agricultural produce from irrigated farms.
Management	Partnering for joint management of the scheme.

Source: Ghana Commercial Agriculture Project, Ministry of Finance

Public irrigation schemes in operation (2020)

S/N	Irrigation Scheme	Area (Ha)	Type
1	Weta	880	G
2	Dordoekope	110	P
3	Aveyime	60	P&G
4	Kayime	27	G
5	Kornorkle	30	G
6	Kpoglu	65	G
7	Ayitekope	20	P
8	Mankessim	17	P&G
9	Okyereko	81	G
10	Sata	34	G&P
11	Anum Valley	89	P
12	Akumadan	130	G
13	Bontanga	450	G
14	Golinga	40	G
15	Libga	16	P&G
16	Tono	2,490	G
17	Vea	850	G
18	Goog	100	G
19	Baare	12	G
20	Weisi	63	G
21	Guo	16	G
22	Piiyire	20	G
23	Karni	40	G
24	Kpong Irrigation Scheme	2,786	G
25	Weija	220	G
26	Dawhenya	187	P&G
27	Ashaiman	155	G
28	Angorsikope	110	P&G
	Total	**9,098**	

Legend: Ha: Hectares, P: Pump Irrigation and G: Gravity Irrigation

Agriculture sector overview: Storage and warehousing

Warehousing

- Lack of storage facilities in the past has contributed to significant post-harvest losses in Ghana.
- Government has taken a plethora of initiatives to increase warehousing capacity in the country. In 2016, a public-private partnership funded the establishment of the Ghana Airport Cargo Centre at the Kotoka International Airport; the facility has a capacity of 10,000 m^2.
- In 2018, the erstwhile Ministry of Special Initiative in its Medium-Term Expenditure Framework (MTEF) committed to constructing 50 prefabricated grain warehouses; each with a capacity of 1,000 metric tonnes. 42 out of these 50 warehouses were completed as of December 2020.
- The Government of Ghana has also launched the "One District One Warehouse" intervention to increase storage capacity.
- As of September 2021, 23 warehouses, each with a capacity of 1,000 metric tonnes, had been completed out of the target of 30 warehouses.

Ghana Commodity Exchange (GCX)

- In 2018, the Ghana Commodity Exchange (GCX) was established under the auspices of the Ministry of Finance. The objective of the exchange is to establish linkages between producers of agricultural commodities and buyers.
- The GCX operations are segregated into the trading platform and warehousing storage operations. The warehousing storage operations are linked to the exchange through an electronic warehouse receipt system backed by collateral management services.
- Commodities traded on the exchange include maize, soya bean, sorghum, sesame, and rice.

Licensed warehouses under Ghana Grains Council

S/N	Warehouses	Warehouse Capacity (Mt)
1	Grains Leaders Limited	500
2	Wienco (Ghana) Ltd	18,000
3	Wienco (Ghana) Ltd	6,000
4	Gunda Produce Company Ltd	500
5	Savanna Farmers Marketing Company Ltd	1,000
6	CDH Commodities Limited	4,600
7	AGMSIG Resources (Shekinah ABC)	1,000
8	BUSACA Agribusiness Company Ltd L	1,000
9	Premuim Foods Ltd	18,000
10	Faranaya Aribusiness Company Ltd	1,000
11	GT Accra Poultry Farmers Association	3,000
Total		**54,600**

Source: Ghana Grains Council

 Source: Ministry of Finance, Ministry of Special Initiative, Ghana Commodity Exchange

Regulators

	Regulatory agency	Scope of activity	Responsibilities	Nature of activity		
				Oversight function	Inspection/ licensing	Policy formulation
	Ministry of Food and Agriculture	General	Responsible for developing and executing policies and strategies for the agriculture sector within the context of a coordinated national socio-economic growth and development agenda.	√		√
	Forestry Commission	General	Responsible for the regulation of utilization of forest and wildlife resources, the conservation and management of those resources and the coordination of policies related to them.	√	√	√
	Environmental Protection Agency	General	Responsible for co-managing, protecting, and enhancing the country's environment as well as seeking common solutions to global environmental problems.	√	√	√
	Food and Drugs Authority	General	Responsible for the regulation of food, drugs, food supplements, herbal and homeopathic medicines, veterinary medicines, cosmetics, medical devices, household chemical substances, tobacco and tobacco products, blood and blood products as well as the conduct of clinical trials protocols.	√	√	√

Source: Regulator websites

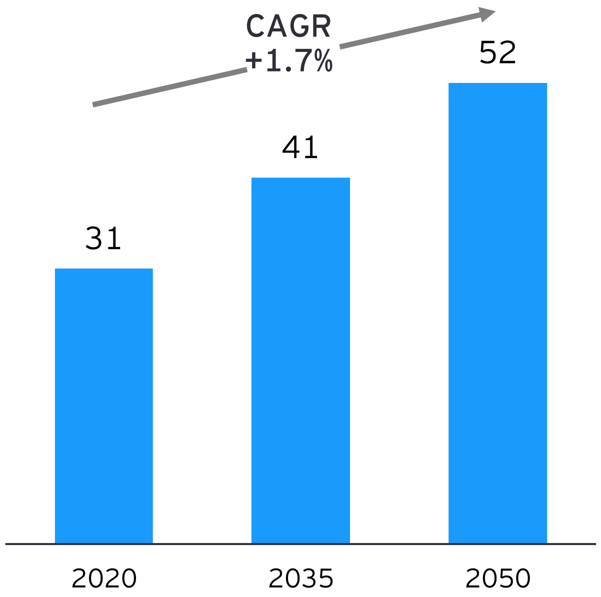
Regulators

	Regulatory agency	Scope of activity	Responsibilities	Nature of activity		
				Oversight function	Inspection/ licensing	Policy formulation
	Ministry of Fisheries and Aquaculture	General	Responsible for the promotion of the accelerated fisheries sector development as a viable economic segment that will contribute to the overall development of Ghana.	✓		✓
	Fisheries Commission	General	Responsible for all monitoring, control, surveillance, evaluation, and compliance functions in all areas of the fisheries development and management in Ghana, including fish health, post-harvest activities, safety, and quality assurance.		✓	
	Ghana Cocoa Board	General	Functions of the Ghana Cocoa Board center on the production, research, extension, internal and external marketing and quality control of cocoa. The functions are classified into two main sectors: Pre-harvest and Post-harvest which are performed by specialized divisions of the board.	✓	✓	✓
	Ghana Irrigation Development Authority (GIDA)	General	Responsible for the formulation, development, and implementation of irrigation and drainage plans for all-year-round agriculture production.			✓

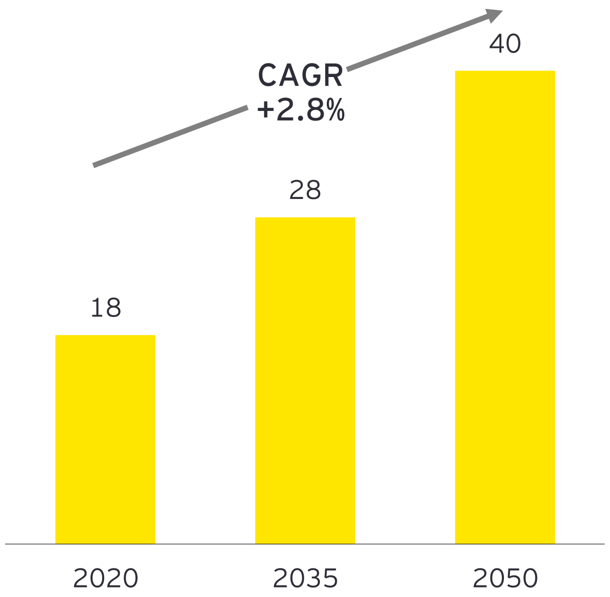
Source: Regulator websites

Demand for food

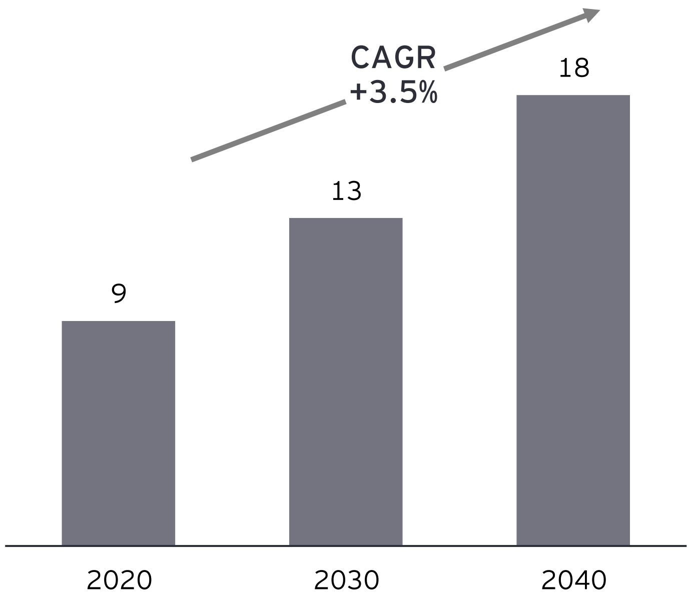
Mouths to feed: Ghana's population
(In millions)



Urbanization : Ghana's urban population
(In millions)



Capacity to spend : Average household personal disposable income expected to rise
(In thousand US$ nominal)



- Population growth, CAGR of about 1.7%, between 2020 and 2050 combined with a rising middle class is expected to drive an increase in demand for food.
- By 2050, Ghana will add 22million to the urban population, leading to increased demand for food.
- By 2040, Ghana is projected to have household personal disposable income growing to US$18,000; this will reflect increased purchasing power of households.

*CAGR: Compounded Annual Growth Rate

Source: Oxford Economics

Key developments

Creation of the Ghana Agriculture Land Information Bank

- Government announced its plans to establish the Ghana Agricultural Land Information Bank (GhLIB) as stated in the 2022 Budget Statement. The objective is to create a reliable and easily accessible land-based information platform that would improve and facilitate access to land for commercial farming.
- The GHLIB will also develop, print, and disseminate investment related leaflets and brochures on priority commodities, sensitise and engage the youth on the opportunities within the agriculture sector and map-out the agribusiness start-up ecosystem resources and disseminate them to the youth.

Government has increased its support for rice production

- In 2021, Government announced its plans to support the development of 9,000ha rain-fed lowland in rice growing regions for commercial farming. This is expected to produce additional 31,500Mt of rice and generate about 3,600 direct jobs with 40 percent being the youth.
- In addition, Government plans to support the rehabilitation and expansion of irrigation schemes in rice growing areas to provide 1,000ha of land and produce additional 11,000Mt of rice in a move that is expected to generate about 1,000 direct jobs with 40% being the youth in 2022.

Establishment of Development Bank Ghana

- Government in 2021 secured a EUR170m loan to establish Development Bank Ghana (DBG), an integral feature of the Ghana Cares Obaatampa Project intended to drive the revitalisation of the economy.
- DBG is primed to ease the constraint of long-term financing at competitive rates for entrepreneurs in the manufacturing, agriculture, agro-processing, ICT, and housing subsectors to propel economic growth, create jobs and improve domestic revenue mobilisation.

Government has increased its support for tomato and soyabean production

- Government announced increased support of soyabean production with promises to support the development of 25,000ha farms that would produce c.50,000Mt of soyabean grains at selected locations in the Northern and Middle Zonal belts.
- Government also announced continued support to tomato production with promises to provide support to Akumadan, Tanoso, Subingya, Tono and Vea Irrigation Schemes to put 1,603ha of land under tomato production and provide interest rate subsidy support to certified seed producers to produce 3MT of certified tomato seeds from the newly developed improved varieties by Crop Research Institute and West Africa Centre for Crop Improvement.

One District One Factory

- The One District One Factory (1D1F) is a Government of Ghana initiative aimed at boosting the Ghanaian industrial sector. The strengthening of the industrial sector demands the ready availability of inputs for production. The Government's drive to industrialization benefits agriculture by providing a ready market for agricultural products, reducing post-harvest losses, creating jobs and minimizing rural-urban migration.
- As of August 2021, 49% of factories under 1D1F were agro-based.

Source: Market Research

Overview of key players

Key Players	Industry	Product	Location
Bomart Farms	Crops	Tropical fresh and dry Fruits	Nsawam
Gold Coast Fruit Limited	Crops	Fruits (Pineapple)	Nsawam
Ghana Oil Palm Development Company	Crops	Oil Palm, extraction of crude palm oil and palm kernel oil	Kwaebibirem
Benso Oil Palm Plantation Limited	Crops	Oil Palm, crude palm oil extraction and palm kernel oil	Benso, Takoradi

Source: Company Website

Overview of key players

Key Players	Industry	Product	Location
Ghana Rubber Estate Limited	Crops	Rubber	Takoradi
Goshen Porche Farm	Crops	Maize, Soyabean, Sorghum	Torgorme
HGL Farm	Crops	Rice and vegetables	Oyarifa
Maleka Farms Limited	Fishing	Tilapia	Akuse

Source: Company Website

Overview of key players

Key Players	Industry	Product	Location
Kore Catfish Farm	Fishing	Catfish fingerlings and juveniles	Accra
Volta Catch	Fishing	Tilapia	Akosombo
Crystal Lake Fish	Fishing	Fingerlings and tilapia	Dodi Asantekrom
Darko Farms Company Limited	Livestock	Feed, poultry, eggs	Kumasi

Source: Company Website

Overview of key players

Key Players	Industry	Product	Location
Akro Farms	Livestock	Feed, day-old chicks and eggs	Adawso-Apasare (Akuapim North Municipal)
Akate Farms	Livestock	Poultry	Kumasi
Masrib Farms and Trading Company	Livestock	Poultry and Beef	Tamale
Ghana National Cocoa Farmers Association	Cocoa	Cocoa beans and husks	Kumasi

Source: Company Website

Current sector investors

Investor	Investee	Year of investment
Royal De Heus	Kuodijs Ghana Limited	2020
British International Investment	Gold Coast Fruits Limited	2016
Intishar Holdings	Musahamat Farms Limited	2012
HPW AG	HPW Fresh & Dry Ltd	2011

Source: Company Website

Key partnerships

Investor Name	JSDF Japan Social Development Fund
Investment	Ghana Peri-Vegetables Value Chain Project
Year	2020
Amount	US$ 2.85m
Nature of Partnership	Grant
Partnering Institution	Ministry of Food and Agriculture (MoFA)

Investor Name	AFD AGENCE FRANÇAISE DE DÉVELOPPEMENT
Investment	Agricultural Water Management Project
Year	2022
Amount	EUR 5m
Nature of Partnership	Grant
Partnering Institution	MoFA and GIDA

Investor Name	
Investment	Agricultural Water Management Project
Year	2022
Amount	EUR 39.7m
Nature of Partnership	Grant
Partnering Institution	MoFA and GIDA

Investor Name	AFRICAN DEVELOPMENT FUND FONDS AFRICAIN DE DEVELOPPEMENT
Investment	Savannah Zone Agricultural Productivity Improvement Project
Year	2018
Amount	UA 27,864,750
Nature of Partnership	Loan
Partnering Institution	Government of Ghana

Source: Market Research

Key partnerships

Investor Name	FAO
Investment	Planting for Food and Jobs
Year	2019
Amount	US$ 434,000
Nature of Partnership	Grant
Partnering Institution	Ministry of Food and Agriculture (MoFA)

Investor Name	IFAD Investing in rural people
Investment	Ghana Agricultural Sector Investment Programme
Year	2015
Amount	US$ 46.6 m
Nature of Partnership	Grant and loan
Partnering Institution	Government of Ghana

Investor Name	The World Bank
Investment	Ghana Commercial Agriculture Project
Year	2018
Amount	US$ 150m
Nature of Partnership	Credit Support
Partnering Institution	Ministry of Food and Agriculture (MoFA)

Investor Name	USAID FROM THE AMERICAN PEOPLE
Investment	Ghana Commercial Agriculture Project
Year	2018
Amount	US$ 16.95m
Nature of Partnership	Credit Support
Partnering Institution	Ministry of Food and Agriculture (MoFA)

Source: Market Research

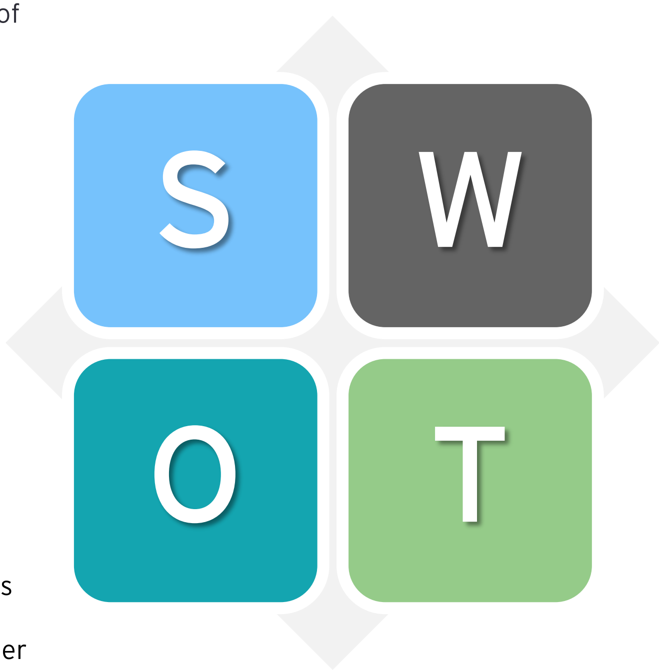
Sector SWOT analysis

Strengths

- The agricultural sector is a major contributor to Ghana's overall gross domestic product. In 2021, the agriculture sector contributed about GHS 90b to the economy; representing 21% of the overall economic output.
- The sector is a major source of livelihood for about 33% of the country's active labor force and engages about 83% of rural households.
- The median age in Ghana is c.21 years with over 60% of the population within the ages of 15 and 64 years, indicating the availability of labour and a strong working force that drive development in the agriculture sector.
- Supportive government initiatives aimed at transforming the agriculture sector in Ghana from predominantly subsistence farming to commercial farming.

Opportunities

- The agricultural land area covers approximately 13.6m hectares representing about 57% of the country's total land area, out of which, a total of 6.8m hectares, representing about 50%, is under cultivation and 222,978 hectares is under irrigation. This is indicative of the availability of arable land for commercial farming.
- Increased government focus to boost productivity in food to meet rising local demand and develop a viable local agro-industry.
- The African Continental Free Trade Agreement will bring greater market access to neighbouring countries.



Weaknesses

- Smallholder farms make up majority of farms in Ghana with farms generally below 2 hectares in size. This does not augur well for medium/large scale farming.
- Cropping systems and types of crops cultivated vary from one ecological zone to another due to the varied nature of the country's climatic conditions.
- Yields of staple and cash crops is relatively low. The World Development Indicators (WDI) reported the global average yield for cereals to be 4,070.7kg /hectare, while Ghana reported yield of 1,864.3kg /hectare.
- Other weaknesses include the negative effect of climate change and variability, low soil fertility, the incidence of pests and diseases, inadequate extension services and financial support, low use of improved agricultural technologies, and unsustainable agricultural production practices.

Threats

- Unemployment and rising inflation rate in the short term erodes the purchasing power of households.
- Illegal mining, otherwise known as galamsey, is a threat to the agricultural industry, which is evident in the damage to the nutritional values of available farmlands and water bodies meant for farming.

Source: Fitch Solutions, African Centre for Economic Transformation, Ghana Statistical Service, World Development Indicators

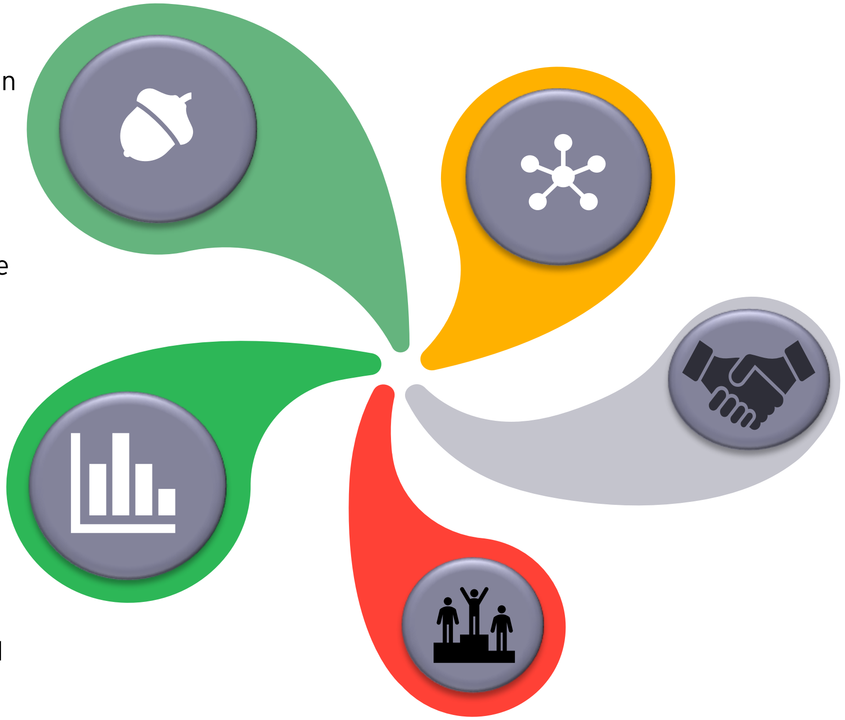
Sector Porter's five forces

Bargaining power of suppliers

- Agricultural products tend to be perishable by nature.
- Low switching cost of buyers of inputs from suppliers in the agricultural sector.
- The risk of middlemen in the supply of agricultural produce.
- Availability of agricultural products are seasonal.
- Producer prices of cocoa is determined annually by the government. They are the ultimate purchasers of the beans in Ghana.

Threat of New Entrants

- Government policies encourage investment in the agricultural sector and there is no regulatory minimum capital requirements to commence operation.
- Initial capital by small holder farmers remains the main barrier to entry as 80% of the sector is made up of small holder farmers.



Threat of substitutes

- The preference for imported products by customers in comparison to locally produced products.
- Low switching cost amongst consumers of agricultural products in Ghana.

Bargaining power of buyers

- Low switching cost for purchase of agriculture products amongst consumers
- Absence of brands of agriculture products to choose from.
- Minimal bargaining power of buyers due to purchase of low volumes and a large market of buyers.
- Consumers in the Ghanaian market are very sensitive to prices of agricultural products.

Competitive rivalry

- Demand for agricultural produce on the local market outweighs supplies hence rivalry is virtually non-existent.
- Most farmers in Ghana are peasant farmers. This is indicative of low entry barriers.
- Most agricultural products are not branded hence it does not allow for exclusivity or uniqueness of farmer produce.

High Medium Low

Source: Market Research

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Sector opportunities

Sector opportunities

Agriculture sector opportunities

Climate resistant seeds and technology

- With the rain cycles distorted as a result of climate change making is difficult for farmers to rely on rainfall to predict planting seasons, climate resilient or adaptable technology in agriculture is welcomed.

Poultry and fish feed equipment manufacturing

- Research has shown that poultry and fish feed is not produced in commercial quantities due to the lack of requisite machinery.

Shea butter processing

- The global shea butter market is expected to reach a market value of US$ 3.5b by the end of 2028, with an expected CAGR of 5.2% over the next 5 years. The demand for Shea butter products in the northern part of the country has soared in recent times.

Aquaculture production

- Opportunities exist in aquaculture production in particular tilapia rearing via modern techniques that reduce waste and inefficiencies as well as reduce costs while boosting output and revenue.

Rice production

- Ghana consistently runs a trade deficit in the production of paddy rice; opportunities for commercial farming exist to plug this deficit and provide input to the local rice processing factory. Planting for food and jobs together with tax exemption provide a plethora of incentives to ensure a viable and profitable establishment of a commercial rice farm.

Cocoa processing

- The successful implementation of Productivity Enhancement Program by COCOBOD will increase the yield in production actions to sustainably increase plant health and fertility, developing irrigation systems and rehabilitating aged and diseased crops. Increased yield on cocoa presents a viable opportunity in the Ghanaian cocoa industry.
- Cocoa beans contributed 60% of Ghana's total export revenue from cocoa products in 2020; the availability of cocoa beans presents a huge opportunity for cocoa processing factories in Ghana.

Source: Market Research, B&FT Online, FAO, OEC

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Key investment highlights

Key investment highlights

Human Resources

- Ghana's current literacy rate is reported to be 69.8% as of 2021 making it one of the best in the West African sub region.
- Ghana has a youthful population, about 67% of labour force fall within the ages of 15 to 64 years.
- The daily minimum wage of GHS 13.5 (c.US$ 2), is low as compared to other advanced economies (c.US$ 7.2 per hour in the US in 2021), Ghana's low labor cost is very attractive for setting up agricultural companies and farms.

Tax Incentives

The food and agriculture industry offers several incentives for companies and ready-to-go investors. The following incentives are available:

- A 5-10-year tax holiday for companies in the agriculture sector
- Concessionary corporate income tax rates.
- Tax losses for companies within the agriculture sector can be carried forward for up to five years.

Land Acquisition and Management

- Land ownership is legislated under the Land Act 2020, Act 1036.
- The Model Lease Agreement (MLA) has been drafted by the Ministry of Food and Agriculture for large-scale commercial transactions; this seeks to protect the interest of large-scale farmers.

Access to Farming Communities

- The Export Marketing and Quality Awareness Project (EMQAP) rehabilitated, surfaced, and constructed feeder roads in the Volta, Eastern, and Central Regions.
- Road networks are being implemented across the three Northern regions of Ghana.
- Feeder roads have been constructed under the Afram Plains District Agricultural Development Project.
- There are six ferries that offer water transport locally. In addition, the Volta Lake Transport Company Limited (VLTC) is the main means of transport on the Volta lake, This is jointly overseen by the Ministry of Transport and the Volta River Authority.

Storage and Warehousing

- The international airport has a 10,00 m^2 perishable cargo center. This facility provides handling and temporary storage for perishable produce for export.
- There are planned interventions for the rehabilitation of existing fisheries facilities and 11 new fishing landing sites and harbours along the coast and Volta Lake.
- Government targets the construction of 30 warehouses, each with a capacity of 1000 Mt, under the one district one warehouse initiative

Source: National Tripartite Committee(NTC), Ghana Revenue Authority (GRA),

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Testimonials

Testimonials

“Having been present in the field for over a decade, agriculture is a great space to invest in and the industry presents myriad opportunities, especially informal employment for Ghanaians who are not formally educated and make up a significant proportion of the population in Ghana.”

Maphlix Trust Limited

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Appendix

Appendix I - Policy initiatives: Ministry of Food and Agriculture

Ministry of Trade and Industry
Republic of Ghana

The Ministry of Food and Agriculture (MOFA) is the lead agency and focal point of the Government of Ghana, responsible for developing and executing policies and strategies for the agriculture sector within the context of a coordinated national socio-economic growth and development agenda.

The major functions of the Ministry are:.

01	Formulation of appropriate agricultural policies to aid the agricultural sector
02	Planning and co-ordination of various development projects in the agricultural sector
03	Monitoring and evaluation of the projects and programmes instituted to assess the related progress

The ministry in executing its function of ensuring continuous development of the food and agricultural sector has fashioned out two key policies to support Governments poverty reduction drive.

Planting For Foods And Jobs: The objective of this campaign is to provide job opportunities for the youth by increasing the production of crops in the country thereby decreasing the importation of food. It also seeks to modernize the agriculture sector of the economy in order to improve food security.

Food System Resilience Program (FSRP2): Under the World Bank Multi-Phase Programmatic Approach (MPA), this campaign seeks to strengthen regional food system risk management, improve the sustainability of the productive base in targeted areas and to develop regional agricultural markets.

Ghana Agriculture Sector Investment Programme (GASIP) - The overall goal is to contribute to sustainable poverty reduction in the rural parts of Ghana. The programme is implemented along three key components which includes Value chain development, rural value chain infrastructure and; knowledge management, policy support and co-ordination.

Source: Ministry of Food and Agriculture

Appendix II - Policy initiatives : Ministry of Food and Agriculture

Savanah Investment Programme (SIP):: This is an initiative by government to reduce importation of meat through increased commercial broiler production, enhance competitiveness of the poultry industry and contribute to improved nutrition security.

Youth in Agriculture: This is an initiative to motivate the youth to accept and appreciate farming/food production as a commercial venture, thereby taking up farming as a life time vocation.

European Union Ghana Agriculture Programme (EU-GAP) in-savannah-ecological-zone: This is initiative is provided critical infrastructural investments and strengthen integrated business models along selected value chains to stimulate inclusive and sustainable economic growth.

Ghana CARES "Obaatan pa" Programme: The initiative is to ensure rapid competitive import substitution, support to commercial farming (particularly by the educated youth), increased food security, and the supply of raw materials (at scale, high quality and high reliability) for agro-processing industries for value-addition, job creation, exports, and industrialization.

The Savannah Zone Agricultural Productivity Improvement Project (SAPIP): The Project's overall development goal is to restructure agricultural value chains in the Savannah Zone for food and nutrition security, employment creation, and wealth generation.

Ghana Commercial Agricultural Project (GCAP): This initiative is to improve agricultural productivity and production of both smallholder and nucleus farms in selected project intervention areas of the recipient’s territory.

The Ghana Peri-Urban Vegetables Value Chain Project: The project is closely linked to the Government of Ghana’s strategy for poverty reduction: improving food security by increasing production and market access for vegetable both for domestic consumption and exports

Source: Ministry of Food and Agriculture

Appendix III - Policy initiatives: Planting for food and jobs

Background

- Ghana, like other parts of Africa, has not met its food and nutrition security needs. Successive governments have however pursued various national agendas to curb this situation.
- In Ghana, the food crops subsector is dominated by smallholder farmers whose cropping practices are characterized by:
  I. Inadequate use of productivity-enhancing technologies.
  II. Low use of quality seeds and fertilizers
  III. Weak market linkages.
- A flagship programme known as Planting for Food and Jobs (PFJ) was launched by H.E President Akuffo Addo in the year 2017 with the aim of promoting food security and immediate availability of selected food crops on the market and also provide jobs

The primary objective of the Planting for Food and Jobs is includes ensure immediate and adequate availability of selected food commodities and serve as food imports substitution.

Modules

The five models driving the objectives under Planting for Food and Jobs include:

Food crop module

- A total of c.23.2 million seedlings have been distributed between 2018 and 2020.

Planting for export and rural development

- Enactment of the Tree Crops Development Act, Act 1010
- Establishment of the Tree Crops Development Authority to develop and regulate the tree crop sub-sector.

Greenhouse villages

- Establishment of the three greenhouse training centers in Akumadan, Bawjiase, and Dawhenya.

Agricultural mechanization

- A total of 8,980 units of machinery and equipment were distributed amongst 927 beneficiaries spread across 33 district assemblies
- Thirty-three bulldozer operators trained in Tamale and operating in the Northern, North East, Savannah, Upper East, Upper West, and Bono East regions.

Rearing for food and jobs

- 2,370 breeding pigs locally sourced distributed amongst 474 farmer
- 7,500 breed stock of Djalonke sheep sourced from Burkina Faso distributed amongst 750 farmers.
- 1,290 improved breeding stock of West African Dwarf goats sourced from Burkina Faso have been distributed among 25 outbreeder farmers and 2 livestock breeding stations
- 116,000 distributed among 11,600 farmers
- 1,200 poultry cages distributed amongst 1,200 women.

The program focuses on providing:
1. 50% subsidy of the cost of inputs (seeds and fertilizers)
2. Complementary Services such as Extension Services and Marketing of outputs.

Source: Ministry of Food and Agriculture

Appendix IV - Regulatory Acts

Plant & Fertilizer Act

- This Act regulates plant health and pest and disease prevention, as well as the importing and exportation of plant material, seed production and marketing, seed quality control, and fertilizer manufacturing, use, and commerce.
- The Act consists of 124 sections divide into five Parts: Plants Protection (1); Seeds (2); fertilizer Control (3); Plans and Fertilizer Fund (4); Miscellaneous Matters (5).

Bio Safety Act

- The National Biosafety Authority was established under the Biosafety Act of 2011 (Act 831).
- The Act requires the National Biosafety Authority to work with other regulatory authorities such as the FDA to ensure an integrated approach to the regulation of contemporary biotechnology and its products.

Water Resources Commission Act

- The Water Resources Commission (WRC) was founded by an Act of Parliament (Act 522 of 1996) with the aim of regulating and managing Ghana's water resources as well as coordinating government initiatives.
- The President has ownership and control of all water resources on behalf of the people, according to the Act, and the WRC is clearly defined as the ultimate organization responsible for water resource management in Ghana.

Fisheries Act

- The Fisheries Act governs fisheries management and control, fish conservation and protection, fish habitat protection, and pollution prevention.
- Allows fish to easily move about and limits the dumping of dangerous contaminants into fish-friendly waters.

Public Health Act

- The Public Health Act of 2012 establishes standards for the preservation of public health in Ghana, as well as laws for environmental sanitation. Disposal of animals and notification of the existence of a communicable disease are also covered by provisions on infectious diseases.
- The Act also establishes standards for food vending and food-borne diseases, as well as prohibiting noxious or offensive actions that may harm public lands, crops, cattle, or goods, or cause water contamination.

Lands Commission Act

- This Act established the Lands Commission as a body corporate in line with Article 258 of the Constitution, specifies the Commission's tasks and powers, and provides for its administration, as well as the qualification and appointment of members of the Commission.
- The Commission's goals are to promote society's wise use of land and ensure that land use is consistent with sustainable management principles and the preservation of a healthy ecosystem.

Source: Market Research, Water Resources Commission, National Biosafety Authority, EcoLex, The Lands Commission