



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 10/12/2004

GAIN Report Number: GH4001

Ghana

Product Brief

Seafood Brief

2004

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Report Highlights:

Post's forecast for Ghana's seafood import in CY2004 is 220,000 MT up from 200,000 MT in CY2003. The major seafood species imported are mackerel, horse mackerel, sea breams and herrings/sardines. Currently, the U.S. share of seafood in the Ghanaian market is negligible. The major seafood suppliers are the EU (Holland) and countries in the African sub-region namely, Mauritania, Angola, Morocco and Senegal. In order to expose Ghanaians to the U.S. Seafood sector, four Ghanaian seafood importers attended the 2004 Boston Seafood Show for the first. The Ghanaian delegates have expressed interest in importing US seafood, especially mackerel if competitive freight charges could be arranged.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Lagos [N1]
[GH]

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SECTION 1. MARKET OVERVIEW

Ghana imports approximately 40 percent of its seafood requirements to supplement local supplies from both marine and inland waters. Ghanaian seafood imports have been steadily increasing over the last few years. Seafood represents 60 percent of all animal protein consumed in Ghana. According to seafood traders about 80% of frozen fish is smoked and the 20% is either fried, salted or dried.

- Fish is the most affordable and a major source of animal protein in the Ghanaian diet.
- Post anticipates that Ghana's total seafood imports will grow by five percent in 2004. According to sources at MOFA, Ghana seafood resources have declined over the years due to over fishing in its waters. The GOG is thus encouraging and promoting domestic fish farming.
- The seafood species imported into Ghana include red snapper, mackerel, horse mackerel and herrings/sardinella. red snapper, sardines and tuna are also locally caught. Tilapia is a major species produced by local fish farmers.
- About 70 percent of tuna fished in Ghanaian waters is canned and exported to Europe and some sold locally. Ghana imports canned fish mainly mackerel and sardines.
- Ghana exported deep-sea shrimp to Europe and sold some locally to hotels and restaurants but this has declined over the past three years. According to the fishing industry, deep-sea shrimp has become unprofitable and most of them have switched to tuna fishing.
- Although Ghanaians perceive US seafood to be of a higher quality with lower export prices, the high freight rates makes imports from the U.S. uncompetitive.
- Ghana's major seafood suppliers are from Africa namely Mauritania, Angola, Morocco, Namibia and Senegal. The EU especially Holland also supplies seafood to Ghana.
- According to the trade, US seafood exports to Ghana would be more competitive if shipments were transported in bulk (average 1,500 – 2,000 MT) versus containers.

Seafood Production, Supply and Distribution ('000 MT)				
		2002	2003	2004 (forecast)
Total Catch	Dom.	380	340	340
Imports		145	200	220
Exports		55	60	60
Supply		470	480	500

Supply = (Domestic Catch + Imports)- Exports

**Source: Fisheries Directorate of MOFA, Accra, Ghana,
Seafood importers/Distributors in Ghana**

Advantages and Challenges	
Advantages	Challenges
Ghana's population of 20 million grows at 2.7 per cent per annum	Average per capita income is estimated at \$300
Fish consumption accounts for about 60 percent of animal protein in Ghana. The per capita consumption of fish is estimated as 25 kg	US seafood products are not readily available in Ghana, and are unknown to local trade and consumers
The Ghanaian consumer considers US products to be of high quality and lower export prices	US freight is considered relatively high
The increasing tourism, expatriate, community & rural- urban migration is also increasing frozen food consumption	Direct US-West Africa shipping routes are not frequent
GOG low tariff on all fishery products of five percent for the past five years.	US exporters have not explored the Ghanaian seafood market and traders
The USDA Export Credit Programs are available in Ghana.	US exporters are not familiar with conducting business in such countries as Ghana despite the market potential

SECTION II. Imports and Distribution Patterns

- Ghana's seafood is sold mostly in the retail food sector.
- According to the industry imported seafood sales are high from November to June. The domestic fishing season in Ghana is normally in July to September during which sales of imported frozen seafood is slow.
- A large number of importers/distributors have cold storage facilities located at the main fishing port in Tema near Accra. A few cold stores are in the Takoradi fishing port. In addition there are cold storage facilities in these ports and the cities that are rented to wholesalers/distributors with smaller facilities.
- Wholesalers/retailers purchase the seafood from the importers and sell in the traditional market where most of them are located.

Distribution Pattern for Seafood in Ghana (%)	
Traditional Markets	96
Convenience Stores	3
Supermarkets	1

Source: Ministry of Food and Agriculture, seafood importers, distributors and retailers

- The main seafood species imported into Ghana are mackerel, horse mackerel, herring, sardinella and red snapper. Others include chub mackerel, dentex and croaker. Locally, herring and red snapper are caught.
- Horse mackerel and mackerel constitute about 40 percent and 35 percent, respectively of the total market share.

Market Share of Species	
Species	Market share
Horse mackerel	40%
Mackerel	35%
Herrings/sardinella	10%
Red Snapper	5%
Other	10%

Source: Seafood importers, distributors and retailers

- The most preferred seafood species in Ghana is the red snapper but it is expensive and majority of the population cannot afford. Thus most consume mackerel, horse mackerel and herrings that are affordable.
- According to industry sources, several Dutch companies are in partnership with Ghanaian seafood importers. These companies supply seafood from Holland to their partners in Ghana.

- Seafood importers have to pay their port tariffs and other charges in full before they are allowed to transport their consignment to their cold storage facility.
- About 70% of imported frozen seafood is landed at Tema port near Accra and 30% at the Takoradi port. The consignment is inspected and cleared through customs. The cleared frozen product is then off loaded into trucks and transported to the cold storage warehouses located at the Tema and Takoradi ports.
- Imported seafood is shipped in brown boxed packages with weights ranging from 16 kg, 20 kg, 25 kg or 30 kg depending on the buyers' request. The number of fish per box varies with the fish sizes-small, medium, large, which range from 80 to 120 units.
- Frozen seafood is widely distributed in the country, through a network of privately owned cold stores located in the major cities.
- Seafood is available in frozen form in the urban and semi urban markets and smoked in rural village markets. The distribution channel is made up of sub wholesalers and retailers who buy the fish from the wholesaler and sell in the traditional open markets.
- The average household does not own a refrigerator; therefore, frozen seafood is purchased in small quantities for immediate use.
- More than 80 percent of the retailers are found in Ghana's traditional open-air market.
- The average retail price of seafood in the traditional market is about 5%-10% lower than in convenience stores and supermarkets.
- In the traditional markets, seafood is often sold by volume and not by weight and sales price is often flexible usually negotiated on the spot.

SECTION III: COSTS AND PRICES

Average CIF (Accra) (year to date)	
Type of fish	Cost/ton
Red Snapper	\$665
Mackerel	\$536
Horse Mackerel	\$490
Herring/Sardinella	\$350

Source: Seafood importers

Average Freight (year to date)	
Country	Cost/ton
Mauritania	\$90
Angola	\$80
Senegal	\$80
EU (Amsterdam)	\$95
USA	\$120

Source: Seafood importers, shipping companies

SECTION IV MARKET ACCESS

Regulation:

- The GOG Fisheries Directorate of the Ministry of Food and Agriculture (MOFA) regulates all seafood imports into Ghana.
- The Fisheries Directorate issues import permit licenses to importing firms once appropriate documentation is submitted.
- Certification requirements include a) a Certificate of origin and hygiene b) Proof of ownership of cold storage and trucking facilities.
- The Fisheries Directorate issues licenses per import purchase and shipment.
- The importer must label the consignment indicating his business and port name and the containers must be numbered to correspond with numbers on invoices.
- Seafood imports, like all products are subject to a 100 percent destination inspection by Ghana's Fisheries Directorate and Ghana's Food and Drugs Board. These GOG agencies must inspect and clear any imported consignments prior to their release to the importer.
- Tariff: The Ghana Customs Excise and Preventive Service (CEPS) is the GOG agency for import duty collection. Tariffs on all fishery (including fin fish and invertebrates) is 5%, Value Added Tax (VAT) 12.5% charged on CIF value, ECOWAS levy 0.5% EDLF levy 0.5%, Inspection fee 0.1%, GCNET charge 0.4%. The total tax is approximately 20.5% of the CIF value. The national Health Insurance Levy (NHIL) 2.5% has been effective since August 1, 2004.

New-to-market US seafood product exporters should:

- Contact the Agricultural Specialist in the USDA/FAS office in Accra, Ghana, for assistance with establishing contacts with Ghanaian importers.
- Exhibit at the Boston Seafood Show that is attended by Ghanaian seafood product importers and where follow up contacts could be made.
- Introduce and promote US seafood product and develop consumer demand.
- Offer flexible volumes, competitive seafood product and freight prices.

SECTION V: POST CONTACT AND FURTHER INFORMATION

1. American Embassy
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2. Ministry of Food and Agriculture
Fisheries Directorate
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