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Report Name: Food Processing Ingredients Annual

Country: Ghana

Post: Accra

Report Category: Food Processing Ingredients

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Report Highlights:

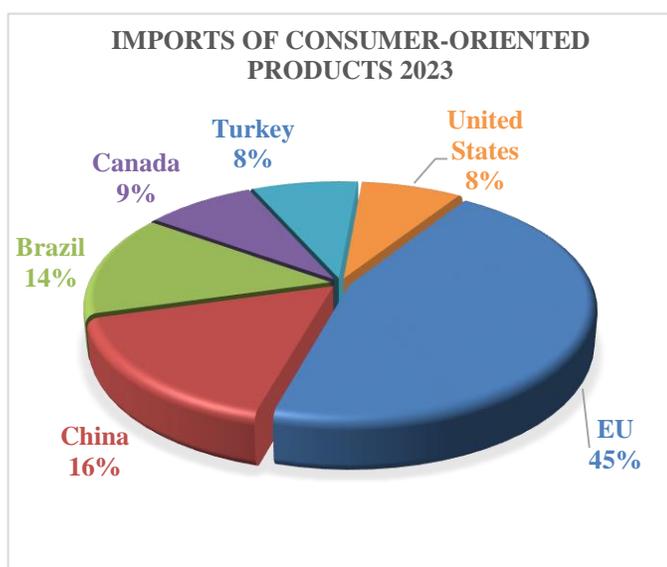
Ghana's food processing industry is developing and remains a major importer of ingredients for food processing. These imports will continue to grow as the sector is unable to meet increased demand. Ghana's imports of food processing ingredients totaled \$132.9 million in 2023, an increase of about 48 percent from \$89.2 million in 2022. There are significant opportunities for imported food ingredients in Ghana.

Executive Summary

The value of Ghana's imports of food processing ingredients totaled \$132.9 million in 2023, an increase of about 48 percent compared to 2022. Ghana's market is relatively advanced compared to many others in Africa. Ghana's economy is highly dependent on exports of primary commodities such as gold, cocoa, and oil. Principal agricultural exports are cocoa, timber, horticultural products, and fish/seafood. Food processing ingredients imports include wheat, rice.

Imports of Consumer-Oriented Products

Externally sourced consumer-oriented products dominate the Ghanaian market. Among the major source countries are the EU, China, Brazil, Canada, Turkey, and the United States.



Food Processing Industry

Food processing is still underdeveloped, with less than 200 agro-processing firms registered and certified to operate by the Food and Drugs Authority. Even though demand for processed foods continues to grow, inefficient production coupled with inadequate quality of local raw materials preclude the development of a viable processing industry. Retail outlets stock lots of processed foods because of growing demand, changing eating habits and diets of the growing urban and middle-class population. This represents an opportunity for U.S. exporters.

Food Retail Industry

Retail spending increased to \$24 billion in 2023, thanks largely to the growing middle class. The sector is made up of large supermarkets and hypermarkets, mid-sized grocery stores, convenience stores, and smaller independent shops, stalls, or kiosks near homes and in open markets. Traditional retail channels are preferred over modern channels largely due to the lower prices. Modern grocery retailers will continue increasing in the future due to growing urbanization.

Quick Facts CY 2023

Imports of Consumer-Oriented Products

Total value of consumer-oriented products imported was \$1.25 billion in 2023. This represents a decrease of about 7 percent compared to 2022.

Top 10 Growth Products

- | | |
|----------------------------|----------------------------|
| 1. Poultry Meat Product | 2. Food Preparations |
| 3. Other Consumer Products | 4. Dairy Products |
| 5. Fruits and Vegetables | 6. Wine & related products |
| 7. Fresh Vegetables | 8. Dog & Cat Food |
| 9. Meat Product NESOI | 10. Beer |

Top Retailers

- | | | |
|-------------|---------------|---------------|
| 1. Melcom | 2. China Mall | 3. Palace |
| 4. Shoprite | 5. Maxmart | 6. Marina |
| 7. Koala | 8. All Needs | 9. Spar Ghana |

GDP/Population

Population (million): 34.8 (2020)
 GDP (\$ billion): 72.84 (2022)
 GDP per capita at PPP (\$): 2,175.9 (2022)

SWOT Analysis

Major Strengths	Major Weaknesses
<p>A very open market compared to other West African countries.</p> <p>A comparatively advanced market per ease of doing business.</p> <p>Increasing efforts in digitalization led by the Government</p>	<p>High Level of debt, Government currently going through debt restructuring program</p> <p>Economy is mainly cash driven.</p> <p>Significantly higher cost of freight incurred in getting U.S. HVPs onto the Ghanaian market.</p>
Major Opportunities	Major Threats
<p>Ghanaian consumers associate U.S. food products with high quality.</p> <p>A fast-growing economy and associated middle-class.</p> <p>High demand for imported HVPs.</p>	<p>Competition is strong from traditional suppliers in Europe and Asia.</p> <p>A fragile local currency against the dollar usually makes U.S. imports relatively expensive.</p>

Data and Information Sources: Trade Data Monitor LLC, GATS, The Economist Intelligence Unit, Ghana Statistical Service.

SECTION I. MARKET OVERVIEW

Ghana has an estimated population of about 34.8 million and remains relatively advanced compared to others in Africa despite the significant dip in economic growth recorded in recent years mainly because of the impact of the COVID-19 pandemic and the war in Ukraine.

The country experienced an economic crisis in 2022 and persistent challenges such as high inflation, low growth rate, and pressure on public finances took the country through external shocks that heightened existing fiscal and debt liabilities, resulting in a restricted access to international markets and limited domestic financing options. The economy suffered substantially through 2023 tumbling the country into economic recession. Inflation reached an all-time high of 53.6 percent in January 2023 then dropped significantly to 23.5 percent in January 2024.

Ghana's economic decline is starting to stabilize after the country sought International Monetary Fund (IMF) support through an Extended Credit Facility (ECF) program of the IMF for approximately \$3 billion. The IMF reached a staff level agreement on the ECF with Government of Ghana (GOG) officials enabling the country to access \$600 million in May 2023.

According to the Economist Intelligence Unit (EIU), Ghana's real GDP growth will accelerate but remain subdued in 2024 as double-digit inflation weighs on domestic demand. They forecast that real GDP growth will pick up more sharply in the medium term (2024-27 forecast period), but will reach 5.8 percent in 2027, driven by a recovery in investment and private consumption (as monetary conditions loosen) and by strong gold and oil export earnings.

Rapid urbanization and gains in economic growth will continue to stimulate an emerging middle class who embrace western brands, products, and lifestyles. Most consumers in Ghana are price sensitive, but quality is never overlooked, and the growing middle class values premium products. Ghana offers expanding market opportunities due to its remarkable record of political stability, and relatively liberal import policies. These notable achievements make Ghana a potential gateway to the larger West African market.

“Advantages” and “Challenges” facing U.S. exporters.

Advantages	Challenges
Insufficient domestic production and processing means import demand in Ghana for processed products and inputs will remain high.	Most Ghanaian consumers are price sensitive and are used to competitive prices due to the openness of the economy
Ghanaians recognize the United States as a reliable supplier of high-quality food products.	Competition is strong from traditional suppliers in Europe, Asia, and South Africa.

Ghana's growing population of 34 million is youthful with an increasingly fast emerging middle-class.	Significantly higher cost of freight incurred in getting U.S products onto the Ghanaian market.
58 percent of Ghana's population was urban in 2021. Migration to the capital and southern parts of the country is expected to continue in 2023 and beyond, potentially boosting the demand for high-value products (HVPs) and making consumers reachable.	Existence of imitations of U.S. products by unscrupulous businesses who take advantage of the high demand to the detriment of consumers. This affects consumer confidence and invariably impacts future demand for U.S. goods.
Middle-class incomes are rising and there is higher demand for healthy foods. The retail sector is shifting to more western style shops and convenience stores.	Many U.S. exporters view Ghana as too small a market and there are few U.S. freight consolidators who are willing to meet the requirements of Ghanaian importers.
The HRI sector continues to expand and requires more consumer ready products and food ingredients.	Some Ghanaian retailers prefer products with 13-digits barcode (EAN/IAN) to the 12-digits UPC.

SECTION II. ROADMAP FOR MARKET ENTRY

1. Entry Strategy

The first point of contact for entry into the Ghanaian market is typically the Importer/Distributor. An exporting firm could also appoint an agent or sign an agreement to make a local business entity the sole representative. U.S. exporters are encouraged to take one or more of the following steps to ensure easy access to the Ghanaian market:

- Contact the USDA/FAS office located in the U.S. Embassy in Accra, Ghana, to assist in identifying credible importers/distributors,
- Directly contact the importer/distributor or the local agent that would register the products with the Foods and Drugs Authority,
- Identify and sell through consolidators based in the United States who are already serving the West African region. Such consolidators usually have a good understanding of local market practices,
- Participate and exhibit at the various USDA sponsored and endorsed regional trade shows, like [Gulfood](#) which are well attended by Ghanaian importers and are suitable venues for face-to-face meetings and networking,
- Offer flexible shipping volumes and small-sized packaging with well displayed readable manufacture date and date of expiration.

2. Import Procedure

For details on how to export to Ghana please refer to FAS Accra's Global Agricultural Information Network (GAIN) reports: [Exporter Guide](#), [Ghana FAIRS Country Report](#) and [FAIRS Export Certificate Report](#)

3. Distribution Channels and Market Structure

Distribution channels for imported food ingredients are normally through importers, wholesalers or major distributors who sell to retailers. However, larger processors generally import directly from their suppliers. Small processors rely on local distributors to import ingredients. Small local grocers are the leading distribution channel for most packaged and processed food categories in Ghana as they offer convenience and proximity to shoppers. However, distribution of chilled or frozen imported products is limited to supermarkets and hypermarkets, and other modern retailers which are the only retail outlets with the necessary equipment for storing and displaying these products. Same with distribution of expensive brands with relatively high pricing as they appeal to more affluent consumers.

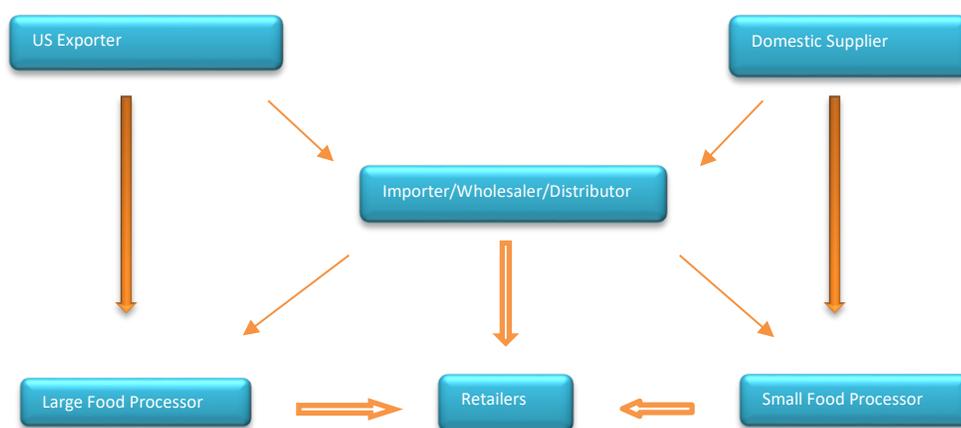


Figure 1 Distribution Channel

4. Sector Trends

Baked Goods: Bread is a common and popular staple food which cuts across all income levels in both rural and urban areas as many households rely on it for much of their breakfast needs, however the rising cost of wheat due to the impact of war in Ukraine has resulted in high prices of bread, affecting retail volume sales as consumers struggle with high food inflation and pressures on purchasing power. The Bread category comprises mostly of artisanal bread products from small-scale bakeries that drive the sector. These bakeries typically deliver their bread to open markets and small local grocers, as well as selling directly to consumers from their own retail outlets and using branded vans. However, a few industrial bakeries, are emerging and selling packaged bread on a large scale to different supermarkets.

In-house bakeries are also growing in supermarkets, such as Shoprite and Melcom. These bakeries bake cakes and pastries, as well as bread. Some hypermarkets, including Palace, and supermarkets like MaxMart have added small cafés to their bakeries. Cake and pastries are second in importance in this category. Baked goods are expected to increase in retail volume as consumption of packaged bread is likely to gain ground on artisanal offerings especially in larger urban areas as population grows.

Breakfast Cereals: The demand for breakfast cereals is expected to grow. Breakfast cereal consumption is dependent on pricing, inflation, and the high cost of living places pressure on household spending power with many budget-conscious consumers switching to cheaper and traditional porridge. However, with an increasing population, urbanization, and a larger middle class, many urban dwellers will have less time to eat breakfast at home. This is likely to lead to an increase in the purchase of hot cereals on the go, from street stalls or packaged food vendors.

Growing health awareness, convenience, mostly with wealthy consumers, is set to boost demand for breakfast cereals. Upper-middle-to-high income consumers choose corn flakes or oat options for breakfast while tom brown (a locally made legume cereal mix) and traditional porridge known as koko (spicy millet porridge) is a preferred cereal breakfast by many consumers. Tea or malted chocolate powder drinks for breakfast is also common with Milo a brand by Nestle being the most popular hot breakfast drink. Distribution is via supermarkets and hypermarkets and small grocery shops.

Processed Meat and Seafood: In this category, demand is driven by canned meat and seafood due to high consumption of sausages and ham. The popularity and appeal of processed meat and seafood is steered by the convenience and long shelf life that these products offer. Seafood is the country's preferred source of protein. Sardines and mackerel are among the most popular products in processed seafood. In processed meat, canned corned beef remained more popular even though sausages are perceived to be more reasonably priced. Consumers are likely to shift to cheaper brands due to increased prices of processed meat and seafood. Price is expected to remain an important deciding factor.

Processed Fruit and Vegetables: This category faces strong competition from cheaper, widely available fresh produce preferred by consumers. The strong preference for fresh produce over processed alternatives is because it is cheaper than canned fruit and vegetables, as well as being perceived as much healthier than processed food. Baked beans are the most popular options for processed vegetables in Ghana.

Rice, Pasta, and Noodles: Rice is one of Ghana's staple foodstuffs, and per capita spending on rice is above the average for Sub-Saharan Africa. Traditionally, much of the rice consumed in Ghana has been imported because local production has been unable to meet demand. The popularity of rice will continue to grow in 2023 and beyond. Household and commercial consumption increased as lifestyles returned to normal with the easing of COVID-19 restrictions. However, price of rice rose substantially as local rice production fell due to the high costs of inputs and unfavorable weather. Pasta and noodles are popular but not as much as rice. Instant noodle packets grew in popularity as affordable and convenient snacks for busy urban dwellers.

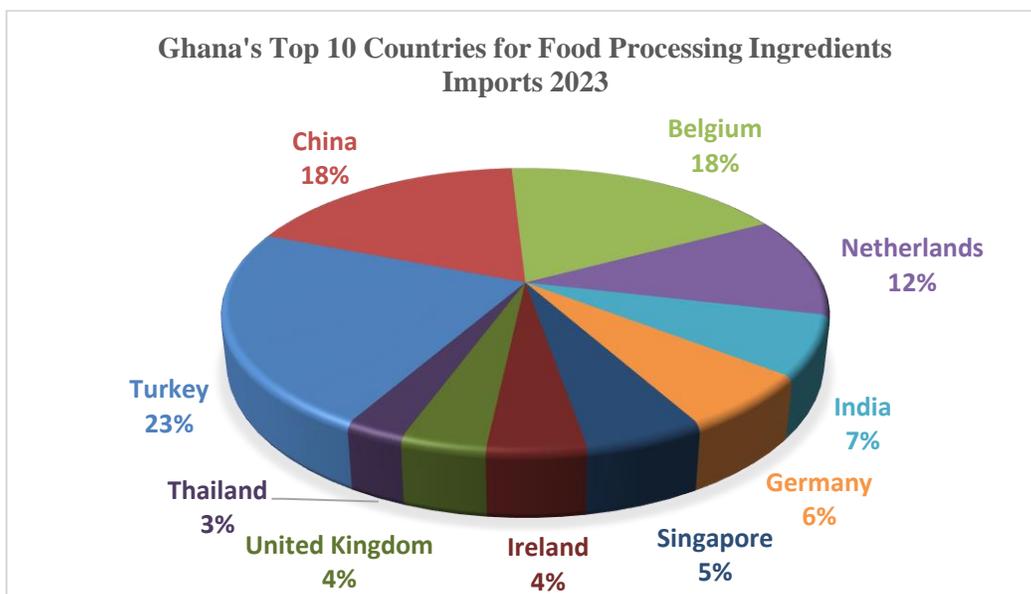
Table 1: Main Food Processing Companies in Ghana

Company	Key Products
Blue Skies Holdings Limited	Fresh fruit juices, fruit salads, fruit snacks, fresh fruit cuts, Ice cream
Fan Milk Ghana Limited	Ice cream, yogurt, dairy-based drinks
Irani Brothers	Flour
Flour Mills of Ghana Limited (FMGL)	Flour and animal feed
Wilmar Africa Limited	Vegetable oil, fats and spreads, rice
Ghana Cocoa Processing Company	Cocoa products (powder, cocoa butter, cocoa liquor, chocolates
GB Foods	Pasta, rice, noodles, sauces, tomato paste, canned tomatoes, spaghetti, spices
Ghana Nuts Company Limited	Processed nuts and nut products
Niche Cocoa Industry Limited	Cocoa products(spreads, drinks), confectionary
Olam Ghana	Flour, pasta, rice, cereals, sauces, tomato paste, breakfast cereals, biscuits, snacks
Nestle West Africa	Breakfast cereals, confectionary, coffee, baby food and purees, dairy products, infant formula

SECTION III. COMPETITION

The EU and China are the main competitor for U.S. food processing and ingredients. According to data from Trade Data Monitor, the EU supplies about 40 percent of food processing and ingredients in Ghana. Ghana has a bilateral Economic Partnership Agreement (EPA) with the European Union and an Interim Trade Partnership Agreement with the United Kingdom and Northern Ireland.

Ghana's Interim EPA with the United Kingdom and Northern Ireland was signed in 2021 and replicates the European Union-Ghana EPA tariff treatment. Because of these two agreements, covered EU and UK exports to Ghana benefit from lower or no tariffs as compared to U.S. exports to Ghana.



Source: Trade Data Monitor

SECTION IV. BEST PRODUCTS PROSPECTS

Ghana remains a major importer of ingredients for food processing. These imports will continue to grow as Ghana's underdeveloped food processing sector is unable to meet increased demand. Ghana's imports of food processing ingredients totaled \$132.9 million in 2023, an increase of about 48 percent from \$89.2 million in 2022. Out of this, U.S. exports of food processing and ingredients to Ghana increased to \$2.21 million in 2023, up by 52 percent compared to \$1.45 million in 2022 making the U.S. the 12th largest supplier of food processing ingredients, with less than 3 percent market share. These ingredients are largely made up of wheat, food preparations, bakery goods, and vegetable oils. Turkey, China, Belgium, Ireland, and India are the top 5 largest suppliers of food processing ingredients to Ghana in 2023. Turkey holds the most market share (23 percent) which is primarily driven by wheat exports. The remaining leading suppliers to Ghana in descending order are Netherlands, Singapore, Germany, Brazil, and the United Kingdom.

Table 2: Top 15 Food processing and ingredients exporting countries to Ghana and value.

Calendar Year	2019	2020	2021	2022	2023
Partner Country	Value (U.S. \$ m)				
Turkey	14.58	12.29	13.98	13.59	26.92
China	15.31	12.80	9.77	11.41	21.61

Belgium	11.08	7.50	4.81	8.50	21.51
Ireland	14.70	13.68	6.82	9.12	5.30
India	11.84	5.49	5.40	8.01	8.12
Netherland	6.08	4.83	5.67	4.85	13.64
Singapore	5.71	3.28	3.31	5.38	6.47
Germany	3.35	2.76	3.07	5.35	7.55
Brazil	2.81	8.42	4.42	0.27	0.20
United Kingdom	3.88	3.46	3.48	3.39	4.61
Denmark	4.01	3.55	2.32	1.45	2.21
United States	3.65	3.58	2.32	1.45	2.21
Canada	1.57	2.31	0.81	0.07	0.01
Thailand	2.24	1.50	1.64	1.76	3.25
South Africa	2.25	0.97	1.19	1.09	1.08

Source: Trade Data Monitor

Table 3: Products present in the Market which have good sales potential.

Product Category	Major Supply Sources	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Cooking Oils	Malaysia Cote D'Ivoire Indonesia Netherlands	Malaysia and Indonesia are major producers of palm oil, offering competitive pricing and consistent quality.	Local suppliers may offer fresher, locally sourced oils, but production may not be sufficient to meet demand consistently.
Sugar	Brazil India UAE Thailand	Brazil is one of the world's largest sugar producers, offering competitive pricing and a reliable supply chain. India and Thailand are also major exporters with competitive pricing.	Local sugar production is limited, and quality may vary. However, supporting local suppliers can contribute to the local economy and reduce dependence on imports.
Wheat Flour	Turkey Europe Lebanon	These countries are known for high quality wheat and offer competitive pricing due to lower production costs ensuring consistent flour quality.	Local flour mills may provide fresher products, but they may not have the capacity to meet demand during peak seasons.

Food Additives and Spices	Turkey China India Europe	These countries offer a wide range of additives and spices at competitive prices due to its large-scale production capabilities. India is known for its diverse spice varieties and competitive pricing.	Local suppliers may offer unique spice blends and additives tailored to local preferences, but they may have limited variety and consistency.
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Source: Trade Data Monitor LLC

Table 4: Products not present in the Market which have good sales potential.

Product Category/ Net imports	Major Supply Sources	Market Overview
Barley	Europe United Kingdom	Europe mostly meets demand for barley
Food additives	China Turkey Europe	The Ghanaian food processing industry heavily relies on imported food additives, with China being the largest supplier.
Food coloring	India China Cote D'Ivoire Europe	There is a significant demand for food coloring agents, primarily sourced from the countries listed providing an opportunity for US exporters.
Food Sweeteners	Brazil Morocco Turkey	The demand is met by these countries with room for US companies to enter the market.

Source: Trade Data Monitor LLC

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

Office of Agricultural Affairs
American Embassy
No 24, Fourth Circular Road.,
Cantonments, Accra, Ghana
Tel : 233-30-274-1590
E-mail : agaccra@fas.usda.gov
www.fas.usda.gov

Links to other government sources:

<https://www.fas.usda.gov/GATS> (Trade Data)

<https://www.trade.gov/country-commercial-guides/ghana-market-overview> (Ghana Country Commercial Guide prepared by the Department of Commerce)

Contacts of Ghana government regulatory agencies:

Ghana Revenue Authority (GRA) HEAD OFFICE

Location: Off Starlets' 91 Road, near Accra Sports Stadium

Postal: P. O. Box 2202, Accra-Ghana

Phone: (+233) 303941108 (Toll free)

Email: info@gra.gov.gh

Website: <https://gra.gov.gh/>

Food and Drugs Authority (FDA) Head Office

Mail: P. O. Box CT 2783, Cantonments – Accra, Ghana

Telephone Lines: (+233) – 302-233200/ 235100, (+233) – 0299802932/3 (Hotline)

Email: fda@fdaghana.gov.gh

Website: <http://fdaghana.gov.gh/>

Ghana Standards Authority (GSA)

Address: P O Box MB245, Accra - Ghana

Tel : (+233-302) 506991-5 / 500065/6

Email : gsanep@gsa.gov.gh/gsadir@gsa.gov.gh

Website : <https://www.gsa.gov.gh/>

Attachments:

No Attachments