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Report Highlights:

Post forecasts MY2023/24 palm oil production up by 20 percent over the current marketing year's estimate. Total domestic consumption is forecast marginally up, imports are expected to drop by 14 percent due to increased domestic production, but exports are forecast significantly up compared to the current marketing year's estimate. MY2023/24 soybean production has been forecast at 260,000 MT by Post, up by about two percent from the MY2022/23 estimate of 255,000 MT. The increase will be in response to the growing domestic and export demands. Post forecasts area planted and harvested in MY2023/24 at 145,000 HA, up by two percent from the MY2022/23 estimate of 142,000 HA. MY2023/24 total domestic consumption demand for soybean is forecast at 215,000MT, up by 10 percent from the MY2022/23 estimate mainly due to expected increased demand from food use domestic consumption, food manufacturing sector, the aquaculture industries, and increased demand from the poultry industry.

EXECUTIVE SUMMARY

Post forecasts a marginal increase in area harvested and significant increase in palm kernel production in marketing year (MY) 2023/24. Total domestic consumption has been forecast substantially high in MY2023/24. Expected improvement in fertilizer supply and strengthened local currency induced by a bailout from the International Monetary Fund (IMF) will stimulate fertilizer usage and enhance production of fresh fruit bunches (FFB) and kernels. There continues to be no record of significant palm kernel trade, and Post expects this trend to continue.

MY2023/24 peanut production is forecast marginally low compared to the current marketing year's estimate. An announced support for domestic poultry production by the Government of Ghana (GOG) is expected to drive increased demand for corn and soybean thereby inducing a switch from peanut to corn and/or soybean production. Peanut consumption has been forecast to increase marginally in MY2023/24. No significant peanut trade is expected in MY2023/24.

Post forecasts MY2023/24 soybean production marginally up compared to the MY2022/23 production. The increase is attributed to the growing domestic and export demands. Significant increase in total domestic consumption is anticipated, mainly due to expected increase in demand for an affordable source of protein. Soybean imports remain low due to unfavorable tariff regime at the ports. MY2023/24 exports are retained at the MY2022/23 levels though GOG's imposed export restriction of soybean remains in force.

Soybean meal production has been forecast 13 percent up in MY2023/24 compared to the current year's production estimate. MY2023/24 total domestic consumption has been forecast marginally high, mainly due to population growth and increased demand from the poultry sector. Soybean meal (SBM) imports in MY2023/24 has been forecast 16 percent low at 70,000 MT from the MY2022/23 estimate due to the expected increase in domestic supply. Post anticipates a decrease in SBM export in MY2023/24 because of increased domestic demand.

Post forecasts MY2023/24 palm oil production up by 20 percent over the current marketing year's estimate. Total domestic consumption is forecast marginally up, imports are expected to drop by 14 percent due to increased domestic production, but exports are forecast significantly up compared to the current marketing year's estimate.

A substantial increase in palm kernel oil production is expected in MY2023/24 but food use domestic consumption has been retained at the MY2023/24 level partly due to the prevailing high price. Imports are retained at the MY2022/23 level, but exports are forecast at 6,000 MT, 50 percent up compared to the MY2022/23 level.

Post forecasts MY2023/24 soybean oil production and consumption up by about 14 percent and nine percent respectively. Imports are forecast 33 percent lower than the MY2022/23 level, with no expectation of significant exports in MY2023/24.

SECTION 1: OILSEEDS

1.1 Oilseed, Palm Kernel

Table 1: Production, Supply and Distribution

Oilseed, Palm Kernel Market Year Begins Ghana	2021/2022		2022/2023		2023/2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	360	360	360	385	0	390
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	82	68	84	62	0	85
MY Imports (1000 MT)	0	0	0	0	0	0
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	82	68	84	62	0	85
MY Exports (1000 MT)	0	0	0	0	0	0
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	82	68	84	62	0	85
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	82	68	84	62	0	85
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	82	68	84	62	0	85
CY Imports (1000 MT)	0	0	0	0	0	0
CY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
CY Exports (1000 MT)	0	0	0	0	0	0
CY Exp. to U.S. (1000 MT)	0	0	0	0	0	0
Yield (MT/HA)	0.2278	0.1889	0.2333	0.161	0	0.2179

Production

Post forecasts Marketing year (MY) 2023/24 area harvested at 390,000 hectares (HA), which represents a marginal increase of one percent from Post's MY2022/23 estimate of 385,000 HA. Expected expansion of farms, especially by smallholders, in response to recent rises in domestic prices of fresh fruit bunches (FFB) and kernels induced by the high global prices of Crude Palm Oil (CPO) and Crude Palm Kernel Oil (CPKO) is responsible for the change.

MY2023/24 palm kernel production is forecast at 85,000 metric tons (MT), up by 37 percent compared to Post's MY2022/23 projection. Favorable weather forecasts and favorable fertilizer prices compared to the preceding years are expected to result in relatively higher FFB yield, and consequently kernel yield.

Fertilizer supply has improved but the price remains relatively high due to the depreciation of the local currency (the cedi) against the dollar. It is expected that a bailout from the International Monetary Fund (IMF) would help bolster the cedi's performance against the major trading currencies and bring prices of fertilizer on the domestic market further down. This will induce increased fertilizer usage, which will impact production. Accordingly, Post has raised the yield forecast for MY2023/24 up by 35 percent to 0.2179 MT/HA, compared to Post's current year's (MY2022/23) projection of 0.1610 MT/HA.

Consumption

Post forecasts MY2023/24 crush at 85,000 MT, an increase of 37 percent compared to the preceding year's estimate. Post's forecast for MY2023/24 total domestic consumption is the same as the crush value.

Marketing

Industrial scale oil mills that do not process kernels sell the kernel nuts to others that process at industrial scale or to artisanal kernel processors. Artisanal palm oil producers are the main suppliers of kernel nuts to the artisanal kernel processors. Kernels are sold either in truck loads or in sacks depending on the quantity. A 100 kg sack of kernels now sells for GH¢80.00 (\$6.84) at an exchange rate of \$1.00=GH11.70. The market shares of the industrial scale and the artisanal kernel processors are estimated at 30 percent and 70 percent respectively.

Trade

There has been no significant palm kernel trade in MY2022/23, and there was none in the preceding year (MY2021/22). Hence Post forecasts that this trend will continue in MY2023/24 resulting in no significant palm kernel trade.

Stocks

For each of the three marketing years under consideration, total domestic consumption completely matches the respective crush, leaving no ending stocks.

Policy

There is no specific policy that targets palm kernel but those policies that target oil palm development in general also impacts palm kernel supply and distribution.

1.2 Oilseed, Peanut

Table 2: Production, Supply and Distribution

Oilseed, Peanut Market Year Begins Ghana	2021/2022		2022/2023		2023/2024	
	Nov 2021		Nov 2022		Nov 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	340	337	340	365	0	360
Area Harvested (1000 HA)	340	337	340	365	0	360
Beginning Stocks (1000 MT)	52	52	22	24	0	30
Production (1000 MT)	480	502	480	611	0	600
MY Imports (1000 MT)	0	0	0	0	0	0
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	532	554	502	635	0	630
MY Exports (1000 MT)	0	0	0	0	0	0
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	0	80	0	80	0	80
Food Use Dom. Cons. (1000 MT)	465	415	465	485	0	490
Feed Waste Dom. Cons. (1000 MT)	45	35	30	40	0	40
Total Dom. Cons. (1000 MT)	510	530	495	605	0	610
Ending Stocks (1000 MT)	22	24	7	30	0	20
Total Distribution (1000 MT)	532	554	502	635	0	630
CY Imports (1000 MT)	0	0	0	0	0	0
CY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
CY Exports (1000 MT)	0	0	0	0	0	0
CY Exp. to U.S. (1000 MT)	0	0	0	0	0	0
Yield (MT/HA)	1.4118	1.4896	1.4118	1.674	0	1.6667

Production

Ghana's peanut production in MY2023/24 has been forecast by Post at 600,000 MT, a marginal decrease of about two percent from the MY2022/23 estimate. Some of the peanut farmers revealed their intent to switch to corn and soybean production, citing expected increase in the prices of the two commodities (corn and soybean) due to expected increased demand from individual poultry farmers and feed millers because of Government of Ghana's (GOG) announced support for domestic poultry production. Post forecasts area harvested in MY2023/24 at 360,000 HA, a slight decrease of one percent from Post's MY2022/23 projection.

Consumption

Peanuts are consumed in Ghana mostly in the paste form as an important soup ingredient. In addition to the paste, food use consumption can be as whole roasted peanuts, whole boiled unshelled peanuts, and peanut butter/spread. MY2023/24 total domestic consumption has been forecast by Post at 610,000 MT, a marginal increase of about one percent over Post's MY2022/23 projection of 605,000 MT. The change is mainly due to an increase in population and increase in demand for affordable source of protein. Food use domestic consumption would have been much higher but for the concerns of some urban dwellers regarding the issue of aflatoxin in peanuts. Post anticipates a slight increase in the consumption of whole roasted peanuts, peanut paste/butter (mainly used as ingredient for soup and spread), peanut-based snacks and prepared foods like "Weanimix" (a blend of roasted corn and peanut served to weaned

children) because these are considered nutritious and affordable in the face of the recent economic downturn.

Peanut oil is not very popular in the southern and most populous part of Ghana when compared to the northern part where peanut is processed by women into either peanut paste/butter or oil and meal. The meal is used to prepare various snacks and condiments.

Feed waste domestic consumption in MY2023/24 has been forecast at 40,000 MT by Post, unchanged from Post's MY2022/23 projection. Some livestock feed millers and farmers, especially of hogs, as well as some poultry and aquaculture farmers, that patronize peanut meal as a feed ingredient for their production will switch to soybeans and soybean meal due to recent reduction in the prices of soybeans and soybean meal. This is responsible for the expected decrease in the feed waste consumption demand.

Marketing

Peanut is usually sold on the market in volumes of 50 kg and 100 kg sacks. Retail volumes of less than one kilogram are also common. The price averages GH¢2,900.00 (\$247.86) per 100 kg at an exchange rate of \$1.00=GH¢11.70.

Trade

No significant peanut trade is expected in MY2023/24 by Post so imports and exports are set to zero and remain unchanged compared to the MY2022/23 projection by Post.

Stocks

MY2023/24 ending stocks are forecast down from 30,000 MT (MY2022/23) to 20,000 MT due to the expected decrease in production against an increased consumption demand.

Policy

The recently launched (October 2022) national policy for aflatoxin control in food and feed, developed by the Council for Scientific and Industrial Research's (CSIR) Science and Technology Policy Research Institute (STEPRI), remains the only national policy with a bearing on the peanut industry. This policy seeks to ensure food safety for the populace and enhance the export potential of domestically produced peanuts.

1.3 Oilseed, Soybean

Table 3: Production, Supply and Distribution

Oilseed, Soybean (Local) Market Year Begins Ghana	2021/2022		2022/2023		2023/2024	
	May 2021		May 2022		May 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	123	0	142	0	145
Area Harvested (1000 HA)	0	123	0	142	0	145
Beginning Stocks (1000 MT)	0	0	0	14	0	45
Production (1000 MT)	0	218	0	255	0	260
MY Imports (1000 MT)	0	4	0	1	0	2
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	0	222	0	270	0	307
MY Exports (1000 MT)	0	40	0	30	0	30
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	0	140	0	160	0	180
Food Use Dom. Cons. (1000 MT)	0	18	0	25	0	30
Feed Waste Dom. Cons. (1000 MT)	0	10	0	10	0	12
Total Dom. Cons. (1000 MT)	0	168	0	195	0	215
Ending Stocks (1000 MT)	0	14	0	45	0	55
Total Distribution (1000 MT)	0	222	0	270	0	307
CY Imports (1000 MT)	0	0	0	0	0	0
CY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
CY Exports (1000 MT)	0	0	0	0	0	0
CY Exp. to U.S. (1000 MT)	0	0	0	0	0	0
Yield (MT/HA)	0	1.7724	0	1.7958	0	1.7931

Production

Soybean is a non-staple crop in Ghana and predominantly used as livestock feed. As such, soybean production (particularly commercial production) is relatively new in Ghana and is concentrated in the northern part of the country. In Ghana, soybean is mainly grown by smallholder farmers, and average farm size is less than one hectare. Owing to growth in demand, especially from the domestic food manufacturing, poultry, and aquaculture industries, as well as the export market, there has been sustained increases in production lately.

MY2023/24 soybean production has been forecast at 260,000 MT by Post, up by about two percent from the MY2022/23 estimate of 255,000 MT. The increase will be in response to the growing domestic and export demands. Post forecasts area planted and harvested in MY2023/24 at 145,000HA, up by two percent from the MY2022/23 estimate of 142,000 HA.

Industry players identify thirteen processing companies as large scale, with combined installed grain processing capacity of about 172,000 MT per year. However, actual production by these companies is about 72,000 MT per year, less than 50 percent of their installed capacity. There are micro (household), small, and medium-scale enterprises that also process soybeans, and have a combined installed production capacity of about 180,000 MT per year. However, the actual combined annual production of these processors is also less than 50 percent of their total installed capacity.

Consumption

MY2023/24 total domestic consumption demand for soybean is forecast at 215,000MT, up by 10 percent from the MY2022/23 estimate (195,000MT) mainly due to expected increased demand from food use domestic consumption, food manufacturing sector, the aquaculture industries, and increased demand from the poultry industry. Total food use domestic consumption is forecast at 30,000 MT in MY2023/24, up by 20 percent from the preceding year's estimate, mainly due to expected increase in demand for an affordable source of protein. Households, especially those that own soybean farms, and micro-enterprises that source locally, process soybean into various products like soymilk, soy flour, soy kebab for human consumption. However, all 13 major soybean processors are operating under-capacity due to insufficient grain supply, as domestically produced grain constitutes less than 70% of the total local processing capacity.

Marketing

Soybean grains are usually sold in sacks of 50 kg and 100 kg. In February 2023, the price of locally produced soybean averaged GH¢8,000.00 (\$683.76)/ton at an exchange rate of \$1.00=GH¢11.70). The current demand for domestically produced soybean remains high.

Trade

Post forecasts MY2023/24 soybean imports at 2,000MT, double the estimated volume for MY2022/23. The unfavorable tariff arrangement at the ports pertaining to soybean import duty is mainly responsible for recent years' reduced imports. Soybean imports attract a 10 percent duty on the Cost, Insurance, and Freight value of the shipment.

Post forecasts MY2023/24 soybean exports at 30,000MT, unchanged from the MY2022/23 estimate. Sustained exports of locally produced soybean to niche markets in Turkey and China that prefer non-GE soybeans has been observed since 2018. Post expects exports to continue despite the GOG's imposed restriction that is yet to be lifted. It is reported that some Indian aggregators who used to buy cashew nuts for export have switched to soybean exports. Some Chinese and Turkish nationals are also reported to be involved in this business of exporting locally produced soybean. To be assured of sustained supply to meet the growing demand from the Turkish market, an export company has arranged with a nucleus farmer in Tamale to rally several soybean farmers to guarantee supply over an agreed period of years.

The top five destinations for Ghanaian produced soybean exports in 2021 were India, Turkey, Singapore, Vietnam, and China in descending order. There are also cross-border regional buyers of soybean from Ghana. These buyers are from Togo and Burkina Faso. Complaints by the major industry players (poultry farmers and processors) resulted in the GOG announcing a six-month temporary restriction of soybean exports.

Stocks

Post forecasts Ghana's MY2023/24 soybean ending stocks in at 55,000 MT, up by 22 percent from the MY2022/23 estimate, as industry players are expected to build stocks.

Policy

With the introduction of the GOG's Planting for Food and Jobs (PFJ) program in 2017 yields began rising to 1.7 and 1.8 MT/HA. This remains below what the Ministry of Food and Agriculture (MOFA) believes are achievable yields of 3.0 MT/HA given the needed attention. In addition to corn, rice, sorghum, and vegetables increasing soybean production is an objective of the PFJ program. Under the PFJ, the GOG provides seed and fertilizer subsidy to smallholder farmers of the five target crops. This has resulted in sustained increases in yields and production of soybean since 2017.

Nevertheless, the increase in production does not satisfy the domestic demand because aggregators find the export market more attractive. In response to this development, the GOG announced a temporary ban on the exports of grains including soybean in September 2021 in a bid to ensure that domestic demand, especially by the poultry industry, could be met. The ban was expected to end on March 31, 2022, but got extended by another six-month period, which in principle expired September 30, 2022. Though an extension has not been announced by the GOG, sources indicate that the GOG intends to use export permits to restrict soybean exports.

Another GOG policy that impacts soybean trade is the requirement of 10 percent Cost, Insurance, and Freight (CIF) of shipment as import duty. Curiously, soybean meal (SBM) shipments do not attract this 10 percent import duty.

SECTION 2: MEALS

2.1 Meal, Palm Kernel

Table 4: Production, Supply and Distribution

Meal, Palm Kernel Market Year Begins Ghana	2021/2022		2022/2023		2023/2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	82	68	84	62	0	85
Extr. Rate, 999.9999 (PERCENT)	0.5366	0.5294	0.5357	0.5323	0	0.5294
Beginning Stocks (1000 MT)	5	5	5	0	0	0
Production (1000 MT)	44	36	45	33	0	45
MY Imports (1000 MT)	0	0	0	0	0	0
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	49	41	50	33	0	45
MY Exports (1000 MT)	5	4	5	0	0	4
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	39	37	40	33	0	41
Total Dom. Cons. (1000 MT)	39	37	40	33	0	41
Ending Stocks (1000 MT)	5	0	5	0	0	0
Total Distribution (1000 MT)	49	41	50	33	0	45
(1000 MT) ,(PERCENT)						

Production

MY2023/24 palm kernel meal production has been forecast at 45,000 MT by Post, up by 36 percent from Post's MY2022/23 estimate. The increase is in line with the expected rise in FFB yield as induced by favorable weather and improved soil fertility management.

Consumption

Total domestic consumption of palm kernel meal in MY2023/24 is forecast at 41,000 MT, which represents a 24 percent increase compared to the MY2022/23 total domestic consumption estimate. The increase is due to the increased demand from the poultry production sector, mainly broiler producers. Feed waste consumption constitutes total domestic palm kernel meal consumption.

Though considered a source of feed ingredient by domestic producers of poultry, hogs, and fish, palm kernel meal is reported by some poultry farmers as only being most suitable as a feed ingredient for broiler production. These contend that laying is markedly impaired when palm kernel meal is fed to layers.

Marketing

Palm kernel meal, popularly referred to as palm kernel cake is usually sold in tons, at the price of GH¢720.00 (\$61.54)/ton at an exchange rate of \$1.00=GH¢11.70.

Trade

Post does not foresee any significant palm kernel meal imports in MY2023/24, but MY203/24 exports are forecast at 4,000 MT.

Stocks

MY2023/24 forecast, and MY2022/23 estimates of palm kernel meal are all set to zero by Post simply because the product has ready market, and supply is completely matched by demand.

Policy

There is no specific policy targeting palm kernel meal but those policies that target oil palm development in general also impact palm kernel meal supply and distribution.

2.2 Meal, Soybean

Table 5: Production, Supply and Distribution

Meal, Soybean (Local) Market Year Begins Ghana	2021/2022		2022/2023		2023/2024	
	May 2021		May 2022		May 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	140	0	160	0	180
Extr. Rate, 999.9999 (PERCENT)	0	0.75	0	0.75	0	0.7778
Beginning Stocks (1000 MT)	0	0	0	5	0	12
Production (1000 MT)	0	105	0	120	0	140
MY Imports (1000 MT)	0	86	0	83	0	70
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	0	191	0	208	0	222
MY Exports (1000 MT)	0	6	0	3	0	2
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	90	0	95	0	95
Feed Waste Dom. Cons. (1000 MT)	0	90	0	98	0	100
Total Dom. Cons. (1000 MT)	0	180	0	193	0	195
Ending Stocks (1000 MT)	0	5	0	12	0	25
Total Distribution (1000 MT)	0	191	0	208	0	222
(1000 MT) ,(PERCENT)						

Production

Post forecasts crush in MY2023/24 at 180,000 MT, about 13 percent increase over the preceding year's estimate. MY2023/24 soybean meal production is forecast at 140,000 MT by Post, up by about 17 percent from the MY2022/23 estimate of 120,000 MT. There continues to be insufficient supply of grain as the processors operate at less than 70 percent of the total installed capacity.

Consumption

Total domestic consumption has been forecast at 195,000 MT in MY2023/24, a marginal increase of one percent from the MY2022/23 estimate. Expected increased demand from population growth and the poultry sector will account for the increase.

Marketing

Soybean meal is sold in sacks of 50 kg and the current (March 2023) price is GH¢8,000/ton (\$683.76/ton) at an exchange rate of \$1.00=GH¢11.70.

Trade

Post forecasts MY2022/23 SBM import at 70,000 MT, a decrease of about 16 percent from the preceding year's estimate. The decrease is due to the rise in domestic supply. Import of SBM averaged 95,000 MT from MY2017/18 to MY2020/21.

Soybean meal (SBM) is exported to India and some neighboring West African countries including Burkina Faso, Mali, Senegal, and Togo. Post forecast Ghana's MY2023/24 SBM export at 2,000 MT, a 33 percent decrease compared to the preceding year's estimate of 3,000 MT. The decrease will be due to increased domestic demand.

Policy

In principle, SBM import attracts an import duty of 10 percent CIF value of shipment but in practice, this requirement is waived by the GOG. Most industry players therefore prefer to import SBM instead of soybean.

SECTION 3: OILS

3.1 Oil, Palm

Table 6: Production, Supply and Distribution

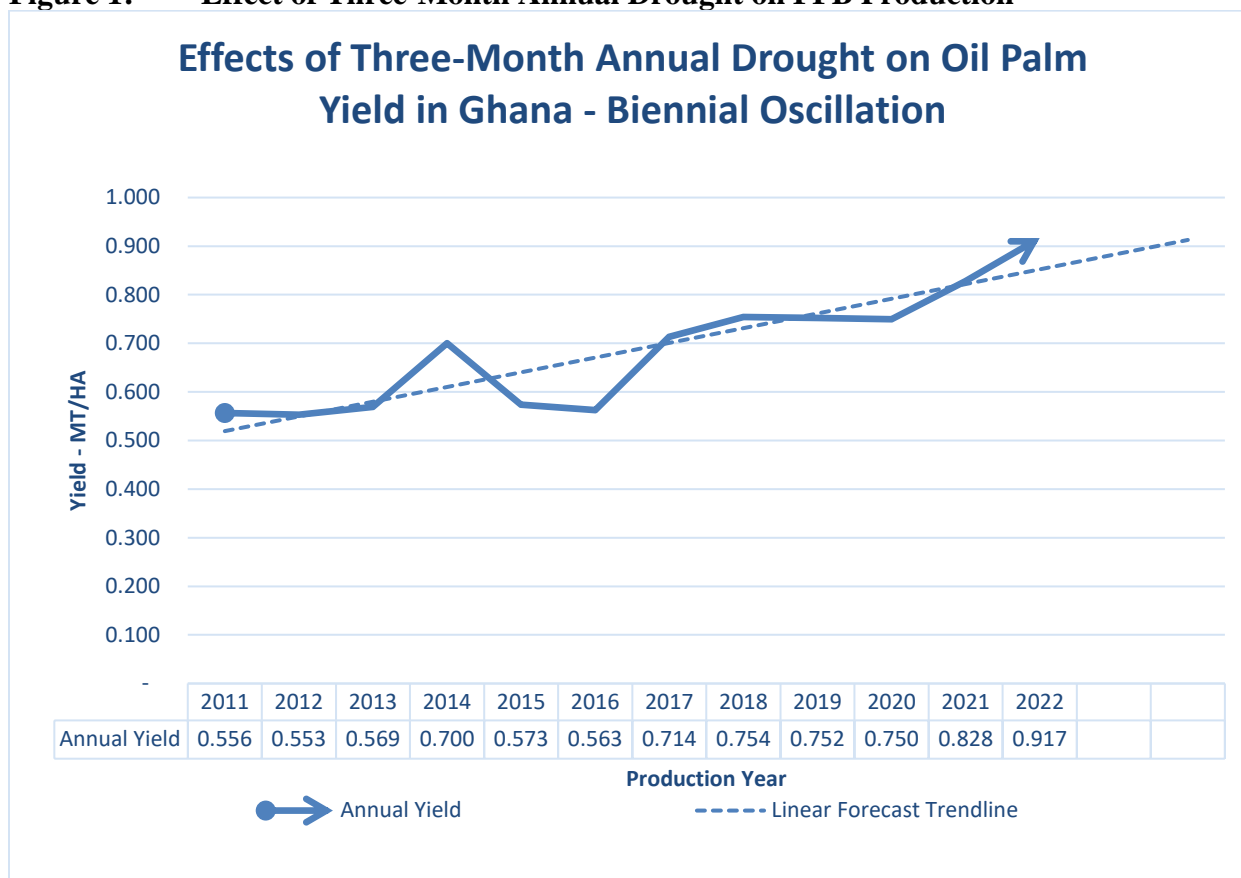
Oil, Palm Market Year Begins Ghana	2021/2022		2022/2023		2023/2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	360	360	360	385	0	390
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	86	86	33	29	0	54
Production (1000 MT)	297	330	300	300	0	360
MY Imports (1000 MT)	175	230	300	350	0	300
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	558	646	633	679	0	714
MY Exports (1000 MT)	85	67	110	70	0	100
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	60	0	60	0	65
Food Use Dom. Cons. (1000 MT)	440	490	450	495	0	500
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	440	550	450	555	0	565
Ending Stocks (1000 MT)	33	29	73	54	0	49
Total Distribution (1000 MT)	558	646	633	679	0	714
CY Imports (1000 MT)	325	0	325	0	0	0
CY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
CY Exports (1000 MT)	120	0	120	0	0	0
CY Exp. to U.S. (1000 MT)	0	0	0	0	0	0
Yield (MT/HA)	0.825	0.9167	0.8333	0.7792	0	0.9231

(1000 HA) ,(1000 TREES) ,(1000 MT) ,(MT/HA)

Production

Harvesting of FFB is done every week, and processing is recommended immediately to obtain a product with less free fatty acid content. Area harvested in MY2023/24 has been forecast by Post at 390,000 HA, a marginal increase of one percent over Post's MY2022/23 estimate. The increase is due to expansion of farms by producers, mainly smallholders in response to recent gains in price of Crude Palm Oil (CPO) on the international market. With the first harvest of the 25,000 HA of four million hybrid oil palm seedlings distributed in June 2021 by the GOG under its Alternative Livelihood Development Projects (ALDPs) for illegal miners and residents of affected mining communities expected in 2023, Post has forecast MY2023/24 palm oil production at 360,000 MT, up by 20 percent from the MY2022/23 estimate. The combined effect of favorable weather forecast, and improved soil fertility management is expected to result in high yields of fruits. Also, MY2023/24 production will be free of the observed cyclical decline in yield resulting from effect of the dry season (annual three-month drought) of the preceding two years.

Figure 1: Effect of Three-Month Annual Drought on FFB Production



Source: FAS Accra Field Data, 2023

Consumption

Post forecasts MY2023/24 total domestic consumption at 565,000 MT, up by about two percent from Post’s MY2022/23 estimate. Reduced palm oil consumption by health-conscious consumers will partially offset the expected increased consumption due to population growth. Palm oil is an important ingredient in food processing and a preferred cooking oil in Ghana. Industrial domestic consumption in MY2023/24 is forecast at 65,000 MT by Post, an eight percent increase over the MY2022/23 estimate. Industrial domestic consumption includes using palm oil as an ingredient for soaps, detergents, pharmaceuticals, and cosmetics. The operational capacities of the industrial actors remain the same.

Marketing

Sales of refined palm oil from the artisanal oil mills is largely limited to the domestic market. The product is sold in different containers. Retail volumes range from less than a liter to five liters (5L). Wholesale sales by artisanal producers is usually in volumes of 25 and 250 liters. The current price per 25 liters is GH¢750.00 (\$64.10/25L) at an exchange rate of \$1.00=GH¢11.70. Products meant for food use in domestic consumption are sold in smaller volumes ranging from less than a liter to five liters. Industrial-scale oil mills supply their manufacturing factory customers in tanks of 2,500 liters and above. Most of the oil mills that own oil palm plantations have affiliated manufacturing companies that they

supply with CPO. The product is produced to meet the benchmark for the international market and therefore attracts the international market price if sold to other manufacturing companies.

Trade

Imports of palm oil is forecast to drop from the MY2022/23 estimate of 350,000 MT to 300,000 MT in MY2023/24, a decrease of 14 percent. This is largely due to the increased domestic production. Compared with the MY2021/22 estimate, Post expects the current year's (MY2022/23) palm oil imports to be up by 52 percent. The expected bailout from the IMF resulting in a strengthened local currency, decreased domestic production, and increased total domestic consumption form the underlying assumption for the increased imports.

According to the Ghana Statistical Service, inflation for imported items was over 51 percent at the end of March 2023. However, with IMF intervention imminent, the cedi is expected to appreciate and make some gains against the major trading currencies, making palm oil imports less expensive in MY2023/24.

MY2023/24 exports are forecast at 100,000 MT, up by about 43 percent over the MY2022/23 estimate. The increase is mainly due to the rise in domestic production.

Stocks

Post forecasts MY2023/24 ending stocks at 49,000 MT, a nine percent decrease from the MY2022/23 estimate. Though production is expected to go up in MY2023/24, increased total domestic consumption and exports will leave ending stocks depleted.

Policy

The Government of Ghana (GOG) realizes the contribution of the oil palm industry to the national economy and has announced an effort towards supporting the oil palm value chain to become financially viable. In furtherance of this goal, the GOG inaugurated a Tree Crop Development Authority (TCDA) in September 2020. The mandate of the TCDA is to regulate and create a conducive environment for the growth and development of tree and industrial crops in Ghana with consequential benefits to the economy of the country. The TCDA, established by an act of parliament, is mandated to regulate and develop in a sustainable environment the production, processing, and trading of six tree crops including cashew, shea, mango, coconut, rubber, and oil palm.

The TCDA is the main mechanism of Planting for Export and Rural Development (PERD) and will lead the agenda for the diversification of Ghana's agriculture by developing the tree crop sector. The Authority will operate like the Ghana Cocoa Board (COCOBOD), putting in place policies and programs to guide research, production, pricing, and marketing of the six pioneer tree crops. The overarching goal is to help Ghana increase agricultural export earnings exponentially. However, three years after inauguration, it still seems like early days for the TCDA, and it remains to be seen what impact it will have on the oil palm industry.

In October 2021, President Akufo-Addo launched the National Alternative Employment and Livelihood Programme (NAELP), a program designed to help alleviate the hardships of those affected by the GOG's efforts to sanitize the small-scale mining industry. NAELP is intended to provide good economic

livelihood options to illegal mining and its associated activities, and to enable those adversely impacted by the GOG's effort to fight illegal mining, and the opportunity to work and support themselves and their families. The policy will also focus on reversing the negative impact of illegal mining on the environment through its National Land Reclamation and Reafforestation component.

Five months ahead of the launch of the NAELP, the GOG, acting through the Ministry of Lands and Natural Resources, under the Mining Community Development Scheme of the Minerals Development Fund initiated the Alternative Livelihood Projects (ALPs) and distributed four million hybrid oil palm seedlings to some youth who are being redirected from engaging in illegal mining, popularly known as "Galamsey" (corrupted form for gather-them-and-sell), as alternative livelihood project. This program if sustained will result in expansion of area under oil palm cultivation in the years ahead.

3.2 Oil, Palm Kernel

Table 7: Production, Supply and Distribution

Oil, Palm Kernel Market Year Begins Ghana	2021/2022		2022/2023		2023/2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	82	68	84	62	0	85
Extr. Rate, 999.9999 (PERCENT)	0.439	0.4412	0.4405	0.4355	0	0.4471
Beginning Stocks (1000 MT)	0	0	0	2	0	0
Production (1000 MT)	36	30	37	27	0	38
MY Imports (1000 MT)	2	2	2	1	0	1
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	38	32	39	30	0	39
MY Exports (1000 MT)	2	4	2	4	0	6
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	14	0	14	0	17
Food Use Dom. Cons. (1000 MT)	36	12	37	12	0	12
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	36	26	37	26	0	28
Ending Stocks (1000 MT)	0	2	0	0	0	4
Total Distribution (1000 MT)	38	32	39	30	0	39
(1000 MT) ,(PERCENT)						

Production

Post forecasts MY2023/24 crush up by 37 percent from the MY2022/23 estimate of 62,000 MT. consequently, MY2023/24 palm kernel oil production has been forecast by Post at 38,000 MT, up by about 41 percent from the MY2022/23 estimate, mainly due to the increased supply of kernels, resulting from increased FFB production.

Consumption

A high percentage of the palm kernel oil produced in Ghana is utilized by industrial manufacturers of luxury soaps as well as by artisanal soap manufacturers. Industrial domestic consumption in MY2023/24 has been forecast at 17,000 MT, an increase of 21 percent over the MY2022/23 estimate. This is mainly because of increased supplies. MY2023/24 food use domestic consumption of palm kernel oil has been retained at 12,000 MT by Post, unchanged from the MY2022/23 estimate. This is because traditionally palm kernel oil is not a popular cooking oil among urban Ghanaians, and the prevailing price is not competitive either. MY2023/24 total domestic consumption has been forecast at 28,000 MT, an increase of about eight percent from the MY2022/23 estimate.

Marketing

Refined palm kernel oil from the artisanal oil mills is sold in different containers on the Ghanaian market. Artisanal soap manufacturers purchase the product in volumes of 25 and 250 liters from the artisanal producers. The current price per 25 liters is GH¢1,000.00 (\$85.47/25L) at an exchange rate of \$1.00=GH¢11.70. Products meant for food use in domestic consumption are sold in smaller volumes ranging from less than one liter to five liters. Like palm oil, industrial-scale oil mills supply their

manufacturing factory customers in tanks of 2,500 liters and above. And most oil mills that own oil palm plantations have affiliated manufacturing companies that take their supplies. The product is produced to meet the benchmark for the international market and therefore attracts the international market price if sold to other manufacturing companies.

Trade

Post forecasts MY2023/24 palm kernel oil exports at 6,000 MT, up by 50 percent from the MY2022/23 estimate. Only palm kernel oil produced by the industrial-scale oil mill companies is traded, and currently a ton of the product is offered at \$1,051.75 (F.O.B.). Unlike the product from the artisanal processors, these are produced to meet international market standards. MY2022/23 imports are forecast at 1,000 MT, remaining unchanged compared to the MY2022/23 estimate. The manufacturing capacity of the manufacturing companies that utilize this as raw material has not changed significantly since MY2022/23.

Stocks

Post forecasts MY2023/24 ending stocks at 4,000 MT, as industry players build stocks.

Policy

Like palm kernel meal, there is no specific policy targeting palm kernel oil but those policies that target oil palm development in general also impact palm kernel oil supply and distribution.

3.3 Oil, Soybean

Table 8: Production, Supply and Distribution

Oil, Soybean (Local) Market Year Begins Ghana	2021/2022		2022/2023		2023/2024	
	May 2021		May 2022		May 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	140	0	160	0	180
Extr. Rate, 999.9999 (PERCENT)	0	0.2	0	0.1813	0	0.1833
Beginning Stocks (1000 MT)	0	0	0	2	0	2
Production (1000 MT)	0	28	0	29	0	33
MY Imports (1000 MT)	0	5	0	3	0	2
MY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
MY Imp. from EU (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	0	33	0	34	0	37
MY Exports (1000 MT)	0	0	0	0	0	0
MY Exp. to EU (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	31	0	32	0	35
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	0	31	0	32	0	35
Ending Stocks (1000 MT)	0	2	0	2	0	2
Total Distribution (1000 MT)	0	33	0	34	0	37
(1000 MT) ,(PERCENT)						

Production

Post Accra forecasts soybean oil production at 33,000 MT in MY2023/24, up by about 14 percent compared to the MY2022/23 estimate. This increase is mainly due to the increase in domestic soybean production and consequently crush.

Consumption

Total domestic consumption is forecast at 35,000 MT, an increase of nine percent over the MY2022/23 estimate by Post. The expected increase is due to increase in the population, as food use consumption represents the entire domestic consumption.

Marketing

Soybean oil is sold in containers of 25 liters, five liters, and one liter on the Ghanaian market. Smaller volumes of less than one liter are also available for sale. The price per 25 liters is GH¢520.00 (\$44.44/25L) at an exchange rate of \$1.00=GH¢11.70.

Trade

Post forecasts MY2023/24 soybean oil import at 2,000 MT, 33 percent lower than the preceding year's estimate. Increased supply of domestically produced soybean oil alongside increased availability of relatively competitive substitutes is the reason for the reduced import volume. Like previous years, Post does not foresee any significant soybean oil export in MY2023/24.

Stocks

Post Accra forecasts MY2023/24 soybean oil ending stocks at 2,000 MT, unchanged from the MY2022/23 estimate as increased supply is matched by increased consumption.

Policy

There is no specific policy targeting soybean oil but the policies that affect soybean production and import certainly have bearing on total soybean oil supply in the country.

End of report.

Attachments:

No Attachments.