



A project funded by
the European Union

Ghana Employment and Social Protection (GESP) Programme

Technical Assistance to Support the Implementation of Investment Promotion and Business Linkages Activities in Ghana

Survey of agri-businesses

Service Contract No. 2018/396307

November 2020

A report prepared by Investment Promotion in agri-business

Part of the Technical Assistance to Support the Implementation of Investment Promotion
and Business Linkages Activities in Ghana Project

A component of Ghana Employment and Social Protection (GESP) Programme



AGI
Association of
Ghana Industries
Project implementation partner
Association of Ghana Industries



Agriconsulting Europe S.A.



Disclaimer

This document has been prepared by Investment Promotion in agri-business, as part of the wider Ghana Employment and Social Protection (GESP) Programme: Technical Assistance to Support the Implementation of Investment Promotion and Business Linkages in Ghana Project (the Project).

The document is a general overview and is not intended to provide exhaustive coverage of the topic.

The information in this document is made available on the understanding that the Project is not providing professional advice.

This document is not intended as an offer, solicitation, or recommendation for the purchase or sale of any financial instrument or security.

While care has been taken to ensure the information in this report is accurate, the Project does not accept any liability for any loss arising from reliance on the information, or from any error or omission, in the document.

Any person relying on this information does so at their own risk. The Project recommends the person exercise their own skill and care, including obtaining professional advice, in relation to their use of the information for their purposes.

The Project does not endorse any company or activity referred to in the report and does not accept responsibility for any losses suffered in connection with any company or its activities.

The contents of this document are the sole responsibility of Agriconsulting Europe SA (AESA) and can in no way be taken to reflect the views of the European Union.





Contents

1	An introduction to the report	1
2	Agri-businesses: Characteristics	4
3	Agri-businesses: Value-chain and activity	6
4	Ghana as an agri-business investment location	7
5	Sources of agri-business funding and business support	9
6	Use of agri-business support services	10
7	The impact of the Coronavirus COVID-19 pandemic	12

Appendices

A	Agri-business survey respondents	13
---	----------------------------------	----





1 An introduction to the report

About this report

This report is an output from Investment Promotion in agri-business.

Investment Promotion in agri-business is part of the European Union funded Technical Assistance to Support the Implementation of Investment Promotion and Business Linkages in Ghana Project (the Project). The Association of Ghana Industries (AGI) is the implementation partner for the Project.

The aim of Investment Promotion in agri-business is to increase the use of equity and quasi equity instruments as a source of relatively low cost, long term funding to businesses operating in the Ghanaian agri-business value chain.

To achieve this, Investment Promotion in agri-business has two objectives:

- Promote equity-based investment in Ghanaian agri-business value chains.
- Increase investment funds present in Ghana, notably impact investment funds.

The overall objective of the Project is to contribute to the Ghana Employment and Social Protection programme (GESP) by supporting employment and social protection and the private sector development agenda of the Government of Ghana.



1 An introduction to the report

The report findings

This report sets out the findings from a survey of agri-businesses in Ghana.

Appendix A provides the list of the 42 agri-businesses that responded to the survey. ⁽¹⁾

The aim of the survey is for us to better understand agri-businesses' views on:

- Agri-business involvement in the agri-business value-chain.
- Ghana's competitiveness as a location for agri-business.
- Opportunities for investing in Ghana agri-business.
- The likely impact of COVID-19 on investing and investment in agri-business in Ghana.

The survey took place in the period from June to October 2020. It was undertaken in parallel with a survey of private equity providers with an investment focus that includes agri-business in West Africa and/or Ghana.

This report provides the survey results, which sets out details about:

- Agri-businesses – main characteristics.
- Agri-businesses – value-chain and activities.
- Ghana as an agri-business location – competitiveness, prospects and opportunities prospects.
- Agri-business investment support in Ghana – use and engagement with sources.
- The impact of the Coronavirus COVID-19 pandemic.

The results from the survey of private equity providers are set out in a separate report (Survey of private equity providers, November 2020).

(1): The response rate was lower than anticipated, despite efforts to encourage agri-businesses to participate in the survey.



1 An introduction to the report

Acknowledgements and thanks

The survey was carried out in collaboration with Professor Kwabena A. Anaman, Department of Agricultural Economics and agri-business, at the University of Ghana.

We would like to thank Professor Anaman for his assistance and perseverance with the implementation of this survey.

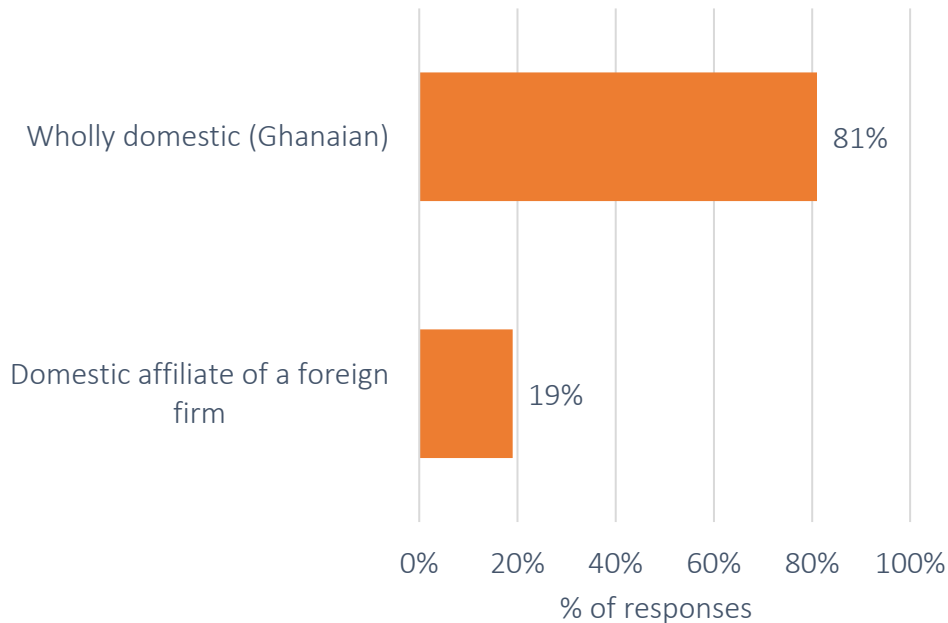
This report and its findings would not have been possible without the responses we received from individual agri-businesses.

We would like to thank you for taking the time and effort to complete the survey.

2 Agri-businesses: Characteristics

What is the ownership status of your business?

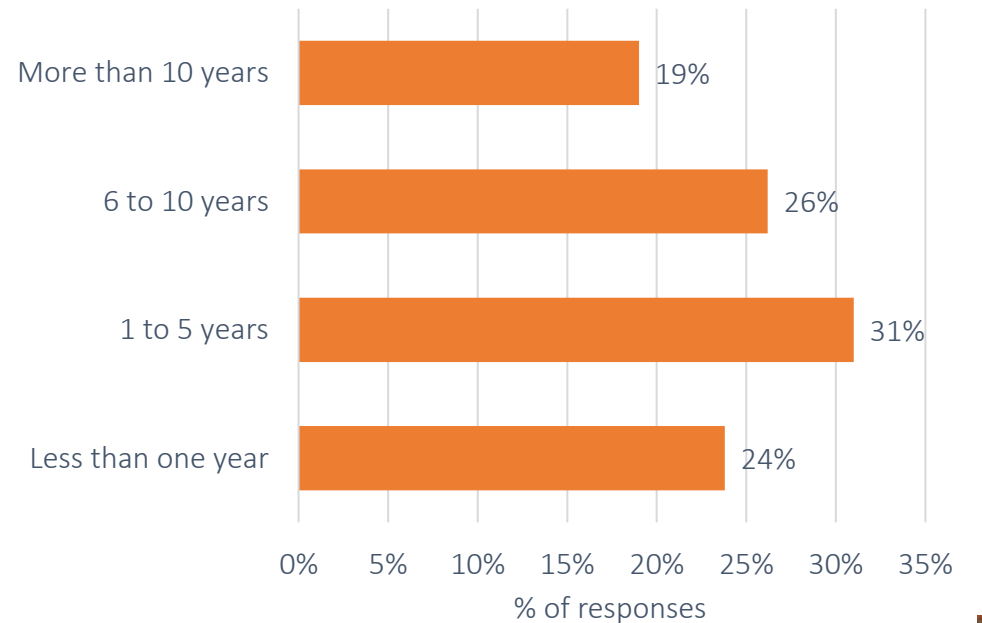
Most agri-businesses (81%) are wholly domestic (Ghanaian).



How many years has your business been operating in Ghana

Over half of agri-businesses (57%) have been in operation for between 1 and 10 years.

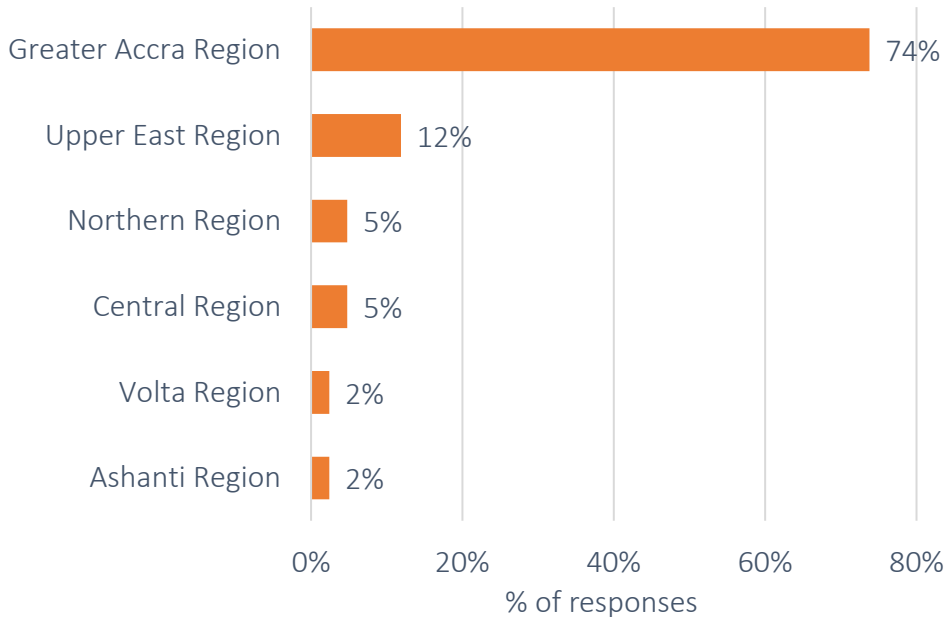
Nearly a quarter of agri-businesses (24%) have been in operation for less than one year.



2 Agri-businesses: Characteristics

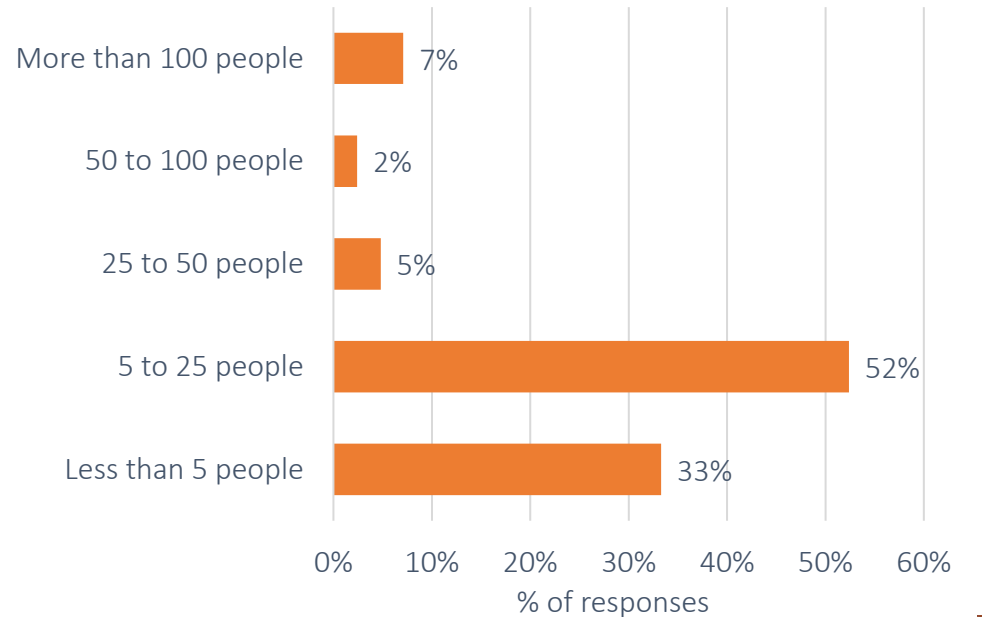
Where is your business headquarters located? ⁽¹⁾

Most agri-businesses (74%) have their headquarters within the Greater Accra Region.



How many people do you employ?

Most agri-businesses (86%) are micro or small and medium sized enterprises, employing less than 25 people.

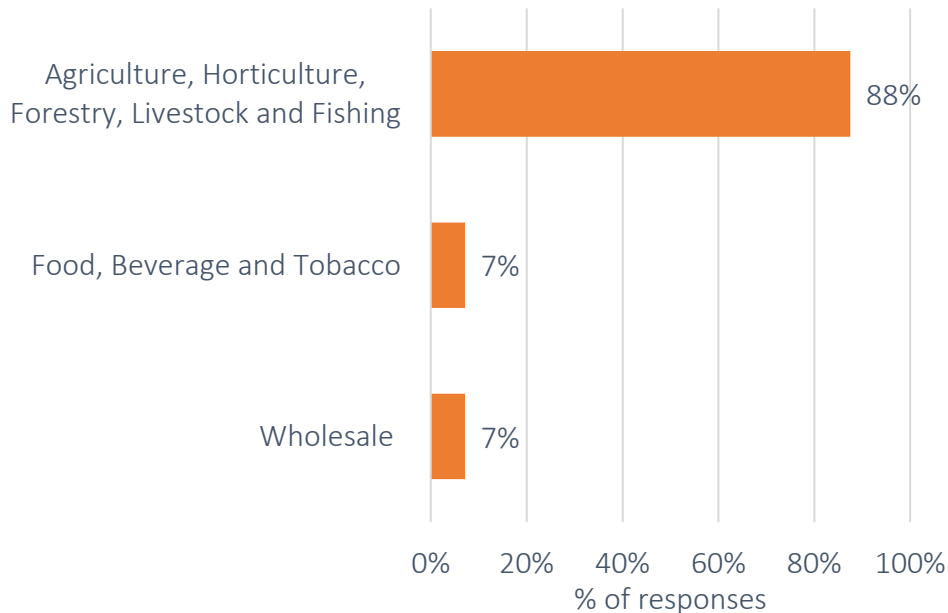


(1): Agri-businesses in the Greater Accra Region are over represented. Additional follow up by the survey team to encourage participation focused on this region.

3 Agri-businesses: Value-chain and activity

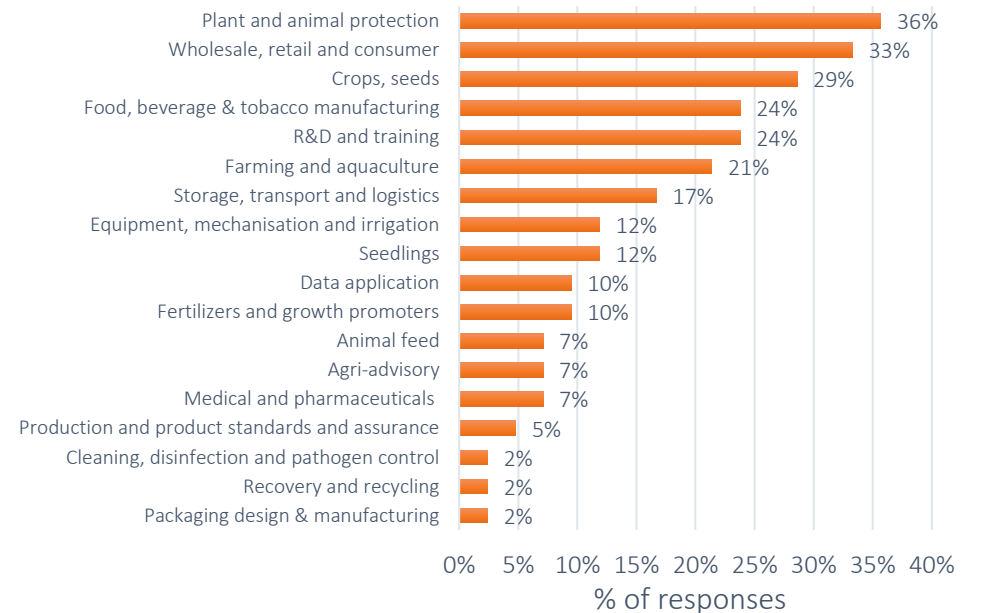
In which part of the agri-business value-chain does your business operate in?⁽¹⁾

Agri-businesses identify themselves as operating almost exclusively within Agriculture, Horticulture, Forestry, Livestock and Fishing (88%).



What are the three main agri-business activities of your business (by turnover)?

Agri-businesses operate across a range of agri-business activities. The three main activities are plant and animal protection (36%), wholesale, retail and consumer (33%) and crops and seeds (27%).



(1): Respondents appear to have interpreted the question narrowly. This is misleading given the reported diversity of their agri-business activities.

4 Ghana as an agri-business location

How do you rate Ghana's competitiveness for agri-business?⁽¹⁾

Agri-businesses rating of Ghana's competitiveness is generally positive.

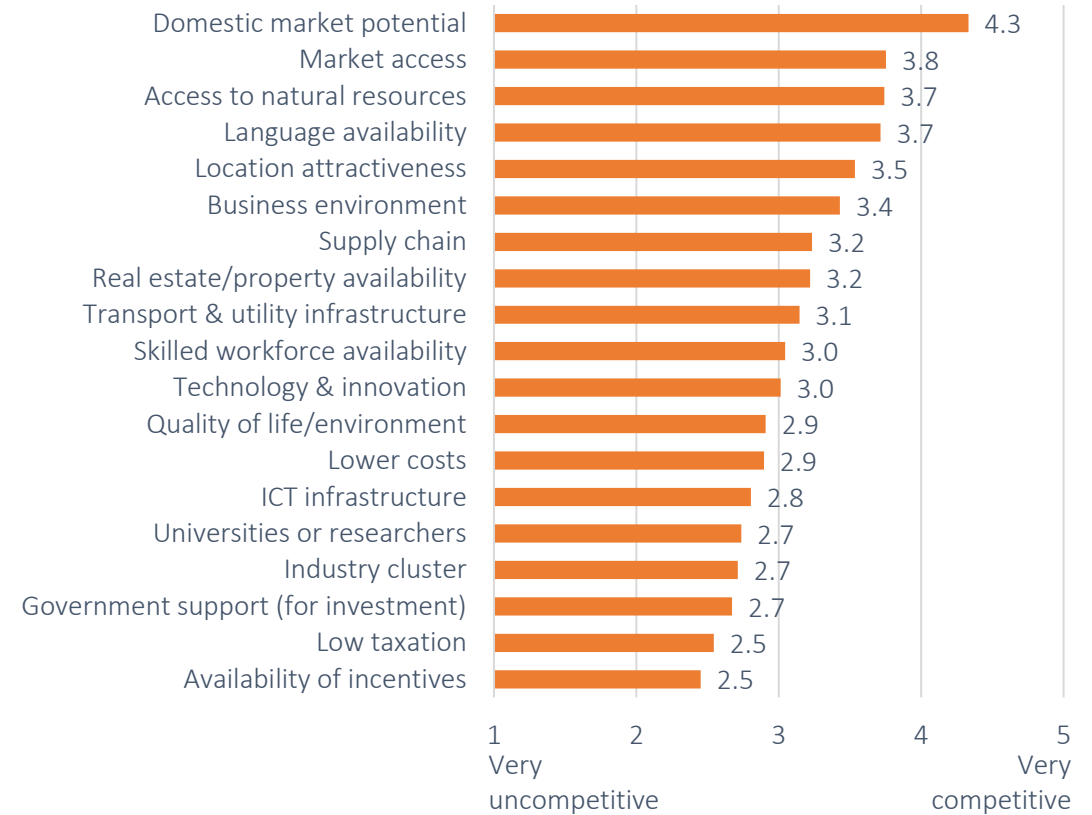
Agri-businesses consider Ghana is most competitive in the areas of:

- Domestic market potential (4.3).
- Market access (3.8).
- Access to natural resources (3.7).
- Availability of languages (3.7).

The areas of where agri-businesses rated Ghana as being less competitive are:

- Availability of incentives (2.5).
- Low taxation (2.5).

In other areas, Ghana is considered as being neither competitive or uncompetitive.



(1): The pattern of responses shows similarity to those in our survey of private equity providers (e.g. high ratings for market potential and language availability).

4 Ghana as an agri-business location

How do you rate the growth opportunities for investment in Ghana's agri-business?⁽¹⁾

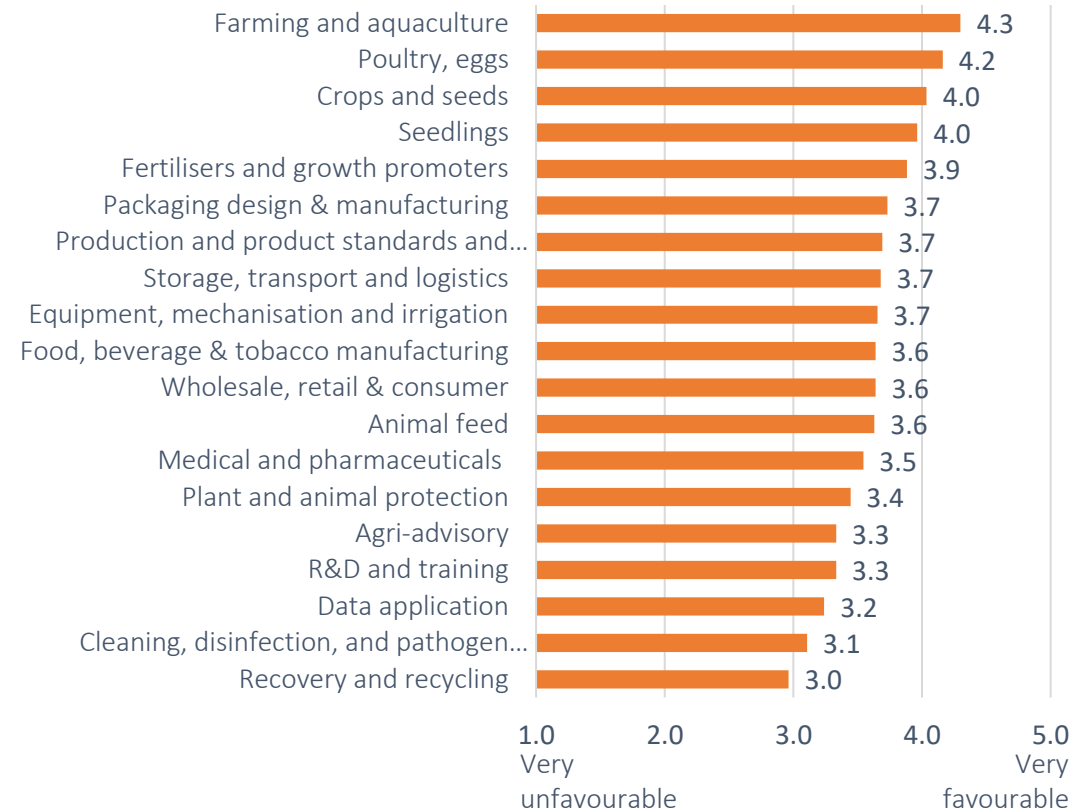
Agri-businesses consider that growth opportunities for investment in Ghana are generally favourable. None of the opportunities for investment in agri-business activities is rated as being unfavourable.

Agri-businesses indicate that the most favourable growth opportunities in agri-business are in:

- Farming and aquaculture (4.3).
- Poultry and eggs (4.2).
- Crops and seeds and seedlings (4.0).
- Fertilisers and growth promoters (3.9).

The agri-business activities where agri-businesses view investment opportunities as being least favourable are:

- Recovery and recycling (3.0).
- Cleaning, disinfection and pathogen control (3.1).
- Data application (3.2).

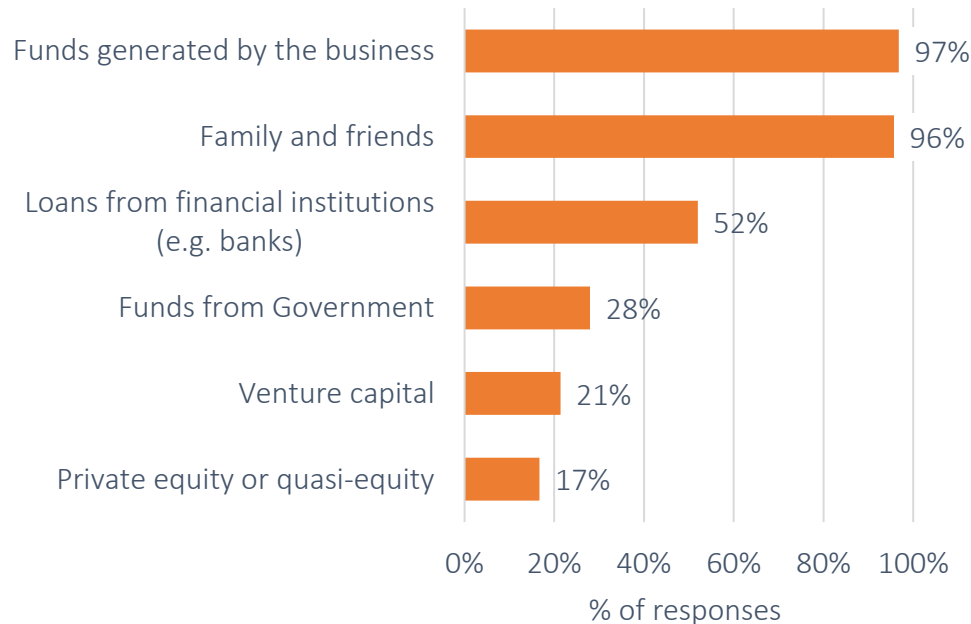


(1): The pattern of responses shows similarity to those in our survey of private equity providers (e.g. opportunities in farming and aquaculture and in fertilizers and growth promoters are among the most favourably rated).

5 Sources of agri-business funding and business support

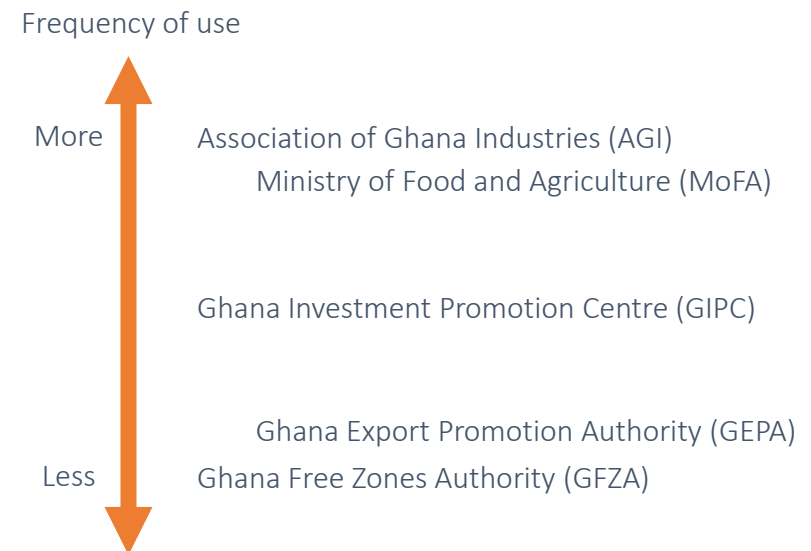
What sources of funding are you most likely to use to invest in your business?

Agri-businesses use several sources of funding. The main sources of funding are internally generated (97%) and family and friends (96%). Private equity (17%) and venture capital (21%) are least used sources of funds.



What support organisations have you used in Ghana?

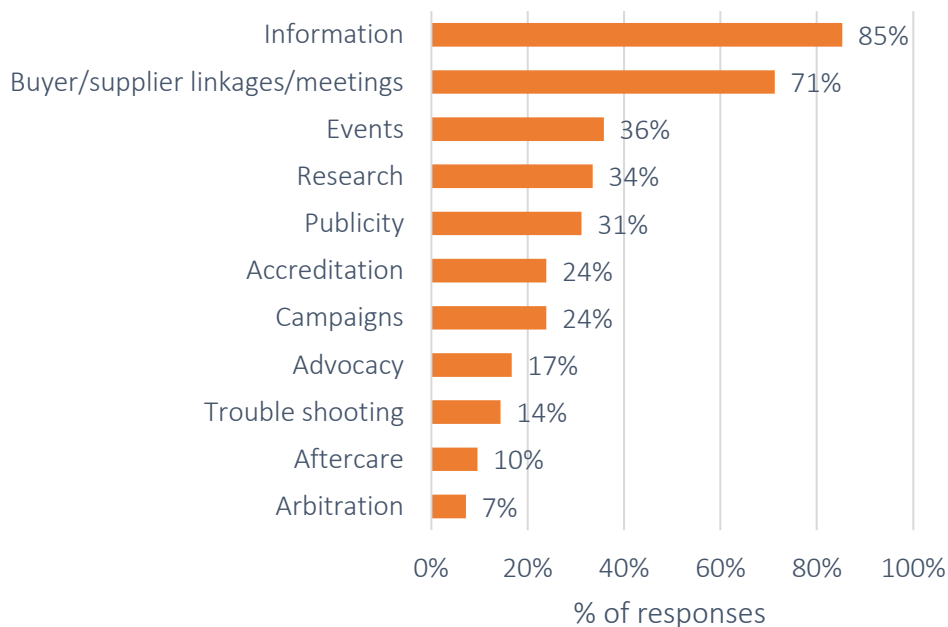
In general, agri-businesses tend not to use support organisations. Where agribusinesses do use these organisations, the AGI and MoFA are the more frequently used – the GFZA and GEPA are the least frequently used.



6 Use of agri-business support services

What support services have you used from the Ghana organisations?

Agri-businesses use limited types of support services. The most used services are information (85%) and support for linkages or meetings (71%). All other services and support are less well used.



What support services have you used from the Ghana organisations?

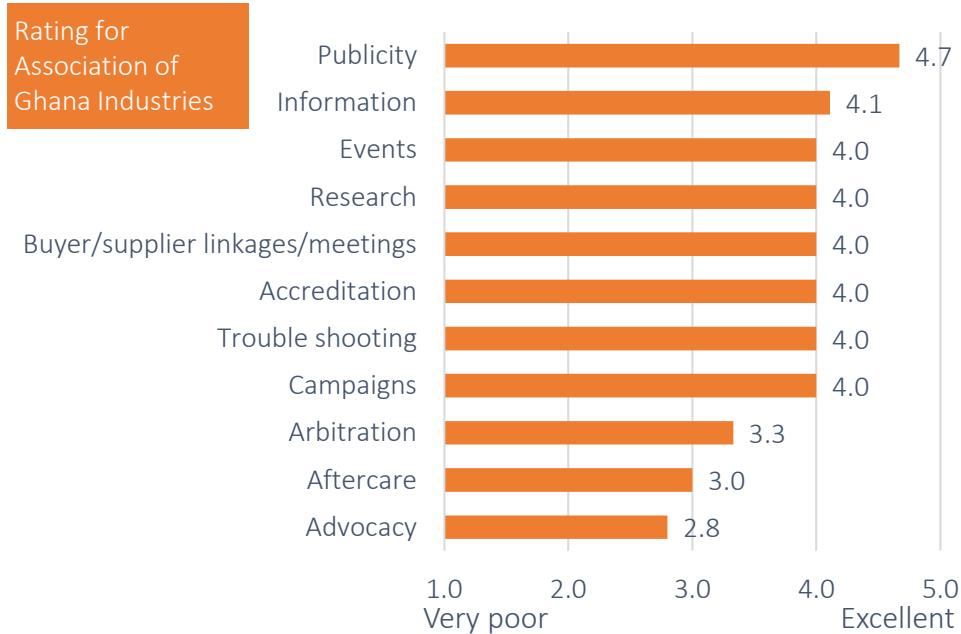
Agri-businesses use organisations as sources of support differently. This reflects a combination of their support requirements and the type of services and support offered by these organisations.

Support organisation	Most used service/support	
Association of Ghana Industries (AGI)	Information	Buyer/supplier linkages/meetings
Ministry of Food and Agriculture (MoFA)	Information	Research
Ghana Investment Promotion Centre (GIPC)	Information	Buyer/supplier linkages/meetings
Ghana Export Promotion Authority (GEPA)	Buyer/supplier linkages/meetings	Publicity
Ghana Free Zones Authority (GFZA)	Buyer/supplier linkages/meetings	Information

6 Use of agri-business support services

How do you rate the support your business received from these organisations?⁽¹⁾

Agri-businesses rate most of the Association of Ghana Industries support services “very good” (4.0). The highest rating is for publicity (4.7). The lowest rating is for advocacy (2.8).



(1): Respondents were reluctant to answer this question for organisations other than the Association of Ghana Industries.

7 The impact of the COVID-19 pandemic

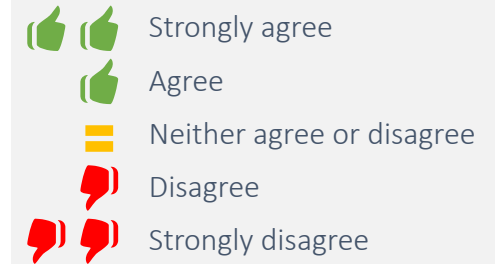
Level of agreement regarding the impact of the COVID-19 pandemic

Agri-businesses consider that the COVID-19 pandemic will have a range of impacts.

There is general agreement among agri-businesses that COVID-19 will impact their businesses in terms of:

- Encouraging a greater use of support services.
- Changing the motivation for making agri-business investments.
- Changing the criteria used to assess its agri-business investments.
- Decreasing turnover from agri-business.
- Not encouraging the employment of more staff.

Agri-businesses are less inclined to agree that COVID-19 will impact Ghana. The exception to this overall position is that they agree that COVID-19 will increase opportunities for investment across the agri-business value chain.



- Increase opportunities for investment across the agri-business value-chain in Ghana
- Encourage my business to make greater use of support services in Ghana
- Change my business' motivation for agri-business investments
- Change the criteria my business uses to assess its agri-business investments
- Decrease turnover from agri-business for my business
- Reduce availability of funds for business investment
- Improve Ghana's competitiveness
- Increase agri-business investment by my business
- Decrease prospects for growth in agri-business activities in Ghana
- Encourage my business to employ more staff

Appendix A Agri-business survey population

Ghana agri-businesses

2k Farms Ltd.
AA Wilson Company Ltd.
Agri-businesses Solutions Ltd.
Agriseed Ltd.
Agro-aid And Metallurgy Concept
Agrodeal Ghana Ltd.
Aiscarecrow Technologies Company Ltd.
Alpep Company Ltd.
Avasya Agro Farms Ltd.
BADECC AgroVolta Ltd.
Bismark Enterprise
Blessed Blooms Ltd.
Corvus Farms
Edmass Foods Ltd.
Emmaco Gifty Food Stuffs
Emmanual Owusu Farm Complex

Farm Masters Africa
Fellabella GM Ghana Ltd.
Goodland Enterprise
Kasa Rabbitry
Kaysens Geisie Ltd.
Kwadam Farms
Kwame Kyere Tebiri Enterprise
Nimdee Hyeren Co Ltd.
Pat K Poultry Farms
Pedald Ltd.
Pelkaab Enterprise
Prang Agro Resources Ltd.
Prince
Pski Ghana Ltd.
Pure And Just Co. Ltd.
RMG Concept Ltd.



Appendix A Agri-business survey population

Seg & Save

Sevorsky Ventures

Spring-forth Foods

Stardom Farms Ltd.

Supergreen

Takhilla Farms Estate Nuts And Seeds Oils Ltd.

Talim Ventures

Tevonwa Enterprise

Trans-Africa Minerals And Investment Ltd.

Trinity GC Superior Bakery



Prepared by

Sean M Duggan: Key Expert 2 – Investment Promotion

For further information

Mail: info@agighana.org

Website: <https://euproject.agighana.org/>