



Agriculture

SECTOR

ANIMAL
PRODUCTION



GHANA
INVESTMENT
PROMOTION
CENTRE

Ghana
On the go!



I.0 INTRODUCTION

Animal production in Ghana plays a major economic, social and cultural role in the lives and livelihoods of small holder farmers, processors and traders. It is a source of protein hence contributes to balanced human nutrition.

It acts as a bank and insurance in times of urgent financial needs, since it generates cash income. It also helps to maintain soil fertility and structure through manure.

It also provides draught power particularly in the northern regions, which enables bullock-owning households to cultivate 60% more land than those who do not.

1.1 Facts and Figures (2016) at a glance

SECTOR	CONTRIBUTION
Livestock	Livestock Sub-sector contribution to Agric GDP:GHS 714.1million Main Livestock Produced: Poultry, Cattle, Sheep, Goats and Pigs
Fisheries	Contribution To Agric GDP: GHS490.9 million Fisheries Sub-sector GDP Growth Rate: 4.4% Main Fishery Products Exported: Tuna, Frozen Fish, Dried/Smoked

2.0 LIVESTOCK PRODUCTION

2.1 Production systems:

There are **two** livestock production systems in Ghana, first, the mixed farming system which is more prevalent among small holder farmers and the pure livestock farming system, geared towards beef production, predominantly in the three northern regions.

Mixed farming system is the most dominant in Ghana, accounting for 95% of production. A few farmers practice commercial farming system, which involves housing animals and feeding them with prepared feed, and it is usually practised in peri-urban areas.

The Ministry of Food and Agriculture (MOFA) has seven (7) livestock stations namely;

- Kintampo Goat Breeding Station

- Ejura Sheep Breeding Station
- Babile Pig Breeding Station
- Pong Tamale Livestock Breeding Station
- Aveyime Cattle Ranch
- Nungua Livestock Breeding Station
- Amrahia Dairy Farm

2.2 CATTLE PRODUCTION

Cattle are the livestock species predominantly kept by both local farmers and Fulani herdsmen in Ghana.

They are commonly kept for meat and this accounts for about 33% of all locally produced meat. Recent research findings published by the Ministry of Food and Agriculture and some NGOs have encouraged some farmers to venture into the rearing of dairy animals.

There are a number of cattle species in Ghana but the dominant ones are; Sanga, West African short horn, Ndama and their crosses.

Cattle may be classified into:

- Beef cattle for meat production
- Dairy cattle for milk production
- Dual purpose cattle for beef and milk

Many cattle farmers integrate the raising of their livestock with the cultivation of oil palm, citrus or coconut crops because this process yields a higher stock husbandry.

2.3 POULTRY

Poultry production consists of breeding chickens, ducks, Guinea fowl, turkey, ostrich, pigeon and quail. Chicken breeds comprise 60%-80% of Ghana's poultry production.

There are **two** main sectors of the chicken industry: chickens that are bred to produce eggs are called "**layers**" (They start laying from 18th-20th week and continue for 50-52 weeks) and chickens that are raised to be slaughtered are called "**broilers**" (They are fast growing and mature between 6-8 weeks).

The large poultry farms manage their own feed mills, hatcheries and parent stocks. Smaller poultry farms depend on merchants for chicken feed and other supplies.

To prevent the spread of Avian Influenza, Infectious Bursal disease and Newcastle disease in poultry, access to public or private veterinary services providing vaccinations has improved.

There are 4 hatcheries in the Ashanti region and 2 in the Greater Accra region that produce day-old chicks and Guinea keets for commercial production.

12 feed mill companies and 4 poultry slaughterhouses are located throughout the regions; two of the poultry slaughterhouses provide mobile services.

Small poultry farms build small cages or pens to house the chickens and the commercial poultry farms house the chickens in poultry barns or 40 ft x 500 ft chicken houses.

2.3.1 Ostrich Production

Ostrich farming has been aptly called a 'business of the future.' From the current market economics, the benefits from this venture clearly trump other traditional livestock (including cattle, chicken, pigs and turkey).

Ostriches are very adaptable birds and can survive on quite a wide variety of foods. Ostriches in the wild feed on insects, rodents (rats and mice) and even grass.

It's usually advised to start with a breed stock of 1 male and 2 – 4 females. Depending on your location, a mature breeder (male or female) could cost from as low as \$800 up to \$5,000 and also an ostrich egg can fetch up to \$500. Although the startup costs are higher than other types of livestock, its payout can be huge.

Ostriches are very fertile and can lay up to 40 eggs throughout the year. However, a female ostrich stops laying eggs if she has to incubate them. For all-year round production, eggs must be moved to a machine incubator on the facility. In many areas, ostrich chicks may suffer high mortality.

One of the reasons why ostrich farming is so profitable is the number of valuables an ostrich has to offer; and very little ever goes to waste.

Ostrich eggs, meat, hide (leather) and feather are very highly priced and command high prices on the local and international markets.

As the size of the international market for ostrich grows, the demand for live exports is also on the rise, with markets in France, Holland, Pakistan, United Arab Emirates (UAE), South Africa and China.

2.3.2 Guinea Fowl Production

Guinea fowl, a common bird reared mostly in the three northern regions. There are three common varieties of guinea fowl which include pearl, lavender and white. They start breeding

in 35 weeks and average egg production is 55 to 100 per year weighing 37 to 40 g. The adults weigh 1 kg and in northern Ghana, it could attract an average street value of US\$4 to US\$7 per bird.

The guinea fowl is ready to eat at 14 weeks with a dressed weight of 800g to well over 1 kg. The meat is very lean and breast meat yield is about 25% of live weight. One sensory evaluation indicated very little difference between chicken meat and guinea fowl meat.

2.3.3 Turkey Production

Commercial turkey farming is a profitable business idea. Turkey grows faster like broiler chickens and become suitable for slaughter purpose within a very short time. Turkey farming for meat production is very popular than egg production from turkey. Turkey farming is similar to other poultry birds farming like chickens, ducks, quails etc.

Broad-breasted White is a modern turkey breed for commercial production. White Holland and Standard Bronze are other two popular meat producing turkey breed.

2.4 PIG PRODUCTION

Pig farming has emerged as the newest livestock farming opportunity. In Accra alone, more than 300 pigs are slaughtered daily to supply the growing demand for pork products. Since pigs eat a large amount of feed, pigs should be fed twice a day; a mixture of maize, wheat bran, palm kernel, boiled cassava, cake meal and fish.

Pigs should be housed in well-built sties because they are strong animals that can demolish weak structures. Most pig farmers purchase gilts, female pigs that have not borne piglets, to mate with boars, male pigs. Healthy bred gilt will bear 8 piglets. Swine flu is a virus pigs contract if they are not properly vaccinated.

2.5 RABBIT PRODUCTION

Rabbit production is one of the means by which the nutrition and the incomes of most urban and rural dwellers with limited access to agricultural land can be improved. Rabbits are easy to handle, feed and manage. When properly fed they can provide a high protein low fat meat for healthy eating.

Rabbit production is a possible solution to the perennial meat deficit problem in the country.

2.6 SHEEP AND GOAT PRODUCTION

In Ghana, sheep and goats play an important role in the food production systems. Their popularity can be explained by their good adaptation to many different climates (ecological adaptation) and uses for which they can be kept.

To house their livestock, farmers build simple pens constructed from local materials such as timber pieces, bamboo, and varied tree branches.

Goats and sheep feed on household scraps, cassava and plantain peelings, and crop residue. Most farmers do not control the breeding of these livestock.

Veterinary services are available; however, most farmers “self-medicate” their sheep and goat with various herbal concoctions. Sheep (mutton) and goat (chevron) are highly patronized by revelers of local restaurants in all the regions across the nation.

Table 2.6.1: Trend of Livestock Population ('000)

Type of Livestock	2012	2013	2014	2015	2016
Cattle	1,543	1,590	1,657	1,734	1,815
Sheep	4,019	4,156	4,335	4,522	4,744
Goats	5,435	5,751	6,044	6,352	6,740
Pigs	602	638	682	730	777
Poultry	57,885	63,732	68,511	71,594	73,885

Source: SRID and Veterinary Services Directorate, MOFA, Accra

Table 2.6.2: Livestock Slaughter Summary (Numbers)

Type of Livestock	2012	2013	2014	2015	2016
Cattle	220,446	200,819	164,554	141,144	116,056
Sheep	90,656	68,344	64,594	47,546	42,138
Goats	140,914	118,623	129,073	76,531	67,390
Pigs	23,608	24,062	21,735	13,618	11,923
Others	5,521	2,824	4,102	3,045	5,513
Total (All Livestock)	481,145	414,672	384,058	281,884	243,020

Source: Veterinary Services Directorate, MOFA, Accra

Table 2.6.3 Imports of Frozen Meat

Category	2012	2013	2014	2015	2016
Beef	16,703.50	21,250.80	12,200.98	9,026.87	5,868.63
Buffalo	1,495	905	514.50	57	0.00
Sub-Total	18,198.50	22,155.80	12,715.48	9,083.87	5,868.63
Chicken	73,788.40	58,999.30	29,638.18	35,369.07	12,561.88
Turkey	1,293.70	1,787.00	897.57	772.41	358.00
Duck	78.30	0.00	0.00	0.00	0.00
Sub-Total	75,160.40	60,786.30	30,535.75	36,141.48	12,919.88
Mutton	2,574.80	3,251.10	1,661.18	1,712.81	1432.15
Pork	1,785.80	2,064.60	905	1,167.53	922.29
Sub-Total	4,360.60	5,315.70	2,566.18	2,880.34	2,354.44

Source: Veterinary Services Directorate, MOFA, Accra

Table 2.6.4 Domestic Meat Production (MT)

Type of livestock	2012	2013	2014	2015	2016
Cattle	21,221	21,863	22,781	23,841	24,961
Sheep	18,087	18,703	19,507	20,347	21,349
Goats	21,198	22,429	23,573	24,774	26,285
Pigs	20,224	21,432	22,932	24,513	26,107
Poultry	46,308	50,985	54,809	57,276	59,108
Total	127,038	135,412	143,603	150,751	157,810

3.0 FISH PRODUCTION

The fisheries sub-sector also contributes to the achievement of the country's food security goals by providing high quality and affordable fish protein in the daily diet of many households. The sub-sector is estimated to contribute about 60% of the protein requirements of Ghanaians.

-Inland Fish Production

Inland fish production involves inland capture, cultured fisheries and aquaculture based fisheries. The main sources include; the Volta Lake, lagoons, reservoirs, irrigation dams and dug outs as well as other inland water bodies.

The Volta Lake with a surface area of 8,480km² and 5,200 km² shoreline forms the backbone of the total inland captured fish production, as it contributes about 90% of the total production from the sub-sector.

-Production of Cultured Fish

Cultured fish production is basically aquaculture production. This is usually obtained from cages, ponds, dams, dugouts and reservoirs. Aquaculture production has been on the rise since 2008. This was largely as a result of government's strategy of investing in the aquaculture production.

In line with the government's intervention, Ministry of Fisheries and Aquaculture Development is developing a programme dubbed nucleus – out-grower and input support scheme to promote aquaculture.

The implementation of the scheme will augment national fish production through aquaculture. Under the scheme, selected potential and existing fish farmers will be trained and provided with inputs.

Table 3.1 Annual Fish Production by Source (Mt)

Source	2012	2013	2014	2015	2016
Marine	333,697	314,868	289,147	312,535	328,541
Inland	95,000	86,741	85,383	86,268	84,345
Aquaculture	27,451	32,512	38,547	44,515	52,470
Total	456,148	434,121	413,077	443,318	465,356

Source: Ministry of Fisheries and Aquaculture Development

4.0 CONSTRAINTS

- Livestock diseases constitute a major constraint to increased livestock production in Ghana.
- Lack of improved animal breeds from the six breeding stations in Ghana.
- Farmers are faced with limited feed supply, which is of poor quality, due to poor quality of grazing land and lack of means to transport the bulky crop residues.
- Sources of smallholder credit are limited.

5.0 SPECIFIC INVESTMENT OPPORTUNITIES IN THE AGRICULTURE SECTOR

5.1 Establishment of hatcheries and poultry farms

Project Description:

Eggs and poultry meat are important components of Ghanaian diet as a source of animal protein. The poultry industry also provides employment for a significant number of people. Even though a lot of poultry farms exist in the country, the broiler industry, in particular, is on the decline. Small, medium and large scale producers constitute about 60%, 30% and 10% respectively of poultry farmers in the country.

Whilst the large scale producers employ higher technologies in the form of hatcheries, veterinary services and better marketing arrangements, the small scale farmers employ little or low technologies.

Project Scope:

Investment opportunities therefore exist in the establishment of modern hatcheries and poultry farms in order to increase the scale of production of poultry products and reduce the import of chicken parts from Europe, Brazil and the United States.

Initial Capital Outlay:

The estimated capital outlay for the establishment of hatcheries and poultry farms range from US\$ (0.5-1.5) million depending on the scale and sophistication of the facility.

Project location:

The proposed poultry enterprises can be established in all parts of the country depending on the choice of the investor.

Local Content (Human and Infrastructural Resource Available):

The youth have been encouraged to venture into poultry production.

5.2 Establishment of processing facilities for processing poultry for the local and export markets

Project Description:

The poultry industry in Ghana is characterised largely by imports of poultry meat. In 2016, imports of poultry products amounted to US\$198 million (171,000mt)

Local processing of chicken is minimal. All the chicken parts are imported into the country in high volumes. There is also the demand for chicken and its' parts in the West-African sub-region.

There is an existing labour force already engaged in poultry which when provided with improved technology and feed management would be capable of raising broilers for processing.

Project Scope:

A strategic approach includes the processing of poultry products for domestic and export markets. Also importers and wholesalers of chicken and chicken parts could be brought on board to utilise their distribution networks.

Initial Capital Outlay:

The capital outlay estimated for this investment ranges from US\$ (0.5- 3)million.

Project location:

The production and processing facilities for poultry and its related products can be located in Eastern, Volta, Western, Brong Ahafo, Central, Ashanti and Greater Accra Regions.

Local Content (Human and Infrastructural Resource Available):

There is a pool of available labour force who can be employed in the processing operations.

5.3 OTHER INVESTMENT OPPORTUNITIES

- Establishment of fish farms(i.e. tilapia farms) using cage culture techniques
- Establishment of factories for the manufacture of fish and poultry feeds(e.g. is the Raanan Fish Feed West Africa Ltd)
- Establishment of cold storage facilities and operation of cold trucks for distribution of tilapia and livestock products (beef,mutton,chevon,pork, chicken,turkey,duck,ostrich meat etc.)
- Establishment of hatcheries for the production of day old chicks
- Establishment of factories for the local production of vaccines and feed additives.
- Establishment of large scale processing outfits and efficient meat distribution system.
- Production of leathers from ostrich skin and cow hides. The leather is used for a wide variety of products including jackets, bags, shoes, purses, caps, wallets and belts.

Ostrich leather is currently used by many major fashion houses including *Hermès, Prada, Gucci, and Louis Vuitton*.

Also, Ostrich feathers are used to make feather dusters for cleaning fine machinery and equipment as well as for decorations, furniture stuffing and in the fashion industry.

- Provision of field and laboratory equipment for the production of new Livestock and fish
- Capacity building on standards, training and certification.
- Research and agriculture development services

INCENTIVES AND BENEFITS

- Duty and VAT exemption on the importation of live poultry.
- Five years tax holidays for the production of poultry, pigs, sheep and goat, fish etc.
- Ten years tax holidays for the production of cattle.
- Duty exemptions on plant, machinery and equipment.
- Automatic immigrant quotas (i.e. work and resident permits).
- The law also permits farming losses to be carried forward for five years of assessment.

The Ghana Investment Promotion Centre Act 865 also provides for automatic quota incentives and benefits etc. Please consult our website, www.gipcghana.com for further details.

INVESTMENT GUARANTEES

Ghana is a safe investment destination. Guarantees against expropriation of private investments provided under the GIPC law are also buttressed by the Ghanaian Constitution. Some investment guarantees are detailed below:

- i. Free transferability of capital, profits and dividends.
- ii. Insurance against non-commercial risks – Ghana is a signatory to the World Bank's Multilateral Investment Guarantee Agency (MIGA) Convention.
- iii. Double Taxation Agreements (DTAs) – to rationalize tax obligations of investors in order to prevent double taxation. DTAs have been signed and 'ratified with several countries. (e.g) France, Germany, United Kingdom, Belgium etc.

POTENTIAL SOURCES OF FUNDING

Viable companies and projects can easily attract financing both on the local and international financial markets. The main sources of funding are:

- 31 Banks
- 60 Non-bank financial institutions
- 138 Rural and community banks

- The Ghana Stock Exchange – noted that in the last four years, many issues of shares on the GSE have been oversubscribed by 100% - 300%, meaning that there is a lot of money for investment purposes.
- Ghana Venture Capital Fund
- International development finance institutions based in Ghana, such as the International Finance Corporation (IFC) and the African Development Bank (AfDB)

A number of foreign financial institutions also provide off-shore financing directly to companies in Ghana. (e.g.) Barclays Bank, Stanchart, Ecobank etc.

GHANA'S COMPETITIVE ADVANTAGE

Major strengths of the sector are:

- Comparative advantage in the production of livestock can be built on to enhance food security and increase agricultural trade
- A well-established agricultural research system (e.g.) CRIG, CSIR, Agricultural colleges and universities
- Relative proximity to Europe (i.e. 6 hours direct flight) as an export destination compared to competitors in Southern Africa and Central and South America

Ghana also offers many attractions to the foreign investor. They include:

1. Stable Political Environment

Ghana is a politically stable country. This has been recognized by the world's famous leaders including former US President Barack Obama and his predecessor and the former UK Prime Minister David Cameron and his predecessor. They have all commended Ghana for the political stability in the country over the years.

2. Macro-economic Policies

The Government of Ghana has initiated a number of sound macroeconomic policies designed to accelerate the process of growth and transformation of the economy under competitive conditions. In the face of dwindling crude oil prices, Ghana's economy is still relatively stable.

3. Foreign Ownership

In Ghana, hundred per cent (100%) foreign ownership is permitted.

4. Access to ECOWAS Market

Ghana is easily accessible to the markets of all the member states of the Economic Community of West Africa (ECOWAS) with its population of approximately 335 million people.

5. Good Physical Infrastructure

Ghana possesses well developed seaports, airports and road networks capable of meeting the needs of businesses in the 21st century. There is an effort to upgrade the rail network to make it easy to get to the ports from inland. Telecommunication facilities in Ghana are excellent with more private service providers offering telephone, internet and other telecommunication services. Basic utilities such as water and electricity are readily available at relatively affordable rates.

6. Excellent Labour Force

There is a large human resource base of both skilled and unskilled labour which can be sourced at relatively low rates. The minimum wage in Ghana is GH¢ 10.65 per day.

7. Access to International Markets

Ghana has easy access to the USA and European Union Markets. The flight time to almost all European Union countries is about 6 hours and 9 hours to the USA.

8. Availability of Funding Sources

Ghana has a large number of fast developing financial institutions available to raise long-term capital at competitive rates. These institutions include banks, insurance and venture capital companies and a stock exchange market (Ghana Stock Exchange).

9. High Safety Standard

There are high standards of health and safety measures in the country.

10. Warm and Friendly People

Ghana is internationally acclaimed for her hospitality to her investors and foreigners as a whole.

11. High Quality of Life

The quality of life of Ghanaians is fairly high.

12. Availability of Land

Ghana has a wide expanse of land that can be acquired with little difficulty through appropriate agencies and owners.

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