



# ***Agribusiness developments in Ghana: Japan-Ghana partnerships opportunities***

*GIPC Japan Investment Seminar*

*Daniel Asare-Kyei, PhD*

*July 2021*

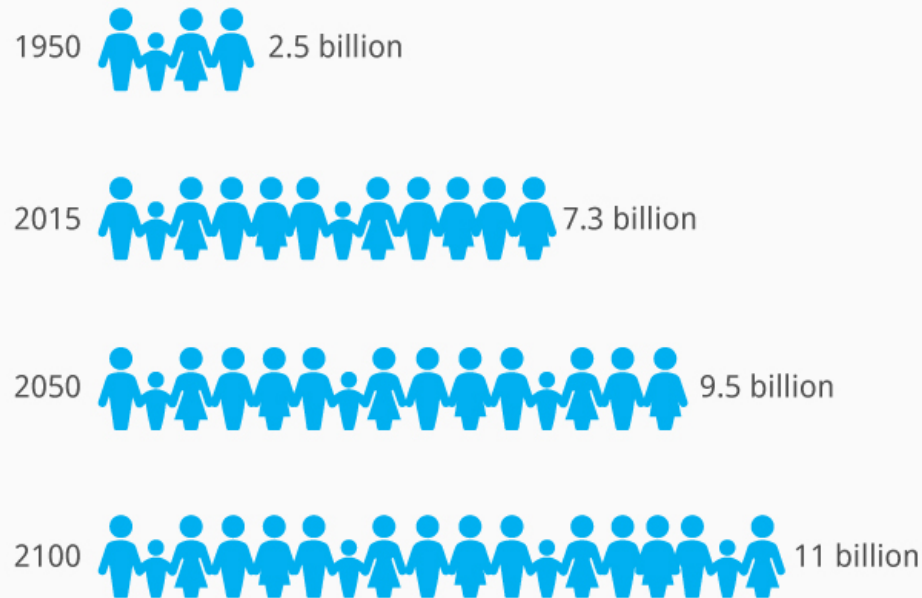


# Africa's population boom, a challenge and an opportunity

## By the End of the Century, 40% of People Will Be African

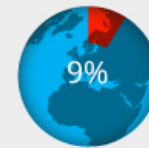
World population forecast with Africa's percentage share

World's Population

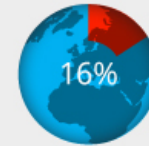


Africa's Population Accounts for

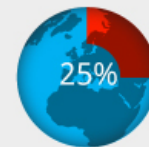
230 million



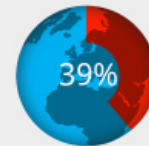
1.2 billion



2.4 billion



4.2 billion



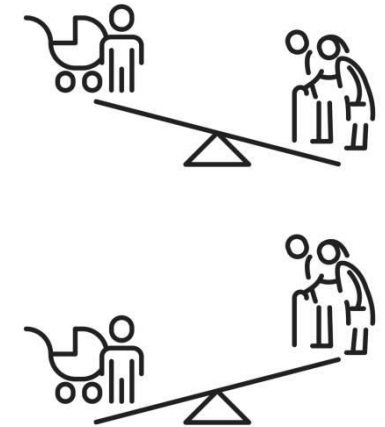
- Currently 70% of Africa's population are engaged in Agriculture
- Many of whom are smallholder farmers cultivating less than 2 hectares
- These smallholders produce 80% of food consumption
- Africa's food market is now estimated at \$300B, projected to rise to \$1trillion by 2030
- Demand for food is expected to double by 2050
- At the same time, Africa's food import bill ranges between \$30B to \$50B per annum
- **Ghana's population is projected to grow to between 52M to 65M by 2050 according to GSS**



Source: UNICEF

Mashable statista

That means, in just 29 growing seasons, Ghana's 4 million small farms must learn to feed about 30M more people while facing:



Increased **Weather Variability/Climate Changes** rendering traditional practices ineffective and increasing risk in farming

**Information Gap** lack of adequate data across the value chain making it non attractive to financial institutions, the youth and investors

Lack of **Field-Level** insight to prevent risk and improve production

**Demographic shift;** Rapid changes in farm populations, shifts from agriculture to services & industry sectors and rural-urban migration



# Ghana Agriculture overview

- ✓ Operating at 20% capacity
- ✓ Agriculture land area 13.6M hectares (56% of total land)
- ✓ Area under irrigation (2017): 222,978Ha (3.18% of arable land)
- ✓ Area not cultivated: 48.5% of arable land
- ✓ 80% smallholding- averages 3 acres

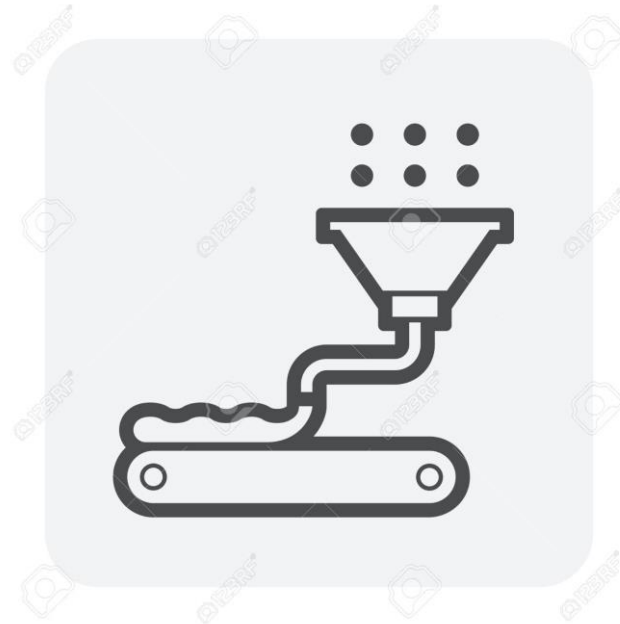


# Areas of significant investment opportunities for Ghana & Japan partnerships

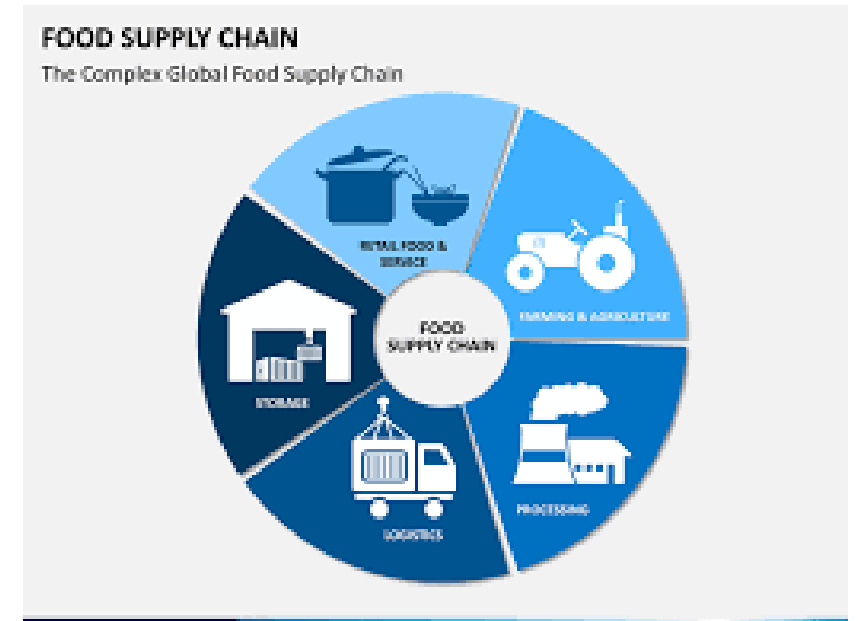
# Opportunities abound in both the input and output segments



Credit disbursement especially through digital channels



Value addition and processing



Cold chain storage, transport and associated logistics

Underpin by digital technologies powered by Agritech & Fintech companies

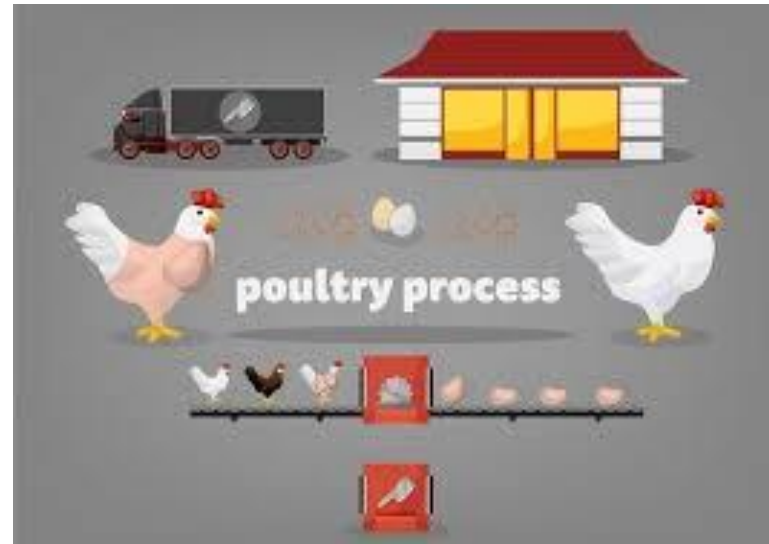


# Commodity value chains presents the best low hanging fruits...

Ghana spends about US\$2 billion each year on food imports. About US\$1 billion of this amount is spent on importing the critical 4 (rice, poultry, wheat, sugar)



Rice. >700kMT/annum imports per annum valued at \$400M and 60% of rice consumed in Ghana.



- Poultry; \$100M imports per year



Sugar. All refined sugar needs imported valued at \$160M/year Annual consumption is projected to rise from 250kMT in 2019 to 550KMT by 2030

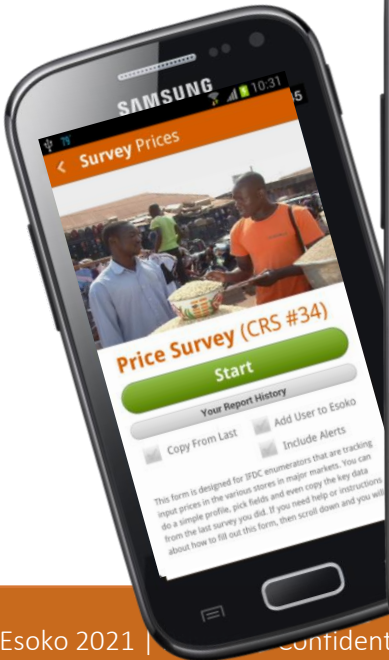
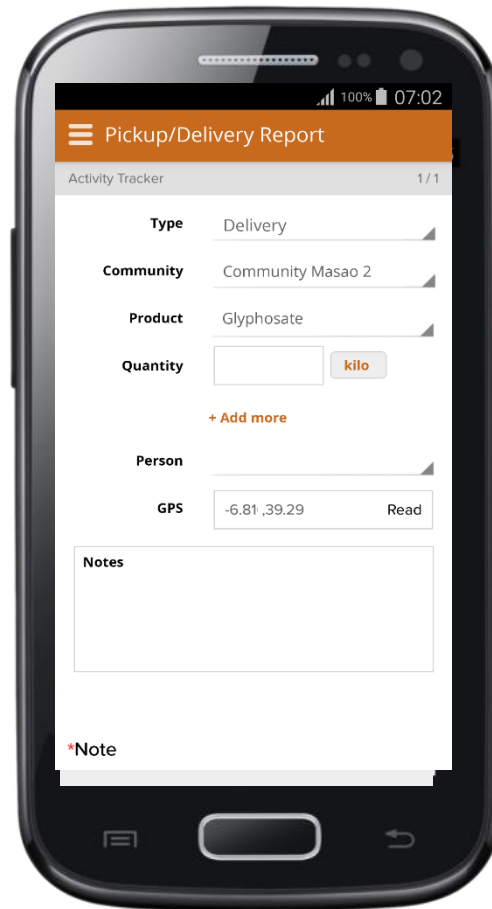
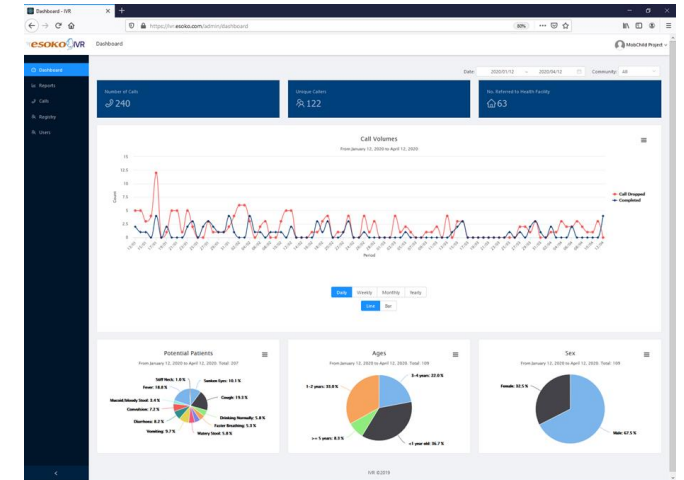
# Supply chain digitization. Driving paperless and cashless transactions within agricultural value chains... one major positive change that this pandemic could lead to is a major push towards paperless and cashless transactions in Ghana's agric sector.

Off-takers can track data from the field easily & instantly

## Track Field Transactions – Pickups & Deliveries

Allows all off-takers to convert from paper records by building smartphone forms to track field, crop, household data in both online & offline

- Off-takers can choose delivery or pickup
- Add multiple products & quantity
- Confirm with GPS coordinates
- View data in real-time via web analytic dashboards
- Provide an SMS confirmation





# Opportunities in digitizing input services and SME operations

Agriculture & rural supply chains



**Input services**  
***\$30 Bn***



**Farmer**  
**registration & GIS**  
***\$651 Mn in WA***

Inputs manufacturing, distribution and last mile fulfilment to farming communities

# Potential of digitizing payments in West Africa agricultural sector

Figure 8 Potential direct revenue opportunity and potential addressable market in West Africa<sup>15</sup>

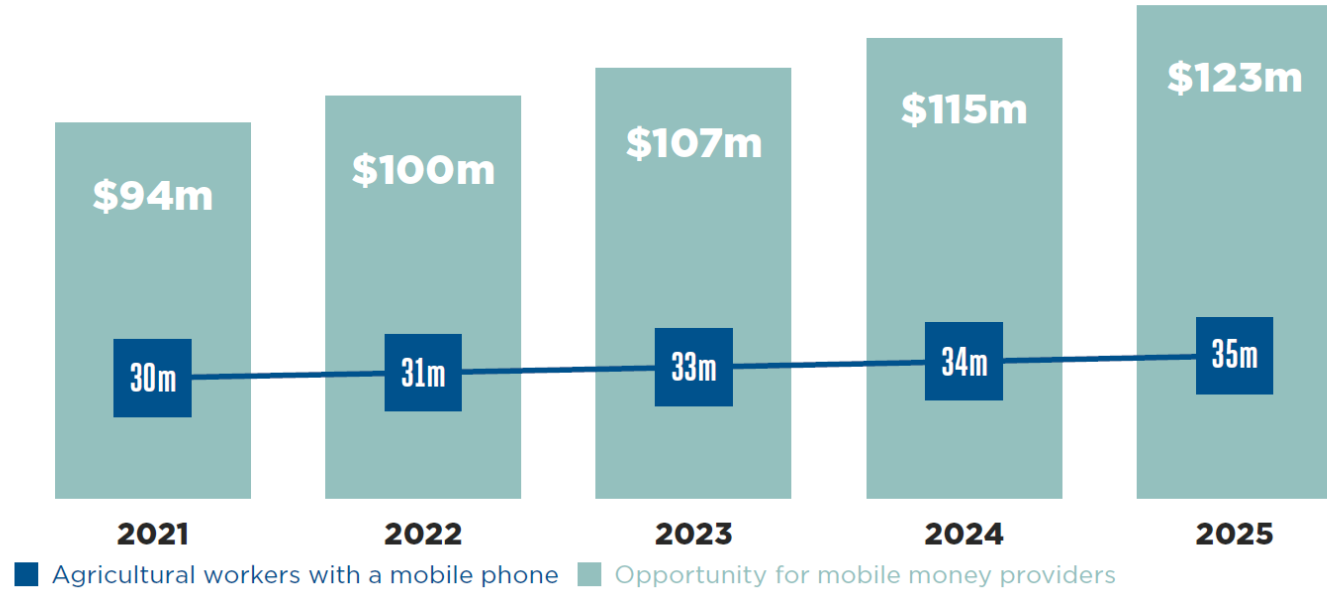
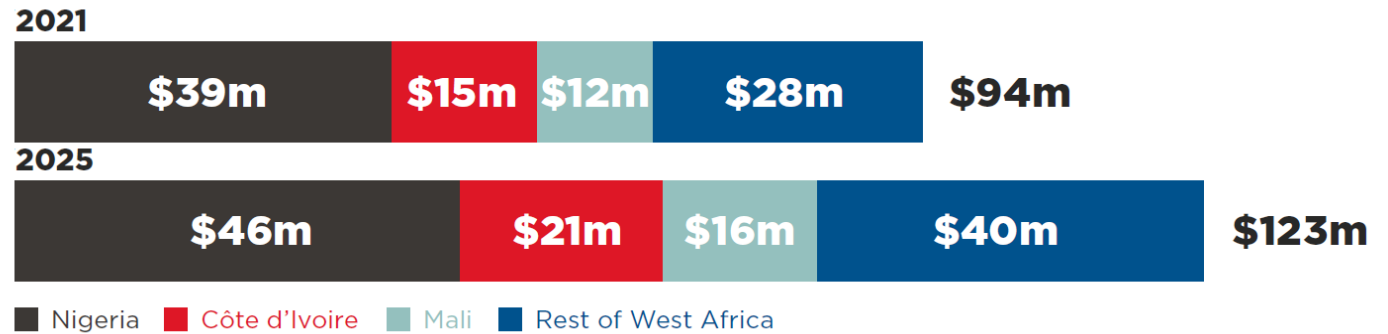


Figure 9 Potential direct revenue opportunity by major markets in West Africa (USD)



Source: GSMA 2020: Digitizing payments in agricultural value chains: The revenue opportunity to 2025

# Critical enablers that is making this possible...

AGRITECH/AGTECH, GHANA

## All AgriTech/AgTech Startup Companies in Ghana

By Startup Facility , March 8, 2020 0 Comments



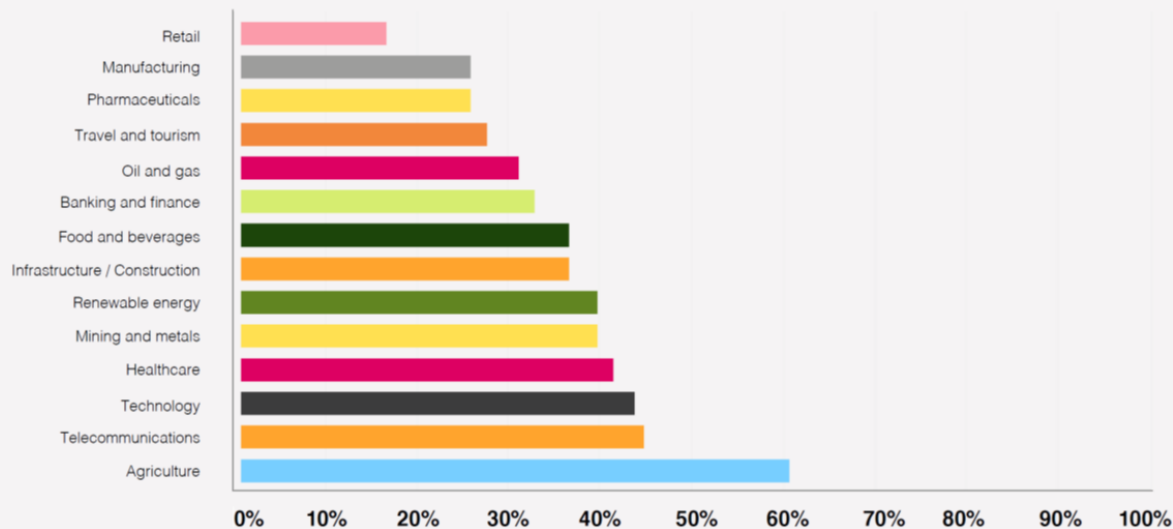
- Ghana has emerged as one of the most robust and developed startup ecosystems on the continent, following Egypt, Kenya, Nigeria and South Africa – as the major hubs on the continent (VC4A Research)
- This has been possible through:
  - significant consumer and business markets
  - sophisticated entrepreneurial talent
  - strong corporate sector
  - Highly educated young people
  - General macroeconomic and political stability



Agribusiness is emerging.....We are not the only ones who believe Agribusiness is the key to unlock Africa's latent potential

### 61% agree that agriculture is the most lucrative sector to invest in

What are the most profitable industries in Sub-Saharan Africa to invest in?



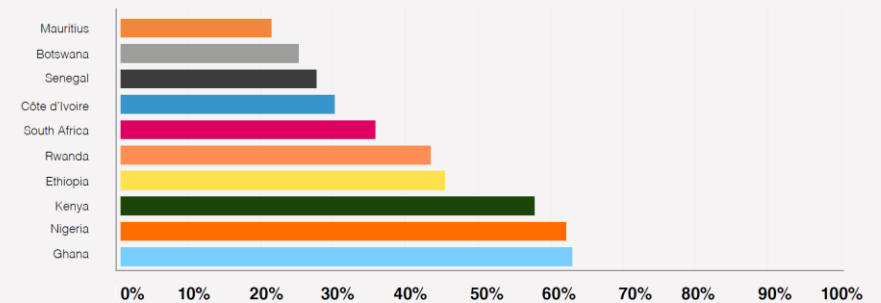
- Global business forum, Africa – Dubai Expo 2020: Dubai chamber of commerce & industry and the Economist Group

# Critical enablers.....

- Global business forum, Africa – Dubai Expo 2020: Dubai chamber of commerce & industry and the Economist Group

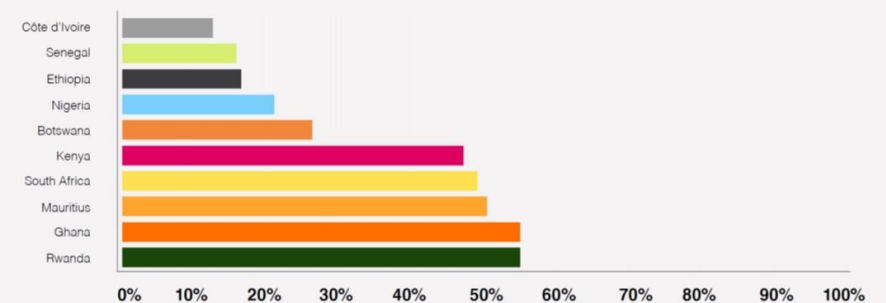
## Ghana and Nigeria are the most favourable for investments

Which of the following Sub-Saharan African countries have the largest growth potential in terms of investment opportunities?



## Ghana and Rwanda show the highest ease of doing business for foreign investments

Which of the following Sub-Saharan African countries are the easiest to do business with in terms of foreign direct investment?



# About Esoko... a pioneering agritech company based in Ghana

- 3 offices
- 5,423 jobs created, both part time and full time.
- 20 countries

- 60 employees in Accra
- Deployed 20 Countries
- Private Business
- Founded in 2008
- 833 markets
- 4 languages

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Featured in  And won many awards







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