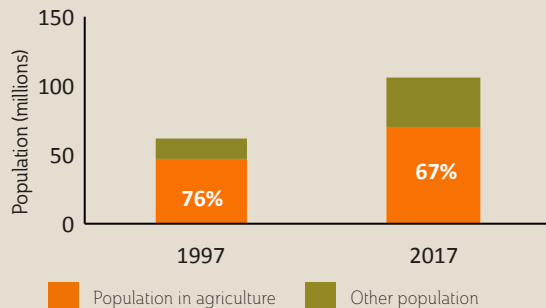
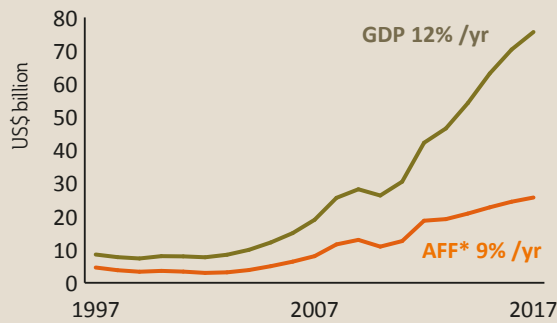




MACROECONOMIC CONTEXT

Ethiopia's economy averaged 10.3% growth in the decade to 2017, compared with a regional average of 5.4%, but decelerated to 7.7% in 2017/18. The agriculture sector, historically the engine of the Ethiopian economy, has recently given way to the service sector.¹

Ethiopia is classed by the World Bank as a low-income country and has a low Human Development Index (ranked 173 of 189 countries).



* AFF: Gross Output Agriculture, Forestry and Fishing

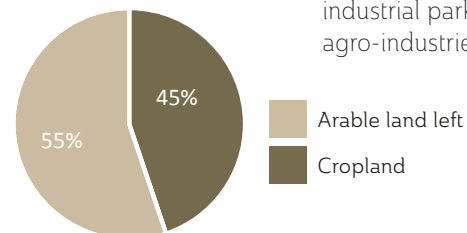
FOOD PRODUCTION

Top 10 horticultural crops (000 tons, 2017)

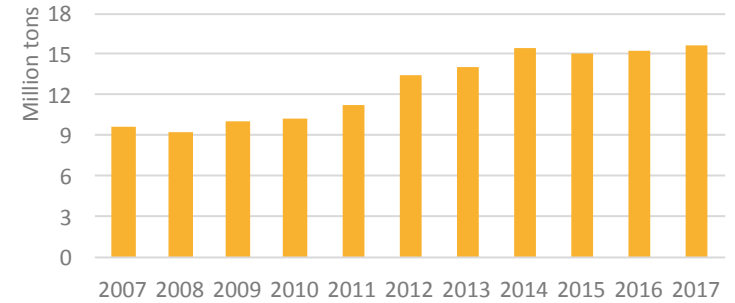
1	Other roots/tubers	5,648	6	Peas	838
2	Sweet potatoes	2,008	7	Bananas	563
3	Beans	1,482	8	Other veg	562
4	Yams	1,400	9	Brassicas	406
5	Potatoes	933	10	Chillies	371

Ethiopia's comparative advantages

- Favourable climate and soil conditions allow cultivation of a very wide range of horticultural crops, with 100+ crop types produced nationwide, including cut flowers.²
- Ethiopia's location gives it strategic dominance in the Horn of Africa, close to the Middle East and its markets.³
- Ethiopian Airlines is the world's fourth largest airline by number of countries served. An agreement has been signed with Djibouti to use its seaport facilities for export and import trade, and there is a plan to double the railway line between Addis Ababa and Djibouti.
- The Government is integrating several geographically focused approaches to increase production and improve value addition industries: agricultural commercialisation clusters group woredas to support rapid enhancement of priority crops; and integrated agro-industrial parks catalyse investment in agro-industries.²



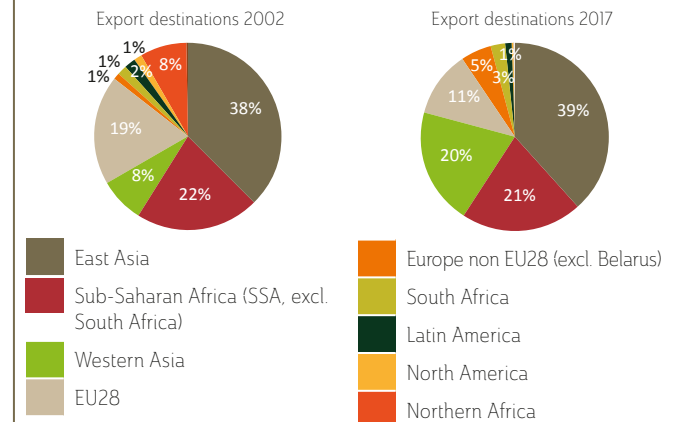
Trends in fruit and vegetable production



TRADE

Ethiopia has a positive physical trade balance for fruit and vegetables, although there is a decline in recent years. In 2017 it exported 94,130 tons more than it imported.

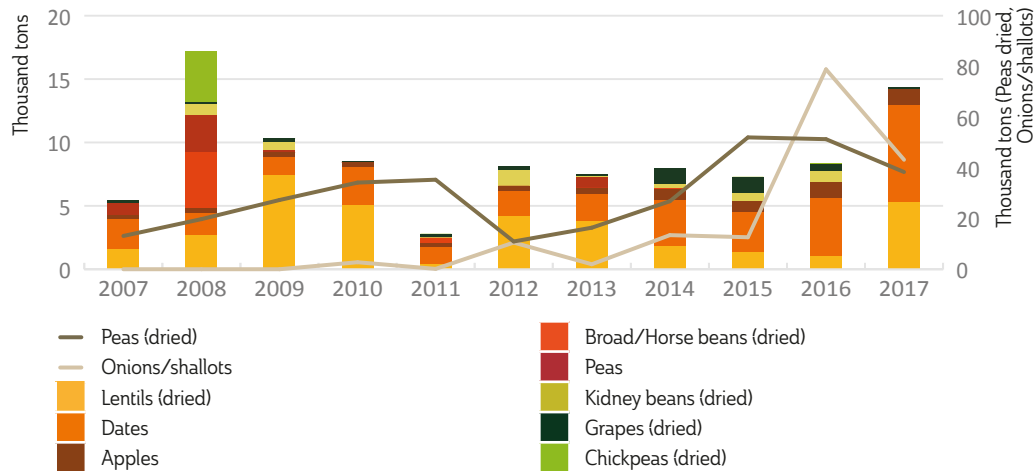
Exports to East Asia represent 39% of the volume and 40% of the value of total exports in 2017. Exports to SSA follow with resp. 21% of the volume and 10% of the value. Trade with Western Asia increased to 20% of the volume and 26% of the value. The bulk of global exports are dried legumes (kidney beans, chickpeas and other beans).



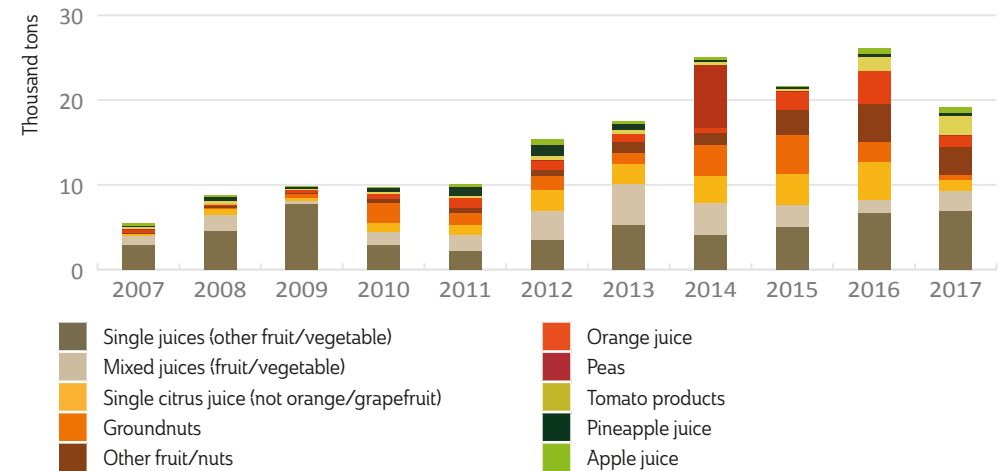


GLOBAL TRADE IN FRUITS, NUTS AND VEGETABLES (BY VOLUME)

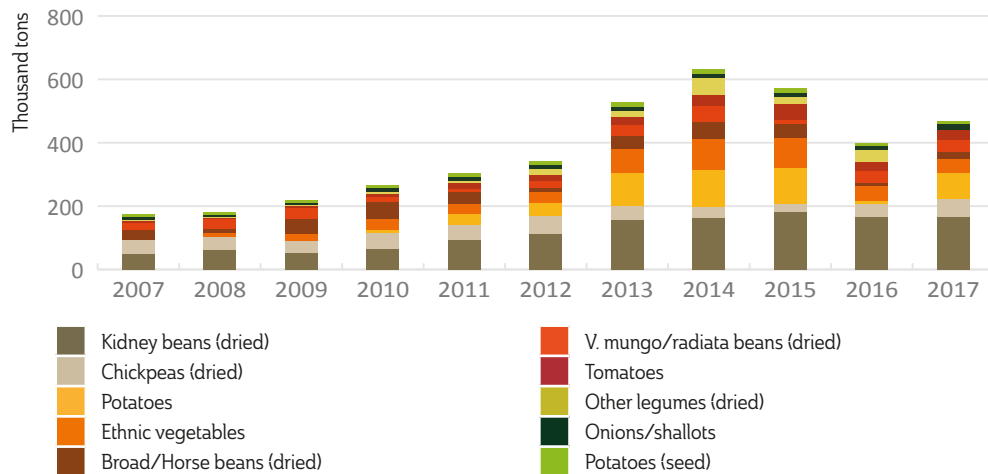
IMPORTS of top 10 FRESH fruits, nuts and vegetables



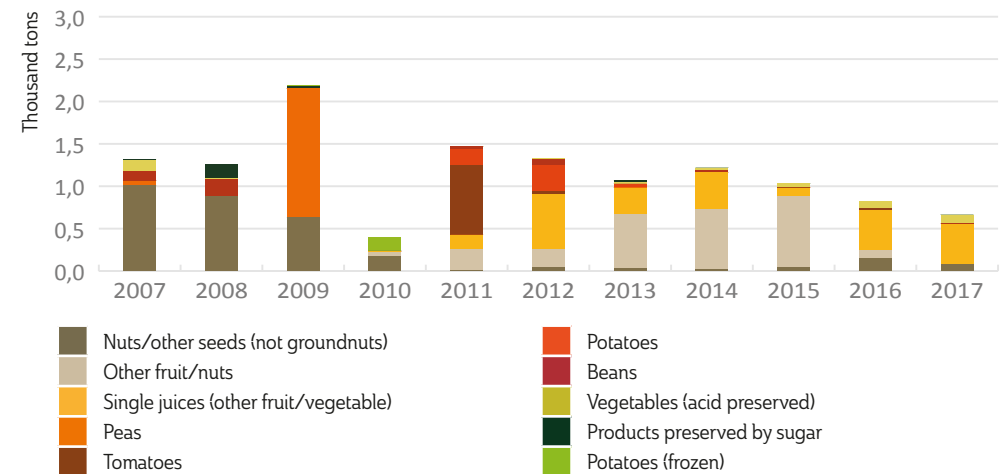
IMPORTS of top 10 PROCESSED fruits, nuts and vegetables



EXPORTS of top 10 FRESH fruits, nuts and vegetables



EXPORTS of top 10 PROCESSED fruits, nuts and vegetables

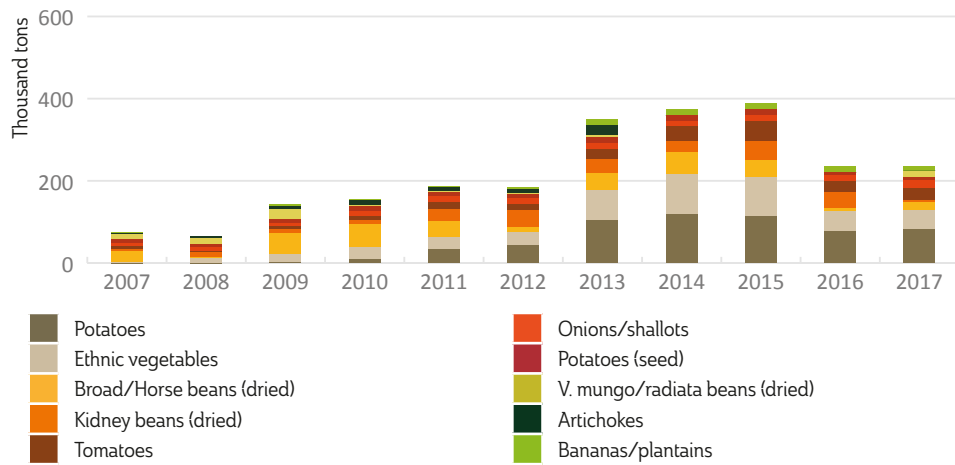




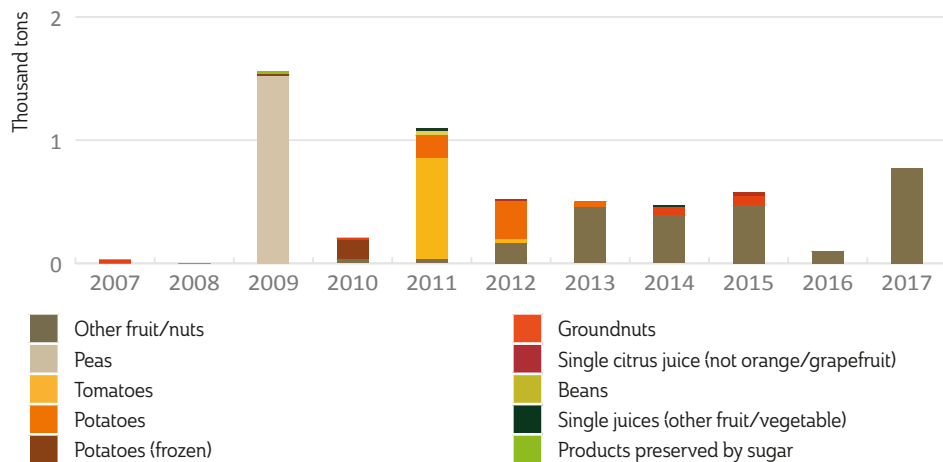
EXPORTS OF FRUITS, NUTS AND VEGETABLES: REGIONAL AND EUROPEAN MARKETS (BY VOLUME)

EXPORTS TO SSA

FRESH fruits, nuts and vegetables

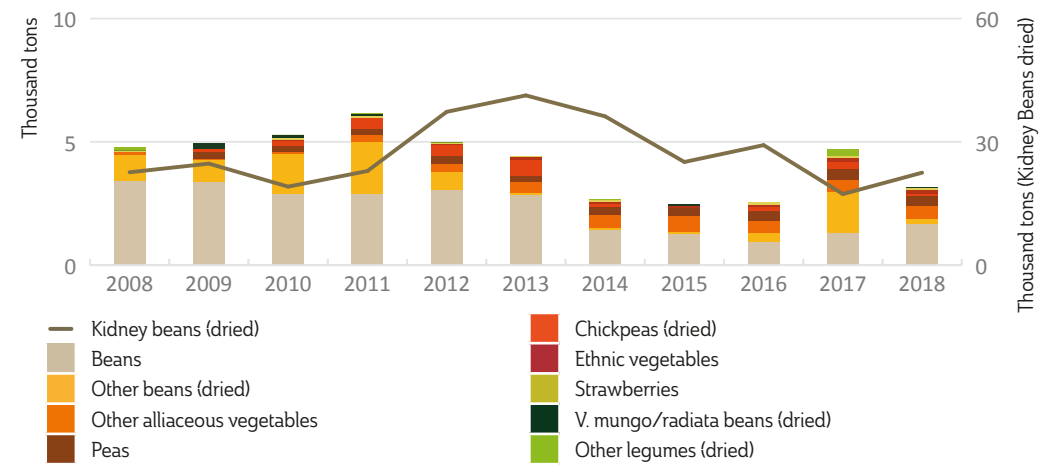


PROCESSED fruits, nuts and vegetables

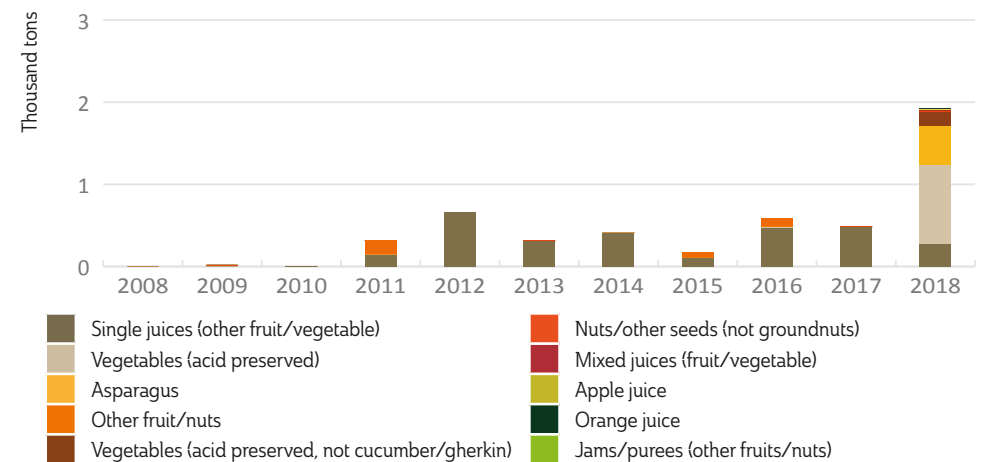


EXPORTS TO EU28

FRESH fruits, nuts and vegetables



PROCESSED fruits, nuts and vegetables



* Includes capsicum, capers, artichokes, carrots and mixed vegetables.



FOCUS ON THE MARKET

Supply

Ethiopia has a long tradition of producing fruit (bananas, pineapples, mangoes, citrus) for home consumption and export to neighbouring countries, but it is only recently that investments have been made in larger-scale production and in less traditional fruits (strawberries, avocados, table grapes, passion fruit), supported by USAID's Ethiopia Agribusiness and Trade Expansion Activity. Currently there are 19 operators engaged in large-scale, modern fruit production.^{4,5}

There are 31 vegetable-exporting farms producing a wide variety including green beans, snow peas, tomato, paprika, eggplant, baby corn and onions. Ethiopia's climate is well suited to the production of herbs, and many investors are keen to exploit this potential; currently there are four herb-producing farms in Ethiopia.⁶ The country also produces emerging temperate fruits such as pears and plums.

Demand

93% of households regularly consume vegetables but just 20% consume fruit.⁶ Because of market and food security concerns, rural farmers prefer to produce cereals and pulses.⁷ Average daily consumption of fruit and vegetables per person is 97 g.³

Key facts

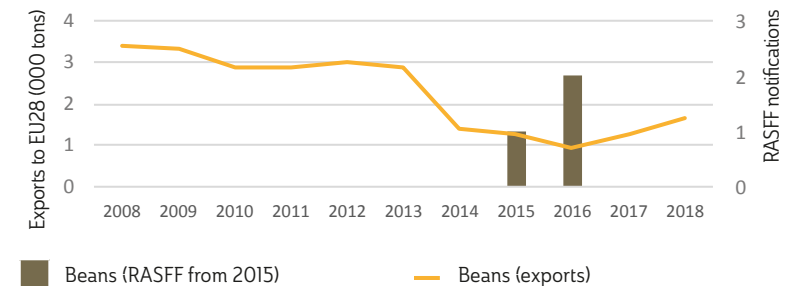
Horticulture is Ethiopia's fifth highest foreign revenue earner,² and is 'growing exponentially'.⁵ Currently the sector's biggest export earner is floriculture, but vegetables and fruit have great potential.

Export of fruit and vegetables has been limited but is now growing strongly and attracting new investors. In Europe and the Middle East there is growing interest in products from Ethiopia. Presently, the main export products are fresh beans, strawberries, tomatoes, courgettes, peppers and fresh herbs;⁵ alliums, green beans and mangetout peas are regularly exported to the EU.

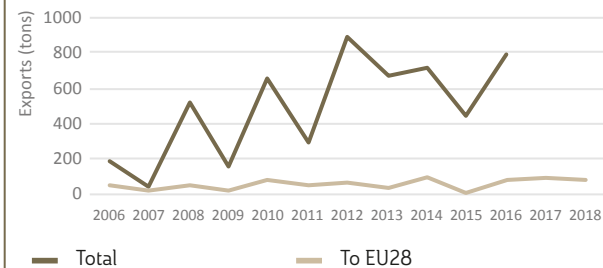
A study of market potential identified the main opportunities for vegetable exports in the growing demand for high-quality and pre-packed vegetables; and for fruit exports in perishable fruit varieties due to Ethiopia's comparative advantage over competitors further away.⁸

EU MARKET AND SPS ISSUES

There have been minimal interceptions of harmful organisms on exported horticultural crops from Ethiopia. There were RASFF notifications in 2015 and 2016 on beans, for permethrin and DDT.



One to watch: strawberries



Able to grow strawberries year-round, Ethiopia is well positioned to fulfil demand in different regions at different times of year. The Gulf area is a target for April–November; the UK and other European countries December–February, and South Africa January–April.⁹ Currently most exports are to the Middle East (65% in 2017). Strawberries are one of six key fruits and vegetables with clear export potential identified by the Ethiopian Horticulture Producer Exporters Association, with the number of large producers in the country rising to 13 from zero a decade ago.¹⁰

	National	Regional	EU	World
Potential		Green beans; Snow peas; Tomatoes; Grapes	Strawberries; Passion fruits; Potatoes; Avocados	Mangoes; Dried legumes
Developing	Pineapples; Onions; Passion fruits; Physalis	Mangoes; Strawberries; Passion fruits; Peppers; Papayas; Avocados	Mangoes; Dried legumes; Peppers; Bananas; Tomatoes; Zucchini; Onions, Fresh herbs	Peppers; Bananas, Citrus; Grapefruits, Papayas; Avocados; Strawberries
Mature	Green beans; Snow peas; Mangoes; Bananas; Dried legumes; Tomatoes; Grapes; Peppers; Papayas; Avocados	Bananas; Dried legumes; Potatoes; Onions	Snow peas; Green beans; Mangetout peas	



Notes

- ¹ World Bank (2019) *The World Bank in Ethiopia: Overview*. <https://www.worldbank.org/en/country/ethiopia/overview>
- ² ATA (2017) Ethiopian Agriculture and Strategies for Growth. Presented to Ethiopia - Norway Agribusiness Seminar, November. Ethiopian Agricultural Transformation Agency. <https://www.innovasjon Norge.no/globalassets/afrika/mirafe-g-marcos---ata---pdf.pdf>
- ³ Geda, M. and Bekele, A. (2016) Horticultural crop production and level of consumption in Dire Dawa Administration, Eastern Ethiopia. *MAYFEB Journal of Agricultural Science*, 1: 45–58. https://www.researchgate.net/publication/308414621_Horticultural_Crop_Production_and_Level_of_Consumption_in_Dire_Dawa_Administration_Eastern_Ethiopia
- ⁴ Wiersinga, R.C. and de Jager, A. (2009) *Business Opportunities in the Ethiopian Fruit and Vegetable Sector*. The Hague: LEI Wageningen UR. <http://edepot.wur.nl/3592>
- ⁵ EHPEA (2019) *Overview of the Horticulture Sector*. Ethiopian Horticulture Producer Exports Association.
- ⁶ Ruel, M.T., Minot, N. and Smith, L. (eds) (2005) Patterns and determinants of fruit and vegetable demand in developing countries: a multi-country comparison. Background paper for the Joint FAO/WHO Workshop on Fruit and Vegetables for Health, 1–3 September 2004, Kobe, Japan. Geneva: World Health Organization. https://www.who.int/dietphysicalactivity/publications/f%26v_africa_economics.pdf
- ⁷ Milaku, J. (2005) Country case study presentations: Ethiopia. In: FAO/WHO (eds), *Fruit and Vegetables for Health*, Report of a Joint FAO/WHO Workshop, 1–3 September 2004, Kobe, Japan. World Health Organization and Food and Agriculture Organization of the United Nations. https://apps.who.int/iris/bitstream/handle/10665/43143/9241592818_eng.pdf;jsessionid=F81CCCCB2844FF4F561CA60C0F00B393?sequence=1
- ⁸ World Bank (2004) *Opportunities and Challenges for Developing High-Value Agricultural Exports in Ethiopia*. Washington, DC: World Bank. <https://www.semanticscholar.org/paper/OPPORTUNITIES-AND-CHALLENGES-FOR-DEVELOPING-EXPORTS/db2bf423368927e3eaac1f2cd1de322e41cf420>
- ⁹ Selina Wamucii (n.d.) Ethiopia strawberries. <https://www.selinawamucii.com/produce/fruits-and-vegetables/ethiopia-strawberries/>
- ¹⁰ Anon. (2018) Six produce items pushed for export market. *Capital Ethiopia*, 26 March. <https://www.capitalethiopia.com/capital/six-produce-items-pushed-export-market/>

Local research: Cabinet Harson



Sources

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World Bank Country Overviews: www.worldbank.org/en/where-we-work

CIA World Factbook: <https://www.cia.gov/the-world-factbook/>

Human Development Index 2018 – a composite index of life expectancy, education and per capita income indicators: http://hdr.undp.org/sites/default/files/2018_human_development_statistical_update.pdf

AFF as percentage of GDP (AFF = Gross Output Agriculture, Forestry and Fishing): <https://data.worldbank.org/indicator/nv.agr.totl.zs>

Population: <https://data.worldbank.org/country/>

Population employed in agriculture: <https://data.worldbank.org/indicator/sp.rur.totl.zs>

Food production: <http://www.fao.org/faostat/en/>

Trends in fruit and vegetable production: <http://www.fao.org/faostat/en/>

Cropland and arable land left: World Bank

Total exports (quantity and value): IFPRI

Global imports and exports, top 10 fresh fruit and vegetables, and top 10 processed fruit and vegetables: IFPRI

Regional imports and exports, top 10 fresh fruit and vegetables, and top 10 processed fruit and vegetables: IFPRI

Exports to EU28, top 10 fresh fruit and vegetables, and top 10 processed fruit and vegetables: <https://ec.europa.eu/eurostat>

Focus on the EU market: https://ec.europa.eu/food/plant/plant_health_biosecurity/europhyt_en