

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary Public

Date: 2/7/2017

GAIN Report Number: ET1634(updated)

Ethiopia

Post: Addis Ababa

Ethiopia's Ag Imports Continue Growing

Report Categories:

Agricultural Situation

Agriculture in the Economy

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Report Highlights:

****New updated version**** Ethiopia's agriculture imports reached \$1.8 billion in 2015. Future imports are expected to increase as the country's economy and population continue to grow. Palm oil, sugar, and wheat were the three largest agriculture imports by value in 2015. Presently, commercial imports of U.S. agricultural products (excluding food aid) are about \$20 million each year.

Ethiopia's Ag Imports Projected to Keep Growing:

According to official Ethiopian trade statistics, imports of agricultural products have grown from just over \$1 billion in 2010 to nearly \$1.8 billion in 2015. Similarly, over this same period, imports by volume increased from 1.9 million to 3 million metric tons.

As the country's economy continues to steam ahead and as the population grows from its current level of nearly 100 million inhabitants, imports of agricultural products are expected to continue growing as demand outpaces local production capacity. This anticipated growth, however, will be moderated somewhat due to anticipated increases in local agricultural production and the private sectors' difficulty in accessing sufficient amounts of foreign exchange.

The country's foreign exchange reserves were recently estimated at less than two months of import coverage, below the IMF recommended minimum of three months. Therefore, if Ethiopia is to meet the expected increase in demand for certain agricultural imports, it will need to, among other things, increase its exports (e.g. agriculture and floriculture products, textiles and apparel, leather and leather products, and electricity, etc.).

Ag Imports Growing, Especially Wheat, Sugar, and Palm Oil:

Similar to the economic development trends of other countries, as Ethiopian consumers' incomes have grown, the demand for cooking oil, sugar, livestock protein (e.g. meat, milk and eggs), wheat-based products (e.g. pasta, cookies, and biscuits), and convenience foods is gradually increasing.

Of these products, palm oil, sugar and sweeteners, and wheat were the three largest agriculture imports by value in 2015.¹ From 2010-2015, imports of palm oil doubled to nearly \$425 million, wheat imports climbed 20 percent to a little more than \$360 million, while imports of sugar and sweeteners grew 65 percent to almost \$180 million. It should be noted that the Government of Ethiopia (GoE) intends to increase local production of wheat and sugar to reduce and eventually eliminate imports of these products. However, given local demand requirements and existing capacity constraints, post expects imports of these (and other) products to continue for the foreseeable future.

In addition, imports of rice, prepared foods, distilled spirits, pasta, and vegetable oil, among others showed significant growth as consumers' diets are gradually beginning to change. For example, over the six-year period from 2010-15, rice imports increased six fold to almost \$158 million, prepared food imports quadrupled to \$126 million, distilled spirit imports doubled to almost \$20 million, pasta imports increased seven fold to \$38 million. Refer to the table 1 at the end of the report for detailed import data.

Indonesia Holds Largest Share of Ethiopia's Ag Import Market:

In 2015, the top four countries supplying agricultural products to Ethiopia accounted for slightly more than half of total imports by value.² Indonesia held the largest share of the market at 17 percent (\$301m), most of which was made up of palm oil imports (\$272m). India was the second largest supplier with 14 percent (\$250m) of the market, which primarily consisted of rice (\$140m) and sugar (\$95m). The United States controlled the third largest share of the market at 13 percent (\$231m), with

¹ A portion of the imported wheat is from the United States. Nearly all imports of U.S. wheat are for food assistance purposes.

² Figures are based on country of origin data as published by ERCA.

most imports going for food aid, including: wheat (\$89m), coarse grain (\$62m), and pulses (\$36m). Malaysia had the fourth largest share with 8 percent (\$137m), most of which was palm oil (\$124m).

In addition to these four markets, other suppliers that made the top 10 list for 2015 were Ukraine, UAE, Bulgaria, Egypt, China, and Germany. Imports from Ukraine and Bulgaria (as well as Russia) were mainly wheat. UAE imports primarily consisted of refined sugar, refined palm oil, and processed food products. Imports from Egypt were mainly wheat, cooking oil, and assorted beverages. Chinese imports were mostly forest products. German imports were comprised mainly of hop extract, malt, and wheat. See table 3 for further information.

Current U.S. Ag Sales to Ethiopia:

According to Ethiopian trade statistics, commercial imports (excluding food aid) of U.S. agricultural products are about \$20 million each year.³ A large percentage of these products are first passing through Dubai, UAE before being forwarded to Ethiopia in a mixed container. According to ERCA import statistics, the leading U.S. items being sold commercially includes maize flour/groats (\$3.4m), snack foods (\$1.7m), protein concentrates (\$1.5m), planting seeds (\$1.4m), hop extract (\$0.7m), fresh fruit, mostly apples (\$0.3m), and fruit and vegetable juices (\$0.3m), condiments and sauces (\$0.3m), distilled spirits (\$0.2m), forest products (\$0.2m).⁴ See table 3 for breakdown of current U.S. ag imports. For U.S. products that may have future market potential, please contact FAS/Addis Ababa at AddisAbaba.Ag@fas.usda.gov.

By comparison, Ethiopia shipped nearly \$160 million (FOB value), which appears to be a record, of agricultural products to the United States in 2015. Major exports were coffee (\$121m), oilseeds (\$21m), horticulture products (\$5m), prepared foods (\$4.9m) of which most is injera, processed vegetables (\$1.5m), pulses (\$1.2m), and spices (\$0.7m). See table 4 for details.

³ A significant amount of the U.S. ag products reaching Ethiopia are first shipped to the UAE and then forwarded to Ethiopia in a mixed container. These indirect shipments do not show up in U.S. trade statistics as product destined for Ethiopia. However, with the help of Ethiopian trade statistics, which identifies the products' original country of origin, both the volume and value of most of these indirect shipments can be calculated. Readers are reminded that these are Ethiopian trade statistics and that errors may exist in product classification and/or origin assignment.

⁴ Post is uncertain what specific U.S. product is being classified as maize flour/groats.

Table 1: Ethiopia's Agriculture Imports (CIF Value - USD)

Commodity	2010	2011	2012	2013	2014	2015	% Increase 2010/15	Change in Value 2010/15
Palm Oil	218,686,784	329,056,548	384,801,377	358,370,232	407,037,339	423,633,708	94%	204,946,923
Wheat	300,125,347	396,636,299	324,893,344	464,228,050	321,164,182	363,071,735	21%	62,946,388
Sugars & Sweeteners (mostly sugar)	108,647,325	176,691,746	171,719,644	211,696,592	179,829,086	179,044,294	65%	70,396,969
Rice	25,755,277	51,352,099	76,363,129	89,583,153	105,793,781	157,645,380	512%	131,890,104
Prepared Foods	34,012,375	50,150,281	88,420,820	73,180,505	101,950,601	125,785,361	270%	91,772,986
Other Intermediate Products (e.g. malt, flour, yeast, hop extract)	56,859,231	112,927,528	81,247,159	88,869,931	110,257,784	110,325,104	94%	53,465,873
Forest Products	36,726,394	39,212,654	46,116,470	61,926,117	68,518,936	84,799,752	131%	48,073,358
Coarse Grains (ex. corn)	40,036,976	15,276,423	7,599,308	31,301,425	42,632,405	72,673,601	82%	32,636,625
Vegetable Oils NESOI	35,904,684	49,653,016	47,340,122	40,571,535	35,965,551	54,429,817	52%	18,525,133
Pulses	32,312,701	26,826,120	32,363,092	16,931,664	20,172,195	44,441,265	38%	12,128,564
Essential Oils	31,715,213	27,689,079	31,092,594	41,273,763	28,352,093	32,608,831	3%	893,618
Distilled Spirits	8,541,486	8,227,289	9,622,173	14,268,926	16,388,093	21,693,721	154%	13,152,235
Snack Foods NESOI	7,014,860	7,056,057	10,337,405	12,944,915	13,359,820	15,741,736	124%	8,726,877
Fruit & Vegetable Juices	4,891,784	6,490,789	9,942,719	11,532,929	11,642,220	12,837,992	162%	7,946,207
Soybean Oil	2,349,716	13,235,270	3,297,679	5,331,928	2,275,636	10,634,422	353%	8,284,706
Dairy Products	17,109,591	10,800,663	10,519,571	6,417,274	9,059,648	10,273,700	-40%	(6,835,890)
Planting Seeds	5,899,691	5,035,488	4,627,223	7,659,395	9,596,130	9,461,512	60%	3,561,821
Processed Fruit	3,606,665	14,469,590	10,336,213	7,691,505	5,746,296	8,784,996	144%	5,178,332
Tobacco	11,931,828	7,987,640	7,472,781	8,332,291	8,616,414	6,391,423	-46%	(5,540,405)

Table 1: Ethiopia's Agriculture Imports (CIF Value - USD)

Commodity	2010	2011	2012	2013	2014	2015	% Increase 2010/15	Change in Value 2010/15
Rubber & Allied Gums	3,212,603	6,091,593	7,102,001	7,452,206	4,529,208	6,236,064	94%	3,023,461
Nursery Products & Cut Flowers	4,830,030	4,828,623	7,508,321	5,549,813	3,518,094	5,344,450	11%	514,420
Fresh Fruit	2,023,255	1,598,781	1,975,007	3,041,858	3,942,684	4,871,474	141%	2,848,219
Condiments & Sauces	2,002,951	2,244,247	2,572,445	3,285,208	3,639,585	4,466,954	123%	2,464,003
Biodiesel & Blends > B30	2,430,349	3,056,995	3,196,174	6,602,116	6,233,760	4,098,073	69%	1,667,724
Corn	1,063,501	943,346	1,544,694	1,686,741	2,607,391	3,348,967	215%	2,285,466
Spices	1,194,335	1,335,280	1,677,141	1,862,247	2,307,745	3,228,456	170%	2,034,121
Fresh Vegetables	2,363,941	603,416	3,157,508	1,659,394	2,502,211	2,671,939	13%	307,998
Fish Products	1,250,564	1,578,212	2,071,672	2,108,424	2,457,576	2,548,013	104%	1,297,450
Chocolate & Cocoa Products	1,866,687	3,281,534	3,226,471	2,812,602	3,525,030	2,508,372	34%	641,685
Wine & Beer	1,624,273	1,730,096	1,665,080	2,666,460	3,519,831	2,384,341	47%	760,069
Processed Vegetables	1,162,051	1,305,374	1,798,040	1,799,280	7,498,029	2,207,092	90%	1,045,041
Non-Alcoholic Bev. (ex. juices, coffee, tea)	394,432	492,714	1,126,957	1,524,417	1,055,253	1,435,308	264%	1,040,876
Feeds & Fodders NESOI	673,751	659,307	953,233	1,040,544	4,937,555	1,260,182	87%	586,431
Live Animals	571,772	1,486,232	933,633	2,178,447	738,627	1,243,322	117%	671,550
Cotton	15,471	524	502	250	5,180,641	1,063,484	6774%	1,048,014
Coffee, Roasted and Extracts	430,332	388,843	1,123,401	499,862	759,306	943,998	119%	513,667
Meat Products NESOI	208,261	384,247	351,260	346,664	3,423,986	601,947	189%	393,685
Other Bulk Commodities	1,971,540	1,070,416	1,818,051	1,454,580	942,431	555,286	-72%	(1,416,254)
Tea	166,151	84,410	142,781	136,320	546,214	498,371	200%	332,220
Peanuts	73,757	3,779,337	400,869	171,016	126,447	480,699	552%	406,942
Poultry Meat & Prods. (ex. eggs)	110,928	99,509	92,462	74,672	873,270	378,303	241%	267,375
Beef & Beef Products	148,788	177,429	202,714	205,323	336,507	219,385	47%	70,597
Animal Fats	864,713	20,448	3,277	51,233	91,487	143,116	-83%	(721,598)
Tree Nuts	593,029	79,192	903,241	74,170	124,777	141,154	-76%	(451,875)
Pork & Pork Products	125,206	158,125	110,000	211,799	172,881	103,883	-17%	(21,323)
Oilseeds NESOI	79,649	265,903	614,234	910,275	60,449	86,119	8%	6,470

Commodity	2010	2011	2012	2013	2014	2015	% Increase 2010/15	Change in Value 2010/15
Ethanol	4,510	90,778	2,998	11,405	71,247	85,583	1798%	81,073
Coffee, Unroasted	55,509	53,154	91,421	59,874	151,422	62,946	13%	7,437
Eggs & Products	40,893	131,965	35,856	73,059	24,280	26,842	-34%	(14,050)
Dog & Cat Food	86,994	50,780	63,089	33,817	56,826	20,924	-76%	(66,070)
Oilseed Meal/Cake (ex. soybean)	856,264	1,545,296		23,396	30,036	18,497	-98%	(837,766)
Soybeans	342,111	1,048,672	403,041	5,201	14,540	10,412	-97%	(331,698)
Hay		357	368	204	38,627	3,002	-	3,002
Hides & Skins	45,862	35,571	5,921	2,766	6,085	2,744	-94%	(43,118)
Rapeseed				107		1,501	-	1,501
Soybean meal	1,361	907,300	55	2,135	1,687	243	-82%	(1,118)
Cocoa Beans	10,674	239			13		-100%	(10,674)
Grand Total	1,015,024, 426	1,390,382, 824	1,404,986, 741	1,601,730, 015	1,564,403, 948	1,797,579, 796	77%	782,555,377

Source: Ethiopia Revenue & Customs Authority (ERCA). Includes Ag, Fishery, and Forestry Products, BICO format.

Table 2: Top 10 Ag Suppliers to Ethiopia and Market Share for 2015 (USD - CIF Value)

	2010	2011	2012	2013	2014	2015	% Market Share
Indonesia	14,915,365	102,194,755	253,376,377	261,315,031	319,654,913	301,163,728	17%
India	17,554,390	144,198,312	186,335,173	384,800,318	241,781,161	250,020,568	14%
United States	259,192,396	199,793,755	172,257,497	183,631,017	163,209,168	231,295,420	13%
Malaysia	190,673,609	232,381,159	148,601,940	127,439,366	100,815,363	137,304,886	8%
Ukraine	30,166,995	57,658	9,588,829	77,927,155	73,027,038	96,983,688	5%
United Arab Emirates	17,656,110	23,148,709	69,997,624	104,190,177	56,366,150	90,858,474	5%
Bulgaria	47,824,706	13,627,771	12,346	11,437,975	8,407	67,180,558	4%
Egypt	16,515,771	25,627,802	12,080,570	15,449,419	26,050,131	58,854,145	3%
China	27,495,552	58,869,399	33,619,403	47,802,340	54,951,039	55,980,480	3%
Germany	8,138,628	8,038,240	10,431,423	9,999,670	13,345,214	52,482,317	3%
Subtotal	630,133,523	807,937,560	896,301,182	1,223,992,468	1,049,208,584	1,342,124,263	75%
All other countries	384,890,899	582,445,261	508,685,557	377,737,547	515,195,368	455,455,533	25%
Grand Total	1,015,024,422	1,390,382,822	1,404,986,739	1,601,730,016	1,564,403,952	1,797,579,796	100%

Table 3: Imports of U.S. Agriculture Products (USD - CIF Value)				
Commodity	2012	2013	2014	2015
Wheat	99,084,380	85,911,537	72,874,866	88,478,787
Coarse Grains (ex. corn)	948,200	31,270,767	22,753,032	61,921,090
Pulses	27,592,672	16,003,236	14,579,816	35,905,009
Prepared Foods	16,254,623	20,191,091	19,860,182	18,729,700
Vegetable Oils NESOI	16,833,645	12,578,094	14,189,328	16,073,732
Other Intermediate Products	5,984,968	11,041,005	8,802,849	4,906,845
Snack Foods NESOI	898,867	1,312,418	1,421,900	1,739,682
Planting Seeds	731,364	607,029	718,477	1,419,095
Fresh Fruit	336,531	173,380	197,481	345,458
Condiments & Sauces	128,233	203,439	301,032	285,964
Fruit & Vegetable Juices	-	129,962	310,345	283,759
Distilled Spirits	197,121	103,892	106,484	219,793
Forest Products	305,292	263,994	279,420	210,137
Poultry Meat & Prods. (ex. eggs)	10,254	5,589	21,775	172,385
Rice	239,205	5,568	249,645	118,870
All Other Products	2,712,142	3,830,016	6,542,536	485,114
Total	172,257,497	183,631,017	163,209,168	231,295,420
Estimated Commercial Import Total (Minus Food Aid – wheat, coarse grain, pulses, CSB, veg oil, and rice)1/	22,437,805	24,161,815	28,762,481 a/	22,397,932

Source: Ethiopia Revenue & Customs Authority (ERCA). Includes Ag, Fishery, and Forestry Products, BICO

1/ Note: The individual figures for these food aid commodities differ from official USG statistics. U.S. stats (FY-basis) are used to calculate corn-soya blend (CSB) trade for 2012-15, which is deducted from the prepared foods category.

a/ Total was revised downward to correct apparent misclassification of frozen peas which were most likely dry yellow split peas for food aid purposes.

Table 4: Ethiopia's Top Agricultural Exports to the United States (USD - FOB value)						
Commodities	2010	2011	2012	2013	2014	2015
Coffee, Unroasted	69,441,146	75,347,069	65,487,330	68,245,285	89,085,310	121,104,833
Oilseeds	19,051,817	8,301,158	18,018,737	18,478,109	12,566,953	21,143,920
Nursery Products & Cut Flowers	1,221,574	1,083,653	1,804,469	2,483,829	3,588,186	4,969,206
Prepared Foods (e.g. injera)	292,721	722,978	1,393,222	2,048,119	3,244,276	4,912,418
Other Intermediate Products	621,800	584,680	754,940	1,070,830	1,117,400	1,974,476
Processed Vegetables	6,436	2,242	839	112,541	386,922	1,508,316
Pulses	702,162	1,653,077	201,765	196,180	287,447	1,182,350
Spices	315,600	256,153	381,489	517,524	488,282	697,356
Other	368,728	214,211	463,602	464,254	533,190	537,605
Grand Total	92,021,984	88,165,221	88,506,394	93,616,672	111,297,967	158,030,481

Source: ERCA