

# Evolving food systems in Ethiopia Past, Present and Future

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Bart Minten, Mekdim Dereje, Seneshaw Tamru and Fantu Bachewe  
IFPRI-ESSP

Presentation EPHI  
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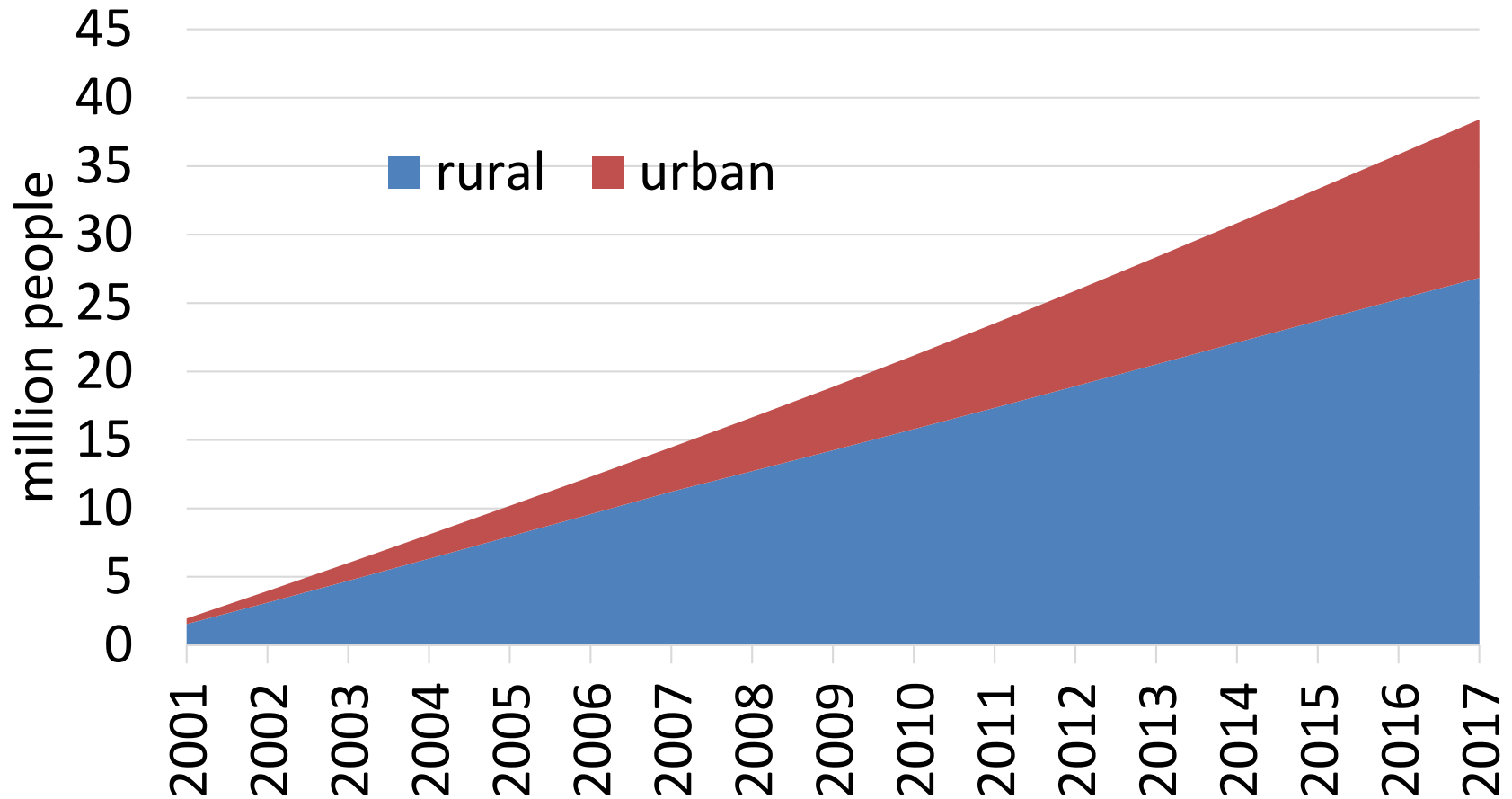
# Plan of presentation

1. Context drivers
2. Changes in markets
3. Changes in farms and farmers
4. Future food systems



# 1. Context drivers

## *Population growth*

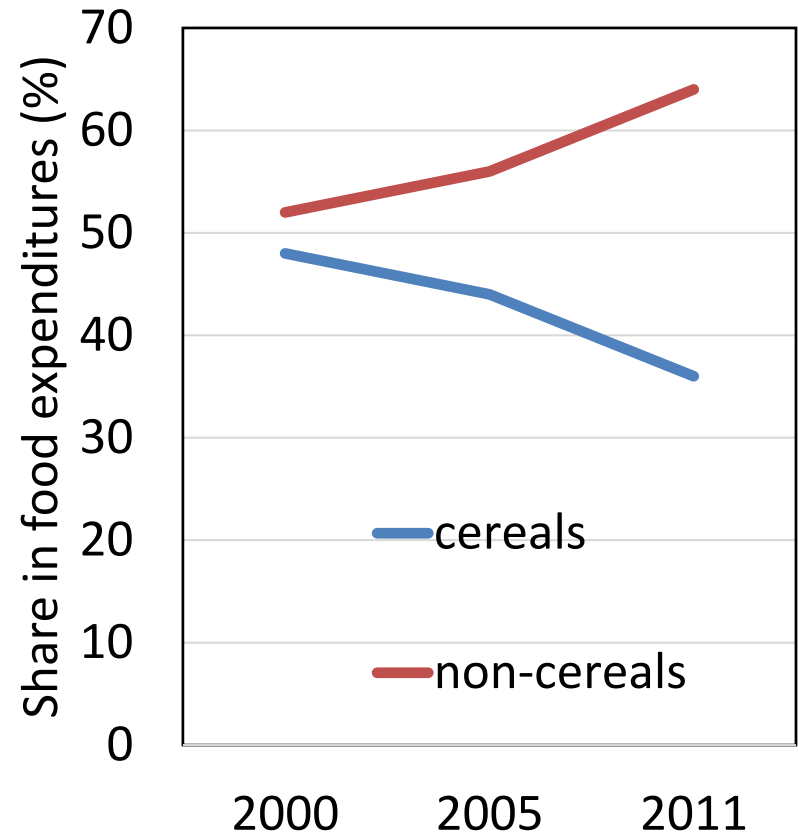


# 1. Context drivers

## *Income growth and diet transformation*

Increasing diversification in the food basket

- However, quantities of cereals consumed is increasing:
  - 1996: 127 kgs/capita
  - 2000: 141 kgs/capita
  - 2005: 150 kgs/capita
  - 2011: 155 kgs/capita
- Share of cereals in expenditures on the decline

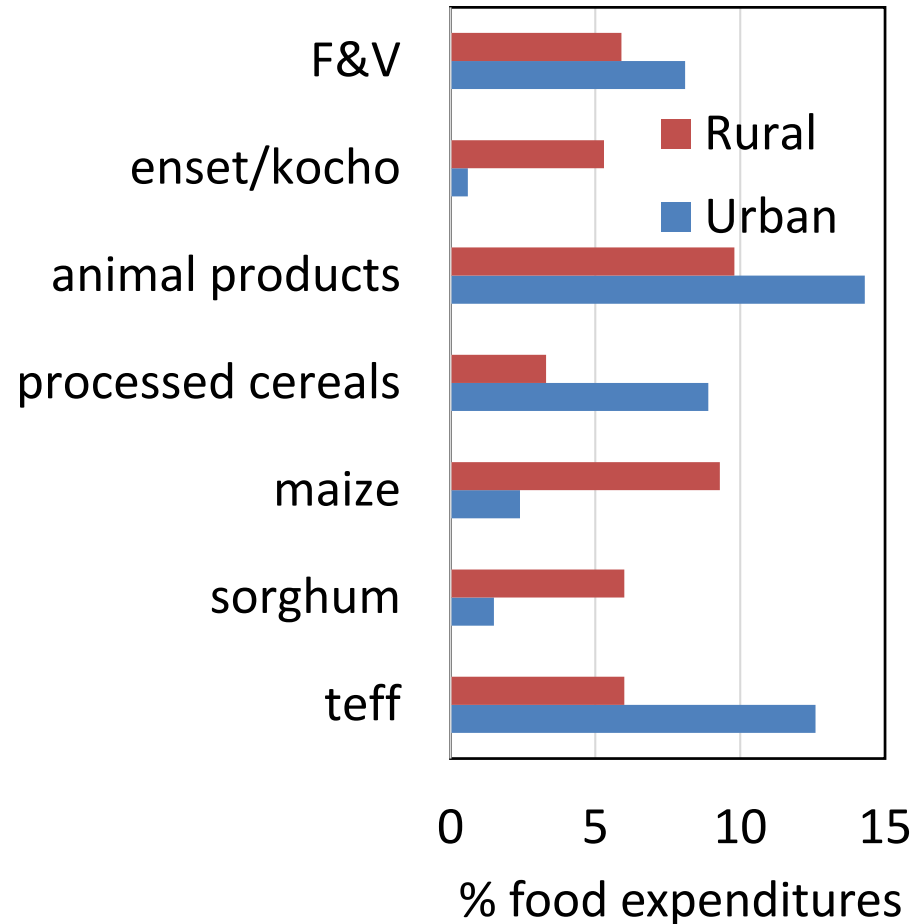


# 1. Context drivers

## *Income growth and diet transformation*

Important difference between urban and rural areas

- Urban residents have different food basket:
  - More consumption of teff and meat
  - Lower consumption of maize, sorghum and enset/kocho

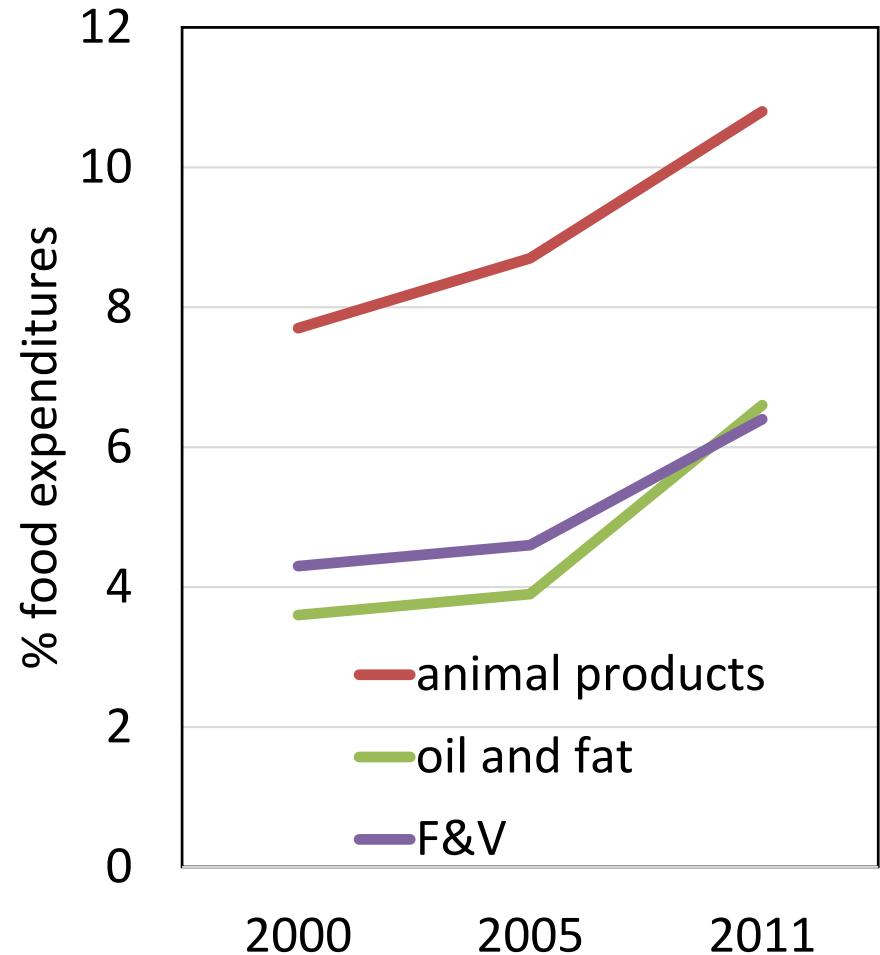


# 1. Context drivers

## *Income growth and diet transformation*

Diversification into high-value food types

- Non-cereal foods on the rise:
  - Animal products
  - Oils and fats
  - Fruits and vegetables

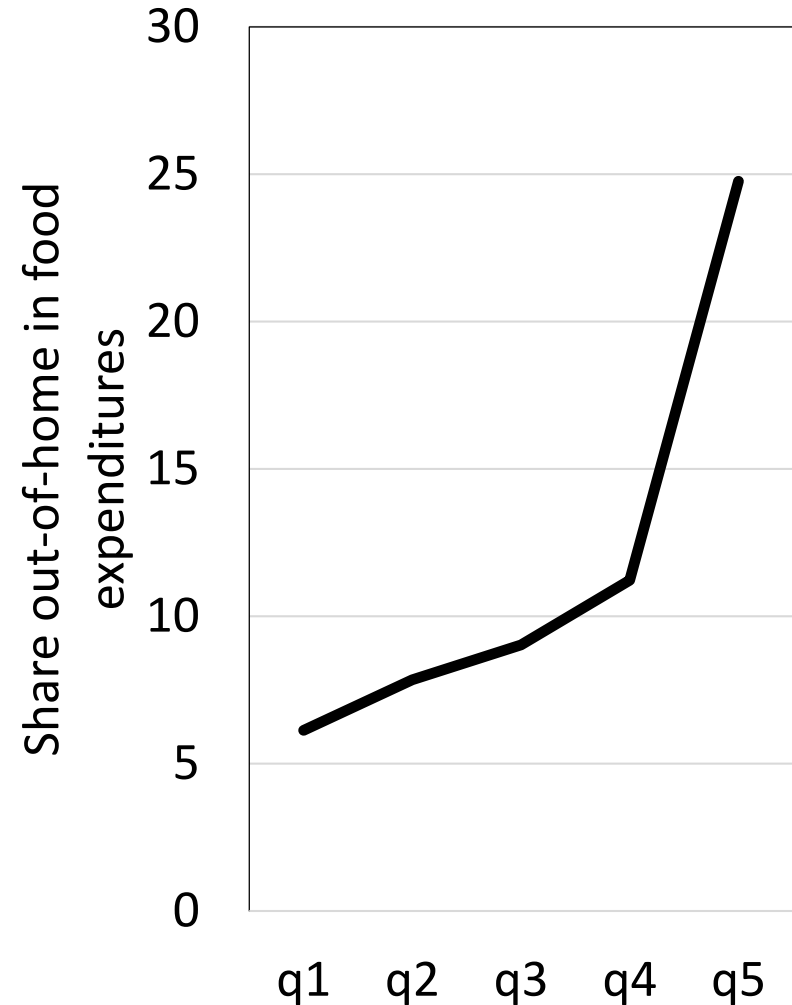


# 1. Context drivers

## *Income growth and diet transformation*

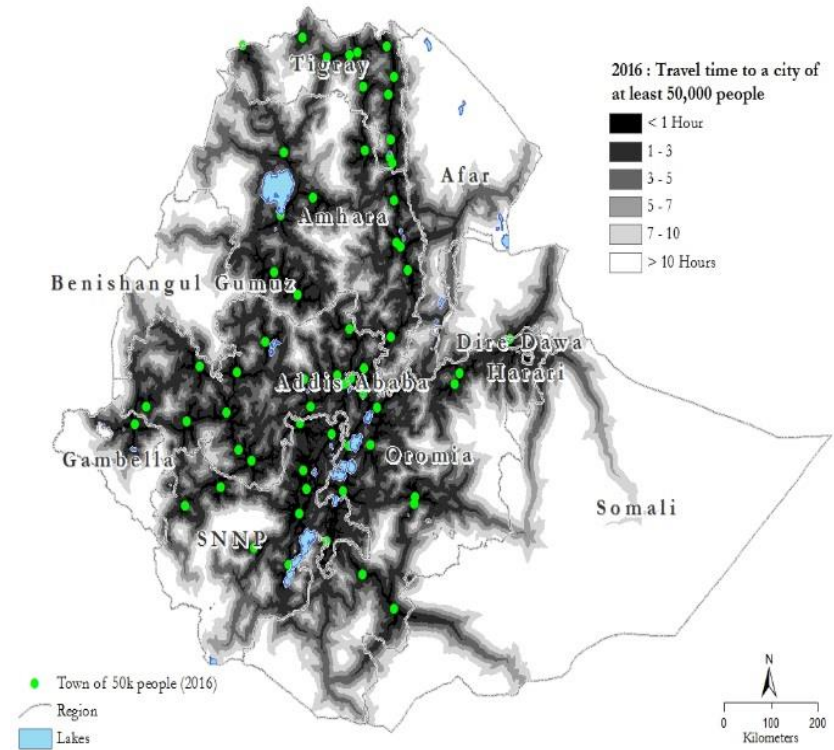
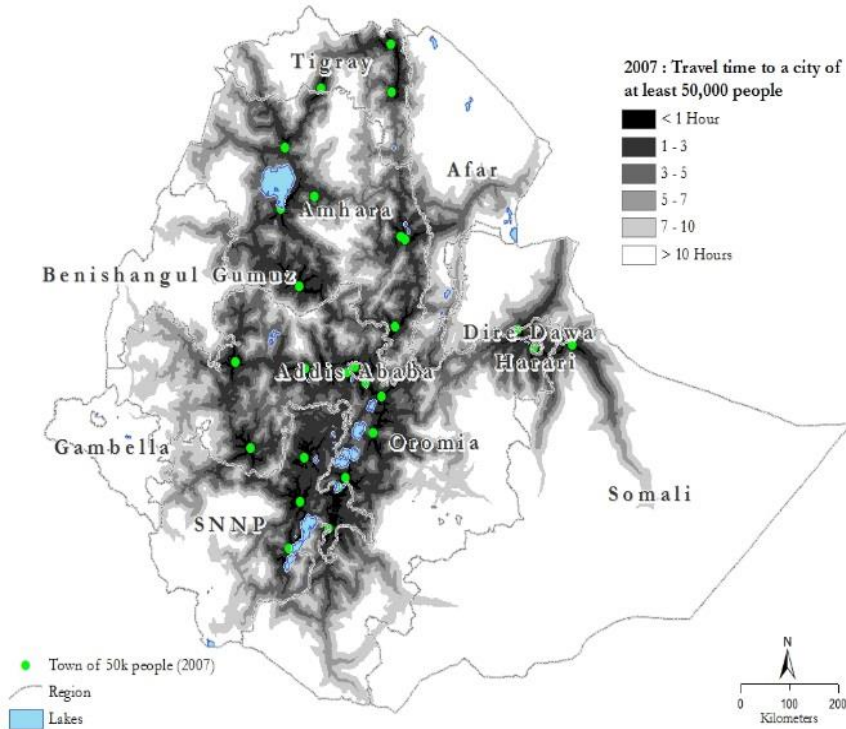
Food away from home is becoming more important

- In HCES 2011, urban areas: 16% of food budget on food eaten away from home
- For richest quintile, one-quarter of food expenditures
- Implication for food service sector



# 1. Context drivers

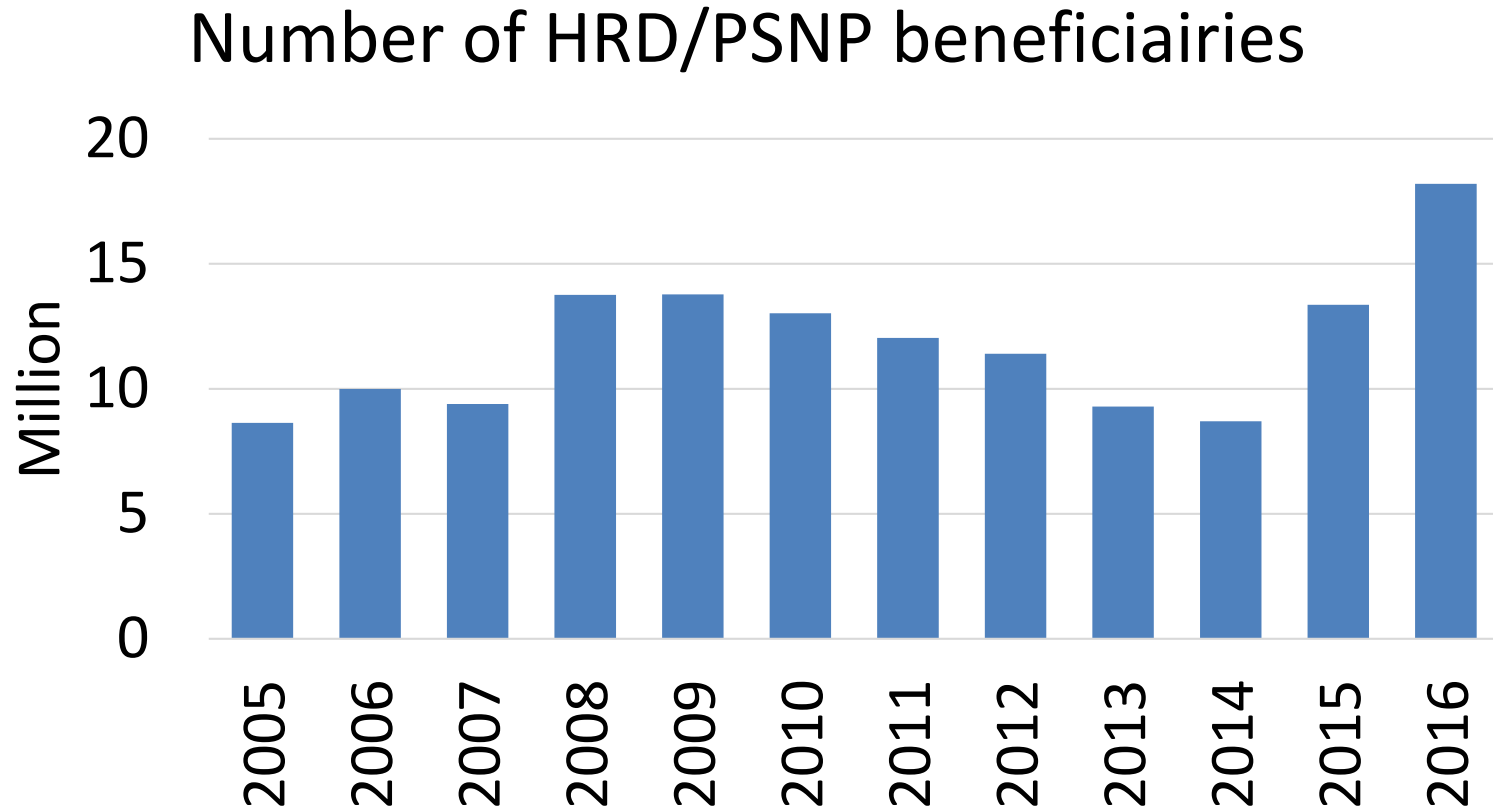
## *Infrastructure development*





## 2. Agricultural markets

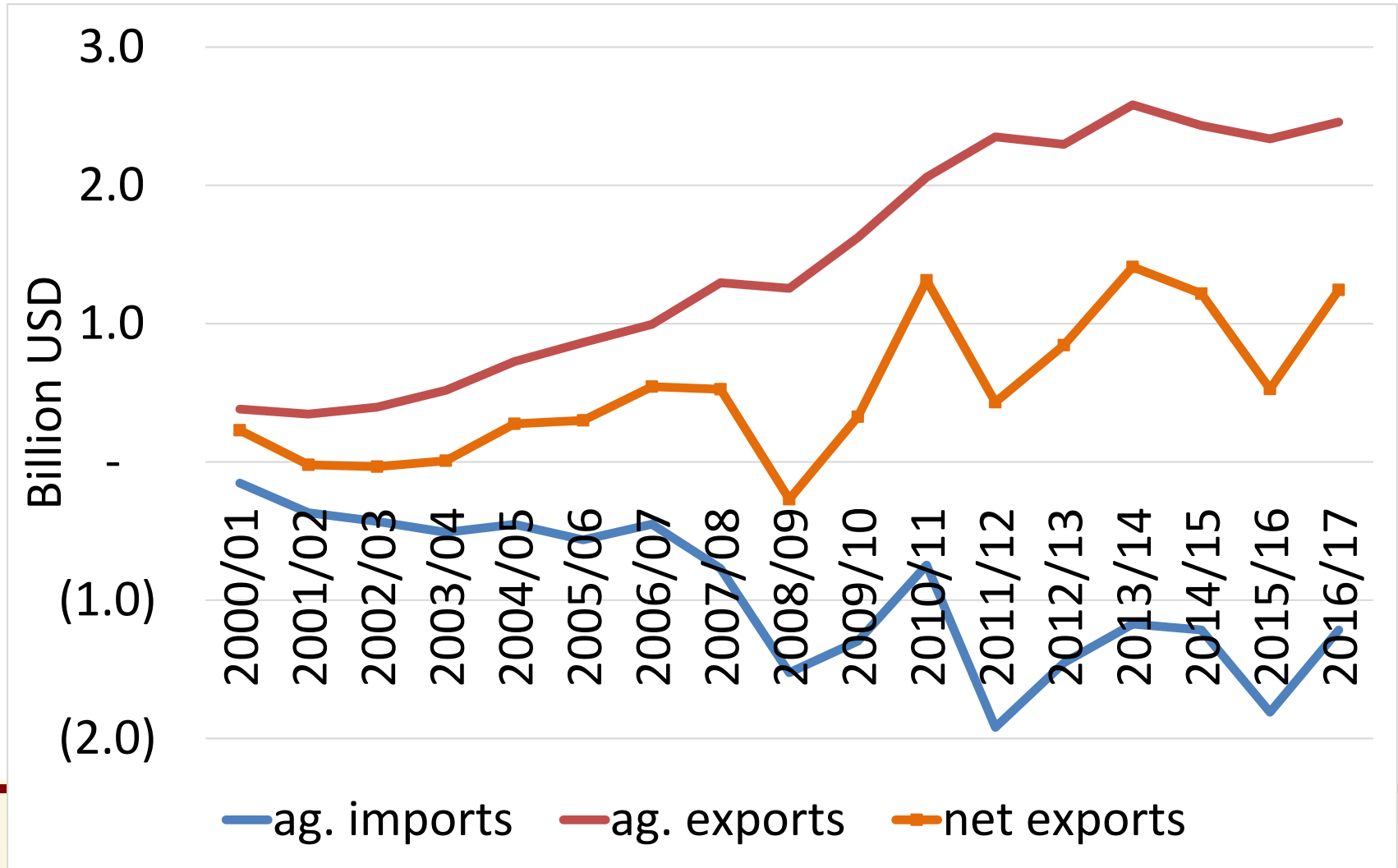
*Number of people that need assistance not coming down*



Source: World Bank

## 2. Agricultural markets

*But Ethiopia in most years net agricultural exporter*

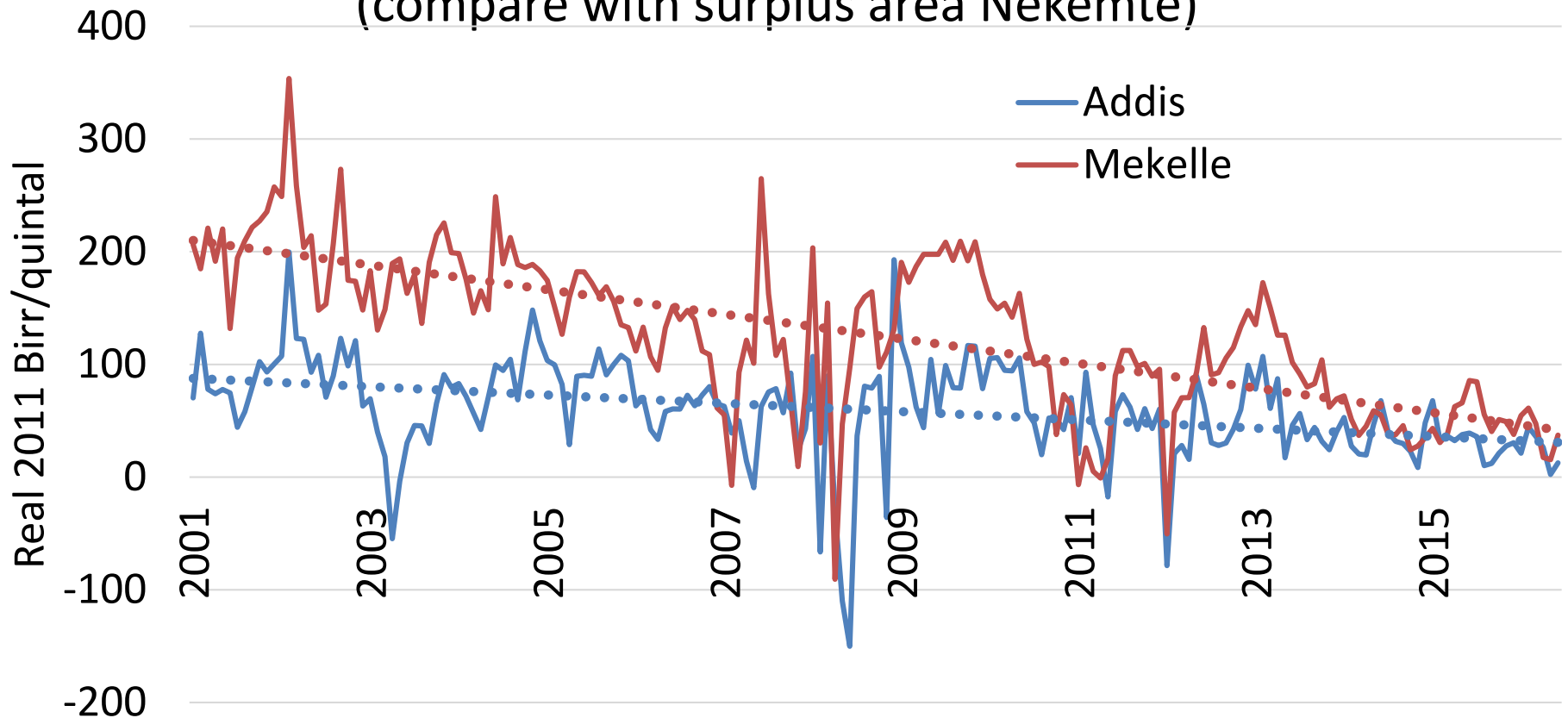


## 2. Agricultural markets

*Marketing margins are declining*

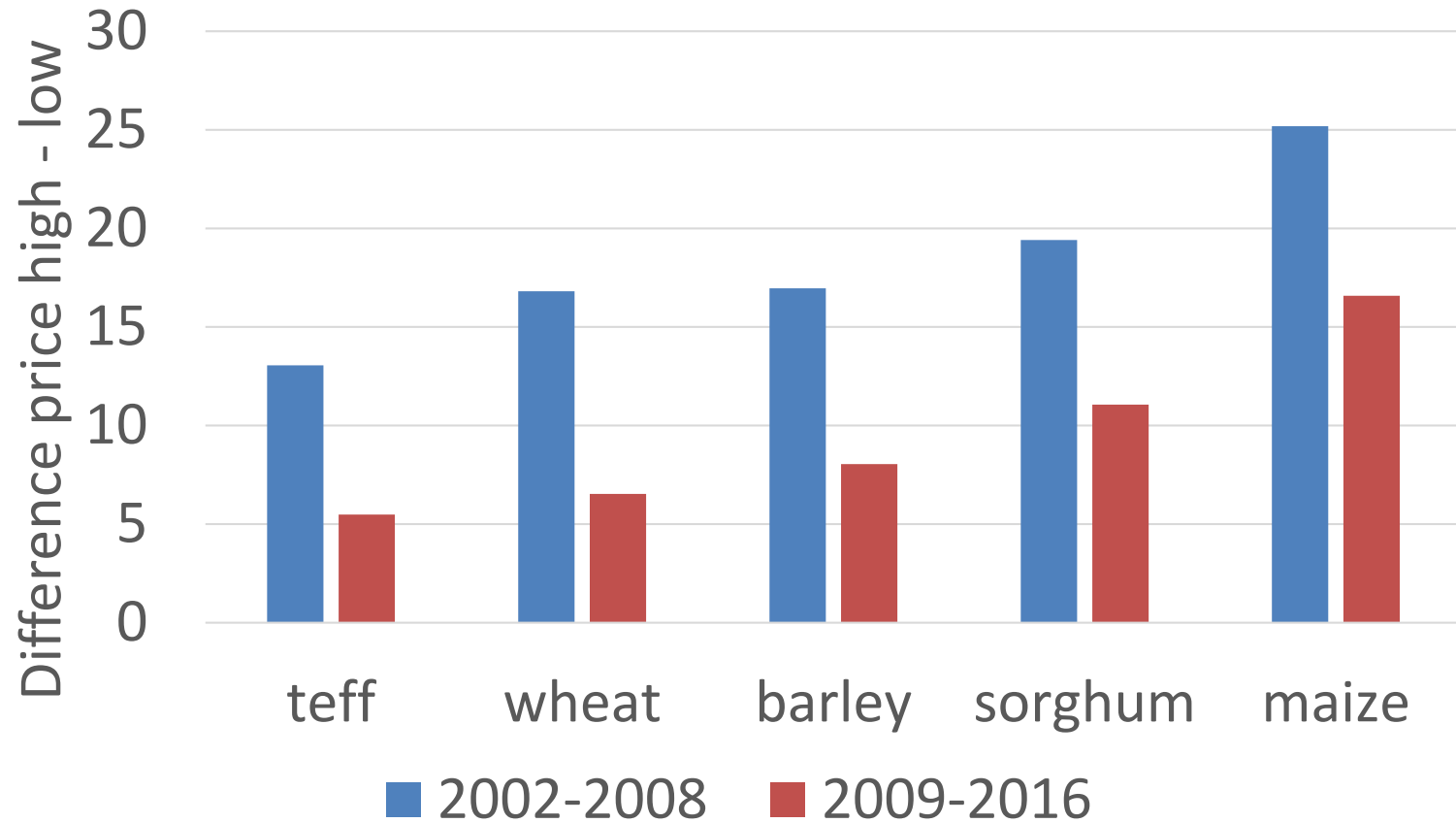
Maize markets price differences

(compare with surplus area Nekemte)



## 2. Agricultural markets

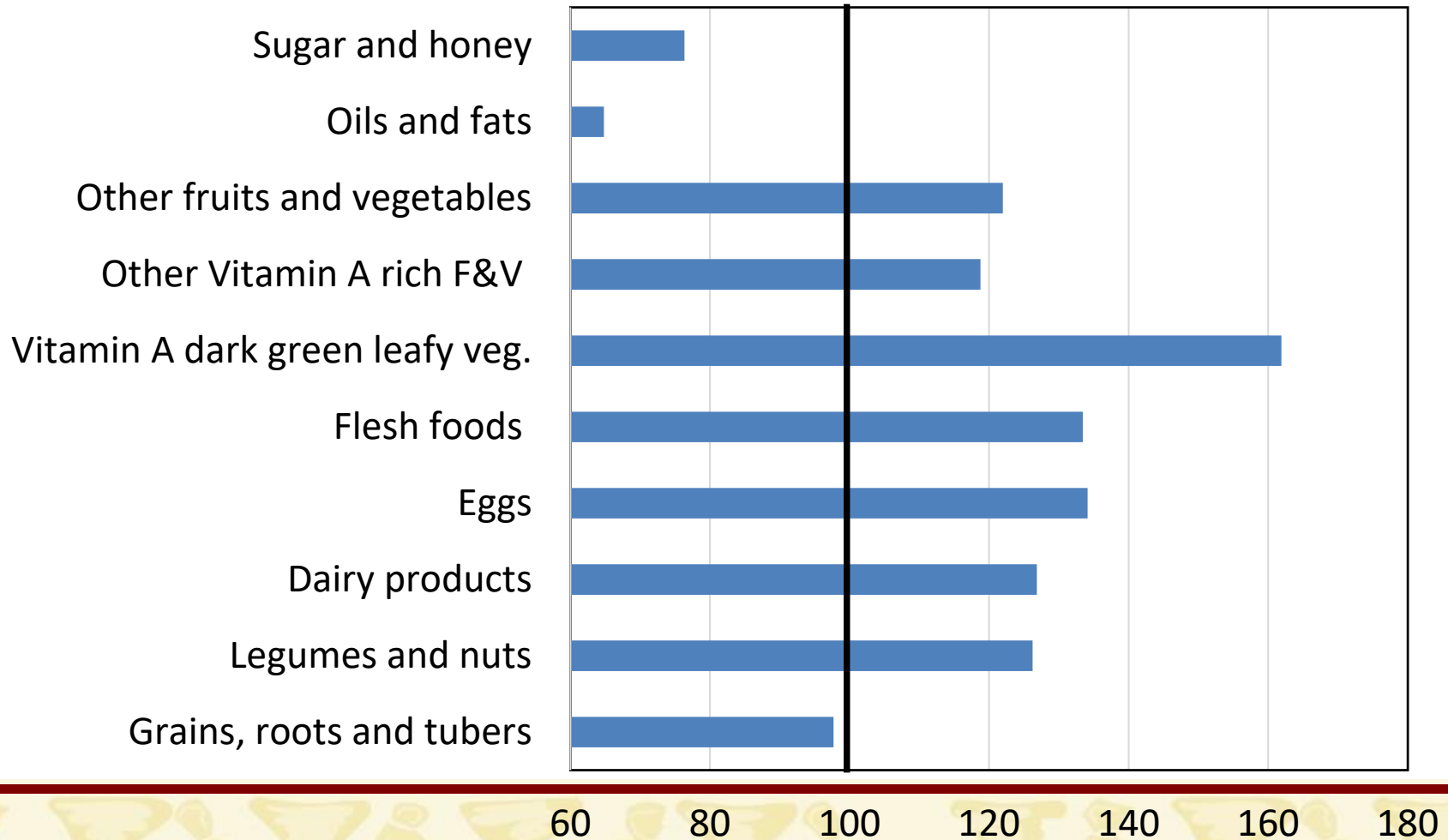
*Price seasonality declining*



## 2. Agricultural markets

*Prices of nutritious foods on the rise*

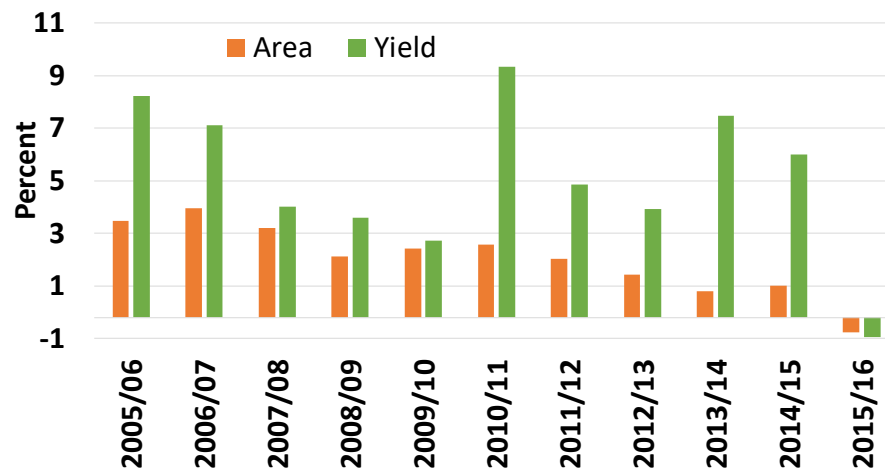
Prices in 2016 compared to 2007 (2007=100)



### 3. Changes in farms and farmers

*Growth is increasingly driven by yield increases, less by area expansion*

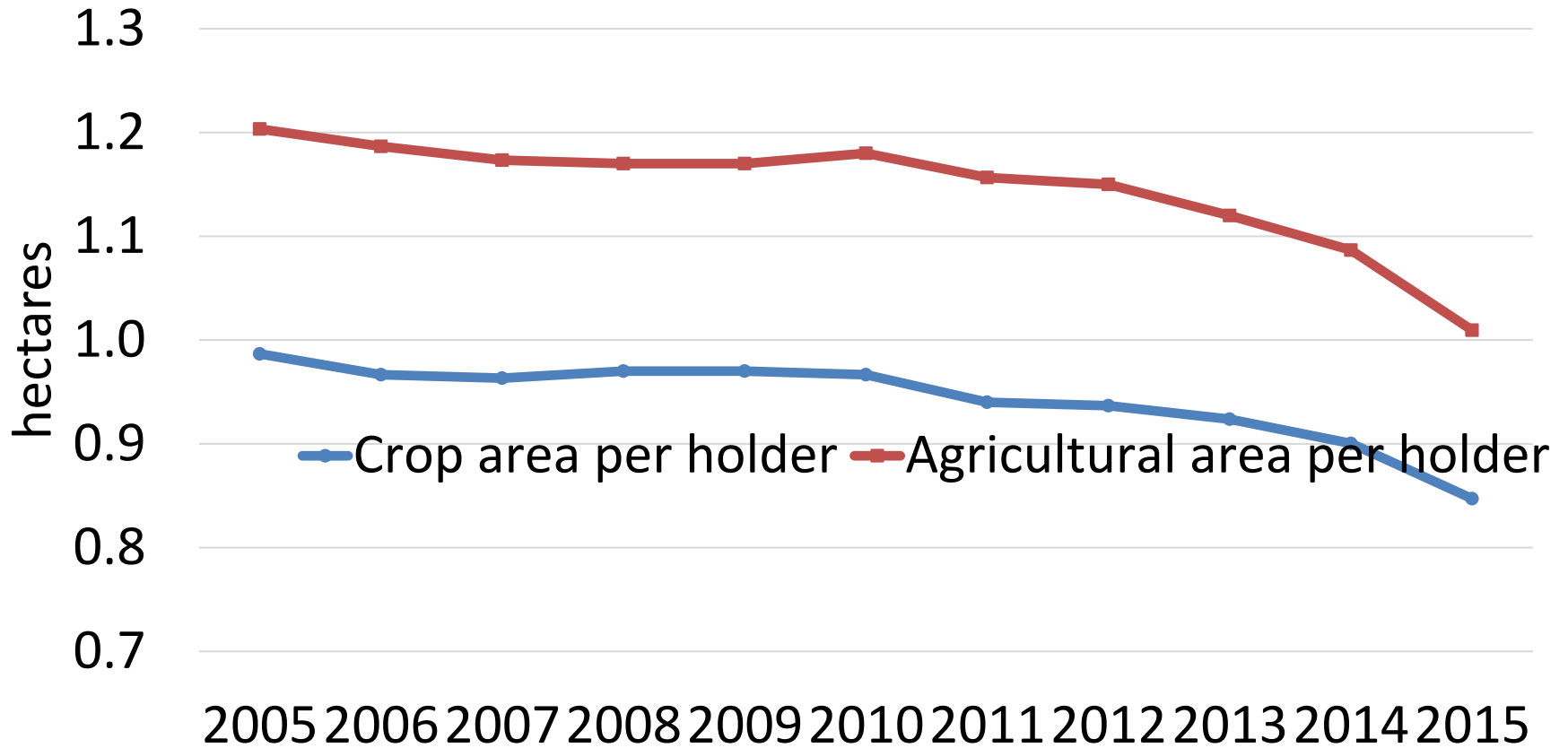
- Annual increases in cereal area cultivated have declined from over 3% in the early 2000's to less than 1% in recent years.
- **Yield increases averaged over 5% per year from 2010/11 to 2015/16.**



- Increases in area cultivated, labor use, use of fertilizer and improved seeds, and total factor productivity (TFP) accounted for much of the **8.3 percent** annual average growth in cereals from 2004/05 to 2015/16.
- Growth in cereal output slowed to **6.7 percent** per year in the second part of this period, however, as **growth rates of all major inputs declined, except the growth rate of fertilizer use.**

### 3. Changes in farms and farmers

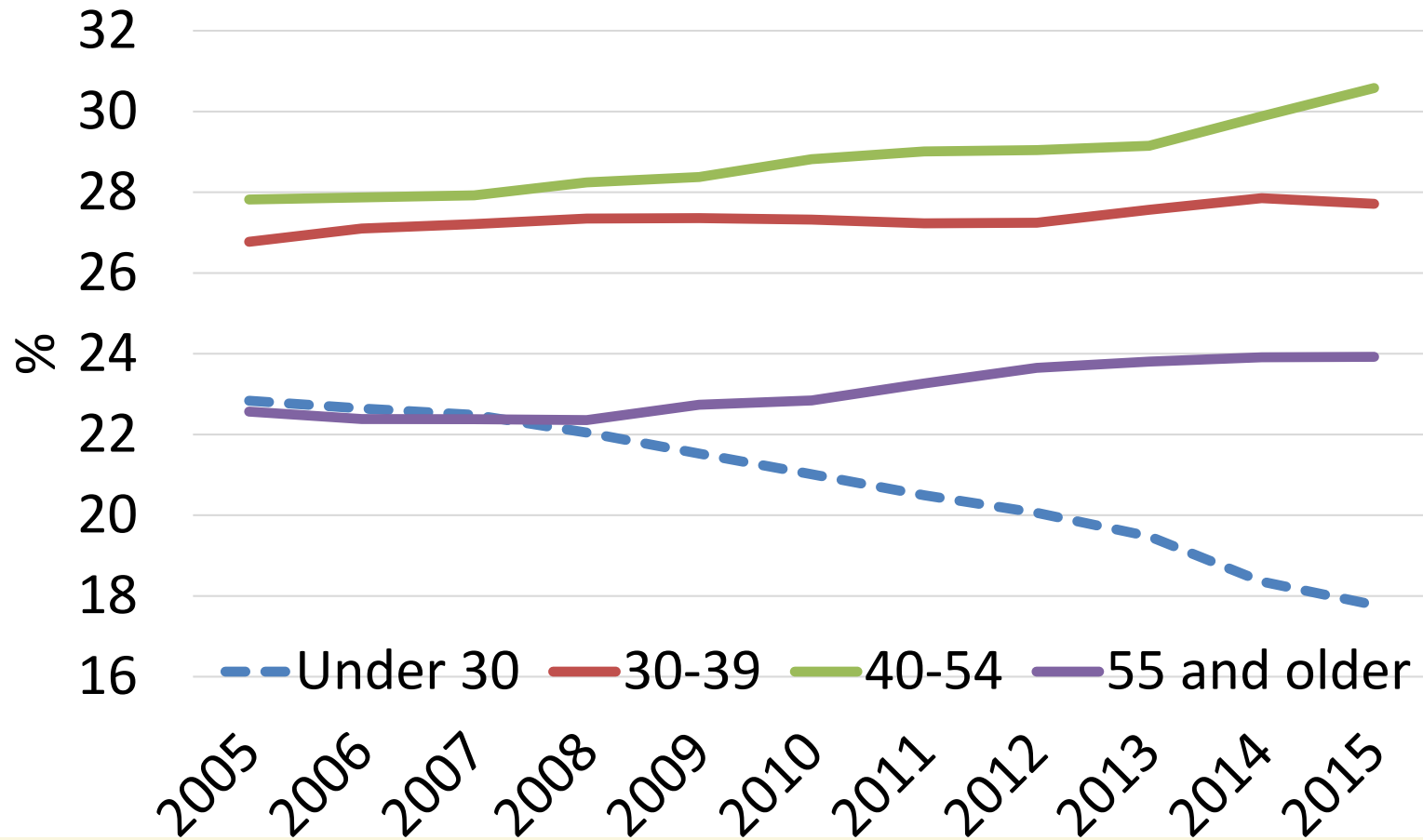
*Farm sizes are declining*



### 3. Changes in farms and farmers

*Farmers are getting older*

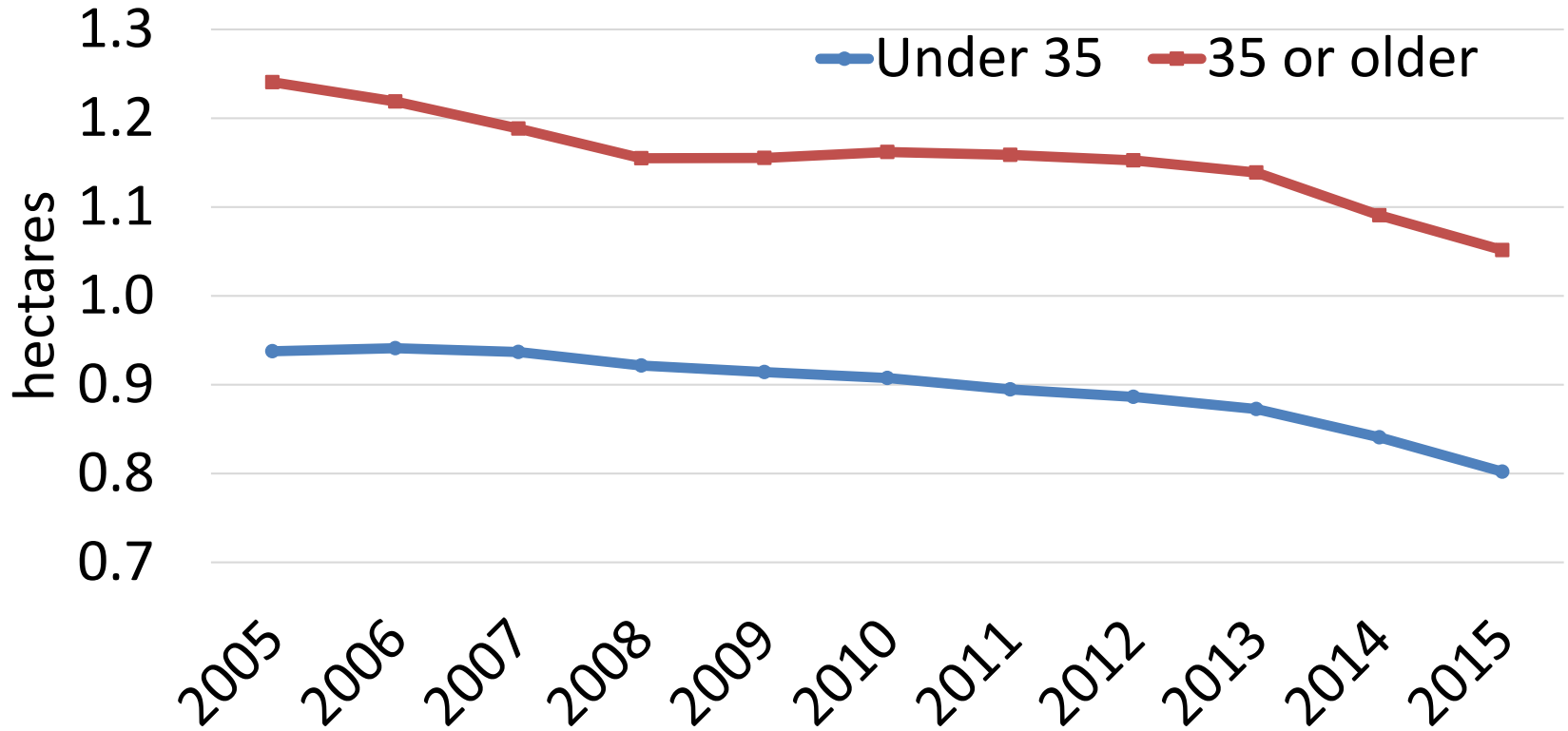
Share of farmers in four age categories





# 3. Changes in farms and farmers

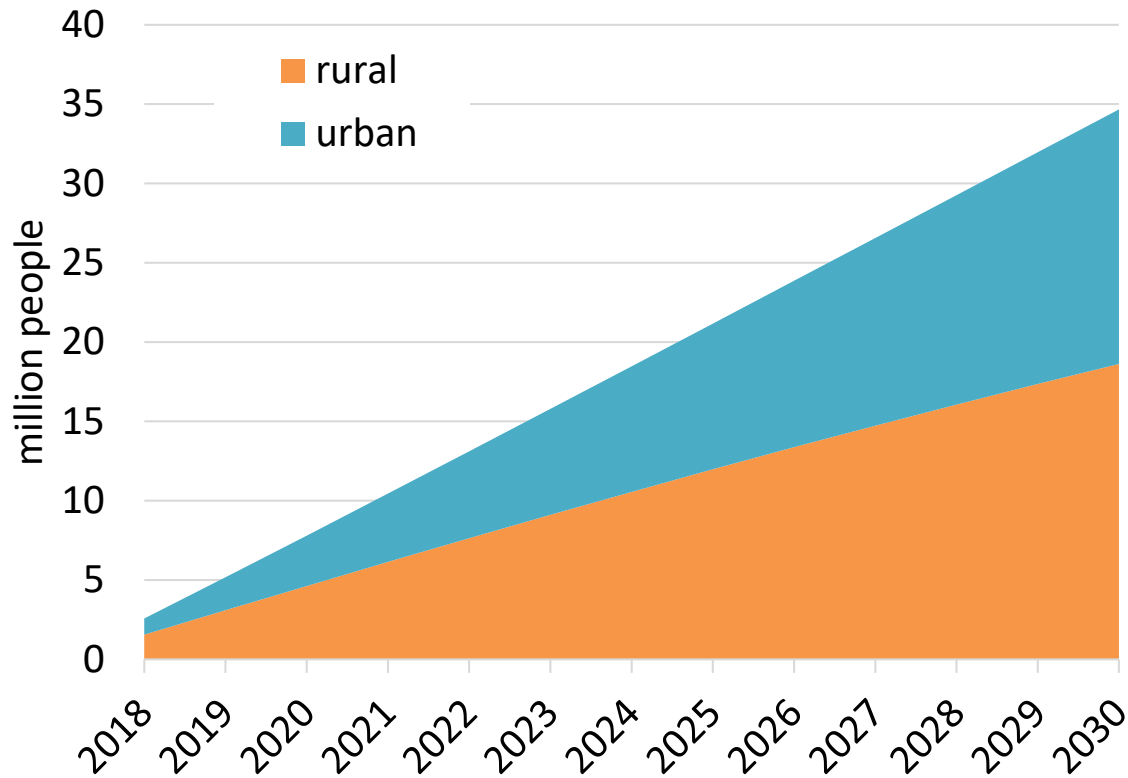
*Youth farmers have less land*



# 4. Future food systems

## Context

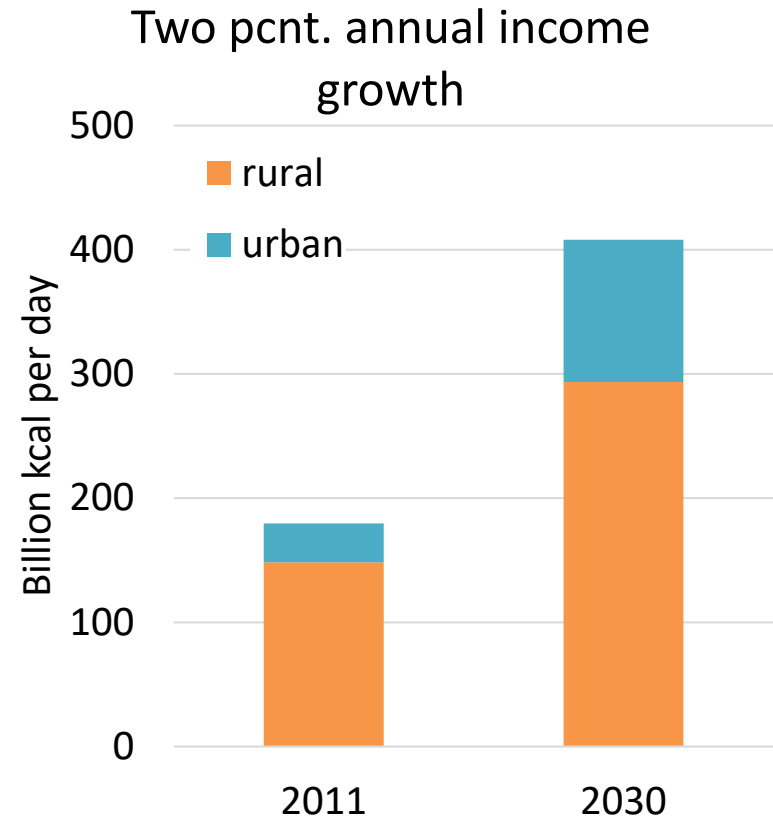
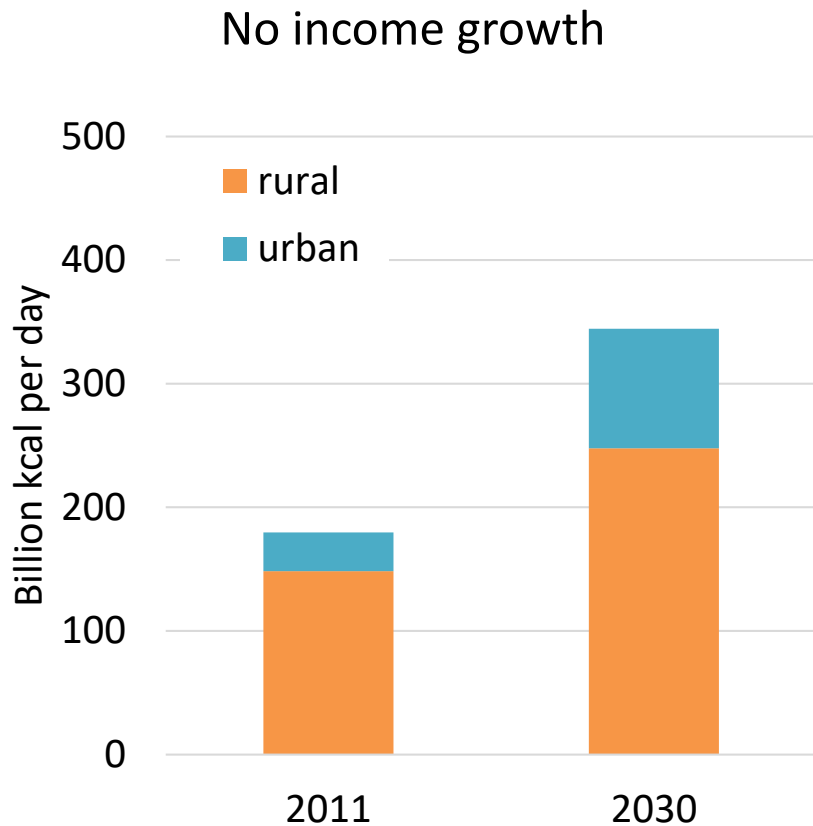
- Economic growth – leading to income growth (two scenarios)
- Population growth



# 4. Future food systems

## a. Agricultural transformation

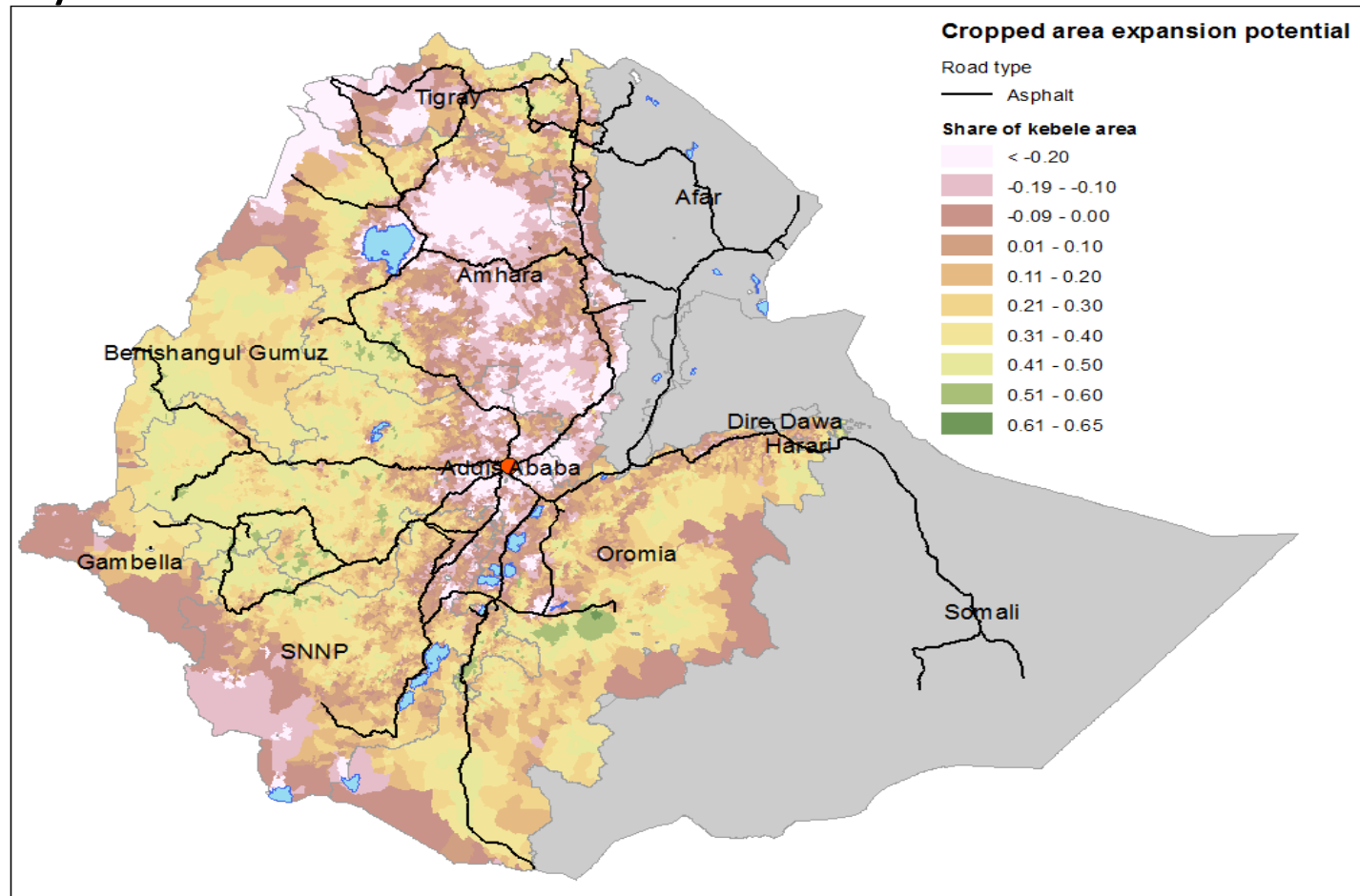
Consumption growth will give incentives for agricultural transformation



# 4. Future food systems

## a. Agricultural transformation

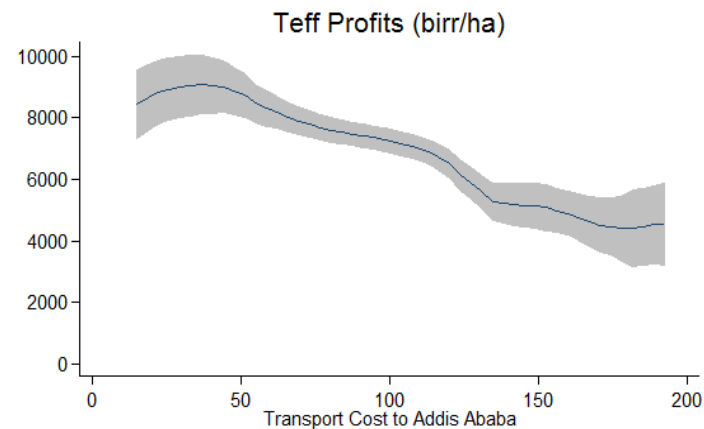
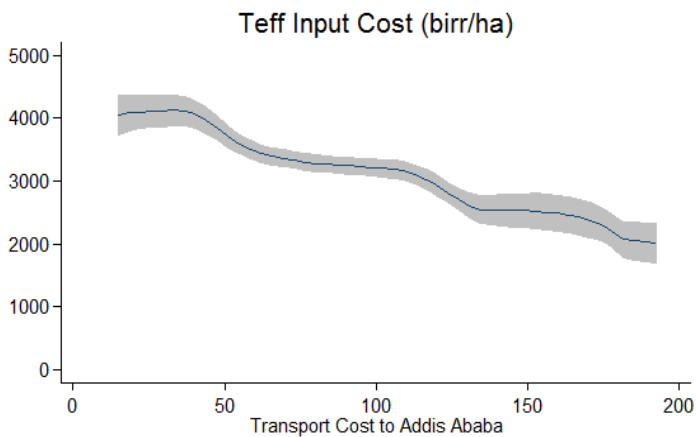
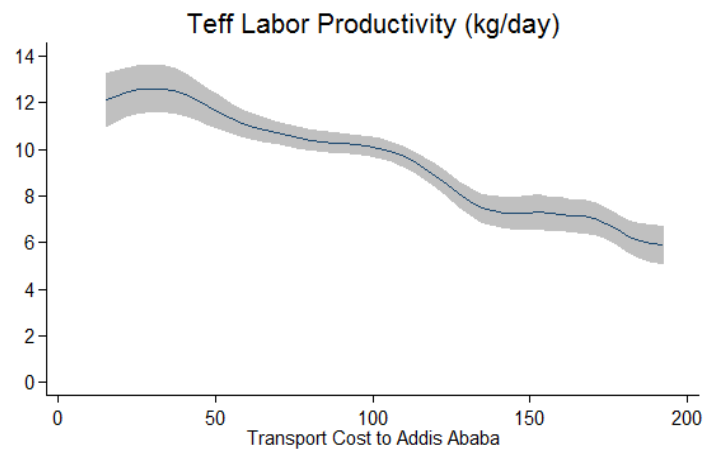
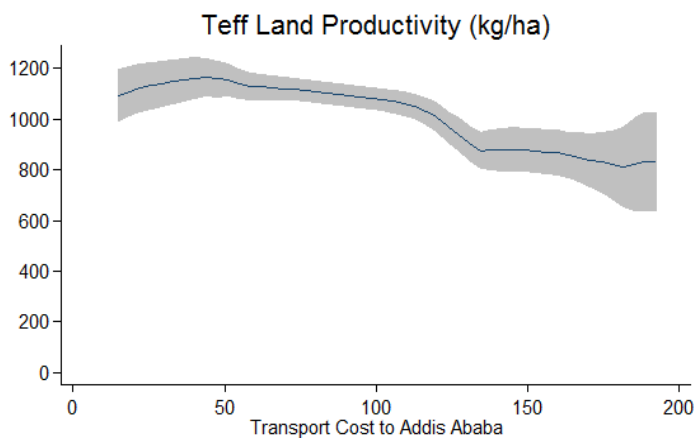
Land constraints will become more binding. The highlands have greater potential for cropped area, however much of this land is already cultivated



# 4. Future Food Systems

## a. Agricultural transformation

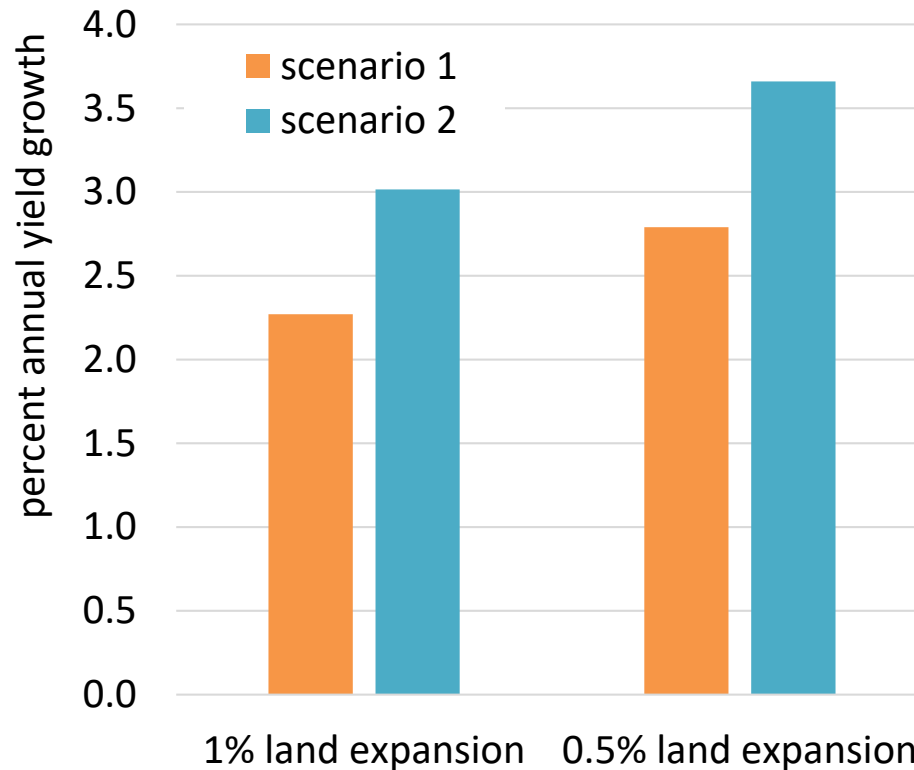
Increasing reach of cities will stimulate agricultural transformation



# 4. Future food systems

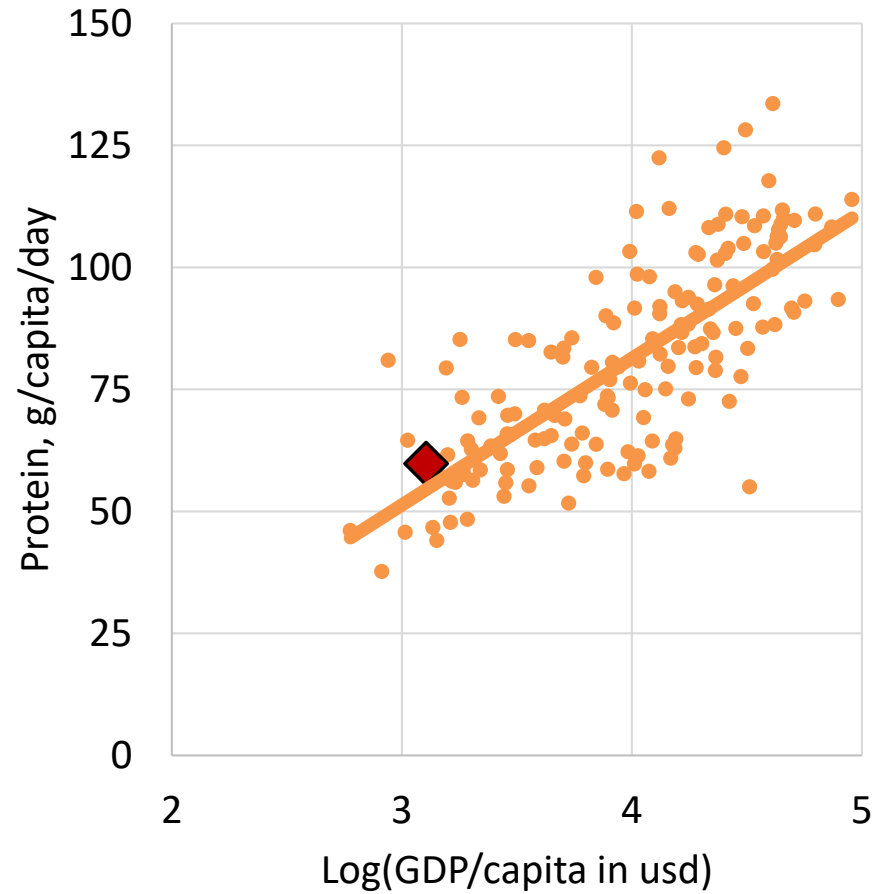
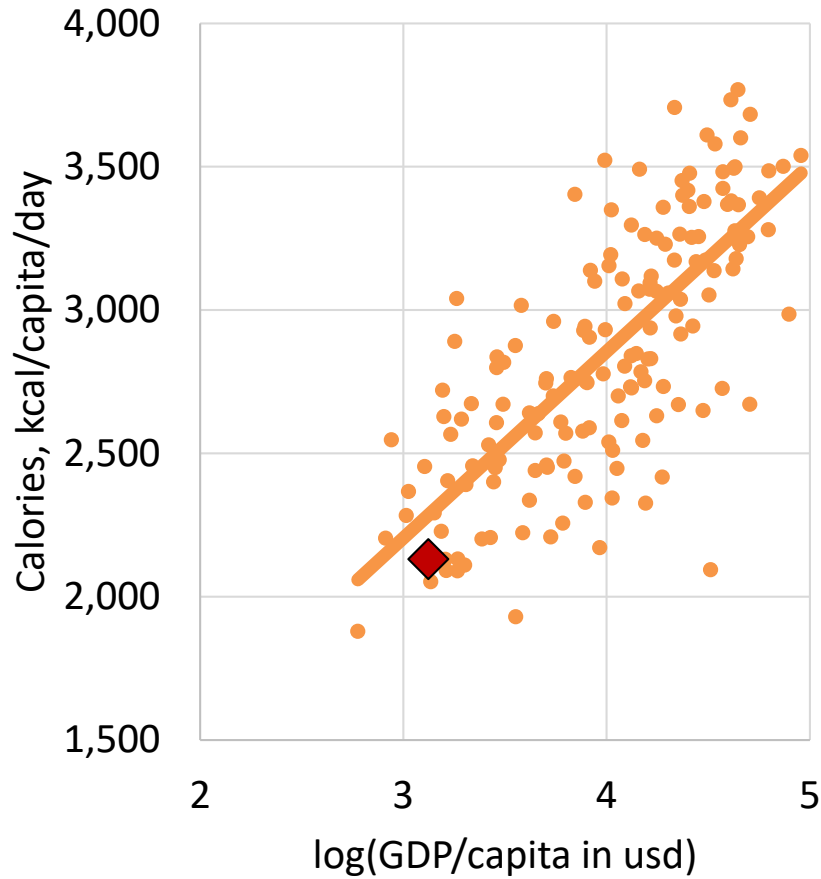
## a. Agricultural transformation

Required yield growth up to 2030 to assure national self-sufficiency (scenario 1: no income growth; scenario 2: 2% income growth)



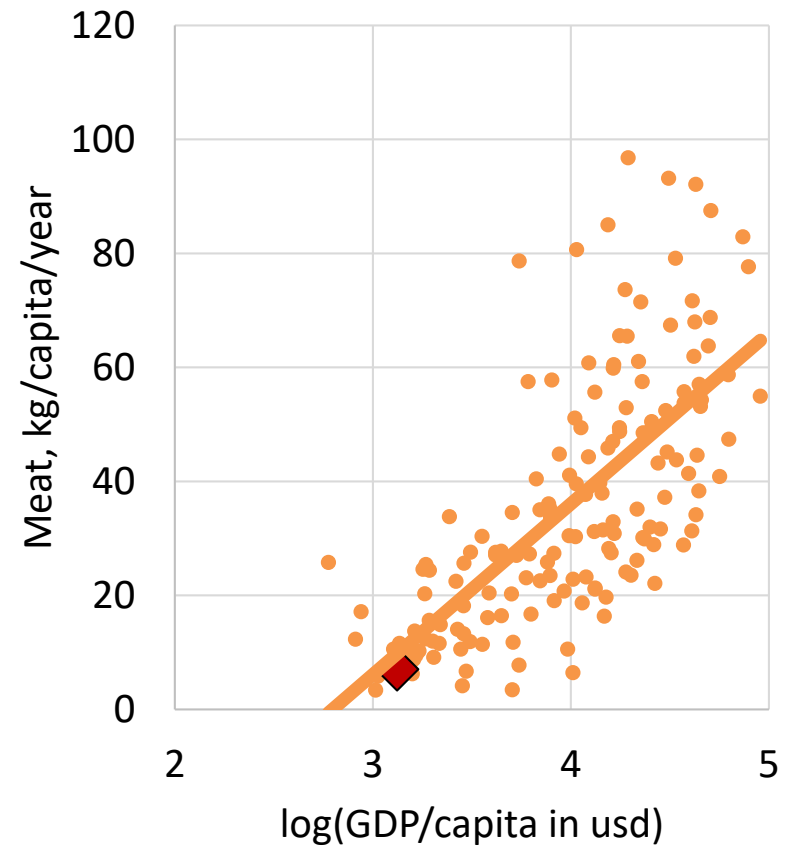
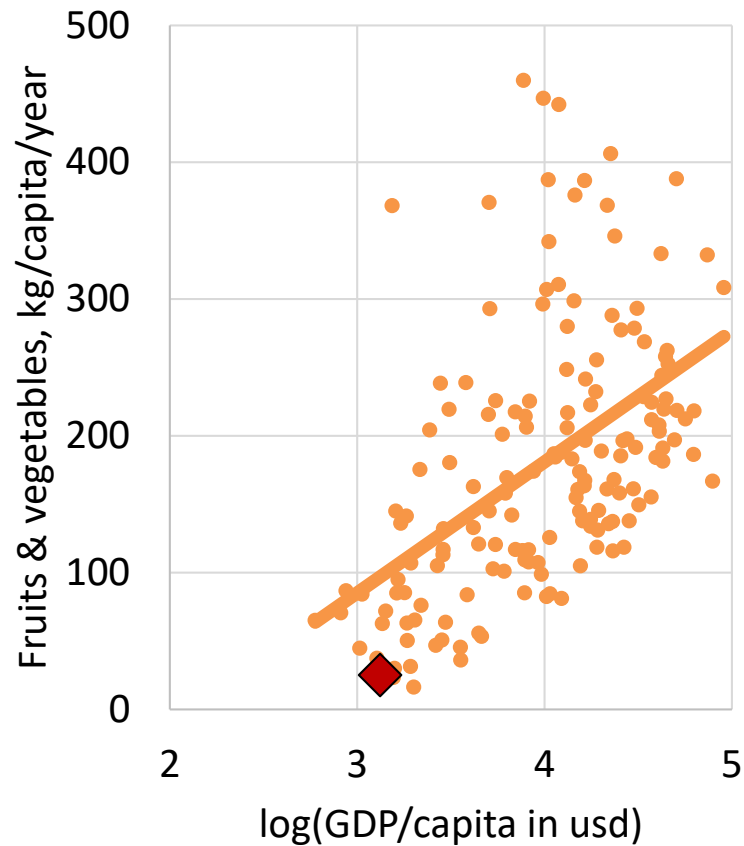
# 4. Future food systems

## *b. Diet transformation*



# 4. Future food systems

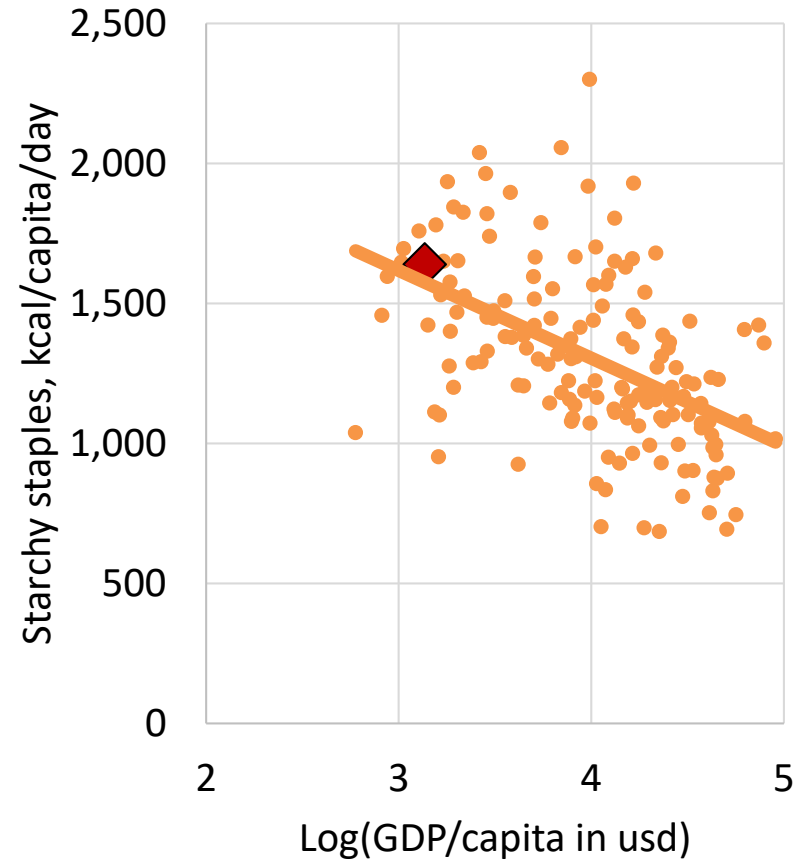
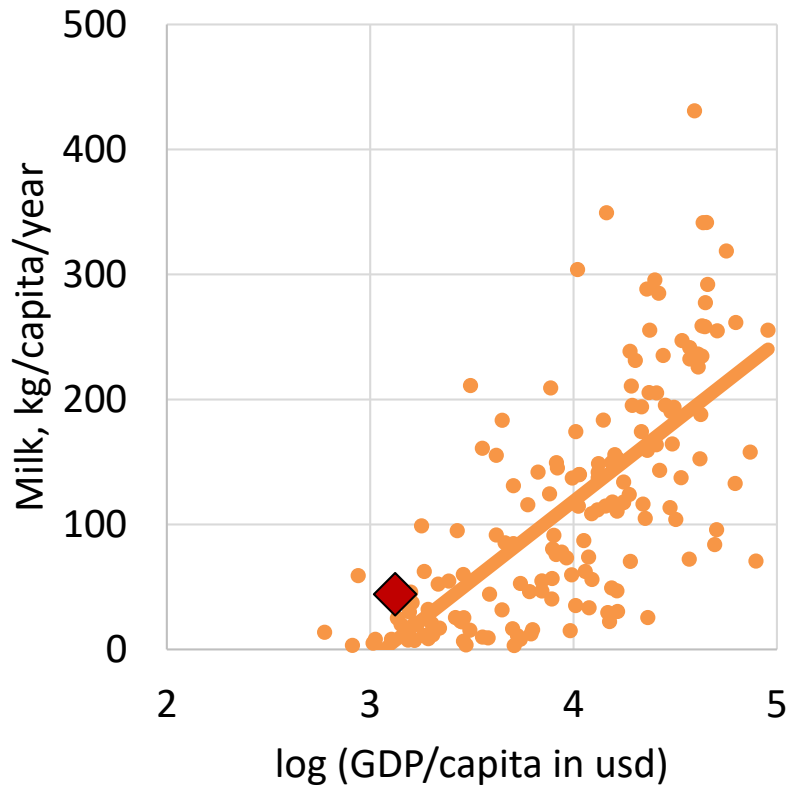
## *b. Diet transformation*





# 4. Future food systems

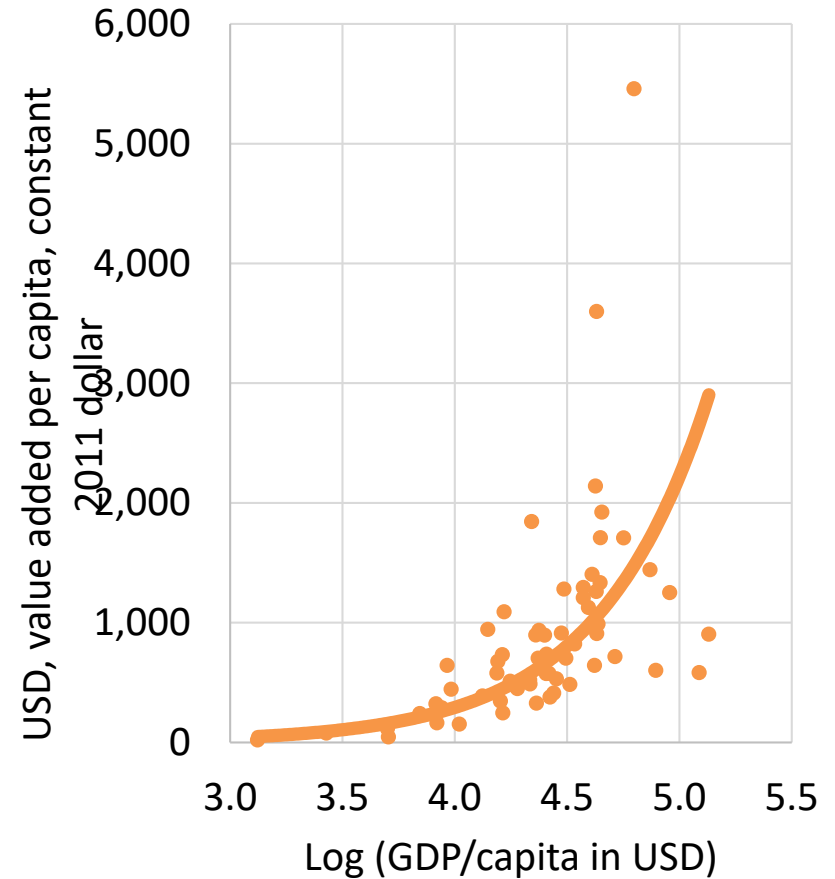
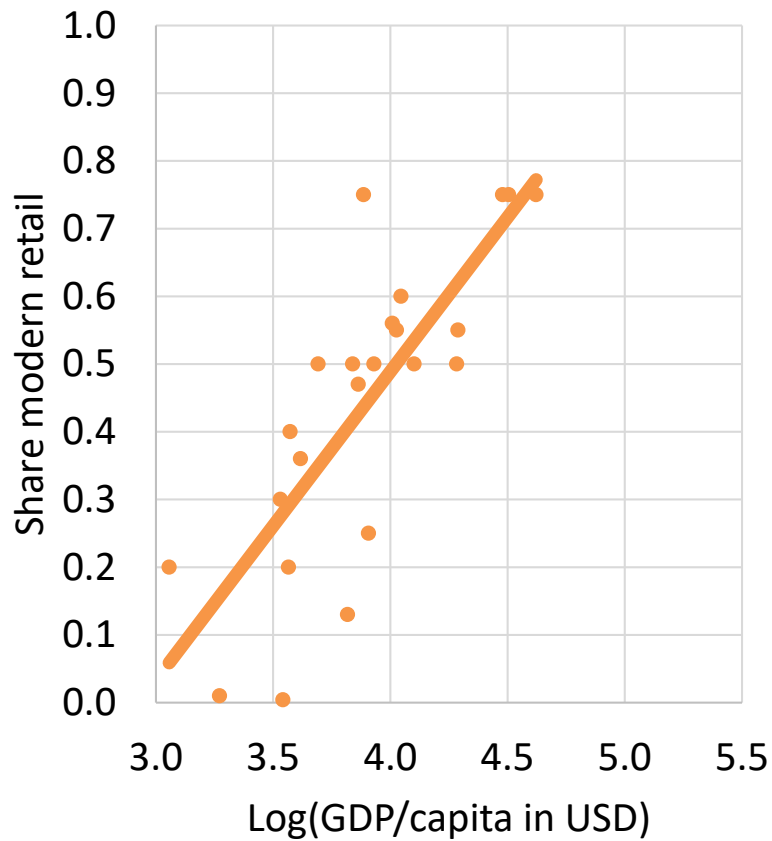
## *b. Diet transformation*



# 4. Future food systems

## c. Supply chain transformation

Growth of modern retail and processing industries



# 4. Future food systems

## c. Supply chain transformation

Rapid commercial market expansion

