



**AGRA**

Sustainably Growing  
Africa's Food Systems

Improving the  
Competitiveness  
of Agro-Industries in  
**Ethiopia**



Ethiopia Strategic Plan:  
2023 – 2027



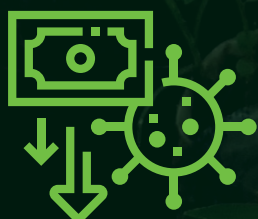
## 1. Ethiopia: Country Context and priorities



**A**griculture is the dominant sector in Ethiopia, contributing 32.7 percent of the country's GDP and employs 65% of its 110 million people. The sector contributes 77% of export earnings. Crops take the highest share of total production and area coverage, and contribute 65% of the agricultural GDP (NBE, 2020, CSA 2021). Taking this into account, the Government of Ethiopia (GoE) has formulated a consistent set of policies and strategies for agriculture and rural development over the past two decades, prioritising food security and poverty eradication in its national development policy agendas.



In 2020, GoE embarked on a new Home-Grown Economic Reform agenda and a ten-year economic development plan (2021-2030) where agriculture was the top priority sector. The plan seeks to leverage on developing huge underutilised arable land, modernising production systems, developing irrigation infrastructure, improving uptake of technology, boosting agricultural export revenues and import substitution. Furthermore, it envisages building a climate-resilient green economy. The GoE has updated the National agricultural and Rural Development Policy document, which is the overarching policy document, the Food System Transformation Document as well as the Agricultural Growth Strategy. The ten-year plan is synchronised and aligned with the Millennium Development Goals (MDGs) and the regional initiative called Comprehensive African Agriculture Development Programme (CAADP) framework. Ethiopia, as one of the AU member countries, signed the CAADP compact to confirm its commitment to the regional development agenda.



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## 2. Achievements and lesson learnt in strategy 2.0: 2007 - 2021

159,887MT of grain has been sold through farmers' co-operatives to off-takers for

# \$76.3 million

Production of 180,200ha with improved seeds, benefiting 240,000 farmers who now produce an estimated 360,000 MT - worth

# 292.2 million



- Over 645,000 farmers were reached directly through various extension interventions.
- Over 900,000 farmers have used the digital input voucher system to get access to inputs. The e-voucher system improved proximity of services to rural households and increased the number of financial service outlets per head of population.
- Over 200 Farmer Training Centres have been fully upgraded with digital extension technologies.
- In the three consortia, 43 new agro-dealers have been established and linked with an input supply chain, diversifying the input market.
- 20 community seed multiplication groups were supported to supply seeds to farmers.
- 45 SMEs were established and are providing crop aggregation services.
- 64 youth groups have been formed to provide post-harvest services to farmers.
- Over 2,200 new jobs have been created for the youth in post-harvest and crop spray service provision.
- 159,887MT of grain worth \$76.3 million has been sold through farmers' co-operatives to off-takers.
- Production levels covered 180,200ha with improved seeds, benefiting 240,000 farmers who now produce an estimated 360,000 MT - worth \$292.2 million

### 3. Strategy in Ethiopia 3.0: 2023 - 2027

The key challenges of the agricultural sector that have informed the AGRA Ethiopia 2023-2027 Strategy development include:

- Inadequate production of major crops as result of recurrent drought, soil fertility decline and limited access to critical inputs and technologies.
- Lack of resilience of smallholder farmers leading to food insecurity and malnutrition.
- Lack of a good enabling environment for effective and efficient functioning of agri-food system and limited execution capacity of state institutions to implement sectoral policies and regulations.

#### Entry Point

The entry point of the Ethiopia 2023-2027 strategy is reversing recurrent climate shocks to improve production and productivity of strategic crops and government flagship priority commodities.

#### Strategic goal

Transform Ethiopia's food system to enhance food security and resilience of smallholder farmers by enhancing productivity, minimising risks of crop failure and creating capacity to respond to shocks.

#### Objectives



#### **SO1:**

*Increased productivity of smallholder farmers*



#### **SO2:**

*Strengthened resilience of smallholder farmers*



#### **SO3:**

*Strengthened capacities of agriculture sector institutions*



## AGRA Ethiopia Strategy Summary

### Goal

To transform Ethiopia's food system to enhance food security and resilience of smallholder farmers through enhancing productivity, minimizing risk of crop failure and creating capacity to respond to shocks

### Strategic objectives

- Increased productivity of smallholder farmers
- Strengthened resilience of smallholder farmers
- Strengthened capacities of agriculture sector institutions

### AGRA contribution - AGRA Accountable

Seed system | Sustainable Farming | Inclusive Markets & Trade  
| Policy and State Capacity

Climate Change Adaptation | Nutrition | inclusivity (Women + Youth)

### Entry Point

- Production and productivity improvement for strategic crops and government flagship priority commodities
- Reversing recurrent climate shocks

## 4. Proposed Interventions for AGRA Ethiopia 2023 - 2027 strategy



### Seed Systems

Support EGS production, decentralisation, standardisation, and varietal replacement

Enhance certified seed supply of climate smart and nutrient dense varieties

#### Business Line

#### Proposed Interventions

##### Inclusive Markets & Trade



- Establishing/strengthening SMEs for post-harvest and market service provision
- Facilitating access to finance through promotion of credit guarantee, warehouse receipt financing and e-voucher
- Increase efficiency of national & regional agricultural trade by harmonising standards, availing market information & market linkages

##### Seed Systems



- Support EGS production, decentralisation, standardisation, and varietal replacement
- Enhance certified seed supply of climate smart and nutrient dense varieties

##### Policy & State Capability



- Institutionalise agriculture sector policy and regulatory reform tracking system
- Address policy and regulatory reform barriers affecting the food system
- Flagship programmes co-ordination & strengthening execution capacity

##### Sustainable Farming



- Reversing yield loss due to drought, pest and other climate shocks
- Establishing/strengthening last mile input & technology delivery through women and youth SMEs
- Soil fertility, salinity, and regenerative practises

### AGRA will deliver the strategy through:



Grants and financing



Technical assistance



Convenings and partnership



Capacity development



Investments



Partnerships



Digitalisation



## 5. Conclusion

**A** GRA will catalyse the transformation of Ethiopia's food system to produce and deliver healthy and sufficient food, reaching 2.4 million SHF directly and creating 4,000 jobs for rural youth and women & another 6 million farmers reached indirectly. This will be done by implementing the AGRA Ethiopia strategic objectives of increasing the productivity of smallholder farmers, increasing their resilience, and strengthening execution capacity of the government to deliver on the country's agricultural transformation agenda. Interventions are proposed under each of the four business lines of seed systems, sustainable farming, integrated markets & trade, and policy & state capability to support the government's ten-year strategic plan.



**The transformation of Ethiopia's food system to produce and deliver healthy and sufficient food, reaching 2.4 million SHF directly and creating 4,000 jobs for rural youth and women & another 6 million farmers**