

Towards effectively exploiting fruits, vegetables sub-sector

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Following government's commitment to encourage the private through designing various viable policies and strategies, the country has become an ideal place for investment more than ever. Recognizing that Ethiopia is endowed with huge natural resources and conducive for the development of the agro-industrial sector, many have shown interest to invest. As a result, the Foreign Direct Investment is currently on the rise.

Most states of the country are rich in a wide range of tropical and sub-tropical fruits, vegetables and flower owing to favourable climate, abundant labour, land and water resources they possess. Besides, country's proximity to the Middle East and Europe implies high market destination for agribusiness outputs which has a value adding effect for better investment in the country. However, the amount of resources utilized is still minimal compared with the potential.

This is testified by the flourishing flower industry nowadays which shows the synchronized effort and commitment of both the government and the private sector. The horticulture industry has witnessed significant investment and expansion of floriculture and regarded as an ornamental sub-sector.

True, fruit and vegetable cultivation is certainly not a new activity in Ethiopia as the production of horticulture crops has been undertaken for decades. The sector comprises large state farms supplying fruits and vegetables for local consumption and for export. In addition, there are numerous small producers growing small range of vegetables for the local, regional and export market.



A crew of journalists along with government officials visiting fruits, vegetables and flower farms

empowering smallholders and outgrowers as well as creating the opportunity for regional diversification.

Fruits that are exported to European market, Neighbouring and Middle East are Strawberry, Fresh green beans, Cherry Tomato, Capsicum Banana, among others. The EU market is one of the world's largest markets for fresh fruits and vegetables. Export of green 'bobby' beans has accounted for 99 per cent of export supplies. In addition, small quantities of strawberries, cherry tomatoes and fresh herbs have been exported to Europe. According to Ministry of Agriculture and Rural Development (MoARD), negligible amount of high quality fruits and vegetables have been exported to countries in the Middle East like Saudi Arabia, Bahrain, Kuwait

ous programs in diversified intervention areas such rendering production assistance and training in improved technology and cultural practices, post harvest handling, grading and packing, refrigeration, high care, ISO certification, among others.

Haile-Sellassie Tekie, Director General of EDHA said at the occasion that close to one million hectares of land suitable for the production of exportable fruits and vegetables is available, though less than one per cent has so far been utilized. With this realization of the huge potential to create job opportunities and foreign currency, government has established EDHA a year ago, which is entitled to manage and support the fruits and vegetable sub-sector, herbal and flower production. EDHA was structured by the Federal government

hectares of land has been allocated for commercial development and over 10 thousand farm lands for outgrowers. In Hawassa corridor, over one thousand hectares of land for commercial and over 40 thousand hectares for outgrowing farming has been cleared. The land assessment activity will be carried out in other states of the county until the end of 2010. Many investors from both local and foreign are showing interest, some even have finalized preparations to get activities operational.

Furthermore, the construction of a practical horticultural training center is well underway with a main objectives of creating center for excel-

lence for the horticultural export and will commence operation at the beginning of January, 2010. Parallel to this, the construction of cool-chain management facilities namely refrigerator facilitates is well underway in Addis Ababa and Dire Dawa; soon to be operational. The Director General said that the field-day, or rather the exhibition was prepared in the right time when preconditions and preparations for exporting fruits and vegetables are on the verge of finalization. He also urged all stakeholders to vow and strive for scaling up the national export income.

Tsegaye Abebe chairman of EHPEA also noted that the demand for fruits and vegetables in the world market is growing year by year and many countries are making use of this golden opportunity. African countries such as Egypt, Morocco, Senegal, Kenya and South Africa are presenting 30000-60000 tonnes each to the world market. Guatemala, Sri Lanka, Thailand, Chili are also reputed in the sector worldwide in the export market career. These nations are big competitors to the African suppliers not because they produce higher amount of Fruits and Vegetables in the market, rather they render cheaper freight prices for their products being equipped with full-fledged and modern facilities like cool chain containers.

In this regard, Tsegaye said, even if the development of the sector is better off with the existing producers and new ones that are joining the menu, rigorous effort, consolidation of government and the investor is required to be part of the stiff interna-

tional market competition.

The effort would range from diversification of the items to be produced to maintaining the desired quality standard the export market requires. To this effect, progressive researches should be made to trace problems that block the country's accession and transformation into the world market. Tsegaye boldly addressed the contribution of the EHPEA and major stakeholding organization in the effort to do so. Out growers who perform small scale farming would play great role in the effort to improve productivity of fruits and vegetables farming. Praising the contribution of outgrowers in the sub-sector more, Tsegaye pressed that out of the total of export income spawned in Kenya from fruits and vegetables, over 60 per cent is obtained from outgrower's scheme.

The thing is the expansion and growth of the fruit and vegetables sub-sector is so supplementary for the flower development to efficiently utilize the air transport cost. This is because pack of flowers, though small are in weight, take large space and by mixing flowers with vegetables in the cargo, the freight cost can be minimized. To sum up, considering the proximity of market destination, the availability of natural resources mainly the huge potential land and conducive weather, added with the advantages of easier means of transportation, the country should be urged and become more than ready to instantly launch implementing the development programmes which are already in the pipeline.

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Even if the country has experienced long fruit and vegetable sub-sector, the growth of the sector has been hampered due to various factors. Tokens such as denial of attention to the sub-sector and initiative to clear land for the sector coupled with lack of access to bank loans are some of the major reasons. An institution known as 'Horticultural Development Agency' (EHDA) was established a year ago to further intensify the development of the sector. This is a clear indication of government's commitment towards this end.

Many encouraging hits like gushing of many investors into the sector are being done. One main strategic priority being undertaken by EHDA is facilitation of competitive and sustainable fruit and vegetable export sub-sector during the next few years. The other key intervention is paving ways and opportunities for fruit and vegetable export crops by involving and

Last Saturday, A fruit and Vegetable export crops field day was organized by USAID in coalition with The Ethiopian Horticulture Producers and Export Association (EHPEA) at Sebeta town in the vicinity of Omega Farm. During the day, demonstration of crop harvest and farm machinery took place where international and local agricultural input suppliers were in attendance. Besides, fruit root stock and nursery production systems were on display. USAID, as a major development partner, has established a five-year market-led Agribusiness and Trade Expansion Program to energize the industry sector.

One of these major programs deals with Horticulture agribusiness. In the effort to boost the country's foreign currency thereby expanding the horticulture sector in general and that of the Fruits and vegetables in particular, the agency has designed vari-

structured by the federal government and is being supported by the Ministry of Capacity Building in market promotion and investment incentives.

In this regard, following the great emphasis given by the government, various encouraging measures have been undertaken nationally in collaboration with states for the provision of quality and export standard fruits, vegetables and spices. Some of these measures include clearing of over 5000 hectares of land around the peripheral of Addis Ababa for commercial development and over 40 thousand hectares for out-growers. Around Bahir Dar, capital of the Amhara state, over 2000 hectares and over 20 thousand hectares has been prepared for commercial development and outgrowers respectively.

Similar land preparation activities have been carried out in other states of the country. For instance, around the locality of Mekelle, capital of Tigray state, over one thousand

