

Price Monitoring and Analysis Country Brief

Ethiopia

June-August 2010

Key Messages

- Cereal prices are steady or declining in recent months, however they remain high compared to historic levels.
- Border tensions have not decreased. Moreover floods have damaged crops and affected people's livelihoods.
- An estimated 5.2 million people still depend on emergency food assistance and agencies agree on a severe situation of high hunger in the long term.
- The Government continues to support producers and vulnerable people through safety net programmes; in addition it has lifted the export ban on sorghum and maize.

Background

In Ethiopia, total population was 80.71 million in 2008 with an annual growth rate of 2%. The FAO assessed that 46% of the population was undernourished in 2005.

Economic Indicators	View Data
Total Population (millions) - 2008 (WB)	80.713
Population growth rate - 2008 (WB)	2%
GNI per capita, \$ PPP - 2008 (WB)	870
Population below 1\$ PPP per day - 2005 (MDGI)	39%
Rural population - 2008 (WB)	83%
Agriculture, value added (% of GDP) - 2008 (WB)	44%

Food Consumption	
Undernourished Population - 2005/2007 (FAO)	41%
Cereal share in total dietary energy consumption - 2007 (FAO)	66%
Meat share in total dietary energy consumption - 2007 (FAO)	2%

Health Indicators	
Pop. with sustainable access to improved sanitation - 2008 (WHO)	12%
Life expectancy at birth (years) both sexes - 2008 (WHO)	58
Pop. with access to improved drinking water sources - 2008 (WHO)	38%
Prevalence of HIV among adults aged >= 15 years - 2007 (WHO)	2%

Prices

Cereals: Cereal prices in Addis Ababa have continued to be stable during the last two months. Maize wholesale prices were about 2.7 ETB/Kg in June and July and 2.6 in August; white sorghum slightly declined from May (6 ETB/Kg) to around 5.5 ETB/Kg in June, July and August. Wheat prices were stable at about 4.5 ETB/Kg in the same months. Teff prices in Addis Ababa declined from 7.39 ETB/Kg in June to 6.8 ETB/Kg in July /Aug. Maize prices in Addis Ababa were quoted 191.38 USD/T compared to 174.11 USD/T of the international price of US Maize No2 Yellow in August.

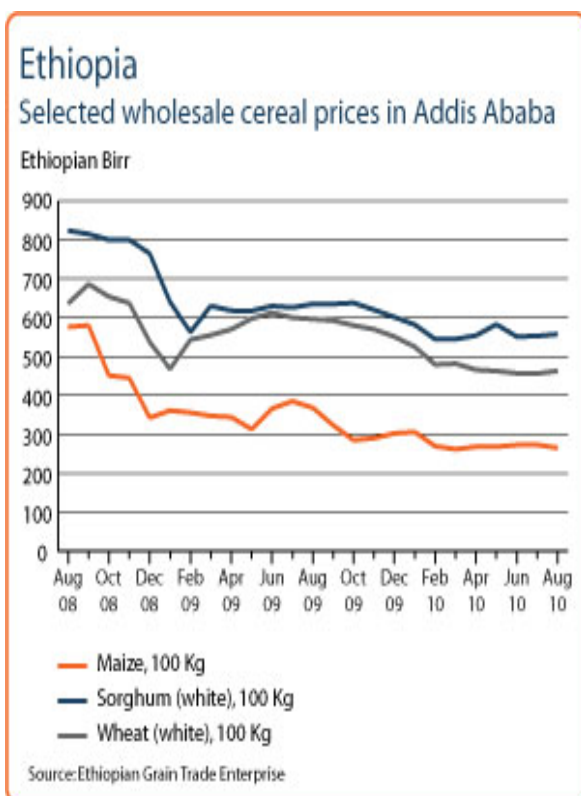
Livestock: Pastoral terms of trade are currently favourable following good rain performance in pastoral and agro-pastoral areas which improved water availability and livestock body conditions.

Natural Disasters, Drought and Conflicts

From mid-July, torrential rains have caused flooding in Tigray, Amhara, Afar, Oromiya, Somali and Gambella regions. Floods have displaced people, damaged crops and infrastructures and caused losses of assets and livestock. In the Afar region 25,000 people were displaced, while 8,000 were displaced in Amhara. Around 6,132 hectares of agricultural land was washed away. There are still concerns over further flooding in the remainder of the kiremt season through September. On the other hand the October/December deyr rains are expected to be poor due to the influence of the Niña resulting in shortages of water and pasture therefore deteriorating terms of trade for pastoralist and increased food insecurity. The border security situation is still tense. UNHCR reports that the government has introduced a new policy which allows Eritrean refugees to live outside camps and in any part of the country. According to UNHCR Ethiopia hosts some 138,000 refugees including Somalis, Eritreans and Sudanese.

Refugees and IDPs	2007	2008	2009
Total in the country	85395	85417	124361
Total outside the country	89368	95552	111645

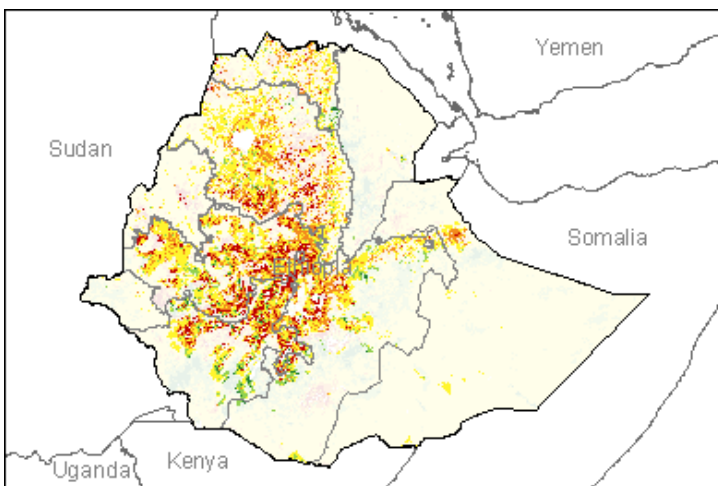
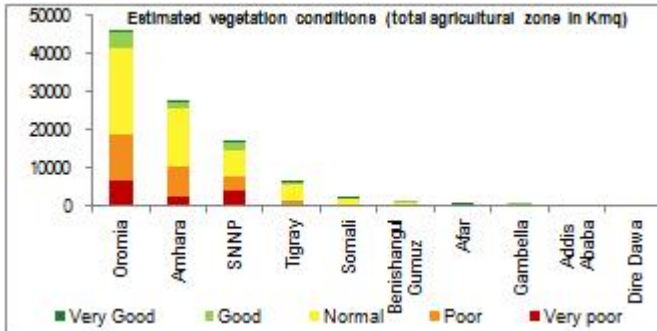
Source: UNHCR Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 22/09/2010.



Source: GIEWS Country Briefs

Vegetation Condition

At the middle of the rainy season, normal to poor conditions are observed with some concerns for the provinces of Oromia, Amhara and SNNP. The general indicator of vegetation condition provided below is the relative difference between the NDVI for August 2010 and the average of the last 10 years, calculated on the agricultural zones derived from the GLOBCOVER land cover database (2005).



Source: JRC MARS – FoodSec

Food Security Situation Assessment

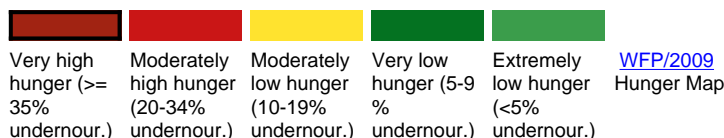
An estimated 5.2 million people require food aid until Dec. FEWSNET points to a decrease thanks to the promising belg harvests; but the meher eastern areas will continue to be highly food insecure until the new harvest in Oct. GIEWS reports severe localized food insecurity in the short term. WFP and IFPRI argue on a very high and extremely alarming hunger.

CURRENT EMERGENCY ASSESMENT



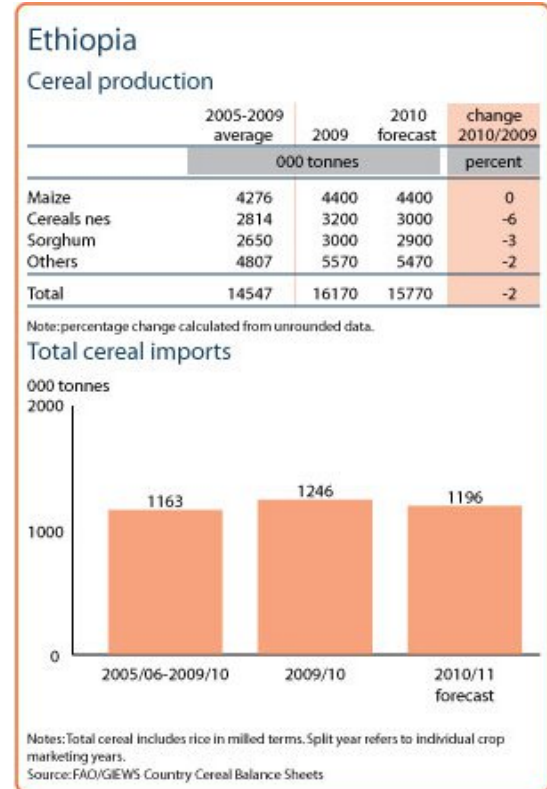
The number of people requiring emergency food assistance up to December 2010 is likely to decrease following the June/July 2010 belg harvest, generally stable prices across the country, improved availability of water ...[more](#)

SCALE OF HUNGER



Food Balance Sheet

Harvesting of the 2010 secondary “belg” season crops is almost complete and early estimates point to an average harvest. Also “meher harvesting is expected to be good thanks to good kiremt rains (June/Sept). Total cereal production for 2010 is forecasted at 14,926 million tonnes, 5% higher than 2009/2010 production. Imports are estimated at 1,38 million tonnes, down from the 1,67 million tonnes of the previous year.



Source: GIEWS Country Briefs

Government Policies

At the beginning of July, the Government lifted the export ban on sorghum and maize (in place since 2007) due to the abundant supply on markets and this measure may increase prices in the next months. The government has also launched the 5 years Growth and Development Plan to support agriculture while continuing the Productive Safety Net Programme.

Consumer and market oriented measures	
Producer oriented measures	Growth and Development Plan.
Trade policy measures	Lifted export ban.
Safety net (increased or introduced)	Productive Safety Net Programme.

Different sources

Current events to watch (Click to see the full report)

- [Analysis: New Ethiopian policy to handle disaster risk](#)
- [ETHIOPIA-GHANA: MDG success stories](#)
- [Analysis: Western Ethiopia's Gambella region faces risks head-on](#)
- [ETHIOPIA: Pastoralism against the odds](#)
- [ERITREA-ETHIOPIA: Refugees embrace life "out of camps"](#)

For more information, contact: Information-for-action@fao.org
Website: www.foodsec.org

Powered By the [GIEWS Workstation](#)

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