

# Price Monitoring and Analysis Country Brief

**Ethiopia**

September-December 2010

## Key Messages

- In recent months cereal prices have continued to follow a gradually decreasing trend and maize prices in the capital city were lower than prices on the international market.
- Pockets of food insecurity exist due to different localized shocks such as poor rains in the southeast or floods in Amhara region, while tensions with rebel groups continue.
- Food security is improving throughout the country, and the number of people in need of food assistance during the last months of the year decreased to 2.3 million.
- The government with the help of international agencies is continuing to assist the population while investing in agricultural production to increase food security.

## Background

In Ethiopia, total population is about 82.82 million with a 2% annual growth rate. An estimated 41% of the population is reported to be undernourished. Only 12% of the population has access to improved sanitation and the prevalence of HIV is 2.1%.

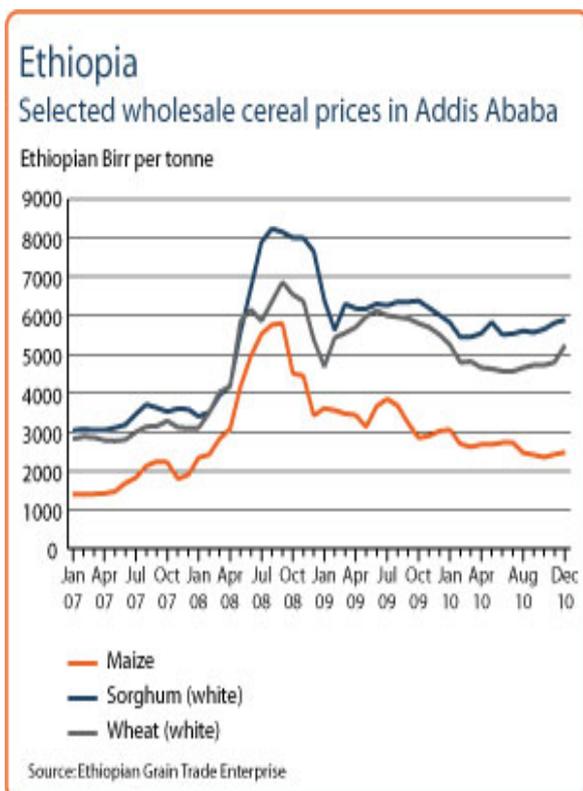
Economic Indicators	View Data
Total Population (millions) - 2009 (WB)	82.825
Population growth rate - 2009 (WB)	2%
GNI per capita, \$ PPP - 2009 (WB)	930
Population below 1\$ PPP per day - 2005 (MDGI)	39%
Rural population - 2009 (WB)	82%
Agriculture, value added (% of GDP) - 2009 (WB)	50%

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)	2.1%

## Prices

In recent months maize prices in Addis Ababa have fluctuated by around 2.41 ETB/Kg in Sept and 2.39 in Dec. White sorghum prices showed a slight upward trend: it was sold at 5.57 ETB/Kg in Sept and then it increased to 5.82 ETB/Kg in Dec. On the other hand the price of white wheat and teff slightly declined. Wheat went down from 4.72 ETB/Kg in Sept and Oct to 4.62 ETB/Kg in Dec; teff was traded at 6.48 in Sept and although it registered 6.6 in Oct, it then fell to 4.23 in Dec. The price of maize in Addis Ababa (147.68 USD/T) was 41% lower than the price on the international market (251.96 USD/T) in Dec.



Source: GIEWS Country Briefs

## Food Security Situation Assessment

According to GIEWS Ethiopia is faced with severe localized food insecurity in the short term. FEWSNET reports an improved food security situation which will be generally stable in the short term thanks to average to above average meher season harvest; however poor households across the country continue to be moderately to highly food insecure particularly in southeastern regions affected by the poor deyr/hageya rains. The Gov. and OCHA estimated that the number of people in need of food aid has decreased from 5.2 million in Jan to 2.3 million people in recent months. In the long term, FAO reports very high undernourishment and IFPRI estimates alarming hunger.

### CURRENT EMERGENCY ASSESMENT

Exceptional shortfall in aggregate food production supplies	Widespread lack of access	Severe localized food insecurity	FAO/GIEWS CPFS 2010
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To date, the performance of bega/hageya/deyr rains has been below average as predicted. This has resulted in shortages of pasture and water in the southeastern pastoral and agropastoral parts of the country. ...[more](#) FEWSNET

### SCALE OF HUNGER (% of Undernourishment)

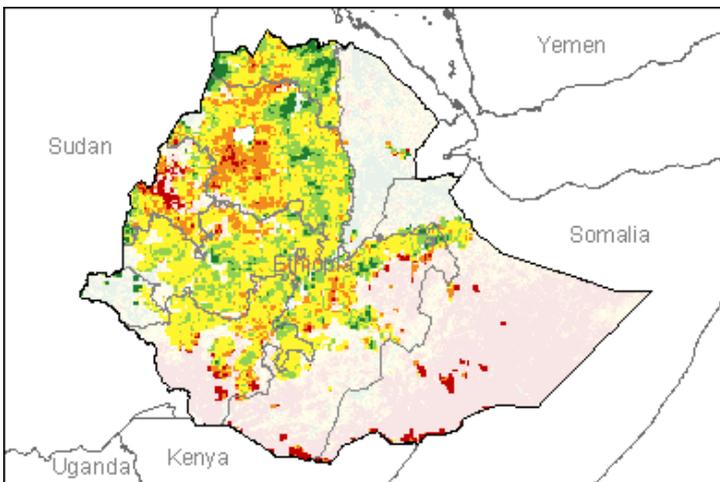
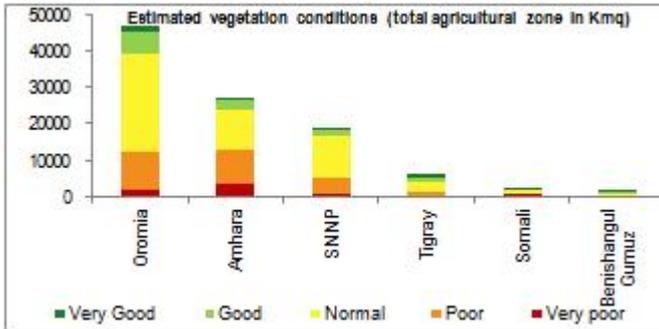
Very high (>= 35%)	High (25-34%)	Moderately high (15-24%)	Moderately low (5-14%)	Very low (< 5% under.)	FAO Hunger Map
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FAO Hunger Map classifies all countries of the world into five based on % of population undernourished.

Extremely alarming	Alarming	Serious	Moderate	Low	IFPRI/2010 GHI
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### Vegetation Condition

Poor to good conditions are observed throughout the country with some concerns in the provinces of Oromia and Amhara. The general indicator of vegetation condition provided below is the relative difference between the NDVI for December 2010 and the average of the last 10 years, calculated on the agricultural zones derived from the Woody Biomass dataset (World Bank).



Source: JRC MARS – FoodSec

#### Crop phase in the reference period

<b>Sowing</b>	No crops are sowed during the reference period
<b>Growing</b>	No crops are growing during the reference period
<b>Harvesting</b>	Sorghum, Maize, Millet, Barley, Teff, Wheat, Beans and Potatoes (Second season)

### Natural Disasters, Drought and Conflicts

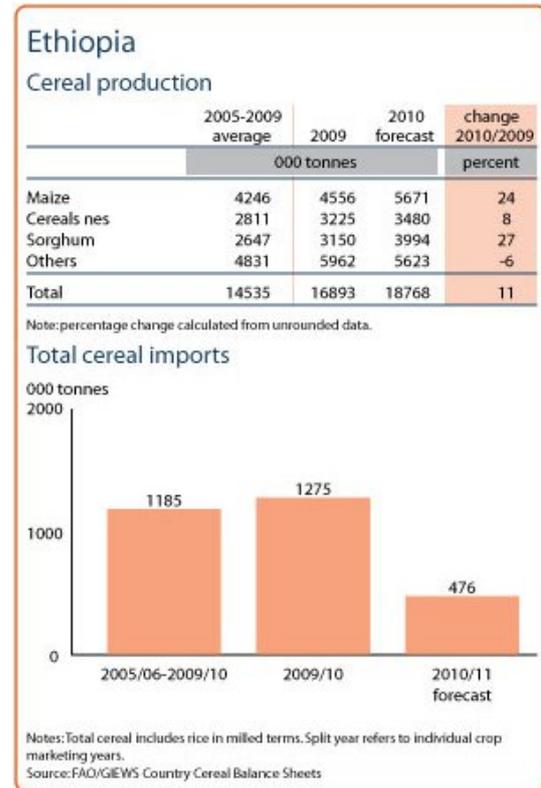
Flood affected households in North and South Wollo and Oromia zones of Amhara region, are likely to become highly food insecure from January 2011 due to harvest loss. The government signed a peace deal with a breakaway rebel faction of the Ogaden National Liberation Front (ONLF) who aimed at controlling the eastern region of the country. However another group faction is still fighting.

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 01/12/2010.

### Food Balance Sheet

The meher season crop harvests which take place between October and January are expected to be normal to above normal. The total 2010 cereal output is tentatively forecast at record level of 18.8 million tonnes, some 11% more than the 2009 output (16.17 mln T), but above average (14.52 mln tonnes). Imports in 2010/11 were forecast at 476,000 tonnes while in 2009/10 were at 1.27 and the five year average was at 1.18 mln tonnes.



Source: GIEWS Country Briefs

### Government Policies

The government announced the new “Growth and Transformation Plan” (GAP), designed to ensure food security at household and national level by increasing agricultural production and economic growth. The PSNP continues to provide food or cash to poor people. Japan will provide 6.6 million USD for the implementation of the Food Aid Project.

Consumer and market oriented measures	n.a.
Producer oriented measures	Growth and Transformation Plan.
Trade policy measures	Export ban lifted in July 2010.
Safety net (increased or introduced)	PSNP/food transfers.

Different sources

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

[African Agriculture Partners Focus on Mitigating Rise ...](#)  
[Afrique: Pourquoi il est important d'investir dans la ...](#)  
[Ethiopia: fighting hunger and HIV](#)  
[Why Should Africa Invest in People Now?](#)  
[UNICEF advocates for the rights of young African migra...](#)

For more information, contact: [Information-for-action@fao.org](mailto:Information-for-action@fao.org)  
 Website: [www.foodsec.org](http://www.foodsec.org)

Powered By the [GIEWS Workstation](#)

The Programme on Linkin Information and Decision Making to Improve Food Security is funded by the European Union and implemented by the Food and Agriculture Organization of the United Nations.

\* For a further analysis of prices in Ethiopia please see: [Annex](#)