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Full Length Research Paper

Ethiopia's Oilseed Export: Performance, Opportunities, and Challenges

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Abstract

This study examines the trends in Ethiopian oilseed exports and the challenges and opportunities related to export performance. It analyzes export earnings, volume, export share, and destinations over the past decade. The study uses both qualitative and quantitative approaches, collecting data from primary and secondary sources, including interviews, focus group discussions, and export data from the Ethiopian Customs Commission. Descriptive and explanatory analyses are conducted to gain insights into global trade and export dynamics. The findings reveal that Ethiopia's oilseed industry is an important source of foreign exchange earnings. However, export earnings have declined from $323.5 million in 2010/11 to $263.8 million in 2021/22 due to falling prices since 2015/16. Similarly, the oilseed export share has decreased from 19.7% in 2013/14 to 6.6% in 2021/22. The market is sensitive to price fluctuations, requiring exporters to closely monitor factors and adjust pricing strategies. Additionally, the industry heavily relies on China, which poses risks due to changes in demand or trade policies. To enhance competitiveness and sustainability, it is crucial to address challenges related to logistics, high local prices, regulatory compliance, and quality control. By tackling these issues, improvements can be made in the performance of oilseed exports in Ethiopia.

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1. Intoduction

This article examines the potential benefits and drawbacks of Ethiopian oilseed exports, focusing on their current state and future implications. The decision to focus on oilseed in this article stems from its significance in Ethiopia's agricultural and economic landscape. Oilseed production plays a vital role in the country's economy, contributing to employment, income generation, and export earnings. Oilseed crops, such as sesame, Niger, castor seed and sunflower, are among Ethiopia's major agricultural commodities. With favourable agro-ecological conditions and a long history of cultivation, Ethiopia has the potential to be a key player in the global oilseed market. It is in the top 5 producing countries for sesame seed, linseed and Niger seed. In addition, specialty seeds like sunflower seed and castor beans are grown in Ethiopia (USDA, 2021). Ethiopia's oilseed sector plays an important role in generating foreign exchange earnings and supporting the livelihoods of market actors across the value chain. Oilseed crops are the third largest foreign exchange earner, next to coffee and cut flowers.

Ethiopia is one of the major global oilseed exporters. However, annual export volumes have declined, for example from 2017/18 – 2021/22 on average by 14.6**%** over the past decade. Industry experts mention that international price fluctuations, currency fluctuations, excessive speculation, domestic market price distortions, illegal trade, and productivity decline are the main causes leading to the decline in export trade efficiency in previous years (USDA, 2021:5).

Identifying the challenges leading to the downward trend in exports has been the focus of most researchers during the past decade. Government and other stakeholders have emphasized the need to detect limitations, take corrective action and contribute to policy. However, satisfactory results have not been achieved to improve the country's export performance and this field continues to be an area of interest to many researchers.

There are different opportunities and challenges that need to be understood to increase the export performance of oilseeds. This article, therefore, provides a comprehensive review of the oilseed exports for the last decade. The study attempts to contribute in searching for remedies for the challenges identifying g in this study. In particular, the study focuses on opportunities and challenges related to Ethiopia's oilseed exports. Therefore, the objective of the study is to describe the main opportunities for improvement and the main constraints hindering oilseed exports and outline the policy implications. Variables like export volume, value, export share, price, and destinations are used in examining the export. In addition, different macro-level as well as sector-specific opportunities and challenges are also identified.

2. Literature Review

This part discusses the theoretical and empirical literature together, but in clear order. Competitiveness is a widely used concept in economics, but its precise definition remains elusive. It was coined in the 1970s to describe the degree of competition among rival economies. The study of competitiveness has been popular

for half a century, but there are still many questions about its meaning and measurement. National competitiveness can be understood as a country's ability to assert itself in foreign markets due to price or other factors, but also as a path to higher income, low unemployment, and long-term sustainable growth.

Cellini & Soci (2002) argue that the concept is ambiguous and cannot be easily measured and evaluated quantitatively. A precise and accepted definition of competitiveness comes from Balassa, who states that a country becomes more or less competitive if changes in costs and prices of other factors improve or deteriorate its ability to sell in domestic and foreign markets. Nevima (2014) highlights the multi-level and ambiguous nature of capacity competition, which contributes to the quantification and analysis of determinants of internal and external competitiveness.

Various scholars have defined competitiveness, including Porter et al. (2008) and Scott (1985). Porter et al. (2008) defined competitiveness as a country's share of world markets for its products. Generally, competitiveness is the ability to produce goods or services meeting international market standards while maintaining and expanding the real incomes of the population. National competitiveness is a country's ability to create, produce, distribute, and/or service products in international trade while earning rising returns on resources.

Export competitiveness (EC) is widely recognized as a medium for achieving global competitiveness. EC is the capability to produce and sell goods and services at competitive prices compared to other suppliers. Researchers have evaluated competitiveness at various levels, ranging from macro-perspectives to micro-economic terms. Studies have focused on regional, firm-level, country-level, and industry-level levels, with various studies examining different aspects of competitiveness

Empirical evidence support the importance of exports in economic growth, and the relationship between export performance, diversification, and competitiveness has been the subject of much research.

Developing countries' exports are increasingly concentrated in a narrow range of product categories compared to more advanced economies, with Africa having the highest concentration of exports. Asia, the most export-dependent region, has the lowest concentration of exports, suggesting a more diversified export portfolio. A more diversified export portfolio leads to a more stable export income stream. Diversification can reduce volatility in export earnings, increase earnings, increase value-added, and promote growth through factors such as enhancing technological capabilities, facilitating backward and forward linkages, and increasing market complexity. As exports become more diversified, knowledge spills over in the form of productivity improvements, efficient management, and increased technical, technological, and business knowledge.

However, many developing countries do not achieve the same level of diversification as developed countries. African countries remain vulnerable to external shocks, as their exports are often concentrated in a few products exported to a few destinations. The growth in export diversification between 2020 and 2015 indicates that many African countries have diversified between 2020 and 2015, either in product or both in product and destination. However, for some countries in Africa, Latin America, and Europe, the trend is the opposite.

Opportunities of Ethiopian oilseeds export

According to Amsale's research from 2017, there are three main general prospects for oilseeds, notably sesame seed, which accounts for 80% of all oilseeds: demand opportunity, resource availability potential, and market opportunity. Within the demand category, opportunities were seen in the rising demand for Ethiopian oilseeds on the global market due to the high demand for organic seeds, the industrialization of agriculture in China and India, and the rise in consumption in Europe and Asia. In terms of resource availability, there were prospects for favourable agro ecological conditions, affordable labour, and an abundance of fertile land. The market opportunity was viewed as one where processed seed had a better marketing position and a larger market than raw seed (Amsale, 2017, p. 34–36).

Challenges of Ethiopian oilseeds export

Gebrehiwot (2018) claims that the production/productivity, product quality, real effect exchange rate, infrastructure/rural road feeders, and foreign price level are all separate variables that affect how well oilseeds and pulses export. Other factors, besides infrastructure, have demonstrated a favourable and significant correlation with export success (Gebrehiwot, 2018, p. 44–56). According to the majority of research findings, infrastructure and rural road feeders have a favourable and significant relationship with export performance. The factors mentioned by Gebrehiwot were described by Amsale (2017). Amsale claims that there are problems with manufacturing and quality, including concerns with the quality and quantity of products produced and the availability of quality.

Alemayehu (2019) has produced data and conclusions that diverge from those of the aforementioned researchers. Alemayehu established and examined six aspects that affect export performance, including managerial skills, business capacity, product qualities, foreign market qualities, marketing strategy, and institutional support-related elements. Surprisingly, except from elements related to institutional support, none of these variables were shown to be drivers of export market performance. Alemayehu asserts that exporting is not an exporter's direct or primary activity. Exporters engaged in the export business with the intention of importing goods using the foreign currency earned from the export as well as for the purpose of obtaining an inexpensive loan to be used for the import business and the financing of capital goods (illegal means of trade not recognized by the government) (Alemayehu, 2019, p. 30-58).

3. Material and Method

This study employs qualitative and quantitative mixed approaches to examine the complex global trade area of exports. The chosen methodology allows for a comprehensive understanding of dynamics that may not be captured by quantitative data alone. Case studies are utilized to gain insights into real-life phenomena within their respective contexts, enabling an assessment of current events without artificially manipulating behavioural events. Data is collected from primary and secondary sources, including government organizations, private sector stakeholders, and think tanks. Key informants include government officials, department heads, and experts, while private sector participants include export associations and individual exporters. Primary data is collected

through interviewees and focus group discussions, while secondary sources include agency reports, research results, and the Ethiopian Customs Commission.

In the same manner, qualitative and quantitative analysis tools are used to analyse the data, Qualitative data collected through key informant interviews, focus group discussions, and observations is analysed using content analysis. Descriptive statistics are utilized to examine oilseed trade performance in relation to shares, value, and volume and unit prices. The findings are then displayed through the use of figures and tables. Both Descriptive and explanatory analysis methods are applied to provide insights into the dynamics of global trade and exports.

4. Result and Discussions

Performance of Oilseed Export

Ethiopia's oilseed industry is crucial for foreign exchange earnings and supporting market actors. Potential sectors include sesame, Niger oil seed, and sunflower, flax, and castor seeds. Ethiopia's oilseed exports ranged from $323.5 million in 2010/11 to $263.8 million in 2021/22, with an average growth rate of 0.8%. The overall trend shows that there was a general increase from 2010/11 to 2015/16; while the next years (2016/17 to 2021/22 depicts a declining trend. To elaborate more using vital years that show the trend clearly, oilseed exports declined significantly in 2013/14 due to falling of oilseed prices; while increased from 433,400 tons in 2015/16 to 171,200 tons in 2021/22. Once again, since 2015/16, the value and volume of oilseed exports have declined despite improved prices. The reasons for this, according to the focus group discussions and key informant responses, are attributed to the poor quality of the product, demanding standards from European markets, and some unethical behaviour from some exporters that erodes trust in the exporters.

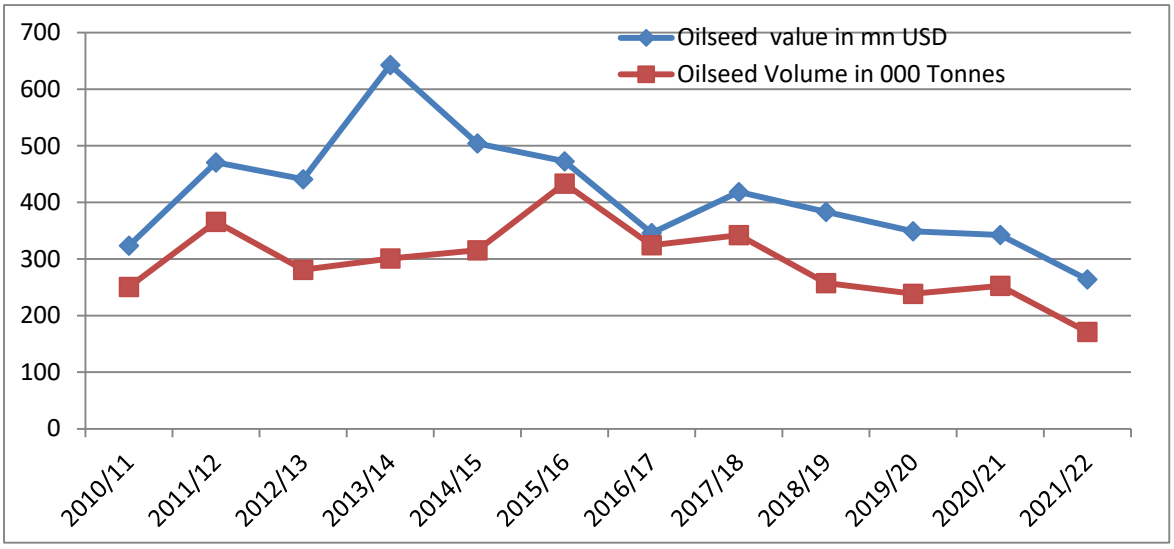

Figure 1: Value (millions of USD) and volume (000 of tones) of oilseed export (2020-2022) (source: authors' calculation based on ECC (2010-2022)

The Ethiopian oilseed export unit price data from 2010/11 to 2021/22 reveals a volatile trend. From 2010/11 to 2013/14, the unit price

increased steadily, indicating a higher demand or value for Ethiopian oilseeds. However, from 2014/15 to 2016/17, the price decreased, indicating a reduced or oversupply of oilseeds and rapid competition in the international market. From 2017/18 to 2019/20, the unit price recovered slightly, increasing from USD 1.2/kg in 2017/18 to USD 1.5/kg in 2018/19 and 2019/20. In recent years, the unit price has remained relatively stable at around 1.4 USD/kg and 1.5 USD/kg, indicating continued stable market conditions for Ethiopian oilseed exports. Factors such as global market dynamics, supply and demand changes, and fluctuations in international trade may have contributed to these fluctuations.

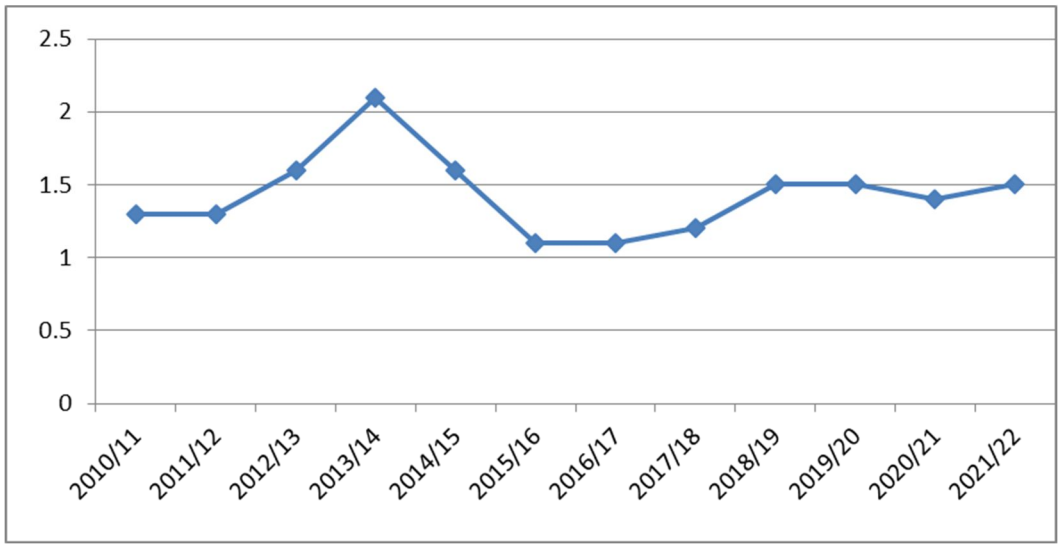

Figure 2: Unit price of oilseed/kg in USD (source: Authors' calculation based on ECC (2010-2022)

Ethiopia's oilseed export share has experienced a fluctuating trend. The share increased from 2010/11 to 2011/12. Then it declined in 2012/13 and reached its pick in 2013/14. Since 2014/15 to 2016/17 it registered a decline. 2017/18 and 2018/19 demonstrate a relative stability. The next three consecutive years exhibit a downward trend with sharp decline. Until the 2018/19 financial year, it was the second-largest contributor to the country's export earnings. However, from 2019/20, it has dropped to third place, with cut flowers taking the second largest role. The average oilseed export share was 13.3% during the study period. This indicates that Ethiopia heavily relies on oil seed exports for income generation. Diversifying the export basket beyond oilseeds can help reduce dependence and strengthen the export sector's resilience.

Factors contributing to the downward trend include increased competition, demand, and prices, as well as limited processing value. Challenges such as logistics, high local prices, regulatory compliance, and quality control need to be addressed to improve the competitiveness and sustainability of Ethiopia's oilseed

export industry.

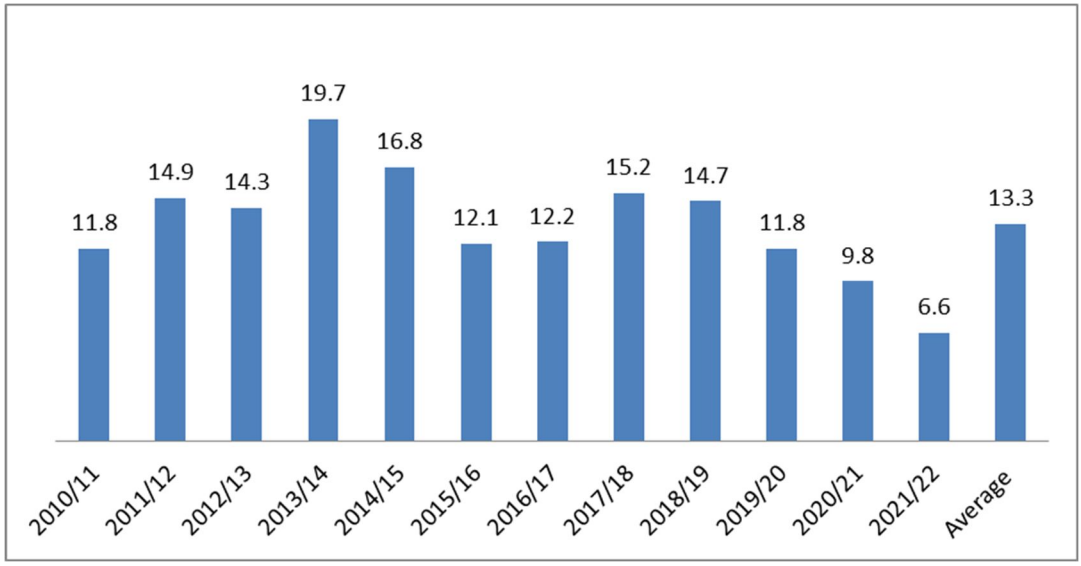

Figure 3: Oilseed share to total merchandize export value (2010-2022) (source: Authors' calculation based on ECC (2010-2022)

The export value of sesame, which contributes to over 90% of oilseed exports, varies year over year. It started at $300.6 million in 2010/11 and increased to 618.3 million USD in 2013/14. However, it declined from 2014/15 to 2016/17, followed by stability with minor fluctuations until 2019/20. In 2020/21, the export value decreased to 288.3 million USD, and continued to decrease in 2021/22. The average annual sales change for SESAME oilseeds was 1%, indicating no major change in the sector.

Similarly, the value of oilseed exports from NIGER fluctuated over the same period, starting at $16.5 million in 2010/11 and falling the following year. It then trended up from 2011/12 to 2013/14, reaching a peak of $23.6 million in 2011/12. It fell after that until 2015/16, then remained relatively stable with minor fluctuations until 2019/20. In 2020/21, the export-value increased significantly to USD 29.4 million, followed by a slight decline in 2021/22.

These fluctuations suggest that the value of oilseed exports from NIGER can change significantly over time, with growth periods indicating potential market demand or favourable conditions, while periods of decline can be influenced by factors such as global market dynamics, international production levels, and country or export policy.

The evolution of oilseed income in NIGER has shown significant fluctuations over the period under consideration. In 2011/12, export turnover dropped by 28.28%, followed by a sharp increase of 99.78% in 2012/13. The following years were marked by alternating positive and negative growth rates, showing an inconsistent trend. Notably, two notable peaks with high positive growth rates were 2016/17 (129.50%) and 2020/21 (169.10%), showing growth potential through contribution to total export. However, still one can assert that t given the production potential and real production, the

amount exported is very minimal. For example, 777.4 thousand tons of oilseed was produced in 2020/21(Daniel and Rozina, 2022); while only 171.2 thousand tons, which is 22% of the total production was exported.

The export value of the "Other" category, which includes different oilseeds, shows different trends. In 2011/12, there was a strong increase of 425.25%, followed by a sharp decline in 2012/13. From 2013/14 to 2014/15, the growth rate decreased markedly. However, from 2015/16 to 2018/19, a significant positive growth rate indicated an increase in export earnings. The following years have high negative growth rates, especially in 2020/21 (-76.11%) and positive growth in 2021/22 (330.70%).

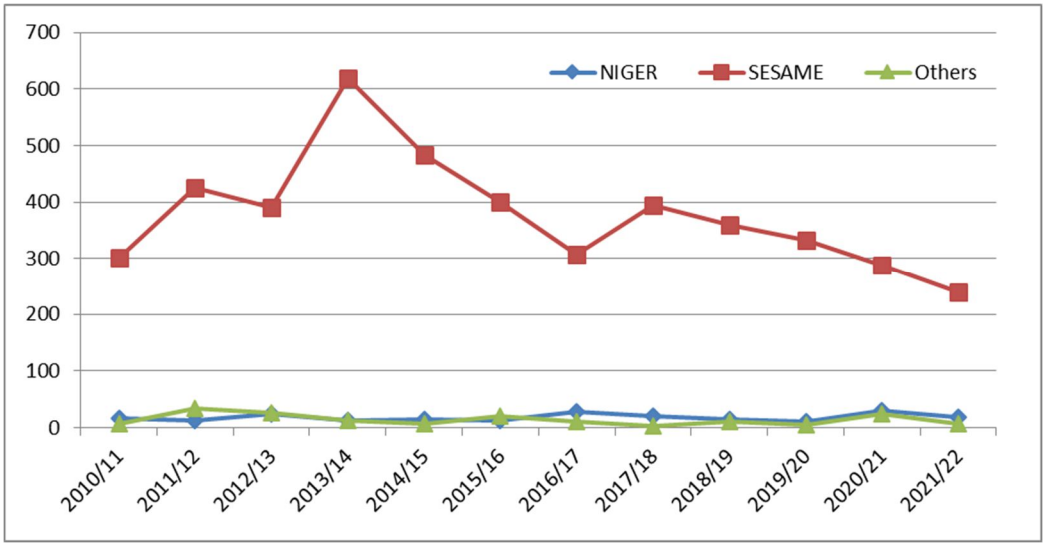

Figure 4: Value of oilseed export items in millions of USD (Authors' calculation based on ECC (2010-2022)

The mixed positive and negative growth rates of SESAME oilseed sales implies that a relatively volatile market for this product. The declining growth rate in consecutive (2017/18 – 2021/22) years shows potential challenges facing the industry, such as competition from other sesame-producing countries, changing market demand, limited domestic production capacity, regulations, and internal security issues. However, the occasional positive growth rate suggests there is still room for export revenue growth in the SESAME oilseed sector, despite some volatility.

NIGER oilseed export value and revenue are fluctuating and volatile, going through periods of growth and decline. This highlights the importance of gaining a comprehensive understanding of market dynamics and implementing effective strategies to successfully navigate the ever-changing conditions of the NIGER oilseed export market.

The volume of oilseed exports from NIGER has experienced volatility in terms of volume and value. From 2010/11 to 2012/13, production increased from 24,900 tons to 29,700 tons, indicating positive growth. However, production declined in subsequent years, reaching a

low of 11,400 tons in 2015/16. In 2016/17, volumes increased significantly, reaching 27.9 thousand metric tons, followed by slight fluctuations in the remaining years. The average export volume was 20.7 thousand tons, with an average growth rate of 12.4%. Sesame oilseed exports showed remarkable growth from 2012/13 to 2015/16, but a consistent downtrend from 2015/16.

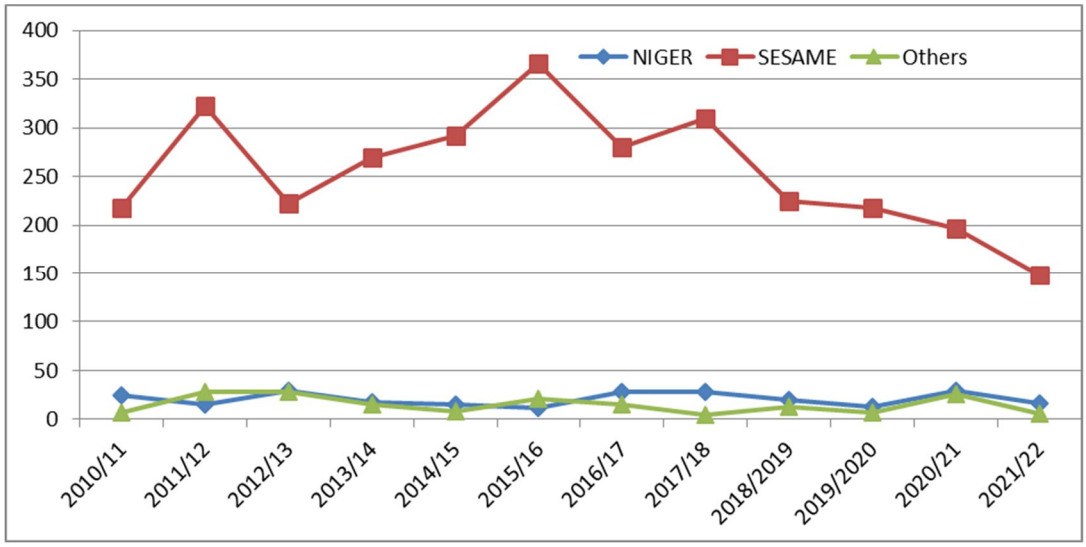

Figure 5: Volume of oilseed items in thousands of tones (source: Authors' calculation based on ECC (2010-2022)

The "Other" category of oilseeds shows fluctuating volume without a clear upward or downward trend. The highest volume was in 2011/12, with 27,600 tons, while the lowest was in 2021/22, with 6,300 tons. This portfolio's growth rate reflects high volatility and a lack of stability.

Share of oilseed items to oilseed export

The table displays Ethiopia's oilseed export market trends over several years, revealing a steady trend for the first SESAME entry. Starting at 92.9% in 2010/11, the ratio fluctuated between the 1980s and mid-1990s, eventually reaching 90.8% in 2021/22. This indicates Ethiopia's dominant position in the sector, indicating a strong dependence on SESAME production and export earnings. Any volatility or disruption in the SESAME market could significantly impact the overall performance of Ethiopia's oilseed exports.

Niger seed's share in oilseed exports shows a mixed trend, starting at 5.1% in 2010/11 and dropping to 2.5% the following year. However, it tended to increase from 2011/12 to 2013/14, reaching a peak of 5.3% in 2011/12. The market share fell again until the 2016/17 season but increased to 8.6% in 2020/21. In 2021/22, the rate dropped slightly to 7.0%, indicating an average of 4.7% of Ethiopia's oilseed exports.

The "Other" category represents a slightly changed but relatively weaker percentage, showing significant fluctuations over the years, with a peak of 7.2% in 2020/21 and a low of 0.8% in 2017/18. On average, "Others" account for about 3.4% of Ethiopia's oilseed exports.

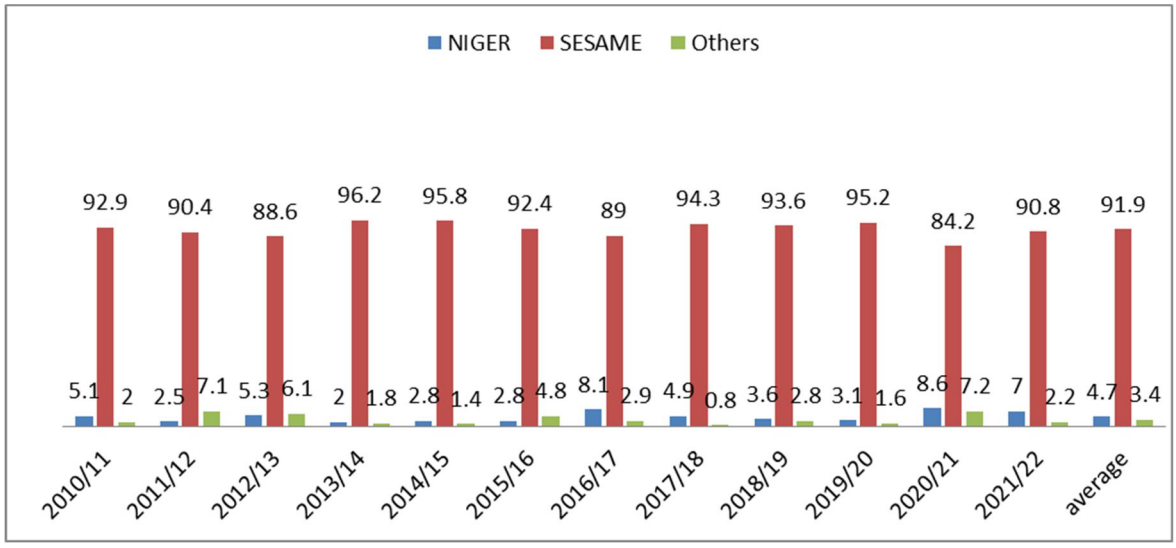

Figure 6: Share of oilseed items in % (source: Authors' calculation based on ECC (2010-2022)

The fluctuating market share of NIGER and "Others" in Ethiopia's oilseed exports indicates that demand for specific oilseed products can change over time. Understanding these market dynamics is crucial for policymakers and oil seed stakeholders. Adapting strategies to match changing preferences and taking advantage of emerging opportunities is essential. NIGER has experienced growth and decline, but it has the potential to expand its market presence and capture a larger share of oilseed exports with targeted strategies. The "Other" category represents different oilseed products that could be further exploited to improve competitiveness and contribute more significantly to Ethiopian exports.

Sesame's dominance (approximately on average 92 % of oilseed export from 2010/11 to 2021/22) in Ethiopia's oilseed exports provides reliable market stability and established commercial relationships. However, reducing dependence on a single commodity and diversifying export portfolios can help reduce risks related to price fluctuations, market fluctuations, or changes in international trade policy. The trends of value and volume emphasize the importance of closely monitoring market conditions and adapting strategies accordingly. Understanding changing needs, identifying emerging opportunities, and diversifying oilseed exports can help Ethiopian producers and exporters navigate market dynamics and maximize their potential in the global oilseed trade. In summary, a balanced approach to the Ethiopian oilseed industry is needed, focusing on maintaining and improving SESAME's export efficiency while expanding the market share of other oilseed products.

Unit price of oilseed items

The table displays the trend in Ethiopian oilseed exports' unit prices over several years, revealing fluctuations in prices for each type of oilseed. For NIGER oilseed exports, prices ranged from $0.66/kg in 2010/11 to $1.14/kg in 2021/22, with an average of $0.87/kg. The average percentage change in price was 6.3%, indicating varying volatility without a clear upward or downward trend. Sesame oilseed exports also experienced fluctuations, starting at $1.38/kg in 2010/11 and peaking at $2.30/kg in

2013/14. The average unit price during the tested period was $1.50/kg, with an average percentage change of 3.8%.

Unit prices for the "Other" category, representing other oilseeds, showed volatility, ranging from $0.63/kg in 2016/17 to $1.21/kg in 2011/12. The average price for the period examined was $0.88/kg. Unit prices did not show a consistent upward or downward trend.

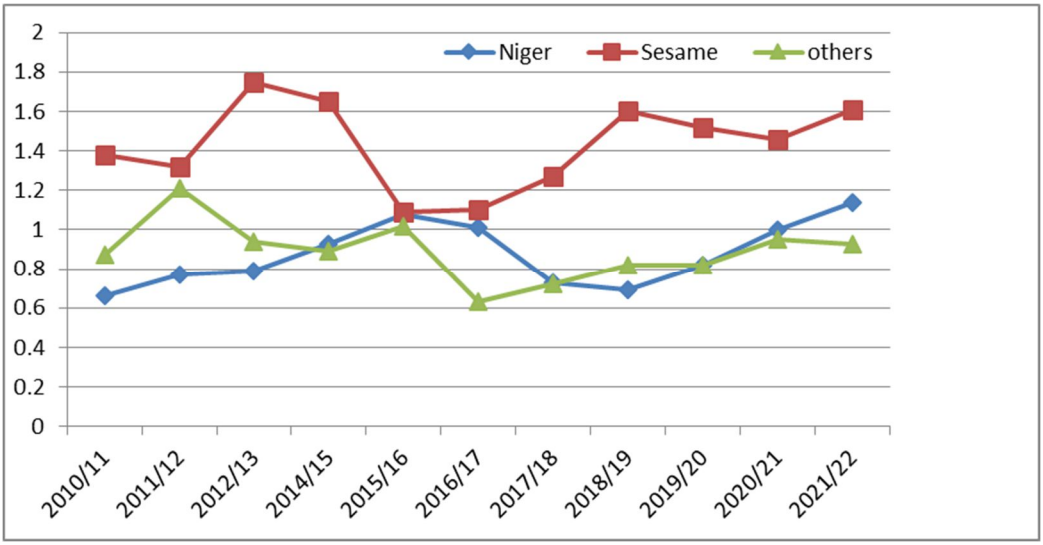

Figure 7: Unit prices of oilseed items/kg USD (source: Authors' calculation based on ECC (2010-2022)

As it clearly reads from the graph, Ethiopian oilseed market is highly sensitive to fluctuations in unit export prices, indicating a need for exporters to closely monitor these factors and adjust their pricing strategies accordingly. The unit price difference between oilseeds indicates differences in quality, market demand, and perceived value, emphasizing the importance of maintaining quality standards and meeting market demands to achieve higher prices. Higher prices can lead to increased revenue for exporters, while lower prices can put pressure on profits. Understanding and managing cost structure, productivity levels, and market competitiveness is essential for exporters to achieve sustainable profits despite price fluctuations.

Investment in quality control measures, branding, and product innovation can also enhance Ethiopia's oilseed exports' value. Overall, exporters must carefully monitor market conditions, focus on quality, and strategically position their products to adapt to market changes, discover value-adding opportunities, and remain cost-competitive to optimize profits in

the global oilseed trade.

Oilseed Destinations

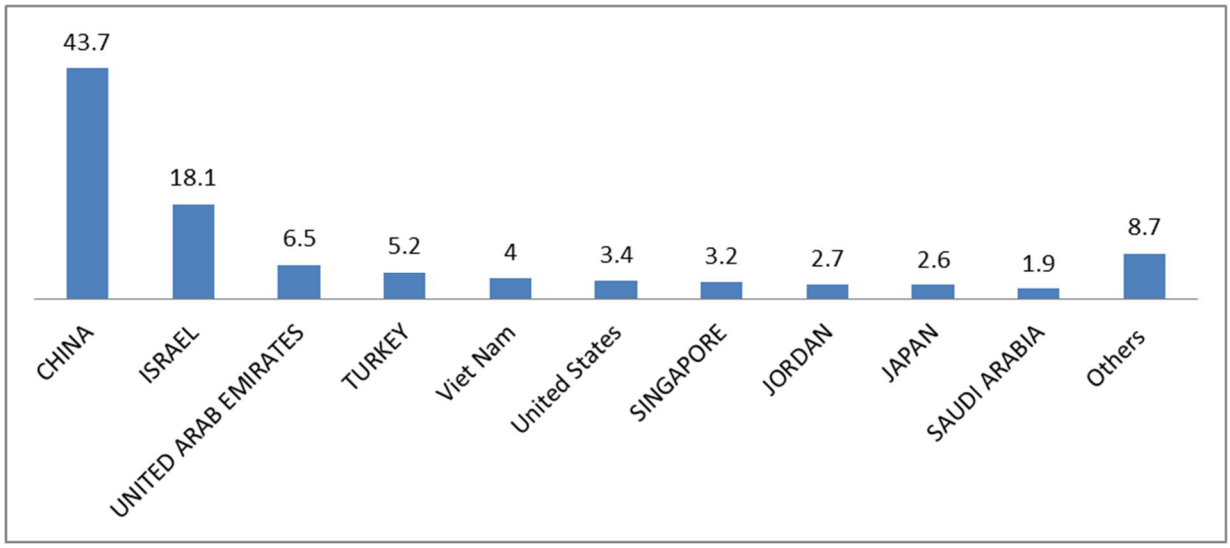

Figure 8: Major Destinations of oilseed (source: Authors' calculation based on ECC (2010-2022)

Generally speaking, in the period covered by this study, Ethiopia's oilseed industry is heavily reliant on China, in terms of destination, with a 43.7% share. This reliance poses risks, as changes in Chinese demand or trade policy could significantly impact the industry. Israel is the second destination with an 18.1% market share, highlighting potential market to expand and reduce risks of concentration. Though, the share is minimal, Ethiopia has made efforts to diversify its market by exporting oilseeds to various destinations, such as the United Arab Emirates, Turkey, Vietnam, and the United States. The US receives 3.4% of Ethiopia's oilseed exports, while other countries like Singapore, Jordan, Japan, and Saudi Arabia have smaller market shares. These percentages reflect different levels of business relationships and market penetration in these countries. Working on these markets can help to reduces reliance on a single market and enables Ethiopia to spread risks more effectively by expanding its client base and venturing into various markets.

Opportunities and Challenges

Ethiopia is a major producer of oilseeds due to its diverse climate conditions and large peasant farms. It is in the top 5 producing countries for sesame seed, linseed and Niger seed. In addition, specialty seeds like sunflower seed and castor beans are grown in Ethiopia (USDA, 2021). These cash crops are labour-intensive, low-input, and rain-fed, with the potential to increase production significantly. Ethiopia exports a large quantity of these commodities to the international market, and the country's abundant labour and rural population make it an attractive market for the oilseeds sector. Research has identified market opportunities in organic and conventional sesame, organic and conventional Mung beans, soybeans, sesame oil, and tahini.

The government's commitment to agro-ecology and labour availability is evident in various plans and initiatives, such as the Growth

and Transformation Plan of 1 and 2, the home-grown economy initiative, and the construction of industrial parks to expand the production of value-added products. These initiatives aim to double agriculture production and expand the production of value-added products in Ethiopia.

Ethiopia's competitiveness in oilseeds can be boosted by the quality of Humara-type sesame, a benchmark for the sesame sector. These products are increasingly popular in European markets, in addition to traditional Asian markets. However, major oilseed export destinations are shifting their imports away from Ethiopia, such as China, which have been the second-largest destination for Ethiopian sesame seeds and the third largest for Ethiopian Niger seeds. This has led to a decline in Ethiopia's exports to China over the past three years. Key informants and experts from the Ministry of Trade and regional integration believe that pests, disease, higher domestic prices, and market distortion by illicit traders are the main reasons for the loss of the Chinese market.

The increasing concern for the environment, food safety, and nutrition in the international market has led to increased certification schemes and sustainability labels, particularly in the European market. However, Ethiopia's use of agrochemicals, pesticides, and organic certification is limited, and there is limited quality infrastructure. Exporters primarily focus on the Asian market, with China, India, and Pakistan being the main destinations. About 44% of exports are destined for China, with growth potential in this market.

Despite the expectation of high-quality standards, Ethiopia has a huge opportunity to exploit. The increasing health consciousness, growing veganism, and demand for specialty foods will push international demand upward. The popularity of sesame seeds in various cuisines, confectionaries, and pharmaceutical and medical applications will drive global demand for sesame seeds. Additionally, the growth of other niche segments producing sesame-based foods is expected to increase demand in the coming years. Ethiopia's export potential for oilseeds is significant, with sesame seeds being considered to have high potential.

Ethiopian oilseed export opportunities are convergent with international demand for Ethiopian seeds and beans, abundant arable land, and cheaper labor costs. Government economic structuring and government economic structuring also present opportunities for Ethiopian oilseeds and pulses exports.

The main problems faced by oilseeds, particularly sesame, are in production, collection, and grading. The majority of farmers are smallholders on fragmented land, often lacking training in good agricultural practices, profit optimization culture, and economic understanding. Commercial or investment farmers may own farms just for exports or as collateral for property development in cities. However, there are large commercial export farmers with good knowledge and influence in their communities.

Out-grower schemes have been used to resolve similar issues in Ethiopia, but they have had little success due to a lack of contract culture. Exporters have negotiated contracts with individual farmers or farmer organizations, only to find their business partners defaulting on the terms later. This lack of culture increases the risk of default for exporters. Some faults can be assigned to not finding the right "package" with which to provide farmers, such as not offering a premium for their organic product.

The representatives of the oil export sector discussed the challenges and opportunities in commodities and the general picture. The following commodities appeared to have the greatest potential: organic sesame, organic mung beans, conventional sesame, soybeans, and sesame oil.

5. Conclusions

Ethiopia's oilseed industry is crucial for foreign exchange earnings and market support. Exports increased from $323.5 million in 2010/11 to $263.8 million in 2021/22 but declined due to falling prices since 2015/16. The market is sensitive to price fluctuations, requiring exporters to monitor factors and adjust pricing strategies. Ethiopia's oilseed export share has declined from 19.7% in 2013/14 to 6.6% in 2021/22, relying heavily on income generation. Ethiopian exporters must monitor market conditions, focus on quality, and remain cost-competitive to optimize profits. The industry is heavily reliant on China, with a 43.7% share, posing risks due to changes in demand or trade policy.

Ethiopia is a major oilseed producer with diverse climates and large peasant farms. The sector offers market opportunities in organic and conventional sesame, mung beans, sesame oil, and tahini. High-quality Humara-type sesame and GMO-free soybeans are popular in European and Asian markets. The growth rate of oil seeds export was positive throughout the period. The oil seed has shown a wide range of fluctuation in the case of price. However, major export destinations like China are shifting their imports away, leading to a decline in Ethiopia's exports. Ethiopia has a significant opportunity to exploit sesame seeds due to increasing health consciousness, veganism, and specialty food demand.

The industry faces challenges such as increased competition from other oilseed growing countries, and limited processing value. Addressing logistics, high local prices, regulatory compliance, and quality control is crucial for improving competitiveness and sustainability. The Ethiopian oilseed market is sensitive to price fluctuations, requiring exporters to monitor factors, adjust strategies, maintain quality standards, and understand market competitiveness for sustainable profits. Ethiopian exporters must focus on quality, competitiveness, and market conditions for value-adding opportunities in the oilseed sector.

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