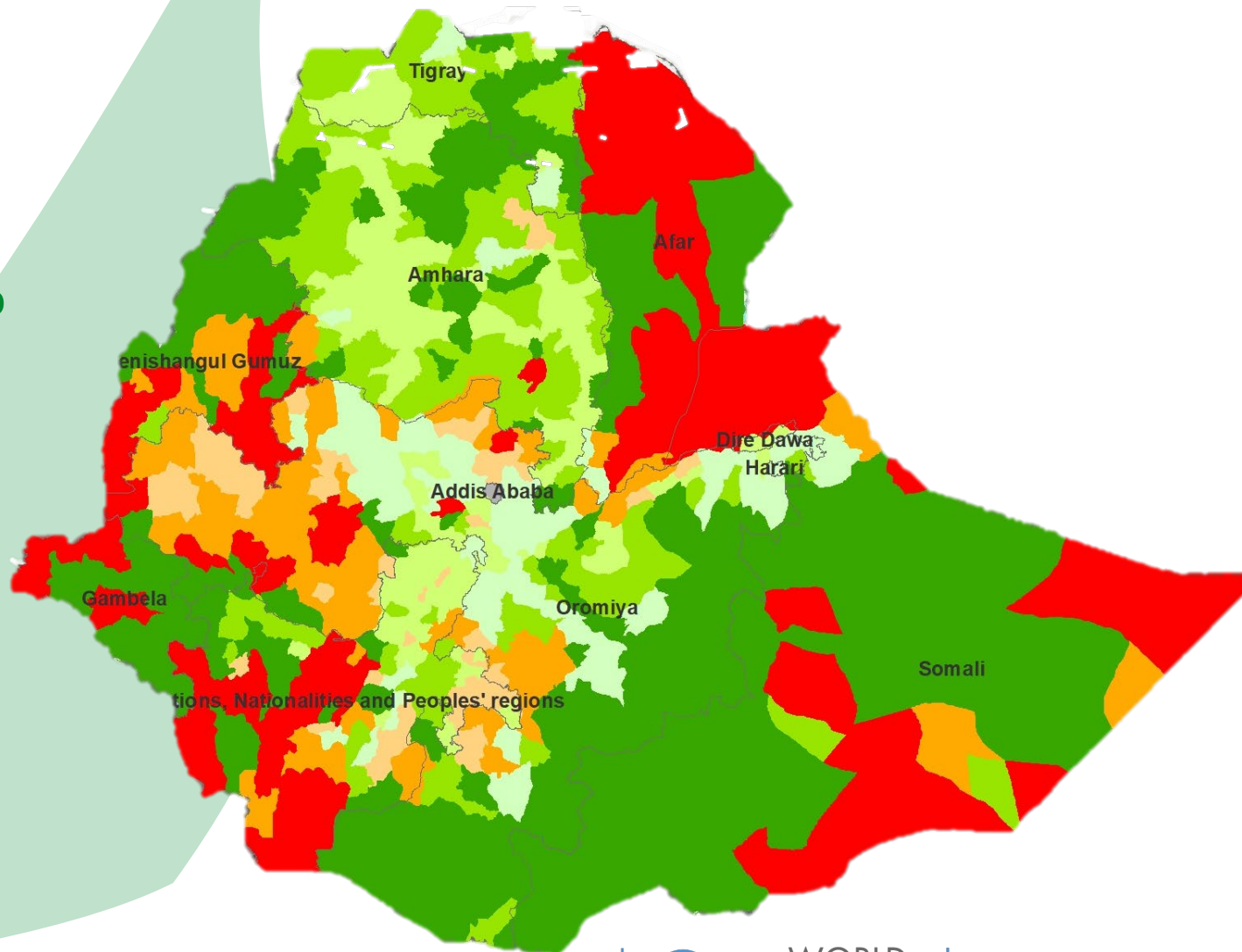




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MINISTRY OF AGRICULTURE

Hand in Hand Investment Forum 2026

ETHIOPIA



Food and Agriculture
Organization of the
United Nations



Hand-in-Hand
Initiative



WORLD
FOOD
FORUM

HAND-IN-HAND
INVESTMENT

Follow up of HH Investment Forum 2024 and National Investment forum 2025

Programme/activities	Estimate of required investment (USD)	Committed (USD)
Animal Feed 2023	330.6 million	100 million from AfDB*

Follow up from the National Investment Forum:

- Oman Investment Bank expressed interest and initiated discussions
- Saudi based investor is discussing ranch and red meat business opportunity with the Government. Looking for about 10 000 hectares of land.
- Chinese investor has expressed interest to invest on tractors and feed-mill machinery.
- Domestic investors are in discussion with MOA for organic fertilizer production.
- 4 International firms partnered with 36 local investors for contract farming and cover 36 660 hectares.
- Market linkages with agroindustrial parks: 13 222 tons of avocado fruits being sold.
- Additional land identified for investment: 116 000 hectares.
- Regions have identified lands for investment, and land allotment is increased to domestic investors.

Overview of Ethiopia & Agrifood Systems

Country Profile

Total population: **132 million** (World Bank, 2024)

Estimated **7.1% growth** in FY2025/26 (World Bank, 2026)

About **12 million** smallholder farming households account for an estimated 95% of agricultural production and 85% of all employment (FAO, 2025)

Agriculture supports over 80% of Ethiopia's population, contributes 34% of its GDP, and generates 70% of its export earnings (UN Food Systems Coordination Hub, 2025).

Estimated national poverty (World Bank, 2021): 33.10%

Ethiopia has **38.5 million ha of agricultural land** (34% of total) of which about 15 million ha currently under agricultural use (Ethiopian Statistical Service (ESS) 2023/24).

Policy Framework

Government of Ethiopia adoption of SDGs (2015)

The Pathway to Prosperity **Ten Years Perspective Development Plan (2021 – 2030)**

Draft Revised Agriculture and Rural Development Policy (2020)

The “10 in 10” **National Programs focuses** on raising production and productivity levels of priority commodities (Wheat, Lemat Tirufat)

Transition from public fertilizer import to local manufacturing - distribution open to public, private and cooperative players (revised policy, 2023)

Ethiopia is a member of the Comprehensive Africa **Agriculture Development Programme (CAADP)**

Ethiopia consistently integrates CAADP principles into its national development plans

Ethiopia is a member country for the Global Alliance Against Hunger and Poverty (GAAHP).

An overview of Ethiopian Agrifood Systems

Ethiopia is fully committed to achieving SDGs

Ethiopian Food Systems (EFS) Vision 2021-2030 has identified several game changer solutions working through **6 different clusters** that are critical to accelerating food systems transformation.

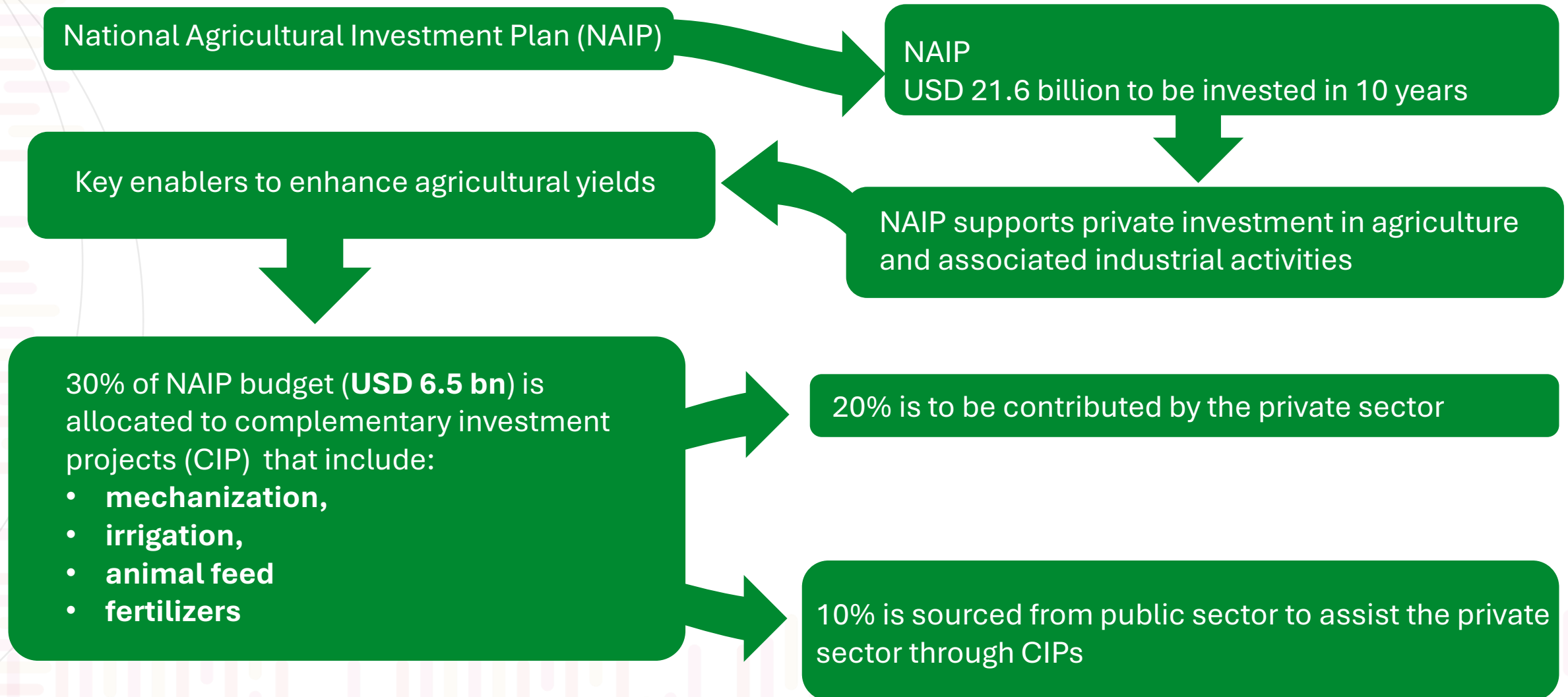


National Agrifood Systems

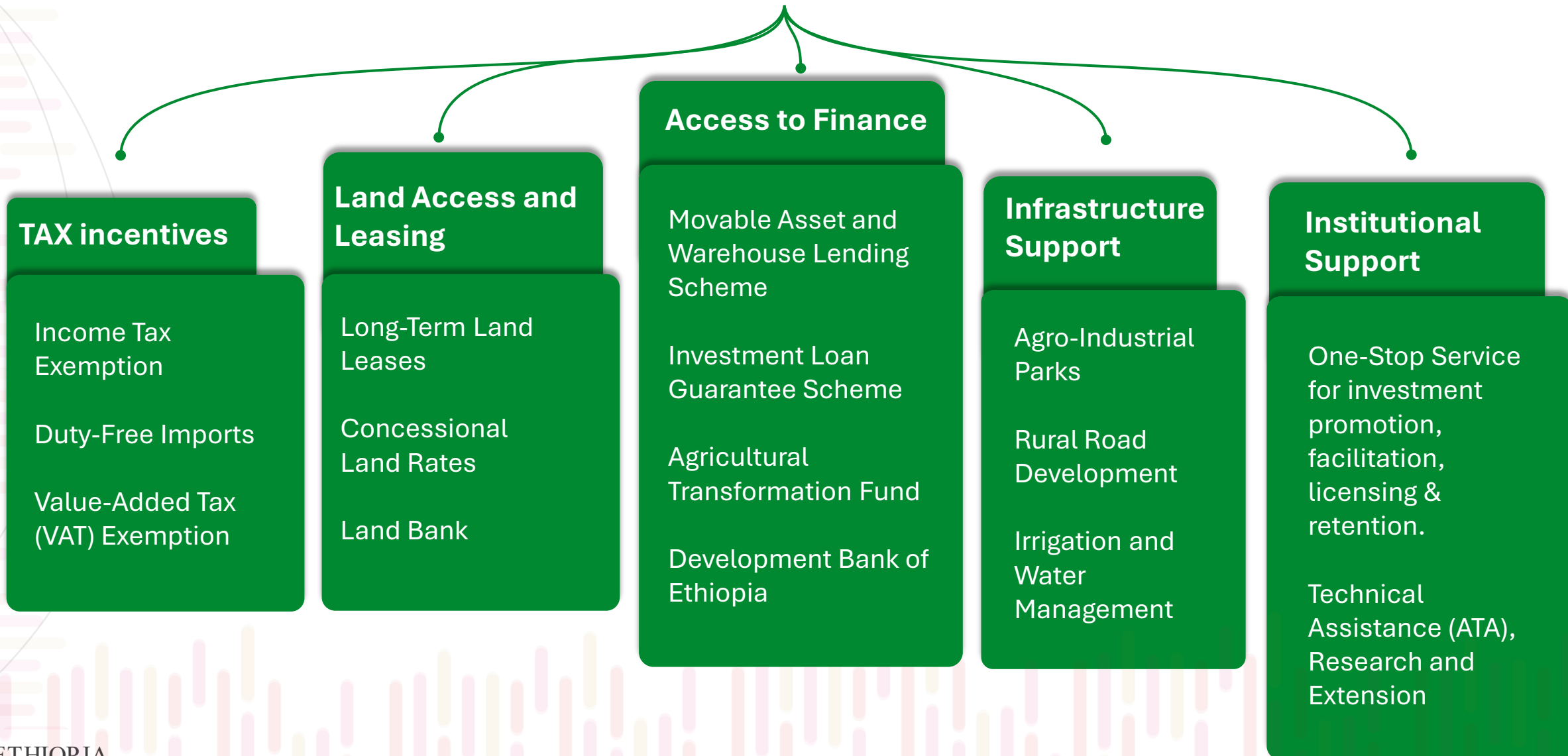
The 6 active clusters are:

1. Availability and accessibility of safe and nutrient-dense foods;
2. Sustainable and equitable consumption of healthy, safe, and nutrient-dense diets;
3. Integrated policy and system to promote agricultural transformation;
4. Mechanization, digital technology, and innovation;
5. Access to markets and market information;
6. Managing and mainstreaming risk and protecting the poor.

Investment Environment for Ethiopia's Agrifood Sector



Incentives



WHY INVEST IN ETHIOPIA?

VISA service

Ethiopia Business & Tourist Visas

- Ethiopia Foreign Business Firm Employment Visa (WV)
- Ethiopia Government Employment Visa (GV)
- Ethiopia Private Business Firm Work Visa (PE)

Industrial infrastructure:
industrial parks

Government target: food system
transformation vision

**Land ownership and contract farming legal
provision**

Investment requirement: Total
agricultural investment target: USD
21.6 billion

Human resources

Labor force:
over 65 million

Young & trainable
workforce

The country is hosting

- AU secretariat
- UNECA

Agreements and treaties related to trade

African Continental Free Trade
Area (AfCFTA) Agreement

COMESA

EBA

ACP_EU

Financial Advantages

Ownership

Repatriation

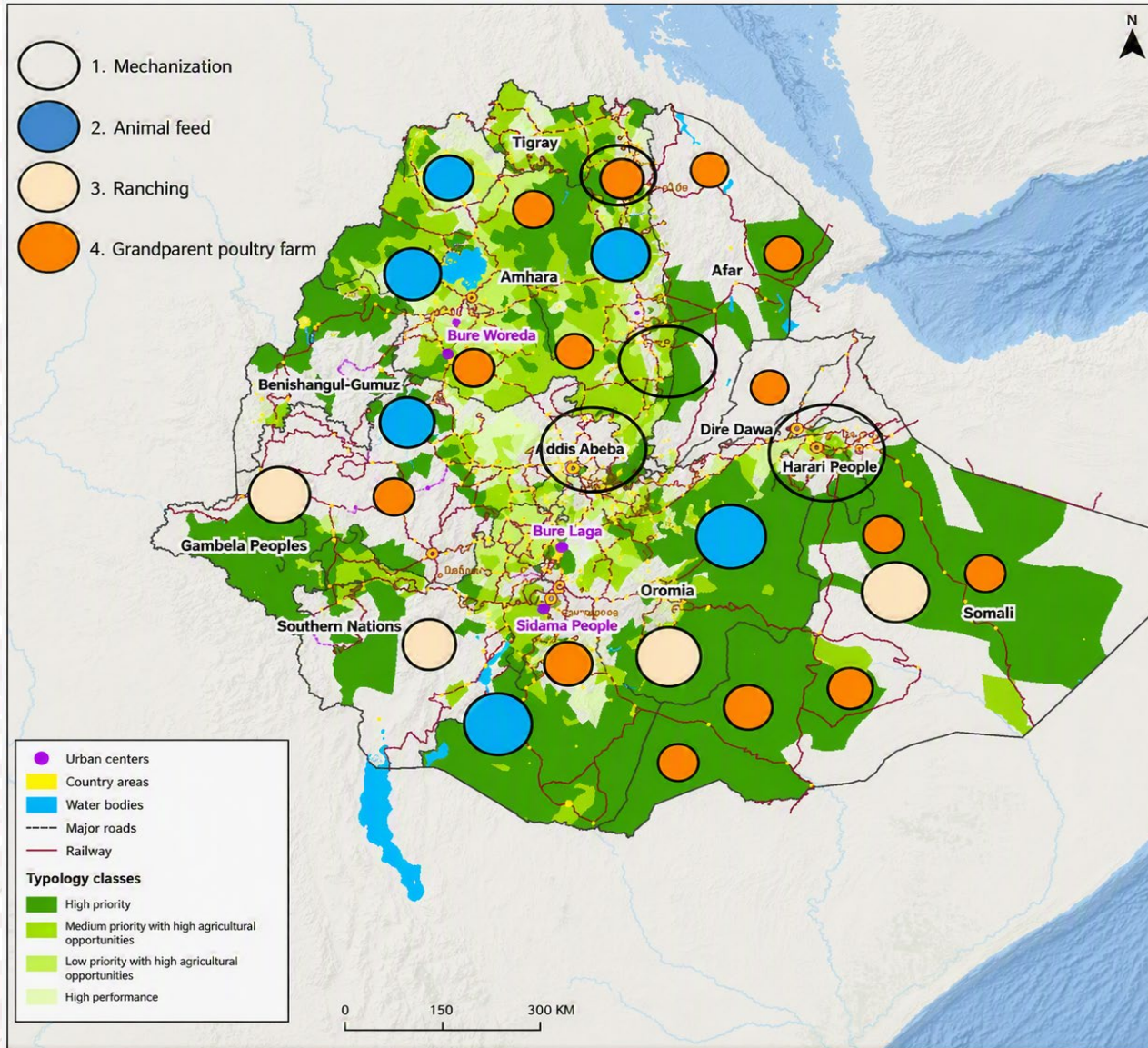
Tax holiday

Competitive corporate income tax rate

Supportive constitutional and legal
provisions

Strategic advantages:
Location in the Horn of Africa

HHH typology map – target investment locations



Target investment locations

Key prioritized investments:

- Mechanization
- Animal feed
- Extensive rangeland management (Ranching)
- Grandparent stock poultry farm

Investment Case 1: Agricultural Mechanization

Rationale for mechanization

Agricultural operations predominantly use hand tools, animal-drawn traditional implements for rain fed agriculture. Household level irrigation set is very much needed.

Smallholders have about 95% of cultivated lands, of which, 12.75 million-hectare farmland is suitable for Medium tractors (MT), 6.7-million-hectare farmland is suitable for walking tractors (WT) but imported, MT & WT are not accessible and unaffordable for smallholders.

About 750 000 hectares of farmland are suitable for compact tractors (20-70 HP); however, due to lack of availability and unaffordable (imported) small tractors farmers opt for oxen ploughs.

Export market is available for MT, WT and small tractors.

Mechanization areas

Smallholders have fragmented smallholdings that do not justify large mechanization, such as large tractors that handle cultivation at a bigger scale and are not accessible to smallholders at convenience.

Rapid assessment indicates there is huge demand for walking tractors (8-20) , Medium tractors (70-100HP), compact tractors (20-70HP) and small irrigation equipment.

This leads to the suggestion of mechanization at smaller scales, such as:

- Medium tractors
- Walking tractors
- Compact tractors

Investment Plan 1.1:

Manufacturing of Tractors and Irrigation Equipment

Key Bottlenecks	Key Investments	Risks (R) and Mitigation (M) Measures
- Lack/Insufficient of availability of Walking Tractor (8-20 HP), Medium tractors (70-100HP), Compact tractors (20-70 HP) and irrigation equipment(1.5-5HP) to smallholders and - Lack of availability of affordable irrigation systems at household level - Lack of availability of accessories and spare parts to smallholders - Lack of technical skills and knowledge	Set up/establish one large-scale tractor manufacturing facility with the following planned capacities: - Production line for 36 000 medium Tractor (70-100 HP), 4 500 units per year, costing USD148.7 million 13 194 compact tractors (20-70 HP), 880 units per year, costing USD 94.6 million 133 929 walking tractors (8-20 HP), 13 393 units per year, costing USD 79.7 million - Set up two irrigation equipment manufacturing facilities, each to produce 15 000 units of irrigation equipment (1.5-5HP capacity solar water pumps complete with piping, connections and high efficiency drip irrigators). Cost USD 13 909 500/unit, total investment: USD 27.8 million (PPP) Total cost: USD 350.8 million (PPP)	R: Low adoption of improved mechanization due to high import cost M: Set up large scale local facility with multiple size tractors for local farm use, supported by Government for producer uptake and rollout. R: Low adoption of improved high efficiency technologies. M: Government to support rollout of uptake.

1.2. Investment analysis (Mechanization)

Mechanization

- Total investment: **USD 350.8 million**
- IRR: **24%**
- NPV: **121.3 million**
- Direct beneficiaries: **6.7 million SHFs**
- Indirect beneficiaries: **12.750 million** smallholders
- Per capita income increase **USD 4 866** per direct beneficiary
- EX-ACT Carbon Balance +30 173 841 tCO₂ -e



Investment Case 2: Animal Feed Production

Rationale for System

Demand for Animal products in Ethiopia is rapidly increasing.

However, Animal productivity remains low, failing to meet the growing demand for milk and meat.

This low productivity is mainly due to inadequate nutrition, suggesting a shortage of quality and quantity in animal feed.

Deficit of >160 000 tons/annum (Valued USD 200 million)

Investing in animal feed production is essential to close this gap and unlock the sector's growth potential.

Application Areas

The existing production capacity of feed processing plants in Ethiopia is 292 762 metric tons.

The options for manufactured feed productions include:

- compound feed mixtures
- densified complete feed block production for cattle
- compound feed mixtures for poultry

Strategically located for the ~ USD 3 billion animal feed market

In addition, commercial forage seed production for cattle is a viable option.

Investment Plan 2.1: Animal Feed Production

Key Bottlenecks	Key Investments	Risks and Mitigation Measures
- There is a negative feed balance (about 21.5 million Tones) in Ethiopia. The highest gap of compound feed between supply and demand was recorded for dairy followed by beef and poultry farms. - Foreign currency constraints to import expensive livestock feed components such as Vitamin & mineral premix, Synthetic amino acids, Feed enzymes & additives. - Limited Technical Skills and Quality Control in the feed industry	- Establish two Poultry feed industrial units (~32,000 tons annual production capacity each) (USD 12.7 million per /modern industrial unit, including training (total USD 25.4 million) (PPP) - Set up three Densified feed block production facilities each with an annual production of ~210,000 tons each, including training. Costing USD 14.56 million/per unit for three unit), total cost USD 43.7 million (PPP) - Establish 6 Concentrate cattle feed facilities with ~138,000 tons of annual production capacity each, costing USD 10.64 million/per unit, including training, total cost USD 53.2 million (PPP) - Set up 10 units of commercial forage seed production and multiplication focused on high protein crop varieties & multiplication each covering 270 000 Ha, producing ~128 000 Tone of seed/year, including training and using local sourcing/contract farming arrangements, costing USD 12.59 million per unit (USD 125.9 million).	R: Price Volatility and Rising Production costs. M: Establish local livestock feed ingredient supply chains: Invest in the large-scale production of indigenous protein and energy sources, Promote "Feed-to-Market" linkages. R: Inconsistent Supply of livestock feed Raw Materials (Grains, Oilseed cakes, bran for animal feed production. M: Local sourcing and contract farming arrangements with farmers and cooperatives and seed multiplication to improve the availability and sustainability of feed and fodder resources.

2.3. Investment analysis (Animal feed)

Animal Feed



- Total investment: **USD 248.2 million**
- IRR: **20.8%**
- NPV: **USD 95.5 million**
- Direct beneficiaries: **6 914** employees
- Indirect beneficiaries: **2.6 million** livestock owners
- Per capita income increase **USD 3 735** per direct beneficiary
- EX-ACT Carbon Balance +10 951 452 tCO₂-e

Investment Case 3: Extensive rangeland management (Ranching)

Rationale for System

In Ethiopia agro-pastoral, and mixed farming practices have numerous challenges related to water scarcity, feed availability, and traditional practices.

Huge potential for investment as consumption of milk is increasing.

Red meat demand growing 7% annually; production largely organic

Modernizing these systems requires a holistic approach that balances tradition with innovation.

Application Areas

More than 1.1 million hectares of land is available for the ranching industry.

At least three Extensive rangeland management (Ranching) are required to meet the national demand for red meat and surplus for export.

At least 34 650 initial cattle are required for the Extensive rangeland management (Ranching) as starter populations.

Investment Plan 3.1: (Extensive rangeland management)

Key Bottlenecks	Key Investment	Risks and Mitigation Measures
- Current traditional method of cattle production lacks commercial orientation - Lack of at-scale high efficiency livestock production for national and export markets.	- Establish three large-scale cattle units, each with a capacity of 34 650 cattle (including bulls), on 161 000 Ha, including set up, fencing, water and cattle shelters, waste management, including climate smart production practices training. - Costing USD 45.5 million each, total cost USD 136.6 million (Private/PPP)	R: Land suitability: M: Government has identified more than 1 million hectares of land as available for livestock ranching. R: Climate risks: M: Water and fodder/feed provision and generations planned, linked to Investment Cases 2 on Animal Feed.

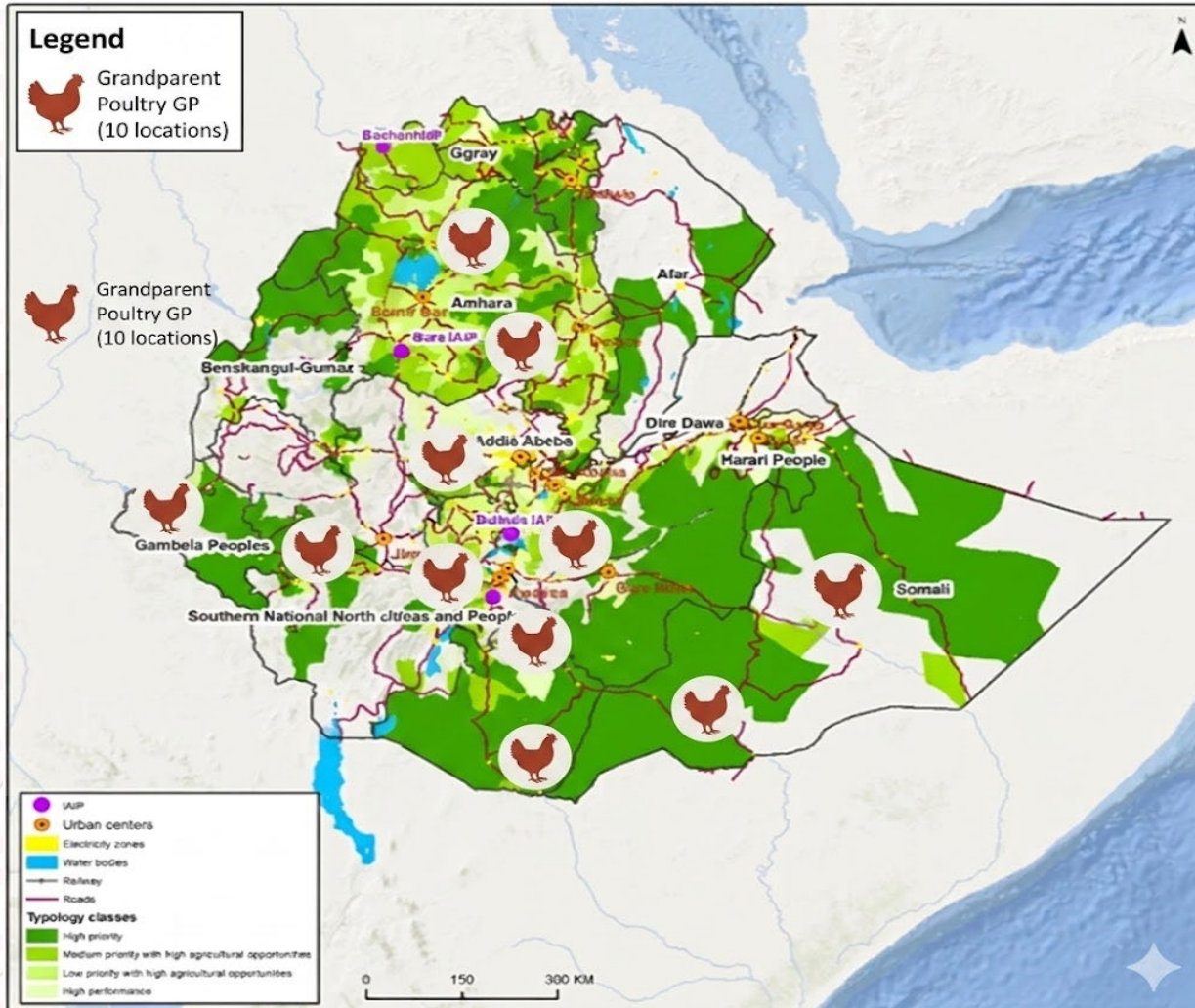
3.2. Investment analysis (Extensive rangeland management)

Extensive rangeland management (Ranching)

- Total investment: **USD 136.6 million**
- IRR: **25%**
- NPV: **USD 91.7 million**
- Direct beneficiaries: **2 676**
- Indirect beneficiaries: **13 380** household members
- Per capita income increase: **USD 2 648** per direct beneficiary
- EX-ACT Carbon Balance -56 620 tCO₂-e



4. Grandparent stock poultry typology map –target investment locations



Target investment locations

Key prioritized investments:

- Grandparent stock poultry Farm to Produces Parent stock DOC

Investment Case 4.1: Grandparent stock Poultry

Rationale for Grandparent Poultry breeding

Genetic Productivity Gap: Over 78 % of Ethiopia's poultry are indigenous breeds producing only 50–60 eggs/year, compared to 300+ eggs from improved breeds.

Low Consumption Levels: Current per capita consumption is only 0.6 kg of meat and 0.07 kg of eggs, which is significantly below the African average.

Import Dependency: The sector relies heavily on imported Parent Stock and Day-Old Chicks (DOCs), leading to foreign exchange shortages and supply inconsistencies.

Rising Market Demand: Rapid urbanization and rising incomes have created an unmet demand that domestic production cannot currently fulfill.

Grandparent Poultry breeding

Strategic Internalization: Establish domestic Grandparent Poultry breeding to reduce reliance on international imports and secure national food sovereignty.

Production Targets: The model aims to establish 10 GP farms, each with a capacity of 6400 units per cycle. **Scale of Output:** Each GP farm is designed to supply at least 1632000 improved Parent Stock (PS) units annually to the national market and export.

Export Potential: Given the scale of production, there is a significant opportunity to serve the export markets of neighboring countries.

Investment Plan 4:2: Grandparent stock Poultry

Key Bottlenecks	Key Investments	Risks and Mitigation Measures
- Genetic Limitations: 78% of birds are low-yielding indigenous breeds. - Input Supply Scarcity: Insufficient domestic hatchery capacity and costly feed - Infrastructure Gaps: Weak cold chain and logistics for distributing live birds - Technical Skill Gap: Shortage of personnel trained in specialized GP management	- Establish two Grandparent (GP) poultry farms (layer and broiler), each supported by parent stock farms. These will operate as with high biosecurity standards under a public–private partnership (PPP) model. The unit investment cost is USD 4.5 million per GP farm, bringing the total required investment for the two GP farms to USD 9 million. - Modern hatcheries: Large-scale facilities dedicated to the production of parent stock and day-old chicks (DOCs). A total of five hatchery units are planned, each with an estimated cost of USD 100,000, resulting in a total investment of USD 500,000. The project will be implemented under a Public–Private Partnership (PPP) model. - Logistics and transport: Modernized distribution systems will be established to deliver day-old chicks (DOCs) efficiently from GP farms and hatcheries, minimizing bird losses. A total of 10 specialized delivery lorries equipped with ventilation and temperature control for DOC transport are planned.	R: High biosecurity risks and disease outbreaks. M: Implement advanced veterinary services, biosecurity measures R: High initial capital costs and FX shortages. M: Gov.et priority and High return R: Low adoption of improved high efficiency technologies. M: Capacity building for local vets and technical staff.

4.3. Investment analysis (Grandparent stock Poultry)

Grandparent Stock Poultry

- Total investment: Unit investment cost **4.5 Million USD**, for two GP investment cost **9 million USD**, and 10 yrs progressive investment **USD 45.5 million**
- IRR: **30%**
- NPV: **4.2 million**
- Direct beneficiaries: **16339 SMEs**
- Indirect beneficiaries: **406 320 Day-old chicks/DOC Producers** smallholders/Farmers
- Per capita income increase **USD 60,000** per direct beneficiary
- EX-ACT Carbon Balance:- +9,856 tCO₂-e



744.6 Million USD

Investment cost

22.7%

Average IRR (%)

17 812 USDAvg Per Capita
income increase**312.7 Million**

Total NPV

22.49 Million

Total Beneficiaries

6.72 Million

Direct Beneficiaries

15.77 Million

Indirect Beneficiaries

+41 MillionTotal Carbon
Balance (tCO₂-e)

Investment case

Mechanization

Investment:

350.8 Million USD

NPV :

121.3 Million USD

IRR:

24%

Direct beneficiaries

6.7 Million SHFs

Indirect beneficiaries:

12.75 Million

Total beneficiaries:

19.42 Million

Per Capita income increase

4 866 USD/Person

EX-ACT Carbon Balance

+30 173 841 tCO₂-e

Investment case

Animal feed

Investment:

248.2 Million USD

NPV :

95.5 Million USD

IRR:

20.8%

Direct beneficiaries

6 914 Employees

Indirect beneficiaries:

2.6 Million

Total beneficiaries:

2.6 Million

Per Capita income increase

3 735 USD/Person

EX-ACT Carbon Balance

+10 951 452 tCO₂-e

Investment case

**Extensive rangeland
management (Ranching)**

Investment:

136.6 Million USD

NPV :

91.7 Million USD

IRR:

25%

Direct beneficiaries

2 676 Employees

Indirect beneficiaries:

13 380 households

Total beneficiaries:

16 056

Per Capita income increase

2648 USD/Person

EX-ACT Carbon Balance

-56 620 tCO₂-e

Investment case

Grandparent Poultry

Investment:

9 Million USD

NPV :

4.2 Million USD

IRR:

30%

Direct beneficiaries

16339 SMEs

Indirect beneficiaries:

406 320 SHFs

Total beneficiaries:

422 659

Per Capita income increase

60 000 USD/SMEs

EX-ACT Carbon Balance

+9,856 tCO₂-e