

Voluntary Report – Voluntary - Public Distribution

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Report Name: Ethiopia Announced Tenders to Buy 600000 Metric Tons of Wheat

Country: Ethiopia

Post: Addis Ababa

Report Category: Grain and Feed

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Report Highlights:

The Government of Ethiopia (GOE) floated two international competitive bids to purchase a total of 600,000 metric tons of foreign wheat. The first bid looks for buying 200,000 metric tons of wheat for emergency relief assistance purposes. The second tender seeks 400,000 metric tons of wheat for stabilizing local market through the GOE bread subsidy program. Bid submissions for the first and second bids are due on April 1 and April 7, respectively.

Ethiopia in the Market to Buy 600,000 Metric Tons of Milling Wheat:

The GOE has recently announced two separate international bids to buy a total 600,000 metric tons of milling wheat. The first bid for 200,000 metric tons is intended for emergency relief food supplies, which is managed by National Disaster Risk Management Commission. While the second bid for 400,000 metric tons of wheat is meant for local market stabilization program executed by the Ministry of Trade and Industry. This imported wheat will be distributed to local millers and bakeries at subsidized price. These two open bids are the latest round of international tenders issued in 2020 as the GOE strives to address a sustained wheat supply shortage and tackle food price inflation. Delivery of the wheat is expected within three months after signing the contract.

Background

At the end of 2019, the GOE procurement agency contracted with two international grain companies to supply 400,000 metric tons of wheat, which was tendered in four equal lots. The average price of wheat for the entire lot stood at \$223.6 per metric ton. Like previous wheat transactions, Post anticipates the GOE would source this latest round of wheat from the Black Sea region due to inexpensive price.

The GOE Ministry of Agriculture envisages boosting local production of wheat using irrigation development projects. There are ongoing initiatives of irrigated wheat farming in Afar and Southern regions using the Awash and Omo river basins, respectively. The Ministry of Agriculture projects self-sufficiency in local productions in the coming three to five years and anticipates ceasing wheat imports thereafter. However, this looks an ambitious plan to realize in such short span of time and given huge capital investments and other resource requirements.

Please see PDF files below for details on the GOE Invitation for Bid.

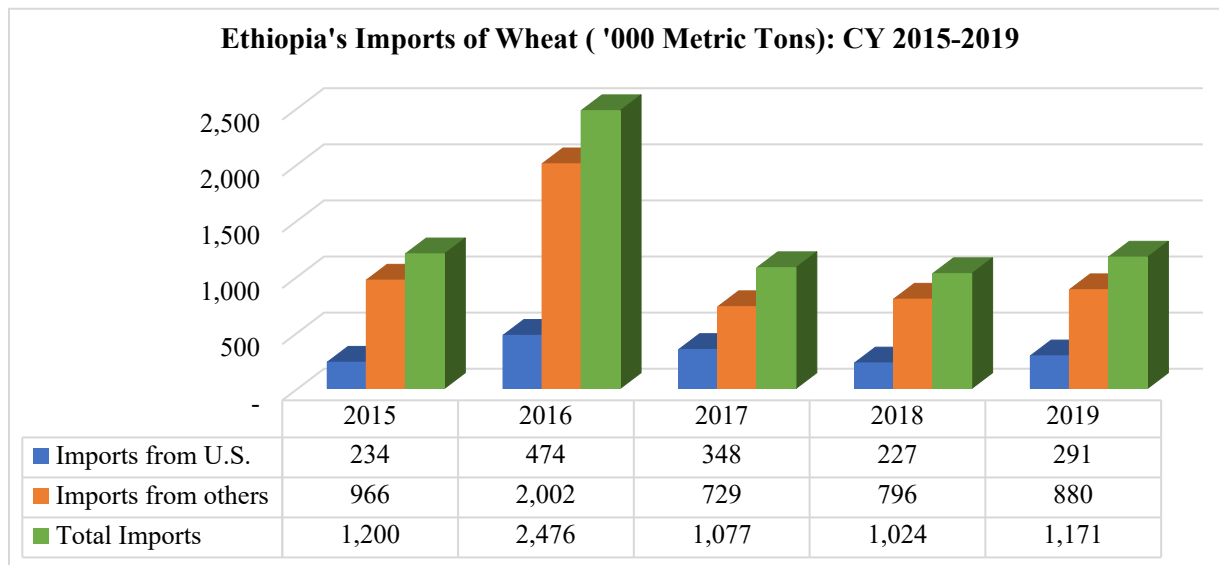


Procurement of
200,000 MT milling v



Procurement of
400,000 MT milling v

The chart below shows trend of Ethiopia’s imports of wheat from the world on Calendar Year (Jan-Dec). Almost all wheat imports from the United States are food aid shipments. While imports from other countries consist of commercial wheat¹ purchases mostly from the Black Sea region. The top commercial import markets for Ethiopia in 2019 were Ukraine, Russia, Bulgaria, and Romania.



Source: Trade Data Monitor (TDM)

Attachments:

¹ Wheat imports during 2016 were considerably higher because of severe drought that hit the country and the GOE responded by ramping up imports of foreign wheat.

No Attachments.