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## Ethiopia

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### Ethiopia Retenders a Third Time for 400TMT of Wheat

**Report Categories:**

Grain and Feed

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**Report Highlights:**

The Ethiopian government recently retendered for a third time to buy 400,000 tons of imported milling wheat for the country's bread subsidy program. Delivery is expected to begin in August. In the meantime, these repeated procurement delays have reportedly contributed to subsidized bread shortages, which the government is trying to address through different interventions.

### **Ethiopia Retenders a Third Time for 400,000 MT of Wheat:**

Earlier this month, Ethiopia retendered a third time to buy 400,000 metric tons of imported milling wheat to be used in the government's bread subsidy program. Bids are due May 18 and delivery is expected to begin in August.

According to [news](#) sources, the second tender was canceled in late April because of a technical discrepancy with the lowest offer. The bid from Promising International at roughly \$248/MT was said to have failed because it didn't include a comparison freight quote using the government-run shipping lines. The second lowest offer was from ADM at nearly \$266/MT. Details on the first canceled tender can be found in [ET1809](#).

The delayed procurement and arrival of this tendered wheat, which was originally supposed to arrive in country this past January, has contributed to subsidized bread shortages in the nation's capital. As a result, some bakeries have started cutting back on production. To address the situation, the government is said to be considering different interventions, such as a drawing stocks from the country's strategic grain reserve and accelerating the delivery date of the current tender. However, the specifics remain unclear. Meantime, the shortages appear to have put upward pressure on non-subsidized, local wheat prices, which are currently running between \$550-620 per metric ton.

Only designated flour mills, mostly in and around the capital city, can buy the subsidized wheat from the government at a discounted price, mill the wheat, and then sell the flour at a fixed price to select bakeries in Addis. The price of the subsidized bread is capped at 1.5 Ethiopian Birr (\$0.05) per 100 grams.

In addition to the abovementioned tender, the government also tendered earlier this month for 35,000 metric tons of wheat for the Productive Safety Net Program (PSNP). Bids are due May 17 and delivery is expected sometime in the August-September timeframe.