

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary Public

Date: 8/4/2015

GAIN Report Number: ET1523

Ethiopia

Post: Addis Ababa

Ethiopian-Grown Teff Flour Coming to a Supermarket Near You

Report Categories:

Grain and Feed

National Plan

Approved By:

Michael G. Francom, Ag Counselor

Prepared By:

Abu Tefera, Ag Specialist

Report Highlights:

Ethiopia is preparing to export limited amounts of teff flour to the United States and other foreign markets to capitalize on the growing demand for gluten-free grain products. Exports are expected to begin in early 2016 with annual totals the first year expected to reach between 6,000-8,000 metric tons. To avoid potential inflationary pressure from the export of teff flour, the Government of Ethiopia (GOE) will tightly control the volumes produced for export. In addition, to meet foreign countries' import requirements, the GOE will institute the proper food safety and quality-based measures.

Growing Foreign Demand for Gluten-Free Products Spurs Interest in Exporting Teff Flour:

With growing demand for gluten-free products in the United States and elsewhere around the world, Ethiopia is launching a pilot export program for gluten-free flour made from the country's indigenous teff grain. According to the Agricultural Transformation Agency (ATA), which is spearheading this experimental export initiative on behalf of the Government of Ethiopia (GOE), the maiden shipment is expected as early as January 2016, with annual exports forecast to reach between 6,000-8,000 metric tons during the first year. This amount is less than 0.2 percent of annual teff grain production. As the pilot progresses, ATA indicated in a recent [press interview](#) that export volumes could reach upwards of 18,000 metric tons.

The product for export will initially be grown on 48 select commercial farms, covering an estimated 6,000 hectares. On these farms, average yields would need to be more than 1.0-1.3 MT/HA in order to produce enough teff to generate 6,000-8,000 metric tons of flour. From post's perspective, this seems doable since the current average yield for teff produced on commercial farms is around 1.5 MT/HA. That said, to reach an export target of 18,000 metric tons of teff flour, additional farms as well as increases in productivity are expected.

ATA is working to ensure that the selected farms produce teff that complies with the health and safety requirements (e.g. maximum residue limits for pesticides) of the United States and other target export destinations. Supply chain controls will be used to maintain the safety and identity of the product throughout the teff value chain. In addition, the teff flour for export will not commingle with non-export product nor will it enter the local teff market. These combined measures are expected to increase the marketability of Ethiopian-grown teff flour in foreign markets.

Based on the skyrocketing prices for teff and teff flour prices abroad, there seems to be considerable opportunity for Ethiopian teff flour exports, even if it is just small volumes. In Ethiopia, average quality, whole grain teff is currently selling for about \$USD 1.00 per kilo. By comparison, in the United States teff flour is selling for a little more than \$USD 16 per kilo on Amazon. This price differential is extremely attractive and one which Ethiopia hopes to capitalize on in order to generate needed foreign exchange and to catalyze development in the country's agricultural sector.

There is some concern about teff flour exports causing undue inflationary pressure on local teff prices, which are already at record levels, not to mention the fact that it is the most expensive grain in the domestic market. In order to safeguard against inflation, the GOE will tightly control the volumes produced for export and ensure it is handled in a controlled environment. Further, outside of these trial export shipments, the GOE is expected to continue its ban on grain exports. With these combined controls in place, the anticipated first year's export volume of 6,000-8,000 metric tons, which represents less than 0.2 percent of annual teff production, is not expected to impact local prices.

To read more about Ethiopia's grain production situation, please refer to GAIN [ET1503](#).