

Agri Business Agro processing and Mechanization



Population

135.0M

Agricultural Land

38.5M ha

GDP

\$126B (2025)

Agriculture growth

4.7%/Annual

Ethiopia's agriculture sector presents a strong growth opportunity, with the market projected to expand from USD 8.7 billion in 2026 to USD 15.73 billion by 2035, reflecting a CAGR of 6.8%. As a priority sector for the Government of Ethiopia, agriculture is supported by enabling policies and ongoing reforms, including the Ministry of Agriculture's 10-year perspective plan aligned with the Home-Grown Economic Reform agenda. Ethiopia's participation in the Comprehensive Africa Agriculture Development Programme further reinforces this commitment. The sector also benefits from a large and young workforce, with 28 million people aged between 15 and 29, as well as a strong skills pipeline, with more than 300,000 university graduates and 367,000 TVET graduates each year. Together with the development of integrated agro-industrial parks, these factors position Ethiopia's agriculture sector for sustained investment, productivity gains, and value-chain development. Agriculture remains a very important part of Ethiopia's economy: it accounted for about 34.8% of GDP in 2024, while about 61% of employment was in agriculture.

Arable Land Potential: A Gateway for Agribusiness

Amhara

Available land: 10,000 ha

Potential crops/ commodities:
Cotton, oil seed, sorghum,
soybean

Oromia

Available land: 65,853 ha

Potential crops/ commodities:
Cereal crops, Flower, fruit,
vegetable, coffee, pulse crops

South West

Available land: 98,757 ha

Potential crops/ commodities:
Cereals, pulse crops, oil crops,
spice and horticulture

SNNPR

Available land: 32,238 ha

Potential crops/ commodities: Food crops
(maize, sorghums), pulse crops, oil crops,
and cotton

Afar

Available land: 399,204 ha

Potential crops/ commodities:
Irrigated wheat, cotton, fruits
and oil crops

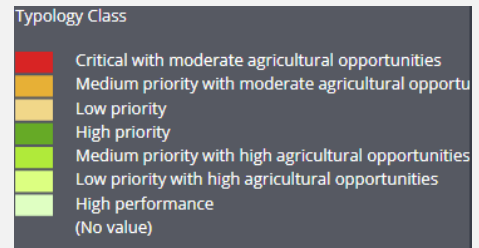
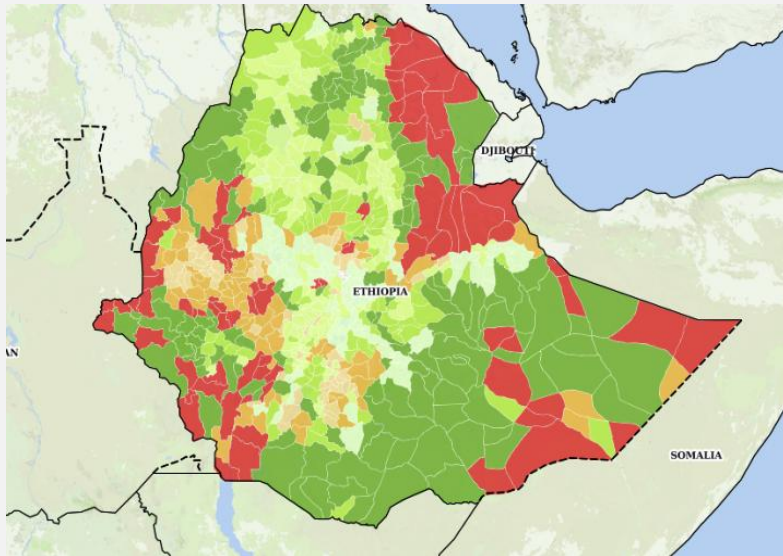
Somali

Available land: 650,000 ha

Potential crops/ commodities:
Irrigated wheat, fruits, industrial crops
(cotton, Castor bean), oil crops
(sesame) and animal feeds (Alfalfa
and Rhodes grass), Livestock
production (feedlot and ranch for
camel and goat)

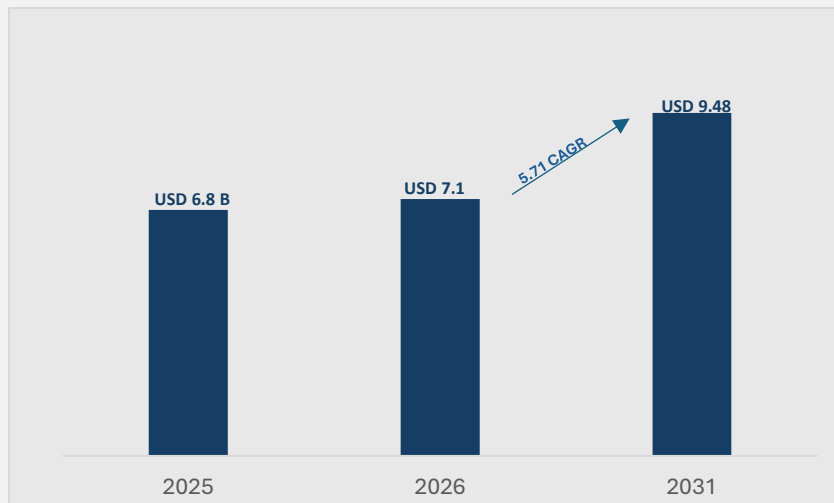
Source; Ethiopian Investment commission

Agricultural Typologies and Opportunities



Source; Food and Agriculture Organization of the United Nation FAO

Agriculture Sector Market Size and Forecast



Source; Mark wide Research

The Ethiopia agriculture market size was valued at USD 6.80 billion in 2025 and estimated to grow from USD 7.19 billion in 2026 to reach USD 9.48 billion by 2031, at a CAGR of 5.71% during the forecast period (2026-2031). Rising cereal demand from a population expanding at 2.5% annually, swift irrigation buildouts in lowland belts, and duty-free Gulf access for fresh produce are combining to accelerate revenue growth. Fertilizers still account for the largest slice of spending, yet mechanization programs are closing the equipment gap by subsidizing tractor leases and combine harvesters. Digital trading on the Ethiopian Commodity Exchange is compressing bid-ask spreads, lifting farm-gate returns and injecting transparency into the Ethiopia agriculture market.

Segment Analysis

Food crops were largest segment, held 68% of the Ethiopia agriculture market share in 2025. Cereals such as teff, wheat, maize, and sorghum occupy a significant portion of cultivated land in Ethiopia, reflecting their importance to the country's food security and rural livelihoods. Pulses, including chickpeas, lentils, and faba beans, also contribute substantially to crop value. Maize, Ethiopia's highest-yielding cereal nationwide, is expanding in lowland areas through irrigation. Sorghum and millet remain essential in the Somali and Afar regions, where their drought tolerance is prioritized over yield potential. Pulses, particularly chickpeas and kidney beans, are primarily exported to India, Pakistan, and Turkey. Growth in this segment is constrained by volatile international prices and quality-related disputes.

Fruits are fastest growing segment, forecast to record 9.2% CAGR through 2031, shifting the Ethiopia agriculture market share toward high-value horticulture. Avocado are among the fastest-growing exported fruits, particularly from the Oromia region, one of Ethiopia's largest agricultural areas. Shipments are primarily directed to Europe and the Middle East. Strawberries and other fresh fruits have been exported to markets such as Saudi Arabia, reflecting activity beyond traditional regional markets. Traditional fruits, including bananas, mangoes, citrus fruits (oranges and lemons), papayas, guavas, and avocados, are extensively cultivated and serve as the foundation for both local consumption and export opportunities

Agricultural Mechanization

Although the use of tractors, combine harvesters, irrigation pumps, threshers, and other agricultural machinery has increased in recent years, Ethiopia remains significantly under-mechanized, with many smallholder farmers still relying on traditional farming methods.

The government's National Agricultural Mechanization Strategy 2026–2035 aims to accelerate mechanization through improved access to machinery, mechanization service centers, private-sector participation, irrigation development, financing, and operator training. The sector presents significant opportunities for tractor and machinery leasing, mechanization-as-a-service, combine harvesting, irrigation equipment, spare parts, maintenance, and agricultural equipment financing. With increasing commercialization of agriculture, expansion of irrigated farming, rising labor costs, and growing demand for higher agricultural productivity, agricultural mechanization is expected to become an increasingly important and attractive market in Ethiopia

Agricultural Machinery Stock

Irrigation Pumps	506,112
Tractors	21,666
Threshers	18,234
Combine harvesters	10,722

Leading Market Companies

Ethio Agri-CEFT

Horizon Plantations PLC

Belayneh Kindie Group

ACOS Ethiopia PLC

Louis Dreyfus Company

Olam International Limited

Awash Wine Share Company

Jittu Horticulture PLC

Adam Horticulture PLC

Recent Industry Development

May 2026: Dangote Group expanded the scope and budget of its fertilizer project in Gode, Somali region, lifting planned investment to more than USD 4 billion and adding major infrastructure elements alongside urea, including an NPK blending facility, a 120 MW power plant, and a natural gas pipeline. The move strengthens the pathway toward localized fertilizer supply and can reshape input availability and pricing dynamics for Ethiopia's crop producers and agro-dealers.

December 2025: Ethiopia's Ministry of Trade and Regional Integration mandated that payments for export crops produced under contract and investment farming be routed through the Ethiopian Commodity Exchange (ECX). Centralizing payment flows under ECX mechanisms increases transparency and oversight for contract-farming supply chains, shaping how exporters, aggregators, and farmers structure procurement and settlement.

November 2024: Ethio Vegfru shipped Ethiopia's first refrigerated vegetable export by sea to Europe, sending 12 metric tons of Sugar Snap and Mangetout peas to the Netherlands via Djibouti. Establishing a refrigerated corridor for sea freight supports higher-value horticulture exports and expands the addressable market for cold chain, packing, and quality-control services.

Investment Opportunities

Agricultural Mechanization and Modernization

- Tractors, planters, harvesters, irrigation equipment.
- Agricultural machinery assembly and maintenance centers.
- Precision agriculture and digital farming solutions.

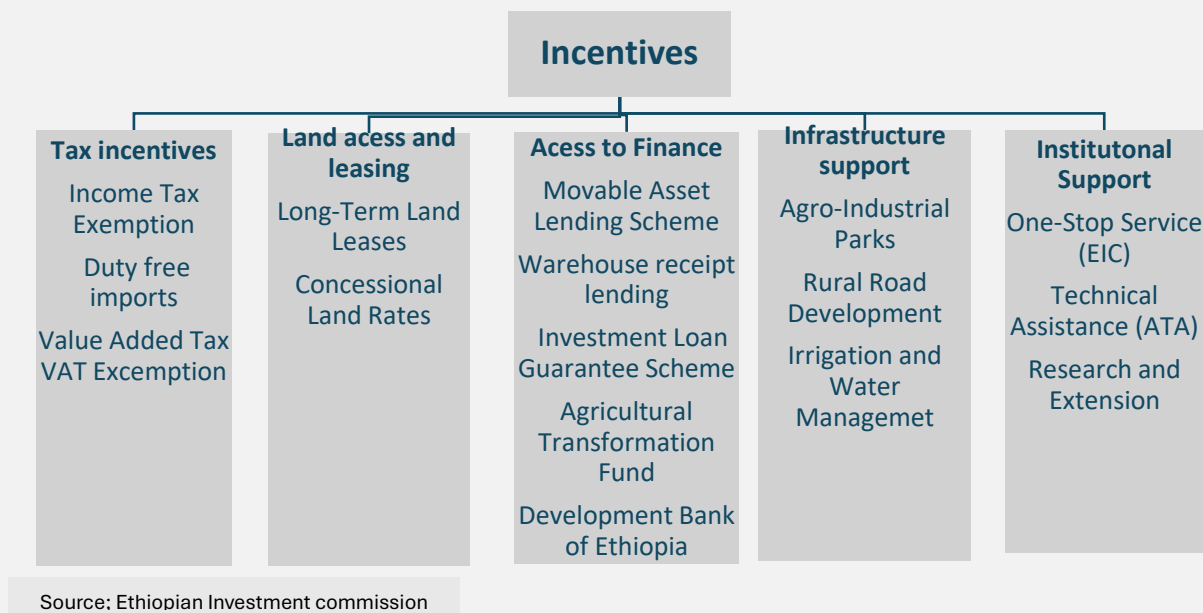
Agro-Food Processing and Value Addition

- Food processing technologies.
- Cold chain and storage facilities.
- Packaging solutions.

Irrigation and Climate-Smart Agriculture

- Irrigation equipment.
- Solar-powered pumping systems.
- Water-efficient technologies.
- Climate-smart agribusiness solutions.

Investment Incentives



Institutional Support



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