

# Perspectives of Safflower, Sesame and Noug Products from Ethiopia on International Markets

—

a study by

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for the SNV BOAM Program



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## Perspectives of Safflower, Sesame and Noug Products from Ethiopia on International Markets

### Aim of the study

The overall objective of the study was to provide essential information to formulate market-oriented intervention strategies for stakeholders of the SNV<sup>1</sup> BOAM<sup>2</sup> program in Ethiopia. Improved competitiveness of producers, processors and exporters along the oil seeds and edible oils value chain, a focus area of BOAM, is expected. The study includes a survey of the main export markets for Safflower, Sesame and Noug, interviews with potential buyers in the EU and US regarding product specifications and quality requirements. Identification of legal requirements as well as a pressing trial of Safflower seed were also part of the work.

### Findings

Based on our research and buyers interviews the following statements can be made:

**Safflower:** Export markets for Safflower are competitive. This refers to oilseeds as well as pressed oils. The latter are preferable for Ethiopian sellers, because a greater share of value creation can be kept in the country. Under the tough competition, to win recognition and take hold of a certain market share, organic quality should be offered. This can be confirmed by concrete expressions of interest of companies, one of which even saw possibilities to engage in medium-term projects.

With respect to **Sesame** a premium strategy is recommended, too. Common marketing initiatives for both oilseeds should be evaluated to create synergy effects (e.g. presence at trade fairs etc.). Compared to Safflower, Sesame has an additional potential for marketing strategies building on Geographical Origin: For Humera Sesame, which is already internationally recognised for its aroma, a Protected Designation of Origin could help developing new markets and realising higher prices.

For **Noug**, export markets have hardly been developed in Europe; in North America, a market for bird seed but not as edible oil for human consumption exists. In consequence, a high potential does exist, but realisation still needs some efforts to communicate the advantages of the product. To achieve this, research activities on nutritional advantages are proposed; necessary contacts to research institutions in Germany, Canada and Ethiopia have been established for this purpose. Once markets are found, a Protected Designation of Origin for this originally Ethiopian plant could help defending market shares against Indian or possible future US competitors.

One major strength of Noug and Sesame is that they are native to Ethiopia and, like Safflower, adapted to the climate. This allows to produce with low chemical inputs such as fertilisers and pesticides. Especially Safflower and Noug, which are not exigent with respect to site quality, are predestined for organic agriculture.

Pursuing a higher share of value creation, pressing trials for Safflower, a hard to crush oilseed, were undertaken at a leading oilpress producing company in Germany. Concrete recommendations concerning dimensioning and handling can be given based on our experiments. Implementation of a pilot plant for capacity building is recommended. This should include training for interested oilmillers.

As a common denominator for all three oilseeds, a quality strategy, if possible organic

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<sup>1</sup> Stichting Nederlandse Vrijwilligers, a development organisation financed by the Dutch government

<sup>2</sup> Support to Business Organisations and their Access to Markets

standards, is highly recommended. Ethiopian sellers will not be able to persist in a market if concentrating on cheap mass products. More efficient, more subsidised or more mechanised regions would certainly outcompete Ethiopian producers. Based on this and other studies carried out on oilseeds, we do not favour a strategy aiming at higher yields through capital-demanding intensification and hybrid varieties. Instead, traditional and/or local varieties that are adapted to the local soils and climate should be fostered.

Standards to be achieved: Though the cultivation of Noug and Safflower is rather extensive, quality management and traceability in production and processing is indispensable: Interview data showed, that quality standards of buyers often exceed legal requirements. To meet these, efforts to establish and maintain quality management and control systems from production to handling, storage and processing need to be undertaken. A system of traceability needs to be established. This is an exigent task for smallholder-based structures, but also a promising way to directly lift up welfare levels.

Experience has shown that especially in Ethiopia active participation of primary producers in quality management, certification processes and marketing as well as benefit sharing throughout the supply chains still need to be developed further. However, quality management does not work without economic motivation. This requires a strong linkage between appreciation of local food crop identities, quality awareness and marketing specific product characteristics, such as 'organic', 'healthy', 'traditional' or 'authentic/genuine'. Higher standards and recognition should finally be reflected in elevated revenues.