

Reopening the European spice market for Ethiopian exporters



Colophon

This case study has been developed under the initiative of the ENTAG program, which is part of the BENEFIT portfolio and financed by the Embassy of the Kingdom of the Netherlands in Addis Ababa, Ethiopia.

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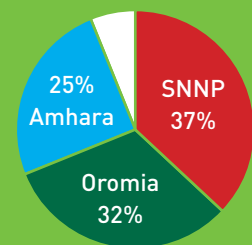
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Contents

Executive summary	5
<hr/>	
The Opportunity:	
1.1 An ever-growing demand for spices	
Global consumption	
Dynamic global trade	
Growing popularity of ethnic food in the EU market	
Increasing demand in the Ethiopian market	6
1.2 Potentially abundant Ethiopian supply	
Production	
Exports	7
<hr/>	
The Challenge:	
2. European demands and Ethiopian supply	
EU demands ever more stringent	
Fragmented Ethiopian supply facing many challenges	8
<hr/>	
3. Supporting the Ethiopian herb and spice sector: the role of ENTAG	
Front office	
Support of subsector platforms	
Business to business (B2B)	
Inclusive business support	
Innovation fund	
Private sector association	13
<hr/>	
4. The challenge of Fasika Spice: Meeting EU requirements	
Fasika: company overview	
Challenges in meeting EU requirements	
ENTAG support for Fasika	14
<hr/>	
5. Lessons learnt	16
<hr/>	
6. Future ENTAG priorities	16
<hr/>	

The total area of production range between 330,000 ha and 500,000 ha with increase of annual production from 238,000 MT in 2005 to 418,000 MT in 2013. Even though, the country is rich in having suitable ecological zones across whole regions, 94% of the production came only from the three main producing regions.



The three main producing regions



0 Executive summary

The challenge: on 21 December 2016, the EU issued a statement imposing special conditions on the import of spices from Ethiopia. The regulation stated that since 2015 there had been several notifications in the Rapid Alert System for Food and Feed (RASFF) reporting high levels of aflatoxins and ochratoxin A in (mixtures of) spices from Ethiopia.

EU statement:

In order to protect human and animal health in the European Union, it became necessary to provide additional guarantees in relation to spices from Ethiopia.

The statement had enormous impact on the herb and spice sector in Ethiopia, challenging both the public and private sectors to meet EU requirements.

One of the main companies to suffer from the EU ruling was Fasika Plc., an Ethiopian spice exporter. By supporting Fasika within the ENTAG program, Ethiopia was able to demonstrate that it could meet the food safety requirements of the EU, and the and at the same time administrative hurdles around certification were removed. This has led to the EU reopening its spice market, not only for Fasika Plc., but for other Ethiopian exporters as well.

Ethiopia is not yet recognized as a major exporter of spices, and the contribution of spices to the national economy is low. There are over 109 varieties of spices in the world that are traded commercially, of which Ethiopia exports only nine. Considering the production conditions in Ethiopia, the potential exists to produce and export more than 60 types.

Impact of ENTAG

The Ethiopian–Netherlands Trade for Agricultural Growth (ENTAG) is a four-year program financed by the Embassy of the Kingdom of the Netherlands and hosted by the BENEFIT office of Wageningen University in Addis Ababa.

ENTAG aims to:

1. stimulate agribusiness in Ethiopia to contribute to enhancing food, income, and trade sustainability
2. increase agribusiness productivity, quality, trade, and foreign direct investment by strengthening the private sector in working more effectively with smallholders to apply new technologies and access finance for investment purposes.

Key impacts of the Ethiopian–Netherlands Trade for Agricultural Growth (ENTAG) program have been the following:

On Fasika PLC:

1. Fasika Plc. was able to deal with rejected consignment at the UK border and re-enter the EU market with produce free of aflatoxin and ochratoxin A.
2. Through the above support, Fasika Plc., with potential export value of processed herbs and spices of USD 400 000/ year, could resume exporting to the EU market.

On the Ethiopian spices sector:

1. ENTAG contributed to removing administrative hurdles for Ethiopian spice exports at EU border inspection points.
2. Using local media, ENTAG raised awareness among Ethiopian companies and public sector bodies of the risks posed by aflatoxin and ochratoxin A, challenging stakeholders to address the issue.
3. ENTAG identified sector-level challenges that require solutions to create sector-wide systemic changes to ensure safe herbs and spices for the domestic and international markets.
4. ENTAG has been supporting strategy development with relevant public and private sector stakeholders to remove bottlenecks in the sector so that spice exporters can access international markets.

1.1 The Opportunity: An ever-growing demand for spices

A Global consumption

Asian-Pacific and European consumers represent the largest market for spices and herbs. The market for spices in developed economies such as Europe and North America will continue to grow, though more slowly than in other regions due to the maturity of the industrial sector. The Asia-Pacific region is projected to become the fastest-growing market for spices, with an annual growth rate of 8% from 2014 to 2019. The food processing industry in Asia is expected to be an important driver behind this growth.

The global market for spices is projected to exceed USD 16 billion by 2019, and consumption of spices is expanding steadily, with growth rates of between 2% and 5% per annum. Globalization, access to information, growing population, shifting consumer trends towards health and authenticity in developed economies, sustained economic growth in developing economies and increased consumption of meat in developing countries (the "march of the meat eaters") have resulted in a growing spice market.

There is a shortage in the supply of most spices. Total production was estimated at 7.8 million MT (metric tonnes) in 2013. Chillies are the most widely grown spice, with a total production of 3.5 million MT in 2013. Ginger comes next, with an annual world production of 2.1 million MT (see graph on page 7).

B Dynamic global trade

As consumption grows, global trade matches pace. Global trade in spices was estimated at 1.5 million MT per annum in 2013, of which exports to the developed economies of the EU, USA, and Japan accounted for 700,000 MT.

Traditional large exporters of spices such as turmeric, ginger, and black pepper - like China and India - are becoming net importers.

The gap between increased demand, insufficient supply, and speculation results in a steady increase in prices. For example, the prices for spices imported to the EU from developing countries increased by 6.8% per year on average between 2010 and 2014. The prices of vanilla (+24% per year), pepper (+20%), cloves (+20%), and cinnamon (+10%) showed exceptionally strong increases.

C Growing popularity of ethnic food in the EU market

The EU market for herbs and spices has grown steadily over the years. Culinary traditions from other continents are being embraced by EU consumers as a result of globalization. The flavours and spices of Mexican, Moroccan, and Thai cuisine are currently especially popular, in addition to the more established Chinese and Indian cuisines. Furthermore, the EU population is becoming more multicultural with a growing proportion of people from various Asian and North African ethnic groups.

EU herb and spice imports amounted to 533,000 MT with a value of € 1.9 billion in 2014. The volume of imports grew by an average of 3.8% per year between 2010 and 2014.

EU consumption of herbs and spices amounted to 385,000 MT in 2012 and grew by 1.7% per annum between 2010 and 2013. The largest drivers of consumption are the increasing popularity of spices, the improved usage of condiments and seasonings, food innovation, health awareness, and the demand for convenience products such as ready-made meals.

The leading consuming EU markets are the UK, Germany, Romania, and Hungary, which together account for 58% of consumption. Northern and western European buyers often impose strict food-safety requirements. Although demand in both regions is expected to stabilize or grow slowly over the next few years, the demand for sustainable products is expected to grow steadily. The Eastern European countries of Romania, Hungary, and Bulgaria are large consumers of sweet pepper powder, and consumption has increased significantly in recent years as a result of rising incomes.

D Increasing demand in the Ethiopian market

Ethiopia is at present one of the largest consumers of spices in Africa. The country grows many spices that are used not only to flavour bread, butter, meat, soups, and vegetables, but also to produce medicines and perfumes. Most of the spices produced domestically (over 90%) are consumed domestically. Consumption has been growing fast due to increases in income, rapid population growth, and greater urbanization, in addition to the use of hot spices in traditional foods such as doro wote and raw meat.

1.2 Potentially abundant Ethiopian supply

Since 2017,
we have been able to
manufacture aflatoxin and
ochratoxin A free products and
send them to the European
market

Elsa Habete

A Production

Ethiopia is not yet recognized as a major exporter of spices, and the contribution of spices to the national economy is low. Agricultural exports primarily consist of coffee, khat, pulses, and oilseeds. These crops accounted for 55% of the total export value of US\$ 1.7 billion in 2013, whereas spices represented 0.8% of the total export value.

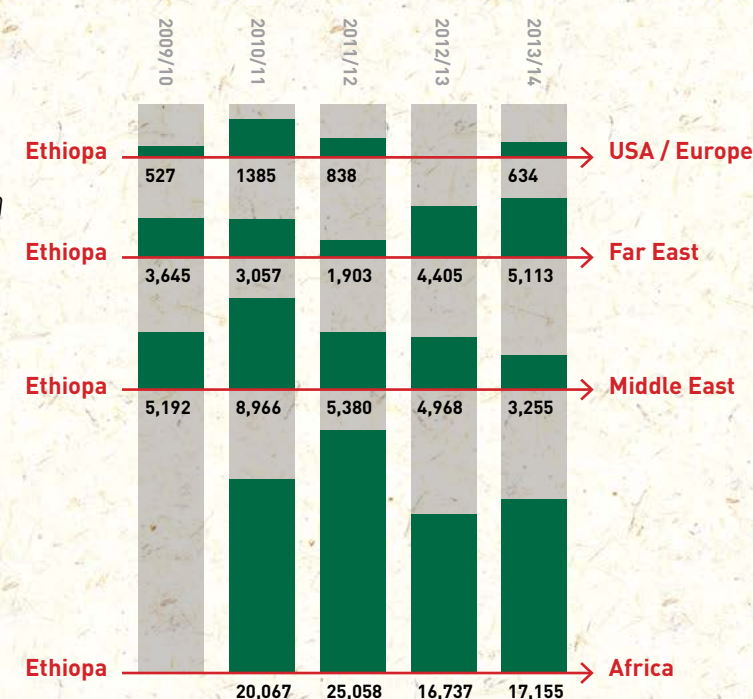
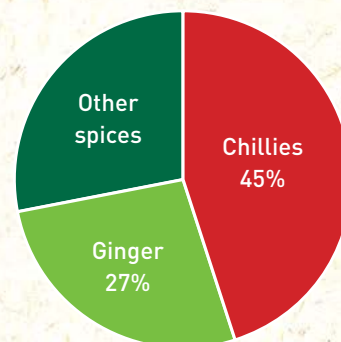
The area under spice cultivation in Ethiopia varied between 330,000 ha and 500,000 ha in the period 2005 - 2013. Total spice production increased from 238,000 MT in 2005 to 418,000 MT in 2013. Chillies, ginger, black cumin, black cardamom, and turmeric were responsible for 97% of the national annual average spice production volume in the same period.

B Exports

Spice exports in 2013 and 2014 amounted to 15,000 MT per annum, representing a value of USD 26 million. Ginger was the most exported spice, responsible for nearly 50% of the total export value. Chillies came in second, followed by turmeric, and black cumin.

Total production of most
spices was estimated at
7.8 million MT in 2013

Ethiopian spice export
destination markets with
the value exported (in US\$)



The Challenge: European demands and Ethiopian supply

A EU demands ever more stringent

Food safety concerns

Aflatoxins and ochratoxins are mycotoxins - the toxic, carcinogenic, or mutagenic metabolites of certain fungi - which are among the most toxic compounds encountered within the food and feed industries. They are liable to occur in a variety of foodstuffs, such as cereals, nuts, dried fruit, herbs, spices, and coffee, when they are stored under adverse conditions of temperature and humidity.

As mycotoxins are extremely toxic, regulatory and industry guideline limits are set at very low levels.

Food fraud concerns

Food fraud in the trade of crushed and ground spices is increasing on account of the high prices certain spices have reached in recent years. Spices can be adulterated intentionally (for example, with cheaper varieties, salt, shells, or synthetic varieties) or unintentionally (including by insects or fertilizer spillover). Recent developments have made EU buyers increasingly reluctant to source spices from outside the EU.

Growing sustainability awareness

There is a growing awareness among consumers and buyers in the EU of the environmental, social, and economic issues related to the food they consume. Many EU buyers of spices are implementing sustainable and social responsible sourcing policies. Since different EU companies have different sustainability priorities and fall under different regulatory regimes, there is no single way to address sustainability issues in terms of voluntary or regulatory standards. Considerations vary, from a simple website check of direct suppliers, to complete scrutiny of their supply chains.

B Fragmented Ethiopian spice sector facing many challenges

Weak infrastructure: The Ethiopian spice sector suffers from weak infrastructure in the main spice production areas of the SNNP, Oromia, and Amhara regions. Feeder roads are often limited or in bad shape, leading to high transportation cost. Irrigation and electricity are often not in place.

Limited access to finance: Smallholder farmers, local collectors, village traders and woreda merchants have limited access to finance. This has resulted in low levels of investment throughout the value chain. Historically, there has also been little investment in spice value chains by the public sector, which has focused on the development of staple and cash crops such as coffee, khat, pulses, and oilseeds with higher capacity to earn foreign exchange.

Lack of commercial orientation towards high-value international markets: There is a great disconnect between the expectations of international buyers in the high-end markets of the EU, US, and Japan and practices of smallholder farmers in the field. Smallholder farmers are generally not aware of the requirements of international markets. Local collectors and traders predominantly grade products according to primary sensorial aspects (size, colour, and moisture), so there is no incentive for smallholder farmers to adopt international requirements. Educational levels, information asymmetry, and the significant size of the domestic and regional markets also contribute to the fact that international norms remain an extremely abstract concept for smallholder farmers.

Challenges in primary production

Cultivation of spices by smallholder farmers is normally performed on small plots of land (< 0.5 ha) around and inside natural forests. It is estimated that around 5 million smallholder farmers are involved in spice production. Spice yields are low, as cultivation practices are based on traditional knowledge that has been transferred from generation to generation. Smallholder farmers hardly use farming tools or inputs such as pesticides, fertilizers, and improved seeds. Moreover, the production system is mostly based on rain-fed agriculture, planning is poor, and farmers do not allocate suitable land for the cultivation of spices. Smallholder compliance with international requirements is specifically difficult in the case of spices because of the relevance of appropriate handling during the "first mile", which involves drying and postharvest transport. On average, postharvest losses are 25%–30% throughout the entire supply chain. The largest share is borne by smallholder farmers during the first mile. Traditional drying methods, where the product is spread out in the sun, are a source of contamination by foreign matter such as dirt and dust, as well as of infestation by insects and rodents. Quality is further

*If things go smoothly,
I want to build a big spice
factory just like the ones I
saw in Holland, with its own
libraries and laboratories*

Elsa Habete



distorted as insufficiently dried spices are transported over bumpy roads by person, donkey, or truck, leading to product waste, the development of mould, and the loss of volatile oil content.

In many cases, smallholders are the poorest farmers with low-level education. As a result, their negotiation power is limited, and is further reduced by their lack of appropriate storage capacity. It is also challenging to raise their awareness of international market requirements and to convince them to adopt better cultivation practices.

Challenges in local trade

Transaction costs in the local spice trade are high. In addition to the large number of consecutive intermediaries, smallholders sell small quantities, often only a few kilograms, to local collectors and village traders. Moreover, these traders often do not have access to appropriate storage facilities and packaging materials, and may resort to malpractices such as adulteration with low-value materials. In cases where preliminary washing is performed by local collectors and village traders, the quality of the water is generally poor, and so washing often does more harm than good.

Challenges in international trade

The high transaction costs in the local spice trade result in high local prices, which are regularly on par with world market price levels for turmeric, ginger, and chilli. Wholesale traders that cater to the export-oriented market channel often experience great difficulties in sourcing under these conditions, and resort to marketing their stocks on the local market. This leads to incidences of contract defaults. When global price levels increase, contract defaults become even more likely. Although no statistics are available, industry experts believe that Ethiopian contract defaults significantly exceed the international 'standard' of 25%.

The most common reason for contract default on exports to the EU is the inability of Ethiopian companies to meet EU product-quality standards. Food safety and product quality are top priorities in the EU, and spice imports need to comply with regulatory and voluntary standards. Products that are not considered safe are denied access to the EU. Common reasons for rejection include the presence of salmonella and artificial colorants. Many EU importers also require the implementation of food-safety management systems that are recognized by the Global Food Safety Initiative (GFSI) - or in other words, 'accepted by major retailers'.

The global market is dominated by various multinational companies, the key players being McCormick & Company (US), Associated British Foods (UK), Fuchs (Germany), Ajinomoto (Japan), and Olam International (Singapore). Although the different distribution channels have blurred in recent years, specialized brokers and importers remain an important channel, as processors increasingly prefer low stock and short lead times. Over the last few years, large trading companies have also been losing market share to smaller niche brands and to retail chains like Walmart.

As Ethiopia is still an unknown origin, the country needs to build experience and trust before it can export ground spices to the EU. However, Bebek, ESEF, Fasika, and YSO have recently commenced grinding for export to the West African and Indian markets.

Further challenges in the herb and spice sector, as described by Addisu Alemayehu

1. The quality of Ethiopian spices could be competitive, but currently they do not meet international standards due to traditional processing methods and poor post-harvest handling.
2. Production and productivity need to be enhanced: to be able to meet future demand, it is vital to increase production and productivity to increase price competitiveness and to assure a surplus production for export.
3. Diversification and value addition: In case of value addition, most smallholder farmers, processors, and exporters are using primitive traditional processing, packaging, and harvesting machines. The potentials of herb and spice production in Ethiopia could lead to Ethiopia becoming one of the key players in the export of unprocessed herbs and spice as result of primitive state of value addition, which also means lower prices in the international market.
4. Access to market and production information of both local and export markets: there is no institution based in Ethiopia that can provide the required information.
5. Lack of market regulation: such regulation does exist in the coffee and sesame sectors, where quality determines market price. Lack of market regulation leads to farmers losing interest in investing in improving quality.



Addisu Alemayehu, ENTAG sector platform coordinator for the herb and spice sector, explains ENTAG's support for Fasika in more detail, in this video interview

Basil, Celery, Parsley, Fennel, Dill, Rosemary, Thyme, Rue and Kosseret are the major herbs produced in the country. Hibiscus, Stevia, Artemisia, Chives, Rocolla, Chervils, Sorrel, Sage, Mint, Tarragon, Lovage, Majoram. Oregano and savory are also produced at commercial farms mainly for export market.



Supporting the Ethiopian herb and spice sector: the role of ENTAG

The Ethiopian–Netherlands Trade for Agricultural Growth (ENTAG) is a four-year program financed by the Royal Dutch Embassy in Addis Ababa and hosted by the BENEFIT office of Wageningen University in Addis Ababa.

Key services offered by ENTAG:

A Front office

The front office with its information portal is the backbone of the ENTAG project. On the ENTAG website, entrepreneurs, investors or policy makers can find information related to investment and B2B linking. Entrepreneurs can also request personal advice and tailor-made solutions from ENTAG sector platform coordinators.

B Support of subsector platforms

- ENTAG is active in several sectors in Ethiopia: herbs and spices, poultry, dairy, aquaculture, legumes, and sesame.
- By supporting subsector platforms, ENTAG contributes to identifying new issues (policies, technical solutions, etc.), developing solutions for identified issues, detecting opportunities in the sector, attracting more investment, and creating new linkages between the companies - e.g., organizing and implementing a black pepper investment forum to attract new and even more investment to Ethiopia.

C Business to business (B2B)

- ENTAG contributes to linking investors: the program brings international investors and technological expertise to Ethiopia, and Ethiopian private sector actors to other countries where there is interest in Ethiopian products - for example, to India, where there is much interest in spices.
- The B2B component also supports agribusiness companies in the development of bankable business plans and accessing finances in specific subsectors.
- Provided training to upscale and upgrade turmeric processing in Ethiopia to meet Indian demands.
- Created reliable export market linkage for four spice exporters (Menona Import and Export, Alemaw Bekalu Import and Export, Amare Chanie Import and Export and Dejene G/Meskel Export) and for two commercial farmers (Oak Business Investment plc and Kiber-Ilke plc) with three of the largest spices buyers in India (Synthite, Plant Lipids, and Manko Natural Flavour). The efforts resulted in business deals with values of over USD 1.26 million, as



Gertjan Becx, ENTAG Project Manager introduces the ENTAG program in this video interview

well the export of 1233 MT of turmeric fingers and bulbs, by providing quality inspection, traceability, and technical backstopping of contracts.

- Developed backward integration of the 4 exporters with 6 collectors/ suppliers (Abebe, Amare. Smachew, Tesega, Seid and Atenafu) and 2 unions (Bench Maji and Andinet Unions) to ensure the best-quality turmeric is supplied at a competitive price to help generate better income for suppliers.

In addition to the aromatic oils that can be produced from spice and herbs the country is also suitable for growing and production of aromatic oils from globules, citriodora, Lemmon verbena, Damask rose, Lemmon grass, Palma rose, lavender, citronella, vetiver grass, gums and resins.



D Inclusive business support

- Through the inclusive business support unit, ENTAG offers hands-on support and advice to agribusiness entrepreneurs in the area of inclusive business. This includes setting up outgrowing schemes and scaling up unexploited herbs and spices (black pepper capacity building training for 24 Ethiopian coffee, tea, and spice experts from 6 regions and for 8 potential investors).

E Innovation fund

- The innovation fund is based on the innovation requirements of entrepreneurs (to a maximum of EUR 25,000). The constraints and opportunities identified during the platform meetings, the new technologies promoted during the capacity-building training of ENTAG and the business plan preparation training are translated into firm and farm innovations by entrepreneurs (possibly in collaboration with a research institute and technology suppliers). In the first call of the innovation fund,

15 companies were awarded funds out of 156 applicants; two of the 15 winners were from the spice, herb, and aromatic sector.

F Private sector association

- To make ENTAG's work sustainable, the program cooperates with private sector associations with the objective of handing over ownership of some of ENTAG activities.
- ENTAG supports these associations in increasing their member base and training and setting up sustainable business models. The Ethiopian Spices, Aromatics and Herbs Growers and Processors Association (ESAHGPA) increased its membership base from 14 to 42 paid members and 110 registered members.

The challenge of Fasika Spice: meeting EU requirements

A Fasika: Company overview

Fasika Spice and Baltina are registered trade names for a pioneer private limited company established in 1992 by two visionaries Letekidan Gebremedin and Habte Gebre Mariam with a capital of ETB 50,000.00. The company is dedicated to the production and supply of high-quality processed herbs and spices, mainly for the domestic market, but has been sending small volumes to the international market since 2000. The second generation of the company (five of the founders' children) took over the family business with some entrepreneurial ideas and founded H.A.E Spice Baltina Plc with a registered capital of ETB 650,000 in 2014. Its registered capital grew rapidly over the next two years, reaching ETB 5 million. Currently, the company employs 60 people. In 2016–2017, the total annual production of the company was 1464 qt, with a total sale value of ETB \$16 million; export accounted for 58%.

To cater to the needs of customers in Europe, Fasika Plc. has been exporting a variety of spices to the EU. The company has an export capacity of USD 400,000 worth of hot pepper and blended spices per annum. In 2015, it has lost ETB 150,000 on returned shipment when consignment was rejected at the EU border. It was also at risk of losing ETB 3,000 000 per year on goods formerly exported to the EU if the company could not re-enter that market.

Company vision: To be one of the leading companies in Africa in consistently supplying excellent quality, ISO-certified, organic-certified processed spices, herbs, and sausages to the international markets. To be the source of innovation and inspiration for Ethiopian and African manufacturing enterprises, especially to women entrepreneurs.

Mission: to process and sustainably supply only excellent quality processed herbs, spices, and sausages for both local and export markets using the art of modern food safety processing technologies and the integration of smallholder and outgrower suppliers.

B Challenges in meeting EU requirements

The rejection at the EU border forced the company to look for expertise to solve the challenge of aflatoxin and ochratoxin A in the produce. ENTAG stepped in to provide this much-needed support



Elsa Habete, owner of Fasika describes the challenges meeting EU food safety requirements in this video interview

ENTAG is the reason for my success and for where I am today, I would really like to thank ENTAG

Elsa Habete

C ENTAG support for Fasika

- Elsa Habete participated in spice trade missions to the Netherlands in 2015 organized by ENTAG. She visited 9 large processors, including factories more than 150 years old, which provided her with a great deal of information and help her rethink her level of ambition. She identified and brought in new technology to upgrade her production.
- ENTAG facilitated the return of the rejected consignment (valued ETB 2.7 million) to Ethiopia from the EU; the company incurred a loss of ETB 150,000 due to the returned freight and transport cost.
- ENTAG supported Fasika in sourcing input from smallholders that was free of aflatoxin and ochratoxin A: it helped in selecting farmers, testing samples, all the way to the final step of exporting.

Generally the production of spice, herbs and aromatic plants in Ethiopia is based mainly based on traditional unimproved farming systems where yields have stagnant and well below world average. ENTAG in collaboration with its partners has planned to play key roles in improving productivity and quality of Ethiopian spices, herbs and aromatic products.



- With the help of ENTAG, the company also started using pallets instead of storing the products on the floor, and changed all the old packing bags to new ones that were free from aflatoxin and ochratoxin A.
- ENTAG has also provided training to Fasika in business plan development. The company was set up originally with ETB 5000 and sales were ETB 2 million. Over the last four years, sales have reached ETB 16 million and the company now employs 60 people. According to the prognosis of the business plan, with an investment of ETB 47 million for building a factory, the company could employ 300 staff and could secure revenue of ETB 108 million per year. To achieve these results, the company needs the support not only of ENTAG, but of the government in order to provide land for the company.*

Advice to the company on sourcing produce:

- ENTAG studied the company's product flow and identified sources of aflatoxin and ochratoxin A contamination. It advised the company to change its suppliers, change the blending formula for red pepper, and buy the raw products from the smallholder farmers directly, rather than from brokers.
- ENTAG also identified another issue: farmers and local traders/aggregators were watering chillies before transporting them from Wolkite to Addis Ababa in order to increase their weight and fetch a higher price. This caused aflatoxins and ochratoxin A to increase beyond acceptable levels in the produce. To avoid this, Fasika decided to compensate smallholder farmers for not watering the chillies, paying a premium price of three times more than the then price of chilli.

* All land in Ethiopia is owned by the government. People may lease it, but not buy it. The terms of lease depend on use of the land.

- ENTAG supported the company in sourcing the right ingredients for the 21 additional spices so that they would be free from aflatoxin and ochratoxin A.

Outcome: The company successfully shipped products that were free from aflatoxin and ochratoxin A.

Removing administrative hurdles at the EU border inspection point

The company faced another problem after the product arrived at the UK port. The EU requires a health certificate issued by the Ethiopian Ministry of Agriculture and Rural Development for Food. However, currently there is no authority registered in Ethiopia under that name. The competent authority to provide such certificates is the Ethiopian Food, Medicines, Health Care Administration, and Control Authority (EFMHACA) under the Ministry of Health. The certificate that EFMHACA provided to Fasika was not accepted at the border inspection point in the UK, which also contributed to the rejection of the shipment.

ENTAG managed to remove this hurdle by producing evidence to the EU. Only together with the relevant proof and test results was the consignment allowed to enter the EU. Those actions, however, only meant that the specific consignment was allowed to enter the EU. Therefore, ENTAG is currently supporting the Ministry of Health and the Ethiopian Coffee, Tea, and Spice Authority, under the Ministry of Agriculture and Natural Resources, in formulating a request to the European Food Safety Authority (EFSA) to change the name of the Ethiopian authority required by EU decisions to issue the health certificate (EFMHACA) for spice shipments destined for the EU market.

1. There is a need to scale up the operations of private companies with smallholder farmers and to increase efficiency: individual private companies need to work closely and directly with smallholder farmers in improving the quality and productivity of herbs and spices.
2. There is a need for systemic change: supporting individual companies is not enough; some issues must be tackled at sector level, such as:
 - ensure that spices destined for both domestic and international markets are free from aflatoxin and ochratoxin A;
 - remove the administrative hurdles exporters face at border inspection points when entering the EU market;
 - distinguish spice and herbs products that are certified free of aflatoxin and ochratoxin A from those that are not.
3. Policy makers must be engaged to create support base: policy-makers are often not aware of the high potential contribution of the herb and spice sector to GDP and poverty alleviation, which makes it extremely difficult to deal with the issues that the public sector is responsible for, such as:
 - enhancing the national food safety system to detect hazards such as aflatoxin and ochratoxin A;
 - developing and implementing strategies to deal with the challenges.

I will stop at 65% of my production for export, but to reach this number, I have to have bigger machines and modern packaging. In order to meet this goal, I want ENTAG to be with me all the way.

Elsa Habete

- Draw policy makers in discussions of the potential and challenges of the herb and spice sector;
- Support the assessment of aflatoxin and ochratoxin A in the country in the herbs and in the spice and legume sector;
- Support the government to
 - develop and implement strategies on upgrading the national food safety system to cope with aflatoxin and ochratoxin A (e.g., set up or upgrade existing government laboratories for food safety testing, with competitive pricing and delivery time);
 - set up spice and herb market regulations to address the issue of illegal trade of spice via airports and the adulteration, mishandling, and storing of products in traders' houses;
 - track annual production and market data at the national level.

Systemic change as long-term impact: with the support of policy makers, the stringent food safety requirements of the EU regarding aflatoxin and ochratoxin will hopefully enhance the competencies of the Ethiopian competent food safety authority, and the safety of herbs and spices in the domestic market.

The Spice, Herbs and Aromatic subsector is one of the agribusiness subsectors under the ENTAG project with main goal of Increasing spice, herbs and aromatic plants productivity and trade (domestic and export) by strengthening Small and medium micro-enterprises; in working more effectively with smallholder and commercial farmers.



