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 /EMDIDI/

Background of the Meat, honey and wax, feed and Dairy Sector.

The Ethiopian Meat and Dairy industry is relatively a younger industry with no more than 40 years of involvement in processing milk and milk products, in exporting meat, honey and wax. The first company that started processing milk and milk products, and the first abattoir that began exporting meat was Hashim Export Abaitor the meat and dairy both base themselves on the country's livestock resources. Indeed Ethiopia possesses one of the world largest livestock populations of which 56.71 million cattle population that makes the country stand or rank first in Africa and 6th in the world, 29.33 million sheep population which makes 3rd in Africa and 10th in the world and 29.11 million goats population which makes again 3rd in Africa and 8th in the world, 2.03 million of horse, 7.43 millions of donkeys, 0.4 millions of mules, 1.16 million of camel and lastly 56.87 poultry population that includes (cocks, cockerels, pullets, laying hens, non-laying hens and chicks) and 10 millions of bee colonies that make Ethiopia to stand 1st in Africa and 9th in the world. All these data indicates that Ethiopia is rich in its livestock population although a very little of its livestock population is used to

contribute their share for many years. But currently the government is highly committed to make use of all these livestock population.

Current status of the Dairy Industry-there are more than 44 dairy processing companies located in different part of the country of which one is the company that processes Camel milk and export to the neighboring countries such as Djibouti Somali land and others. The processors are processing different kinds of milk and milk products and provide them all to the local market. But it is believed that most of these companies should move forward in capacitating themselves and enter the global market with competitive products both in quality and quantity. This industry is relatively, having a better position due to mature in its age and huge investment. The **dairy industry** is the **sector** with the highest degree of protection due to the economical vulnerability position of small milk producers. Milk - also known as white gold - can be used to make an enormous variety of high quality products.

The dairy industry involves processing raw milk into products such as consumer milk, butter, cheese, yogurt, condensed milk, dried milk (milk powder), and ice cream, using processes such as chilling, pasteurization, and homogenization. Ethiopia holds large potential for dairy development. In addition, the country enjoys diverse topographic and climatic conditions favorable for dairying. These consist of a high central plateau ranging from 1,800 to 3,000 meters above sea level, a rift valley that divides the country from north to south with altitudes ranging from 1,000 to 1,800 meters above sea level and lowland plain areas of less than 1,000 meters above sea level in altitude. Depending on the altitude difference, temperature ranges from less than 100 Cc in alpine areas to 350Cc and more in lowland areas. Moreover, rainfall in most of the country is adequate for crop and pasture production. The favorable climate throughout the country supports use of improved, high-yielding animal breeds and offers a relatively disease-free environment for livestock development. Given the high potential for dairy development and the ongoing policy reforms and technological interventions, success similar to that realized in the neighboring Kenya under a very similar production environment is expected in Ethiopia

The Meat Industry-it is a stage of development in the country in which there was only one company exporting meat to the global market especially to the Middle East and some African countries before

1990? But currently there are 10 export abattoirs exporting mainly and goats' meat and four export abattoirs are to enter the global markets and these increase the number of export abattoirs from 10 to 14 export abattoirs to 11 in 2015/16. This in turn improves the amount of exported meat in quantity, value job opportunity and in addition the currency earned from this sub sector and the amount of exported meat. Ethiopia has a number of livestock value chain market opportunities that if realized will power the growth of the livestock industry and value chain as well as the overall economy.

❖ **Hear is full GTP I performance**

**Meat and Dairy Industry Development Institute Growth and Transformation Plan
Phase one (GTP I) Performances.**

A space for photo

The Feed Industry- there is about (6) feed industry in Ethiopia processing different feed products. Of course it is believed that and concrete data indicates that this sub

No	Product type	Unit	Achievements made during GTPI				
			2010/11	2011/12	2012/13	2013/14	2014/15
1	Meat and Offal	Quantity in tone	16877.37	17779.75	15521.36	15704.11	19051.5
		Income(USD)	63.294	79.094	74.343	76.156	93.81
2	Honey and wax	Quantity in tone	901	1244	1077	1195.4	5641.4
		Income(USD)	3.536	5.409	5.567	5.198	7.063
3	Fish	Quantity in tone	727	1006	898	719	835.67
		Income(USD)	0.367	0.503	0.453	0.36	0.43
4	Camel milk	Quantity in (million litter)	2.367	1.18	2.177	2.222	1.918
		Income(USD)	0.176	0.146	0.192	0.12	0.343
Total income(Million USD)			57.37	85.75	80.56	81.83	101.65

sector is potentially untouched and it is a sub sector which may allow huge investment since the country stands first in its cattle population from African and 6th in the world. This sub sector may be the youngest sector of all the industries under our institute.

The honey and wax industry- flora resources base for large honey production. The number of bee colonies is also believed to be large. A strategic plan of the Ministry of

Agriculture for the next ten years envisages that export of honey and beeswax would be increased to 40% and 50% of the total production.

Ethiopian honey is also considered to be organic as the bee forage are forests and plants grown without the use of chemicals. This would mean that chemical residue would be small in the Ethiopia honey, which is one of the quality criteria for a good table honey. Currently there are 31 companies which process honey and there are 32 companies for honey production and out of these some of them do produce wax.

Meat and Dairy Industry Development Institute (MDIDI)

The level of industrialization of agro- processing in the country is very low, with the share of manufacturing sectors accounting for less than five percent of the Growth Domestic products (GDP) in the past decades. In an effort to turn this growth pattern and realizing the vision of the government for the manufacturing sector, it is given great attention and priority for the agro- processing sector and established MDIDI with the main objectives of meat and dairy sector development and competitiveness of the sector in the global arena by council of Ministers Regulation No 295/2013.

Powers and duties of the institute:-

The institute shall have the following Duties and Responsibilities

1. Plans that assist in the facilitation of the development of meat and dairy industry, and implement same upon approval

2. Conduct research and development and identify relevant technologies applicable to the development of the meat and dairy industry, transfer these technologies to the industry and support them to enter the market thereafter, and encourage the industry to establish research and development unit.
3. Conduct studies and research, including market research that support the development of the meat and dairy industry; assist the industry to promote their products in the domestic as well as the international market; and work closely with relevant stakeholders in order to implement effective marketing systems in the industry.
4. Collect, analyze and organize technological, market and data necessary for the development of the meat and dairy industry and disseminate same to users, as may be necessary;
5. Provide consultancy services to meat and dairy industry concerning production processing, production planning and quality assurance; establish pilot plants and laboratories to support the industry, provide international testing services; encourage the industry to establish laboratories and assist them to get certification so as to make them internationally competitive;
6. Set up a data base related to livestock resources and industry by conducting a survey on investment opportunities, collect, analyze, organize and timely update information necessary for the development of the sector and disseminate the same to users as may be necessary;
7. Follow- up the expansion of infrastructures necessary for livestock market and the availability of the facilities such as designated transportation vehicles for livestock and livestock products;
8. Implement and provide remedies concerning problems encountered during implementation; promote investment and assist to remove investment bottlenecks in the sector,

9. Advise investors desiring to engage in the meat and dairy industry sector in the selection of technology, negotiation, construction, erection and commissioning;
10. Provide practical training on technology, technical matters, marketing and management and other tailor- made training that assist the development and competitiveness of the meat and dairy industry sector, and collaborate with the relevant stakeholders to produce qualified manpower in the sector;
11. Build the capacity of the institute to international standard through twinning programs so as to support the industry effectively; cooperate with national as well as international public and private institutions which have similar objective and also encourage similar co-operation among private sector institutions;
12. Cooperate with universities on product and human resource development, conduct joint research activities, provide support in building local research capabilities and in establishing linkages between the industries and the universities; work with technical and vocational training centers to build the human resource of the sector at lower and middle level;
13. Under take international bench marking studies, compile best practices and assist the industry to implement same so as to build their competitiveness globally;
14. Support the development of input industry so as to insure the regular availability of inputs to the industries in terms of variety, quality and quantity ;extend the necessary support and follow up, based on the respective value chain of the industry, starting from raw material up to global market, to insure effective linkage among the actors, in particular support the linkage of micro and small enterprises with medium and large industries in terms of production, technology and training;

15. Promote the development of meat and dairy industry zones to mobilize international and national investors to the sector, and support investors operating in the industry zones;
16. Establish entrepreneurship development program and incubation centers to create new and vibrant entrepreneurs in the sector;
17. Provide support in the acquisition of intellectual property rights and patents for research and technology output developed by the sector actors;
18. Promote post-harvest technologies, cold chain, modern warehouse, modern transport and other logistic for the sector to reduce post-harvest losses;
19. Build the capacity of meat and dairy industry associations so that they play their proper role in the promotion trade and investment in the sector;
20. provide support to meat and dairy industry to use renewable energy sources and to operate in environment friendly manner;
21. charge fees for the services it renders in accordance with the rate approved by the government;
22. own property ,enter into contracts, sue and be sued in its own name;
23. Perform other related activities necessary for the attainment of its objectives.

EMDIDI'S Objectives

The objective of the institute shall be to provide all round support honey, feed and dairy industry and thereby accelerate technology transfer, transformation and enable the industry to be competitive at international level.

EMDIDI'S Mission

To make Ethiopian commercial livestock and livestock products competitive locally and internationally through capacity building, investment facilitation and market development.

EMDIDI'S Vision

To make Ethiopia a leading nation in Africa, Middle East and Asia in meat products, a leading nation throughout the world in honey and wax products and competitive in milk and dairy products in Africa in 2025.

EMDIDI'S Core value

- ▶ Customer oriented services
- ▶ Readiness for change
- ▶ Best and fair services
- ▶ Effective team work
- ▶ Professional ethics
- ▶ Decent working environment
- ▶ Being accountable
- ▶ Fair and participatory work process
- ▶ customer satisfaction
- ▶ Respecting and protecting the FDRE constitution

EMDIDI'S Services

MDIDI provides the following general services.

Services in investment phase

- ❖ Collecting, analyzing, sharing, updating and disseminating all the necessary information as regards to the meat, honey and wax, feed and dairy sub sector
- ❖ Provides consultancy services in selection of technology, in dealing with technology, machine erection, installation and commissioning for those who involved in the meat, honey and wax, feed milk and milk products processing sub sector.
- ❖ Supervise and provide technical services for the projects in pre-implementation, during implementation and post implementation for the investors engaged in the meat, honey and wax, feed and milk and milk products processing sector.

Services in Production and processing phase

- ❖ Providing training services which may make the products of this sub sector competitive in both quality and productivity in the global market.
- ❖ Conducting research and development that may solve the bottle neck of the sub sector.
- ❖ Providing benchmarking services in collecting, analyzing, and disseminating information to facilitate the development of the agro- processing sector to the world index.

Services in marketing phase

- ❖ Providing market research, market support in product value chain, collecting and disseminating market information.
- ❖ Monitoring, evaluating and taking any necessary measure to all the services rendered

- ❖ Searching new market destination at international market and integrate with local industrialist
- ❖ Create a favorable and conducive environment for business to business discussion

3.6.4. Services delivered to the customers in specific departments

- I. Meat, feed, honey and wax processing and consultancy services
- II. Feed processing and consultancy services
- III. Milk and milk products processing and consultancy services
- IV. Milk and milk quality testing services
- V. Services in Aqua-culture agri-business
- VI. Services and support in honey production and processing
- VII. Investment and market promotion services
- VIII. Trainingservices on abattoir hygiene and modern slaughtering methods
- IX. Training services on meat quality control
- X. Training services on offal products handling and packaging
- XI. Training services on Halal slaughtering strategies.

Kommentar [T1]: Let's discuss on these arrangements I am not clear with. At some stage you compile all the departments like my case, in other points you dismantle them. So better to discuss before you release it. To me we better delete all these because we dealt with in a number of pages and paragraphs

Supports Delivered by Milk and Milk Products packaging, Processing Development and Research Sub-Sector.

- Milk quality control and safety rules
- Milk laboratory sample analysis
- Training and consultancy service on milk and milk products quality control and productivity improvement
- Training services on how to diversify products
- Training services on milk processing machines and packaging materials.

Services and consultancies on animal feed processors

Training and consultancy services on:-

- Feed processing and packaging
- Quality inspection and utilization
- Feed laboratory analysis
- Feed safety
- Other technical support

Facilities in the institute

- i. Dairy microbiology laboratory
- ii. Dairy chemistry laboratory
- iii. Forage experimental site
- iv. Feed processing units
- v. Irrigation facilities
- vi. Local and exotic cattle breeds

**General information: Investment climate and advantages
in the meat and dairy sub sector.**

Advantages of Investing in the Agro – processing sub sector

- 1. Commitment of the government for the meat and dairy sub-sector**
 - ▶ Legislative and procedural law reforms

- ▶ Establishment of one-stop-shop services
- ▶ Revision of investment laws to suit the dynamic change in the sector
- ▶ Improvement of investment climate
- ▶ Market oriented economic policy
- ▶ Direction towards exporting meat, milk and milk products, honey and wax
- ▶ Capacity building of the sub sector through twinning programs.
- ▶ Capacity building of the sector through industry-university linkage

2. Integrated to the Regional and international Arena

- Members of COMESA (Common Market for Eastern and Southern Africa) with 19 member countries.
- Access to AGOA (Africa Growth and Opportunity Acts) market.
- Access EBA (Everything but Arms) to European Union.
- General Special Preferences (GSP) Privileges with different countries.
- Bilateral Investment Treaties with more than 24 different countries
- In process to join the World Trade Organization(WTO)
- Double taxation avoidance agreement with more than 14 countries.

3. Comparative Advantages

- Geographical location of the country(at a cross- road of Africa, Middle East and Asia)
- Large cattle population
- strong government incentives
- Availability of skilled and easily trainable labor force
- Macro-Economic stability
- Ever growing economy
- Wide domestic, regional and international market opportunities

- Competitive investment incentive packages
- Well-coming attitude of the people
- Industries- Universities linkage

4. Competitive advantage

- Ethiopia is country with high cattle population (1st in Africa and 10th in the world)
- Socio-Economic and Financial Stability
- The establishment of industrial zone in all regional states
- High security(low crime rate)
- Low labor cost compared to neighboring countries
- Liberal laws and regulations creating favorable environment for business and investment
- Access to long term-credit with low interest rate.

5. Investment opportunities in the meat, feed, honey and wax, milk and milk products.

- Ranch investment(establishing ranches)
- Farming investment (raring milk cow and processing milk and milk product)
- Meat exporting
- Poultry farming and poultry processing.
- Meat processing
- Feed processing
- Milk and milk products processing
- Honey and wax processing and exporting
- Meat and offal's processing and exporting

6. Regulatory Authority in Agro –processing sector

- Guarantee against expropriation or nationalization
- The right to employ expatriate experts and management staff

- Double taxation avoidance treaties
- Repatriation of capital and profit
- Ethiopia is the member of World Bank Affiliated Multilateral Investment Guarantee Agency.(MIGA)

7. General customs, Tax system and Fiscal Incentives.

- Custom duty exemption on imported capital goods, construction materials, and spare parts worth up to 15% of the value imported capital goods.
- Income tax exemptions (2- 6 years).If the industry is to be established outside Addis Ababa and the Special Zone of Oromia, tax exemption will be for 6 years.
- Improving service delivery (Shortening period of license, renewal of permit ...etc.)
- Exemption of imported inputs for export purposes from indirect taxes;
- Credit guarantee scheme to avoid problems of working capital for exporters;
- Allotment of finance for loan for those engaged in export activities;
- Provisions of access to infrastructures for those engaged in export. Creating linkages with foreign investors in marketing and production; and
- Improving the transport and transit services and there is also reduction of land transport fee by 25% for export companies.

8. Reporting on Investment Activities.

- Any investor is expected to report the progress on implementation of its project to the appropriate governmental organs in every three months.
- The investors also cooperate and provides information with regard to its implementation whenever required by the appropriate organs.



