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The State of Eritrea

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HAPPY NEW YEAR - 2023

Eritrea: Agricultural Market Highlights

Facts that Show the Country's Resilience to Global Food Crisis

Information has predominantly become as indispensable as the enduring top human needs such as food, shelter and clothing. Availability of accurate information, as a valuable asset, favours individual or institution existence, whereas its insufficiency or total deprivation has dire consequence. Hence, no wonder that information is being utilized in a strategically systematized manner and as a determining factor in all spheres during this revolutionary age of information. Application of Agricultural Market Information Systems, being one

of these domains, makes great impact in gauging the performance of the agricultural sector.

With the rapid pace of ICT development we are witnessing that, an innovative agricultural information system could be introduced to collect, produce, analyze, consolidate, as well as distribute data and information with the goal of enhancing knowledge utilization on the part of agricultural producers and other interested parties. A well-established agricultural information system can



facilitate access to information on the part of farmers and a variety of users (Including extension experts, researchers and decision-makers) pursuing agricultural inputs, education on extension programs, knowledge of agricultural technology, credit programs, and marketing information, among others.

Farmers and different other users can make effective decision and successfully benefit from potential market opportunities, given effective and efficient dissemination of relevant, timely as well as reliable information among others. In an overall context, proper utilization of accurate and up-to-date data, coupled with mobilization of the necessary expertise thereof, enhances agricultural productivity.

The Eritrean Ministry of Agriculture (MoA) managed to establish the Agricultural Strategic Information System Division (ASISD) in 2019 with the aim to reinforce the ministry's geographic information systems, agricultural expert systems, information technology, agricultural market information systems, agricultural innovation systems, and agricultural meteorology.

Agricultural Market Information System (AMIS) Unit became a part of this new division and its main objective is to enable farmers to make important decisions with regards to their agricultural productivity and season of production, i.e. based on the use of accurate, timely, and relevant market information.

Mr. Tesfalem Mesfun, Director of ASISD, points out that AMIS was set up by the Ministry to undertake systematic collection, analysis, and dissemination of prices and other relevant information which is important to farmers, traders, processors, consumers and other parties interested in priority agricultural commodities.

He further shed light on the technical details of the process as follows: "Market areas, potential buyers and sellers, government monitoring services, and other institutions are among the formal and informal sources from which we collect data. Our



Mr. Tesfalem Mesfun

market price data, we make the information available to consumers in a very simple way; for example, in the form of a report, short messages, or graphs."

People who are engaged in agricultural activities can make informed decisions if they have real-time information on the agricultural market. Agricultural producers may choose, with ease, which crop to grow, when and what to sell. Likewise, traders can make good choice concerning when and where to buy; processors can also make reasonable decisions on what product to buy, at what time in order for them to stay in course, and to provide to the community value added products. The government can also benefit from accurate and timely commodity prices to fine-tune its agricultural policies.

Mr. Tesfalem goes on to say that AMIS was tasked with the collection, processing, and communication of local market prices and accordingly the unit has been collecting price data from a total of 23 market places, namely, Mendfera, Adi-Quala, Debarwa, Adi-Keyih Mai-Ayni and Areza in the Southern Red Sea Region; Barentu, Akurdet, Golij, Teseney, Haikota and Tokombia in Gash-Barka Region; Massawa, Ghindae, She'ib and Af'abet in the Northern Red Sea Region; Keren, Adi-Tekelezan, Elaber'id, and Hagaz in Anseba Region; as well as Asmara, Serejeka and Himbirti in the Central Region."

So far, AMIS has been focusing on a total of 53 commodities which include all types of cereals (like

products (Milk and butter); and honey, in addition to transport animals.

The unit plans to extend its activities to the Southern Red Sea region this year.

SMS is regularly used on market days of each week and on a regular basis, to gather data, mainly prices along with a few related details, from all of the marketplaces of the four regions. During sudden price fluctuations, the AMIS office conducts situational analyses to verify the reliability of the collected data. The data is then processed to analyse market prices in the country's various regions. Spreadsheets and other databases are applied to produce meaningful information that can easily be understood by users. Market information is shared among internal and external stakeholders for different purposes and a quarterly report is prepared for MoA's management board so as to serve as a benchmark for evaluating the current agricultural outputs, as well as the local market situation. Besides, the fact that this office is working to adopt advanced data-gathering techniques in a bid to minimizing errors is equally worth-mentioning. Therefore, the office is striving to strengthen its human and institutional capacity in order to conduct in-depth analyses.

Moreover, AMIS is planning to widen its data collection schemes by further targeting essential agricultural inputs such as seeds, fertilizers, pesticides and the like, Mr. Tesfalem explains.

Mr. Tesfalem further elaborates that it was monitoring the revival of the AMIS Unit in March 2020 that data on prices of the 53 agricultural products started to be gathered regularly from the above-stated 23 market locations. "Prior to this, i.e. for more than 20 years," he says, "The Ministry of Agriculture used to sporadically collect prices of

major agricultural commodities from few markets in these regions. Currently, market prices gathered from various regions of the country are processed to create meaningful data. Trends of price variations across market locations and seasons are assessed properly to gauge the performance of the agricultural sector."

The following statistical explanation, and the accompanying graphs, constitute a summary of AMIS Unit's report on price trends of cereal crops, legumes and oil crops, vegetables and fruits, as well as livestock and livestock products from March 2020 to November 2022. We may also notice a trend of relatively minimal impact of the COVID-19 Pandemic and the Russia-Ukraine war on these prices, contrary to the awful global scenario.

Market Information on Cereal Crops

Cereal prices increased significantly in the third quarter of 2020, i.e. during the Covid-19 pandemic; and then began to decline in 2021 and 2022. The lowest record was shown in October and November, 2021 and 2022 respectively. With the increasing cultivation of improved wheat and sorghum seeds, the price witnessed a decline in late 2021 and 2022, during harvesting season and prices showed a slight increase during the cultivation season (June to September 2020, 2021, and 2022), which is obvious.

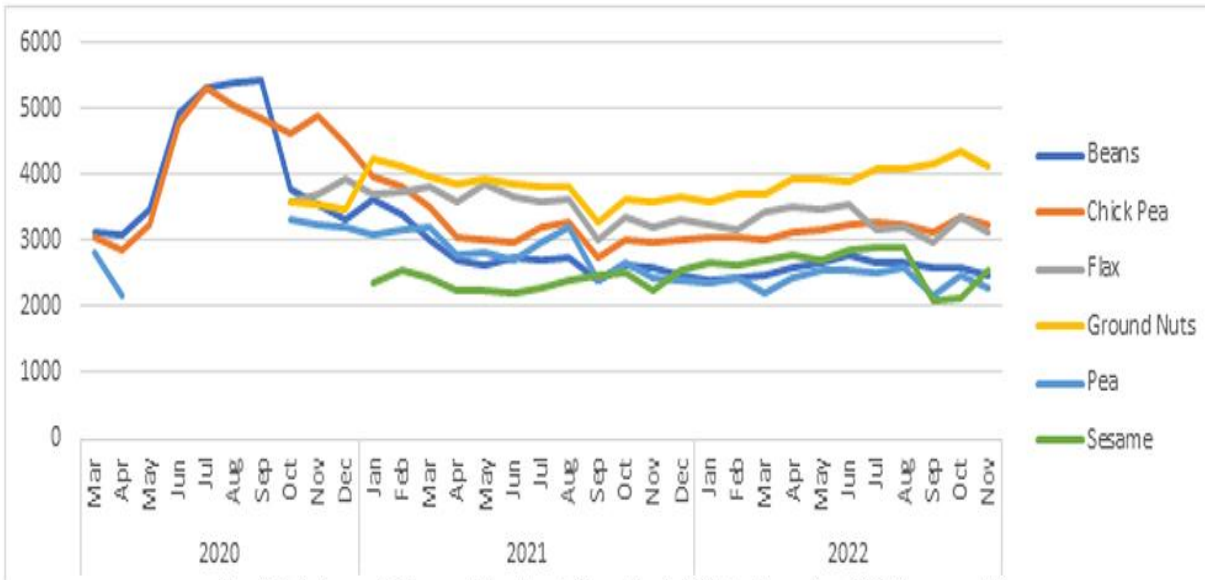
A considerable decline in price was observed on the above mentioned grains during the fourth quarter of 2022, especially in Mendefera, the Southern Region. This may be related to a number of factors, including an attribution to the last rainy season's abundance and increased wheat cultivation, in the Southern Region.

(See Graph 1 below)

Market Information on Pulses and Oil Crops

Legumes, like cereals, witnessed considerable price increases during the third quarter of 2020, which coincides with the time of high Covid-19 pandemic impact. In general, oil crops showed non-significant rise in price in 2021 and 2022 as compared to pulses, which, to the contrary ended up in a considerable price decline. In 2022, the cost of groundnut particularly increased. Just like cereals,

farmers producing the same commodity at the same time, weather effects, interference of middlemen and compounded by water shortage in wells and dams. In the second half of 2021 and the first half of 2022, the price of potato, for example, was as low as 14 Nakfa; while it rose gradually during the entire rainy season due to shortage of rain in the Azmera season of 2022, which resulted in the exhaustion of the water levels of many wells and microdams. Ultimately, a slight decline in potato price was



Graph 2. Pulses and Oil crops Price Trends from March 2020 to November 2022 (per quintal)

pulses are expected to show a modest drop during the beginning of 2023, thanks to the better harvest due to the good rainy season this year. (See graph 2)

observed during the fourth quarter of 2022. (See graph 3)

Market Information on Vegetables

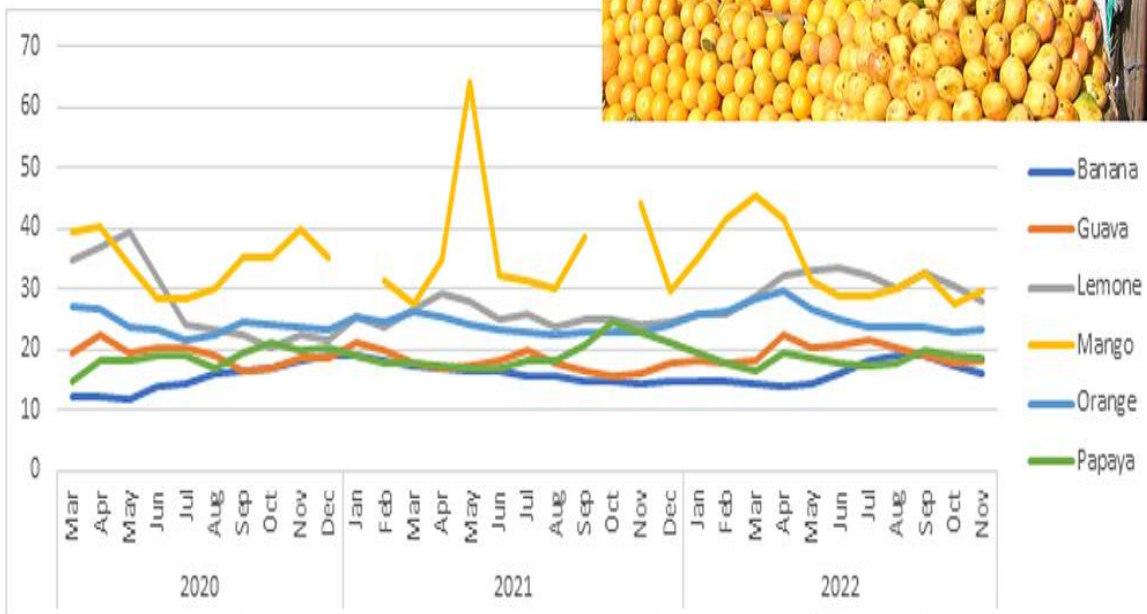
Between 2020 and 2022, vegetable prices generally varied greatly from season to season, and from one region and market location to another. For instance, the price of potato varied greatly ranging from 10 to 30 Nakfa per Kg. Similarly, the price of tomato varied with a great gap from one season to another. The price of tomato, in the fourth quarter of December, was as low as 5 Nakfa per Kg, while it spiked as high as 30 Nakfa per Kg during the rainy season in the third quarter. This variation is most likely due to



Graph 3. Vegetable Price Trends from March 2022 to November 2022 (per Kilogram)

Market Information on Fruits

With the exception of mango, which maintained high prices throughout the three years, 2020-2022, fruit prices have not varied considerably during this period of time. Fruits typically experience price fluctuations during and off-market days. (See Graph 4)

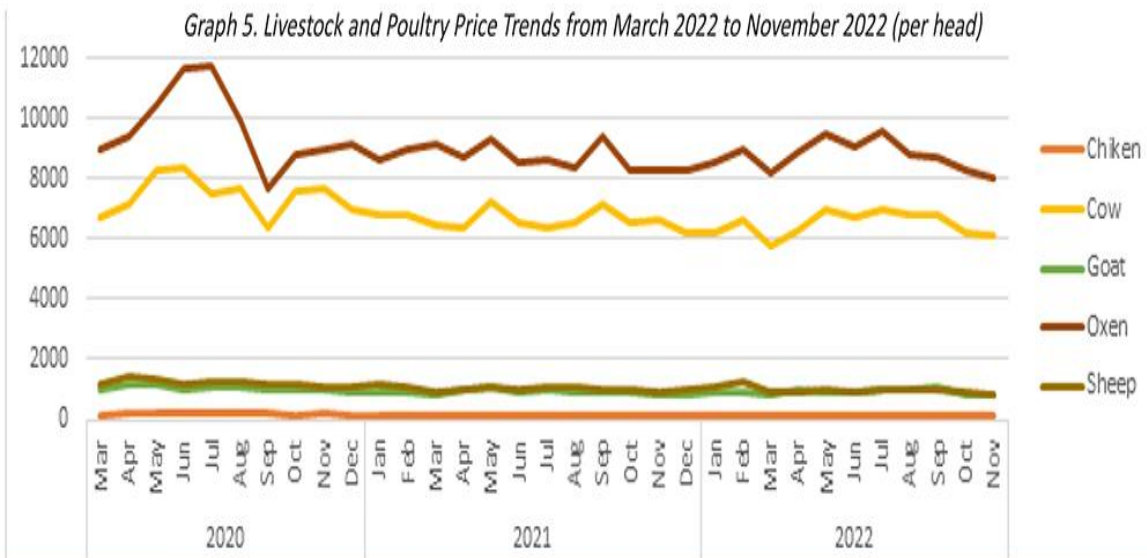


Graph 4. Fruits Trends Price from March 2020 to November 2022 (per Kilogram)

Market Information on Livestock and Poultry

The average prices of livestock didn't have major variation. In the course of the previous three years,

only minor changes were noted from month to month. Sheep and goat prices in particular were fairly uniform. (Graph 5)



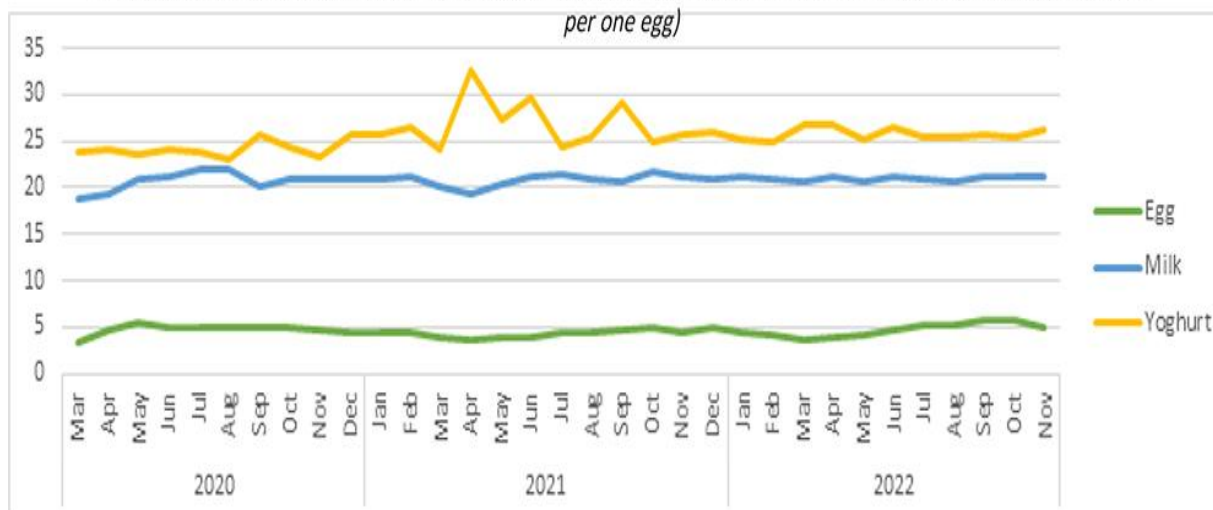
Graph 5. Livestock and Poultry Price Trends from March 2020 to November 2022 (per head)

Market Information on Egg, Milk and Yogurt

Although egg prices fluctuated significantly in the Central region, the country's average prices have remained nearly constant over the previous three years. In Asmara, the prices of eggs witnessed a sharp increase in early 2022. This is due to the delayed importation of day-old and month-old chicks, which has affected major commercial poultry farmers. Milk and yogurt prices have remained nearly constant through these years, however, the demands thereof decrease during the fasting season. (See Graph 6)



Graph 6. Milk, Yogurt, and Egg Price Trends from March 2020 to November 2022 (Milk and Yogurt per liter and egg per one egg)



Market Information on Ghee and Honey

The prices of ghee and honey did not show considerable change in 2020, 2021, and 2022 but there were slight fluctuations from month to month. It has been noted that honey prices vary from one administrative region to another. In the course of the past three years, the price of honey ranged from 150 to 180 Nakfa per kilogram in the Central region, and from 150 to 325 Nakfa in Gash-Barka Region. Exceptionally, a few marketplaces in Gash-Barka

region, namely, Tokombia and Akurdet, reported lack of availability of honey in late 2021. (See Graph 7)

Market Information on Transport (pack) Animals

The prices of donkeys remained almost uniform in 2020, 2021 and 2022. However, the price of camels showed a great decline over this period of time.

Graph 7. Ghee and Honey Price Trends from March 2020 to November 2022 (per Kilogram)

