COMMUNIQUE

Preamble

On 22\textsuperscript{nd} to 25\textsuperscript{th} October 2019, the Eastern Africa Grain Council (EAGC) in collaboration with Agricultural Transformation Agency-Ethiopia, with support of Ethio Agri-CEFT PLC, Halkayan Industry and Trading P.L.C, Belayneh Kindie Export & Import Ltd hosted a Grain Trade Mission of Kenya Grain Traders and Processors to Ethiopia. The objective of the Grain Trade Mission was to explore business opportunities for grain trade and processing between Ethiopia and Kenya. The trade mission included a courtesy visit to the Kenya Embassy in Ethiopia, business-to-business meeting, a visit to Ethiopian Commodity Exchange (ECX), and a visit to Bir Farm in Amhara region.

During this visit, 14 EAGC members and stakeholders from Kenya met 22 Ethiopian exporters of maize, beans, lentils, oil seed, sorghum, millet and other assorted grains, resulting to signed trade agreements amounting to 173,950 MT worth over \textbf{US$ 99.3 million}. 

A cross section of the participants at the Business to Business Meeting held on 23rd October 2019 during the Kenya-Ethiopia Trade mission
On 22\textsuperscript{nd} October 2019, the Kenyan delegation paid a Courtesy Visit to the Embassy of Kenya in Ethiopia. The delegation was met by the Deputy Head of Mission Amb. George Orina and Commercial Counselor- Elizabeth Miguda.

**Remarks by the Deputy Head of Mission-Embassy of Kenya**

Amb. George Orina:

- **ACKNOWLEDGED** that there is enormous potential for increasing bilateral grain trade between Kenya and Ethiopia. However, the potential remains untapped due to underlying logistics challenges particularly in border and transportation.

- **POINTED OUT** that Ethiopia-Kenya grain trade is disadvantaged by duty imposed on grain commodities under the East African Community customs union. Although Ethiopia is a member of COMESA, the country has not ratified a special FTA arrangement.

- **BRIEFED** the delegation on the “Special Status Agreement” which was signed by the Ethiopian and Kenyan governments to facilitate trade between the two neighbours particularly focus on textiles, food complexes, agriculture, raw materials and value addition. The Agreement which will be implemented in 2020 is expected to offer a framework for engagement with bilateral investors especially in developing mutually strategic area as well as enhancing economic and commercial relation between the two countries.

- **ASSURED** the Kenyan traders of Embassy’s support to those who have interest in sourcing grains from Ethiopia or investing in processing industries. He **ENCOURAGED** the traders to channel all the bilateral trade issues with the Embassy through EAGC.

- **COMMITTED** to engage the Ethiopia government in the signing of the COMESA Customs Treaty Agreement to allow for duty free importation of all goods into Kenya.

- **PRAISED** EAGC for hosting the Grain Trade Mission which supports Government efforts to improving bilateral trade relations.

**Ethiopia-Kenya Business to Business Meeting**

A Business to Business (B2B) Meeting was held on 23\textsuperscript{rd} Oct 2019 at the Mado Hotel, Addis Ababa. The following are the key highlights and issues pointed out by the stakeholders:

- The underlying trade potential between Kenya and Ethiopia is indispensable, having witnessed historic levels of grain trade between Ethiopia and Kenya through the facilitation of over 150,000MT of grain in 2017 by EAGC.
The Kenya’s demand for grain raw materials for industrial processing particularly soya beans used for processing of soya milk, soya meat and the by products used for animal feeds manufacturing is increasing, while the Ethiopian grain market offers a very viable source that can be competitive if well facilitated.

Concerns about the quality conformity assessments, where consignments destined for Kenya from Ethiopia are required to have a unique Certificate of Conformity for each vehicle load, thus increasing the costs of intra-regional grain trade. Though EAGC has addressed the issue and now, only one certificate of conformity per batch or per consignment is required, there is need to follow up and ensure this is implemented.

Complete transformation of the Moyale border into a One-Stop Border Post will facilitate cross-border trade between Ethiopia and Kenya; the modern facility is expected to enable a seamless clearance of goods and people across the border.

Grain trade between Ethiopia and the East Africa Community is increasingly presenting an opportunity for Ethiopia to review the grain standards in harmony with the East African Standards for enhanced cross-border grain trade.

Ethiopian government should consider signing the COMESA Customs Treaty Agreement to allow for duty free importation of all goods into Kenya.

The B2B meeting generated trade deals of **173,950 MT** worth over **US$ 99.3 million** as summarised by the table below:

<table>
<thead>
<tr>
<th>Product</th>
<th>Total volume (MT)</th>
<th>Estimated Total Value (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beans</td>
<td>5,600</td>
<td>4,480,000.00</td>
</tr>
<tr>
<td>Chick Peas</td>
<td>3,050</td>
<td>3,660,000.00</td>
</tr>
<tr>
<td>Green grams</td>
<td>29,300</td>
<td>33,402,000.00</td>
</tr>
<tr>
<td>Maize</td>
<td>79,800</td>
<td>29,526,000.00</td>
</tr>
<tr>
<td>Millet</td>
<td>2,300</td>
<td>980,000.00</td>
</tr>
<tr>
<td>Sesame</td>
<td>1,000</td>
<td>600,000.00</td>
</tr>
<tr>
<td>Sorghum</td>
<td>10,400</td>
<td>3,328,000.00</td>
</tr>
<tr>
<td>Soybeans</td>
<td>42,500</td>
<td>23,375,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>173,950.00</strong></td>
<td><strong>99,351,000.00</strong></td>
</tr>
</tbody>
</table>

**Next Steps**

- **EAGC shall follow up with KRA and KEBS to ensure that the requirement of one Certificate of Conformity (CoC) per batch or per consignment is implemented at Moyale border.**
- **Trademark Ethiopia to facilitate the completion of the Moyale border into a One-Stop Border Post for speedy clearance of goods and people across the border. The OSBP is yet to be automated.**
- **EAGC will work closely with the buyers from Kenya and the sellers from Ethiopia to facilitate the actualization of the Trade through the EAGC GSoko Grain Trade Service.**
GSoko has a Clearing & Settlement Account which facilitates the payment of trade transactions. When the buyer and the seller sign a trade contract, the buyer will deposit funds or issue a Bank Guarantee (equivalent to contract value) into the GSoko Account. Upon confirmation of the funds transfer or Bank Guarantee, EAGC informs the seller who will deliver the commodity to the buyer. Once the buyer has received the commodity as per the agreed contract terms, EAGC will transfer funds from the collection account to the seller’s account. This service offered to members, safeguards both the buyer from performance risk, and the seller from payment risk.

Pictorial

Traders from Kenya and Ethiopia exploring business opportunities during the B2B forum

The courtesy call to the Kenya Embassy in Ethiopia by Kenyan delegation

A visit to Ethio Agri-CEFT Farm by Kenyan Delegation. The farm, 18,750 acres is involved with large scale production of maize, soybean, wheat, sunflower among other crops.
Comments/Feedback from Delegates

"Very well done EAGC. Many more of such events will build our bonds and mutual interests" - Billy Okong’o - UNGA LTD

"Thank you for organising the great event". Yusuf Pasta, ROADTAINERS LTD.

"For sure it was a nice and educative trip. Thanks, EAGC for organizing the event, not forgetting everyone who participated for making it fun". Miriam, SPICE WORLD LTD.

Partners/Sponsors

For more information, please feel free to contact the EAGC Secretariat through the addresses below:

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