



Agricultural Investment Opportunities

The ATA's Private Sector in Agriculture team, through support from USAID's Investment Support Program and Dalberg Global Development Advisors, has developed detailed analyses on ten promising agribusiness investment opportunities summarized below. (Click on each title to view an executive summary of the case study).

These eight investment opportunities were selected for their readiness, alignment with investor interests, and support of national and local priorities. They reflect a range of potential investments, both greenfield and brownfield, ranging from \$1 million to \$20 million USD, across cattle, poultry, soybean, fruit & vegetable, and wheat value chains.

These are by no means an exhaustive representation of the opportunity in Ethiopian agriculture, but merely a concrete sample of high-potential ventures.

Opportunity to invest in a cattle feedlot and abattoir in Ethiopia

Developing an integrated cattle feedlot and abattoir in Ethiopia is a promising opportunity for investors with expertise in feed, feedlots, abattoir, meat processing, or retailing. Here we feature an example of an investment-ready business on the ground today, in which an investment in the range of \$USD 1-5 million in a newly-formed integrated cattle feedlot & abattoir would be likely to realize an IRR of 30-40% and a cash-on-cash return of 3-4x over five years.

Opportunity to invest in a UHT milk processing plant in Ethiopia

Developing an ultra-high temperature (UHT) processing plant for long-life milk production in Ethiopia is a promising opportunity for dairy-related investors. Here we feature an example of an investment-ready business on the ground today, in which an investment of \$11 million in a new integrated UHT plant could establish the largest dairy processor in Ethiopia with an installed capacity of 80,000 liters per day and an estimated IRR of 25-35% over 5 years.

Opportunity to invest in an integrated chicken processing plant in Ethiopia

Developing an integrated chicken processing plant in Ethiopia is a promising opportunity, particularly for investors with expertise in feed, poultry, processed chicken products, and/or food retail. Here we feature an example of a potential debt partner investment in an upcoming greenfield chicken processing plant with a planned capacity of 9-10 million day-old-chicks and 12 million kilograms of chicken meat, where a \$20 million debt investment with an interest rate of 15% and a payback period of 7 years is expected to have an IRR of 15-20%.

Immediate opportunity to invest in soybean meal processing for Ethiopia's booming livestock and poultry sectors

Establishment of a soybean meal processing factory in Ethiopia offers an opportunity for investors with expertise in the animal feed, soybean and livestock industries. Here we feature an example of a local business on the ground today seeking an investment of \$1-5 million to expand capacity to process 6,600 tons of soybeans per year, with a NPV of \$USD 3 million and an IRR of 25-35% for an investment of \$1.2 million.

Investment in tomato concentrate processing for domestic and export markets

Developing a tomato concentrate industry in Ethiopia has been identified as a sector with significant investment opportunity, particularly for investors with expertise in horticulture and retail. Here we provide an example of two sample greenfield investment opportunities of different scales, \$1.5 million and ~\$4 million, each with an expected IRR of 30-35%.

Investment opportunity in pre-cut and packaged fresh fruit & vegetables for export to supermarket chains in Europe

Developing a pre-cut and packaged fruit and vegetable industry in Ethiopia offers an investment opportunity, particularly for investors with expertise in horticulture and retail. Here we feature an example of two investment-ready businesses on the ground today, in which an investor can invest directly or co-invest to develop this up and coming sector.

Opportunity to invest in tropical juice and juice concentrate processing plant for the domestic Ethiopian market and regional export markets

Developing a tropical juice processing plant in Ethiopia is a promising opportunity. Here we feature a potential greenfield investment in a juice processing plant, where a \$20 million investment could yield an 18-25% IRR over 5 years.

Immediate opportunity to invest in a wheat processing plant for flour, pasta and biscuits

Establishment of a wheat processing plant in Ethiopia offers an opportunity for investors with expertise in the food, wheat and agricultural sectors. Here we feature an example of an investment-ready business on the ground today with a NPV of \$USD 49 million and an IRR of 30%.

Opportunity to invest in sesame hulling, roasting, and tahini for domestic and export markets

Sesame value-add and processing in Ethiopia is a promising opportunity. Here we feature an example of a brownfield opportunity, in which an investment of nearly \$10 million in expanding an existing processor could return an estimated IRR of 30-40% over 10 years.

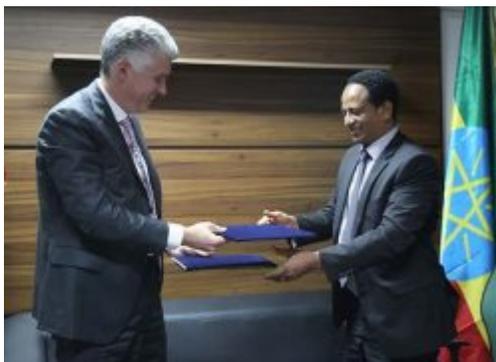
Opportunity to invest in a compound animal feed processing plant for poultry, beef, and dairy

Developing a compound animal feed processing plant in Ethiopia is a promising opportunity. Here we feature an example of a greenfield opportunity, in which an investment of \$3 million in a new animal feed plant could establish a processor with an installed capacity of 30,000 metric tons per year and an estimated IRR of 35-40% over 10 years.

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The Agricultural Transformation Agency is an initiative of the Federal Government of Ethiopia
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